

DRAFT INTEGRATED
DEVELOPMENT PLAN REVIEW OF
BUFFALO CITY METROPOLITAN
MUNICIPALITY

2020/21

EXECUTIVE SUMMARY



DRAFT

Table of Content

	FOREWORD BY THE EXECUTIVE MAYOR	4
	OVERVIEW BY THE CITY MANAGER	7
1	INTRODUCTION	8
2	STRATEGIC AGENDA	12
3	BCMM IDP RATINGS	20
4	SITUATIONAL ANALYSIS	22
5	SPATIAL DEVELOPMENT FRAMEWORK	23
6	FINANCIAL PLAN	24
7	COMMUNITY AND STAKEHOLDER ISSUES / PRIORITIES RAISED	39
8	PROJECTS BY PROVINCIAL GOVERNMENT	44

Foreword by the Executive Mayor

Fellow Residents of Buffalo City,

The Council of Buffalo City Metro is presenting yet another review of its Integrated Development Plan (IDP 2016 – 2021). We are doing this under challenging times where our lives and our ways of work have been changed by COVID-19 which has been declared a global pandemic by the World Health Organisation (WHO). We have a confidence that humanity will defeat this virus and therefore development planning is very vital even during this period that is characterised by high levels of anxiety and uncertainty.

Collectively we have a city to develop and grow in order to ensure prosperity for us in the immediate and for generations to come. We are therefore presenting an IDP that takes stock of this reality whilst ensuring fidelity to our long-term vision, the Metro Growth and Development Strategy (MGDS), Vision 2030. The MGDS tasks us to build a well-governed, spatially transformed, green, well-connect and productive city. The full implementation of the MGDS through the IDP will lead to the desired levels of policy certainty in our Metro which is a key ingredient for increased investment and economic growth.

We are effectively presenting plans for the last year of the current term of council in office and this will be the last financial year for the current version of the IDP with all the contained priorities. We are confident that we have made substantial progress in the developmental front and this IDP proves that we are now wrapping up the implementation of most of the ward priorities which were agreed-upon during the drafting process of the first iteration of the 2016 – 2021 Integrated Development Plan. Despite the challenges posed by the Corona Virus, we will spend the remainder of this financial year and the entire term accelerating the implementation of these in order to ensure a lasting developmental impact.

Last year the National Treasury published a report titled '**The State of Local Government Finances and Financial Management.**' The report declared Buffalo City Metro as the best performer on capital spending against all municipalities in the country.

This means that we are creating social and economic infrastructure which is necessary to create a conducive life and leverage further development. This therefore confirms that our city has a financial strategy and that there are adequate project preparation and management practices. The aim is to get this towards perfection where all our project preparation and implementation will be smooth and without hindrances.

Through our consistent investment into our electricity infrastructure, we can report that Buffalo City has one of the best performing electrical networks in South Africa. We are continuing to ensure consistent improvements in this regard and since our arrival in office, we have successfully upgraded the electrical infrastructure in most areas of our Metro.

Even international organisations such as the World Bank recognise the efforts that we are making and in its 2018 *Doing Business in Africa Report*, it stated that: "Buffalo City remains the fastest place to obtain an electricity connection in South Africa, taking 76 days - faster than the United Kingdom (79 days) and Kenya (97 days)."

We are also decisively upgrading roads in many residential areas of our Metro and the example of the success of this project can be visibly seen in Mdantsane, Dimbaza and many other townships in Buffalo City Metro. We have purchased our own road construction plant in order to build internal capacity and to consistently maintain our rural roads.

We are decisively attracting technological infrastructure investments that are set to position our City as a key ICT node for Africa in this era of the 4th Industrial Revolution. A truly catalytic investment in this regard is the Indian Ocean Exchange (IOX) Subsea Fibre Optic Cable Project which will see the installation of 8, 850 kilometres access ultra-high-speed cable which will connect Africa and the rest of the world.

We have adopted a number of measures aimed at ensuring that the city is clean, and we believe that communities should be at the centre of the campaign to keep the city clean. As a step of improving our waste management service, we have created two Directorates from the Municipal Services Directorate: one will be responsible for Waste Management and the other for Sports and Recreation. We are continuing to make decisive investments in the Waste Management function through the procurement of a comprehensive waste management fleet and the erection of bins and skips

throughout our Metro. The fight to get and keep the city clean is a worthy one and we are confident that we will win it.

The grim outlook of our economy compounded by the COVID-19 virus will surely affect our revenue collection. This IDP indicates that we will ensure prioritisation and the creation of efficiencies in order to reduce revenue losses and maximise on our collection. We will continue to implement revenue enhancement measures such as installation of smart meters, temper detection and removal, and meter replacement. Our intention is to move to a system where all meters are registered in the billing system and where consumers are billed timeously and accurately for their consumption.

The economic outlook and the Corona Virus will surely lead to the growth of our indigent population. We will ensure reprioritisation so that we are able to properly deliver to the people of Buffalo City Metro despite these circumstances.

We are improving the credibility of our procurement processes as part of ensuring good governance in the city. We have introduced procurement automation in the municipality, and this is to create the necessary efficiency and to improve credibility of process. This IDP shows that we are actively creating systems and internal control measures that will eventually produce an unqualified audit opinion for successive years.

A City Hard at Work



.....Pakati.....

Clr Xola Pakati

Executive Mayor of BCMM

Overview by the City Manager

It gives me great pleasure to present the revised 2020/21 Integrated Development Plan for Buffalo City Metropolitan Municipality. In this Integrated Development Plan, we have reviewed the Buffalo City's strategic plan in line with the demands of the City's socio-economic environment, the needs of our communities as well as the available financial resources. The plan represents a strategic response that will allow the City to respond to its mandate in a sustainable manner. The City has confirmed its five strategic focus areas/pillars, as specified in the Metro Growth and Development Strategy (MGDS). These form the basis and focus for interventions that will be implemented in the remaining term of the current administration. During the technical strategic planning, Mayoral Lekgotla and Council Lekgotla, all the outstanding projects/programmes were identified, and a commitment was made that those will be implemented in the remaining period of the current term.

Our Built Environment Performance Plan (BEPP) remains the driving plan towards realisation of our MGDS vision 2030. A significant focus is placed in bringing real change by implementing some of the catalytic projects contained in the BEPP during the 2020/21 financial year. This will include improving the quality of infrastructure through increased repairs and maintenance of basic infrastructure; provision of new infrastructure, investing in improving the circumstances in informal settlements through using the Integrated Urban Settlement Plan Grant (UISPG).

It remains our intention to ensure that we consistently observe strategic and realistic alignment throughout the MGDS, IDP, Budget and Service Delivery and Budget Implementation Plan (SDBIP). Proper alignment of the abovementioned strategic documents will help in a seamless implementation of the Integrated Development Plan. The catalytic projects contained in the BEPP will not only help in investing in infrastructure, it will also stimulate economic growth and ultimately reduce unemployment.

We intend to deliver all these interventions in a financially sustainable manner. The IDP also contains financial projections that are informed by the need to collect as much revenue from the services we provide to enable the City to meet its infrastructure development and service delivery demands and to provide services to the less privileged in our communities.

The IDP is developed in consultation with our communities and stakeholders. Through the community engagements we were able to gather input from the different stakeholders regarding the type of development programmes which will be implemented by the city during the 2020/2021 IDP process in line with powers and functions as contained in the constitution. We aspire to go beyond merely complying with legislative requirements, to ensuring that the IDP is genuinely informed by communities and stakeholders.

The urgency in bringing real change to our communities cannot be re-emphasised, while at the same time taking note that a lot has been done over the years, but more still needs to be done. I am looking forward to leading the implementation of the 2020/21 IDP supported by a capable team of devoted staff.

Yours faithfully

Andile Sihlahla

City Manager

1

INTRODUCTION

Section 34 of the South African Local Government Municipal Systems Act 32 of 2000 makes provision that

“a municipal council—

(a) must review its integrated development plan—

- (i) annually in accordance with an assessment of its performance measurements in terms of section 4, and*
 - (ii) to the extent that changing circumstances so demand; and*
- (b) may amend its integrated development plan in accordance with a prescribed process.*

In compliance to the above legislative prescript, Buffalo City Metropolitan Municipality (BCMM) has conducted its 2020/21 IDP Review, which is the fourth review of the BCMM's 2016-2021 IDP Cycle.

This document, therefore, sets out the outcomes of the planning process towards the development of the 2020/21 Integrated Development Plan Review. It describes the following:

- The process followed to develop Buffalo City's IDP;
- The key considerations or informants of the IDP;
- The objectives, strategies, key performance indicators and targets that have been developed and aligned to the long-term Metro Growth and Development Strategy adopted by Council.

THE PROCESS FOLLOWED

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, drafting, adoption and review of its integrated development plan.

The Buffalo City Metropolitan Municipality (BCMM) Council adopted its 5-year IDP for its term of office in May 2016. This 2020/21 revised IDP indicates the changes to the adopted IDP and has been reviewed in accordance with Section 34 of the Municipal Systems Act to:

- Ensure its relevance as the municipality's strategic plan;
- Inform other components of the municipal business process including institutional and financial planning and budgeting; and
- Inform the cyclical inter-governmental planning and budgeting cycle.

For the IDP to remain relevant the municipality must assess implementation performance and the achievement of its targets and strategic objectives. In the light of this assessment the IDP is reviewed to reflect the impact of successes as well as corrective measures to address problems. The IDP is also reviewed in the light of changing internal and external circumstances that impact on the priority issues, outcomes and outputs of the IDP.

The purpose of the annual review is therefore to -

- reflect and report on progress made with respect to the strategy in the 5-year IDP;

- make adjustments to the strategy if necessitated by changing internal and external circumstances that impact on the appropriateness of the IDP;
- determine annual targets and activities for the next financial year in line with the 5-year strategy; and
- inform the municipality's financial and institutional planning and most importantly, the drafting of the budget.

In compliance with the legislative requirements Buffalo City Metropolitan Municipality undertook the following activities in line with the IDP/Budget/PMS Process Plan towards the 2020/21 financial year:

IDP/BUDGET/PMS PROCESS FOLLOWED		PURPOSE	DATES ACHIEVED
NO	ACTIVITY / TASK		
PREPARATION PHASE			
1.	Top Management	Considered and recommended the 2019/2020 Capital Roll-Over Adjustment Budget & the 2018/2019 Fourth Adjustment budget	5 August 2019
2.	Budget Steering Committee	<ul style="list-style-type: none"> ▪ Recommended that IDP/Budget/PMS Process Plan and IDP/Budget/PMS Time Schedule (at least 10 months before the start of the budget year) be approved by Council ▪ Considered 2019/2020 Capital Roll-Over Budget (to be tabled before 25 August 2019) & the 2018/2019 Fourth Adjustment budget 	13 August 2019
3.	IDP/OPMS Portfolio Committee	Portfolio Committee recommended that IDP/Budget/PMS Process Plan and IDP/Budget/PMS Time Schedule (at least 10 months before the start of the budget year) be approved by Council	1 August 2019
4.	External IDP/Budget Representative Forum	Stakeholders engaged on the Draft IDP/Budget/PMS Process Plan and Time Schedule	21/08/2019
5.	Top Management Technical Planning Session	Top Management reflected on progress made with implementation of strategic priorities during preceding financial years and reviewed strategic priorities for Council's consideration through Mayoral Lekgotla and Councillors and Traditional Leaders' Lekgotla	11-13/09/2019
6.	Council	<ul style="list-style-type: none"> ▪ Approved IDP/Budget/PMS Process Plan and IDP/Budget/PMS Time Schedule (at least 10 months before the start of the budget year) ▪ Approved the 2019/2020 Capital Roll-Over Budget (to be tabled before 25 August 2019) and the 2018/2019 Fourth Adjustment budget 	23 August 2019
7.	Alignment of planned BCMM Catalytic Programmes with Grant funds, Provincial Infrastructure Plans within BCMM and initiatives of State-Owned Enterprises.	Submitted all BCMM Catalytic Programmes to Provincial Treasury for alignment with the Provincial budgeting processes.	15 August 2019
PHASE 1: INSTITUTIONAL, COMMUNITY AND STAKEHOLDER ANALYSIS			
8.	IDP/Budget Workstream meetings	<ul style="list-style-type: none"> ▪ Conducted SITUATIONAL ANALYSIS which will guide strategic priorities for the 2020/2021 financial year ▪ Reflected on the progress made with key priorities since the adoption of the MGDS ▪ Discussed key considerations for strategic priority choices towards implementing MGDS and the IDP ▪ Did initial identification of possible Programmes, Projects and Key initiatives 	6 September 2019

IDP/BUDGET/PMS PROCESS FOLLOWED		PURPOSE	DATES ACHIEVED
NO	ACTIVITY / TASK		
9.	Community Needs Analysis	Ward Councillors reviewed current ward priorities and ward plans	09/09/2019 - 27/09/2019
PHASE 2: STRATEGIES			
10.	Executive Mayoral Imbizo	Executive Mayor and Council interacted with ward communities to listen to needs and concerns; and provide feedback on approved programmes and projects for 2019/2020	2 October 2019 – Inland Region (King William’s Town) 3 October 2019 – Midland Region (Mdantsane) 4 October 2019 – Urban Coastal Region 5 October 2019 – Coastal Rural Region
11.	BCMM Technical IGR Forum -	<ul style="list-style-type: none"> ▪ Deliberated on BCMM situational analysis and reflected on the submission of priority requests to Provincial Government State-owned Enterprises, including BEPP requests ▪ Presented IGR transversal issues and feedback to be presented to Mayoral Imbizos throughout BCMM 	20 September 2019
12.	Executive Mayoral Lekgotla	Mayoral Committee reviewed strategic objectives for service delivery and development	24-25 October 2019
13.	IGR Catalytic Programme	Submission of priority requests to provincial sector departments and State-owned Enterprises, including Built Environment Performance Plan (BEPP) requests	9 November 2019
14.	IDP Technical Workstream meetings	Workstreams prepared action plans to Mayoral Lekgotla priorities identified for submission to Council Lekgotla	21 November 2019
15.	Council Lekgotla on outcomes of the Mayoral Lekgotla	Council reflected on their desired key outcomes over the remainder of its 5-year term based on its deep understanding of current and emerging City trends and realities	28 November 2019
16.	Council Budget Workshop	Council deliberated on the 2018/2019 Fourth Adjustment Budget and 2019/2020 First Adjustment Budget	16 August 2019
17.	Budget Workshops with all directorates	<ul style="list-style-type: none"> ▪ Considered strategic IDP priorities and community needs for budgeting purpose; ▪ Prepared submissions for Mid-year adjustment budget; and ▪ Identified service delivery target amendments in accordance with budget adjustments 	18 to 22 November 2019
PHASE 3: PROGRAMMES AND PROJECTS (Identifying, prioritising, costing programmes and projects)			
18.	SDBIP Revision Sessions	Reviewed Key Performance Indicators and Targets contained in the SDBIP and IDP	06/01/2020 - 28/02/2020
19.	Council Meeting	Council considered 2018/2019 Draft Annual Report before advertising it for public comment	29 January 2020
20.	Council Workshop	Council deliberated on the 2019/2020 Mid-year Adjustments Budget	17 February 2020
21.	Council Meeting	Council considered and adopted 2019/2020 Mid-year Adjustments Budget	26 February 2020
PHASE 4: INTEGRATION			
22.	BCMM Technical IGR Forum	Provincial Sector Departments and State-owned Enterprises informed BCMM of provincial budgetary allocations	21 February 2020

IDP/BUDGET/PMS PROCESS FOLLOWED		PURPOSE	DATES ACHIEVED
NO	ACTIVITY / TASK		
23.	National Treasury Mid-year Budget and Performance Assessment Review	National Treasury conducted a mid-year assessment of the municipality in preparation for the adjustment budget in terms of section of MFMA.	13 February 2020
PHASE 5: APPROVAL			
24.	Budget Steering Committee	Considered 2019/2020 Mid-year Adjustments Budget (to be tabled before 28 February 2020)	31 January 2020
25.	Council Workshop	Council deliberated on the 2019/2020 Mid-year Adjustments Budget	17 February 2020
26.	Top Management	Considered Draft (Revised) 2020/2021 IDP and 2020/2023 MTREF	16 March 2020
27.	Budget Steering Committee	Considered Draft (Revised) 2020/2021 IDP and 2020/2023 MTREF	20 March 2020
28.	Budget Steering Committee, IDP/OPMS Portfolio Committee and Finance Committee meetings	Considered Draft (Revised) 2020/2021 IDP and 2020/2023 MTREF	15 May 2020
29.	Councillors and Traditional Leaders' Workshop	<ul style="list-style-type: none"> ▪ Deliberated on the 2020/2021 Draft IDP, Draft 2020/2021 MTREF Budget, Draft BEPP and draft policies. 	4 June 2020
30.	Council Meeting	<ul style="list-style-type: none"> ▪ To approve the 2020/2021 Draft IDP, Draft 2020/2021 MTREF Budget, Draft BEPP and draft policies (at least 90 days before the start of the budget year) ▪ To consider the proposed budget of the entity and assess the entity's (BCMDA) priorities and objectives and make recommendations 	12 June 2020

Table 1: IDP/Budget/PMS Process followed



STRATEGIC AGENDA

BCMM Vision Statement

Buffalo City Metropolitan municipality is guided by the following long-term vision:

“Buffalo City: well-governed, connected, green and innovative.”

- We are a city that re-invented itself from a divided and fragmented past.
- We are a successful, prosperous and dynamic modern city: enterprising, green, connected, spatially integrated and well-governed.
- We are proud of our beautiful coastal city, capital of the Eastern Cape Province, home of a globally competitive auto industry with excellent educational and medical facilities.

Mission Statement

Buffalo City Metropolitan Municipality is a city that:

- Promotes a culture of good governance;
- Provides effective and efficient municipal services;
- Invests in the development and retention of human capital to service the City and its community;
- Promotes social and equitable economic development;
- Ensures municipal sustainability and financial viability;
- Creates a safe and healthy environment; and
- Places Batho Pele at the centre of Service Delivery.

Core Values

We are a city that espouses the following values:

- Good governance
- Fairness and equity
- Recognition of human capital
- Professionalism
- Service excellence
- Respect for cultural diversity
- Innovation
- Unity of purpose
- Ubuntu
- Financial Self-sufficiency

Strategic Outcomes

Buffalo City Metropolitan Municipality strives to realise the following 5 strategic outcomes by the year 2030:

- Strategic Outcome 1:** An innovative and productive city: with rapid and inclusive economic growth, and a decline in unemployment
- Strategic Outcome 2:** A green city: environmentally sustainable with optimal benefits from our natural assets. A clean and healthy city of subtropical gardens.
- Strategic Outcome 3:** A connected city: high-quality (and competitively priced) connections to ICT, electricity and transport networks (inside the city and to the outside world).
- Strategic Outcome 4:** A spatially transformed city: progressively overcome apartheid spatial divisions and fragmentation with township economies becoming more productive.
- Strategic Outcome 5:** A well-governed city: a smart and responsive municipality (working with other levels of government) that plans and efficiently delivers high quality services and cost-effective infrastructure, without maladministration and political disruptions.

Council 10 Point Plan (2016-2021)

The following 10 priorities (10 Point Plan) will help Council to translate their electoral mandate into the organisational structure of the City and in the IDP. These priorities provide strategic guidance on the focused projects, programmes and key initiatives that need to be undertaken in order to give effect to the electoral mandate to which Council committed at the start of their term.

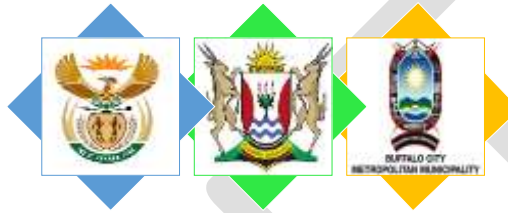


Figure 1: Council's Ten-Point Plan

Mayoral Lekgotla Priorities 2019

Whilst Council remains focused on the Ten-Point Plan as a strategic directive for its term of office, the Executive Mayoral Lekgotla (held on 24-25 October 2019), followed by the Council and Traditional Leaders' Lekgotla (held on 28 November 2019) further identified strategic priorities and action plans that will propel the city towards its strategic objectives for the medium to long-term.

These Mayoral Lekgotla Priorities, arranged in accordance with the BCMM Metro Growth and Development Strategy (MGDS) and Integrated Development Plan, are aligned with the National and Provincial Policy Directives through the Medium-Term Strategic Framework (MTSF) 2019/2024 and Provincial Development Plan (PDP) 2030 as follows:



MTSF 2019/2024	PDP 2030	BCMM Mayoral Lekgotla 2019
Priority 2: Economic Transformation and Job Creation	Goal 1: Innovative, inclusive and growing economy	MGDS Strategic Outcome 1: An innovative and productive city: <ul style="list-style-type: none"> ▪ Priority 1 – Investment ▪ Priority 2 – Enterprise development ▪ Priority 3 – Continuous engagement with business
Priority 6: Social Cohesion and Safe Communities	Goal 3: An innovative and high value agriculture and rural sector	MGDS Strategic Outcome 1: An innovative and productive city: <ul style="list-style-type: none"> ▪ Priority 4 – Urban and Rural Safety
Priority 5: Spatial Integration, Human Settlements and Local Government	Goal 5: Environmental Sustainability	MGDS Strategic Outcome 2: A Green City: <ul style="list-style-type: none"> ▪ Priority 1 – Waste Management ▪ Priority 2 – Climate Change
Priority 5: Spatial Integration, Human Settlements and Local Government	Goal 2: An enabling infrastructure network	MGDS Strategic Outcome 3: A Connected City: <ul style="list-style-type: none"> ▪ Priority 1 – Sustainable energy resourcing ▪ Priority 2 – Eskom agreement revisited ▪ Priority 3 – Amatole Water agreement revisited ▪ Priority 4 – Use and maintenance of infrastructure ▪ Priority 5 – Drought climate change resilience

MTSF 2019/2024	PDP 2030	BCMM Mayoral Lekgotla 2019
<p>Priority 5: Spatial Integration, Human Settlements and Local Government</p>	<p>Goal 2: An enabling infrastructure network</p>	<p>MGDS Strategic Outcome 4: A Spatially Transformed City:</p> <ul style="list-style-type: none"> ▪ Priority 1 – All future land developments are planned ▪ Priority 2 – Integrated Human Settlements ▪ Priority 3 – Approval of building plans expedited ▪ Priority 4 – Built Environment Performance Plan ▪ Priority 5 – Municipal Property Asset Register ▪ Priority 6 – BCMM rental leases
<p>Priority 1: A Capable, Ethical and Developmental State</p>	<p>Goal 6: Capable democratic institutions</p>	<p>MGDS Strategic Outcome 5: A Well governed City:</p> <ul style="list-style-type: none"> ▪ Priority 1 – Service Delivery Account (2016-2021) ▪ Priority 2 – Revenue Management ▪ Priority 3 – Automation of SCM ▪ Priority 4 – Sewer Diversion Tunnel Funding ▪ Priority 5 – Improve risk management culture ▪ Priority 6 – Implementation of fraud prevention plan ▪ Priority 7 – Limited capacity of MGDS Unit ▪ Priority 8 – Five-year review of MGDS ▪ Priority 9 – Lack or reporting from Ward Councillors ▪ Priority 10 – Low Collection Rate ▪ Priority 11 – Indigent Management System ▪ Priority 12 – Operating deficits ▪ Priority 13 – Productivity of the work force

Table 2: Mayoral Lekgotla Priorities 2019

Strategic Alignment Matrix

Strategic Alignment Matrix

The Strategic Framework expressed in this IDP is the primary informant of the BCMM Five-year Performance Scorecard, Multi-year Budget, Annual Service Delivery and Budget Implementation Plan and Performance Agreements of Senior Managers. The setting of key performance indicators and targets against which the performance of the municipality and its senior management and leadership are measured derive its mandate from this IDP.

The BCMM Strategic Framework comprises of the following elements:

STRATEGIC OUTCOMES	STRATEGIC OBJECTIVE	TEN POINT PLAN	KEY FOCUS AREA
STRATEGIC OUTCOME 1 (SO1): An innovative and Productive City	To enhance the Quality of Life of the BCMM community <i>with rapid and inclusive economic growth and falling unemployment</i>	TPP 1: ECONOMIC DEVELOPMENT	KFA 1: Enterprise Development
		TPP 1: ECONOMIC DEVELOPMENT	KFA 2: Trade and Investment Promotion
		TPP 10: INSTITUTIONAL	KFA 3: Innovation and Knowledge Management
		TPP 1: ECONOMIC DEVELOPMENT	KFA 4: Tourism & Marketing
		TPP 1: ECONOMIC DEVELOPMENT	KFA 5: Job Readiness & Training (External)
		TPP 2: AGRICULTURE / RURAL DEVELOPMENT	KFA 6: Rural Development & Agrarian Reform
		TPP 1: ECONOMIC DEVELOPMENT	KFA 7: Arts, Culture and Heritage Resource Management
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 8: Sport Development (Programmes)
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 9: Sport and Recreation Facilities
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 10: Libraries and Halls
		TPP 5: SAFETY	KFA 11: Emergency and Disaster Management
		TPP 5: SAFETY	KFA 12: Traffic Management
STRATEGIC OUTCOME 2 (SO2): A green city	To promote an environmental sustainable city <i>with optimal benefits from our natural assets.</i>	TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 13: Environmental Management and Climate Change
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 14: Air quality
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 15: Parks and Open Spaces
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 16: Vegetation Control and Biodiversity
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 17: Municipal and Environmental Health
		TPP 8: WASTE ECONOMY	KFA 18: Solid Waste Management
STRATEGIC OUTCOME 3 (SO3): A connected city	To maintain a world class logistics network	TPP 3: INFRASTRUCTURE	KFA 19: Roads and Storm water Infrastructure
		TPP 9: ICT	KFA 20. ICT
		TPP 3: INFRASTRUCTURE	KFA 21: Transport Planning and Operations
		TPP 3: INFRASTRUCTURE	KFA 22: Energy Supply Efficiency

STRATEGIC OUTCOMES	STRATEGIC OBJECTIVE	TEN POINT PLAN	KEY FOCUS AREA
STRATEGIC OUTCOME 4 (SO4): A Spatially Transformed city	To develop and maintain world class infrastructure and utilities	TPP 3: INFRASTRUCTURE	KFA 23: Water and waste water
		TPP 7: LAND	KFA 24: Spatial and Urban Planning
		TPP 6: HOUSING	KFA 25: Sustainable Human Settlements
		TPP 6: HOUSING	KFA 26: Built Environment Management
		TPP 3: INFRASTRUCTURE	KFA 27: Urban, Rural and Township Regeneration
		TPP 3: INFRASTRUCTURE	KFA 28: Property Management and Land Use
		TPP 7: LAND	KFA 29: Cemeteries and Crematoria
STRATEGIC OUTCOME 5 (SO5): A well-governed city	Promote sound financial and administrative capabilities	TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 30: Governance Structures
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 31: Risk Management
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 32: Stakeholder Participation & Customer Relations
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 33: Policies and By-Laws
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 34: Intergovernmental Relations (IGR) and International Relations (IR)
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 35: Communications (Internal and External)
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 36: Corporate Marketing (Branding)
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 37: Revenue Management
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 38: Expenditure and Supply Chain Management
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 39: Budget and Treasury
		TPP 4: O&M	KFA 40: Corporate Asset Management
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 41: Human Capital and Skills Development
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 42: Gender, Elderly, Youth and Disabled (Vulnerable Groups)
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 43: Performance Management and Monitoring and Evaluation
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 44: Fleet Management
		TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 45: Employee Performance Management
TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 46: Human Resources Management		
TPP 10: INSTITUTIONAL SERVICE DELIVERY & OM	KFA 47: Internal Audit		

Table 3: Strategic Alignment Matrix

ALIGNMENT WITH NATIONAL AND PROVINCIAL STRATEGIC IMPERATIVES

Buffalo City Metropolitan Municipality has made an effort to ensure horizontal alignment with provincial and national plans when developing the long-term Metro Growth and Development Strategy and the Integrated Development Plan. Alignment can be demonstrated as follows:

BCMM Strategic Outcomes	12 National Outcomes	Provincial Development Plan (EC Vision 2030)	National Development Plan	Sustainable Development Goals	National 10 Point Plan
An Innovative and Productive City	<ul style="list-style-type: none"> Decent employment through inclusive economic growth. A skilled and capable workforce to support inclusive growth. An efficient, competitive and responsive economic infrastructure network. 	<ul style="list-style-type: none"> A growing, inclusive and equitable economy. Vibrant and equitably enabled communities. 	<ul style="list-style-type: none"> Unemployment rate should fall from 27% in 2011 to 14% by 2020 and to 6% by 2030. Total employment should rise from 13 million to 24 million. 	<ul style="list-style-type: none"> Ensure access to affordable, reliable, sustainable economic growth, full and productive employment and decent work for all. 	<ul style="list-style-type: none"> Unlocking the potential of SMMEs, cooperatives, township and rural enterprises. Operation Phakisa aimed growing the ocean economy and other sectors. Encouraging private sector investment.
A Green City	<ul style="list-style-type: none"> Protection and enhancement of environmental assets and natural resources. 	<ul style="list-style-type: none"> A growing, inclusive and equitable economy. 	<ul style="list-style-type: none"> Achieve the peak, plateau and decline trajectory for greenhouse gas emissions, with the peak being achieved around 2025. By 2030, an economy-wide carbon price should be entrenched. 	<ul style="list-style-type: none"> Take urgent action to combat climate change and its impacts. 	<ul style="list-style-type: none"> Resolving the energy challenge. Revitalizing agriculture and the agro-processing value chain.
A Well-Governed City	<ul style="list-style-type: none"> Improve the quality of basic education. 	<ul style="list-style-type: none"> An educated, empowered, and innovative citizenry. 	<ul style="list-style-type: none"> All children should have at least two years of pre-school education. This implies about 2 million places. 	<ul style="list-style-type: none"> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. 	<ul style="list-style-type: none"> N/A

BCMM Strategic Outcomes	12 National Outcomes	Provincial Development Plan (EC Vision 2030)	National Development Plan	Sustainable Development Goals	National 10 Point Plan
			<ul style="list-style-type: none"> About 80% of schools and learners achieve 50% and above in literacy, mathematics and science in grades 3, 6, 9. At least 80% of students should complete 12 years of schooling. 		
A Well-Governed City	<ul style="list-style-type: none"> A development-orientated public service and inclusive citizenship. 	<ul style="list-style-type: none"> An educated, empowered and innovative citizenry. 	<ul style="list-style-type: none"> A capable and effective state, able to enhance economic opportunities, support the development of capabilities and intervene to ensure a rising floor of social rights for the poor. 	<ul style="list-style-type: none"> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. 	<ul style="list-style-type: none"> Moderating workplace conflict.
A Spatially Transformed City	<ul style="list-style-type: none"> Improve health and life expectancy. 	<ul style="list-style-type: none"> A healthy population. 	<ul style="list-style-type: none"> By 2030, life expectancy should reach at least 70 for both men and women Infant mortality rate should decline from 43 to 20 per 1000 live births and the under-five mortality rate should be less than 30 per 1000, from 104 today. 	<ul style="list-style-type: none"> Ensure healthy lives and promote well-being for all at all ages 	<ul style="list-style-type: none"> N/A

BCMM Strategic Outcomes	12 National Outcomes	Provincial Development Plan (EC Vision 2030)	National Development Plan	Sustainable Development Goals	National 10 Point Plan
A Spatially Transformed City	<ul style="list-style-type: none"> Sustainable human settlements and improved quality of household life. 	<ul style="list-style-type: none"> Vibrant and equitably enabled communities (Universal access to social infrastructure). 	<ul style="list-style-type: none"> The proportion of people with access to electricity should rise from 70% in 2010 to 95% by 2030, with no grid options available for the rest. Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry. 	<ul style="list-style-type: none"> Ensure availability and sustainable management of water and sanitation for all. 	<ul style="list-style-type: none"> State reform and boosting the role of state owned companies, ICT infrastructure or broadband roll out, water, sanitation and transport infrastructure.

Table 4: Alignment of Strategic Imperatives

DRAFT

3 BCMM IDP RATINGS

Section 31 of the Local Government Municipal Systems Act stipulates that the MEC for Local Government in the province may, subject to any other law regulating provincial supervision of local government, assist municipalities with the planning, drafting, adoption and review of its integrated development plans. All municipalities within the province must annually submit their IDPs for assessment by the Provincial Department of Co-operative Governance and Traditional Affairs (EC-COGTA) to promote the crafting of credible IDPs.

The overall findings on the Final IDP 2019/20 of the Buffalo City Metropolitan Municipality can be summarized as follows:

- The municipality has tabled, adopted and submitted its 2019/2020 Reviewed Integrated Development Plan for assessment which the EC-COGTA has undertaken during the week of 29 July – 02 August 2019;
- The municipality has adopted and submitted the Council approved process plan; and
- The municipality has conformed to the core components of an IDP as prescribed by section 26 of the Municipal Systems Act (MSA).

An objective overall rating per Key Performance Area, ranging from low, medium to high as illustrated below, was assigned:

Score / Rating	Performance Description	Action Required
Low	Poor	Immediate and intensive intervention
Medium	Satisfactory	Minimum support required
High	Good	Benchmarking

The comparative ratings with the recent 2018/19 IDP assessment ratings for BCMM are shown as follows:

KPA	Rating 2017/2022 IDP	Rating 2018/2019 Revised IDP	Rating 2019/2020 Revised IDP
Spatial Planning, Land, Human Settlement and Environmental Management	HIGH	HIGH	HIGH
Basic Service Delivery	MEDIUM	MEDIUM	HIGH
Financial Planning and Budgets	HIGH	HIGH	HIGH
Local Economic Development	HIGH	HIGH	HIGH
Good Governance & Public Participation	HIGH	HIGH	HIGH
Institutional Arrangements	MEDIUM	MEDIUM	MEDIUM
Overall Rating	HIGH	HIGH	HIGH



Table 5: IDP Assessment Ratings 2017/18, 2018/19, 2019/20

Overall, the MEC for Co-operative Governance and Traditional Affairs (EC-COGTA) stated that BCMM has scored an overall **HIGH** rating.

4

SITUATIONAL ANALYSIS

BUFFALO CITY METROPOLITAN MUNICIPALITY PROFILE

DEMOGRAPHICS	
 POPULATION 884 000	 HOUSEHOLDS 264 000






EDUCATION			
	MATRIC ONLY 166,000		
	MATRIC CERTIFICATE / DIPLOMA 48,900		
	MATRIC BACHELORS DEGREE 31,700		
	MATRIC POSTGRAD DEGREE 13,200		
HUMAN DEVELOPMENT INDEX (HDI)		POVERTY	
BCMM	EASTERN CAPE	NATIONAL	2008 65,58 %
0.67	0.6	0.658	2018 55,62 %
GINI CO-EFFICIENT			 <p>The percentage of people living in poverty has decreased from 65.58% in 2008 to 55.62% in 2018, which indicates a decrease of 9.96 percentage points.</p>
BCMM	EASTERN CAPE	NATIONAL	
0.635	0.623	0.629	
HEALTH			
HIV/AIDS 128 000			
<p>In 2018, 128 000 people in the Buffalo City Metropolitan Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.69% since 2008, and in 2018 represented 14.46% of the metropolitan municipality's total population.</p>			
			
CRIME			
CRIME 2008/2009 162.70 2018/2019 121.40		 <p>For the period 2008/2009 to 2018/2019 overall crime has decreased at an average annual rate of 2.89% within the Buffalo City Metropolitan Municipality. Violent crime decreased by 3.05% since 2008/2009, while property crimes decreased by 1.98% between the 2008/2009 and 2018/2019 financial years.</p>	
ECONOMY			
BCMM GDP 2018		R 78.9 Billion	
CONTRIBUTION TO EASTERN CAPE GDP 2018		20.95%	
CONTRIBUTION TO NATIONAL GDP 2018		1.44%	
			

Table 6: BCMM Profile Infographic – 2018

5

SPATIAL DEVELOPMENT FRAMEWORK

INTRODUCTION

The Buffalo City Municipality compiled its 1st Generation **Spatial Development Framework** (SDF) in 2003 to support the development vision, objectives and strategies identified in the Buffalo City Municipality's Integrated Development Plan (IDP). This was subsequently reviewed in 2005.

In terms of Section 26(e) of the Municipal Systems Act (Act No. 32 of 2000), the Spatial Development Framework is a legally required component of the Municipality's IDP and, furthermore, has the status of a Statutory Plan. As such, the SDF serves to guide and inform all decisions made by the Municipal Council on spatial development and land use management in the area to which it applies.

In 2011, the Municipality was upgraded to a Category A Metropolitan Municipality and, having successfully pursued a series of more detailed Local SDFs over the period 2004 to 2012 to add detail and direction to the original 2003 SDF, it resolved to undertake a comprehensive review of the Buffalo City SDF in 2012/2013. The Review that was undertaken was a 10-year review and was designed to update the existing SDF and align it with the latest legal and policy directives of the state as well as incorporate the findings of the Local SDFs completed, to date. The BCMM SDF was approved by Council in December 2013. In addition, BCMM is currently involved in a process of reviewing its SDF which was adopted in 2013 and with the development of the Settlers Way Local Spatial Development Framework (LSDF).

THE FUNCTION OF THE BUFFALO CITY SPATIAL DEVELOPMENT FRAMEWORK

Following the direction of the White Paper on Wise Land Use: Spatial Planning and Land Use Management (Department of Land Affairs, 2001), the revised SDF is intended to: -

- *Be the spatial image of the IDP*
- *Be a strategic, indicative and flexible forward planning tool, to guide decisions on land development*
- *Develop a set of policies and principles and an approach for the management of spatial development*
- *Must be clear enough to guide decision-makers in dealing with land development applications*
- *Provide a clear and logical framework for spatial development by:*
 - *Providing an indication of where the public sector would support certain forms of development and where state investment is likely to be targeted in the short to medium term*
 - *Provide a clear spatial logic that would facilitate private sector decisions on investment in the built environment*
- *Facilitate the social, economic and environmental sustainability of the area*
- *In the rural context provide a framework for dealing with key issues such as:*
 - *natural resource management;*
 - *land reform;*
 - *subdivision of rural land; and*
 - *the conservation of prime and unique agricultural land*

6

FINANCIAL PLAN

INTRODUCTION

The financial plan has been reviewed in line with historic performance trends and noting the local government regulatory framework as a guide and used to confirm budget indicatives. The funding model still relies heavily on revenue generated from trading services through tariffs supported by grants and loans for its funding requirements.

In ensuring that Buffalo City Metropolitan Municipality (BCMM) achieves a funded, credible and sustainable budget, consideration of budget trade-offs has to be undertaken guided by the following financial strategies:

- a) Long term financial planning that responds to strategic objectives and financial sustainability
- b) Revenue optimisation
- c) Operational expenditure optimisation
- d) Capital budget and funding mix
- e) Financial sustainability and asset management

LONG TERM FINANCIAL PLANNING THAT RESPONDS TO STRATEGIC OBJECTIVES AND FINANCIAL SUSTAINABILITY

The 2020/21 Consolidated MTREF budget of BCMM is informed by the City's strategic objectives, which are:

- a) Integrated Development Plan (IDP),
- b) Metro Growth Development Strategy 2030 (MGDS),
- c) the Spatial Development Framework (SDF) and
- d) Built Environment Performance Plan (BEPP).

The City continues to ensure that surplus budgets are prepared beyond the MTREF period to fund both existing infrastructure replacement as well as new infrastructure expansion. The asset management plans are also informing the asset renewal programme that is funded through capital budget. The City is also striving to have a good balance between social and economic infrastructure investment.

The institution has historically undertaken capital projects with the view of expansion of the City. It is however recognised that capital expansion cannot occur indefinitely without corresponding economic growth or else the cost of replacement of infrastructure through the depreciation will impact the operational budget which will outweigh the affordability of the local economy. It is with this in mind that there needs to be strategic shift of focus towards creating infrastructure with the express purpose of job creation and creating an environment which is conducive to private sector investment in certain key industry points. More information is provided on the financial strategy under section 3 below.

REVENUE OPTIMISATION

The City's revenue strategy is built around the following key components:

- i. Efficient revenue management, which aims to ensure not less than 90.5% annual collection rate over the medium term for property rates and other key service charges.
- ii. Achievement of full cost recovery of specific user charges especially in relation to trading services.
- iii. The City is striving to ensure that all its trading services are financially self-sustainable.
- iv. Implementation of an automated billing system as opposed to a manual meter reading process.
- v. Creating a conducive environment to attract potential investors.
- vi. Review of the Spatial Development Framework to allow for human capital resources to be closer to economic and job opportunities.

OPERATIONAL EXPENDITURE OPTIMISATION

The City's expenditure strategy is built around the following key components:

- i. Re-prioritisation of expenditure to ensure any inefficiencies are eliminated in an effort to contain costs.
- ii. Review of organogram, governance structure and service delivery model in line with the City's objective and funding affordability.
- iii. The exercise of scrutinising cost drivers within our value chain to identify areas for efficiency improvement is still on-going.
- iv. Funding of own funded operating projects is depressed, encouraging in-house implementation of projects through normal operating budget.

CAPITAL BUDGET AND FUNDING MIX

The City's expenditure strategy is built around the following key components:

- i. The funding mix of the capital budget must be optimised.
- ii. Invest in grant funding on eradication of backlogs and social infrastructure.
- iii. Invest internally generated funds mainly on renewal of existing assets.
- iv. Invest borrowed funds mainly on economic infrastructure that will have returns on investments.

FINANCIAL SUSTAINABILITY AND ASSET MANAGEMENT

- i. It is therefore imperative that there are proper Asset Management Plans that inform capital investment, asset renewal programme and asset maintenance programme.
- ii. Alignment of funding method with asset types.
- iii. Use of asset values to determine the future capital requirements to maintain the service level standards whilst taking cognisance of growth needs.
- iv. Use of infrastructure assets to stimulate growth.

ECONOMIC OUTLOOK

- South Africa was downgraded by both Moody's and Fitch
- The economic outlook is weak – the economy is not at the desired growth levels.
- Lower economic growth, increased support to state-owned companies and a downward revision to nominal GDP have resulted in an increase in the country's budget deficit.
- The public finances continue to deteriorate. Debt is not projected to stabilise over the medium term, and debt-service costs now absorb 15.2 per cent of main budget revenue.
- Achieving faster economic growth requires far-reaching structural reforms.
- Eastern Cape economy remains anchored on the automotive sector - main contributor to employment.
- Other key sectors that contribute to Eastern Cape economy are manufacturing, construction and transport.
- Concerned by negative year on year jobs output of the agricultural sector.

IMPLICATIONS OF COVID-19 ON THE ECONOMY

- Major disruptions in global supply chains
- Major contraction in commodities demand (very significant for SA which is a major commodity exporter - 53% of exports)
- Massive portfolio outflows from emerging markets (worsened by ratings downgrade)
- Huge contraction in consumption demand (lockdown, retrenchments and deferred purchase decisions)
- Massive contraction in fixed investment (reduced liquidity, low business confidence, onshoring)
- Reduction of some conditional grants to local government will be reduced substantially as part of the reprioritisations
- Municipalities are impacted negatively due to a loss of revenue streams as businesses, households and communities reel from the economic fallout caused by COVID-19

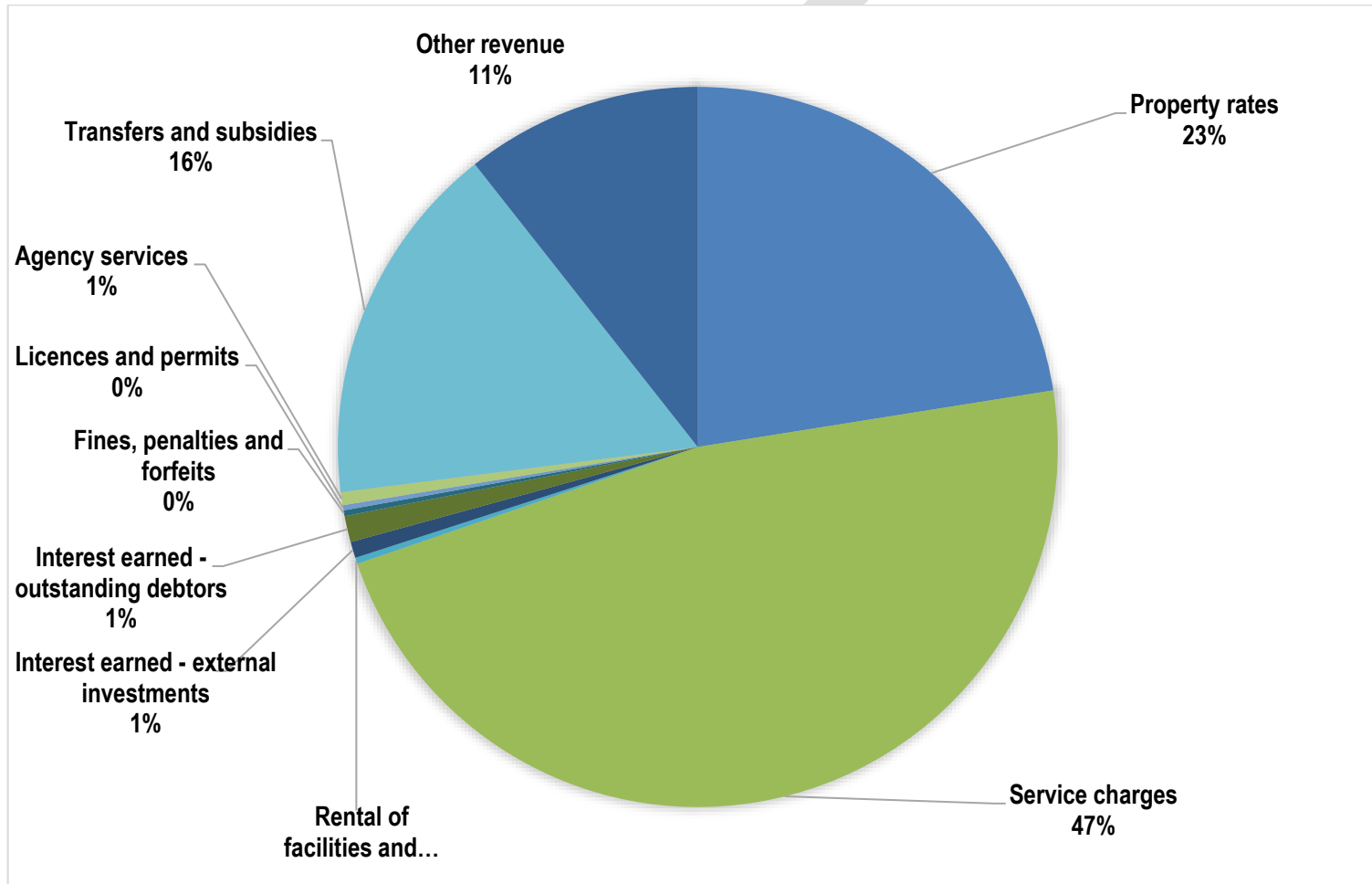
BCMM BUDGET – CONSOLIDATED OVERVIEW

OPERATING AND CAPITAL BUDGET EXPENDITURE	2020/2021	2021/2022	2022/2023
	DRAFT	DRAFT	DRAFT
	BUDGET	BUDGET	BUDGET
Total Revenue	(7.505.430.790)	(8.092.588.818)	(8.675.381.682)
Total Operating Expenditure Including Operating Projects	7.504.831.814	8.090.613.780	8.674.590.195
<u>(Surplus) / Deficit</u>	(598.976)	(1.975.038)	(791.487)
<u>Total Capital Expenditure</u>	1.582.878.326	1.609.654.068	1.331.445.492
Total Opex and Capex Budget	9.087.710.140	9.700.267.848	10.006.035.687

DRAFT 2020/21 MTREF OPERATIONAL REVENUE TABLED BUDGET

REVENUE BUDGET FRAMEWORK	2020/2021	2021/2022	2022/2023
	DRAFT	DRAFT	DRAFT
	BUDGET	BUDGET	BUDGET
Revenue By Source			
Property rates	1.687.667.431	1.822.680.825	1.950.268.483
Service charges - electricity revenue	2.184.209.246	2.297.788.128	2.502.291.271
Service charges - water revenue	631.338.211	688.789.988	751.469.877
Service charges - sanitation revenue	397.037.055	430.785.205	467.401.947
Service charges - refuse revenue	334.127.904	362.528.776	393.343.722
Rental of facilities and equipment	20.885.214	22.681.342	24.495.849
Interest earned - external investments	54.472.852	57.199.911	60.063.509
Interest earned - outstanding debtors	88.008.665	95.577.410	103.223.603
Fines, penalties and forfeits	19.712.140	21.407.384	23.119.975
Licences and permits	17.343.113	18.834.620	20.341.390
Agency services	43.909.004	43.069.698	46.195.274
Transfers and subsidies	1.228.857.702	1.356.838.926	1.368.274.095
Other revenue	797.862.253	874.406.605	4.892.687
Total Revenue (excluding capital transfers and contributions)	7.505.430.790	8.092.588.818	5.381.682

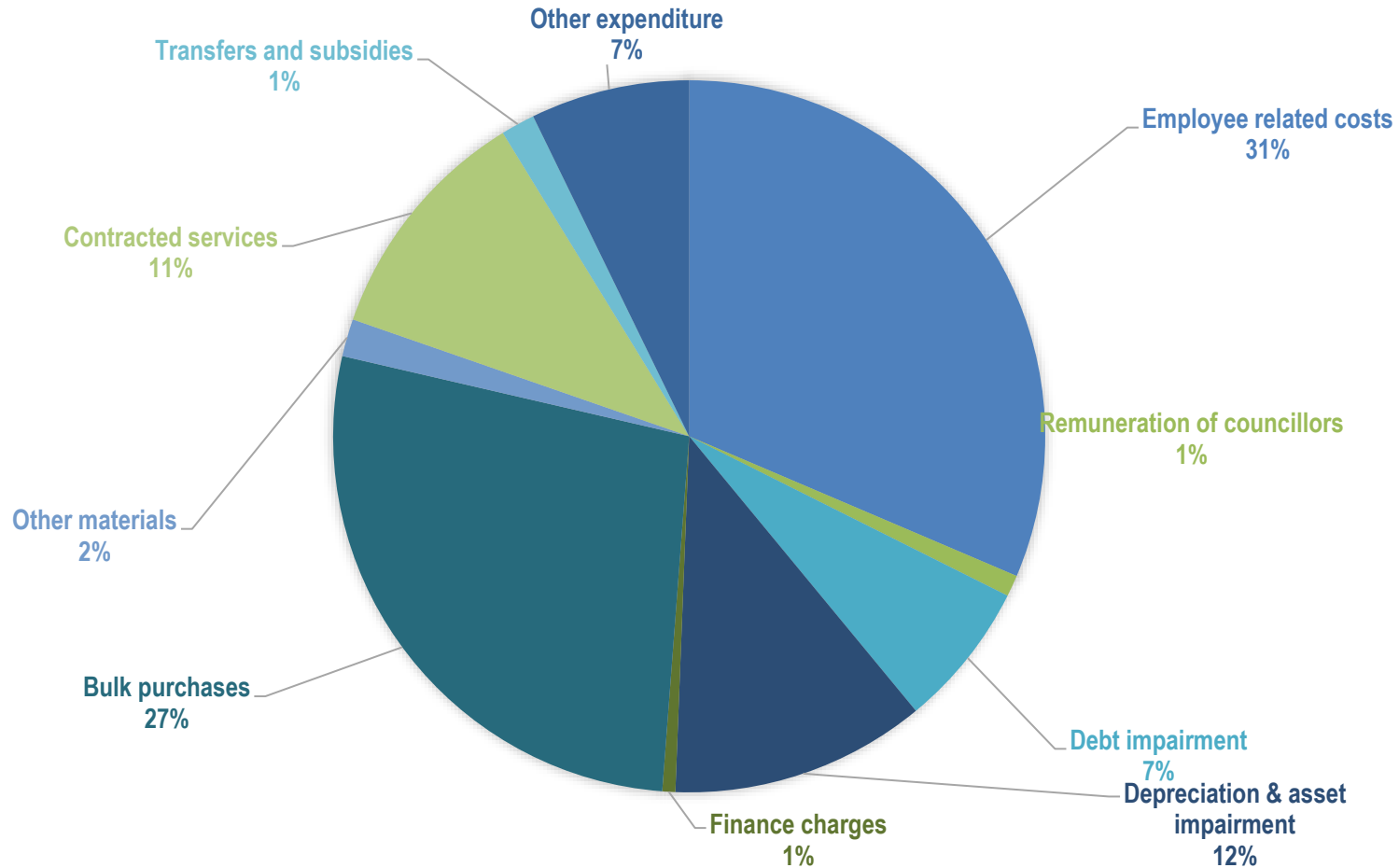
DRAFT 2020/21 MTREF OPERATIONAL REVENUE



DRAFT 2020/21 MTREF OPERATIONAL EXPENDITURE

REVENUE BUDGET FRAMEWORK	2020/2021	2021/2022	2022/2023
	DRAFT	DRAFT	DRAFT
	BUDGET	BUDGET	BUDGET
Expenditure By Type			
Employee related costs	2.357.814.908	2.499.219.905	2.648.594.737
Remuneration of councillors	72.765.784	77.022.583	81.528.404
Debt impairment	497.285.620	420.209.193	454.875.816
Depreciation & asset impairment	870.915.569	1.018.702.298	1.140.768.509
Finance charges	44.211.169	66.574.064	61.216.893
Bulk purchases	2.057.475.652	2.215.054.498	2.428.706.589
Other materials	127.651.846	141.907.690	150.704.668
Contracted services	818.878.830	903.474.794	949.636.241
Transfers and subsidies	115.981.213	143.778.447	125.064.732
Other expenditure	541.851.223	604.670.308	63.493.606
Total Expenditure	7.504.831.814	8.090.613.780	8.674.590.195

DRAFT 2020/21 MTREF OPERATIONAL EXPENDITURE



2020/21 MTREF CAPITAL EXPENDITURE FRAMEWORK – SERVICE

CAPITAL BUDGET PER SERVICE	2020/2021 DRAFT CAPITAL BUDGET	2021/2022 DRAFT CAPITAL BUDGET	2022/2023 DRAFT CAPITAL BUDGET
AMENITIES	24.300.000	22.050.000	39.820.000
ELECTRICITY	120.876.595	118.920.178	132.101.074
HOUSING	311.993.330	312.258.000	365.622.000
LED	81.775.155	92.032.876	125.350.661
OTHER	35.000.000	7.000.000	10.000.000
PUBLIC SAFETY	20.473.218	28.114.952	29.181.259
ROADS	397.286.360	337.609.762	231.194.441
SPATIAL PLANNING	11.900.000	0	23.000.000
SUPPORT SERVICES	96.221.735	73.804.971	60.228.465
TRANSPORT PLANNING	145.800.000	85.193.164	86.517.100
WASTE MANAGEMENT	20.260.371	21.096.755	27.668.987
WASTE WATER	242.800.142	363.000.000	97.000.000
WATER	74.191.420	148.573.410	103.761.505
TOTAL - PER SERVICE	1.582.878.326	1.609.654.068	1.331.445.492

AVERAGE TARIFF INCREASES - 2019/20 TO 2022/23

DESCRIPTION	APPROVED 2019/2020	PROPOSED 2020/2021	PROPOSED 2021/2022	PROPOSED 2022/2023
RATES	9.00%	8.50%	8.00%	7.00%
REFUSE	9.35%	9.20%	8.50%	8.50%
SEWERAGE	9.40%	9.20%	8.50%	8.50%
ELECTRICITY	13.07%	6.22%	5.20%	8.90%
WATER	9.40%	9.20%	9.10%	9.10%
FIRE LEVY	9.30%	8.70%	8.00%	8.00%
SUNDRY INCOME	9.30%	8.70%	8.00%	8.00%

- NERSA has advised the Metro to apply for an additional 2% increase – this is to assist the Metro in reducing electricity losses.
- The Metro is only applying for an additional 2% increase in three sectors, namely; prepayment domestic, prepayment business and 2A business customers.
- The 2% will bring the electricity increase in the above-mentioned sectors to 8.22%.
- Should the additional 2% increase on the above-mentioned sectors be approved by NERSA, it would be invested in reducing electricity losses.

DRAFT 2020/21 MTREF SOCIAL WELFARE PACKAGE

SOCIAL WELFARE PACKAGE							
	TOTAL PER	TARIFF	TOTAL PER	TARIFF	TOTAL PER	TARIFF	TOTAL PER
	HOUSEHOLD	%	HOUSEHOLD	%	HOUSEHOLD	%	HOUSEHOLD
	2019/2020	INCREASE	2020/2021	INCREASE	2021/2022	INCREASE	2022/2023
RATES	116.19	8.50%	126.07	8.00%	136.15	7.00%	145.68
REFUSE	241.74	9.20%	263.98	8.50%	286.42	8.50%	310.76
SEWERAGE	86.16	9.20%	94.09	8.50%	102.08	8.50%	110.76
FIRE LEVY	51.30	8.70%	55.77	8.00%	60.23	8.00%	65.05
<u>TOTAL MONTHLY SUBSIDY</u>	495.39		539.90		584.88		632.25
ELECTRICITY - 50KWH P.M	70.77	6.22%	75.17	5.20%	79.08	8.90%	86.12
WATER - 6KL P.M.	93.37	9.20%	101.96	9.10%	111.24	9.10%	121.36
<u>TOTAL POOR RELIEF</u>	659.53	8.72%	717.03	8.11%	775.20	8.32%	839.73

HOW TO APPLY FOR INDIGENT SUBSIDY

- The applicant must reside in a fixed property
- Have a valid South African Identity Document
- Have valid ID of Spouse if married
- Affidavit for the unemployed/ Pay slip if employed
- Bank Statement / pension card
- Proof of ownership of property / Letter of executorship if account holder deceased
- Death certificate if deceased account holder
- Meter box number
- Completed application form, signed by Ward Councillor

INDIGENT SUBSIDY-QUALIFYING CRITERIA

FIRST QUALIFYING CRITERIA - PROPERTY VALUE

Value to be equal or (not of less) than R120 000:

- The property may only be used for residential purposes
- Must be a permanent resident of Buffalo City Metropolitan Municipality
- Must be a South African citizen
- The applicant may not be the registered owner of more than one (1) property.

SECOND QUALIFYING CRITERIA – GROSS INCOME

A single household where the combined income of the household (gross household income) does not exceed the poverty threshold value, as determined by Council from time to time or the value of two (2) state social grants per month.

Child grants will not be considered when determining household income.

PROPERTY RATES REBATES

CRITERIA TO DETERMINE OWNERS IDENTIFIED FOR PURPOSE OF RELIEF MEASURES

- The source of income of the owner of the property
- The employment status of the owner of the property
- Ownership of property
- The extent of municipal services supplied
- Services provided to the community by Public Benefit organization
- The use of property

PROPERTY RATES REBATES FOR DIFFERENT CATEGORIES

A. PENSIONERS AND DISABLED PERSONS

The following rebates apply to qualifying pensioners/disabled persons:

GROSS MONTHLY INCOME		REBATE
RAND		%
0	3 500	100
3 501	5 000	85
5 001	6 500	70
6 501	8 000	55
8 001	9 500	40
9 501	10 500	25
10 501	12 000	20
12 001	13 500	15
13 501	15 000	10

B. PUBLIC BENEFIT ORGANISATIONS (AS LISTED ON THE BCMM RATES POLICY) AND NOT FOR GAIN

Council may on receipt of an application, grant 100% rebate on rates.

C. RELIGIOUS ORGANISATIONS

Council may not levy rates on properties registered in the name of a religious organisation and used as a place of public worship by a religious organisation, including the official residence registered in the name of that religious body which is occupied by the office bearer of that religious organisation.

D. NEWLY DEVELOPED COMMERCIAL OR INDUSTRIAL PROPERTIES

- The property must be categorized as commercial/industrial in the valuation roll.
- The market value of the developed property must be R50,000,000.00 (Fifty Million Rand) or above on the municipality’s valuation roll. (This requirement does not apply to East London Industrial Development zone property owners).
- The rebate will be phased in over a period of 5 years, from the effective date of the valuation of the improved property in the municipality’s valuation roll as follows:
 - Year 1 – 50%
 - Year 2 – 40%
 - Year 3 – 30%
 - Year 4 – 20%
 - Year 5 – 10%, thereafter, full rates will be payable.

E. GENERAL RELIEF

No rate levied on properties categorized as Public Service Infrastructure, with a market value of R50, 000 or less.

F. Discretionary rebate of up to 75% based on unavailable services - The percentage rebate per service not available will be as indicated in the table below:

SERVICES	% REBATE
Water	22.5
Electricity	15
Sewerage	15
Refuse	7.5
Constructed Roads	15
TOTAL REBATE	75

- This rebate **will not** be granted on an **individual** basis or to property owners who **choose not** to use municipal services provided.



COMMUNITY AND STAKEHOLDER ISSUES / PRIORITIES RAISED

Whilst still experiencing a barrage of challenges, BCMM has made satisfactory progress with implementing the five-year IDP and are planning on accelerating the pace of service delivery.

The following table will present a summary of the key issues raised by communities during the previous IDP and Budget Roadshow and a snapshot of achievements made in respect of key services rendered by the municipality:

No.	SERVICE DELIVERY FUNCTIONS	BCMM COMMITMENT	
		KEY PERFORMANCE INDICATOR	2019/20 TARGET
1	Electricity delivery	Number of informal dwellings provided with a basic electricity service (RDP)	1600
		Number of new high mast lights installed	12
		Electricity Losses	Equal to or less than 18%

Progressing with addressing backlogs in Electricity:

Formal backlog

- In terms of the formal back log, related to new RDP Housing projects that have been completed.
- 1296 connections have been completed

Informal backlog

- Electricity services backlog due to informal dwellings within BCMM
- Estimated informal dwellings to be connected will be 750.
- NB: ESKOM area of supply, the backlog is mainly caused by extensions to already electrified villages. The main hold back on the extension being electrified is that many of them required connector network to electrify so more funding is required.

Capital projects that are contributing to the Formal Electricity backlog:

A budget of R17 million was allocated this financial year for formal electrification -

- Phakamisa Phase 2 Electrification
- Infill Installations - Polar Park and Kannana
- Sunny South Electrification - Relocate Line to supply Sunny South
- Duncan Village TRA

A budget of R18 million was allocated for informal electrification, including network upgrade to accommodate demand

- Fynbos TRA Electrification
- Matshini Mdantsane Electrification
- Mzamomhle Phase 3 Upgrade Electrification, slow due to high density
- Ekuphumleni Electrification
- Khayelitsha Mdantsane NU 5 Electrification

No.	SERVICE DELIVERY FUNCTIONS	BCMM COMMITMENT	
		KEY PERFORMANCE INDICATOR	2019/20 TARGET
2	Water for household use	Water connections metered as a percentage of total connections	91%
		Percentage of Complaints/Callouts responded to within 24 hours (water).	Responded to 95% of water outages and burst pipes complaints/ queries within 24 hours. (exclude completion of repairs)
3	Sewage and sanitation	Number of new sewer connections meeting minimum standards	945
		Number of ablution facilities constructed (seats)	66 (Seats)
		Percentage of Complaints/Callouts responded to within 24 hours (sanitation/wastewater).	Responded to 95% sewer overflows within 24 hours. (Only covers inspection and identification of required repairs as well as issuing job cards).
		% of households with access to basic level of sanitation	94%
		Number of new water connections meeting minimum standards	450

Progressing with addressing backlogs in Water and Sanitation:

- 98% (248 407 h/h) of consumers have access to basic water supply. Backlog is seating at 2% (5000 h/h).
- A budget of R23.5 million has been put aside to attend backlogs, a budget of about R200 million is required to eradicate backlogs.
- 92% of consumers has access to Sanitation, backlogs of about 15,950 is mainly in rural villages.
- Rural Sanitation programme, a programme that deals with sanitation provision in rural areas is budgeted at R50 million in the 2021 year.
- A total budget of approximately R300 million is required to eradicate backlogs

Projects that are contributing to the Sanitation backlog in the 2019/2020 into 2020/2021:

- Backlog is only in the rural areas, formal areas are serviced 100%.
- Rural Sanitation programme is being implemented to reduce backlogs on a yearly basis.
- The following villages were completed in the 2019/20 year from a budget of R60 million:

2019/20 RURAL SANITATION PROGRAMME		
Ward No.	Village Name	No of toilets to be built
31	Ncera 2 & 7	400
33	Twecu, Cwecweni, Moni, Zigayi A & C	700
35	Lateville & Quzini	500
38	Mxhalanga	400
39	Bonk, Rhayi & Ngxwalane	300
40	Qhaga	300
49	Ndevana	250
50	Bota, Kwelera, Gwaba, Nokhala, Mtyana	300
22	Potsdam	100
26	Macleantown & Msobomvu	190
43	Tyutyu	20
44	Tshatshu, Qalashu & Siyathemba	147
45	Hanover	127
TOTAL		3884

No.	SERVICE DELIVERY FUNCTIONS	BCMM COMMITMENT	
		KEY PERFORMANCE INDICATOR	2019/20 TARGET
Capital projects that are contributing to the Water backlog in the 2019/2020 into 2020/2021:			
	Programme	Description of works	Area/ward
	New Reticulation	1.3kmeters of water reticulation in Khayelitsha Village	Ward 33
		Kuni 2 Village Reticulation Extension	Ward 33
		Khambashe Village Part 1 reticulation	Ward 33
		Bangilizwe Village Extension Part 1 retic	
		Extension of Amahleke water supply to Dikidikana	Ward 38
4	Refuse removal	Percentage of known informal settlements receiving integrated waste handling services	100% (156)
		Number of waste management facilities upgraded	1
Progressing with addressing backlogs in Refuse Removal:			
<ul style="list-style-type: none"> BCMM has extended communal and bulk containers refuse removal services to all BCMM informal settlements in all regions The only new areas in the Coastal Region (Ducats North and Second Creek – New Low Cost Houses) are currently not receiving refuse removal service. In the 2020/21 (01 July 2020) the region is implementing the new refuse removal schedule and that include both areas. 			
Capital projects that are contributing to address backlogs in Refuse Removal:			
<ul style="list-style-type: none"> In the 2019/20 BCMM procured Bulk Containers (Skips) at the budget of R 5000 000.00 In the 2020/21 BCMM has again budgeted an amount of R 3 000 000.00 to procure additional bulk containers (skips) Bulk containers are used mainly to service existing and new informal settlements and to curb illegal dumping In the 2019/20 BCMM procured new Solid Waste Fleet and Plant to an amount of R 39 000 000.00. In the 2020/21 BCMM has budgeted an amount of R 10 860 371.00 to procure Solid Waste Fleet and Plant (that include new Refuse Compactor Trucks and Skips Loaders to increase coverage in terms of refuse removal services). 			
5	Fire fighting services	Percentage compliance with the required attendance time for structural firefighting incidents	75% of calls within attendance times as per SANS 10090:2003 8min - high risk areas, 10 min - moderate risk areas, 13 min - low risk areas 23 min - rural areas
6	Decisions around land use	Average Number of days taken to process building plan applications for approval (<500m2)	25 Days
		Average Number of days taken to process building plan applications for approval (>500m2)	55 Days
7	Municipal roads infrastructure	Percentage of unsurfaced road graded	4.135% (55km)
		Number of pedestrian bridges constructed	3 (Ward 16 and Ward 14)
		Number of speed humps constructed	32
		Number of bridges rehabilitated	3
8	Municipal public transport	Number of public transport facilities rehabilitated	2
Progressing with addressing backlogs in Storm water:			
<ul style="list-style-type: none"> The existing infrastructure consists of ±70 Bridge Structures, ±21 000 manholes, kerb inlets, headwalls and other inlet and outlet structures within BCMM many of which are damaged or blocked. There is in excess of 600km of storm water pipes and culverts within the Metro, many of which are very old, and corroded and in need of replacement. There is a significant backlog in the maintenance and upgrade of the existing stormwater drainage systems in the city. There is an urgent need to make additional funding available to replace/rehabilitate and upgrade the stormwater network, as it is in a poor condition, and unable to cope with increasing severe weather patterns (Global Warming). Improvements made in the delivery of services include replacement of damaged pipes, the reconstruction of damaged kerb inlets and manholes. As well as replacing of undersized drainage infrastructure by increasing the capacity of the existing stormwater pipes, clearing drainage in informal areas and improvements to existing drainage infrastructure. 			

No.	SERVICE DELIVERY FUNCTIONS	BCMM COMMITMENT	
		KEY PERFORMANCE INDICATOR	2019/20 TARGET

Progressing with addressing backlogs in Roads:

- The Buffalo City Metropolitan Municipality (BCMM) roads network consists of ± 2940 km of surfaced and gravel roads network. With an estimated replacement cost of R 7,7 Billion. The surfaced roads network which includes Asphalt, Concrete and Block Paved Roads consists of ± 1600km of roads with an estimated replacement cost of ± R 6,5 Billion and a Gravel roads network of ± 1340km with an estimated replacement cost of R 1,2 Billion
- Generally, it is acceptable to have a backlog of between 5% to 10% of the roads network in a Poor to Very Poor condition at any given time. Based on the assessment that was done by the department indicating that 40% of the Surfaced roads and 31% of the Gravel roads networks are in a poor to Very Poor condition. At the current levels of Capital funding allocation, it is impossible to address all the backlogs and have a significant improvement in the overall condition of the network. However, the department is achieving the annual performance targets based on the allocated budget.

Capital projects that are contributing to the Bridges & Stormwater backlog:

- REHABILIT OF BCMM BRIDGES AND STORMWATER - R 5 000 000.00

Capital projects that are contributing to the Bridges & Stormwater backlog:

- RURAL ROADS - WARD 17, 24, 25, 26, 31, 32, 33, 34, 35, 36, 38, 49, 50, 43, 40 - R 59 796 754

Capital projects that are contributing to the Urban Roads backlog:

DESCRIPTION	2020/2021 CAPITAL BUDGET
RURAL ROADS - WARD 17, 24, 25, 26, 31, 32, 33, 34, 35, 36, 38, 49, 50, 43, 40	R 60 000 000.00
UPGR OF MDANTSANE RDS - CLUST 1: (WARD 17, 42, 14, 12, 11)	R 22 000 000.00
UPGR OF MDANTSANE RDS - CLUST 2: (WARD 17, 20, 48, 30)	R 35 000 000.00
UPGR OF MDANTSANE RDS - CLUST 3: (WARD 21, 23, 24)	R 14 000 000.00
WARD 37-KWT ROADS	R 20 000 000.00
WARD 39 + 41 -KWT ROADS	R 8 000 000.00
WARD 43-KWT ROADS	R 4 000 000.00
ROADS PROVISION - WARD 8	R 5 000 000.00
ROADS PROVISION - WARD 10	R 5 000 000.00
URBAN ROADS - WARD 35	R 4 000 000.00
ROADS PROVISION - WARD 15	R 4 000 000.00
ROADS PROVISION - WARD 16	R 4 000 000.00
BOWLS ROAD REHABILITATION - WARD 3	R 1 500 000.00
REHABILITATION OF DOUGLAS SMITH HIGHWAY	R 1 000 000.00
REHABILITATION OF SETTLERS WAY	R 154 050 000.00
REHABILITATION OF ZIPHUNZANA BYPASS	R 1 000 000.00
ROADS PROVISION - WARD 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 16, 18, 19, 20, 25, 26, 28, 29, 31, 32, 34, 36, 39, 41, 43, 44, 45, 47	R 26 500 000.00
URBAN ROADS-CLUST 3:WARD 15	R 1 281 106.00
TOTAL	R 370 331 106.00

9	Street trading	Number of infrastructure projects for informal traders implemented	4)
10	Parks and recreational areas	Number of Community Parks Upgraded	10(Coastal, Midland, Inland
11	Sports Facilities	Number of sports facilities upgraded	10
	Halls	Number of community halls upgraded	2
	Beaches	Number of beach facilities upgraded	4
12	Cemeteries and crematoria	Number of cemeteries upgraded	14
13	Houses	Number of subsidised housing units complete	600
14		Number of formal site service	1350

No.	SERVICE DELIVERY FUNCTIONS	BCMM COMMITMENT	
		KEY PERFORMANCE INDICATOR	2019/20 TARGET
<p>Progressing with addressing backlogs in Human Settlements:</p> <ul style="list-style-type: none"> The 154 informal settlement upgrading plans across the City that were completed, from the last three financial years working together with the Provincial Department of Human Settlements about 6 473 houses fully serviced (roads , water & sanitation) houses were built and handed over to the rightful beneficiaries, in this current financial year about 1 865 fully serviced housing units were provided. For next financial we are targeting to provide fully services to about 1100 houses despite the effect of Covid -19 that is uncertainty about the future service delivery plans. 			
<p>Capital projects that are contributing to address backlogs in Human Settlements</p> <ul style="list-style-type: none"> Working together with our Provincial Department of Human Settlements, we have the following three major capital investment human settlement projects: Reeston Phase 3 stage 2 of 1574 services to commence in 2020/2021 Orange Groove/Boxwood Housing Project of 4500 services currently under implementation West Bank Restitution of 2020 services 			
15	Unemployment and Skills Development	Number of interventions implemented to support SMME's and Cooperatives	10
		Number of jobs created through Expanded Public Works Programme (EPWP)	5630
		Number of job opportunities created through Municipal Projects and partnerships	1300
<p>Highlights for 2018/19:</p> <ul style="list-style-type: none"> As part of lobbying for infrastructure investment into the City, BCMM signed a MoU with Transnet National Ports Authority (TNPA) and EL IDZ. Revitalization of Dimbaza Industrial Area has commenced in earnest with a R66m investment from the DTI, DEDEAT and BCMM. More investment is expected from other provincial stakeholders. In terms of addressing the critical skills shortage, BCMM partnered with Services SETA to provide Bursaries to cover up to R65 000 for University and up to R35 000 for TVET Students for close to 200 students. The partnership with Services SETA has also seen the upgrading of part of the Sekunjalo Skills Training Centre in Mount Coke. 			

8

PROJECTS BY PROVINCIAL
GOVERNMENT2020/21 MTEF BCM - INFRASTRUCTURE BUDGET- DISTRICT – ALL
PROJECTS

Department	No of Projects	Total Project Cost	Previous Cummulative Expenditure as at end 2018/19	Projected Expenditure end 19/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
Office of the Premier	-	-	-	-	-	-	-
Health	59	2 140 638	1 299 591	181 538	178 538	247 082	292 133
Social Development	7	78 072	761	4 700	7 736	9 772	1 834
Public Works	-	-	-	-	-	-	-
Education	126	1 610 092	1 005 737	97 048	91 456	121 857	122 834
COGTA	1	-	-	-	-	-	-
Rural Development and Agrarian Reform	12	191 669	60 989	29 463	21 434	71 559	66 412
Economic Development, Environment and Tourism	4	138 437	45 022	-	-	-	-
Transport	4	677 282	367 118	68 043	72 759	95 872	100 378
Human Settlements	49	2 056 189	974 418	-	236 586	255 441	231 885
Provincial Treasury	-	-	-	-	-	-	-
Sports, Recreation, Arts and Culture	3	35 970	527	100	300	2 700	2 827
TOTAL	265	6 928 349	3 754 162	380 892	608 808	804 283	818 303