

SECTION 3. EXISTING INSTITUTIONS

3.1 INTRODUCTION

The second step in formulating the Institutional Development Plan is to assess the available and potential capacity of the existing institutions that have a role to play in the implementation of the Buffalo City Tourism Master Plan.

In this section we detail the capacity of the following institutions:

- Buffalo City Tourism
- Buffalo City Development Agency
- Buffalo City Municipality
 - Department of Economic Development and Tourism (“**LED Department**”)
 - Other Departments of the Buffalo City Municipality

The information detailed in this section was obtained from the relevant institutions and states their existing structure, roles and responsibilities. Most of the information is direct quotes from documents received and should not be seen as recommendations made by the Grant Thornton Consortium.

3.2 BUFFALO CITY TOURISM

3.2.1 Existing Institutional Structure

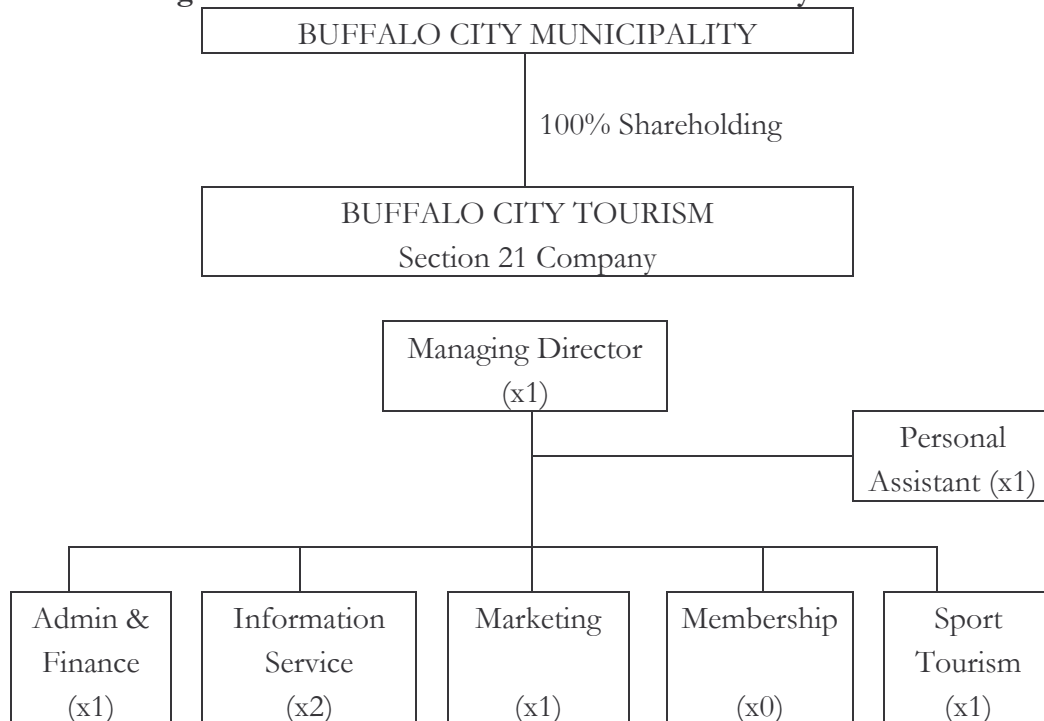
Buffalo City Tourism is a Section 21 company that was created by the East London Municipality before the new demarcation of municipalities. When the Buffalo City Municipality was demarcated, the company was tasked with the role of marketing Buffalo City as a destination.

The business philosophy of Buffalo City Tourism was included in their budget motivation for 2003/2004 and is as follows:

1. To utilise the best principles of business management, whilst recognising the principle of accountability and transparency to the stakeholders of the tourism industry of Buffalo City.
2. To be results and action orientated, and to prepare to be measured by the attainment of agreed quantifiable objectives.
3. A commitment to the principles of affirmative action, black economic empowerment and skills transfer, whilst remaining consistent with principles 1 and 2 above.
4. To progressively increase the self-generated share of total income.
5. To recognise and develop the partnership nature inherent in all our activities in consultation and co-operation with all relevant stakeholders.
6. To recognise and accept that Buffalo City which incorporates East London, King Williams Town and Bisho has a leadership role to play within tourism promotion in the Eastern Cape Region and, consistent with our objectives, to lend support to the promotion of the province as a whole.

Buffalo City Tourism’s current institutional structure and staffing is shown in **Diagram 4.1.**

Diagram 4.1: Institutional Structure of Buffalo City Tourism



3.2.2 Existing Budget

Buffalo City Tourism has provided us with their budget for July 2003 to June 2004 and the main items in the budget are shown in **Table 3.1**.

**Table 3.1: Summary of Buffalo City Tourism Budget
(July 2003 to June 2004)**

Item	Budget (R)
Income	2 205 000
Labour Cost	(679 271)
Overheads	(399 200)
Marketing	(1 156 529)
Surplus/(Deficit)	(30 000)

3.2.3 Existing Roles and Responsibilities

Buffalo City Tourism stated the following as their committed objectives in their budget motivation for 2003/2004:

- To promote the Buffalo City Municipal area in key tourism markets both domestically and internationally. These would be the greater Eastern Cape, Free State, Gauteng, KwaZulu-Natal and Western Cape domestically, internationally these would be Germany, Holland, China and Britain.
- To develop a level of awareness in untapped markets in which we have not been aggressive in the past. Examples being the greater Gauteng and Mpumalanga domestically, internationally Scandinavia, the Far East and Asia.
- Enhance our below-the-line activities and ensure Buffalo City receives optimal media coverage within this financial year 2003/2004.
- To secure and promote sports and other events for Buffalo City which will attract visitors to the region and increase the economic benefits.
- To secure conferences and convention business for Buffalo City that will have a positive annual impact on our economy.
- To increase the level of awareness of the local residents within the region to that of a level of understanding that will enable them to promote the unique selling points of the region both within this financial year and the future.
- Identify opportunities for potential private/public co-operative initiatives with in the framework of our marketing strategy.

Buffalo City Tourism has also identified six strategic priorities, namely:

1. Domestic Tourism: The entrenchment of Buffalo City as a premier family tourism destination for the domestic market of South Africa.
2. Sports and Events Tourism: The city has the potential to attract major sporting events to the city. Sport and events tourism is capable of generating substantial economic activity for the city and will also lift the profile of the city.
3. International Tourism: To continue the present marketing to the international holidaymaker in our current markets, and also, to look at Africa and the African-American market once proper research has been done.
4. Conference/Convention Tourism: To position as the “unconventional alternative” for the conference/convention buyer and visitor in the national markets. The corporate and association conference and convention buyer should see Buffalo City as the desired domestic conference/convention destination.
5. Community Development – Local Awareness: The need for local citizens of Buffalo City to realize the benefits of tourism needs to be addressed. Without local support and a clear understanding of the unique selling points of Buffalo City, the locals who come into contact with the tourist will not back up most of our marketing efforts.
6. Research: The need to qualify and quantify the organisation’s activities has never been greater than during this financial year. It will assist all stakeholders to understand but also give the organisation a clear picture of the results that can be achieved within this financial year.

3.3 BUFFALO CITY DEVELOPMENT AGENCY

3.3.1 Introduction

The Buffalo City Municipality is in the process of establishing the Buffalo City Development Agency (“**BCDA**”) and has called for proposals from service providers to conduct a pre-feasibility study, as well as to draft an interim business plan and budget for the establishment of the BCDA.

We include below the background information on the BCDA that was included in the tender documentation.

Buffalo City has articulated a vision in its Integrated Development Plan (“**IDP**”) that aspires to transform the broader city into a people-centred place of

opportunity where the basic needs of all are met in a safe, healthy and sustainable environment.

In June 2002, Buffalo City Municipality introduced an economic development programme that sought to promote the socio-economic development of Buffalo City communities. Through this programme the municipality seeks inter alia to advance and leverage the development potential and investment opportunities inherent in various area-specific parts of Buffalo City, e.g. beachfront areas, central business districts, buffer zones and inner-city areas.

Mindful of its vision, the city has committed itself to creatively explore all possibilities to maximize sustainable socio-economic development to the advantage of all of its people. This goal has been given geographical form in the City's approved Spatial Development Framework of 2003.

One of the vehicles that has been mooted for this purpose is the creation of a Section 21 Company (in terms of South Africa's Companies Act of 1973) that would be known as the Buffalo City Development Agency (BCDA), to take responsibility initially for managing the development of the East London Beachfront, Quigney and peripheral areas.

The establishment of this Agency is presently supported by the Industrial Development Corporation.

The core mandate of the BCDA will be to ensure that the economy of the area achieves its full development potential through the promotion and support of existing and new resources and opportunities. The beachfront and Quigney area of East London has been tentatively identified as the first area to be developed by the Agency. The demarcated area may be extended, and further areas may be added in future years.

The process of identifying the potential for economic growth in the beachfront area should highlight the possibilities of infrastructure development, tourism initiatives, urban renewal and investment opportunities on a sustainable basis.

The BCDA is to be established in three phases. The pre-establishment phase (Phase 1) is intended to enable the municipality:

- to undertake a comprehensive pre-feasibility study to identify the potential viability of the BCDA initially focusing on the development opportunities of

specific projects for implementation within the city's coastal area between the Quinera River and the old Racetrack (inclusive), as well as the appropriate form and modus operandi of the Agency as a developmental vehicle; and, if judged to be viable,

- to prepare an interim business plan and budget for the establishment phase (Phase 2) of the Agency.

The Agency will then enter an operational phase (Phase 3) during which its mission will revolve around the core business of attracting bankable development projects to the demarcated area within the framework of an integrated socio-economic and spatial master plan and a clear policy framework that will be developed during the Agency's Establishment Phase.

Such a master plan is intended to provide an environment in which the perceived risks of potential investors can be minimized, while lessening the bureaucratic hurdles which have historically hampered investment and partnerships in development.

It is regarded as vital by both Buffalo City and the IDC that this project identifies and exploits synergies with other initiatives such as the East London Industrial Development Zone (ELIDZ) and the Buffalo City Tourism Master Plan, as well as Buffalo City's emerging Coastal Zone Management Plan and Integrated Environmental Management Plan, while ensuring that the core principles of a new economic vision in the country, namely economic equity and the empowerment of historically marginalized groups, are regarded as a foundational value.

3.3.2 Existing Roles and Responsibilities

It is clear from the background information included above that the BCDA will be responsible for the development of the areas under its jurisdiction and that the East London beachfront and Quigney area has been identified to be developed first. These areas may be extended and other areas added in future.

It is our understanding that the feasibility study will determine any other roles and responsibilities, extensions or additions to the development areas and the required institutional structure and budget to implement the identified roles and responsibilities.

3.4 BUFFALO CITY MUNICIPALITY: DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

3.4.1 Introduction

The department within the Buffalo City Municipality that is responsible for tourism is the Department of Economic Development and Tourism (“**LED**” department) which falls under the office of the City Manager. The details included below have been obtained from the LED department documents.

The LED department has been operating since July 2002 and is generally regarded as the thrust of developmental local government.

3.4.2 Vision

The vision of Buffalo City Municipality is “to be a people-centred place of opportunity where the basic needs of all are met in a safe, healthy and sustainable environment”. The aim of the LED department is to bridge the gap between the present realities and the goal of the municipality as stated in the vision of Buffalo City.

3.4.3 Mission

The LED department seeks to create an enabling environment for job creation and business growth.

3.4.4 Aims and Objectives

The LED department acts as facilitator, catalyst, manager and strategist to develop a local economy that:

- Provides work and increasing incomes for all its people;
- Has resources to provide good services for all homes and workplaces;
- Identifies opportunities for the municipality to effectively achieve its service delivery objectives;
- Promotes networking with, and among stakeholders for cumulative effect.

3.4.5 Programme Areas

The LED department is responsible for the following programme areas:

- Tourism Development and Promotion;
- Business Development;
- Rural and Urban Agriculture; and
- Trade and Investments

Below we detail the various programme areas.

3.4.6 Tourism Development and Promotion

The tourism programme seeks to encourage communities to participate in the tourism industry. The main objective of the programme is to promote tourism activity, instil pride and a sense of belonging to all citizens of Buffalo City. The programme focuses on various groups such as:

- Community Tourism Associations;
- Youth; and
- Learners

Services Offered

Tourism Development:

- Facilitate community development training;
- Promote pro-poor tourism strategies;
- Facilitate community product development;
- Identify tourism opportunities.

Tourism Support:

- Ongoing tourism related training;
- Assistance with identification of market opportunities;
- Service improvement analysis

Tourism Institutional Arrangements:

- Manage and advise the formation of community tourism associations (“CTA’s”);
- Assist in setting up management structure for CTA’s;

- Coordination of CTA's activities.

Key Performance Indicators

1. A viable tourism industry that is open and friendly to everyone;
2. Diverse tourism products in Buffalo City;
3. Increased hospitality services in Buffalo City;
4. Environmentally friendly and sustainable tourism initiatives.

Strategic Programme Partners

- Border Technikon
- Port Elizabeth Technikon
- Intec
- THETA
- SA Grading Council
- SA Tourism
- Tourism Buffalo City
- Eastern Cape Tourism Board
- Eastern Cape Development Corporation
- Department of Environmental Affairs and Tourism
- South African Breweries
- Development Bank of Southern Africa.

Current Tourism Projects

- Completed community development strategy;
- Ecotourism and a campsite in Sandile, Ncera;
- Kiwane Resorts, a community tourism initiative, Tsholomnqa;
- Tourism Master Plan for Buffalo City;
- Establishment of Buffalo City Development Agency to focus on beachfront development;
- Tourism development center in Mdantsane.

3.4.7 Business Development

Business development or the SME programme is the backbone of local economic development in Buffalo City. The aim of this programme is to enhance economic participation of Buffalo City citizens by helping them access

sustainable business opportunities, training, finance and business development services. The programme will achieve this by networking with other stakeholders to maximize the municipality's contribution and effectiveness to small business development. The programme has a wider target group, such as:

- Small business entrepreneurs;
- Unemployed graduates;
- Retrenched people;
- Disabled people;
- Youth; and
- Youth in conflict with the law.

Services Offered

Entrepreneur advice:

- Assistance with completion of business plans;
- Facilitation of access to training;
- Facilitation of access to finance;
- Assistance with feasibility studies.

Entrepreneur Support:

- Assistance with business registration;
- Assistance with business growth opportunities, e.g. market analysis;
- Advice on business legal requirements;
- Ongoing business advice and counselling;
- Business linkages between small businesses and big businesses.

Key Performance Indicators

1. A growing number of sustainable small businesses;
2. Job creation;
3. Graduation of businesses from small business to medium or larger businesses;
4. Improved business environment;
5. Improved SME infrastructure.

Strategic Programme Partners

- Ntsika
- Khula Enterprises

- Eastern Cape Development Corporation
- Port Elizabeth Regional Manufacturing Advisory Council (“PERMAC”)
- East London Industrial Development Zone (“ELIDZ”)
- Mdantsane Business Service Centre
- Community Enterprise and Business Initiative (“CEBI”)
- COMSEC
- Ludico Agencies
- Industrial Development Corporation (“IDC”)
- Standard Bank
- Daimler Chrysler
- Department of Labour

Current SME Projects

- Completed SME development strategy;
- The Business Place – a youth enterprise center in King William’s Town;
- 1-Stop Shop for small businesses in Mdantsane;
- Duncan Village manufacturing complex;
- Business hives;
- Informal trading policy;
- Local youth business forum.

3.4.8 Rural and Urban Agriculture

This programme aims to improve nutrition and reduce the levels of poverty while increasing agricultural production in Buffalo City. The programme will establish a network of stakeholders involved in agriculture development in which the municipality will act as a strategist to coordinate the functions of the network. The programme focuses on:

- Emerging farmers;
- Land distribution beneficiaries;
- Women;
- Youth

Services Offered

- Project linkages: sectoral linkages, for example a networking forum for crop producers, livestock projects, poultry, markets, abattoirs, etc. Cross-sectoral

linkages will also be promoted i.e. where farmers are introduced to tractor associations and nurseries;

- Capacity building;
- Establishment of cooperatives;
- Tender advice to attract government or business contracts e.g. emerging farmers would be encouraged to supply to universities, retailers, etc.

Key Performance Indicators

1. Sustainable agricultural projects;
2. Chain development of agricultural initiatives;
3. Increased agric production in Buffalo City;
4. Job creation.

Strategic Programme Partners

- University of Fort Hare;
- Fort Cox College of Agriculture;
- Dohne Agricultural Research Institute;
- Department of Agriculture;
- Land Bank;
- Uvimba;
- Department of Social Development;
- Nasoda;
- National Development Agency;
- Eskom.

Current Agric Projects

- Completed agriculture development strategy;
- Agriculture projects in nineteen villages;
- A plan to revitalize a tractor center in Mount Coke;
- Redevelopment of the Poultry Center in Berlin;
- Livestock improvement;
- Establishment of satellite nurseries in Mdantsane, King William's Town and Tsholomnqa.

3.4.9 Trade and Investments

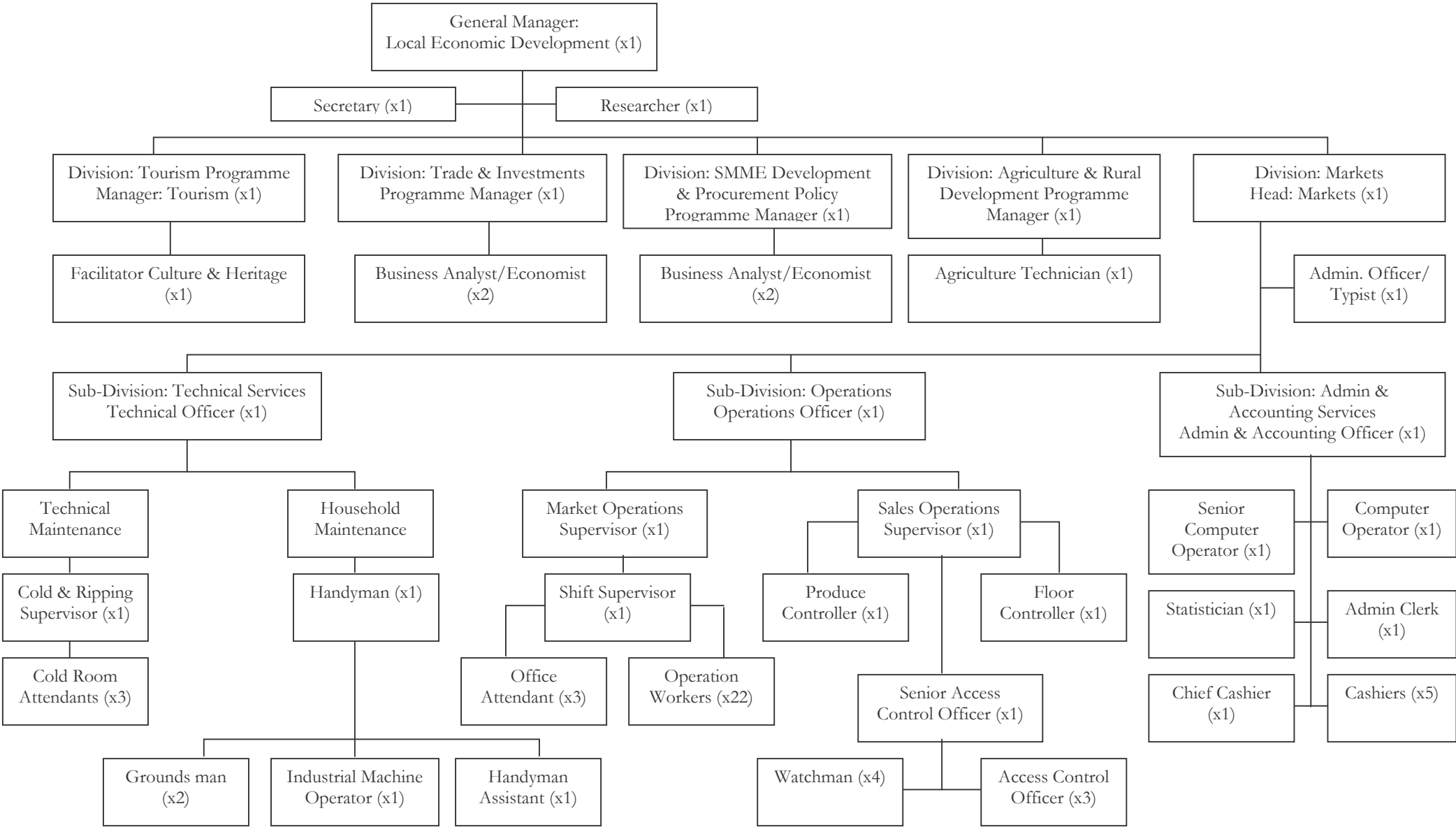
This programme has not been developed yet but the emphasis is on it providing development support to the ELIDZ initiative.

3.4.10 Recommended Institutional Structure

The 2003/2004 review of the Buffalo City Municipal Integrated Development Plan (“**IDP**”) recommends a proposed structure for the LED department and it is indicated in the diagram below.

Buffalo City Tourism Master Plan

Phase 11: Section 3: Existing Institutions



3.5 BUFFALO CITY MUNICIPALITY: OTHER DEPARTMENTS

3.5.1 Introduction

Apart from the LED Department, there are various other departments within the Buffalo City Municipality that have a role to play in the implementation of the Buffalo City Tourism Master Plan. The roles and responsibilities of these departments relates to their regular roles and responsibilities that need to take into account the importance of the Tourism Master Plan.

Below we highlight the structure of the Buffalo City Municipality as well as the relevant roles and responsibilities in regards to the Buffalo City Tourism Master Plan.

3.5.2 Structure

Buffalo City has the following directorates, relevant departments and divisions:

Directorate	Department	Division	
Development Planning	Development Planning	City Planning	
		Land Surveying	
		Land Administration	
		Housing	
		Architecture	
	Transport Planning and Operations	Transport Planning and Operations	Transport Planning
Transport Operations			
Traffic Engineering			
Social Services	Community Services	Integrated Environmental Development	
		Arts and Cultural Services	
		Waste Management Services	
		Amenities	
	Health Services	Health Services	Nursing Services
			Health Support Services
			Environmental Health Services

	Public Safety	Traffic and Law Enforcement
		Fire and Rescue Services
		Disaster Management
Engineering Services	Water and Scientific Services	
	Road and Design	
	Electrical and Mechanical Services	
Finance	Asset and Risk Management	
	Revenue Management	
	Budget and Treasury	
Corporate Services	Human Resources	Personnel and Labour
		Development and Performance Appraisal
	Organisational Support	Auxiliary and Telecommunication Support
		Administrative and Council Support
		Information Management and Technology
	Strategic Support	Mayoral Support Services
		Communications
Special Programmes		
City Manager's Office	IDP, Budget Integration and Performance Management	
	Internal Audit	
	Legal Services	
	Local Economic Development	

3.5.3 Roles and Responsibilities

The roles and responsibilities of other departments of the Buffalo City Municipality in regards to the implementation of the Buffalo City Tourism Master Plan are:

Safety and Security

Various stakeholders have raised the issue of safety and security. In order to attract more tourists to Buffalo City, key tourist attractions and sites such as the main beachfront, Nahoon beach, Marina Glen and others need to be totally safe and secure.

It is recommended that more visible policing be deployed with regular patrols of these areas and enforcement of a “zero tolerance” campaign against vagrants, vandals and prostitutes be implemented.

Responsible entity: Directorate Social Services, Public Safety Department, Traffic and Law Enforcement Division.

Public Amenities

The public amenities at the key tourists attractions mentioned above have been vandalised and are in need of repair. It is recommended that the budget be made available to repair these amenities and service them on a regular basis. By combining this with the regular policing of the areas, we believe vandalism and the ensuing cost of repair would be minimised.

Responsible entity: Directorate Social Services, Community Services Department, Amenities Division.

Refuse Removal

Various stakeholders have commented on the build-up of refuse at key attractions. In particular the Marina Glen site has been highlighted as a key tourist attraction that is not properly serviced. Refuse bins are overflowing at present and it has been reported that refuse removal services do not clear these bins when moving through the area.

It is also suggested that the beaches, as key tourists attractions, be cleared of debris, particularly after heavy rains.

Responsible entity: Directorate Social Services, Community Services Department, Waste Management Services and Amenities Divisions.

Signage

Tourism stakeholders feel that there is insufficient signage to key tourism attractions in Buffalo City and that there is unnecessary delays when tourism products apply for signage to their establishments. It has been suggested that clear guidelines for applications for signage be published and adhered to.

Responsible entity: Directorate Engineering Services, Road and Design Department.

Other Issues

It is recommended that the municipality take cognisance of the tourism development concepts that are being recommended in the Tourism Master Plan. For example, it has been recommended that Tourism Ambassadors be created by formalising the so called “car guards” in Buffalo City. The currently unemployed “car guards” will be trained and provided with standardised clothing to perform the following tasks:

- Safety and security by acting as the eyes and ears of the police and being in contact via either cellphone or other means;
- Provision of tourism information by distributing tourism brochures and assisting with enquiries;
- Cleanliness by being responsible for the maintenance and clean up of their area of operation.

This recommendation is at a concept stage only and input is being gathered from various sources after which the concept will be revised or refined and then packaged by conducting mini-feasibility studies on these projects.

Responsible entity: All Directorates.

Conclusion and Recommendation

It is recommended that the Tourism Master Plan be disseminated to all directorates, departments and divisions of the Buffalo City Municipality. Each appropriate directorate, department and division should then incorporate the recommendations of the Tourism Master Plan in their strategic planning.

It is also recommended that urgent attention be given to the key tourists attractions, namely the main beachfront, Nahoon Beach and Marina Glen.