

# 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 2008/09 IDP Review Process, and describes the following: -

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

A key contribution to this years IDP has been the development of the City Development Strategy (CDS). This is not seen as separate to the IDP, but rather an integral part of the IDP. With the CDS expanding and giving content to the six key objectives, through the identification of selected, catalytic focus areas..

## 2. The process followed:

In August 2007, Council adopted the Process Plan, which outlined the process to be followed to review the 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 developed.

- An advertisement was placed in the local newspaper in August 2007 calling for sector organizations and stakeholders to nominate members for the IDP, Budget & PMS Representative Forum.
- IDP / Budget and PMS Representative Forum held at the Regent in November 2007, where progress over the last year was considered and the IDP Process Plan and Budget Schedule were presented. (Membership of the Representative Forum is detailed in Annexure C)

- A copy of the Draft budget and other related documents were sent to National and Provincial Treasury. All comments from BCM stakeholders were considered in the finalization of the budget.
- A strategic planning session of the Executive Support Services Directorate held at Halyards Hotel in Port Alfred on 22-23 August 2007.
- A Mayoral Strategic Planning Session was held at the Regent Hotel in East London on 22-23 November 2007.
- An IDP, Budget & PMS Representative Forum was held on 19 March 2007, where the draft objectives, strategies, programmes and projects were presented for consideration.
- On the 9<sup>th</sup> and 14 April 2008 an advertisement appeared in the local newspaper indicating that the IDP and Budget was open for public comment, from 10-30 April 2008 and available for viewing in all BCM libraries.
- A strategic workshop was held at the E.L Golf Club on 20 September 2007 to confirm the strategic direction for the IDP and Budget and it was attended by both councillors and officials.
- 31 Public hearings were held from 10-24 April 2008 and 5396 residents attended the meetings
- The final IDP and Budget for 2007/08-2009/10 was presented for adoption by Council, on 29 May 2007.

### **3. IDP Informants and Key Issues:**

The amendments contained in this revised IDP for 2008/09 were formulated on the basis of:

- an assessment of IDP implementation;
- changing internal and external circumstances
- Ward survey conducted in September 2007 and the Mayoral Imbizo in October 2007
- Cluster 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 Framework;
- National Objectives and Targets

### 3.1 Key Issues

The key issues for Buffalo City Municipality relate to:

#### □ Long-term Development Strategy

In previous IDP's the lack of a clear 20-30 year long-term development strategy was highlighted. Over the course of the last two years BCM has been and is working with key stakeholders to develop such a long-term strategy or 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.

A discussion document has been produced and was presented to key stakeholders at a CDS conference on 13 March 2007 and was further deliberated and considered over the next few months. A CDS Executive Report has been developed and submitted to Council.

A key 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, thus resulting in more frequent power outages, poor quality of electricity supply, increasing risk of environmental pollution because of sewer overflows and deteriorating sewage conveyance systems, increasing water losses due to bursts and leaks and increasing threats of water shortages because of conveyance bottlenecks.

#### □ 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 remains 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 rampant HIV/Aids.

**❑ 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.

**❑ Sustainable Development**

Buffalo City comprises 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 2008/09 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 are detailed in Section D.

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

|  |  |
|--|--|
| <p><i>Low economic growth, high unemployment, low skills levels, high levels of poverty and high inequality exist within BCM.</i></p>  | <p><b>BCM4</b><br/>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.</p>  |
| <p><i>Whilst BCM delivers basic services (water, sanitation, waste removal &amp; electricity) to about 70% of households, many households still lack adequate transport, social services, economic opportunities and an enriching environment.</i></p> | <p><b>BCM5</b><br/>Buffalo City is well structured, efficient and supports sustainable human settlements, thus enabling residents to meet their physical, social, developmental, environmental, cultural &amp; psychological needs. (live, work &amp; play)</p>                            |
| <p><i>Lack of sustainable development and inappropriate use of resources has a harmful impact on the health and well-being of present and future generations of BCM.</i></p>   | <p><b>BCM6</b><br/>BCM has a safe, healthy &amp; 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.</p> |

**\* 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, the cluster objectives were revised and developed, according to the thematic Clusters:

1. Social Cluster
2. Environmental Cluster
3. Economic Cluster
4. Spatial & Infrastructure Cluster
5. Finance & Institutional Cluster
6. Cross-cutting issues

## 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 Technical Steering Committee, IDP Cluster Workshop held on 13 February 2008, and the Mayoral Strategic Planning Session on 22-23 November 2008. All capital and operating projects for 2008/09 – 2010/11 have been prioritized and approved in accordance with the project prioritization process. Further details on project prioritization are contained in Annexure B.

## 7. IDP Review 2008/09 - Report Structure

This IDP Review (2008/09) document is structured as follows:

|                   |   |
|-------------------|---|
| <b>Section A</b>  | <b>Introduction</b>   |
| <b>Section B</b>  | <b>BCM Overview and Updated Situation Analysis</b><br><i>This section gives a brief overview of the situation in BCM and focuses on new developments.</i>   |
| <b>Section C</b>  | <b>Key Issues &amp; Objectives: IDP 2007/08</b><br><i>This section sets out the key issues &amp; key strategic objectives for IDP 2007/08</i>   |
| <b>Section D</b>  | <b>IDP Cluster Issues, Objectives &amp; Strategies</b><br><i>This section sets out the reviewed Cluster issues, objectives and strategies.</i>  |
| <b>Section E</b>  | <b>Budget, Programmes &amp; Projects</b>  |
| <b>Section F</b>  | <b>Five-Year Financial Plan</b><br><i>This section sets out the overall strategic framework for Financial Management in the BCM, including key financial policies and strategies.</i>   |
| <b>Section G</b>  | <b>Spatial Development Framework</b><br><i>This section highlights key elements of the Buffalo City SDF.</i>  |
| <b>Section H</b>  | <b>Operational Framework &amp; Strategies</b><br><i>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.</i>  |
| <b>Section I</b>  | <b>Performance Management</b><br><i>This section includes details, as well as a copy of the Institutional Scorecard.</i>  |
| <b>Annexures</b>  | <b>Annexure A: Capital &amp; Operating Budget Projects</b><br><b>Annexure B: Project Prioritisation Report</b><br><b>Annexure C: IDP External Representative Forum: List of Members</b><br><b>Annexure D: City Development Strategy: Executive Report</b><br><b>Annexure E: Spatial Development Framework</b> |
| <b>References</b> | <i>Documents referred to and/or available for further detail.</i>   |