

TABLE OF CONTENTS

EXECUTIVE SUMMARY

SECTION A: INTRODUCTION

1. The Buffalo City Municipality IDP 2008/09	1
1.1 Purpose of this Document	1
1.2 Basis for the IDP 2008/09	2
1.3 The Process Followed	3
1.4 IDP 2008/09 – Report Structure	4

SECTION B: UPDATED SITUATION ANALYSIS

1. Buffalo City Profile	5
1.1 Buffalo City in Context	5
1.2 Buffalo City Population	6
2. Economic Cluster	9
2.1 Buffalo City's Economy	9
2.2 Employment, Income & Skills	11
2.3 Initiatives to support the growth of BCM's Economy	13
2.3.1 Trade and Investment Promotion	13
2.3.2 The Industrial Development Zone (IDZ)	14
2.3.3 Buffalo City Development Agency (BCDA)	14
2.3.4 Tourism	15
2.3.5 Small, Medium and Micro Enterprises	15
2.3.6 Agriculture	16
3. Cross-Cutting Issues	17
3.1 HIV/AIDS	17
3.2 Local Agenda 21	18
3.3 Poverty Alleviation	18
3.4 Gender Equity	18
3.5 Children & Youth	19
3.6 People Living with Disabilities	20
3.7 Older Persons	20

4. Finance & Institutional Cluster	21
4.1 Finance	21
4.1.1 Summarised Financial Statement	21
4.1.2 Financial Analysis – Selected Financial Indicators	22
• Total Income versus Total Expenditure	23
• Expenditure	23
• Capital Expenditure and Funding	23
• Financial Profile	24
• Revenue Management	25
• Financial Structure/Liquidity	25
4.1.3 Strengths & Opportunities	26
4.2 Institutional	26
4.2.1 Organisational Structure of Buffalo City	26
4.2.2 Powers and Functions	26
4.2.3 Change Management	28
4.2.4 Employment Equity Plan	28
4.2.5 Skills Development Plan	28
4.2.6 Weaknesses and Threats	29
4.2.7 Internal Audit, Risk Management and Fraud Mitigation	29
4.2.8 Strengths and Opportunities	29
4.2.9 Knowledge Management	30
5. Spatial & Infrastructure Cluster	32
5.1 Spatial	32
5.1.1 Land Use and Housing	32
5.1.2 Land Tenure Systems	34
5.1.3 Transportation	34
5.2 Infrastructure	35
5.2.1 Road Network	35
5.2.2 Water Services	35
• Water Supplies	36
• Water Demand Management	36
• Bulk Water & Sewerage Systems	36
• Water & Sanitation Backlog	37
5.2.3 Electricity	38
• Electricity Losses	38
• Electrification of Houses and Schools	39
5.2.4 Fleet Management	39

6. Social Cluster	40
6.1 Primary Health Care and Municipal Health Services	40
6.2 Community Facilities and Services	41
6.3 Crematoria and Cemeteries	42
6.4 Traffic and Law Enforcement	42
6.5 Fire & Rescue Services	43
6.6 Disaster Management	43
7. Environmental Cluster	45
7.1 Natural Environment	45
7.2 Institutional	46
7.3 Strategic Planning	46
8. Community Issues	48

SECTION C: KEY ISSUES & OBJECTIVES: IDP 2007/08

1. Buffalo City Municipality's Vision	51
2. Responding To The Key Issues: BCM Key Objectives	51
2.1 Hierarchy of Objectives	51
2.2 BCM 6 Key Objectives	52
2.3 BCM City Development Strategy (CDS)	52
3. IDP 2008/09: Key Issues	53
3.1 Long-term Development Strategy	53
3.2 Financial Viability	54
3.3 Institutional Capacity	55
3.4 Poverty, Unemployment and Low Economic Growth	55
3.5 Sustainable Human Settlements	56
3.6 Sustainable Development	57
4. Informants of the IDP 2008/09	58

SECTION D: IDP CLUSTER ISSUES, OBJECTIVES & STRATEGIES

1. Cluster Issues, Objectives & Strategies	59
1.1 Environmental Cluster	60
1.2 Economic Cluster	63

1.3 Social Cluster	64
1.4 Institutional & Finance Cluster	67
1.5 Infrastructure & Spatial Cluster	71
1.6 Cross-Cutting Cluster	77

SECTION E: BUDGET, PROGRAMMES & PROJECTS

1. The Capital Budget	80
2. The Operating Budget	81
3. Capital & Expenditure Budget Per Cluster	81
4. Key National & Provincial Programmes	82
Project Consolidate	82
Restructuring Grant	83
Mdantsane Urban Renewal (MURP)	83
Provincial Growth & Development Plan (PGDP)	85

SECTION F: FINANCIAL PLAN

1. Introduction	86
2. Capital & Operating Budget Estimates	86
2.1 Budget Assumptions	86
2.2 Operating Budget Estimates	87
2.3 Capital Budget Estimates	87
2.4 Debt Management Framework	89
3. Financial Strategy	89
3.1 The Financial Framework	90
3.1.1 Revenue Adequacy and Certainty	90
3.2 Strategies and Programmes	92
3.2.1 Revenue Raising Strategies and Programmes	92
3.2.2 Asset Management Strategies and Programmes	93
3.2.3 Financial Management Strategies and Programmes	93
3.2.4 Capital Financing Strategies and Programmes	94
3.2.5 Operational Financing Strategies and Programmes	94
4. Financial Management Policies	94
4.1 General Financial Philosophy	94

4.2	Operating Budget Policies	95
4.3	Capital Infrastructure Investment Policies	95
4.4	Revenue Policies	95
4.5	Credit Control Policies And Procedures	96
4.6	Indigent Scheme	97
4.7	Investment Policies	97
4.8	Debt Management Policies	98
4.9	Ratio Analysis/Benchmarks	98
4.10	Asset Management Policies	99
4.11	Asset Management Information	100
4.12	Accounting Policies	100
4.13	Supply Chain Management System Policy	102

SECTION G: SPATIAL DEVELOPMENT FRAMEWORK

1.	Introduction	103
2.	Key Informants Of The Spatial Development Framework	104
3.	Spatial Development Scenario	104
4.	Spatial Development Objectives & Strategies	105
5.	Proposed Spatial Structure Of Buffalo City	106
	Conceptual Approach to Spatial Elements	106
	Spatial Structuring Elements in Buffalo City	108
	Definitions	108
	Development Nodes	109
	Development Corridors	111
	Open Space System/Environmental Network	111
	The Urban Edge	112
	Densification and Erf Sizes	113
	Mixed Uses	113
6.	Special Development Areas	114
7.	Spatial Planning & Land Use Programmes	114
	The Urban & Rural Forward Planning Programme: 2007-2011	115
	The Settlement Planning Programme: 2007-2011	116
	The Land Use Management Programme: 2007-2011	116
	The Urban Renewal Planning Programme: 2007-2011	117

SECTION H: OPERATIONAL FRAMEWORK & STRATEGIES

1. Introduction	118
2. Buffalo City Municipality: Political Structure	118
Ward Committees	118
Standing Committees	118
3. Buffalo City Municipality: Administrative Structure	119
3.1 Directorate: Executive Support Services	120
3.2 Directorate: Corporate Services	120
3.3 Directorate: Planning & Economic Development	121
3.4 Directorate: Engineering Services	121
3.5 Directorate: Community Services	122
3.6 Directorate: Health & Public Safety	122
3.7 Directorate: Financial Services	122
3.8 Directorate: Services & Operations Integration	123
4. Integration & Coordination: Political & Administrative	123
4.1 IDP Cluster Working Groups	124
4.2 Municipal Managers & Directors' Committee Meeting	124
4.3 Integrated Project Working Groups	124

SECTION I: FRAMEWORK FOR THE PERFORMANCE MANAGEMENT SYSTEM

1. Introduction	125
Strategic Objectives of a Performance Management System	125
Policies and Legislative Framework for Performance Management	125
2. The Municipal Scorecard	127
2.1 The Causal Effect	128
3. Scorecards	129
Institutional Scorecard	129
Individual Scorecards	130

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

References

LIST OF FIGURES

- Figure A.1 IDP Review Process
- Figure B.1 Buffalo City Municipality Boundaries and Key Urban Centres
- Figure B.2 Age and Gender Population Pyramid (1996 & 2001)
- Figure B.3 Growth trends in the broad sectors of the economy of Buffalo City, 1995-2004
- Figure B.4 Employment and GDP by Industry, 2004
- Figure B.5 BCM: Days Cash on Hand
- Figure C.1 IDP 2006-2011: Hierarchy of Objectives
- Figure F.1 Approved IDP Allocations for Capital Investment Programme 2008/09 to 2012/13
- Figure F.2 Actual IDP Allocations for Capital Investment Programme 2008/09
- Figure H.1 Buffalo City Municipality: Administrative Structure
- Figure H.2 Executive Support Services
- Figure H.3 Corporate Services
- Figure H.4 Planning & Economic Development
- Figure H.5 Engineering Services
- Figure H.6 Community Services
- Figure H.7 Health & Public Safety
- Figure H.8 Financial Services
- Figure H.9 Services & Operations Integration
- Figure I.1 Municipal Scorecard
- Figure I.2 A Systems Approach
- Figure I.3 Municipal Scorecard: Cause & Effect
- Figure I.4 SDBIP as a Management Tool

LIST OF TABLES

Table B.1	Population 2001 & 1996 (Census)
Table B.2	Households 2001 & 1996 (Census)
Table B.3	Movement of Population into, within & out of Buffalo City: 1996-2001
Table B.4	Gender 2001 & 1996 (Census)
Table B.5	Age 2001 & 1996
Table B.6	Average Annual Growth in GDP (%)
Table B.7	Performance of the Primary, Secondary & Tertiary Sub-sectors
Table B.8	Total Population, according to age: 2004
Table B.9	Economically Active and non-economically Active People, 2004
Table B.10	People Living with Disabilities within Buffalo City (Census 2001)
Table B.11	Income Statements for Respective Years: 1 July – 30 June
Table B.12	Balance Sheets as at 30 June
Table B.13	Income & Expenditure
Table B.14	Capital Expenditure
Table B.15	Revenue Management and Liquidity
Table B.16	Borrowing Management
Table B.17	Powers and Functions of Municipalities: Section 156 of the Constitution
Table B.18	Estimated Deferred Maintenance
Table B.19	Census 2001: Household Access to Basic Services
Table B.20	Consolidated Outcomes of the BCM Ward Survey - September 2007
Table B.21	Ward Issues linked with IDP Cluster Objectives
Table C.1	Estimated Deferred Maintenance
Table C.2	Household Access to Basic Services (Census 2001)
Table C.3	NSDP - Normative Principles
Table C.4	PGDP - Targets for Growth & Development in the Eastern Cape: 2004-2014
Table E.1	IDP Cluster Allocations
Table E.2	Finance & Institutional Cluster: Capital & Operating Expenditure Budget
Table E.3	Economic Cluster: Capital & Operating Expenditure Budget
Table E.4	Spatial & Infrastructure: Capital & Operating Expenditure Budget
Table E.5	Social Cluster: Capital & Operating Expenditure Budget

Table E.6	Environment Cluster: Capital & Operating Expenditure Budget
Table E.7	The Seven Key Programmes of BCM's Revitalization Plan
Table E.8	Six Result Areas of the Strategic Plan
Table E.9	PGDP Targets for Growth & Development in Eastern Cape: 2004-2014
Table F.1	Operating Budget: 1 July 2008 to 30 June 2013
Table F.2	Capital Investment Programme: 1 July 2007 to 30 June 2012
Table F.3	Capital Investment Programme Per Cluster: 1 July 2008 to June 2013
Table F.4	Capital Investment Programme Per Cluster (%): 1 July 2008 to 30 June 2013
Table F.5	Debt Management Framework: 1 July 2008 to 30 June 2013
Table F.6	Ratio Analysis/Financial Benchmarks for the 2005/06 & 2006/07 financial years and the targeted position for the 2007/08 financial year
Table F.7	Deferred Maintenance

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