



## Buffalo City Municipality **Vision**

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



# Foreword by the Executive Mayor

Another year of development and service delivery lies ahead for the Council and people of Buffalo City. Our communities have expressed their needs and aspirations through the IDP hearings and review processes, the Mayoral Izimbizo campaigns and other participation mechanisms. Buffalo City Municipality has meticulously noted and consolidated all such requests and presentations and has identified the necessary funds and sources of funding to enable us to meet the expectations of both government and the people.

In the process, we have had to respond to national imperatives and global dynamics that have a direct impact on our duty to provide quality services to our people. The General Valuations process was one such imperative, leading to a revised property rates structure. Also, the pending increase in the cost of electricity has necessitated a revision in our electricity tariff to both domestic and business consumers. Other tariff increases also had to be accommodated all this in an effort to ensure that the Municipality is well-placed to meet the expectations of its communities and to provide commendable and reliable services to one and all.

I am now presenting this Integrated Development Plan for the Financial Year 2009/2010 for the implementation agencies within and outside Buffalo City Municipality, the local communities and all other stakeholders to know and understand not only the activities that we will be undertaking this Financial Year but also the reasoning and motivation behind such development programmes as well as the modus operandi and time frames where possible.

This IDP endeavours to encapsulate the development priorities contained in the election manifesto of the ANC as the party that is in government as well as our constitutional mandate as the sphere of government that is closest to the people.

Buffalo City Municipality is ready to implement this IDP and to fulfil our declared commitment to better the lives of the people. What is needed now is the support and enthusiasm of the people of Buffalo City to own this IDP and to turn its objectives into reality.

I thank you.



**ZUKISA FAKU  
EXECUTIVE MAYOR  
BUFFALO CITY MUNICIPALITY**

# Acknowledgements

Buffalo City Municipality would like to express gratitude to all those who participated during the 2009/10 IDP Review Process.

Among the key contributors to the work, the following are noted:-

- The residents and stakeholders of Buffalo City Municipality who took part in the IDP & Budget Public Hearings held from 8-18 May 2009;
- The Executive Mayor and all Buffalo City Municipality Councillors;
- Former Portfolio Councillor for IDP, PMS, Budget Integration & GIS, Alderman J. Badenhosrt for leading the process;
- All Directors and their staff in Buffalo City Municipality’;
- The Buffalo City IDP/Budget & PMS Representative Forum, which met in East London on 21 November 2008 & 20 March 2009.
- The Mayoral Committee and the IDP, Budget Policy & Performance Management Strategic Committee, for providing overall direction.
- The IDP/Budget Technical Steering Committee, for providing guidance.
- Finally, overall support to the process was provided by the Municipality’s IDP, Budget Integration & Performance Management Unit and the Budget Office:



**MAGWENTSHU**  
**ACTING MUNICIPAL MANAGER**

# Buffalo City Council

## Buffalo City Council

45 Ward Councillors • 44 PR Councillors

**Executive Mayor**

**Speaker**

Mayoral Committee

Chief Whip



**Cllr. Z. Faku**  
Executive Mayor



**Cllr. L. E. Simon**  
Speaker



**Cllr. Ald. J. Badenhorst**  
Health and  
Public Safety



**Cllr. M. Pango**  
Community Services



**Cllr. D. Matika**  
Development Planning



**Cllr. S. Dikimolo**  
Corporate Services



**Cllr. S. Gomba**  
IDP, Budget, Policy  
and Performance Man-  
agement



**Cllr. L. Bobo**  
Engineering and  
Infrastructure Develop-  
ment



**Cllr. N. Sityi**  
Finance



**Cllr. S. Tyilo**  
LED, Tourism and  
Rural Development



**Cllr. F. Mbovane**  
Housing, MURP  
and DVIR



**Cllr. S. Caga**  
Special Programmes



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## GLOSSARY OF ABBREVIATIONS

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

D.T.I.	Department of Trade & Industries
D.W.A.F.	Department of Water & Forestry
E.C.	European Commission
E.C.D.O.H.	Eastern Cape Department of Health
E.C.G.D.S.	Eastern Cape Growth & Development Strategy
E.F.F.	External Financing Fund
E.L.	East London
E.L.I.D.Z.	East London Industrial Development Zone
E.U.	European Union
F.M.G.	Finance Management Grant
G.A.M.A.P.	Generally Accepted Municipal Accounting Practice
G.D.P.	Growth and Development Plan
G.D.S.	Growth & Development Strategy
G.I.S.	Geographic Information Systems
G.R.A.P.	Generally Recognized Accounting Practice
G.T.Z.	German Agency for Technical Cooperation
G.V.A.	Gross Value Added
H.R.	Human Resources
I.C.Z.M.P.	Integrated Coastal Zone Management Plan
I.D.C.	Industrial Development Cooperation
I.D.P.	Integrated Development Plan
I.D.Z.	Industrial Development Zone
I.E.M.	Integrated Environment Management
I.E.M.P.	Integrated Environmental Management Plan
I.N.E.P.	Integrated National Electrification Programme
I.P.M.S.	Individual Performance Management System
I.T.	Information Technology
KfW	German Development Bank
K.W.T.	King Williams Town
L.A. 21	Local Agenda 21
L.E.D.	Local Economic Development
L.G.H.	Local Government Housing
L.O.S.	Levels of Service
L.S.D.F.	Local Spatial Development Framework
M.E.C.	Member of the Executive Council
M.E.L.D.	Mdantsane East London Development
M.F.M.A.	Municipal Finance Management Act
M.I.G.	Municipal Infrastructure Grant
M.S.	Municipal Scorecard
M.S.A.	Municipal Systems Act
M.T.I.E.F.	Medium-Term Income and Expenditure Framework
M.U.R.P.	Mdantsane Urban Renewal Programme
N.A.T.I.S.	National Traffic Information system
N.E.R.S.A.	National Electricity Regulator of South Africa
N.G.O.'s	Non-Government Organisations
N.S.D.P.	National Spatial Development Perspective
O.D.A.	Organizational Development Africa
O.S.S.	Open Space System
P.G.D.P.	Provincial Growth and Development Plan
P.H.C.	Primary Health Care
P.M.S.	Performance Management System
P.M.T.C.T.	Prevention of Mother to Child Transmission
P.P.E.	Property, Plant & Equipment
P.P.P.'s	Public Private Partnerships
R.G.	Restructuring Grant
R.M.S.	Road Management System
R.S.A.	Republic of South Africa
S.A.	South Africa
S.A.C.N.	South African Cities Network
S.D.	Sustainable Development
S.D.B.I.P.	Service Delivery and Budget Implementation Plan
S.D.F.	Spatial Development Framework
S.I.D.A.	Swedish international Development Cooperation Agency
S.L.G.P.	Strengthening Local Governance Programme
S.M.M.E.	Small, Medium & Micro Enterprises
S.P.S.P.	Sector Policy Support Programme
S.T.E.P.	Sub-Tropical Thicket Ecosystem Planning
U.N.C.E.D.	United Nations Conference on the Environment & Development
V.C.T.	Voluntary Counselling & Testing
V.I.P.	Ventilated Improved Pit Latrine
W.S.A.	Water Services Authority
W.S.D.P.	Water Services Development Plan





## EXECUTIVE SUMMARY

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# Executive Summary

## 1. INTRODUCTION

An Integrated Development Plan, adopted by the council of a Municipality, is the key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) as:

- 35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality;**  
**(b) binds the municipality in the exercise of its executive authority..."**

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

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

This document sets out the results of the Municipality's 2009/10 IDP Review Process, and details the following: -

- The process followed to review Buffalo City's IDP;
- The key informants that have provided the basis for amending certain elements of the IDP;
- The amended Objectives, Strategies, Indicators and Targets, which have been revised on the basis of the informants identified herein.

## 2. THE PROCESS FOLLOWED:

In August 2008, Council adopted the Process Plan, which outlined the process to be followed in reviewing the 2009/10 Integrated Development Plan. This process has been followed. Below is a summary of some of the key activities through which the IDP and Budget were reviewed and developed.

- An advertisement was placed in the local newspaper in August 2008 calling for sector organizations and stakeholders to nominate members for the IDP, Budget & PMS Representative Forum.
- A strategic planning session of the Executive Support Services Directorate was held at Crawford's Cabins in Chintsa from 16-18 July 2008.
- A BCM Cluster Workshop was held on 11 September 2008 at the Regent Hotel to evaluate Buffalo City's performance over the 2007/08 financial year and to confirm strategic direction for the IDP and Budget. The workshop was attended by both councillors and officials.
- IDP Technical Cluster meetings held on 23, 24 & 27 October 2008 at Phillip Kahts Stadium, to revive and assist IDP Clusters in conducting situation analysis which informed the review of objectives and strategies.
- A BCM Cluster Workshop held with Mayoral Committee Members on 7 November 2008 at Kennaway Hotel, for IDP Clusters to brief portfolio councillors on performance over the 2007/08 financial year and present their reviewed objectives and strategies for 2009/10.
- IDP / Budget and PMS Representative Forum held at Latimer's Landing on 21 November 2008, where progress over the last year was considered and the IDP Process Plan and Budget Schedule were presented.
- IDP Technical Cluster Meetings that were held on 27 and 28 November 2008 at the Regent Hotel.
- A Business Plans Review workshop held in the New Council Chamber on 23 January 2009. The purpose of the workshop was to review and refine business plans submitted by BCM directorates for 2009/10 – 2011/12 MTREF Budget.
- An IDP/Budget Alignment Workshop held on 10-11 February 2009 at Mpekweni Beach Resort with BCM Directors, General Managers and Mayoral Committee Members to, inter alia, consider the 2008/09 capital expenditure and review the objectives and strategies for 2009/10.
- IDP/PMS/Budget Technical Steering Committee meetings held as part of an ongoing interaction with BCM Directorates.
- An IDP Cluster Workshop was held on 12 March 2009, with all BCM Councillors in attendance, where the draft objectives, strategies and projects were presented for consideration.
- An IDP Representative Forum was held on 20 March 2009, where the draft objectives, strategies and projects were presented for consideration before finalisation.
- An advert appeared in the local newspaper indicating that the draft IDP and Budget was open for public comment, from 9-29 April 2009 and it was made available for public viewing in all Buffalo City libraries and municipal offices.
- IDP / Budget Public hearings, which were held from 8-18 May 2009. 30 meetings were scheduled throughout the City to present the draft IDP and Budget before final adoption. The meetings were attended by more than five thousand community members.

### 3. IDP INFORMANTS AND KEY ISSUES:

The amendments contained in this revised IDP for 2009/10 were formulated on the basis of:

- an assessment of IDP implementation;
- changing internal and external circumstances
- IDP/Budget Public hearings in May 2009
- Cluster situation analysis reports;
- Comments from the MEC;
- The 5 Local Government Strategic Objectives (2006-2011);
- Millennium Development Goals;
- BCM sector plans and other surveys;
- Provincial Growth & Development Plan;
- National Spatial Development Perspective;
- Unfolding BCM City Development Strategy.

#### 3.1 Key Issues

Identified key issues for Buffalo City Municipality relate to the following:

##### **Long-term Development Strategy**

Lack of a clear long-term development strategy was highlighted in previous years. In this regard BCM has worked with key stakeholders to develop the City Development Strategy (CDS). This long-term development strategy is not seen as separate to the city's ongoing strategic planning through Integrated Development Planning, but is seen as complementing the strategic planning process giving content to BCM's long-term vision as expressed in the 6 key objectives. The CDS gives content to these key objectives through the identification of selected, catalytic focus areas and interventions.

Currently an executive report of the CDS has been produced and circulated to key stakeholders. Five key priorities have been identified and work has started towards implementation of these. A progress report on activities/projects that have been undertaken in support of the CDS has been compiled and submitted to management.

Integral to the development and implementation of this strategy is the participation and 'buy-in' of all stakeholders, including National, Provincial and Local Government. Thus as part of the strategy, development bi-laterals have been and will continue to be held with all relevant stakeholders.

##### **Financial Viability**

In order for BCM to achieve and continue to achieve its mandate, it needs to maintain financial viability and expand its revenue in relation to costs. Whilst most of BCM financial fundamentals have shown improvement, as well as a level of financial stability and predictability within the operating budget, there remain serious issues to be addressed. Maintenance of the City's assets remains a key issue for BCM. BCM continues to face a critical situation with much of its infrastructure past its functional life and operating beyond its design capacity.

##### **Institutional Capacity**

BCM was established in 2000 and its establishment brought together the Transitional Local Authorities of East London and KWT, as well as the large rural areas that previously fell under the Representative and Coastal Councils. Since then, substantial work has been undertaken to structure and re-orientate the municipality on an operational level. However, there remain inefficiencies within the institution, which compromise BCM's ability to deliver services and fully achieve the objectives set out in the IDP.

##### **Poverty, Unemployment and Low Economic Growth**

The high levels of poverty are apparent in the statistics from Census 2001 where approximately 70% of households indicated they have an income of less than R1500 per month (the household subsistence level), with 28% of all households indicating they have R0 income. Growing unemployment is also a symptom of Buffalo City's slow economic growth. The average compounded annual growth in GDP from 1995 to 2005 was 2, 5%. The vast majority of households in Buffalo City earn below the household subsistence level. There is also high and growing unemployment, slow economic growth, low education and skills levels as well as widespread HIV/Aids. In view of these challenges BCM will strive to create decent work and sustainable livelihoods.

## Sustainable Human Settlements

BCM has successfully re-oriented its administration to deliver on basic needs and housing. However, there still remains a huge challenge to meet the remaining backlogs within the targeted time-frames. To date there is backlog of about 75 000 units in both urban and rural areas.

## Rural Development, land reform, food production and security

Agricultural and rural development in Buffalo City is impeded by infrastructure backlogs as well as the slow pace of the land reform programme. A number of opportunities for agricultural development which will enhance food production and security exist within BCM and amongst others, include:

- Dairy
- Tunnel farming
- Essential oils
- Agro processing

These and other rural development related issues will be considered and expanded on in the Agricultural and Rural Development Strategy which is currently being developed by BCM.

## Sustainable Development

Buffalo City covers a large area of over 2,515 square kilometres. The area is geographically and environmentally diverse with a range of ecosystems, from coastal to forested areas in the hinterland. Many of these areas are conservation worthy; subtropical thicket; wetlands; river systems; cultural sites; rare and endangered species; and of particular importance, economically and biophysically, is the 70 km of coastline. Pressures on the biophysical environment impact on the state and quality of the natural environment and consequently the health, well-being and opportunities of present and future generations.

## 4. IDP CONTENTS:

Buffalo City Municipality's Integrated Development Plan sets out the long-term vision of the Municipality:

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

The 2009/10 IDP Review details the key issues or development priorities for the municipality, the objectives, which respond to the key issues and contribute towards the fulfilment of this vision and the strategies, the means by which these objectives will be achieved and the linked projects and programmes.

## 5. IDP KEY OBJECTIVES:

The over-arching six key objectives are detailed below, whilst the cluster objectives and strategies are detailed in Section D.

KEY ISSUE	BCM KEY OBJECTIVES
Buffalo City lacks a clearly defined long-term development strategy this negatively impacts on the ability of BCM & Buffalo City stakeholders to work towards the achievement of Buffalo City's vision.	BCM1 Local, Provincial & National stakeholders support and work together to achieve the vision for Buffalo City.
The sustainability of BCM is dependent on expanding its revenue in relation to costs and its financial viability, whilst implementing its mandate.	BCM2 Effective, efficient, co-ordinated financial management and increased revenue - enabling BCM to deliver its mandate*.
Inefficiencies exist within the institution, which compromise BCM's ability to deliver services.	BCM3 BCM's institution is capacitated and structured to enable efficient, effective, and sustainable service delivery.

Low economic growth, high unemployment, low skills levels, high levels of poverty and high inequality exist within BCM.	BCM4 BCM creates an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.
Whilst BCM delivers basic services (water, sanitation, waste removal & electricity) to about 70% of households, many households still lack adequate transport, social services, economic opportunities and an enriching environment.	BCM5 Buffalo City is well structured, efficient and supports sustainable human settlements, thus enabling residents to meet their physical, social, developmental, environmental, cultural & psychological needs. (live, work & play)
Lack of sustainable development and inappropriate use of resources has a harmful impact on the health and well-being of present and future generations of BCM.	BCM6 BCM has a safe, healthy & sustainable environment protected for the benefit of present and future generations through securing ecologically sustainable development and use of natural resources, whilst promoting justifiable social and economic development.
* Mandate: as per the objectives for local government (152 constitution): provision of democratic and accountable local government, ensuring the provision of services in a sustainable manner, promoting social & economic development, promoting a safe & healthy environment, encouraging the involvement of communities and community organisation in matters of local government.	

On the basis of these key objectives and the informants, cluster objectives have been reviewed and refined, according to the thematic Clusters:

- Social Cluster
- Environmental Cluster
- Economic Cluster
- Spatial & Infrastructure Cluster
- Finance & Institutional Cluster
- Cross-cutting Issues Cluster

## 6. PROJECT PRIORITISATION

The proposed objectives and strategies formed the basis for the identification and selection of proposed projects within each of the clusters. In order to ensure that approved projects support the strategic intent of the IDP a prioritization process has been undertaken based on a phased approach. Draft outcomes of project prioritization were presented to the IDP and Budget Alignment Workshop held at Mpekweni Beach Resort on 10-11 February. All capital and operating projects for 2009/10 – 2011/12 have been prioritized and approved in accordance with the project prioritization process.



## 7. IDP REVIEW 2009/10 - REPORT STRUCTURE

This IDP Review (2009/10) document is structured as follows:

Section A	Introduction
Section B	BCM Overview and Updated Situation Analysis This section gives a brief overview of the situation in BCM and focuses on new developments.
Section C	Key Issues & Objectives: IDP 2009/10 This section sets out the key issues & key strategic objectives for IDP 2009/10
Section D	IDP Cluster Issues, Objectives & Strategies This section sets out the reviewed Cluster issues, objectives and strategies.
Section E	Budget, Programmes & Projects
Section F	Five-Year Financial Plan This section sets out the overall strategic framework for Financial Management in the BCM, including key financial policies and strategies.
Section G	Spatial Development Framework This section highlights key elements of the Buffalo City SDF.
Section H	Operational Framework & Strategies This section sets out the institutional arrangements developed by BCM to operationalize the delivery of its mandates in terms of the Constitution and Municipal legislation.
Section I	Performance Management This section includes details, as well as a copy of the Institutional Scorecard.
Annexure	Annexure A: Capital & Operating Budget Projects Annexure B: Project Prioritisation Report Annexure C: IDP External Representative Forum: List of Members Annexure D: City Development Strategy – Executive Report Annexure E: Spatial Development Framework Annexure F: Institutional Scorecard Annexure G: Executive Summary of BCM Sector Plans Annexure H: Draft Service Delivery Master Plan
References	Documents referred to and/or available for further detail.