nelson mandela bay
MUNICIPALITY

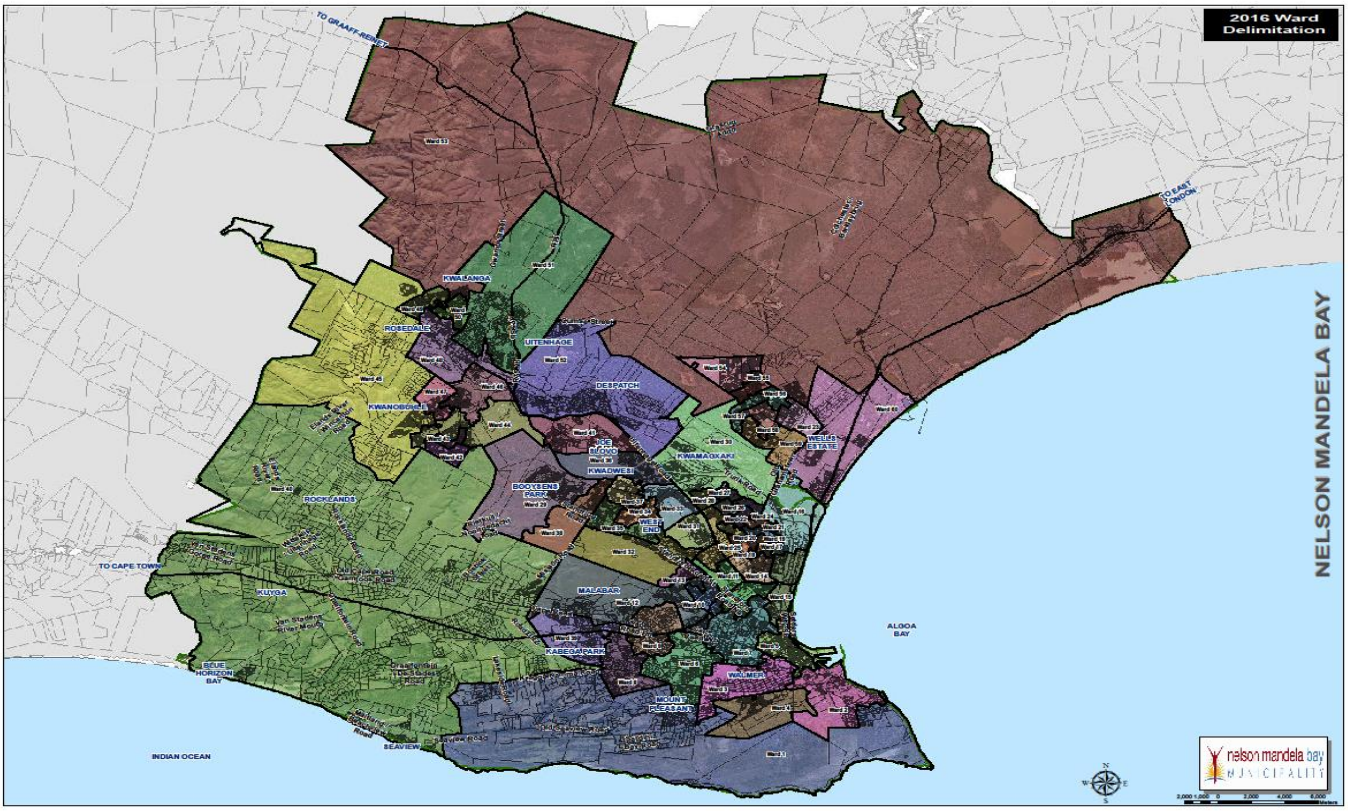
DRAFT

INTEGRATED DEVELOPMENT PLAN (IDP)

2017/18 – 2021/22

FOURTH EDITION

NELSON MANDELA BAY MUNICIPALITY (2016 DEMARCATION)



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ANNEXURE "A" – 2020/21 Draft IDP Indicators aligned to Draft 2020/21 Budget and Service Delivery and Budget Implementation Plan (SDBIP) -

LIST OF ACRONYMS

ACDP	African Christian Democratic Party
ACSA	Airports Company South Africa
AGSA	Auditor General South Africa
AIC	African Independent Congress
ANC	African National Congress
ATTP	Assistance to the Poor
BEPP	Built Environment Performance Plan
B&T	Budget and Treasury
CBD	Central Business District
CBOs	Community Based Organisations
CGDS	City Growth and Development Strategy
CM	City Manager
COO	Chief Operating Officer
COPE	Congress of the People
CIDZ	Coega Industrial Development Zone
CITP	Comprehensive Integrated Transport Plan
CS	Corporate Services
CSIR	Council for Scientific and Industrial Research
DA	Democratic Alliance
DORA	Division of Revenue Act
EC	Eastern Cape
ECSECC	Eastern Cape Socio-economic Consultative Council
EDTA	Economic Development, Tourism and Agriculture
E&E	Electricity and Energy
EFF	Economic Freedom Fighters
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
FLISP	Finance Linked Individual Subsidy Programme
FWFWWTW	Fish Water Flats Waste Water Treatment Works
GDP	Gross Domestic Product

GGP	Gross Geographic Product
GIS	Geographic Information Systems
GRAP 17	Generally Recognised Accounting Practices
GV	General Valuation
GVA	Gross Value Added
HIV/AIDS	Human Immunodeficiency Virus causing the Acquired Immunodeficiency Syndrome
HOVs	High Occupancy Vehicles
HS	Human Settlements
HSDG	Human Settlements Development Grant
HURP	Helenvale Urban Renewal Programme
ICDG	Integrated City Development Grant
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
I&E	Infrastructure and Engineering
IGR	Intergovernmental Relations
IPTS	Integrated Public Transport System
ISP	Integrated Sustainability Plan
IUDF	Integrated Urban Development Framework
KPA	Key Performance Area
KPE	Key Performance Element
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
LSDF	Local Spatial Development Framework
LTFS	Long-Term Financial Strategy
LTFSP	Long-Term Financial Sustainability Plan
LUMS	Land Use Management System
MBDA	Mandela Bay Development Agency
MFMA	Municipal Finance Management Act
MOSS	Metropolitan Open Space System

MSCOA	Municipal Standard Chart of Accounts
MSDF	Metropolitan Spatial Development Framework
MUM	Management Union Meeting
MURP	Motherwell Urban Renewal Programme
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NEMA	National Environmental Management Act
NERSA	National Energy Regulator of South Africa
NGO	Non-governmental Organisation
NMBM	Nelson Mandela Bay Municipality
NMBM IDP	Nelson Mandela Bay Municipality's Integrated Development Plan
NMBMM	Nelson Mandela Bay Metropolitan Municipality
NT	National Treasury
OHS & W	Occupational Health, Safety and Wellness
PA	Patriotic Alliance
PDP	Provincial Development Plan
PDoHS	Provincial Department of Human Settlements
PE	Port Elizabeth
PEIA	Port Elizabeth International Airport
PH	Public Health
PMS	Performance Management System
POS	Public Open Space
PPE	Property, Plant and Equipment
PPP	Public-Private Partnership
PTIG	Public Transport Infrastructure Grant
QMS	Quality Management System
RDP	Reconstruction and Development Programme
SACN	South African Cities Network
SAIMI	South African International Maritime Institute
SANAS	South African National Accreditation System
SANRAL	South African National Roads Agency Limited

SAPS	South African Police Services
SCADA	Supervisory Control and Data Acquisition
SCOA	Standard Chart of Accounts
SCU	Sustainable Community Unit
SDBIP	Service Delivery and Budget Implementation Plan
SDGs	Sustainable Development Goals
SMMEs	Small, Medium and Micro Enterprises
SNDB	Sub-National Doing Business
SOEs	State Owned Enterprises
SOPs	Standard Operating Procedures
SPLUMA	Spatial Planning and Land Use Management Act
SRAC	Sports, Recreation, Arts and Culture
S&S	Safety and Security
STATS SA	Statistics South Africa
SWOT	Strengths, Weaknesses, Opportunities and Threats
TOD	Transit Oriented Development
UDM	United Democratic Movement
UFEC	United Front Eastern Cape
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
WWTW	Waste Water Treatment Works

FOREWORD BY THE EXECUTIVE MAYOR

The life cycle of the IDP that the Nelson Mandela Bay Municipality adopted in May 2017 will end on 30 June 2021. As we develop this Fourth Edition of the IDP version, it is crucial to note the specific context within which it is developed. For the first time in the history of the NMBM, there has never been an experience in which the municipality is declared a disaster in two areas during roughly the same period.

The metro is hard hit by a consistent drought for the last 12 months resulting in extreme water shortages and now, Covid 19 pandemic. This pandemic (Covid 19) continues to ravage and disrupt the lives of the people around the globe and metro and already, its negative impact on the already declining economy are felt.

The outbreak of Coronavirus also known as Covid-19 pandemic in 2019 changed the manner in which people normally carried on with their businesses throughout the world. To curb its spread, the President of the Republic of South Africa declared a National Lockdown where everything came to a standstill including economic activities.

The NMB could not simply be a spectator under these difficult circumstances, hence, Acting Executive Mayor made a number of pronouncements in order to ease the effect of the virus to our residents. As the NMB leadership, we pronounced that, no electricity meters would be blocked or disconnected during this time. Of cause, such decisions are bound to affect the purse of the metro negatively.

We are well aware for example that, such decisions will have serious implications on revenue collection and accurate billing of accounts. Despite all such setbacks, the NMBM had to take proactive leadership to cushion its residents particularly the most vulnerable people from being destroyed by these pandemics.

The review of this Integrated Development Plan happens within an atmosphere of a collective and cooperative leadership amongst all stakeholders within the NMBM Council. We are also well aware of some of the challenges the City and South Africa in general are going through currently.

The NMBM is not immune to such challenges. As we prepare this IDP, we must not lose sight of the decreasing revenue support for cities by National Treasury, Eskom and the Energy crisis challenges in general, potential diminishing municipal rate base impacted upon by the slow growing local and national economy.

Albeit all such negativity surrounding the development of this IDP, we will forge ahead and make sure that, this IDP and ultimately the budget which will be approved by Council at an appropriate time taking into consideration current state of affairs into account. The fundamental question that we should attempt to answer is, whether the five editions of the IDP approved by Council over the past five years have achieved the broad objectives the city wanted to achieve.

This IDP subscribes to clear strategic theme, objectives and goals and is premised on stakeholder engagements with communities, civil society, labour, business, government, state-owned enterprises and political parties. All the above stakeholder groupings have made their inputs regarding the Municipality's current IDP and budget review processes, and those inputs were taken into consideration when this IDP version was developed.

As both unemployment and inequality remain high in the region, our programmes must promote economic growth and development through working with communities, the private sector and labour. Job creation and sustainable livelihoods must be at the centre of all municipal programmes.

The Municipality has to ensure that it strengthens intergovernmental relations with other spheres of government in reaching identified targets. The successful implementation of this IDP and Budget can only be achieved through partnerships with all spheres of government, communities and the private sector.

Collectively, we can achieve more!

_____

CLLR Tsonono C.S. Buyeye
ACTING EXECUTIVE MAYOR

FOREWORD BY THE CITY MANAGER

The Constitution of the Republic of South Africa mandates Municipalities to give priority to the basic needs and socio-economic development of local communities. Public participation is the cornerstone of participatory democracy for any IDP to be classified as credible. As we draft the Fourth IDP Edition and allocate Budget, it is important to acknowledge the context within which these two plans are developed. For the first time in its history, the NMB is declared a disaster in two fronts, Drought and Covid 19.

Such devastating pandemic with its implications on municipal operations and finances must be accommodated in current and future plans of the municipality. There is a need for an IDP and Budget, which relate to the current state of affairs in the NMB, South Africa and the World at large.

Such unexpected experiences require leadership and management in the NMB that is willing and prepared to think out of the box and lead its residents out of the quagmire in which we find ourselves. Decisions taken by the leadership and management should be based on sound scientific guidance without taking unnecessary risks, which could plunge the city into crisis.

We wish to express a sincere word of thankfulness to all the NMBM staff, political leadership for all the long hours of dedicated service to residents of the metro. We also want to thank the residents of NMB for the manner in which they were tolerant with us as we travelled this very difficult road together of trying to find solutions on Covid 19. The support received from various stakeholders and the commitment displayed by our residents during these very difficult times during the last three months was tremendous.

Let us continue to be vigilant in the way we deal with these two pandemics affecting our city. As we pilot usage of alternative methods of engagements with communities on IDP and Budget related matters, we are definitely sure that, there will be some teething problems on various platforms that were used. We profusely apologize for any hiccups our residents experienced. We promise that, we will be better the next

time around. We will definitely travel this road together in search for the best suitable method of engagement with everyone in the metro.

The challenge of water shortages and the dwindling water supply in the metro is receiving our utmost attention. We are working around the clock to make sure that, the Nooitgedacht Low Level Water Scheme is receiving much prioritization. We know and confident that, this project could bring about long-term water sustainability solutions in the NMB.

Therefore, as we draft this IDP and Budget, such realities must not escape in our planning. Despite all such challenges, we are confident that, we will achieve our vision as the city of promoting economic development and exploring various economic opportunities that could be unblocked in the Ocean Economy. The Ocean Economy has a potential to make a difference in our city in reducing the ever-growing statistics on unemployment. Working in partnership with relevant strategic stakeholders will make it possible.

We once again, we wish to thank the residents of the metro for participating in these IDP and Budget review processes. Your support is always appreciated.

Collectively, we can do more

_____
Mrs N. Nqwazi
ACTING CITY MANAGER

CHAPTER 1: INTRODUCTION

The Constitution of South Africa requires local government to be developmental. The Nelson Mandela Bay Municipality therefore has a responsibility to structure and manage its administration, budgeting and planning processes to give priority to the basic needs of local communities and to promote residents' social and economic development.

A recent World Bank study has highlighted the slow economic growth in South Africa since 1994 as a key reason why South Africa is the world's most unequal country. The study suggests that addressing insufficient skills; the skewed distribution of productive land assets; weak property rights; low competition; low integration in global and regional value chains; limited or expensive connectivity; under-serviced historically disadvantaged settlements; climate change; low carbon transition; and water security will reduce poverty, inequality, support growth and job creation in our country.

Statistics South Africa indicates that the unemployment rate (26, 7%) remained unchanged over the first quarter of 2018, compared to the fourth quarter of 2017. Unemployment in South Africa is especially prevalent among our youth. This remains a global trend: the International Labour Organisation recorded approximately 71 million unemployed youth (aged 15 – 24 years) in 2017. This also means that many youth face long-term unemployment.

In South Africa, 38, 2% of citizens aged between 15 – 34 years are unemployed, which means more than one in every three young people in the labour force did not have a job in the first quarter of 2018. Approximately 3, 3 million (32, 4%) of 10.3 million young people aged 15 – 24 were not in employment, education or training. This implies that close to one in three young South Africans between the ages of 15 and 24 years were disengaged from the labour market in the first quarter of 2018.

1.1 Context and overview

Municipalities are compelled by the Constitution of the RSA to prepare five-year Integrated Development Plans (IDPs), which serve as strategic plans that indicate where and how these institutions should allocate their resources. Its vision, mission, brand promise, as well as its long-term plans, inclusive of provincial and national government strategies, guide the Nelson Mandela Bay Municipality's IDP.

As we develop this Fourth Edition of the IDP version, it is crucial to take cognisance of various realities facing the metro, South Africa and the world at large. Some of the crucial realities to be noted are that, for the first time in its history, the NMB is declared a disaster in two areas, anmely, the persistant drought, which resulted in extremely serious water shortages in the Metro and now, Covid 19. This virus continues to create harvoc amongst the people of the metro, South Africa and the World and furthermore, disrupt the economic activites throughout the entire globe.

Other factors, which have an influence in the drafting of this IDP version, are amongst others; the global recession that negatively affects on South African economy and the downgrading of South Africa by various rating agencies. The decreasing revenue support for cities by National Treasury, Eskom and the energy crisis challenges and the expected decline in municipal rate base related to the slow growing local and national economy and the influence of Covid 19 on possible job losses.

As we develop this version of the IDP, these are some of the realities that must be taken into consideration. All the municipal plans, projects and programmes must be realigned to respond to the two pandemics affecting the NMB during this period.

Covid 19 with its regulations on social distancing and the manner in which we are now expected to do our businesses has to change dramatically. Municipalities would be called upon to be innovative and come up with creative and alternative methods in doing its business with communities. Innovations and interventions are continuously introduced to upscale service delivery and live up to the expectations of communities. In that end, an IDP App and an Input form were designed to make

sure that, despite all the challenges experienced, there is still room available for the communites to participate in municipal affairs.

Other avenues explored in that regard were, the two surveys undertaken by the municipality, namely a household satisfaction survey (2017/2018) where 9 932 (5%) households participated and a business satisfaction and interest survey (2019/2020) where 403 businesses within the formal economy participated. The final report of the business survey is not yet finalzed.

1. 2 About Nelson Mandela Bay

The City is home to the Port Elizabeth International Airport, the only international air access point in the Eastern Cape Province. Engagements between the Nelson Mandela Bay Municipality, Airports Company South Africa, Nelson Mandela Bay Tourism and local business saw the development of an Airlift Project, aimed at deliberately growing air traffic into the region.

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

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

1.3 Location

Nelson Mandela Bay is located on the southern coast of South Africa, on the shores of Algoa Bay. The Nelson Mandela Bay Municipality is one of two metropolitan municipalities in the Eastern Cape Province. It incorporates Port Elizabeth, Uitenhage and Despatch, with their surrounding agricultural areas, and has an area of 1959, 02 km². Nelson Mandela Bay serves as a centre for both local and international beach sporting and offers exciting outdoor activities. The City is noted

for the genuine warm hospitality of its residents, and has for many decades been known as the *Friendly City* among visitors and holidaymakers.

1.4 Population and Human Development

The current population of Nelson Mandela Bay is estimated at 1 263,051 (StatsSA Community Survey 2016), with a growth rate of 1, 54% (IHS, 2017), which is lower than that of other metropolitan areas in South Africa, such as Ekurhuleni (2, 1%) and Tshwane (2, *6%).* The Municipality has a total of
368 518 households, with an average size of 3, 6 persons per household (CS 2016).

Female-headed households constitute 41, 6% of the total number of households in the Municipality (Community Survey, 2016). Altogether 640 000 people (representing about 49, 6% of the total population) live in poverty in the Nelson Mandela Bay Metropolitan area (ECSECC, 2017).

There is an Asistance To The Poor (ATTP) subsidy programme for qualifying indigent formal households to obtain a subsidy in line with a Council approved policy. The number of indigent households, as reflected in the ATTP programme of the municipality, provides a valuable yardstick to measure the wealth or financial state of residents in the NMBM. It is also an indication of the economic situation in the municipality.

In recent years, the number of ATTP beneficiaries has grown. Each new successful ATTP applicant's outstanding debt is written off as part of the ATTP process. This result in a concomitant outflow from the Equitable Share allocation and thus less of this grant can be used for repairs and maintenance.

In the 2017/18 financial year, R281 million of the arrear debt of those classified as indigent was also written-off against the Equitable Share allocation of R939 million. This has brought the total indigent actual allocation to R614 million which constitutes 65% of the total Equitable Share.

FIGURE 1: Proportion of registered indigent households

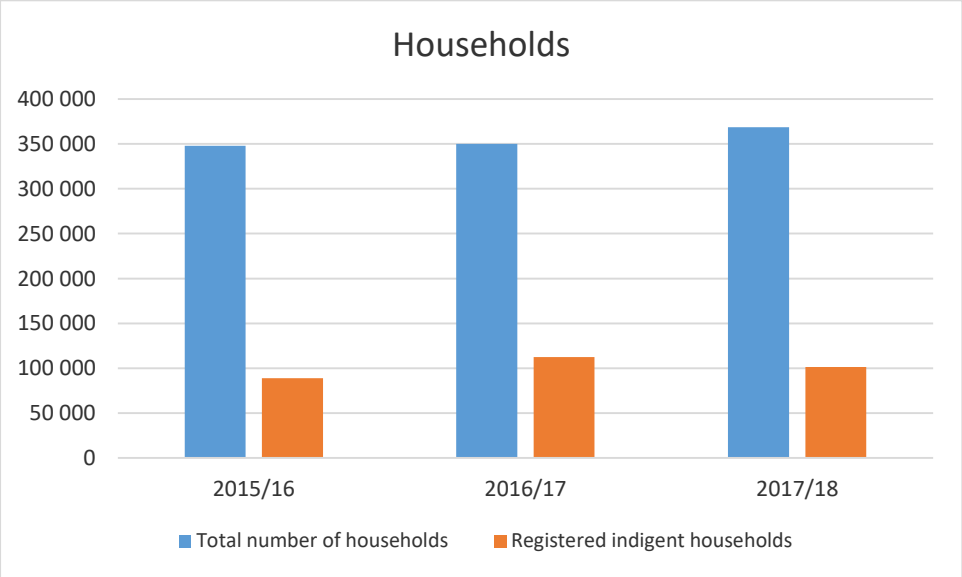


TABLE 1: Life expectancy – Comparing with other Metros

MUNICIPALITY	LIFE EXPECTANCY	
	FEMALE	MALE
Nelson Mandela Bay	59.3	53.7
Cape Town	70.1	64.2
Mangaung	52.7	49.6

Source: SANC, 2016

Nelson Mandela Bay is characterised by a youthful population, with 26 years being the median age. The life expectancy among Nelson Mandela Bay residents is 59, 3 years for females and 53, 7 years for males (SACN, 2016). Table 1 compares the life expectancy in Nelson Mandela Bay to those in other Metros in South Africa.

Table 2 depicts the population details of the Nelson Mandela Bay Municipality. In all the periods under discussion, female domination is noticeable, particularly in the age categories from 40 years upwards.

TABLE 2: Population details

Population Details									
Age	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	66135	64711	130846	65341	64034	129375	64706	63444	128150
Age: 5 - 9	68071	66641	134712	68451	66911	135362	68514	66913	135427
Age: 10 - 19	108518	106768	215286	11285	111050	122335	117600	115711	233311
Age: 20 - 29	107354	101017	208371	106642	100031	206673	105557	98734	204291
Age: 30 - 39	90612	91041	181653	94123	93123	187246	97342	95002	192344
Age: 40 - 49	67211	77962	145173	68325	78097	146422	69486	78184	147670
Age: 50 - 59	50387	66423	116810	51159	67384	118543	51994	68246	120240
Age: 60 - 69	32120	45458	77578	33184	47102	80286	34177	48778	82955
Age: 70+	13516	28317	41833	14008	29953	43961	14498	31585	46083

Source: STATSSA, 2015

TABLE 3: Language Spoken and percentage

Language	%	Language	%
Afrikaans	28.51%	IsiXhosa	56.53%
English	11.91%	Sotho	0.17%
Zulu	0.19%	Tswana	0.05%
Pedi	0.05%	Tsonga	0.05%
Venda	0.01%	Swati	0.01%
Ndebele	0.10%	Other	2.41%

Source: STATSSA, 2015

Table 3 shows that, 56, 53 % of local residents are mother-tongue IsiXhosa-speakers, followed by Afrikaans (28, 51%) and English (11, 91%). IsiXhosa is clearly the dominant language spoken in the Metro.

1.5 Vision, Mission and Brand Promise

1.5.1 VISION

'To be a globally competitive and preferred Metropole that works collectively with the people to improve lives, boost the economy, advocating zero corruption, and to have a transformed administration aimed at enhancing service delivery.'

1.5.2 MISSION STATEMENT

'*Nelson Mandela Bay Municipality is a global city that is governed by an inclusive and innovative administration, focused on sustainable service delivery, socio-economic development, infrastructure development, local and regional integration through comprehensive initiatives*.'

1.5.3 BRAND PROMISE

Collectively we can achieve more

1.6 Defining an IDP and why it is reviewed annually

The IDP is the Five-year Strategic Planning Document of the Municipality, adopted at the beginning of each Five-year Council term. The first edition of the 2017/18 – 2021/22 was adopted by Council on 28 June 2017, and the Plan is reviewed annually. While most components of the Plan remain the same over the five-year period within which it is in effect, it is required to be reviewed annually to reflect the progress achieved and advancements made.

Local government operates in an ever-changing environment. The dynamic nature of local, national and global environments constantly presents local government with new challenges and demands. Similarly, the needs of the communities of Nelson Mandela Bay continuously change.

This annual review is not a good corporate governance requirement only; it is also a legislative requirement in terms of the Local Government: Municipal Systems Act 32 of 2000. The focus of this year's IDP review has therefore been on aligning municipal programmes, projects, strategies and budgets with:

(a) community needs and priorities
(b) updated statistical information
(c) expanding and improving the situational analysis
(d) more outcomes orientated targets, to make them realistic and measurable
(e) the revised Spatial Development Framework and related sector plans;

(f) Outcome 9 outputs

(g) integrated and sustainable human settlements, as envisaged in Outcome 8

(h) more integrated funding streams

(i) the prioritisation of job creation and poverty eradication

1.7 Strategic Objectives

The strategic objectives of the Municipality's IDP are as follows:

a)	Transform the institutional systems, processes and organisational structure to one of high performance in order to effectively deliver basic services
b)	Ensure that the municipality is staffed throughout with a motivated, committed and capable workforce
c)	Ensure financial prudence and transparent governance and work towards eradicating corruption
d)	Grow and diversify the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.
e)	Facilitate and promote infrastructure led growth, development and tourism.
f)	Execution of existing, design, and implementation of new projects that competitively differentiate Nelson Mandela Bay as a destination city for business, tourism and investment – including through strategic partnerships.
g)	Develop an effective and integrated public transport system that promotes access to opportunity through mobility.
h)	Deliver well resourced and capacitated policing and emergency services in order to ensure the safety of communities and visitors.
i)	Provision of infrastructure that improves the safety of communities and visitors.
j)	Improve the safety and security of Nelson Mandela Bay through community, industry and civic organisation partnerships.
k)	Ensure institutional accessibility, effective communication channels for participatory and responsive governance
l)	Spatial and built developments that promote integrated neighbourhoods, inclusive communities and a well-connected Nelson Mandela Bay
m)	Deliver on transformation objectives, promote redress and foster social cohesion
n)	Provide for the social needs of communities and empowerment of vulnerable people through provision of access to social services, social development and indigent support.
o)	Promote the health and well-being of all communities through the spatially equitable provision of social infrastructure.
p)	Provide effective general environmental and public health services.
q)	Provide dignified housing and sanitation and accelerate access to improved services to indigent households in order to create safe and decent living conditions for all residents.
r)	Ensure multi-general and proactive planning for sustainable city development
s)	Development of an environmentally sustainable city through proactive planning, and conservation of resources and natural and built environment

1.8 Key Performance Areas (KPAs) of Local Government

(a) Basic Service Delivery and Infrastructure Development.

(b) Spatial Development Framework.

(c) Local Economic Development.

(d) Municipal Transformation and Organisational Development.

(e) Good Governance and Public Participation.

(f) Financial Sustainability and Viability.

1.9 NMBM IDP Ratings by COGTA (Eastern Cape Province)

On an annual basis, IDPs across the Province are assessed by the Eastern Cape COGTA Department, using an analysis framework that serves as a tool to guide the crafting, designing, improvement and analysis of a credible IDP. Table 4 shows how the NMBM performed in terms of its IDP development, per Key Performance Area, over the last three years.

The comparative Key Performance Area Ratings from 2017/18 to 2019/20 for the Nelson Mandela Bay Municipality are as follows**:**

TABLE 4: NMBM IDP Ratings (Dept. of Local Government & Traditional Affairs)

KPA	**2017/18**	**2018/19**	**2019/20**
Spatial Development Framework	High	High	High
Service Delivery	High	Medium	Medium
Financial Viability	High	High	High
Local Economic Development	High	High	High
Good Governance and Public Participation	Medium	High	High
Institutional Arrangement	Low	Medium	Medium
Overall Rating	High	High	High

Source: COGTA (2019)

It is evident from Table 4 that, the NMBM is constantly achieving satisfactory results in a number of areas except, KPAs on service delivery and institutional arrangements. Much effort is put by the relevany Directorates to improve in these two KPAs of below par performance.

1.10 Total number of posts in Municipality against vacant posts

Table 5 presents a summary of total posts in the NMBM against those vacant

TABLE 5: Status quo on vacancies in the NMBM

Directorate	Filled Posts	Vacant Posts	Total
Office of the Executive Mayor	0	1	1
Office of the City Manager	0	0	0
Chief of Staff	0	0	0
Office of the Chief Operating Officer	4	2	6
Human Settlements	5	25	30
Safety and Security	18	49	67
Budget and Treasury	21	24	45
Public Health	12	14	26
Economic Development, Tourism and Agriculture	1	4	5
Infrastructure and Engineering	6	61	67
Corporate Services	5	40	45
Sport, Recreation, Arts and Culture	12	22	34
Electricity and Energy	11	11	22
TOTAL	**95**	**243**	**338**

Source: NMBM Corporate Services Directorate

1.11 Political Structure

A Coalition government comprising the following political parties governs the Nelson Mandela Bay Municipality: United Democratic Movement, the African Independent Congress, the United Front, Patriotic Alliance and the African National Congress. The political structure of the Nelson Mandela Bay Municipality comprises the Council, the Executive Mayoral Committee, the Portfolio Committees and the Municipal Public Accounts Committee, as described below.

1.12 Council

Speaker of Council:
Cllr Buyelwa Nancy Mafaya

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

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

Of the 120 Councillors serving in Nelson Mandela Bay, 39 (32, 05%) are females and 81 (67, 5%) are males. The DA has the largest number of seats (57), followed by the ANC (50 seats); the EFF (6 seats); the UDM (2 seats); and the COPE, PA, UFEC, ACDP and the AIC (1 seat each).

Table 6 illustrates the above narrative.

TABLE 6: Political party seat allocation and gender distribution:

POLITICAL PARTY	ALLOCATION OF SEATS	GENDER DISTRIBUTION	
		MALE	FEMALE
Democratic Alliance	57	43	14
African National Congress	50	30	20
Economic Freedom Fighters	6	3	3
United Democratic Movement	2	1	1
Cope	1	0	1
African Christian Democratic Party	1	1	0
African Independent Congress	1	1	0
Patriotic Alliance	1	1	0
United Front Eastern Cape	1	1	0
TOTAL	**120**	**81**	**39**

Source: Nelson Mandela Bay Municipality Corporate Services Directorate

1.13 Executive Mayoral Committee

Acting Executive Mayor:

Cllr Thsonono Christopher Solomon Buyeye

Deputy Executive Mayor:

Cllr Thsonono Christopher Solomon Buyeye

This Committee assists the Executive Mayor in taking and ensuring the implementation of Council decisions. The Executive Mayor's role and responsibilities include identifying and prioritising community needs and drafting strategies to deliver on those needs. In addition, he has oversight of the delivery of services by the administrative structure of the City. The Executive Mayor is supported by the Deputy Executive Mayor and a Mayoral Committee, comprising 10 members, each chairing a Portfolio Committee.

MAYORAL COMMITTEE MEMBERS WITH THEIR PORTFOLIOS

MMC Economic Development, Tourism & Agriculture:
Cllr Marlon Daniels

MMC Corporate Services:
Cllr Makhi Feni

MMC Human Settlements:
Cllr Andile Castle Ganners Mfunda

MMC Constituency Services:
Cllr Itumeleng Felicity Ranyele

MMC Budget & Treasury:
Cllr Mkhuseli Justice Mtsila

MMC Infrastructure, Engineering, Electricity & Energy:
Cllr Andile Weah Lungisa

MMC Public Health:
Cllr Yolisa Margeret Pali

MMC Roads & Transport
Cllr Rosie Daaminds

MMC Sports, Recreation, Arts & Culture:
Cllr Lehlohonolo Mfana

MMC Safety & Security:
Cllr Noluthando Queenie Pink

1.14 Office of the Chief Whip

Acting Chief Whip: Cllr Litho Suka

The Office of the Chief Whip of Council has existed in the Nelson Mandela Bay Municipality since 2003. Its primary purpose is to maintain discipline amongst Council members.

The Office of the Chief Whip focuses on the following:

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

1.15 Administration

The Administration of the City is currently headed by the Acting City Manager,

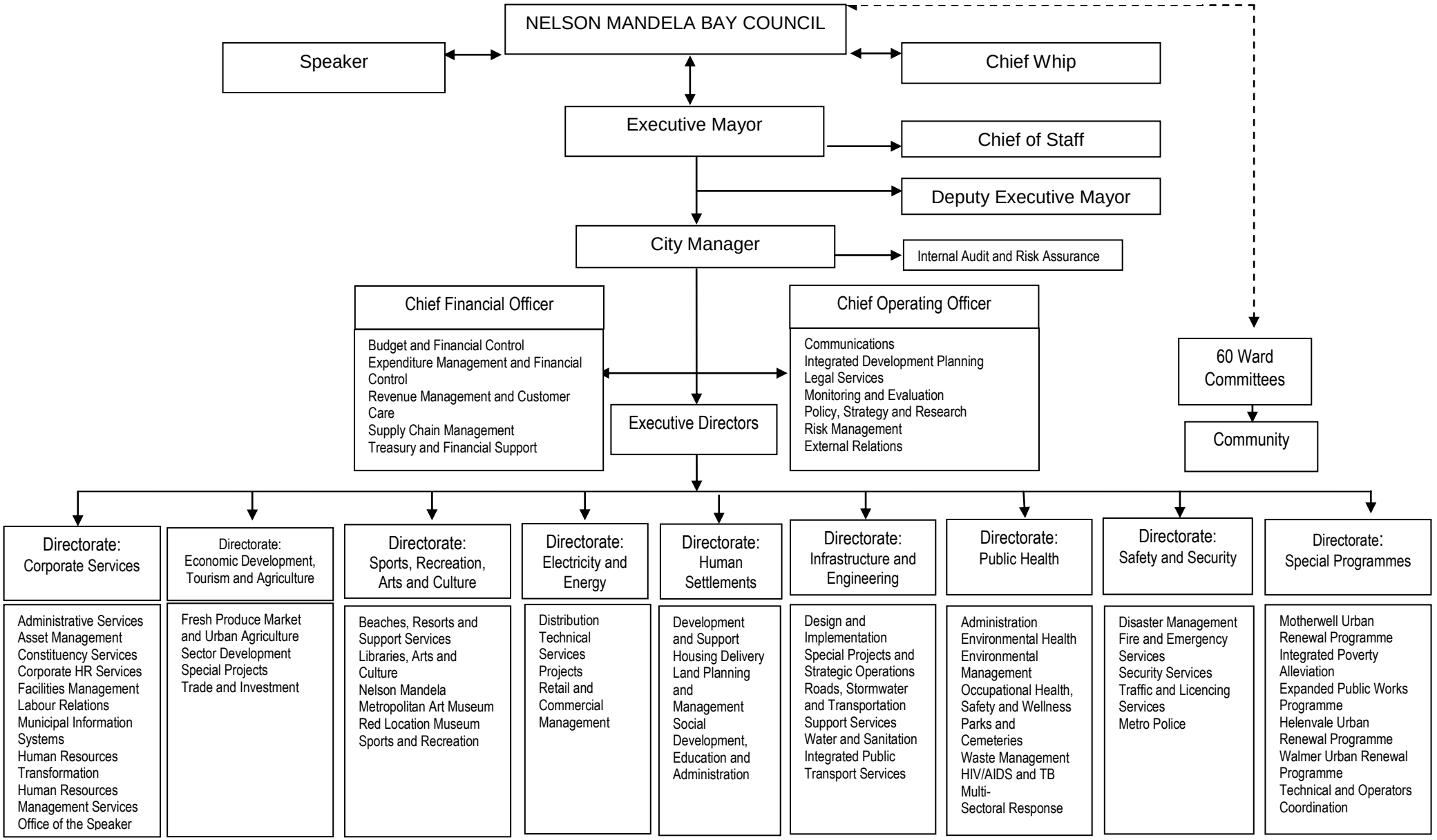
Acting City Manager: Ms Noxolo Nqwazi

The City Manager is appointed by the Municipal Council together with an Executive Management Team to assist him or her in running the administration. He / She is

inter alia responsible for implementing the IDP, which is the institution's five-year service delivery plan.

The Executive Management Team comprises 10 Senior Managers, each responsible for a portfolio, which largely matches the corresponding political portfolio. The organisational structure of the Municipality is presently being reviewed. The current organisational structure is as follows:

ORGANISATIONAL STRUCTURE OF NELSON MANDELA BAY MUNICIPALITY ('AS IS' STRUCTURE)



1.16 Legislative, Policy Mandates and alignment with Long-term Vision

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

The following legislation defines the nature of the IDP:

(a) *Constitution of the Republic of South Africa Act 108 of 1996*

Sections 152 and 153 of the Constitution stipulate that a municipality must give priority to the basic needs of its communities and promote their social and economic development to achieve a democratic, safe and healthy environment.

(b) *Local Government: Municipal Systems Act 32 of 2000*

Sections 28 and 34 of the above Act stipulate the need for each municipality to develop and adopt an IDP, which should be reviewed annually. In addition, it outlines the IDP process and components.

(c) Local Government: *Municipal Finance Management Act 56 of 2003*

Section 21 of the above Act makes provision for alignment between the IDP and the municipal budget. The Service Delivery and Budget Implementation Plan is an annual contract between the Municipality's administration, Council and the community, which ensures that the IDP and the Budget are aligned.

(d) ***Local Government: Municipal Planning and Performance Management Regulations (2001)***

These Regulations make provision for the inclusion in the IDP of the following:

(i) The institutional framework for the implementation of the IDP;
(ii) Investment and development initiatives in the Municipality;
(iii) Key Performance Indicators and other important statistical information;
(iv) A financial plan; and
(v) A spatial development framework.

e) Local Government: Municipal Structures Amended Act 117 of 1998

This Act provides for the establishment of municipalities and defines the various types and categories of South African municipalities. It also regulates the internal systems, structures and office-bearers of municipalities.

f) Municipal Property Rates Act 6 of 2004

The objective of the above act is to regulate the powers of municipalities to levy rates on property. Rates represent a critical source of own-revenue for municipalities in order to achieve their constitutional development objectives.

This section demonstrates the linkages between Nelson Mandela Bay's IDP and the following legislative and policy directives, whilst acknowledging that there are numerous other mandates that are adhered to:

- Sustainable Development Goals (SDGs)
- National Development Plan (NDP) 2030
- Integrated Urban Development Framework 2016
- Eastern Cape Vision 2030 – Provincial Development Plan (PDP)
- Medium-Term Strategic Framework Outcomes

1.17 Sustainable Development Goals

The Sustainable Development Goals (SDGs) are captured in a set of 17 global goals with 169 targets, for achievement by 2030. The goals were adopted in 2015 by the 194 countries of the United Nations' General Assembly, of which South Africa is a member country.

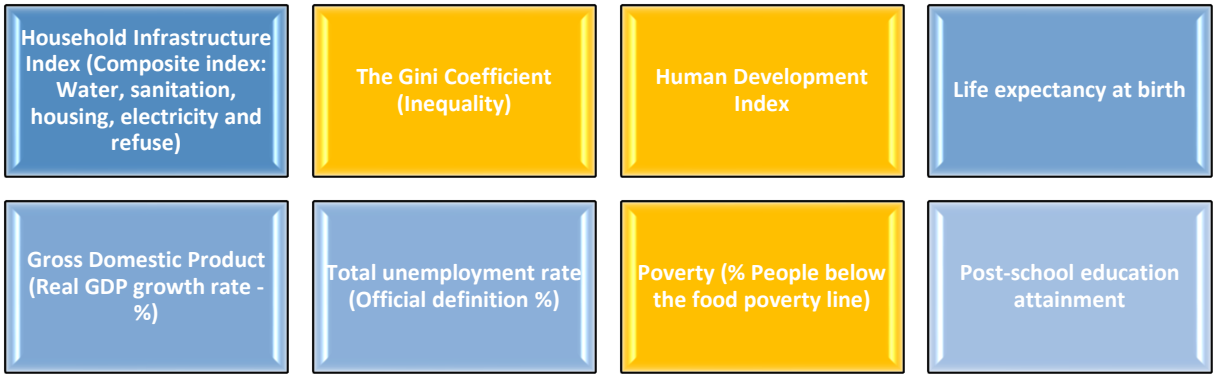
1.18 National Development Plan 2030

The National Planning Commission produced the National Development Plan (NDP) of South Africa in 2011. Among it aims are the elimination of poverty and the reduction of inequality by 2030.

1.19 Provincial Development Plan 2030

In the context of the Provincial Development Plan (PDP), strategic interventions are programmes and projects that are implemented to achieve the targets and objectives set out in the PDP and the Five-year plan. The strategic interventions of the flagship programmes of the PDP are the major programmes that will enable achievement of the goals.

PDP Apex Indicators



The Department of Provincial Monitoring and Evaluation is responsible for planning the implementation methodology of the Programme. The Programme of Action to roll out the PDP involves the following steps:

(a) Identify provisional strategic interventions and test theory of change assumptions
(b) Submit for approval to Provincial Management and EXCO
(c) Confirm strategic interventions, based on an analysis conducted
(d) Appoint leading institutions to be lead, coordinate and consolidate the process.
(e) Identify relevant stakeholders at Implementation Programme level.
(f) The Accounting Officers of leading and contributing institutions must approve the commitments made in terms of the Implementation Programme plans, to be reflected in their draft and final 5-Year Strategy 2020-2025.
(g) A process and system for monitoring the progress on Implementation Programme Plan should be outlined and directed by the Office of the Premier, in line with the relevant prescripts.
(h) The Accounting Officer of the leading institution must approve the consolidated Implementation Programme Plan.

1.20 Integrated Urban Development Framework (IUDF) The IUDF responds directly to the vision outlined in the National Development Plan and is a policy framework to guide the future growth and management of urban areas. It is designed to effect spatial transformation through reorganising the urban system in order that cities can become more inclusive, resilient and liveable.

Four overall strategic goals are pursued in the IUDF, namely:

- Spatial Integration – new spatial forms
- Inclusion and access - access to social and economic opportunities
- Growth – inclusive sustainable economic growth and development
- Governance – enhanced state capacity and citizens for collaboration around spatial and social integration.

The above inform the priorities of 9 policy levers, identified as follows:

(i) Integrated urban planning and management
(ii) Integrated transport and mobility
(iii) Integrated sustainable human settlements
(iv) Integrated urban Infrastructure
(v) Efficient land governance and management
(vi) Inclusive economic development
(vii) Empowered active communities and
(viii) Efficient urban governance.
(ix) Sustainable finances

The IUDF can be seen to directly link to the strategic objectives of the IDP. The Eastern Cape Development Plan is grounded in the National Development Plan, but has specifically been developed taking cognisance of the critical priorities that face the Eastern Cape. The Plan was developed in 2014, in collaboration with citizens, organisations and institutions both within and outside of the Eastern Cape.

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

1.21 Medium-Term Strategic Framework Outcomes

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

In terms of Section 29 (1)(a) of the MSA; **"***The process followed by a municipality to draft its Integrated Development Plan, including its consideration and adoption of the draft plan must – be in accordance with a predetermined programme specifying timeframes for the different steps".*

Section 21 (1) (b) MFMA, "*The Mayor of a municipality must – "at least 10 months before the start of the budget year, table in Council a time schedule outlining key deadlines for (i) the preparation, tabling and approval of the annual budget; annual review and any consultative processes forming part of the processes related to IDP and Budget review".*

The NMBM Council, in its sitting on 28 August 2018, approved the IDP, Budget and BEPP Multi-year Time Schedule. It is available on the NMBM Website at: www.nelsonmandelabay.gov.za.

1.22 Khawuleza District Development Model

During a Budget Speech in 2019, the President identified pattern of operating in silos as a challenge, which led to lack of coherence in planning, implementation and has made monitoring and oversight of government's programme difficult. The consequence has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and unemployment. The President therefore called for the rolling out of "a new integrated district based approach to addressing service delivery challenges and localised procurement and job creation, that promotes and supports local businesses, and which involved communities."

The new District Development Model offers a number of opportunities for the development of# DisabilityInclusiveSA through strategic implementation of the White Paper on the Rights of Persons with Disabilities at community level. This is a call to leaders and managers at various spheres of government to ensure that, access and participation barriers, which marginalised persons with disabilities are removed, and that, all planning, budgeting and service delivery are designed using universal design principles, are disability equitable and offer opportunities for persons with disabilities.

CHAPTER 2: SITUATIONAL ANALYSIS

2.1 Situational Analysis of the Nelson Mandela Bay

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

The Coega Industrial Development Zone (IDZ) is situated within the Nelson Mandela Metropolitan Municipality. The initiative is a multi-billion dollar industrial development complex customized for heavy, medium and light industries. It is adjacent to a deepwater port, the Port of Ngqura, and covers 110 km² *of land. The city's unique advantage of possessing two ports, namely Port Elizabeth Harbour and Ngqura, creates an opportunity for the city to establish a strong and vibrant maritime sector".*

2.2 Demographic Background

(a) Current situation

The following statistics from STATSSA Commnity Survey 2016 are relevant:

Population	-	1 263 051
Households (formal)	-	340 887
Households (total)	-	368 520
Area covered	-	1 959 km²
Unemployment rate	-	36, 8%

The population trend in Nelson Mandela Bay is reflected in the Table7:

TABLE 7: Population Trends in NMBM (2001 to 2011)

Year	*Total*	*Asians / Indians (%)*	*Black Africans %)*	*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*
2011	*1 152 112*	*1.11*	*60.13*	*23.56*	*14.36*
2015	*1 224 630*	*1.1*	*56.0*	*24.1*	*18.8*

*Sources: StatsSA (Census, 2001), StatsSA (Community Survey**,** StatsSA Mid-year Estimates and StatsSA*

The above trends show that there is very low population growth. This trend is expected to continue into the near future.

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

(b) Financial Overview of Nelson Mandela Bay Municipality

The total NMBM Capital Budget for the 2019/20 financial year is currently R1, 8 billion. However, this will increase as the municipality is in the process of sourcing loan funding to supplement the 2019/20 Capital Budget. These funds will be used for revenue generating projects.

(c) Access to services

(i) Water

All households located in formalised human settlements have access to water via a connection per erf.

100% of households located in informal settlements within the urban edge have access to water within a 200 m radius.

Informal areas receive water through standpipes (within a 200 m radius) and water tanks, except for communities occupying private land illegally.

(ii) Sanitation

- 100% of formal households have access to basic sanitation.
- 68, 3% of informal households have access to basic sanitation

  6 010 buckets were still in circulation to informal settlements as a means of sanitation as at 1 March 2019.

(iii) Waste management (refuse removal)

- 100% of known informal settlements receive integrated waste handling services.
- 100% of known formal settlements receive integrated waste handling services.

(iv) Electricity

- 82, 5% of households (both formal and informal) have access to electricity.

(v) Integrated Human Settlements Challenges

Housing challenges:

Shisaka Development Management Services completed a report titled “Sustainable Provision of Housing (As a component of a Human Settlement Framework) in Nelson Mandela Bay in January 2017. This report states the following in relation to the circumstances of households in NMBM:

- There are high levels of households living in formal housing (85%)
- There are high levels of households living in owned formal housing (57%)
- 12% of households are living in informal housing conditions (in informal settlements and back yards)

The NMBM has delivered 21 891 serviced sites and 11 112 houses (both fully subsidised) between 2011/12 and 2016/17. These figures also indicate a sustained capacity within the NMBM to directly deliver in the order of 2 000 houses and 4 000 serviced stands per annum. Households in stressed areas (servitudes, floodplains

and overcrowded areas) remain a challenge and these are identified as priority areas to be relocated in terms of the Housing Plan.

(vi) Infrastructure challenges

The following challenges are experienced in relation to infrastructure:

- The backlog of tarring of gravel roads is approximately 600 km. The cost to eliminate this backlog is approximately R4 billion. This backlog has occurred largely due to housing development programme funded by the government only includes sufficient funding for gravel roads and the recent increase in the number of developments constructed.
- Stormwater drainage inadequacies are experienced in disadvantaged areas, especially in newly developed areas because of limited funding for roads and stormwater construction. The scour of gravel from unsurfaced roads results in stormwater blockages.
- Ageing infrastructure, especially electricity, water and sanitation infrastructure results in leakages, pipe bursts, blockages and electricity disruptions, which in turn cause service delivery disruptions.
- The completion of the Nooitgedacht Low Level Scheme remains the most significant project to ensure long-term water sustainability in the NMB. This project supports both the provision of basic water, but also water for economic development. Phase 2 is operational and Phase 3 planned for completion by Amatola Water as the implementing agent funded by the Department of Water and Sanitation (DWS) is scheduled for completion in June 2021.
- Fishwater Flats Wastewater Treatment Works (FWF WWTW) commenced with the completion of the Phase 1 (inlet works). Subsequent contracts have commenced with as part of Phase 2. This and other Wastewater Treatment Works are critical (socially & economically) for further growth and development in the metro, not to mention the support for the Bucket Eradication Programme. The total funding needed exceeds R1 billion.
- Economic infrastructure for development such as the Coega Wastewater Treatment Works and the Coega Return Effluent Scheme is needed to

support the Coega SEZ. Further development of the SEZ if no funding is availed for these projects. An investment of approximately R600M is required to complete the project, but the viability of the project is also dependent on the FWF WWTW upgrades.

- Planning has commenced on a new wastewater treatment facility to support the housing developments north of Motherwell and the Coega SEZ. This plant is planned for an ultimate capacity of 120 Ml/d costing in the region of R1 500 000, 00. A start up capacity of approximately 40-50Ml/d will be required and is estimated at R750M (including a sea outfall).
- The Municipality is working on a long-term capital investment plan to support economic growth and socio-economic development.

Table 8 summarises the critical infrastructure needs of the NMB.

TABLE 8: Critical Growth and Investment Priorities in NMBM

No	Description	Cost Est.	Budget	Timing	Project Status
1	Nooitgedaght Phase 3	R350M	DWS	Dec-21	Construction stage
2	Borehole Water Exploration	R300M	'18/19 – R8.94M; 19/20 - R214.96M; 20/21 - R60.01M	Dec-21	Production boreholes under construction. Tender for treatment facilities to be awarded in the **3rd quarter of 2018/19**.
3	Western Desalination	R1,500M		**5yrs (Specify)**	60Ml/d: Cost estimate excludes link pipe and pump station network to distribution network. Subject to EIA processes. Collaboration with CDC to be explored.
4	Sundays River Return Flows	R1,000M	R100M pa	**5yrs (Specity)**	55Ml/d: Cost estimate includes link pipe & pump station network to distribution network. Subject to EIA processes Subject to Feasibility by DWS based on the Algoa Reconciliation Study outcomes
5	Fishwater Flats	R1,300M	R100M pa	**5-10yrs (Specity)**	Phase 1: 100% complete
6	Coega Wastewater Treatment Works	R3000M		**5yrs (Specity)**	Preliminary planning phase.
7	Coega Return Effluent	R650M		**3yrs (Specity)**	Project ready for implementation

No	Description	Cost Est.	Budget	Timing	Project Status
8	Non-Revenue Water	R1,631M	R650M for First 5 yrs.	**10yr Plan (Specity)**	Project Commenced. 10 Yr Business Plan Approved by Council to reduce losses in the amount of R1631M. Of this, a loan of R415M was approved for NRW for 4 years.

Source: NMBM 2019

Infrastructure Challenges - Electricity and Energy

- Large increases in the purchase price of electricity led to a continuous decline in electricity revenue. This makes it difficult to fund capital loans, repairs and maintenance from the operational value of the business, i.e. it is no longer easy to increase the electricity tariff to recapitalize infrastructure or to generate a surplus to fund other initiatives.

- Tampering, theft and vandalism are a challenge as prices soar and pressure is put on the disposable income of residents.

- Technical and non- technical losses.

- Government's grant funding is decreasing year to year.

- National challenges from Eskom and the uncertainty of load shedding causes residents to move to alternative energy sources placing a concomitant burden on overall municipal revenue.

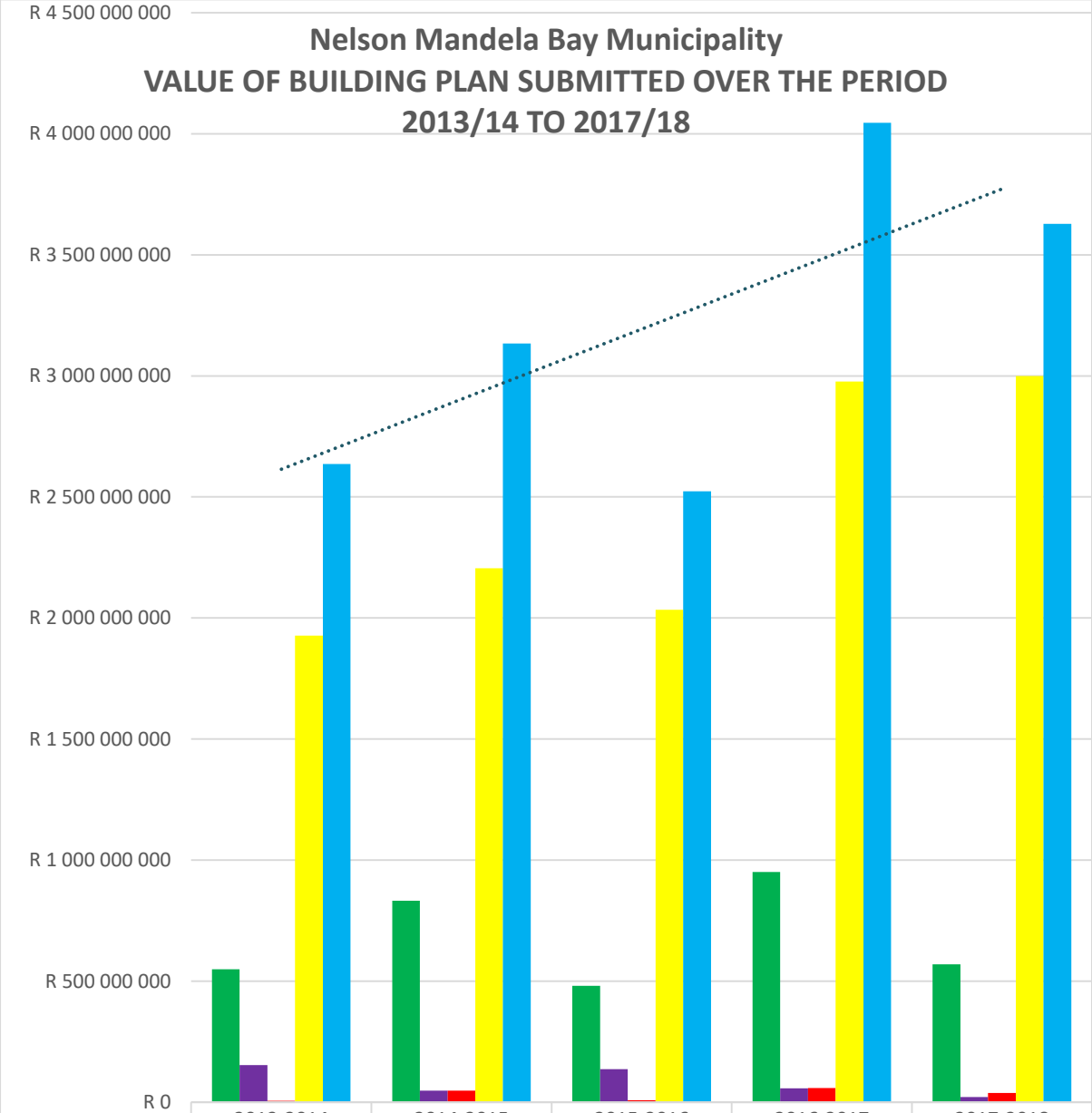
- Ageing infrastructure is problematic from an operational and a quality of supply point of view. This places further negativity around investment security in the NMBM.

(vii) Building investment trends

Nelson Mandela Bay recorded steady and rapid growth from 2001 to 2004, followed by a decline in the 2004/2005. 2005 to 2007 reflected a recovery but, 2008 saw a

dramatic decline in growth, indicating the impact of the global economic crisis. The number of building plans increased by 2 867 in 2013/14. However, the number of RDP house plans increased by 3 122.

FIGURE 2: Change in Value of Building Plans Submitted: 2013/14-2017/18



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
COMMERCIAL	R 549 834 022	R 832 054 328	R 481 268 183	R 951 571 742	R 569 330 583
GOVERNMENT	R 153 188 505	R 48 125 509	R 136 168 274	R 57 832 283	R 21 340 659
OTHER	R 5 795 361	R 48 187 518	R 7 896 375	R 58 562 593	R 38 051 683
RESIDENTIAL	R 1 927 175 241	R 2 205 290 919	R 2 034 481 554	R 2 976 881 449	R 2 999 115 527
TOTALS	R 2 635 993 129	R 3 133 658 273	R 2 523 646 112	R 4 044 848 066	R 3 627 838 452

Source: NMBM 2019

It is critical to mention that, a decline in the number of building plans submitted is related to the general increase in the value of building plans. Assuming that, the building plan value increase is attributed to the increased construction cost rather than economic growth.

2.3 Trends and Demand for Economic Infrastructure

2.3.1 Economic Background

STATSSA and ECSECC (Eastern Cape Socio Economic Consultative Council) are the main sources of economic information for the Nelson Mandela Bay Municipality. The impact of the persistant drought in the Metro and now the pendamic Covid 19 will be felt the most in this one sector.

2.3.2 Economic performance per Sector

The agro-processing industry transforms products originating from the agriculture, forestry and fisheries sector and plays a critical role in development, especially in developing countries. The industry has been identified in the National Development Plan as a key vehicle for creating jobs and growth.

Although the Nelson Mandela Bay's agro-processing employment is 10% higher than it was in 2010 (229 jobs), it is still below the historic peak attained in 2005 when approximately 13 091 people were employed. The industry however, remains a critical employer, accounting for 23, 8% of manufacturing employment.

2.3.3 Business Processing and Outsourcing (BPO)

Business Process Outsourcing refers to the outsourcing of business processing services to outside firms, replacing in-house services. In 2015, the majority of BPO operations in the Eastern Cape were confined to the Nelson Mandela Bay Metro, more specifically the Coega SEZ. The most significant BPO investment in the province has been the construction of the R125 million, 1 500 seat call-centre within the SEZ in 2007. Since the establishment of this park, the Coega SEZ has attracted R90.8 million in investment from a number of BPO investors.

2.3.4 Capital Goods

Capital goods include durable equipment that lasts at least three years. This equipment is usually used in manufacturing, mining or the development of infrastructure (motor vehicles and vehicle components).

The Nelson Mandela Bay's capital goods sector is a critically important component of the metro's economy, generating approximately R7, 8 billion in real GDP value in 2015. This is over R500 million more than recorded in 2010.

2.3.5 Information Technology and Electronics (ICT)

The Information and Communication Technology (ICT) industry includes the integration of telecommunications (telephone lines and wireless signals), computers as well as necessary enterprise software, storage, and audio-visual systems, which enable users to access, store, transmit and manipulate information. In 2015, the Nelson Mandela Bay's ICT industry contributed R2, 8 billion to the total GDP-R of the Metro, and accounted for 59, 1% of the total GDP value of the Eastern Cape's ICT industry.

2.3.6 Manufacturing

Manufacturing is a process by which machinery; tools and labour are used to produce goods for use or sale as intermediaries, or as final products, either domestically or internationally. The total GDP value of the greater Nelson Mandela Bay's manufacturing in 2015 was R17, 4 billion; R830, 3 million greater than in 2010, equating to a real increase of 5, 0% over the five-year period.

2.3.7 Mining

This includes the extraction of valuable minerals or other geological materials from the earth including metals, coal, oil shale, gemstones, limestone, gravel and clay. There is little to no mining activity occurring in the Nelson Mandela Bay, as

evidenced by the sectors 0, 1% contribution to the total metro economy in 2010 and the fact that mining only generated R77, 2 million in real GDP value in 2015.

2.3.8 Petrochemicals

The petrochemical industry consists of three main sub-sectors: liquid fuels, commodity organic chemicals and fine chemicals. The Nelson Mandela Bay's petrochemical industry has shown muted growth growing at an average rate of 0, 7% per annum between 2010 and 2015. This resulted in GDP value increasing from just R3, 4 billion in 2010 to R3, 6 billion by 2015,

2.3.9 Renewable Energy

Renewable energy is energy generated from resources that are continually replenished such as sunlight, wind, waves, biomass and geothermal heat. The renewable energy industry therefore, comprises those enterprises that seek to commercialise these natural processes to generate electricity for consumers.

The electricity sub-sector is a very marginal sub-sector in the Nelson Mandela Bay, generating only R469.1 million in real GDP value in 2015. This contribution to total GDP value has also remained static between 2010 and 2015.

2.3.10 Textiles

The textile and apparel industry is concerned with the manufacturing and distribution of clothing as well as the production of yarn and cloth. The Nelson Mandela Bay's textile and apparel industry generated approximately R497, 6 million in real GDP value in 2015; accounting for just under 3% of the total metro's manufacturing GDP value.

2.3.11 Tourism

The tourism industry relates to all the goods and services linked to a person staying and travelling outside of their area of residence. The tourism industry is a primary industry of Nelson Mandela Bay, and has the most potential for future development.

The majority of tourist attractions within the metro are linked to the natural environment and culture (e.g., heritage sites, museums, etc.). Nelson Mandela Bay Tourism estimates that, the tourism industry contributed R4, 7 billion to the Metro's total GDP value in 2013, up 7, 1 % from the R4.4 billion in 2010.

2.4 Economic Challenges

Whilst the NMBM is an important node of activity within the economy of the Eastern Cape, it is characterised by several challenges in terms of economic development. These amongst others include:

- A high unemployment rate (34%), low education levels of the labour force, including large numbers of illiterate adults with limited employment prospects.
- Ageing and inadequate investment in the maintenance and upgrading of infrastructure.
- The dependence on the automotive sector and insufficient diversification within the manufacturing and others sectors.
- A lack of up-to-date local economic statistics and monitoring and evaluation systems.
- An unstable electricity grid due to the dominance of coal-powered energy sources.

2.5 Strategic Initiatives

The Municipality has identified a number of initiatives to enhance economic development of the city. The City has adopted a Nelson Mandela Bay Long-Term City Growth and Development Plan 2017-2032 during the first quarter of 2018 and projects highlighted in this document includes amongst others:

2.5.1 Establishment of Tank Farm and Manganese exports facility in the Coega Special Economic Zone (SEZ)

Transnet's latest undertaking (February 2019) is to have the tank farm and manganese export facilities removed from the present sites in the Port of Port Elizabeth by 2021 and 2023 respectively. The NMBM has called upon Transnet to fast track the relocation process.

2.5.2 Baakens Valley

The Baakens Valley Programme is a suite of projects, identified in the Council approved Baakens Precinct Plan. The precinct is divided into four focus areas, each with a unique identity and spatial character that could support new and integrated uses. The Focus Areas are:

- Focus Area 1 -The Heart of the Bay
- Focus Area 2 - Baakens River Valley
- Focus Area 3 - St Georges Park
- Focus Area 4 - The Port (This planning is being undertaken by Transnet)

2.5.3 Extension to the Port Elizabeth International Airport

If the airport can accommodate larger aircraft, through the extension of runways, it will permit increased tourism opportunities through domestic and international connectivity. ACSA remains committed to ensuring that Port Elizabeth International Airport grows in line with the demand of the region.

2.5.4 Bay World / Happy Valley / Telkom Park Precinct

A Local Spatial Development Framework (LSDF) is approved for the redevelopment of this precinct. Future development will be retail, residential, offices, tourism and entertainment. Funding of approximately R180 million is required for bulk infrastructure to the area. The Telkom Park site is un-serviced.

The Bayworld is an important project for the Municipality. A facility without dolphins in captivity is envisaged. The facility can have close links with the Science Centre in

Uitenhage to maximise the offerings of both collectively. The site is well located in the heart of the tourism beachfront strip.

2.5.5 Apple Express

NMBM in partnership with Transnet embarked on a process to re-establish and operate the Nelson Mandela Bay Steam Train formerly known as the Apple Express. The implementation of the project has focussed on phase one which initially was from the harbour to Kings Beach. Due to the cost associated with upgrading the steel bridge on this route, (R3m) an alternative route was sought for the short term. The first trip took place on 26 December 2017 and an official media launch was held on 27 December 2017.

2.5.6 Uitenhage NMB Logistics Park

The purpose-built Nelson Mandela Bay Logistics Park (NMBLP) in Uitenhage, managed by the Coega Development Corporation (CDC), is geared to locating more first and second tier suppliers in automotive manufacturing. The vision of the NMBLP is to obtain economies of scale for the automotive manufacturing industry through centralisation of different functions and suppliers to reduce costs by shortening and improving the supply chain to the automotive industry.

2.5.7 Zanemvula Precinct

The Zanemvula precinct development intends to ensure that socio-economic facilities and amenities and alternative residential types are provided within the RDP housing areas. Amenities in this area will also serve the Bloemendal and KwaNobuhle areas. Mixed-use areas have been planned alongside the Chatty Link Road transport spine in this area in the heart of Zanemvula project (45 000 residential opportunities).

2.5.8 Motherwell Precinct

Development in the Motherwell area comprises municipal and private sector developments. Critical for the development of area is the implementation of a commuter rail link between the CBD and Motherwell with four stations between the Swartkops line and Motherwell NU29 as a first phase. The Motherwell Rail Corridor will open numerous opportunities especially around the stations.

2.5.9 Red Location Precinct

Located in the historic Red Location area of Port Elizabeth, the precinct consists of the Apartheid Museum, Art Gallery, Electronic Library and Back-Packers Lodge. The Apartheid Museum was completed in 2004. The Art Gallery and Electronic Library buildings were completed in 2011. The performing arts complex and school of music form the last two phases of the precinct. The Business Plan for the performing arts complex is complete.

2.5.10 Njoli Precinct

The multi-million-rand redevelopment initiative around the historic Njoli Square will contribute to creating a dignified space within a previously marginalised community. It is aimed specifically at economic upliftment.

The project is comprised of the following:

- Reconfiguration of the junction of Njoli and Daku Roads to accommodate traffic flow through a compact four-legged intersection;
- Accommodation of development components on the four quadrants surrounding the intersection, such as commercial development, medical suites, space for a future library and civil building, and stalls for informal traders and a Modal Transport interchange;
- Promoting pedestrian accommodation through safe and controlled crossing points;

- Accommodating future IPTS stations on the approaches to the intersection and
- Accommodating all minibus-taxi operations in one facility at or close to the existing off-street facility.

The projects are prioritised and divided into public funding required and private sector involvement. Below is the list:

TABLE 9: PROJECTS TO BE IMPLEMENTED IN NJOLI SQUARE

Public Sector funding required		
Priority 1	Roofed Market	R 10,800,000,00
Priority 1	Informal Street Trading Facilities	R 576,000,00
Priority 1	Upgrade 31 Vehicle Holding Area	R 3,000,000,00
Priority 2	Waiting Rooms, Ticket Offices, Ablution Facilities & Shelters: Long Distance Terminal	R 4,200,000,00
Priority 2	Commuter Taxi Terminal Shelters	R 4,500,000,00
Priority 2	Paving of Commuter Taxi Terminal	R 1,000,000,00
Priority 2	Ablution Facilities for Commuter Terminal	R 3,000,000,00
Priority 3	Livestock Market Pan	R 166,000,00
Priority 3	Events Space Paving to Livestock Market	R 75,000,00
Priority 4	Public Parking for Retail Anchors	R 1,740,000,00
	Sub-Total: Public	**R 29,057,000,00**

Private Sector investment required		
Priority 5	Motor City/Commercial/SMME Premises	R 8,480,000,00
Priority 5	Motor City/Commercial/SMME Premises	R 1,680,000,00
Priority 5	Public Parking: Precinct D	R 360,000,00
Priority 5	New Retail Anchor	R 57,060,000,00
Priority 5	Private/Public Offices	R 42,920,000,00
Priority 6	Medical Centre	R 9,990,000,00
Priority 6	Public Parking: Medical centre	R 120,000,00
	Sub-Total: Public	**R 120,610,000,00**
TOTAL funding required for the project		**R 149,667,000,00**

Source NMBM 2019

2.5.11 Clearry Park Modal Precinct

A modal interchange is planned at Cleary Park in close proximity to the existing shopping centre. The intention is to develop:

- Catalytic activities around the modal interchange
- Opportunities for public transport activities and densification along the Cleary Park route

2.5.12 Fairview Precinct

This precinct is recognised as a Growth Area / Economic Node of the City. It is an Integrated Mixed Use and Residential Development in the Fairview / Willowdene area.

2.5.13 Uitenhage Central Precinct

This project involves the development of an integrated mixed use and recreational precinct that links the Uitenhage Railway Shed development with a planned open space and regional recreational facility. This project is important for the Uitenhage area as it will bring regional recreational opportunities to the area and will support the Railway Shed and Science Park Centre, which is developed by the Municipality.

2.5.14 N2 Nodal Precinct

The N2 Growth Area / Economic Node is a Catalytic Project and Growth Area. This area is the fastest growing development area in the NMBM. The Baywest Shopping Mall anchors the project area. The greater area includes 450 000 m^2 of mixed retail and office space, a hospital, hotel and ICC.

2.5.15 Bloemendal Arterial

The Bloemendal Arterial is a critical link that connects the Njoli and Chatty Jachtvlakte Hubs. The construction of this critical linkage forms part of the longer-term proposal of the Comprehensive Integrated Transport Plan.

2.5.16 Chatty Link Road

The Chatty Link Road is a critical linkage as it is important for the further development of the mixed-use planned area, which abuts it. This area will allow development of much needed alternative higher density housing opportunities, community and economic amenities as well as open spaces and meeting places.

2.5.17 Statue of Liberation

This project is seen to help grow the tourism products in Nelson Mandela Bay and serve as a compelling attraction for visitors to come to Nelson Mandela Bay.

2.6 Asset condition

This data is based upon a study (Infrastructure Maintenance Backlog Assessment) that was conducted in 2011 and escalated.

TABLE 10: Water Backlog Maintenance

Water Backlog	**Total Sum of Repair Cost**	**Total Sum of Estimated Replacement Value**	**Repairs as % of Replacement Value**
Dams	R2,408,320	R768,141,482	0.31%
Reservoirs	R21,519,671	R1,206,530,799	1.78%
Water Treatment Works	R57,295,705	R656,586,425	8.73%

Bulk Water Supply Lines	R12,949,500	R5,066,790,845	0.26%
Pump Stations	R23,372,730	R127,379,002	18.35%
Internal Reticulation	R530,370,326	R1,391,328,057	38.12%
Grand Total	**R647,916,252**	**R9,216,756,610**	

Source: NMBM Infrastructure & Engineering Directorate, 2019

TABLE 11: Medium-term Replacement / Refurbishment Plan

Water Backlog	< 2 yrs	< 5 yrs	ASAP	Monitor only	Record only	Routine	Total Sum of Repair Cost
Dams	R853,500	R264,800	R1,229,520	Nil	Nil	R60,500	R2,408,320
Reservoirs	R16,793,467	R295,000	R4,431,204	Nil	Nil	Nil	R21,519,671
Water Treatment Works	R22,119,655	R7,301,250	R18,516,800	R359,500	R567,500	R8,431,000	R57,295,705
Bulk Water Supply Lines	R1,035,000	R1,982,500	R9,722,000	R210,000	Nil	Nil	R12,949,500
Pump Stations	R2,646,900	R477,000	R19,784,330	R120,000	Nil	R344,500	R23,372,730
Internal Reticulation	R4,524,276	R4,040,984	R521,805,065	Nil	Nil	Nil	R530,370,326
Grand Total	**R47,972,798**	**R14,361,534**	**R575,488,919**	**R689,500**	**R567,500**	**R8,836,000**	**R647,916,252**

Source: NMBM Infrastructure & Engineering Directorate, 2019

From Table 11, it can be seen that the total maintenance backlog for water infrastructure for the next five years amounts to R647 916 252.

TABLE 12: Sewer Replacement Cost and Maintenance/ Rehabilitation Plan

Sewer Backlog	< 2 yrs	< 5 yrs	ASAP	Monitor only	Record only	Routine	Total Sum of Repair Cost	Total Sum of Estimated Replacement Value
Pump Stations	R15,527,520	R1,111,000	R12,179,100	R81,000	R0	R826,700	R29,725,320	R120,724,600
Sewer Reticulation	R160,180,756	R167,349,637	R60,938,492	R211,084	R0	R422,168	R389,102,138	R2,110,840,274
Waste Water Treatment	R34,021,564	R5,046,233	R102,497,695	R687,320	R12,000	R487,290	R142,752,104	R1,979,608,789
Grand Total	**R209,729,84**	**R173,506,87**	**R175,615,287**	**R979,404**	**R12,000**	**R1,736,158**	**R561,579,562**	**R4,211,173,663**

Source: NMBM: Infrastructure & Engineering Directorate, 2019

The above information forms the basis of, the Engineering Design and Management Systems software data management system. This same management system is used to provide the GRAP 17 compliance data on asset management.

The figures indicate the serious financial implications of the lack of maintenance of water and sanitation infrastructure. The situation is deteriorating progressively each

year due to the inability of the Municipality to fund repairs and maintenance especially preventative maintenance. To relieve the situation, the largest capital requirement is required in less than two years, for which there is insufficient budget.

2.6.1 Roads / Stormwater / Transport

The NMBM's Comprehensive Integrated Transportation Plan (CITP) is currently in its review stage as required by the National Land Transport Act (5 of 2009). The review includes an overhaul of the CITP, which will include new projects which have to be implemented within the next 5years of the CITP's validity.

TABLE 13: CITP Projects

NO.	PROJECT DESCRIPTION	TOTAL PROJECT COST – five years (Rand)
1	Metropolitan Transport Planning	75,000,000
2	Roads required for additional capacity (short-term projects)	618,750,000
3	Roads required for access and connectivity (short-term projects)	681,250,000
4	Roads requiring rehabilitation (short-term projects)	1,156,250,000
5	Road maintenance projects	2,875,000,000
6	Bridge maintenance projects	606,250,000
7	Public transport projects	4,950,000,000
8	Non-motorised transport projects	400,000,000
9	Freight transport projects	125,000,000
10	Traffic and signage improvements (short-term projects)	131,250,000
11	Stormwater maintenance projects	943,750,000
	GRAND TOTAL	**12,562,500,000**

Source: NMBM 2017

Table13 is an illustration of the roads, transport and stormwater backlogs and the maintenance budget required to address these backlogs:

TABLE 14: Maintenance Backlog

		Total Operational Maintenance and Rehabilitation Backlogs	Annual Requirement to Eliminate Backlog	Budget 2017/18	Budget 2018/19	Budget 2019/2020	Budget 2020/2021
	Roads & Stormwater						
1	Maintenance / Rehabilitation of Subsidised Roads	660 000 000	122 200 000	26 184 135	27 896 547	30 970 340	34 108 560
2	Maintenance / Rehabilitation of -Non subsidised Roads	1 890 000 000	385 700 000	43 015 216	43 410 957	44 037 740	44 940 004
3	Maintenance / Rehabilitation of Stormwater Facilities	830 000 000	180 400 000	21 678 920	25 789 410	29 530 260	30 573 130
4	Road Signs & Markings	116 000 000	26 300 000	3 500 000	3 710 000	3 932 600	4 168 556
5	Maintenance / Rehabilitation of Bridges	540 000 000	117 000 000	896 000	4 000 000	2 060 000	1 123 600
6	Resurfacing of Roads	2 000 000 000	2 17000 000	0	12 980 586	13 406 840	15 625 590
				95 274 271	**117 787 500**	**123 937 780**	**130 539 440**

Source: NMBM 2019

The implementation of the projects depends on the availability of funds and is supported by the asset information from the Road Management System, the Stormwater Asset System and the Bridge Management System. The implementation of the projects depends on the availability of funds and is supported by the asset information from the Road Management System, the Stormwater Asset System and the Bridge Management System.

It is however important to mention that, Covid 19 has changed the timeframes for implementation, which will be much slower as limitations are based on social distancing and effectively reducing the workforce to half the normal capacity, more especially on the implementation side. Fortunately, the Work from Home during these difficult periods has become a reality and planning of projects and systems will continue in preparation for when normality is returned.

2.6.2 Electricity

The NMBM has been reliant on electricity revenue to offset the rates account and fund a portion of the institution's administration. Declining sales, increasing purchases, losses and theft are creating a much-reduced gross profit margin.

Table15 shows the decline in profit made from the sale of electricity since 2006:

TABLE 15: Declining Electricity Sales Profit

Financial Year	Sales	Bulk Purchases	Gross Profit	% Gross Profit	Electricity Losses %
2006/2007	(R1,119,758,699)	R611,923,001	(R507,835,697)	45%	-
2007/2008	(R1,196,274,998)	R663,170,083	(R533,104,914)	45%	-
2008/2009	(R1,502,322,088)	R901,060,864	(R601,261,224)	40%	6,0
2009/2010	(R1,807,750,905)	R1,184,203,683	(R623,547,222)	34%	7,5
2010/2011	(R2,185,993,075)	R1,511,442,011	(R674,551,064)	31%	7,5
2011/2012	(R2,711,116,309)	R1,915,652,397	(R795,463,912)	29%	9.0
2012/2013	(R2,819,881,230)	R2,109,854,326	(R710,026,904)	25%	10,7
2013/2014	(R2,963,172,710)	R216,850,320	(R794,669,190)	27%	11,3
2014/2015	(R3,182,151,220)	R2,294,034,910	(R888,116,310)	28%	12,3
2015/2016	(3,463,791,052)	R2,720,304,070	(R743,486,982)	21%	12,7
2016/2017	(R3,693,703,315)	(R2,892,128,296)	(R801,575,019)	22 %	13.4
2017/2018	(R3,687,191,074)	(R2,870,435,742)	(R816,755,332)	22%	13.95

Source: NMBM 2019

The NMBM is a frontrunner in creating an enabling environment and attracting investment in the green economy sector. Currently two wind farms with the capacity to produce approximately 89 megawatts exist in the Metro. NERSA indicated that, electricity tariffs cannot be used as the sole source of income to fund capital and maintenance projects. It is thus vitally important that the NMBM find additional sources of funding for its capital and maintenance projects.

TABLE 16: Electricity Projects

Immediate Projects	2019/20	2020/21	2021/22
Walmer Lorraine	R3 000 000	R4 500 000	R4 500 000
Mount Road Reinforcement	R500 000	R1 000 000	R4 500 000
Uitenhage Reinforcement	R3 000 000	R3 000 000	R3 000 000
Hunters Reinforcement	R1 500 000	R550 000	R3 000 000
Humewood Conversion	R1 500 000	R2 000 000	R2 500 000
Western Reinforcement	R2 000 000	R2 000 000	R2 000 000
Struandale Conversion	R1 600 000	R1 600 000	R1 600 000
Newton Park Reinforcement	R1 000 000	R1 000 000	R1 000 000
Bethelsdorp Reinforcement	R1 100 000	R1 100 000	R1 100 000
Malabar Reinforcement	R1 000 000	R1 000 000	R1 000 000
Wells Estate	R1 500 000	R1 500 000	R2 000 000
Rural Areas (Peri Urban)	R3 000 000	R3 000 000	R3 000 000
Redhouse	R500 000	R500 000	R500 000
Despatch (San Souci Reinforcement)	R500 000	R500 000	R500 000
Korsten	R500 000	R500 000	R500 000
Miscellaneous Mains	R15 000 000	R15 000 000	R15 000 000
Township Development	R10 000 000	R10 000 000	R10 000 000
Total Cost	**R47 200 000**	**R48 750 000**	**R55 700 000**

Source: NMBM 2019

Table16 is a breakdown of costs for the implementation of all the high voltage projects approved by the Municipality.

TABLE 17: High Voltage Projects

Immediate Projects	2018/19	2019/20	2020/21
Swartkops/Deal Party Line	R300 000	R300 000	R300 000
Deal Party 132kV Substation	R300 000	R300 000	R300 000
Nivens Drift Substation	R1,000,000		
San Souci-Nivens Drift Line	R1 000		
17th Avenue Substation	R8 350 000	R9 000 000	R16 000 000
Lorraine-17th Avenue Line	R2 000 000	R10 000 000	R8 000 000
Chelsea 132/22 2nd transformer	R1 300 000	R13 000 000	R500 000
Perl Road 3rd Transformer		R400 000	R100 000
San Souci 132kV Yard Extension	R300 000	R5 000 000	R15 000 000
Chatty Chelsea Servitude	R300 000	R300 000	R300 000
Chatty/Chelsea & Redhouse/Swartkops Line upgrade	R500 000	R25 000 000	R25 000 000
17th Avenue Powercable	R0	R6 000 000	R0

Source: NMBM 2019

i) Electricity Losses

Losses are an on-going concern, as it results in a loss of revenue and overall reduced efficiency of the utilisation of the electrical resources. Creative programmes such as the Innovative Undeclared Informal Electrification Programmes is implemented to assist in the reduction of non-technical electrical losses caused by tampering socio-economic factors. The total losses as a percentage are 13, 95% of total electricity, Non-Technical losses as a percentage is 7, 95% and Technical losses as a percentage is 6%.

A strategy to deal with non-technical losses has identified the following programmes:

- Audits to identify and deal with illegal connections, direct connections and bypasses.
- Installation of smart meters that are integrated to the vendor system.
- Installation of distribution bulk meters.
- Procurement of services in order to supplement the Audits two programmes is proposed back to basics and EDF assistance.
- Replacement of credit meters with prepayment meters for residential customers.
- Greater collaboration and co-ordination between the monthly meetings between the Electricity & Energy and Budget & Treasury Directorates to identify investigate and correct incorrect billing.
- The replacement of old CT’s and VT’s metering measuring equipment, in High Voltage customers.

2.7 List of policies

It should be noted that, policies related to internal operations are not advertised on the municipal website but only those that have direct implications for the public.

TABLE 18: POLICY REGISTER OF THE NELSON MANDELA BAY MUNICIPALITY

Policy Title	Reference Number	Adoption Date		Review Due Date	Policy on Website
Anti-Fraud and Anti-Corruption Strategy and related policies	5/20/P	31-03-2011		Under review	No
Arts, Culture, Heritage and Creative Economy Policy	12/2/P	16-05-2018		16-05-2021	No
Asset Management Policy	6/1/2/P	20-07-2009		Under review	No
Assistance to the Poor (Indigent) Policy V2	5/18/5/P	30-05-2016		30-05-2019	Yes
Burial of Destitute Persons Policy	5/21/1/P	11-09-2002		Under review	No
Cash Management and Investment Policy	5/10/P	01-12-2005		Under Review	No
Code of Conduct	4/2/P	26-06-2004		Under review	No
Communications Policy	6/2/2/P	23-05-2017		23-05-2020	No
Councillor Support Policy	3/3/P	25-06-2009		Under review	No
Credit Control Policy	5/15/P	31-03-2011		Under Review	Yes
Disaster Relief Management Policy	19/13/3/P	17-07-2014		Under review	No
Disposal of Immovable Capital Assets Policy and Procedures	6/1/2/8/P	15-09-2016		15-09-2019	Yes
Education, Training and Development (ETD)	4/4/P	23-05-2017		23-05-2020	No
Emerging Enterprise Development Support Programme and Policy	17/8/P	20-06-2018		20-06-2021	Yes
Enterprise Risk Management Policy	2/12/P	19-10-2017		30-11-2020	Yes
EPWP Socio-economic Empowerment Policy and Procedures Manual	17/4/P	27-10-2011		Under review	No
Experiential and Internship Policy	4/4/P	05-08-2003		Due for review	No
Financial Management Policies	5/8/P	24-05-2018		Annually	Yes
Guest House Policy	5/3/1/P	19-02-2004		Under Review	Yes

Policy Title	Reference Number	Adoption Date		Review Due Date	Policy on Website
ICT Disaster Recovery Policy	6/2/3/P	23-05-2017		23-05-2020	No
ICT Enterprise Change Management Policy and Procedures	6/2/3/P	23-05-2017		23-05-2020	No
ICT Governance Framework	6/2/3/P	23-05-2017		23-05-2020	No
ICT Policy	6/2/3/P	23-05-2017		23-05-2020	No
Informal Trading Policy	17/18/P	08-11-2017		13-11-2020	No
Information Security Governance Framework	6/2/3/P	23-05-2017		23-05-2020	No
Information Security Management Policy and Procedures	6/2/3/P	23-05-2017		23-05-2020	No
Integrated Environmental Policy	19/2/P	26-07-2012		Under Review	Yes
International Relations Policy	7/1/P	30-11-2017		30-11-2020	No
Investigation of Fraud and Corruption Policy	5/20/P	Unknown		Under review	No
Learnership Programmes Policy	4/4/P	19-03-2010		Under review	No
Libhongolethu Fare Policy and Structure	19/6/P	16-05-2018		25-05-2021	No
Library Services Policy	19/9/P	30-11-2017		30-11-2020	Yes
Liquor Outlet Policy	5/3/1/P	Unknown		Under Review	Yes
Nelson Mandela Bay Museums Policies, Code of Ethics and Rules	19/14/P	04-12-2008		Under review	No
Petitions Policy	11/1/5/3/P	11-10-2012		Under review	Yes
Policy and Procedure for Fleet Management	6/2/1/P	06-06-2005		Under Review	No
Policy and Procedures for the Disposal of Movable Assets Not of High Value	6/1/2/P	19-09-2013		Under review	Yes
Policy Development Framework	2/12/P	23-02-2017		23-02-2020	No
Policy Governing Funding to External Organisations (previously Grant-in-Aid Policy)	5/2/1/P	22-05-2014		Under review	Yes
Policy Governing the Long-Term	5/8/P	01-12-2018		01-12-2021	No

Policy Title	Reference Number	Adoption Date		Review Due Date	Policy on Website
Financial Plan					
Policy on the Establishment and Functioning of Ward Committees	3/1/1/P	23-05-2017		23-05-2020	Yes
Property Rates Policy 2018/19	5/3/1/P	30-05-2018		Annually	Yes
Public Participation Policy and Procedures Manual	11/1/5/3/P	07-08-2014		Under review	Yes
Recognition of Prior Learning	4/4/P	23-05-2017		23-05-2020	No
Sexual Harassment Policy	4/10/P	23-05-2017		23-05-2020	No
Smoking Control	4/13/P	Unknown		Under review	No
Sport Policy	19/11/P	01-06-2006		Under Review	No
Street Naming Policy	16/1/5/P	13-05-2004		Under Review	No
Student Accommodation Policy	16/4/1/17/P	16-08-2018		16-08-2021	Yes
Substance Abuse Policy	4/13/P	16-02-2011		Under review	No
Supply Chain Management Policy	9/1/P	29-03-2018		29-03-2021	Yes
Tariff Policy	5/5/P	30-05-2016		Annually	Yes
Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	5/20/P	24-05-2018		24-05-2021	Yes
Ward-Based Grant in Aid Policy	5/7/P	30-11-2017		N/A	No
Whistle-Blowing Policy	5/20/P	24-06-2004		Under review	No

Source: NMBM Chief Operating Office - Policy and Research

TABLE 19: Municipality's gazetted By-Laws

BY-LAW	GAZETTE NO.	DATE OF GAZETTE
NMBM: Customer Care and Revenue Management By-law	1087	21 October 2003
NMBM: Liquor Selling Hours By-law	1459	12 December 2005
Disaster Management Act (52/2002): NMBM: Disaster Management By-law	1803	30 November 2007
Constitution of the Republic of South	1803	30 November 2007

BY-LAW	GAZETTE NO.	DATE OF GAZETTE
Africa, 1996: NMBM: Fire Safety By-law		
Constitution of the Republic of South Africa, 1996: NMBM: Roads, Traffic and Safety By-law	1803	30 November 2007
Constitution of the Republic of South Africa, 1996: NMBM: Street Trading By-law	1982	26 September 2008
Local Government: Municipal Property Rates Act (6/2004): NMBM: Property Rates By-law	2085	10 March 2009
Constitution of the Republic of South Africa, 1996: NMBM: Air Pollution Control By-law	2322	24 March 2010
Constitution of the Republic of South Africa, 1996: NMBM: Cemeteries and Crematoria By-law	2322	24 March 2010
Constitution of the Republic of South Africa, 1996: NMBM: Health By-law for the Operation and Management of Initiation Schools	2322	24 March 2010
Constitution of the Republic of South Africa, 1996 : NMBM : Municipal Health By-law	2322	24 March 2010
Constitution of the Republic of South Africa, 1996: NMBM: Noise Control By-law	2322	24 March 2010
Constitution of the Republic of South Africa, 1996: NMBM: Prevention of Public Nuisances and Public Nuisances Arising from the Keeping of Animals By-law	2322	24 March 2010
Constitution of the Republic of South Africa, 1996: NMBM: Public Amenities By-law	2322	24 March 2010
Constitution of the Republic of South	2322	24 March 2010

BY-LAW	GAZETTE NO.	DATE OF GAZETTE
Africa, 1996: NMBM: Waste Management By-law		
Constitution of the Republic of South Africa (108/1996): NMBM: Outdoor Signs (Advertising and Other) By-law	2361	14 May 2010
Water Services Act (108/1997): NMBM: Water and Sanitation Services By-law	2361	14 May 2010

CHAPTER 3:

METHODOLOGY AND STAKEHOLDER ENGAGEMENTS

The Municipality's leadership set in motion a strategy to prepare an Integrated Development Plan that would place the people of Nelson Mandela Bay at the centre of planning. With a strong commitment to improve service delivery and grow the economy to create jobs, it was crucial for the new administration to reform the administration and its systems.

Chapter Seven (7) of the Constitution of the Republic of South Africa, Act 108 of 1996, Chapter Four (4) and Five (5) of Local Government Municipal Systems Act, 32 of 2000 and Chapter Four (4) of the Municipal Finance Management Act Number 56 of 2003 compel municipalities to engage communities through public participation programmes. This is not only a compliance exercise, but as serious engagement with communities of the Metro so that, communities have a voice in a manner the municipality plans and implement its programmes. It is by registering their issues and allocation of budget in their priorities that the municipality is considered to be implementing a developmental agenda of government.

The Long-Term Growth and Development Plan provide a framework for three successive five-year Integrated Development Plans until 2032. This is also referred to as Vision 2032 implemented in three phases, namely; consolidation, stabilization and ultimately achieving the economic growth of the Metro aimed at achieving a comprehensive socio-economic turnaround for the Nelson Mandela Bay Municipality.

At the broader level, strategic focus is placed on integrating the local economy into the developmental agendas of the national and continental economies and to efficiently manage and capitalise on the impacts of globalisation and climate change as two of the most prominent challenges currently faced.

The Council approved an IDP, Budget and BEPP Multi Year Time Schedule in its sitting on 28 August of 2018 and subsequently in 2019 / 2020, the Strategic Planning Steering Committee approved public participation programme for the start of the review processes for the 2020 / 2021 IDP and Budget. The first comprehensive round of public meetings in review of the 2019 / 2020 IDP / Budget took place from 30 September to 16 October 2019.
The following strategies were in place:

1. Communication Strategy
2. Public Participation Strategy

3.1 COMPRESSSED IDP AND BUDGET PROCESS PLAN INFLUENCED BY COVID 19

Preamble

National Treasury proposed that, municipalities should make sure that, within 30 days of uplifting of a lockdown, their IDPs and Budgets must be ready for approval by their Councils. This whole process would require the municipality to think outside the box and explore creative and alternative methods of engagements with communities under the prevailing lockdwown Regulations.

The nature of this pandemic ravaging the entire South Africa and the World at large requires IDP and Budget Practitioners who wiling to venture into creative strategies to deal with some of the legal requirements associated with the review of these two documents. The other crucial aspect of this whole process is how we approach the broader community using innovative technologies without excluding the rest of the community from participating in these processes.

It should also not escape us that, this IDP / Budget review process is a continuous cycle that was started with public participation during 30 September to 16 October 2019. Some of the alternative methods that were used during the lockdown period were:

- Advertisement and use of the IDP APP
- Using predetermined Radio Slots as a platform to engage with communities by the Political Principals and IDP Practitioners capturing notes during that engagement.
- Use WhatsApp and various social media platforms (WhatsApp number created).
- 0800 20 5050 Mumicipal Number
- Use of suggestion boxes in Specific Shopping Malls where we were allowed to do so.
- Budget and Treasury Directorate to use municipal accounts to Account Holders to market these various methods of participating in the review processes.
- Use of emails to submit information to the IDP Office and
- Municipal Website.

There are Six (06) Clusters in the Metro and they are; Molly Blackburn (Suburbs including Walmer Township and Kuyga), Lilian Diedericks (Northern Areas), Champion Galela (Zwide Area including Soweto o Sea), Govan Mbeki (New Brighton

and KwaZakhele Areas), Alex Matikinca (Motherwell and Wells Estate Areas) and Zola Nqini (Uitenhage and Despatch Area).

The Molly Blackburn Cluster is largely the most developed in the metro except for Walmer Township and Kuyga where there is still a need for delivery of basic services. A large proportion of the Lilian Diedericks cluster is still struggling for basic services. The Champion Galela cluster has some of the required basic services although; they are not built to accommodate the current demand.

Govan Mbeki cluster contains one of the oldest townships in the Nelson Mandela, New Brighton. Basic services are generally available but again, need to be replaced due to its age. Alex Matikinca is a relatively new area in the metro. Basic services are available but again, it does not cope with the increased demand on the services provided.

The Zola Nqini cluster is also among the oldest townships in the Uitenhage Area. A number of basic services are provided in the area but also, due to the age of the area, most of the services are in a state of collapse.

The participation of communities in planning and prioritization of community priorities is crucial. The municipality take public participation and the views of communities very seriously.

Below is the proposed compressed IDP / Budget Process Plan influenced by the COVID 19 pandemic.

Table 20: 2020/21 MTREF PROPOSED IDP AND BUDGET PROCESS

EVENT	DATE	TIMEFRAMES	BY WHOM	STATUS QUO
1. Bilateral meetings with Directorates	13 – 30 March 2020	Submission, 09 April 2020	COO's Office	Done except I&E
2. Bilateral meetings with Sector Departments / SOEs	19 – 25 March 2020	Submission, 09 April 2020	COO's Office	Done except for Transnet
3. Submission of input by Directorates		06 May 2020	Executive Directors	Done
4. Approved by Mayoral		13 May 2020	Mayoral	Done
5. Approval of IDP / Budget Public participation programme by Multi Party Whippery		19 May 2020	Acting Chief Whip, Speaker and Executive Mayor	COO, to facilitate
6. Inform Councillors on the compressed IDP/ Budget public participation initiatives		19 May 2020	IDP and Speaker's Offices	
7. Advertise programme on Municipal Website and Print Media		20 May 2020	IDP and Communications Sub Directorates	
8. Convene a Special		01 June 2020	Speaker's	

Council to present draft IDP Budget			Offices	
9. Radio slots to inform communities about the 2020/21 IDP and Budget process and encourage communities to submit comments and input.	1 – 3 June 2020	19 May 2020	IDP and Communications Sub Directorates	
10. Circulate draft IDP and Source input from Councillors (these inputs can only be considered and incorporated in the final draft IDP after the Council meeting of the 01 June 2020)		21 - 28 May 2020	IDP Office	
11. Consolidation of input received		03 June 2020	IDP Office	
12. Printing and distribution to all Councillors for final comments and input		18 June 2020	COO & A / Executive Director:	
13. Tariff Book prepared and in line with recommended increases and Property Rate item		18 June 2020	Budget and Treasury	
14. Advertising approved IDP/Budget for public comments	31 May – 18 June 2020	01 June 2020	IDP and Communications Sub Directorates	
15. Receiving and Consolidation of inputs by communities.	02 June – 18 June 2020 (period within which communities to submit their inputs)	18 June 2020	IDP Sub Directorate	
16. Submission of Final Draft IDP and Budget to Secretariat		18 June 2020	IDP Sub Directorate	
17. Printing and distribution of Final Draft IDP and Budget copies to all Councillors		19 - 21 June 2020 (Sunday)	IDP Sub Directorate and Corporate Services	
18. Joint B&T Mayoral to approve IDP and Budget		25 June 2020	Executive Mayor and MMC - Finance	
19. Convene a Special Council for approval of 2020/21 MTREF Draft IDP / Budget		26 June 2020	Executive Mayor and Speaker	
20. Advertising the		29 June 2020	IDP Office	

approved 2020/21 MTREF IDP and Budget in the municipal Website and print media				
21. Circulation of Draft IDP to all legally required Individuals and Institutions		29 June 2020	IDP Office	

The following role-players and stakeholders were consulted during the IDP and Budget development and review processes of the Municipality:

- Communities of Nelson Mandela Bay
- Organised stakeholder groupings, e.g. NMB Business Chamber, NGOs, civic groupings, unions and ratepayers' associations
- NMU and government sector departments
- IDP Representative Forum
- Special sectors (youth, women, elderly people, traditional leaders, children and people with disabilities)
- Creative arts and heritage Organisations
- Municipal Councillors and officials
- Ward Committees and other spheres of government

Apart from the Municipality having consulted with communities, economic sector industries were also engaged. Engagements between the economic sector industries stakeholders and ACSA unblocked a number of challenges that were experienced by these sectors, which required attention by the municipality. ACSA was one of the beneficiaries during this engagement concerning its future plans for the development of the Port Elizabeth International Airport.

The scope of engagement was also extended to accommodate the Cultural and Creative Industries. A number of Artists and Actors in the metro expressed serious concerns that, their needs are not addressed in the municipal budget. They therefore need a stake in the municipal budget which talks to their needs as artists and actors. A consultation meeting was also held with various NGOs, CBOs and SANGOCO representatives participated in the meeting. Going forward, there will be a more structured way of engaging with the above-mentioned groupings.

Special Sectors and Mainstreaming

This is one of the actively involved stakeholders in the NMBM IDP / Budget review processes. The Nelson Mandela Bay Municipality has established an institutional framework that coordinates and facilitates the mainstreaming of the best interests of children, people with disabilities, the elderly, women and youth through the Special Programmes Unit within Constituency Services.

Meetings with Special Sectors took place on 09 October 2019. Some of the priorities consistently raised during a number of previous meetings were again presented during the meetings held in October 2019. For example, a Sign Language Interpreter was available at these meetings and some of the meeting documents were converted into Braille. These two milestones brought about a lot of happiness and satisfaction amongst these stakeholders who needed such services.
Among the issues raised consistently on a number of platforms by the special sector include: the provision of houses that are friendly to people with disabilities; sidewalks to accommodate people in wheelchairs; and facilities where people with disabilities may create and display products developed using their hands, e.g. arts and crafts such as beadwork.

They also raised the issue of the employment of a focal person in the Office of the Executive Mayor to deal with issues directly affecting people with disabilities. The issue of a public transport system that is user-friendly to people with disabilities is also raised sharply during these meetings.

In an effort to ensure integration and synergy, all Directorates are required to ensure that special sectors development will become central in their planning, budgeting, and the implementation of their projects and programmes. The Special Programmes Unit, in conjunction with Directorates and in collaboration with relevant stakeholders, is expected to conduct its business in the following manner:

- Conduct public awareness and education for the promotion of mainstreaming the youth, women, aged, disability, gender and children’s rights issues in Council and government programmes; with extensive campaigns associated with national days in the form of Pride and Observance dates.

- Ensure that special sector' concerns and needs become the integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and social spheres for designated groups to benefit equitably.
- Coordinate efforts that ensure that planning, policies, programmes and projects will counteract the inequalities and disparities experienced by children, disability, elderly, women, youth and gender machinery.
- Ensure the coordination and facilitation of the systematic inclusion of all concerns of children, disability, elderly, women, youth and gender machinery at all levels of planning, policy making and programme implementation.
- Ensure the fairness and availability of measures that compensate historical and social disadvantages that prevent special sectors from operating on a level playing field.
- Effectively and efficiently, coordinate for the alignment and compliance to local, provincial, national, SADC, regional, continental and international obligations and protocols pertaining to special sectors.
- Ensure that special sectors contribute and benefit from economic, social, cultural and political development.
- Assess the implications for designated groups of any planned action, legislation, policies or programmes in all areas and at all levels.

Table 21 is a summary of ten (10) priorities that were frequently raised by communities during the public engagements during September – October 2019 and April 2020 respectively. It is clear from the table that the upgrading and maintenance of sewerage systems is a key priority. This issue was particularly dominant in township Wards.

Other issues that dominated the recent public meetings, as reflected in Table 11, were; Skills development; the rectification of houses including pre-1994 houses; the provision of streetlights; the construction, upgrading and maintenance of sport fields; and the visibility of Metro Police and SAPS.

An integrated approach is therefore required in addressing issues raised by the communities during these public meetings. Issues raised that do not fall within the mandate of Local Government are elevated to the relevant departments for their attention. It is critical for the NMBM to establish, enhance and strengthen Intergovernmental Relations platforms to ensure great cooperation and interaction of efforts between the various spheres of government.

TABLE 21: Priorities with highest frequency in Wards during IDP / Budget Review processes for the 2020/2021 IDP

PRIORITIES RAISED	WARDS
1.Housing delivery	11, 12, 13, 15, 16, 18,19,21, 24, 27, 29, 30, 34, 36,41, 53, 54,55,57 & 60
2.Rectification of houses	10, 15, 18, 21, 24, 26, 27, 28, 30, 34, 35, 36,41,,43, 53, 54, 55,57 & 60
3.Rectification of pre-1994 houses	10, 15, 18, 21, 24, 25, 26, 27, 28, 30, 34, 35, 36, 45,46,47, 53, 54, 55 & 60
4.Tarring of roads and construction of speed humps	11, 12, 13, 14,15,18, 24, 29, 34, 35, 36, 42,45, 53 & 55
5.Attend to Illegal dumping	12, 15, 18,19, 20,21,22,23, 24, 26, 28, 30, 34, 35,36, 43, 44, 45, 46, 47, 49,57, 50, & 53
6.Upgrade and maintenance of sewerage system	10, 12, 13, 15, 16, 18, 20, 21, 22, 24, 26, 27, 28, 29, 30, 36, 41, 44, 45, 47, 49, 53,54, 55, 56, 57 & 60
7.Visibility of Metro Police and SAPS due to high crime rate	10,12, 13, 14, 15,17, 18, 20,23,24, 27,29, 34, 35, 41,43,52,53,54, 57,58 & 60
8.Provision of street lights and high mast lighting	9,10, 11, 13, 14, 15, 18, 21,22, 24, 27, 28, 29, 30, 34, 35 , 36, 45,47, 54,55,57 & 58
9.Construction of sport fields and upgrading / maintenance	11, 13, 14, 15, 18, 20, 21, 22, 23,24, 28, 29, 34, 36,41, 45,52, 53,55,57,58 ,59 & 60
10.Skills development	13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 27, 28, 34, 36, 41, 42, 43, 44 ,47,52 &60

Source: Office of the COO (2019)

CHAPTER 4: SPATIAL STRATEGY

4.1 INTRODUCTION

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

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

This Chapter outlines the key features of these three strategic documents, which together form the spatial strategy of the City. The Metropolitan Spatial Development Framework (MSDF) is the primary spatial plan of the City and represents the spatial manifestation of the IDP. All matters of a spatial nature concerning the Municipality are encapsulated in the MSDF. It includes the aforementioned Sustainable Community Planning Methodology and the Built Environment Performance Plan.

The initial MSDF was approved by Council in 2009; a second version was approved in December 2015. A Draft MSDF exists, and this Chapter includes the revised Spatial Development Framework Strategy. The Spatial Planning and Land Use Management Act 2013 (SPLUMA) sets the legal framework for the SDFs of South African municipalities. A revised SDF is still undergoing refinement. The whole process affected by Covid 19 lockdown.

4.2 NMBM METROPOLITAN SPATIAL DEVELOPMENT FRAMEWORK

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

The MSDF identifies major transport routes, future transport links, environmentally important areas and key potentials and constraints. The MSDF also aims to sequence future development areas in a manner that makes the best use of infrastructure services and limits the leap-frogging of development and the unnecessary expansion of infrastructure networks.

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

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

4.2.1 Rationale for Spatial Planning

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

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

4.2.2 SDF processes

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

- Analysis of spatial opportunities, constraints, patterns and trends.
- Identification of the need for spatial restructuring and land reform.
- Provision of spatial solutions to developmental issues.
- Identification of national spatial development principles and their spatial application in the NMBM.
- Understanding of and allowance for the spatial implications of social, economic and environmental sustainability.
- Production of a document to guide decision-making on developable and non-developable areas, including the sequencing of development.
- Creation of a framework for public and private investment decisions to facilitate investor confidence.

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

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

4.2.3 Spatial Overview of Nelson Mandela Bay

The Nelson Mandela Bay Municipality (NMBM) was the first metropolitan municipality in the Eastern Cape Province and is one of eight metropolitan municipalities in South Africa. The Nelson Mandela Bay Municipality covers an area of 1959, 02 km² and is bordered by the Sundays River in the north, the Van Stadens River in the south west, and the Greater Uitenhage / Despatch areas towards the west of the metropolitan area.

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

4.2.4 Proposed Metropolitan Structure

4.2.4.1 Structuring the Plan

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

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

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

- Land earmarked for new development, including low income housing, has been selected on the basis that vacant land within and close to the existing built-up areas must be utilised first, while further outlying areas are considered for development

only once more centrally located land has been taken up. This will encourage the more efficient use of existing infrastructure before network extensions are required. It will also discourage the leap-frogging of development, which is expensive from a bulk services provision perspective.

- Land uses are to be arranged in a manner that promotes the development and use of an efficient public transport system. Densification and a mix of land uses along major transport corridors can achieve this objective.
- Access to green recreational zones from residential areas was given special attention. Natural, sensitive areas were identified for protection, and additional green spaces have been set aside for recreational use, as well as other uses that are of an ecological nature.
- Certain land uses, such as large industrial areas, are kept away from residential areas, due to the heavy traffic, air pollution and noise generated by industrial operations.
- Existing economic nodes, such as the Coega IDZ, as well as the Uitenhage and Port Elizabeth main industrial areas and existing commercial centres, are used as employment nodes; therefore, structuring elements.
- Further transport links are proposed to promote integration and overall accessibility; linking major centres and industrial areas with residential areas is important, taking into account the limitations resulting from valleys, rivers and escarpments.
- Public transport corridors were proposed linking economic areas. The future growth direction from Motherwell would thus be to the west, in the direction of Uitenhage, with the Coega IDZ providing employment opportunities for the adjacent residential areas of Motherwell.
- Main arterial roads and rail links for private and public transport between the different urban areas are most easily arranged in east-west directions. Linkages in the north-south direction as well as inland are impeded by valleys, rivers and escarpments and are consequently mainly limited to coastal corridors. It is important that cross-city linkages are explored to improve accessibility.
- It is vital to reserve land for future communication links through the urban zones. This is especially important when building between existing developments to make the urban structure denser and more efficient. Such reserves will serve to avoid future transport problems and the additional cost of creating new links through development areas.
- The approach therefore focused on pedestrian movement and public transport and the provision of access to services and job opportunities.

4.2.4.2 Primary Structuring Elements

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

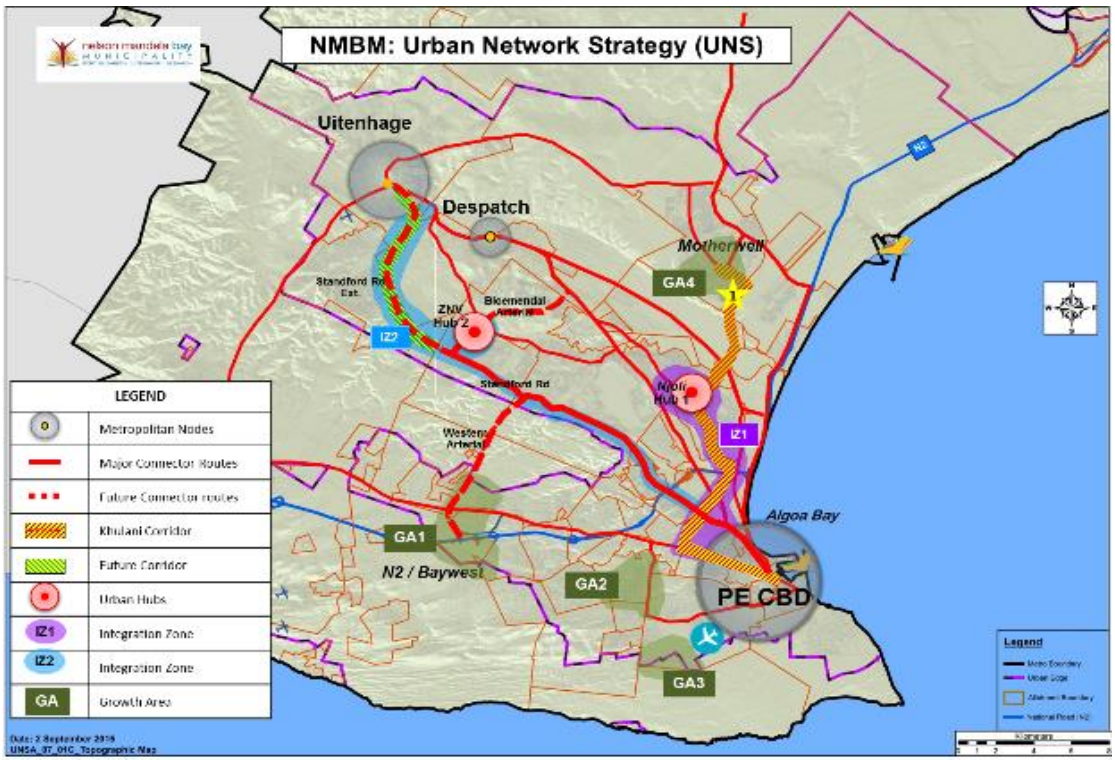
4.2.4.3 Activity Nodes

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

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

4.2.4.4 Urban Network Strategy

Fig 3: NMBM Urban Nodes



Source: NMBM 2017

4.2.4.5 Urban Corridors / Activity Spines

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

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

4.2.4.6 NMBM Activity Corridors

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

4.2.4.7 Natural Open Space and Green System

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

4.2.4.8 Consolidation and Densification

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

4.2.4.9 Growth Management / Urban Edge

A tool of the spatial development framework for growth management is the demarcation of an urban growth boundary or urban edge. The "urban edge" is a conceptual boundary that

delineates the urban area in order to contain physical development and sprawl and re-direct growth towards a more integrated, compact and efficient urban form, guided by detailed plans.

4.3 SUSTAINABLE COMMUNITY PLANNING AND METHODOLOGY

The existing pattern of development in Nelson Mandela Bay is the result of historical segregation-based planning. These imbalances serve as constraints for
Re-development; they should be addressed and rectified.

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

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

4.3.1 Distance to Facilities

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

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

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

For more details on the planning methodology outlined above, refer to the *Sustainable Community Planning Guide*, dated June 2007; also available on the municipal website: (www.nelsonmandelabay.gov.za).

4.4 BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP)

The development of a Built Environment Performance Plan (BEPP) is a requirement of the Division of Revenue Act (DoRA) in respect of the various infrastructure grants related to the built environment of metropolitan municipalities. The NMBM 2019/20- 2021/22 Built Environment Performance Plan is available on the municipal website: www.nelsonmandelabay.gov.za.

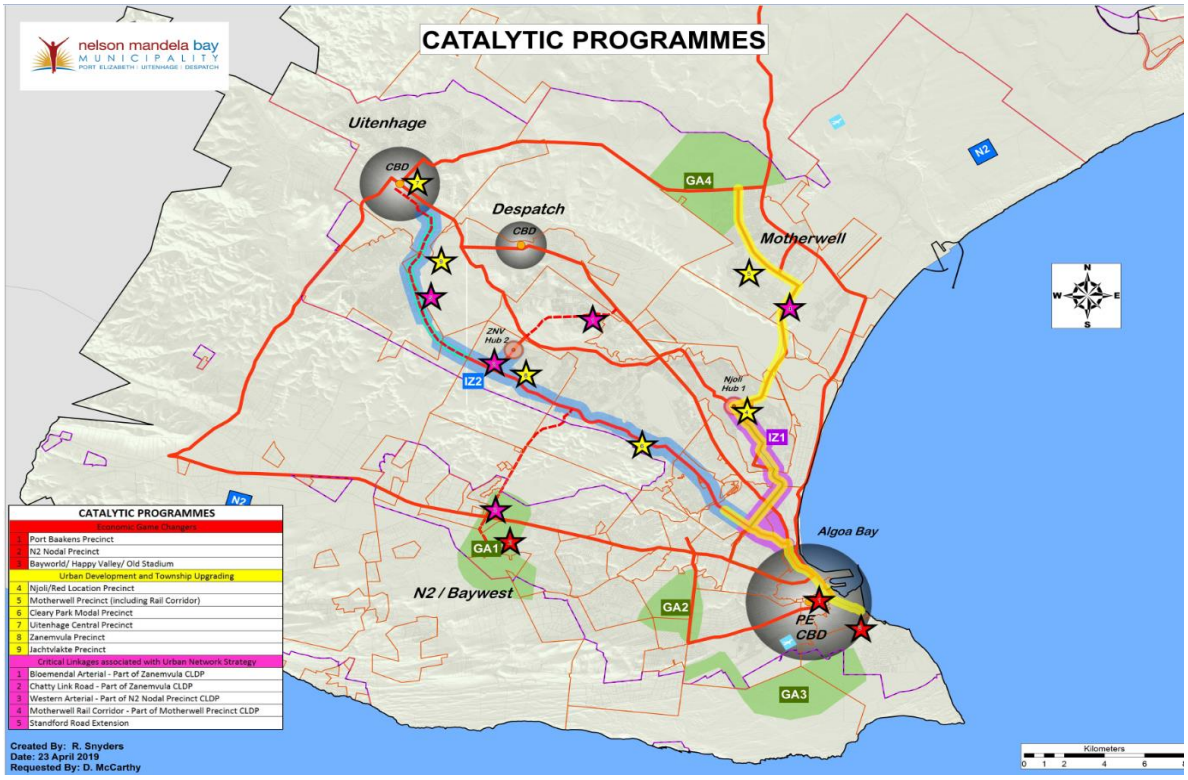
It is submitted to National Treasury in order to*, inter alia*, access the following conditional grants:

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

4.5 Catalytic Programmes

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

Fig 4: NMBM Catalytic Programmes



Source: NMBM, 2019

4.6 INFORMAL SETTLEMENTS AND MARGINALISED AREAS

4.6.1 Management and Upgrading of Informal Settlements

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

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

The Spatial Strategy of the NMBM, which has at its core the aim of sustainability and achieving a more equitable spatial structure for the population of the Metro, is crucial. What is also key to mention is that all strategies aimed at addressing issues of disproportional spatial planning are taking an integrated approach to the challenge. Greater integration and the alignment of strategic spatial plans will be achieved in the near future.

The Long Term Growth and Development Plan and the Performance Management aspects of this IDP aim to ensure that, the macro spatial strategy is experienced at community level. Examples are; safer neighbourhoods and streets, more functional suburbs with more choices and diversity to meet daily needs, more accessible and convenient facilities with greater mobility, healthier and greener and more sustainable living areas.

CHAPTER 5:

INPUT BY SECTOR DEPARTMENTS

This Chapter reflects the input received from the Sector Departments and State Owned Enterprises.

TABLE 22: PARTICIPATION OF SECTOR DEPARTMENTS IN NMBM PUBLIC PARTICIPATION MEETINGS IN THE LAST THREE FINANCIAL YEARS (2016 / 17 TO 2018 / 19)

DEPARTMENT	2016/17			2017/18			2018/19	2019/20	
	PUBLIC MEETINGS	IDP REP FORUM	IDP INPUT	PUBLIC MEETINGS	IDP REP FORUM	IDP INPUT	PUBLIC MEETINGS	IDP REP FORUM	IDP INPUT
Health		Yes	Yes		Yes	Yes		Yes	Yes
SRAC					Yes	Yes		Yes	Yes
SAPS		Yes	Yes		Yes	Yes		Yes	Yes
Education: PE			Yes			Yes			Yes
Public Works								Yes	Yes
Human Settlements			Yes		Yes				Yes
DEDEAT		Yes	Yes		Yes	Yes		Yes	Yes
Roads & Public Works			Yes						Yes
Safety and Liaison			Yes					Yes	
Water & Sanitation			Yes						
DRDAR		Yes	Yes					Yes	
Social Development			Yes						
Labour		Yes			Yes			Yes	
SASSA					Yes				
Energy					Yes				
Transport								Yes	
Correctional Services								Yes	
Agriculture, Forestry & Fisheries								Yes	
EC: Parks & Tourism								Yes	
Home Affairs								Yes	
COGTA							Yes	Yes	
Office of the Premier				Yes	Yes			Yes	

5.1 Sector Departments and State Owned Enterprises Input

In line with Intergovernmental Relations and Cooperation between various spheres of government, a number of Sector Departments submitted their inputs for inclusion in the 2019/20 IDP. Sector Departments who submitted their input in the NMBM IDP are the following: Economic Development, Environmental Affairs, South African

Police Services (SAPS), Department of Roads and Public Works, ACSA, PRASA and the Department of Human Settlements.

5.1.1 Provincial Department of Economic Development, Environmental Affairs and Tourism

Mandate / Key Strategic Objectives of the Department / Parastatal / Organization:

Sustainable development underpinned by economic growth and sound environmental management.

5.1.2 Economic Development

This unit promotes economic growth and the development of local economies by aligning Local and Regional Economic Development Fund (LRED) initiatives with government programmes, as well as sustains economic development and growth through partnerships with key stakeholders. To this end, the District participates in IDP and LED Strategy Reviews initiated by local municipalities, as well as forums such as the District Support Team that support LED initiatives within the various municipal areas.

The mandate includes the facilitation of the implementation of micro-economic reform strategies through business development and support. Furthermore, this unit facilitates the registration of and access to finance by co-operatives and SMMEs. This is done through referral to the Eastern Cape Development Corporation (Imvaba Fund and Business Loans) and the Small Enterprise Development Agency (Business Plans, Product and Market Development).

The Unit also provides redress to valid consumer complaints on unfair business practices, as well as promotes consumer awareness in terms of the National Consumer Protection Act, 2011. This enables consumers to make educated decisions.

5.1.3 Environmental Affairs

The mandate includes the administering of legislation and regulations pertaining to the National Environmental Management Act (Act 107 of 1998), including legislation such as Environmental Impact Management (EIA regulations), Waste Management, Air Quality Management and Biodiversity Management. All permits / approvals issued in terms of the afore-mentioned legislation are subject to oversight by the Compliance and Enforcement Unit.

It also provides Environmental Empowerment Services, empowering local communities and various non-governmental stakeholders pertaining to issues of environmental concern.

TABLE 23: Department of Provincial Economic Development

1	LRED Grant Funding: RV Footwear	R3 000 000	11 Parkin Street, North End, Port Elizabeth
2	LRED Grant Funding proposals under consideration (6): • Africa Auto Group (Automotive parts) - Coega IDZ • Clean-up Trading (Fresh produce market) - Uitenhage • Equipt Consulting (Angora rabbit products) - Greenbushes • La Mohair Pty Ltd (Mohair products) - North End • Lebenyane Trading cc (Automotive parts) - Deal Party • Zozinette Pty Ltd (Weave products) - Walmer	Total of R15.8m requested by applicants	Dependent on project approval
3	Consumer Awareness	Operating Budget	Nelson Mandela Bay

5.1.4 South African Police Services

TABLE24: SAPS Cluster Offices in the NMB

Mount Road Cluster Office	Motherwell Cluster Office	Uitenhage Cluster Office
Mount Road	Motherwell	Uitenhage
Humewood	KwaZakhele	KwaNobuhle
Walmer	New Brighton	Kamesh
Kabega Park	Ikamvelihle	Despatch
Algoa Park	KwaDwesi	
Gelvandale	Swartkops	
Bethelsdorp	Kinkelbos	

Source: SAPS (2018)

All land requirements for the new proposed police stations in the following areas are being addressed; Zwide, Kabega, KwaNobuhle (Uitenhage), New Brighton, KwaDwesi, Kinkelbos and Walmer.

TABLE 25: Department of Provincial Public Works

No	Details of Projects / Programme to be undertaken in 2018/19	Overall Budget Provision per project/ programme	Areas targeted for implementation
1.	Jubilee Park	R77 460 900,00	Uitenhage
2.	David Livingstone	R 71 460 900,00	Port Elizabeth
3.	Bhongweni	R 39 989 440,76	Port Elizabeth
4.	Mfesane	R 80 755 357,06	Port Elizabeth
5.	Bethelsdorp	R 80 025 172,80	Port Elizabeth
6.	Dora Phase 1	R 99 851 315,06	Port Elizabeth
7.	Dora phase 11	R 119052000,6	Port Elizabeth

Source: Department of Provincial Public works

5.1.5 Airport Company South Africa (ACSA)

Mandate and Key Strategic Objectives:

- Cooperation between the NMBM and ACSA around development planning and Airport master plan and precinct planning to ensure alignment.
- Manage and align developments to ensure maximum economic and social beneficiation for the region.
- Collaboration and agreement on land-use / planning to ensure airport impacts on surrounding communities are managed.
- Leverage Airport as an economic engine and connectivity node – Airlift Project.
- Positioning Port Elizabeth International Airport as an Airport City to leverage for economic growth.

Master Plan

Additional land requirements

- Proposed development on Erf 1948 – This piece of land to be made available to the Airport for future plans development
- Precinct Plan development for the Airport, including transport solutions.

Table 26: ACSA 2020/21 Projects

No.	Details of projects / Programme to be undertaken in 2020/21	Overall Budget Provision per project/programme (specify year(s) and if draft or approved budget	Area	Positive impact, sustainability and job creation opportunities created by the project/ Programme	Challenge(s) anticipated experience – both internally and externally	Recommendation (s) to address challenges.
1	Terminal refurbishment (CSP)	R16 Million	Ward 4	Improved access and operations at the airport; localised job creation to implement the project.	Managing the project within a live operating environment	Internal and external stakeholders engagements, contingency plans for operations
2	Car Rental	R47, 5	Ward 4	Increase	Managing the	Internal and

	Upgrade	Million		capacity: localised job creation to implement the project.	project within a live operating environment.	external stakeholders engagement: contingency plans for operations.
3	Airport Ambience Project	R500 000	Ward 4	Sense of place created and upgraded to improve passenger experience.	Minimal impact	Minimal impact
4	Storm Water Phase 2	R100.8 million	Ward 4	Increasing capacity; localised job creation to implement the project.	Managing the project within a live operating environment.	Contingency plans
5	Parking Office	R5.5 million	Ward 2	Increasing capacity and airport user flows; localised job creation to implement the project.	Managing the project within a live operating environment.	Internal and external stakeholders engagement; contingency plans for operations

5.1.6 PRASA

- Construction of 7, 8 km new railway line, connecting with existing Transnet main line.
- Three (3) new passenger stations will be designed but not constructed in current project.
- Construction of the staging facilities in Motherwell for 6 train sets.

Achieved to date:

- Consultant completed the detailed designs in July 2018.
- All stakeholders, including the NMBM, reviewed detailed designs and designs and were approved subject to a few conditions.
- Finalisation of Memorandum of Agreement between PRASA and the NMBM - PRASA finalising internal comments for final discussion with the NMBM.

- Land acquisition / donation processes to start once Environmental

Authorization is obtained.

PRASA FINANCIAL COMMITMENT

The total requested budget for 2020 over the MTEF period is R155 901 343 22 and this is allocated as reflected in Table 27

TABLE 27: PRASA'S ALLOCATED BUDGET FOR MTEF

2020/2021	2021/2022	2022/2023
R31 099 136.00	R98 202 544.00	R26 599 662.22

TABLE 28: PRASA Planned Projects until 2023

Project Name	Estimated Total Cost	2020/2021	2021/2022	2022/2023
Port Elizabeth Station Improvement	R53 000 000	R7 000 000	R34 200 000	R11 800 000
New Brighton Station Improvement	R15 000 000	R2 000 000	R13 000 000	
Total	**R68 000 000**	**R9 000 000**	**R47 200 000**	**R11 800 000**

Source: PRASA CRES (Corporate Real Estate Solutions) 2020

Table 29: Motherwell Passenger Rail Corridor Project

Motherwell Passenger Rail Corridor Project	FY2019/20	FY2020/21	FY 2021/22
	R5 618 733	R168 106 292	R22 417 823

Source: PRASA (2018)

TABLE 30: Human Settlements Pipeline Projects

Pipeline Projects	Project Size	Status
Doornhoek (48)	40	PACOM Approved – 08/0818
Dikiza Street (42)	8	PACOM Approved – 08/0818
Ntswahlana Street (42)	10	PACOM Approved – 08/0818
Kabah Langa PH 6 (48)	54	PACOM Approved – 08/0818
Kabah Langa PH 6 (48)	54	PACOM Approved – 08/0818
Pola Park (50)	50	PACOM Approved – 08/0818
Motherwell NU 12 (54)	350	Item submitted to Technical Evaluation Committee
Mandela Rholihlahla (31)	4	PACOM Approved – 08/0818
Uitenhage Erf 8228 (42)	111	PACOM Approved – 08/0818
Motherwell High Density (54)	117	PACOM Approved – 08/0818
Uitenhage Blikkiesdorp (48)	731	Busy with beneficiary survey
Bethelsdorp North Area C (36)	6500	PACOM Approved – 113 Units
Uitenhage Rosedale Ph 2 (49)	299	No application in place yet
Jagvlagte PH 1 (53)	353	No application in place yet
Despatch Florida Heights (41)	639	No application in place yet

Source: Department of Human Settlement (2018)

Table 31: COEGA IDZ Projects (2020/2021)

Project Name	Implementation Status
BAIC	Pvt Sector inv : R11bn Plc Sector inv : R242m Area under roof : *71 648 m2 (when fully operational) Total site size : *54.6 ha Jobs created : *2 400 (when fully operational) Jobs created : 1883 (construction) Country of origin : China
Akacia Medical	Pvt Sector inv : R100m Plc Sector inv : R68m Area under roof : 4280 m2 Total site size : 5600 m2 Jobs created : 42 (const) SMME Appointed : 10 (to-date) SMME Appointment Value: R32m(to-date) Country of origin : SA *currently under construction
Multi User Facility	Plc Sector inv : R60m Area under roof : 7890 m2 Total site size : 20 000 m2 Jobs created : 280 (const) Country of origin : SA SMMEs Appointed : 14 (to-date) SMME Appointment Value: R29m (to-date) *currently under construction

CHAPTER 6

6.2 FINANCIAL SUSTAINABILITY AND VIABILITY

6.2.1 INTRODUCTION

The outbreak of Coronavirus also known as Covid-19 pandemic in 2019 changed the normal way of doing things throughout the world. To curb its spread, the President of the Republic of South Africa on the 23 March 2020, pronounced a National Lockdown for three (3) weeks, This was however extended for a further two (2) weeks.

After the five (5) week long hard lockdown, the President eased on the restrictions to open up the economy. The impact of the Covid-19 is on the following areas;

- This situation coupled with the fact that no Credit Control is implemented, resulted in a significant shortfall in Revenue Collection.

- The estimation of water and electricity meters meant that there is no accurate billing of accounts.

- All Customer Care Centres were closed resulting in consumers are not getting services such as new ATTP (Assistance to the Poor) benefits and / or access to municipal cashiers.

- The directorate is however working on a plan to revive certain services albeit on a limited scale.

Despite all such setbacks, the institution must ensure that it becomes financially sustainable in order to deliver on its objectives in terms of the IDP. The Budget and Treasury Directorate operates within the parameters determined by the Municipal Financial Management Act (MFMA) (56 of 2003), together with the applicable Regulations. It is the responsibility of this Directorate in conjunction with other relevant role-players to ensure compliance across the institution. The Directorate provides financial related services, support to all Council structures and other

municipal directorates, and strives to ensure that the finances of the NMBM are handled in a sustainable manner ensuring financial viability going forward.

National Treasury views a three-month cost coverage ratio as critical from a financial perspective. The Audited Consolidated Annual Financial Statements for 2018/19 reflect cost coverage of 3.77 months. The investment portfolio as at 30 June 2019, has been positively impacted by unspent conditional grants of approximately R653, 7 million (Payments on these conditional grants occurred mainly during the months of July and August 2019, i.e after the end of the financial year).

During the 2018/19 financial year, overdue consumer debt increased by R180, 96 million or 10, 65% compared to the previous financial year. The Budget and Treasury Directorate, in conjunction with other critical role-players, will continue to strive to improve the financial position of the institution by focusing on the following core principles:

- Collection of all outstanding debt from those that can afford to pay for their municipal services.
- Optimising operational efficiency and step up implementation of the Cost Containment Regulations within the institution in order to maximise service delivery spending.
- Reforming Supply Chain processes within the institution in order to ensure that said processes do not only become far more transparent, but also far less cumbersome than in the past.
- Measures will also be put in place to ensure that Council receives value for money through all of its tenders.
- Refining the Assistance to the Poor (ATTP) Policy in terms of which indigent families qualify for a free basket of municipal services, so as to ensure that the application process is as uncomplicated and efficient as possible.
- Employing strategies to reduce the amounts reported as “Historical” Irregular Expenditure in the Annual Financial Statements which also features as a qualification in the Audit Report as compiled by the AGSA

- Measures to be put in place to prevent the occurrence of MIS or IT related problems which renders municipal systems down and unavailable to all users

6.2.2 Delivery Approach

In terms of the Municipal Systems Act (Act 32 of 2000), Financial Sustainability relates to the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external resource, including budgeted income, grants and subsidies for that service, is sufficient to cover the costs of:

The initial capital expenditure required for the service;

Operating the service; and

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

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

In addition, the Budget and Treasury Directorate must:

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

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

- Increased debt collection and credit control measures;
- revenue optimisation;

- operational efficiency and cost containment measures;
- proper procurement planning by all Directorates; and ensuring value for money during the procurement process
- ensuring value for money during the procurement process;
- proper tariff modelling;
- ensuring a cost coverage ratio of three months;
- the development of a Long-Term Financial Plan.

In addition, the NMBM is in the process of developing a policy governing the Long-term Financial Plan. This will serve as a guiding document for the institution and contribute towards the establishment of a financially sustainable municipality.

6.2.3 Long-Term Financial Sustainability Plan (LTFSP)

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

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

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

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

being amended to comply with the Municipal Standard Chart of Accounts (MSCOA) accounting reforms.

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

- Capital and Operating Budgets
- Master plans and Backlog reports – Asset Management
- Consumption levels / units
- Losses and unaccounted for units
- Revenue streams
- Financial or other risks that may impact on financial sustainability
- Staffing levels

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

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

- The ability of the Municipality to meet its current and future service delivery obligations and financial requirements, and
- The ability of the Municipality to retain sufficient financial capacity to be able to manage and absorb future financial risks without external assistance or to adjust significantly revenue or expenditure.
- This implies that the Municipality must maintain a strong cash position, whilst simultaneously developing its capacity to expand and meet the increasing needs of the communities. Key Performance Indicators (KPIs) that have been identified, will assist in ensuring that:
- the NMBM maintains a strong cash position;

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

6.2.4 Financial Plan

Section 26(h) of the Local Government: Municipal Systems Act, as amended, stipulates that a financial plan must be prepared as part of the Municipality's Integrated Development Plan. Municipalities need to be proactive in minimising costs and maximising operational efficiencies in order to meet these demands.

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

Budget assumptions

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

Table 31: Financial targets for the period 2019/20 to 2024/25

	2019/20 (Baseline)	2020/21	2021/22	2022/23	2023/2024	2024/2025
Income	%	%	%	%	%	%
Fines, Penalties and Forfeits	7.0	7.5	7.8	8.0	8.0	8.0
Interest, Dividend and Rent on Land	6.5	6.8	7.0	7.5	7.5	7.8
Licences or Permits	7.0	7.5	7.8	8.0	8.0	8.0
Operational revenue	7.0	7.5	7.8	8.0	8.0	8.0
Property Rates	7.77	8.5	9.5	9.6	9.0	9.0
Rental from Fixed Assets	7.0	7.5	7.8	8.0	8.0	8.0
Sales of Goods and Rendering of	7.0	7.5	7.8	8.0	8.0	8.0

	2019/20 (Baseline)	2020/21	2021/22	2022/23	2023/2024	2024/2025
Services						
Water tariff increase	7.5	8.5	9.5	9.0	9.0	9.0
Waste Water Management tariff increase	7.5	8.5	9.5	9.0	9.0	9.0
Waste Management tariff increase	7.5	8.5	9.5	9.0	9.0	9.0
Electricity tariff increase	13.04	11.94	12.75	12.9	11.95	11.95
Revenue collection rates	95.00	94.5	94.5	94.5	95.0	95.0
Expenditure						
Bulk purchase of power costs (subject to determination by NERSA)	15.67	14.40	15.00	15.50	14.50	14.40
Bulk purchase of water costs	9.0	5.3	6.3	7.3	5.3	5.3
Contracted Services	5.0	4.5	5.0	4.5	5.5	5.5
Employee Related Costs (subject to Three Year Agreement re Salary Negotiation currently in progress)	9.5	9.85	9.85	9.85	9.85	9.85
Inventory Consumed	5.0	0.0	0.0	0.0	0.0	0.0
Operating Leases	7.0	7.0	7.0	7.0	7.0	7.0
Operational Costs	5.0	0.0	0.0	0.0	0.0	0.0
Remuneration of Councillors	5.1	6.5	6.0	6.1	6.1	6.1
Transfers and Subsidies	5.0	5.5	4.5	4.5	4.5	4.5
Depreciation and Amortisation	6.0	6.5	6.5	6.5	6.5	6.5
Repairs and Maintenance (consists of Contracted Services, Inventory Consumed and Other Expenditure relating to the maintenance of capital assets)	8.0	8.0	8.0	8.0	8.0	8.0

Table 32: Statement of Financial Performance for the period 2020/21 to 2024/25

Description	2019/20	2020/21 Medium Term Revenue & Expenditure Framework				
R thousand	Adjustment Budget	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Revenue By Source						
Property rates	2,353,758	2,544,995	2,787,331	3,055,072	3,330,028	3,629,731
Service charges - electricity revenue	4,167,364	4,359,437	4,708,192	5,084,847	5,692,486	6,372,738
Service charges - water revenue	996,442	888,256	972,640	1,060,178	1,155,594	1,259,597
Service charges - sanitation revenue	656,442	647,733	709,266	773,100	842,679	918,520
Service charges - refuse revenue	245,151	266,026	289,950	316,027	344,469	375,472
Rental of facilities and equipment	37,167	22,561	24,245	26,073	28,159	30,412
Interest earned - external investments	160,994	161,511	177,873	189,392	203,596	219,477
Interest earned - outstanding debtors	291,720	197,891	211,743	227,624	241,281	255,758
Fines, penalties and forfeits	216,290	224,224	242,566	261,605	282,533	305,136
Licences and permits	21,354	22,748	24,522	26,484	28,836	31,143
Agency services	3,095	3,327	3,586	3,873	4,105	4,352
Transfers and subsidies	2,087,686	2,187,777	2,260,595	2,379,225	2,486,290	2,598,173
Other revenue	175,884	168,878	178,960	189,683	204,858	221,246
Gains on disposal of PPE	500	510	520	530	530	530
Total Revenue (excluding capital transfers and contributions)	11,414,230	11,695,873	12,591,991	13,593,715	14,845,444	16,222,285
Less: Transfers and Subsidies – Fuel Levy Capital Budget	380,000	389,400	401,140	413,230	425,627	438,395
Total Operating Revenue	11,034,230	11,306,473	12,190,851	13,180,485	14,419,817	15,783,890

Expenditure By Type						
Employee related costs	3,610,831	3,933,869	4,293,640	4,703,074	5,166,327	5,675,210
Remuneration of councillors	81,557	85,283	89,237	93,430	99,129	105,176
Debt impairment	577,109	611,853	579,865	583,649	627,423	674,479
Depreciation & asset impairment	739,657	614,541	651,397	690,462	735,342	783,139
Finance charges	139,362	141,084	160,755	154,958	129,022	105,905
Bulk purchases	3,620,983	3 750,105	4,000,669	4,270,841	4,873,382	5,557,826
Other materials	218,981	203,654	209,862	219,550	230,528	242,054
Contracted services	1 299,630	1,188,855	1,225,368	1,300,773	1,372,316	1,447,793
Transfers and subsidies	69,998	57,811	58,308	59,853	62,546	65,361
Other expenditure	672,806	637,729	670,787	715,464	751,237	788,799
Total Expenditure	11,030,915	11,350,818	12,073,483	12,963,519	14,047,252	15,445,742
Surplus / (Deficit)	3,316	(44,345)	117,368	216,965	372,565	338,148

6.2.4.2 Statutory requirements specific to Capital Budget

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

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

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

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

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

The project cost covering all financial years until the project is operational; and the future operational costs and revenue on the project, including municipal tax and tariff implications. Furthermore, the Financial Standing Orders state that:

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

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

Year Two of the current Capital Programme shall become the new Capital Budget and Year Three of the current Capital Programme shall become Year Two in the new Capital Programme and new projects shall enter the Programme in Year Three."

a) **Table 33: 2020/21 to 2024/25 Capital Budget by Directorate**

Description	2020/21 Medium Term Revenue & Expenditure Framework				
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Capital expenditure - Vote					
Multi-year expenditure to be appropriated					
Vote 1 - Budget and Treasury	17,180	11,700	700	5,096	5,300
Vote 2 - Public Health	61,400	52,517	51,332	52,872	54,987
Vote 3 - Human Settlements	226,155	163,044	149,087	153,560	159,702
Vote 4 - Economic Development, Tourism and Agriculture	66,131	71,531	64,460	71,944	74,870
Vote 5 - Corporate Services	30,700	40,650	30,400	31,312	32,918
Vote 6 - Rate and General Engineers	496,040	400,139	393,426	405,229	421,438
Vote 7 - Water Services	328,550	275,977	252,914	260,502	270,922
Vote 8 - Sanitation Services	181,370	137,188	194,868	200,714	208,743
Vote 9 - Electricity and Energy	187,964	178,382	185,034	190,585	198,208
Vote 10 - Executive and Council	9,114	16,713	17,671	0	0
Vote 11 - Safety and Security	34,389	39,000	39,950	41,149	42,794

Description	2020/21 Medium Term Revenue & Expenditure Framework				
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Vote 12 - Nelson Mandela Bay Stadium	9,000	7,000	7,000	7,210	7,498
Vote 13 - Strategic Programmes Directorate	–	–	–	–	–
Vote 14 - Recreational and Cultural Services	66,900	47,200	47,700	49,131	51,096
Total Capital Expenditure - Vote	1,714,893	1,441,041	1,434,543	1,469,303	1,528,478
Capital Expenditure - Functional					
Governance and administration	143,887	188,949	147,500	36,408	38,218
Executive and Council	0	0	0	0	0
Finance and administration	143,887	188,949	147,500	36,408	38,218
Internal audit	–	–	–	–	–
Community and public safety	214,000	111,452	120,352	291,421	303,577
Community and social services	56,250	40,362	46,703	38,571	40,687
Sport and recreation	69,900	57,600	46,691	56,341	58,594
Public safety	12,050	11,700	25,158	41,149	42,794

Description	2020/21 Medium Term Revenue & Expenditure Framework				
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Housing	75,000	0	0	153,560	159,702
Health	800	1,790	1,800	1,800	1,800
Economic and environmental services	554,117	535,499	429,476	478,173	497,308
Planning and development	35,696	36,748	38,373	71,944	74,870
Road transport	517,420	397,751	390,103	405,229	421,438
Environmental protection	1,000	1,000	1,000	1,000	1,000
Trading services	802,889	705,141	737,214	663,301	689,373
Energy sources	176,964	165,382	171,834	190,585	198,208
Water management	343,150	295,494	262,553	260,502	270,922
Waste water management	271,575	233,065	291,628	200,714	208,743
Waste management	11,200	11,200	11,200	11,500	11,500
Other	–	–	–	–	–
Total Capital Expenditure - Functional	1,714,893	1,441,041	1,434,543	1,469,303	1,528,476
Funded by:					
National Government	944,113	667,608	634,197	665,907	699,202

Description	2020/21 Medium Term Revenue & Expenditure Framework				
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Provincial Government	–	–	–	–	–
District Municipality	–	–	–	–	–
Other transfers and grants	31,000	0	0	50,000	55,000
Transfers recognised - capital	975,113	667,608	634,197	715,907	754,202
Public contributions & donations	0	0	0	0	0
Borrowing	214,415	254,245	281,943	0	0
Internally generated funds	525,365	519,188	518,403	753,396	774,274
Total Capital Funding	1,714,893	1,441,041	1,434,543	1,469,303	1,528,476

b) Table 34: Funding of Capital Expenditure

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

Sources of funding	2020/21	%	2021/22	%	2022/23	%	2023/24	%	2024/25	%
Government Grants	944,113	66.16	667,606	46.33	634,197	44.21	665,907	45.32	699,202	45.75
Other grants	31,000	1.81	0	0.00	0	0.00	50,000	3.40	55,000	3.60
Borrowing	214,415	12.50	254,245	17.64	281,943	19.65	0	0.00	0	0.00
Internal Funds	525,365	30.64	519,188	36.03	518,403	36.14	753,396	51.28	774,274	50.66
Total Capital Funding	1,714,893	100	1,441,041	100	1,434,543	100	1,469,303	100	1,528,476	100

c) Repairs and Maintenance

Considering the backlog in infrastructure maintenance, it is evident that this ratio should at least be at 10% level. At this stage however, the NMBM's cash position is unable to support a level in excess of 10%. Alternative strategies and / or funding mechanisms must be developed to address the eradication of infrastructure maintenance backlogs.

It is, however, important to note that, Repairs and Maintenance is not a category in the Statement of Financial Performance. In terms of the municipal Standard Chart of Accounts, Repairs and Maintenance is reported at the project level that effectively consolidates expenditure incurred in the Other Expenses, Other Materials, Employee Related Costs and Contracted Services categories relating to repairs and \ maintenance projects.

6.2.4.3 Budgeted Financial Position

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

Table 35: Budgeted Financial Position

Description	2020/21 Medium Term Revenue & Expenditure Framework				Long Term Revenue & Expenditure Framework
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
ASSETS					
Current assets					
Cash	200,200	200,200	200,200	200,200	200,200
Call investment deposits	3,042,630	3,158,891	3,606,464	3,811,246	3,996,204
Consumer debtors	2,285,500	2,491,194	2,690,490	2,851,919	3,023,035
Other debtors	428,722	447,898	463,483	479,705	496,495
Current portion of long-term receivables	0	0	0	0	0
Inventory	146,639	153,237	160,133	167,339	174,869
Total current assets	6,103,691	6,451,420	7,120,770	7,510,409	7,890,803
Non-current assets					
Long-term receivables	118,248	133,620	149,654	154,146	158,862
Investments				0	0

Description	2020/21 Medium Term Revenue & Expenditure Framework				Long Term Revenue & Expenditure Framework
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Investment property	205,385	199,317	192,654	185,991	179,328
Investment in associated					
Property, plant and equipment	19,489,885	20,159,539	20,787,711	21,535,450	22,292,553
Agricultural					
Biological					
Intangible	304,031	299,693	252,286	204,879	157,472
Other non-current assets					
Total non-current assets	20,117,549	20,792,170	21,382,305	22,080,466	22,788,215
TOTAL ASSETS	26,221,240	27,243,590	28,503,075	29,590,875	30,679,018
LIABILITIES					
Current liabilities					
Bank overdraft				0	0
Borrowing	154,256	204,663	183,802	210,724	126,714
Consumer deposits	163,347	168,574	173,968	178,968	183,968

Description	2020/21 Medium Term Revenue & Expenditure Framework				Long Term Revenue & Expenditure Framework
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Trade and other payables	2,587,543	2,735,307	2,889,983	3,043,152	3,204,439
Provisions	336,395	360,943	386,994	405,148	435,814
Total current liabilities	3,241,540	3,469,487	3,634,747	3,837,992	3,950,935
Non-current liabilities					
Borrowing	1,124,007	1,164,149	1,219,807	1,007,688	847,547
Provisions	3,018,443	3,217,144	3,431,303	3,679,663	3,947,528
Total non-current liabilities	4,142,451	4,381,292	4,651,110	4,687,351	4,795,075
TOTAL LIABILITIES	7,383,991	7,850,779	8,285,857	8,525,343	8,746,010
NET ASSETS	18,837,249	19,392,811	20,217,218	21,065,532	21,933,008
COMMUNITY WEALTH / EQUITY					
Accumulated Surplus / (Deficit)	17,966,226	18,261,114	18,974,216	19,710,472	20,465,158
Reserves	871,023	1,131,697	1,243,001	1,355,060	1,467,850
Minority interests					
TOTAL COMMUNITY WEALTH / EQUITY	18,837,249	19,392,811	20,217,218	21,065,532	21,933,008

6.2.4.5 Investment Income

Interest earned on investments will amount to approximately R106, 59 million in 2018/19 and is therefore an important source of funding for the Municipality. Section 2 refers to the Investment Policy, which ensures that the Municipality receives an optimum return on its investments, at minimal risk.

6.2.4.6 **Table 36: Cash Flow Statement**

Description	2020/21 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	2,387,206	2,642,390	2,911,483	3,180,177	2,938,387
Service charges	5,779,454	6,332,697	6,894,158	7,673,643	9,016,157
Other revenue	254,195	271,647	291,230	313,198	334,332
Government - operating	2,080,628	2,146,929	2,284,541	2,398,768	2,518,706
Government - capital	1,091,048	748,199	712,356	747,974	785,372
Interest	161,511	177,873	189,392	203,596	219,477
Payments					
Suppliers and employees	(9,792,692)	(10,437,032)	(11,242,058)	(12,399,531)	(13,798,491)
Finance charges	(141,084)	(160,755)	(154,958)	(129,022)	(105,176)
Transfers and Grants	(58,546)	(57,905)	(49,542)	(74,741)	(65,051)

Description	2020/21 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
NET CASH FROM / (USED) OPERATING ACTIVITIES	1,761,719	1,664,042	1,836,601	1,914,062	1,843,713
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of property, plant and equipment					
Decrease (Increase) in non-current debtors					
Decrease (increase) other non-current receivables	(14,522)	(15,372)	(16,034)	(4,492)	(4,716)
Decrease (increase) in non-current investments	–	–	–		
Payments					
Capital assets	(1,694,194)	(1,579,343)	(1,435,529)	(1,454,676)	(1,516,643)
NET CASH FROM / (USED) INVESTING ACTIVITIES	(1,708,716)	(1,594,715)	(1,451,563)	(1,459,168)	(1,521,359)

Description	2020/21 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
R thousand	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short-term loans					
Borrowing long term/refinancing	263,290	246,370	240,943	0	0
Increase in consumer deposits	5,065	5,227	5,394	5,000	5,000
Payments					
Repayment of borrowing	(154,256)	(204,663)	(183,802)	(245,112)	(132,396)
NET CASH FROM/(USED) FINANCING ACTIVITIES	114,099	46,934	62,535	(250,112)	(137,396)
NET INCREASE / (DECREASE) IN CASH HELD	167,103	116,261	447,573	204,782	184,958
Cash / Cash equivalents at the year begin:	3,075,727	3,242,830	3,359,091	3,806,664	4,011,446
Cash / Cash equivalents at the year-end:	3,242,830	3,359,091	3,806,664	4,011,446	4,196,404

6.2.4.7 Key Performance Indicators

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

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

Table 37: Key Performance Indicators

Financial Indicators	Basis of Calculation	2020/21	2021/22	2022/23	2023/24	2024/25
Borrowing Management						
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	4.29%	4.27%	4.28%	3.41%	2.76%
Capital Charges to Operating Expenditure	Interest and Principal Paid/Operating Expenditure	2.60%	3.03%	2.61%	2.66%	1.54%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable & Tax Provision/Funds & Reserves	20.52%	21.16%	21.24%	20.23%	19.05%
Gearing	Funds & Reserves/Long-Term Borrowing	5.97%	6.00%	6.03%	4.78%	3.86%
Liquidity						
Current Ratio	Current Assets/Current Liabilities	1.88:1	1.86:1	1.96:1	1.96:1	2.00:1
Revenue Management						
Outstanding Debtors to Revenue	Total Outstanding Debtors/Annual Revenue	25.05%	25.21%	25.06%	24.10%	23.30%

6.2.5 CREDIT RATING

A credit rating is an evaluation of the credit risk of a prospective debtor, predicting its ability to pay back the debt, and an implicit forecast of the likelihood of the debtor defaulting. On 20 March 2020, Moody's Investors Services, an internationally recognised credit ratings agency, assigned a Baa3 negative/Aaa.za national scale issuer rating to the NMBM, which takes into account the NMBM's solid financial performance and low debt.

On 03 April 2020, Moody's Investors Services assigned a Ba1 negative/Aaa.za rating to the NMBM because of the downgrade of the South African Government. The NMBM's credit profile incorporates a capital infrastructure backlog and challenges associated with acute water shortage because of the drought.

The coronavirus outbreak and the associated deterioration in the global and national economic outlook will also likely constrain the NMBM's financial performance through reduced revenue collection due to higher unemployment going forward.

6.2.6 POLICIES / BY-LAWS

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

- Financial Management Policies of Council
- Assistance to the Poor Policy
- Tariffs Policy
- Asset Management and Disposal Policy (the Municipality has a Generally Recognized Accounting Practices (GRAP) compliant asset register)
- Supply Chain Management Policy
- Property Rates Policy
- Customer Care and Revenue Management By-laws
- Unauthorized, Irregular, Fruitless and Wasteful (UIF+W) Expenditure Policy, and
- Credit Control Policy

The Budget related policies are updated on an annual basis and are available on the website.

6.2.7 REVENUE MANAGEMENT

6.2.7.1 Free basic services (FBS) – Indigent Support

The Municipality has an approved Indigent Subsidy Policy referred to as the Assistance to the Poor (ATTP) Policy, which is reviewed on an annual basis. This Policy does not provide for a committee system which considers and approves Indigent applications, as the qualifying criteria, as stipulated in the policy, is contained in the on-line Indigent System where applications are captured and assessed after a site visit is completed and authorised. The Indigent Section has a dedicated team of 39 staff members who assist with the completion of application forms and attend to the on-site verification of households who apply for subsidy.

The qualifying criterion for indigent support is that the combined household income may not exceed the equivalent of two welfare state pensions (R3 560 as from 1 April 2019); this excludes grants such as foster child grants, care development grants, Ward Committee stipends and child support grants).

In terms of the NMBM ATTP Policy, indigent households receive the following support and benefits:

- Full credit for monthly property rates
- Full credit for monthly refuse
- Credit (to the maximum of 8 kl of water per month)
- Credit (to the maximum of 11 kl of sewerage per month)
- 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. The schedules below indicate the cost of FBS for the past two (2) financial years.

NELSON MANDELA BAY MUNICIPALITY - 2017/2018

Table 38: 2017/2018 ATTP Beneficiation

Month	Total ATTP Accounts	WATER Total Value R	SEWERAGE Total Value R	ELECTRICITY Total Value R	REFUSE REMOVAL Total Value R	RATES Total Value R	R/C Total Value R
Jul-17	106,614	12,800,037	14,527,642	3,904,087	8,975,326	9,636,913	49,844,006
August	105,106	12,814,996	14,948,051	3,851,439	9,774,619	10,050,574	51,439,678
September	103,887	12,990,177	14,872,423	3,858,545	9,641,975	11,901,450	53,264,570
October	103,848	12,982,953	14,832,232	3,740,280	9,640,581	9,609,605	50,805,651
November	104,042	13,218,041	14,911,743	3,773,177	9,656,378	9,673,457	51,232,796
December	103,855	12,470,166	14,821,073	3,746,148	9,632,451	9,707,486	50,377,324
Jan-18	103,700	14,113,617	15,196,706	3,764,922	9,614,912	9,712,466	52,402,623
February	103,298	14,272,426	15,073,936	3,742,029	9,568,685	9,697,843	52,354,919
March	102,463	12,905,914	14,683,981	3,763,112	9,464,963	9,659,891	50,477,861
April	101,671	13,456,665	14,790,941	3,737,499	9,462,430	9,613,868	51,061,403
May	101,400	13,321,211	14,768,992	3,752,641	9,433,021	9,537,227	50,813,092
June	101,258	12,857,241	14,718,861	3,767,525	9,400,916	9,399,730	50,144,273
TOTAL		**158,203,443**	**178,146,581**	**45,401,404**	**114,266,257**	**118,200,511**	**614,218,196**

NELSON MANDELA BAY MUNICIPALITY - 2018/2019

Table 39: 2018/2019 ATTP Beneficiation

Month	Total ATTP Accounts	WATER Total Value R	SEWERAGE Total Value R	ELECTRICITY Total Value R	REFUSE REMOVAL Total Value R	RATES Total Value R	R/C Total Value R
Jul-18	101,096	13,074,008	15,204,182	3,740,859	10,108,752	10,282,917	52,410,718
August	100,890	14,114,249	15,925,570	3,779,579	10,077,698	10,631,778	54,528,874
September	100,494	14,311,283	16,004,932	3,751,412	10,034,620	12,536,817	56,639,064
October	98,006	12,878,776	15,603,662	3,710,513	9,719,594	10,013,464	51,926,009
November	94,589	11,844,708	15,112,170	3,565,301	9,318,663	9,812,283	49,653,125
December	93,341	11,570,179	14,906,024	3,471,699	9,201,269	9,706,315	48,855,486
Jan-19	92,786	12,672,552	15,261,776	3,452,392	9,162,851	9,644,912	50,194,483
February	91,966	12,078,387	14,950,362	3,437,615	9,086,771	9,541,160	49,094,160
March	91,067	11,469,388	14,469,388	3,417,894	8,996,080	9,409,448	47,939,112
April	88,649	10,986,232	14,311,979	3,372,783	8,768,470	9,096,700	46536,164
May	87,548	11,666,163	14,436,348	3,313,510	8,665,057	8,922,759	47,003,837
June	85,779	10,397,643	13,955,131	3,272,853	8,486,446	8,640,660	44,752,733
TOTAL		**147,063,568**	**180,318,438**	**42,286,410**	**111,626,271**	**118,239,213**	**599,533,900**

6.2.7.2 Property Valuation Rolls

The rating of property is implemented impartially, fairly, equitable and without bias, and these principles also apply to the setting of criteria for exemptions, reductions and rebates, contemplated in Section 15 of the Municipal Property Rating Act (MPRA), Act No 6 of 2004.

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

- is developmental oriented;
- supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the Municipality;
- supports local and socio-economic development;
- promotes simplicity, uniformity, certainty in the property rates assessment process;
- gives due consideration to the need for a simple and practical process of billing and collection of property rates;
- promotes sustainable land management, especially that which reduces the risk from natural disasters; and
- Achieves national and local environmental management objectives.

The NMBM has an updated Valuation Roll, which is implemented in line with the MPRA. One supplementary valuation is completed per financial year.

The NMBM has further implemented a General Valuation (GV) on 1 July 2017. The relevant notice indicating that the valuation roll is open for public inspection and the valuation roll is published on the municipal website in terms of section 49 of the Municipal Property Rates Act, (Act No 6 of 2004). The next General Valuation will be implemented from the 01 July 2021, based on property valuations as at 01 July 2020. The Valuation Roll is updated on a regular basis to achieve a sustainable rates base, in order to generate income to provide quality services.

6.2.7.3 Revenue Enhancement and Improvement of Debt Recovery

The escalating arrear consumer debt of the NMBM has resulted in the institution soliciting the services of an external party, a specialist in the field of debt collection and revenue enhancement, to curb its escalating arrears and identify new revenue streams. The service provider's contract ended on 15 December 2018. The respective Directorates received a draft Revenue Enhancement Strategy for consideration.

One of the initiatives emanating from the work done with the service provider was the establishment of the Multi Disciplinary Revenue Protection Committee, in August 2018. The purpose of the Multi Disciplinary Revenue Protection Committee within the NMBM is to achieve the following: -

- Identifying low-hanging fruits in terms of improving revenue collection in an attempt to reduce the escalating Debtor's Book;
- Identifying cross-cutting "technical" issues / problems that require technical intervention from other technical services Directorates (e.g. Water and Electricity);
- Recommending to the Budget and Treasury Standing Committee where there is a necessity for write-offs of arrear debts that may be uncollectable;
- Monitoring the increasing Debtor's Book and continuously recommending strategies or approaches on how to deal with same; and
- Continuously confronting technical statistical issues based on information presented on losses of revenue for Water and Electricity resulting from:

  (i) Credit Meters not registering for a long time;
  (ii) Properties without meters (Water or Electricity);
  (iii) Investigating Prepaid Meters not registering with Technical Teams and any related activities that will contribute positively to Revenue Protection in the institution.

The main objectives of this Multi-Disciplinary Revenue Protection Committee are as follows: -

- Ensuring that there continues to exist synergy between the Directorates of the Municipality that are key drivers for Revenue Protection or enhancement within the institution (i.e. Budget and Treasury, Infrastructure and Engineering, Human Settlements and Electricity and Energy);
- Promoting accountability amongst roleplayers involved in Revenue Protection *(We must all take responsibility for our actions)*;
- Continuously think about the workable strategies in order to deal or confront the escalating situation of the Debtor's Book;
- Recommending possible write-offs of arrear debts that are deemed to be uncollectable for the institution;
- Achieving the budgeted collection rate at a particular financial year and even more; and more importantly;
- Continuously improving Revenue for the Municipality and make recommendations relating to other Revenue Enhancement Strategies for the NMBM with the aim of recommending it to the relevant structures of Council.

The establishment of the Multi-Disciplinary Revenue Protection committee serves to actively monitor and evaluate actions to ensure sustainable revenue process in respect of collection of debt owed to the municipality. The collection rate for the 2018/19 financial year is calculated at 94, 7% versus the budgeted collection rate of 95% for the 2018/19 financial year. The accumulated collection rate for 2019/20 as at 30 November 2019 is calculated at 88, 7% and the Municipality has budgeted for a collection rate of 94% in the 2019/20 financial year.

The draft Revenue Enhancement Strategy will be tabled to the Budget and Treasury Directorate in the first quarter of 2020, to allow the various directorates to workshop the document and refine the items to be implemented based on the current processes within each directorate. This refined draft Revenue Enhancement Strategy will be presented to Council structures for approval.

6.2.7.4 Billing of consumer accounts

Nelson Mandela bay Municipality bills 341 799 debtors per month on its in-house developed Consolidated Billing System (CBS). The billing process is two-fold, 21 billing cycles (1 cycle per night) and meter readings, due dates and debt collection processes are scheduled in line with billing dates. The turnover for the main services for the 2018/2019 Financial year was R8 798 330 770. At present, the system bills 227 402 water meters and 36 422 credit electricity meters per month.

6.2.8 EXPENDITURE MANAGEMENT

6.2.8.1 Conditional Grants

The NMBM manages its conditional grants in terms of the Division of Revenue Act (DoRA) requirements and submits all required statutory reports in terms of the relevant requirements. The NMBM does not have separate bank accounts for each conditional grant but keeps control thereof by maintaining separate vote structures for each grant

6.2.8.2 Remuneration

Councillor's remuneration is determined annually in terms of the relevant Government Notice issued by the Minister of COGTA in terms of the Remuneration of Public Office-Bearers Act, 1998 (Act No 20 of 1998). The overall increase in human resource costs as relevant to all other municipal employees is determined in line with the relevant SALGBC agreement in this regard. As at 31 December 2019, employee related costs constituted 27, 47% of the total operating revenue.

6.2.8.3 Finance costs

All financing costs in terms of external loan funding agreements are serviced in terms of the relevant approved funding agreements.

6.2.8.4 Payments to service providers

All monies owing by the municipality to service providers are paid in terms of Section 65 (2) (e) of the MFMA not unless there are delays that are resulting from various reasons on a case-by-case basis.

6.2.8.5 Funding of Capital Expenditure

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

Table 40: Funding of Capital Expenditure

Sources of funding	2016/17	%	2017/18	%	2018/19	%
Government Grants	849 897	59.40%	1 114 353	67.81%	1 220 029	72.62%
Other grants	5 170	0.36%	243 458	14.81%	177 550	10.57%
Public contributions	107 513	7.51%	0	0%	0	0%
Internal Funds	468 332	32.73%	285 645	17.38%	282 548	16.82%
Total Capital Funding	1 430 912	100%	1 643 457	100%	1 680 126	100%

6.2.8.6 Capital and Operating Spending Results

TABLE 41: Capital and Operating Spending Results

	2016/17			2017/18			2018/19		
R thousand	**Budget**	**Audited**	**Restated**	**Budget**	**Audited**	**Restated**	**Budget**	**Pre-Audited**	**Audited**
Operating Revenue	9 401 671	8 918 690	8 796 682	9 651 844	9 542 116	9 569 552	10 361 367	9 995 609	9 678 233
Less: Fuel Levy (Capital Expenditure)					260 874	260 874		320 726	
True Operating Revenue					9 281 241	9 318 184	10 361 367	9 674 883	9 678 233
% Operating Revenue		94.86%	93.57%		98.86%	99.15%		93.37%	93.41%
Operating Expenditure	9 823 533	9 154,000	8 846 161	9 676 868	8 830 004	8 622 907	10 435 733	9 918 362	10 170 603
% Operating Expenditure		93.18%	90.05%		91.25%	89.11%		95.04%	97.46%
Net Surplus /	**(421 861)**	**(235 310)**	**(49 479)**	**(25 024)**	**712,112**	**695 277**	**(74 366)**	**(243 479)**	**(492 370)**

(Deficit)									
Capital Expenditure	1 552 012	1 421 512	1 430 912	1 669 909	1 643 457	1 643 457	2 063 593	1 666 802	
% Capital Expenditure		91.59%	92.20%		98.42%	98.42%		80.77%	%

6.2.9 FINANCIAL REPORTING

The NMBM received a qualified audit report for the 2018/19 financial year. The qualification was based on following:

The lack of adequate systems in place to identify and disclose all irregular expenditure incurred during the year, as required by Section 125 (2)(d)(i) of the MFMA.

- The municipality did not recognise all outstanding accruals meeting the definition of a liability in accordance with GRAP 1
- The municipality did not have proper systems in place to identify and record all irregular expenditure incurred in prior years
- The municipality did not appropriately account for and disclose property, plant and equipment in accordance with GRAP 17 and furthermore did not adequately disclose work-in-progress in accordance with GRAP 17
- The municipality capitalised an application system that was still under development contrary to GRAP 31. The municipality did not adequately assess whether there were any indications that its expectations on the useful lives of intangible assets had changed, as required by this standard.
- The municipality did not maintain adequate records to determine ownership for its investment properties.
- The municipality did not have adequate internal controls to maintain records for service charges.
- The municipality was unable to provide sufficient appropriate audit evidence that the municipality correctly calculated unauthorised expenditure in the current year.

An audit action plan was developed to address the issues raised by the Auditor-General, as with all previous audit reports. The Internal Audit Division monitors these action plans.

The 2018/19 Annual Financial Statements were presented to the Auditor-General on 31 August 2019, and the consolidated annual financial statements were presented to

the Auditor-General on 30 September 2019. The submissions of the Annual Financial Statements to the AGSA were in compliance with the requirements of the MFMA. The municipality compiles and submits all the required legislated financial reports, which includes, inter-alia, those reports required in terms of Sections 71, 52 (d) 72 and 121 of the MFMA.

6.2.10 Implementation of Municipal Standard Chart of Accounts (MSCOA) Regulations

The MSCOA Regulations are institutional reforms mandated by National Treasury in line with Section 216 of the Constitution of South Africa. The objective of the Municipal Standard Chart of Accounts (MSCOA) Regulations is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transactional level, by prescribing a standard chart of accounts for municipalities that:

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

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

The benefits of implementing the MSCOA reforms inter-alia include:

- Standardisation of all municipal and the whole-of-government reporting, which leads to a reduction in the Auditor-General’s interpretations of multiple charts of accounts;
- Improved transparency and accountability, leading to a high level of service delivery and contributing to a well-run municipality;

- Providing for evidence based financial management, leading to improved municipal bench-marking, policy making and interventions, and
- Bringing higher levels of cooperative government by enabling the submission of credible, reliable and timely municipal information.

In order to meet the tight deadlines prescribed by National Treasury in respect of the implementation of the MSCOA, in 2015 a service provider was appointed to provide and implement a complete MSCOA compliant Enterprise Resource Planning (ERP) System.

The benefits of an ERP System are:

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

The contract of appointment with the preferred service provider to deliver the required product was for three years (36 months), and it ended around July 2018. Towards the end of the contract, there came issues of performance that necessitated an appointment of an independent service provider / institution to assess the project from both employer (i.e. NMBM) and service provider to identify gaps and make proposal on a way forward.

Unfortunately, the contractual period ended without being able to avail a module that is operational from the service provider, except for the Planning and Budgeting Module. At this stage, final decisions ought to be made within the institution of either continuing or discontinuing with the project utilising the same service provider, bearing in mind of the fact that MSCOA reforms are regulated and as such, they are non-negotiable.

CHAPTER 7:

SERVICE DELIVERY PLAN

This chapter deals with the implementation plan regarding the priorities raised at public meetings and other alternative methods of making inputs into the IDP and Budget processes of the Metro. Decisions to prioritise projects or programmes are based on the prioritisation of the available budget and conditional funding received from other spheres of government.

Ward Councillors participated in bilateral meetings with Directorates and the Budget and Treasury Directorate to input on the areas that the budget under consideration must prioritise. This exercise went a long way in addressing issues of alignment between the priorities raised by local communities and budget allocation.

Furthermore, this Chapter also reflects the implementation of the political vision, realised and measured through a number of strategic outcomes, outputs and impact based key performance indicators.

Annexure A is a summary of what finally goes into municipal budgeting processes in the form of a Service Delivery and Budget Implementation Plan (SBDIP). Below is input from the municipal Directorates and their key mandate areas of expertise:

7.1 Corporate Services

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

The Department is working closely with the Department of Health in creating an environment to support employers in combatting the disease. It should also be flagged that the inspectorate conducts inspections at all workplaces including health care facilities in terms of the Regulations for Hazardous Biological Agents to ensure safe and hygienic conditions.

The Direction seeks to ensure that the measures taken by employers under the Occupational Health and Safety Act are consistent with the overall national strategies and policies to minimise the spread of Covid19. The Direction reflects all that we have learnt about the virus and how to combat it over the period of the lockdown, and from international best practice.

The Direction contains the basic measures that employers must take to prevent the transmission of the corona virus in the workplace. The Direction in no way reduces the existing obligations on employers in terms of the Occupational Health and Safety Act, 1993. It is based on infection transmission prevention and specific occupational hygiene practices that focus on the need for employers to implement measures to mitigate or eliminate the transmission of the virus in the workplace.

Employers must take measures to protect the health and safety of everyone in their workplace. This includes employees of contractors, self-employed persons and volunteers. The process starts with a risk assessment in the workplace and a clear plan to implement the measures contained in the Direction.

Every employer must:

- Notify workers of the contents of the Direction and how it will be implemented.
- Inform employees that, if they have Covid 19 symptoms, they must not be at work and grant paid sick leave or apply for Covid 19 TERS benefits.
- Appoint a Manager (from within the existing structure) to address the concerns of employees and workplace representatives.
- Take measures to minimise the contact between workers and between workers and the public to prevent transmission.
- Minimise the number of workers in the workplace at any time through shift or working arrangements to achieve social distancing.
- Provide employees with information concerning Covid 19 and how to prevent its transmission.
- Report any diagnosis of Covid 19 at work to the Department of Health and the Department of Employment and Labour, investigate the cause, and respond appropriately. It is a contravention not to do so as an employer.
- Support any contact tracing measures initiated by the Department of Health.

With regard to social distancing, workplaces must be arranged to ensure a minimum of 1½ meters between workers. If this is not practicable, physical barriers must be erected and workers must be supplied free of charge with appropriate Personal Protective Equipment (PPE). Social distancing must be implemented in all common areas in and around the workplace to prevent crowding (including working spaces, canteens, meeting rooms etc.).

In relation to screening - Employers must screen workers for symptoms of Covid 19 at the time that they report for work, namely: fever, cough, sore throat, redness of eyes or shortness of breath (or difficulty in breathing); body aches, loss of smell or loss of taste, nausea, vomiting, diarrhoea, fatigue, weakness or tiredness.

Workers should immediately inform the employer if they experience any symptoms while at work. Not doing so is a contravention of the Occupational Health and Safety Act by the worker. More importantly, the worker puts themselves – and their co-workers – at risk.

Workers with symptoms must be placed in isolation and arrangements made for their safe transport for a medical examination or for self-isolation. Employees who recover from Covid19 may return to work after a medical evaluation and subject to ongoing monitoring, in line with instructions of the Department of Health.

In relation to sanitisers and disinfectants, employers must:

- provide sufficient quantities of hand sanitiser with at least 70% alcohol content;
- ensure that work surfaces, equipment and common areas such as toilets, door handles and shared equipment are regularly cleaned and disinfected; and provide
- facilities for hand washing with soap and clean water and sufficient paper towels.

In relation to Personal Protective Equipment (PPE), employers must keep up to date with recommendations from agencies such as the National Institute for Communicable Diseases and the National Institute for Occupational Health on the appropriate steps to take to prevent transmission in their workplaces and for the provision of PPE.

The Corporate Services Directorate is an enabler of the entire institution, through the provision of human resources, physical infrastructure and connectivity. The Corporate services Directorate is the custodian of all human resources policies and procedures.

The Directorate is responsible for providing adequate office accommodation and facilities with connectivity for staff and Councillors. In providing this interrelated service the directorate contributes to the appointment of temporary contracting staff on building projects as part of job creation opportunities in the directorate.

It is also embarking on the development and implementation of an integrated lease management strategy and plan for internal leases only (ie) leases for office space, etc. for officials and councilors exclusively.

Corporate Services monitor the movement of all movable assets in the institution. The main challenge experienced by the Municipality is a high rate of theft and loss of municipal assets and weak internal controls in relation to the management of assets by the various municipal directorates.

In order to ensure that movable municipal assets are properly controlled, managed, maintained and safeguarded, the following is done:

- Monthly reconciliation of assets purchased and bar coding.
- All directorates do annual verification of municipal assets.
- A report on unverified assets is generated and submitted to Council.
- A report on theft and loss of assets is generated and submitted to Council.
- Investigation into theft and the loss of municipal assets by the Safety and Security Directorate.

A centralized records management system exists were all documents as well as official Committee meetings' agendas and minutes are archived and readily available on request. It is responsible for ensuring good relations and trust between the employer and employees, which is done through proactive labour engagement.

Corporate Services facilitates the implementation of Performance Management of officials in the institution below Section 56 level. The Directorate is responsible for the development, implementation and monitoring of a staff establishment. It further develops and implements human resources strategies and plans for the Municipality. A Human Resources Development Plan will be embared on during the 2019/2020 financial year.

The Directorate provides training and development support to staff, political office-bearers as well as to the unemployed with the assistance of LGSETA funding. The Directorate is responsible for the implementation of an integrated ICT platform and ensuring proper ICT governance within the Municipality. The creation of a wi-fi enabled environment, centralizing all ICT systems in NMBM, upgrading of compute software and implementing approved ICT governance plans contributes to a well-managed ICT environment, which NMBM strive to achieve.

The Directorate is also responsible for facilitation and coordination of the mainstreaming of children, disability, elderly, women and youth in conjunction with line functioning Directorates; Ward Committee operations; religious and Moral Regeneration Movement as well as community outreach and broader public participation through the included offices of the Constituency Services and the Speaker respectively.

The Directorate also includes the Speaker’s Office as well as Constituency Services. These two offices are administratively reporting to Corporate Services with respect to the provision of Council support and administration. However, a dual reporting line exists as they also report on implementation of projects, etc. to the political offices (councilors, etc.)

Strenghts in the Directorate include the follow:

- Adequate resources for Council Support
- Experienced staff members
- Effective Standard Operating Procedures for Council support
- Institutionalisation of Labour engagement through LLF

Weaknesses in the Directorate to be addressed includes:

- No succession planning
- Inadequate qualifications
- Poor work culture and ethic
- Disintegrated ICT systems

Opportunities that the directorate are working towards include:

- Build a new performance driven culture
- Cost saving on alignment and integration of ICT systems
- Motivated and productive workforce

Threats that the Directorate tries to avoid by engaging with these aspects include:

- Staff turnover
- Labour strikes
- Poor image and reputation
- Community protests

7.2 Infrastructure and Engineering

7.2.1 Water and Sanitation

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

- the storage of water in 10 dams,
- treatment of water at 8 water treatment works,
- bulk supply of treated water via 650 km of large diameter pipelines to Metro boundaries into distribution reservoirs,

- water distribution reticulation to all customers via 4 800 km water pipelines,
- collection of wastewater via a 3 600 km pipework and pump stations,
- treatment of sewage at 8 wastewater treatment plants for both domestic and industrial use,
- monitoring trade effluent discharges; and
- the relevant electrical and mechanical maintenance of plant / equipment.

The infrastructure described in general above is required to fulfill the key institutional mandate, namely to provide services to citizens and businesses located within the NMBM. In order to achieve this, the infrastructure must be maintained, rehabilitated and expanded to keep up with the developmental needs of the NMBM. In doing so, appropriate technologies are constantly researched, as part of the upgrade / rehabilitation plans and integrated into water and sanitation delivery plans.

The provision of water and sanitation services, connectivity to services, the discharge of sewage into sewers, as well as water conservation measures, are governed by both national legislation (acts) and local legislation (By-laws). In support of these, the NMBM has approved a Waster Services Development Plan, a Water Master Plan and a Sanitation Master Plan that plan the provision of infrastructure to meet the future needs of the metropolitan area.

The documents are planned for review, with the first to be reviewed the Water Services Development Plan, which should serve at Council during the first quarter of the financial year. Over the next 24 months, drafting for the revision of the Water and Sanitation Master Plans will commence.

Within the mandate of delivering water and sanitation services, three main areas need special mention:

- The ongoing Water / Drought Disaster:
  Although rains were experienced in September to November 2018, which resulted in the average dam levels increasing from around 17% to 54%, a 15% water restriction by Department of Water and Sanitation remained in place. It is anticipated that during the 2020/21 financial years DWS will

impose further water restrictions because of the average dam levels dropping below 22%. The water situation remains critical and water consumption, which is on average ±300 Ml/d, must be reduced to 250 Ml/d and below. In order to reduce water usage and ensure that the current available water is stretched to the next rainy season, the following is being carried out:

- Awareness of the need to reduce water usage.
- Maximum use of the water from the Nooitgedagt Scheme.
- Drilling of boreholes to supplement the available water.
- Reducing water pressure to limit water losses and water use.
- Desalination and / or water reuse installation.

- Water Losses:

  Reducing water losses remains key in the provision of an effective and efficient service. Losses contribute negatively to the drought situation and affect the income of the NMBM. In this regard, the NMBM has developed a Business Plan that governs efforts to reduce water losses. In reducing losses, key interventions include:

  - Reticulation leaks repairs
  - ATTP leaks repairs
  - Pressure management
  - Reservoir rehabilitation
  - Meter replacement
  - Pipe replacement
  - Zoning and night flow analysis

  With these building blocks in place, funding of the above initiatives is critically required to reduce water losses.

- Bucket Eradication:

  The NMBM has reduced the number of buckets being serviced in the NMBM to 5756 as at November 2019. The Bucket Eradication Programme, approved

by Council on 1 December 2016, is implemented. Operationally, there might be some carry-over projects, especially in communities that are located on private land. A challenge remains with a number of communities who prefer to stay on the bucket system until houses are provided.

7.2.2 Roads and Transport

The NMBM's Comprehensive Integrated Transportation Plan (CITP) is currently in its review stage as required by the National Land Transport Act (5 of 2009). The review includes an overhaul of the CITP, which will include new projects, which have to be implemented within the next 5years of the CITP's validity. The Municipality has budgeted for the Public transport facilities and non-motorised facilities through the Public Transport Network Grant (PTNG) and Urban Settlement Development Grant (USDG).

In order to deal with Transport planning and consultation where all the relevant stakheholders are engaged, an Industry Consultative Committee (ICC) was established and is functional. The committee meets bi monthly and its input is used for planning purposes. In addition, working groups with the Public Transport Industry are functional. The purpose of these working groups is to deal with Intergrated Public Transport System (IPTS) programme.

TABLE 42: CITP Projects

NO.	PROJECT DESCRIPTION	TOTAL PROJECT COST – five years (Rand)
1	Metropolitan Transport Planning	75,000,000
2	Roads required for additional capacity (short-term projects)	618,750,000
3	Roads required for access and connectivity (short-term projects)	681,250,000
4	Roads requiring rehabilitation (short-term projects)	1,156,250,000
5	Road maintenance projects	2,875,000,000
6	Bridge maintenance projects	606,250,000
7	Public transport projects	4,950,000,000
8	Non-motorised transport projects	400,000,000
9	Freight transport projects	125,000,000

NO.	PROJECT DESCRIPTION	TOTAL PROJECT COST – five years (Rand)
10	Traffic and signage improvements (short-term projects)	131,250,000
11	Stormwater maintenance projects	943,750,000
	GRAND TOTAL	**12,562,500,000**

Source: NMBM 2019

Table 43 is an illustration of the roads, transport and stormwater backlogs and the maintenance budget required to address these backlogs:

TABLE 43: Maintenance Backlog

		Total Operational Maintenance and Rehabilitation Backlogs	Annual Requirement to Eliminate Backlog	Budget 2017/18	Budget 2018/19	Budget 2019/2020	Budget 2020/2021
	Roads & Stormwater						
1	Maintenance / Rehabilitation of Subsidised Roads	660 000 000	122 200 000	26 184 135	27 896 547	30 970 340	34 108 560
2	Maintenance / Rehabilitation of -Non subsidised Roads	1 890 000 000	385 700 000	43 015 216	43 410 957	44 037 740	44 940 004
3	Maintenance / Rehabilitation of Stormwater Facilities	830 000 000	180 400 000	21 678 920	25 789 410	29 530 260	30 573 130
4	Road Signs & Markings	116 000 000	26 300 000	3 500 000	3 710 000	3 932 600	4 168 556
5	Maintenance / Rehabilitation of Bridges	540 000 000	117 000 000	896 000	4 000 000	2 060 000	1 123 600
6	Resurfacing of Roads	2 000 000 000	2 17000 000	0	12 980 586	13 406 840	15 625 590
				95 274 271	**117 787 500**	**123 937 780**	**130 539 440**

Source: NMBM 2019

The implementation of the projects depends on the availability of funds and is supported by the asset information from the Road Management System, the Stormwater Asset System and the Bridge Management System.

7.3 Electricity and Energy

The Electricity and Energy Directorate's mandate is to provide a safe, reliable, environmentally friendly, sustainable and cost effective electricity supply to the residents of the Nelson Mandela Bay Municipality. In line with this national mandate, Electricity and Energy Directorate's aims to develop a resilient infrastructure that will accommodate growth and create sustainable opportunities for all, while providing effective and efficient services to the residents of the Metro.

The Electricity & Energy Directorate is defined as an energy distribution utility and is licensed by the National Energy Regulator of South Africa (NERSA), the regulatory authority, to distribute and trade in energy to end customers within the defined licensed area. NERSA derives its authority in terms of Section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004).

Key guidelines and strategic focus:

- Ensure universal access to safe and reliable electricity supply to all the residents of the Nelson Mandela Bay Municipality.

- Provide public lighting to all the areas in the Metro in order to improve the overall safety of the city
- Implement new lighting technologies and improve the public lighting network through enhancing light output, whilst reducing operating and maintenance costs.

- Provide support to social and economic activities through capable and reliable electricity infrastructure.

- Focus on becoming a conduit to stimulate business investment and job creation in the energy sector.

- Implement and investigate renewable energy and alternative energy technologies in order to ensure future sustainability.

- Support and implement Smart City programmes to enable universal digital connectivity between all devices and communities, smart metering, measuring, monitoring of all municipal infrastructure.

- Lead by example in implementing demand side management and energy efficient measures in an attempt to prevent and lessen the impact of national load shedding requirements.

- To implement innovative and smart solutions aimed at the systematic reduction of electricity revenue losses

SWOT Analysis

Strengths

- Staff – The staff of NMBM are skilled and experienced.
- There is a high penetration of bulk infrastructure within the NMBM that is able to reach the developing areas within the Metro.
- Well-designed High Voltage electrical infrastructure that has capacity accommodate future growth and has redundancy to deal with fault conditions.
- The NMBM is a frontrunner in creating an enabling environment and attracting investment in the green economy sector.

Weaknesses

- Aging Staff – There is currently a generational gap of staff members within the Directorate, some staff members are close to retirement and there could be relatively sudden loss of experienced staff within a short time frame.
- Obsolete systems – Some of the systems are not in line with current business requirements and should be update to be aligned accordingly.

- Inadequate revenue management monitoring and controls.
- High dependency on grant funding availed by National and Provincial governments
- Decreasing electricity sales and declining gross profit margins
- Responses to climate change responses remain largely isolated and decentralized. There is no dedicated department or official for climate change response work. Different municipal departments have played their part in sustainable development and/or climate change actions, but actions remain mostly uncoordinated and de-synergised

Opportunities

- Renewable energy initiatives and alternative forms of energy can be leveraged to achieve greater sustainability such as small scale embedded generation, distributed generation, wheeling agreements, self-generation and feed in tariffs.
- Smart City 4th industrial Revolution – Whereby existing infrastructure such as fibre networks, SCADA (Supervisory Control and Data Acquisition) network system, electrical infrastructure and buildings can be utilised to generate additional revenue and increase efficiency such as the use of smart street lights, EV charging stations, etc.
- Extra revenue could be realised through effective electricity losses strategies
- The announcement of the Minister of Energy approving legislation that allows utilities such as the NMBM to enter into agreements with Independent Power Producers for the procurement of alternative sources of energy

Threats

- There is an extensive reliance on Eskom for generation purposes, which is problematic as can be realized during Load shedding conditions.
- Customers are looking at alternative forms of energy and self-generation capabilities, which will have a negative effect on the existing business model of the Electricity and Energy Directorate.

- Impeding industry policies and protracted, bureaucratic supply chain regulations could impact the speed with which utilities enter into agreements with Independent Power Producers
- National challenges from Eskom and the uncertainty of load shedding causes residents to move to alternative energy sources placing a concomitant burden on overall municipal revenue

List of Sector Plans

- The provision of dwellings with connections to the mains electricity supply through electrification programmes – The roll out of formal and informal cost effective electrification programmes.
- Reinforcement – To strengthen the weak links within the network, to meet the customer's needs and expectations through enabling infrastructure developments.
- Revenue Management – Management of Losses, upgrading of commercial customers to Automatic Meter Reading (AMR) facilities, migration of domestic customers to smart metering systems as well as the installation of smart infrastructure in order to monitor and reduce losses with approximately 1% per annum.

- Revenue realisation programs within the Energy sector – introducing cost reflective wheeling tariffs and feed-in tariffs for renewable energy pro-consumers.

- Systems Improvement – Supervisory Control and Data Acquisition monitoring networks, protection of the network and improving network links. Currently NMBM have 75 % SCADA penetration on the High Voltage and Medium Voltage networks. The plan is to increase SCADA penetration to 85 % and thus improve the network monitoring and reliability

Achievements gained to date:

2017- 2018

445 Post Tope area lighting installed

130 New residential streetlights installed

1280 Main Road LED Retrofit fittings installed

2030 Electrification connections were completed

2018-2019

180 Post Tops (Area Lights) installed

140 New Residential Street lights installed

240 Main Road LED Retrofit fittings installed

250 Residential Road LED Retrofit fittings installed

46 High mast LED Retrofit fittings installed

2200 Electrification connections were completed

2019-2020 (To date)

180 Post Tops (Area Lights) installed

9 New Residential Street lights installed

1090 Main Road LED Retrofit fittings installed

520 Residential Road LED Retrofit fittings installed

26 High mast LED Retrofit fittings installed

1190 Electrification connections were completed

Challenges hindering service delivery and possible mitigating alternatives

Table 44: Challenges hindering service delivery and possible mitigating alternatives

Challenge hindering service delivery	Possible mitigating alternatives
The prevalence of loadshedding	Entering into agreements with Independent Power Producers to allow for the generation of additional power generation to offset the current ESKOM provision
The lack of a coherent policy and legal	Approach national government to create

framework to assist in the structuring of the agreements between power utilities and Independent Power Producers	an enabling policy environment and put in place the necessary legal foundations for the operationalization of agreements between utilities and Independent Power Producers.
High levels of electricity losses within the Metro.	The employment of smart and innovative technological solutions to assist in the detection , monitoring and reduction of losses associated with electricity consumption

Table 45: Developmental Priorities

Service Delivery	**Short Term**	**Medium Term**	**Long Term**
Provide safe and reliable electricity to all residents of the Metro	To provide approximately 3000 new electricity connections per annum	To provide approximately 15 000 new electricity connections over the next 5 years	To ensure that 95% of all households in the Metro have access to safe and reliable electricity supply
To introduce renewable energy as part of our energy mix for the residents of the NMBM	Engage with Independent Power Produces for the production of sustainable energy to NMBM's network	15% of energy supply to be produced from alternative sustainable sources	30% of energy supply to be produced from alternative sustainable sources
Aging Infrastructure	Refurbishment of the inner city network, encompassing the oldest existing portion of the Metro's network	Refurbishment of 80% of High Voltage transformers	To modernise the NMBM's network which will enable future growth and development within the Metro.

7.4 Economic Development, Tourism and Agriculture

This Directorate ensures that Local Economic Development helps communities to realise a lively, resilient and sustainable local economy to improve the quality of life of the City's residents. This will be achieved by growing and diversifying the local economy through the attraction of new investment, skills development and the facilitation of an enabling environment for small business growth and job creation.

7.4.1 Economy

In 2016, Nelson Mandela Bay had a GDP of R120 billion which was equivalent to 35.5% of the Eastern Cape Provincial GDP. The Eastern Cape Socio Economic Consultative Council forecasts an annual GDP growth rate of 1,56% for the period of 2016 to 2021.

The Nelson Mandela Business Chamber Plan initiated in 2017 identifies four priority clusters (sectors), namely: the Automative Sector, Light Manufacturing, Tourism, Hospitality, and Agro-processing. The report identifies key interventions which could help these sectors grow and which are within the capacity of the Metro to influence. These sectors were identified as being priorities because their growth will not only benefit the economy but also provide an opportunity for inclusive growth in the metro through employment opportunities (ECSECC 2017 Outlook).

In terms of economic infrastructure, the City is unique in that it is a two port City: The Port of Port Elizabeth near the City Centre and the deep water Port of Nqura in the Coega Special Economic Zone (SEZ) located 30 km north of the City Centre. The advantage of possessing two ports creates an opportunity for the city to establish a strong and vibrant maritime sector". (Stats SA)

The Coega SEZ is a multi-billion-rand industrial development complex customised for heavy, medium and light industries. It is adjacent to the Port of Ngqura, and covers 110 km² of land. Its establishment in the Nelson Mandela Bay Municipality

reinforces the NMBM as the economic focus of the Eastern Cape. The SEZ presents opportunities for the growth of the city and the region.

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

7.4.2 Mandela Bay Development Agency (MBDA)

The Mandela Bay Development Agency (MBDA) was mandated by the Nelson Mandela Bay Metropolitan Municipality (NMBM) as a trans-disciplinary implementing agent for programmes, projects and events which have a number of defined objectives which include inter alia.

- Enabling *social, spatial and economic* transformation;
- Implementing existing and identifying new projects, programmes and events within its mandated areas referred to *as "designated localities, nodes and precincts* (of different scales)" which are to be aligned to the various plans of the NMBM which include the following:
  - To leverage existing or newly acquired resources such as assets, property and also providing for skills development to ensure the successful implementation.
  - To deliver *catalytic programmes, special defined projects and events* with reference to:
    - Physical Infrastructure;
    - Social Infrastructure (i.e. services, social, psycho-social, creativity, heritage, sport and tourism);
    - Economic Transformation of the City;
    - Pioneering new development models, testing or piloting of innovative ideas exploring alternative approaches, methods or concepts which could be up scaled to a city-wide level;

- Identification and designation of stakeholders and undertaking work in partnership with the private sector, government agencies and civil society organizations;
- Undertaking relevant research as required and to define and implement collaboration with key research institutions;
- Ensuring compliance with all relevant legislation concerning Local Authorities including the Municipal Finance Management Act (MFMA), the Municipal Structures Act and the Municipal Systems Act (MSA) in terms of which all projects are to be subject to a pre-screening process in collaboration with the NMBM processes; and
- Having signed Service Level Agreements prior to execution.

The MBDA's overall role is not only that of promoter and supporter, but also of that of 'doer'. MBDA is by its very nature meant to be more agile than the municipality.

Development and implementation of programmes and projects were firmly implanted within the ambit of the various layers of planning documents.

The MBDA's projects and programmes are therefore governed by the following key documents:

- Mandate Document
- NMBM IDP
- 5-Year Strategic Plan
- Annual Business Plan and 3-year budget

The Board has initiated a process within the MBDA towards making the organization have a stronger development focus which has resulted in the following revised vision, mission and strategic objectives:

Vision

"To develop an iconic world class ocean city showcasing its diversity of people, culture, heritage and environment*".*

Mission

"To become a knowledge-based development agency that seeks to achieve social, spatial and economic transformation in Nelson Mandela Bay*".*

Strategic Objectives

i. To pioneer and implement people-centered catalytic programmes;

ii. To create spaces and places that inspire and transform Nelson Mandela Bay; and

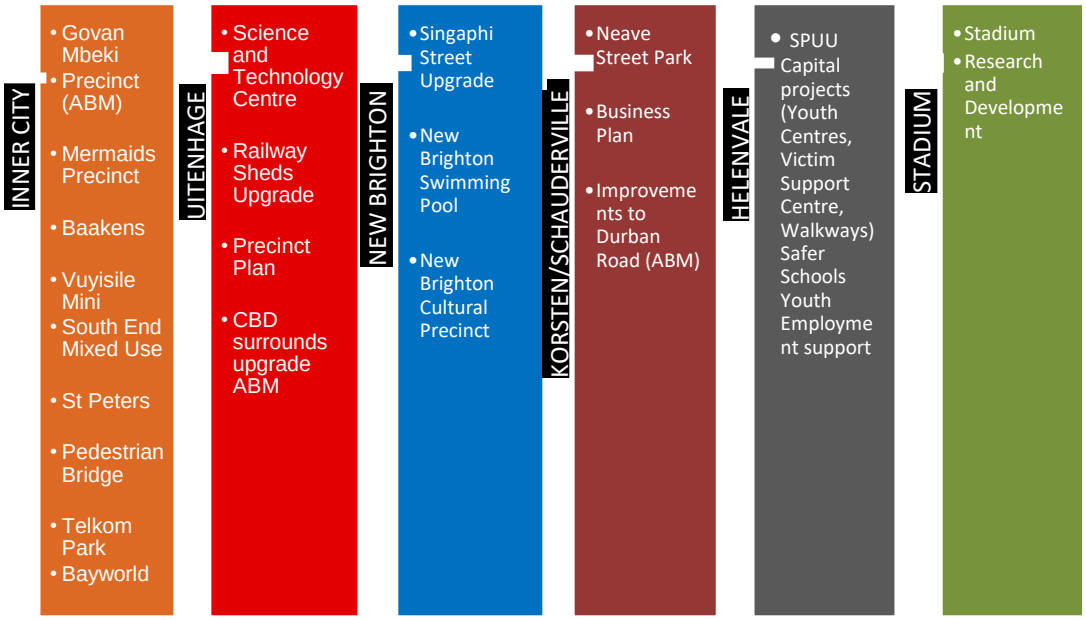
iii. Develop and promote a creative culture in Nelson Mandela Bay.

The MBDA is implementing several programmes across its mandated areas in order to achieve its strategic objectives. A rigorous process to identify which projects would be implemented within each programme has taken place and the basic premise of the process is to take each planned project through MBDA's strategic planning document in order to "filter" through key aspects of the project, chief of which is the IDP.

The figures below summarize all of the programmes that are being implemented with a list of both the 2018/19 projects, 2019/20 current projects being implemented and the planned 2020/21 projects.

The primary work of the MBDA is allocated and grouped into six distinct nodal areas which are: The Inner City; Uitenhage; New Brighton; Korsten and Schauderville; Helenvale and Nelson Mandela Bay Stadium.

Figure 5: MBDA ACTIVE PROGRAMMES



Special Projects

Nelson Mandela Bay Stadium

The NMBM in October 2016 through MAYCO and Council mandated the MBDA to take over the operations and management of its key asset the NMB Stadium for a period of 3 years which expired in 31 December 2019 financial year and has since been extended on a month to month basis. The operating costs for the Stadium are funded by the NMBM in terms of the business model adopted.

The Agency's Stadium mandate was defined as follows:

- To oversee the Nelson Mandela Bay Stadium operations and optimise economic viability of the asset for the region;
- Promote the Precinct and facilitate alignment of stakeholder objectives;
- Manage and develop the Precinct's assets;
- Increase utilisation of the Precinct's assets; and
- Support and engage the Precinct's stakeholders and community groups.

The Agency inherited the NMB Stadium with some major maintenance requirements, high operating costs and high dependency on low-income bowl events. Despite the challenges experienced in its 10 years of existence, the Stadium major highlights and achievements were amongst others the following:

- Completion of the installation of two new screens.
- Securing of a Bafana Bafana match for the Mandela Challenge against Mali after 8 years of not hosting a Bafana Bafana match in the City.
- Hosted 8th Edition but the third at the Stadium of Ebubeleni music concert which was a sold-out affair with 26 000 music lovers attending and the second time in row that the show was sold out.
- Hosted the NMB Stadium Sports Indaba conceptualized and managed by the Stadium.
- Hosted NMB Stadium School five a side tournament in partnership with SAFA PE and Algoa FM which was a huge success in the first year of hosting the event.
- Hosted a food forward with Pick ‘n Pay as part of the Mandela Day celebrations.
- Hosted the NMB Stadium Open Day to allow the public, potential sponsors and event promoters to come and view the Stadium as well as for the purposes of networking.
- Exhibited for the first time a Meeting in Africa in Sandton which afforded the Stadium to interact with global audience about our Stadium business.
- Hosted two Stadium Roadshows in and around the City to promote and market the Stadium business and brand.

Nelson Mandela Bay Science and Technology Centre (STC)

The MBDA is currently managing the Science Centre in Uitenhage which was previously managed by the Uitenhage Despatch Development Initiative (UDDI). Over and above the maintenance of this asset, the MBDA is responsible for running the various programmes at the Centre designed to build enthusiasm and an affinity for Science, Technology and Mathematics through fun and interactive engagements between scientists and young people of the NMBM. At the Centre, learners discover the daily applications of Science, Technology and Innovations in their communities. Furthermore, activities at the Centre are intended to ensure that learners begin to see Maths, Science and Engineering subjects as fun and enjoyable with the hope that they will continue with them until the end of their high school years.

2018/19 financial year

At mid-term of the 2018/2019 financial year, the MBDA reviewed its KPIs to ensure that the set out targets of the financial year were still, SMART (specific, measurable, achievable, relevant and time-bound). The revised annual Business Plan and performance scorecard were presented to the municipality.

During the 2018/2019 financial year, the MBDA once again obtained an Unqualified Audit Outcome from the Auditor General of South Africa with far less matters of emphasis. To improve audit outcomes whilst improving the achievement of Key Performance Indicator (KPI's) targets to 69% was even more important for the MBDA.

2019/20 financial year

The 2019/20 financial year began after an extensive process of organizational restructuring had been completed by MBDA. This laid the groundwork for an excellent organisation that was ready to deliver on its mandate as approved by the NMBM Council. This financial year was the first where the MBDA was to begin the process of implementing the new strategic vision in earnest, with the key focus on programmes and projects that have catalytic and transformational impact on the City.

Furthermore, the MBDA intended to have greater social impact through placing concerted focus on area management in the mandated area, psycho-social projects and implementation of creative and heritage projects.

One of the key business assumptions underlying the 2019/20 MBDA Business Plan is that, the MBDA will be funded at the quantum and frequency agreed upon by the Council. However, the MBDA's Service Delivery Agreement (SDA) with the NMBM expired in December 2018. This meant that 2019/20 grant funds could not be received from the NMBM. This is MBDA's main source of funding, accounting for 90% of the annual budget.

This had severe implications on the cashflow of the MBDA, resulting in the MBDA facing a serious risk of reaching a zero cashflow scenario and going-concern uncertainty. Using its reserves and other cash management measures, the MBDA

managed to regularly pay its obligations as and when due. This is a testament to the resilience nature of the MBDA and its systems put in place by the Board of Directors.

The MBDA welcomed the resolution of the Council during December 2019 to extend the SDA for a three-year period and the transfer for outstanding grants mid-December 2019 six months into the financial year for the grant funding that should have been paid in July 2019. The MBDA is very pleased with the mid-term result of financial performance at 59, 8% and non-financial performance at 50%, despite the challenging operating environment over the period.

In line with the mandate, the MBDA has nonetheless continued to fulfil its service delivery obligations in area management, operation of the Stadium, delivery on ongoing projects with the completion of the New Brighton Swimming Pool, Baakens Pedestrian Bridge, Neave Street Park, and SPUU Sportfields projects in four schools in Helenvale.

2020/21 financial year Outlook

The projects planned and implemented in the 2019/20 financial year which are multi-year projects will continue in the 2020/21 financial year as detailed below:

BAAKENS RIVER VALLEY PROGRAMME

The Baakens River programme is a key node within the Inner-City mandate area. It constitutes Four (4) focus areas, namely:

1. Vuyisile Mini square and surrounds,
2. Lower Baakens Precinct,
3. St. Georges Park,
4. Port Harbour Precinct.

The development of a South End Mixed use housing development is envisaged to be implemented in the 2020/21 financial year. The aim of the South end Mixed Use housing project is to develop approximately 600 residential inner-city housing units on the southern part of the riverbank. This project also encourages the development

of industrial retail, recreational activities to promote sustainable livelihoods in the area. Focus areas 1 and 2 are being implemented in the 2019/2020 financial year and will continue into the 2020/21 financial year.

HAPPY VALLEY/ BAYWORLD / TELKOM PARK PROGRAMME

The programme is conceptualized to integrate the Happy Valley, Bayworld and Telkom Park sites into a single world class tourism complex that will serve as a headquarters for conservation, research, education and tourism led economic development, not just in the city but also in the Province.

One of the major exercises is to conduct a feasibility study to consider the various operational and funding models for an ICC to advise the municipality whether or not an ICC should be accommodated in the precinct. The outcomes of the feasibility study and conditional assessment in some of buildings in the Bayworld site as it is in a state of disrepair and appear to be in an unsafe condition. The outcomes of the feasibility study and conditional assessment will determine implementation in the 2020/21 onwards until completion.

UITENHAGE / DESPATCH PROGRAMME

The dissolution of the UDDI meant that, the Uitenhage Science Centre be incorporated into the mandate of the MBDA. In this regard, MBDA has been tasked with the upgrade of the Railway Sheds that forms part of the Science Centre complex. In terms of Infrastructure Projects, it is envisaged that the bulk of the Refurbishment of the Railway Sheds would be implemented during the 2019/2020. The remainder of the project would be completed in 2020/2021 financial year.

GOVAN MBEKI AVENUE / CBD PORT ELIZABETH PROGRAMME

The MBDA to conduct extensive public engagement in 2019/20 as to what the citizens of the City wants to see in the City and what would be required to see a “return to the city”. This visioning exercise would result in the development of a new precinct plan and associated programme for the future development of the CBD in the coming financial years.

NEW BRIGHTON PRECINCT PROGRAMME

For the 2019/2020 financial year will embark on the development of a New Brighton Cultural Precinct Plan. The Precinct Plan would culminate in the identification of a development programme that would include both Infrastructure and non-infrastructure interventions and projects to be implemented in the coming financial years.

KORSTEN / SCHAUDERVILLE PROGRAMME

In line with its mandate of upgrading areas that has seen some form of environmental decay, a development Master Plan has been drafted to ensure that the community of the area advise the MBDA on how they see the area redeveloped over the next 5 to 20 years. A public participation process has since been commissioned to relook at the Master Plan and prioritise and identify projects that could realistically be implemented by the MBDA over the next 5 years.

HELENVALE SPUU

Since its inception, the programme has experienced numerous delays and setbacks. Various disruptions, violence, crime, stoppages, protests and other challenges has been experienced on construction sites in 2017. A further extension has been agreed upon, whereby the last project to be completed in 2020.

5.2.8.2 Urban Renewal Programmes (MURP / SECTOR DEVELOPMENT)

The Urban Renewal Programme (URP) is a product of National Government's Urban Renewal Strategy (URS). In 2001, the then State President announced the National Urban Renewal Programme (URP); Motherwell was one of the eight townships chosen to benefit from this Programme.

The broader objectives of the Programme are the general renewal of the nodal areas and initiatives to address the economic, social and security needs of the community in an integrated and sustainable manner. Urban renewal presents an opportunity for the three spheres of government to work together to eradicate poverty and unemployment.

Job creation initiatives, public participation in governance, crime-combating initiatives and the establishment of a healthy environment, as well as the acceleration of service delivery, are the key priorities for Motherwell Urban Renewal Programme (MURP) and Helenvale Urban Renewal Programme (HURP).

The Municipality is solely responsible for the Motherwell Urban Renewal Programme (MURP), focusing on facilitating, coordinating, providing and upgrading infrastructural and economic development within Motherwell. A number of projects were implemented while others are still at various levels of implementation.

These include sourcing further funding to implement Phase Two of the Motherwell Peace Park, the Motherwell Traffic Licensing Centre, facilitation and coordinating the Motherwell Rail Precinct (Mixed use development), Skills Development and Youth Empowerment, the SMME Hive and the surfacing of cul-de-sacs in Motherwell and upgrading of the NU2 Stadium.

All these programmes were implemented with key external partners such as the European Union Commission, PRASA, Transnet, National and Provincial Governments as well as private donors. The MURP was mainly funded by the the following stakeholders, European Commission under the European Union (EU) Sector Policy Support Programme, the Department of Local Government and Traditional Affairs, and National Treasury through the Neighbourhood Development Partnership Grant.

5.2.8.3 War on Hunger

Through its Special Programmes Directorate, the Nelson Mandela Bay Municipality worked with the Provincial Department of Social Development, as well as the Office of the Premier of the Eastern Cape, in facilitating the rollout and implementation of

the Provincial Integrated Anti-Poverty Strategy. The three Wards selected by the Eastern Cape Premier as flagship Provincial anti-poverty programmes are Helenvale, Silverton and Walmer Township.

INCLUSIVE ECONOMIC DEVELOPMENT AND JOB CREATION

The 2019/20 coronavirus pandemic has a radical slow-down on all sectors of the economy with far-reaching economic and social consequences. The pandemic has led to the disruption of business activities in most economic sectors.

All national and international sporting events are cancelled or postponed; the ban on international and local travel has had a severe impact on tourism and its value chain activities. The monetary impact on the local, national and global economies is yet to be determined. A new approach will have to be designed and followed to rebuild the economy of NMBM within the context of the national economy.

The Municipality is faced with high rate of unemployment and poverty. Majority of the people live in poverty-stricken areas, and rely on government grants for their livelihoods. The Municipality is committed to addressing unemployment and poverty through inclusive economic development and job creation. The Municipality seeks to achieve long-term and sustainable growth in GDP per capita to improve the quality of life of its residents. This IDP seeks to accelerate economic growth, job creation, and empowerment.

The Nelson Mandela Bay's five-year plan therefore provides the framework for the Municipality's short to medium term growth and prosperity in a five-year horizon. The plan reflects the Municipality's commitment to ensuring the development and growth of local economy and its sustainability in a changing global environment.

A comprehensive process to develop a citywide growth and development strategy is in place. The growth and development strategy integrated the strategies and plans for spatial development, human capital development, infrastructure provision, environmental management and economic development.

In order to grow the economy, enhance global competitiveness, reduce unemployment and poverty, there are three key strategic areas of intervention, which the Nelson Mandela Bay Municipality prioritizes:

a) Creating enabling business environment

The NMBM is committed to work collaboratively with businesses and to influencing the fundamentals such as business and investor confidence and diversity of industry. Key programmes that NMBM will be rolling out include but not limited to the following:

- Provision of Economic \ Production Infrastructure (water, electricity and ICT)
- Enterprise Development and Support: foster innovation and entrepreneurial activity.
- Skills Development and Support: ensure industry skills availability and alignment
- Competitive Business Support: reduce regulation and red tape; and support new business, export and productivity.

The strategic intent is to provide enterprise development support and foster innovation to grow successful companies, to build and retain a thriving economic base to attract skills, talent and investment, to drive business productivity through effective delivery of economic infrastructure, and to create a sustainable workforce with skills to meet business and industry requirements.

Business Retention and Expansions

The NMBM will continue to support and promote its traditional industries of manufacturing especially the automotive sector, tourism, pharmaceutical, retail and construction, while making a determined effort to move towards more knowledge-intensive, high-value and internationally competitive economic activities.

The Metro will also encourage re-investments by existing companies not only to ensure the retention of existing jobs, but also creates new direct and indirect jobs in the local economy. Key to further growth and retention of traditional sectors is the restructuring and improvement of their competitiveness strategy. It is therefore of critical importance that NMBM develops growth strategies for existing labour intensive sectors such as tourism, construction / property development, business process outsourcing and off-shoring.

Growth Opportunities \ New Growth Path

Key strategic opportunities such as Operation Phakisa offer NMB a unique global advantage to focus on economic opportunities across the Blue \ Ocean Economy. According to the National Government, the oceans have the potential to contribute up to R177 billion to the GDP and create just over one million jobs by 2033. These projects form part of the government's National Development Plan, its economic blueprint that aims to promote economic growth and job creation.

The region is home to the two major ports of Port Elizabeth and Port of Ngqura, both well-established commercial ports. As both entry and exit points, the two ports are critical for the future of the region, province and country. A thriving maritime sector will shift Nelson Mandela Bay into an era of prosperity.

Development of Key Growth Sectors

Ocean Economy

Key strategic opportunities such as Operation Phakisa offer NMB a unique global advantage to focus on economic opportunities across the Blue \ Ocean Economy that will provide significant GDP growth and job creation potential. There are two enablers in support of the six priority areas / work steams namely:

- Skills and Capacity Building and
- Research, Technology and Innovation

Operation Phakisa has six priority growth areas / work streams:

- marine transport and manufacturing
- offshore oil and gas exploration

- aquaculture
- marine protection services and ocean governance
- small harbours work stream
- coastal and marine tourism

Some of the key opportunities that NMBM and its partners are currently exploring are shipbuilding and repair facility, aquaculture development (land-based and sea-based), Fishing Industry Development, Maritime Institute for Skills development etc.

Tourism

A number of projects have been identified to unlock the tourism potential of Nelson Mandela Bay and thus contribute significantly to job creation, entrepreneurial opportunities and economic growth of the region. Some of these projects include the Waterfront and Baakens River Valley Development, Development of a world class International Convention Centre, development of an Iconic Landmark Precinct (The Tower of Light), Bayworld Redevelopment etc.

Furthermore, an interdepartmental relationship is integrated with Sports Recreation Arts and Culture (SRAC) and Public Health (PH) Directorates to rennovate and transform Municipal infrastructure such as resorts and nature reserves to diversify the tourism offerings, increase tourists and ensure a balanced geographical spread across the metro.

Agro-processing

Agro-processing is identified in the National Development Plan as a key vehicle for creating jobs and growth; hence, it is a key growth sector within NMB. Strengths of this sector in NMB include existing industries, an agricultural hinterland and the IDZ to support industry. Some of the key initiatives include the Mohair processing and export, processing of dairy products, export of other agricultural products such as citrus fruit. This sector is however constrained by trade policies, lack of skills, loss of productive land and zoning limitations as well as a lack of coordination between stakeholders.

Trade & Investment

A strong focus is placed on Trade & Investment Facilitation through strengthening domestic and international partnerships; increasing of the region's export base; and attracting inward investment. To achieve the objectives, Trade & Investment are focusing on key strategic actions, which include:

- Promote, brand and market Nelson Mandela Bay as an investment destination.
- Facilitate trade to assist local companies to access international markets (via Export Helpdesk).
- Identify, develop and package investment opportunities for NMB.
- To retain and expand trade and export activities.

Township Economy

The NMBM has placed a strong focus on the economic development of Townships and other previously neglected areas. The focus will be on the development of businesses in these areas, improvement of infrastructure and links between business hubs. The city is developing a plan to deliver economic infrastructure to township communities and improve services and facilities for residents, businesses and visitors. This will be achieved through an intergovernmental relationship with Provincial and National Government Departments and Agencies.

Strategic Projects

The purpose of Strategic Projects is to act as catalysts for economic growth and stimulating economic development. These projects must enable the City to become nationally and internationally competitive and contribute to attracting investors. The city cannot implement these projects on its own.

A Spatial Planning and Development Committee (sub-committee of the Strategic Interface Forum (SIF) has been established and its members Nelson Mandela Bay Municipality (chair and includes MBDA), Transnet, Coega Development Corporation, ACSA, Nelson Mandela University, PRASA and South African National Roads Agency Limited work together to fast-track some of the major projects.

These projects inter alia include: Establishment of Tank Farm and Manganese Exports Facility in The Coega Special Economic Zone (SEZ), Waterfront Development/ Baakens River Precinct, Bayworld, ICC, Freedom Statue, Telkom Park Precinct / Happy Valley, Nelson Mandela Bay Logistics Park, Njoli Square Redevelopment, North End Lake and Stadium Precinct, etc.

Expanded Public Works and Job Creation (EPWP)

The Nelson Mandela Bay Municipality has aligned its programmes to ensure the creation of decent jobs, infrastructure and socio-economic development, as well as environmental management. The Municipality's IDP and Budget are utilised as key tools for mainstreaming labour-intensive approaches. Furthermore, both the New Growth Path and the National Development Plan have highlighted the importance of job creation, which includes the implementation of the EPWP, which has been extended to 2030.

The Nelson Mandela Bay Municipality will focus, inter alia, on the following in implementing the EPWP:

- Side and non-motorised transport infrastructure.
- Housing provision, which, in addition to on-site activities, will include the manufacturing of building material.
- Development and learnerships of youth, women, and people with disabilities, i.e. Vukuphile.
- Minor works, repairs and renovations to municipal buildings.
- Peer educators, environment and waste management educational awareness programmes.
- Beautification and greening programmes, e.g. cemeteries, parks etc
- Implementation of pilot labour intensive projects in some wards.

- Support EPWP non-state sector (NGOs and CBOs) in implementing various projects / programmes within the jurisdiction of the NMBM.
- Support and implement some delegated mayoral projects/programmes, e.g. School Renovation Programmes, through the support of the private sector and other stakeholders.
- Identifying and exploring additional potential areas that focus on job creation.
- LED labour-intensive projects.
- Champion the implementation of the Community Work Programme within the NMBM.

7.5 Safety and Security

The Safety and Security Directorate is responsible for rendering safety and security to all residents, business community, tourists and municipal properties of the Nelson Mandela Bay Metropolitan Municipality (NMBM). The services to be provided by respective sub-directorates within the Safety and Security Directorate in the above regard are as follows:

Table 46: Safety and Security Directorates

Service	**Sub-Directorate**
Metro Police Services - Traffic & Licensing Services - Security Services	Metro Police Service - Traffic & Licensing Services - Security Services
Fire and emergency services	Fire and Emergency Services
Disaster Risk Management Services	Disaster Management Centre

In fulfilling the above responsibilities, the Safety and Security Directorate is required to comply with certain prescribed Acts, Regulations and By-laws, which guide and inform strategies, policies, procedures and practices. To ensure that all of the above-expected responsibilities are carried out with due diligence, compliance with the regulatory guidelines required for maintaining a safe and a secure environment is necessary.

Over and above the legislative requirements, the Nelson Mandela Bay Municipality has developed various policies and plans to enhance the functioning of the Directorate, which amongst others include:

- Metro Police Plan
- Disaster Management Plan
- Security Master Plan – Integrated Security Systems
- Crime Prevention Strategy
- Firearm Policy and Operational Implementation Strategies
- Executive Protection Policy
- By-law Policing Policy and Implementation Strategy
- Non Ferrous Metal Theft Strategy
- Surveillance Deployment Strategy

To create a safe and secure environment in Nelson Mandela Bay, the full participation of all stakeholders, including our residents and the business community, is required in addressing the following challenges:

(a) Reducing the likelihood of major incidents that could potentially lead/give rise to the risk of disasters.

(b) Reducing the risk of fire and other emergency-related risks.

(c) Enhancing the safe and free flow of traffic.

(d) Maintaining acceptable standards of response to emergencies.

(e) Initiating active by-law enforcement.

(f) Protecting municipal employees and assets.

Improving safety and security plays an important role in economic growth, tourism development and investment. Fulfilling the safety and security requirements is paramount and demands continuous development to address the ever developing

strategies by perpetrators, hence the need to always review the integrated approach in an attempt to curb crime. In addition, safety and security are a prerequisite for the sustainable growth of communities.

The Sub-Directorates are all focused on the total delivery of Safety and Security from a Municipality's perspective. The focus of the various Sub-Directorates is as follows:

7.5.1 Metro Police

(a) The authority to establish a Metro Police Service within the Nelson Mandela Bay Municipality was gazetted in January 2012 and an Implementation Team has been established. The process of the implementation of the Municipal Police will be done in a phased-in approach, taking into account the available resources and legislation.

(b) The Municipality is currently liaising with the Provincial Safety and Liaison Committee with regard to the re-establishment of the Community Safety Forum within the NMBM in terms of the Draft White Paper on Safety and Security.

The Community Safety Plan will be finalised after the implementation of the Metro Police Service.

Objectives for the Metro Police

- To create a safe and secure environment
- To enforce traffic policing
- To enforce by - laws
- To prevent crime
- To protect life and municipal property

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

The vision is the enhancement of the safe and free flow of traffic in the NMBMM area and the motto is to serve the community and visitors of the NMBMM with integrity.

(b) Traffic Policing - Deliverables

- Promotion of road safety, through integrated and coordinated law enforcement initiatives.
- Provision of an effective licensing function.
- Promotion of internal efficiency and effectiveness.
- Having a dedicated and efficient workforce through sustainable capacity building initiatives.

(c) Central to the achievement of the above objective is the need to:

- Promote mutual understanding and cooperation between the Sub-Directorate and its various stakeholders.
- Impart knowledge regarding traffic related matters.
- Facilitate access by all stakeholders to all services and facilities offered by the Sub-Directorate.

(d) Security Services

NMBM is responsible “to promote a safe and healthy environment” within its financial and administrative capacity in line with Chapter 7 of the Constitution - Section 152. The Security Services is the medium which provides the overarching framework in respect of planning, implementing, and monitoring protection measures which 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 this approach outcomes are sought in a synchronized and integrated fashion that will ensure a safe and secure Bay 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 Security Services thus renders a service to NMBM by the provision of a system whereby the needs for protection and safekeeping of Council employees, installations, buildings, equipment and other assets are met, in order to ensure secure working conditions and reduce unnecessary costs due to loss.

Security Master Plan – Integrated Security Systems

The Security Master Plan outlines various critical issues, which will ensure that the integrated security system approach is being addressed in a systematic and comprehensive manner. The ideals contained in the Security Master Plan are by nature a long-term vision, the intention of which is to provide a framework that will inform the operationalisation and implementation of a structured integrated security system work flow. The involvement of all role-players is essential in achieving the integrated objectives.

7.5.2 Fire and Emergency Services

This Sub-Directorate has to deliver a service to the community, whilst complying with various legislative requirements, including but not limited to the Fire Brigade Services Act, 1987 (Act 99 of 1987), as amended.

The vision of the Nelson Mandela Bay Municipality Fire and Emergency Services is to substantially reduce the loss of life and the destruction of property by fire through the promotion of fire safety awareness. This service provided to the community and delivered by highly trained personnel who can demonstrate competence in all professional aspects of their work, will result in the elimination of preventable fire fatalities and casualties.

A brief synopsis of the various functions of this Sub-Directorate is outlined below:

Fire Safety

- The approval of building plans for fire protection and fire requirements.

- The development, co-ordination and implementation of Fire Safety By-laws and providing detailed knowledge thereof to the public in general.
- The approval and renewal of licences to store petroleum and liquid petroleum gas.
- Approval of major hazardous installations.
- The conducting of fire safety lectures/evacuation drills.
- Fire investigations to establish the causes of fires.
- Various inspections of commercial and industrial premises, as well as places of public entertainment to determine compliance with fire safety requirements.
- Issuing of Controlled Burning Permits in liaison with Environmental Health Services.
- Community Fire Safety awareness programmes at schools, clinics, old age homes and other institutions, with special attention paid to the previously disadvantaged communities.

Operations

- The main function of this division is the controlling of the emergency operations and functions to ensure the efficient extinguishing of fires, dealing with various other emergencies, including hazardous material incidents, as well as the rescuing of life and property from fire or other danger. This service is delivered on a 24 hour basis, with staff members working 12 hour shifts.
- Conducting on and off-station demonstrations and lectures to the general public.
- Conducting tactical pre-planning inspections of commercial and industrial premises, including major hazardous installations.
- Providing an efficient and effective fire fighting vehicle fleet, equipment and technical planning.

- Controlling fleet maintenance and the replacement of vehicles and equipment, as well as the preparation of specifications and tenders for the procurement of vehicles and equipment.
- Repairing and maintaining fire-fighting vehicles and equipment.
- Motor vehicle accident investigations.
- Controlling repairs to and maintenance of buildings.

Internal Communication Systems and Reporting Centres

- Providing efficient and effective means of communication to the public with regard to emergency situations.
- Dispatching and managing vehicle and manpower resources at emergency incidents and situations.
- Interacting and scene co-ordinating with other emergency services.
- Monitoring private fire alarm systems.
- Keeping accurate records of all emergency services rendered.
- Rendering communication systems development and maintenance services.
- Evaluating and assessing new technologies with regard to all mediums of communication.
- Deploying IT, radio, telephone and various other communication systems.

Training

Training and education of staff members of the Sub-Directorate and outside institutions in all fire suppression and rescue methodologies, using the latest international trends and technology. This is mostly done at the nationally accredited Training Centre at Markman Industria.

A full-time Fire Service is in operation in the Municipality, with a Chief Fire Officer appointed as head of the service. The Municipality has an agreement with the Cacadu District Council to assist them in times of emergencies, if and when possible.

The Municipality has developed and adopted fire tariffs, which are reviewed on an annual basis in consultation with the Budget and Treasury Directorate.

7.5.3 Disaster Management Centre

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

The Disaster Management Centre has a vision to create a Muicipality that understands and embraces disaster management practices for a disaster resilient and safer environment. The Head: Disaster Management Centre was appointed in 2002. The mission is to establish and maintain an all-inclusive integrated and effective disaster management programme to the benefit of all communities in the NMBM.

Council adopted the NMBM Disaster Management Plan in 2005 and it was revised in 2010. The Policy Framework was also adopted in 2005 and revised in 2010. A Disaster Risk Assessment was conducted in 2005 and revised in 2010.

Geographic Information System (GIS) information of the Disaster Management Center is integrated with the NMBM Corporate GIS and the Special Development Framework Section. The Flood Contingency Plan was drafted and finalised in 2010. The Disaster Management By-law was drafted and gazetted in 2009 and currently is under review in order to accommodate new challenges.

The Disaster Management Centre hosts a Joint Operational Centre (JOC), backed up 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). Equipment in the JOC is integrated with the NMBM Safety and Security Joint Control Centre.

The following have been identified as critical disaster management issues:

- Integrating Disaster Risk Assessment with development planning and in all directorates of NMBM;

- Maintaining hazard specific response plans, e.g. aircraft, railway and major road accidents;
- Maintaining a fully functional and equipped Disaster Management Centre.
- Promoting and enhancing all disaster prevention programmes
- The center places a special focus on the most vulnerable communities and strives to support sustainable livelihoods in these communities.
- Refining disaster loss tracking and establishing a culture of scientific post-disaster analysis;
- Facilitating, promoting and maintaining multi-disciplinary co-operation and co-operative partnerships;
- Promoting pro-active media liaison initiatives and a rapid feedback to all media queries;
- Promoting effective disaster risk reduction and mitigation strategies including:
    - Enhancing community education awareness focussed on risk reduction and capacity building programmes
    - Community-based risk assessments
    - Establishing community emergency response teams
- Facilitating and initiating the coordination of disaster risk safety plans in all the major and big events in terms of the Safety at Sports and Recreational Events Act of No. 2 of 2010, i.e. sport, cultural, elections, political, etc.
- Evaluating and improving disaster management implementation in Nelson Mandela Bay.

Disaster Management Plan

During this time of drafting the current IDP document, the NMBM finds itself in an unusual situation where the metro is declared a disaster in two areas at roughly the same period, namely drought and Corona virus (Covid 19). The Disaster Management Plan takes into account expected hazards, disasters and the vulnerability of the various communities to prioritise the potential disaster risk.

To mobilise the necessary stakeholders, the Inter-Departmental Disaster Management Committee (IDDMC), the Disaster Management Advisory Forum (DMAF) and local Disaster Management Committees were established. These structures were established to assist with disaster management planning, including the management of high-risk developments.

The Municipality has informal agreements with other municipalities and it assists them in times of disasters. Such agreements need to be formalised and Memoranda of Understanding to be signed. The Disaster Management Act requires the NMBM to take the following actions:

- Preparing a Disaster Management Plan for NMBM
- Facilitating and mobilising communities to begin to take initiatives to prepare and draft community response plans relative to identified hazards in their areas.
- Co-ordinating and aligning the implementation of its plan with those of other organs of state and institutional role players; and
- Regularly reviewing and updating its plan (Section 48).

The NMBM submitted a copy of its Disaster Management Plan and any amendment to the Plan to the National Disaster Management Centre (NDMC) and the Disaster Management Centre of the Eastern Cape Province in 2013.

7.5.4 Safer City

The Nelson Mandela Bay Municipality is committed to ensuring a safer city for all its residents and visitors. There are a number of challenges confronting the NMBM especially the transgressions of municipal bylaws by some residents, organisations

and other sectors of society. The criminal element is also playing a role particularly in the vandalising of municipal and government property as well as general harassment of communities.

Furthermore, the existing CCTV operation needs ongoing refinement in various areas in line with the following strategies:

1. Community Involvement in Safety (Community Partnerships)
2. Targeted Social Crime Prevention (Empowerment of communities)
3. Effective Policing and Community Safety (Strategic Objective)
    - By-law enforcement
    - Rapid response
4. Better Design and Management of Public Spaces (Strategic Objective)
5. Research
6. Development of a CCTV Strategy and Policy

Building Safer, Shared and Confident Communities' sets the direction for reducing crime, anti-social behaviour and fear of crime. The emphasis is on the guiding principle that prevention is better than cure. Success in building safer communities requires a partnership approach within and across government.

The overall aim of the Community Safety Strategy is to help build:

- Safer communities, with lower levels of crime and anti-social behaviour;
- Shared communities, where each person's rights are respected in a shared and cohesive community; and
- Confident communities, where people feel safe and have confidence in the agencies that serve them.

A Community Safety Strategy will contribute to the objectives of the above. Our society remains a divided one and is becoming a more diverse one as a result of migration over the past decade. Community division creates tensions and prejudice and can lead to criminal behaviour. Each incident increases the risk of many more.

The Municipality is currently liaising with the Provincial Safety and Liaison Committee with regard to the re-establishment of the Community Safety Forum within the Metro in terms of the Draft White Paper on Safety and Security. The Safety and Security Standing Committee has endorsed a workshop with regard to the establishment of the Community Safety Forum.

7.6 Human Settlements

Nelson Mandela Bay still suffers from Apartheid-era spatial planning and many communities are therefore separated and secluded from the larger City. The Municipal Spatial Development Framework is under review to deal with such irregularities in spatial planning. This Directorate has plans in place aimed at upgrading informal settlements by delivering quality human settlements that give dignity to the residents of the Metro. Plans are also being initiated to respond to the issue of backyard dwellers.

Table 47: Strategic Programmes / Projects

Strategic Programme / Project	OPERATING EXPENDITURE				CAPITAL EXPENDITURE				Comment
	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23	
PE INNER CITY PRECINCT PE Inner City Precinct Planning – Operating Funding		R 150,000							
Mount Road Social Housing: Environmental Impact Assessment		R 600,000							
SUMMERSTRAND									
Summerstrand Proposal Calls for Land Development – Operating funding for proposal calls (advertising and management of RFP's)	R 150,000								
Summerstrand Extension: Land Preparation									
WALMER									
Walmer Erf 11305: Development implementation		R 1,500,000					R 31,000,000	R 8,000,000	
Walmer Erf 11305: Housing Funding (including RDP/ FLISP/ Affordable and Social Housing)									
Land Acquisition Arlington (Race Course Land)					R 40,340,137				
Land Acquisition Arlington (Additional Land)						R 15,000,000			
Development Planning Arlington		R 600,000	R 400,000						
Driftsands: WWTW Augmentation/ Collector Sewer NB (I&E)									

DESPATCH FLORIDA									
Despatch Florida: Bulk Sewer (I&E)					R 15,525,000				
Despatch Florida: Bulk Water Supply (I&E)					R 35,775,000				
Despatch Florida: Electricity (E&E)					R 11,265,196				
Despatch Florida: Access Roads (I&E)					R 5,000,000				
Despatch Florida: Other Cost									
UITENHAGE INNER CITY PRECINCT									
Uitenhage Inner City Precinct Planning	R 200,000	R 600,000							
Uitenhage Inner City Precinct Planning Implementation									
Winterhoek Park: Land Preparation (redevelopment/ RFP)		R 500,000	R 500,000						
IBHAYI: NJOLI PRECINCT									
Njoli Square Redevelopment Implementation									
Daku Road Upgrade									
UNCEDO Long Distance Taxi Terminal									
Informal Trading Facilities									
Commuter Taxi Rank Upgrade									
Livestock Market									
Events Space									
Urban Landscaping									
Private Sector Investment (Urban Upgrading)									

Conclusion of Land Use Issues									
Infill Residential Development									
IBHAYI: NEW BRIGHTON PRECINCT									
New BrightonPrecinct Plan Implementation (EDTA)									
Conclusion of Land Issues						R 198,663	R 297,994		
New Brighton: Infill residential development									
FAIRVIEW									
Fairview Sewer upgrades (I&E)									
Fairview Road upgrades (I&E)									
Fairview: Spatial Framework Review/ Precinct Planning		R 400,000	R 400,000						
ZANEMVULA (CHATTY / JACHTVLAKTE PRECINCT)									
Zanemvula (Chatty/ Jachtvlakte Precinct Implementation									
Community facilities						R 11,000,000	R 19,000,000		
Educational facilities						R 22,491,000	R 55,656,090		
Retail development (Private Sector)						R 15,930,000	R 63,720,000		
Integrated Residential Development (Mixed typologies)							R 97,154,640	R 97,154,640	
Land Acquisition: Capital VASTRAP						R 25,000,000			
Vastrap Development			R 1,000,000					R 28,000,000	
Jachtvlakte infrastructure installation in support of IRDP									

ZANEMVULA (SOWETO-ON-SEA/ VEEPLAAS PRECINCT)									
Zanemvula (Soweto on-Sea / Veeplaas): Cadastral Adjustment						R 35,000,000			
Zanemvula (Soweto on-Sea / Veeplaas): Floodline Mitigation (I&E)							R 50,000,000	R 5,000,000	Estimated
Zanemvula (Soweto on-Sea / Veeplaas): LSDF		R 200,000	R 600,000						
Zanemvula (Soweto on-Sea / Veeplaas): Development Implementation									
ALGOA PARK / HELENVALE									
Algoa Park/ Helenvale: Land Acquisition (Private Land)							R 25,000,000		
Algoa Park/ Helenvale: Land Acquisition (Provincial Land)									
Algoa Park/ Helenvale: Land Preparation (Integrated Housing)		R 400,000	R 600,000						
MOTHERWELL									
Motherwell Extensions: Bulk Services (I&E)									
Motherwell Extensions: Strategic land acquisition for I&E (Amanzi Reservoir)									
Motherwell: PRASA Land assembly (land exchange)									
Motherwell: PRASA – informal settlement relocation									
Motherwell Precinct Planning	R 200,000	R 600,000							
JACHTVLAKTE PHASE 2									

Jachtvlakte Phase 2: Land Preparation (Business Plan and EIA)		R 1,500,000	R 2,000,000	R 2,500,000					
Jachtvlakte Phase 2: Chatty Jachtvlakte Collector Sewer (I&E)									
N2 NODAL DEVELOPMENT									
N2 Nodal Development: Land Acquisition (Utopia Land Parcels)						R 39,000,000			
N2 Nodal Development: Land Acquisition (Erf 688)									
N2 Nodal Development: Business Planning/ RFP		R 150,000							
N2 Nodal Development: Infrastructure Installation			R 1,500,000					R 39,000,000	Estimates
N2 Nodal Development: Greenbushes Bulk Water Main (I&E)									
N2 Nodal Development: Land Acquisition (Parsons Vlei)							R 50,000,000		
Western Areas Development: Lorraine Driftsands collector sewer									
SEAVIEW									
Seaview: Land Acquisition					R 35,196,462				
Seaview: Housing Development									Estimates
Seaview: Development Implementation		R 1,000,000	R 500,000				R 31,000,000		
LORRAINE									
Lorraine Infill Residential Development: Land Acquisition					R 18,410,801				

Lorraine Infill Residential Development: Land Preparation (Planning/ EIA)		R 600,000							
Lorraine Infill Residential Development: Development Implementation		R 1,000,000					R 25,000,000	R 5,000,000	Estimates
OTHER									
MSDF Review									
Precinct Planning									
LSDF Review									

7.8 SPORTS, RECREARION, ARTS AND CULTURAL SERVICES

The vision of the Nelson Mandela Bay Municipality NMBM according to the Draft 2019/20 IDP is to "*be globally competitive and preferred Metropole that works collectively with the people to improve lives, boost the economy, advocating zero corruption and to have transformed administration aimed at enhancing service delivery".* This speaks to a city where the youth will have opportunities including employment and where proper facilities for the poor, social justice for all and communities that are socially and politically cohesive will be realised.

The mission of the Sport, Recreation, Arts and Culture Directorate (SRAC) which is aligned to the mission of the NMBM is to drive the social cohesion, economic development, social infrastructure, and wellness of Nelson Mandela Metropolitan's citizens through the strategic, well-aligned management of the city's sport, arts, culture, heritage, libraries, beaches, resorts and recreational infrastructure. Key programmes relevant to the achievement of this mission include;

- Leveraging the city's natural, built and heritage assets as a platform on which to build this mission;
- Utilising and nurturing its citizens own interests, talents and that of the community in order to mobilise the mission.
- Investing in keystone associated key projects and programmes to launch the mission.
- Facilitating delivery amongst the associated and mutually responsible agents to effect this mission.

7.8.1 Arts, Culture, Heritage and Libraries

Arts, Culture, Heritage, and Libraries have the ability to promote literacy, social cohesion and cultural tourism. The development of sustainable infrastructure, as well as the arts collective, provides an environment conducive for the growth and development of the creative sector. For Nelson Mandela Bay to become a city that attracts opportunities for economic growth, and with that take care of the well-being of its citizens, the creative cultural sectors as well as literacy must be active and thriving through incoming investment projects or programs or outward export of talent driven products.

Creative talent within Nelson Mandela Bay must be nurtured and platforms created for such talent to display its craft for the enjoyment of the City's citizens and beyond. Opportunities are aplenty for the development of the creative potential within the City, and create a creative cultural vibe within the city, which will contribute positively towards the tourism and economic growth of new creative industries as driven by the citizen of the metro.

The continued establishment of infrastructure as the basic requirement and requisite for supporting the generation of the creative cultural industries will contribute towards the City's Local Economic Development imperatives, and thus play a pivotal role towards the realisation of the New Economic Growth Path and GDP. Plans are underway for the development of Arts and Culture Centres and or Hubs which will service the City's 6 identified clusters on an incremental basis. In the short term, the Mendi Art Centre will be completed as the first priority, whilst planning will be considered in the Mid-term to Long Term for Uitenhage / Kwanobuhle and Motherwell Areas.

Heritage, in line with the priorities of social cohesion and nation building, must be preserved, conserved and activated through the establishment of resources that are well managed, maintained, used and celebrated. Furthermore, the liberation heritage resources within the city that are established, as well as those that must still be developed, should form part of the National Heritage Liberation Route with the long term objective of creating a Heritage Register for the City.

The celebration and commemoration of significant milestones to the socio-cultural heritage map of Nelson Mandela Bay remains a priority, wherein programs such as Heritage Month, the Renaming of Municipal Assets, Repatriation and Reburial of Fallen Heroes and Heroines, and advocacy programmes around significant heritage resources within the boundaries of the Municipality will be implemented annually.

The added advantage of being the Nelson Mandela Bay Municipality lends itself to the nurturing of the history of the legends and the legacy of Tata Mandela through initiatives that will drive social cohesion through arts and culture initiatives. The Nelson Mandela Bay Municipality has two Museums and an Art Gallery within its asset base, namely the Red Location Museum of Struggle and the Nelson Mandela Metropolitan Art Museum and Red Location Art Gallery.

The two Museums are internationally acclaimed and award-winning facilities, whose major contributions are to collect, preserve, and exhibit and foster an understanding and enjoyment of works of art. The art collections, which are of national significance, are to be recorded on the database of the SA Heritage Resources Agency, in preparation for a formal nomination to have the collections declared National Cultural Treasures.

The provision of suitable accommodation for the Art Museum's collections is a matter that needs urgent attention, and provision for the development of a new Art Museum building that will meet the International Council of Museums' professional standards is a priority. In preparation for the upgrading of the Art Museum it will be necessary to conduct an in-depth study of the Museum's operational requirements over the next 5 years.

The identification, development, sustainability of Cultural Precincts is a responsibility that NMBM implements as part of establishing infrastructure as well as other significant spaces where both creative and cultural industries find expression that in turn encourage the tourism industry. Identification and marketing of these precincts in the metro is work in progress.

A precinct may have within it either, a memorial/ heritage site, cultural/art centre, theatre, museum, heritage/ art route, library etc. Such precincts offer the platform for society to embrace ongoing intellectual engagement, affirming indigenous knowledge and critique, and focus on the memorializing and depiction of the region's Apartheid legacy into contemporary histories.

The City's premier precinct is the Red Location Precinct, which consists of a Museum, Art Gallery and Digital Library. The Red Location Cultural Precinct has faced enormous challenges as precipitated by community protests related to the housing rectification process. The Directorate has taken firm action to ensure continued delivery of art, culture and heritage programs to artist and the public alike. This is encapsulated in the idea that a majority of citizens in the city have some familial or historical link with Red Location and that the Precinct as an idea should live outside its own walls.

7.8.2 Guiding Principles

- Establish Nelson Mandela Bay as South Africa's Arts capital for cultural and creative industries.
- Create a conducive environment for a viable cultural economy through setting up of infrastructure and programming that will sustain development of the Arts and Cultural / Creative Industries.
- Create strategic platform opportunities to showcase local talent to encourage a viable cultural economy.
- Develop of sustainable arts and culture precincts:
    - (New Brighton) The Red Location to be fully developed (the final two institutions, the Performing Arts Complex and the School for the Arts, being built) and all five institutions operating at an international level.
    - Feather Market Centre / Athenaeum / Opera House / Nelson Mandela Metropolitan Art Museum / route 67 and other facilities to form a cultural precinct in town (Central) and to be developed to the best potential to become world class facilities

- Develop sustainable relationships with cultural institutions in the city (inclusive of Sister City agreements):
    - The Opera House either working in alignment with the Municipality's strategic program priorities, or becoming part of the Municipality's cultural profile.
    - South End Museum programs aligned to heritage program of NMBM
    - Establish city to city agreements related programs with identified outputs
- Develop sustainable heritage through ensuring safe, well maintained and active heritage sites including the establishment of:
    - The Nelson Mandela bay Heritage Liberation route
    - Active, well maintained Heritage sites around the Metro
    - Advocacy and awareness programming
    - Memorialization of eminent histories through creation of sites, research and lectures
    - Renaming of Municipal Assets
- Develop Community Arts Centers in the Red Location, Kwa-Zakhele / Zwide, Port Elizabeth's Northern Areas, Kwa-Nobuhle and Motherwell. These are to be community incubators for the arts, with the best offerings going on to perform in the Red Location and the Opera House.
- Repatriation and reburial of fallen heroes

7.8.3 Provision of Libraries

Public Library and Information Service provides resources in various formats to the entire population of the metropolitan area and the varied communities that abide therein, to foster a life-long reading culture. The Library and Information Service implements programs that inculcate a strong sense of pride in and knowledge of all aspects of culture, heritage and the arts, while building mutual respect, tolerance and intercultural exchange, as well as to facilitate the emergence of a shared cultural identity characterized by diversity.

It is important to recognize that Library Services of the Municipality remains an unfunded mandate, noting that the funding received from the Eastern Cape

Department of Arts and Culture is insufficient to meet the prevailing demand for the provision of efficient and easily accessible library services to all NMB residents. There are 26 existing facilities in the Municipality providing library services, complemented by outreach and modular library outlets. The Main Library is closed to the public will continue rehabilitation for projected completion by 2021.

7.8.4 BEACHES, RESORTS AND EVENTS MANAGEMENT SERVICES

The overall strategic plan of the Beaches, Resorts and Event Management Sub-Directorate in alignment with the above mission of the SRAC Directorate is to position Nelson Mandela Bay as a preferred destination to investors and tourists. The strategic plan includes the development, upgrading and maintenance of recreational facilities, mainly focusing on Beaches and Resorts, into clean and safe world class facilities that promote a sense of pride from the Nelson Mandela Bay residents through the stimulation of the local economic development and reduction of poverty.

Legislation, which includes The White Paper on Sustainable Development and the Integrated Coastal Management Plan, also place responsibility on the local authority to achieve sustainable coastal development through integrated coastal management that promotes conservation of the coastal environment and ensures that the use of natural resources within the coastal zone is socially and economically justifiable and sustainable.

Adherence and compliance to such legislation is a requirement and very much relevant to the Nelson Mandela Bay Municipality, which has a 120 km coastline characterized by pristine beaches providing a wide range of recreational opportunities, including safe swimming, sunbathing, walking, snorkelling and scuba diving.

The NMBM coastline is of great value due to its diverse array of natural and heritage resources, which are key tourist and socio-economic assets. These features have also resulted in Nelson Mandela Bay beaches playing host to an array of regional, national and international events, which include but are not limited to:

- Standard Bank Ironman South Africa;
- Ironman 5150;
- Annual Mandela Bay Splash Festival;
- Annual Summer season events;
- Annual Ebubeleni Music Festival
- Colchester River Mile
- Richmond Hill Festival
- Annual Cycle Tour

The provision of amenities of a high standard at all the beaches in Nelson Mandela Bay, from parking and boardwalks to ablutions and restaurants, ensures a superb visitor experience. The NMBM also participate annually in the National Blue Flag Programme, which is a voluntary eco-label for beaches, marina, whale-watching boats and boats in general.

The objective of the Programme is, to raise awareness and promote sound environmental management practices among people visiting NMBM's beaches and local civic society. The Blue Flag criteria cover four aspects of coastal management, namely:

- Sound environmental management
- Environmental education initiatives
- Safety and security for users
- Water quality

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 at its beaches so as to attract tourists and promote investment in the city. Through a comprehensive plan to develop and maintain its beaches, the NMBM has full Blue Flag status for: Humewood, King's Beach, and Hobie Beach. Wells Estate Beach and Blue Water Bay are currently in the Pilot phase of the programme.

The city is also committed to the development and maintenance of world class Resorts which offer the following benefits:

- Promote sensitivity to cultural diversity
- Build family unity
- Increase community pride
- Provide space to enjoy nature
- Enhance relationships
- Offer space for social interaction and promote social cohesion
- Create a recreational environment for the family
- Protect the environment

The priorities of the Sub-Directorate are guided by the IDP of the Municipality and implementation is through the Service Delivery and Budget Implementation Plan (SDBIP).

Beaches, Resorts and Events Management Services Delivery approach*:*

- Leveraging on the city's natural, built and heritage assets as a platform to promote the City as a tourism destination.
- Investing in both sporting and cultural events in order to promote the City as an events destination.
- To provide safe, clean, user friendly and world class recreational facilities and infrastructure through the provision of Blue Flag beaches. Whilst providing safe recreational facilities.
- Participation in the International Blue flag Programme and Implementation. The focus in the next 5 years will focus on Wells Estate Beach and Blue Water Beach and ensures that they also comply with the Blue flag standards.
- The development and co-ordination of Aquatic Awareness and Safety Programmes NMBM shark research and planning program in order to establish a white shark management and recreational safety plan for the NMBM.
- To develop resorts as a catalyst for economic development and private sector investment. Currently, the City has 4 resorts 3 of which are leased out to private companies. In the next five years the City will consider a different leasing approach for the various resorts in order to maximize on the benefit as well as to cater for the difference LSM's.
- To provide safe beaches through the provision of lifeguards, rescue equipment and through partnership with other internal and external stakeholders. The City is in the process of absorbing permanent lifeguards so as to be compliant with the Beaches minimum requirement of 4 lifeguards per Beach.
- Ensure compliance to the availability of rescue equipment in order to comply with safety standards.
- To position the NMBM as a tourist destination and events capital of South Africa through the hosting of SASRIA compliant events.

- To provide guidance to event organizers so that they can be able to comply with SASREA, 2010 in staging safe and successful events.
- To maintain the partnership between the City, private sector and NGO's in order to complement the City's resources e.g. lifesaving clubs. In the next 5 years the support to life saving clubs must be strengthened through the existing agreement to include the following:
    - Upgrade of lifesaving Clubs infrastructure and prioritization of the development of the ablution facilities and Sardinia Bay Lifesaving club area which was demolished.
    - Maintenance plans
    - Partnerships in aquatic safely awareness programmes
    - Partnerships in the Blue flag programme
    - Support of the nippers' championships as a strategic event for the City.
    - Annual fitness and retest of all the NMBM lifeguards

Strategies implemented by Beaches, Resorts and Events Management Services in order to achieve IDP strategic objectives include the following*:*

- Drowning Prevention Strategy - medium to long- term
- Beach Aquatic Awareness Programme
- Blue Flag Strategy
- NMBM Beaches Risk Analysis - medium to long- term
- Research and Planning - medium to long- term
- Review of Event Policy and By-Law
- Annual Events Calendar
- NMBM Resorts Policy
- Coastal Infrastructure Maintenance guidelines
- Annual Splash Festival (city flagship events)
- Annual Summer season (city flagship events)
- Annual Ebubeleni Music Event (city flagship events)
- Richmond Hill event
- Colchester Rive Mile event

7.8.5 Sport and Recreation

Section 152 of the Constitution clearly describes the objects of Local Government. South Africa, as a developing country with rapidly growing socio-economic demands and as a respectable player in global affairs including sport and recreation, is facing numerous challenges, which include amongst other things the creation of sustainable sport and recreation infrastructure.

The Municipality strives towards the development of world-class sport and recreation facilities that will ensure the positioning of the Nelson Mandela Bay as a preferred destination to host major sport and recreation events. Sports and recreation remains a key tool for social cohesion, gender equality and the promotion of campaigns and awareness programmes aimed at reducing crime, drug and alcohol abuse, HIV and AIDS within the Nelson Mandela Bay.

7.8.6 Guiding principles

- Access to well maintained, well managed, safe and secure facilities;
- Development of synthetic pitches for hockey and football
- Promotion of active and healthy lifestyles that will promote citizen wellness through sport and recreation programs;
- Promotion of sport and recreation programs that contribute to mass participation and social cohesion;
- Use of environmentally sustainable methods for irrigation, electrification and pitch maintenance at sport facilities;
- Focus on the development of 7 sporting precincts that will attract major national and international sporting events;
- Establishment of a centralized automated booking system for sport and recreation facilities.
- In order to deal with the challenges of vandalism and theft, the Municipality will prioritize the establishment of Facility Management Committees across all zones, with community based structures and the sport fraternity to foster community ownership and pride in the facilities that are being delivered to them.

- That the three major sports (Football, Rugby and Cricket) have top-level and successful teams in their premier leagues with Football and Rugby centered at the NMBM stadium and cricket at St George's Park.
- To actively lobby for the hosting of National and International

7.8.7 Sport Infrastructure Development and Recreational facilities

The National Sport Ministry has conducted research and used several case studies, from an international and national perspective, to extract best practises and guiding principles with regard to norms and standards for sport and recreation infrastructure. The findings reveal that planning, provision and management of facilities occurs in a fragmented manner in most municipalities. The purpose of the research was primarily to develop norms and standards that addressed the following four elements:

- Provision and Management of facilities
- Technical Specifications
- Operations and Maintenance and
- Safety and Security

These norms provide the legislative framework that regulates the planning, provision, management, maintenance and protection of the future use of facilities. It encourages a clustered approach to the planning of new developments, rather than the traditional stand-alone development of sport facilities that have no adjacent socio-economic activities to make them more sustainable. It warns against a narrow approach of relying solely on normative standards for planning purposes.

NMBM therefore adopted the SRSA Norms and Standards for Sport and Recreation Infrastructure Development Provision (Volume I & 2) as its guiding document for the provisioning, maintenance and management of sport and recreation infrastructure in October 2014.

In working towards the achievement of the 2030 ideal sport system, the National Sport and Recreation Plan (NSRP) was developed to support the National

Development Plan. The NSRP details the programmes, projects and activities that will be undertaken by all role players in the sport sector to achieve the objectives of, and create an enabling environment for, an active and winning nation.

Strategic Objective 9 of the NSRP seeks “to ensure that SA sport and recreation is supported by adequate and well-maintained facilities.” The country has a serious challenge regarding the building, shared utilization, equitable access and maintenance of sport and recreation facilities. There are 355 Sports Recreation Arts and Culture infrastructure assets spread across the Municipal area; consisting of various sport fields, stadia, pools, indoor sport centres, libraries, museums and heritage assets as well as beach front facilities.

In 2018/19 the need for sport, recreation, arts and culture facilities was identified as the second highest IDP priority by communities of the Nelson Mandela Bay Municipality. In the 2019/20 IDP it again ranks in the top ten priorities. Furthermore, the 2017/18 Customer Satisfaction Survey also indicated a below acceptable satisfaction rate within communities with regard to sports and recreation facilities.

The demand for sport, recreation, arts and culture infrastructure must be considered in the context of the following key aspects:

- Its role in the development of sustainable human settlements; ensuring social cohesion; nation building; reduction of crime and substance abuse; and the general health and wellbeing of communities.
- Profiling the city as a preferred tourist destination.
- The economic impact of hosting major sport, recreation and cultural events.
- The contribution towards profiling the city as a preferred destination to host national and international sport and recreation events.
- Investment in revenue generating sports infrastructure can assist to deliver economic impact into the local economy and social benefits to communities.

The Municipality has demarcated the Municipal Area into 6 zonal areas for the purposes of analyzing the spread of facilities across the different wards and

identified specific sport and recreation precincts for development in each zone.

ZONE 1:

St George's precinct (St George's Cricket Stadium, St George's Pool)

Walmer / Fountain Road Precinct (Fountain Rd MPC, football, rugby fields, library)

ZONE 2:

Gelvandale Sport Precinct (football, hockey, bowls, cricket, tennis, swimming, library)

KwaDwesi / KwaMagxaki Precinct (Football, rugby, cricket, netball)

ZONE 3:

Wolfson Stadium Precinct (Football, rugby, netball, tennis)

ZONE 4:

NU2 / Raymond Mhlaba Indoor Sport Centre precinct

(Football, athletics, basketball, netball, tennis, swimming)

ZONE 5:

Jabavu / Mqolomba Park Precinct linked to Kwanobuhle Multi-purpose Centre

(Rugby, football, netball, cricket, hockey, swimming, athletics)

ZONE 6:

Rosedale / Central linked to Khayamnandi and Daleview precinct

(Football, rugby, swimming, netball, cricket, volleyball)

For the next 5 years, the emphasis will be on the Upgrading and Rehabilitation of existing sport and recreation infrastructure in terms of the above-mentioned precincts and the development of new facilities in under-developed areas, new human settlements and the peri-urban areas like Rocklands, Witteklip, St Albans and Colchester. The provision and maintenance of adequate facilities is paramount in creating enabling environment for sport at school, club and federation levels in order to achieve the strategic objectives outlined in the National Sport and Recreation Plan.

It is important for the institution to maintain an accurate Geographical Information System (GIS) based network of all facilities within the Municipality. The promotion of active and healthy lifestyles amongst citizens by providing mass participation opportunities through Active Recreation remains a key priority for the Municipality.

7.9 Public Health Directorate

The Public Health Directorate is committed, through a process of community involvement, to rendering competitive health and environmental services through developmental programs to improve the quality of life for people within the Municipality by creating and maintaining a healthy and attractive environment. The Directorate is responsible for waste minimization and collection in the Municipality.

It further develops and maintains public open spaces, including cemeteries. Monitors water quality and availability, including mapping water sources and enforcing laws and regulations relating to water quality management. It is responsible for environmental management and occupational health, safety and employee wellness.

The Public Health Directorate is mandated to create and monitor the quality of life for the people within the NMB area by establishing functional recreational and green spaces, ensuring a clean environment, and monitoring the well-being of people in order to improve their quality of life.

The over-encompassing legislative framework is captured within the Integrated Environmental Planning (IEMP) section of the IDP. Fundamental to the legislative prescripts is the formulation of various IDP Sector Plans that facilitate implementation of the NDP, IDP and IEMP, to improving the delivery of services.

7.9.1 Waste Management

A Municipality must exercise its executive authority to render waste management services, including waste collection, waste storage and waste disposal in a manner that does not conflict with legislation. In its endeavor to comply, the Municipality will render a weekly refuse collection service to all the residents within the urban edge.

Illegal dumping will be eliminated within two years by the implementation of the strategy to eliminate illegal dumping.

Waste Minimization

- Develop a waste minimization strategy.
- Facilitate recycling at all Transfer Stations and Drop-off Centers.
- Implement Waste Diversion and Beneficiation Project.

Waste Collection

- Increasing the frequency of refuse collection in low to medium income areas to once a week.
- Investigate the most appropriate and cost-effective utilization of Municipal fleet in waste management.

Waste Transfer and Disposal

- Increasing the number of Transfer Stations/Drop-off Centers in line with Waste Management Strategy.
- Ensure compliance with all permit conditions and applicable legislation at Landfill Sites.

Illegal Dumping

- Ensure implementation of the Illegal Dumping Strategy.

Public Awareness and Communication

- Develop Public Awareness Strategy and Plan.
- Review Public Awareness and Education Programme.
- Review Complaints Management System.

7.9.2 Parks and Cemeteries

The Municipality is committed to create and maintain landscaped areas, undeveloped municipal land within the urban footprint and cemeteries in a sustainable, aesthetic, eco-friendly and safe environment to enhance the marketability of the city and improve the quality of life for all the residents of the Metro.

Public Open Spaces management

- Ensure well maintained and secure Public Open Spaces that are beneficial for the health and safety of neighbouring communities.
- Ensure the enhancement of beautifying the City and developing upgrading parks.

Cemetery Management

COVID 19 pandemic might increase death rate in the Metro therefore the metro must develop the following strategies pertaining to burials:

- Identifying land within cemeteries for emergency burials for bodies identified as infected.
- Identification of other suitable state owned or municipal land.
- Considerations to be given to suitability of land with regards to distance from communities as well as residential areas, high water tables and water sources.
- Cremation can also be used as an alternative again those who are in authority are advised to encourage communities to consider the above method of burial.
- Ensure provision of well-maintained and secure cemeteries that adhere to prescribed standardised workflow for burials.

- Ensure ongoing computerization of cemetery records including auditing of paper-based burial records.

Playground management

- Ensure provision of well-maintained and safe playground equipment for the benefit of surrounding communities.

Grass Cutting

- Grass cutting to be done on a bi-monthly basis Metro-wide.

Tree Maintenance

- Adhering to complaints regarding removal of dead dangerous trees, trimming and overgrown in Metro Wide.

Vegetation Control

- Rough cutting to be done thrice annually on overgrown Municipal property – Metro Wide.
- Adhering to complaint associate with Bush Clearing on overgrown Municipal Properties.
- Spraying of weeds on the roads thrice annually on Metro Wide

7.9.3 Environmental Health

Water Monitoring

- Monitoring water quality and availability including mapping water sources and enforcing laws and regulations relating to water quality management.

Food Control

- Ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control.
- Monitoring informal food trading.
- Promoting the safe handling of milk and milk products.

Health Surveillance of Premises

- Assessing overcrowded, dirty, unsatisfactory health conditions on any residential, commercial, industrial or other occupied premises.

Pest and Vector Control Monitoring

- Ensuring the identification of vectors, their habitants and breeding places.
- Ensuring the residential premises and precincts are free from pests and vectors.

Environmental Pollution Control

- Ensuring hygienic working, living and recreational environments.
- Identifying environmental health hazards and conducting risk assessments and mapping thereof.

7.9.4 Environmental Management

- Promoting biodiversity through the planning, development and implementation of the Nelson Mandela Bay Bioregional Plan and Ecotourism Strategy.
- Ensure administration and management of Nature Reserves and other natural areas.

- Ensure vegetation control service on municipal undeveloped open spaces or property.
- Implementation of the Coastal Management Programme including the provision of management and advisory services for the Sardinia Bay Marine Protected Area.
- Facilitate submission and receipt of land use and environmental authorisation applications for the NMBM.
- Co-ordinate the mainstreaming of climate change strategies within sector plans of the Municipality.

7.9.5 Occupational Health, Safety and Employee Wellness

- Ensure Ongoing Medical Surveillance of employees exposed to workplace risks.
- Ensure implementation of Occupational Health and Safety Management System and standards for hazard identification, risk assessment and control.
- Ensure specialized intervention programmes for the well-being of municipal employees.

7.9.6 HIV/AIDS and TB Mainstreaming

- Develop HIV/AIDS and TB Mainstreaming and Multi-Sectoral Response Plans.
- Co-ordinate mainstreaming HIV/AIDS and TB across all Directorates and enable them to formulate HIV/AIDS and TB Mainstreaming Action Plans as part of overall Mainstreaming Strategy.
- Co-ordinate Multi-Sectoral Response Action Plans from different sectors.
- Ensure active participation of different sectors from the Metro AIDS Council.

7.10 Legislative Framework and Strategies

7.10.1 Integrated Environmental Management Planning - Sector Plan

Integrated Environmental Management Planning (IEMP) is a philosophy that is concerned with finding the right balance (sometimes called the 'golden mean') between the needs of the people (development) and the environment. As a strategic mechanism to create this balance a plethora of legislative tools have been enacted in South Africa to ensure the concept of sustainable development persists for generations to come.

For IEMP to gain traction within the NMBM, Council in 2012 adopted the Integrated Environmental Policy (IEP) which outlines the Vision, Priorities and Commitments of the Municipality with regard to the management of the environment of the area within its jurisdiction and is applicable to all Directorates. Significantly, the IEP as a strategic tool highlighted the strategic interventions necessary to create sustainable pathways, minimize the impacts of climate change and streamline environmentally-responsible actions within the Municipality in order to advance and pursue the objectives of service delivery. The IEP has been replaced with the Environmental Sustainability Policy, which is an update of the IEP.

The Constitution compels the Municipality to take reasonable steps to prevent pollution and ecological degradation, promote conservation and secure the ecologically sustainable development and use of natural resources. The Municipal Systems Act (Act 32 of 2002) and the National Environmental Management Act (NEMA) (Act 107 of 1998), as well as other Specific Environmental Management Acts such as the Integrated Coastal Management Act (Act 24 of 2008) also place environmental responsibilities on the Municipality.

In order for the National Development Plan (2030) to be relevant and effective, Public Health is therefore attending and inputting to the NDP through:

- Outcome 2 - For the Health sector, the priority is improving the health status of the entire population and to contribute to Government’s vision of “A Long and Healthy Life for All South Africans”.

- Outcome 10 - For the Environmental sector, the priority is the protection of natural resources of the country and contributes to the Government's vision of a South Africa where environmental assets and natural resources are valued, protected and continually enhanced.
- Sustainable development is both the means and the outcome of various legislative changes and integrated environmental strategies and actions. One example of a voluntary action the Nelson Mandela Bay Municipality is taking is in the form of Green or Sustainable Public Procurement (SPP).

  Since 2009, the concept initially focused on the procurement of goods and services with the least negative environmental impact. Subsequent collaborations and learnings have resulted in a broader approach to procuring sustainably. A SPP Task Team (consisting of officials from Supply Chain Management and Environmental Management) regularly scrutinize tender documentation to make recommendations to project managers. This is intended to streamline sustainable specifications into tender documents.

7.10.2 Clean City

The National Environmental Management: Waste Act (2008) requires that Municipalities should develop Integrated Waste Management Plans (IWMP). The IWMP addresses all aspects of waste management, from waste generation to waste reduction, recycling, treatment and disposal, with a key objective of reducing waste to landfill. As a plan, the IWMP has to focus on key challenges the City is experiencing thereby inhibiting it to be a Clean City. The various well-defined interventions are detailed hereunder:

7.10.3 Illegal Dumping Strategy

In 2010 the NMBM Council approved the Illegal Dumping Strategy which was meant to ensure the eradication of mostly aggregated builder's rubble, replenishment of old fleet and to ensure a gradual and phased increase in the frequency of refuse collection. It was envisaged that the plan be implemented in three phases, namely:

- Immediate actions - i.e. Enforcement, awareness, media, By-Law fine schedule, identification of redundant municipal land.
- Short term actions - i.e. Community and public awareness, hotspots management, community employment projects.
- Medium to long term actions - i.e. infrastructure requirements, change of service delivery frequency, formation of a dedicated unit to deal with illegal dumping, Public Private Partnerships, identification of funding.

The Municipality is currently implementing the Medium to Long-Term Actions of the Plan.

7.10.4 Waste Diversion and Beneficiation Project

The primary objectives include the maximising of waste-resource recovery and the reduction of waste to landfill along the lines of a zero-waste to landfill approach. Where energy recovery is possible, a crucial objective is the development of renewable energy by employing waste-to-energy technologies, meeting targets on diversification of the energy mix and reducing carbon emissions. These objectives and

commitments are aligned to current national and international drives to maximise the green economy potential for a large Metropolitan City which would be aligned to the development of opportunities towards a resource efficient, low carbon and pro-employment growth path.

The feasibility study for the project was completed in 2015, establishing all elements of ‘bankability’ as the first Public-Private Partnership Project in the City. Due to unforseen delays, the project will be re-initiated during the 2019/2020 financial year.

7.10.5 Landfill Gas Extraction Project

In reducing the climate change challenges faced globally, the Waste Diversion and Beneficiation Project has given birth to this critical project to ensure that methane gas which is currently contributing to greenhouse gasses in the atmosphere is optimally utilized by generating green electricity for the City and gradually reducing the use of fossil-based fuel for energy generation.

7.10.6 Implementation of Co-Operatives Program

In a bid to create community-broad based employment, Public Health assisted the Municipality with the implementation of a series of Waste Co-Operatives in the Metro. By the nature that Co-Operatives are structured, a number of families are provided job opportunities which, when stimulated to effective performance management, translate to improved service delivery on the ground.

Currently, Public Health is in the process of acquiring the services of a Management Contractor(s) that will manage the Co-Operatives over 43 wards of the Municipality. This should be operational during the 2016/17 financial year.

7.10.7 Domestic and Trade Waste Collection

- Provision of weekly kerbside collection service to ± 163328 formal households on the black bag system.
- Weekly kerbside collection service to ± 44683 households on the wheely-bin system, with a further ± 94399 household on a two-weekly system. To be converted to weekly system by ± December 2016.
- Weekly collection of black bags to ± 15765 households in informal areas and areas where collection vehicles cannot get access.
- Six Community Co-Operatives are currently involved in waste collection services to ± 24756 households. It is anticipated that this number could increase significantly in the next 6 months.
- A yearly total of ± 2090 points are scheduled for trade collection.
- The NMBM has Waste Drop-Off Facilities throughout the City. A total 19 formal facilities and 33 informal facilities are currently serviced.

7.10.8 Biodiversity

The NMBM is rich in biodiversity and ecological assets, which are rapidly being compromised due to unsustainable land-use practices, overgrazing, alien vegetation infestation, pollution and other environmental changes. The NMBM is an area of convergence of five (5) of South Africa's Seven (7) biomes and is regarded as a global biodiversity hotspot with eleven (11) Municipal Nature Reserves and eight (8) Private Nature Reserves. A biome is a geographically distinct community of plants, animals and their interrelationships.

This biodiversity value has therefore made it imperative for the Municipality to create positive links between biodiversity management, human well-being and sustainable development. Public Health is promoting the Municipality's rich biodiversity through planning, development and implementation of the Nelson Mandela Bay Metropolitan Open Space System (NMBMOSS).

The NMB MOSS Conservation Assessment and Plan is a fundamental and key decision-making tool in the NMBM planning and land-use management process. It is a critical informant of the Municipal SDF and Local SDFs. Public Health has a Bioregional Plan, a first in the country, which was gazetted on 7 December 2014 (Published in March 2015 in the Government Gazette 03362).

The Bioregional Plan, a legal document, maps out Critical Biodiversity Areas (CBAs) and gives land-use planning guidelines, which developments must take into account in the planning process. The Bioregional Plan is currently being used by the Municipality in all Spatial Planning and Land Use Management.

7.10.9 Minimizing the Impacts of Climate Change

In the 21st century, climate change is defined as the change in climate which is attributed directly or indirectly to human activity (the emission of greenhouse gases sourced from fossil fuel-based activities) which has altered the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods. This is also true for the region which the NMBM finds itself

in, with the past 20 years of weather patterns demonstrating an increase in flood events, more serious droughts and an increase in wind speeds and direction.

There are two general approaches to combating anthropogenic (human-induced) climate change:

- Climate mitigation: action taken to reduce or eliminate the source of greenhouse gases or to enhance the absorption of greenhouse gases (“carbon sinks”).
- Climate adaptation: ability of a system or community to adjust to climate variability or extremes.
- In order to solve funding and capacity challenges, mutually-beneficial partnerships with the International Council for Local Environmental Initiatives (ICLEI) and other institutions such as the Department of Environmental Affairs (DEA) on Green Economy Projects as well Law Enforcement and Compliance Program) have been established. The ICLEI-led Urban Low Emission Development Strategies (LEDS) project delivered an updated greenhouse gas inventory for the City in 2014. The previous inventory had been done in 2011, using 2007 data.
- Inter-departmental cooperation, such as with the Directorate of Electricity and Energy, and the Disaster Management Sub-Directorate, has also contributed to a better understanding of risk, vulnerability and the concept of resilience.
- An important partnership has also been with the City of Gothenburg in Sweden, wherein the NMBM participated in a joint partnership project between 2013 and 2015. Funded by the International Centre for Local Democracy (ICLD), this partnership project has done research into the gaps which exist between policies and plans and actual implementation.
- In November 2014 the NMBM commissioned the formulation of the following:
- Climate Change Scenario Planning and Modeling exercise;
- Climate Change Response and Adaptation Action Plan;
- Green Economy Action Plan; and the
- State of Energy Report for the Metro.

All these reports were completed during the 2015/2016 financial year. The action plans for climate change responses and the green economy (consolidated in the NMBM Climate Change and Green Economy Action Plan) is integrative, risk-based,

and utilized a vulnerability assessment model using human-wellbeing as the core variable. The NMBM is now aware of the likely climate risks, the probability of the risks occurring, the most sustainable actions to lower the vulnerability of citizens to the climate hazards, and who the responsible role players (Directorates) are.

7.10.10 Coastal Management

The management of the Cities 102 kilometer Coastal Zone is undertaken as prescribed in various legislative mandates particularly from the Provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) as well the National Department of Environment, Fisheries and Forestry (DEFF).

Legislative requirements accordingly necessitate that all activities comply with Integrated Coastal Management Act, National Environmental Management Act, Marine Living Resources Act, National Water Act (pollution) and related policies that prescribe e.g. Estuarine Management, Coastal Access Off Road Vehicle use (ORV) Policy and the management of jetties, slipways and launch sites in coastal waters.

There are also on the ground-action programs that are carried out coherently by the aforementioned Departments in conjunction with the Municipality as to implement some of the objectives of the legislative mandates such as Working for the Coast Project, Blue Flag Status, and Estuarine Water Quality Monitoring.

In 2014, Council approved the Coastal Management Plan, which addresses developmental and management requirements but also, highlights constraints related to areas prone to high coastal sensitivity and associated impacts. In line with the recommendations prescribed in the Coastal Management Act (24 of 2008) Coastal Setback Lines were calculated and set for the City in 2016 and Gazetted accordingly. These setback lines provide vital decision making information, in the “administrative’ approval process for planned coastal development. The Setback line data read with the Coastal Management Plan and Coastal Management Act gives effect to the protection of coastal sensitive areas and guides development along the coast.

7.10.11 A Green City

The Municipality is committed to creating and maintaining landscaped areas, undeveloped municipal land within the urban footprint, Peri-urban areas and cemeteries in a sustainable, aesthetic, eco-friendly and safe environment to enhance the marketability of the city and improve the quality of life for all. In maintaining a beautiful city, the following programmes are in place;

- Upgrading and Maintaining Major Parks to be strategic spatial centres of social cohesion and diverse recreation.
- Beautification and horticultural development of City areas
- Developing upgrading and Maintaining of Metro Wide Cemeteries through aspiring to a spiritual notion of beautifying and provision of adequate respect to these last resting areas.

7.10.12 Care for Employees

The Municipality has a legal, social and strategic responsibility to protect, preserve and invest in employees' health, safety and wellness. In this regard, the Municipality provides:

- An integrated, sustainable employee health and wellness management system; and,
- A sustainable occupational health and safety management system.
- As part of the Occupational Health and Safety Management System, the Municpality focuses on the following:
- On-going medical surveillance (statutory and executive) of employees and serving Councillors.
- Sick absenteeism analysis and specialist intervention.
- Financial education and debt management programme.
- Support mechanisms aimed at reducing substance abuse and promoting responsible alcohol use utilizing NMBM Substance Abuse and Addiction Policy.
- Development and implementation of an Occupational Health and Safety Management System Standard (OHSAS) (18001:2007) for hazard identification, risk assessment and control.

- Construction safety management.

7.10.13 HIV and AIDS Mainstreaming and Multi-sectoral approach

The Municipality has developed and financed an integrated HIV and AIDS plan as a key strategic objective in order to achieve the indicators set in the National Strategic Plan (2011-2016). The Municipal HIV and AIDS Plan recognize the need for strong coordinated response to the Multi-Sectoral response to HIV/AIDS and TB.

NMBM continues to foster a partnership with public and private sectors towards the cause. Efforts towards strengthening the coordination of the Metro HIV/AIDS TB multi-sectoral response culminated in the NMBM convening a two day summit on HIV/AIDS and TB in September 2014. A significant mile stone on the last day of the summit was the signing of the pledge by key stakeholders which laid a foundation for the following declarations:

- Revival of Intersectoral Forums/ Cluster Forum
- Establishment of an Interim AIDS Council Structure.
- Adoption of input from summit delegates for the development of the NMB HIV/AIDS TB PLAN (2014-2016).
- Adoption of Ward Based War Room Programmes / Projects at ward level to address Socio Economic, Developmental and Human Rights issues.
- A Multi-Sectoral approach is imperative for the institution to continue holding AIDS Council meetings and Intersectoral Cluster Forum meetings regularly to coordinate, monitor and evaluate the impact made by internal and external stakeholders on HIV/AIDS reduction in the NMB.
- Mainstreaming is everybody's business; therefore, there can be no mainstreaming without public participation, consultation and engagement of all stakeholders in the NMBM. Such engagements empower the institution and communities.
- Addressing the socio-economic and structural drivers leading to HIV infections and measurably reducing the stigma and discrimination attached to the pandemic.

- Reducing the rate of new HIV and TB infections using combination prevention methods and a multi-sectoral approach.
- Sustaining health and wellness through ensuring physically and mentally healthy communities.
- Protecting human rights and eradicating unlawful discrimination and inequality amongst residents.

Table 48: ENVIRONMENTAL IMPACT ASSESSMENT TABLE

No submission from consultant
Late submission from consultant
Projects of concern/high priority

Project Title	Type	NMBM Sub-Directorate	Consultant	Project Manager	Date Awarded	Engineering consultant	Comments /Status quo	Comments on WULA	Other Permits
Seaview Housing	EIA	Human Settlements	SRK: Nicola Rump	Schalk Potgieter	26 Jun 12	MANONG & ASSOCIATES	**Decision on the FBAR received:** DEDEAT received notification from a few IAPs of their intention to appeal the authorization. Appellants now had until 1 August to submit their appeals, following which the NMBM will have an opportunity to submit responding statements.SRK will inform NMBM of any appeals received (status quo remains the same).	**No submission: waiting on instruction to commence with WULA for the onsite WWTW.**	
N2 North Housing	EIA	Human Settlements	CEN	Rayno Madatt	13-Dec 12	ILISO CONSULTING	**APPLICATION IN APPEAL STAGE.**On the 23/10/2017, DEDEAT issued a Refusal Notice for the application. CEN handled the appeal notification process. SRK submitted an appeal against the Refusal Notice.	**The WULA was submitted to DWS on the 05/07/2017.** DWS requested additional information which has been submitted.	
Walmer Gqeberha Housing Development: Erf 11305 EIA	EIA	Human Settlements	SRK	Luthando Mabhoza		MAKHETHA DEVELOPMENT CONSULTANTS (Pty) Ltd	**Authorised 2019**	No further updates on this. SRK's **appointment for this project has also been terminated so they will not be able to complete any further work on this without a new appointment**	
Coega WWTW	EIA	Water and Sanitation	AURECON	Butch Julyan		AECOM	**Project on hold**	**WULA compilation is in progress:** WULA will be split into a Section 21 (c) and (i) application for construction and a Section 21 (f) and (g) application for the operational phase. DWS does not allow that. DWS suggested a pre-consultation to	DEAT has confirmed the need for harzadous waste licence.Aurecon to engage with DEAT to confirm approach to combined EIA process

								discuss the application. The application will be an Integrated Water Use Licence.	
Kwazakhele Main Sewer	BA	Water and Sanitation	Terratest: Cherize Mattheus	Zoliswa Nyila		AFRICOAST	**Environmental Authorisation was granted by the DEDEAT on 04/08/2016.The Appeal period ended on the 05/09/2016.** An application to amend the Environmental Authorisation (EA) in order to extend the validity of the EA was submitted on 03/11/2017 to DEDEAT. The DEDEAT granted the extension of the application on 12/12/2017.	**STATUS REMAINS THE SAME-No submission:** Application Forms finalised and submitted for signature to the affected property owners, NMBM & Transnet, on 13 and 14 March 2017, respectively. NMBM returned signed forms on 23 March 2017. Still awaiting signature from Transnet	
Walmer 17 Avenue 132 KV Powerline Substation BA	BA	Electricity and Engineering	SRK	Sibongile Zenzile	30 Mar 15		**Status remains the same;in appeal stage.** The response to the appeal to the Environmental Authorisation was submitted to DEDEAT. Final outcome is still awaited. An Amendment of the Environmental Authorisation Application was submitted to DEDEAT on 28 June 2017. DEDEAT acknowledged receipt of this application. A decision will be made after the Appeal has been finalised.	**STATUS REMAINS THE SAME- No submission:** The WUL application is put on hold until a Environmental Authorization has been received.	
Fishwater Flats WWTW BIOGAS PROJECT	EIA	Water and Sanitation	EOH	Melanie Tiran	2015	Royal Haskoning DHV	**The Environmental Authorisation was granted by DEA on the 11/11/2016 and there were no appeals to the authorisation.**	**STATUS REMAINS THE SAME- Awaiting decision from DWS:** DWS requested a method statement and this was submitted to DWS on 19 January 2018. Application is now complete.	
Driftsands WWTW	BA	Water and Sanitation	CEN	Melanie Tiran	29-08-2015	Aurecon	**PROJECT PUT ON HOLD.**	**No submission**	
Joe Slovo Bridge Upgrade	BA	Infrastructure and Engineer	CEN	Jeffery Sawuli	29-09-2015		**PROJECT PUT ON HOLD.**	**No submission**	
Bloemendal Arterial Road Extension	EIA	Infrastructure and Engineer	CEN	Dwayne Rockman	17 Nov 15	PDNA Mott MacDonald	Authorised 2019	**No submission**	

Coega Kop Wellfield erf 1,Wells Estate in Ward 53	BA	Water and Sanitation	CEN	Edzard Verseput	04 Feb 16		**An Environmental Authorisation was received on the 01/08/2017.** EA Amendment Application in progress. Notification to commence with construction was submitted to DEDEAT on 16/03/2018. DEDEAT acknowledged receipt on 22/03/2018.	Application for Section 21 (c) and (i) water uses is in progress. **Application for S 21 (a) withdrawn**	The DAFF Protected tree license for destrcution of protected trees has been received on the 12/03/2018.
KwaNobuhle Sports and Cultural PreCinct	BA	Beaches and Resorts	CEN	Kiti Ngesi	31 Aug16	ILISO Consulting	**PROJECT PUT ON HOLD** **.**	**No submission**	
Wells Estate Sewage Conservancy Tank Upgrade	BA	Beaches and Resorts	CEN	Kiti Ngesi	27 Jul 16	ILISO Consulting	**PROJECT PUT ON HOLD** **.**	**No submission**	
Maintenance Management Plan	BA	Infrastructure and Engineer	AURECON	Matthew Hills	2015	Various	The application has been submitted to DEDEAT, however the GPS Coordinates must be amended as per the request of the project manager Matthew Hills.	**No submission**	
The Augmentation of Lower Valley Road Sewer	BA	Infrastructure and Engineer	AURECON	Conrad Bruintjies	2017/2018		The EAP currently finalising the BAR for CETT review before submission to DEDEAT.	**No submission**	
Essexvale Rising Main Sewer	BA & WULA	Infrastructure and Engineer	AURECON		2017		The application form is with the Executive Director Infrastructure and Engineering. The project managers covering letter to the ED has not been forthcoming and therefore the signature is pending.	**No submission**	
Motherwell North Bulk Sewer	BA & WULA	Infrastructure and Engineer	AURECON	Nolumanyano Mabangula	2017/2018		The project manager must confirm if the project has been put on hold.		
Proposed upgrades to and expansion of the existing Cape Recife Waste Water Treatment Works Return Effluent Scheme	BAR &WULA	Infrastructure and Engineer	CEN	Matthew Hills		GIBB	Application form signed by Executive Director Infrastructure and Engineering. The CETT covering letter has been signed by the Acting Executive Director Public Health and the application will be submitted by CEN.	**No submission**	
Proposed Matanzima Cemetery Expansion	BAR	Parks and Cemeteries	SRK	Mandisa Ndabeni			The final Basic Assessment report submitted to DEDEAT November 2019.	**No submission**	
Florida Estate Housing Development	BAR	Infrastructure and Engineering	CEN	Laure Pieterse			The project has been put on hold by the developer as CEN appointment and specialist studies sub-contracted work and payment must be resolved.	**No submission**	
Churchill Waste Water Treatment Works	BAR		Aurecon				Submitted to DEDEAT, response from EAP pending	**No feedback EAP**	
Cleary Park IPTS 24G Application	24G and BAR		Aurecon				DEDEAT requires information from the NMBM regarding previous 24G applications, EAP referred to Roads and Stormwater for the details.	**No feedback EAP**	

Augmentation of the Westering Sewer	BAR	Infrastructure and Engineer	Aurecon			Aurecon	Project put on hold, the Engineers have not been able to provide the EAP with adequate information in order to proceed with the assessment.	**No submission**	
St Georges Pool Erf 3182 Central	WULA	Economic Development Sports and Recreation	SRK					Water Use Application start date 22 Aug 2018.DWS site visit (phase2) took place on 16 November 2018. Geohydrology report has been sent to DWS. Phase 3 (technical reports submitted on 21 June 2019. DWS initial assessment started 21 June 2019. All required information submitted - awaiting DWS decision.	
Newton Park Pool Erf 2178 Newton Park	WULA	Economic Development Sports and Recreation	SRK					Water Use Application start date 25 Jul 2018. DWS Site visit (phase 2) took place 16 November 2018. Required technical reports completed. Geohydrology report has been sent to DWS. Phase 3 (technical reports) submitted on 21 Jun 2019. DWS initial assessment started 21 June 2019. All required information submitted - awaiting DWS decision.	
Rocklands Sports Field Farm 416 Brakkefontein	WULA	Economic Development Sports and Recreation	SRK					Water Use Application start date 29 Aug 2018.DWS site visit (phase 2) took place on 12 march 2019. Geohydrology report has been sent to DWS. Phase 3 (technical reports) submitted to DWS on	

								11 Jul 2019. DWS initial assessment started 11 Jul 2019. All required information submitted - awaiting DWS decision.	
Westering Pool Erf 69 Westering	WULA	Economic Development Sports and Recreation	SRK					Water Use Application start date 25 Jul 2018. Phase 3 (technical reports) submitted 21 Jun 2019. DWS initial assessment started on 21 Jun 2019. All required information submitted - awaiting DWS decision.	
Gelvandale Pool and Stadium Erf 349 New Brighton	WULA	Economic Development Sports and Recreation	SRK					Water Use application start date 20 Aug 2018. Dws site visit (phase 2) took place on 16 November 2018. Required technical reports completed. Geohydrology report has been sent to DWS. Phase 3 (technical reports) submitted on 21 June 2019. DWS initial assessment started 21 June 2019. All required information submitted - awaiting DWS decision.	
Motherwell NU2 Stadium Erf 2443 Motherwell	WULA	Economic Development Sports and Recreation	SRK					Water Use Application start date 21 June 2019. Pre-application enquiry submitted to DWS on 23 July 2019. Site visits conducted 27 August 2019. Phase 1 (application) submitted on 1 October 2019. Phase 3 (technical reports) opened 23 October 2019 but incorrect	

								property details identified - awaiting to be corrected by DWS. Geohydrology report completed - to be submitted to DWS.	
Wolfsan Stadium Erf 50579 Ibhayi – unregistered	WULA	Economic Development Sports and Recreation	SRK					Water Use Application start date 21 June 2019. Pre-application enquiry submitted on 25 November 2019. Geohydology report completed - to be submitted to DWS.	

7.11 Chief Operating Officer

The Office of the Chief Operating Officer is an extension of the Office of the City Manager. It is responsible for providing strategic support services to ensure that the Municipality delivers on its mandate in an integrated and coordinated manner. It strives to achieve good governance by promoting responsiveness to community needs, accountability, transparency and compliance with legal and regulatory prescripts. In this regard, it manages the integrated planning processes of the Municipality, ensures that the focus remains on the customer by continuously engaging in planning, implementation and review processes.

The Office is also responsible for upholding and promoting the brand of the Municipality and ensuring that platforms for engagement with the community are created and running effectively. It furthermore engages the community through various means to ensure that the desires of the communities find expression in the planning and implementation processes of the Municipality.

The Office of the Chief Operating Officer ensures good corporate governance through its various Sub-directorates, namely Integrated Development Planning; Strategic Planning and Coordination, Legal Services; Monitoring and Evaluation; Policy, Strategy and Research; Risk Management and International and Intergovernmental Relations.

Fig 6: The Integrated Development Matrix

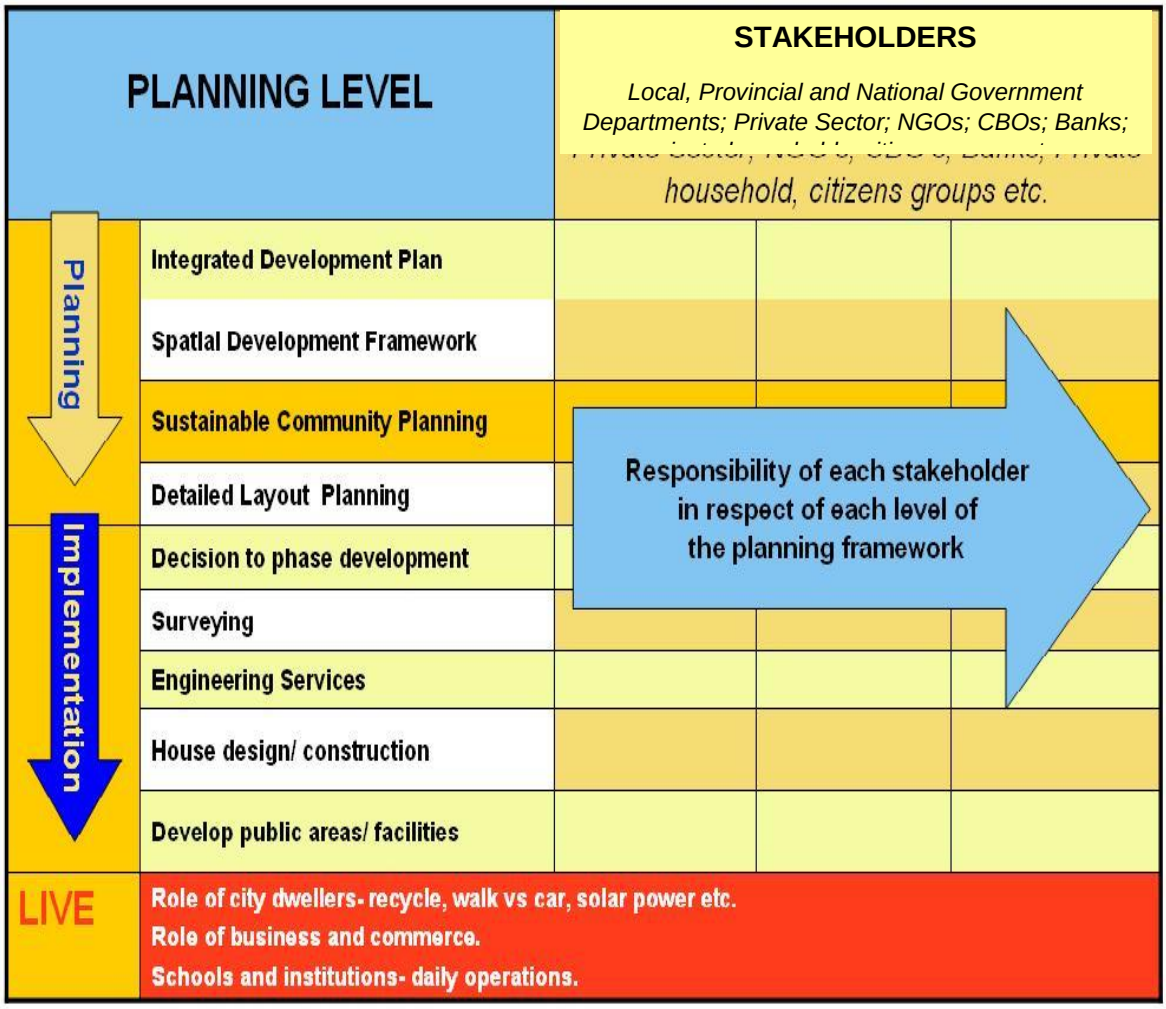


Table 49: IDP Indicators

Table 49 are Indicators organised by sector and outcome with related output key performance indicators (Draft SDBIP), designed to demonstrate how effectively and efficiently the Municipality is achieving its strategic business objectives. Indicators are aligned to both strategic objectives of the Integrated Development Plan and the following key performance areas in the Draft SDBIP, as prescribed for Local Government:

STRATEGIC OBJECTIVES

Objective	**Applicable Indicator (IDP)**	**Applicable KPI (SDBIP)**
Transform the institutional systems, processes and organisational structure to one of high performance in order to effectively deliver basic services	*E.G. KPI1, KPI 10, KPI 14*	
Ensure that the municipality is staffed throughout with a motivated, committed and capable workforce		
Ensure financial prudence and transparent governance and work towards eradicating corruption		
Grow and diversify the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.		
Facilitate and promote infrastructure led growth, development and tourism.		
Execution of existing and design and implementation of new projects that competitively differentiate Nelson Mandela Bay as a destination city for business, tourism and investment – including through strategic partnerships.		
Develop an effective and integrated public transport system that promotes access to opportunity through mobility.		
Deliver well-resourced and capacitated policing and emergency services in order to ensure the safety of communities and visitors.		
Provision of infrastructure that improves the safety of communities and visitors.		
Improve the safety and security of Nelson Mandela Bay through community, industry and civic organisation partnerships.		
Ensure institutional accessibility, effective communication channels for participatory and responsive governance		
Spatial and built developments that promote integrated neighbourhoods, inclusive communities and a well-connected Nelson Mandela Bay		
Deliver on transformation objectives, promote redress and foster social cohesion		
Provide for the social needs of communities and empowerment of vulnerable people through provision of access to social services, social development and indigent support.		
Promote the health and well-being of all communities through the spatially equitable provision of social infrastructure.		
Provide effective general environmental and public health services.		
Provide dignified housing and sanitation and accelerate access to improved services to indigent households in order to create safe and decent living conditions for all residents.		
Ensure multi-general and proactive planning for sustainable city development		

Objective	Applicable Indicator (IDP)	Applicable KPI (SDBIP)
Development of an environmentally sustainable city through proactive planning, and conservation of resources and natural and built environment		

Electricity and Energy

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
EE1. Improved access to electricity	EE1.1	1	Percentage of households with access to electricity	88.9% (2017/18 STASSA Figures)	89%	84%	92% amended to 88% (based on General Household Survey)	94% amended to 90% (2% progression from 2020/21)
EE2. Improved affordability of electricity	EE2.1	2	Households receiving Free Basic Electricity as a percentage of all households with electricity connections	24% (2017/18 STASSA)	20%	18%	17%	16%
EE3. Improved reliability of electricity service	EE3.1	3	System Average Interruption Duration Index	New Indicator	Accurate reporting system implemented	90min	85min	80min
EE3. Improved reliability of electricity service	EE3.2	4	Customer Average Interruption Duration Index	New Indicator	Accurate reporting system implemented	485min	437min	392min
EE3. Improved reliability of electricity service	EE3.3	5	System Average Interruption Frequency Index	New Indicator	Accurate reporting system implemented	0.15	0.12	0.11
EE3. Improved reliability of electricity service	EE3.4	6	Customer Average Interruption Frequency Index	New Indicator	Accurate reporting system implemented	1.200	1.000	0.900

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
EE4. Improved energy sustainability	EE4.1	7	Renewable energy capacity available within the municipal jurisdiction as a percentage of Eskom supply capacity to the municipality	New Indicator	1.5%	1.75%	2%	2.5%
EE4. Improved energy sustainability	EE 4.4	8	Percentage total electricity losses	13.95%	12.8%	11.8%	10.8%	10%

Environment and Waste

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
ENV1. Improved air quality	ENV1.1	9	Metropolitan Air Quality Index (MAQI)	MAQI ≤1	MAQI ≤1	MAQISDBIP ≤1	MAQI ≤1	MAQI ≤1
ENV1. Improved air quality	ENV 1.2	10	Number of days where PM2.5 levels exceeded guideline levels	New Indicator	≤10 days	≤8 days	≤6 days	≤4 days
ENV1. Improved air quality	ENV 1.3	11	Percentage of households experiencing a problem with noise pollution	0.03%	0.03%	0.02%	0.02%	0.02%
ENV2. Minimised solid waste	ENV2.1	12	Tonnes of municipal solid waste sent to landfill per capita	0.03 tonnes	0.34 tonne	0.5 tonnes	0.5 tonnes	0.5 tonnes
ENV2. Minimised solid waste	ENV2.2	13	Tonnes of municipal solid waste diverted from landfill per capita	New Indicator	0.24 tonnes (Validated for the period 1 July 2018 - 31 December 2018)	0.48 tonnes	0.72 tonnes	0.96 tonnes

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
ENV2. Minimised solid waste	ENV 2.3	14	Total collected municipal solid waste per capita	New Indicator	1 tonne	1.5 tonnes	1.75 tonnes	2 tonnes
ENV3. Increased access to refuse removal	ENV3.1	15	Percentage of households with basic refuse removal services or better	87% (2017/18 STASSA Figures)	87%	89%	90%	92%
ENV4. Biodiversity is conserved and enhanced	ENV4.1	16	Ecosystem/vegetation type threat status	New Indicator	Vulnerable	Vulnerable	Vulnerable	Vulnerable
ENV4. Biodiversity is conserved and enhanced	ENV4.2	17	Ecosystem/ vegetation type protection level	New Indicator	Well represented	Well represented	Well represented	Well represented
ENV5. Coastal resources maintained and amenities improved	ENV5.1	18	Recreational water quality	100%	100%	100%	100%	100%

Fire and emergency services

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
FE1. Mitigated effects of emergencies	FE 1.1	19	Number of fire related deaths per 1000 population	0.0325 : 1000 (41 deaths) (2016 / 2017 statistics)	0.0316 : 1000 (40 x deaths)	0.0309 : 1000 (39 x deaths)	0.0301 : 1000 (38 x deaths)	0.0293 : 1000 (37 x deaths)

Good Governance

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
GG1. Improved municipal capability	GG 1.1	20	Percentage of municipal skills development levy recovered	New Indicator	60%	65%	65%	65%

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
GG1. Improved municipal capability	GG 1.2	21	Top Management Stability (% of days in a year that all S56 positions are filled by full-time, appointed staff not in an acting capacity)	73% of working days as at 31 March 2018 (CM position and 7 Senior Manager positioned filled) 3 x Senior Manager positions vacant (Budget and Treasury, Public Health, Electricity and Energy)	100% of working days	100% of working days	100% of working days	100% of working days
GG2. Improved municipal responsiveness	GG 2.1	22	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	100% as at 31 March 2018	100%	100%	100%	100%
GG2. Improved municipal responsiveness	GG 2.2	23	Attendance rate of municipal council meetings by all identified Traditional Leaders	The Municipality is in process of re-engaging Traditional Leaders. Targets will be set in line with the outcome of these engagements.				
GG3. More effective city administration	GG 3.1	24	Audit Opinion	Qualified Audit Opinion in respect of 2016/17	Unqualified audit report received from the Auditor General	Unqualified audit report received from the Auditor General	Unqualified audit report received from the Auditor General	Clean audit Outcome received from the Auditor General
GG4. Improved council functionality	GG 4.1	25	Average percentage of councillors attending council meetings	95.77% (2016/17)	95.8%	95.8%	95.8%	95.8%
GG5. Zero tolerance of fraud and corruption	GG 5.1	26	Number of alleged fraud and corruption cases reported per 100 000 population	1.3 alleged cases per 100 000 population (population as per Stats SA)	1.3039 alleged cases per 100 000 population (population as per Stats SA)	Statistical indicator. (Municipal performance reported and evaluated annually in line with Stats SA data)	Statistical indicator. (Municipal performance reported and evaluated annually in line with Stats SA data)	Statistical indicator. (Municipal performance reported and evaluated annually in line with Stats SA data)

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
GG5. Zero tolerance of fraud and corruption	GG 5.2	27	Number of dismissals for fraud and corruption per 100 000 population	0.4 number of dismissals per 100 000 population (population as per Stats SA)	0	0	0	0
GG6. More effective poverty alleviation	GG 6.1	28	Percentage of all qualifying households in the municipal area classified as indigent	25% (Validated for the period 1 July 2018 to 31 December 2018)	27.50%	27%	26.50%	26%

Housing and Community Facilities

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
HS1. Improved access to adequate housing (incl. security of tenure)	HS1.1	29	Percentage of households living in adequate housing	94%	94.8%	95.6%	96.4%	97.2%
HS1. Improved access to adequate housing (incl. security of tenure)	HS1.3	30	Percentage of households in informal settlements targeted for upgrading	8.5%	11.5%	23%	34%	46%
HS2. Improved functionality of the property market	HS2.2	31	Rateable residential properties as a percentage of total households in the municipality	94%	94%	94%	94%	94%
HS2. Improved functionality of the property market	HS2.3	32	Percentage of households living in formal dwellings who rent	18.84% (STATSSA 2011)	19%	20%	20%	20%

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
HS3. Increased access to and utilisation of social and community facilities	HS 3.1	33	Square meters of municipally owned or maintained public outdoor recreation space per capita	15 048 660 m^2 per capita	15 048 660 m^2 per capita	15 048 660 m^2 per capita	15 048 660 m^2 per capita	15 048 660 m^2 per capita
HS3. Increased access to and utilisation of social and community facilities	HS 3.2	34	Number of community halls per 100 000 population	1: 200 000 34 community halls	1: 190 000 37 community halls	1: 160 000 40 community halls	1: 130 000 45 community halls	1: 110 000 50 community halls
HS3. Increased access to and utilisation of social and community facilities	HS 3.3	35	Number of public libraries per 100 000 population	2	2	2	2	2
HS3. Increased access to and utilisation of social and community facilities	HS 3.5	36	Percentage utilisation rate of community halls	60%	80%	60%	70%	80%
HS3. Increased access to and utilisation of social and community facilities	HS 3.6	37	Average number of library visits per library	728 800	757 952	788 270	819 801	852 593

Transport and Roads

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
TR1. Modal shift of weekday trips (incl. education trips) from private to public transport and NMT	TR1.1	38	Percentage of dwelling units within 500m of scheduled public transport service	79.6%	80%	80%	80%	80%
TR3. Reduced travel time	TR3.1	39	Average public transport commuting time	45min	45min	43min	41min	43min
TR 4. Improved satisfaction with public transport services	TR4.2	40	Percentage of public transport users indicating that they believe public transport to be "reliable"	New Performance Indicator	50%	55%	60%	65%
TR 5 Improved access to public transport (incl. NMT)	TR5.2	41	Percentage of persons with disability where access to public transport is difficult	New Indicator	98%	96%	95%	93%
TR 6. Improved quality of municipal road network	N/A	42	Reducing the ratio of unsurfaced roads to surfaced roads within Nelson Mandela Bay	763.49km of unsurfaced roads : 4072.08km of surfaced roads	752.06km of unsurfaced roads : 4083.51km of surfaced roads	738.06km of unsurfaced roads : 4097.51km of surfaced roads	727.06km of unsurfaced roads : 4108.51km of surfaced roads	716.06km of unsurfaced roads : 4119.51km of surfaced roads

Water and Sanitation

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
WS1. Improved access to sanitation	WS1.1	43	Percentage of households with access to basic sanitation	97%	98%	100%	100%	100%
WS2. Improved access to water	WS2.1	44	Percentage of households with access to basic water supply	100%	100%	100%	100%	100%
WS3. Improved quality of water and sanitation services (revised from continuity of services)	WS3.1	45	Frequency of sewer blockages	708	675	650	600	550

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
WS3. Improved quality of water and sanitation services (revised from continuity of services)	WS3.2	46	Frequency of water mains failures	69	65	60	55	50
WS3. Improved quality of water and sanitation services (revised from continuity of services)	WS3.3	47	Frequency of unplanned water service interruptions	15	13	12	10	8
WS4. Improved quality of water (incl. wastewater)	WS4.1	48	Percentage of drinking water compliance to SANS241	99%	100%	100%	100%	100%
WS4. Improved quality of water (incl. wastewater)	WS4.2	49	Wastewater quality compliance according to the water use license	75%	75%	80%	85%	85%
WS5. Improved water sustainability	WS5.1	50	Percentage of non-revenue water	42.2%	40%	37%	35%	30%
WS5. Improved water sustainability	WS5.2	51	Total water losses	Litres per connection per day resulting in 39.9% losses	Litres per connection per day resulting in 37% losses	Litres per connection per day resulting in 34% losses	Litres per connection per day resulting in 30% losses	Litres per connection per day resulting in 30% losses
WS5. Improved water sustainability	WS5.3	52	Total per capita consumption of water	251 litres per capita per day	250 litres per capita per day	240 litres per capita per day	230 litres per capita per day	220 litres per capita per day
WS5. Improved water sustainability	WS5.4	53	Percentage water reused	4%	4%	4%	5%	7.5%

Municipal Entity

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
Promote social infrastructure and economic development.	N/A	54	Human Development Index	New Indicator	0.681 (IHS Markit Regional)	0.681 (IHS Markit Regional)	0.681 (IHS Markit Regional)	0.681 (IHS Markit Regional)

Financial viability and management

Outcome	NT REF	Indicator NO	Outcome Indicators	BASELINE	YEAR 2 TARGET (2018/19)	YEAR 3 TARGET (2019/20)	YEAR 4 TARGET (2020/21)	YEAR 5 TARGET (2021/22)
Sound financial management	N/A	55	Credit rating	New Key Performance Indicator	Aaa.za	Aaa.za	Aaa.za	Aaa.za
Sound financial management	N/A	56	Percentage of Municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality's integrated development plan	85.96%	95%	95%	95%	95%

CHAPTER 8:

OVERSIGHT, REPORTING, MONITORING AND EVALUATION

This Chapter outlines the important aspects of oversight, reporting, monitoring and evaluation in the institution in order to ensure accountability and delivery of the Integrated Development Plan and its strategic objectives.

The key offices, role-players and structures are discussed below:

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

8.1 Executive Mayor

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

The Executive Mayor is required to evaluate the progress of the performance of the institution in the implementation of the IDP and report back to Council. This is done through the institutional Performance Management process and Monitoring and Evaluation.

8.2 Municipal Public Accounts Committee

MPAC Chair:
Cllr Phumza Faith Tshanga

The Municipality has a functional Municipal Public Accounts Committee (MPAC) in place in respect of unauthorised, irregular, fruitless, and wasteful expenditure, as delegated by Council. Therefore, MPAC enables Council to fulfil its obligation to ensure that the spending of Council funds is done economically, efficiently and effectively.

Currently MPAC comprises the following members:

- African National Congress (ANC) – 5 members
- Democratic Alliance (DA) – 6 members
- Economic Freedom Fighters (EFF) – 2 members (one of them is occupying the Chairperson position)
- Patriotic Alliance (PA) – 1 member
- United Democratic Movement (UDM) – 1 member

8.3 Rules and Ethics Committee

A Rules and Ethics Committee was established to monitor and review the Rules of Order of Council.

The objectives of this Committee include the following:

- Inculcating a respect for the rule of law in the institution.
- Upholding Council's Rules of Order, thereby promoting stability in Council.

- *Putting the people first* (Batho Pele principles).
- Ensuring open and constructive debate.
- Respecting divergent views.
- Enhancing the effective management of Council and Standing Committee meetings.
- Fostering a sense of collective responsibility among Councillors in advancing service delivery and deepening democracy.

8.4 City Manager

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

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

8.5 Office of the Auditor-General

The Auditor-General of South Africa has a constitutional mandate and, as the supreme audit institution of South Africa, serves to strengthen South Africa's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. The Auditor-General also audits the planning processes and performance information of the Municipality and its municipal entity (MBDA).

An Audit Action Plan to deal with AG findings is developed by the NMBM Internal Audit Division and approved by EXCO, under the leadership of the City Manager. The monitoring of the implementation of the Audit Action Plan is done by the Office of the City Manager.

8.6 Audit Committee

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

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting and information.
- Performance management.
- Effective governance.
- Compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation.
- Performance evaluation.
- Any other issues referred to it by the Municipality or its municipal entity.

Furthermore, the Audit Committee reviews the annual financial statements in order to provide an authoritative and credible view of the Municipality's financial position, its efficiency and effectiveness, as well as its overall level of legislative compliance. This Committee is further tasked with the responsibility of monitoring the performance of the Municipality in a number of areas related to the delivery of services to the residents of the Metro.

The NMBM received a qualified audit report for the 2018/19 financial year. The qualification was based on following:

The lack of adequate systems in place to identify and disclose all irregular expenditure incurred during the year, as required by Section 125 (2)(d)(i) of the MFMA.

- The municipality did not recognise all outstanding accruals meeting the definition of a liability in accordance with GRAP 1
- The municipality did not have proper systems in place to identify and record all irregular expenditure incurred in prior years

- The municipality did not appropriately account for and disclose property, plant and equipment in accordance with GRAP 17 and furthermore did not adequately disclose work-in-progress in accordance with GRAP 17
- The municipality capitalised an application system that was still under development contrary to GRAP 31. The municipality did not adequately assess whether there were any indications that its expectations on the useful lives of intangible assets had changed, as required by this standard.
- The municipality did not maintain adequate records to determine ownership for its investment properties.
- The municipality did not have adequate internal controls to maintain records for service charges.
- The municipality was unable to provide sufficient appropriate audit evidence that the municipality correctly calculated unauthorised expenditure in the current year.

2017/18:

- Property, Plant and Equipment
- Intangible Assets
- SCM Irregular Expenditure and
- Exchange Revenue - Service Charges (specifically relating to ATTP and Electricity Meters).

2016/2017:

- Property, Plant and Equipment
- SCM Irregular Expenditure
- Retention Creditors

2015/2016:

- SCM Irregular Expenditure

8.7 Internal Audit and Risk Assurance

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

The Forensic Audit Services Section complements the broader justice system and forms part of the Internal Audit Sub-directorate of the Municipality. The forensics component derives its mandate from the NMBM Internal Audit Charter, the MFMA, and the Prevention and Combatting of Corrupt Activities Act. An Ethics Hotline was recently established, and the Internal Audit Sub-Directorate investigates all matters reported.

8.8 Risk Management Committee

The preamble of the Risk Management Committee is taken directly from the legal statute of the Local Government: Municipal Finance Management Act 56 of 2003: Section 62 of the Municipal Finance Management Act requires Accounting Officers to ensure that their institutions have and maintain effective, efficient and transparent systems of financial, risk management and internal control.

The Public Sector Risk Management Framework (Chapter 13 - Risk Management Committee Responsibilities) places an unambiguous duty on the Risk Management Committee through its Chairperson to annually and periodically:

- Review the institution's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the Institution's risks;
- Evaluate the extent and effectiveness of integration of risk management within the Institution;

- Assess the implementation of the risk management policy and strategy (including plan);
- Evaluate the effectiveness of the mitigating strategies implemented to address the material risks of the Institution;
- Review the material findings and recommendations by assurance providers on the system of risk management and monitor the implementation of such recommendations;
- Develop its own key performance indicators for approval by the Accounting Officer / Authority;
- Interact with the Audit Committee to share information relating to the material risks of the Institution; and
- Provide timely and useful reports to the Accounting Officer / Authority on the state of risk management, together with accompanying recommendations to address any deficiencies identified by the Committee.

The top ten key risks of the NMBM are:

1. Insufficient bulk water and sanitation infrastructure
2. Delays in providing basic services to communities
3. Pollution of rivers
4. Inability to package, develop and avail municipal land
5. Illegal electrical connection/major hazards installation
6. Misapplication of internal procurement processes
7. Safety of employees and assets compromised
8. Inability to provide an efficient, reliable, safe, affordable and accessible public transport system
9. Perpetuation of fraud, corruption and irregularities within the institution
10. Ineffective coordination of internal and external stakeholder engagements

8.9 Performance Management and Monitoring and Evaluation

8.9.1 Performance Management

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

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

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

TABLE 19: PERFORMANCE MANAGEMENT

Concept	Definition
Integrated Development Planning (IDP)	The IDP is the Municipality's principal people-driven strategic developmental planning document over the medium term (five years). Importantly, it ensures close co-ordination and integration between projects, programmes and activities, both internally and externally.
Performance Management	A strategic approach through which performance objectives of the Municipality are identified, defined, translated into business plans and cascaded into individual scorecards. This allows for regular planning, monitoring, evaluating, reviewing and reporting of performance at both organisational and individual levels and permits responses to both

Concept	Definition
	inadequate performance and outstanding / excellent performance.
Performance Management System (PMS)	The Municipality's Performance Management System entails a framework that describes and represents how its cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different roleplayers. The Nelson Mandela Bay Municipality uses the Balanced Scorecard method, which takes into account financial, internal business, customer and learning and growth perspectives.
Key Performance Areas (KPAs)	Critical function / domain that is crucial to the achievement of organisational goals.
Objective	Statement about the ultimate and long-term outcomes the organisation wishes to achieve.
Key Performance Indicators (KPIs)	Measures (qualitative and quantitative) that indicate whether progress is being made towards achieving set objectives.
Input indicators	An indicator that measures equipment, resources, economy and efficiency, for example: . Budget projection . % capital budget spent to provide water. . Unit costs for delivering water to a single household . Amount of time / money/number of people it took the Municipality to deliver water to a single ward.
Output indicators	Indicators that measure results, usually expressed in quantitative terms (i.e. number / %), e.g. Number of households connected.

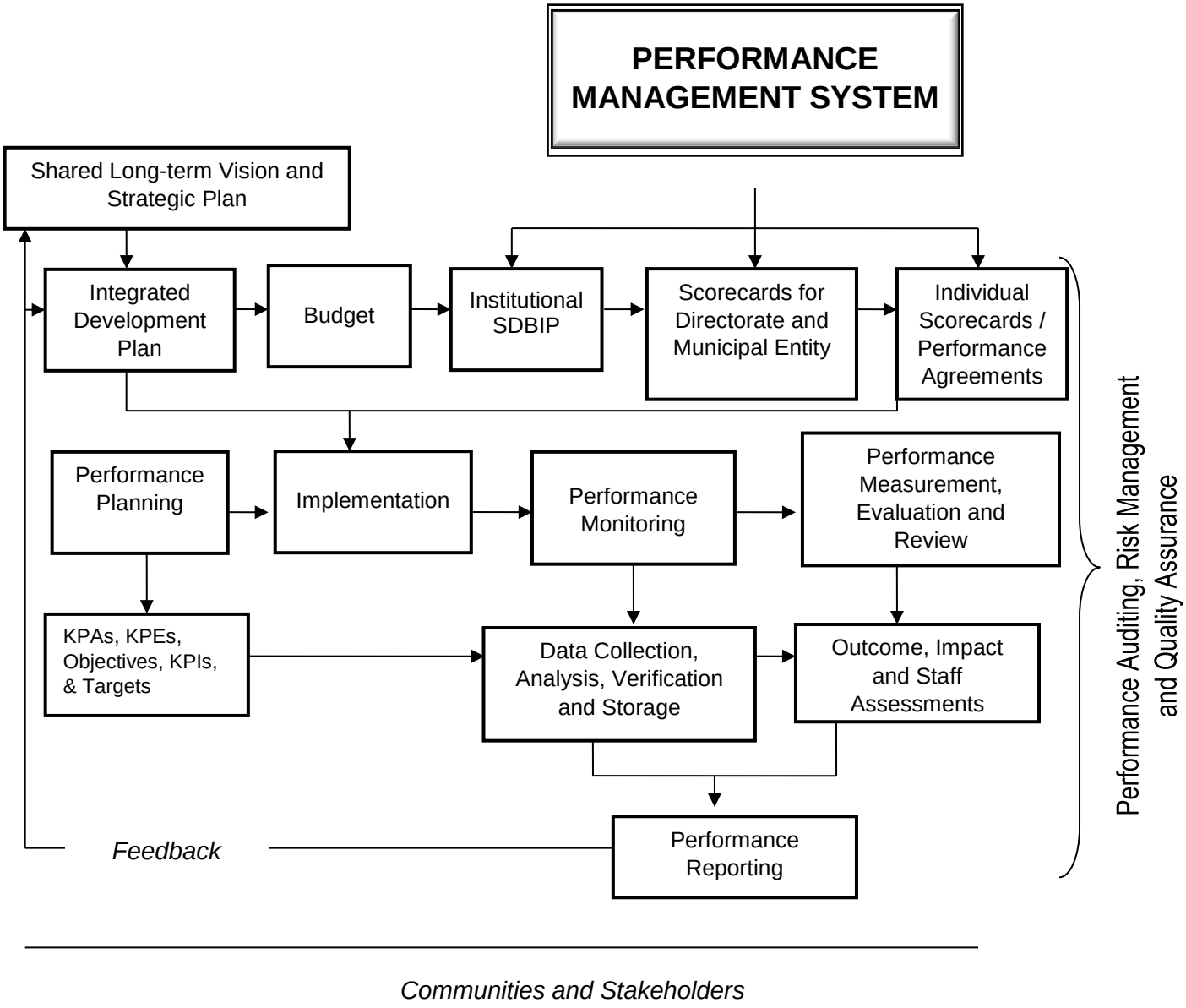
Concept	Definition
Outcome indicators	Indicators that measure the impact of reaching the target, e.g. Percentage of households with access to water.
Impact indicators	Indicators that measure the marked effect or influence of achieving specific outcomes.
Key Performance Elements (KPEs)	Focus areas linked to the identified Key Performance Areas.
Baseline indicators	These provide quantitative and / or qualitative levels of performance as at the beginning of the monitoring period in respect of which the institution aims to improve.
Performance targets	Quantifiable levels of the indicators that the organisation wants to achieve at a given point in time.
Performance plan	Plan of agreed Key Performance Areas, Objectives, Key Performance Indicators and Targets covering a specific financial year.
Institutional performance review cycle	12 months' period (continuous) that constitutes the financial year of the Municipality: 1 July to 30 June of the following year.
Review	A comprehensive assessment of the economy, efficiency, effectiveness and impact as far as the key performance indicators and performance targets set by the Municipality are concerned.

Performance management seeks to achieve the following:

- Ensuring accountability, oversight and legal compliance.
- Creating and entrenching a culture of performance amongst employees.

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

INTEGRATED PERFORMANCE MANAGEMENT SYSTEM



8.9.2 Monitoring and Evaluation

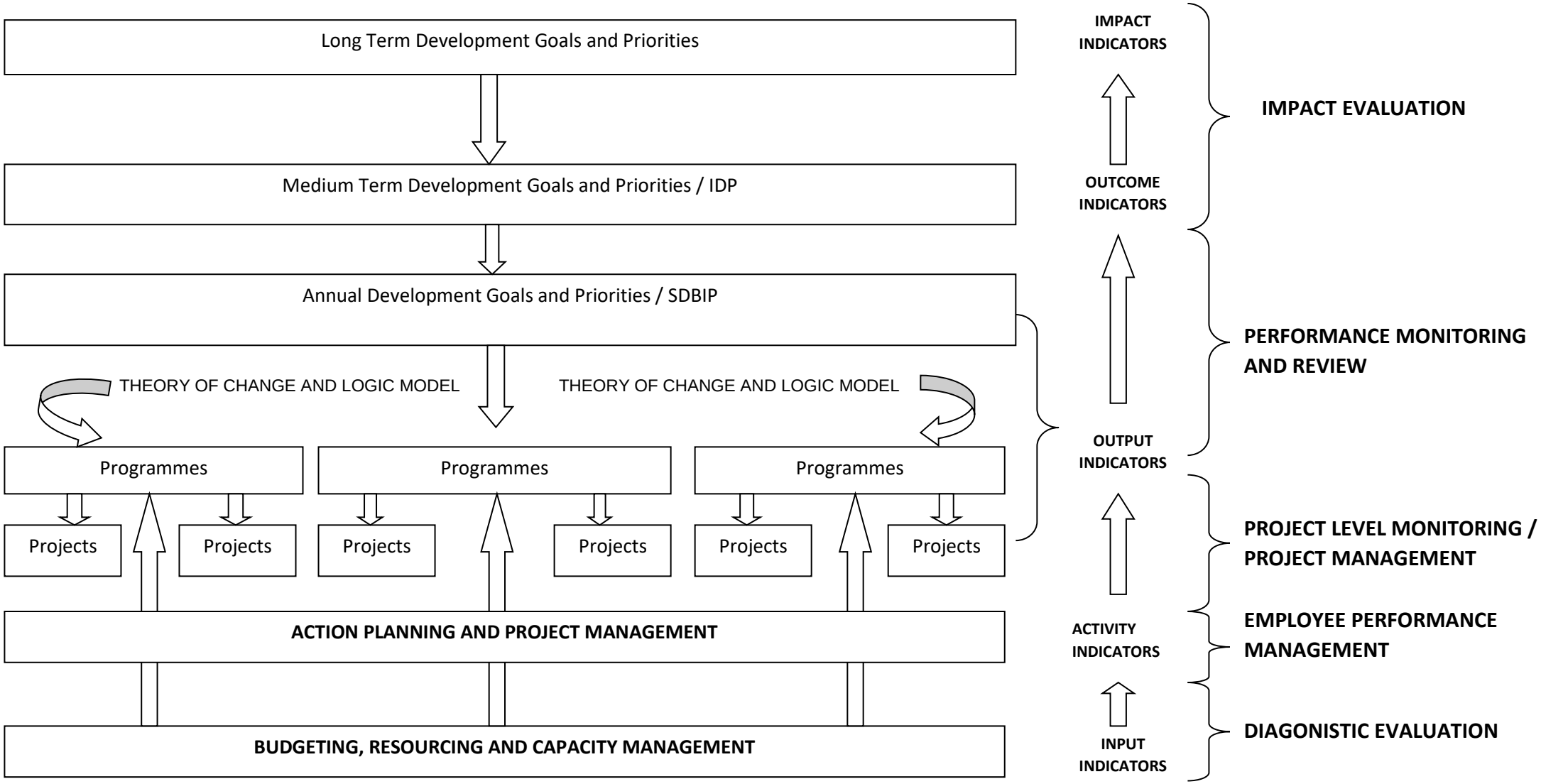
The Nelson Mandela Bay Municipality's Monitoring and Evaluation Framework seeks to provide a consistent approach to the monitoring and evaluation of the programmes and projects in the NMBM's IDP so that, sufficient data and information is captured to review progress and impact of the IDP implementation.

The Municipality's Monitoring and Evaluation system designed to determine whether the Municipality's medium term objectives and priorities as outlined in its IDP are implemented effectively. The organisational objectives and priorities are translated into a Service Delivery and Budget Implementation Plan. The predetermined key performance indicators in the SDBIP are monitored quarterly and periodically evaluated against IDP objectives.

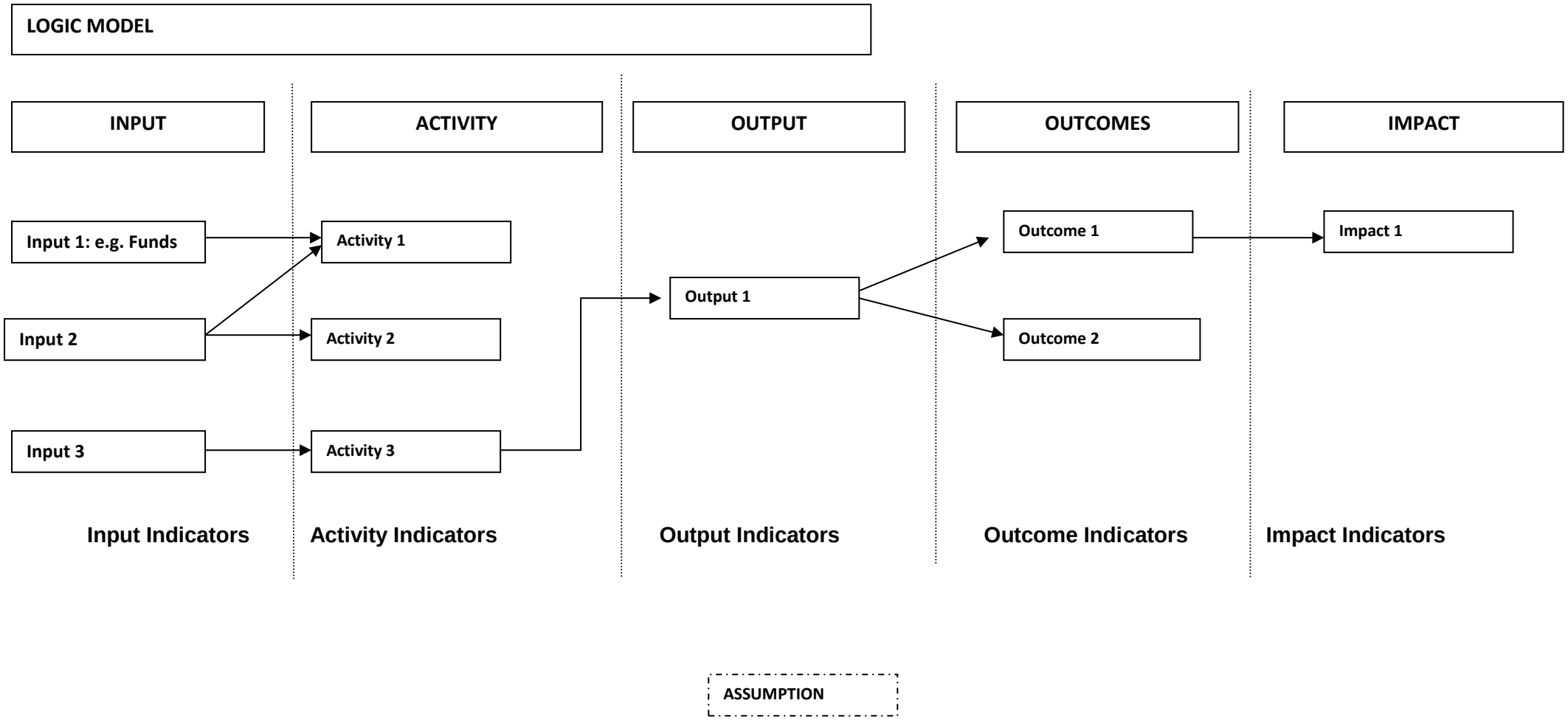
The implementation of the Municipality's Long-Term Growth and Development Plan (LGDP), Integrated Development Plan (IDP), Built Environment Performance Plan (BEPP) and Service Delivery and Budget Implementation Plan (SDBIP) shall be monitored and evaluated against the Municipality's strategic objectives. The municipal planning process is phased into long-term, medium-term and short-term (annual).

To this end, the impact of the implementation of the short-term plan (SDBIP) will be measured against the medium term plan (IDP) on annual basis. Every five years, the impact of an IDP on the achievement of the objectives of the Long-Term Growth and Development Plan will be evaluated. The spatial impact in terms of the IDP programmes and projects will be evaluated through the BEPP. The annual review of the IDP will take into consideration the monitoring and evaluation report on SDBIP implementation. The figure below illustrates the monitoring and evaluation process within the context of municipal strategic planning.

Figure 7: Monitoring and evaluation within the context of municipal strategic planning



As part of designing its interventions, the Municipality shall construct a theory of change and develop a logical framework for its programmes and projects. The theory of change / logic model will describe the process of planned change, planned outputs, outcomes and long-term impacts. A conceptual framework of a logic model is depicted in the figure below.


LOGIC MODEL
INPUT
ACTIVITY
OUTPUT
OUTCOMES
IMPACT
Input 1: e.g. Funds
Input 2
Input 3
Activity 1
Activity 2
Activity 3
Output 1
Outcome 1
Outcome 2
Impact 1
Input Indicators
Activity Indicators
Output Indicators
Outcome Indicators
Impact Indicators
ASSUMPTION

The Municipality shall implement an Integrated Automated System that will facilitate monitoring and evaluation of the Municipality's policies, strategies, programmes and projects. The automated Monitoring and Evaluation System will be used to store and retrieve real-time data for effective decision-making.

The Table below illustrates the process plan for carrying out monitoring and evaluation in the Nelson Mandela Bay Municipality.

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NO	M&E ACTIVITY	IMPLEMENTING AGENT		TIMELINE	STAKEHOLDER	
		Lead	Collaborative		Internal	External
			PLANNING			
1	Developing SDBIP	Performance Management Unit IDP Unit	○ All Directorates ○ M&E Unit ○ B&T	Within 28 days after the approval of IDP/Budget	○ Council ○ Executive Mayor ○ EXCO ○ Internal Audit / Audit Committee ○ Risk Management Unit	○ National Treasury ○ Auditor-General ○ CoGTA ○ Communities
2	Developing Theory of Change and Logic Models for capital projects (in the IDP)	M&E Unit	○ Service Delivery Directorates ○ Performance Management Unit ○ IDP Unit	Within 90 days after the IDP/Budget approval	○ EXCO ○ Internal Audit / Audit Committee ○ Risk Management Unit	○ Evaluation Panel (Reference Group)
			MONITORING			
3	Developing monitoring plans	M&E Unit	○ Service Delivery Directorates ○ Performance Management Unit ○ IDP Unit ○ DPME	Within 90 days after the IDP/Budget approval	○ EXCO ○ Directorate Management Teams	N/A
4	Quarterly organizational performance reporting (SDBIP Reports)	○ Performance Management Unit ○ M&E Unit	○ All Directorates ○ IDP Unit ○ B&T	Within 30 days after the end of quarter	○ Council ○ Executive Mayor ○ EXCO ○ Portfolio Committees ○ Internal Audit / Audit Committee ○ Risk Management Unit	○ communities ○ National Treasury ○ Auditor-General ○ CoGTA
5	Project level monitoring (reporting) (IDP capital projects)	M&E Unit	○ Service Delivery Directorates ○ Performance Management Unit	Within 30 days after the end of quarter	○ Council ○ Executive Mayor ○ EXCO ○ Portfolio Committees ○ Internal Audit /	N/A

NO	M&E ACTIVITY	IMPLEMENTING AGENT		TIMELINE	STAKEHOLDER	
		Lead	Collaborative		Internal	External
					○ Audit Committee ○ Risk Management Unit	
6	Annual Reporting (Annual performance report and financial statements)	M&E Unit	○ All Directorates ○ IDP Unit ○ Performance Management Unit ○ B&T	Within 7 months after the end of the financial year	○ Council ○ Executive Mayor ○ EXCO ○ Portfolio Committees ○ Internal Audit / Audit Committee ○ Risk Management Unit	○ General Public / Citizens ○ National Treasury ○ Auditor-General ○ CoGTA
7	Developing Oversight Report	M&E Unit	○ MPAC	Within 9 months after the end of the financial year	○ Council ○ Executive Mayor ○ EXCO ○ Portfolio Committees ○ Internal Audit / Audit Committee ○ Risk Management Unit	○ General Public / Citizens ○ National Treasury ○ Auditor-General ○ CoGTA
EVALUATION (IMPACT EVALUATION STUDIES SHALL BE UNDERTAKEN THREE (3) YEARS AFTER IMPLEMENTING KEY CAPITAL PROGRAMMES/PROJECTS						
8	Establishing Reference Group / Steering Committee	M&E Unit	○ EXCO	Within 90 days prior to the appointment of a service provider	○ EXCO	N/A
9	Prepare Terms of Reference	M&E Unit	○ All Directorates ○ IDP Unit ○ Performance Management Unit ○ B&T / SCM	Within 90 days prior to the appointment of a service provider	○ EXCO	N/A
10	Appointing a service provider	SCM	○ M&E Unit ○ Reference Group / Steering Committee	Within 90 days after finalizing Terms of Reference	○ EXCO	N/A

NO	M&E ACTIVITY	IMPLEMENTING AGENT		TIMELINE	STAKEHOLDER	
		Lead	**Collaborative**		**Internal**	**External**
11	Conducting the evaluation studies	Service Provider	○ M&E Unit ○ Reference Group / Steering Committee	Within 1 month of awarding contract	○ Council ○ Executive Mayor ○ EXCO ○ Portfolio Committees ○ Internal Audit / Audit Committee ○ Risk Management Unit	○ General Public / Citizens ○ National Treasury ○ Auditor-General ○ CoGTA
12	Communicating and reporting evaluation results	M&E Unit / Service Provider	○ Reference Group	Within 7 months after the commissioning the evaluation	○ Council ○ Executive Mayor ○ EXCO ○ Portfolio Committees ○ Internal Audit / Audit Committee ○ Risk Management Unit	○ General Public / Citizens ○ National Treasury ○ Auditor-General ○ CoGTA

8.10 Supply Chain Management

The Municipality has an approved Supply Chain Management Policy which is required to be reviewed on an annual basis. The SCM Policy was reviewed during the 2017/18 financial year until the approval by Council on the 29 March 2018. *Inter alia*, the policy provides for a committee system to achieve and ensure competitive procurement. The Committees established in compliance with the National Standards for Bid Committees, are as follows:

- The Bid Specification Committee;
- The Bid Evaluation Committee; and
- The Bid Adjudication Committee

An Integrated Contracts Management System (ICMAS) tracks the award of tenders from the time of approval of the specifications to the time of final award.

In order to promote oversight responsibility of Council as required in terms of the Supply Chain Management Regulations 27636 (dated 30 May 2005) and the municipality's SCM Policy, Budget and Treasury Directorate submits reports on a quarterly basis to the Budget and Treasury Standing Committee on the implementation of Supply Chain. It is through these reports that the Committee will engage and request further clarities or additional reports. The similar reports are submitted to structures such as the Audit Committee (AC) or Municipal Public Accounts Committee (MPAC).

8.11 Ward Committees

All sixty (60) Wards in the NMBM have functional Ward Committees. The main function of a Ward Committee is to act as the formal communication channel between Council and the community. The Ward Committees therefore provide the channel through which communities can most effectively lodge their complaints and concerns. In the NMBM, Ward Committees were inaugurated on 21 June 2017. A number of training and capacitation programmes have been presented to them, also on IDP and Budget related processes.

The roles and responsibilities of Ward Committees include the following:

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