


# ANNUAL REPORT 18/19

## BUFFALO CITY METROPOLITAN MUNICIPALITY
## PROVINCE OF THE EASTERN CAPE . SOUTH AFRICA

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE

www.buffalocitymetro.gov.za

Masichume, sande, siphumelele

BUFFALO CITY
METROPOLITAN MUNICIPALITY

WWW.
BUFFALO
CITY
METRO
.GOV.ZA



BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# ANNUAL REPORT 2018/2019

BUFFALO CITY
METROPOLITAN MUNICIPALITY

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# CONTENTS

## CHAPTER 1

### MAYOR'S FORWARD AND EXECUTIVE SUMMARY


COMPONENT A 1

COMPONENT B: EXECUTIVE SUMMARY 9
1.1. CITY MANAGER'S OVERVIEW 9
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW 15
1.3. SERVICE DELIVERY OVERVIEW 28
1.4. FINANCIAL HEALTH OVERVIEW 36
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW 43


## CHAPTER 2

### GOVERNANCE 50


COMPONENT A:
POLITICAL AND ADMINISTRATIVE GOVERNANCE 50
2.2 ADMINISTRATIVE GOVERNANCE 55
2.3 INTERGOVERNMENTAL RELATIONS 62

COMPONENT C:
PUBLIC ACCOUNTABILITY AND PARTICIPATION 80
2.5 IDP PARTICIPATION AND ALIGNMENT 96

COMPONENT D: CORPORATE GOVERNANCE 96

OVERVIEW OF CORPORATE GOVERNANCE 96
2.6 RISK MANAGEMENT 111
2.7 ANTI-CORRUPTION AND FRAUD 113
2.8 SUPPLY CHAIN MANAGEMENT 117
2.9 BY-LAWS 120
2.10 WEBSITES 124
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES 129

# CHAPTER 3

## SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) 132


**COMPONENT A:**
**BASIC SERVICES** 139
**3.1. WATER PROVISION** 143
**WASTE WATER (SANITATION) PROVISION** 156
**3.5 HOUSING** 212
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT 223

**COMPONENT B:**
**ROAD TRANSPORT** 228

**COMPONENT C:**
**PLANNING AND DEVELOPMENT** 266
**3.10 PLANNING** 268
**3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)** 287

**COMPONENT D:**
**COMMUNITY & SOCIAL SERVICES** 331
**CEMETERIES AND CREMATORIUMS** 349
**3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES** 354
**3.15 POLLUTION CONTROL** 357
**3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)** 373
**3.17. CLINICS** 383
**3.18. AMBULANCES** 383
**3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC** 383

**COMPONENT G:**
**SECURITY AND SAFETY** 405
**3.20 POLICE** 406
**3.21 FIRE** 475
**3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)** 484

**COMPONENT I:**
**CORPORATE POLICY OFFICES AND OTHER SERVICES** 508
**3.24 EXECUTIVE AND COUNCIL** 508
**3.25 FINANCIAL SERVICES** 515
**3.26 HUMAN RESOURCE SERVICES** 523
**3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES** 528
**3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES** 535

**COMPONENT J:**
**MISCELLANEOUS** 559

**COMPONENT K:**
**ORGANISATIONAL PERFORMANCE SCORECARD** 559

# CONTENTS

## CHAPTER 4


**ORGANISATIONAL DEVELOPMENT PERFORMANCE 622**

COMPONENT A:
INTRODUCTION TO THE MUNICIPAL PERSONNEL 622
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES 623

COMPONENT B:
MANAGING THE MUNICIPAL WORKFORCE 626
4.2 POLICIES 628
4.3 INJURIES, SICKNESS AND SUSPENSIONS 631
4.4 PERFORMANCE REWARDS 636

COMPONENT C:
CAPACITATING THE MUNICIPAL WORKFORCE 637
4.5 SKILLS DEVELOPMENT AND TRAINING 638

COMPONENT D:
MANAGING THE WORKFORCE EXPENDITURE 642
4.6 EMPLOYEE EXPENDITURE 643


## CHAPTER 5


**FINANCIAL PERFORMANCE 646**

COMPONENT A:
STATEMENTS OF FINANCIAL PERFORMANCE 647
5.2 GRANTS 1
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS 1

COMPONENT B:
SPENDING AGAINST CAPITAL BUDGET 7
5.6 SOURCES OF FINANCE 8
5.7 CAPITAL SPENDING ON LARGEST PROJECTS 1

COMPONENT C:
CASH FLOW MANAGEMENT AND INVESTMENTS 530
5.9 CASH FLOW 531
5.10 BORROWING AND INVESTMENTS 533

COMPONENT D:
OTHER FINANCIAL MATTERS 534
5.11 OTHER FINANCIAL MATTERS 534

# CHAPTER 6

## AUDITOR GENERAL AUDIT FINDINGS 535


**COMPONENT A:**
**AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017/2018** 1
**6.1 AUDITOR GENERAL REPORTS 2017/2018 (PREVIOUS YEAR)** 1

**COMPONENT B:**
**AUDITOR-GENERAL OPINION 2018/2019 (CURRENT YEAR)** 11

**VOLUME II:**
**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL FINANCIAL STATEMENTS 2018/2019 FINANCIAL YEAR** 547
Investment property 551
Property, plant and equipment 551
Receivables from exchange transactions 647
transactions 697

GLOSSARY 718


# APPENIDICIES

## A-S


**APPENDIX F – WARD INFORMATION** 805
**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/2019** 813
**APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS** 814
**APPENDIX I – BUFFALO CITY METROPOLITAN MUNICIPALITY DEVELOPMENT AGENCY PERFORMANCE SCHEDULE** 814
**APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS** 820
**PPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE** 826
**APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE** 826
**APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE** 827
**APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG** 828
**APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES** 829
**APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME** 829
**APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME** 830
**APPENDIX N – CAPITAL PROGRAMME BY PROJECT** 832
**APPENDIX O – CAPITAL PROJECTS BY PROGRAMME** 858
**APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS** 866
**APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY COMMUNITIES WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION** 867
**APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY** 867
**APPENDIX S – NATIONAL AND PROVINCIAL OUTCOME FOR PROVINCIAL GOVERNMENT** 867



BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER ONE

## MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# CHAPTER 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A
## BACKGROUND INFORMATION

### 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 BCMM 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

### STRATEGIC OBJECTIVES

Buffalo City Metropolitan Municipality strives to realize the following 5 strategic outcomes by the year 2030.

- √ **An innovative and productive city:** with rapid and inclusive economic growth, and a decline in unemployment
- √ **A green city:** environmentally sustainable with optimal benefits from our natural assets. A clean and healthy city of subtropical gardens.
- √ **A connected city:** high-quality (and competitively priced) connections to ICT, electricity and transport networks (inside BCMM and to the outside world).
- √ **A spatially-integrated city:** progressively overcome apartheid spatial divisions and fragmentation with township economies becoming more productive.
- √ **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.

To achieve its objectives, BCMM formulated an inclusive and broad-based Metro Growth and Development Strategy (GDS 2030), which is anchored on five strategic imperatives, namely:

| Pillars of the BCMM Growth and Development Strategy – Vision 2030 | |
|---|---|
| Strategic pillar 1 | An inclusive and sustainable economic growth |
| Strategic pillar 2 | A globally connected city |
| Strategic pillar 3 | A clean and environmentally sustainable city |
| Strategic pillar 4 | A spatially transformed city |
| Strategic pillar 5 | A well governed city |





# COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

## A. VISION:

Fellow Residents and Stakeholders of Buffalo City

We are once more at that time of the year where we are required to report in detail to you regarding the manner in which we are leading the municipality. As a Municipality, we are coordinating all our developmental efforts through our broad strategy, the Metro Growth and Development Strategy (MGDS), Vision 2030, which was collectively created by the citizens and stakeholders of our City.

It is essential that we remind you that our rationale for having this strategy was to ensure that it is a common plan for the growth and development of our Metro. The MGDS and the actions we are taking in implementing it are building blocks towards the achievement of the future South Africa as envisaged by President Cyril Ramaphosa and his government.

Through the implementation of our strategy, we will see a Buffalo City Metro that is economically productive, spatially integrated, globally connected, green, safe and well-governed. It is important to however indicate that we will soon start a process of reviewing this strategy with the intention of aligning it to the forever changing realities of our country.

## B. KEY DEVELOPMENTS:

The strategic priorities of the MGDS fully align with the National Development Plan, Vision 2030 and to the Provincial Development Plan. It is our view that there exists a fundamental relationship between a well governed and a well-managed institution. With the required commitment, we are resolved to make the management and all workers of the institution to work even harder, faster, smarter and corruption free.

At a systemic level, we have institutionalised risk management and we have an Audit Committee that has a collegial relationship with the management of the institution. We are continuing to build sound financial and administrative management through improving our institutional capacity, ethical culture and professionalism. We have finalised the appointment of a fully employed Chief Financial Officer with the sole aim of furthering our work of cleaning our institution.

We are making strides in creating the requisite performance culture in the organisation by expediting the job- evaluation process which led to a wildcat strike towards the end of 2018. We have improved our relations with the recognised unions in our municipality and have moved with speed in addressing all the challenges that led to the strike. The job-evaluation process is progressing well, and we can confirm that the project is ahead of its revised targets.

To enhance our governance and create the necessary efficiencies in the administration, we have begun undertaking a macro-structure review of the institution. This is flowing from the Diagnostic Assessment that was done by the National Treasury's Government Technical Advisory Centre on our Municipality. The intention of this programme is to institutionalise the MGDS, enhance end-to-end accountability and appropriately group services in the manner prescribed by the Constitution and the Municipal Structures Act for Category A municipalities. When finalised, the new macro-structure will strengthen efficiency, integration, and accountability.

We have appointed a team which has proposed a re-organised structure with clusters for various municipal functions. These clusters of functions form the basis for the establishment of new directorates. The new macro-structure is currently undergoing a process of consultation and the final stamp of approval on it will be given by the Council. This will provide the basis for us to develop a new micro-structure and establishment structure, in consultation with unions and other stakeholders of our Metro.

## C. KEY SERVICE DELIVERY IMPROVEMENTS:

We are optimally spending our budget on service delivery improvements without fail. For the financial year in review, we spent 87 percent of our capital budget and we have achieved 100 percent expenditure on the grant funding portion of it. This funding includes the additional R200 million that our city received in April 2019 for infrastructure development. We are happy to report that a National Treasury Report titled 'The State of Local Government Finances and Financial Management' 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 means that our city has a sound financial strategy and that there are adequate project preparation and management practices.

We are happy to report that we are not a city in debt and financial strain. Currently our borrowing is at 36 percent of total revenue which is way below the ceiling of 45 percent that is set by National Treasury. This is why both the National Treasury and the ratings agencies have continuously given our city's finances a clean bill of health.

As part of a stimulus to grow investment in our Metro, we are busy implementing major infrastructure projects which will unlock new property development for private investment across our city whilst supporting our continued delivery of sustainable human settlements and improving the quality of life for our residents. Projects such as the Qumza Highway Upgrade, the Fleet Street Road and the Quinnera-Link Road are examples of the decisive progress we are making on our infrastructure.

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 our city is 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. 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.

## D. PUBLIC PARTICIPATION:

The key feature of a well-governed city is the involvement of the citizens in our decision making. We do this through the Integrated Development Planning and Budget Consultations and our Mayoral Imbizo programme. We are also having a number of citizen-engaged activities through our Making Service Delivery Fashionable programme, which requires that the executive of the institution together with the management interact with communities once a week.

Through our operating Ward Committee Public Participation Framework, we ensure that residents of Buffalo City seamlessly participate in our decision-making processes. We always impress upon councillors to have monthly meetings in their wards where they receive people's suggestions and report on progress on earlier made proposals.

## E. FUTURE ACTIONS:

In order for us to fulfil our mandate of improving the lives of the people of Buffalo City we have decided to ensure that 70 percent of our total capital budget is allocated to infrastructure development. Going forward the capital budget will continue to be spent on upgrade and provision of water, building of roads and the servicing and upgrading of our electricity network. The provision of integrated human settlements has also been prioritised and we will continue with our gradual rollout of electricity to informal settlements.

We are placing even more emphasis on our Waste Management with particular focus being refuse collection and the eradication of illegal dumps. To create the necessary efficiency, we have established a dedicated Solid Waste Management Directorate by splitting the Municipal Services Directorate. We believe that this will increase focus on solid waste and ensure that dedicated budget allocation and expenditure by this important function is easily monitored.

## F. AGREEMENTS / PARTNERSHIPS:

We are fully aware of the fact that the achievement of our vision requires us to have solid partnerships with labour, business and other stakeholders. This is why we have adopted the MGDS as an encompassing vision which mobilises various sectors of society into collective action.

The partnership we have with the National Treasury and the World Bank on the sub- national cost of doing business project is bearing fruit and a reform agenda has been developed. The implementation of this agenda will assist in reducing red-tape and it will improve efficiencies in processing building applications, property registrations and electricity connections. We are also automating our processes to derive efficiencies.

The Port of East London is a major critical asset that our city has in its quest for enhanced global connectedness. We enjoy a close relationship with the Port, and we are making steady progress in positioning it for major infrastructure investment aimed at boosting its capacity. We have recently signed a five-year Memorandum of Understanding between our Municipality, Transnet National Ports Authority (TNPA) and the East London Industrial Development Zone (ELIDZ) which will give further impetus to this.

In partnership with the Swedish Environmental Protection Agency and the National Department of Environmental Affairs we are piloting a project whose intention is to deal with the management of household hazardous waste.

Through the BCMDA, we have received an allocation of R9, 2 million from the Department of Environmental Affairs as part of the war against litter. The project current support the employment of 199 young people from our Metro.

## G. CONCLUSION:

Fellow Residents and Stakeholders of Buffalo City

This Annual Report is our way of accounting to you regarding the work that you have tasked us to do in council. As you will see, it shows that many things have moved from commitments into realities. We are now seeing paved streets or maintained gravel roads in many of our communities. The intention is to make this a reality throughout the Metro.

This report is a demonstration of the seriousness that we take the development of the city and the improvement of your living conditions. We are trying to ensure that the municipality works better for its citizens and those who are invested in it.



Executive Mayor
**Cllr Xola Pakati**

**T 1.0.1**



# COMPONENT B: EXECUTIVE SUMMARY

## 1.1. CITY MANAGER'S OVERVIEW

Buffalo City Metropolitan Municipality is a Category A municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. Buffalo City Metropolitan Municipality is in the Eastern Cape Province and consists of 50 wards. We acknowledge the role of provincial and national government and regularly engage on platforms to share information and best practices. These platforms include but are not limited to South African Local Government Association (SALGA), South African City's Network (SACN), MINMEC, Premiers Coordinating Forum and Municipal Managers Forum. A new Council was elected in August 2016 and a new City Manager was appointed as from 1 June 2017. This Annual Report bears testament to what can be accomplished in local government through a focused approach on service delivery. In presenting the 2018/19 Annual Report we affirm that Buffalo City Metropolitan Municipality has made massive strides towards achieving the aspirations of the Metro Growth and Development Strategy (MGDS).

The MGDS is anchored around the five key pillars: namely. AN INNOVATIVE AND PRODUCTIVE CITY, A GREEN CITY, A CONNECTED CITY, A SPATIALLY TRANSFORMED CITY and A WELL GOVERNED CITY. The various key service delivery improvements achieved during the year under review are a result of good planning and execution. Numerous important projects were completed which inter alia covered bulk sewerage, water reticulation, roads and electricity distribution and this was witnessed during the recent Mayoral Imbizo's when the Executive Mayor presented a detailed progress of the work done in all the 50 wards of Buffalo City Metropolitan Municipality.

These include the provision of water and sanitation, electricity, construction of roads, building of habitable human settlements for all residents. Provision of free basic services have since increased in line with national legislation and policies of the City. A firm foundation has been laid down by working together with National Treasury (City Support Programme), East London IDZ, Buffalo City Metropolitan Development Agency and other stakeholders in setting the tone for future economic growth and development. Management technical strategic planning session, Mayoral Lekgotla and Council Lekgotla outlined key critical areas of focus for the remainder of the term in line with five MGDS pillars.

The latest ratings by the National Treasury during 2018/19 financial year reflect a sound overall financial performance by the Municipality. Increased Capital Infrastructure investment funded through Urban Settlements Development Grant and our own funding was necessary to unlock economic growth and cater for future demand. Throughout the financial year we strived to maintain a strong payment ratio by consistent and vigorous actions, including the effective implementation of the Credit Control Policy amid the bleak economic outcome and increased unemployment ratio in the City. This is evident in the ability of the Municipality to fund its operations and service its debts. However, the challenges accompanied by the provision of affordable quality services in an efficient and effective manner to our residents remain. The City remains focused in fulfilling our vision and ensuring that we become a smart city. Our greatest encouragement is the continued support and commitment by our residents and business community in ensuring that service delivery for all is realised.

### ELECTRICITY SERVICES

In the year under review the municipal electricity department invested R 87,8 Million into the electrical network to upgrade and replacement of aging equipment reaching its useful lifespan, in addition a multi-year computerized electrical network SCADA system is been installed to assist with outage management and safety of staff and equipment

734 residents have received the use of electricity for the first time, of which 514 are in formal housing through grant funding from the Department of Energy's Electrification program (INEP) and the balance of 220 connections informal dwellings meeting the electrification criteria.

## WATER SERVICES

In the year under review the department was purely concentrated on the provision of bulk water infrastructure that will accommodate the village reticulation in the next financial years. The water supply backlogs are seating at 2% which translate to 249 000 consumers having access to basic level of water supply which meet South African National Standards for Drinking water (SANS 241) and World Health Organization (WHO) requirements.

The water replacement programme assisted in keeping the water quality within the required standards even though the frequently bursting pipes sometimes does compromise the quality due to soils that ingress the pipeline during repairs, we managed to achieve 99% compliance of our water treatment works on average in the under review.

Water resources are threatened by prolonged droughts and high level of water loss due to aging infrastructure, the department for the past three years managed to reduce water demand by a massive 2.97% in the year under review. This happened due to the implementation of an approved Water Conservation and Water Demand Management (WCWDM) strategy which covers the Water and Meter replacement programmes.

Access to Sanitation services has improved in the year under review to 92% from 90% in the previous year. Currently our wastewater treatment works are at capacity hence the regionalisation of some wastewater treatment works projects was initiated to provide the required wastewater capacity and improve the quality of effluent. The sanitation backlogs are only experienced in the rural areas and approximately 3842 households provided with Ventilated Pit Latrine (VIP) toilets. This increased the number of VIP toilets to 47 208 installed since 2005.

## FINANCE

The City's financial position remains stable despite a downward trend in liquidity and an increasing outstanding debt position. A surplus of R470 million was achieved for the year under review.

The Municipality's key consideration is long-term financial stability to attract and promote future financing and investment opportunities. The ability to generate and collect revenue, provide more accurate billing, reduce the backlog of queries and financial accountability underpin improved investor and community confidence in the City. In addition, the implementation of an active asset replacement programme, utilising our own funds, will augment the ongoing delivery of services and a better quality of life the community.

The 2018/2019 audit opinion has remained the same compared to that of 2017/18 financial year. The institution has received a qualified audit opinion. The Audit Improvement Plan (AIP) has been prepared and currently under implementation detailing the audit findings together with the required corrective action to be taken. A committee has been established and tasked driving the action plan to rectify audit findings and non-compliance related matters.

The municipality received an A credit rating outcome from Global Credit Rating Agency, the credit rating is based on the assessment of BCMM's financial position, comparative numbers and related counter parties and industry comparative data, this was issued in November 2019 and resulted in Long-term A(za) and Short-term A1(za) rating with stable outlook. The City continues to work on improving the outlook of the credit rating.

## THE MUNICIPALITY CONTINUES FACING THE FOLLOWING CHALLENGES:

- The actual revenue and capital expenditure were below budget. This means that the municipality has not collected its budgeted revenue in full and that certain capital projects must be rolled over into 2019/20 financial year which negatively impacts both service delivery and revenue base of the municipality.
- Outstanding services debtors are increasing year-on-year. This echo's the sentiment above that the budgeted revenue was not collected in full.
- The current ratio is on the decline over the past three years. This indicates potential future pressure on the municipality and its ability to be financially sustainable.
- The low level of repairs and maintenance trend continues.
- Low levels of business confidence in the country and in BCMM is evidenced by a sharp decline in levels of investment.

**ACTION TO BE IMPLEMENTED TO ADDRESS THE ABOVE CHALLENGES:**

- Work on revenue management and revenue enhancement strategies to enhance the revenue base of the City.
  - Optimise use of investment properties
  - Introduce new revenue streams
  - Centralisation and automation of cash collection points
  - Densification

- Improve and automate the interface between directorates pertaining revenue management value chain.

- Consistent management and monitoring of the municipality's Credit Control Policy.

- Undertake a vigorous communication drive that seeks to encourage consumers to pay its municipal accounts and discourage illegal connections.
- Continue with the rollout of the Smart Metering.

- Reduce Water and Electricity losses.

- Address under/unfunded mandates

- Stringent implementation of the cost containment measures:
  - Subsistence and Travel Policy
  - Employee costs vs productivity
  - Model of rendering services

- Finalise and execute the investment strategy to retain existing investors, encourage expansion of existing investments and attraction of new investors.

- Encourage development of vacant land parcels informed by the Spatial Development Framework.

- Improve forward planning, demand management and procurement:
  - Timeous submission of Business Plans, Procurement Plans, Bid Specification
  - Informal bids and quotations expensive
  - Pricing on formal and annual contracts (submitted prices vs market prices)

Thank you

A. Sihlahla
City Manager




T1.1.1.

# 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL **OVERVIEW**

## INTRODUCTION TO BACKGROUND DATA

### ELECTRICITY

In terms of the South African Constitution it is the responsibility of a municipality to provide services to its constituent specifically the distribution of electricity. BCMM Electricity department provide this service under a license which is issued by the National Energy Regulator of South Africa (NERSA). Electricity been unique in a sense is divided into two licensed areas, that been the within the urban edge and the second been of a rural status.

The license issued by NERSA to BCMM only allows the electricity department to distribute electricity within the urban edge and Eskom for the provision of electricity outside the urban edge.

In terms of the Constitution and the Municipal systems act allows for service providers other than a municipality to provide such services, although through a service level agreement within whose jurisdiction the service is being provided. This agreement should ensure the same level of services are provided to all residents of BCMM be that within the urban edge or outside in rural areas serviced by others. An example of such been street lighting.

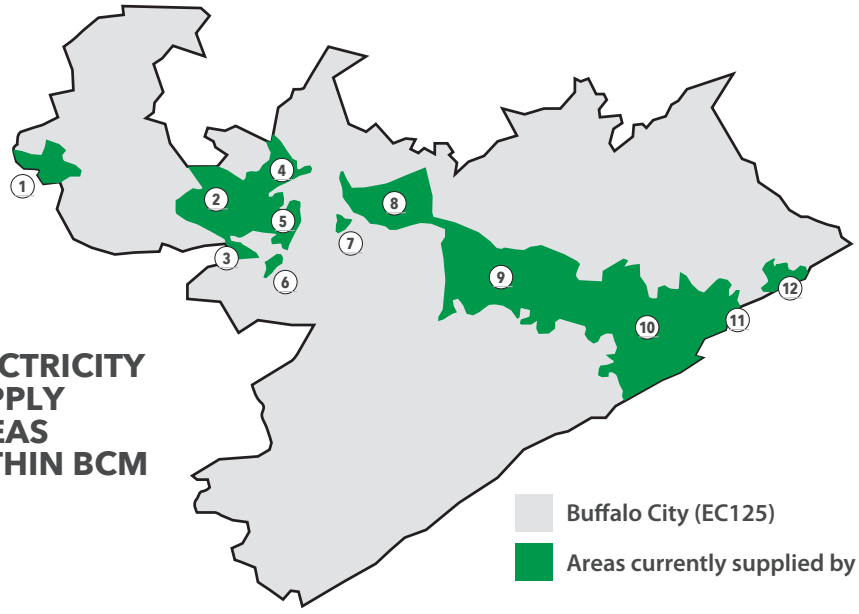
Outside the urban edge in the Eskom Licensed area of electricity supply street lighting is not provided. BCMM cannot provide street lighting in these areas as they receive no income from Eskom's electricity sales as Eskom's tariff does not cater for street lighting, unlike the BCMM tariff which is higher than Eskom's allowing for the provision of street lights. Through SALGA, municipalities are negotiating a distribution service level agreement with Eskom.

BCMM's Electricity Department, in terms of the license issued by the National Energy Regulator of South Africa (NERSA) shall provide a safe, reliable and effective service to all legal consumers with in the urban edge, however this is becoming a major challenge due to the proliferation of informal dwellings due to the migration of rural people in search of employment. This has led to illegal connections which overload the electrical network causing interruption of service to the community who are legally entitled to the service.

While BCMM are doing everything possible to remove illegal connection and ensure an uninterrupted service it is impossible for the electricity department to resolve the illegal act of making unreliable unsafe connections to the network.

This can only be resolved by the community and by taking legal action against those who perpetrate this illegal act.

**ELECTRICITY SUPPLY AREAS WITHIN BCM**




**1** Dimbaza
**2** King William's Town
**3** Zwelitsha
**4** Bhisho
**5** Breidbach
**6** Phakamisa
**7** Ilitha
**8** Berlin
**9** Mdantsane
**10** East London
**11** Beacon Bay
**12** Gonubie

## WATER AND SANITATION

Buffalo City Metropolitan Municipality (BCMM) is both the Water Services Authority (WSA) and Water Services Provider (WSP) providing Water, Sanitation and Scientic Services with their primary duty as water services provider to the Municipality. The Amatola Water Board is an appointed as a WSP which provides bulk services to some areas of the Municipality. The BCMM Water Department achieved a substantial 99% compliance with prescribed national water quality standards which is above the Departments own set target.

Access to piped water have increased from 97.7% to 98% and access to adequate Sanitation (Flushing and VIPs) is up from 89.2% to 92%. BCMM is served by seven (7) dams which six (6) are owned by Department of Water and Sanitation (DWS) and operated by Amatola Water Board and one (1) is owned and operated by BCMM. The Department of Water and Sanitation is the lead agency taking responsibility for which is taking responsibility for the supply and demand to ensure 98% assurance of water supply.

## ROADS AND STORMWATER MANAGEMENT

Buffalo City Metropolitan Municipality (BCMM) is responsible for the construction and maintenance of all proclaimed roads within its area of jurisdiction except for Private, Provincial and National Roads. The total Municipal roads network is ±2940km, which is made up of 1340Km of Gravel Roads and 1600km of Surfaced Roads.

It is also responsible for the rehabilitation, maintenance and upgrade of existing stormwater pipe, channels, bridges, and drainage structures.

The existing stormwater infrastructure consists of ±70 Bridge Structures, ±21 000 manholes, kerb inlets, headwalls and other inlet and outlet structures, in addition to this there is ±600km of storm water pipes and culverts within the Metro.

## SOLID WASTE MANAGEMENT

The Department of Solid Waste Management Services is one of the Departments under Municipal Services Directorate and is responsible for street cleansing, refuse removal, public conveniences, landfillsites & transfer stations and waste minimisation. The Department is operating in Inland, Midland and Coastal Regions. The provision of a consistent and predictable supply of a regular municipal waste collection service; achieving integrated waste management planning; pursuing and promoting waste minimisation; re-use, recycling and recovery interventions; and promoting the compliance of waste disposal facilities.

The provision of refuse removal is guided by the National Domestic Waste Collection Standards, which states that refuse must be collected at least once a week within the urban node. BCMM currently provides waste management service to about 149 551 billed households as well as 61 252 indigent households. In the Buffalo City Metropolitan Municipality, a highly industrious City with a fast-growing population, effective waste management services are critical and new innovations are required. In response to this growing demand for waste management services the City offers a comprehensive waste management service which includes kerb - side collection in formal settlements and communal collection in informal settlements (due to inaccessible roads), and provides black refuse bags as waste receptacles for households.

Street cleansing which encompasses street sweeping, litter picking, gutter clearing is done in all main routes, main entrances and exits in the City, as well as clearance of illegal dumps.

In terms of the Local Government: Municipal Structures Act 117 of 1998 the municipality is responsible solid waste disposal sites in relation to:

(i) Determination of waste disposal strategy
(ii) Regulation of waste disposal
(iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities The Department is also responsible for operations and management of the Landfillsites and Transfer facilities. BCMM has two permitted landfill sites viz: Roundhill and King William's Town Landfill sites and nine Transfer Stations.

The department is also responsible for implementation of The National Waste Management Strategy (NWMS), which presents a long-term plan for addressing key issues, needs and problems experienced with waste management in South Africa. The objective of the NWMS is to adopt an integrated, holistic and participatory approach to waste management covering the entire waste cycle from cradle to grave, and deals with the prevention, generation, collection, transportation, treatment and final disposal of waste. This means that all sectors should have plans in place not only to dispose of waste, but to minimise its production in the first place.

There is also a Waste Management bill that endorses the waste management hierarchy which gives highest priority to waste prevention followed by waste minimization, waste reuse, recycling, energy recovery and waste disposal, in order of preference.

The Unit is responsible for initiating and developing programs that favour waste reduction and diversion from landfill disposal.

## HOUSING

The Directorate of Human Settlements managed to fully service 3093 individual sites during 2018/2019 financial year, the provision of basic services to people residing in informal settlements will put to an end the sharing of ablution blocks by overcrowded communities and will bring the lost dignity. Approximately 300 housing were closer to practical completions and were invaded before occupation by rightful beneficiaries can take occupation. BCMM successful applied for eviction order, the High Court final granted permanent stay of the eviction. The process of eviction is under way with assistance by South African Police Services.

The Potsdam Ikwezi housing project is of 656 housing units is progressing well after the National Home Builders Registration Council final enrolled the project towards end of the financial year, this project will improve lower housing delivery pace in our Council especial in the next 2019/2020 financial year. About 67 households residing in rural areas rescued from cracking mud ear structures and provided with high quality housing units equipped with water reservation tanks. Another rural housing project for 500 housing units was awarded towards the end of the last financial year for Potsdam Village communities.

## LOCAL PLANNING APPROVALS

- Each municipality must have a Zoning Scheme, including Buffalo City Metropolitan Municipality. A Zoning Scheme is a category setting out the purpose of which the land, being as specific property, may be used and the land use restrictions applicable in respect of the said category of directions as determined by the relevant zoning scheme regulations.

- When a property owner wants to change his land use or alter the applicable land use restriction on the said property, the property owner needs to submit a land use application to the City Planning Division. These land use applications can be in the form of a rezoning, special consent, temporary departure, permanent departure or a subdivision.

- These applications are then processed in the prescribed manner as per the relevant legislation applicable. It must be noted that there are still different planning legislations applicable for different areas in BCMM. The new Spatial Planning and Land Use Management Act 16 of 2013 will eventually be the only planning legislation in place to approve planning applications. But before that all other planning legislations and regulations still in place must be repealed, which can only be done when the new Provincial Planning Legislation is in place.

- In the 2018/2019 Financial Year a total amount of 911 planning applications were received by BCMM. These where made up of the following applications:

    - 54 Subdivisions
    - 58 Rezoning's
    - 15 Special Consents
    - 639 Permanent Departures (Building lines)
    - 47 Temporary Departures
    - 98 Removal of Restrictions

## LOCAL ECONOMIC DEVELOPMENT

One of the key objectives of local government in carrying out its developmental mandate is creating a conducive environment for economic development. This relates to several areas ranging from business-friendly regulatory environment, competitive costs of doing business, ensuring the provision of economic infrastructure, swift and predictable turn-around times for approval processes, incentives, support for local beneficiation, etc.

Buffalo City Metropolitan Municipality is faced with a myriad of economic challenges, including amongst others the stubborn levels of high unemployment, especially amongst the youth, poverty, stagnant economic growth, dis-investment followed by job-shedding in certain instances, skills flight, low levels of entrepreneurial activity.

**The Directorate has the following Departments**

- The Department of Tourism, Arts, Culture and Heritage
- Department of Trade, Industry and Sector Development
- Department of Agriculture & Rural Development
- Fresh Produce Market

## THE DEPARTMENT OF TOURISM, ARTS, CULTURE AND HERITAGE

(TACH) consists of five units namely:

- Tourism, Research, Planning and Development
- Destination Marketing and Information Services
- Events, Public Relations and Stakeholder Management
- Arts, Culture and Creative Industry
- Heritage

## THE DEPARTMENT OF TRADE, INDUSTRY AND SECTOR DEVELOPMENT

The Department of Trade, Industry and Sector Development comprises of Enterprise Development as well as Trade and investment Promotion, whose roles and responsibilities include:

- To create a conducive environment for economic development
- To promote retention of existing investors and attraction of new investment into the City
- To encourage and promote entrepreneurship culture within the City
- To provide support to local SMMEs, Co-operatives and Informal Traders
- To promote the city as a premium investment destination

## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

The main purpose of the Department comprises the following:

- Promote sustainable agricultural development within Buffalo City
- Support the growth and development of emerging farmers within the Metro
- Contribute towards the growth of the agricultural sector to improve diversification of the local economy and exploitation of opportunities across the entire value chain
- Promote food security through rural and urban agriculture, aquaculture and other innovative food production models

## FRESH PRODUCE MARKET

The Fresh Produce Market is a municipal department that provides facilities for the storage and distribution of fresh produce. The market premises are situated on portion of Erf 467 and portion of Erf 1010 in the industrial suburb of Wilsonia, East London. The fresh produce is sold to the public by the market agents on behalf of the farmers. The market agents are allocated floor space that is utilised as a platform to display products and conduct sales transactions with customers. Cold rooms and ripening rooms are provided for storage whilst the products are not displayed on the sales hall. Commission accrues to the market on all transactions concluded on the market floor.

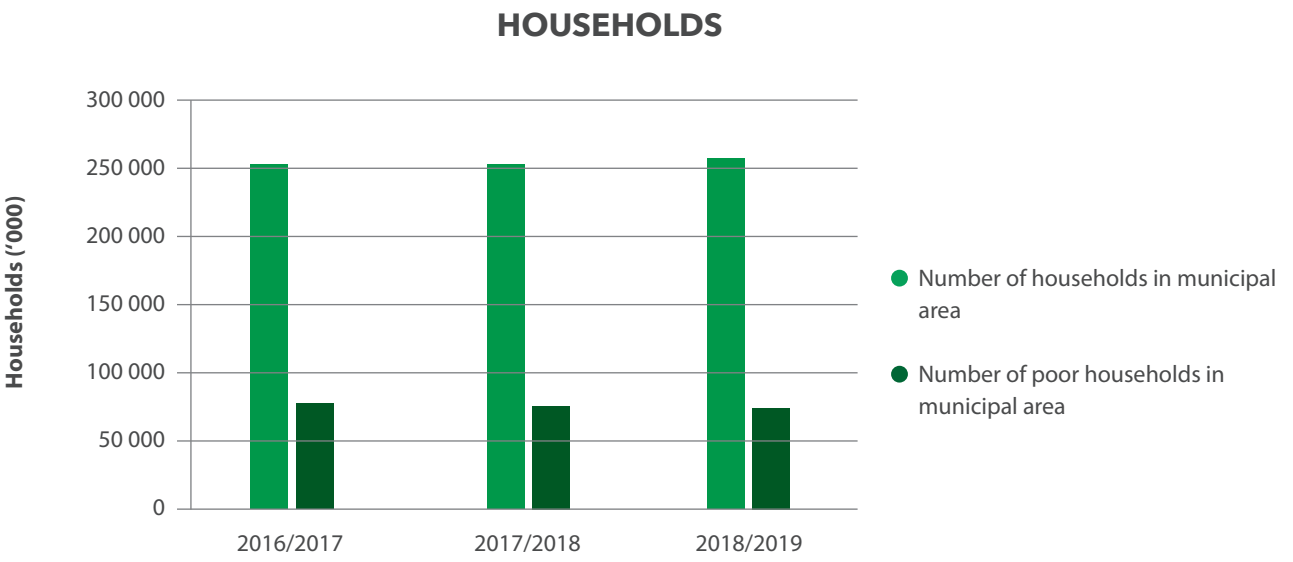
The market subscribes to the Codes of Best Practice (COBP) for National Fresh Produce Markets which were published in 2015 by the Department of Agriculture, Forestry and Fisheries (DAFF). These codes pertain to market managers, agents, labour and service providers and ultimately aim at ensuring that the markets are equipped and empowered as platforms of excellence to provide and supply quality fresh produce to the total fresh produce value chain.

**T 1.2.1**

## POPULATION DETAILS

| Age | Year 2016/17 | | | Year 2017/18 | | | Year 2018/19 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Age: 0 – 4 | 45775 | 44281 | 90056 | 45775 | 44281 | 90056 | 44810 | 42715 | 87525 |
| Age: 5 – 9 | 46487 | 45861 | 92348 | 46487 | 45861 | 92348 | 39564 | 37710 | 77274 |
| Age: 10 – 19 | 74402 | 82796 | 157198 | 74402 | 82796 | 157198 | 58672 | 59669 | 118341 |
| Age: 20 – 29 | 76376 | 76228 | 152604 | 76376 | 76228 | 152604 | 90007 | 88805 | 178812 |
| Age: 30 – 39 | 60703 | 65045 | 125748 | 60703 | 65045 | 125748 | 85692 | 84110 | 169802 |
| Age: 40 – 49 | 45078 | 49705 | 94783 | 45078 | 49705 | 94783 | 41806 | 45650 | 87456 |
| Age: 50 – 59 | 32073 | 39920 | 71993 | 32073 | 39920 | 71993 | 27473 | 41347 | 68820 |
| Age: 60 – 69 | 16016 | 12105 | 28121 | 16016 | 12105 | 28121 | 18957 | 27957 | 46914 |
| Age: 70+ | 7265 | 13902 | 21167 | 7265 | 13902 | 21167 | 12127 | 21647 | 33774 |
| *Source: IHS Markit Regional eXplorer version 1750* | | | | | | | | | ***T 1.2.2*** |

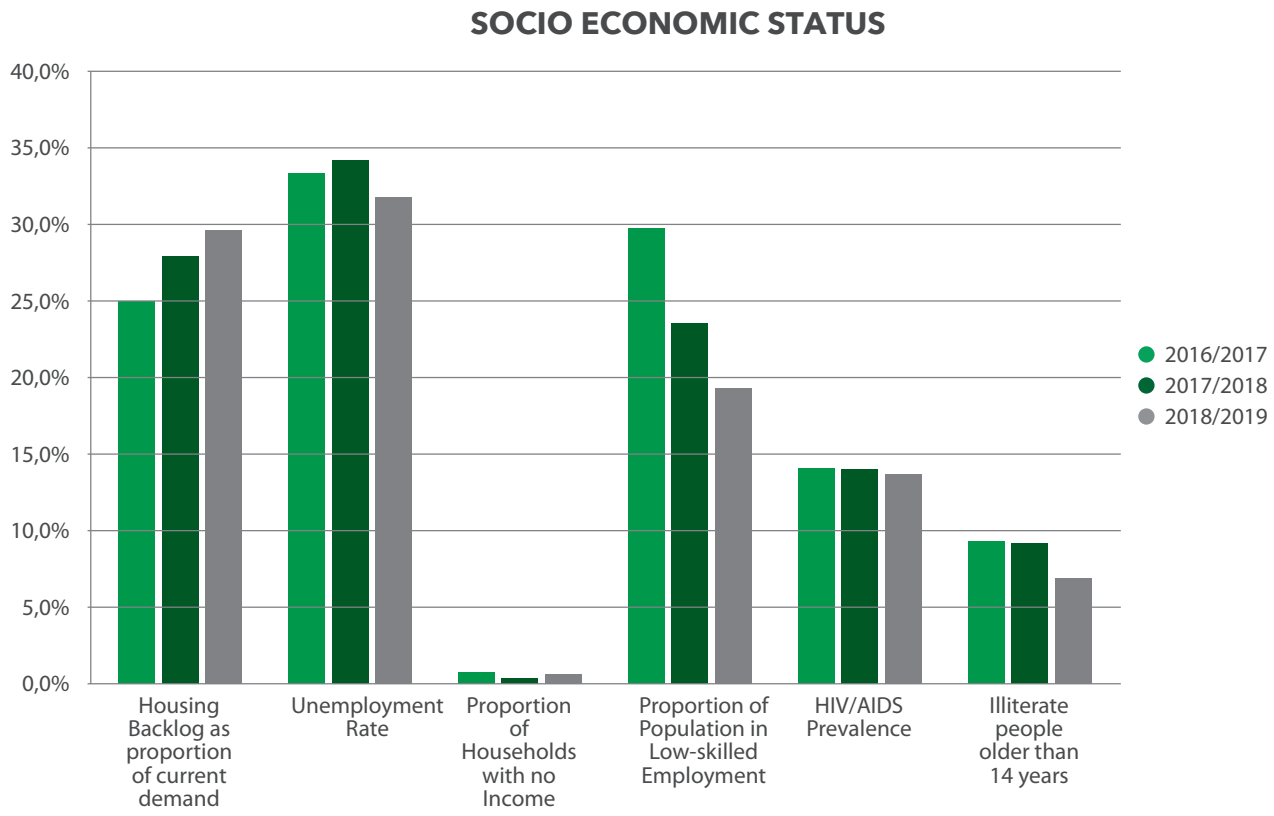
## HOUSEHOLD DATA




**T1.2.3**

## SOCIO-ECONOMIC STATUS

| Year | Housing Backlog as proportion of current demand | Unemployment Rate | Proportion of Households with no Income | Proportion of Population in Low-skilled Employment | HIV/AIDS Prevalence | Illiterate people older than 14 years |
|---|---|---|---|---|---|---|
| 2016/2017 | 25,0% | 33,4% | 0,8% | 29,7% | 14,1% | 9,4% |
| 2017/2018 | 28,0% | 34,0% | 0,3% | 23,5% | 14,0% | 9,3% |
| 2018/2019 | 29,8% | 31,9% | 0,6% | 19,3% | 13,7% | 7,0% |
| Source: IHS Markit Regional eXplorer version 1750 | | | | | | *T 1.2.4* |




Source: IHS Markit Regional eXplorer version 1750 T1.2.5

# **OVERVIEW** OF BCMM NEIGHOURHOODS

## TOTAL POPULATION - SUB-METRO REGIONS OF BUFFALO CITY METROPOLITAN MUNICIPALITY, 2018

### NUMBERS AND PERCENTAGES

| Sub – Metro Region | Population | Average Annual Growth |
|---|---|---|
| Macleantown, Sandisiwe | 64,200 | ***2.57***% |
| King Williams Town, Bisho | 221,000 | ***0.37***% |
| Mdantsane, Chalumna | 259,000 | ***0.65***% |
| East London | 325,000 | ***1.94***% |
| **Buffalo City** | **869,066** | ***1.17***% |
| *Source: IHS Markit Regional eXplorer version 1750* | | T 1.2.6 |

| Natural Resources | |
|---|---|
| **Major Natural Resource** | **Relevance to Community** |
| Ocean & Coastline | Trade, tourism, subsistence, recreation |
| Agricultural Land | Agriculture |
| Bushveld & Grasslands | Tourism, subsistence, agriculture |
| | |
| | *T 1.2.7* |

## COMMENT ON BACKGROUND DATA

The population structure of the Metro provides opportunities for growth and development. Channelled properly, it creates an opportunity for self-driven communities to compete for resources that may arise. Communities and individual residents may develop and take greater care of services and supportive infrastructure that they already have access to.

A growing population has the potential to unlock fast economic growth if the advantage of creativity and innovation is taken care of and channelled properly to productive and gainful use.

The City has already instituted support mechanisms to support communities to contribute to their own development, leveraging their energies, creativity and innovation.

The following initiatives have been implemented during the year under review:

1. **Vukuphile Contractor Programme**: The project is implemented through EPWP in supporting smaller contractors to obtain CIDB grading and be capacitated to be compete with established construction companies;

2. **Sekunjalo Development Centre**: The municipality has collaborated with the Services SETA on a three-year project amounting to R31,6million towards learnerships,apprenticeships, bursaries and internships. This partnership will also see the revitalisation of the Sekunjalo Skills Centre in Nxwashu Village and the contractor has already been introduced to the City;

3. **Buy Back Centres**: Communities are encouraged to recycle plastics, paper and glass to make income and reproduce products into by-products such as recycled glass and paper;

4. **Mdantsane Automotive Incubation Centre**: The centre was launched in 2017 and has created employment within the automotive sectors, such as tyre fitting, windscreen fitting and fixing, and car servicing; and

5. **Municipal Bursary**: Investing on youth skills development and innovation and enable them to be employable and contribute towards the economic growth of the Metro and beyond.

T 1.2.8

# 1.3. SERVICE DELIVERY OVERVIEW

The 2018/19 service delivery commitments for the BCMM were set within the context of a targeted pro-poor service delivery agenda, arising from the dedicated approach of the new term of local government. The focus was on ensuring improved, dependable and impactful service delivery to communities. The underpinning strategy for this trajectory of service delivery included the acceleration of responsiveness to speedily resolve service delivery blockages and coordinate onsite responses to observed service delays for immediate community relief. The Metro's efforts of improving service delivery also focused on the strengthening of the well-established service delivery processes and practices.

The provision of sustainable basic services to improve the living conditions of the most disadvantages residents and pushing for growth and development through supporting initiatives for business development and job creation took centre stage.

The following are BCMM's service delivery highlights for the year under review: -

## ELECTRICITY

To ensure the electricity department provides the required service it has three distinct sections; Development/Contracts and Asset Management; Operation and Maintenance; and the third Customer Care and Revenue Protection mandates are as follows:

**Development, Contracts and Asset Management**: this section is tasked to ensure that the network remains well designed, in terms of upgrading, protections levels, manages all contract works and is responsible to maintain the asset register and ensure that equipment reaching end of life is scheduled for replacement.

- Investigate, design and upgrade existing electrical network
- Replacement of capital equipment when required.
- Provide a project management service on installation done by Developers
- Inspect assets and prepare maintenance schedules
- Inspect work completed on the maintenance schedule
- Update and maintain electricity department Asset register.

**Operation and Maintenance:** This section is responsible to maintain the electrical network, provide a 24 hours standby service and repair any fault which affects the service delivery

- Maintain Overhead Lines (132/66/11 kilo Volt and 400 volts)
- Maintain underground Cable (11 kilo Volt and 400 volts)
- Maintain Electrical equipment protection schemes
- Maintain Electrical Substations
- Scheduling of monthly planned maintenance

**Customer Care and Revenue Protection:** This section is responsible to provide customer service by providing new meters to consumers, giving advice when requested, maintaining the service kiosk, identifying illegal connections, removing illegal connections, identifying tampered meters and investigating any illegal act which may affect the municipal electrical network

- Installation of new service connections
- Information concerning Electricity Department
- Repairs and replacement of non-functioning meters
- Inspection of meters
- Removal of illegal connections
- Investigation of theft, vandalism and illegal connections

## WATER AND SANITATION

Water Services is currently supplying 6 kiloliters of water free per month to all registered indigent consumers. Approximately 249 179 households have access to basic water supply and 233 445 have access to basic sanitation services in the form of either flushing in urban areas or Ventilated Pit Latrines (VIPs) in rural areas. The remaining percentage of consumers have a form of water supply either below basic level of service or through tanker deliveries.

Insufficient budget allocations as well as the aging infrastructure have imposed a major challenge when it comes to the access to basic water services. The lack of network integration in some areas especially rural systems makes it difficult to optimize available water resources and ensure the service continuity in cases of break down. Increasing incidents of sewage overflows due to the deposition of foreign objects in the system, theft, vandalism and inadequate sewer capacity in some catchments threatens the environment.

## ROADS AND STORMWATER MANAGEMENT

The roads and stormwater branch falls under the directorate of Infrastructure services, and is responsible for the rehabilitation, upgrade and maintenance of 2940km of surfaced and gravel roads, 70 Bridge structures, 21000 manholes, inlet and outlet structures and 600km of pipes and channels.

The Branch have a Pavement Management system which was compiled in the 2012/2013 financial year and is currently in the process of being reviewed in the 2019/2020 financial year.

The capital and operating budgets for the 2018/2019 financial year was R130 Million for Operating and R 280 Million for capital.

The roads and Stromwater branch achieved its performance targets for the 2018/2019 financial year. 140km of roads were regravelled/rehabilitated, resurfaced 43km of existing roads, upgraded 23km of gravel roads to surfaced standards and rehabilitated 3 bridge structures.

The effects of climate change lead to the municipality having to consider alternative means of improving and extending the useful life of unsurfaced roads to reduce the maintenance periods.

## SOLID WASTE SERVICES

**Street Cleansing**

The City is faced with a huge challenge of high littering rate and illegal dumping in open spaces, residential areas and CBDs. The main streets, entrances and exits in East London CBD, KWT and Mdantsane and other substantial commercial nodes in BCMM are litter picked and sweep on a daily basis. There are partnerships with other institutions such as BKCOB, BCMDA, EPWP and COGTA that assist in addressing the above-mentioned challenge. The activities in the partnerships include litter picking, street cleaning as well as education and awareness programmes.

The department also has programmes of clearing illegal dumps in all wards.

| Resources | Coastal | Midland | Inland |
|---|---|---|---|
| Personnel | **327** | **189** | **174** |
| Vehicles/ Compactor trucks | **22** | **-** | **15** |
| Street sweeper machines | **2** | **-** | **-** |

## LANDFILLSITES & TRANSFER STATIONS

Landfilling is the most commonly used waste disposal method in South Africa, and it is estimated that above 95% of waste generated is disposed of in landfillsites. It has been conceived as the most economical method of waste disposal and can be considered an environmentally acceptable practice provided it is properly carried out.

BCMM is services by two General Waste Landfill Sites and has no Hazardous Waste landfillsites. The City has nine old (pre -NEMWA) Waste Management Facilities. These sites are of various categories in terms of compliance to the waste Regulatory Framework. In addition, there are also two Garden Refuse Sites in Beacon Bay and Gonubie (privately owned).

**a) Roundhill Landfill Site in Berlin**
REFER TO QUARTELY REPORT
b) **King William's Town Landfill Site**

Both these sites are GLB+ landfill sites that are estimated to have a combined average waste disposal capacity of 850 to 1300 ton of Municipal Solid Waste per day. The estimated lifespan of these sites is ±15 years.

## GARDEN TRANSFER STATIONS

Buffalo City Metropolitan Municipality has got transfer stations where garden waste is dropped, the Beacon Bay Garden Transfer Station and the Gonubie Transfer Station, which is privately owne

**WASTE MINIMISATION, EDUCATION & PLANNING**

This is a unit under Solid Waste Management Services, which amongst other things is responsible for conducting daily awareness raising activities, prevent littering and illegal dumping of waste.

It is also responsible for implementation of projects that enhance waste recycling viz: Waste separation at source, establishment and management of Buy-Back Centres as well as review of Integrated Waste Management Plan. Projects implemented during the financial year under review include the following:

**(i) BCMM Internal Waste recycling -** There are 10 recycling drop off point units that have been placed as follows:

- Trust Centre
- Old Mutual Building
- Debt Management Offices
- Solid Waste - Cambridge
- Solid Waste - Directors Office
- IEMP Building
- Engineering Building

**(ii) School recycling competition**
BCMM in collaboration with Cocacola identified 35 schools to partake in the national recycling competition. The schools are collecting recyclable waste, and the school that collects large volumes wins a price

**(iii) EC Waste Management Systems Project**
This is a Department of Environmental Affairs funded project which is using labour intensive methods as per the requirements of Expanded Public Works Programme (EPWP) to execute the following:

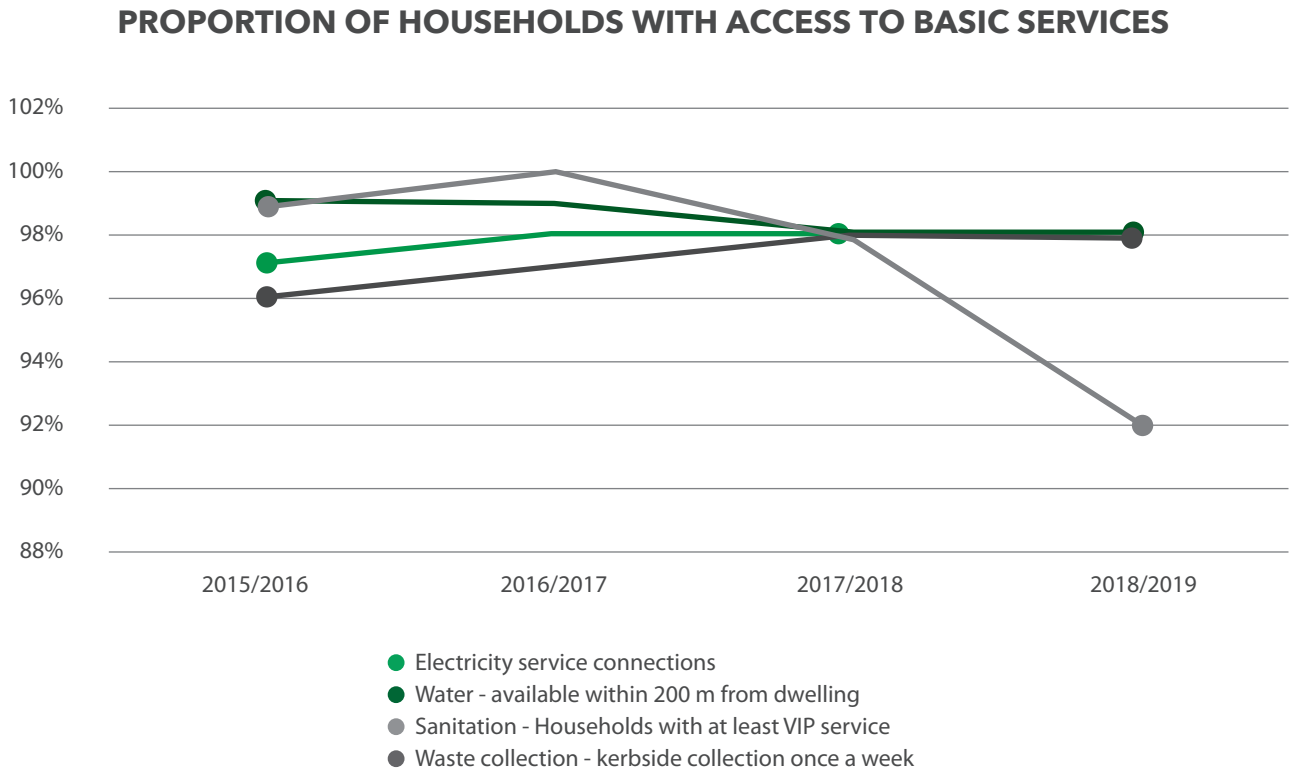
- Upgrading of East London buy-back centre
- Waste separation at source
- Street Cleaning

**(iv) Education and Awareness campaigns:**
Solid Waste raise awareness and educate the members of the community about issues related to cleanliness, waste, environmental management and sustainable development targeting communities and schools**.**

**Achievements of Solid Waste Department during this year of reporting are as outlined below:**

a) Implementation of waste separation at source programme
b) Fully operational Buy Back Centre
c) Successfully operating recyclable drop-off points
d) Successfully launching and implementing Good Green Deeds initiative

**1.3.1**




T 1.3.2

# **COMMENTS** ON ACCESS TO BASIC SERVICES

## WATER

The BCMM Water Department has achieved a 98% access to basic level water supply. 2% of households are still required to be serviced which are mostly from villages that have been included after the 2016 local government elections. These villages were getting water supply that is not meeting the minimum standards. Water Department is currently providing temporary measures to ensure access. To eradicate these backlogs a budget of R176 million and R200 million is required for Water and Sanitation respectively. In general, access to basic services has increased significantly over time within BCMM jurisdiction.

The following key achievements are noted:

98% of BCMM population has access to minimum basic water services and approximately 75 868 indigent consumers received free basic water (6kl per month). However, BCMM is generally stressed region which is due largely to the lack of additional capacity at water treatment plants and water losses owing to aging and poor mantained infrastructure. The department has also managed to reduce water losses by a massive saving of 6 079 637 kiloliters in the past three years.

## SANITATION

The Sanitation department is operating fifteen (15) wastewater treatment works servicing the three operational districts. Due to the new developments and housing rollout, sewerage system across the municipality lack sufficient spare capacity. The aging infrastructure, vandalism and theft are the main contributors to the increased incidents of sewage overflows that threatens the environment. This limits development in particular limits the development potential of Industrial Development in some chatchment zones. In order to address some of the identified challenges, BCMM established and are implementing regional wastewater treatment works in King Williams Town at Zwelithsa and Reeston to unlock developments in the Inland and Amalinda chatchment zones areas respectively.

Informal Settlements have access to minimum standards of sanitation. Approximately 58 797 indigent consumers received free basic sanitation. There is still a number of villages that still required to be provided with basic sanitation in the form of VIPs, the department is rolling out approximately 3000 VIPs a year.

## ELECTRICITY

In terms of the electricity backlog, the backlog is due to three main reasons:

- Back log due to new RDP Housing project being completed. This backlog is considered the formal backlog as the houses are built to reduce the housing need and are built on formal plots.
- In terms of this formal backlog the number of houses requiring electricity is estimated to be about 1500 a year due the completion of houses during the year. Electrification the completed houses are usually completed within the next year.
- The delay is due to the DoE funding criteria, as projects must meet the 80% complete and occupied criteria.
- The second reason for electricity services backlog is due to the mushrooming informal dwellings within BCMM these households require both housing and electrification.
- The BCMM council has taken a decision to electrify informal areas, which meet the informal dwelling electrification criteria, the main criteria being that the area must have a formal layout and be BCMM property.
- Thirdly in the 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 do not meet electrification guideline of having a formal layout plan

## WASTE REMOVAL

As the City is growing the scope for provision of Waste Management Services is also extending. As a result, the City will undertake an exercise to identify appropriate service delivery models that would ensure provision of effective Solid Waste Management Services that will meet the Demand.

T 1.3.3

# 1.4. **FINANCIAL HEALTH** OVERVIEW

The country continues to experience economic challenges with the provincial economy also not achieving the desired growth levels. Despite these challenges, Buffalo City Metropolitan Municipality achieved good financial health in the 2018/2019 financial year.

Actual operating revenue amounted to R7.308 billion, whilst actual operating expenditure amounted to R6.838 billion, resulting in an operating surplus of R470 million. The Adjustments Budget for operating revenue during the 2018/2019 financial year amounted to R7.560 billion, whilst Adjustment Budget for operating expenditure amounted to R7.056 billion,

resulting in a budgeted surplus of R504 million. This resulted in a lower than anticipated surplus which is an unfavourable variance of R34 million against the adjusted budgeted figure.

The unfavourable revenue variance of R252 million was due to the following factors:

a) Property rates revenue: total revenue realised amounted to R1.295 billion which was R122 million below the budgeted amount of R1.417 billion. Underperformance on property rates can be attributed to the objection of property valuation by the general public.
b) Service charges: realised a total revenue of R2.824 billion which was R327 million below the budgeted amount of R3.151 billion. Factors that contributed to the unfavourable variance on electricity revenue are, but not limited to the following:
    i. The imposition of intensified load-shedding.
    ii. The move by more affluent consumers to off grid or alternative energy sources.
    iii. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.

The unfavourable variance on water revenue is due to the following:

i. Areas where there is community unrest whereby meters could not be read.
ii. Challenges relating to delays in communicating the information on completed RDP houses to water and billing departments as the process is not automated.

c) Investment revenue: interest earned on investments was R99 million which was R42 million below the budgeted amount of R141 million. Interest rate on call investments are less than the prior year resulting in less interest realised for the year-end 30 June 2019. In addition, Cash and Cash Equivalent levels decreased when compared with prior year-end balance. The impact of the lower Cash and Cash Equivalent levels meant that less funds were available to invest, and less interest was realised.

d) Transfers recognised – operational: total revenue realised was R1.435 billion which was R82 million below the budgeted amount of R1.517 billion. The transfers recognised relate to grants and subsidies received as well as revenue recognised on grant funded operating projects. Revenue from grant funded projects is recognised as the expenditure is incurred.

e) Other own revenue contributed R348 million to the City's revenue and this was R15 million above the budgeted other revenue of R333 million.

f) The total capital revenue recognised amounted to R998 million in comparison to a budget of R1 billion, thus resulting in an unfavourable variance of R2 million.

The City's total operating expenditure was lower than anticipated budget and therefore experienced favourable variance against the adjusted budget of R218 million. The largest contributors to this variance is as follows:

- Employee costs: amounted to R2.050 billion which was R26 million above the budget of R2.024 billion. The variance is due to the cost provision that is made for payments of accrued bonus payments and other employee related pay-outs that would be payable should all employees resign or stop to work for the municipality at that particular point (30 June 2019).
- Debt impairment: amounted to R373 million which was R15 million above the budgeted expenditure of R358 million. The variance results from more debts written off than projected.
- Depreciation and asset impairment: amounted to R1.297 billion which was R99 million below the budgeted expenditure of R1.396 billion.
- Transfers and grants: amounted to R47 million which was R22 million below the budgeted expenditure of R69 million.
- Other expenditure: it amounted to R1.340 billion which was R135 million below the budgeted expenditure of R1.475 billion.

The statement of financial position for 2018/2019 reflects a favourable position as the City is having excess assets over liabilities resulting into the net worth of R20.887 billion. The value of the municipality's total assets is

R23.580 billion, which comprise of current assets to the value of R2.766 billion and non-current assets amounting to R20.814 billion. The value of the municipality's total liabilities is R2.693 billion, which comprise of current liabilities to the value of R1.715 billion and non-current liabilities amounting to R978 million.

The long-term loans comprise a total of R288 million, which is a decrease of R58 million on the balance at the beginning of the financial year. The Institution is in an enviable position of having access to additional long-term loan facilities in order to invest in the replacement of infrastructure assets.

The City continues to drive cost containment measures suggested by National Treasury in a bid to achieve operational efficiency and avoid budget deficit.

The City has a strong cash and cash equivalent and can meet its immediate obligations. However, the stagnant revenue base is a threat to the City's cash position and as a result, measures have been put in place to drive revenue growth to ensure the future viability of the City.

*T 1.4.1*

| Financial Overview: 2018/2019 | | | |
|---|---|---|---|
| | R' 000 | | |
| **Details** | **Original budget** | **Adjustment Budget** | **Actual** |
| Income: | | | |
| Grants | 2 275 573 | 2 517 548 | 2 712 343 |
| Taxes, Levies and tariffs | 4 594 246 | 4 568 242 | 4 119 415 |
| Other | 451 303 | 474 031 | 476 085 |
| Sub Total | 7 321 123 | 7 559 821 | 7 307 844 |
| *Less:* Expenditure | 6 513 291 | 7 055 541 | 6 838 017 |
| Net Total* | 807 831 | 504 280 | 469 826 |
| ** Note: surplus/(defecit)* | | | *T 1.4.2* |

| Operating Ratios | |
|---|---|
| **Detail** | **%** |
| Liquidity Ratio | 1,6 : 1 |
| Cost Coverage | 2,3 |
| Total Outstanding Service Debtors | 34,5% |
| Debt Coverage | 58,8 |
| Efficiency | 100% |
| Capital Charges to Operating Expenditure | 1,3% |
| Employee Costs as a percentage of Operating Expenditure | 31,1% |
| Repairs & Maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions) | 2,0% |
| | *T 1.4.3* |

# COMMENT ON **OPERATING RATIOS**:

**Liquidity Ratio:** The rate of 1.6: 1 is regarded as being within the National Treasury norm that ranges between 1.5 - 2: 1. The ratio measures the municipality's ability to meet its Current Liabilities and is calculated by dividing the monetary assets (due within one year) by the municipality's Current Liabilities. A higher ratio indicates a situation of strengthened liquidity position. Data used to calculate the liquidity ratio was extracted from the Audited Consolidated Annual Financial Statements at 30 June 2019. The Current Assets have increased at a slower rate than the Current Liabilities when compared with 2017/18, with the Metro's Liquidity Ratio moving closer to National Treasuries lower acceptable norm (1.5:1) which signals a weakening of the liquidity position. The Metro still is able to pay Current Liabilities with available Current Assets but driving more stringent revenue management strategies in order to strengthen the current liquidity position.

**Cost Coverage:** This ratio explains how many months' expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. Cost Coverage is calculated using available cash and investments divided monthly fixed operational expenditure. This rate has declined over the past year and currently is at 2.3 months. The National Treasury norm is between 1 - 3 months. BCMM's Cost Coverage is within the norm.

**Total Outstanding Service Debtors:** The rate of outstanding service debtors has decreased when compared with last year 34.8% and is currently at 34.5%. The percentage is calculated by dividing Total outstanding service debtors by the annual revenue received for services. Outstanding debtors continue to be a focus by prioritising debt collection to improve financial sustainability of the Metro. The Metro continues to implement efforts to decrease outstanding services debtors and therefore improve its Collection Ratio above the budget of 92.5%.

**Debt Coverage:** It reflects the number of times debt payments can be made within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be made by the Metro. This rate continues to improve increasing from 48.7 times (2017/18) to 58.8 times at 30 June 2019. This indicates that the Metro's long-term debt is decreasing and is due to the Metro not taking up additional loan funding during 2018/19 financial year. The Metro is however in the process of taking up additional loan funding which will drive this ratio down in the future, as this loan funding will be used to fund Capital Projects.

**Efficiency:** The Metro maintains its policy to pay its creditors within 30 days. The constant 100% payment levels to creditors highlights this achievement.

**Capital Charges to Operating Expenditure:** The ratio is calculated by dividing the sum of interest and principal paid on loan funding by the total operating expenditure. The rate has decreased from 1.5% in 2017/18 to 1.3% in 2018/19. BCMM is currently in the process of taking up new loan facility which will have a direct impact on this ratio.

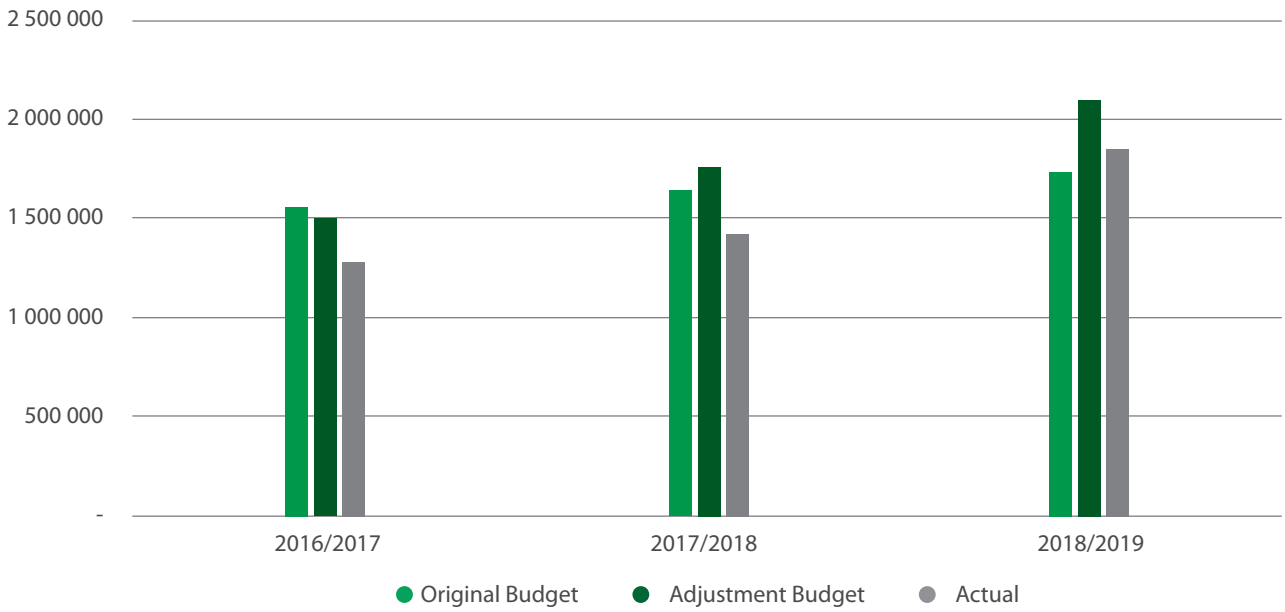
**Employee Costs as a percentage of Operating Expenditure:** The rate of 31.1% is within the norm of 25% - 40%. It is calculated by dividing the total employee cost by the total operating expenditure.

**Repairs and maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions):** This represents the proportion total Repairs and Maintenance when compared with Property, Plant and Equipment at carrying value. The rate 2% remains below the norm of 8% for the Metro. The City is augmenting its assets maintenance programme by using part of its own funding towards capital investment on renewal of existing assets to ensure the continued provision of services.

T1.4.3.

| Total Capital Expenditure: 2016/2017 - 2018/2019 | | | |
|---|---|---|---|
| | R'000 | | |
| **Detail** | **2016/2017** | **2017/2018** | **2018/2019** |
| Original Budget | 1 558 134 | 1 646 166 | 1 753 142 |
| Adjustment Budget | 1 493 827 | 1 771 575 | 2 096 370 |
| Actual | 1 276 301 | 1 426 514 | 1 859 685 |
| | | | *T 1.4.4* |

## TOTAL CAPITAL EXPENDITURE




*T 1.4.5*

# COMMENTS ON **CAPITAL EXPENDITURE**

The City continues to implement intervention measures to improve the City's spending performance as a result Buffalo City Metropolitan Municipality spent 89% inclusive of vat of its capital budget; this reflects an increase when compared to the previous financial year where 81% was spent.

The capital expenditure incurred in the 2018/2019 financial year was funded through grants and subsidies and own funding. Buffalo City Metropolitan Municipality spent 100% of its total capital grants budget. The largest funding source was the Urban Settlement Development Grant which focused on developing new urban areas for habitation. This grant was utilised to create new infrastructure in the previously disadvantaged areas and to replace existing infrastructure in those areas where infrastructure is nearing or has exceeded its useful life. This is required to ensure the continued economic growth of the city and to allow for business confindence.

The City spent 79% of its total own funded capital budget. The major contributing factors on low expenditure are Supply Chain Management processes that resulted in the slow progress in implementing own funded capital projects, however most of the projects are already awarded and the funding of such projects is fully committed.

*T 1.4.5.1*

# 1.5. **ORGANISATIONAL DEVELOPMENT** OVERVIEW

## ORGANISATIONAL DEVELOPMENT PERFORMANCE

With the assistance of National Treasury, the Government Technical Advisory Centre (GTAC), has undertaken a Diagnostic Assessment of Buffalo City Metropolitan Municipality that was concluded during January 2018, to assist BCMM to institutionalise and implement its 2030 Metro Growth and Development Strategy (MGDS) and provides the basis for the next review of the organisational structure that is currently being undertaken. The writing of job descriptions and the formal evaluation of jobs by the Job Evaluation Unit is currently being undertaken. BCMM has also established an internal job evaluation audit committee in order to expedite the implementation of job evaluation.

**T 1.5.1**

# 1.6. **AUDITOR GENERAL** REPORT

## AUDITOR GENERAL REPORT: 2018/2019 (CURRENT YEAR)

Buffalo City Metropolitan Municipality received a qualified audit opinion for the 2018/2019 financial year. The basis of the qualified audit opinion as per the Auditor-General's report includes the following factors:

| Subject matter | Reference to legislation | Description of non-compliance |
|---|---|---|
| Revenue management | Section 64(2)(f) and (g) of the MFMA | • An effective system of internal control for revenue was not in place. |
| Procurement and contract management | SCM regulation 19(a)<br>SCM regulation 29(2)<br>Preferential Procurement Policy Framework Act and its regulations.<br>Section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations.<br>The 2017 preferential procurement regulation 8(2) and 8(5)<br>MFMA 112(j) and SCM regulation 44 and by SCM regulation 38(1)<br>SCM regulation 46(2)(e). | • Non-compliance with legislation;<br>• Non-compliance with delegations of authority;<br>• Miscalculation of preferential points system;<br>• Procuring without inviting competitive bids;<br>• Awards were made to providers who were in the service of other state institutions |
| Expenditure management | Section 62(1)(d) of the MFMA | • Reasonable steps were not taken to prevent irregular expenditure. The full extent of the irregular expenditure could not be quantified. The majority of the irregular expenditure arose as a result of non-compliance of SCM Regulation transgressions.<br>• Reasonable steps were not taken to prevent fruitless and wasteful expenditure which arose predominantly as a result of interest and penalties incurred.<br>• Reasonable steps were not taken to prevent unauthorised expenditure resulting from exceeding the budget on non-cash items. |

The detailed Auditor General Findings are outlined in Chapter 6 of the Annual Report.

*T 1.6.1*

# 1.7 STATUTORY ANNUAL REPORT PROCESS

| No. | Activity | Timeframe |
|---|---|---|
| 1. | Inception meeting with all relevant stakeholders to outline the process | July 2019 |
| 2. | Outlining the Annual Report process to Top Management | |
| 3. | Visit to departments to collate Performance information | |
| 4. | Compiling Performance information taken from all Directorates | |
| 5. | Tabling of Annual Performance Report 2018/2019 to the Top Management | |
| 6. | Submit the Annual Performance Report to Audit Committee | August 2019 |
| 7. | Submission of Section 46 Report and draft Annual Financial Statements to AG | |
| 8. | 1st draft Annual Report tabling to Top Management | September 2019 |
| 9. | 2nd draft Annual Report tabling to Top Management | October 2019 |
| 10. | Submission of Draft Annual Report to Internal Audit | November 2019 |
| 11. | Submission of Annual Report including Annual Financial Statements to Auditor General for auditing | |
| 12. | Facilitate and respond to the Auditor General on the queries raised on the Annual Report | |
| 13. | Presenting the final Annual Report to Top management | December 2019 |
| 14. | Submission of Final Draft to City Manager & Sign off Final Draft by Executive Mayor and City Manager | |
| 15. | Tabling of Annual Report to Council | January 2020 |
| 16. | Submission of tabled Annual Report to Auditor-General, Provincial Treasury and Local Government and Human Settlement | February 2020 |
| 17. | Submission of Annual Report to the Municipal Public Accounts Committee for oversight and Speaker's Office for public participation | |
| 18. | Oversight of the Annual Report by Municipal Public Accounts Committee | |
| 19. | Invitation of public comments on Annual Report, Consideration of public comments and formulation of oversight report | March 2020 |
| 20. | Consideration and adoption of Annual Report and Oversight Report by Council | |
| 21. | Submission of Annual Report and Oversight Report to Auditor General, Provincial Treasury and Provincial Department of Local Government and Human Settlement | |
| 22. | Submission of final Annual Report and Oversight Report to Eastern Cape Provincial Legislature | |
| 23. | Publication of final Annual Report (website and other media) | |
| 24. | Publication of final Annual Report (website and other media) | April 2020 |

# 2. **STRUCTURE AND COMPONENTS** OF 18/19 ANNUAL REPORT

| Chapter | Components of the Integrated Annual Report |
|---|---|
| One | **Introduction** Provides an introduction and overview of the municipality and its entities to the reader. This chapter provides the key decision-makers – both on political and administrative level – with the opportunity to provide an overview of the functions, geographical area and performance of the specific municipality and its entities. |
| **Two** | **Governance in BCMM** This chapter entails the Political Governance Arrangements (Council and its Oversight Committees), Executive Political Governance (Mayoral Committee) Administrative Governance (Executive Management Team, Intergovernmental Relations and Corporate Governance. To ensure accountability and governance arrangements are in place information on matters of governance should be communicated to communities. This covers 4 components: Governance Structures; Intergovernmental Relations; Public Accountability and Participation and; Corporate Governance |
| **Three** | **Overview of Service Delivery BCMM.** Service Delivery Performance: focuses on service delivery on a service-by-service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on community needs and resource deployment. The service delivery issues must be structured, captured and reflected under each priority as contained in the IDP to allow for easy comparisons on achievements against budget and SDBIP. The purpose of the chapter is to demonstrate to the reader, in terms of service delivery, what is being achieved and what remains outstanding. |
| **Four** | **Organisational Development Performance.** This chapter addresses information pertaining to the implementation of an effective performance management system, organisational development and performance of the municipality. Such information is required to identify skills gaps and plans for the development of such skills |
| **Five** | **Financial Performance.** Overview of the financial performance of the municipality / municipal entity thorough measuring of results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are brought in line with IDP and functional area activities and outputs. |
| **Six** | **Auditor General Audit Findings.** This chapter provides an overview of the Auditor-General's Report of the previous financial year. Specifically, it should include: Details on issues raised during the previous financial year; and remedial action taken to address the above and preventative measures. |

# COMMENTS ON THE **ANNUAL REPORT PROCESS**

Section 127 (2) of the MFMA requires that the mayor of the municipality must, within seven months of the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control. To comply with the statutory requirements dictated by all relevant legislation that guides the development of the Annual Report, it is critical that meeting the timelines set and ensuring that all the information provided in the report is credible, useful and reliable. BCMM has met and is within the timelines it has set. BCMM has also undertaken reasonable actions to ensure that information presented in this report is factual and can be supported by evidence although any identification of errors must not be seen as a deviation from this intent.

BCMM always strives to ensure proper alignment between its plans as contained in the IDP, Service Delivery and Budget Implementation Plan (SDBIP), other plans and how reporting is handled to ensure proper accountability and transparency. In BCMM, organisational performance management is linked to individual performance management through section 56 managers, general and senior managers performance agreements. This assists to align the entire institutional performance management system.

***T 1.7.1.1***

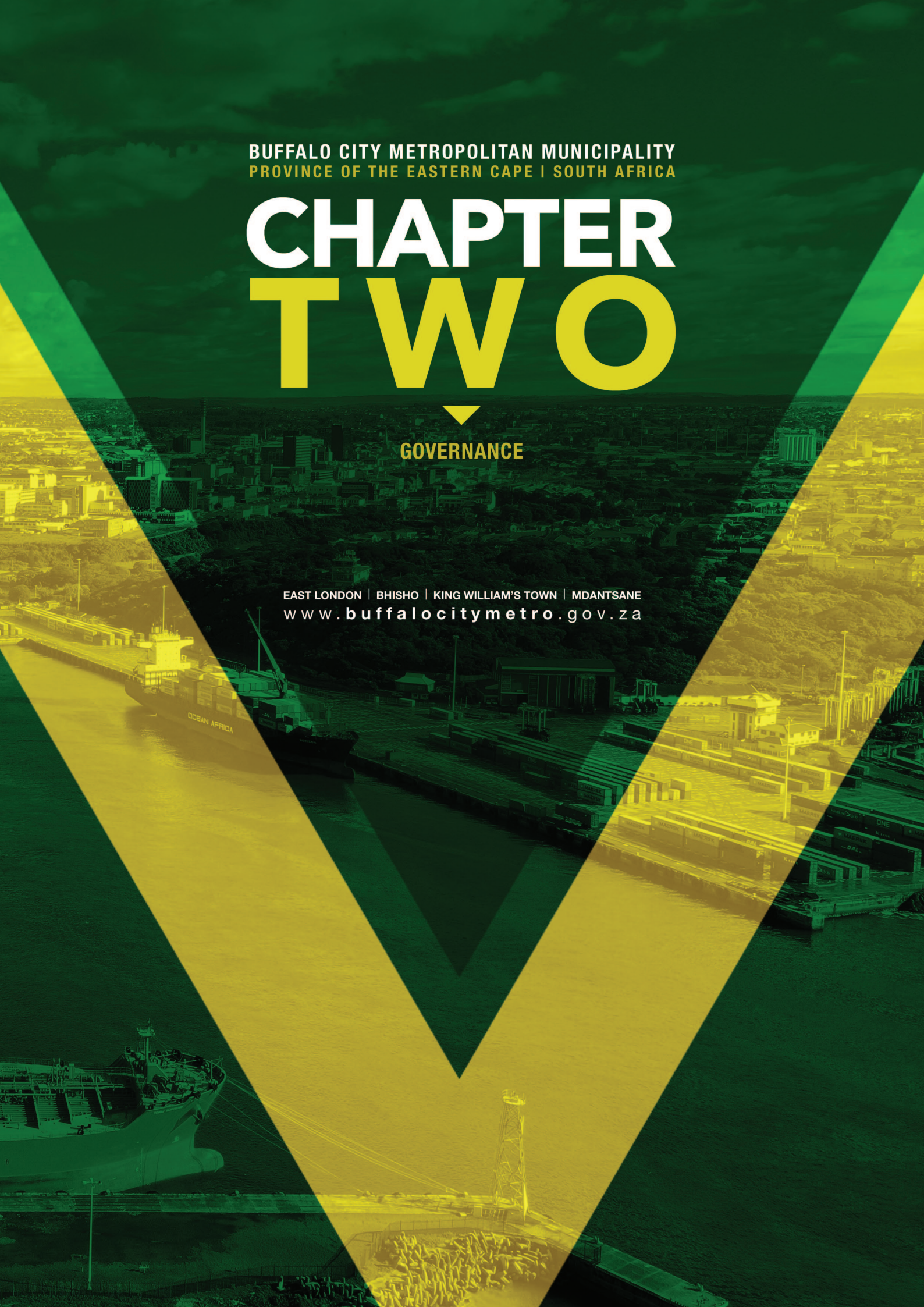


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER TWO

## GOVERNANCE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# CHAPTER 2
# GOVERNANCE

## INTRODUCTION TO GOVERNANCE

The governance of BCMM is based on Section 152(2) of the Constitution, 1996, which enjoins that the executive and legislative authority of a municipality is vested in Council. This gets operationalised through Section 79 Committees which support Council in going about its business whilst the Mayoral Committee get supported through the Section 80 Committees that are chaired by the Portfolio Heads.

Politics and administration in current times are increasingly situated in orchestra settings characterized by both vertical and horizontal multilevel arrangements and by various relationships with different actors. Traditionally, relationships between politicians and public managers have been characterised by the concept of strict separation and dichotomy. After the development of the bureaucratic and NPM model of public administration, the rise of the new (public) governance model has drawn attention to the role that citizens and non-government organisations play in pursuing outcomes of public interest. This relationship enables politicians, administrators and government departments to find platforms of sharing ideas and projects to be implemented through Intergovemental Relations (IGR) forums.

***T 2.0.1***

# COMPONENT A:
# POLITICAL AND ADMINISTRATIVE GOVERNANCE

## INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The political and administrative governance at BCMM is predicated on the Constitution of the Republic of South Africa, 1996; the Local Government Structures Act 117 of 1998; the Local Government Systems Act 32 of 2000; Municipal Finance Management Act 56 of 2003 and other applicable pieces of legislation.

The Executive Mayor and the Municipal Manager (referred to as the City Manager) are the embodiment of the relationship between the political and administrative governance of the municipality. They are therefore both entrusted with the responsibilities to ensure that a proper relationship between political and administrative governance always prevails for the needed stability of the municipality.

To that end, the Executive Mayor and the Municipal Manager are responsible for both policy formulation and implementation. They therefore hold the fort during Council meetings and are accountable to the Council as well.

***T 2.1.0***

## INTRODUCTION TO POLITICAL GOVERNANCE

The Local Government Structures Act number 117 of 1998 gives functions to political office bearers for each type of a municipality. BCMM with its mayoral executive system combined with a ward participatory system also has its office bearers deriving the clarification of the roles and responsibilities of its office bearers from the act.

## THE LEGISLATIVE ARM

**Speaker of Council**

The Speaker of Council as the Chairperson and custodian of Council is also a leader of the legislative arm. Section 37 of the Structures Act gives all the functions of the Speaker. In addition, the Speaker derives his functions from the Council delegations in line with Section 59 of the Local Government Systems Act number 32 of 2000.

**Chief Whip of Council**

There is a great collaboration between the offices of the Chief Whip of Council and the Council Speaker in terms of performing powers and functions. To that end, the two offices constitute the legislative sector.

Whilst the role of the office of the Chief Whip of Council has not yet been statutorily defined, it currently obtains it powers and functions exclusively from the Council delegations in terms of Section 59 of the Systems Act and has consistently been made to perform the following powers and functions:

a) To coordinate the deployment of Councillors from various political parties to Council commitees.
b) To foster constructive relations between political parties serving in the Council.
c) To provide dispute resolution functions.

**Section 79 Committees**

Section 79 of the Structures Act makes provision for the establishment of committees to assist Council to achieve its objectives. Such committees may either be permanent (that is exist for the whole term) or temporary (that is, exist until a particular task has been accomplished).

BCMM has the following permanent Section 79 committees:

a) Social Facilitation Committee
b) Petitions Management Committee
c) Rules Committees
d) Ethics Committee
e) Women's Caucus Committee
f) Municipal Public Accounts Committee
g) Multi-Party Committee

**Section 80 Committees**

Section 80 of the Structures, on the other hand, makes provision for the establishment of committees to assist the Executive Mayor in performing his/her Council delegated functions.

BCMM has the following Section 80 committees:

a) Finance Services Committee
b) Corporate Services Committee
c) Human Settlements Committee
d) Infrastructure Services Committee
e) IDP and Organisational Management Committee
f) Health, Public Safety and Emergency Committee
g) Municipal Services
h) Spatial Planning and Development
i) Institutional Operations and Civil Relations
j) Economic Development and Agencies
k) Sport and Sponsorship Committee
l) Remuneration Committee

**The Administrative Structures**

1) Top Management
2) Extended Top Management
3) Directorates
a) Departments
b) Sections
c) Units

There is an Audit Committee that provides opinions and recommendations on financial processes and performance and provides comments to the oversight committee. For the list of Audit Committee members, please refer to T2.6.1. The Municipal Public Accounts Committee (MPAC) or oversight committee constitutes of nonexecutive councillors and its report is published separately according to MFMA guidance. For the list of MPAC members, please refer to T2.1.3

## THE COUNCIL

**The Political Structure**

a) The Executive Mayor, Councillor X.A. Pakati
b) The Deputy Executive Mayor, Councillor Z.P. Matana
c) The Speaker, Councillor S.A. Mtsi
d) Chief Whip of Council, Councillor M. N. Marata

# POLITICAL **STRUCTURE**



**EXECUTIVE MAYOR**
Councillor X. Pakati



**DEPUTY EXECUTIVE MAYOR**
Councillor Z.P. Matana



**SPEAKER**
Councillor A.S. Mtsi



**CHIEF WHIP**
Councillor M.N. Marata

# MAYORAL **COMMITTEE**



**Cllr. H. Neale-May**
Finance



**Cllr. P. Nazo-Mkatala**
Spatial Development Planning



**Cllr. B. Sauli**
Corporate Services



**Cllr. N.M. Mhlola**
Human Settlements



**Cllr. X. Witbooi**
Special Programmes



**Cllr. S.N. Toni**
Infrastructure



**Cllr. N.P. Peter**
Municipal Services



**Cllr. N. Vaaiboom**
Local Economic Development



**Cllr. A.O. Mnyute**
Health, Public Safety & Emergency Services

# 2.2 ADMINISTRATIVE GOVERNANCE

## INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Following the strategic engagements at the Mayoral Lekgotla and the Council Lekgotla held during 2018, and the Diagnostic Assessment conducted by GTAC, the City Manager has appointed a Project Team that is responsible for strategically managing the Institutional Review of the BCMM functions and alignment of the organisational structure. This initiative will assist BCMM to institutionalise and implement its 2030 Metro Growth and Development Strategy (MGDS). The strategy outlines the cities' economic growth and development path up to 2030, to become "a well-governed, green, connected, innovative and productive city."

Top Management of the Municipality comprises of the City Manager and 9 Heads of Directorates. The Council approved the split of the Directorate of Municipal Services into two Directorates, namely; Solid Waste and Environmental Management, the Community and Sports, Recreation.

The Mayoral reshuffle that was done within the financial year led to the following changes in the Mayoral Committee and the Executive.

The Council Chief Whip was changed to Cllr M. N. Marata

## MAYORAL COMMITTEE

1. Cllr M. Vaaiboom – Economic Development and Agencies
2. Cllr N. P. Peter – Community Services
3. Cllr B. Sauli – Corporate Services
4. Cllr S. N. Toni – Infrastructure
5. Cllr H. Neale-May – Finance
6. Cllr N.M. Mhlola: Human Settlement
7. Cllr A.O. Mnyute:
   Health and Public Safety and Emergency Services
8. Cllr P. Nazo-Makatala: Spatial Planning and Development
9. Cllr X. Witbooi:
   Institutional Operations and Civic Relations.

## COUNCILLORS.

BCMM has a total of One Hundred Councillors, consisting of Ward and Proportional Representative (PR) Councillors.

In addition, Section 81(2) enjoins the MEC for Local Government to identify Traditional Leaders to participate in the Council proceedings, which are constituted as twenty percent of the number of Councillors and this translates to twenty Traditional Leaders serving in Council. However, such Traditional Leaders are precluded from voting during the Council proceedings. For the list of all Councilors please refer to annexure A and for attandacne of council meetings refer to annexure B

**T 2.1.2.**

## POLITICAL DECISION MAKING

BCMM Council is the highest decision-making structure in the municipality. It derives its decision-making powers from the Constitution of the Republic of South Africa, 1996. Section 59 of the Systems Act empowers the BCMM Council to develop its delegation system to maximise administrative and operational efficiency as well as provide for adequate checks and balances.

In its inaugural meeting BCMM Council established its Council Committees according to Section 79 of the Structures Act. The Executive Mayor also announced the members of his Mayoral Committee who also double-up as Chairpersons of Section 80 which assist the Executive Mayor in carrying out his duties.

BCMM Council established the following Section 79 Committees with the listed Councillors as members.

## ETHICS COMMITTEE

- **Cllr M. Marata (Chairperson)**
- Cllr V. Sakube
- Cllr M. Bota
- Cllr Z. Tokwe
- Cllr S. Mapuka
- Cllr P. Yenana
- Cllr S. Skepe
- Cllr T.F. Fritz
- Cllr A.MC. Botha
- Cllr O. O Ntame
- **Cllr S. Hoyo (deceased)**

**The terms of reference of the ethics committee are drawn in verbatim from the resolution of Council as summed below:**

At the time of writing, the Terms of Reference were being reviewed and were to be adopted in the November Council meeting.

## RULES COMMITTEE

- **Cllr A.S. Mtsi (Chairperson)**
- Cllr L.E. Simon-Ndzele
- Cllr V. Mpanza
- Cllr Z. Tokwe
- Cllr Y. Mankayi
- Cllr K. Ciliza
- Cllr T. Apleni
- Chief P.V. Bacela (Observer)

**The terms of reference of the rules committee are drawn in verbatim from the resolution of Council as summed herein under:**

At the time of writing, the Terms of Reference were under review and were to be adopted during the November Council meeting.

## SOCIAL FACILITATION COMMITTEE

- **Cllr V. Peter (Chairperson)**
- **Cllr S. Gomba (Resigned)**
- Cllr X. Simandla
- Cllr L.E. Simon-Ndzele
- Cllr N. Vitbooi
- Cllr E. Tshabe
- Cllr N. Gamnca
- Cllr D.M. Dhaya
- **Chief Z. Toise (Observer/deceased)**

**The terms of reference of the social committee as per the resolution of Council are summed as follows**:

a) To look into the packages of the Councillors
b) To report on the structuring of the packages of the Councillors
c) To deal with the tax issues related to Councillor allowances and structural arrangements of remuneration
d) To call for the documents it may require in performing its mandate from Councillors and officials and to interview such persons from the ranks of officials, Councillors and such other external persons as shall be necessary in the execution of Council's mandate
e) To consider the relevant legislation including Gazette No 33867 and SALGA Circular 56 of 2010 in consultation with the senior legal adviser of the BCMM.

## PETITIONS COMMITTEE

- **Cllr M.L. Ngabayena (Chairperson/deceased)**
- **Cllr Z. Mtyingizane (Acting Chairperson)**
- Cllr N. Moyikwa
- Cllr K. Ciliza
- Cllr V. Peter
- Cllr M. Bopi
- Cllr M. Kosani
- **Cllr A. Jayiya (Resigned)**
- Cllr F.Z. Mdinwa
- Cllr S.P. Dlova
- Cllr Hlekiso
- Chief S.P. Makanana (Observer)

**Terms of Reference for Petitions Committee are as follows:**

At the time of writing, the Terms of Reference were under review and were to be adopted during the November Council meeting.

## WOMEN'S CAUCUS COMMITTEE

1. **Cllr C.M. Yekiso-Morolong (Chairperson)**
2. Cllr K.T. Faku
3. Cllr T.I. Luzipho
4. Cllr S.E. Bentley
5. Cllr Y.C. Makapela
6. Cllr N. Moyikwa
7. Cllr V.E. Mpanza
8. Cllr Z. Mtyingizane
9. Cllr N.M. Ntshebe
10. Cllr B.O. Thwalingca
11. Chief N.E. Mpula-Mpula (Observer)

**In line with other committees of Council, its terms of reference were agreed as:**

a) To lobby BCMM to develop, promote and implement gender policies;
b) To monitor and evaluate the impact of these policies;
c) To ensure that the IDP is gender sensitive and to promote women participation in the IDP and Budget processes of the BCMM;
d) To advise and lobby for specific interventions by direct municipal investment in specific areas to enhance economic growth;
e) To create public awareness about government policies and programs aimed at the advancement of women and children rights and the rights of the aged;
f) To monitor the development and execution of appropriate policies and mechanisms in order that the BCMM reaches its employment equity targets at all levels of decision-making;
g) To advocate commission research on the impact of gender policies on women and children at grassroots level;
h) To develop programs to support married women, single mothers and the girl child.

## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

- **Cllr Z. Kodwa-Gajula (Chairperson)**
- Cllr A. Majeke
- Cllr C. Matiwane
- Cllr B. Kalani
- Cllr P. Miza
- Cllr T. Mtya
- Cllr O. Ntame
- Cllr S. Skolo
- Cllr Z. Tokwe
- Cllr G. Walton

**The terms of reference of the Municipal Public Accounts Committee are summed as follow:**

At the time of writing, the Terms of Reference were under review and were to be adopted during the November Council meeting.

Number of Council resolutions taken during the year under review: were 790.

99.1% (783) of council resolutions were implemented. Of 790 resolutions only 7 are still to be implemented from the 2018/19 Financial year.

List of those not implemented and reasons for not being implemented are outlined on the table below as follows:

Development during March 2019, with the aim to reorganise functions in order to strengthen integration, performance and accountability, to enable the implementation of the Metro Growth and Development Strategy.

T2.1.3

| List of resolutions not resolved | Reason |
|---|---|
| 1. Finalisation of farm 871/1 Greydell | Delayed by finalisation of land transfer |
| 2. Land Audit for BCMM | Awaiting finalisation of the procurement process |
| 3. Stipend of out of pocket for Ward Committees (Functionality of Buffalo City Metropolitan Municipality Ward Committees) | Dependant on the 2019/20 budget adjustment |
| 4. Relocation of Informal Settlement Dwellers at Stoneydrift tipsite | The institution is still in the process of identifying suitable land for relocation. |
| 5. Intervention to the matter between the community of ward 25 and Councillor Kolela on the issue of housing and sewerage projects | Still under investigation |
| 6. Fruitless and wasteful expenditure incurred for the 2009/10; 2010/2011; 2011/12; 2012/13; 2013/14; 2014/15; 2015/16; 2016/17; 2017/18 Financial year | Waiting the report on the decision of Municipal Public Accounts Committee on the findings |
| 7. Irregular Expenditure incurred during the 2017/18 Financial year | Still being investigated by Municipal Public Accounts Committee |

The above structural change will be integrated with the broader Macro-structure review process that is currently being undertaken.

The City Manager is the Administrative Head and Accounting Officer of the Municipality. As such, he reports directly to the Executive Mayor. The role of the City Manager is set out in legislation, inclusive of the Municipal Structures Act 117 of 1998, Municipal Systems Act 32 of 2000 and Municipal Finance Management Act 56 of 2003.

The Heads of Directorates (HOD) perform strategic leadership and management functions in their respective fields and any other responsibilities as contained in the Local Government Legislation as follows:

a) Corporate Services
b) Chief Operating Officer
c) Infrastructure Services
d) Municipal Services
e) Health and Public Safety and Emergency Services
f) Human Settlements
g) Economic Development and Agencies
h) Finance
i) Spatial Planning and Development
j) Executive Support Services.

Although each HOD accounts to the City Manager for their functional area, they are also part of a team to ensure an integrated approach to service delivery. Top Management meetings are held on a monthly basis whereby key issues are addressed. HODS also form part of all key committees dealing with organisational issues, such as the Council, Mayoral Committee, Audit Committee, Risk Committee and the Municipal Public Accounts Committee.

In order to ensure further integration and synergy between the various Directorates and Departments, a senior Management Team has been established comprising of the 3 top levels of management, that are; City Manager, Heads of Directorates and General Managers of the various Departments. This team also meets on a monthly basis to consider and discuss institutional matters.

***T 2.2.1***



**Mr A. Sihlahla - City Manager**
HEAD OF DIRECTORATES



**Ms Ncumisa Sidukwana**
HOD Executive Support Services



**Mrs Nonceba Mbali-Majeng**
Spatial Planning and Development

**Mr S. Peter**
Acting CFO



**Mr N. Ncunyana**
Head: Infrastructure Services



**Mr Bob Naidoo**
HOD: Corporate Services



**Mr Luyanda Mbula**
Head of Directorate: Human Settlements



**Miss Noludwe Ncokazi**
HOD: Economic Development & Agencies

**Mr K. Tapile**
Acting HOD: Municipal Services



**Mr Vuyani Lwana**
Head: Municipal Health, Public Safety & Emergency Services

# COMPONENT B: INTER-GOVERNMENTAL RELATIONS

## INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS.

Increased globalization and the aim to bridge the digital divide has led all governments across the world exploring new forms of international economic co-operation and political interaction.

Furthermore, the loss of power to multi-nationals, increasing regionalization, and interdependence between states and individuals alike, has led to more international players in the local space. This has also forced different spheres of government to delve into international arena in order to build sustainable cities and communities and deal with the negative impacts of poverty, inequality and marginalization. Of late, a huge emphasis is placed on local government as global concerns have local resonance. According to the World Bank, today's urban population of about 3.5 billion people is projected to reach 5 billion by 2030, with two-thirds of the global population living in cities. A huge demand is place on local leaders to move quickly to plan for growth. The speed and scale of urbanization brings challenges and the capacity to tackle challenges is essential to assure safe growth for all living in the city.

The key priorities are to utilize and leverage off strategic national, regional and international partnerships with the aim to:

a) Facilitate information and knowledge sharing;
b) Equip councillors and officials with additional skills and capacity;
c) Build managerial and technical capacity;
d) Unlock bottlenecks and challenges;
e) Promote Buffalo City Municipality as an attractive location for investment and tourism;
f) Develop project partnerships for mutual benefits;
g) Explore new ways of performing its core business of service delivery;
h) Address regional and global challenges that have local impact which need to be tackled on a broad basis (like climate change) and
i) Contribute to global understanding, solidarity and peace.

T2.3.0

# 2.3 INTERGOVERNMENTAL RELATIONS

Buffalo City Metropolitan Municipality has adopted a democratic model for cooperative governance that provides basis for Intergovernmental Relations. The objective of Intergovernmental Relations in the Metro is to facilitate an Inter-governmental dialogue with relevant provincial government departments, parastals and state-owned enterprises to create a conducive working relationship between the municipality, Provincial departments and other stakeholders. This facilitates systems and relationships that enable the different spheres of government to participate effectively and carry the service delivery mandate to the local community that is being served and to achieve government goals.

The Basis for the Foundation of IGR is based on the Intergovernmental Relations Framework Act, 2005 (Act No.13 of 2005) which was passed to make sure that the principles outlined in Chapter three of the constitution are implemented. The Act seeks to set up mechanisms to coordinate the work of all spheres of government in delivering services, poverty reduction, and promoting development. The Act inspires the Metro to hold IGR Forum meetings with sector departments and state entities for integrated and joint planning and programming.

The Buffalo City Metropolitan Intergovernmental Forum is assists to close some of the gaps created by silo-mentality thinking on service delivery, by promoting a culture of working together with all spheres of government and stake holders.

## NATIONAL AND PROVINCIAL INTERGOVERNMENTAL STRUCTURES

At the National Level, Intergovernmental Relations is structured as the President's Coordinating Council (PCC) which is the coordinating body. The Council consists of the President, the Deputy President, Key Ministers, Premiers and SALGA. The PCC meets regularly to monitor the implementation of Policies and legislation and to ensure that all the three spheres of government strategies are aligned to each other. Another structure at the National level is MinMEC, the Meetings of Ministers, Members of the Executive Committees (MEC) and South Africa Local Government Association (SALGA). These forums are also attended by Municipal Managers and Heads of Departments. The purpose of MinMEC's is to consult, coordinate implementation and align projects between National, Provincial and Metros.

At Provincial Level the Premier is responsible for coordinating the relationship between National, Provincial and Local government in the province. Intergovernmental Relations at Provincial level consists of the Premier, the Local MEC and other, MECs, Metro and District Mayors and Municipal Managers. The Provincial IGR Forum meets quarterly to discuss issues of development in the province as well as the implementation of national and provincial policy and legislation by the province. The purpose of the Provincial IGR Forum is to coordinate the alignment of provincial and municipal development and planning for rendering services to the public. The Provincial Intergovernmental Relations Forum reports to the MinMEC through the Premier. BCMM attended and participated in four (4) Provincial Intergovernmental Relations in this financial year which were as follows:

- 19-20 July 2018
- 4-5 October 2018
- 11-12 February 2019
- 30-31 May 2019

The purpose of the above meetings was to measure and monitor the functionality and performance of IGR Forums in District Municipality and Metro Municipalities in the Province. This afforded municipalities an opportunity to present on the state of their IGR.

In these forums District and Metro Municipalities are a standing agenda item due to them being at the centre of coordination in the local government sphere. These forums create the platform to share the performance of local municipalities, report on support received from other government departments as well as request assistance. The forums are also for information sharing and expression of challenges faced by various municipalities. This assists municipalities to consistently discuss and improve on their IGR programmes.

In the year under review BCMM the following IGR meetings with the intended purpose of:

| MEETINGS | DATES | PURPOSE |
|---|---|---|
| BCMM IGR FORUM | 27 September 2018 | • To report on progress on the implementation of Operation Masiphathisane and the training of the Metro Implementation Task Team (MITT).<br>• To align BCMM Social Labs that work to enhance youth and community participation and creating platforms of social engagements on issues that pertain to the wellbeing of the BCMM citizens to the broader IGR activities of the Metro.<br>• To share information on the new ward-based budget allocation that the Metro was planning to implement with Sector departments. |
| BCMM IGR Round Table Meeting | 15 March 2019 | • To introduce the Anti-Poverty Strategy of the Department of Social Development which had planned intervention in Wards 24, 2, 6, 31, 32.<br>• To develop an interventional campaign with the Department of Home Affairs in preparation for the May 2019 National Elections by encouraging residents to collect their Identity documents from the Department of Home Affairs<br>• To present the state of readiness of the Independent Electoral Commission for the 2019 National Elections, and the support needed from BCMM in preparing for the elections and on the Election day in order to avoid any challenges. |
| BCMM IGR CORE TEAM MEETING | 24 May 2019 | • The Core Team Meeting is comprised of BCMM (IGR, IDP and Public Participation Units), Cogta, Office of the Premier and Provincial Treasury. The meeting was held to improve coordination of IGR work in the Metro with sector departments, and internal municipal departments. It was resolved at this meeting that BCMM would review the BCMM's IGR Framework and Terms of Reference for IGR. Furthermore, BCMM proposed the projectising approach to activities with Sector Departments in order to ensure functionality of IGR and to also ensure that there were key outputs. |
| BCMM IGR Forum | 14 June 2019 | • To receive feedback on National Elections and to note the challenges that IEC experienced during the 2019 Elections. To further find solutions and ways to improve and prepare for the upcoming 2021 Local Government Elections.<br>• To receive feedback from Department of Home Affairs department on the collection rate of ID's after BCMM intervention.<br>• For the Built Environment Planning unit within BCMM to seek input from Sector departments into the Built Environment Performance Plan.<br>• To highlight the international protocols and guidelines for all government departments when entering into a twinning agreement with International partners.<br>• To receive the Infrastructure plans from the Department of Health. The Department highlighted that its focus was in the rural Eastern Cape.<br>• To receive the Department of Human Settlements plans for BCMM in current financial year, and to receive the breakdown of the budget as per the BCMM wards. This aimed to improve integrated planning.<br>• To receive information from the Department of Public Works on Property and infrastructure disbursement especially related to vacant buildings and land that the department aimed to donate to BCMM.<br>• To present the ESKOM budget and plans in the Metro, related to Electrification and some of the challenges Eskom was experiencing that required the assistance of the Metro.<br>• To present on the Antipoverty Strategy by Social Development as an intervention in the following Wards: 24,2,6,31,32.<br>• BCMM attended the Anti-poverty stakeholder engagement meeting in the most deprived ward of BCMM (ward 24). |

T 2.3.

# INTERNATIONAL RELATIONS

Buffalo City Metropolitan Municipality intergovernmental programme on the international level, is guided by South Africa's Foreign Policy and Bilateral relations as well as the Metro Growth Strategy and BCMM Municipal International Relations Framework.

International and donor relations aim to service and support sister city partnerships, donors and other strategic partners that will enhance the municipality's integrated development plan.

Whilst some partnerships are of a historic nature with the focus on poverty alleviation equality and good governance, over the past few years these partnerships have

become more strategic in nature and are entwined with the overall strategy and goals of the Metro. The partnerships have to date have had a long-term time horizon, with corresponding commitment of resources, regular evaluation, and deliberate efforts to introduce new activities and expand collaboration so that the broader city and the community benefits. Over the past year the political drive has been to harness the strength of partnerships in order to leverage on the economic goals for the metro. The social, cultural and other aspects pertaining to partnerships will still remain an important part of cooperation. However, in the next few years, BCMM's international relations will have a large economic and trade shift.

Through the sister city's programme or twinnings, Buffalo City Metro ensures that the municipality develops a global partnership for economic development, environmental sustainability and municipal growth.

All Twinnings are founded on formal cooperation agreements / memorandums of understanding. that focus on the following areas of cooperation:

- Economic development and trade and investment promotion
- Sport and youth development
- Social upliftment and development
- Environment protection
- Culture, arts and tourism
- Health
- Educational support, skills transfer and sharing of skills and models of good practice
- Promoting political, social and economic good will between Buffalo City and international cities and;
- Safety and security

- For the year under review BCMM has been engaged in several International Relations Activities with the following partner cities:

a) City of Gävle, Sweden
b) City of Oldenburg, Germany
c) City of Jinhua, China

## CITY OF GÄVLE, SWEDEN

The main objectives of the partnership are to strengthen local democracy, improve the competence and capacity of the parties in their developmental role and as service providers through mutual transfer of knowledge, promotion of economic growth, social equality, environmental protection, poverty alleviation and gender equality. The Partnership with the City of Gävle, Sweden was established in 2002 through the SIDA (Swedish International Development Agency) and under the auspices of the Comprehensive Urban Programme. The partnership marked 16 years of cooperation and in December 2018 the partnership was successfully concluded with all programmes implemented. It was a mutual decision by both partners to amicably end the partnership due to changing priorities and needs of both municipalities. The final meeting for the partnership was held in Gavle, Sweden from Saturday, 29 September 2018 to Sunday, 7 October 2018. The delegation was comprised of the following:

**Joint Partnership Steering Committee**

- Executive Mayor Xola Pakati
- Councillor Ncedo Kumbaca – Portfolio Holder Infrastructure Services
- Councillor Luke Monwabisi Quse – Opposition Councillor
- Councillor Vuyolwethu Gqodi – Councillor
- Ms Ncumisa Sidukwana – HOD Executive Support Services
- Ms Darby Gounden – Manager Development Cooperation and International Relations

**Youth Engagement project**

- Ms Nandipha Beauty Jaji – Administrative Officer Special Programmes
- Mr Siphiwo May Konzaphi - Youth Coordinator
- Mr Sipho Daniel Kilani – Youth Council – Treasurer
- Mr Ondela Sokomani - Youth Council – Deputy Chair
- Ms Viwe Gedi - Youth Council – Member
- Ms Unathi Zenzile – Youth Council – Member

The Joint Partnership Committee met to hold the final meeting of the committee and to ensure that a close out report to the International Centre for Local Democracy and Youth project was successfully concluded. The programme is reported under the Youth programme. A final closure function was held with old and new political office bearers, project leaders, SIDA and the ICLD through a seminar where Swedish project leaders reported on their experiences with projects and the knowledge gained and shared and a farewell event was also held.

The Coordinator for Gavle, Sweden in early December 2019 embarked on a final visit to BCMM to finalise all reporting matters.

Although the partnership ended, there were new activities that developed outside the partnership. The Gävle based travel company VS Persson in March 2019 organised a tourism trip to South Africa and included a five day stop in Buffalo City with approximately 31 visitors to the city. The visit included a visit to Mngqesha Great Place, Steve Biko Museum, Mdantsane and Nahoon Point and Beach. Given the experience in the city, there will be a repeat visit in 2020.

Furthermore, the Swedish National Environmental Protection Agency and the National Department of Environmental Affairs in South Africa have joint project on hazardous waste, where a pilot project focusing on hazardous household waste was started in Buffalo City in 2018. Gästrike Återvinnare (Gävle´s recycling company) has been appointed as experts to support the activities in Buffalo City in 2019. A representative from Gästrike Återvinnare participated in the JPSC meeting in Buffalo City in March 2018.

The International Centre for Local Democracy has already approached BCMM to look at another Swedish Sister City Partner in the year ahead.

## CITY OF OLDENBURG, GERMANY

The partnership agreement between the City of Oldenburg and Buffalo City was signed on 29 November 2012 as part of the Renewable Energy Conference proceedings in East London, South Africa. This partnership was initiated through the over 20-year partnership between the Eastern Cape Province in South Africa and the Lower Saxony Province in Germany. Both cities also form part of the Engagement Global, "50 Municipal Climate Change Partnerships by 2015" programme. The '50 Municipal Climate Partnerships by 2015' project has set itself the goal of strengthening partnerships between municipalities in Germany and municipalities from the Global South that aim to pursue climate change mitigation and adaptation. It thus promotes the establishment and development of municipal climate partnerships.

Buffalo City Metro and the City of Oldenburg climate partnership forms part of the broader twinning arrangement of both cities. The main focus area for the Joint Programme of Action developed by both partners is as follows:

- Water Management due to water being a scarce and threatened resource due to climate change;
- Energy due to demand that is not met and the need to explore greener solutions;
- Waste Management due to challenges experienced with waste management and its current negative impact on a safe and healthy environment; and
- Environmental Education for Sustainable Development which is required for water, energy and waste management in order to change people's thinking on climate change and the environment.

### UPGRADING OF THE NAHOON ESTUARY RESERVE BOARDWALK

The Nahoon Estuary Boardwalk was completed in June 2018.

### WATER AND SANITATION

"The go-CAM project"
go-CAM is an international research project funded by the Federal Ministry of Education and Research (Germany) with a total financial volume of 2.2 Million €. It features case studies in South Africa, Turkey, Brazil and Germany under the funding initiative "Water as a global resource". In the framework of the go-CAM project a hydrological model for the Buffalo River and Nahoon River catchments is being developed. The model will be used to assess the effect of climate change on the future availability of surface water resources and how this possibly interferes with the future water demand of BCMM.

The project is a joint effort by the BCMM, the Technical University of Braunschweig and the Oldenburg-East Frisian Water Board.

A delegation from BCMM visited City of Oldenburg from 13 October 2018 to 20 October 2018. The delegation comprised of:

- Mr Nceba Ncunyana- HOD Engineering and Fleet Services
- Mr Mark Westerberg – General Manager Water and Sanitation
- Mr Luthando Mqwabalala – Manager Water
- Mr Siyamcela Mamane – Acting Manager Sanitation

The core objective of go-CAM is to develop, implement and apply multicriteria governance optimisation for sustainable water use in various coastal regions around the world. By linking modern methods that support decision-making and action with findings from hydrosystems modelling, the project will produce an integrated, transferable coastal zone management system. This planning tool will be part of an online dialogue platform called Coastal Aquifer Management (CAM). Using case studies in Brazil, Turkey and South Africa, the governance optimisation and software packages that go-CAM will develop should become established internationally. Modern hydrological, hydrogeological and geological models will form the basis for estimating water resources and demand in coastal regions. With the help of a multicriteria decision analysis, go-CAM will establish regional courses of action that will then be transferred into practice using the CAM dialogue platform. Accompanying workshops with the various user groups will increase acceptance for the methods and results. A PhD programme with the project's international partners should guarantee that the model can continue to be applied even after go-CAM has finished.

From the 25 to 27 March 2019 BCMM hosted delegation from the City of Oldenburg's Water Company comprising of the following persons:

- Mr Egon Harms
- Uwe Sütering
- Silke Bücker
- Konstantin Scheihing

Some matters discussed included that OOWV and BCMM have similar problems as both dealt with water stress and increasing water demand. And BCMM to look at drought simulations which could play important role for a "sustainable drought mitigation strategy" of BCMM. It was also to explore a long-term partnership between Rhodes University and BCMM for capacity building.

**AWARENESS RAISING FOR THE PROTECTION OF WATER RESOURCES**

The project, namely, Raising Awareness on the Protection of Drinking Water Resources in East London, was identified in recognition of existing expertise on water resource management from both municipalities. An application for funding of the project was prepared in 2017 and approved under the Partnership Projects for Sustainable Local Development (Nakopa) programme administered by Engagement Global on behalf of the German Federal Ministry for Economic Cooperation and Development. The project was approved for implementation between December 2017 and December 2019.

The aim of the project is:

- To exchange knowledge and jointly develop a strategy for drinking water protection in Buffalo City;
- To discuss possibilities for development of a joint awareness campaign in BCMM;
- To identify a focus area for the project within available funding;
- To develop a Project Management Plan; and
- To explore other potential projects for implementation in 2019.

From 25 November 2018 to 2 December 2018 a delegation of experts travelled to the City of Oldenburg for the Awareness Raising project. The officials were as follows:

- Mr Mark Westerberg – General Manager Water and Sanitation
- Mr Mkhuseli Nongogo – Programme Manager Sanitation
- Mr Samkelo Ngwenya – Manager Communications
- Mr Dean Peters – GIS Manager
- Mr Siegfried Rousseau – Amatola Water

The aim of the visit was to look at City of Oldenburg's programme in water and sanitation and to develop an action plan for this project in Buffalo City Metro given's BCMM's own water crisis.

## CITY OF JINHUA, CHINA

Buffalo City Metro has been hosting delegations from Jinhua City for a number of years. Jinhua City in 2015 launched the "Home-stay in Jinhua's historical Villages" project. Through this project Jinhua City aim to tell the story of Jinhua, to enhance the friendship between its sister cities and to enrich the cultural exchange as well as to preserve the traditional, cultural, historical nature of its rural villages. BCMM has been supporting the programme and to date have sent 11 youth/student delegations to participate in the homestay programme.

From 21 to 22 December 2018 a delegation from the City of Jinhua visited BCMM. The delegation comprised of the following representatives:

### JINHUA MUNICIPAL PEOPLE'S GOVERNMENT -

| Name | Position |
|---|---|
| Shao Guoqiang | Deputy Mayor of Jinhua Municipal People's Government |
| Ye Xinliang | Director of Jinhua Bureau of Commerce |
| Shi Xiaohua | Deputy Director of Jinhua Science and Technology Bureau |
| Zhou Jinfu | Deputy Mayor of Lanxi Municipal People's Government |
| Jiang Zhenlei | Deputy Mayor of Dongyang Municipal People's Government |
| Fu Min | Staff of Jinhua Foreign Communication Service Center |

### JINHUA BUSINESS REPRESENTATIVES -

| Name | Position |
|---|---|
| Chen Rulian | Chairman of the Board of Jinhua Lianguan Information Technology Industrial Development Co., Ltd. |
| Yang Weiming | General Manager of Zhejiang Prulde Electric Appliance Co. Ltd |
| Huang Youhong | General Manager of Zhejiang Xinlan Textile Co. Ltd |
| Xu Danyang | Vice-general Manager of Hengdian Group TOSPO Lighting Co., Ltd. |

The delegation held political and administrative meetings with the Metro and also held meetings with Business. The delegation also visited the ELIDZ.

**Other Activities**

Port Cities Conference AVIP Indian Ocean - Reunion (7 to 9 November 2018)

Buffalo City Metropolitan Municipality (BCMM) was invited by the Indian Ocean Port Cities (AVIP) to participate in the Port Cities of the World Conference held in from 7 to 9 November 2018 in Reunion. There were two representatives that were nominated to participate in the Conference from BCMM were as follows:

- Mr Sthembiso Khanyile – General Manager Executive Mayors office
- Ms Darby Gounden – Manager Development Cooperation and International Relations

Transnet was also invited to participate however due to unforeseen circumstances they were unable to attend.

The purpose of the conference was to lay the groundwork for regional cooperation on the issues that ports are set to face in the future. By promoting greater awareness and understanding of the actions being taken by all of the region's port cities, and by encouraging the sharing of experience on projects, the aim was to identify areas in which port cities can work together for the benefit of each local initiative.

The presenters at the conference included the representatives from AIVP, Le Port City in Reunion, the Port of Reunion, the Victoria and Alfred Waterfront from South Africa, Seychelles Planning Authority, Ethekwini Municipality-SA, Umhlatuze Municipality - SA, Mauritius Ports Authority, Union of Chamber of Commerce of the Indian Ocean, and Union Maritime de Mayotte. The AIVP debates at the Port Cities Conference focused on the following themes:

**Theme 1:** City-port strategies for a maritime living environment
**Theme 2:** Economic city-port trends for the Indian Ocean
**Theme 3:** Measures in favour of employment in the port cities of the Indian Ocean.

In order to access assistance from stakeholders and donors of the AIVP, BCMM intends to be a member of the Port Cities in 2019.

**YOUTH ENGAGEMENT PROJECT**

The International Centre for Local Democracy approved the "Youth Engagement Project" for the period 2016 – 2018. The project which was led by the BCMM Special Programs Unit with support from International Relations.

The project sought to explore and enhance mechanisms, structures and resources towards the mainstreaming of youth development within both Buffalo City Metropolitan Municipality and Gävle and to share these with each other.

The overarching objective for the Youth Engagement Project 2016 – 2018 was "Youth are included in local democratic processes" and the following project indicators and outcomes were achieved.

| Broad project indicators | Outcomes |
|---|---|
| Year 1 (2016) - Improved knowledge and decision-making capacity on issues relating to youth engagement within local government | • BCMM developed and piloted the BCMM Youth Development Survey and Gävle the LUPP Survey.<br>• Youth stakeholder dialogues and workshops were held in both BCMM and Gävle including sharing information on the Gävle Youth Election Ambassadors. |
| Year 2 (2017) Pilot innovative platforms for youth ideas | • BCMM the Thetha Nathi Interactive Mobile Application including on line youth survey.<br>• Both cities shared information on their respective Youth Councils and Youth Election Ambassadors. |
| Year 3 (2018) Youth Councils are tools for municipalities to reach and include youth in local democratic processes | • Both BCMM and Gävle engaged in knowledge exchange and capacity building on innovate ways to engage Youth Councils as youth participation tools within local government processes. |

In keeping with the approved project plan a City of Gävle Youth Engagement delegation was hosted by Buffalo City Metropolitan Municipality alongside the Gävle Joint Partnership Steering Committee from 12 – 16 March 2018.

The Youth Engagement Project delegation from Gävle was comprised as follows:

**a) Councillor Eiran Cooper**: Opposition Councillor
**b) Andy Tuveson**: Head of Culture and Association Support /Gasklockorna
**c) Tamara Benavides**: Youth Leader and Project Assistant
**d) Albin Hillberg**: Chairman of the Youth Council
**e) Lina Lindström**: Youth Representative
**f) Wilma Wannberg**: Youth Representative
**g) Birgitta Fejzulovic**: Youth Representative

A reciprocal visit was undertaken by BCMM to the City of Gävle from 1 – 5 October 2018 and comprised as follows:

**a) Cllr Xolani Witbooi**: Portfolio Head: Special Programmes and Chairperson Institutional Operations & Civic Relations Committee
**b) Cllr Vuyolwethu Gqodi**: Member - Institutional Operations & Civic Relations Committee
**c) Nandipha Jaji**: Special Programmes Unit Administrator
**d) Siphiwo Konzaphi**: Assistant Project Leader and Acting Youth Coordinator
**e) Ondela Sokomani**: Deputy Chair BCMM Youth Council
**f) Sipho Kilani**: BCMM Youth Council
**g) Viwe Gedi**: BCMM Youth Council

A project's final report was prepared by both BCMM and Gävle project team and submitted with the audited financials (undertaken by Swedish counterparts as dispersers of the funding) to the International Centre for Local Democracy. The said report was duly accepted.

The "Youth Engagement Project" afforded Buffalo City and Gävle the opportunity to engage on and share innovative platforms for the inclusion of youth in democratic processes for example: youth councils, youth election ambassadors, public participation, surveys, mobile apps and and citizen dialogue.

**T 2.3.1**

# NATIONAL INTERGOVERNMENTAL **STRUCTURES**

The Executive Mayor and City Manager participate in national intergovernmental meetings organized by the National Council of Provinces (NCOP)

## BENEFITS DERIVED FROM THE NATIONAL FORUMS

- To mitigate between National, Provincial and Local structures
- Find integration in terms of joint planning, programmes and actions
- Assist Local Government to be supported financially, Physically and otherwise
- It helps in the IDP and Monitoring of Programmes

## PROVINCIAL INTERGOVERNMENTAL STRUCTURES

BCMM is utilizing various provincial intergovernmental structures with an intention to consult and involve its citizens and stakeholders in all its processes to enhance developmental local government agenda. At Provincial Level the Premier is responsible for coordinating the relationship between National, Provincial and Local government in the province. Intergovernmental Relations at Provincial level consists of the Premier, the Local MEC and other, MECs, Metro and District Mayors and Municipal Managers. BCMM is playing a critical role in the Provincial IGR Forum that meets quarterly to discuss issues of development in the province as well as the implementation of national and provincial policy and legislation by the province. The purpose of the Provincial IGR Forum is to coordinate the alignment of provincial and municipal development and planning for rendering services to the public. BCMM is also involve in other provincial intergovernmental structures like, for example, the Ministers and Members of Executive Council Meetings (MinMec), Municipalities and MEC's (MuniMec), Provincial Co-ordinators Forum (PCF), IGR Forum Public Participation Provincial Forum, IDP/Budget Representative Forum and Metro Communicators Forum. These forums create the platform to share the performance of local municipalities, report on support received from other government departments as well as request assistance. The forums are also for information sharing and expression of challenges faced by various municipalities. This assists municipalities to consistently discuss and improve on their IGR programmes.

***T 2.3.2***

## RELATIONS WITH MUNICIPAL ENTITIES

**Establishment Rationale**

Municipal Systems Amendment Act 44 of 2003 (MSA):
a) Chapter 8A S86B (1) (a) a provision is made of a private company as a Municipal Entity

b) S86E (1) (b) the amended act provides: the municipality may establish a private company for purposes of performing a functioning a function or power in accordance with business practices in order to achieve the strategic objectives of the municipality more effectively and to the benefit of the community.

**Municipal Entities**

The entity of the BCMM is the Buffalo City Municipality Development Agency and the CEO is Mr. Bulumko Nelana. BCMDA was operationalized in July 2016. Within the Municipal Structure, Economic Development has a responsibility to coordinate the work of the agency in line with Municipal Priorities.

The Entity develops its strategic development plan in line with the Metro Growth and Development Strategy. The board of directors approves the final policies once they are presented to the board and monitors the implementation of these plans. The Chief Executive Officer and City Manager receives monthly financial and quarterly performance

reports, and these are accompanied by consistent consultations to ensure management of programs. BCMDA was operationalized in July 2016:

a) The Council appoints Board Members of the entity.
b) The Board appoints the CEO and the Executive Directors.
c) Every month the board reports to Top Management and the CEO is the member of the Municipal Council and forming part of the senior management team.
d) Quarterly reports of the entity are submitted to BCMM Council, The City Manager of BCMM and Other Councillors are Board Member of BCMDA

| Agency establishment Model/ Process… | | | |
|---|---|---|---|
| **PHASE** | **AGENCY DEVELOPMENT** | **OBJECTIVES** | **YEAR** |
| Phase 1 | Pre- funding | Political Buy-in for Agency concept / support and assistance/ no finance | -1 |
| Phase 2 | Pre-establishment | Establishment of legal entity / internal and external systems and procedures (Municipality and Board) / Grant funding…… | 0 |
| Phase 3 | Establishment | Formal Agency establishment / 5-year strategic plan / policies/ Staff recruitment / operational and funding model / projects based on partnerships and small capital grant | 1 – 3 |
| Phase 4 | Operational / Fully functional | Programme and project planning / facilitation of investments / project launches / overseeing design and implementation / Review of strategic plan/ Operational and Capital grants | 4 – 6 |
| Phase 5 | Business Continuity | Functional Agency / critical mass of projects / Semi- grant development | 7+ |

The BCMDA mandate is centered on investment attraction and economic growth into the City while maintaining strategic alignment with BCMM. The agency focusses on:

- Property Development
- Tourism Development
- Investment Promotion
- Socio- Economic Development

On the other hand, BCMM focuses on:

a) An inclusive and sustainable economic growth
b) A globally connected city
c) A clean and environmentally sustainable city
d) A well governed city.

The Service Delivery Agreement (SDA) requires that BCMDA play a critical role in ensuring the City realizes its strategic aspirations by performing both a facilitation function as well as a delivery function

## BCMDA HAS FIVE STRATEGIC GOALS….

a) A stable, financially viable and fully capacitated agency delivering its mandate efficiently and effectively
b) A dynamic tourist destination through infrastructure investment and promotion
c) Acquire, plan, develop and manage land and buildings.
d) The facilitation and delivery of socio – economic development programmes
e) Project preparation packaging and investment facilitation

## BCMDA FUNDING.

The agency's reliance on the BCMM for funding may prove to be unsustainable in the future, requiring alternative sources of revenue / a more sustainable funding model. The following are the possible revenue sources: -

a) Grants and Bonds
b) Loans
c) Interest
d) Donations and Sponsorships
e) Dividends
f) Rentals and Sales

## FLAGSHIP CAPITAL PROJECTS

a) Upgrade of Court Crescent
b) Water World Upgrade and Extension
c) Sleeper Site Development [North / Central Precinct]

## PROJECTS BACKGROUND AND TIMELINE

**a) December 2016 –** BCMDA starts a competitive bidding process, out of its own Operational Budget, to secure services of Consultants for Design Services.

**b) March 2017 –** BCMDA appoints MDA Consortium to commence and Design and Implementation Services for the East London Beach Front Precinct (Bid No. 3 of 2016). The consultant proposal allowed for approximately 12 months of designs, public engagement, assessment of bulk infrastructure, EIA submission, town planning submissions and submission of working drawings.

**c) May 2017** – MDA Consortium indicates that they are appointed for Design Services and not Implementation as the tendered amount only catered for designs. Resultantly, after various engagements it was resolved with MDA conceding that they have been appointed for both design and implementation work. A provision was then provided as per the appointment that fees will be reviewed at implementation stage.

d) August – November 2017 – Public engagement process (public participation) ensued for broad buy-in to design concepts.

**e) December 2017** – An impasse between BCMDA and MDA ensues, regarding scope of work and subsequent fees assigned to same. On advice and guidance from ExCo and the Board various engagements ensued in January 2018 which resulted in a conclusion to the impasse in March 2018. This has resulted in delays.

**f) February 2018** – Town Planning Applications submitted to BCMM for Water World – Rezoning and Subdivision of Remainder Erf 18870.

**g) March 2018** – An agreement is brokered, resultantly with a reduced scope of work only focusing on the Design Stage of the project and excluding the Implementation Stage.

**h) April 2018** – EIA process kick starts with public engagements

**i) May 2018** - EIA process: Specialist studies commissioned for the preparation of the Basic Assessment Report (BAR) as required by DEDEAT

**j) July 2018** – EIA Process: Draft Basic Assessment Report (DBAR) concluded and tabled for public comments.

**k) August 2018** – Final Concept Designs concluded and tabled for approval.

## SUPPORT REQUIRED BY BCMDA

a) Support BCMDA's development offerings
b) Assists in better resourcing (i.e. budget and skills) of the BCMDA
c) Better coordination / integration between BCMDA and BCMM Directorates
d) Fast track mechanisms in the approval processes for BCMDA

## CONCERNS RAISED THROUGH VARIOUS ENGAGEMENT WITH DEVELOPERS

a) Consistency in assessment of developments outside urban edge
b) Long waiting period for assessment of development proposals
c) Slow progress with SPLUMA and MPT
d) No clear set of incentives or office that deals with ease of doing business in BCMM
e) Investment / Funding available but no access to land.

T2.3.3.

## DISTRICT INTERGOVERNMENTAL STRUCTURES

Buffalo City is a metropolitan municipality and therefore has no established relations currently with the district municipality.

T2.3.4.

# COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

## OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In pursuit of promoting public accountability and broadening public participation, the City demonstrated a strong commitment to community-centred participatory approaches in the management of the municipality. Extensive involvement of communities in municipal planning, through established institutional arrangements, demonstrated the City's commitment to the promotion of public accountability. In this regard, significant strides were made in engaging communities through the utilisation of various governance structures at both the Executive and Legislative components of Council. This ensured active participation of communities in the development of their areas and ensured that the municipality is accountable to the public. Amongst others, the following included the initiatives undertaken to express and demonstrate the municipality's commitment to providing the community with information concerning issues of municipal governance, management and development.

### BENEFITS DERIVED FROM DISABILITY FORUM

The metro elected a Disability Forum in 2017 from Ward Committee Reps for Persons with Disabilities. This Forum seeks to:

- Undertake education and awareness campaigns to address misperceptions and stigma levelled at people with disabilities.
- Guide about measures to redress disadvantages / obstacles in employment experienced by this sector towards equitable occupational representation.
- Collaborate with Chapter 9 institutions, state machinery and other stakeholders in addressing the common challenges facing persons with disabilities within society in general.
- Keep issues of disability and the challenges faced by the sector as a key target group of all new government initiatives especially those dealing with socio-economic development of the disability sector.
- Reach out to the diversity within the disability sector and acknowledge that socio-economic rights should be equally enjoyed by all persons with disabilities, irrespective of race, gender, age, sexual orientation, implement, socio-economic status, educational qualification level, religion, culture employment status or nationality.
- To create ongoing awareness around universal accessibility and to promote a barrier-free access to all physical infrastructure as well as goods and services.

### BENEFITS DERIVED FROM EXTERNAL REPRESENTATIVE FORUM

a) Represents the interest of Constituencies in IDP/BUDGET/ PMS process
b) Consensus building between all stakeholder and BCMM
c) Monitoring of strategic decisions
d) Effectiveness and Efficiency of information to all stakeholders

***T 2.4.0***

# 2.4. PUBLIC **MEETINGS**

## COMMUNICATION, PARTICIPATION AND FORUMS

BCMM employs various mechanisms for public communication and participatory to ensure that the citizens are well-informed and capacitated to optimally take part in municipal processes and programmes. Public Participation has created a platform for interface between the Municipality and the Community.

Public communication methods that are utilised to inform the public include the municipal website, national, regional and community radio stations as well as the print media in the form of advertising in the local newspapers. Loud-hailing in communities and flyers/pamphlets are utilised to mobilise members of the community to attend municipality organised meetings and events, including the IDP/Budget road shows which are held throughout the municipality on an annual basis.

**National Forums Participation**

In terms of the Constitution, government is constituted as three spheres of government, namely national, provincial and local government. These spheres are distinctive, but are, however, interrelated and interdependent. All three spheres are obliged to observe and adhere to the principle of co-operative government and intergovernmental relations.

All spheres must, firstly, be effective, transparent, accountable and form a coherent government; secondly, respect the constitutional status, institutions, powers and functions of government in other spheres of government; and thirdly, co-operate with one another in mutual trust and good faith.

Further, the Constitution provides for an Act of Parliament to establish or provide for structures and institutions to promote and facilitate intergovernmental relations. In this regard the Intergovernmental Relations Framework Act establishes a framework for national, provincial and local governments to promote and facilitate intergovernmental relations and provide for mechanisms and procedures to facilitate the settlement of international disputes.

National forums play a central role in promoting co-operative government and intergovernmental relations. It brings together senior representatives of three spheres of government, that is national, provincial and local government, to consider issues, including issues relating to how all spheres are impacted by the decisions taken at a national level. Some of the forums include, the Presidents Coordinating Forum, National Communicators Forum, National Council of Provinces, etc. Invitation to national meetings is extended to the Executive Mayor, City Manager and Heads of Directorates.

Participation in National forums promote the principles of cooperative governance, improves the capacity to monitor and assess performance of the metro, ensures a co-ordinated and co-operative approach to service delivery; enhances the impact of public participation initiatives and BCMM's role in promoting sound internal fiscal administration in international fiscal matters. With regard to fiscal capacity and efficiency, when resources are allocated by National Treasury BCMM needs to ensure that there is necessary capacity to utilise those resources within the timeframes given, are used efficiently and without wastage. These forums therefore provide guidance, support as well as helps monitor BCMM's performance of its core functions and responsibilities.

In compliance with the legislative requirements, Buffalo City Metropolitan Municipality undertook several public communication initiatives as part of IDP/Budget review process and are reflected below as follows:

| No. | Activity | Date | Purpose |
|---|---|---|---|
| 1. | External Stakeholders Needs and Priorities | 08 August 2018 | To solicit external stakeholders needs and priorities through an advertisement placed in the local newspaper. |
| 2. | External Representative Forum Meeting | 12 August 2018 | Presentation of the IDP/Budget Process Plan and to provide feedback on previous financial year's performance to external stakeholders. |
| 3. | IDP Councillors Workshop | 17 August 2018 | Outlining the IDP/Budget Review process in order to ensure common understanding and full participation in the process. |
| 4. | Council adopts 2019/20 IDP/ Budget/PMS process plan | 29 August 2018 | Adoption of IDP/Budget Process Plan. |
| 5. | Ward Needs and Priorities | 01 October – 21 November 2018 | To request Ward Councillors to submit the top 5 needs and priorities of each ward. |
| 6. | Mayoral Imbizo Programme | 09-12 Oct 2018 | • Executive Mayor interaction with communities and capturing of needs and priorities<br>• To provide feedback on issues raised during the last public consultation process<br>• To share planned capital and operating expenditure earmarked for their respective areas<br>• To highlight key achievements of the Metro. |
| 7. | Executive Mayoral Lekgotla | 01 November 2018 | To present and review:<br>• Strategic objectives for service delivery and development<br>• Outline broad capital budget allocations for the 2018/19 – 20/21 MTREF period. |
| 8. | Councillors Session | 09 November 2018 | To:<br>• Provide feedback from the Executive Mayoral Lekgotla;<br>• Determine Strategic Priorities of the Institution for 2019-2021;<br>• Consider reviewed BCMM Policies;<br>• Review the BCMM Organisational structure; and<br>• Consider BCMM's delegation's framework. |
| 9. | Technical Planning Session | 14-15 February 2019 | To consider:<br>• Mid-year adjustment budget and service delivery targets;<br>• Draft Integrated Development Plan and MTREF Budget. |
| 10 | Councillors workshop | 15-16 March 2019 | Confirmation of draft IDP 2019-20 and MTREF Budget. |
| 11. | IDP Workstream Meetings | Ongoing | To confirm draft projects and programmes for 2019/20. |
| 12. | National Treasury Mid-Year Budget and Performance Assessment Visit | 11 February 2016 | To conduct a mid-year assessment of the municipality in preparation for the adjustment budget in terms of section of MFMA. |
| 13. | External Representative Forum Meeting | 14 March 2019 | • To present draft IDP 2019 - 2021 and MTREF Budget.<br>• To report on 2018/19 SDBIP Mid-year Performance |
| 14. | Council Meeting | 27 March 2019 | To adopt draft IDP 2019-2021 and MTREF Budget. |
| 15. | Councillors' Briefing Session on IDP / Budget Roadshows | 11 April 2019 | To brief Councillors on the preparations made for roadshow meetings and consult them on the draft responses to the Ward Priorities |
| 16. | IDP / Budget Roadshows throughout BCMM | 14 – 29 April 2019 | To present the draft revised IDP and MTREF and invite public comment |
| 17. | Municipal Budget and Benchmark Engagement by National Treasury | 6 May 2019 | Assessment of the BCMM 2019/2022 MTREF |

| No. | Activity | Date | Purpose |
|---|---|---|---|
| 18. | IDP/Budget Roadshows (Busines Communty and Traditional Leaders) | 23 April and 10 May 2019 | To present the draft revised IDP and MTREF and invite comment<br>* Business Roundtable was postponed due to poor attendance. |
| 19. | Council Workshop on the Final IDP/Budget for Final Adoption | 15 May 2019 | The objectives of the workshop were to:<br>• Inform Council of the key issues raised by communities during the IDP and Budget Roadshow held between 14 and 29 April 2019;<br>• Reflect on the progress made thus far on the implementation of the Five-year Integrated Development Plan;<br>• Provide a snapshot of the proposed plans to address the key issues raised by communities through budgetary commitments and monitoring the progress thereof through the identification and monitoring of key performance indicators and targets in the IDP; and<br>• Interrogate the Tabled MTREF Budget before its formal submission to Council for approval. |
| 20. | Council Open Day | 16 May 2019 | • To present matters raised by community members during IDP/Budget roadshow ward meetings that were convened throughout the City from 14 – 29 April 2019;<br>• To report on the Planning Process followed to REVIEW the Five-year IDP for 2019/2020 and DEVELOP the 2019/2022 MTREF; and<br>• To present the final draft MTREF |
| 21. | Council Meeting | 29 May 2019 | • Approval and Adoption of the 2019/20 IDP and MTREF 2019/2022<br>• Review Approval of BEPP |

Budget External Representative Forum meeting was convened during the IDP review. The meeting was held on 22 August 2018 as can be seen in the table above. The IDP/Budget/PMS External Representative Forum constitutes a structure that institutionalises sectoral participation in the IDP/Budget/PMS development and review process.

The members of the IDP/Budget/PMS External Representative Forum include Organised Businesses, Government Departments, State-owned enterprises, Organised Labour, faith-based organisations, Ward Committees, Traditional Leadership Special Focus group (Disability, Elderly Women, Youth and Children) and the NGO sector.

The purpose of each meeting varies depending on the IDP/Budget review phase in which the meeting is held. However, in general, external representative forum meetings serve:

To represent the interests of their constituents in the IDP process

To provide an organisational mechanism for discussion and consensus-building between the different stakeholders and the Municipal Government

To monitor the performance of the planning, implementation and review process, which ensures an efficient flow of information to and from stakeholder groups

To provide valuable and quality advice to the integrated development planning unit on how to improve annual review and assessment process of the IDP.

To ensure effective community involvement through budget and ward-base planning initiatives with Ward committees.

To critically evaluate the impact of the current generations of the IDP on sustainable service delivery, infrastructure development, job creation and poverty eradication.

To properly assess the influence of provincial and national policy frameworks on planning initiatives as guided by the IDP unit

To provide technical assistance on the aligning and streamlining of initiatives by municipal entities, businesses, the provincial growth and development plan and the national spatial development perspective

To assist in identifying current and future strategic developmental opportunities in conjunction with Buffalo City Metropolitan Municipality.

Attendance at the forum meetings usually ranges between sixty (60) to one hundred and twenty (120) delegates per meeting. Regular groups which are represented at the meetings include organized business represented by the Border Kei Chamber of Business, Government departments, state-owned enterprises and civil society organs.

The following forums are used by BCMM throughout the year to consult members of the community:

- IDP/Budget/PMS External Representative Forums
- IDP/Budget roadshows
- Disability Forum
- Mayoral Imbizo's
- Business Breakfast

One of the methods used to improve the efficiency and effectiveness of the IDP/Budget/PMS External Representative Forums was the introduction of the clustering approach. This was aimed at soliciting maximum input and participation by invited stakeholders at the forum meetings. In terms of the clustering approach each meeting would be organized into five (5) work streams, namely: Innovative and productive city, Green city, connected city, spatially transformed city and Well Governed city work stream. The work streams are facilitated by designated facilitators from the various stakeholders who create a free and conducive environment for stakeholders to freely participate and feel that they own the process. Introduction of this new approach has vastly improved the efficiency and effectiveness of the forums.

**Youth Council**

Person with Disabilities often have a triple burden of marginalization and exclusion based on their disability and part of another vulnerable group for example the elderly and / or often not economically active. Anecdotal statistics show that persons with disabilities are not well represented in business, politics and academia. To assist these groups and to improve effectiveness and efficiency of this forum the information sharing session was held.

Young people are the future and one of the key stakeholders of the community therefore, it is vital to engage them unceasingly. In trying to bridge this gap, the method used was to Pilot Thetha Nathi Youth Development Mobile Application. The Pilot innovative platforms online for collection of ideas and opinions from youth in respect of the municipality

## TRANSVERSAL VULNERABILITY REDUCTION MAINSTREAMING

Notwithstanding the aforementioned mechanisms striving for inclusivity and participation of communities within BCMM planning and budgeting processes, there is a dire need for mandatory / shared / cross cutting vulnerability reducing indicators and targets (similar to those prescribed in MFMA Circular 88) in respect of at least 2 local government specific vulnerability reducing indictors within the metro's Performance Management and financial reporting systems such that each directorate is able to account and quantify the beneficiation towards youth, gender and the disability sector within that directorate's core business.

The responsibility for implementing and reporting on transversal vulnerability mainstreaming is a cross-cutting issue of all directorates for example Employment Equity and job creation / economic opportunities created within that directorate's core business.

Local government is well placed in reducing vulnerability through provision of basic services and reporting on economic, employment and entrepreneurial opportunities created.

The Municipal Systems Act (Act no 32 of 2000), Section (2) states that "a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality"; Section (3) of the same Act states that, when establishing mechanism, processes and procedures in terms of Section (2) the municipality must take into account the special needs of:

- People who cannot read or write;
- People with disabilities;
- Women and;
- Other disadvantaged groups

The BCMM Reviewed Child and Youth Development Strategy: 2017 demonstrates the metro's committed to child and youth development through promoting access to education, economic empowerment as well as participation and through promoting access to education, economic empowerment as well as participation and beneficiation in local government

The key youth development programmes within Executive Support Services are:

*BCMM Bursary Fund. This is a multi-year programme with an annual budget of R3m. Thirty-five (35) beneficiaries for academic year 2017 and forty-three (43) youth benefited from the BCMM Bursary Fund for academic year 2018 and fifty (50) for academic year 2019.

Three BCMM Youth Development Centres situated at the KWT Civic Centre, Gompo Arts Centre and Mdantsane Community Support Centre provide youth with career guidance, free access to computer labs, free wi-fi and information on opportunities including bursaries, learnerships as well as preparing youth for employment through curriculum vitae development, interview preparations and linking to entrepreneur programmes. Youth Officers also undertaken outreach activities to wards. These youth centres also undertake ward outreach activities.

The metro has signed an agreement with Harambe Youth Employment Accelerator and operates from the EL Central Library as well as outreach activities. This programme links youth with employment well as upskilling initiatives to make them more marketable.

***T 2.4.1***

## WARD COMMITTEES

Ward Committee structure is part of local governance and an important way of achieving the aims of local governance and democracy mentioned in the constitution. It is the appropriate channel through which communities can lodge their complaints and it is obliged to forward such complaints to the Council in the most appropriate manner. In a broader sense, ward Committee should be a communication channel for the entire community residing in that ward.

Ward committees are meant to encourage participation by the community – their job is to make the municipal council aware of the needs and concerns of residents and keep people informed of the activities of the council.

**Roles of ward committees**

- To increase the participation of residents in municipal decision-making, as they are a direct and unique link with the council;
- To participate in matters such as the IDP/Budget processes, municipal performance management, the annual budget, council projects and other key activities and programmes as all these things impact on local people;
- To identify and initiate local projects to improve the lives of people in the ward;
- To support the Ward Councillor in dispute resolutions, providing information about municipal operations;
- To monitor the performance of the municipality and raise issues of concern to the local Ward;
- To help with community awareness campaigns e.g. indigent registration, payment of rates, as members know their local communities and their needs.

**Capacity-building for Ward Committees**

Capacity building and empowerment of ward committees helps in accelerating service delivery and contribute towards ward committee members' long-term career pathing.

The training priority plan for all Ward Committees was developed from the analysis of the results of the Skills Audit that was undertaken in 2017. Capacity building and empowerment of ward committees address shortcomings and ensure that ward committees are functional and perform their meaningful role in the Council. The training priorities that have been identified through the Skills Audit require external service providers to be to conduct the training courses.

In the first quarter 339 Ward Committees were trained in Project Management and Ward Based Planning. The scope of the training programme covered the following learning interventions:

1) Ward based Planning.
2) Ward Development Fund.
3) Integrated Development Planning.
4) Project Management.

In the third quarter 349 Ward Committees were trained in Basic Service Delivery to understand Local Government Service Delivery processes, direct responsibility, shared services and services for which local government is a partner.

**Major Issues Dealt with by the Ward Committee System**

On 18 to 21 June 2019, Ward Committees participated in various regions on the following Draft By-laws 1. Disaster Management; 2. Municipal Health Services; 3. Installation of Electronic Communications Facilities and 4. Dilapidated Buildings and Unsightly Neglected Structures and Properties.

On 21 June 2019 at Gompo Hall the Municipal Health Services conducted a workshop on Environmental Health functions for Duncan Village ward committees.

Ward issues raised in the ward committee meetings pertaining to the service delivery issues per ward. They play an oversight role on behalf of communities over service provisions assisting Ward Councillors in their locality; participating in project steering committees for projects implemented within their wards.

Reporting service blockages to relevant departments in the municipality with the assistance of the ward Councillor.

## COMMUNITY DEVELOPMENT WORKERS (CDWS)

The programme is implemented at provincial level in line with Cabinet decision of November 2003 that "the provincial government should be the employer of CDWs".

**Mandate of CDWs**

1. Assist in the removal of development and service delivery bottlenecks.
2. Strengthening the democratic social contract between government and the communities.
3. Link communities in which they work and live with government services and relay community concerns and problems back to government structures.

There are 33 CDWs working in 50 wards of BCMM, 16 (East London), 8 (Mdantsane) 9 (King William's Town). 17 Wards have no CDWs however those wards are serviced by nearest CDWs. They have a fully equipped office with IT equipment and telephone. They get assistance with their operational needs i.e. stationery, transport, to enable them to perform their functions efficiently and effectively.

CDW's assist with community mobilization and participated in Metro public participation programmes i.e IDP Budget Roadshows and co-ordinating signing of attendance registers for communities. The also supported IEC in voter education programmes across BCMM wards; assisted GCIS in distribution of information by engaging people in different platforms e.g Train activation before the National Government Elections.

They were involved in mobilising and disseminating information to communities regarding collection of Identity Documents and extended hours by Department of Home Affairs towards National Government Elections. Mdantsane CDWs also participated in Phelo phepha Health programme. They attend Metro Communicator's Forum, Metro Aids Council and Ward Social labs.

**Successes**

Functional Ward Committee which have been able to execute their tasks effectively. All municipal convened meetings which included ward committees were well attended and programmes emerging from such meeting implemented. Development initiatives, poverty alleviation initiatives and other development undertakings are being planned and implemented in partnership with ward committees.

**Challenges:**

Ward committees work very well with the metro with some degree of difficulties because of the political will from the Ward Councillors.

Non-Participation of Ward Committee members from urban wards in Municipal Activities and Capacity Building programmes for Ward Committees.

Lack of feedback or response from various directorates/ departments on issues raised in the Ward Committee meetings and in monthly Ward Committee reports.

Non-adherence to convene Ward Committee and Public meetings as per the adopted annual schedule.

Ward Committees demanding an increase for Out- of- Pocket Expenses and request to be considered for a Funeral benefit cover.

*T 2.4.2*

| PUBLIC MEETINGS | | | | | | |
|---|---|---|---|---|---|---|
| **Nature and purpose of meeting** | **Date of events** | **Number of Participating Municipal Councillors** | **Number of Participating Municipal Administrators** | **Number of Community members attending** | **Issue addressed (Yes/No)** | **Dates and manner of feedback given to community** |
| Ward Committee meeting | Monthly | Ward Councillor | 1 Public Participation Practitioner and invited officials when there is a need e.g. explanation of a project | 10 | Yes | Public meetings / Area meetings |
| Public meetings | Quarterly | Ward Councillor | Invited service delivery related officials (depending on issues to be discussed) | All | Yes | Public meetings / Area meetings |
| Mayoral Imbizo: To table the service delivery progress report on what the Metro has done for its community as well as other programmes/projects that are in the pipeline. | 13-19 October 2019 | 100 | | 500 | Yes | |
| IDP & Budget Roadshows: To present the draft IDP/Budget to the entire community. | 14-26 April 2019 | 100 | | All | Yes | 16/05/2019 Council Open Day |
| Council Open Day: to give feedback on key issues raised by the communities and also reflect on matter raised by the business fraternity and the traditional leaders. | 16/05/2019 | 100 | | 500 | Yes | |
| State of the City Address: | 26/07/2019 | 100 | | 500 | Yes | |
| *T 2.4.3* | | | | | | |

## COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS

The Municipality makes more appropriate decisions based on the priority needs of the community.

Community ownership is promoted to instill hope, own their projects and become part of the solution.

The concerns and inputs of the community regarding service delivery, general development of the community, disaster management and any other community concern are recorded.

Councillors provide feedback to their communities on issues that affect it from the Council as well as community concerns back to the municipality.

Public meetings assist the municipality to decide on which services to develop and improve.

**T2.4.3.1**

# 2.5 IDP **PARTICIPATION** AND **ALIGNMENT**

| **IDP Participation and Alignment Criteria*** | **Yes/no** |
|---|---|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the Section 57 Managers | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| | *T 2.5.1* |

# COMPONENT D: CORPORATE GOVERNANCE

## OVERVIEW OF CORPORATE GOVERNANCE

Buffalo City Metropolitan Municipality has a well-defined political and administrative governance system supported by the implementation of King III on Corporate Governance principles. The Metro's governance structure has two distinct functions which are the Legislative function and the Executive function. These are supported by an administration, which focuses on administrative governance and service delivery.

This governance structure; deepens democracy, boosting citizen empowerment and stakeholder participation and involvement; improves governance, socio-economic development and service delivery; strengthens decision-making powers and accountability; and ensures expeditious and efficient decision-making.

## THE GOVERNANCE STRUCTURE OF BCMM

**The Council**

The council has a Total number of 100 seats
A total of 51 Councillors is required to constitute a Quorum for meetings

The Council is constituted as follows: -

a) The Executive Mayor, Councillor X.A. Pakati
b) The Deputy Executive Mayor, Councillor Z.P. Matana
c) The Speaker, Councillor S.A. Mtsi
d) Chief Whip of Council, Councillor M. Marata

## BUFFALO CITY METROPOLITAN MUNICIPALITY COUNCILLORS

| NO. | WARD/ PARTY | NAME OF COUNCILLOR |
|---|---|---|
| 1.. | PR DA | Councillor Roy Edmund **Angelbeck** |
| 2.. | PR EFF | Councillor Noludwe **BATALA** |
| 3. | PR DA | Councillor Susan Elizabeth **BENTLEY** |
| 4. | Ward 15 ANC | Councillor Makhaya **BOPI** |
| 5. | Ward 49 ANC | Councillor Mfundo **BOTA** |
| 6. | Ward 4 DA | Councillor Anastasia Melissa Conzalvis **BOTHA** |
| 7. | Ward 1 ANC | Councillor Kuhle **CILIZA** |
| 8. | PR DA | Councillor Dharmesh Manilal **DHAYA** |
| 9. | PR AIC | Councillor Vuyisile Alfred **DIKO** |
| 10. | PR AIC | Councillor Sikiwe Patricia **DLOVA** |
| 11. | Ward 39 ANC | Councillor Bongani **DYONASE** |
| 12. | Ward 40 ANC | Councillor Kholiwe Thelma **FAKU** |
| 13. | Ward 21 ANC | Councillor Mpumelelo **FINI** |
| 14. | PR DA | Councillor Terence Flavian **Fritz** |
| 15. | Ward 20 ANC | Councillor Ntombizodwa **GAMNCA** |
| 16. | Ward 11 ANC | Councillor Mashwabada **GCILISHE** |
| 17. | PR PAC | Councillor Ayanda **GCOBO** |
| 18. | Ward 12 ANC | Councillor Gwebile Lennox **GOSANI** |
| 19. | PR DA | Councillor William Donne **GOULD** |
| 20. | PR ANC | Councillor Vuyolwethu **GQODI** |
| 21. | Ward 19 DA | Councillor Johannes Dick **GREEN** |
| 22. | PR EFF | Councillor Mziyanda **HLEKISO** |
| 23. | PR DA | Councillor Vaughan Andrew **HOLMES** |
| 24. | PR UDM | Councillor Thembisa **JULY** |
| 25. | PR EFF | Councillor Phindiwe **KABA** |

| | | |
|---|---|---|
| 26. | Ward 27 ANC | Councillor Boy Boy **KALANI** |
| 27. | Ward 6 ANC | Councillor Peter Lixolile **KIKI** |
| 28. | Ward 46 ANC | Councillor Nceba Wiseman **KILIMANI** |
| 29. | Ward 24 ANC | Councillor Zameka **KODWA-GAJULA** |
| 30. | Ward 25 ANC | Councillor Mthetheleli Crosby **KOLELA** |
| 31. | PR DA | Councillor Mawethu **KOSANI** |
| 32. | PR ANC | Councillor Ncedo Lithalomzi Nyameko **KUMBACA** |
| 33. | PR DA | Councillor Thandiswa Ivy **LUZIPO** |
| 34. | Ward 28 DA | Councillor Marion **MACKLEY** |
| 35. | PR COPE | Councillor Mercy Nonceba **MADIKANE** |
| 36. | PR DA | Councillor Anathi **MAJEKE** |
| 37. | Ward 27 ANC | Councillor Boy Boy **KALANI** |
| 38. | PR AIC | Councillor Yaleka Cynthia **MAKAPELA** |
| 39. | Ward 43 ANC | Councillor Zukiswa Yvonne **MANKAYI** |
| 40. | Ward 42 ANC | Councillor Senduku **Maphuka** |
| 41. | Ward 8 ANC | Councillor Ayanda **MAPISA** |
| 42. | PR ANC | Mawethu Nicolas **MARATA** |
| 43. | PR ANC | Gladys Nokuku **MARWANQA** |
| 44. | PR ANC | Councillor Zoliswa Patience **MATANA** |
| 45. | PR EFF | Councillor Chumani **MATIWANE** |
| 46. | Ward 13 ANC | Councillor Nokulunga Portia **MATIWANE** |
| 47. | Ward 18 DA | Councillor Jason Scott **McDOWELL** |
| 48. | PR AIC | Councillor Yaleka Cynthia **MAKAPELA** |
| 49. | PR DA | Councillor Francis Zwelandile **MDINWA** |
| 50. | PR EFF | Councillor Athenkosi **MGIJIMA** |
| 51. | Ward 2 ANC | Councillor Ntombizandile Maureen **Mhlola** |
| 52. | Ward 3 ANC | Councillor Pindile K. **MIZA** |
| 53. | PR ANC | Councillor Amanda Olwethu **MNYUTE** |
| 54. | Ward 7 ANC | Councillor Mkakutta Clara **MOROLONG-YEKISO** |
| 55. | Ward 30 ANC | Councillor Nomonde **MOYIKWA** |
| 56. | Ward 48 ANC | Councillor Vuyiswa Ethel **MPANZA** |
| 57. | PR ANC | Councillor Skuta Alfred **MTSI** |
| 58. | PR EFF | Councillor Anele **MTSOLO** |
| 59. | Ward 50 ANC | Councillor Thobile Liberman **MTYA** |
| 60. | Ward 14 ANC | Councillor Zininzi **MTYINGIZANE** |
| 61. | PR ANC | Councillor Pumla **NAZO-MAKATALA** |
| 62. | Ward 26 ANC | Councillor Ntunkulana Elliot **NCOTELA** |
| 63. | Ward 38 ANC | Councillor Ntombomzi Letticia **NDOTYI** |
| 64. | PR ANC | Councillor Helen Elizabeth **NEALE-MAY** |
| 65. | Ward 33 ANC | Councillor Putumile Enoch **NELANI** |
| 66. | Ward 47 ANC | Councillor Vusumzi **NJECE** |
| 67. | PR ANC | Councillor Mkuseli Brian **NOMBEWU** |
| 68. | Ward 45 ANC | Councillor Gedion Thozamile **NOREXE** |
| 69. | PR DA | Councillor Olwethu **NTAME** |
| 70. | Ward 44 ANC | Councillor Sixolisiwe **NTSASELA** |
| 71. | Ward 37 ANC | Councillor Ntombekhaya Muriel **NTSHEBE** |
| 72. | PR ANC | Councillor Xola Anderson **PAKATI** |
| 73. | PR ANC | Councillor Nontsikelelo Priscilla **PETER** |
| 74. | Ward 32 ANC | Councillor Vuyani **PETER** |
| 75. | PR DA | Councillor Lindsey **POLLOCK** |
| 76. | PR ACDP | Councillor Luke Monwabisi **QUSE** |
| 77. | PR DA | Councillor Annette **Rademeyer** |
| 78. | Ward 16 ANC | Councillor Mzukisi Rodgers **RELU** |
| 79. | Ward 22 ANC | Councillor Veliwe Vivienne **SAKUBE** |
| 80. | Ward 36 ANC | Councillor Bongiwe **SAULI** |
| 81. | Ward 23 ANC | Councillor Xolani **SIMANDLA** |

| | | |
|---|---|---|
| 82. | PR ANC | Councillor Luleka Ethel **SIMON-NDZELE** |
| 83. | Ward 41 ANC | Councillor Sindiswa Gloria **SKEPE** |
| 84. | Ward 35 ANC | Councillor Siyabonga **SKOLO** |
| 85. | Ward 29 DA | Councillor Christiaan Andries **SWART** |
| 86. | PR DA | Councillor Isabel **Thompson** |
| 87. | PR EFF | Councillor Buyelwa Olga **THWALINGCA** |
| 88. | Ward 34 ANC | Councillor Vuyo **TOKWE** |
| 89. | Ward 5 ANC | Councillor Zandisile Phantom Welcome **TOKWE** |
| 90. | Ward 31 ANC | Councillor Sindile Nimrod **TONI** |
| 91. | PR DA | Councillor Simphiwe Elvis **TSALA** |
| 92. | PR EFF | Councillor Nozibele Emily **TSHABE** |
| 93. | PR AIC | Councillor Vusumzi **TUTU** |
| 94. | PR ANC | Councillor Mzwandile **VAAIBOOM** |
| 95. | PR DA | Councillor Dinesh **Vallabh** |
| 96. | Ward 10 ANC | Councillor Roseline **VITBOOI** |
| 97. | PR DA | Councillor Geoffrey Keith **WALTON** |
| 98. | Ward 9 ANC | Councillor Mendi **WETSETSE** |
| 99. | PR ANC | Councillor Xolani **WITBOOI** |
| 100. | Ward 17 ANC | Councillor Pumla Patricia **YENANA-NONJIWU** |
| 101. | PR DA | Councillor Kwanele **ZONKE** |

## TRADITIONAL LEADERS:

| NO. | NAME OF TRADITIONAL LEADER |
|---|---|
| | |
| 1. | Vumile Peter Bacela |
| 2. | Andile Makinana |
| 3. | Mvuzo Makinana |
| 4. | Khulile Eric Jongilanga |
| 5. | Bethwell Bangumzi Jali |
| 6. | Isaac Michael Toyise |
| 7. | Melumzi Malcomess Nqwala |
| 8. | Noludwe Dayile |
| 9. | Stanley Phakamile |
| 10. | Mnyamezeli Siciko |
| 11. | Nkosinathi Mathews Pako |
| 12. | Msondezi Mdunyelwa |
| 13. | Mpumzi Honeybrook Sityo |
| 14. | Ntombolwandle Nomasomi Pato |
| 15. | Kansile Mkokeli |
| 16. | Mphuthumi Gladman Bentshu |
| 17. | Mandisa Miranda Jongilanga |
| 18. | Thembela Rosebella Kubashe |
| 19. | Mlandeli Clifford Vazi |

## MAYORAL COMMITTEE

| | |
|---|---|
| The Executive Mayor, Councillor X.A. Pakati | (Chairperson) |
| The Deputy Executive Mayor, Councillor Z.P. Matana | (IDP and Organizational Performance Management) |
| Councillor B. Sauli | (Corporate Services) |
| Councillor M. Vaaiboom | (Economic Development and Agencies) |
| Councillor N.M. Mhlola | (Human Settlement) |
| Councillor A.O. Mnyute | (Health and Public Safety and Emergency Services) |
| Councillor P. Nazo-Makatala | (Spatial Planning and Development) |
| Councillor H.E. Neale-May | (Finance) |
| Councillor N.P. Peter | (Municipal Services) |
| Councillor S.N. Toni | (Infrastructure Services) |
| Councillor X. Witbooi | (Institutional Operations and Civic Relations) |

## PORTFOLIO COMMITTEES

### CORPORATE SERVICES PORTFOLIO COMMITTEE

| | | |
|---|---|---|
| Councillors: | B. Sauli | (Chairperson) |
| | V.A. Holmes | |
| | T. July | |
| | T.I. Luzipo | |
| | A. Mapisa | |
| | P.E. Nelani | |
| | N.M. Ntshebe | |
| | M.R. Relu | |
| | Vacancy | |
| | V.V. Sakube | |
| | | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| Chief A. Makinana (Traditional Leader) – Observer | | |
| Chief I.M. Toyise (Traditional Leader) – Observer | | |

### ECONOMIC DEVELOPMENT & AGENCIES PORTFOLIO COMMITTEE

| | | |
|---|---|---|
| Councillors: | M. Vaaiboom | (Chairperson) |
| | D.M. Dhaya | |
| | V. Gqodi | |
| | P. Kaba | |
| | N.W. Kilimani | |
| | M. Kosani | |
| | N.P. Matiwane | |
| | F.Z. Mdinwa | |
| | V.E. Mpanza | |
| | S.G. Skepe | |
| | | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| | | |
| Chief M.M. Jongilanga (Traditional Leader) – Observer | | |
| Chief M. Mdunyelwa (Traditional Leader) – Observer | | |

**FINANCE PORTFOLIO COMMITTEE**

| | | |
|---|---|---|
| Councillors: | H.E. Neale-May | (Chairperson) |
| | R.E. Angelbeck | |
| | M. Bota | |
| | M. Gcilishe | |
| | W.D. Gould | |
| | Z. Mtyingizane | |
| | L.M. Quse | |
| | V.V. Sakube | |
| | L. Simon-Ndzele | |
| | V. Tutu | |
| | | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| | | |
| Chief M. Siciko (Traditional Leader) – Observer | | |

**HEALTH AND PUBLIC SAFETY & EMERGENCY SERVICES PORTFOLIO COMMITTEE**

| | | |
|---|---|---|
| Councillors: | A.O. Mnyute | (Chairperson) |
| | S.E. Bentley | |
| | V.A. Diko | |
| | M. Fini | |
| | G.L. Gosani | |
| | S. Maphuka | |
| | N. Moyikwa | |
| | M.B. Nombewu | |
| | L. Pollock | |
| | B.O. Thwalingca | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| | | |
| Chief N.M. Pako (Traditional Leader) – Observer | | |

**HUMAN SETTLEMENT PORTFOLIO COMMITTEE**

| | | |
|---|---|---|
| Councillors: | N.M. Mhlola | (Chairperson) |
| | T. July | |
| | P.E. Nelani | |
| | G.T. Norexe | |
| | S. Ntsasela | |
| | K. Zonke | |
| | X. Simandla | |
| | J.D. Green | |
| | R. Vitbooi | |
| | A. Mtsolo | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| Chief M.G. Bentshu (Traditional Leader) – Observer | | |

### IDP & ORGANIZATIONAL PERFORMANCE MANAGEMENT PORTFOLIO COMMITTEE

| | | |
|---|---|---|
| Councillors: | The Deputy Executive Mayor, Councillor Z.P. Matana | (Chairperson) |
| | M. Bopi | |
| | G.L. Gosani | |
| | M.C. Kolela | |
| | Y.C. Makapela | |
| | J.S. McDowell | |
| | C.A. Swart | |
| | 2 Vacancies | |
| | P.P. Yenana-Nonjiwu | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| | | |
| Chief M. Makinana (Traditional Leader) – Observer | | |
| Chief K. Mkokeli (Traditional Leader) – Observer | | |

### INFRASTRUCTURE SERVICES PORTFOLIO COMMITTEE

| | | |
|---|---|---|
| Councillors: | S.N. Toni | (Chairperson) |
| | 1 Vacancy | |
| | K. Ciliza | |
| | T.F. Fritz | |
| | A. Gcobo | |
| | Y.C. Makapela | |
| | N.E. Ncotela | |
| | N.L. Ndotyi | |
| | V. Tokwe | |
| | P.P. Yenana-Nonjiwu | |
| | | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| Chief M.H. Sityo (Traditional Leader) – Observer | | |

### INSTITUTIONAL OPERATIONS & CIVIC RELATIONS PORTFOLIO COMMITTEE

| | | |
|---|---|---|
| Councillors: | X. Witbooi | (Chairperson) |
| | N. Batala | |
| | V. Gqodi | |
| | M.N. Madikane | |
| | M.C. Morolong-Yekiso | |
| | V. Peter | |
| | S.E. Tsala | |
| | L. Simon-Ndzele | |
| | D. Vallabh | |
| | 1 Vacancy | |
| The Executive Mayor, Councillor X.A. Pakati – Ex Officio | | |
| The Speaker, Councillor S.A. Mtsi – Ex Officio | | |
| | | |
| Chief B.B. Jali (Traditional Leader) – Observer | | |
| Chief I.M. Toyise (Traditional Leader) – Observer | | |

**SPATIAL PLANNING & DEVELOPMENT PORTFOLIO COMMITTEE**

| | | |
|---|---|---|
| Councillors: | P. Nazo-Makatala | (Chairperson) |
| | K.T. Faku | |
| | G.N. Marwanga | |
| | M. Mackley | |
| | N.E. Ncotela | |
| | V. Njece | |
| | L.M. Quse | |
| | I. Thompson | |
| | N.E. Tshabe | |
| | M. Wetsetse | |
| | The Executive Mayor, Councillor X.A. Pakati – Ex Officio | |
| | The Speaker, Councillor S.A. Mtsi – Ex Officio | |
| | Chief K.E. Jongilanga (Traditional Leader) – Observer | |
| | Chief N.N. Pato (Traditional Leader) – Observer | |

## MUNICIPAL SERVICES PORTFOLIO COMMITTEE

| | | |
|---|---|---|
| Councillors: | N.P. Peter | (Chairperson) |
| | A.M.C. Botha | |
| | S.P. Dlova | |
| | B. Dyonase | |
| | N. Gamnca | |
| | P.L. Kiki | |
| | Z.Y. Mankayi | |
| | V. Njece | |
| | A. Rademeyer | |
| | V. Tutu | |
| | The Executive Mayor, Councillor X.A. Pakati - Ex Officio | |
| | The Speaker, Councillor S.A. Mtsi – Ex Officio | |
| | Chief M.M. Nqwala (Traditional Leader) – Observer | |
| | Chief N. Dayile (Traditional Leader) – Observer | |

# OTHER COUNCIL COMMITTEES

## A. WOMEN'S CAUCUS COMMITTEE MEMBERS

- **Cllr C.M. Yekiso-Morolong (Chairperson)**
- Cllr K.T. Faku
- Cllr T.I. Luzipho
- Cllr S.E. Bentley
- Cllr Y.C. Makapela
- Cllr N. Moyikwa
- Cllr V.E. Mpanza
- Cllr Z. Mtyingizane
- Cllr N.M. Ntshebe
- Cllr B.O. Thwalingca
- Chief N.E. Mpula-Mpula (Observer)

## B. MPAC MEMBERS

- **Cllr Z. Kodwa-Gajula (Chairperson)**
- Cllr A. Majeke
- Cllr C. Matiwane
- Cllr B. Kalani
- Cllr P. Miza
- Cllr T. Mtya
- Cllr O. Ntame
- Cllr S. Skolo
- Cllr Z. Tokwe
- Cllr G. Walton

## C. ETHICS COMMITTEE MEMBERS

- **Cllr M. Marata (Chairperson)**
- Cllr V. Sakube
- Cllr M. Bota
- Cllr Z. Tokwe
- Cllr S. Mapuka
- Cllr P. Yenana
- Cllr S. Skepe
- Cllr T.F. Fritz
- Cllr A.MC. Botha
- Cllr O. O Ntame
- **Cllr S. Hoyo (deceased)**

## D. PETITIONS MANAGEMENT COMMITTEE MEMBERS

- **Cllr M.L. Ngabayena (Chairperson/deceased)**
- **Cllr Z. Mtyingizane (Acting Chairperson)**
- Cllr N. Moyikwa
- Cllr K. Ciliza
- Cllr V. Peter
- Cllr M. Bopi
- Cllr M. Kosani
- **Cllr A. Jayiya (Resigned)**
- Cllr F.Z. Mdinwa
- Cllr S.P. Dlova
- **Cllr Hlekiso**
- Chief S.P. Makanana (Observer)

## E. RULES COMMITTEE MEMBERS

- **Cllr A.S. Mtsi (Chairperson)**
- Cllr L.E. Simon-Ndzele
- Cllr V. Mpanza
- Cllr Z. Tokwe
- Cllr Y. Mankayi
- Cllr K. Ciliza
- Cllr T. Apleni
- Chief P.V. Bacela (Observer)

## F. SOCIAL FACILITATION COMMITTEE

- **Cllr V. Peter (Chairperson)**
- **Cllr S. Gomba (Resigned)**
- Cllr X. Simandla
- Cllr L.E. Simon-Ndzele
- Cllr N. Vitbooi
- Cllr E. Tshabe
- Cllr N. Gamnca
- Cllr D.M. Dhaya
- **Chief Z. Toise (Observer/deceased)**

# AUDIT COMMITTEE MEMBERS

- Mrs. Ronel Shaw (Chairperson)
- Mr. Peace Lindile Ntuli
- Mr. Siyathemba Sokutu
- Ms Yondela Roboji
- Ms Pumla Mzizi
- Mr. Tichaona Zororo

## RISK MANAGEMENT COMMITTEE MEMBERS

| | | |
|---|---|---|
| Independent | Dr. D. Mawonga | Chairperson |
| HOD: Infrastructure | Mr. N. Ncunyana | Member |
| HOD: ESS | Ms. N. Sidukwana | Member |
| HOD: Corporate Services | Mr. A.S. Naidoo | Member |
| HOD: Spatial Planning & Development | Mrs. N. Mbali-Majeng | Member |
| HOD: Economic Development & Agencies | Ms. N. Ncokazi | Member |
| HOD: Human Settlement | Mr. L. Mbula | Member |
| HOD: Health & Public Safety & Emergency Services | Mr. V. Lwana | Member |
| HOD: Municipal Services (Acting) | Mr. K. Tapile | Member |
| Chief Financial Officer | Mr. N. Sigcau | Member |

***T 2.6.0***

# 2.6 **RISK** MANAGEMENT

The City is making strides to improve its efficiency and to strengthen governance, it for this reason that risk management is imperative for the municipality to fulfil its mandate. Risk Management affords the municipality an opportunity to take informed decisions. Comprehensive managing of risk will permit the City to anticipate and respond to changes in the service delivery environment, as well as

make informed decisions under conditions of uncertainty.

Though the risk management culture is not yet at a desired level, the City continues to implement its enterprise-wide risk management strategy to ensure effective mitigation of risks and identification of any opportunities there might be. Risk are assessed at different levels which include strategic, operational and project level. Risk Management is not only about identification of risks but what becomes important is the implementation of committed mitigation actions. The following Top five risks were identified at the strategic level:

The following are the top five risks:

| Risk No | Departmental Reference | Risk Category | Risk Description | Risk Causes | Risk Consequences |
|---|---|---|---|---|---|
| 1. | Engineering services | Financial | Escalating personnel related costs (overtime) | a) Failure by Directorates to manage overtime | Negative Financial Implications |
| 2 | Executive Support services | Service delivery | Lack of performance management culture | a) Lack of automated PMS system<br>b) Performance assessments not conducted<br>c) Lack of institutionalisation of performance management | Compromised service delivery |
| 3 | Finance/ SCM | Financial | Poor Contracts Management | a) Poor communication between SCM and project Managers.<br>b) Cancellation of tenders and delays in the tender process | Financial loss due to possible litigations<br><br>Compromised service delivey |
| 4 | Financial services/ Revenue | Financial | Inefficient and Ineffective and debt management and revenue collection processes | a) Culture of non - payment by communities<br>b) Incomplete/inaccurate indigent register (High population of indigent households)<br>c) Inaccurate billing information on the system | Poor service delivery<br>Financial losses |
| 5 | Municipal services | Service Delivery | Inability to render efficient and effective waste and refuse removal services | a) Lack of waste management facilities e.g. Transfer stations; waste recovery facilities, recycling, buy-back centres<br>b) Inadequate implementation of plans - Reactive approach taken to waste management challenges<br>c) Non exploration of alternative methods to improve solid waste collections | Environmental and health related hazards<br><br>Customer Dissatisfaction<br><br>Negative impact on potential investments. |

T 2.6.1

# 2.7. ANTI-CORRUPTION AND FRAUD

## FRAUD AND ANTI-CORRUPTION STRATEGY

As a proactive approach, the City has developed a fraud mitigation strategy to circumvent the risk of fraud from occurring.

This strategy advocates for a proactive approach which seeks to limit the fraud risk exposure and has committed the following strategies:

a) Fraud Risk Assessments: This is a proactive process that allows Management to identify 'hot spots" and commit mitigation actions to prevent the risk from occurring. The fraud risk register is a product of this exercise which is being monitored on a monthly basis and is a standing item in all Senior Management Team meetings, Risk management committee meetings and Audit Committee meetings.

b) Trainings and Awareness Campaigns: As part of our implementation plan, trainings catering for different levels within the City are implemented. These are held in collaboration with other sectors of government. The focus of these trainings is to equip different role players to be able to identify red flags of fraud early and be able to act on them. Most importantly these are aimed at promoting an ethical culture within BCMM. The awareness campaigns are to send out a strong message that: BCMM has zero appetite to fraud and corruption and is committed to deal with it without fear or favor.

c) Employee Pre-screening Processes: As part of our staff provisioning policy, there is a process followed to screen employees prior appointment and verification of qualifications is also undertaken. This process allows the City to minimize the risk of fraudulent qualifications being presented, as in the recruitment process it remains an inherent risk.

d) Staff Induction Process: an induction process allows staff to be acquainted with the policies of the institution including the code of conduct and to also have a glimpse of what is expected of them.

e) Declaration of Interest: As part of the fraud prevention strategy, staff and Councilors are expected annually to declare their business interest and at any time when conducting business when they are faced with conflict of interest.

f) Regular Audits: The City has an Internal audit unit in place which assists in expressing how effective the City's control environment, compliance management, governance and risk management. It is within the understanding that an effective control environment is that which can prevent fraud risks from occurring and also be able to detect red flags of fraud.

g) Whistle Blowing Platform: Though one may argue that this is rather a reactive than a proactive approach however, the municipality is responsible for ensuring that cases are not only investigated but resolved and feedback is provided to the whistle-blowers. This severs as a deterrent to potential perpetrators that the consequences of crime far outweigh the perceived 'benefits". BCMM has an active ethics hotline which is a platform for all stakeholders to report any cases of alleged fraud, corruption and maladministration.

h) Leadership/ Oversight Committees: Fraud prevention requires that there is strong leadership and a tone at the top. The City has several oversight committees in place which are entrusted to ensure that there is good governance.

The Audit committee is composed of external members who are skilled and experts of different fields such as accounting, law, Information Technology and Performance management. This committee is entrusted with a responsibility of having an independent insight into the governance, operations, financial management, risk management and the internal control environment of the City.

The risk Management Committee is responsible for ensuring that the City has developed an enterprise-wide risk management strategy & policy, fraud-prevention strategy & plan and to monitor implementation thereof.

Top Management and SMT: Risk Management is a standing item in all management meetings. This is to ensure that there is commitment and monitoring process in place on the implementation of risk and fraud prevention plan.

a) Automation of Manual Processes: One of the goals of the City is to be a 'connected City'. This is a commitment to move with the changing times. The City is in a process of automating most of its processes, this is a proactive way of not only improving efficiency but a way of minimizing the 'human' risk in processes

## CASES REPORTED THROUGH THE FRAUD HOTLINE

34 tip-offs were received via the fraud hotline which are classified as follows:

| NATURE OF THE CASE | NUMBER OF CASES RECEIVED |
|---|---|
| Financial Misconduct | 16 |
| Customer complaints | 8 |
| Electricity theft | 5 |
| Corruption: Sex for Jobs and Selling of Jobs | 3 |
| Bribery | 1 |
| Abuse of Power and Position (Misconduct) | 1 |

All tip-offs received are investigated, resolved and feedback is provided to the whistle blower. Financial related cases implicating BCMM employees are referred to the Disciplinary board and are dealt with in terms of financial misconduct regulations.

T 2.7.1



# 2.8 SUPPLY CHAIN MANAGEMENT

## OVERVIEW OF SUPPLY CHAIN MANAGEMENT

BCMM SCM system is premised on section 217 of the South African Constitution which must be, fair equitable, transparent, competitive and cost effective. The BCM SCM Policy is reviewed annually as prescribed by section 3 of the MFMA and during the year under review the SCM policy was reviewed and approved by Council in May 2018.

The SCM department is constituted in line with the SCM system and comprises of: -

a) Demand Management and Supplier Development Section
b) Acquisitions Section (Buying and contracts)
c) Logistics, Warehouse and Disposal Sections
d) Risk and Compliance Management Section and
e) Contracts Performance Management Section

BCMM: SCM system uses quotation and open bid procurement processes to source goods and services required for service delivery by the institution and has awarded both the quotations and tenders to the values of **R 134 310 145.13** and **R 903 357 095.08** respectively, in the 2018/19 FY.

| **Statistics of quotations awarded in 2018/19 Financial year** | | | | |
|---|---|---|---|---|
| **Month** | **R 0 – R2000** | **R2001- R10 000** | **R10001 – R30 000** | **TOTAL** |
| July 2018 | R 168 264.60 | R 339 984.83 | R 2 471 866.31 | R 2 980 115.74 |
| August 2018 | R 304 371.68 | R 1 276 996.26 | R 9 853 574.05 | R 11 434 941.99 |
| September 2018 | R 344 184.17 | R 1 272 154.18 | R 9 725 099.00 | R 11 341 437.35 |
| October 2018 | R 486 842.66 | R 1 646 229.12 | R 13 700 966.58 | R 15 834 038.36 |
| November 2018 | R 163 083.31 | R 899 618.18 | R 12 226 490.17 | R 13 289 191.66 |
| December 2018 | R 168 606.34 | R 817 596.66 | R 8 182 749.91 | R 9 168 952.91 |
| January 2019 | R 181 388.55 | R 746 014.97 | R 10 862 733.03 | R 11 790 136.55 |
| February 2019 | R 362 423.42 | R 1 334 635.47 | R 12 582 346.27 | R 14 279 405.16 |
| March 2019 | R 367 115.74 | R 452 551.35 | R 6 229 306.42 | R 7 048 973.51 |
| April 2019 | R 226 680.44 | R 1 117 188.30 | R 11 413 259.88 | R 12 757 128.62 |
| May 2019 | R 162 472.41 | R 822 486.95 | R 9 453 308.29 | R 10 438 267.65 |
| June 2019 | R 288 413.71 | R 1 224 912.98 | R 12 434 228.93 | R 13 947 555.62 |
| | | | **TOTAL** | **R 134 310 145.13** |

| **Table: Tenders awarded by the Supply Chain Management System in 2018/19** | | | | | |
|---|---|---|---|---|---|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total |
| Informal Contracts | 32 | 40 | 34 | 95 | 201 |
| Formal Contacts | 8 | 6 | 5 | 6 | 19 |
| Annual Contracts | 3 | 5 | 3 | 8 | 19 |
| **Total Number** | **55** | **78** | **42** | **115** | **239** |

## NOTABLE ACHIEVEMENT AND IMPROVEMENTS MADE IN THE SUPPLY CHAIN SYSTEM

a) Adoption of the reviewed SCM Policy by Council in May 2019.
b) Continuous identification and reporting of irregular and unauthorized expenditure
c) Process of rolling out the E-Procurement System to improve procurement of goods and services.
d) Implementation of the Electronic Document Management System (EDMS) to access bid documents and contracts through the EDMS system
e) Implementation of Internal Controls on Formal Written Quotations (Informal Tenders) to improve turnaround times on the Quotation System.
f) Development of The Audit Improvement Plan and all matters raised during the audit are dealt with and reported in the relevant structures of Council. The AIP is a tool developed to ensure continuous monitoring of issues raised and are dealt with progressively.

## CHALLENGES AT SUPPLY CHAIN MANAGEMENT DEPARTMENT

a) Vacant unfunded posts in critical areas within the SCM unit.
b) Financial loss due to non-performance of contractors and litigation costs.
c) Manual procurement processes
d) Undefined responsibilities of contracts administration and management and their location.
(e) Failure of reporting unauthorized, irregular, fruitless and wasteful expenditure and lack of compliance with policy and procedures.

## REMEDIAL ACTIONS

a) Implementation of an integrated electronic procurement system to improve and enhance supply chain management processes to better enable them in the entire value chain.
b) Embark on a recruitment process to provide skilled resources in order to address the challenges, augment and address the critical key vacancies within Supply Chain Management Unit for improved procurement planning and contracts performance.
c) Continuous training of Bid Committees to improve capacity and skills to enhance performance of committees.
d) Monitor, direct and regularly report on the turn-around times for awards in order to improve service delivery.
e) Automation of the Contracts Module on E-procurement.

T 2.8.1

# 2.9 BY-LAWS

| By-laws Introduced during Year 2018 | | | | | |
|---|---|---|---|---|---|
| **Newly Developed** | **Revised** | **Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)** | **Dates of Public Participation** | **By-Laws Gazetted* (Yes/No)** | **Date of Publication** |
| | By-law on Events | Yes | 13-16 August 2018 | No (will be gazetted after approved by Council) | N/A |
| | By-Law on Informal Trading | Yes | 13-16 August 2018 | No (will be gazetted after approved by Council) | N/A |
| | By-Law for Buffalo City Fresh Produce Market | Yes | 13-16 August 2018 | No (will be gazetted after approved by Council) | N/A |
| | By-law on Arts, Culture and Heritage Facilities | Yes | 13-16 August 2018 | No (will be gazetted after approved by Council) | N/A |
| | By-law on Cemeteries, Funeral Undertakers & Crematoria | Yes | 13-16 August 2018 | No (will be gazetted after approved by Council) | N/A |
| | By-law on Municipal Parks, Recreation & Conservancy | Yes | 13-16 August 2018 | No (will be gazetted after approved by Council) | N/A |
| | By-law on Outdoor Advertising | Yes | 13-16 August 2018 | No (will be gazetted after approved by Council) | N/A |
| Draft By-Law on Municipal Health, Nuisance & Keeping of Animals | | Not Yet | Not Yet | No | N/A |
| Draft By-Law on Disaster Management | | Not Yet | Not Yet | | |
| | | | | | *T 2.9.1* |

## FIRST PHASE OF THE BCMM BY-LAWS

Buffalo City Metropolitan Municipality is in the process of reviewing and rationalising its by-laws to meet its new mandate and challenges as a metropolitan municipality. The first phase of by-laws are brought to the Council for adoption as drafts before they were taken to a Public Participation Process \in terms of Section 160 (4) of the

Constitution of the Republic of South Africa, 1996, read together with Sections 21A (1) (a), (b) and (c), 21A (2), and 21B (1) (a) and (b) of the Local Government: Municipal Systems Act, 32 of 2000. The Public Participation Process was meant to afford the members of the public an opportunity to scrutinise and comment on the draft by-laws during the period of 01st – 31st August 2018.

For the purposes of accessibility the draft by-laws were placed in the following venues: municipality's website which is www.buffalocity.gov.za and the following venues:

- Central Library
- Mdantsane Libraries: N.U 2 & N.U 14
- Buffalo Flats Library
- West Bank Library
- Cambridge Library
- Beacon Bay Library
- Greenfields Library
- Gonubie Library
- Kidd's Beach Library
- Duncan Village Library
- Parkside Library
- KWT Civic Centre
- Vincent Library
- KWT Library: Ayliff Street
- BCMM Customer Care Centre, Trust Centre Building
- Breidbach & Schornville Libraries
- Traditional Great Places
- Berlin & Braelyn Libraries
- Dimbaza Rent Office
- All Offices of Ward Councillors

### 1. DRAFT BY-LAWS

1. Draft By-law on Outdoor Advertising: BLOutdooradvertising@buffalocity.gov.za
2. Draft By-law on Arts, Culture & Heritage Facilities: BLheritage@buffalocity.gov.za
3. Draft By-law on Cemeteries, Funeral Undertakers & Crematoria: BLCemeteries@buffalocity.gov.za
4. Draft By-law on Informal Trading: BLinformaltrading@buffalocity.gov.za
5. Draft By-law on Municipal Parks, Recreation & Conservancy: BLPRC@buffalocity.gov.za
6. Draft By-law on BCMM's New Market (Fresh Produce Market: BLMarket@buffalocity.gov.za
7. Draft By-law on Events: BLEvents@buffalocity.gov.za

### 2. PUBLIC PARTICIPATION ROADSHOWS

In addition to the invitation of inputs and representations through the advertisements on the local newspapers, as cited under paragraph 1 herein, Buffalo City Metropolitan Municipality also held Public Participation Roadshows in the following manner:

1. East London City Hall for the following wards: 3, 4, 15, 16, 18, 27, 28, 29, 31, 32, 33, 46, 47 & 50: from 10:00 – 16:00 on 13th August 2018;
2. Gompo Hall for the following wards: 1, 2, 5, 6, 7, 8, 9, 10, 13 &19: from 10:00 – 16:00 on 14th August 2018;
3. Mdantsane's N.U 12 Hall for the following wards: 11, 12, 14, 17, 20, 21, 22, 23, 24, 26, 30, 42 & 48: from 10:00 – 16:00 on 15th August 2018; and
4. King William's Town Hall for the following wards: 25, 34, 35, 36, 37, 38, 39, 40, 41, 43, 44, 45 & 49: from 10:00 – 16:00 on 16th August 2018.

NB: After the Public Participation Process, the draft by-laws were again submitted to Council for adoption as final enactments. They are now ready for promulgation in the Eastern Cape Provincial Government Gazette. This promulgation process will be undertaken in the first quarter of 2019/20 Financial Year.

## SECOND PHASE OF BCMM BY-LAWS

This set of by-laws have been submitted to Council in March 2019 for adoption as drafts. They are now ready to be taken to a Public Participation Process in terms of Section160 (4) of the Constitution of the Republic of South Africa, 1996, read together with Sections 21A (1) (a), (b) and (c), 21A (2), and 21B (1) (a) and (b) of the Local Government: Municipal Systems Act, 32 of 2000. In the circumstances, copies of the Draft By-laws of the Buffalo City Metropolitan Municipality will be available for public scrutiny during the period 1st – 30th June 2019.

As part of the process, members of the public, individually and/or collectively, will be invited to submit written comments or make representations to Buffalo City Metropolitan Municipality in respect of the Draft By-laws as placed at the following: municipality's website which is www.buffalocity.gov.za and the following venues:

### 1. VENUES:

- Central Library
- Mdantsane Libraries: N.U 2 & N.U 14
- Buffalo Flats Library
- West Bank Library
- Cambridge Library
- Beacon Bay Library
- Greenfields Library
- Gonubie Library
- Kidd's Beach Library
- Duncan Village Library
- Parkside Library
- KWT Civic Centre
- Vincent Library
- KWT Library: Ayliff Street
- BCMM Customer Care Centre, Trust Centre Building
- Breidbach & Schornville Libraries
- Traditional Great Places
- Berlin & Braelyn Libraries
- Dimbaza Rent Office
- All Offices of Ward Councillors

### 2. DRAFT BY-LAWS

1. Draft By-law on Disaster Management
2. Draft By-law on Municipal Health Services
3. Draft By-law on Installation of Electronic Communication Facilities
4. Draft By-law on Dilapidated Buildings and Unsightly Neglected structures and Properties

NB: Please use different e-mail addresses for different draft by-laws as provided above.

**3. PUBLIC PARTICIPATION ROADSHOWS**

In addition to the invitation of inputs and representations through the advertisements on the local newspapers, as cited under paragraph 1 herein, Buffalo City Metropolitan Municipality is also going to hold Public Participation Roadshows in the following manner:

1. East London City Hall for the following wards: 3, 4, 15, 16, 18, 27, 28, 29, 31, 32, 33, 46, 47 & 50: from 10:00 – 16:00 on 18th June 2019;
2. Gompo Hall for the following wards: 1, 2, 5, 6, 7, 8, 9, 10, 13 &19: from 10:00 – 16:00 on 19th June 2019;
3. Mdantsane's N.U 12 Hall for the following wards: 11, 12, 14, 17, 20, 21, 22, 23, 24, 26, 30, 42 & 48: from 10:00 – 16:00 on 20th June 2019; and
4. King William's Town War Memorial Hall for the following wards: 25, 34, 35, 36, 37, 38, 39, 40, 41, 43, 44, 45 & 49: from 10:00 – 16:00 on 21st June 2019.

**4. CONTACTS FOR INDIVIDUAL DRAFT BY-LAWS**

The following email addresses will be used to channel comments/representation for different draft by-laws:

1. healthservicesbylaw@buffalocity.gov.za
2. ictbylaw@buffalocity.gov.za
3. disastermanagementbylaw@buffalocity.gov.za
4. dilapidatedbuilding@buffalocity.gov.za

**COMMENT ON BY-LAWS:**

From 20-23 July 2018, Legal Services Facilitated a workshop for BCMM councillors and Traditional Leaders on review and rationalisation of By-laws (above-mentioned By-laws). The relevant Directorates presented their By-laws to the Councillors and the Traditional Leaders for their inputs. Thereafter, public participation was conducted in strategic areas of BCMM. On 13/08/18 at East London City Hall, on 14/08/18 at Gompo Hall, on 15/08/18 at Mdantsane, NU 12 and on 16/08/18 at King William's Town: Town Hall. Copies of the draft By-laws in question are placed at the municipal Libraries and were also given to the ward councillors for the public to have access on them and make their inputs. After the public participation there will be consolidation public inputs and their incorporation into draft by-laws which will be taken to the Council meeting of end of September 2018 for adoption as final. After that they will be presented to COGTA in October & November month to be promulgated as laws of the City in the Provincial Government Gazette.

*Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.*

*2.9.1.1*

# 2.10 WEBSITES

| Municipal Website: Content and Currency of Material | | |
|---|---|---|
| **Documents published on the Municipality's / Entity's Website** | **Yes / No** | **Publishing Date** |
| Current annual and adjustments budgets and all budget-related documents | Yes | 30.04.2019 |
| All current budget-related policies | Yes | 01.03.2019 |
| The previous annual report (2017/2018) | Yes | 11.07.2019 |
| The annual report (2018/2019) published/to be published | Yes | 31.04.2020 |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2018/2019) and resulting scorecards | Yes | 26.04.2019 |
| All service delivery agreements (2018/2019) | Yes | 30.04.2019 |
| Public-private partnership agreements referred to in section 120 made in 2017/2018 | Yes | 31.07.2018 |
| All quarterly reports tabled in the council in terms of section 52 (d) during 2017/2018 | Yes | 31.07.2019 |
| | | *T 2.10.1* |

## COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

Following challenges with the previous website, the Municipality launched a new and improved site on 24 May 2018.

The new website has adopted the Metro's corporate colours, new menu items, it is easy and user-friendly with social media links available (Facebook and twitter).

The design and layout of the website has been an ICT responsibility while content production and loading sites with the Communications Department.

The Corporate Services Department has been trained to upload vacancies whilst Supply Chain Management officials upload tenders. This makes the uploading of critical information quicker and timeously.

The new website allows for logging of faults via a mobile app linked to the website. It is responsive and adaptive in different platforms including mobile and desktop. This enables users to navigate easy and be able to get municipal contact details for reporting service delivery challenges, issues of fraud and able to buy lights and pay account.

The change in the features of the website is the elevation of Public Notices; Latest News and Important Numbers. Furthermore, links have been added and these include ELIDZ, Tourism, Afesis Corplan and BCMDA.

Other features include the addition of videos and enhancement of graphics.

## 2018/19 IDP ROAD SHOW COMMUNICATION ACTION PLAN

***THEME: "UNITY IN ACTION. A CITY HARD AT WORK"***
***#BCMMIDP2019 #CITYHARDATWORK***

### BACKGROUND

Buffalo City Metropolitan Municipality will be conducting the 2018/9 IDP Road-shows including the business breakfast and the meeting with the traditional leaders starting from the 15th April to 30 April 2019. BCMM will be going to the communities of the Buffalo City to table the Draft IDP and allow the residents to raise issues they see as priority to them. This exercise will then assist the Metro in planning for the next financial year.

The Metro will continue with the under the theme Unity in Action, a City hard at work and make sure it reflects massively on the long-term and short-term plans to be presented in for all Wards. During this financial year the City has deliver on major infrastructure projects across all region.

### OBJECTIVES

The communication objectives of the plan are as follows:

a) To inform and educate the people of the BCMM about the long- and short-term service delivery projects for each Ward;
b) To raise public participation and awareness about the planned projects;
c) To create communication platforms for leaders/ management to engage with communities about BCMM programmes;
d) To mainstream communication services as a strategic function in service delivery.

**PRINCIPAL COMMUNICATORS**

| No. | COMMUNICATIONS TASK TEAM: SPOKESPERSONS | | | |
|---|---|---|---|---|
| | **Name** | **Organisation/Department** | **Contact NO.** | **Email address** |
| 1. | Cllr Xola Pakati | BCMM EM | | |
| 2 | Mr. Andile Sihlahla | BCMM CM | | |
| 3 | Mr. Samkelo Ngwenya | BCMM Comms | 0735574707 | samkelon@buffalocity.gov.za |

**SECONDARY COMMUNICATORS**

| No. | COMMUNICATIONS TASK TEAM: ISSUES MANAGEMENT | | | |
|---|---|---|---|---|
| | **Name** | **Organisation/Department** | **Contact NO.** | **Email address** |
| 1. | Cllr Xolani Witbooi | BCMM Portfolio Head | | |
| 2 | Ncumisa Sidukwana | BCMM Head ESS | | |
| 3 | Ward Councilors | BCMM ward Councillors | | |
| 4 | BCMM Staff Presenters | Staff members assigned to present | | |

**PILLARS OF THE COMMUNICATION ACTION PLAN**

a) Communication Protocols
b) Media engagement
c) Social Media
d) Branding plan
e) Other Comms forms

| COMMUNICATION ACTIVITY | RESPONSIBILITY | DATES | BUDGET |
|---|---|---|---|
| Development of statement with key messages | BCMM Comms | | None |
| Communications and media plan | BCMM Comms | | None |
| Commercial Radio stations - Algoa | BCMM Comms | | R 20,681.75 |
| Community radio stations - Kumkani, Mdantsane, Izwi Lethemba | BCMM Comms | | R 25,726.25 |
| Adverts in Commercial - Dispatch, Go & Express/ Rising Sun | BCMM Comms | | R29,993.75 |
| Updates on Facebook sites | BCMM Comms | | None |
| Create hashtag | BCMM Comms | | None |
| Live tweets | BCMM Comms | | None |
| Posters - 1000 | BCMM Comms | | R48 000.00 |
| Flyers - 20000 | BCMM Comms | | R9,124.91 |
| Street Banners X3 | BCMM Comms | | R26,998.75 |
| Retractable Banners X4 | BCMM Comms | | R7,336.50 |
| Programmes - 10000 | BCMM Comms | | R12,325.01 |
| Booklets 6000 | BCMM Comms | | R80 000.00 |
| **INTERNAL COMMUNICATION** | | | |
| E-newsletters | BCMM Comms | | None |
| Printed Latest newsletters | BCMM Comms | | None |
| Website | BCMM Comms | | None |
| Social media | BCMM Comms | | None |

**Total Budget +/- R280 000.00**

Buffalo City Metro Municipality has managed to place computers in all its Regional Youth Advisory Centres which is King Williams Town, Mdantsane and Duncan Village. WiFi is provided for public use. This assist the public and youth to have internet access and to prepare assignments, CV's etc.

The Municipality adheres to the requirements as set out by the MFMA. BCMM has revamped its website making it user friendly and easy to navigate. The website address is also placed in all BCM advertising material.

BCMM has also made WIFI hotspots available for those without data to access the website.

The website usage varies from month to month, depending on a number of issues.

| WEBSITE STATS: JUNE – AUGUST 2019 | | |
|---|---|---|
| **Pages and Clicks** | | |
| **JUNE 2019** | **JULY 2019** | **AUGUST 2019** |
| Clicks – 15 600 | Clicks – 22 890 | Clicks - 18 966 |
| Page Impressions – 398 766 | Page Impressions – 533 490 | Page Impressions – 467 023 |
| **Top Devices Utilised** | | |
| Desktop<br>Mobile | | |
| **Top 2 Search Engines** | | |
| Google Chrome<br>Mozilla Firefox | | |
| **Most Viewed Public Notices** | | |
| Interruption of electricity supply<br>Wetlands: A natural solution to climate change<br>Call for Proposals<br>INTERRUPTION OF ELECTRICITY SUPPLY: CENTRAL BUSINESS DISTRICT | | |
| **Most Viewed Vacancies** | | |
| INTERNSHIP PROGRAMME 2019/2020 FINANCIAL YEAR<br>FIELD DATA CAPTURER – WATER SUPPLY SERVICES<br><br>ADMINISTRATIVE OFFICERS X3: MUNICIPAL COURT (MIDLAND)<br><br>CLERK OF COURTS X3: MUNICIPAL COURT (MIDLAND)<br><br>TRAINEE LAW ENFORCEMENT OFFICERS X 11: LAW ENFORCEMENT | | |
| **Top 5 Countries** | | |
| Germany<br>China<br>South Africa<br>Namibia<br>UK<br>USA | | |

T 2.10.1.1

# 2.11. **PUBLIC SATISFACTION** ON MUNICIPAL SERVICES

## PUBLIC SATISFATION LEVELS

As per the appropriate legislation mandating local authorities to undertake regular assessments of the satisfaction levels of the community served, BCMM embarked on a process of undertaking their first Customer Satisfaction Survey, since 2006, during the 2015/16 and 2016/17 Financial Years, culminating in the production of a Customer Satisfaction Survey, a Customer Care Strategy and Service Delivery Charter.

The purpose of a Customer Satisfaction Survey (CSS) is to assist in establishing the current state of development in Buffalo City Metropolitan Municipality, but it is only component of the overall assessment

of the state of development. It serves to record the perception on the residents within the municipal area, with respect to a broad range of topics from the state of services in the area to a perception of the municipality itself and also, it's Council.

However, there were no customer satisfaction surveys conducted during the year under review. *T 2.11.1*

***NB.** There were no customer satisfaction surveys conducted during the year under review*

| Satisfaction Surveys Undertaken during: Year 2016/17 | | | | |
|---|---|---|---|---|
| **Subject matter of survey: Customer Satisfaction Survey** | **Survey method: Quantitative Research Design utilising structured questionnaire, and analysis drawn from data collected from sampled amount of households, and Qualitative Research Design in obtaining views of BCMM Councillors, and Officials, through individual and Focus Group Interviews (This Survey Method applies to all the rows below)** | **Survey date: 2016/2017** | **No. of people included in survey: Sample of 11 280 Households** | **Survey results indicating satisfaction or better (%) *** |
| **Overall satisfaction with:** | | | | |
| (a) Municipality | | 26-30/11/16 | 4,850 | 43% |
| (b) Municipal Service Delivery | | 26-30/11/16 | 4,850 | 43% |
| I Mayor | | | | Not Directly Assessed |
| **Satisfaction with:** | | | | |
| (a) Refuse Collection | | 26-30/11/16 | 5,414 | 48% |
| (b) Road Maintenance | | 26-30/11/16 | 3,497 | 31% |
| I Electricity Supply | | 26-30/11/16 | 4,963 | 44% |
| (d) Water Supply | | 26-30/11/16 | 4,963 | 64% |
| I Information supplied by municipality to the public | | | | Not Directly Assessed |
| (f) Opportunities for consultation on municipal affairs | | | | Not Directly Assessed |
| (g) Cultural Protection | | 26-30/11/16 | 4,399 | 39% |
| (h) Traffic | | 26-30/11/16 | 4,399 | 39% |
| (i) Sanitation | | 26-30/11/16 | 5,978 | 53% |
| (j) Sports Facilities | | 26-30/11/16 | 3,271 | 29% |
| (k) Transport Services | | 26-30/11/16 | 2,482 | 22% |
| (l) Air and Noise Pollution | | 26-30/11/16 | 3,497 | 31% |
| (m) Housing | | 26-30/11/16 | 6,204 | 55% |
| (n) After hours services | | 26-30/11/16 | 2,820 | 25% |
| (o) Community Halls | | 26-30/11/16 | 4,512 | 40% |
| (p) Libraries | | 26-30/11/16 | 3,722 | 33% |
| | | | | *T 2.11.2* |

## COMMENT ON SATISFACTION LEVELS

***There were no customer satisfaction surveys conducted during the year under review***

*T 2.11.2.2*

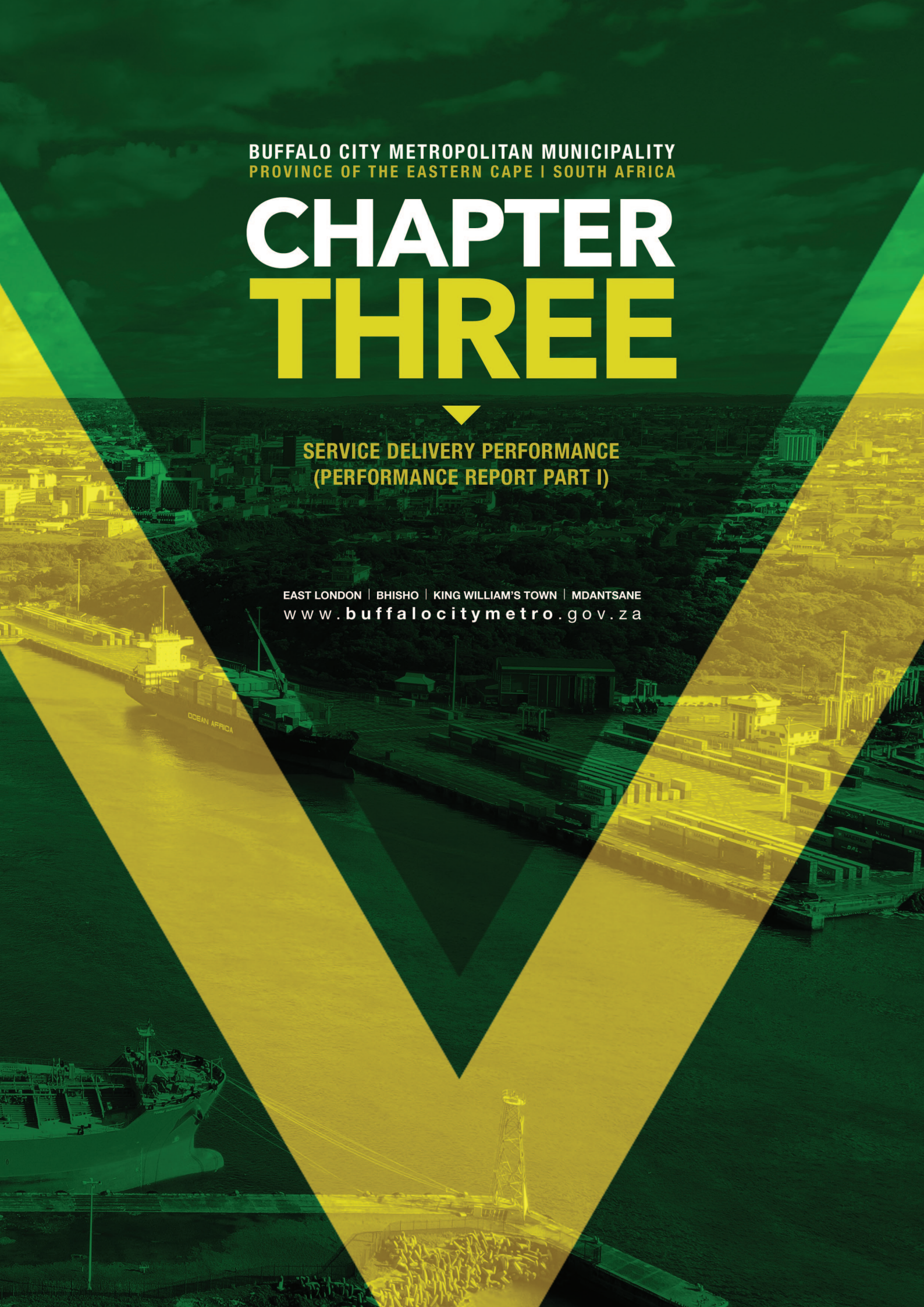


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER THREE

## SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# CHAPTER 3
# SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

## INTRODUCTION

The service delivery commitments for the Buffalo City Metropolitan Municipality were set within the context of a targeted pro-poor service delivery agenda arising from the dedicated approach of the new term of local government. The focus was on ensuring improved, dependable and impactful service delivery to communities. The underpinning strategy for this trajectory of service delivery included the acceleration of responsiveness to speedily resolve service delivery blockages and coordinated onsite responses to observed service delays for immediate community relief. The City's efforts of improving service delivery also focused on the strengthening of the well-established service delivery processes and practices.

The provision of sustainable basic services to improve the living conditions of the most disadvantaged residents and pushing for growth and development through supporting initiatives for business development and job creation took centre stage.

### ELECTRICITY

After 1994 and through the Government's initiative of RDP (Reconstruction and Development Programme) the electrification programme was endorsed. In 2001 Government took responsibility for funding and managing the electrification programme, via funds made available from National Treasury – as a result of the White Paper on Energy Policy (1998), this Resulted in the establishment of Integrated National Electrification Planning (INEP) unit within the Department of Energy. The program strived to provide universal access of electricity to all, as a minimum the program calls for a 20- amp service connection. BCMM took a decision to increase the minimum 20- amp service to 40-amp to all RDP dwellings within the BCMM Within the urban edge. BCMM counter fund the grant from the Department of Energy and residents are to pay an approved subsidized connection fee for the service. indigent consumers unable to pay are assisted by a BCMM council approval wavering the cost. Backlog within the formal RDP housing sector is owing to new houses completed during new developments taking place within the year, this number fluctuates at between 1500 and 2000 which remain un-electrified for a short period of time. The length of time taken to remove the backlog of electrification to RDP houses is dependent on the completion of the housing project and the DoE's requirement that the housing development must have an 80% occupation before the electricity department requests and applies for funding from the DoE.

In addition, BCMM council took a decision to electrify informal dwellings within BCMM which meet the informal dwelling electrification criteria, the main criteria being that the area must have a formal layout and be on BCMM property.

Within the rural areas under Eskom electrical responsibility the same process for funding to the Department of Energy is made. Eskom's backlog is mainly due to extensions to already electrified villages, the main hindrance to electrification of these extensions is that many of them do not meet electrification guideline of having a layout plan.

## WATER SERVICES

The rapid growth of urban centres is putting pressure on the municipality to increase its capacity in order to respond to the service calls timeously. Provision of water and sanitation services is dispensed by using internal capacity within the Municipality, as well as contractors which are procured through the supply-chain management process. In the recent years BCMM have moved faster in providing water and sanitation services in informal settlements and rural areas in the interest of increasing access to basic services to all citizens of the city.

The metro's recent increased the infrastructure investment and expenditure shows the commitment in providing sustainable water services to our communities. Since 2015/16, more than R1 billion has been spent on water and sewer infrastructure. In 2018/19 alone, the metro spent R377 213 040 replacing and installing new pipes, building new and maintaining existing reservoirs and pump stations, and providing services to customers in informal settlements. As BCMM continues to grow, large-scale investment in wastewater infrastructure is required to add capacity and keep up with the latest technology and treatment standards. The metro has therefore invested close to R572 464 962 in wastewater treatment works since 2015/16.

In agreement to the metro's customer needs, the Metro also invested close to R154 574 373 in various water meter replacement programmes, primarily aimed at ensuring that customers receive accurate readings. In terms of the bulk water supply network, about R322 563 733 has been spent since 2015/16, including some R107 543 904 in the financial year under review.

## ROADS AND STORMWATER MANAGEMENT

The roads and stormwater branch falls under the directorate of Infrastructure services, and is responsible for the rehabilitation, upgrade and maintenance of 2940km of surfaced and gravel roads, 70 Bridge structures, 21000 manholes, inlet and outlet structures and 600km of pipes and channels. The Branch  have a Pavement Management system which was compiled in the 2012/2013 financial year and is currently in the process of being reviewed in the 2019/2020 financial year.

The capital and operating budgets for the 2018/2019 financial year was R130 Million for Operating and R 280 Million for capital. The roads and Stormwater branch achieved its performance targets for the 2018/2019 financial year. 140km of roads were regravelled/rehabilitated, resurfaced 43km of existing roads, upgraded 23km of gravel roads to surfaced standards and rehabilitated 3 bridge structures.

Buffalo City Metropolitan Municipality (BCMM) is responsible for the construction and maintenance of all proclaimed roads within its area of jurisdiction except for Private, Provincial and National Roads. The total Municipal roads network is ±2940km, which is made up of 1340Km of Gravel Roads and 1600km of Surfaced Roads.

It is also responsible for the rehabilitation, maintenance and upgrade of existing stormwater pipe, channels, bridges, and drainage structures.

The existing stormwater infrastructure consists of ±70 Bridge Structures, ±21 000 manholes, kerb inlets, headwalls and other inlet and outlet structures, in addition to this there is ±600km of storm water pipes and culverts within the Metro.

## LOCAL ECONOMIC DEVELOPMENT

The Economic Development and Agencies Directorate within Buffalo City accelerated pace throughout the year 2018/19. New strategic partnerships were formed to leverage further resources and technical expertise. Several multi-year projects which were under implementation ranging from tourism, business and agricultural infrastructure gained momentum and others were concluded.

The Tourism Growth Sector Plan, for instance, was concluded and adopted by the Council. This was a milestone in that the last Tourism Master Plan for the Metro was adopted in 2006 and was therefore outdated. Not only was the Tourism Sector Plan approved by Council, it was followed by rapid investment into key tourism projects to enhance the marketing of Buffalo City as a premium tourism destination. For years, Buffalo City has been without a tourism information office in the city centre and its main beachfront for years but in 2018/19 it launched the Tourism Information Office and Curio Shop at the Orient Swimming Pool Complex. This site is referred to as the "Tourism Hub" as it hosts offices for Tourism, Arts, Culture and Heritage. The launch of the Tourism Hub is seen as paving a way to several investments that are in the pipeline in an endeavour to revitalize the Esplanade Beachfront area. This Esplanade precinct gathers the highest concentration of hotels and accommodation establishments in the city, offering about 2 000 beds to those who visit our shores. Many national and international sporting, entertainment, conferences and events are held there on a regular basis, hence the location was chosen to host the Tourism Hub.

For the first time in over two decades, Buffalo City Metro focussed on providing basic infrastructure support to informal traders, targeting initially Berlin and Bisho as part of the Small Town Revitalization Initiative. Several Small, Medium and Micro Enterprises (SMMEs) across different sectors were supported with start-up kits and equipment, many young people were provided with both business and technical skills.

The Buffalo City Export Help Desk facilitated market access for several emerging exporters and provided export awareness and readiness training for numerous aspirant exporters. Outward Selling Missions were facilitated to countries such as Brazil, Ethiopia, China, Botswana, Ghana and Morocco.

The Export Helpdesk developed an Export Sector Specific Training which comprises of 5 full day modules. The Export Sector Specific Training is a vocational training tool in international trade designed to build export competitiveness within companies globally. The programme provides expertise, knowledge and network needed to help business grow internationally and offers a blend of company practice, export coaching in local seminars in standardised training modules.

The Buffalo City Export Helpdesk in partnership with the Department of Trade and Industry and Eastern Cape Development Corporation hosted Global Exporter Passport Program Training which has participation of 23 locally based companies. The initiative focuses on export capacity building and training of emerging and experienced exporters to ensure their export ready status and sustainability to international markets. Theprogramme enhances market competitiveness of emerging and experienced exporters. It creates an enabling export platform by addressing the significant aspects of market entry and growing employment with an ultimate contribution to economic growth. Central to The National Export Development Programme and the service offerings it is premised on the principle that companies need different types of services and interventions at different stages of their export development trajectory. The National Export Development Programme identifies 5 phases of export development namely:

**Phase 1:** which is for an Explorer

**Phase 2:** which is for an Export Aware firm has some idea of what exporting entails is export ready in some aspects but lacks basic export skills

**Phase 3:** Export Ready Firm which has its basics in place and needs to develop an export marketing plan

**Phase 4:** Start Up Firm is export ready and has a complete export marketing plan which now needs to be implanted and achieve export on orders

**Phase 5:** Global Exporter may have been exporting for a number of years but now needs to further penetrates markets, develop new markets and develop new products.

The Buffalo City Export Helpdesk has formed various collaborations and formed meaningful partnership with stakeholders such as Department of Trade and Industry, Department of Small Business, Small Enterprise Development Agency WESGRO, Trade and Investment Kwazulu Natal, Nelson Mandela Bay Metro, Export Councils, Department of International Relations, United Stated AID, Local and National and International Business Chambers, South African Footwear and Leather Export Council, Exporters Eastern Cape, Financial Institutions and various other key industry role players.

Work began in earnest at the Dimbaza Industrial area following successful mobilization of initial funding from the Department of Trade and Industry (the DTI) and the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism who invested R50million and R12million respectively. The first phase was fencing of the industrial area to for security purposes. Some jobs were created in this phase.

As part of the Memorandum of Understanding with the Services Sector Education and Training Authority (SETA) and supported by the Provincial Department of Public Works, renovations of two big dilapidated buildings at the Sekunjalo Skills Centre in Mount Coke started. The site hand-over took place in June 2018 and the revised project completion date is the end of November 2019.

Buffalo City Metro is collaborating with key local stakeholders that include BKCOB, ECDC, EL IDZ in driving Investment into Buffalo City. This Invest Buffalo City Initiative is working hard on positioning Buffalo City as a preferred destination to invest, work, live and play.

Collaboration with Mercedes Benz South Africa (MBSA) on several areas including the Green City campaign, Skills Development through its Academy, provision of internet access and Investment Promotion.

Buffalo City activated its international twinning relations with a specific focus on bringing new investors.

## MUNICIPAL SERVICES OVERVIEW

Sport and recreation facilities department upgraded various facilities as follows:

Four sport facilities, four beaches facilities, seven swimming pools facilities and one zoo facility. The following are the statistics for the sports and recreation facilities department: -

| | | |
|---|---|---|
| Sports Facilities | : | 216 595 Visitors |
| Zoo | : | 55 007 Visitors |
| Aquarium | : | 18 352 Visitors |
| Beaches | : | 141 865 Visitors |
| Pools | : | 38 354 Visitor |
| Boats | : | 800 Registrations for Boat Hire |

The following major events were hosted at the sports and recreation facilities: -

a) Iron man 70.3 triathlon at Orient beach.
b) Premier Soccer League matches at Sisa Dukashe Stadium.
c) Department of Health National TB Awareness at Orlando Sportsfield
d) National and provincial swimming championships at Joan Harrison swimming pool.

Annual Surfers Marathon covering beaches from Kwelega to Nahoon beach

# BUFFALO CITY METRO DEVELOPMENT AGENCY

The primary mandate of the BCMDA revolves around the creation of a vibrant, integrated and inclusive city through promoting investment in property, tourism and socio-economic development for the benefit of citizens of this Metro and its region.

In pursuing this mandate, the agency has a well capacitated group of professionals that oversee the core responsibilities of property development, socio-economic development, tourism and investment promotion. In the 2018/19 financial year BCMDA ensured delivery on the following projects:

## PROJECT: BUSINESS IMPROVEMENT DISTRICT STRATEGY

A Business Improvement District (BID) is a public private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district. In the case of East London these areas would include the Central Business District (CBD), Southernwood and Quigney where most tertiary functions are situated. The aim of investing in a programme of this nature is to ensure:

- a cleaner, safer and more attractive business district;
- a steady and reliable funding source for supplemental services to existing municipal services and programs;
- the potential to increase property values, improve sales and decrease commercial vacancy rates;
- a district that is better able to compete with nearby retail and business centre's;
- investment in the long-term economic development the BCM area.

After engagements with a variety of stakeholders which include national, provincial and municipal officials; representatives of major local place-based institutions, such as the University of Fort Hare and Walter Sisulu University, key financial stakeholders, private property developers, stakeholders from major industrial and trade hubs in the city, private- sector and civil-society development practitioners, academics and activists, a strategy was developed that include the following programmes:

- Neighbourhood Improvement Program
- Property Development Program
- Social Infrastructure Improvement Program
- Skills Development Program
- Enterprise Development Program
- Branding Plan

The ultimate objectives of these programmes are to realise short-term localised projects and precincts which gradually and over time have an impact on the spatial economy of the city as a whole. Such projects in relation to urban safety and upgrading and cleaning of spaces is within the agencies Agenda starting in the 2019/20 financial year.

## PROJECT: INTEGRATED BEACH FRONT PROGRAMME

According to the BCM Tourism Master Plan based on interviews with visitors, beaches are the main attraction for Buffalo City. It is estimated that 50 000 visitors visit Buffalo City beaches per day over the festive season. The Buffalo City Tourism sector has various inherent challenges. The safety and security of visitors on its beaches in particular has become a major concern. Also, the state of beaches is alarming as most of the beaches are underdeveloped and the existing tourist attractions have not been maintained for over a decade. This may be due to the lack of anchor projects, which are aimed at developing the beachfront. In addition, the lack of coordination from various tourism participants and a creation of unique products may have contributed to the challenges.

Emanating from its strategic plan with a target of realising a 'well-developed beachfront', the Agency has recognised that the development of an Integrated Beachfront Programme (IBP) would be a cornerstone in the identification, planning and implementation of development projects that would leverage the approximately 70 km of beach and coastline, in particular the beachfront as one of the Metro's greatest natural assets. This largely underdeveloped and unexploited area has the potential of forming the foundation of a thriving tourism, recreation and holiday industry.

Although the BCM Beaches are popular holiday destinations for domestic and foreign tourists alike it remains underdeveloped relative to its potential. The infrastructure scenarios and deficiencies deriving from the assessment shows the need for basic interventions as illustrated below.

The East London beaches are the biggest tourism attraction for the Metro. The state of the beaches has been a contention for both local, regional and foreign visitors over the past few years. BCMDA will therefore make a concerted effort to ensure that it respond to the need for better and safer beaches through infrastructure interventions in targeted areas in the next financial year.

## WATER WORLD AND COURT CRESCENT

The Water World upgrading and expansion as a recreational and tourism space and Court Crescent on the East London Esplanade as an interactive public open space for recreation and targeted events that boost tourism, are flagship projects of the BCMDA. To balance its approach in regards of development, the Agency has been requested by the BCMM to upgrade and expand the current facility located at the West Bank and responds to the West Bank LSDF.

On the other side the Court Crescent green fields development responds to the East London Beach Front LSDF. BCMDA appointed consultants for design works in 2017 for both projects which resulted in the approvals of the EIA's for both projects in December 2018 and municipal authorisations in relation to town planning, architectural, engineering and related approvals, in January 2019.

These approvals and authorizations paved the way for BCMDA to appoint Project Managers on both projects in May 2019 so that the process for on-site construction can start in the next financial year. BCMDA will ensure local participation in these projects with 30% of the construction works set aside for SMME's and 70% participation from localised labourers.

For detailed information about mandate and functions of municipal entiy, BCMDA performance and ward information; please refer to appendix D, I, F and the full BCMDA Annual Report attached.

**T3.0.1**



# COMPONENT A: BASIC SERVICES

## INTRODUCTION TO BASIC SERVICES

### WATER SERVICES

BCMM provides water services to its consumers situated within the municipal boundary, no other entities that assist in the provision of services except for Amatola Water Board who is the bulk water services provider. The level of services for water services have been broken into two categories, rural areas or households outside the urban edge are supplied with communal standpipes based on RDP standards. Households situated within the urban edge are getting a full pressurised water supply (i.e. erf connections).

#### FREE BASIC WATER

Free basic water service provision is implemented as follows:

a) Rural – level of service
b) Urban informal – first 6kl per household / month free
c) Urban formal – rebate for registered indigent consumers.

Approximately 98% of households have access to basic levels of water supply including those that are residing in informal settlements.

The condition of the sewerage infrastructure throughout BCMM is generally one of inadequate capacity, old and aging infrastructure, resulting in periodic spillages into the river systems. Access to sanitation is also divided into waterborne which is taking care of the urban and some peri-urban settlements and Ventilated Improved Pit (VIP) are provided in the rural villages.

These settlements are serviced by 15 wastewater treatment works (WWTW), 4 facultative ponds and 1 sea outfall, each with its own catchment area. Due to the topology of the region, there are a large number of sewage pump stations and pipe bridges within the respective drainage regions, which place additional operation and maintenance burdens on the service branch.

### ELECTRICITY

After 1994 and through the Government's initiative of RDP (Reconstruction and Development Programme) the electrification programme was endorsed. In 2001 Government took responsibility for funding and managing the electrification programme, via funds made available from National Treasury – as a result of the White Paper on Energy Policy (1998), this Resulted in the establishment of Integrated National Electrification Planning (INEP) unit within the Department of Energy. The program strived to provide universal access of electricity to all, as a minimum the program calls for a 20-amp service connection. BCMM took a decision to increase the minimum 20-amp service to 40-amp to all RDP dwellings within the BCMM Within the urban edge. BCMM counter fund the grant from the Department of Energy and residents are to pay an approved subsidized connection fee for the service. indigent consumers unable to pay are assisted by a BCMM council approval wavering the cost. Backlog within the formal RDP housing sector is owing to new houses completed during new developments taking place within the year, this number fluctuates at between 1500 and 2000 which remain un-electrified for a short period of time. The length of time taken to remove the backlog of electrification to RDP houses is dependent on the completion of the housing project and the DoE's requirement that the housing development must have an 80% occupation before the electricity department requests and applies for funding from the DoE.

In addition, BCMM council took a decision to electrify informal dwellings within BCMM which meet the informal dwelling electrification criteria, the main criteria being that the area must have a formal layout and be on BCMM property.

In the power area of supply, Eskom is responsible to provide the electrical service, as the Municipality does not have a service level agreement with Eskom, the level of service provided is in terms of the Eskom internal policy.

In the past year BCCM electricity department have met with the Eskom internal electrification section to ensure alignment with the IDP. This is a difficult task as Eskom applies for funding through the DOE's INEP programme and do not dictate which projects will be approved by the DoE

**Key Solid Waste Service Achievements**

The Department has in the year under review managed to:

a) Initiate an 18-month contract from October 2017 for construction of two new cells (Cells 3 and 4) in the Roundhill Landfill Site in Berlin. This contract also involves among others upgrade and construction of a Leachate Treatment Plant on the said site. This is to ensure pollution prevention of the water sources in and around the Roundhill Landfill Site.

b) Established a partnership with the Swedish Environment Protection Agency and GIZ for diversion of certain wastes from landfill disposal for their proper management and to encourage programmes like recycling where possible.

c) Developed a Service Delivery Improvement Plan Clean City Programme to address the City's challenges regarding the unacceptable state of cleanliness.

d) Implement a weekly Blitz programme to address waste management challenges like clearance of illegal dumps including preparations to ensure acceptable state of cleanliness for the City's Events.

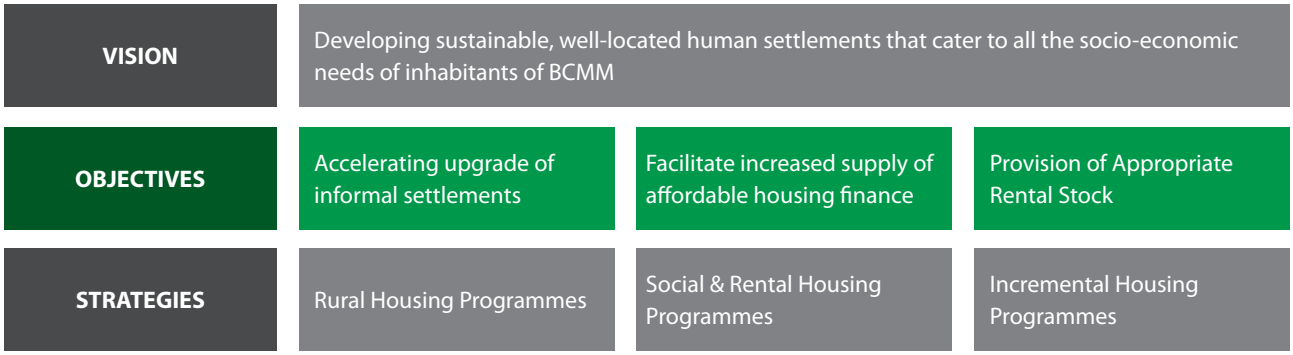
## HUMAN SETTLEMENTS

**STRATEGIES**

The Housing Code (2009) embodies what interventions must be integrated when drawing up a plan for human settlement development. There are four primary intervention categories stated in the Housing Code; they are Integration Zones, Incremental Housing Programmes, Social and Rental Housing Programmes, as well as financial interventions. When the right combination of intervention projects are imitated in the most appropriate areas within the municipality, the result will be the development of sustainable human settlements. The ISHSP was approved and adopted by BCMM council on June 2019.

The ISHSP gives strategic guidance on the most appropriate strategies to employ in the development of human settlements. These strategies are developed and informed by the objectives stated above, which were in-turn developed from the vision of the ISHSP.

***Graph-1: Relationship between the Vision, Objectives and Strategies***




***T 3.1.0***

# 3.1. **WATER** PROVISION

## INTRODUCTION TO WATER PROVISION

The rapid growth of urban centres is putting pressure on the municipality to increase its capacity in order to respond to the service calls timeously. Provision of water and sanitation services is dispensed by using internal capacity within the Metro, as well as contractors which are procured through the supply-chain management process. In the recent years BCMM have moved faster in providing water and sanitation services in informal settlements and rural areas in the interest of increasing access to basic services to all citizens of the city.

### SOURCE OF WATER

The security and the sustainability of water services is the responsibility of the department of Water and Sanitation (DWS). In committing to this mandate the DWS have established the Amatola Water Supply System Reconciliation Strategy which comprises of all the Water Services Authorities (WSAs) that are getting water supply from Amatola Water Supply System. BCMM get its bulk water from Amatola Water Board through agreement which they get as raw water from DWS. Amatola Water System supplies about 82% of BCMM water supply the remainder is coming from the Keiskamama System and the stand-alone underground water supply schemes.

The Amatole Water Supply System (AWSS) supplies domestic, industrial and agricultural water to the Buffalo City Metropolitan Municipality (BCMM), as well as to parts of Ngqushwa and Amahlati Municipalities which form part of the Amathole District Municipality (ADM). The supply system comprises the following dams: Bridle Drift Dam, Gubu Dam, Laing Dam, Maden Dam, Nahoon Dam, Rooikrantz Dam and Wriggleswade Dam. The implementation of the Strategy is guided by the Strategy Steering Committee (SSC) comprising representatives of the Department of Water and Sanitation, BCMM, ADM, Amatola Water and other strategic partners.

As for the blue drop status, the municipality got a blue drop score of 72% in 2014 not achieving the 95% target required to score a blue drop. This score does not mean that the metro supplies a below standard water when it comes to quality. The quality of the water supplied to our consumers is beyond 95% compliance required by blue drop as the Department achieved 99% water quality compliance with national standards (SANS 241) in the financial year under review.

The level of services for water services have been broken into two categories, rural areas or households outside the urban edge are supplied with communal standpies based on RDP standards. Households situated within the urban edge are getting a full pressurised water supply (i.e erf connections).

Service delivery objectives for the period under review:

| Description | Baseline | Target | Actual |
|---|---|---|---|
| % of households with access to basic level of water supply | 97.3% | 98% | 98% |
| % compliance of water treatment works with SANS 241 | ≥95% | ≥95% | 99% |
| Reduction in non revenue water | 34% | 30% | 46,11% |

The municipality has prioritized reduction of Non-Revenue Water through implementation of a pipe and water meter replacement programs. The municipality has spent over R 180 million in the last three financial years on pipe replacement programme, and has budgeted R95 310 630 million in the mid-term budget and expenditure framework to continue with the programme. The programme includes replacement of old meters, to reduce metering inaccuracies.

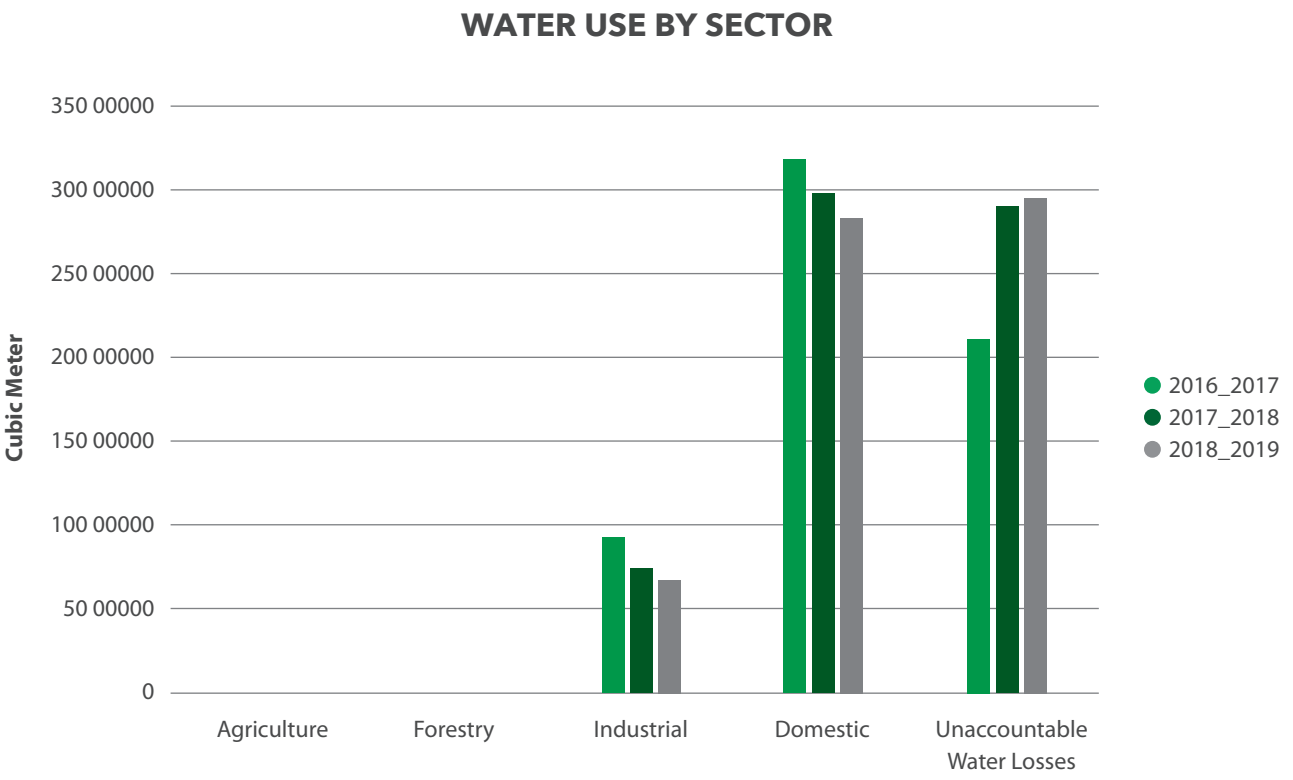
Similarly, the Department is currently in a process of upgrading its data acquisition and telemetry system to efficiently monitor water distribution and pumping systems remotely, to reduce water distribution losses.

The municipality has also identified a number of illegal connections, particularly in the rural supply schemes to communities.

The BCMM has installed water service points to informal settlements to ensure access of water services. Communities together with the Ward Councillors identify needs within informal settlements to which the BCMM responds. Further to this 250 (5 per ward) Ward based community members were employed to address leaks at standpipes and to undertake repairs on indigent properties beyond the metre. BCMM operates a call centre which is open 24 hours per day, where service disruptions and/or complaints can be registered. Furthermore, complaints can be logged during office hours at the help desks of the various line departments.

*T 3.1.1*

| Total Use of Water by Sector (cubic meters) | | | | | |
|---|---|---|---|---|---|
| | Agriculture | Forestry | Industrial | Domestic | Unaccountable water losses |
| 2016/17 | 0 | 0 | 9 143 690 | 32 013 979 | 21 329 702 |
| 2017/18 | 0 | 0 | 7 429 316 | 29 767 909 | 28 850 421 |
| 2018/19 | 0 | 0 | 7 140 413 | 28 339 939 | 29 566 499 |
| | | | | | *T 3.1.2* |




*T 3.1.2.1*

## COMMENT ON WATER USE BY SECTOR:

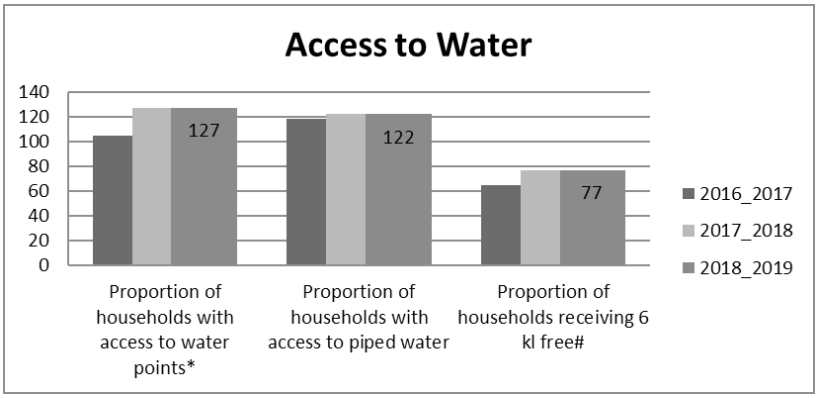
The system yield is adequate to meet the high growth projections until the next planned additional water resource augmentation which is expected to be implemented by 2027. The metro have reliably provided water services to communities. A total volume supplied in the 2018/2019 financial year has decreased by a massive 1 931 280 adding to a previous years saving of 1 474 227 kiloliters.

There are some 850 rural non-residential consumers units (i.e. schools, clinics, police stations sports facilities) within BCMM. These often have rudimentary standalone water supplies and generally have basic onsite dry sanitation facilities, which are not serviced by BCMM. No significant growth in the number of public institutions and dry industries are anticipated in the short to medium term, although proposed and/or planned developments have been submitted for approval by the city.

T 3.1.2.2

| Water Service Delivery Levels | | | | Households |
|---|---|---|---|---|
| **Description** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| | **Actual** | **Actual** | **Actual** | **Actual** |
| | **No.** | **No.** | **No.** | **No.** |
| ***Water:* (above min level)** | | | | |
| Piped water inside dwelling | 118 | 118 | 122 | 122 |
| Piped water inside yard (but not in dwelling) | – | – | – | – |
| Using public tap (within 200m from dwelling) | 103 | 104 | 127 | 127 |
| Other water supply (within 200m) | | | | |
| *Minimum Service Level and Above sub-total* | 221 | 222 | 249 | 249 |
| *Minimum Service Level and Above Percentage* | 99% | 99% | 98% | 98% |
| ***Water:* (below min level)** | | | | |
| Using public tap (more than 200m from dwelling) | 1 | 1 | – | – |
| Other water supply (more than 200m from dwelling | – | – | – | – |
| No water supply | 2 | 1 | 5 | 5 |
| *Below Minimum Service Level sub-total* | 3 | 2 | 5 | 5 |
| *Below Minimum Service Level Percentage* | 1% | 1% | 1% | 1% |
| **Total number of households*** | **224** | **224** | **254** | **254** |
| ** - To include informal settlements* | | | | *T 3.1.3* |

| Households - Water Service Delivery Levels below the minimum | | | | | | Households |
|---|---|---|---|---|---|---|
| **Description** | **2015/16** | **2016/17** | **2017/18** | **2018/19** | | |
| | **Actual** | **Actual** | **Actual** | **Original Budget** | **Adjusted Budget** | **Actual** |
| | **No.** | **No.** | **No.** | **No.** | **No.** | **No.** |
| **Formal Settlements** | | | | | | |
| Total households | 118 000 | 118 000 | 253 477 | 254 093 | 254 093 | 254 093 |
| Households below minimum service level | 0 | 0 | 0 | 0 | 0 | 0 |
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% | 0% |
| **Informal Settlements** | | | | | | |
| Total households | 103 000 | 104 000 | 253 477 | 254 093 | 254 093 | 254 093 |
| Households below minimum service level | 1 503 | 1 152 | 4 947 | 4 947 | 4 947 | 4 947 |
| Proportion of households below minimum service level | 1% | 1% | 1% | 2% | 2% | 2% |
| | | | | | | *T 3.1.4* |




** Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute # 6,000 liters of potable water supplied per formal connection per month* *T 3.1.5*

| Water Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Service Objectives** | **Outline Service Targets** | **2017/18** | | **2018/19** | | | **2019/20** | **2020/21** | |
| | | **Target** | **Actual** | **Target** | | **Actual** | **Target** | | |
| ***Service Indicators*** | | ***Previous Year** | | ***Previous Year** | ***Current Year** | | ***Current Year** | ***Current Year** | ***Following Year** |
| **(i)** | **(ii)** | **(iii)** | **(iv)** | **(v)** | **(vi)** | **(vii)** | **(viii)** | **(ix)** | **(x)** |
| **Service Objective xxx** | | | | | | | | | |
| ***To ensure water supply systems in BCMM are compliant with Blue Drop Certification*** | Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end) | 755 additional HHs, only provided bulk lines (5067 HHs outstanding) | 755 additional HHs, only provided bulk lines (5067 HHs outstanding) | 755 additional HHs, only provided bulk lines (5067 HHs outstanding) | No additional HHs, only provided bulk lines (5067 HHs outstanding) | 755 additional HHs, only provided bulk lines (5067 HHs outstanding) | 500 additional HHs (4567 HHs outstanding) | 800 additional HHs (3767 HHs outstanding) | 1000 additional HHs (2767 HHs outstanding) |
| ***To ensure universal access to potable BCMM*** | Reduce the number of interruptions (**Ints**) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr) | 4 Ints | Less than 12 Ints | Less than 12 Ints | Less than 12 Ints | 4 Ints | Less than 4 Ints | Less than 4 Ints | Less than 4 Ints |
| ***To ensure effective conservation and demand management of water resources in BCMM*** | Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (**KLs**) unaccounted for during the yr) | 34.14% (21239702 KLs) | T5% (12000000 KLs) | T5% (12000000 KLs) | T5% (12000000 KLs) | 46.11% (21239702 KLs) | T5% (12000000 KLs) | T5% (12000000 KLs) | T5% (12000000 KLs) |
| *Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* *T 3.1.6* | | | | | | | | | *T 3.1.6* |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

*T3.1.7*

| Employees: Water Services | | | | | |
|---|---|---|---|---|---|
| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 145 | 169 | 147 | 22 | 13.02% |
| 4 – 6 | 50 | 63 | 41 | 22 | 34.92% |
| 7 – 9 | 37 | 52 | 44 | 8 | 15.38% |
| 10 – 12 | 66 | 82 | 66 | 16 | 19.51% |
| 13 – 15 | 6 | 13 | 10 | 3 | 23.08% |
| 16 – 18 | 3 | 3 | 3 | 0 | 0% |
| 19 – 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 307 | 382 | 311 | 71 | 18.58% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.1.7

| Financial Performance 2018/2019: Water Services<br>R'000 | | | | | |
|---|---|---|---|---|---|
| Details | 2017/2018 | 2018/2019 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **449 342** | **721 819** | **721 819** | **661 805** | **-9%** |
| Expenditure: | | | | | |
| Employees | 120 409 | 129 553 | 130 197 | 133 722 | 3% |
| Repairs and Maintenance | 50 844 | 55 535 | 42 535 | 37 097 | -50% |
| Other | 454 494 | 456 390 | 484 200 | 428 612 | -6% |
| **Total Operational Expenditure** | **625 746** | **641 479** | **656 932** | **599 432** | **-7%** |
| **Net Operational Expenditure** | **176 404** | **(80 340)** | **(64 886)** | **(62 374)** | **-29%** |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.1.8* |

| Capital Expenditure 2018/2019: Water Services<br>R' 000 | | | | | |
|---|---|---|---|---|---|
| **Capital Projects** | **2018/2019** | | | | |
| | **Budget** | **Adjustment Budget** | **Actual Expenditure** | **Variance from original budget** | **Total Project Value** |
| **Total All** | **198 451** | **201 274** | **182 578** | **-9%** | |
| | | | | | |
| KWT & BISHO INFRASTRUCTURE | 14 000 | 11 883 | 11 846 | -18% | 74 530 |
| FEASIBILIT- ALTERN W/ SUPPLY - BULK MAINS | 2 000 | 205 | 205 | -876% | 4 000 |
| WESTBANK RESTITUTION | 9 000 | 9 584 | 9 584 | 6% | 32 000 |
| WATER BACKLOGS | 13 400 | 27 180 | 26 508 | 49% | 54 900 |
| AMAHLEKE WATER SUPPLY | 7 600 | 19 456 | 19 456 | 61% | 18 200 |
| UMZONYANA DAM UPGRADE | 78 951 | 48 974 | 48 974 | -61% | 299 890 |
| W/DEMAND MANGM - WATER CONSERV - PRV STA | 5 000 | 4 334 | 4 334 | -15% | 14 000 |
| UPGRADE WATER NETWOKRS | 8 000 | 7 245 | 7 245 | -10% | 22 555 |
| PIPE AND WATER METER REPLACEMENT IN MDANTSANE | 19 250 | 22 041 | 14 718 | -31% | 67 250 |
| PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA | 14 250 | 17 408 | 16 534 | 14% | 74 250 |
| PIPE AND WATER METER REPLACEMENT IN EL | 23 000 | 24 847 | 21 606 | -6% | 63 000 |
| WATER METER REPLACEMENT - DUNCAN VILLAGE | | 2 998 | | | |
| UPGRADING OF LABORATORY | 4 000 | 4 000 | 531 | -654% | 6 000 |
| UPGRADING OF LABORATORY C/O | | 1 119 | 1 036 | 100% | 1 119 |
| *Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.* | | | | | *T 3.1.9* |

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The water performance targets and achievements as per the 2018/2019 Service Delivery Budget Implementation Plan (SDBIP) are as follows:

- The pecerntage of households receiving water supply services have increased from 97.7% to 98% which is 0.3% or 755 households in the year under review.
- The compliance of water treatment works with national standards (SANS 241) have been substantially above the target of 95% sitting at 99%.

**THE FOUR LARGEST CAPITAL PROJECTS**

| Description | Details |
|---|---|
| Augmentation of Water Treatment capacity | Design and construction of additional sedimentation tank, augmentation of bulk water mains updrading of BRPS and Mdantsane pump station. Construction of the new water treatment works in Inland area. |
| Bulk Water Supply to Coastal areas) | Construction of bulk water supply, reservoirs and village reticulation to eradicate backlogs and augment water supply to coastal towns. |
| Amahleke water Supply | Design and construction of additional storage reservoir to provide a storage capacity of 36hrs. To augment water supply to accommodate village extensions. |
| Bulk Water Provision-Replacement of existing infrastructure | Replacement of aging infrastructure to reduce bursts and installation of water meters (bulk & domestic) to reduce water losses. |

**The current MTREF have a budget as set out below;**

| Financial Year | Budget |
|---|---|
| 2019-2020 | R 82 500 000 |
| 2020-2021 | R 151 737 890 |
| 2021-2022 | R 197 127 239 |
| **Total** | **R 431 365 129** |

BCMM had only 1% water backlogs before 2016 local government elections, due to the change of municipal boundaries which was implemented after August 2016 then the backlog figures increased to 2.3%. the funding required to eradicate these backlogs is approximately R 200 million.

Targets are set based on the approved budget, hence targets set on the IDP are going to be achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

T 3.1.10

# WASTE WATER (SANITATION) PROVISION

## INTRODUCTION TO SANITATION PROVISION

Approximately 45% of Buffalo City Metropolitan Municipality (BCMM) are understood to reside within the urban edge of which these communities received a full waterborne sanitation while those leaving in peri-urban and rural settlements are services through either septic, conservancy tanks or Ventilated Improved Latrines (VIPs). The municipality owns and operate fifteen (15) wastewater treatment works (WWTW), four (4) facultative ponds and one (1) sea outfall, each with its own catchment area.

The condition of the sewerage infrastructure throughout BCMM is generally one of inadequate capacity, old and poorly maintained infrastructure, resulting in periodic blockages and spillages into the river systems.

Due to the topography of the region, there are a large number of sewage pump stations and pipe bridges within the respective drainage regions, which place an additional operation and maintenance burden on the service branch. The level of service is as follows;

a) Rural: The level of service for households outside of the Urban Edge is the basic level of service (VIP's to RDP standards).

b) Urban: The level of service for households within the Urban Edge is as follows: Target level: connection and water borne sanitation;

The current sanitation backlog is predominately rural areas as detailed.

The provision of rural sanitation was initially implemented by the Department of Water Affairs (DWA), before BCMM became a Water Services Authority (WSA). The toilets that were implemented by DWA are in Tsholomnqa and Nxamkwana. BCMM started implementing the programme that yielded results in 2012 and 47 466 households have been served since then. A further 10 000 VIP toilets are planned for the next three years or in the current MTREF. As much as the backlogs are understood to be in the rural areas, there further constraints in the existing structures to meet minimum standards.



Refer to Figure 1 detailing typical VIP unit installed.

The Sanitation Department is responsible for the operation and maintenance of:

a) 15 Wastewater Treatment Works
b) 2530 km of sewers
c) 101 Sewer Pump Stations
d) 83 000 VIP's

The Departments top service delivery objectives are as detailed below:

| Description | Target | Actual |
|---|---|---|
| % Compliance with effluent quality standards | >75% | 83% |
| No households provided with access to basic level of sanitation service | 3000 | 4100 |
| Additional Service Points (Toilets) installed in informal settlements | 60 | 38 |

**Current infrastructure managed**

The Sanitation Department is responsible for the operation and maintenance of:

- 15 Wastewater Treatment Works
- 2530 km of sewers
- 101 Sewer Pump Stations
- 83 000 VIP's

In addressing the current challenge of the insufficient capacity in our wastewater treatment works several projects have been initiated. These are Reeston Wastewater Treatment Works (WWTW), Zwelitsha regional WWTW and Hood Point.

The conveyance infrastructure in many instances is well beyond its remaining useful life and requires replacement. R 40 Million per annum is made available. Theft, vandalism and incorrect use of the system causes system failures which result in spillages into the environment.

The experience gained in clearing out VIP's has shown that it is not an easy operation as all kind of foreign material is deposited into the pits. The content furthermore is normally quite solid and cannot be removed by vacuum tanker unless water is added and then mixed. Even then problems occur as plastic packets or bottles and lumps of newspaper clog the hoses.

More seriously however is the disposal of the content once in the tanker. Currently tankers must drive long distances to treatment works to empty. Suitable dumping sites will have to be found within close proximity of villages if the clearing of household VIP's are going to be done on a regular basis.

To address the sanitation needs in informal settlements (as identified by Ward Councillors) the BCMM have provided 1873 toilets (38 in 2018/19) to date and under the EPWP programme 429 caretakers have been engaged for the cleaning and maintenance thereof.



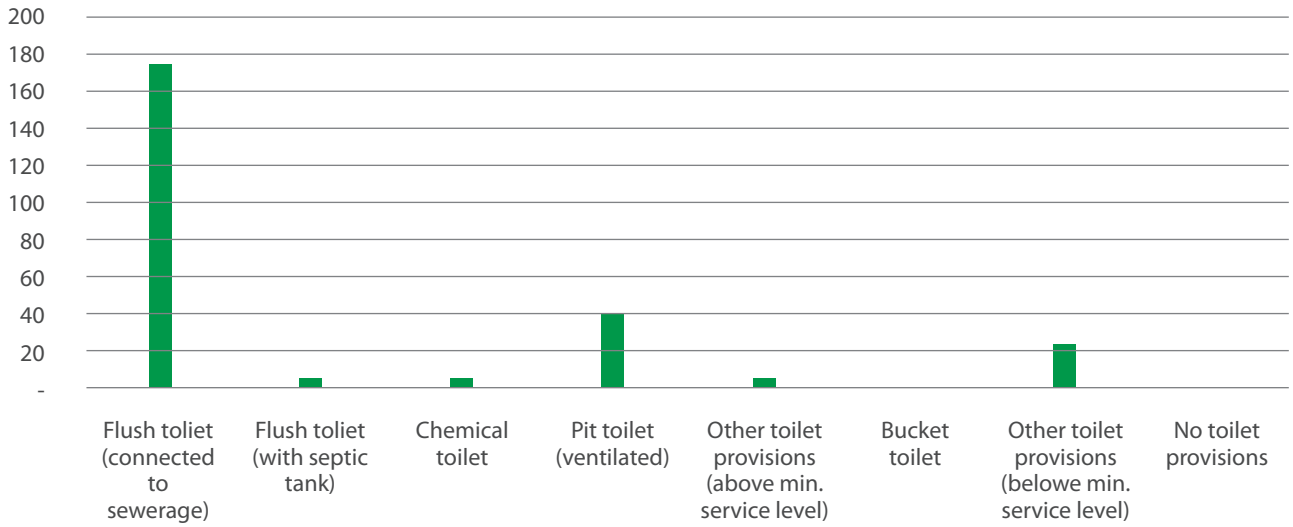


Figure 2: The new semi-permanent ablution

From the 2013 Green Drop Audit BCMM obtained a Green Drop status for the East Bank WWTW and an overall Green Drop Score of 80.94%. The overall access to basic level of sanitation is 92%.

*T 3.2.1*

**SANITION/ SEWERAGE: ABOVE MINIMUM STANDARDS: 2018/2019**




**T3.2.2.**

## SANITATION SERVICE DELIVERY LEVELS

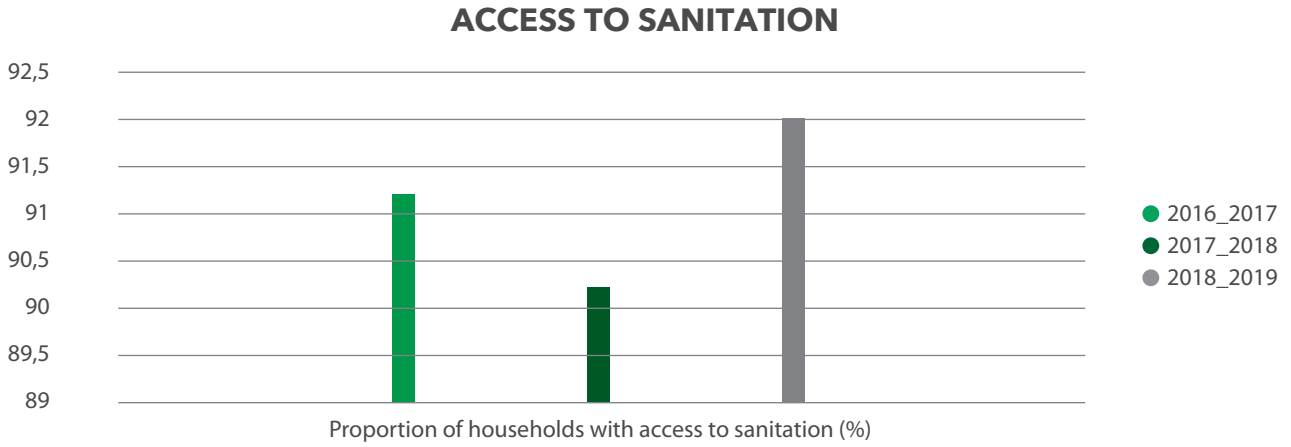
*Households

| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|---|---|---|---|---|
| | Outcome | Outcome | Outcome | Actual |
| | No. (000) | No. (000) | No. (000) | No. (000) |
| ***Sanitation/sewerage:*** **(above minimum level)** | | | | |
| Flush toilet (connected to sewerage) | 156 | 157 | 159 | 176 |
| Flush toilet (with septic tank) | 5 | 5 | 5 | 5 |
| Chemical toilet | 4 | 4 | 4 | 4 |
| Pit toilet (ventilated) | 27 | 31 | 36 | 47 |
| Other toilet provisions (above min. service level) | 26 | 25 | 20 | 5 |
| Minimum Service Level and Above sub-total | 218 | 222 | 224 | 237 |
| Minimum Service Level and Above Percentage | 97,5% | 99,2% | 100,0% | 92.3% |
| ***Sanitation/sewerage:*** **(below minimum level)** | | | | |
| Bucket toilet | – | – | – | – |
| Other toilet provisions (below min. service level) | – | – | – | 16 |
| No toilet provisions | 6 | 2 | – | – |
| Below Minimum Service Level sub-total | 6 | 2 | – | 16 |
| Below Minimum Service Level Percentage | 2,5% | 0,8% | 0,0% | 7.7% |
| **Total households** | **224** | **224** | **224** | **253** |
| | | | | T 3.2.3 |

## HOUSEHOLDS – SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Households

| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | |
|---|---|---|---|---|---|---|
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | No. | No. | No. | No. | No. | **No.** |
| **Formal Settlements** | | | | | | |
| Total households | 224 | 224 | 224 | 253 | 253 | 253 |
| Households below minimum service level | – | – | – | – | – | – |
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% | 0% |
| **Informal Settlements** | | | | | | |
| Total households | 224 | 224 | 224 | 253 | 253 | 253 |
| Households its below minimum service level | 43 | 35 | 30 | 49 | 49 | 49 |
| Proportion of households ts below minimum service level | 19% | 16% | 13% | 19% | 19% | 19% |
| | | | | | T 3.2.4 | |




*T3.2.5*

## WASTE WATER (SANITATION) SERVICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/18 | | 2018/19 | | | 2019/20 | 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| ***Provision of toilets within standard*** | Additional Households (**HHs**) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end) | 11300 additional HHs (HHs remaining) | 8301 additional HHs (13205 HHs remaining) | 8301 additional HHs (13205 HHs remaining) | 1689 additional HHs (11516 HHs remaining) | 6049 additional HHs (5467 HHs remaining) | 1648 additional HHs (3819 HHs remaining) | 1648 additional HHs (3819 HHs remaining) | 2000 additional HHs (1819 HHs remaining) |
| Flush Toilets – sewered | | 157011 | 158671 | 158671 | 160171 | 159208 | 159708 | 160208 | 160708 |
| Flush Toilets – septic (conservancy) tanks | | 5437 | 5437 | 5437 | 5437 | 5437 | 5437 | 5437 | 5437 |
| Rural VIP Latrines | | 31309 | 36298 | 36298 | 39358 | 39358 | 40000 | 44000 | 48000 |
| Informal Settlement HH's serviced | | 1420 | 2410 | 2410 | 3010 | 4590 | 5190 | 5790 | 6390 |
| | | | | | | | | | T 3.2.6 |

## EMPLOYEES: SANITATION SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 261 | 274 | 229 | 45 | 16.42% |
| 4 - 6 | 30 | 40 | 29 | 11 | 27.50% |
| 7 - 9 | 48 | 57 | 47 | 10 | 17.54% |
| 10 - 12 | 26 | 29 | 26 | 4 | 13.79% |
| 13 - 15 | 6 | 9 | 4 | 5 | 55.56% |
| 16 - 18 | 0 | 1 | 0 | 1 | 100% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 371 | 410 | 334 | 76 | 18.54% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

## FINANCIAL PERFORMANCE 2018/2019: SANITATION SERVICES

R'000

| Details | 2017/2018 | 2018/2019 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **434 180** | **448 170** | **461 683** | **467 588** | **4%** |
| Expenditure: | | | | | |
| Employees | 110 050 | 113 517 | 116 870 | 118 747 | 4% |
| Repairs and Maintenance | 39 052 | 44 428 | 38 428 | 38 710 | -15% |
| Other | 154 144 | 297 424 | 311 277 | 143 788 | -107% |
| **Total Operational Expenditure** | **303 245** | **455 370** | **466 576** | **301 245** | **-51%** |
| **Net Operational Expenditure** | **(130 935)** | **7 200** | **4 893** | **(166 342)** | **104%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.2.8

## CAPITAL EXPENDITURE 2018/2019: SANITATION SERVICES

R'000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Ex-penditure | Variance from original budget | Total Project Value |
| **Total All** | **283 394** | **203 069** | **162 091** | **-75%** | |
| | | | | | |
| ABLUTION FACILITIES | 1 800 | 2 313 | 2 313 | 22% | 5 800 |
| ABLUTION FACILITIES - WARD 10 | 300 | – | – | 0% | 300 |
| ABLUTION FACILITIES - WARD 12 | 300 | – | 0.00 | 0% | 300 |
| ABLUTION FACILITIES - WARD 19 | 100 | – | – | 0% | 100 |
| ABLUTION FACILITIES - WARD 2 | 500 | 488 | 488 | -2% | 500 |
| BISHO KWT & ZWELITSHA BULK REG SEWER SCH | 81 294 | 89 399 | 89 399 | 9% | 145 143 |
| E/L SEWER DIVERSION - CENTRAL TO REESTON | 69 000 | – | – | 0% | – |
| EAST BEACH GRAVITY SEWER UPGRADE | 26 100 | 11 100 | 2 108 | -1138% | 83 981 |
| HOOD POINT MARINE OUTF SEWER & ANC WORKS | 19 000 | 6 396 | 6 396 | -197% | 127 455 |
| MDANTSANE SANITATION | 18 000 | 20 551 | 20 551 | 12% | 23 000 |
| BERLIN SEWERS | 2 000 | 1 654 | 1 654 | -21% | 16 000 |
| PUMP STATIONS | 4 000 | 4 000 | 3 971 | -1% | 9 000 |
| REESTON PHASE 3 BULK SERVICES SEWER | 8 000 | 9 165 | 9 165 | 13% | 8 000 |
| RETICULATION | 24 000 | 24 000 | 12 747 | -88% | 46 000 |
| WASTEWATER TREATMENT WORKS | 29 000 | 29 000 | 8 296 | -250% | 66 000 |
| DUNCAN VILLAGE - ABLUITION FACILITIES | – | 403 | 403 | 100% | 1 000 |
| DUNCAN VILLAGE - SEWER PIPES | – | 3 000 | 3 000 | 100% | 3 000 |
| SCENERY PARK - SEWER PIPES REPLACE-MENT | – | 1 600 | 1 600 | 100% | 3 000 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.2.9 |

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

| Description | Details |
|---|---|
| Reeston Phase 3 Bulk Services Sewer | The construction of the Civil Works for the 10 Ml/day upgrade of the Reeston WWTW to be diverted from the Central WWTW. This project is to provide capacity for housing developments and industrial expansion. |
| Waste Water Infrastructure Capacity (KWT Regional Scheme) | KWT Regional Sewerage Scheme: The decommissioning of 3 WWTW and the diversion of all flow to the regional Zwelithsa WWTW. Currently implementing Phase 2: 17,5 Ml/day upgrade to the Zwelitsha WWTW. Civil and Mechanical/Electrical Contracts awarded. This project is to provide capacity for housing developments and industrial expansion. |
| Bulk Sanitation Provision | KWT Regional Sewerage Scheme: The decommissioning of 3 WWTW and the diversion of all flow to the regional Zwelithsa WWTW. Currently implementing Phase 2: 17, 5 Ml/day upgrade to the Zwelitsha WWTW. Civil and Mechanical/ Electrical Contracts awarded. This project is to provide capacity for housing developments and industrial expansion. |
| Sanitation Backlog Eradication | Provision of VIP's to eliminate rural sanitation backlogs. |

To address the issues of WWTW compliance, aging infrastructure, housing delivery and economic development BCMM has initiated the following projects; Reeston Phase 3 Bulk Services Sewer, Waste Water Infrastructure Capacity KWT Regional Scheme and Bulk Sanitation Provision. To address access backlogs the Sanitation Backlog Eradication project was initiated. The variance in expenditure for Waste Water Infrastructure Capacity (KWT Regional Scheme) and Bulk Sanitation Provision was minimal as these are multi-year ongoing projects. Operating and maintenance budgets were fully committed.

To address the IDP targets (bulk augmentation projects) the following budgets are set aside in terms of the MTREF:

| Financial Year | Budget |
|---|---|
| 2017-2018 | R 287 394 290 |
| 2018-2019 | R 482 303 840 |
| 2019-2020 | R 226 880 803 |
| **Total** | **R 996 578 933** |





Figure 3 Reeston WWTW

# 3.3 ELECTRICITY

## INTRODUCTION TO ELECTRICITY

Buffalo City Electricity Department supplies more than 140 000 customers in an area covering approximately 2 500 square kilometers. Electricity for the main supply to the Metro Region is purchased at mainly 132 000, 66 000 and 11 000 volts from 15 Eskom intake point. This is re-distributed to all legal consumers within the urban edge.

Our focus is to provide a safe, effective and efficient electrical supply service in accordance with legal and statutory requirements

The following levels and standards of Electricity Service are provided by BCMM within the urban edge and Eskom in the rural areas;

In the year under review electricity and energy department implemented projects to the listed 3 top service priorities:

- **Electrification of Formal Houses:**

  As per government policy BCMM priorities electrification of formal RDP households, the aim is to electrify all completed homes built within the following year. The actual achievement is based on the funding made available in this financial year 514 household received electricity for the first time, improving their living standard. The continued electrification of RDP houses to prioritized to ensure that the backlog of around 2% is maintained or reduced.

- **Upgrading, refurbishment and replacement of the electrical equipment:**

  The BCMM electrical network is aged and does not have additional capacity for the number of Household that require electrification. The Electricity and Energy department have a master plan which includes future housing projects and have implemented projects that will make provision for capacity on the electrical network for these projects.

  The recapitalization program has also been prioritized to ensure a reliable, safe and efficient service to all BCMM legal consumers.

- **Energy Efficiency, replacement of existing street lighting:**

  The objective is to align the Buffalo City Municipality to the national strategic objective of optimizing energy usage through energy efficiency Projects. As the urban population grows and the effects of climate change worsen, our cities have to adapt. Cities need to accelerate their transition to a cleaner, healthier, and more economically viable future through improvements in efficiency technology reform. The implementation of these projects contributes towards the reduction of energy consumption on the electricity networks and thus reduce the energy demand. The remaining 20 High mast installations of a total of 250 were retrofitted (reduced wattage on each fitting by 50%) in the financial year under review. In addition, 1790 conventional streetlights were retrofitted (average reduction in wattage on each fitting by 60%)

## LEVELS OF SERVICE

The following levels and standards of Electricity Service are provided by BCMM within the urban edge and Eskom in the rural areas;

## BCMM ELECTRICITY

**FORMAL ELECTRIFICATION:**
The Department is responsible for universal access to electricity as a key basic service to residents and implements electrification to RDP houses through the Department of Energy funding. The institution provides a minimum of 40 amps to all RDP service connections within the Municipal area of supply, above the Department of Energy's requirement of 20 amps.

The housing projects need to meet the DoE guidelines for electrification which requires that the housing project must be 80% complete and occupied. The department implements informal electrification in line with a council resolution. Informal dwellings within the BCMM area of supply receive the same service as a formal RDP household.

**INFORMAL ELECTRIFICATION:**
There has been a high increase in urban population due to the migration of people from rural areas to urban areas. At least 10 percent of South Africa's populace live in urban informal settlements. It is now recognized that informal settlements are an urban reality, at least in the medium term, and will be the only form of housing available to many residents.

Buffalo City Council took a decision that the settlements will be provided with interim electricity services, as per Council resolution BCMC 131/12, subject to the settlements meeting the minimum criteria.

The settlement should be close to existing infrastructure and is in a position where electrification is practicable and not encumbered by any of the following elements:

- Servitude
- Road or rail reserve
- Flood prone area
- Environmental issues
- Storm water retention or detention pond
- Private land
- Unstable land
- Any other health or safety hazard.
- The settlement is stable (i.e. there is no further growth or relocation planned for the foreseeable future)
- Such settlements provided are treated as ad hoc projects and are motivated separately.

BCMM has over 45 000 informal dwellings within the electrical network, most of which do not meet the DoE guideline or have been ear-marked for de-densification or relocation, this poses a major risk for both the Institution and residents living within these areas.

## ESKOM ELECTRIFICATION

Eskom as with BCMM is responsible for universal access to electricity under the NERSA license issue to supply rural areas. There are however differences in the service level supplied by ESKOM to BCMM constituents in Rural areas.

To address these differences in services not only affecting BCMM, the South African Local Government Association is negotiating service level agreement with ESKOM as required by numerous ACTs which the municipality and ESKOM are required to adhere to.

## FREE BASIC ELECTRICITY:

BCMM provides the minimum free basic service to all indigent consumers of 50 units, this includes the Eskom serviced residents.

## REVENUE PROTECTION:

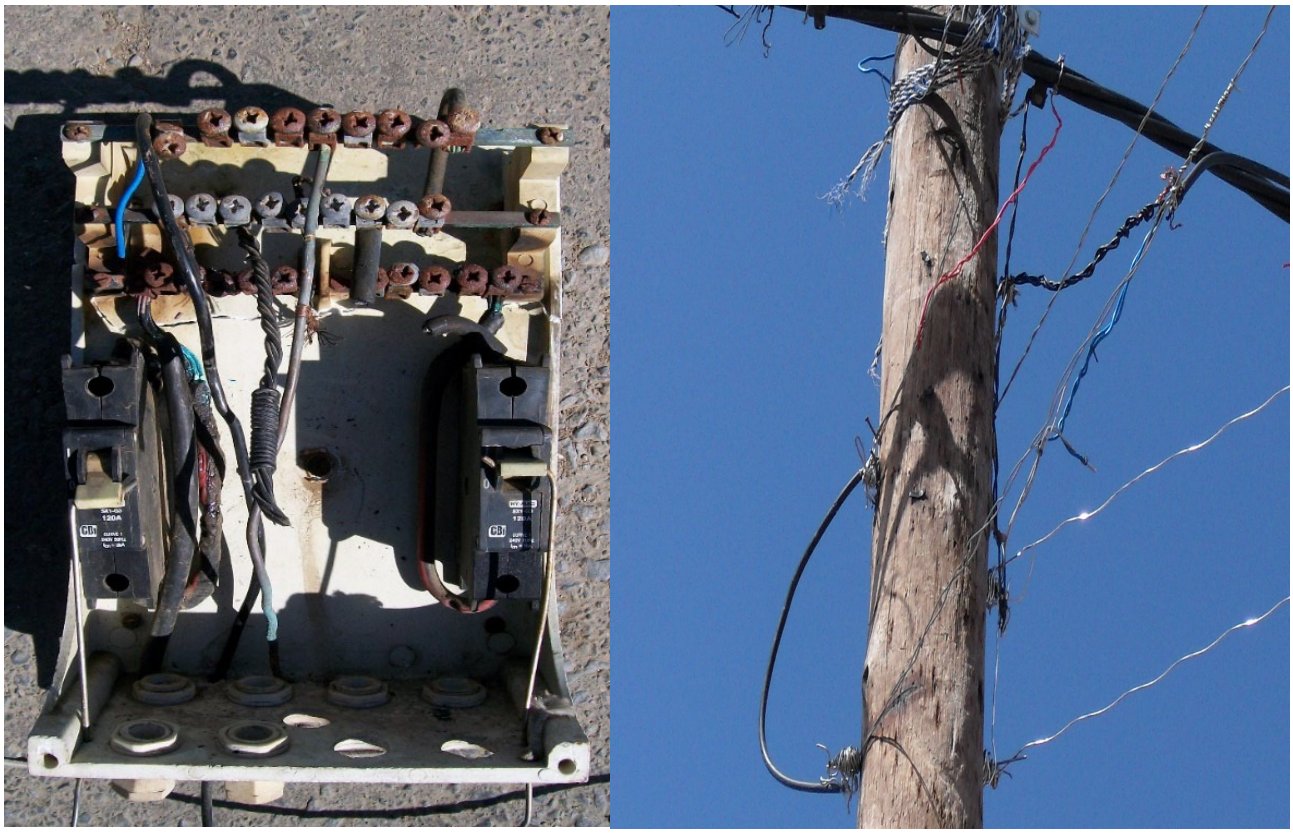
The 2018/19 financial period has not been a successful year for Revenue Protection, due mainly to a lack of operational budget and staff capacity. After analysing electricity kWh purchases against kWh's sold over an eleven-month period, it is calculated that the total Electricity losses have escalated to 19.95% and with a rand associated value of R246 million and the non-technical losses contributing R165 million of this amount.

It is calculated that over the same period that total electricity income made a net loss of R61 million due to R217 million being attributed to network depreciation. Electricity tariffs also need a major overhaul and the department is presently going out to tender to have this achieved. It is calculated that the cost per kWh consumed is R1.76 including the non-technical of R0.17 per consumed kWh's and Internal costs amounting to R0.44 per consumed kWh's. The running costs of the newly installed 8900 smart meters will also affect operational costs by R33 million per annum. The new tender will address a much-needed cost of supply study and re-designing of applied electricity tariff including a new energy wheeling tariff.

The installation of 8900 smart meters will expectantly enhance revenue income but this project also has its own billing problems. More consistent monthly billing is now taking place but only full integration of monthly meter readings onto the SOLAR billing system will correct manual billing errors.

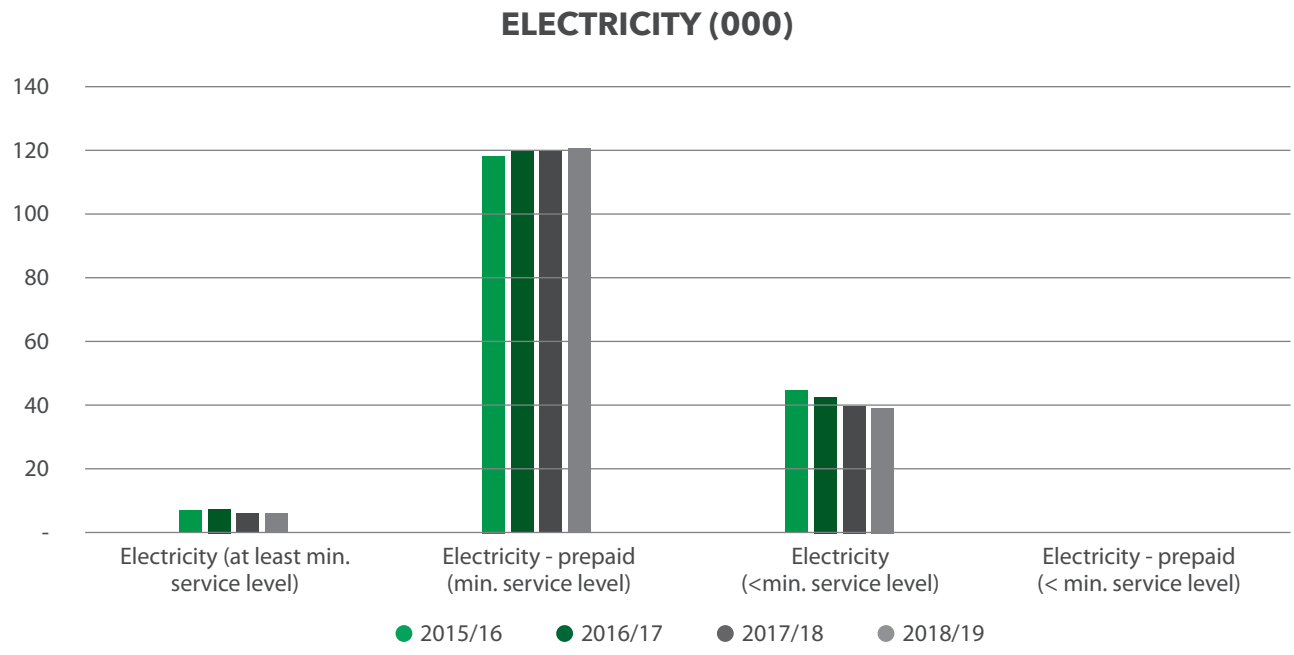
It is recognized that the Queens Park substation is operating at a bad power factor of 0.71 and can be corrected by installing capacitor banks and will result in annual savings. The installation of power factor correction equipment will be prioritized subject to funding.

On a positive note, the arrested meter tampering crime syndicate ring leader appeared in court on the 28th June 2019 and this matter has now been amended until further notice. He has been charged with 24 counts of fraud and we are hoping for a positive outcome to this case.



Damaged Equipment and illegal connections T3.3.1

## ELECTRICITY SERVICE DELIVERY LEVELS




T3.3.2

| Electricity Service Delivery Levels | | | | |
|---|---|---|---|---|
| | | | | Households (,000) |
| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| ***Energy:* (above minimum level)** | | | | |
| Electricity (at least min. service level) | 7 | 7 | 6 | 6 |
| Electricity - prepaid (min. service level) | 119 | 120 | 120 | 121 |
| *Minimum Service Level and Above sub-total* | 126 | 127 | 126 | 127 |
| *Minimum Service Level and Above Percentage* | 73,7% | 74,7% | 75,9% | 76,4% |
| ***Energy:* (below minimum level)** | | | | |
| Electricity (< min. service level) | 45 | 43 | 40 | 39 |
| Electricity - prepaid (< min. service level) | – | – | – | – |
| Other energy sources | – | – | – | – |
| *Below Minimum Service Level sub-total* | 45 | 43 | 40 | 39 |
| *Below Minimum Service Level Percentage* | 26,3% | 25,3% | 24,1% | 23,6% |
| **Total number of households** | 171 | 170 | 166 | 166 |

Note: the 45 000 HH below minimum service are the informal dwellings that have been identified.

*T 3.3.3*

## HOUSEHOLDS-ELECTRICITY SERVICES DELIVERY LEVELS BELOW THE MINIMUM

| Households-Electricity Services Delivery Levels Below the minimum | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | Households (,000) |
| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | No. | No. | No. | No. | No. | No. |
| Formal Settlements | | | | | | |
| Total households | 129 | 130 | 129 | 129 | 129 | 129 |
| Households below minimum service level | 3 | 3 | 3 | 3 | 3 | 3 |
| Proportion of households below minimum service level | 2% | 2% | 2% | 2% | 2% | 2% |
| Informal Settlements | | | | | | |
| Total households | 45 | 45 | 45 | 45 | 45 | 45 |
| Households below minimum service level | 45 | 43 | 40 | 39 | 39 | 39 |
| Proportion of households below minimum service level | 100% | 96% | 89% | 87% | 87% | 87% |
| Note1: The 3000 HH below minimum are HH that have either just been completed or will be completed during the year. Note 2: The figure of 45 000 HH is provided fron a study conducted of all informal areas | | | | | | T 3.3.4 |

| ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Service Objectives** | **Outline Service Targets** | **2017/18** | | **2018/19** | | | **2018/19** | **2019/20** | |
| | | **Target** | **Actual** | **Target** | | **Actual** | **Target** | | |
| **Service Indicators (i)** | **(ii)** | ***Previous Year (iii)** | **(iv)** | ***Previous Year (v)** | ***Current Year (vi)** | **(vii)** | ***Current Year (viii)** | ***Current Year (ix)** | ***Following Year (x)** |
| **Service Objective xxx** | | | | | | | | | |
| Provision of minimum supply of electricity | Number of new RDP household supplied with Electricity | 500 new RDP electrical service connections | 2314 new RDP electrical service connections | 500 new RDP electrical service connections | 700 new RDP electrical service connections | 514 new RDP electrical service connections | 800 new RDP electrical service connections | 1700 new RDP electrical service connections | 1700 new RDP electrical service connections |
| Provision of minimum supply of electricity | Number of informal household supplied with Electricity | 50 informal electrical service connections | 38 informal electrical service connections | 50 informal dwellings | 1 000 informal electrical service connections | 220 informal electrical service connections | 1 000 informal electrical service connections | 1 000 informal electrical service connections | 1 000 informal electrical service connections |
| Implement lighting programme to ensure adequate lighting coverage | Number of new highmast lights installed | 0 | 5 | 5 | 5 | 10 | 10 | 10 | 10 |
| Note: The Actual number of connections is dependant on a number of issues: Readiness of the informal areas, layout, land ownership and a number of others. Connections to RDP houses are depedant of the housing project being completed and home owners taking possesion of the homes | | | | | | | | | T 3.3.5 |

| EMPLOYEES: ELECTRICITY SERVICES | | | | | |
|---|---|---|---|---|---|
| **Job Level** | **Year 2017/2018** | **Year 2018/2019** | | | |
| | **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| | **No.** | **No.** | **No.** | **No.** | **%** |
| 0 – 3 | 100 | 117 | 92 | 25 | 21.37% |
| 4 – 6 | 25 | 32 | 24 | 8 | 25% |
| 7 – 9 | 36 | 56 | 38 | 18 | 32.14% |
| 10 – 12 | 61 | 58 | 58 | 0 | 0% |
| 13 – 15 | 4 | 9 | 5 | 4 | 44.44% |
| 16 – 18 | 2 | 2 | 1 | 1 | 50% |
| 19 – 20 | 0 | 1 | 0 | 1 | 100% |
| Total | 228 | 275 | 218 | 57 | 20.72% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.3.6

## FINANCIAL PERFORMANCE 2018/2019: ELECTRICITY SERVICES

R'000

| Details | 2017/2018 | 2018/2019 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **1 725 897** | **2 047 622** | **2 026 417** | **1 813 916** | **-13%** |
| Expenditure: | | | | | |
| Employees | 113 444 | 126 181 | 125 015 | 123 571 | -2% |
| Repairs and Maintenance | 105 750 | 153 073 | 118 873 | 117 263 | -31% |
| Other | 1 626 294 | 1 710 260 | 1 660 717 | 1 773 719 | 4% |
| **Total Operational Expenditure** | **1 845 488** | **1 989 513** | **1 904 605** | **2 014 553** | **1%** |
| **Net Operational Expenditure** | **119 591** | **(58 108)** | **(121 812)** | **200 636** | **129%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.3.7

## CAPITAL EXPENDITURE 2018/2019: ELECTRICITY SERVICES

R' 000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **129 450** | **151 366** | **146 731** | **12%** | |
| | | | | | |
| Office Furn & Equipment (Directorate) | 1 000 | 1 000 | 899 | -11% | 2 200 |
| Inep Electrif Progr. Counterfunding | 4 000 | 4 523 | 4 523 | 12% | 16 000 |
| Tool & Equipment | 1 000 | 1 000 | 892 | -12% | 7 000 |
| Highmast Streetligting - Ward 7 | 100 | – | – | 0% | – |
| Highmast Streetligting - Ward 12 | 100 | – | – | 0% | – |
| Electrification - Ward 4 | 5 000 | – | – | 0% | 15 000 |
| Refurbish, Upgrade And Renewal Of Zwelitsha Overhead Line | – | 8 034 | 8 034 | 100% | 7 000 |
| Electrification Phakamisa - Ward 25 | – | 4 594 | 4 594 | 100% | 4 000 |
| Bulk Elec Infras Upgr(Ring-Fenced 4%) | 59 800 | 58 800 | 56 178 | -6% | 179 800 |
| Bulk Electr Infra Upgrd-Ring Fenced C/O | | 2 554 | 2 087 | 100% | 2 554 |
| Electrif - Infor Dwelling Areas - Bcmm | 8 000 | 12 826 | 12 955 | 38% | 28 000 |
| Electrify Informal Dwellings Areas Bcmm C/O | – | 2 753 | 2 731 | 100% | 2 753 |
| Bulk Elec Infras Upgr - Repl Exist Inf | 29 000 | 28 020 | 28 020 | -3% | 5 000 |
| Bulk Electr Infra Upgrd-Replc Exist Infr C/O | | 6 368 | 5 985 | 100% | 94 000 |
| Inep Electrification Programme | 6 200 | 6 200 | 5 213 | -19% | 60 600 |
| Replacement Of Existing Streetlightning | 8 000 | 8 000 | 7 998 | 0% | 28 000 |
| Lighting Within The Mdantsane Cbd | 2 250 | – | – | 0% | 6 250 |
| Building Alterations Beacon Bay Civic Ce | 1 000 | 2 000 | 1 926 | 48% | 2 500 |
| Str Light & H/Masts - Bcmm Areas Of Supp | 4 000 | 4 695 | 4 695 | 15% | 18 000 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.3.8

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

### STREET AND HIGH MAST LIGHTING

The following street light and high-mast lighting project were completed in the year under review:

High-mast Lighting installed in Cambridge T/Ship/Egoli/Summerpride/D-Section/
C-Section and Braelyn. New LED technology was utilized reducing energy usage by 50%



NEX street lighting upgrade

## NETWORK STABILITY/ ENHANCEMENT:

Without a reliable network and increased capacity, the Electricity Department cannot provide services or install additional connections onto the network. The electricity network in Buffalo City has improved substantially owing to the continuous capital investment into the system over the last four years. The prioritization of capital projects is based on a number of issues which are then taken into account:

1. The Electrical Master Plan which has been updated in the last two years
2. The network performance over the previous year
3. The required upgrading needed to meet new consumer

The Electricity Department received R150 million in the 2018/2019 financial year for capital projects. The electricity services department spent 95% of the budget implementing countless projects to ensure a safe, reliable and efficient electrical network.

Detailed below are the projects implemented throughout the 2018/2019 financial year:

## BULK ELECTRICITY INFRASTRUCTURE UPGRADE

## (RING FENCED 4% OF REVENUE)

- Stafford to Stoneydrift 132kV overhead line refurbishment
- Urban S/House KWT Circuit Breaker replacement
- Phakamisa Fort Murry Switch House Upgrade
- Dimbaza and Zwelitsha Switchgear replacement
- Stoneydrift Substation-Intake
- Quinera Drive Phase 2 Install 315kVA M/Substation
- Quinera Mouth RMU to First Circle: MV Cable
- Zwelitsha overhead mains replacement
- Balassi Valley overhead mains installation
- Wings Mini Sub to EL Airport Install Cable
- Breezyvale roadring main unit installation
- Cambridge to Abattoir installation of Cable
- Collondale, Bunkershill, Park Ave and Brookmead Terrace installation of new Circuit Breakers
- Lewis Rd Bunkers Hill Install 315kVA M/Sub
- Tech Commercial (Stirling High School) Install 500kVA M/Sub
- Replacement in Nompumelelo of pole mounted transformers
- SCADA Setup and Switchhouse Links



Cable installation

## BULK ELECTRICITY INFRASTRUCTURE UPGRADE

- Stoneydrift Substation Upgrade Primary Plant
- Sunnyridge overhead mains replacement
- Sherness Avenue overhead mains replacement
- East Bank Reclamation Works overhead mains construction
- Chiselhurst Load Control upgrade
- SCADA Upgrade to the following substations, Mount Ruth Tyu-Tyu North, Mbekweni and Mdantsane
- Carter Road Vincent Replace 500kVA M/Substation
- Homestead Crescent Parkside Replace 500kVA M/Substation
- Bhengu M/sub Installation Montrose M/Substation
- Bonza Views Gonubie Replace M/Sub Transformer



# ACHIEVEMENTS
2018 – 2019

## INFORMAL ELECTRIFICATION:

Over the past year, the electricity department electrified 220 informal dwellings in Kannana, which meets the minimum criteria, this is a small portion of what is required to make the program effective in terms of reducing the losses to BCMM's revenue.



Informal Electrification

## FORMAL ELECTRIFICATION

The Electricity Department received in the 2018/2019 financial year as published in the Division of Revenue Act received an amount of R 6,4 million to install 400 service connection to formalized RDP dwellings. Over the past year, the Buffalo City Metropolitan electrified 514 dwellings in the following areas; Zone 5 Mdantsane and Fynbos Phase 2





# FORMAL ELECTRIFICATION

# MAJOR CHALLENGES IN ELECTRICITY SERVICES AND REMEDIAL ACTIONS

The Capital and Operational Budget is of a major concern been insufficient to service the capital investment and operational needs of the electrical network, compounded by illegal connections, staff are working additional hour; blown or vandalized equipment need replacement in the affected areas to service paying consumers

## TAMPERING AND ILLEGAL CONNECTIONS

Analysing electricity kWh purchases against kWh's sold over an eleven-month period, it is calculated that the total Electricity losses have escalated to 19.95%, largely due to meter tampering and illegal connections, this remaining a major concern within BCMM. These illegal connections have an impact on the viability of the electricity department to provide a safe, reliable and efficient supply to our legal consumers. This illegal act has increased over the year as no substantive action is taken against perpetrators; therefor they continue to carry out this illegal act. This illegal act has also led to the death of over numerous people.

## ESKOM'S PROVISION OF SERVICES WITHIN BCMM AREA OF JURISDICTION:

As discussed above, Eskom has a NERSA license to supply rural areas which fall outside the BCMM area of supply. As the Municipality does not have a service level agreement with Eskom a number of issues arise.

- Different tariffs to communities within the same area
- Different service levels to communities within the same area.

BCMM provide a supply of 40 amps, ESKOM • Supply 20 amps or less.

As ESKOM is a distributor of electricity only, street lighting is not provided in ESKOM area of supply. BCMM cannot institute credit control measure within the Eskom

Street lighting is provided to consumers within the areas supplied by the BCMM network. BCMM can provide this service, as the BCMM electricity tariff makes allowance for this service. BCMM does not receive any income from electricity sales from consumers within the ESKOM area of supply therefor is unable to finance and maintain street lights within the ESKOM areas.

In terms of the Municipal Systems Act any service provided providing services within a municipal jurisdiction should do so under a service level agreement. Such a service agreement would resolve the issues shown above and a number of others.

As the issue of a service level agreement does not only affect BCMM but all municipalities, through SALGA are negotiating a distribution service level agreement with ESKOM. SALGA are willing to take this issue up legally if ESKOM does not comply as the legal requirements are quiet clear and at this time both ESKOM and municipalities are not complying with the requirements.

**T 3.3.9**

# 3.4. **WASTE MANAGEMENT** (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING & RECYCLING)

## INTRODUCTION TO WASTE MANAGEMENT

The Department of Solid Waste Management Services is one of the Departments under Municipal Services Directorate and is responsible for street cleansing, refuse removal, public conveniences, landfillsites & transfer stations and waste minimisation. The Department is operating in Inland, Midland and Coastal Regions. The provision of a consistent and predictable supply of a regular municipal waste collection service; achieving integrated waste management planning; pursuing and promoting waste minimisation; re-use, recycling and recovery interventions; and promoting the compliance of waste disposal facilities.

The provision of refuse removal is guided by the National Domestic Waste Collection Standards, which states that refuse must be collected at least once a week within the urban node. BCMM currently provides waste management service to about 149 551 billed households as well as 61 252 indigent households. In the Buffalo City Metropolitan Municipality, a highly industrious City with a fast-growing population, effective waste

management services are critical and new innovations are required. In response to this growing demand for waste management services the City offers a comprehensive waste management service which includes kerb - side collection in formal settlements and communal collection in informal settlements (due to inaccessible roads), and provides black refuse bags as waste receptacles for households.

Street cleansing which encompasses street sweeping, litter picking, gutter clearing is done in all main routes, main entrances and exits in the City, as well as clearance of illegal dumps.

In terms of the Local Government: Municipal Structures Act 117 of 1998 the municipality is responsible solid waste disposal sites in relation to:

(i) Determination of waste disposal strategy
(ii) Regulation of waste disposal
(iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities The Department is also responsible for operations and management of the Landfillsites and Transfer facilities. BCMM has two permitted landfill sites (Roundhill and King William's Town Landfill site) and nine Transfer Stations.

The department is also responsible for implementation of The National Waste Management Strategy (NWMS), which presents a long-term plan for addressing key issues, needs and problems experienced with waste management in South Africa. The objective of the NWMS is to adopt an integrated, holistic and participatory approach to waste management covering the entire waste cycle from cradle to grave, and deals with the prevention, generation, collection, transportation, treatment and final disposal of waste. This means that all sectors should have plans in place not only to dispose of waste, but to minimise its production in the first place.

There is also a Waste Management bill that endorses the waste management hierarchy which gives highest priority to waste prevention followed by waste minimization, waste reuse, recycling, energy recovery and waste disposal, in order of preference.

The Unit is responsible for initiating and developing programs that favour waste reduction and diversion from landfill disposal.

## SOLID WASTE SERVICES: SOLID WASTE OPERATIONS

BCMM waste collection services are categorized into levels mentioned below, because of different access conditions in the formal and informal communities:

**REFUSE REMOVAL:**

- Kerbside collection services incorporate the collection of waste placed in black bags or wheelie bins on scheduled days. This type of service is only provided to residential areas of 149 551 households where street networks are sufficiently developed to allow reasonable access to individual properties, as such is only applicable in formally developed residential areas. All regions use refuse compactor trucks for residential and commercial waste collection, load luggers for skip removal and a combination of trucks such as side tippers and LDVs for street cleaning.

- In informal settlements with an estimated number of 61 252 households and blocks of flats, communal collection, incorporating collection of waste in bulk from central collection points to which either the residents, or the municipality or contractors working for the municipality take the refuse for removal in bulk. Occasionally six cubic meter skip containers are placed at central strategic points for storing of refuse until its removal.

**STREET CLEANSING**

The City is faced with a huge challenge of high littering rate and illegal dumping in open spaces, residential areas and CBDs. The main streets, entrances and exits in East London CBD, KWT and Mdantsane and other substantial commercial nodes in BCMM are litter picked and sweep on a daily basis. There are partnerships with other institutions such as BKCOB, BCMDA, EPWP and COGTA that assist in addressing the above mentioned challenge. The activities in the partnerships include litter picking, street cleaning as well as education and awareness programmes.

**The department also has programmes of clearing illegal dumps in all wards.**

| Resources | Coastal | Midland | Inland |
|---|---|---|---|
| Personnel | **327** | **189** | **174** |
| Vehicles/ Compactor trucks | **22** | | 15 |
| **Street sweeper machines** | 2 | | |

## LANDFILLSITES & TRANSFER STATIONS

Landfilling is the most commonly used waste disposal method in South Africa, and it is estimated that above 95% of waste generated is disposed of in landfillsites. It has been conceived as the most economical method of waste disposal and can be considered an environmentally acceptable practice provided it is properly carried out.

BCMM is services by two General Waste Landfill Sites and has no Hazardous Waste landfillsites. The City has nine old (pre -NEMWA) Waste Management Facilities. These sites are of various categories in terms of compliance to the waste Regulatory Framework. In addition, there are also two Garden Refuse Sites in Beacon Bay and Gonubie (privately owned).

**C) KING WILLIAM'S TOWN LANDFILL SITE**

Both these sites are GLB+ landfill sites that are estimated to have a combined average waste disposal capacity of 850 to 1300 ton of Municipal Solid Waste per day. The estimated lifespan of these sites is ±15 years.

## GARDEN TRANSFER STATIONS

Buffalo City Metropolitan Municipality has got transfer stations where garden waste is dropped, the Beacon Bay Garden Transfer Station and the Gonubie Transfer Station, which is privately owne

## WASTE MINIMISATION, EDUCATION & PLANNING

This is a unit under Solid Waste Management Services, which amongst other things is responsible for conducting daily awareness raising activities, prevent littering and illegal dumping of waste.

It is also responsible for implementation of projects that enhance waste recycling viz: Waste separation at source, establishment and management of Buy-Back Centres as well as review of Integrated Waste Management Plan. Projects implemented during the financial year under review include the following:

**(V) BCMM INTERNAL WASTE RECYCLING -** THERE ARE 10 RECYCLING DROP OFF POINT UNITS THAT HAVE BEEN PLACED AS FOLLOWS:

- Trust Centre
- Old Mutual Building
- Debt Management Offices
- Solid Waste - Cambridge
- Solid Waste - Directors Office
- IEMP Building
- Engineering Building

**(VI) SCHOOL RECYCLING COMPETITION**

BCMM in collaboration with Cocacola identified 35 schools to partake in the national recycling competition. The schools are collecting recyclable waste, and the school that collects large volumes wins a price

**(VII) EC WASTE MANAGEMENT SYSTEMS PROJECT**

This is a Department of Environmental Affairs funded project which is using labour intensive methods as per the requirements of Expanded Public Works Programme (EPWP) to execute the following:

- Upgrading of East London buy-back centre
- Waste separation at source
- Street Cleaning

**(VIII) EDUCATION AND AWARENESS CAMPAIGNS:**

Solid Waste raise awareness and educate the members of the community about issues related to cleanliness, waste, environmental management and sustainable development targeting communities and schools.

**Achievements of Solid Waste Department during this year of reporting are as outlined below:**

e) Implementation of waste separation at source programme
f) Fully operational Buy Back Centre
g) Successfully operating recyclable drop-off points
h) Successfully launching and implementing Good Green Deeds initiative

**T 3.4.1.**

## SOLID WASTE SERVICE DELIVERY LEVELS

| Description | Households | | | |
|---|---|---|---|---|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | Actual | Actual | Actual | Actual |
| | No. | No. | No. | No. |
| **Solid Waste Removal: (Minimum level)** | | | | |
| Removed at least once a week | 138 | 143 | 127 | 149 551 |
| Minimum Service Level and Above sub-total | 138 | 143 | 127 | 149 551 |
| Minimum Service Level and Above percentage | 5.3% | 6.3% | 28.4% | 98% |
| **Solid Waste Removal: (Below minimum level)** | | | | |
| Removed less frequently than once a week | n/a | n/a | n/a | n/a |
| Using communal refuse dump | 846 | 487 | 63 | 61 252 |
| Using own refuse dump | 547 | 565 | 205 | n/a |
| Other rubbish disposal | 952 | 938 | 17 | n/a |
| No rubbish disposal | 123 | 124 | 35 | n/a |
| Below Minimum Service Level sub-total | 2,468 | 2,113 | 320 | 320 |
| Below Minimum Service Level percentage | 94.7% | 93.7% | 71.6% | 41% |
| **Total number of households** | **2,606** | **2,256** | **447** | **210 803** |
| | | | T 3.4.2 | |

## HOUSEHOLDS-SOLID WASTE DELIVERY LEVELS BELOW THE MINIMUM

**HOUSEHOLDS**

| Description | 2015/16 | 2016/17 | | | 2018/19 | |
|---|---|---|---|---|---|---|
| | Actual | Actual | Actual | | | |
| | No. | No. | No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| Formal Settlements | | | | | | |
| Total households | 100,000 | 100,000 | 228 000 | 126 | 100,000 | 228 000 |
| Households below minimum service level | 25,000 | 25,000 | – | - | - | - |
| Proportion of households below minimum service level | 25% | 25% | | 0% | 0% | |
| Informal Settlements | | | | | | |
| Total households | 100,000 | 100,000 | 156 | 100,000 | 100,000 | 156 |
| Households ts below minimum service level | 25,000 | 25,000 | 1 | 25,000 | 25,000 | 1 |
| Proportion of households ts below minimum service level | 25% | 25% | 719% | 25% | 25% | 719% |
| | | | | | | T3.4.3 |

## WASTE MANAGEMENT SERVICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | | |
| | % of Household with access to waste removal | 126000 | 126000 | 126000 | 126500 | 126500 | 149 551 | 149 551 | 149 551 |
| | | | | | | | | | T3.4.4 |

## EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 404 | 487 | 463 | 24 | 4.93% |
| 4 – 6 | 46 | 59 | 49 | 10 | 16.95% |
| 7 – 9 | 66 | 70 | 67 | 3 | 4.29% |
| 10 - 12 | 13 | 16 | 12 | 4 | 25% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 3 | 3 | 3 | 0 | 0% |
| 19 - 20 | 1 | 1 | 1 | 0 | 0% |
| **Total** | **534** | **637** | **596** | **41** | **6.43%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.4.5

## EMPLOYEES: WASTE DISPOSAL AND OTHER SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 26 | 26 | 25 | 1 | 3.8% |
| 4 – 6 | 6 | 6 | 6 | 0 | 0% |
| 7 – 9 | 8 | 9 | 8 | 1 | 11.11% |
| 10 - 12 | 3 | 3 | 3 | 0 | 0% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| **Total** | **44** | **45** | **43** | **2** | **4.44%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.4.6

## FINANCIAL PERFORMANCE 2018/2019: SOLID WASTE MANAGEMENT SERVICES

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **327 516** | **414 783** | **423 474** | **380 913** | **-9%** |
| Expenditure: | | | | | |
| Employees | 167 572 | 148 984 | 183 321 | 187 544 | 21% |
| Repairs and Maintenance | 14 143 | 19 791 | 11 221 | 11 038 | -79% |
| Other | 108 529 | 106 777 | 117 861 | 125 803 | 15% |
| **Total Operational Expenditure** | **290 243** | **275 552** | **312 404** | **324 385** | **15%** |
| **Net Operational Expenditure** | **(37 273)** | **(139 232)** | **(111 070)** | **(56 528)** | **-146%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.4.7

## FINANCIAL PERFORMANCE 2018/2019: WASTE DISPOSAL AND OTHER SERVICES

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **2 956** | **6 236** | **6 944** | **2 889** | **-116%** |
| Expenditure: | | | | | |
| Employees | 12 030 | 12 605 | 12 687 | 15 612 | 19% |
| Repairs and Maintenance | 1 | 160 | 160 | 20 | -707% |
| Other | 36 765 | 26 219 | 36 286 | 41 156 | 36% |
| **Total Operational Expenditure** | **48 795** | **38 984** | **49 134** | **56 787** | **31%** |
| **Net Operational Expenditure** | **45 839** | **32 748** | **42 190** | **53 898** | **39%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.4.8

## CAPITAL EXPENDITURE 2018/2019: WASTE MANAGEMENT SERVICES

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **76 452** | **88 148** | **58 533** | **-31%** | |
| | | | | | |
| GALVANISED STREET LITTER BINS (CBDS) | 2 000 | 5 000 | – | 0% | 5 000 |
| METAL SKIPS | 2 000 | 5 000 | – | 0% | 5 000 |
| DUNCAN VILLAGE - WASTE DROP OFF POINTS | – | – | – | 0% | 5 000 |
| CONSTRUCTION OF CELL 3, CELL 4 AND AUXILLIARY WORKS AT ROUDHILL | 33 000 | 33 000 | 22 794 | -45% | 33 000 |
| CONSTRUCTION OF CELL 3, CELL 4 AND AUXILLIARY WORKS AT ROUDHILL | 39 452 | 45 148 | 35 740 | -10% | 39 452 |
| | | | | | |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.4.9 |

## COMMENT ON THE PERFORMANCE OF WASTE SERVICES MANAGEMENT OVERALL.

**PRIORITY PROJECTS AND THE IMPACT TO THE COMMUNITY**

**THE FUNCTIONAL CHALLENGES THAT FACE BCMM SOLID WASTE DEPT. ARE:**

a) Illegal dumping and general littering of Waste
b) Growing unsightly disposal of packaging waste
c) Littering by the public in public spaces and especially in low income areas has created an environmental health challenge on rats, foul smells and risk of pollution.
d) Un-serviced or difficult – to service settlements
e) Dumping of Municipal Solid Waste (MSW) on historical and closed landfill sites.

**INFRASTRUCTURAL CHALLENGES**

The growth of peri-urban informal settlements is major challenge. Standard waste disposal operations are not well suited for the provision of waste cleaning services.
Frequent breakdown and maintenance of waste collection trucks
High transport fuel bill

These challenges have a major effect on the efficiency and sustainability on the ability of waste management service provision.

Urgent need to establish various waste disposal infrastructures e.g. Transfer Stations, Material Recovery Facilities and Public Buy-Back Centres.
Need to establish a hazardous waste disposal facility.
Plan to extend waste collection services to peri-urban and traditional households.
Urgent need to develop a leachate and ground water management and leachate treatment.

**ORGANIZATIONAL CHALLENGES ARE AS FOLLOWS**:

BCMM's Solid Waste Management Department is under the Community Services Directorate. BCMM is the only Metro with such an arrangement. This affects among others on staffing and budgeting allocations

An asset register is required that also includes landfill airspace as resource.

Landfill site gate fees which are one of the lowest of all the Metro Municipalities.

Need of partnering of waste management services with private waste management companies for waste management and landfill diversion programmes.

**MEASURES TAKEN TO IMPROVE THE PROVISION OF THE SERVICE**

The Department of Solid Waste has due to the shortage of resources augmented the existing resources by:-

a) Hiring Compactor Trucks to ensure that waste is collected from all households daily.
b) Engaged in partnerships with Business and DEDEAT in order to assist BCMM in ensuring that the City is kept clean.

In order to carry out Phase 1 and to develop a Status quo report, Financial Projections, Project implementation Plan that informs the Turn-around Strategy, the Service Provider has undertaken the following activities:

Site visit, inspection, assessments and interviews with key personnel and role players responsible and related to the site. Assessment and analysis of current operations and conditions on the site against Roundhill Landfill site permit requirements and DWAF Minimum Requirements for Waste Disposal by Landfill – the site is GLB$^{+}$, meaning that it is a large site accepting more than 500 tons of general waste per day and that generates significant leachate. Collection of water quality monitoring results from the BCMM Scientific Services;

Conducting topographical survey of the Roundhill Landfill site; Conducting geotechnical investigation; conducting environmental monitoring; looking at ground water, surface water and air quality monitoring.

Phase 1 has now been completed and Phase 2 entails implementation of the corrective measures and remediation of the site. The design for remediation has been completed and tender document for the rehabilitation plan that will take 24 months will be submitted to BCMM on the 27 June 2014.

The implementation of the corrective measures and remediation works will entail the following:

a) Construction of a temporary cell 3 to accommodate excess waste from cells 1 and 2

b) Cutting of the excess waste from existing cells 1 and 2, reshaping and compacting thereof

c) Fixing of the weighbridge

d) Daily operations of the site and ensuring its compliance and aesthetics until rehabilitation are completed. Phase 3 for design of the new cells, i.e. cells 3 and 4 is progressing well and completion is anticipated in October 2014.

Targets are set based on the approved budget, hence targets set on the IDP are going to be achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

**T3.4.10**

# 3.5 HOUSING

## INTRODUCTION TO HOUSING

In terms of the Housing Act 107 of 1997 and making reference to the housing accreditation framework, the Municipality undertakes to set housing delivery goals, identify and designate land for human settlements (HS) development, initiate, co-ordinate, facilitate, promote and enable appropriate human settlements development. As part of the IDP, it also undertakes to take steps to ensure that the inhabitants of its area have access to adequate housing on a progressive basis and furthermore, to ensure that conditions which are not conducive to health and safety are removed.

The creation of affordable and well-located rental stock for the rapidly-growing, mobile (migrant) and urban population within inner city and other locations close to economic opportunities is a priority. However, a major challenge for the Metro has been the shortage of well-located and affordable land for housing provision.

In addition, the Metro has lacked a coherent strategy for land acquisition, apart from the fact that public land is 'vested' in the State. In addition, there is simply no land available for human settlements development in the Metro. Thus, there is a need for further land acquisition. Land release is further hampered by the various pieces of legislation and the legal procedures related to the alienation of land, the difficulties in accessing state-owned land and the constitutional imperatives impacting on the acquisition of private land.

In response to this challenge, the Metro engaged the Housing Development Agency (HDA) and signed a protocol agreement that will allow for land release and acquisition. During November 2013, the protocol agreement between BCMM and HDA was signed. However, efforts need to be applied to improve the relationship between the two institutions in order for the agreement to bear fruit.

The delays in speeding up the land release or transfer of ownership to BCMM is taking longer than anticipated, these challenges resulted into delays in the desired pace to upgrade informal settlements through provision of full serviced sites and building of decent housing for homeless citizen of BCMM. There is an urgent need to unlock all land parcels to improve service delivery.

The Municipality undertakes to set housing delivery goals, identify and designate land for housing development, initiate, co-ordinate, facilitate, promote and enable appropriate housing development. As part of the IDP, it also undertakes to take steps to ensure that the inhabitants of its area have access to adequate housing on a progressive basis and furthermore, to ensure that conditions which are not conducive to health and safety are removed.

The municipality is providing houses to the households and families who are residing in informal settlements. However, this has created animosity between the households who are residing in back yard shacks and to those who are blue card holders. The Human Settlements Directorate has undertaken to change its strategy by attempting to strike a balance in providing houses to the informal settlement household families and to those who are residing in back yard shacks and to the blue card holders.

The BCMM has ±100 000 prospective beneficiaries contained in the National Housing Needs Register (NHNR). In respect of informal settlements, the BCMM has ± 60 000 households who are residing in informal settlements. The Directorate of Human Settlements work hand-in-hand with Spatial Planning and Development Directorate in respect Informal Settlements Upgrading Programme (NUSP).

The Directorate of Human Settlements is measured according to the number of top structures completed, number of sites provided with basic municipal services and number of beneficiaries registered for housing opportunities.

In the financial year 2018/2019, the Directorate had a target of 450 top structures, 1300 internal services and 2 010 beneficiary registration. The Directorate has over achieved and succeeded to complete 67 top structures, 3093 internal services and 2 162 beneficiaries were registered in the National Housing Needs Register (NHNR). NHNR is the planning tool that the Directorate of Human Settlements is using when planning for human settlements development. BCMM provided 50 Temporary Shelters to the Destitute Families within its jurisdiction and has conducted 20 sessions of Housing Consumer Education in BCMM Wards as an attempt to educate prospective beneficiaries about the processes that lead to the ownership, management and maintenance of a house.

Furthermore, the Integrated Sustainable Human Settlement Plan (ISHSP) was submitted to all three committees of council for consideration and approval. It was subsequently approved and adopted by council. The ISHSP serves as a guide and road map for implementing different projects within the metro. Furthermore, The Integrated Sustainable Human Settlement Plan is an overarching plan that integrates a strategy to deliver a variety of types of accommodation within the framework of infrastructure, transport, economic and social development and initiatives as prioritised and spatially defined.

The Integrated Sustainable Human Settlement Plan is an overarching plan that integrates a strategy to deliver a variety of types of accommodation within the framework of infrastructure, transport, economic and social development and initiatives as prioritised and spatially defined.

The implementation of the ISHSP requires the definition of various projects, plans and their objectives. In order to meet the objectives of these projects, there needs to be funding allocated by the appropriate funding bodies which are set up either within the municipal structures or at provincial or at national level. The ISHSP then undertakes the role of defining broadly the nature and cost of capital investments necessary for the implementation of the ISHSP.

During 2018/2019 financial year the Directorate of Human Settlements managed service 3093 sites by either providing roads, water or sanitation for the following projects:

| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|---|---|
| Mdantsane Zone 18 cc = 201 | Fynbos/Ndancama = 606 | Potsdam/Ikhwezi Block 1 =550 | Fynbos/Ndancama = 112 |
| | Mdantsane Zone 18 cc = 485 | Mdantsane Zone 18 cc = 726 | Potsdam/Ikhwezi Block 1 =192 |
| | | | Mdantsane Zone 18 cc = 221 |
| **TOTAL 201 sites** | **1091 sites** | **1276 sites** | **525 sites** |

In the list given above, the following were classified as high priority housing projects:

- Mdantsane Zone 18 cc: 1633 serviced sites
- Potsdam/Ikhwezi Block 1: 742 services sites
- Fynboss/Ndancama: 718 serviced sites

67 housing units were provided to household residing in rural areas of Peelton/Majali

## IMPACT:

In summary 3093 individual sites were fully serviced during 2018/2019 financial year, the provision of basic services to people residing in informal settlements will put to an end the sharing of ablution blocks by overcrowded communities and will bring the lost dignity. Approximately 300 housing were closer to practical completions and were invaded before occupation by rightful beneficiaries can take occupation. BCMM successful applied for eviction order, the High Court final granted permanent stay of the eviction. The process of eviction is under way with assistance by South African Police Services. The Potsdam Ikwezi housing project is of 656 housing units is progressing well after the National Home Builders Registration Council final enrolled the project towards end of the financial year , this project will improve lower housing delivery pace in our Council especial in the next 2019/2020 financial year. About 67 households residing in rural areas rescued from cracking mud ear structures and provided with high quality housing units equipped with water reservation tanks. Another rural housing project for 500 housing units was awarded towards the end of the last financial year for Potsdam Village communities.

*T 3.5.1*

## PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

| Year end | Total households (including in formal and informal settlements) | Households in formal settlements | Percentage of HHs in formal settlements |
|---|---|---|---|
| 2015/16 | 654000 | 500000 | 76,5% |
| 2016/17 | 684000 | 540000 | 78,9% |
| 2017/18 | 733000 | 589 000 | 80,4% |
| 2018/19 | 172 576 | 112 576 | 65,2% |
| | | | T 3.5.2 |

## HOUSING SERVICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2018/19 | | 2019/20 | | | 2020/21 | 2021/22 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| To promote an integrated spatial form | Reviewed Integrated Sustainable Human Settlement Plan | Draft of Integrated Sustainable Human Settlements Plan submitted to Mayoral Committee | Draft Integrated Sustainable Human Settlements Plan submitted to Mayoral Committee | Draft of Integrated Sustainable Human Settlements Plan submitted to Mayoral Committee | Adoption of Integrated Sustainable Human Settlements Plan by Council | n/a | n/a | n/a | n/a |
| To promote an integrated spatial form | Number of subsidised housing units completed | 450 | 67 | 450 | 600 | n/a | n/a | n/a | n/a |
| To promote an integrated spatial form | Number of formal sites serviced | 1300 | 3093 | 1300 | 1350 | n/a | n/a | n/a | n/a |
| Housing Developments located in quality environments and close to economic opportunies | Number of beneficiries registered for housing opportunities | 2010 | 2162 | 2010 | 2010 | n/a | n/a | n/a | n/a |
| Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role. | | | | | | | | | T3.5.3 |

## EMPLOYEES: HOUSING SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 6 | 13 | 12 | 1 | 7.69% |
| 4 – 6 | 13 | 15 | 15 | 0 | 0% |
| 7 – 9 | 20 | 24 | 21 | 3 | 12.50% |
| 10 - 12 | 13 | 14 | 10 | 4 | 28.57% |
| 13 - 15 | 3 | 4 | 4 | 0 | 0% |
| 16 - 18 | 0 | 4 | 0 | 4 | 100% |
| 19 - 20 | 2 | 2 | 2 | 0 | 0% |
| **Total** | **57** | **76** | **64** | **12** | **15.78%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.5.4

## FINANCIAL PERFORMANCE YEAR 2018/2019: HOUSING SERVICES

R'000

| Details | Year -2017/2018 | Year2018/2019 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **71 003** | **91 576** | **91 576** | **15 192** | **-503%** |
| Expenditure: | | | | | |
| Employees | 25 386 | 29 801 | 29 801 | 29 301 | -2% |
| Repairs and Maintenance | 102 | 418 | 418 | 391 | -7% |
| Other | 79 412 | 106 465 | 106 465 | 27 705 | -284% |
| **Total Operational Expenditure** | **104 899** | **136 684** | **136 684** | **57 397** | **-138%** |
| **Net Operational Expenditure** | **33 896** | **45 109** | **45 109** | **42 204** | **-7%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.5.5

# CAPITAL EXPENDITURE YEAR2018/2019: HOUSING SERVICES

R' 000

| Capital Projects | Year2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **104 755** | **170 532** | **170 502** | **39%** | |
| Office Furniture and Equipment (Directorate) | – | 395 | 366 | 100% | – |
| Office Furniture and Equipment (Directorate) | 500 | 50 | 48 | -936% | 500 |
| Boxwood Project- Roads | 600 | 28 148 | 28 148 | 98% | 600 |
| C Section and Triangular Site | 500 | – | – | 0% | 500 |
| Cnip Victims- Housing Project- Roads | 800 | 1 | 1 626 | 51% | 800 |
| Duncan Redevelopment Programme- Roads | 100 | 626 | – | 0% | 100 |
| Ginsberg 139 Units Project- Roads | 100 | – | – | 0% | 100 |
| Mzamomhle Peoples Housing Process | 500 | – | – | 0% | 500 |
| Nelson Mandela 102 Project- Roads | 100 | – | – | 0% | 100 |
| Reeston Phase 3 Stage 2 | – | – | 19 538 | 100% | – |
| Potsdam Ikhwezi Block 1 | 23 144 | 19 538 | 29 724 | 22% | 23 144 |
| Potsdam North Kanana | 9 164 | 29 724 | 96 | -9441% | 9 164 |
| Ilitha North 177 Units | 5 410 | 96 | 31 | -17436% | 5 410 |
| Duncan Village Proper | 291 | 31 | – | 0% | 291 |
| Mdantsane Zone 18 CC Phase 2 | 8 000 | – | 31 624 | 75% | 8 000 |
| Amalinda Co- Op | 8 000 | 31 624 | 17 | -46277% | 8 000 |
| Phakamisa South Roads & Storm Water | 500 | 17 | 10 693 | 95% | 500 |
| Tsholomnqa Disaster Housing | 1 000 | 10 693 | – | 0% | 1 000 |
| Cluster 1 | 5 000 | – | 525 | -853% | 5 000 |
| Cluster 2 | 12 500 | 525 | 10 229 | -22% | 12 500 |
| Cluster 3 | 5 000 | 10 229 | 31 141 | 84% | 5 000 |
| Duncan Village Comp/Site | 2 200 | 31 141 | – | 0% | 2 200 |
| Block Yard TRA | 3 858 | – | 206 | -1771% | 3 858 |
| Braelyn Ext 10 | 3 000 | 206 | – | 0% | 3 000 |
| Tyutyu Phase 3 | 3 000 | – | 6 253 | 52% | 3 000 |
| Westbank Restitution | 11 388 | 236 | 236 | -4735% | 11 388 |
| Breidbach | 100 | – | – | 0% | 100 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.5.6

## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL.

There are approximately ± 60 000 informal settlement structures located in more than 154 informal settlements within the BCMM Urban Edge . The highest density and number of informal settlement structures is located in Duncan Village. There are a further ± 40 000 backyard shacks located in BCMM, with the highest numbers being in the greater East London area and the Mdantsane and Potsdam area.

The municipality is currently involved in the following priority housing programmes:

- Emergency housing programme; assisting ECDoHS which is the leading stakeholder.
- Upgrading of informal settlement programme
- Rural housing subsidy programme
- Project linked subsidy programme
- Disposal of municipal housing stock (discount benefit scheme);
- Social Housing support programme and Consumer Educaiton
- Beneficiary Administration
- Policy Development to facilate improved service delivery

The objective of BCMM is to accommodate all residents, presently residing in informal settlements, in formal housing through an incremental process. This will result in those currently receiving a sub- economic RDP level of service, receiving full level of RDP or higher level of services.

However, owing to the extent of the housing to be delivered and the income levels of the beneficiaries, the impact of this housing programme will be significant both in terms of land acquisition, state land transfer, water / sanitation services provisions (extent of infrastructure required to support such development) and the sustainability of the Municipality in maintaining such services (most beneficiaries of the housing programme will more than likely not be abe to afford the higher levels of service).

Various housing projects were implemented within Buffalo City Metropolitan Municipality with the support of the Provincial Department of Human Settlements implementing some of the projects within our jurisdiction. These projects are geographically scattered in the following areas:

- East London
- Mdantsane
- Reeston
- Duncan Village
- Potsdam
- King William's Town
- Rural Areas

The BCMM engaged the National Department of Human Settlements to assist the municipality in accelerating the eradication of informal settlements. The National Department of Human Settlements is expected to make available financial and human resource to ensure that this initiative is a success.

### OVERVIEW ON HUMAN SETTLEMENTS SERVICE DELIVERY

Due to the efficiency and the effectiveness of our housing delivery, BCMM was voted as the best run Metro in South Africa in year 2018 when it comes to Human Settlement Delivery Programmes that are targeting people residing under stressful and unhealth living conditions and restoration of their dignity.

Human Settlements is planning ahead along with finalisation of 1444 in Mzamohle , eMajarantiyeni, Hani Park, Matsheni Park, Khayelitsha and Cambridge West township establishment issues . The advanced progress on settlement planning processes that will yield about 1555 sites in Ginsberg, Kwatshatshu, Xhwithinja, Ilitha Sports field, Empilisweni, Phola Park , Masibulele and East Bank Restitution, will eventual yield further housing opportunities upon completion that will help us to reduce the increasing housing backlog.

Targets are set based on the approved budget, hence targets set on the IDP are going to be achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

*T 3.5.7*

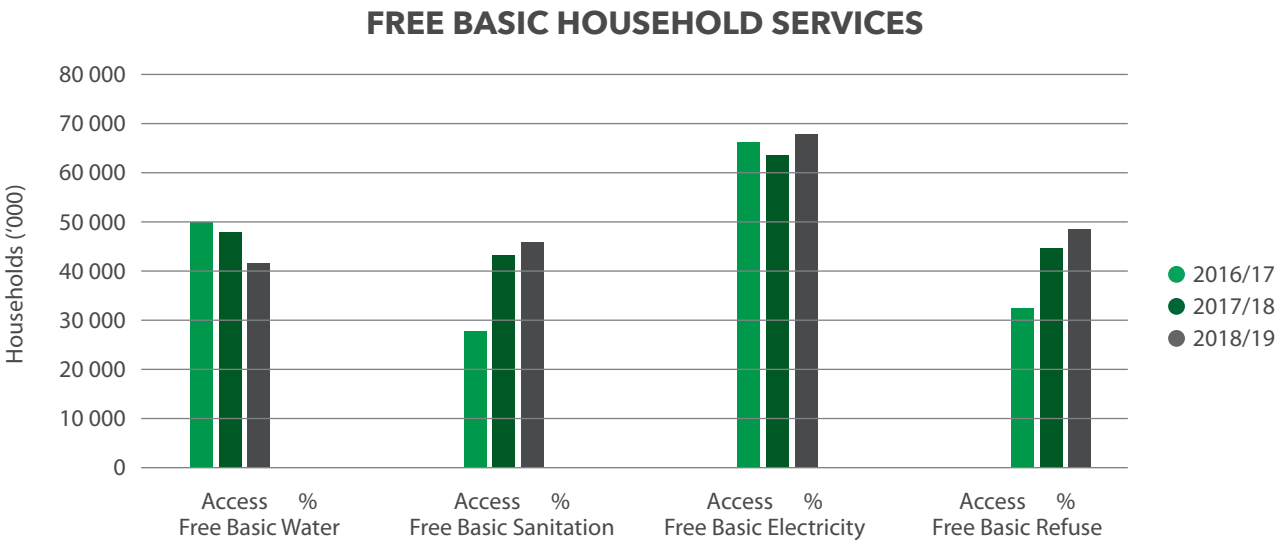
# 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

## INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

In terms of its Constitutional obligation, BCMM provides a monthly indigent subsidy to registered indigent customers. BCMM has a Indigent Support Policy and By-law in place that governs the application process and financial aspects. Council reviewed the Indigent Support Policy for 2018/19. For the period 2018/19, the policy stipulates and prescribes the qualifying criteria for a domestic household based on gross household income equal to two social grants per month (total being R3,520 for 2018/2019) or property value R120,000 or less. The subsidy relates to electricity (50kWh), water (6kl), refuse removal, sanitation, property rates. Every month, with the monthly billing, the indigent subsidy is granted on the Indigent Beneficiaries' accounts. For free basic electricity, customer claim their 50kWh every month via the vending system.

Table T3.6.2 and T3.6.3 below reflects the split between the different services related to the urban register. The figures reflect the actual numbers of subsidy granted per service. The grand total as reflected in the table is the sum of urban and rural (electricity) registered indigent customers.

*T 3.6.1*




*T 3.6.2*

## FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS

| | Number of households | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Grand Total | Households earning less than R3,520 per month | | | | | | | | |
| | | | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse | |
| | | Total | Access | % | Access | % | Access | % | Access | % |
| 2016/17 | 75 505 | 75 505 | 49 803 | 100% | 28 779 | 100% | 66 285 | 100% | 32 372 | 100% |
| 2017/18 | 75 866 | 75 866 | 47 908 | 100% | 43 063 | 100% | 64 195 | 100% | 45 194 | 100% |
| 2018/19 | 78 636 | 78 636 | 41 655 | 100% | 45 980 | 100% | 67 535 | 100% | 48 182 | 100% |

T 3.6.3

## FINANCIAL PERFORMANCE 2018/2019: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

| Services Delivered | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Budget | Adjustment Budget | Actual | Variance to Budget |
| Water | 169 133 650 | 158 220 360 | 158 220 360 | 182 890 848 | 13% |
| Waste Water (Sanitation) | 52 151 059 | 70 142 973 | 70 142 973 | 66 844 691 | -5% |
| Electricity | 8 530 762 | 59 146 453 | 59 146 453 | 45 971 453 | -29% |
| Waste Management (Solid Waste) | 94 645 480 | 129 077 490 | 129 077 490 | 117 686 507 | -10% |
| **Total** | **324 460 952** | **416 587 276** | **416 587 276** | **413 393 499** | **-1%** |

T 3.6.4

## FREE BASIC SERVICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/20 | 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Provision of alternative support to low income households that do not receive all Free Basic Services | Low income households (LIHs) who do not receive all the free basic services but do receive alternative support (Total number of LIHs not in receipt of free basic services) | 1246 LIHs receiving support (out of 1246 LIHs in total) | 1246 LIHs receiving support (out of 1246 LIHs in total) | 1246 LIHs receiving support (out of 1246 LIHs in total) | 5822 LIHs receiving support (out of 5822 LIHs in total) | 5822LIHs receiving support (out of 5822 LIHs in total) | 5022 LIHs receiving support (out of 5022 LIHs in total) | 4222 LIHs receiving support (out of 4222 LIHs in total) | 3222 LIHs receiving support (out of 3222 LIHs in total) |
| "BCMM provides free basic services to communities in respect of Water, Waste Water (Sanitation), Electricity and Solid Waste (Refuse Removal). Kindly refer to Table T3.6.3 and T3.6.4. In terms of T3.6.5, BCMM does not provide alternative support to low income households that do not receive all the free basic services." | | | | | | | | | T 3.6.5 |

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

For the period 2018/19, the policy stipulates and prescribes the qualifying criteria for a domestic household based on gross household income equal to two social grants per month (total being R3,520 for 2018/2019) or property value R120,000 or less. The subsidy relates to electricity (50kWh), water (6kl), refuse removal, sanitation, property rates. Every month, with the monthly billing, the indigent subsidy is granted on the Indigent Beneficiaries' accounts. For free basic electricity, customers claim their 50kWh every month via the vending system.

*T 3.6.6*


HOLDYZ HAIR SALON
SPAZA SHOP

# COMPONENT B: ROAD TRANSPORT

## INTRODUCTION TO ROAD TRANSPORT

In any City, the road network is one of the key components of the transportation system enabling mobility for the transportation of goods and people. A good reliable roads network is vital to the economy of a City, and acts as a catalyst to development. With this in mind, the Roads branches core mandate is to provide a safe all weather rideable roads network for all road users.

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.

The Roads Branch had an annual capital budget allocation of R 252 Million for the rehabilitation and resurfacing of existing roads infrastructure in the City (Roads provision)for the 2018/2019 financial year. An amount of R 116 Million was allocated under the operational budget for the maintenance of existing roads.

### STRATEGY

We have developed an Integrated Public Transport Network Plan (IPTN) that cover the entire needs of the city. The IPTN also includes the development of the universal access development plan that ensures that the needs of the special groups are incorporated into the IPTN.

### PRIORITIES

The MELD was also identified as a priority as far back as in 2010 during the Bus Rapid Transport System (BRT) era. BRT has now evolved to be integrated public transport system. The buses under the IPTN would be operated by affected taxi and bus operaters. It is anticipated that negotiations with the taxi industry will commence and be concluded in 2019/2020 financial year for implementation.

The upgrading of Qumza highway commenced in the current financial year and is scheduled to be finished in the 2020/2021 financial year.

### BUS SERVICES

Buffalo City Metro Municipality is still offering a limited service, because we have only five buses.

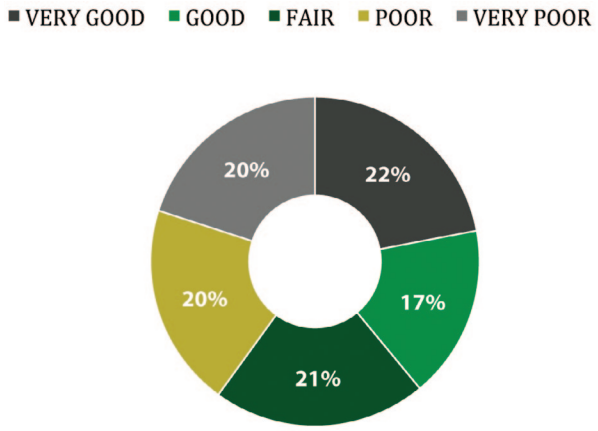
**T 3.7**

# 3.7. ROADS

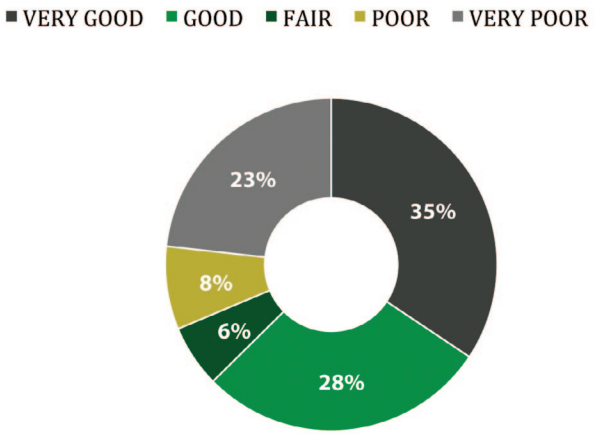
## INTRODUCTION TO ROADS

The Roads Branch has a Pavement Management System (PMS) in place which was last updated in 2012/2013, and is in the process of being updated.

Based on the condition assesment that was undertaken in the 2012/13 financial year, the overall condition of the surfaced roads network is as per the Below is a graphical representation of the overall condition of the surfaced roads network:




40% of the surfaced roads network in a poor to very poor condition.

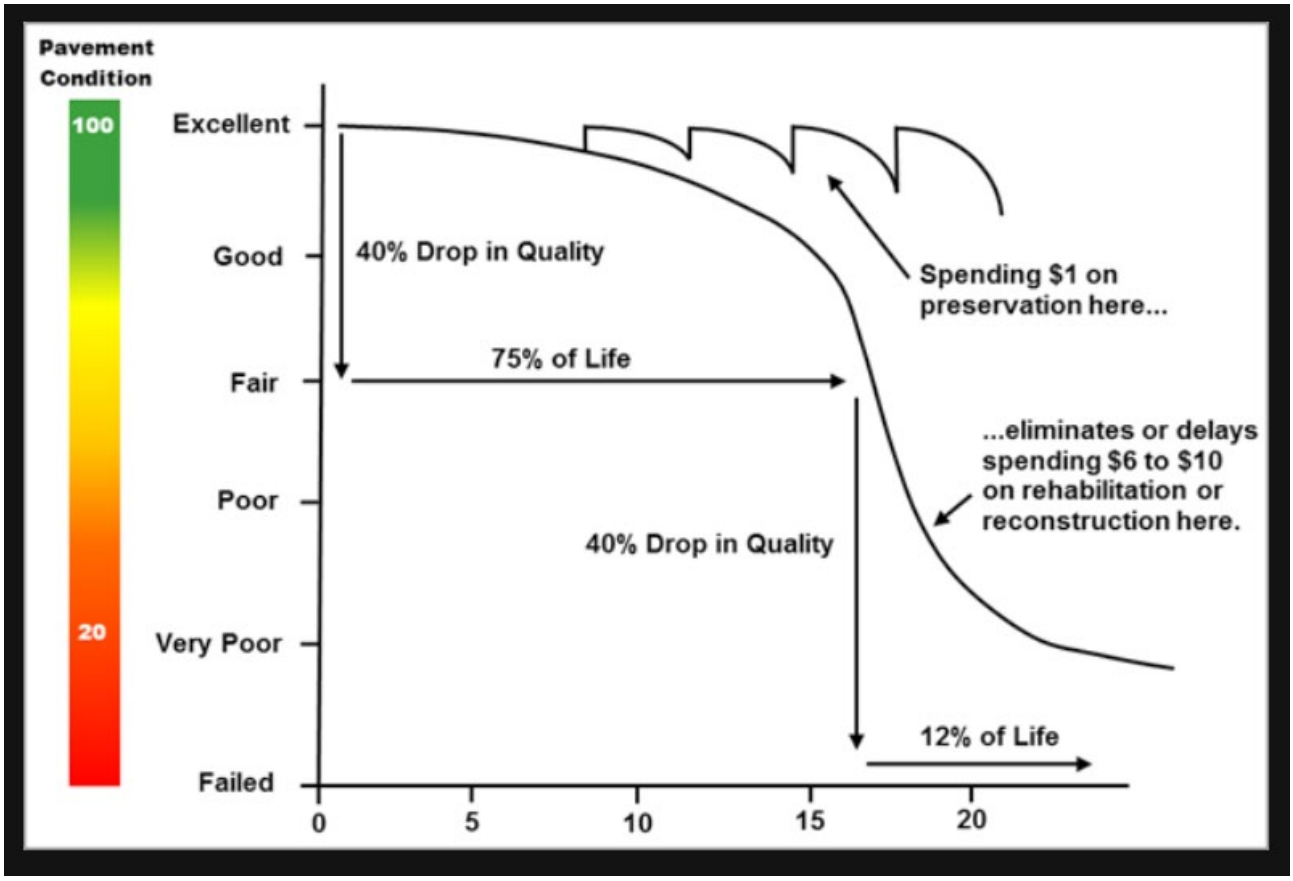



31% of the gravel roads network in a poor to very poor condition.

Generally, it is acceptable to have between 5% to 10% of the roads network in a Poor to Very Poor condition at any given time. This indicates that there is a need for extensive reinvestment in the Roads network in order to improve the overall condition of the network to acceptable levels. An additional capital investment of R 450 million per annum is required only for the resurfacing of existing roads over the next 5 financial years in order to improve the overall condition of the existing surfaced roads network

Due to the shortfall in funding for roads resurfacing and rehabilitation, there has been a noted increase in the occurrence of road failures such as potholes, cracks, and rutting. When a road is not maintained on a regular basis, or resealed when required, the rate of deterioration in the road will accelerate which leads to an ever increasing rate of deterioration in the overall network.

Below is a representation of a typical deterioration curve for a surfaced road. Preventative maintenance must be carried out on a regular basis to ensure the longevity of the road. The saw tooth line on the graph represents the life cycle with preventative maintenance, while the half parabola line represents delayed or deferred maintenance.




**Below are some of the major projects implemented in 2018/2019 financial year:**

## UPGRADE OF MDANTSANE ROADS

The Mdantsane roads upgrade project is for the upgrade of existing gravel roads in Mdantsane to surfaced standards. It is a multi-year multi-phase project aimed at eradicating gravel roads in the residential area of Mdantsane.

Phase 3 is nearing completion.
Phase 4 is in procurement stage.

Phase 3 consisted of 60Km of roads that have been upgraded from gravel to surfaced standards.

**The works included:**

a) Earthworks, gravel selected layers, sub-base and base layers with a 30mm asphalt surfacing.
b) Kerbs, channels and edge beams
c) Storm water, catch pits and pipework
d) Sidewalks
e) Alterations to existing sewer, water and other services where needed.
f) Cable ducts, Telkom and ESKOM, where needed.
g) Finishing of the road reserves.

## QUENERA DRIVE PHASE 2

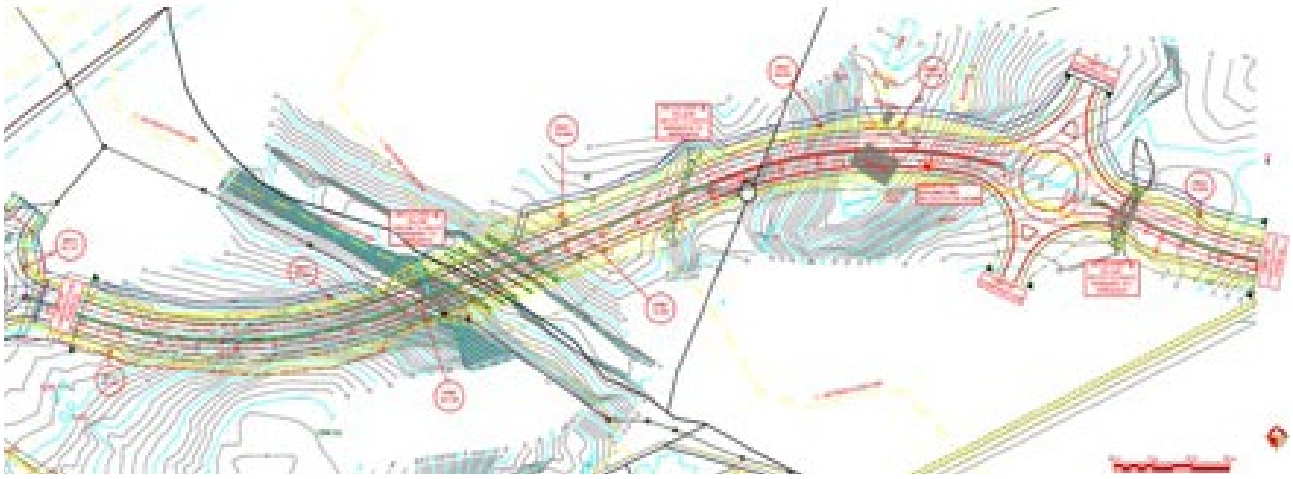
**Contract value: R70 736 854.08 including VAT**

This project consists of the construction of a new dual carriageway arterial road from the traffic circle below the Beacon townhouse complex in Beacon Bay to the next traffic circle on the Gonubie side of the Quenera River.

There is approximately 650m of road, complete with services, retaining walls, storm water culverts, pedestrian walkways, cycle paths and street lighting.

The contract start date was July 2017 and the anticipated completion date is August 2019

At the end of June 2019, the project was 95% complete. The contractor is currently on program and is anticipated to be complete as scheduled.



Above: General Layout of Quenera Beacon Bay Link Road

## FLEET STREET:

**Contract value: R 128 300 699.87 including VAT**

The project is nearing completion.

**The scope of work consists of the following: -**

1) Removal and reconstruction of the road layers and surfacing.
2) Widening of the existing cross sections to accommodate the new turning slots.
3) Hauling and spoiling of existing material
4) Removal and relaying and/or replacing of the following services:
   - Water • Sewerage • Stormwater drains • Subsoil drainage • Telecommunications • There are ad hoc meetings between BCMM, Department of Roads and Transport, and SANRALElectrical • Traffic Signals
5) Accommodation of Traffic
6) Community liaison

## ROADS MASTER PLAN

The Roads Branch has a draft Roads & Stormwater Master Plan that was compiled in the 2018/2019 financial year. The final draft will be presented to council for approval during 2019/2020 financial year.

## ROADS STAKEHOLDER INTERFACE

There are ad hoc meetings between BCMM, Department of Roads and Transport, and SANRAL which take place on an as and when required basis in order to update on the activities of the various road authorities.



T 3.7.1.

## GRAVEL ROAD: INFRASTRUCTURE

| | | | | Kilometers |
|---|---|---|---|---|
| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/ maintained |
| Year 16/17 | 1694 | 20 | 33 | 101 |
| Year 17/18 | 1 681 | 7 | 38 | 47 |
| Year 18/19 | 1 663 | 5 | 23 | 149 |
| | | | | T 3.7.2 |

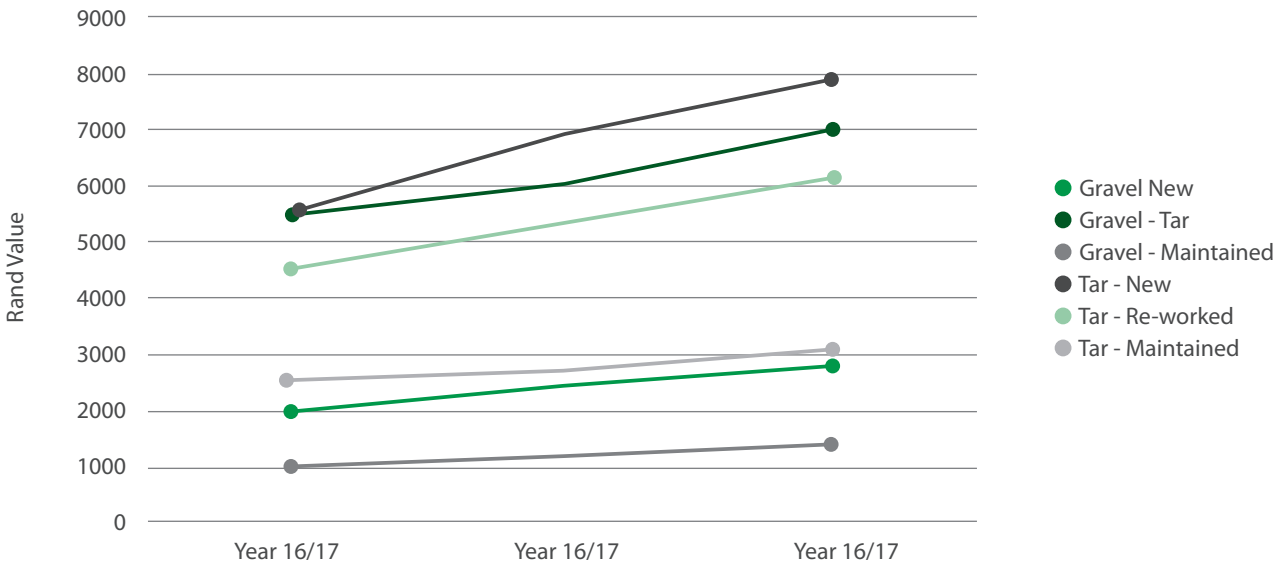
## TARRED ROAD INFRASTRUCTURE

| | | | | | Kilometers |
|---|---|---|---|---|---|
| | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| Year 16/17 | 1591 | 33,45 | 20 | 20 | 400 |
| Year 17/18 | 1 624 | 32,31 | 5,74 | 5,74 | 909 |
| Year 18/19 | 1 647 | 23 | 50,14 | 50,14 | 800 |
| | | | | | T 3.7.3 |

## COST OF CONSTRUCTION/MAINTENANCE

| | | | | | | R' 000 |
|---|---|---|---|---|---|---|
| | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| Year 16/17 | 2000 | 5500 | 980 | 5500 | 4500 | 2500 |
| Year 17/18 | 2450 | 6050 | 1200 | 6850 | 5300 | 2700 |
| Year 18/19 | 2817 | 6957 | 1380 | 7877 | 6095 | 3000 |
| | | | | | | T 3.7.4 |

## ROAD INFRASTRUCTURE COSTS




T 3.7.5

## ROAD SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP

| Service Objectives | Outline Service Targets | Year 2017/2018 | | Year 2018/2019 | | | Year 2019/20 | Year 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Development of municipal roads as required | xxx kms of municipal roads developed | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms | xxx kms |
| | Existing roads gravelled or re-gravelled | 80 | 80,2 | 80 | 140 | 148,95 | 6% (80km) | 6% (80km) | 6% (80km) |
| | Kilometers of roads surfaced | 20 | 38,06 | 5 | 43 | 50,14 | 1.5% (24km) | 1.5% (24km) | 1.5% (24km) |
| | Km of gravel Roads upgraded to Surfaced Standard (new) | N/A | N/A | 30 | 20 | 23,256 | 20 | 20 | 20 |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.7.6

## EMPLOYEES: ROAD SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 168 | 190 | 169 | 21 | 11.05% |
| 4 – 6 | 55 | 62 | 50 | 12 | 19.35% |
| 7 – 9 | 34 | 41 | 36 | 5 | 12.2% |
| 10 – 12 | 29 | 35 | 33 | 2 | 5.71% |
| 13 – 15 | 3 | 6 | 4 | 2 | 33.33% |
| 16 – 18 | 4 | 4 | 3 | 1 | 25% |
| 19 – 20 | 2 | 3 | 2 | 1 | 33.33% |
| **Total** | **295** | **341** | **297** | **44** | **12.90%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.7.7

## FINANCIAL PERFORMANCE 2018/2019: ROAD SERVICES

R'000

| Details | 2017/2018 | 2018/2019 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **11 169** | **1 403** | **1 403** | **65** | **-2055%** |
| Expenditure: | | | | | |
| Employees | 74 287 | 83 441 | 84 779 | 82 993 | -1% |
| Repairs and Maintenance | 79 407 | 139 554 | 128 154 | 126 920 | -10% |
| Other | 341 643 | 375 772 | 373 225 | 577 253 | 35% |
| **Total Operational Expenditure** | **495 337** | **598 768** | **586 158** | **787 165** | **24%** |
| **Net Operational Expenditure** | **484 167** | **597 365** | **584 755** | **787 100** | **24%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.7.8

## CAPITAL EXPENDITURE 2018/2019: ROAD SERVICES

R' 000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **286 985** | **543 856** | **519 679** | **45%** | |
| INTEGRATED CITY DEVELOPMENT GRANT | 10 003 | 10 003 | 10 002 | 0% | 33 631 |
| FLEET STREET | | 25 000 | 25 000 | 100% | 25 000 |
| PROCURE - GRADERS FOR R/RDS - YELLOW FLT | 3 000 | – | – | 0% | – |
| QUENERA BEACON BAY LINK ROAD | 43 000 | 44 325 | 44 325 | 3% | 89 136 |
| REHABILIT OF BCMM BRIDGES AND STORWATER | 5 000 | 4 797 | 4 797 | -4% | 97 642 |
| ROADS INFRA - REVAL: ACQUISITION | | 2 523 | 2 523 | 100% | – |
| ROADS INFRA - REVAL: ACQUISITION | 7 000 | 6 000 | 5 993 | -17% | 26 420 |
| SAULI & TOYANA ROAD UPGRADE | | – | – | 0% | 2 250 |
| ROADS PROVISION | 90 082 | 256 334 | 234 143 | 62% | 331 082 |
| RURAL ROADS | 31 400 | 60 702 | 60 702 | 48% | 141 100 |
| RURAL ROADS | – | 5 800 | 4 394 | 100% | 5 800 |
| SIDEWALKS | 4 000 | – | – | 0% | 15 910 |
| UPGRADING OF MDANTSANE ROADS- CLUSTER 1 | 23 000 | 28 041 | 28 041 | 18% | 129 000 |
| UPGRADING OF MDANTSANE ROADS - CLUSTER 2 | 17 000 | 18 277 | 18 277 | 7% | 122 000 |
| UPGRADING OF MDANTSANE ROADS - CLUSTER 3 | 26 000 | 35 841 | 35 841 | 27% | 103 000 |
| UPGRADING OF MDANTSANE ROADS | – | 2 200 | 2 087 | 100% | 2 200 |
| UPGRADING OF MDANTSANE ROADS - CLUSTER 3 | – | 15 034 | 15 034 | 100% | 23 000 |
| UPGR OF RDP SETTLEMENTS | 10 000 | – | 1 737 | -476% | 82 000 |
| UPGR OF RDP SETTLEMENTS | | 2 000 | – | 0% | 8 000 |
| KWT ROADS | 16 500 | 17 561 | 17 365 | 5% | 65 000 |
| WEST DRIVE BRIDGE - WARD 37 | 1 000 | 1 154 | 1 154 | 13% | 2 000 |
| STORMWATER UPGRADE / REHABILITATION | – | 8 263 | 8 263 | 100% | 8 000 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.7.9

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Roads Branch did meet the set targets for the 2018/2019 financial year as per the Service Delivery Budget Implementation Plan (SDBIP) targets. The Roads Branch is currently on target to achieve the year 5 IDP targets within the approved budget allocation.

84% of the allocated Capital and operating budget was spent over the 2018/2019 financial year. This is due to various factors having an influence on a number of projects. These factors range from materials delivery delays, to poor performance and a new procurement system rollout, however these challenges have been addressed going forward.

The Roads Branch had 3 major projects being implemented, namely the Gonubie Link Road (Quenera Drive), Mdantsane Roads Upgrade Phase 3 and Rehabilitation of Fleet Street.

### FLEET STREET: R 138 MILLION

The Fleet street project was 98% complete at the end of the 2018/2019 financial year.

The project was identified as a catalytic project due to the high traffic volumes and condition of the road. Fleet Street is a major link between the West Bank Industrial area, Airport, IDZ and the residential/ business areas in the city. It is also a major link between the R72 from Port Elizabeth to the N2 Highway. There is a large number of trucks that make use of Fleet Street, due to transportation routes, and the harbour container terminal on the East Bank transporting containers to the West Bank Industrial area. The community benefitted during construction through employment generation and the surfacing of bypass roads in the area of the project to accommodate traffic during construction.

### MDANTSANE ROADS UPGRADE PHASE 3 : 364 MILLION

The Mdantsane roads upgrade project phase 3 consisted of 60km of existing gravel roads being upgraded to surfaced standards. The community benefitted from the project in the form of employment generation, improved mobility and access to services through the implementation of the project. At the end of the 2018/2019 financial year the project was 70% completed. It is anticipated that the project will be complete in 2019/2020.

The Mdantsane roads program has been prioritized due to the historical neglect of the area. Mdantsane is a Suburb of the City and is an urban area which is supposed to have the same level of service as that of other similar urban areas of the city. The upgrade of the existing Gravel roads to surfaced standards was therefore prioritised in order to increase mobility and access to opportunities as well as improve the standards of living in Mdantsane and make it a more attractive area to live.

### GONUBIE LINK ROAD QUENERA DRIVE: 81 MILLION

The Gonubie Link Road – Quenera Drive**,** Phase 2 contract value was R70 736 854.08 including VAT and by the end of June 2019 the progress was 95% complete.

This project was identified for two main reasons, the first of which being the expansion of the City. The area between the Suburbs of Beacon Bay and Gonubie was identified through the Local Spatial Development Framework (LSDF) to have the potential for the development of the city. Parcels of land have been identified for mixed residential developments, Business and other uses. The construction of the link road meant to stimulate development in the area, both public and private.

The secondary purpose of the road identification was to provide a critical second access to the suburb of Gonubie. It provides a link between Gonubie and Beacon Bay, which will alleviate traffic congestion on Gonubie Main Road.

The construction of Phase 1 of the Gonubie Link Road (Quenera Drive) has been proven to stimulate development, with the construction of Ascot Park, Life Beacon Bay, Breezy Slopes office park, Triple point offices and residential, as well as the Daily Dispatch office that have all been constructed along the Phase 1 road corridor.

### INTER DEPARTMENTAL INTERACTION

The Roads Branch has engaged with the Department of Roads & Public Works (DRPW) regarding the maintenance and upgrade of provincial roads within the Metro. There is a number of roads that have a significant impact on the residents of the city, that are in dire need of maintenance and upgrade, which the provincial roads department is not able to attend to due to limited resources and budget. The roads which are a Priority to BCMM may not necessarily be a priority for the province. BCMM has signed Memorandum of Agreement (MOA) for the maintenance of Provincial roads within BCMM. DRPW must sign from their side.

Targets are set based on the approved budget, hence targets set on the IDP are going to be achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

*T 3.7.10*


Detour

# 3.8. TRANSPORT (INCLUDING VEHICLE LICENCING & PUBLIC BUS OPERATION)

## 3.8.1. INTRODUCTION TO TRANSPORT

The objective of the BCMM transport system is to provide easy access work, school, community services and recreational activities in a safe and secure environment. The modes of transport system consist of vehicles, buses, pedestrians, private vehicles and cycling. The municipality has developed an Integrated Public Transport Network Plan (IPTN) in July 2018 and main public transport routes and related feeders have been identified.

Further, the IPTN is targeting to reduce the traveling costs of communities from their various locations since the service would be partially subsidies by the National Government. The IPTN is scheduled to be completed during the first quarter of the 2018/19 financial year. The IPTN would be used to negotiate with affected operators to initiate the subsidised bus service operations from the 2020/2021 financial year.

The following documents are reviewed periodically to implement the strategy:

a) **Comprehensive Integrated Transport Plan** – deals with an overall perspective of the BCMM transport planning documents.
b) **Non-Motorised Transport Plan** – deals with plan on the implementation of priority projects in terms of non-motorised transport (sidewalks, bicycle lanes, traffic safety plans).
c) **Traffic Safety Plan** – reduce the number of severity of collisions & causalities within its area of operations.
d) **Transport Register** – must provide a description of all the scheduled and unscheduled services operating in, to or from the Buffalo City area and of all public transport facilities and infrastructure in the Buffalo City area. The Transport Register is to include a record of all changes to operating licenses and permits in the Buffalo City area and new ones issued.
e) **Freight Plan** – to survey the current freight movement and the modes by which such freight is being transported, and which has defined certain strategic freight corridors.
f) **Arterial Road Network Development Plan** – Transport Planning is a dynamic process, as forecasting future needs is dependent upon current priorities, planning and development. This Plan is used to assist in the formulation of an implementation programme for the next five years, and as a guide for planning in years beyond.
g) **Public Transport Plan** – this plan assists the City in planning for public transport services and their various systems.
h) **Business Plan & Operational Plan** – this plan assists the City in identifying weather it can operate viable public transport and also what are the costs associated with that system.

**The Top 3 Priorities for the year under review include:**

### 1) ACCESSIBILITY

The construction of the Needscamp/Potsdam Bridge was completed by end June 2019. The bridge is providing a public transport link and reduce travel time between Mdantsane and East London.

### 2) MOBILITY

The municipality is implementing a number of projects and programmes in order to improve mobility and the highlights are as follows:

a) The upgrading of three King William's Town Public Transport Facilities is ongoing from the 2017/18 financial year. The upgrading of the Taxi City Rank was completed in June 2018. The upgrading of the Market Square Bus Rank was completed in June 2019 and Market Square Taxi Rank are scheduled to be completed by end November 2019. The contract value is R 85 633 270.

b) The upgrading of the Qumza Highway feeder route from a two way to a four-way road as part of the Integrated Public Transport Network Plan was also initiated and had to be restarted due to contractual challenges. The construction stage started in September 2019 with a contract period of 30 months. The Section 1 of the road between Mazidlekhaya and Nu11 that is 0.78km long is expected to be completed by 30 September 2019 and be opened to traffic. The contractor is also working on Section 2 (NU11 to NU9) as well as on Section 3 (NU9 to NU6), for both sections, traffic has been rerouted into by-pass roads.

### 3) SAFETY

a) Installation of traffic signals at intersections will improve traffic flow during peak hours. Two intersections were installed with traffic signals.

b) The municipality has ongoing programme for the construction of traffic calming measures to provide safety at pedestrian crossings and reduce speed within the internal roads in our community. Total of 62 speed humps have been constructed across the municipality.

c) Construction of taxi/bus embayment is an annual ongoing programme in order to improve pedestrian safety, five embayment were constructed.

## MAJOR SUCCESSES

The following are considered major success for the City as these projects will have a significant socio-economic impact on the City:

### 1) BRIDGES

a) The completion of the Needs Camp /Potsdam Bridge and associated roads works
b) Completion of the design for the Cambridge Township Pedestrian Bridge
c) Completion of the installation of the culvet on Section 1 of Qumza Highway

### 2) Sidewalks

Completion of 9.032 km of sidewalks in Mdantsane NU1, Potsdam, Dimbaza, Sweetwaters.



### 3) Traffic Calming (Speed humps)

Completion of 62 traffic calming measures throughout the City



### 4) Guardrails

No guard rails were installed due to late start completion of the procurement process for the contractors

### 5) Traffic Signals

Completed the installation of traffic signals at Hargreaves Avenue/R346 intersection.



**6) Public Transport Infrastructure**

a) Construction of the Upgrading of Public Transport Facilities in King William's Town (Market Square Bus/Taxi Rank and Taxi City Taxi Rank)
b) Completed Construction of 5 Taxi Embayment's



TAXI CITY TAXI RANK



MARKET SQUARE BUS RANK

The City has the following public transport operators:

**THE TAXI INDUSTRY**

It is a well-known that the taxis industry is one of the key stakeholders in the City's public transport sector. The City continuously holds meetings with them, as the biggest stakeholder in public transport sector of the City, regarding operational issues.

**BUS OPERATORS**

The City has numerous bus operators within, with a majority being long distance buses. The Mayibuye Bus Service is a private entity operating on different routes to the City's bus service and has a large number of services within the boundaries of the City. There are various Bus Associations operating within the City. Most of them being within the King William's Town area servicing the rural areas. There are long-distance buses providing inter-town services.

**THE PRASA RAIL SERVICE**

The Metro Rail service carries a large number of commuters that stay along the rail corridor. Future plans of PRASA is to upgrade the stations that are operating and that they will continue to carry the same percentage of commuters until the feeder routes to the train stations have been upgraded as part of the proposed IRPTN system. PRASA has further increased capacity of its trains between Berlin and East London.

**EAST LONDON AIRPORT**

The City's airport is operated by ACSA. It provides commercial flights to areas throughout the country with Johannesburg and Cape Town being the main destinations. Shuttles services are available to commuters from within the airport facility as well as private car hire.

**MUNICIPAL BUS SERVICE**

BCMM currently operates a fleet of only 5 municipal buses. The fleet was reduced from thirty-three buses when Council decided that all buses over fifteen years old should be removed from the service. The buses are predominately used by scholars. The demand has reduced due to the costs of the fares being higher than the minibus taxi services. The revenue generated has dropped as buses are only used mostly by scholars.

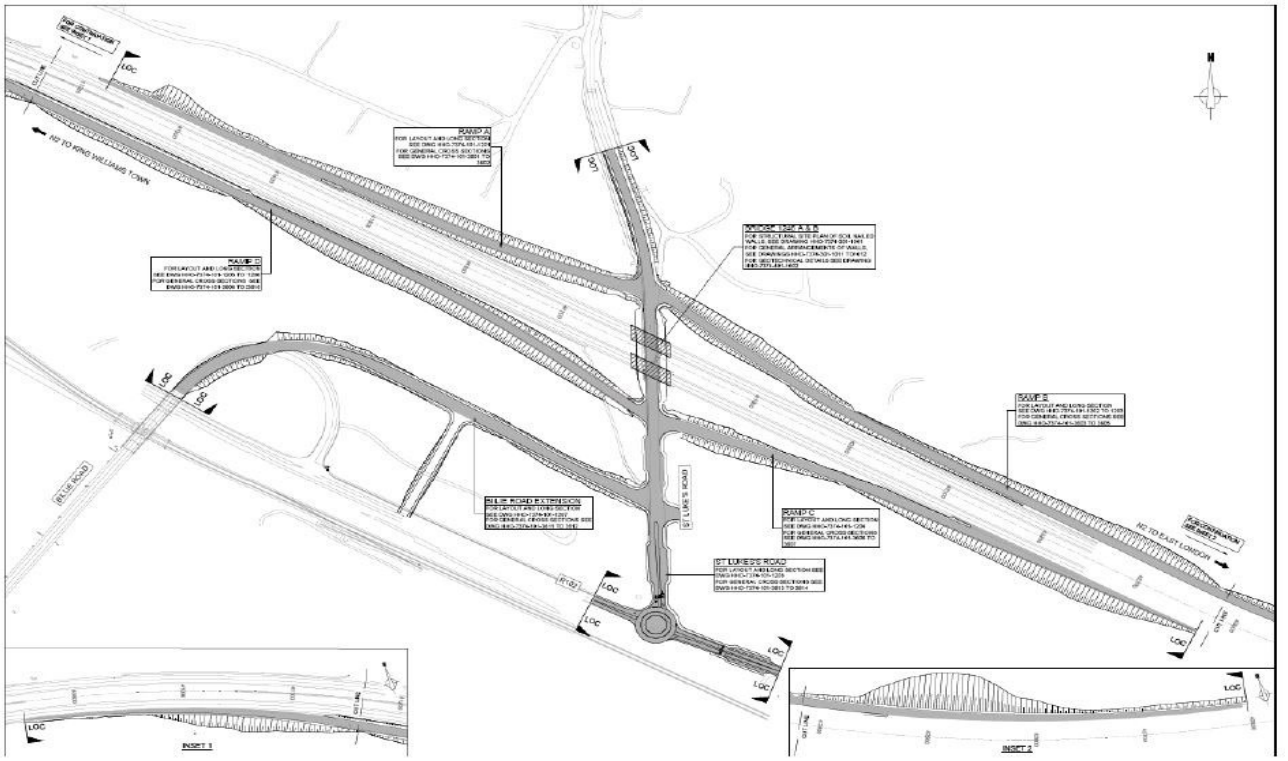
**MOUNT RUTH NODE**

Mount Ruth was specifically identified in the MELD Corridor study, as an area with very high potential for development as a mixed land use node, based on its proximity to the rail line and station, its direct connection with the Mdantsane CBD as well as its potential linkages with the N2 and N6 Freeway systems. This highlighted the need for a more detailed nodal development plan for Mount Ruth and resulted in the preparation of the Mount Ruth Nodal Precinct Development Plan.

This plan took cognisance of the BCM and Mdantsane Draft Public Transport Plans that were being prepared at the same time but also considered future private transport linkages to Mdantsane via Mount Ruth as well as infrastructure requirements to support Mount Ruth as a development node.

Mdantsane has limited access to the N2 freeway system. This lack of accessibility impacts negatively on the area, particularly with respect to attracting investment. At the same time, it was recognised that there were important linkages missing from the transport network as a whole if the logic of a hierarchical road system is to apply. In order to attract investment through improved accessibility, it was proposed that a road interchange be provided on the N2 which connects with the M16 (Billie Road), which will improve access to the Highway Town Centre and the Newlands access road to the north. The connection to the Newlands access road will ultimately result in connection to the N6 which is an important National Route to the north.

The Mount Ruth Interchange Preliminary Designs are at an advanced stage and final engagements with Department of Public Works and SANRAL for final Approval so that the design stage can be completed.




*T 3.8.1*

## MUNICIPAL BUS SERVICE DATA

| | Details | 2017 / 2018 | 2018 / 2019 | | 2019 / 2020 |
|---|---|---|---|---|---|
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Passenger journeys | 6 | 6 | 6 | 6 |
| 2 | Seats available for all journeys | 243 | 243 | 243 | 243 |
| 3 | Average Unused Bus Capacity for all journeys | 40% | 50% | 65% | 65% |
| 4 | Size of bus fleet at year end | 5 | 5 | 5 | 5 |
| 5 | Average number of Buses off the road at any one time | 1 | 1 | 1 | 1 |
| 6 | Proportion of the fleet off road at any one time | 16% | 0% | 0% | 0% |
| 7 | No. of Bus journeys scheduled | 8 | 7 | 7 | 7 |
| 8 | No. of journeys cancelled | 1 | 0 | 0 | 0 |
| 9 | Proportion of journeys cancelled | 12.5% | 0% | 0% | 0% |

T 3.8.2

**Concerning T 3.8.2**

Line 6 is calculated by taking the numbers from lines, as follows: 5/4 x 100%. The average number of busses off the road is obtained by sampling the number off the road on different days at different times. Line 9 is calculated by taking numbers from lines as follows: 8/7 x 100%.

T3.8.2.1

## TRANSPORT SERVICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017 / 2018 | | 2018 / 2019 | | | 2019 / 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | Actual | | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Extensive investment and development of infrastructure networks | 70% for Kwatshatshu / Qalashe | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| | % towards the Construction of Needscamp / Postdam Bridge | 0 | 0 | 0 | 1 | 0 | 1 | 100 | 0 |
| | Number of speedhumps constructed | 32 | 79 | 79 | 60 | 62 | 60 | 0 | 60 |
| | Km of sidewalks constructed | 2 | 2 | 2 | 3 | 3 | 3 | 11 | 5 |
| | Number of Taxi/ Bus Embayments Constructed | 6 | 6 | 6 | 8 | 8 | 1 | 1 | 5 |
| | Number of public transport facilities rehabilitated | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| | | | | | | | | | T 3.8.3 |

## EMPLOYEES: TRANSPORT SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 6 | 7 | 7 | 0 | 0% |
| 4 – 6 | 7 | 9 | 9 | 0 | 0% |
| 7 – 9 | 11 | 27 | 12 | 15 | 55.55% |
| 10 – 12 | 7 | 10 | 9 | 1 | 10% |
| 13 – 15 | 2 | 6 | 3 | 3 | 50% |
| 16 – 18 | 3 | 3 | 3 | 0 | 0% |
| 19 – 20 | 1 | 1 | 1 | 0 | 0% |
| **Total** | **37** | **63** | **44** | **19** | **30.15%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.8.4

## FINANCIAL PERFORMANCE YEAR 2018/2019: TRANSPORT SERVICES

R'000

| Details | 2017/2018 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **600** | **4 489** | **4 489** | **1 154** | **-1525%** |
| Expenditure: | | | | | |
| Employees | 18 895 | 24 287 | 20 242 | 20 308 | -16% |
| Repairs and Maintenance | 1 988 | 4 125 | 3 685 | 3 360 | -186% |
| Other | 64 275 | 24 590 | 12 172 | 267 416 | -229% |
| **Total Operational Expenditure** | **85 158** | **53 002** | **36 099** | **291 084** | **82%** |
| **Net Operational Expenditure** | **84 557** | **48 513** | **31 609** | **289 930** | **83%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.8.5

# CAPITAL EXPENDITURE 2018/2019: TRANSPORT SERVICES

R' 000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **195 665** | **233 375** | **229 180** | **15%** | |
| | | | | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 500 | 500 | 336 | -49% | 500 |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | – | 580 | 582 | 100% | 1 026 |
| BRIDGE DESIGNS & IMPLEMENTATION | 3 500 | – | – | 0% | 25 500 |
| BRIDGE DESIGNS & IMPLEMENTATION - COASTAL | – | 1 236 | 1 236 | 100% | 3 050 |
| BRIDGE DESIGNS & IMPLEMENTATION - MIDLAND | – | 215 | 215 | 100% | 340 |
| BRIDGE DESIGNS & IMPLEMENTATION- INLAND | – | 89 | 89 | 100% | 110 |
| BRIDGE DESIGNS & IMPLEMENTATION - WARD 8 | 500 | 128 | 128 | -291% | 500 |
| BRIDGE DESIGNS & IMPLEMENTATION - WARD 14 | 500 | 218 | 218 | -129% | 500 |
| GUARDRAILS | 800 | – | – | 0% | 2 800 |
| GUARDRAILS - COASTAL | – | – | – | 0% | 200 |
| GUARDRAILS - MIDLAND | – | – | – | 0% | 400 |
| GUARDRAILS - INLAND | – | – | – | 0% | 200 |
| SLEEPER SITE ROADS | 23 000 | 1 277 | 1 277 | -1700% | 62 500 |
| NEEDS CAMP/ POTSDAM BRIDGE | 19 000 | 41 893 | 42 198 | 55% | 21 500 |
| MARY STREET | 6 000 | 6 000 | 4 789 | -25% | 19 500 |
| CITY TO SEA BOULEVARD | 4 000 | 1 081 | 1 081 | -270% | 500 |
| GUIDANCE SIGNAGE | 200 | – | – | 0% | 700 |
| QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | 81 165 | 91 091 | 91 092 | 11% | 461 799 |
| QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | – | 32 077 | 32 077 | 100% | 32 077 |
| QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | – | 9 455 | 9 455 | 100% | 9 455 |
| SIDEWALKS | 5 500 | – | – | 0% | 15 500 |
| SIDEWALKS- COASTAL | – | – | – | 0% | – |
| SIDEWALKS- MIDLAND | – | 598 | 598 | 100% | 1 000 |
| SIDEWALKS- INLAND | – | 2 570 | 2 570 | 0% | 4 800 |
| TRAFFIC CALMING | 2 400 | – | – | 0% | 11 400 |
| TRAFFIC CALMING- COASTAL | – | 1 556 | 1 614 | 100% | 1 430 |
| TRAFFIC CALMING - MIDLAND | – | 595 | 595 | 100% | 540 |
| TRAFFIC CALMING- INLAND | – | 379 | 379 | 0% | 730 |
| TRAFFIC SIGNALS | 3 500 | – | – | 0% | 10 100 |
| TRAFFIC SIGNALS – COASTAL | – | 1 356 | 1 356 | 100% | 2 650 |
| TRAFFIC SIGNALS – INLAND | – | 844 | 844 | 0% | 850 |
| TRAFFIC CALMING - WARD 16 | 300 | – | – | 0% | – |
| TRAFFIC CALMING - WARD 16 | – | 286 | 286 | 0% | 286 |
| TRAFFIC CALMING - WARD 10 | 300 | – | – | 0% | – |
| TRAFFIC CALMING - WARD 10 | – | – | – | 0% | – |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC) | 8 500 | – | – | 0% | 13 500 |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC) - COASTAL | – | 3 212 | 3 212 | 100% | 3 500 |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC)- INLAND | – | 222 | 222 | 0% | 1 000 |
| MARKET SQUARE BUS RANK | 14 000 | 11 500 | 11 499 | -22% | 16 500 |
| TAXI/BUS EMBAYMENTS | 3 000 | – | – | 0% | 7 500 |
| TAXI/BUS EMBAYMENTS | – | 189 | 189 | 100% | 650 |
| TAXI/BUS EMBAYMENTS | – | 189 | 189 | 100% | 850 |
| TAXI/BUS EMBAYMENTS | – | 1 019 | 1 019 | 0% | 1 500 |
| MARKET SQUARE TAXI RANK | 15 000 | 10 500 | 8 903 | -68% | 16 500 |
| NORTH WEST CORRIDOR | 4 000 | – | – | 0% | 33 000 |
| NORTH WEST CORRIDOR - COASTAL | – | 3 485 | 3 478 | 100% | 4 000 |
| MDANTSANE URBAN RENEW - MT RUTH NODE C/O | – | 9 036 | 7 456 | 100% | 9 036 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.8.6 |

## COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The City has a number of projects that are planned to be implemented over the next five-year period namely:

a) **Construction of Traffic Engineering Safety Measures** in the form of speed humps, sidewalks and taxi / bus embayment's is ongoing according to the plan.

b) **Construction of the Needs Camp / Potsdam Bridge** to the value of R 80m was completed during the month of June 2019. The bridge links the Needs Camp and the Potsdam area, shortening the travel time between these two areas, resulting in cheaper transportation costs.

c) **Refurbishment of the King William's Town Public Transport Services** began in the 2016/17 financial year and the taxi City Taxi rank was completed in June 2018, Market Square Bus rank was completed by end June 2019 and the Market Square taxi Rank is anticipated to be completed by November 2019.

d) **The Sleeper Site Road project upgrade** construction on Phase 1, from Bowls Road to Dutton Road, began in July 2019 and is anticipated to be completed by September 2020.

*T 3.8.7*

# 3.9 WASTE WATER (STORM WATER DRAINAGE)

## INTRODUCTION TO STORM WATER DRAINAGE

Stormwater drainage plays a critical role in ensuring that the city and its critical service delivery and transportation infrastructure remains operatioal during periods of rainfall. Instances of flooding can have a devastating effect on the functioning of a city with major transportation routes, business, and private property all being scceptible to being impacted on by climatic conditons. It is critical that there is adequate stormwater measures in place , and that they are adequately maintaintained in order to ensure that the effects of heavy rainafall are minimised.

The Global Warming phenomenon has had a profound impact on weather patterns, and South africa, and East London are no exception. The province is currently in the midst of a crippling drought with record low rainfalls being measured throughout the province. The historical data on rainfall patterns no longer give and accurate representation of the expected rainfall for the future. There is an urgent need to make provisions to augment supply of pottable water as well as to make provision for more extreme weather events which seem to occur on a more regular basis. Stormwater management and attanuation will become more and more important features in the urban landscape.

The stormwater unit falls under the Roads and Stormwater Branch. The stormwater unit is mandated to carry out all repairs, maintenance and upgrade of all the BCMM owned road stormwater drainage, and associated structures, along with all bridges, culverts and concrete lined drains that fall under the control of the Municipality. 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.

The low lying areas within the city are becoming more suceptible to flooding due to existing infrastructure either being old and damaged, or inadequate due to the densification and changes in land use. An increase in the hardened surface reszult in increases in the runnoff and the speed at which water flows. These areas have been identified for rehabilitation and upgrade,

The possibility of constructing regional attenuation facilities to reduce the pressure on the existing down stream stormwater systems is being investigated, as it is not always possible to upgrade the stormwater system, and can be very expensive due to the fact that there is usually allot of existing infrastructure, and it is usually a long distance to the outlet point in built up areas.

Informal areas are particularly prone to flooding due to the fact that every piece of available land is used for the construction of shelters, and on most occasions the only available land is in low lying / catchment areas, or over existing stormwater systems. During heavy rainfall, this can lead to flash floods with sudden an dangerous failures. Solid waste collection in these areas is difficult due to challenges with access lack of structure. As a result, it is not uncommon to find stormwater infrastructure being used for solid waste and sewerage disposal.

Attending to these challenges requires a multi-disciplinary approach as input is required from disaster management, community services and housing in order to address the social and economic issues. The stormwater branch assists by undertaking regular clearing of the existing stormwater drainage in the area and undertaking upgrades where necessary in order to reduce the risk and impact of flooding in informal areas.

There is a significant backlog in the maintenance and upgrade of the existing stormwater drainage systems in the city. An additional amount of R 25 Million per annum is required to reduce the backlog in stormwater upgrades and maintenance. 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.

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

Services rendered to rural and informal areas include the provision of earth drains along gravel roads when undertaking maintenance and the installation of pipe culverts at low points on rural roads.

*T 3.9.1*

## STORMWATER INFRASTRUCTURE

| | | | | Kilometers |
|---|---|---|---|---|
| | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| 2016/2017 | 587 | 15 | 15 | 175 |
| 2017/2018 | 602 | 16 | 14 | 196 |
| 2018/2019 | 607 | 5 | 3 | 202 |

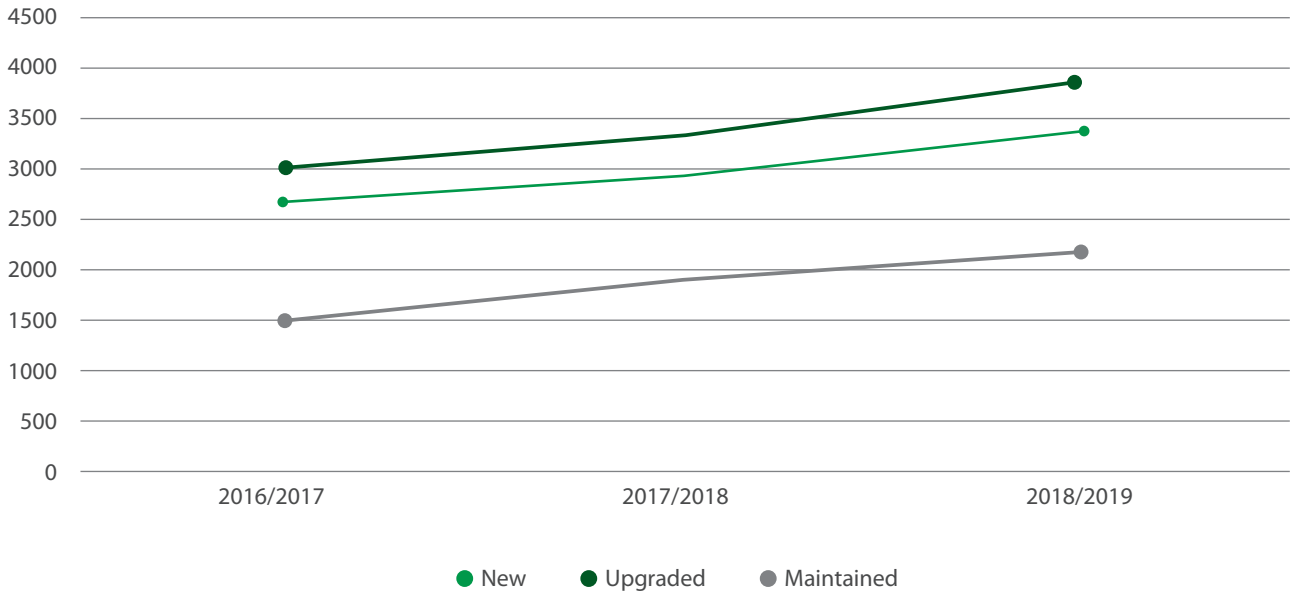
T 3.9.2

## COST OF CONSTRUCTION/MAINTENANCE

| | | | R' 000 |
|---|---|---|---|
| | Stormwater Measures | | |
| | New | Upgraded | Maintained |
| 2016/2017 | 2 662 | 3 025 | 1 500 |
| 2017/2018 | 2 928 | 3 328 | 1 900 |
| 2018/2019 | 3 367 | 3 872 | 2 185 |

T 3.9.3

## STORMWATER INFRASTRUCTURE COSTS




**T 3.9.4**

## STORMWATER POLICY OBJECTIVES TAKEN FORM IDP

| Service Objectives | Outline Service Targets | Year 2017/2018 | | Year 2018/2019 | | | Year 2019/2020 | Year 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Development of fully integrated stormwater management systems including wetlands and natural water courses | Phasing in of systems | Strategy approval (Yes/No); Timescale x yrs | Strategy approval (Yes/No); Timescale x yrs | Strategy approval (Yes/No); Timescale x yrs | Strategy approval (Yes/No); Timescale x yrs | Strategy approval (Yes/No); Timescale x yrs | Strategy approval (Yes/No); x yrs remaining | Completion (Yes/No); x yrs remaining | Completion (Yes/No); x yrs remaining |
| Number of existing BCMM Bridges rehabilitated | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.9.5

## EMPLOYEES: STORM WATER SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 4 | 7 | 7 | 0 | 0% |
| 4 - 6 | 0 | 3 | 3 | 0 | 0% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 2 | 0 | 0 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 8 | 12 | 12 | 0 | 0% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.9.6

## FINANCIAL PERFORMANCE 2018/2019: STORMWATER SERVICES

R'000

| Details | 2017/2018 | 2018/2019 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **11 169** | **1 403** | **1 403** | **65** | **-2055%** |
| Expenditure: | | | | | |
| Employees | 74 287 | 83 441 | 84 779 | 82 993 | -1% |
| Repairs and Maintenance | 79 407 | 16 953 | 16 983 | 16 956 | 0% |
| Other | – | – | – | – | 0% |
| **Total Operational Expenditure** | **153 694** | **100 394** | **101 762** | **99 949** | **0%** |
| **Net Operational Expenditure** | **142 524** | **98 991** | **100 359** | **99 884** | **1%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.9.7

## CAPITAL EXPENDITURE 2018/2019: STORMWATER SERVICES

R' 000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **5 000 000** | **4 797 396** | **4 797 396** | **-4%** | |
| | | | | | |
| REHABILIT OF BCMM BRIDGES AND STORWATER | 5 000 000 | 4 797 396 | 4 797 396 | -4% | 97 641 930 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.9.8

## COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The stormwater unit has completed the refurbishing of three bridges in the 2018/19 financial year. Maintenance continues an on-going basis with emphasis on hot spots and low points throughout the city. The stormwater unit is currently on target to achieve the year 5 IDP targets within the approved budget allocation.

There is currently one Stormwater project on the Capital budget, namely the Rehabilitation of bridges and stormwater within BCMM. The following projects were undertaken in the 2018/19 financial year:

The rehabilitation of bridges have been prioritised due to the extended period over which maintenance has been deferred, and the high level of risk potential failures have on the safety of road users.

- Biko Bridge Joint Replacement commenced with the procurement of the joints and replacement of the internal drainage in the bridge deck. This project was prioritised due to the fact that Biko bridge is the only major link between the east and West Banks of the Buffalo River, and it is a critical link within the city, and closure of the bridge would be catastrophic to the city. 2018/19 budget allocation R 3 million

- The rehabilitation of bridges along the Douglas Smit highway commenced with the refurbishment of the structures and clearing of the inlet and outlets. The Douglas Smit Highway is major arterial road for Duncan Village and is an important public transportation route. 2018/19 budget allocation R 2.5 million

- The rehabilitation of bridges along the North East Expressway (NEX). The NEX is the main arterial link across the city between the N2, N6 and R72, the bridges along the NEX have not had any major maintenance since their construction. The rehabilitation of these structures is a priority for the continued mobility within the city. 2018/19 budget allocation R 1.5 million

- Upgrade of stormwater drainage in Duncan Village is a priority due to the high density of people living in the area, and the susceptibility of low-lying areas to flooding. The piped stormwater system is also subject to constant blockages and larger pipe diameters make cleaning easier to carry out. 2018/19 budget allocation R 1 million

All these projects are accommodated within the allocated Capital and operating budgets.

One of the major projects to commence construction in the 2019/2020 financial year, is the West Drive bridge upgrade in King William's Town. The designs are complete, and construction is expected to commence in February 2020.

The stormwater unit's ongoing programs are:

- The rehabilitation/replacement of Kerb inlets and manholes
- Upgrade of existing stormwater infrastructure in low lying areas.
- Refurbishment of existing bridges in BCMM

The ward-based roads and stormwater maintenance program assists with the clearing of open drains, inlets and gutters.

Funding for stormwater infrastructure upgrades is also included in the mega projects such as Mdantsane Upgrade Clusters, Fleet Street upgrade, Qumza Highway Upgrade, etc. This recapitalisation helps improve the stormwater drainage system by increasing capacity and renewal of the old infrastructure.

*T3.9.9*

# COMPONENT C: PLANNING AND DEVELOPMENT

## INTRODUCTION TO PLANNING AND DEVELOPMENT

**Key legislation guides the planning and development process in BCMM**

## 1. INTEGRATED URBAN DEVELOPMENT FRAMEWORK

The Department of Cooperative Governance and Traditional Affairs developed an Integrated Urban Development Framework (IUDF) of 2016 as a response to the post-2015 Sustainable Development Goals (SDGs), in particular to Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable. The IUDF also builds on various chapters of the National Development Plan (NDP) and extends Chapter 8 'Transforming human settlements and the national space economy' and its vision for urban South Africa.

The IUDF identifies some key elements such as, the creation of compact cities, decent public transport and the development of industries and services designed to break down apartheid geography. Compact growth reduces the costs of providing services and infrastructure, and increases the viability of connecting public transport and other forms of urban infrastructure"

Firmly rooted in the NDP, the IUDF reinforces that South Africa needs to redress apartheid patial legacy and create more compact and connected cities and towns. The ultimate outcome of the IUDF is spatial transformation which marks a New Deal for South African cities and towns, by steering urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns.

The IUDF recaps that urban growth boundaries (Urban Edges) proposed in municipal SDFs must be maintained, to avoid urban sprawl as well as to protect environmentally sensitive land and prime agricultural land for food security. The IUDF notes that compact urban growth is not simply about urban containment (i.e. prohibiting growth outside a certain boundary) or high densities, but rather about managing urban expansion in ways that avoid inefficient spatial development. Therefore, dense Transport Orientated Development (TOD), with high levels of accessibility to local employment and services which reduces transportation costs, is promoted.

The Buffalo City Metropolitan Municipality Spatial Development Framework complies with the above legislation and spatial policies.

## 2. NATIONAL DEVELOPMENT PLAN (NDP)

There are five overarching principles for Spatial Transformation set out in Chapter 8 of the National Development Plan. These have been incorporated into SPLUMA and will be discussed below.

## 3. SPATIAL PLANNING AND LAND USE MANAGEMENT, ACT 16 OF 2013

Chapter 2, Section 7 of the Spatial Planning and Land Use Management Act No.16 of 2013 (SPLUMA) identifies the development principles as follows:

- Spatial Justice - Inclusion and integration of disadvantaged areas
- Spatial Sustainability - Promote land development in locations that are sustainable

limit urban sprawl, create communities that are viable, consider all current and future costs for all parties with respect to the provision of infrastructure and social services for land developments.

- Efficiency - optimising existing resources and infrastructure. Efficient commuting patterns
- Spatial Resilience - flexibility of spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks
- Good Administration - execution of good governance principles in measuring how public affairs are conducted and managing public resources in the process of decision making and the implementation and non-implementation thereof.

The Buffalo City Metropolitan Municipality (BCMM) has undertaken the following actions to comply with the requirements for the implementation of the Spatial Planning and Land Use Management Act (SPLUMA) 16 of 2013:

- Approval by Council of the Spatial Planning and Land Use Management By-Law to deal with land use applications on the 30 March 2016 (BCMC 208/16) and gazetting on the 18 July 2016.
- Approval by Council of Category 1 and 2 applications and the appointment of the Authorized Official on the 29 March 2017. Category 1 applications are approved by Municipal Planning Tribunal (MPT) and the approval of category 2 applications was delegated to the Authorized Official, that is Head of Directorate: Spatial Planning and Development
- Approval by Council of the Mayoral Committee as the Appeals Authority
- Approval by Council of the names of the Municipal Planning Tribunal (MPT) members.
- Gazetting of the names of the MPT members on the 19 February 2018
- Letters of appointment sent to all MPT members.
- Training for the MPT members took place on the 29 June 2018
- Training for the Appeals Committee members took place on the 16 April 2019.
- The first MPT meeting convened on the 25 April 2019.

***T 3.10***



# 3.10. PLANNING

## INTRODUCTION TO PLANNING

The Spatial Development Framework (SDF) for Buffalo City Metropolitan Municipality was approved by the Buffalo City Metropolitan Council in 2013 and remains valid until the SDF is reviewed. A review of the BCMM SDF is currently underway.

The SDF gives clear and detailed **objectives and strategies** for the management and direction of spatial development and land use management within BCMM to manage development in future in order to guide new investment to achieve the development vision set out in the BCMM IDP and the SDF. Such objectives and strategies are summarized as follows: -

- Implement the principles of Integrated Environment Management and identify resources (natural/biodiversity; social; economic; heritage and cultural; human capital; financial) and manage land use in valuable resource areas
- Urban Edge and Land Use Management System as spatial management and investment guidance tools
- Consolidate and integrate spatial development by developing land in proximity to public transport facilities and existing services
- Implement a Land Reform and Settlement Programme by identifying zones of opportunity or integrated development in peri-urban and rural areas
- Pro-actively manage land use and set appropriate levels of service to achieve sustainability in urban, peri-urban and rural areas.

The SDF identifies four Spatial priority areas with the aim of guiding the municipal budgeting processes as follows:

**Priority Area 1:** Urban Core made up of East London and Mdantsane and the Mdantsane East London Development (MELD) Corridor
**Priority Area 2:** West Bank made up of the West Bank Industrial and residential areas, Industrial Development Zone (IDZ), Harbour and the Airport
**Priority Area 3a:** Including Bhisho, King William's Town (KWT), Zwelitsha; and the Bhisho Corridor
**Priority Area 3b:** Quenera

**Service Delivery Priorities**
a) Implementation of SPLUMA and its By Law
b) Upgrading of Informal Settlements
c) Formulation of Local Spatial Development Frameworks

## SPATIAL DEVELOPMENT PLANNING OUTPUTS

The following Development Planning projects were executed during the 2018/2019 Financial Year:

### FORWARD/SPATIAL PLANNING

**Bonza Bay Road Local Spatial Development Framework Review**: The objective of the plan is to update the land use policy proposals contained in the initial Bonza Bay Local Spatial Development Framework. Work on this project is complete and a report will be taken to Council in the 2019/2020 Financial Year.

**Buffalo City Metropolitan Municipal Spatial Development Framework Review:** The Review will serve to update the Existing SDF approved by Council in 2013. Work on the SDF Review commenced in February 2018. Draft high-level spatial proposals have been completed for discussion with stakeholders. The project is scheduled for completion in 2019/2020 Financial Year.

**Settlers Way Local Spatial Development Framework:** seeks to identify land for the expansion of the Settlers Way Business node and identify vacant Municipal and state-owned land for development. Work on this project commenced in March 2018. Draft high-level spatial proposals have been completed for discussion with stakeholders. The project is scheduled for completion in 2019/2020.

### SETTLEMENT PLANNING

Settlement Planning projects are undertaken as a response to a need for decent housing provision and to confer land tenure rights to the beneficiaries. The following Settlement planning projects for the Establishment of Townships were undertaken during the 2018/2019 financial year.

**Empilisweni (Mdantsane Infill Areas) (Ward 20)**
The Member of Executive Council (MEC) responsible for COGTA issued an approval for Empilisweni Township Establishment to create 26 Residential Zone 1 erven.

**Khayelitsha (Mdantsane Infill Areas) (Ward 20)**
Approval for Empilisweni Township Establishment was granted by the MEC for COGTA to create 67 Residential Zone 1 erven.

**Matsheni Park (Mdantsane Infill Areas) (Ward 20)**
The MEC responsible for COGTA issued an approval for Matsheni Township Establishment to create 51 Residential Zone 1 erven.

**Hani Park (Mdantsane Infill Areas) (Ward 11)**
Approval for Hani Park Township Establishment was granted by the MEC for COGTA to create 21 Residential Zone 1 erven.

**Hlalani (Mdantsane Infill Areas) (Ward 11)**
The MEC responsible for COGTA issued an approval for Hlalani Township Establishment to create 29 Residential Zone 1 erven.

**Z Soga 2 (Mdantsane Infill Areas) (Ward 21)**
Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Z Soga 2 to create 71 Residential Zone 1 erven.

**Phola Park (Mdantsane Infill Areas) (Ward 11)**
Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Z Soga 2 to create 36 Residential Zone 1 erven.

**Z Soga (3) 2 (Mdantsane Infill Areas) (Ward 21)**
Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Z Soga (3)2 to create 84 Residential Zone 1 erven.

**Slovo Park (Mdantsane Infill Areas) (Ward 42)**
Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Slovo Park to create 127 Residential Zone 1 erven.

**Ekuphumleni (Mdantsane Infill Areas) (Ward 42)**
Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Ekuphumleni to create 62 Residential Zone 1 erven.

**Gwentshe (Mdantsane Infill Areas) (Ward 17 & 14)**
A report is to be compiled and submitted to the MPT for Gwentshe to create 52 Residential Zone 1 erven.

**KwaTshatshu (Ward 44)**
Council resolved to support this application. A Township Establishment application was submitted for approval by the MEC responsible for COGTA to create 246 Residential Zone 1 erven. The approval has not been issued to date.

**Xhwithinja (Ward 36)**
Council resolved to support this application. A Township Establishment application was submitted for approval by the MEC responsible for COGTA to create 383 Residential Zone 1 erven. The approval is still being awaited.

**Ginsberg (Ward 39)**
A report is to be compiled and submitted for approval to the Municipal Planning Tribunal (MPT) for the creation of 124 Residential Zone 1 erven.

**Boxwood (Ward 30)**
The BCMM Council resolved to approve the application. However, the applicant is working on amending the layout due to a revised Environmental Impact Assessment (EIA) requested by the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT).

**Smiling Valley (Ward 12)**
The BCMM Supply Chain Management (SCM) is following due processes for the appointment of a service provider to undertake the township establishment.

**East Bank Restitution (Ward 10)**
The Township Establishment process has been delayed by the pending Environmental Authorisation submitted for approval in April 2019 by DEDEAT. The settlement will constitute 446 Residential Zone 1 erven in terms of the layout plan.

**Masibulele (Ward 17)**
An amended application for Masibulele was considered by the Municipal Planning Tribunal (MPT) and the application to be submitted to the MEC responsible for COGTA to issue an approval for Masibulele to create 203 Residential Zone 1 erven.

## FEASIBILITY STUDIES

Feasibility studies are undertaken to determine the suitability and developability of land for the creation of residential sites. The following were undertaken during the 2018/2019 Financial Year:

**Nompumelelo (Ward 15)**
The Nompumelelo Feasibility Study was completed and approved by the Council.

**Smiling Valley (Ward 12)**
The Smiling Valley Feasibility Study was completed and approved by the Council.

**Quenera (Ward 28)**
The Service provider to prepare the feasibility study is currently finalising the feasibility report which will be taken to Council for consideration.

**Sonwabiso (Ward 17)**
The service provider to undertake the Sonwabiso Feasibility Study has been appointed.

**Sweetwaters (Ward 44)**
The service provider to undertake the Sweetwaters Feasibility Study has been appointed.

**Tyutyu (Ward 35)**
The service provider to undertake the Tyutyu Feasibility Study has been appointed.

**Nompumelelo Beacon Bay Overflow (Ward 15)**
The Bid evaluation processes have been finalised and Supply Chain Management will follow due processes for the appointment of a service provider to conduct the feasibility study.

**T 3.10.1**

## LAND USE PLANNING APPLICATIONS

The BCMM has a Zoning Scheme setting out setting the purpose for which land, being a specific property, may be used and the land use restrictions applicable in respect of the said category of directions as determined by the relevant zoning scheme regulations.

When a property owner wants to change his land use or alter the applicable land use restriction on the said property, the property owner must submit a land use application to the City Planning Division. These land use applications entail the following rezoning, subdivision, special consent, permanent or temporary departures.

The applications so submitted are processed in the prescribed manner as per the relevant legislation applicable. It must be noted that there are still different planning legislations applicable for different areas in BCMM. The new Spatial Planning and Land Use Management Act 16 of 2013 will eventually be the only planning legislation in place to approve planning applications. This will only be implemented once all other planning legislations and regulations still in place are repealed by the Provincial Government - which can only be done when the new Provincial Planning Legislation is in place.

A total number of 911 planning applications was received by the BCMM during the 2018/2019 Financial Year as follows:

| Land Use Application Types | Total Number of Applications Received |
|---|---|
| Subdivision | 54 |
| Rezoning | 58 |
| Removal of Restrictions | 98 |
| Consent Use | 15 |
| Permanent Departure (Building Lines) | 639 |
| Temporary Departure | 47 |

## LAND USE MANAGEMENT (LUM)

| Applications for Land Use Development | | | | | | |
|---|---|---|---|---|---|---|
| Detail | Formalisation of Townships | | Rezoning | | Built Environment | |
| | 2017/2018 | 2018/2019 | 2017/2018 | 2018/2019 | 2017/2018 | 2018/2019 |
| Planning application received | 8 | 4 | 66 | 80 | 2085 | 1788 |
| Determination made in year of receipt | 5 | 3 | 8 | 4 | 1928 | 1570 |
| Determination | 2 | 0 | 0 | 0 | 0 | 870 |
| made in following year | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications withdrawn | 6 | 4 | 58 | 76 | 181 | 700 |
| | | | | | | T 3.10.2 |

## PLANNING POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/18 | | 2018/19 | | | 2019/20 | 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Determine planning application within a reasonable timescale | Approval or rejection of all built environment applications within a x weeks | N/A | N/A | N/A | N/A | | N/A | N/A | N/A |
| | Reduction in planning decisions overturned | 2 planning decisions overturned | 2 planning decisions overturned | 2 planning decisions overturned | 2 planning decisions overturned | 0 | 2 planning decisions overturned | 2 planning decisions overturned | 2 planning decisions overturned |
| | Average number of days taken to process building plan applications for approval (plans below 500 square metres) | 14 days | 21 days | 28 days | 28 days | | 28 | N/A | N/A |
| | Average number of days taken to process building plan applications for approval (plans above 500 square metres) | 45 days | 60 days | 58 days | 58 days | | 58 days | N/A | N/A |
| | | | | | | | | | T 3.10.3 |

## EMPLOYEES: PLANNING SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 40 | 44 | 34 | 10 | 22.73% |
| 4 – 6 | 14 | 19 | 15 | 4 | 21.05% |
| 7 – 9 | 12 | 15 | 12 | 3 | 20% |
| 10 – 12 | 56 | 64 | 57 | 7 | 10.94% |
| 13 – 15 | 11 | 15 | 12 | 3 | 20% |
| 16 – 18 | 2 | 3 | 2 | 1 | 33.33% |
| 19 – 20 | 1 | 3 | 1 | 2 | 66.67% |
| **Total** | **136** | **163** | **133** | **30** | **18.40%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.10.4

## FINANCIAL PERFORMANCE 2018/2019: PLANNING SERVICES

R'000

| Details | 2017/2018 | 2018/2019 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **16 897** | **17 028** | **17 028** | **23 424** | **27%** |
| Expenditure: | | | | | |
| Employees | 41 854 | 52 723 | 43 920 | 44 233 | -19% |
| Repairs and Maintenance | 102 | 464 | 304 | 72 | -546% |
| Other | 3 754 | 11 276 | 10 237 | 56 443 | 80% |
| **Total Operational Expenditure** | **45 710** | **64 463** | **54 461** | **100 748** | **36%** |
| **Net Operational Expenditure** | **28 813** | **47 434** | **37 432** | **77 323** | **39%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.10.5

| CAPITAL EXPENDITURE 2018/2019: PLANNING SERVICES | | | | | |
|---|---|---|---|---|---|
| | | | | | R' 000 |
| Capital Projects | 2018/2019 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **5 000** | **9 376** | **5 639** | **11%** | |
| | | | | | |
| UPGRADING OF KING WILLIAMS TOWN PAYMENTS | 2 500 | 854 | 623 | 0% | 2 500 |
| KING WILLIAMS TOWN PAYMENTS HALL C/O | | – | – | 0% | |
| UPGRADING OF LIFTS FOR BCMM BUILDINGS | 2 500 | 3 700 | 229 | -991% | 2 500 |
| UPGRADING OF LIFTS FOR BCMM BUILDINGS | | 3 488 | 3 453 | 0% | 3 488 |
| SCM INVENTORY WAREHOUSING AND FENCING C/O | | 266 | 266 | 100% | 266 |
| SURVEY EQUIPMENT AND SOFTWARE PACKAGES C/O | | 1 068 | 1 068 | 100% | 1 068 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.10.6 |

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

### Key legislation guides the planning and development process in BCMM

### 1. INTEGRATED URBAN DEVELOPMENT FRAMEWORK

The Integrated Urban Development Framework of 2016 (IUDF) developed by the Department of Cooperative Governance and Traditional Affairs responds to the post-2015 Sustainable Development Goals (SDGs), in particular to Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable. It also builds on various chapters of the National Development Plan (NDP) and extends Chapter 8 'Transforming human settlements and the national space economy' and its vision for urban South Africa.

The IUDF notes that as far back as 1994 that, "the Reconstruction and Development Programme identified some key elements for breaking down apartheid geography: the creation of compact cities, decent public transport and the development of industries and services. Compact growth reduces the costs of providing services and infrastructure, and increases the viability of connecting public transport and other forms of urban infrastructure"

Firmly rooted in the NDP and the NGP, the IUDF reinforces that South Africa needs to redress apartheid spatial legacy and create more compact and connected cities and towns, and the overall outcome. The IUDF's overall outcome – spatial transformation – marks a New Deal for South African cities and towns, by steering urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns.

The IUDF reiterates that urban growth boundaries (Urban Edges) proposed in municipal SDFs must be maintained, to avoid urban sprawl, and to protect environmentally sensitive land and prime agricultural land for food security. The IUDF notes that compact urban growth is not simply about urban containment (i.e. prohibiting growth outside a certain boundary) or high densities, but rather about managing urban expansion in ways that avoid inefficient spatial development. Therefore, dense Transport Orientated Development (TOD), with high levels of accessibility to local employment and services which reduces transportation costs.

The Buffalo City Metropolitan Municipality Spatial Development Framework complies with the above legislation and spatial policies.

### 2. NATIONAL DEVELOPMENT PLAN

Chapter 8 of the National Development Plan (NDP) sets out five overarching principles for Spatial Transformation. These have been incorporated into SPLUMA and will be discussed below.

### 3. SPATIAL PLANNING AND LAND USE MANAGEMENT, ACT 16 OF 2013

The five overarching principles from the NDP have been incorporated into Chapter 2, Section 7 of the Spatial Planning and Land Use Management Act No.16 of 2013(SPLUMA). The Development Principles are:

- Spatial Justice – Inclusion and integration of disadvantaged areas
- Spatial Sustainability - Promote land development in locations that are sustainable; limit urban sprawl; create communities that are viable; consider all current and

future costs for all parties with respect to the provision of infrastructure and social services for land developments.

- Efficiency - optimizing existing resources and infrastructure. Efficient commuting patterns
- Spatial Resilience
- Good Administration

The following actions that have been undertaken by BCMM to comply with the requirements for the implementation of the Spatial Planning and Land Use Management Act 16 of 2013 SPLUMA are:

- The By-Law to deal with land use applications was approved by Council on the 30 March 2016 (BCMC 208/16) and gazetted on the 18 July 2016.
- Council approved Category 1 and 2 applications and appointed the Authorized Official on the 29 March 2017. Category 1 applications are approved by Municipal Planning Tribunal (MPT) and the approval of category 2 applications was delegated to the Authorized Official, that is Head of Directorate: Spatial Planning and Development
- Council approved the Mayoral Committee as the Appeals Authority
- Council also approved the names of the Municipal Planning Tribunal (MPT) members.
- Names of the MPT members were Gazetted on the 19 February 2018
- Letters of appointed were sent to all MPT members.
- Training for the MPT members took place on the 29 June 2018
- Training for the Appeals Committee members took place on the 16 April 2019.
- The first MPT meeting convened on the 25 April 2019.

# PLANNING

## INTRODUCTION TO PLANNING

The Spatial Development Framework for Buffalo City Metropolitan Municipality was approved by the Buffalo City Metropolitan Council in 2013 and remains valid until the SDF is reviewed. A review of the BCMM SDF is currently underway.

The SDF elaborates clear and detailed **objectives and strategies** for the management and direction of spatial development and land use management in the area according to proposed Spatial Development Frameworks and Land Use Management Guidelines, to be used to manage development in future in order to guide new investment to achieve the development vision set out in the BCMM IDP and the SDF. Such objectives and strategies are summarized as follows: -

- Implement the principles of Integrated Environment Management and identify resources (natural/biodiversity; social; economic; heritage and cultural; human capital; financial) and manage land use in valuable resource areas;
- Urban Edge and Land Use Management System as spatial management and investment guidance tools;
- Consolidate and integrate spatial development by developing land in proximity to public transport facilities and existing services;
- Implement a Land Reform and Settlement Programme by identifying zones of opportunity or integrated development in peri-urban and rural areas;
- Pro-actively manage land use and set appropriate levels of service to achieve sustainability in urban, peri-urban and rural areas.

The SDF identifies four Spatial priority areas with the aim of guiding the municipal budgeting process:

Priority Area 1: Urban Core made up of East London and Mdantsane and the MELD Corridor
Priority Area 2: West Bank made up of the West Bank Industrial and residential areas; IDZ; Harbor; and Airport
Priority Area 3a: Including Bhisho; KWT; Zwelitsha; and the Bhisho Corridor Priority Area 3b: Quenera

**Service Delivery Priorities**

a) Implementation of SPLUMA and its By Law
b) Upgrading of Informal Settlements
c) Formulation of Local Spatial Development Frameworks

## SPATIAL DEVELOPMENT PLANNING OUTPUTS

During the 2018/2019 Financial Year the following projects in Development Planning were undertaken:

### FORWARD PLANNING

**Bonza Bay Road Local Spatial Development Framework Review**: Work on this project is complete and a report will be taken to Council in the 2019/2020 Financial Year The objective of the plan is to update the land use policy proposals contained in the initial Bonza Bay Local Spatial 0evelopment Framework

**Buffalo City Metropolitan Municipal Spatial Development Framework Review**: The Review will serve to update the Existing SDF approved by Council in 2013. Work on the SDF Review commenced in February 2018. Draft high-level spatial proposals have been completed for discussion with stakeholders. The project is scheduled for completion in 2019/2020 Financial Year.

**Settlers Way Local Spatial Development Framework**: The Settlers Way Local Spatial Development Framework will identify land use policy for the expansion of the Settlers Way Business node and identify vacant Municipal and state-owned land for development. Work on this project commenced in March 2018. Draft high-level spatial proposals have been completed for discussion with stakeholders. The project is scheduled for completion in 2018/2019 FY.

### SETTLEMENT PLANNING

The following Settlement projects for the Establishment of Townships where approved or commenced in the financial year 2018/2019:

**Empilisweni (Mdantsane Infill Areas) (Ward 20)**

a) MEC responsible for COGTA issued an approval for Empilisweni Township Establishment to create 26 Residential Zone 1 erven.

**Khayelitsha (Mdantsane Infill Areas) (Ward 20)**

a) MEC responsible for COGTA issued an approval for Khayelitsha Township Establishment to create 67 Residential Zone 1 erven.

**Matsheni Park (Mdantsane Infill Areas) (Ward 20)**

a) MEC responsible for COGTA issued an approval for Matsheni Park Township Establishment to create 51 Residential Zone 1 erven.

**Hani Park (Mdantsane Infill Areas) (Ward 11)**

a) MEC responsible for COGTA issued an approval for Hani Park Township Establishment to create 21 Residential Zone 1 erven.

**Hlalani (Mdantsane Infill Areas) (Ward 11)**

a) MEC responsible for COGTA issued an approval for Hlalani Township Establishment to create 29 Residential Zone 1 erven.

**Z Soga 2 (Mdantsane Infill Areas) (Ward 21)**

a) Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Z Soga 2 to create 71 Residential Zone 1 erven.

**Phola Park (Mdantsane Infill Areas) (Ward 11)**

a) Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Phola Park to create 36 Residential Zone 1 erven.

**Z Soga (3) 2 (Mdantsane Infill Areas) (Ward 21)**

a) Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Z Soga (3)2 to create 84 Residential Zone 1 erven.

**Slovo Park (Mdantsane Infill Areas) (Ward 42)**

a) Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Slovo Park to create 127 Residential Zone 1 erven.

**Ekhuphumuleni (Mdantsane Infill Areas) (Ward 42)**

a) Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Ekhuphumuleni to create 62 Residential Zone 1 erven.

**Gwentshe (Mdantsane Infill Areas) (Ward 17 & 14)**

a) A report is to be compiled and submitted to the MPT for Gwentshe to create 52 Residential Zone 1 erven.

**KwaTshatshu (Ward 44)**

a) Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for KwaTshatshu to create 246 Residential Zone 1 erven.

**Xhwithinja (Ward 36)**

a) Council resolved to support this application. Waiting for the MEC responsible for COGTA to issue an approval for Xhwithinja to create 383 Residential Zone 1 erven.

**Ginsberg (Ward 39)**

a) A report is to be compiled and submitted for approval to the MPT for Ginsberg to create 165 Residential Zone 1 erven.

**East Bank Restitution (Ward 10)**

a) Awaiting Environmental Authorisation which was submitted to DEDEAT in April 2019 to create 446 Residential Zone 1 erven.

**Masibulele (Ward 17)**

b) An amended application for Masibulele was considered by the Municipal Planning Tribunal (MPT) and the application was submitted to the MEC responsible for COGTA and the approval to create 203 Residential Zone 1 erven was issued on the 21 October 2019.

## FEASIBILITY STUDIES

The Metro is in the process to undertake the following Feasibility Studies in order to determine if the land in question is suitable for Township Establishment and to develop residential houses.

**Nompumelelo (Ward 15)**

a) Nompumelelo Feasibility Study ccompleted and approved by Council.

**Smiling Valley (Ward 12)**

a) Smiling Valley Feasibility Study ccompleted and approved by Council.

**Quenera Area (Ward 28)**

a) The Service provider appointed to do the feasibility study is currently finalising the feasibility report which will be taken to Council for consideration.

**Sonwabiso (Ward 17)**

a) The service provider for Sonwabiso Feasibility Study has been appointed to conduct the feasibility study.

**Sweetwaters KWT (Ward 44)**

a) The service provider for Sweetwaters Feasibility Study has been appointed to conduct the feasibility study.

**Tyutyu (Ward 35)**

a) The service provider for Tyutyu Feasibility Study has been appointed to conduct the feasibility study.

**Nompumelelo Beacon Bay Overflow (Ward 15)**

a) Bid evaluation finalized, Supply Chain Management to follow due processes for them to appoint a service provider to conduct the feasibility study.

## LAND USE PLANNING APPLICATIONS

Each municipality must have a Zoning Scheme, including Buffalo City Metropolitan Municipality. A Zoning Scheme is a category setting out the purpose of which the land, being as specific property, may be used and the land use restrictions applicable in respect of the said category of directions as determined by the relevant zoning scheme regulations.

When a property owner wants to change his land use or alter the applicable land use restriction on the said property, the property owner needs to submit a land use application to the City Planning Division. These land use applications can be in the form of a rezoning, special consent, temporary departure, permanent departure or a subdivision.

These applications are then processed in the prescribed manner as per the relevant legislation applicable. It must be noted that there are still different planning legislations applicable for different areas in BCMM. The new Spatial Planning and Land Use Management Act 16 of 2013 will eventually be the only planning legislation in place to approve planning applications. But before that all other planning legislations and regulations still in place must be repealed, which can only be done when the new Provincial Planning Legislation is in place.

In the 2018/2019 Financial Year a total amount of 911 planning applications were received by BCMM. These where made up of the following applications:

- 54 Subdivisions
- 58 Rezoning's
- 15 Special Consents
- 639 Permanent Departures (Building lines)
- 47 Temporary Departures
- 98 Removal of Restrictions

# ARCHITECTURAL SERVICES

The Architectural Services Division does not have own capital projects on the IDP but implements building projects on behalf of other Directorates. These Directorates have set the IDP targets and accordingly report on progress. Notwithstanding this, a list of the capital projects undertaken by the Division is listed as follows:

### 1) CONSTRUCTION OF THE KING WILLIAM'S TOWN TRAFFIC DEPARTMENT BUILDING:

a) The contractor to undertake this multi-year project was appointed during the 2016/17 financial year.
b) The total approved construction value was R 16 651 580 VAT Included
c) The project was completed in May 2019 (Works completion).
d) The final project cost was R 15 642 167 .67 Vat Included (Final Account).

### 2) PROVISION OF PROFESSIONAL CONSULTANCY SERVICES: DEVELOPMENT OF THE KWT TRAFFIC DEPT:

a) The contractor to undertake this multi-year project was appointed during the 2014/15 financial year.
b) The total approved appointment value was R 2 359 497 VAT Included
c) The final consultancy fee cost was R 1 856 207 including VAT (Based on project cost).

### 3) EXTENSION AND UPGRADING OF THE KING WILLIAM'S TOWN PAYMENTS HALL:

a) The contractor to undertake this multi-year project was appointed during the 2016/17 financial year.
b) The total approved construction value was R 5 998 000 Incl. VAT.
c) Due to non-performance by the contractor, the project was cancelled.
d) A fresh tender to complete the project will be advertised during the 2019/2020 Financial Year. Once the procurement process has been concluded, the completion of the project is expected to take place in the 2020/21 financial year.

### 4) PROVISION OF PROFESSIONAL CONSULTANCY SERVICES: UPGRADING THE KWT PAYMENTS HALL:

a) The professional consultants to undertake this multi-year project were appointed during the 2014/15 financial year.
b) The total approved appointment value is R 908 693 -15 Incl. VAT.
c) The consultancy fees will be based on the final project cost.

### 5) CONSTRUCTION OF SCM DEPOT WAREHOUSE:

a) The contractor to undertake this multi-year project was appointed during the 2016/17 financial year.
b) The total approved construction value is R 6 703 314 Incl. VAT.
c) Due to non-performance by the contractor, the project was cancelled.
d) A fresh tender to complete the project will be advertised in the 2019/20 financial year. Once the procurement process has been concluded, the completion of the project is anticipated to be in the 2020/21 financial year.

### 6) NEW BANANA RIPENING ROOMS:

a) This project was for the appointment of a specialist cold-room installer in the 2016/17 financial-year.
b) The project was completed in November 2018 (Final completion)
c) The final installation cost was R 1 824 366 Incl. VAT.

### 7) REMOVAL OF ILLEGAL ADVERTISING SIGNAGE

a) This project is multi-year project is for the removing of illegal signage including the obscene posters that are pasted all over the City.
b) The total approved budget is R 1 100 000 for the current financial year
c) Annual contract is in place for a period of three years

# GEOMATICS (LAND SURVEYING)

## 1) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR THE EAST BANK RESITITUTION PROJECT.

a) The East Bank Community lodged a claim with the Eastern Cape Regional Land Claims Commission ( RLCC). The claim was settled with some of the community members opting for a housing development over financial compensation.
b) The East Bank Restitution Project consists of the following stages:

- Consolidation of Erven 27393, 22671 and 1824 EAST LONDON, with the total area of the consolidated figure being 8.9334 Hectares.
- The subdivision of the consolidated erf into 449 erven on a General Plan.

c) The procurement processes were undertaken and the tender was awarded on the 08th August 2017 to the Service Provider. The project is administered under contract BCM/DPP/SR/1419/2016.
d) The project has been delayed due to slow processes of granting an approved consent.
e) Cadastral survey will commence as soon as the approval of the consent is issued. Once completed, diagrams and the General Plan will be submitted to the Surveyor-General's Office for approval.

## 2) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR FORD MSIMANGO

**1)** Proposed subdivision of ERVEN 30470, 3279, 32750 AND 32757 EAST LONDON, for the purpose of Township Establishment in Ford Msimango. This project will create a General Plan of 207 erven in line with the requirements of Township Establishment.
**2)** City Planning issued an Approved Consent and Layout Plan on the 1st March 2019 in order to create the General Plan.
**3)** The tender was awarded on annual basis under contract RFQ/SPD/2016-17/112, and the appointment letter to the Service Provider was issued on the 5th December 2016.
**4)** Survey work is on hold due to shacks which cause the area to be inaccessible. Other stakeholders are engaged to seek solutions to the problem.

## 3) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR MASIBULELE

**1)** Proposed subdivision of ERF 1460 MDANTSANE NORTH, for the purpose the Township Establishment in MASIBULELE. The project seeks to create a General Plan of 205 erven for residential purposes.
**2)** The project has been delayed due to slow processes of granting an approved consent.
**3)** The appointment letter of the Professional Service Provider was awarded on the 5th December 2016.
**4)** The Council has supported the approval for this development, and the application was submitted for final approval by the MEC for the Department of Cooperative Governance and Traditional Affairs (COGTA) in terms of Section 13 of the Land Use Regulations Act No 15 of 1987 through delegated powers by the Premier. A second approval will be sought from the BCMM Municipal Planning Tribunal in terms Section 50-56 of the Spatial Planning and Land Use Management Act No. 16 of 2013, due to the complexity of the application.

## 4) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR GINSBERG AREA

a) Proposed subdivision of Remainder of ERF 1 KING WILLIAM'S TOWN AND ERF 1064 GINSBERG, for the purpose of Township Establishment in Ginsberg Area.
b) The Ginsberg Area is a collective name which constitutes of three (3) areas, viz; Ginsberg Area B, Ginsberg Area G1 and Ginseberg Area G2. The areas altogether will create a total of 165 residential erven.
c) Approval for this development will be sought from BCMM by virtue of delegated powers by the Premier in terms of Land Use Planning Ordinance No. 15 of 1985 and in terms of Spatial Planning and Land Use Management Act No. 16 of 2013.
d) The Geomatics Division has completed the process for procurement in appointing land surveying firms through pre-qualification process to undertake Cadastral Survey projects within the municipality. All procurement processes were adhered to and recommended at Bid Adjudication stage on 03 September 2018. The Service Level Agreemnt will be signed with the appointed Service Provider for the Inland Region.

### 5) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR KWATSHATSHU AREA

a) Proposed subdivision of REMAINDER OF FARM JAN TZATZOES LOCATION NORTH No.1924 KING WILLIAM'S TOWN, for the purpose of Township Establishment in KWATSHATSHU AREA. The Council has recommended the approval of this development, however, the final approval will have to be granted by the Premier.
b) Since the Council does not have delegated authority to grant the apporoved consent for the township establishment, the implementation will await the approval from the Premier as per the recommendations from the Council. City and Regional Planning Division will also issue all other approvals for all applicable legislation for this development.

This project will create a General Plan of 249 residential erven in total, and is anticipated to start once the approved Consent has been received from City Planning.

### 6) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR XHWITHINJA AREA

a) Proposed subdivision of REMAINDER OF THE FARM No. 1538 KING WILLIAM'S TOWN, for the purpose of Township Establishment in Xhwithinja Area. The Council has recommended the approval of this development, however the final approval will have to be granted by the Premier.
b) Since the Council does not have delegated authority to grant the apporoved consent for the township establishment for this township, the implementation will await the approval from the Premier as per the recommendations from the Council. City and Regional Planning Division will also issue all other approvals for all applicable legislation for this development.
c) The Geomatics Division has completed the process for procurement in appointing land surveying firms through pre-qualification process to undertake cadastral survey projects within the municipality. The process was recommended at Bid Adjudication stage on 03 September 2018.
d) The project is anticipated to start once the approved Consent has been received from City and Regional Planning.

### 7) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR ILITHA SPORTSFIELD AREA

a) Proposed subdivision of ERF 943 ILITHA EXTENSION No. 1, for the creation of the Township Establishment for ILITHA SPORTFIELD AREA. The Council has recommended the approval of this development, however the final approval will have to be granted by the Premier.
b) Since the Council does not have delegated authority to grant the apporoved consent for the township establishment for this township, the implementation will await the approval from the Premier as per the recommendations from the Council. City and Regional Planning Division will also issue all other approvals for all applicable legislation for this development.
c) The Geomatics Division has completed the process for procurement in appointing land surveying firms through pre-qualification process to undertake cadastral survey projects within the municipality. The process was recommended at Bid Adjudication stage on 03 September 2018.
d) The project is anticipated to start once the approved Consent has been received from City Planning.

### 8) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR PHOLA PARK

a) Proposed subdivision of portion of Erf 1056 Mdantsane Unit 5 for the creation of a General Plan Ginsberg in order to fulfil the requirements of Township Establishment for Phola Park Area.
b) The Township Establishment process will create a General Plan of 36 residential erven.
c) The Council supported the approval for the development on the 06th June 2017. An approval for thereof was finally granted by the Department of Cooperative Government and Traditional Affairs (COGTA) in terms of the Section 13 of the Land Use Regulation Act No. 15 of 1987 on the 20th January 2019. A second approval was will be spought from the BCMM in terms of Section 50-56 of the Spatial Planning and Land Use Management Act No. 16 of 2013.
d) A Service Provider will be appointed and introduced to the Ward Councilor and the community to commence with cadastral survey work which will be submitted to the office of the Surveyor-General for approval, on completion. Once approved, the Service Provider will supply a copy of the General Plan to BCMM to allow for the registration of the GP at the office of the Deeds Registry.

### 9) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR (Z SOGA 2 P2)

a) Proposed creation of a General Plan by subdividing a consolidated erf which constitutes of Erven 5 – 30 Mdantsane West as per the approval consent and the layout plan.
b) In order fullfill the requirements of Township Establishment, this project will create a General Plan of 71 residential erven.
c) The Council supported the approval for the development on the 26th May 2017. An approval is being awaited from the MEC for COGTA in terms of the Section 13 of the Land Use Regulation Act No. 15 of 1987, and BCMM in terms of Section 50-56 of the Spatial Planning and Land Use Management Act No. 16 of 2013.

### 10) CADASTRAL SURVEY TO OBTAIN A GENERAL PLAN FROM AN APPROVED LAYOUT FOR EMPILISWENI

a) Proposed subdivision of portion of Erf 1056 Mdantsane Unit 5 for the creation of a General Plan in order to fulfil the requirements of Township Establishment for Emiplisweni settlement area.
b) In order fullfil the requirements of Township Establishment, this project will create a General Plan of 26 residential erven.
c) The Council supported the approval for the development on the 14th December 2016. An approval for thereof has been granted by the Department of Cooperative Governance and Traditional Affairs (COGTA) on the 22nd January 2019 in terms of the Section 13 of the Land Use Regulation Act No. 15 of 1987. A second approval was granted on the 06th June 2019 by BCMM in terms of Section 50-56 of the Spatial Planning and Land Use Management Act No. 16 of 2013.

**T 3.10.7**

# 3.11. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

## INTRODUCTION TO ECONOMIC DEVELOPMENT

In South Africa and elsewhere in the world, cities are driving economic growth. Buffalo City Metro also came to this realization and in 2018/19 it considered a few critical aspects that could enhance its competitiveness such as:

- Improving the cost of doing business
- Investment in critical economic infrastructure, including transport and logistics
- Tapping into and fully exploiting its natural resources, beauty and unspoilt environment to its market share in terms of tourism
- Expanding its productive capacity in the agricultural sector to increase output
- Facilitating access to national incentives to assist local companies to tap into international markets and expand their businesses
- Providing support to local SMMEs in key growth sectors
- Reviewing existing incentives and formulating an investment strategy

Strengthening the City's industrial competitiveness through modern industrial systems and infrastructure development, including the development of new value chains, markets and their associated products, and influencing broader access and participation (especially by small and medium enterprises) in the economic activities of the region is the hallmark of the City's economic development endeavours. The City's economic development initiatives target the acceleration of investment through formulating an attractive incentives framework; providing support to small businesses for sustainability; creating income earning opportunities through developing business development infrastructure; stimulating and revitalising township economies; and developing industry-related skills and job creation. Some of the dedicated interventions include the community works and Expanded Public Works Programme (EPWP), SMME development and corporative development.

# TOURISM

Tourism is one of the key economic sectors of Buffalo City. It contributes R4.3 billion towards local production and R1.9 billion to GDP. It is estimated that it creates a total of 9 700 employment opportunities. Tourism creates entrepreneurial opportunities. In growing this sector, the Directorate of Economic Development and Agencies implemented the following programmes:

a) Tourism Awareness Programmes
b) Information Dissemination
c) Tourism Marketing Programmes
d) Tourism events Programmes
e) Tourism Infrastructure Programmes
f) Tourism Small, Medium, Micro Enterprise (SMME's) Support Programme
g) Youth Readiness programme

### TOURISM AWARENESS PROGRAMMES

In the 2018/2019 financial year the Directorate hosted 4 tourism awareness campaigns. The purpose is to educate communities about the importance of tourism in the local economy and the opportunities that exists in the industry. During these sessions, communities are encouraged to identify immediate resources that could easily be turned into tourism initiatives. Over 600 people benefited from these workshops and were from the areas of Peelton, Mdantsane and Zwelitsha.

### TOURISM SCHOOLS DEBATE PROGRAM

In celebrating Tourism Month, the Department of Tourism, Arts, Culture and Heritage in partnership with the Eastern Cape Department of Education annually hosts the Tourism Schools Debate and Public Speaking Competition. The programme is targeting learners from grade 10 and grade 11 who are studying tourism as one of their elective subjects. These learners are given a topic in which to debate about. The national theme for this year was "Tourism and digital transformation" which was meant to raise awareness and showcase the value of digital transformation and transition as a driver of tourism growth. The topic which the learners debated on has been aligned to the National Tourism Career Expo (NTCE) theme which is a programme by the National Department of Tourism. The Buffalo City Tourism Schools Debate Competition is a platform that the Province used to select students that will represent the province at a national competition.

The event has been successful and the Directorate has been able to achieve its goals which are as follows:

1. To educate learners about tourism opportunities in BCMM
2. To build the confidence of learners when it comes to tourism issues
3. To recognise the leadership qualities of participating learners
4. To enable learners to share their negative or positive views on issues that are affecting tourism in BCMM

The event attracted 12 schools from within Buffalo City Metro which are as follows:

| Item | Name participating school | Region |
|---|---|---|
| 1. | Bylettes High School | East London |
| 2. | Wongalethu High School | Mdantsane |
| 3. | Nyameko High School | Mdantsane |
| 4. | Zukhanye High School | East London |
| 5. | Good Hope High School | East London |
| 6. | Archie Velile High School | King Williams Town |
| 7. | Hlumani High School | East London |
| 8. | Hoho High School | Zwelitsha |
| 9. | Nosizwe High School | King Williams Town |
| 10. | Richard Vaga High School | King Williams Town |
| 11. | Funiwe High School | East London |
| 12. | Lingelihle High School | |

## INFORMATION DISSEMINATION

The Department of Tourism operates five tourism offices which are located in strategic areas such as East London Airport, Hemingways Mall, Esplanade etc. The offices are a first port of call for anyone who is looking for information on things to do and see. Furthermore; the offices are used by the local tourism business to display and market their products.

## TOURISM MARKETING PROGRAMME

The Directorate of Economic Development and Agencies continues to identify platforms that it can use to market and promote Buffalo City as a tourism destination. These includes the following:

- Electronic Platforms
- Participation in the trade and consumer shows
- Advertising in various publications

## ELECTRONIC PLATFORMS

The Directorate uses various electronic platforms and they include website and social media. The electronic tool has become one of the powerful tools that destinations can use to market and promote their destinations. The department continues to use various electronic marketing tools such as the website, social media and online travel applications. The facebook page has 9200 followers.

## PARTICIPATION IN THE TRADE AND CONSUMER SHOWS

The Directorate participated in a number of trade and consumer shows. The purpose of participating in these shows is to achieve the following:

- To showcase what Buffalo City offers as a tourist destination.
- To market and profile Buffalo City as a preferred tourist destination.
- To disseminate information about the tourism offerings of the area.
- To meet with the trade partners and consumers in order understand their needs when visiting a destination.
- To engage with the members of trade with the purpose of encouraging them to include Buffalo City in their packages that they develop for the Eastern Cape, South Africa

In the 2018/2019 the Directorate participated in the following trade and consumer shows:

- A Getaway Magazine show in Johannesburg
- A Beeld Newspaper Show in Johannesburg
- Meetings Africa in Johannesburg
- World Travel Market in Cape Town
- Africa Travel Show (Indaba) in Durban

## ADVERTISING IN VARIOUS PUBLICATIONS

The Directorate advertised in various publications which has extensive coverage, and these include amongst other the following:

a) AA Traveller – This is a quarterly South African Magazine that covers broad spectrum of travel, motoring and conservation with a readership of more than 248 000.

b) Indaba Daily news – This is a newspaper that comes out on 3 consecutive days during Africa Travel Indaba show

c) Inflight magazine – Inflight is a monthly magazine for FlySafair. It delivers entertaining content to a diverse audience, creating the perfect environment to promote tourism. The readership is approximately 210 000 per month.

d) Indwe Magazine – It is a monthly vibrant business lifestyle inflight magazine for South African Express airways and being distributed to travel agencies, information bureaus, hotels and private lodges. It highlights Southern Africa's diverse destinations and cultures. It reaches more than 180 000 readers per month

e) Sawubona Magazine – it is an in-flight monthly magazine to all the SAA international flights to various destinations. It has a readership of 720 000 per month.

f) EC Directory – This is the official Eastern Cape Tourism Guide which is endorsed by the Eastern Cape Parks and Tourism Agencies and is distributed at all travel trade and consumer shows, Tourism Information Offices and to all the tourism related events.

g) Skyways Magazine - Skyways is the Airlink in-flight entertainment magazine published with business travelers in mind. Airlink flights carries more than 80 000 passengers every month.

h) Getaway Magazine - This publication focuses more on travel and outdoor markets. It provides a platform to promote destinations and activities to an audience interested in travel, nature and the outdoors. The magazine has a readership of almost 500 000 and 21 000 monthly visitors to its website.

## TOURISM EVENTS PROGRAMME

BCMM has identified the hosting of events as one of the strategies it can use to stimulate the local economy. This is due to the fact that hosting of events has the following benefits to the host city:

Contributes towards growing the tourism sector as it has the ability to attract visitors, extend the visitor season, increase average spend and increase average length of stay.

Marketing of events enhances awareness about the destination and assist with increased brand exposure. This in turn contributes towards attracting new visitors and receiving return trips from those attending events in the city, who might even bring back their families and friends.

Event organizers use the local businesses to source goods and services to stage an event and thus allow local businesses to generate income.

There is an opportunity for the local people in the art and culture sector to showcase their talents, products etc.

Create job opportunities for the local people.
Improve social cohesion.

Facilitate optimal use of natural resources, amenities and facilities

Improves city competitiveness

Encourages and promotes improvement in the image of the city

**In the 2018/2019 financial year BCMM supported and hosted a number of events which are as follows:**

## 1. BUFFALO CITY METROPOLITAN SWITCH ON OF THE FESTIVE LIGHTS

The Switch on of the lights events is intended to be the launch of the season. It is an event where the Executive Mayor and other dignitaries convey a message of goodwill and hope to the citizens of the city. This goodwill is commemorated by lighting up the streets with a decorative festive lighting that signals the arrival of the festive season within the city.

### BENEFITS RECEIVED FROM HOSTING THE BUFFALO CITY SWITCH ON OF FESTIVE LIGHT

a) 18 people were employed as marshals
b) 9 local artists were given an opportunity to display their talent.
c) Goods and services used to stage the event were sourced from local suppliers.
d) 30 vendors were given an opportunity to sell at the event.
e) An audience estimated at 7500 revellers attended the event.
f) The MC – was well informed of BCM issues and was able to connect with the audience.

## 2. BERLIN NOVEMBER

Berlin November is an annual premier traditional horse racing event. The event took place at Berlin Race Ground in Berlin on 24 November 2018. The event attracts a broad spectrum of people from all over South Africa. The event includes horse racing, live entertainment, fashion parade, craft and business village and children's entertainment area. Over 30 000 people attended the event.

### BENEFITS RECEIVED FROM HOSTING THE EVENT

a) The region received extensive media exposure. The media coverage received is estimated at R4.5 Million.
b) Improved media exposure for the Buffalo City, Berlin and the province including the showcasing of traditional horse racing on national media – SABC 1 news, ETV sunrise.
c) Generate substantial economic benefits to Berlin through increased visitation including tourists, spectators and participants.
d) Assist in positioning the city as a venue to host events.
e) Enhance the area's appeal to host other events.
f) Enhance business and community development.
g) Increased use of rural accommodation and transport.
h) Job creation for local people.
i) Social integration and cultural exposure.
j) 35 crafters and 35 food vendors were given an opportunity to sell at the event.

## 3. CRUEL SUMMER EVENT

Cruel summer event is an annual picnic event targeting the youth during the festive season. The event was held on 01 December 2018 at Buffalo City Stadium. Over 10 000 people attended the event with 60% of them coming from outside Buffalo City. The event was professionally organized and is showing significant growth. The Council contributed an amount of R 600 000.00 towards the event.

### BENEFITS RECEIVED FROM HOSTING THE CRUEL SUMMER EVENT:

a) A total of one hundred and ninety-three (260) jobs were created.
b) Received extensive media coverage particularly on social media platforms. The media coverage received is estimated at over R 1200 000.00.
c) Attracted Trace Urban TV to be media sponsor of the event and V – Entertainment.
d) Showcased the various attractions of the city
e) 13 Local artists were given an opportunity to showcase their talent.
f) All goods and services used to stage the event were sourced from local suppliers. A total of twenty (20) local businesses benefited from hosting the event.
g) Contributed to the local economy particularly hospitality businesses. Twenty (20) local vendors were selling at the event generating an income of not less than R10 000 each

## 4. BUYEL'EKHAYA PAN AFRICAN MUSIC FESTIVAL

The Annual Buyel'Ekhaya Pan African Festival filled the Buffalo City Cricket stadium. The city was abuzz with festival patrons who came in numbers to witness yet another memorable experience. his event has become a signature event for the city attracting people from all over the country. The event was held on 16 December 2018 at Buffalo Park Cricket Stadium. It attracted over 20 000 people and was well received by the patrons. Buyel'Ekhaya was funded by an amount of two million rands (R2 000 000.00).

**BENEFITS OF HOSTING BUYEL'EKHAYA PAN AFRICAN FESTIVAL:**

a) Being the signature event of Buffalo City, Eastern Cape, the event attracts a large number of people even from outside of Buffalo City.
b) The event received extensive media coverage from various media houses including print, electronic and social media i.e. SABC, E-News, Daily Dispatch, Daily Sun, Sowetan, Mail & Guardian and Drum magazine.
c) Buffalo City brand has received maximum brand exposure.
d) About (83) local people were employed in various fields.
e) Contributed towards increasing visitor numbers as most people were coming from outside the city.
f) Forty-seven (47) local SMME's were given an opportunity to sell at the event
g) Four (4) local artists were given an opportunity to showcase their talent.
h) About five-thousand (5000) attendees were coming from outside Buffalo City as far as Northern Cape & Gauteng.

## 5. LONDON ROOTS

The London Roots event was hosted for the 4th time in 2018. It attracted well over seven-thousand (7000) people. Thirty percent (30%) of the people that attended the event were from outside of Buffalo City. The event was held on 26 December 2018 at Buffalo City Stadium. The municipality contributed an amount of R 400 000.00 towards the event.

**BENEFITS RECEIVED FROM HOSTING THE EVENT:**

a) Fifteen (15) local artists were given an opportunity to showcase their talent and generate an income.
b) One hundred and sixteen (116) temporary jobs have been created
c) The event was marketed widely giving Buffalo City brand exposure and receive a media coverage worth R1.2 million.
d) Six (6) local vendors were given an opportunity to sell during the event
e) About two-thousand (2000) attendees were coming from Buffalo City.

## 6. MDANTSANE SUMMER RE-UNION

Mdantsane Summer Reunion is an annual event-taking place in Mdantsane.

The event has created a name for itself for being an event not to be missed.

This year the event was held on 27 December 2018 at Winter Rose stadium in Mdantsane. The event attracted ±10 000 people, about 20% of attendees were coming from outside Buffalo City The event received an amount of R 400 000.00 sponsorship from the city.

**BENEFITS FROM THE EVENT:**

a) A total of twenty-one (21) local businesses in the catering business as well as in the arts and crafts business were given an opportunity to sell at the event.
b) Twenty-two (22) temporal jobs were created during the event
c) All goods and services used to stage the event were sourced from the local service providers.
d) Twenty (20) local artists were given an opportunity to showcase their talent.
e) The event received extensive media coverage in the radio as well as social media platforms.
f) Buffalo City Metropolitan Municipality brand received maximum exposure.

## 7. COUNT DOWN

Count Down is annual event taking place on the 31st of December. The event was held for the 5th time on 31 December 2018 at Buffalo City Stadium. The event attracted over 5000 people.

**BENEFITS RECEIVED FROM THE EVENT:**

a) The event received extensive media coverage of 2.8 million including TV coverage.
b) Buffalo City Metropolitan Municipality brand received maximum exposure as it was displayed in all the marketing material printed.
c) Thirty (30) local artists were given an opportunity to showcase their talent.
d) Fifteen (15) local SMME's had food stalls at the event
e) All goods and services used to stage the event were sourced from local businesses.
f) Fifty-eight (58) local people were employed as security guards, cleaning staff, hospitality staff and branding crew, car guards and sound & stage assistants.

## 8. EASTERN CAPE MUSIC AWARDS AND WOZA MZALA MUSIC FESTIVAL

The Eastern Cape Music Awards and Woza Mzala Music Festival is an initiative to promote the Eastern Cape born and bred artists and all those who have been in the province for more than five years. The initiative is also intended to put Eastern Cape at a competitive level with other major provinces of South Africa in terms of Development, Producing, and Marketing to curb migration of our artists and producers to other provinces to seek fame and fortune.

This successful event was held for the 3rd time in 2019 and was the event was held on 2 February 2019 at Guild Theatre. The event was attended by over 2000 people. The following were the benefits received by the city:

a) The event had an extensive media coverage in radio, television and print which gave BCMM brand exposure.
b) BCMM was granted branding opportunity at the event.
c) Local artists were given an opportunity to showcase their talent and thus earning an income.
d) The goods and services used to stage the event were sourced from local suppliers.

## 9. BUFFALO CITY MASKANDI MUSIC FESTIVAL

The Buffalo City Maskandi Festival held its inaugural festival at the Buffalo City Stadium on the 2 March 2019. It attracted well over 2300 people. 60% of the people that attended the event were from outside of Buffalo City. The event was held on 2 March 2019 at Buffalo City Stadium. The municipality contributed an amount of R 100 000.00 towards the event.

### BENEFITS RECEIVED FROM HOSTING THE EVENT:

- Thirty-three (33) artists were given an opportunity to showcase their talent and generate an income.
- Out of 33 artists, fourteen (14) artists were from Buffalo City Metro
- Sixty-two (62) temporary jobs have been created
- The event was marketed widely giving Buffalo City brand exposure and a well-received media coverage worth 2.5 million.
- Three (3) local accommodation businesses benefited for form the event
- 10 local vendors were given an opportunity to sell during the event
- About 2300 attendees were coming from Buffalo City

## TOURISM SMME'S SUPPORT PROGRAMME

The Department of Tourism, Arts, Culture and Heritage has a mandate and responsibility to develop and support tourism SMME's. In the year 2018/2019 financial year, the Department had a budget to support tourism smme's. The support was in the form of providing equipment to improve the competitiveness of their businesses. A total of 22 smme's were supported. A total of 16 local tourism SMME's were supported to participate in various tourism exhibitions in order to market and promote their products.

## ARTS, CULTURE AND HERITAGE

The Directorate is responsible for the development, management and promotion of arts, culture and heritage. In executing this mandate, the Directorate implements a number of projects and programmes which are as follows:

a) Development/upgrading of heritage infrastructure
b) Commemoration of national days
c) Artist support programme
d) Exhumation, repatriation and reburial programme

### DEVELOPMENT/UPGRADING OF HERITAGE INFRASTRUCTURE

**In the 2018/19 financial year the Directorate constructed a life size statue of Dr M. B. W. Rubusana's Statue. The** statue was unveiled on 22 March 2018 in front of the East London City hall Dr. Rubusana is one of the heroes who selflessly gave up his life to fight for freedom of black people in South Africa. He was a man of many talents namely; a religious leader, politician, sports administrator and an intellectual.

## COMMEMORATION OF NATIONAL DAYS

**In the 2018/19 financial year the Directorate hosted to events in a bid to commemorate national days namely Heritage day and Human Rights day**

### HERITAGE DAY

September is declared as a Heritage Month and the 24th is the holiday known as Heritage Day. It is a day in which all citizens are encouraged to celebrate their cultural background in the wider context of great diversity of cultures, belief systems and traditions that constitute the nation of South Africa. Annually BCMM hosts its own Heritage day event in a bid to celebrate its cultural diversity and rich culture. The Heritage day celebrations event was held on 14 September 2018 at Chief Phato's Great Place, Tsholomnqa. The choice of the venue was informed by the role traditional leaders' play in conserving, managing and promoting our heritage. It was an educational and fun-filled day for the guests who attended the event. The event was attended by over 500 people.

### HUMAN RIGHTS DAY

Human Rights Day is a South African public holiday celebrated on the 21st March annually. This day is in honor of human rights and commemorate the Sharpeville massacre.

The Buffalo City Metropolitan Municipality through its Department of Tourism, Arts, Culture and Heritage has a constitutional and legislative mandate to organize and ensure that fundamental objectives of Human Rights Day, i.e. promotion of nation building, national identity, unity and social cohesion are realized.

Buffalo City Metropolitan Municipality, therefore identified the 22nd March 2019 to celebrate the Human Rights Day event which was held at the East London City Hall. The human rights celebrations were aligned to the unveiling of Dr. Mpilo Walter Benson Rubusana statue erected in front of the City Hall. The event was attented by over 800 people from all the regions of Buffalo City.

## ARTIST SUPPORT PROGRAMME

The Directorate has supported artists of different genres with skills development and market access.

**Skills Development:**
As part of the skills development programme, BCMM hosted workshops in three regions of Buffalo City. Over 200 artists were trained on compliance issues in order to encourage them to operate professionally like businesses.

A total of 100 artists were trained on the economy of the creative industry. Some of the topics covered were as follows:

(a) Creative Economy
b) Towards Creative (Smart City) – Futures
c) The Gig Economy Galway Case Study
d) Creative Sector by Eastern Cape Development Agency
e) National Building & Social Cohesion
e) Creative Education and practice

**Market Access:**
One of the biggest challenges facing many of the upcoming local artists is the lack of access to the market. In trying to assist the artists to access the market, the Department identifies platforms that will allow artists to showcase their talent and market their product. Some of these platforms are in the form of exhibitions whilst others are festivals. In the 2018/19 financial year the Directorate assisted over 80 artists to participate in various platforms which are as follows:

### 1.1 PARTICIPATION AT GRAHAMSTOWN ARTS FESTIVAL

The Grahamstown Arts Festival is an annual event which starts at the end of June / beginning of July, it runs for 11 days. The event is held in the small university town of Grahamstown, which is situated in the Eastern Cape province. The festival consists of a Main and a Fringe programme, which are both administered by the National Arts Festival Office. The festival affords Artists from different art forms like, comedy, theatre, Dance, Jazz, Ballet, choreography etc. an opportunity to showcase their talents and learn more about art forms.

Grahamstown Arts Festival is one of must -attend events that provides a stage for all art forms to be showcased. It is a place where artists interact, share information and showcase their talent.

The Directorate supported a total of 3 groups of artists consisting of 60 individuals who were invited to showcase their talent at the festival. The groups were performing during the festival. All artists that have participated have given a positive report.

## 1.2 PARTICIPATION AT THE DURBAN FILM FESTIVAL

The Durban Film festival is a premium event for those involved in the film industry. The festival is attended by film producers, film promoters film funders etc. Participation at this festival give filmmakers an opportunity to showcase their work in a national and international stage.

The Department supported 6 local upcoming filmmakers who were invited to showcase their work at the festival. These filmmakers are still looking for investors who will invest in the work that they are currently producing.

## 1.3 PARTICIPATION AT THE APPLAUSE RISING TALENT SHOWCASE

The Department supported one of the young talented girl, Qhama Tongo, who was nominated to participate in the national competition held in Johannesburg to represent South Africa at the Applause Rising Talent competition that was held in New York and Florida in the United State of America. She was nominated to participate in various categories such as solo artists and for commercials. For this young girl this was an opportunity of a life time.

## 1.4 PARTICIPATION AT UMTIZA ARTS FESTIVAL

The Umtiza Arts Festival is an annual event hosted in Buffalo City. The event provides a platform for local artists to showcase their talent as well as creating artists awareness / developmental programmes during this event. The event took place in three (3) different venues i.e. East London Guild Theatre, East London Museum and Ann Bryant Art Gallery.

The 2019 Umtiza Festival was attended by approximately 3000 people over a period of three (3) days. The event has a potential to grow.

## 1.5 PARTICIPATION AT MACUFE ARTS FESTIVAL

The Directorate supported seven local artists to participate and showcase their talent at the MACUFE Arts Festival.

**Exhumation, Repatriation and Reburial Programme**

In the year under review (2018/19) Buffalo City Metropolitan Municipality collaborated with the Eastern Cape Provincial Department of Sports, Recreation, Arts and Culture (DSRAC), Department of Military Veterans and Department of International Relations and Cooperation towards exhuming, repatriating and reburial of the mortal remains of Comrade Mzuvukile Pedro Bata and the spirit of Patrick Themba Magxala. Both Comrades were the members of Umkhonto weSizwe, an armed wing of the African National Congress. They died whilst in exile and were buried at Dakawa Cemetery, Morogoro Municipality in Tanzania. Their mortal remains were exhumed during the month of March and were reburied on 13 and 14th of April 2019. BCMM's role was to coordinate the funerals for the two mortal remains.

# BUFFALO CITY FRESH PRODUCE MARKET

The Municipal Fresh Produce Market provides space for customers and suppliers of fresh produce to meet. The suppliers who are farmers, bring their produce to be sold by appointed market agencies who are allocated space at the Municipal Fresh Produce Market. The Municipal Fresh Produce Market receives 5% commission from farmers and this is calculated as a percentage of sales. The Municipal Market generates other income by collecting rentals for office space, cold storages and other general storage.

The Buffalo City Fresh Produce Market is part of the eighteen (18) National Fresh Produce Markets who were founded with an objective of ensuring food security for its surrounding communities. National Fresh Produce Markets achieve this objective by being price setters for fresh produce as daily prices depend on demand and supply. Through them being price setters, they maintain the prices of fresh produce at an affordable rate, thereby ensuring access to even poor households. In doing its part, the Buffalo City Fresh Produce Market distributed about 88 000 tons in this financial year, which is an increase of 10% when compared to 80 000 of the previous year. This increase has been achieved through increased visibility and awareness.

The Buffalo City Fresh Produce Market continues to create a market for all categories of farmers irrespective of size, gender and race, and had extensively advertised to create awareness about its existence and services. The Market has concluded a Memorandum of Understanding with the Solidaridad Network South African Trust, this partnership is aimed at achieving sustainable growth in agriculture value chains for improved social and economic welfare of the farmers and agri-business enterprises.

Opportunities still exist for extended product offering and transformation. The Market is assessing this potential through the development of a master plan which includes a feasibility study for future growth, agro-processing and inclusion of previously disadvantaged individuals in distribution of agricultural products. This assessment will be concluded by the end of 2019 and information will be made available to potential investors.

Furthermore, the Market works closely with the Metro's Agriculture and Rural Development Department. The Market participates in the BCMM Annual Agricultural Show and makes presentations at Information Seminars which are held quarterly. These platforms are crucial to ensure that emerging farmers have access to real time agricultural sector intelligence. Such intelligence is also made to other Provincial Departments such as Department of Economic Development, Environmental Affairs and Tourism (DEDEAT).

The infrastructure upgrade and systems that are efficient and MSCOA compliant contribute immensely to the Market's long-term sustainability, despite competition and low volumes of production locally. Constant benchmarking across different Markets such as Durban and Cape Town assists in keeping up the standards.

To guide its operations the Municipal Market adopted the Codes of Best Practices that were published by the Department of Agriculture, Forestry and Fisheries. These codes embody the national norms and standards which the National Fresh Produce Markets are expected to comply with in the execution of their mandate. This Department has provided immense value to the Market.

In implementing these codes of best practice, the Market has successfully enhanced its security through having well-resourced security personnel, a motorised boom gate for access control and installing 62 CCTV cameras. The Market is also increasing cold storage capacity to ensure preservation of fresh produce that is sent by farmers. Furthermore, the Market is busy investigating a waste management solution to ensure that its facility complies with applicable food hygiene standards and in this regard, opportunities exist for industries in recycling. A by-law which will assist in regulating and enforcing the Market operations is waiting to be gazetted.

The annual turnover for 2018/19 amounts to R 450 million which translates into a 5.8% growth compared to 2017/18. Our Market is ranked number five out of eighteen (18) National Fresh Produce Markets.

# TRADE AND INDUSTRY DEVELOPMENT DEPARTMENT

The Department Trade and Industry Development is constituted of the following Units:

Enterprise Development Unit – SMMEs, cooperatives, informal trade and business licensing

Agriculture and Rural Development Unit – crop production and livestock improvement

Trade and investment promotions – export development programme, invest buffalo city and the revival of industrial parks

## ENTERPRISE DEVELOPMENT UNIT

The role of enterprise development unit is to promote, facilitate and create a conducive environment for businesses to thrive within the City. The Unit has three (3) Business Support Centres in Mdantsane, King William's Town and Duncan Village. The programmes for the Unit are implemented through these Centres as they are closer to the ground. The centres offer walk-in support, business registration services, they also act as business information offices, coordinate enterprise awareness outreach programmes, business skills and capacity building programmes, finacial support in the form of procurement of equipment as well as market access. The unit provides business registration services to both formal and informal businesses (hawkers/street traders).

### 1) CAPACITY BUILDING OR TRAINING DEVELOPMENT

The Unit has provided various interventions to SMME's, Cooperatives and the Informal Trade Sector as follows:

**Capacity Building: Intervention 1**

a) Plastering and tiling technical training – conducted for Ward 2 and 6, 20 youth benefited out of the programme. Two houses we identified within the community where practical was done, both houses were in Ward 1.
b) Cooperative governance and conflict resolution – training was conducted for all three areas, inland, midlands and coastal
c) Business Plan skills and Business Plan training – for all areas
d) Tendering advice and pricing training – training conducted for all areas
e) Basic electrical training – was held for Mdantsane youth
f) Paving and painting – was held in Duncan Village and had 19 youth
g) Chemical detergent training – was held for Ward 32 and Cambridge location, 20 youth and 10 women

### 2) WORKSHOPS/ SEMINARS - INTERVENTION 2

a) Business plan writing.
b) Cooperative governance and conflict management.
c) Small business compliance workshop was conducted by SARS in Mdantsane, 17 businesses attended.
d) Business start-up workshop was held for King Williams Town and Mdantsane, 35 newly registered businesses attended in King William's Town area and 16 in Mdantsane.
e) Tax clearance status workshop by SARS.
f) Unemployed Youth Seminar held in King Williams Town and was attended by 305 young people.

**Outreach programmes – Intervention 3**

a) Shaunville Community Hall Ward 39 – 53 community members attended
b) Ward 11 – 53 community members attended
c) Ward 27
d) Ward 35
e) Ward 39
f) Ward 26
g) Ward 25 – 305 community members attended
h) Ward 38 – 104 community members attended
i) Ward 33 – 69 community members attended

**Equipment and Machinery Handover – Intervention 4**

a) Hawker stall in Berlin.
b) All 4 One Cooperative – Block making machine, 30 bags of cement and sand
c) Yiyo Enterprise – Peanut butter and jam cooker machine and 100 containers for packaging.
d) Highway shoe repairs and shoe shine – machine for shoe stretching.
e) Car wash extension for Gita Taxi rank – 60 member cooperative, revamped the car wash structure, vacuum cleaner steel tank, pressure washer, 2 bench tables and chairs.
f) Big Umbrella for bench tables.
g) Masikhanyiselane Bakery.

**Access to markets – Intervention 5**

The Mangaung African Cultural Festival (MACUFE) is one of the platforms identified to support crafters for exhibition of their products. It is a biggest show taking place in Bloemfontein during October, crafters are afforded an opportunity to showcase African Arts and culture. 5 crafters have been

assisted to participate and exhibit their products. All 5 crafters were represented by one (1) which was selected transparently by other 5 members to represent and sell their products or craft. BCMM crafters had best selling craft, best stalls as that was announced at the end of the show. Total sales that have been made by the crafters amounted to R 7 620 excluding the follow up that have been made through orders.

## AGRICULTURE AND RURAL DEVELOPMENT

The role of agriculture and rural development Unit is to promote agriculture and rural development through farmer support programmes that will increase the agricultural output and increase the sector's contribution to the GDP The unit is involved in cropping and infrastructure support

### AQUAPONICS PROJECT

Aquaponics production is a system that combines conventional aquaculture (raising aquatic animals such as fish, crayfish or prawns in tanks) with hydroponics (cultivating plants in water) in a symbiotic environment and poultry farming. Waste from chicken is used to feed fish and the high levels of nitrogen in the water is beneficial to vegetables. Office of The Premier (OTP) identified this programme as a way of fighting poverty while empowering youth with skills, Buffalo City Metropolitan Municipality was identified for its implementation.

Office of the Premier has selected Buffalo City Metropolitan Municipality (BCMM) for the implementation of the Aquaponics Pilot Project as part of its youth development programme, and two sites were identified at Ebenezer Majombozi High School in Duncan Village and Nosizwe Primary in Zwelitsha. Beneficiaries for both projects have been identified by OTP and stipends will be paid for a period of two years.

A consulting company has already been appointed to manage, install the projects and provide mentorship programme to beneficiaries for a period of two years. Consultative meetings were held with various stakeholders with an aim of establishing a Project Steering Committee that will guide and provide technical expertise. The implementation of the project could not start due to technical challenges experienced by OTP with regards to the Service Provider that they have appointed, even though the City had spent money in terms of clearing the site and building a concrete slab. OTP is handling the matter through their Legal Department. During bush clearing and construction of a concrete slab about 10 jobs were created for the local community.

## FARMER SUPPORT

**AGRICULTURAL SHOW –** the show is an annual event hosted by the Unit, the show was held on October 2018 in partnership with the Department of Rural Development and Agrarian Reform (DRDAR). An element of horse racing was introduced as another opportunity that can be explored by farmers, the event started with horse racing which was held at Tyusha Village and the show where an exhibition was held at Bisho show grounds on the 25th October 2018.

Both events were done to promote and pull farmers together to exhibit their products while competing against each other and market their produce to the public and potential retail businesses and public institutions. Through the introduction of the horse racing farmers will be encouraged to breed horses that will participate in horse racing events. Some of the horses that raced on the first day also raced in the Berlin November event which is a horse racing event hosted annually within the City. The Agricultural show and the horse racing event were attended by stakeholders that play a big role in terms of supporting the agricultural sector e.g. Department of Social Development, Eastern Cape Rural Development Agency, Office of the Premier, Department of Rural Development and Land Reform, ECRDA and private companies etc.

Agricultural show encourages competitiveness amongst local farmers, showcases as well as market farmers' produce and products as they sell their production to local communities that attend the show. Best producers enter a competition and are not only judged on their produce but the time they invest in their gardens producing the quality of vegetables and livestock.

**MAIZE PRODUCTION -** several emerging farmers from various villages practise maize production, are limited by lack of production inputs and infrastructure such as fencing which leads to unsuccessful farming. The Unit seeks to assist the farmers towards achieving the goals of food security, poverty alleviation, also to contribute in job creation. The project is in line with one of the strategies to promote the Agricultural sector outlined in the municipality's Economic Development Strategy and is also part of the municipality's Integrated Development Plan. 17 projects that are practising maize production have been identified. This is a partnership programme with DRDAR and the Unit assisted these villages with production inputs like fertilizer, seed, and chemicals, and Department of Rural Development & Agrarian Reform assisted with mechanisation, provided tractors to do all operation. Department of Rural Development and Agrarian Reform also assisted with technical advice, through extension officers and Scientists. These villages have active Farmer's Association that work with the Unit and DRDAR and they sell their produce in local markets.

## NAME OF VILLAGE / PROJECTS ASSISTED AND NO. OF HECTORS PLANTED PER PROJECT/

| NAME OF PROJECT | | HA PLANTED | NO. OF BENEFICIARIES PER PROJECT |
|---|---|---|---|
| 1 | Pirie Mission | 10 | 22 |
| 2 | Varoyi | 25 | 15 |
| 3 | Jubisa | 20 | 49 |
| 4 | Nkqoqweni | 10 | 5 |
| 5 | Masele | 50 | 37 |
| 6 | Gwaba | 50 | 50 |
| 7 | Sixhenxe | 20 | 5 |
| 8 | Newlands | 20 | 20 |
| 9 | Monakali | 30 | 1 |
| 10 | Zikhova | 25 | 25 |
| 11 | Fineview farm | 40 | 2 |
| 12 | Sigxothindlala | 50 | 19 |
| 13 | Gxetu | 10 | 21 |
| 14 | Vusiphango - Atile | 20 | 20 |
| 15 | Ncera 8 & 9 | 42 | 92 |
| 16 | Mabaleni | 15 | 23 |
| 17 | Kiwane | 30 | 30 |
| **TOTAL** | | **447 ha** | **435** |

**VILLAGE INPUTS THAT WERE DELIVERED**

About 435 emerging farmers from 17 villages were supported with production inputs, and local people benefited from these projects, through job opportunities, transfer of skills and also food security. The following table outline the inputs received by farmers:

| | |
|---|---|
| Seed 60 000 K<br>PAN 66 | 329 (25kgbags) |
| Fert. 50 kg bag<br>2:3:4 (30) | 700 (50kg bags) |
| LAN | 780 (50kg bags) |
| Black Urea | 603 (50 kg bags) |
| Chemicals<br>Cylam | 46.12L |
| Blood buffer | 46.12L |
| Azoxystrobin<br>(Mirador) | 134 L |
| Metolachlor | 337L |

**PRODUCTION INPUTS (POULTRY & PIGGERY) –** emerging farmers from Ward 40 (Amasirayeli Chicken Project at Tamara Village has been supported with a poultry structure as they have been producing broilers but with a challenge of a proper structure that will assist them in meeting the demands of the markets. The project consists of 14 members and all these members are working in the project in addition to the jobs that have been created 8 temporal jobs were created during construction phase.

## INFRASTRUCTURE

**DIP TANKS –** Farmers that are involved in livestock farming have been supported through the construction of dipping tanks at Gwaba, Tolofiyeni and Hili villages.

**IRRIGATION SYSTEMS -** The emerging farmers from Ward 36 (Mzintsane Village), Ward 36 (Pirie Mission), Ward 38 (Mzantsi Village), Ward 40 (Mlakalaka Village), Ward 40 (Qongqotha Village), and Ward 26 (Newlands) practise vegetable and crop production but are limited by lack of infrastructure such as irrigation system which leads to unsuccessful farming and low yields.

| PROJECT NAME | NO. OF BENEFICIARIES |
|---|---|
| Mzintshane Village | 20 |
| Mlakalaka Village | 21 |
| Newlands | 20 |
| Mzantsi Village | 6 |
| Pirie Mission | 9 |
| Qongqotha Village | 9 |

## BUFFALO CITY FRESH PRODUCE MARKET

The Buffalo City Fresh Produce Market (BCFPM) receives and sells fresh produce to the public on behalf of the farmers who are represented by market agents who operate on allocated floor space. The market generates income from commission on turnover and rental income. The market provides cold room storage facilities, security, cleaning, cash collection points, personnel and trading system.

During the 2017/18 financial year, Buffalo City Metro worked closely with the Department of Agriculture, Forestry and Fisheries (DAFF). Amongst others, DAFF monitors implementation of Codes of Best Practice (COBP) for National Fresh Produce Markets as they pertain to market managers, market agents, producers, labour and service providers. The main objective is to ensure that markets are assisted, equipped and empowered as platforms of excellence to provide and supply quality fresh produce to the fresh produce value chain as a whole. As part of the collaboration with DAFF, the Tshwane Fresh Produce Market was roped in to assist through mentorship and coaching of operational staff to ensure that the Codes of Best Practice were implemented successfully. The formal final report was submitted to Council at the end of the intervention.

As a direct result of the support and mentorship from DAFF and the Tshwane Fresh Produce Market, the Buffalo City Fresh Produce Market completed a new draft by-law for the market. This by-law will be subjected to public participation soon, with promulgation into law to follow in the new financial year.

The BCFPM has appointed a professional service provider to conduct a feasibility study that will inform expansion into a Fresh Produce and Food Distribution Centre for Buffalo City and surrounding areas. This is done through the development of a Master Plan which will provide opportunities for extended product offering where the Market can offer more than fresh fruit and vegetables. This is expected to present an opportunity for participation of previously disadvantaged individuals. Strong partnerships, mentorship and support would be critical success factors for any such ventures. Future packaging opportunities still exist around waste economy which could benefit local Co-operatives that are in recycling, composting, etc.

In 2017/18, the Fresh Produce Market invested R 12.2 million in capital improvements which is a decrease when compared to R17.8 million in 2016/17. For the 2017/18 financial year the Fresh Produce Market prioritized the following projects:

a) Upgrading of the market hall through the removal of old asbestos sheets and replacing them with chromadek sheets.
b) Installation of CCTV Camera system to enhance security,
c) Building of new banana ripening rooms,
d) Construction of pallet zone
e) Relocation of cashier cubicles.

These upgrades are intended to enhance the security, operational efficiency, hygiene and infrastructure that the market currently provides to market agencies and to ensure that the facility enhances its potential to attract more buyers, more suppliers, more quantities and better-quality products.

The Buffalo City Fresh Produce Market hosted an Open Market Day which was intended to introduce and expose the activities of the Market to emerging farmers. Moreover, to encourage these farmers to produce quality produce that can be sold through the Market systems and the importance of proper branding and packaging as they are significant influences of price. Some of the farmers were also assisted with transport to bring their produce to be sold on the day of the event. Their produce got sold and payments processed within the stipulated time. The day started with a brief tour of the Market facilities and Market Agents' stands. Key stakeholders that were part of the Market Open Day included the Department of Agriculture, Forestry and Fisheries, Farmers' Association, Farmers, Fort Cox College, Department of Rural Development and Agrarian Reform and Youth Formations.

In terms of financial performance of the Market, the annual turnover for the 2017/18 financial year is R426 million with 87 000 tons of produce. This is an increase of 7% when compared to 2016/17 financial year where the turnover was R396 million with 80 000 tons of produce distributed. The Market receives a commission of 5% of the turnover and this is treated as revenue for the municipality. The different market agents receive a commission of up to 7.5% of the same turnover in order to cover their administrative selling costs and the remainder is distributed to the various farmers/suppliers. The BCMM Fresh Produce Market is ranked number 5 out of the 17 national fresh produce markets in terms of turnover.

# INVESTMENT RETENTION AND ATTRACTION

## TRADE PROMOTION

Buffalo City Export Helpdesk is an initiative of the Buffalo City Metro and the Eastern Cape Development Corporation (ECDC) to develop and promote exports in the BCMM region. Export Helpdesk Programme is aligned to the Integrated National Export Strategy (INES), National Exporter Development Programme (NEDP) and Eastern Cape Export Strategy which outlines development and promotion of exports.

The mandate of the Buffalo City Export Helpdesk is to retain current exporters, develop exporters and attract new exporters and to create a conducive environment for exporters in the BCMM region. The objectives are:

a) To create capabilities to grow exports in the region by providing appropriate information to the SMMEs.
b) Sustain growth in traditional markets and penetrate new high growth markets
c) Creation of a vibrant export culture, provision of trade information services and advise
d) Assist companies to overcome international market access barriers for growth, profitability & survival of SMMEs

The Buffalo City Export Help Desk facilitated various interventions to support exporters that included the following:

- Export awareness -programme focuses on creating awareness about how to export your products and what is expected.
- Global Exporter Passport Programme Phase 1 -3 – programme enables non-exporters with potential to become emerging exporters as well as understanding export cycle, process and logistics
- Export Sector Specific Training - Facilitation of export trainings in the province is one of the key deliverables of the BC Export Helpdesk. Exporting can be a complex exercise therefore its essential that domestic companies are trained and gain the necessary skills required for trading globally. In order for exports to grow in the BC an export culture should be created and this is achieved through export awareness activities and training of companies.
- Exporter Development Programme – This is a mentorship programme, purpose is to provide assistance to different levels of companies across the Eastern Cape and ensure that exports contribute to the company's growth, and to the Eastern Cape economy. Moreover, the programme is designed for addressing barriers faced by companies before entering the export market, particularly focused on companies with the potential to export, but lack support to expand their market footprint, enter and explore new markets internationally.
- Export Symposium – which was the first of its kind and mentioning a few objectives were to create an enabling environment for international competitiveness for Eastern Cape Exporters, diversify exports into more value added and manufactured goods and services as well as enhanced understanding of the new markets with an emphasis on Africa and emerging markets.

The Buffalo City Export Help Desk facilitated various interventions in 2018/19. These included Outward Selling Missions to five different countries which are instrumental in facilitating access to new markets. The outward selling missions and the number of local companies that participated are summarised below:

**Ghana Outward Selling Mission** – 5 companies that attended the mission

**Facim Mozambique** – 2 Companies that were profiled in mission

**Morocco Leather and Shoes** – 3 companies that attended the mission

**Africa Sourcing and Fashion Week Ethiopia** – 5 companies that attended the mission

**China SMME International Fair** – 4 companies that attended the mission

**Botswana Global Expo**– 3 companies that attended the mission

**Leatherworld Paris** – 1 company that attended the mission

**Francal Fair – Brazil** – 2 companies attended the mission

**West Africa Outward Selling Mission** – 1 company
Furthermore, the Buffalo City Export Help Desk also facilitated Inward Buying Missions, which also offer an exceptional opportunity for local companies to showcase their offerings. The Inward Buying Missions for 2018/19 are summarized below:
**Kuwait** – 9 farmers including fodder suppliers and abbatoirs
**Ghana** – 17 companies
**Source Africa** – 6 companies participated in the show
**Southern Africa Local Manufacturing Expo**, Johannesburg – 2 companies that attended the expo
**Manufacturing and Composite Expo**, Port Elizabeth – 3 companies

## TRADE PROMOTION

Buffalo City Export Helpdesk is an initiative of the Buffalo City Metro and the Eastern Cape Development Corporation (ECDC) to develop and promote exports in the BCMM region. Export Helpdesk Programme is aligned to the Integrated National Export Strategy (INES), National Exporter Development Programme (NEDP) and Eastern Cape Export Strategy which outlines development and promotion of exports.

The mandate of the Buffalo City Export Helpdesk is to retain current exporters, develop exporters and attract new exporters and to create a conducive environment for exporters in the BCMM region. The objectives are:

a) To create capabilities to grow exports in the region by providing appropriate information to the SMMEs.
b) Sustain growth in traditional markets and penetrate new high growth markets
c) Creation of a vibrant export culture, provision of trade information services and advise
d) Assist companies to overcome international market access barriers for growth, profitability & survival of SMMEs

*T 3.11.1*

**Economic Activity by Sector**

**1 000**

| Sector | 2016 | 2017 | 2018 |
|---|---|---|---|
| Agric, forestry and fishing | R500 000 000,00 | R600 000 000,00 | R670 000 |
| Mining and quarrying | R36 840 000,00 | R36 840 000,00 | R39 300 000 |
| Manufacturing | R10 000 000 000,00 | R10 900 000 000,00 | R12 100 000 000 |
| Wholesale and retail trade | R13 600 000 000,00 | R14 000 000 000,00 | R15 200 000 000 |
| Finance, property, etc. | R13 100 000 000,00 | R14 100 000 000,00 | R16 200 000 000 |
| Govt, community and social services | R18 400 000 000,00 | R18 400 000 000,00 | R19 800 000 000 |
| Infrastructure services | R13 660 000 000,00 | R15 000 000 000,00 | R15 600 000 000 |
| **Total** | **R69 296 842 016,00** | **R73 036 842 017,00** | **R78 939 970 000** |

T 3.11.2

**Economic Employment by Sector**

**Jobs**

| Sector | 2016<br>No. | 2017<br>No. | 2018<br>No. |
|---|---|---|---|
| Agric, forestry and fishing | 18 292 | 17 423 | 18 900 |
| Mining and quarrying | 296 | 298 | 138 |
| Manufacturing | 17 594 | 17 391 | 20700 |
| Wholesale and retail trade | 35 458 | 39 272 | 39900 |
| Finance, property, etc. | 26 768 | 26 768 | 26500 |
| Govt, community and social services | 56 064 | 55 326 | 52300 |
| Infrastructure services | 17 378 | 17 453 | 14400 |
| **Total** | **171850** | **173931** | **172 838** |

T 3.11.3

## COMMENT ON LOCAL JOB OPPORTUNITIES:

### TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS:

The number of trips by tourists visiting Buffalo City Metropolitan Municipality from other regions in South Africa has decreased at an average annual rate of -0.66% from 2008 (625 000) to 2018 (585 000). The tourists visiting from other countries increased at an average annual growth rate of 2.32% (from 34 900 in 2008 to 43 900). International tourists constitute 6.98% of the total number of trips, with domestic tourism representing the balance of 93.02%.

### TOTAL TOURISM SPENDING:

Buffalo City Metropolitan Municipality had a total tourism spending of R 2.72 billion in 2018 with an average annual growth rate of 6.4% since 2008 (R 1.47 billion). Eastern Cape Province had a total tourism spending of R 15.8 billion in 2018 and an average annual growth rate of 3.4% over the period. Total tourism spending in South Africa increased from R 153 billion in 2008 to R 296 billion in 2018 at an average annual rate of 6.8%.

### TOURISM SPEND AS A SHARE OF GDP:

In Buffalo City Metropolitan Municipality, the tourism spending as a percentage of GDP in 2018 was 3.46%. Tourism spending as a percentage of GDP for 2018 was 4.18% in Eastern Cape Province, 6.06% in South Africa.

### TOTAL EMPLOYMENT:

In 2018, Buffalo City employed 246 000 people which is 17.09% of the total employment in Eastern Cape Province (1.44 million), 1.53% of total employment in South Africa (16.1 million). Employment within Buffalo City increased annually at an average rate of 1.15% from 2008 to 2018.

### TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR

In the Buffalo City Metropolitan Municipality, the economic sectors that recorded the largest number of employees in 2018 were the community services sector with a total of 62 700 employed people or 25.5% of total employment in the metropolitan municipality. The trade sector with a total of 58 300 (23.7%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 138 (0.1%) is the sector that employs the least number of people in Buffalo City Metropolitan Municipality, followed by the electricity sector with 2 160 (0.9%) people employed. Tourism as an economic sector forms art of trade sector.

### TOURISM CONTRIBUTION TO EMPLOYMENT:

It is estimated that the total employment opportunities created by tourist spending thus including those directly, indirectly and trade induced employed stood at 9700 employment opportunities.

*T 3.11.4*

## JOBS CREATED DURING YEAR 2018/19 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)

| Total Jobs created / Top 5 initiatives | Jobs created No. | Jobs lost/displaced by other initiatives No. | Net total jobs created in year No. | Method of validating jobs created/lost |
|---|---|---|---|---|
| **Total (all initiatives)** | | | | |
| Year -2 | | | | time sheets |
| Year -1 | | | | time sheets |
| Year 0 | 968 | | | time sheets |
| | | | | |
| Initiative A Hosting/ Supporting of events | 1280 | 0 | 1280 | |
| Kiwane Campsite | 35 | 0 | 35 | |
| Tourism Hub | 55 | 0 | 55 | |
| Dimbaza Revitalisation Project | 40 | | 40 | |
| Tourism Ambassadors | 53 | | 53 | |
| Initiative C (Year 0) | | | | |

T 3.11.5

## JOB CREATION THROUGH EPWP* PROJECTS

| Details | EPWP Projects No. | Jobs created through EPWP projects No. |
|---|---|---|
| 2015/16 | 40 | 2,000 |
| 2016/17 | 50 | 2,900 |
| 2017/18 | 22 | 1,039 |
| 2018/19 | 52 | 3,100 |

T 3.11.6

# LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives / Service Indicators | Outline Service Targets | Year 2017/18 | | Year 2018/19 | | | Year 2019/20 | Year 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Promote retention and expansion of existing industries | Number of interventions supported to retain existing investors and promote attraction of new investment into Buffalo City | 0 | 0 | 0 | 1 | 1 | 3 | 3 | 4 |
| Implemente Metro Rural Development and Agrarian Reform Strategy | Number of Agricultural Farmer support programmes implemented (New KPI) | 4 | 10 | 10 | 3 | 8 | 9 | 10 | 12 |
| Promote entrpreneurship to grow the business sector in Buffalo City | Number of Infrastructure projects for informal traders | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 3 |
| Provide capacity building and support to small businesses supported | Number of interventions implemented to support SMMEs and Cooperatives (New KPI) | | | | | 6 | 6 | | 6 |
| Facilitate job creation | Number of job opportunities created through Municipal Projects and partnerships | 0 | 1000 | 968 | 1000 | 968 | 650 | | 700 |
| Implement programmes to develop., manage and improve tourism offerings of Buffalo City to enhance visitor experience | Number of initiatives (programmes) implemented to market and promote Buffalo City as a tourist destination of choice | 1 | 0 | 1 | 2 | 10 | 10 | 10 | 11 |

# LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives / Service Indicators (i) | Outline Service Targets (ii) | Year 2017/18 | | Year 2018/19 | | | Year 2019/20 | Year 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| **Service Objective xxx** | | | | | | | | | |
| Implements programmes aimed at developing, managing and promoting arts, culture and heriatge in Buffalo City in order to promote reconciliation and social cohesion | Number of arts, culture and heritage projects implemented | 11 | 11 | 11 | 13 | 8 | 13 | 13 | 8 |
| Implement Trade and Industry Development initiatives | Number of interventions implemented on export development and promotion for emerging exporters on a quarterly basis (New KPI) | 10 | 13 | 13 | 15 | 15 | 13 | 13 | 12 |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role. T 3.11.7

## EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 22 | 23 | 21 | 2 | 8.7% |
| 4 – 6 | 23 | 27 | 23 | 4 | 14.81% |
| 7 – 9 | 13 | 8 | 5 | 3 | 37.5% |
| 10 – 12 | 7 | 15 | 13 | 2 | 13.33% |
| 13 – 15 | 7 | 6 | 5 | 1 | 16.67% |
| 16 – 18 | 2 | 0<br>5 | 4 | 1 | 20% |
| 19 – 20 | 1 | 2 | 2 | 0 | 0% |
| **Total** | **75** | **86** | **73** | **13** | **15.12%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.11.8

## FINANCIAL PERFORMANCE 2018/2019: LOCAL ECONOMIC DEVELOPMENT SERVICES

R'000

| Details | 2017/2018 | 2018/2019 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **23 362** | **27 126** | **27 126** | **25 418** | **-7%** |
| Expenditure: | | | | | |
| Employees | 28 867 | 34 310 | 34 310 | 33 810 | -1% |
| Repairs and Maintenance | 941 | 1 401 | 1 401 | 1 406 | 0% |
| Other | 26 742 | 419 | 419 | 419 | 0% |
| Total Operational Expenditure | 56 550 | 36 130 | 36 130 | 35 635 | -1% |
| Net Operational Expenditure | 33 188 | 9 004 | 9 004 | 10 217 | 12% |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.11.9

R' 000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **54 400** | **61 235** | **29 780** | **-83%** | |
| BUILDING OF MEMORIAL STONES | 130 | 130 | – | 0% | 930 |
| BUILDING OF MEMORIAL STONES | – | 125 | 105 | 100% | 125 |
| EXTENSION OF MDANTSANE ART CENTRE | 1 600 | 300 | – | 0% | 3 600 |
| FENCING OF WORLD WAR 1 | 350 | 350 | – | 0% | 750 |
| RESTORAT WORK - SETTLERS WAY | 600 | 600 | – | 0% | 1 300 |
| RESTORAT WORK - SETTLERS WAY | – | 425 | – | 0% | 425 |
| RESTORAT WORK DESMOND TUTU MONUMENT | 600 | 600 | – | 0% | 1 000 |
| ART CULTURE & HERITAGE SITES UPGR C/O | – | 928 | 734 | 100% | 928 |
| UPGRADING OF COLD ROOMS | 2 000 | 2 000 | 1 158 | -73% | 2 000 |
| MARKET PLANT AND EQUIPMENT | 1 000 | 600 | – | 0% | 600 |
| INSTALLATION OF BOOM GATES | 200 | 200 | 189 | -6% | 200 |
| UPGRADING OF MARKET HALL | 4 800 | 7 200 | 1 897 | -153% | 38 000 |
| CCTV CAMERA INSTALLATION C/O | – | 596 | 467 | 100% | 596 |
| HYDROPONICS AND PACKHOUSE - WARD 20 | 650 | 650 | 45 | -1349% | 650 |
| HYDROPONICS AND PACKHOUSE - WARD 24 | 650 | 650 | – | 0% | 650 |
| HYDROPONICS AND PACKHOUSE - WARD 22 | 650 | 650 | – | 0% | 650 |
| HYDROPONICS AND PACKHOUSE - WARD 26 | 100 | 3 100 | 1 498 | 93% | 3 100 |
| HYDROPONICS AND PACKHOUSE - WARD 21 | 650 | 650 | – | 0% | 650 |
| HYDROPONICS AND PACKHOUSE - WARD 40 | 550 | 550 | – | 0% | 550 |
| HYDROPONICS AND PACKHOUSE - WARD 34 | 650 | 650 | – | 0% | 650 |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 500 | 500 | 364 | -37% | 500 |
| INFORMAL TRADE (HAWKER STALLS) | 8 000 | 5 000 | 1 460 | -448% | 32 000 |
| INFORMAL TRADE (HAWKER STALLS) C/O | – | 5 000 | 4 621 | 100% | 5 000 |
| KWT ART CENTRE | 1 720 | 1 720 | – | 0% | 4 220 |
| IMPROVE ACCESS ROAD AND ROAD SIGNAGE | 2 000 | – | – | 0% | 7 000 |
| UPGRG OF ACCESS ROAD TO COMMUN LODGE C/O | – | 2 615 | 2 265 | 100% | 2 615 |
| SITE LANDSCAPING - COMMUNITY LODGE C/O | – | 2 500 | 1 407 | 100% | 2 500 |
| INSTALLATION OF ADVENTURE ACTIVITIES | 2 000 | – | – | 0% | 4 500 |
| INSTALLATION OF KIDDIES PLAY AREA | 3 000 | – | – | 0% | 8 000 |
| OFFICE FURN & EQUIPMENT - SMME INCUBATOR | 1 000 | – | – | 0% | 4 000 |
| OFFICE FURN & EQUIPMENT - SMME INCUBATOR | – | 906 | 817 | 100% | 906 |
| INSTALLATION OF RECREATIONAL FACILITIES | 2 500 | 2 500 | 705 | -255% | 4 500 |
| INSTALLATION OF RECREATIONAL FACILITIES | – | – | – | 0% | – |
| CONTRUCTION OF CABIN ACCOMMODATION | 4 500 | – | – | 0% | 5 500 |
| TOURISM HUB | 4 000 | 9 000 | 6 898 | 42% | 22 000 |
| UPGRADING OF BUILDINGS | 1 000 | 1 000 | 1 000 | 0% | 3 000 |
| UPGRADING OF BUILDINGS | – | 540 | 497 | 100% | 540 |
| WATER LEISURE ACTIVITIES | 3 000 | 3 000 | 176 | -1608% | 6 000 |
| CONSTRUCTION OF BRAAI OUTDOOR LOUNGES | 2 000 | 2 000 | – | 0% | 5 000 |
| REVITALISATION OF INDUSTRIAL AREA | 4 000 | 4 000 | 3 478 | -15% | 10 000 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.11.10

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Directorate of Economic Development and Agencies performed exceptionally well given the huge challenges in economic infrastructure backlog and limited resources to achieve this and a relatively small staff complement. Services were rendered to both urban and rural areas of Buffalo City. These included the following which could be highlighted:

- Provision of equipment and materials to SMMEs to kickstart and grow their businesses
- Business and Technical Skills to young entrepreneurs
- Hawker Stalls rollout in Bisho, Berlin and Mdantsane
- Development and adoption of the Tourism Secvtor Growth Strategy
- Tourism Hub launch
- Installation and unveiling of a life-size statue of Dr. M. B. W. Rubusane
- Support with basic infrastructure to emerging farmers
- Upgrading of the Fresh Produce Market and tightening of security measures
- Accelerated support to Buffalo City Exporters
- Commencement of the development of the Buffalo City Investment and Incentives Strategy

***T 3.11.11***

# COMPONENT D: COMMUNITY & SOCIAL SERVICES

## INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The Directorate of the Municipality Services is responsible for rendering of services in Horticulture, Vegetation Control, Arboriculture, Cemeteries and Crematorium, Sports Field, Swimming Pools, Marine Services, Resorts and Zoo and provide for the education, conservation, sports and recreation needs of community.

A Library Service is provided, offering Lending, Reference, Study, Photocopy and wi-fi facilities as well as a book stock which covers a wide range of fiction, non-fiction and Reference, and offers additional services such as Special Services (Mobile Libraries, home visits), Prison and Old Age Depots, as well as focusing strongly on Early Childhood Development programmes. Events and outreach programmes are held on a regular basis for all to know the value of libraries and literacy, and all the services offered by Libraries. Halls are hired to communities for various events. It also provides general lending, reference, copy, and study facilities at its libraries and use of halls. It also renders services such as refuse removal, street sweeping, waste minimization and operates the landfill/ waste sites as well as garden transfer stations. It also has an overarching strategic responsibility for the protection and management of the natural environmental in Buffalo City Metropolitan Municipality Area.

## MARINE AND ZOOLOGICAL SERVICES DIVISION:

The Marine and Zoological Services (M&Z Services) Division comprises of the Zoo, Aquarium and Nature Reserves. These amenities contribute to the upliftment of the community by conservation of the environment, the education of the community, and provides for recreation and leisure opportunities for the communities. The Aquarium and Zoo offer a variety of animal species for public display. The Zoo and Aquarium are amongst the oldest in the country. The Aquarium is located along the Beachfront/Esplanade, and the Zoo is within natural green space close the Central Business District. School groups including schools from historically disadvantaged areas that visit the Zoo and Aquarium pay a school group tariff which reduces the financial strain on the schools. The Zoo and Aquarium are very popular and host many school excursions.

The Nahoon Point and the Nahoon Estuary nature reserves offer recreation and education to the communities and have popular hiking trails. Nahoon Point Nature Reserve has an educational centre, which comprises of display of the history of surfing. Nahoon Estuary has a bird hide, and both nature reserves have a variety of fauna and flora. Entrance to the Nature Reserves are free.

Educational outreach is one of the important functions of this division. In this regard, many school groups receive guided tours of these amenities. The environmental educators based at these amenities also go out to schools and other sectors of the community to market what these amenities have to offer, and to inspire learners to take up a career in the fields of marine and zoological services. The communities are also engaged to participate in National Environmental Days, Coastal Clean-up days, etc.

The Zoo and the Aquarium are members of the Pan African Association of Zoos and Aquaria (PAAZA), which sets standards for these amenities to strive for in terms of its operations.



The Solid Waste Management Services Department provides the waste management service to the City's Coastal, Midland and Inland regions. The City currently provides waste management service to about 126 000 billed households as well as 101 806 indigent households. In order to carry out the waste management service the Department has an Operations Unit in all three regions (Coastal, Midland and Inland). The Operations Unit's tasks include among others viz: Area cleaning, Refuse removal as well as clearance of illegally dumped waste.

The Cemeteries and Crematorium section is responsible for the provision of Interment and Cremation services. There are currently 31 operational cemeteries which are spread across the 3 regions of the Buffalo City Metropolitan Municipality and there is 1 Crematorium which is based in Cambridge, East London.

Community halls and meeting rooms provide a wide range of community- based education, cultural, recreation, health, social and leisure activity opportunities in venues which make a positive contribution to the local communities. The Community Halls and Meeting Rooms are used by a variety of community groups, organisations, commercial hirers and individuals.

Community Halls are to be accessible and facilities should be accessed by all members of the community in general, and people with a disability in particular. Halls and Meeting Rooms are predominantly used by local residents however provide opportunities for use beyond the local community when the need arises.

The libraries in BCMM serve many diverse functions and needs, being not simply venues for the reading and lending of books, but also focus on grass-roots education, empowerment and economic development, creating hubs for life-changing, community-based activities and programs. They also focus on both the local practice and the grass-roots experience of making a community library a viable place to attain positive transformation, and of expanding the scope of what the library offers to meet the changing needs and priorities of its community.

Libraries provide a service to all communities and strive to be more socially cohesive, to provide a Library Service that is relevant to all communities served and, especially, to improve the lives of those who are information-deprived and who currently lack adequate access to information and books.

Libraries provide a service to all communities, especially to improve the lives of information-deprived communities who currently lack adequate access to information and books. The Libraries stock fiction and non-fiction such as reference, study, autobiographies, travel, recipe books, etc. and serve the adult, children and teen population. This includes pre-primary, primary and high school students who are from the surrounding areas of the libraries as well as tertiary students, working adults, unemployed adults and youth, and the aged. The libraries are used vastly by the unemployed and job-seekers. The Library Service strives to source and procure books in indigenous languages. They are assisted by subscriptions to certain newspapers which carry employment advertisements. Many of the users are illiterate or semi-literate, and part of the service rendered is to give assistance to those completing the necessary documentation.

In addition to the above, libraries promote and provide Early Childhood Development programmes as well as the Joyful Reading initiative where children from very young are encouraged in their love of books and reading. Programmes are held for caregivers in the importance of play in children's lives.

Outreach events are held on a regular basis to promote and encourage the usage and love of libraries, and the importance of libraries to all members of all communities

Libraries are currently a Provincial competency and run on an agency basis by Buffalo City Metropolitan Municipality. The library is dependent on an annual subsidy from Department Sports, Recreation, Arts & Culture. The arrangement as it is putting the libraries of BCMM under severe budgetary constraints. An amendment to this legislation would give the mandate for BCMM to run its own libraries.

Libraries in Buffalo City must serve many diverse functions and needs, and not only to simply be a venue for reading and lending of books, but also to focus on grass-roots education, empowerment and economic development, creating hubs for life-changing, community-based activities and programs. They should also focus on both the local practice and the grass-roots experience of making a community library a viable place to attain positive transformation, and of expanding the scope of what the library offers to meet the changing needs and priorities of its community.

1. Libraries are currently a Provincial competency and run on an agency basis by Buffalo City Metropolitan Municipality. The library is dependent on an annual subsidy from Department Sports, Recreation, Arts & Culture. The arrangement as it is has put the libraries of BCMM under severe budgetary constraints. An amendment to this legislation would give the mandate for BCMM to run its own libraries.

2. The provision of a complete and full-time library service to all communities. Certain libraries currently offer a part-time library facility in that they are open to the public for a limited amount of hours per week. Berlin Library is to render a full-time, comprehensive and realistic library service to all members of all communities.

3. The provision of Mobile Libraries to render a service to those who are not able to visit libraries.

4. The building of libraries so that all communities have access to a library, especially the disadvantaged areas.

5. The allocation of a sufficient and adequate budget for libraries to render a comprehensive and realistic service.

6. The implementation and establishment of e-books facility for members of the community to access through the Buffalo City Metropolitan Municipal website.

*T 3.12*

# 3.12. LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES; COMMUNITY FACILITIES, OTHER:

## 3.12.1. INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Buffalo City Council manages 18 libraries, 2 Mobile Libraries, 3 Prison Depots and 3 Old Age Home Depots, with 84 188 subscribers on behalf of the Provincial Government. The latter only subsidized Council's libraries' operating budget of R31 000 000 by R15 870 000 in the 2018/2019 financial year. There is a great need to extend the library service to all communities, especially by means of more Mobile Libraries, and electronic media such as e-books which will take the service to all community members with e-reader capable hardware without the user having to commute to a library, as well as to update book stock such as Reference / Study books, and to offer an additional service of computer stations which are linked to internet facility.

### HIGHLIGHTS

- The opening of a new Library Depot at the NU 5 Rental Office in Mdantsane on 18 March 2019.
- Further developments in the partnership with Harambee Youth Employment Accelerator Project in the roll-out of the first Learning Lab at King Williams Town Library. Each Learning Lab consists of ten computer stations, with internet connectivity completely independent of BCMM network. The Learning Hub will enable the youth to have access to facilities which would reduce their cost in looking for employment and make them more employable.

Examples of the on-line blended learning courses / programmes (simulated) are:

- Maths digital literacy.
- Microsoft digital literacy ie. Word, Excel, etc.
- 2nd chance Matric.
- K53 drivers' licence – for all codes.
- Job-seekers' online guide targeting careers such as retail, hospitality, SMME's.

- Libraries, in partnership with Lego Foundation, Takalani Sesame and BCMM Early Childhood Development, implemented the Joyful Learning initiative in libraries – to promote joyful reading and learning experiences with parents and their children, in order to promote love of books and reading, language development and emergent literacy skills of children through enhanced use of library spaces and times.

- The visit from Harvard University to observe Early Childhood Development programmes introduced at BCMM Libraries, in particular the Joyful Reading initiative.

- The purchase of new books for all libraries in Buffalo City Metropolitan Municipality – approximately 3209 new books were purchased covering most genres from non-fiction, fiction, African literature, political books, etc – with a particular focus on children's books and a special effort for books in indigenous languages to be sourced and procured.

- The signing of the Memorandum of Agreement with South African Library for the Blind for the establishment of a BlindLib depot at Central Library.

- The continuation of the Movement of Agreement with South African Library Legacy Project which was launched on 11 November 2016 at the NU 10 in Mdantsane with eleven outreach events held in 2018/2019 under the banner of this project.

- BCMM Libraries were visited by Lego Foundation from Denmark – Cambridge Location Library was chosen as it is seen as a centre of excellence for Early Childhood Development initiatives, with the nearly Mfesane Day Care Centre visiting the Cambridge Location Library to co-incide with the visit from the delegation from Lego International.

- Wi-fi is available to all libraries in Buffalo City.

**Challenges have been recorded in respect of the following**:

An insufficient library subsidy received from the Provincial Department towards the running costs of all libraries in Buffalo City, as well as the extension of library services into much needed areas.

1. The provision of a complete and full-time library service to all communities. Certain libraries currently offer a part-time library facility in that they are open to the public for a limited number of hours per week - Libraries should render a full-time, comprehensive and realistic library service to all members of all communities.

2. The provision of Mobile Libraries to render a service to those who are not able to visit libraries.

3. The building of libraries so that all communities have access to a library, especially the disadvantaged areas.

4. The allocation of a sufficient and adequate budget for libraries to render a comprehensive and realistic service.

5. The implementation and establishment of e-books facility for members of the community to access through the Buffalo City Metropolitan Municipal website.

6. Complete revamp of Reference Library books in all Libraries in BCMM.

**Solutions/Remedial Action**

a) To engage in further talks with the Department of Sports, Recreation, Arts & Culture on the possibility of additional funds being allocated from their budget, as well as to provide DSRAC with statistics from libraries to prove where services are being extended.

b) Mobile Libraries to be provided to Coastal, Midlands and Inland libraries.

## INTRODUCTION TO COMMUNITY HALLS

Buffalo City Council manages 36 tariff-levying halls.

A general survey of halls was undertaken within the Directorate of Municipal Services which commenced in December 2004 and was reported to Council in October 2005. During that survey, more than 90 facilities were visited and technically assessed. The facilities listed were either inherited from the erstwhile East London and King William's Town Transitional Local Councils or from the Amathole District Municipality. The Buffalo City Metropolitan Municipality Land Administration Division is currently facilitating the transfer of ownership of the various ex-Amathole District Municipality Halls to Buffalo City.

These facilities fall into two categories, namely:

a) Tariff levying halls which are managed by Buffalo City Metropolitan Municipality of which there are 36 which were inherited from the erstwhile East London and King William's Town Transitional Local Councils. These halls have an operating budget and staff.

b) Non-tariff levying halls of which there are 53 and which were primarily constructed by the Amathole District Municipality. Council levies no tariff for these halls (despite previous requests) as they have no operating budget, and no staff. It is also considered onerous for rural communities to book the facilities as there are only 3 booking points.

Many community halls are in need of refurbishment, estimated to exceed R100 million in value. Lack of security guards increases the Council's risk. The Council's insurers may decline claims on the basis that the Council took no reasonable steps to secure its properties. Insufficient funding has been allocated in the budget.

**Service Delivery Priorities**

1. The Construction of Nompumelelo Hall (Appointment of Contractor and work is progressing well now at roof level and to be completed in the next financial year 2019/2020)
2. Refurbishment of 2 Community Halls:
   - Gcobani Hall
   - Postdam Hall

During the construction and refurbishment of these community halls local labour was used from the surrounding communities, in this way poverty was alleviated. These community halls also assist destitute families for free entry during their funerals through recommendations from councillors.

*T3.12.1*

## SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

## MARINE AND ZOOLOGICAL SERVICES DIVISION:

Zoo : 55 007 Visitors
Aquarium : 18 352 Visitors

Libraries
Buffalo City Metropolitan Municipality operates the following libraries:

- Central, including the Lending, Juvenile and Reference Libraries
- Vincent
- Cambridge (Gcobani)
- Greenfields
- West Bank
- Parkside
- Gompo
- Buffalo Flats
- Braelyn Ext 10
- Mdantsane NU 2
- Mdantsane NU 5
- Gonubie
- Beacon Bay
- King Williams Town
- Breidbach
- Schornville
- Mobile Libraries (2)
- Kidds Beach
- Berlin
- Old Age Home depots (3)
- Prison depots (3)

The book stock includes fiction, non-fiction and Reference and covers a wide range of subjects. Books are distributed among all the libraries. Students are catered for particularly in the Central Reference Library, Gompo, Mdantsane, Vincent and the King Williams Town Study Libraries.

The children's sections are extensively used, particularly for project materials, due to a lack of school library facilities. Children's sections continually receive new books covering a wide spectrum of subjects and fiction, catering for children from 0 to 14 years of age.

The value of the book stock and fittings is probably in the region of R65 000 000,00.

The Africana Library houses a collection of valuable books written by and published by residents of the Border area and books about this area.

All libraries have wi-fi availability, albeit at a limited capacity.

**SPECIAL SERVICES OFFERED BY BCMM LIBRARY SERVICES**

- Microfilms and newspapers such as the Daily Dispatch
- Photocopying service offered at all libraries
- Music records, tapes, cd's (classic and jazz)
- Library for the Blind service offered through our library
- Service to senior citizens and housebound borrowers
- Prison service at Fort Glamorgan and Mdantsane Prison
- Computerised Library for the Blind facilities at King Williams Town, Mdantsane and Central Reference Libraries
- Braille printer at Reference Library
- Partnership with Harambee Youth Employment Accelerator project with the pilot project instituted at Central Library and then branching out to other libraries where there is a dire need for this service.
- Early Childhood Development has become a very important service that the libraries offer, especially with the future development of toy libraries at each library.
- Bridge to Employment initiative at Cambridge Location Library.
- Joyful Reading initiative in partnership with Lego Foundation and Takalani Sesame.
- Khetha Career Advisory Services.

Issue and new memberships statistics for 2018/2019 are:

- New members – 4 320
- Book issues – 128 228

Buffalo City Council manages 36 tariff levying halls with approximately 4995 events having been held in the past 12 months.

*T3.12.2*

## LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/18 | | 2018/19 | | | 2019/20 | 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| To provide adequate amenities to serve all BCMM communities | Development of Community Halls | 25% | 25% | 25% | 90% | 92% | 100% | 100% | 100% |
| | Upgrading & Refurbishment of Community Halls | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |

T 3.12.3

## EMPLOYEES: LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 69 | 104 | 98 | 6 | 5.77% |
| 4 – 6 | 45 | 73 | 61 | 12 | 16.44% |
| 7 – 9 | 30 | 37 | 31 | 6 | 16.22% |
| 10 – 12 | 27 | 28 | 27 | 1 | 3.57% |
| 13 – 15 | 1 | 3 | 1 | 2 | 66.67% |
| 16 – 18 | 0 | 0 | 0 | 0 | 0% |
| 19 – 20 | 0 | 0 | 0 | 0 | 0% |
| **Total** | **172** | **245** | **218** | **27** | **11.02%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.12.4

## FINANCIAL PERFORMANCE 2018/2019: LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER

**R'000**

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **15 418** | **18 774** | **18 953** | **17 389** | **-8%** |
| Expenditure: | | | | | |
| Employees | 59 510 | 58 090 | 75 606 | 68 091 | 15% |
| Repairs and Maintenance | 5 425 | 4 749 | 4 249 | 4 316 | -10% |
| Other | 63 589 | 6 616 | 23 316 | 74 051 | 91% |
| **Total Operational Expenditure** | **128 524** | **69 456** | **103 171** | **146 459** | **53%** |
| **Net Operational Expenditure** | **113 106** | **50 682** | **84 218** | **129 069** | **61%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.12.5

## CAPITAL EXPENDITURE 2018/2019: LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER

R' 000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **10 500** | **16 000** | **11 576** | **9%** | |
| Halls,Tools and Equipment | 500 | 500 | 412 | -21% | 10 000 |
| Upgr & Refurb Exist C/Halls & Facilities | 10 000 | 10 000 | 7 680 | -30% | 10 000 |
| Development Of C/Halls & Facilities | | 5 500 | 3 484 | 100% | 5 500 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.12.6

## COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The target for the 2018/2019 financial year was the completion of the Construction of Nompumelelo Hall & the upgrading of 7 community halls with a total budget of R10 million. Expenditure was recorded at 78%. Due to the unforeseen delays caused by, extensive remedials works, weather and manufacturing processes of steel works, the total committed budget could not be spent and therefore a rollover has been requested.

For libraries we there were no funds allocated for capital expenditure/or projects. However, due to partnerships formed we are providing early childhood development, youth employment services and library for the blind, this is an addition to the traditional library services provided such as all new books etc.

Targets are set based on the approved budget, hence targets set on the IDP are going to be achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

T 3.12.7

# 3.13. CEMETERIES AND CREMATORIUMS

## 3.13.1. INTRODUCTION TO CEMETERIES & CREMATORIUM CEMETERIES AND CREMATORIUMS

The Cemeteries & Crematoria Section is responsible for the provision of Burial and Cremation services. Currently there are 31 operational cemeteries which are spread across the 3 regions of BCMM and 1 Crematorium which is based in Cambridge, East London. The 3 top service delivery priorities are upgrading and development, maintenance of existing and provision of additional burial space. There was an improvement on performance as a result of utilisation of existing annual contracts for roads and building maintenance.

Support was given to the communities that are living in poverty by reduction of tariffs for graves and provision of free graves for burial of paupers and unclaimed bodies from the following government forensic facility, namely Woodbrook, Mdantsane and Bhisho forensic facilities.

In the 2018/2019 financial year 695 assisted pauper burials services were provided by the department through a contracted funeral undertaker.

In the 2018/2019 financial year, an amount of R10 Million was budgeted for the development and upgrading of cemeteries across the 3 regions. Upgrading of Roads, buildings as well as installation of signage was carried out at the following cemeteries:-

a) Haven Hills
b) Cambridge Crematorium
c) Cambridge Cemetery
d) Macleantown
e) Buffalo Flats
f) Fort Jackson
g) Zwelitsha
h) Phakamisa
i) Breidbach
j) Mtsotso

13.1

### SERVICE STATISTICS FOR CEMETERIES & CREMATORIUM

Statistics for the 2018/19 financial year are as follows

| | |
|---|---|
| **Burials** | 4233 |
| **Cremations** | 1129 |

*T 3.13.2*

**CEMETERIES AND CREMATORIUMS POLICY OBJECTIVES TAKEN FROM IDP**

| Service Objectives | Outline Service Targets | 2016/2017 | | 2017/2018 | | | 2018/2019 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Development and upgrading of cemeteries | No. of cemeteries upgraded | 9 | 9 | 13 | 13 | 10 | 14 | 14 | 14 |
| | | | | | | | | | |

T 3.13.3

## EMPLOYEES: CEMETERIES AND CREMATORIUMS

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 62 | 74 | 63 | 11 | 14.86% |
| 4 – 6 | 18 | 19 | 15 | 4 | 21.05% |
| 7 – 9 | 3 | 6 | 3 | 3 | 50% |
| 10 – 12 | 3 | 3 | 3 | 0 | 0% |
| 13 – 15 | 1 | 1 | 1 | 0 | 0% |
| 16 – 18 | 0 | 0 | 0 | 0 | 0% |
| 19 – 20 | 0 | 0 | 0 | 0 | 0% |
| **Total** | **87** | **103** | **85** | **18** | **17.47%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.13.4

## FINANCIAL PERFORMANCE 2018/19: CEMETORIES AND CREMATORIUMS

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **10 322** | **9 836** | **10 952** | **7 395** | **-33%** |
| Expenditure: | | | | | |
| Employees | 25 506 | 26 804 | 35 270 | 32 668 | 18% |
| Repairs and Maintenance | 1 469 | 1 628 | 1 628 | 1 625 | 0% |
| Other | 8 088 | 10 780 | 11 476 | 10 484 | -3% |
| **Total Operational Expenditure** | **35 064** | **39 211** | **48 375** | **44 777** | **12%** |
| **Net Operational Expenditure** | **24 742** | **29 375** | **37 422** | **37 382** | **21%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.13.5

## CAPITAL EXPENDITURE 2018/2019: CEMETORIES AND CREMATORIUMS

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **10 000** | **10 343** | **9 774** | **-2%** | |
| INLAND CEMETRIES (BHISHO) | 500 | 500 | 452 | -11% | 500 |
| COASTAL CEMETRIES (HAVEN HILLS) | 875 | 875 | 871 | 0% | 875 |
| INLAND CEMETRIES (KWT / CLUBVIEW) | 500 | 500 | 493 | -1% | 500 |
| COAST CEMETRIES (CAMBRIDGE CREMATORIUM) | 250 | 250 | 221 | -13% | 250 |
| COAST CEMETRIE (CAMBRIDGE CREMATORIUM) 2 | 875 | 875 | 874 | 0% | 875 |
| COASTAL CEMETRIES (BUFFALO FLATS) | 875 | 875 | 841 | -4% | 875 |
| CONSTRUCTION OF KWT CREMATORIUM | 500 | 500 | 490 | -2% | 500 |
| INLAND CEMETRIES (BREIDBACHT) | 800 | 800 | 604 | -32% | 800 |
| INLAND CEMETRIES (PHAKAMISA) | 700 | 700 | 630 | -11% | 700 |
| INLAND CEMETRIES (ZWELITSHA) | 1 500 | 1 500 | 1 353 | -11% | 1 500 |
| MIDLANDS CEMETRIES (FORT JACKSON) | 1 575 | 1 918 | 1 918 | 18% | 1 575 |
| MIDLANDS CEMETRIES (MACLEANTOWN) | 175 | 175 | 164 | -7% | 175 |
| MIDLANDS CEMETRIES (MTSOTSO CEMETERY) | 875 | 875 | 862 | -2% | 875 |
| | | | | | |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.13.6

## COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL:

In terms of the annual performance for the cemeteries and crematorium (Capital Projects) the section spent R7 195 818.70 out of the R10M allocated and this is equivalent to 72% expenditure in the 2018/19 financial year on the upgrading and development of infrastructure in the cemeteries indicated in T3.13.1.

The challenge experiences during this financial year was the expiring of the annual contract for fencing and the unavailability of a contract for roads construction. In order to fast track the process of the development of new and further upgrade of the existing a Cemeteries Management Plan will be developed during the 2018/2019 financial year.

Regulations relating to the Management of Human remains, R353 of 2013, indicates that unclaimed bodies of un-identified human remains must be dealt with in accordance with section 32 of the provisions of the Regulations regarding the rendering of Forensic Pathology Service, R636 of 2007.Both these regulations are promulgated under the National Health Act,61of 2003. Section 32 of the abovementioned regulations(R636 of 2007) dictates that *any un-identified body remains that remain un-identified for a period over 30 days must be buried by a local municipality*.

Buffalo City have been assisting its residents with the burial of paupers and unclaimed bodies from the following government forensic facility, namely Woodbrook, Mdantsane forensic facility and Bhisho forensic facility. In the 2018/2019 financial year, 597 assisted pauper burials services were provided by the department through a contracted funeral undertaker. All these bodies were either buried or cremated in the approved BCMM cemeteries and crematorium.

## CHALLENGES

The department does not have an annual contract (long term) for the provision of these services, due to administrative Supply Chain challenges. The 2018/2019 financial year's budget for the provision of this service was insufficient. Additional funding had to be availed to increase this budget as this is a critical service for the poor indigents.

In the 2018/2019 financial year, an amount of R10 Million was budgeted for the development and upgrading of cemeteries across the 3 regions. Upgrading of Roads, buildings as well as installation of signage was carried out at the following cemeteries: Haven Hills, Cambridge Crematorium, Cambridge Cemetery, Maclean Town, Buffalo Flats, Fort Jackson, Zwelitsha, Phakamisa, Breidbach & Mtsotso. The four largest capital projects were construction of roads at Fort Jackson, Zwelitsha, Buffalo Flats & Mtsotso. Regarding the variation to the total approved project value, targets are set based on approved budget hence targets set on the IDP are going to achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

T 3.13.7

# 3.14. **CHILD CARE;** AGED CARE; SOCIAL PROGRAMMES

## INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Child care, aged care and social programmes are the mandate National and Provincial Department of Social Development. The metro as the sphere of government closest to communities acknowledges its role in ensuring that metro planning and budgeting processes are inclusive of all citizens including children and the aged as vulnerable groups highlights these as cross-cutting issues within the BCMM Integrated Development Plan (IDP).

*T 3.14.1*

## SERVICE STATISTICS FOR CHILD CARE

The Buffalo City Metropolitan Municipality Grant—In-Aid Programme invites annual applica-

tions for operational financial assistance from non-political and non-profit organizations out side the sphere of government for their operations thereby contributing to community development including Child Care, Aged Care and Social Programmes. The programme is administered in terms of Section 67 of the Municipal Finance Management Act and its budget has increased from R1, 568,872.00 and 149 organizations benefiting in FY 17/18 to R2, 750 000.00 with a total of 192 organizations benefiting in FY 18/19.

Each of the 192 benefiting organizations were awarded between R10,000 and R20,000. The geographical budget allocation per region as follows:

Coastal: R1,020,000.00 distributed amongst 49 Child Care Centres and 20 Other Social Programmes.

Midland: R815,000.00 distributed amongst 42 Child Care Centres, 4 Aged Care Centres and 10 Other Social Programmes

Inland: R915,000.00 distributed as amongst 45 Child Care Centres; 8 Aged Care Centres and 15 Other Social Programmes

*T 3.14.2*

## CHILD CARE; AGED CARE; SOCIAL PROGRAMMES POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives / Service Indicators | Outline Service Targets | Year -1 FY 17/18 | | 2018/2019 FY 18/19 | | | | Year 3 FY 20/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | | Target | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Well Governed City** | | | | | | | | | |
| BCMM financial assistance targeting child care, aged and social programmes | Vulnerable groups beneficiation from metro financial assistance to non-profit community development initiatives | Handover Grant in Aid allocations FY 17/18 | 149 benefiting organizations | Handover Grant in Aid allocations FY 17/18 | Handover Grant in Aid allocations FY 18/19 | 192 benefiting organizations | Handover Grant in Aid allocations FY 19/20 | Handover Grant in Aid allocations FY 19/20 | Handover Grant in Aid allocations FY 20/21 |

T 3.14.3

## EMPLOYEES: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 0 | 0 | 0 | 0 | 0% |
| 4 – 6 | 0 | 0 | 0 | 0 | 0% |
| 7 – 9 | 0 | 0 | 0 | 0 | 0% |
| 10 – 12 | 2 | 2 | 2 | 0 | 0% |
| 13 – 15 | 0 | 0 | 0 | 0 | 0% |
| 16 – 18 | 0 | 0 | 0 | 0 | 0% |
| 19 – 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 2 | 2 | 2 | 0 | 0% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.14.4

There was no financial performance for the unit during the year under review T 3.14.5

There was no capital expenditure for the unit during the year under review T 3.14.6

## COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Notwithstanding that the National and Provincial Department of Social Development are mandated with child care, aged care and social programmes, the metro is the sphere of government which communities reside in and, to this end, the metro strives to ensure the inclusion of vulnerable groups including children and the aged within its public participation, planning and budgeting processes.

This is evidenced in the increase of funding allocated to the metro Grant-In-Aid programme and benefiting Child Care, Aged Care and Social Programmes from R1,464,682.00 with 134 organizations benefitting in FY 16/17 to R1, 568,872.00 and 149 organizations benefiting in FY 17/18 to R2, 750 000.00 with a total of 192 organizations benefiting in FY 18/19.

Environmental Health Officers visit Early Childhood Development Centres as well as Aged Care Centres to assess compliance with health standards and monitoring thereof. Annually, the metro partners with Social Development for the Golden Games which encourages the elderly to be active by participating in various sports codes and providing sport apparel and equipment for the Golden Games.

The metro Gender, Persons with Disability and Older Persons Forums as elected from the Ward Committees, each have a budget of R100,000 to support their awareness programmes and commemoration of Days of Importance which are undertaken in collaboration with other spheres of government including Provincial Department of Social Development, Chapter 9 Institutions like Commission for Gender Equality and Human Rights Commission as well as non-profit organizations, for example, Masimanyane Women's Programme. The metro does not implement any capital projects specifically for Child Care, Aged Care or Social Programmes as these are the mandate of the Department of Social Development.

*T 3.14.7*

# **INTRODUCTION** TO ENVIRONMENTAL PROTECTION

The National Environmental Management: Air Quality Act 39 of 2004 (AQA) requires Municipalities to introduce Air Quality Management Plans (AQMP) that set out what will be done to achieve the prescribed air quality standards. After five years, the Air Quality Management Plan must be reviewed, the goals realigned and a revised Air Quality Management Plan should be developed. As part of its legal obligation, Buffalo City Metropolitan Municipality (BCMM) have appointed a service provider to review and update its existing Air Quality Management Plan which was first developed in 2012.

An Air Quality Management Plan describes the current state of air quality in an area, how it is changing over time and what can be done to ensure clean air is achieved and maintained. An Air Quality Management Plan provides objectives and sets a course of action to attain air quality management goals. It identifies and addresses significant sources of impact using appropriate solutions to ensure that health effects and environmental impacts are minimised.

*T 3.14*

# 3.15. **POLLUTION** CONTROL

## INTRODUCTION TO POLLUTION CONTROL

The key performance areas for Environmental Pollution are as follows air, noise, land/soil and water pollution. Key performance areas under Air Quality Act, are ambient air monitoring, emission inventory, atmospheric emission license, compliance and enforcement, awareness campaigns and attending provincial air quality forums.

The main purpose of pollution control is to improve air quality management decision-making for development planning and to provide integrated and holistic environmental management to improve the quality of life of Buffalo City Metropolitan Municipality.

During the year under review 2018/19 the Buffalo City Metropolitan Municipality undertook the Air Quality Management Plan (AQMP) Review, with the final plan being submitted on 29 September 2018. WSP Environmental (Pty) Ltd (WSP) facilitated the AQMP review.

The first draft Air Quality Management Plan Review was made available to the Buffalo City Metropolitan Municipality website for public comments. An advert for public participation process was developed and advertised in three local newspapers such as the Daily Dispatch, Isolezwe & Go!! Express and to all Buffalo City Metropolitan Municipality social media. The public participation process for Air Quality Management Plan Review was organised for all regions within Buffalo City Metropolitan Municipality. An internal invitation to attend the Air Quality Management Plan Review was sent via the Buffalo City Metropolitan Municipality service desk.

The report was submitted to the Top Management Meeting and thereafter was submitted to the Health, Public Safety & Emergency Services meeting for approval in January 2019. The Air Quality Management Plan (AQMP) was adopted by the Buffalo City Metropolitan Council in February 2019. During the 2018/2019 financial year the department was allocated one capital project namely, The Appointment of a Panel of Specialist Service Providers to supply, install and commission air quality monitoring station equipment for a period of **two years** with a budget of R900 000. This budget was utilised to supply, install and commission air quality monitoring station equipment.

A vacant post of the Environmental Pollution Officer was advertised and the newly appointed Environmental Pollution Officer started on the 1st October 2018.

The Chief Air Quality Officer submitted a request for two internship employees and the request was approved. Two internship employees were appointed and started on the 03 December 2018.

**In terms of the air monitoring stations**, all three air monitoring stations are operational and are reporting to SAQQIS. The data recover for the overall stations annual performance is 80.98% - East London average for the 4 quarters = 78.65%, Zwelitsha average for the 4 quarters = 68.93% & Mobile stations average for the 4 quarters = 95.35%.

At the East London Air Quality Monitoring Station, a new Particulate Matter (PM10 – 2.5) analyser was installed.
At the Mobile Air Quality Monitoring station, a new air conditioner was installed and the three new analysers (Sulphur dioxide; Nitrogen dioxide and Carbon Monoxide) were installed. The network web logger was faulty and sent away for repairs and reprogramming.

At the Zwelitsha Air Quality Monitoring station, the Carbon monoxide analyser was faulty and sent away for services and repairs.

Meteorological monitor capable of measuring ambient temperature, atmospheric pressure, relative humidity, solar radiation and ultrasonic anemometer capable of measuring wind speed and wind direction were supplied, installed and commissioned to all three air monitoring stations.

The installation of Enviman Suite and reactivation * Setup of the databases and stations, visit to each station to set up transfer and copying of available data. Setting up end user access to server and testing functionalist was installed by a C & M Engineering Consulting.


J.B. RUBUSANA MEMORIAL

## SERVICE STATISTICS FOR POLLUTION CONTROL

During the 2018/2019 financial year the department was allocated one capital project namely, The Appointment of a Panel of Specialist Service Providers to supply, install and commission air quality monitoring station equipment for a period of **two years** with a budget of R900 000. This budget was utilised to supply, install and commission air quality monitoring station equipment.

A period contract for the appointment of a panel of specialist service providers to service, repair, and supply consumables and to calibrate air quality monitoring instruments for a period of **24 months** was advertised and awarded on the 03 October 2018 to three service providers.



Photo: Nxaruni location Green forum built up awareness campaign.



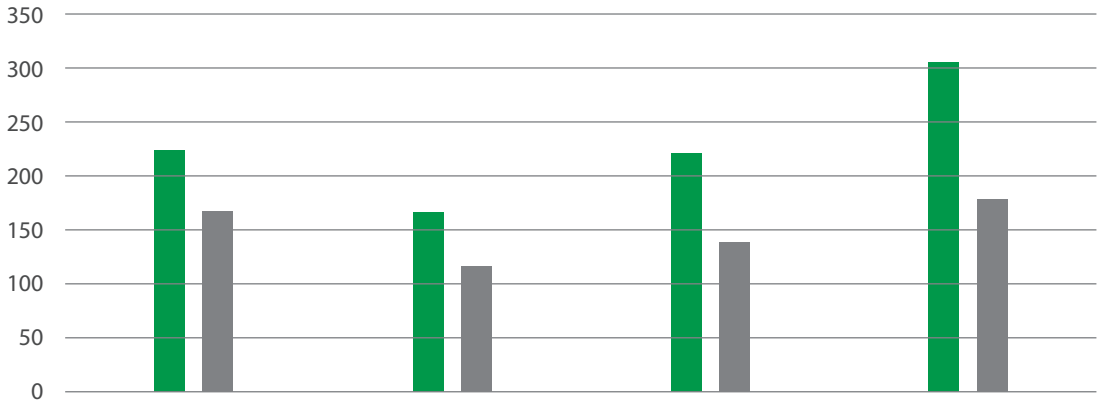

Photo: Status of the Air Quality presentation at the Green Forum Main Event.

## SERVICE STATISTICS FOR WATER QUALITY MONITORING

During the financial year of 2018/19 the statistic of water sampled/ quality monitoring is as follows:

| | | |
|---|---|---|
| Annual target | | 1500 |
| Quarterly target | | 375 |
| Monthly Target | | 125 |
| **Period** | **Number of Samples taken & analysed** | |
| First Quarter (July – September 2018) | 392 | |
| Second Quarter (October – December 2018) | 289 | |
| Third Quarter (January – March 2019) | 362 | |
| Fourth Quarter (April – June 2019) | 486 | |
| **Total** | **1529** | |

## WQM 2018/19

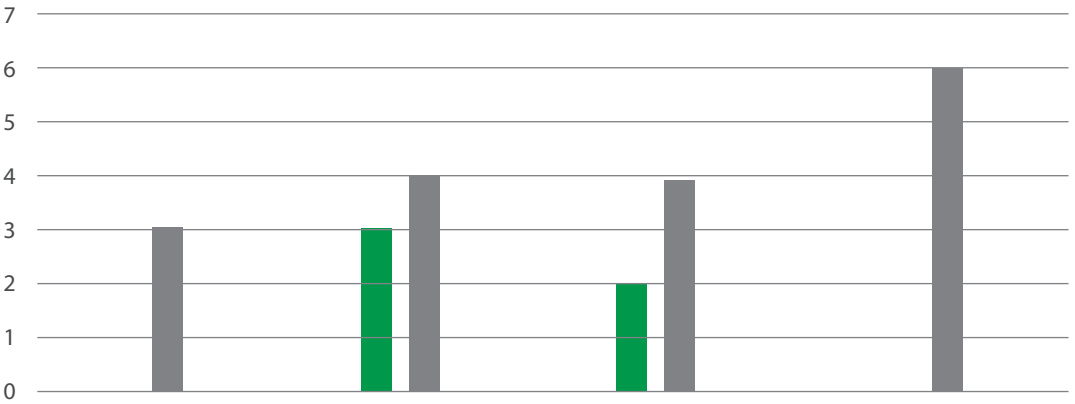



| | QUARTER 1 | QUARTER 2 | QUARTER 3 | QUARTER 4 |
|---|---|---|---|---|
| Public Health Centres | 225 | 170 | 222 | 307 |
| Other Centres | 167 | 119 | 140 | 179 |

The above Chart shows the total number of water samples taken during 2018/19 financial year. Public Health Care Centres/ facilities includes all Clinics, Community Health Centres and Hospitals that falls under BCMM jurisdiction and under the control of Provincial Department of Health (BCM Health District).

Other Centres refers to samples taken from Government Institutions, Schools, Early Childhood Centres, Accommodation Establishments, Food Outlines etc. also with the BCMM jurisdiction.

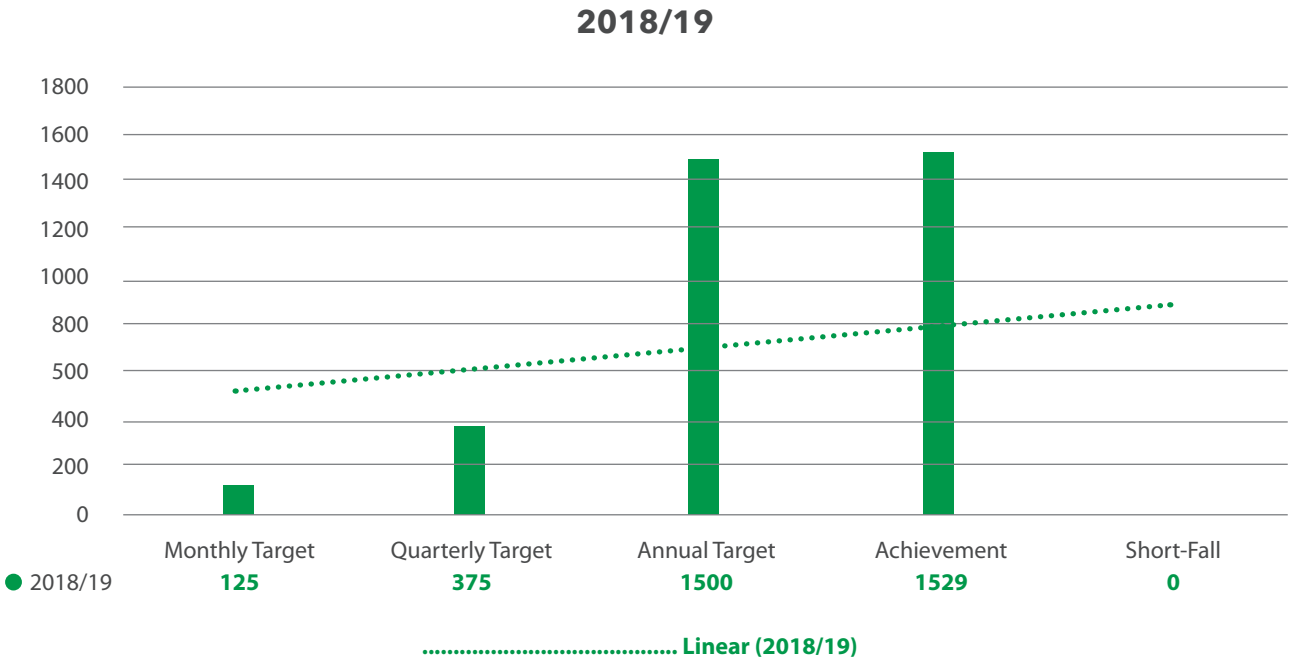
## WQM FAILURES 2018/19




| | QUARTER 1 | QUARTER 2 | QUARTER 3 | QUARTER 4 |
|---|---|---|---|---|
| PHC Facilities | 0 | 3 | 2 | 0 |
| PHC Jojo Tanks | 3 | 4 | 4 | 6 |
| Other Sources | 0 | 0 | 0 | 0 |

The above Chart shows water sampling failures. These are samples that did not meet the requirements of SANS 241 after being analysed at the National Health Laboratory Services (NHLS). They either have high E. coli content as a result of unhygienic conditions of the water storages at the affected Centres. A number of failures were recorded from Centres that have Jojo Tanks used for rainwater harvesting. Only 3 failures were noted from Centres that are supplied by the Municipality which were later attended to.

## WATER QUALITY MONITORING ACHIEVEMENT 2018/19




*T 3.15.2*

# POLLUTION CONTROL POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | | | Target |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| To promote and environmentally friendly city | Percentage of Atmospheric emission licenses (AELS) processed witin guideline timeframes | N/a | N/a | N/a | 100% (2 applications) | 100% - 2 applications competed | | 100% | 100% |
| | Proportion (80% in terms of NEMA: AQA No 39 of 2004) functional Air Quality Monitoring Stations providing adequate data over a reporting period | <25 | <25 | <25 | 80% | 80.98% | 80% | 100% | 100% |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role .

T 3.15.3

## EMPLOYEES: POLLUTION CONTROL

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 0 | 0 | 0 | 0% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 0 | 0 | 0 | 0 | 0% |
| 10 - 12 | 1 | 3 | 2 | 1 | 33.33% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 1 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| **Total** | **1** | **3** | **2** | **1** | **33.33%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.15.4

## FINANCIAL PERFORMANCE 2018/2019: POLLUTION CONTROL

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **35** | **26** | **26** | **903** | **97%** |
| Expenditure: | | | | | |
| Employees | 32 643 | 36 460 | 36 553 | 38 070 | 4% |
| Repairs and Maintenance | 315 | 638 | 538 | 542 | -18% |
| Other | 3 388 | 4 520 | 3 830 | 2 651 | -70% |
| **Total Operational Expenditure** | **36 346** | **41 617** | **40 920** | **41 263** | **-1%** |
| **Net Operational Expenditure** | **36 311** | **41 590** | **40 894** | **40 360** | **-3%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.15.5

## CAPITAL EXPENDITURE 2018/2019: POLLUTION CONTROL

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **900** | **1 412** | **1 387** | **35%** | **900** |
| AIR MONITORING STATION | 900 | 1 412 | 1 387 | 35% | 900 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.15.6

## COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

- During the 2018/2019 financial year the department was allocated one capital project namely, The Appointment of a Panel of Specialist Service Providers to supply, install and commission air quality monitoring station equipment for a period of two years with a budget of R900 000. This budget was utilised to supply, install and commission air quality monitoring station equipment. The budget was fully spent on the procurement of the equipment to ensure the continuous operations of the Air Quality Monitoring Stations

- BCMM ambient air quality monitoring network for reached 80.98% functionality and data coverage for the year financial 2018/19. Opsis EnviViewer suite was installed and all three stations are transmitting data to the central server on cloud via internet and data generated by air monitoring stations is accessible and manageable.

- 28 facilities were audited out of 32 facilities for annual emission reports to National Emission Information System (NAEIS) portal.

- The Atmospheric Emission Licences is an ongoing process, the Air Quality unit manage to issue two licenses reaching the 100% target.

- An amount of R 1 07 7 650.00 was generated form Atmospheric Emission Licences (AELs) tariffs

- Four officials from the Air quality unit attended a National Emission Information System (NAEIS) and South African Emission License Information Portal (SAAELIP) training form South African Weather Service (SAWS) and Department of Environmental Affairs (DEA).

- 99.9 % of the capital budget and 91% of maintenance budget were utilised during the financial year 2018/19

  Regarding the variation to the total approved project value, targets are set based on approved budget hence targets set on the IDP are going to achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

*T 3.15.7*

# 3.16. **BIO-DIVERSITY; LANDSCAPE** (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

## INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

### ENVIRONMENTAL MONITORING AND COMPLIANCE.

Since development is an ever-growing process, its impact on the environment is also ever increasing leading to rapid deterioration in environmental conditions. The Environmental Assessment provides a rational approach to sustainable development. Basic Assessment Reports (BAR) for township establishment programme within the metro were conducted during this financial year period. Environmental Authorizations obtained were for Berlin/ Lingelitsha and Mzamomhle informal settlements.

Environmental Authorizations obtained were for Kwatshatshu Informal Settlement portion of Farm 1924, Ginsberg Settlement Erf 1 King Williams Town and 1064 Ginsberg, Xhwithinja Informal Settlement portion of Farm 1538 King Williams Town and Z Soga 1 Erf 3806 Mdantsane West.

### ENVIRONMENTAL EDUCATION:

To reach all sectors of society, environmental education has been integrated in all education, training and public awareness systems in environmental management and sustainability programs of Buffalo City Metro including schools, local communities, municipal workers and ward councillors. All education and awareness-raising activities for environmental, biodiversity and ecosystem protection are performed by our IEMP& SD unit. In effort to educate and promote awareness of increasing climate change effects and global environmental issues including biodiversity, the metro in collaboration with Department of Environmental Affairs engaged 10 schools to form part of the 3rd Biodiversity Economy Indaba. The participated schools were; Uviwe High School, Mbulelo Primary, Zwelemfundo Primary, Unathi High School, Wongalethu High School and Khulani High School.

A clean-up campaign and community workshops were conducted in Zwelitsha Zone 3 and Nxarhuni, Eluxolweni. Door to door campaigns were held in Scenery Park to raise awareness on the importance of wetlands.

### GREEN FORUM:

The Buffalo City Metropolitan Municipality hosted the 2nd annual Green Forum which was embraced by both external and internal stakeholders. The Green Forum is a project that addresses climate change adaptation and mitigation measures within the city in support of the local green economy, sustainable living and Good Green Deeds Campaign. The Green Forum formed part of the World Environment Day celebrations, which is a global platform for public outreach. The main event took place on the 12th and 13th June 2019 at the East London City Hall. The theme for the forum was "Taking a stand against air quality". The Forum urged government departments, industries, communities and individuals to come together to explore green technologies and improve air quality in the city. The forum show cased some of most innovative products, services, eco-design and provided practical green solutions to consumers. In addition, the forum has enabled the communities to harness their green consciousness in a fun and sustainable manner.

### EMI WORKSHOP:

To outline roles and responsibilities of the Environmental Management Inspectors (EMI's) within the metro and deliberations on coordination/ reporting of these EMI's and their communication within the directorates were conducted.

### WETLAND MANAGEMENT: WETLAND MANAGEMENT:

The municipality developed a wetland strategy and action plan in conjunction with ICLEI-Africa which emphasizes on the importance of wetlands around the Buffalo City Metropolitan Municipality region. The wetland strategy and action plan were adopted by council in the 2017/18 financial year. The strategy includes plans that aim to revive all degraded wetlands and raise awareness on the importance of wetlands in our lives or communities. The city has done Phase 1 (clearing of illegal dumps, beautification, removal of Alien Invasive Species, grass cutting, and unblocking of stormwater drainage systems) of John Dube wetland rehabilitation.

Stakeholder workshop with the aim of educating the relevant stakeholders and NGOs on the importance of the wetlands in the community. Furthermore, to brainstorm about possible solutions that can be implemented to ensure the improvement of the catchment was facilitated by the metro in partnership with ICLEI- Local Government for Sustainability through the LAB programme. This was followed by a wetland report which was developed, and it is at its awaiting for the council endorsement.

## CLIMATE CHANGE PROJECTS:

### COASTAL PROTECTION:

Mapping of vulnerable coastal areas was conducted during the 2018/19 financial year and the amount of R 198 000 was utilised to develop the plan.

Climate Change risks and pressures for coastal development need to be incorporated into the city's strategic plans. The pressures are already evident in the Buffalo City Metropolitan Municipality (BCMM) area, with recent storm surges having caused significant damage to recreational infrastructure in the coast. The recommendations of the Coastal Management Programme of the city amongst others is to conduct Mapping of Coastal Vulnerable Areas to identify and assess the vulnerability of the coastline to dynamic coastal processes and climate change. The Mapping of Coastal Vulnerable Areas report will be used as a decision-making tool to assist in spatially analysing the BCMM coastline for future infrastructure development. Moreover, the report will help in identifying all areas that are most at risk and plan on better strategies to minimize impacts caused by natural disasters on the city's coastal infrastructure.

### BIODIVERSITY PROTECTION:

The municipality has developed an Invasive Alien Species Monitoring, Control and Eradication Plan during the 2017/18 financial year and completed in 2018/19 financial year. The developed will be tabled to BCMM Council for its adoption soon. The developed plan will provide guidance to land-use planning, natural resource management, environmental assessment and authorization to promote sustainable development within the metro.

**Beautification: To present an aesthetically beautiful and enhance the attractiveness of the City, the following were carried out.**

1) Arboricultural work i.e. tree planting trimming and felling was carried out across the 3 regions.
2) Beautification to the entrances to the City was done at Settler's Way and KWT entrance.
3) Bi annual floral display at Anne Bryant Gallery, Queens Parks, City Hall, Esplanade, Cambridge Crematorium, Alexander Road - KWT and KWT Civic Centre.

*T 3.16.1*

## SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

1) Environmental monitoring and compliance- 4 (Kwatshatshu Informal Settlement portion of Farm 1924, Ginsberg Settlement Erf 1 King Williams Town and 1064, Xhwithinja Informal Settlement portion of Farm 1538 King Williams Town and Z Soga 1 Erf 3806 Mdantsane West).

2) Environmental education and awareness – 5 School education, community awareness, wetlands day celebration, green forum and door-to-door campaign.

3) Climate change projects – 3 Mapping of Vulnerable Coastal Areas, Invasive Alien Species Monitoring, Control and Eradication Plan and rehabilitation of John Dube Wetland Phase-1.

**T 3.16.2**

**Landscaping was not on the SDBIP during the year under review.**

**T 3.16.3**

## EMPLOYEES: BIO-DIVERSITY; LANDSCAPE AND OTHER

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 179 | 205 | 179 | 26 | 12.68% |
| 4 - 6 | 163 | 203 | 172 | 31 | 15.27% |
| 7 - 9 | 42 | 43 | 40 | 3 | 6.98% |
| 10 - 12 | 15 | 18 | 16 | 2 | 11.11% |
| 13 - 15 | 3 | 4 | 3 | 1 | 25% |
| 16 - 18 | 2 | 2 | 2 | 0 | 0% |
| 19 - 20 | 1 | 3 | 1 | 2 | 66.67% |
| **Total** | **405** | **478** | **413** | **65** | **13.59%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.16.4

## FINANCIAL PERFORMANCE YEAR 2017/2018: BIO-DIVERSITY; LANDSCAPE AND OTHER

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **1 292** | **3 783** | **3 783** | **1 189** | **-218%** |
| Expenditure: | | | | | |
| Employees | 129 947 | 129 230 | 137 300 | 139 126 | 7% |
| Repairs and Maintenance | 7 926 | 10 152 | 7 464 | 7 907 | -28% |
| Other | 19 325 | 17 790 | 17 680 | 19 202 | 7% |
| **Total Operational Expenditure** | **157 197** | **157 172** | **162 444** | **166 235** | **5%** |
| **Net Operational Expenditure** | **121 248** | **153 390** | **158 661** | **165 047** | **7%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.16.5

## CAPITAL EXPENDITURE 2017/2018: BIO-DIVERSITY; LANDSCAPE AND OTHER

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **11 927** | **13 166** | **4 197** | **-184%** | |
| | | | | | |
| KWT BOTANIC GARDENS DEPOT | 100 | 100 | 88 | 0% | 200 |
| BERLIN DEPOT | 200 | 200 | 127 | -58% | 400 |
| GRASS CUTTING EQUIPMENT | 500 | 500 | 351 | 0% | – |
| WATER TRANSPORT TRAILOR-AQUARIUM | 199 | 199 | 173 | -15% | 18 |
| OFFICE EQUIPMENT AQUARIUM | 1 | 1 | 0 | 0% | – |
| OFFICE EQUIPMENT AQUARIUM | 2 | 52 | 33 | 0% | 156 |
| OFFICE EQUIPMENT AQUARIUM | 3 | 3 | 2 | 0% | 160 |
| OFFICE EQUIPMENT OFFICE RESERVCES | 7 | 7 | – | 0% | 200 |
| MEDICAL EQUIPMENT AQUARIUM | 15 | 65 | 43 | 0% | 200 |
| SPECIMAN COLLECTING EQUPMENT AQUARIUM | 23 | 73 | 20 | 0% | 66 |
| ZOO BOUNDRY WALL | – | 653 | 229 | 100% | 100 |
| GOMPO DEPOT | 200 | 200 | 136 | 0% | 75 |
| GONUBIE DEPOT | 150 | 150 | 97 | 0% | 200 |
| MEADOW RD DEOPT | 150 | 150 | 86 | -74% | 200 |
| ZWELITSHA BLOCKYARD DEPOT | 200 | 200 | 100 | -100% | 250 |
| TOOLS AND EQUIPMENT (ZOO) | 20 | 20 | – | 0% | 20 |
| OFFICE FURNITURE NAHOON ESTUARY | 18 | 18 | – | 0% | 18 |
| ENTRANCE FEATURE AT NAHOON POINT | 200 | 200 | – | 0% | 200 |
| EXTENT - EXIST SIDE WALK AT NAHOON POINT | 156 | 6 | – | 0% | 6 |
| REFURB - EDUCAT CENTER AT NAHOON ESTUARY | 160 | 160 | – | 0% | 160 |
| REFURBISH -FENCE AT NAHOON POINT | 200 | 200 | – | 0% | 200 |
| REFURBISH-WOODEN BOARWALKS -NAHOON POINT | 66 | 86 | 86 | 23% | 86 |
| UPGRADING OF EE CENTRE NAHOON POINT | 200 | 200 | 95 | -111% | 200 |
| RELOCATION OF AQUARIUM | 1 582 | 282 | – | 0% | 282 |
| ADDITION TO STAFF CHANGE ROOMS | 100 | 100 | 95 | -6% | 100 |
| NEW REPTILE ENCLOSURE | 75 | 75 | – | 0% | 75 |
| PRIMATE NIGHT ROOM | 200 | 200 | 70 | -187% | 200 |
| UPGRADING OF REPTILE ENCLOSURE | 200 | 400 | – | 0% | 400 |
| UPGRADING OF PREDATOR ENCLOSURE | 250 | 750 | 88 | -184% | 750 |
| UPGRADING OF ENCLOSURE FEATURES | – | 300 | 57 | 100% | 300 |
| REFURBISHMENT OF ENCLOSURE FEATURES | – | 300 | – | 0% | 300 |
| ZOO BOUNDRY WALL | 1 000 | 1 000 | 233 | -329% | 1 000 |
| FENC OF COMMUNITY PARKS - EAST DISTRICT | 100 | 100 | 100 | 0% | 100 |
| FENC OF COMMUNITY PARKS - NORTH DISTRICT | 150 | 150 | 144 | -4% | 150 |
| FENC OF COMMUNITY PARKS - SOUTH DISTRICT | 150 | 150 | 124 | -21% | 150 |
| FENC OF COMMUNITY PARKS - WEST DISTRICT | 100 | 100 | 84 | -19% | 100 |
| FENC OF COMMUNITY PARKS - NOMPUMELELO | – | – | – | 0% | – |
| UPGR & DEVEL COMM PARKS - SOUTH DISTRICT | 1 000 | 1 000 | 455 | -120% | 1 000 |
| UPGR & DEVEL COMM PARKS - WEST DISTRICT | 1 000 | 1 000 | 527 | -90% | 1 000 |
| UPGRADE & DEV COMM PARKS -EAST DISTRICT | 1 000 | 1 000 | 144 | -594% | 1 000 |
| UPGRADE AND DEVEL COMM PARKS - MDANTSANE | 400 | 400 | 84 | -373% | 400 |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 1 | 400 | 400 | – | 0% | 400 |
| UPGRADE AND DEVEL COMM PARKS - MDANTSANE | 300 | 300 | – | 0% | 300 |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 2 | 300 | 300 | – | 0% | 300 |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 3 | 300 | 300 | – | 0% | 300 |
| UPGRADE AND DEVEL COMM PARKS - BERLIN | 550 | 550 | 62 | -794% | 550 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.16.6

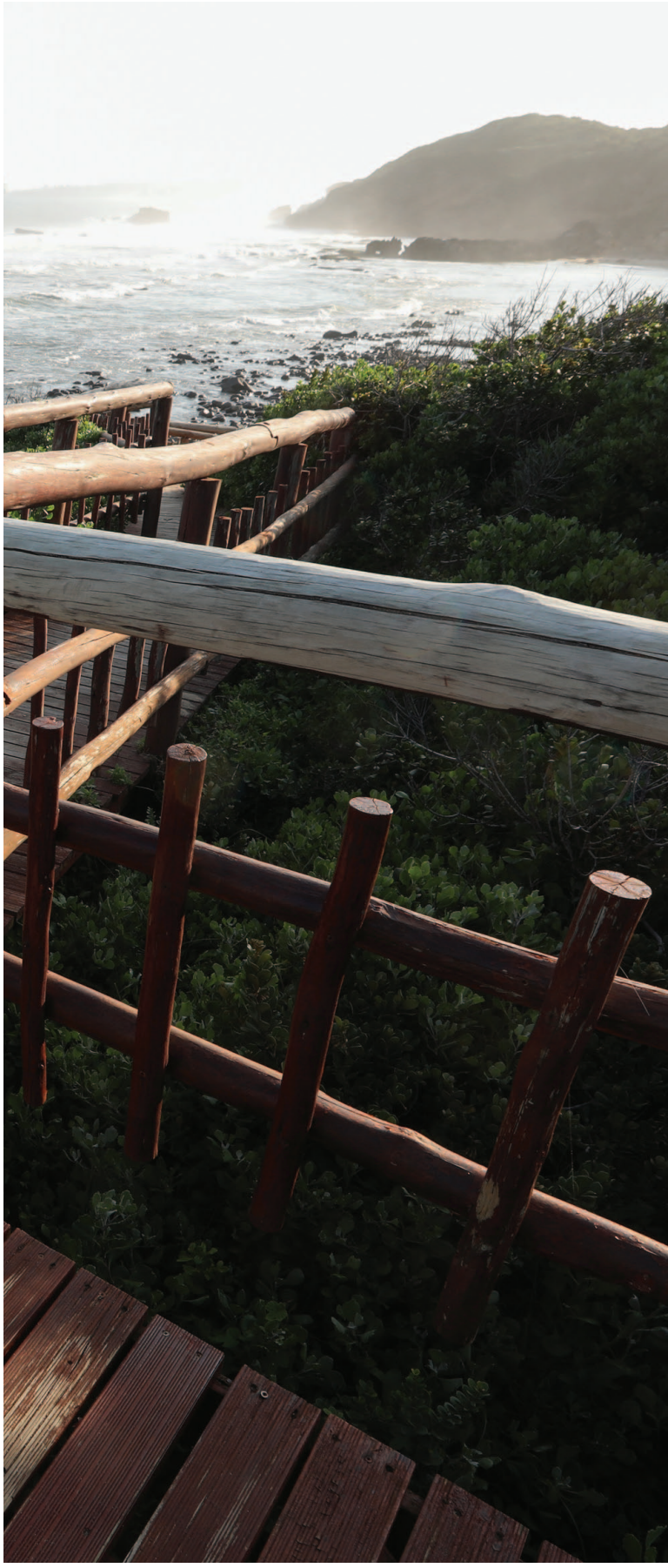
## COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

The Parks, Cemeteries & Crematoria had an Operational budget of R 350 000 of which R 100 000 was utilized for beautification of the following areas:

1) Settlersway, Batting Bridge
2) Mdantsane east entrance
3) Bhisho Dam
4) Bi annual florals display at Anne Bryant Gallery, Queens Park, City Hall, Esplanade, Crematorium, Alexander Rd, KWT Civic Centre and King William's Town

Targets are set based on the approved budget, hence targets set on the IDP are going to be achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

The Integrated Environmental Management and Sustainable Development Unit had an Operating budget of R 300 000 which was used to develop the Mapping of Vulnerable Coastal Areas.



# GEOGRAPHIC INFORMATION SYSTEMS **(GIS)**

## OBJECTIVES

The objectives of the Corporate GIS Unit include;
The dissemination of spatial information to ensure the effective management of revenue, planning, service delivery and spatial data. The main intranet services include the PropViewer Application which gives access to:

- Property searches
- SG diagrams
- Deeds information
- Zoning information
- City planning activities
- A spatial map view of property

GIS is an asset to the municipality and therefore a major strategy within the GIS unit is to increase the awareness levels among councillors, managers and technical staff within departments to increase the utilization of the available GIS software and services.

One of the main priority areas for the GIS Unit was to promote the access of spatial information to the community at large. Although the metropolitan has vast amounts of relevant spatial information, the public had to access spatial information and maps is through counters in various departments including GIS unit. The launch of the public GIS Web Map will significantly improve the availability of spatial information to the public. The website should allow the public at large access to access to GIS and Spatial information such as:

- Aerial Photography 2017 (10cm resolution)
- Cadastral (Erf boundaries)
- Street addresses, Roads, Suburbs and Settlements
- Ward boundaries
- Municipal Amenities and social facilities

In the long term, it will be important to integrate the corporate GIS system into core BCM business processes such as Business Plans, Project Management and Implementation and Asset Management System.

The GIS unit together with the Human Resources Development unit and National Treasury have implemented on a GIS graduate program whereby GIS graduates will have the opportunity to obtain a professional registration with the assistance of BCMM and an external mentor. The Graduate program is to ensure that adequate skills are developed for BCMM and that professional staff is within the metropolitan. This year see the graduation of another intern from the program which has successfully registered as a GIS Technologist.

## CHALLENGES

There exists a lack of specialised GIS staff within the departments of BCM. The current GIS organogram is not aligned to the need for creating, managing, displaying and monitoring spatial information in a corporate GIS environment. Most departments within BCM rely heavily on the GIS unit to provide GIS capacity from map creation to technical assistance and spatial analysis. This unit currently only has two funded posts and twelve unfunded posts.

Due to limited capacity, GIS is not embedded into core business processes that manage spatial information. Information Systems are not integrated or centralised. There are many stand-alone information systems in BCMM, operating in silos.

There is a lack of management buy- in to GIS and limited budget allocated for GIS across all departments. The benefits of using GIS to manage assets, financial viability, resource management, forward planning, project implementation and decision making is not fully embraced within BCM.

There is limited awareness of the availability of GIS across all departments within BCMM.

## SOLUTIONS

To deal with the non-integration of systems, the establishment of an executive spatial information committee to champion the GIS usages and the support base at an executive level within BCMM is to be established.

Due to the multiple information systems within the municipality the ICT department has a strategy towards system integration. Any information system developed within BCM will be required to have a spatial link which can be integrated into the corporate GIS standard ESRI. An integration between Geographic Information Systems (GIS) and Financial System (SOLAR) will enable the revenue management department to identify where BCMM's is providing services and how much is revenue is being collected for services provided.

Improve the quality and quantity of department specific GIS training to all BCM officials by securing a permanent GIS resource in the GIS unit to train staff in house. Departments that deal with spatial data should review their organograms and request that GIS posts are filled.

***T 3.16.7***



# COMPONENT F: HEALTH

**Disclaimer**: Tables 3.17.1 T0 Table 3.18.7 are not applicable to BCMM.

## 3.17. CLINICS

**Disclaimer**: Tables 3.17.1 T0 Table 3.18.7 are not applicable to BCMM.

## 3.18. AMBULANCES

**Disclaimer**: Tables 3.17.1 T0 Table 3.18.7 are not applicable to BCMM.

## 3.19. HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Section 24 of the Constitution of the Republic of South Africa entrenches the right of all citizens to live in an environment that is not harmful to their health or well-being. Section 83 of the National Health Act, 2003 (Act 61 of 2003), defines municipal health services and clearly stipulates the responsibilities of municipalities in the performance of such services.

Environmental health comprises those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing factors in the environment that can adversely affect the health of present and future generations. (WHO)

The identification, evaluation, control as well as prevention through education of all those factors in the total environment which exercise a detrimental effect on individual physical, mental and social well-being and development. It also implies continuous efforts to educate and prevent individuals from affecting the environment in such a way that it becomes detrimental to their well-being and development.

During the year under review (2018/19) the top three Environmental Health service delivery priorities for the department were:

Number of water samples taken and analysed;
Number of food samples taken and analysed; and
Health and Hygiene awareness campaigns.

*T 3.19.1*

## SERVICE STATISTICS FOR HEALTH INSPECTION

The top three Environmental Health service delivery priorities for the year under review (2018/19) for the department were:

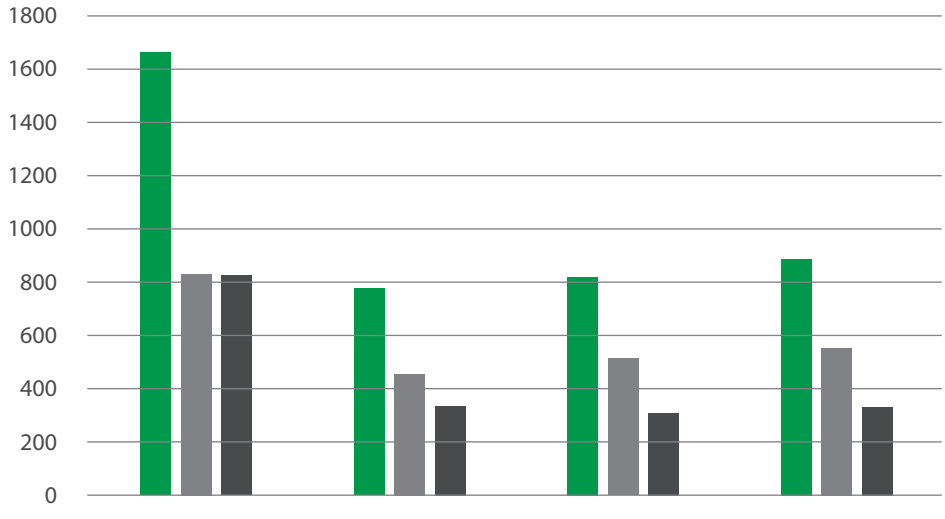
a) Number of food samples taken and analysed;
b) Number of water samples taken and analysed; and
c) Health and Hygiene awareness campaigns.

During the year under review the Municipal Health Services department successfully managed to meet its targets in relation to the above.

a. 1056 food samples were taken, tested and analysed at the National Health Laboratory Services (NHLS), Forensic Chemistry Laboratory as well as at the Buffalo City Scientific Services Laboratory. 652 food samples taken were submitted for Microbiological analysis, while 404 were sent for Chemical analysis. Those vendor's /service providers who were not in compliance were issued with compliance notices and subjected to re-inspections for compliance.

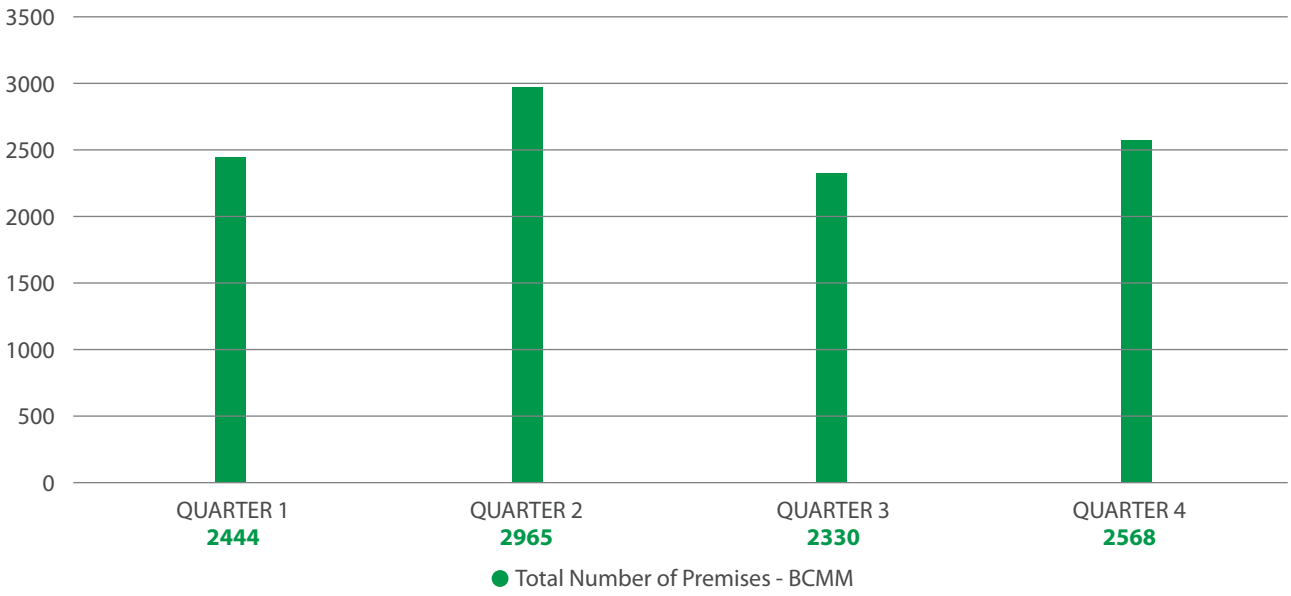
The promotion of health and hygiene programmes was also achieved through holding number of health and hygiene events at different venues as well as during inspections or sampling at Food Premises. Residents were collectively engaged in health and hygiene education in community halls, however individual and small groups' engagements on health and hygiene awareness at taxi ranks, areas of business (hawkers) etc. are also an ongoing effort.

### FOOD PREMISES INSPECTIONS 2018/19




| | QUARTER 1 | QUARTER 2 | QUARTER 3 | QUARTER 4 |
|---|---|---|---|---|
| Food Premises Inspected | **1663** | **781** | **827** | **888** |
| Food Premises Inspected with CoA's | **833** | **451** | **515** | **550** |
| Food Premises Inspected without CoA's | **830** | **330** | **312** | **338** |

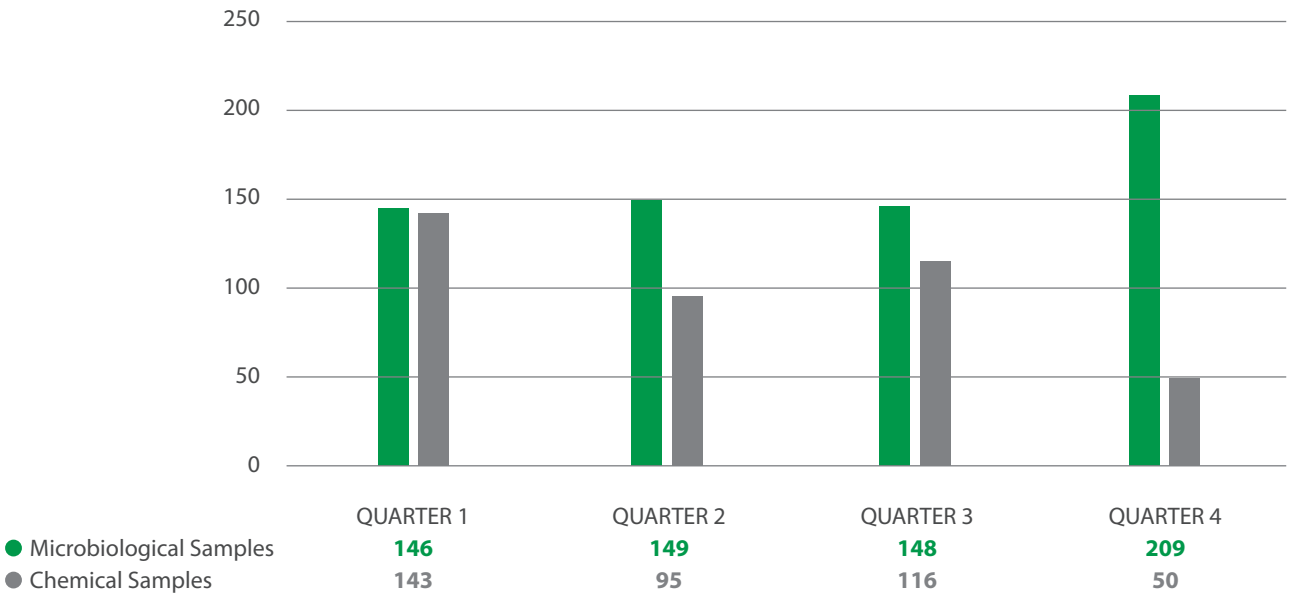
## TOTAL NUMBER OF PREMISES - BCMM 2018/18 VARIATION



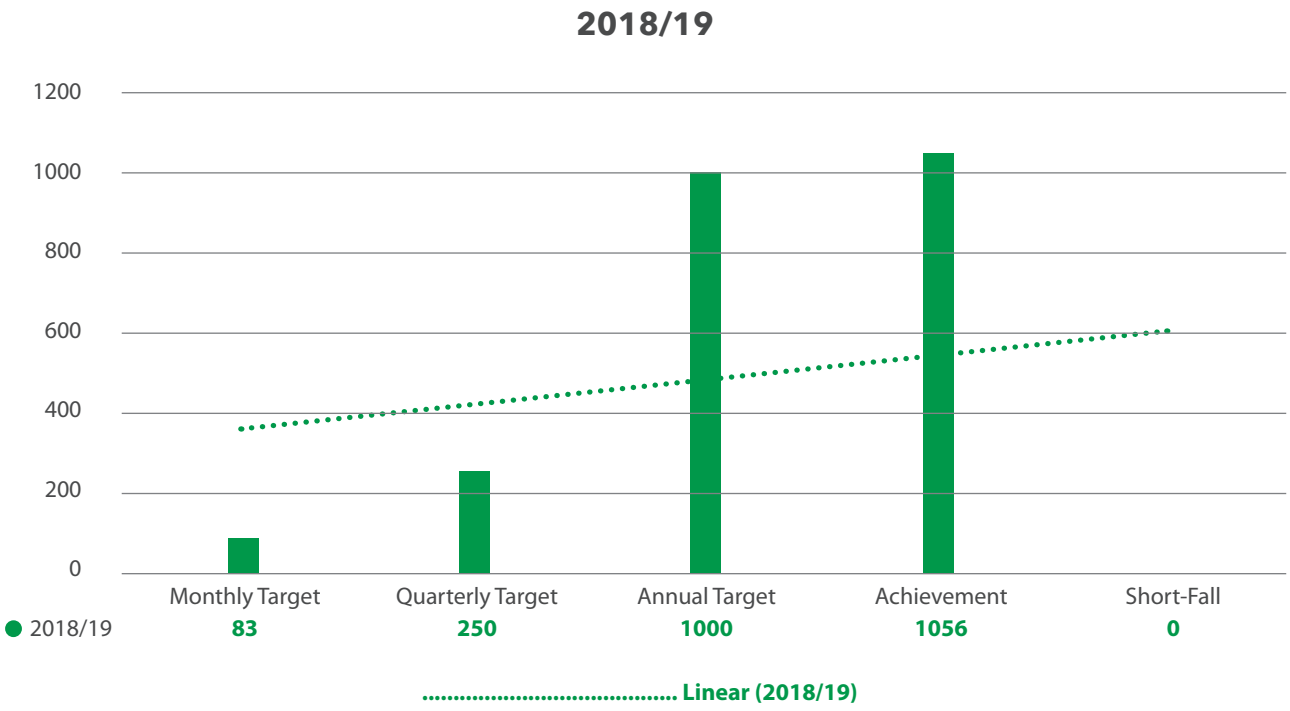

The total number of food premises changes all the time due to a number of reasons. These may include:

- The opening of new food premises in various areas due to business viability;
- The closing of certain food premises either due to their non-profitability of general business competition; and
- Others may close because of non-compliance to various business legal requirements and others.

## SERVICE STATISTICS FOR FOOD SAMPLING



## FOOD SAMPLING ACHIEVEMENT 2018/19



## MUNICIPAL HEALTH SERVICES COST DRIVER 2018/19

| Cost Driver | July 2018 to June 2019 | Jul 18 | Aug 18 | Sep 18 | Oct 18 | Nov 18 | Dec 18 | Jan 19 | Feb 19 | Mar 19 | Apr 19 | May 19 | Jun 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of pauper burials | 576 | 61 | 51 | 41 | 28 | 23 | 71 | 47 | 38 | 36 | 61 | 52 | 67 |
| Number of Environmental Health Monitoring instances | 5 668 | 554 | 405 | 801 | 412 | 342 | 533 | 326 | 337 | 733 | 317 | 377 | 531 |
| Number of environmental health complaints | 827 | 65 | 72 | 75 | 67 | 77 | 64 | 85 | 62 | 83 | 68 | 50 | 59 |
| Number of food facilities monitored | 3 804 | 281 | 272 | 356 | 331 | 142 | 344 | 361 | 323 | 372 | 317 | 314 | 391 |
| Number of food samples | 1 151 | 69 | 89 | 160 | 157 | 30 | 66 | 58 | 140 | 89 | 138 | 102 | 53 |
| Number of food lables checked | 6 401 | 356 | 254 | 1518 | 913 | 358 | 494 | 412 | 392 | 398 | 319 | 437 | 550 |
| Number of infectious disease investigations | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of intimations | 1 518 | 63 | 110 | 164 | 182 | 88 | 148 | 75 | 126 | 153 | 122 | 115 | 172 |
| Number of environmental Health promotion activities | 1 449 | 287 | 58 | 177 | 90 | 36 | 115 | 73 | 70 | 172 | 115 | 119 | 137 |
| Number of land assessments | 2 116 | 169 | 172 | 228 | 203 | 127 | 82 | 125 | 198 | 135 | 158 | 184 | 335 |
| Number of residential premises monitored | 966 | 68 | 141 | 135 | 93 | 59 | 79 | 88 | 78 | 104 | 57 | 38 | 26 |
| Number of areas monitored for infestation | 5 235 | 425 | 659 | 635 | 717 | 241 | 627 | 444 | 289 | 211 | 333 | 179 | 475 |
| Number of rodent sewer & public space points baited | 2 863 | 163 | 215 | 152 | 97 | 63 | 48 | 127 | 453 | 393 | 527 | 185 | 440 |
| Number of rodent points baited & charged in premises | 97 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 41 | 0 | 35 | 18 | 0 |
| Number of s/pools treated for mosquito's & charged | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of swamps cleared for mosquito breeding | 24 | 2 | 4 | 4 | 0 | 4 | 4 | 2 | 0 | 2 | 2 | 0 | 0 |
| Number of public spaces treated for mosquito & flies | 2 793 | 73 | 179 | 205 | 173 | 145 | 124 | 253 | 203 | 220 | 229 | 392 | 597 |
| Number of sewers treated for cockroaches | 1 167 | 0 | 97 | 187 | 59 | 38 | 115 | 86 | 127 | 208 | 112 | 47 | 91 |
| Number of rooms treated for insect pests & charged | 322 | 0 | 60 | 60 | 0 | 0 | 24 | 144 | 8 | 24 | 0 | 0 | 2 |
| Number of public spaces treated for ticks,etc. | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Number of yards treated for ticks,etc. & charged | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of bee swarms eradicated in public spaces | 21 | 2 | 2 | 2 | 1 | 0 | 1 | 4 | 1 | 7 | 1 | 0 | 0 |
| Number of bee swarms eradicated & charged | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of pollution control instances monitored | 158 | 19 | 10 | 10 | 17 | 14 | 7 | 12 | 8 | 14 | 8 | 21 | 18 |
| Number of pollution control intimations | 63 | 5 | 4 | 4 | 5 | 6 | 4 | 3 | 5 | 7 | 7 | 7 | 6 |
| Number of pollution control complaints investigated | 113 | 19 | 8 | 6 | 10 | 10 | 7 | 5 | 6 | 10 | 7 | 12 | 13 |
| Number of educare instances monitored | 344 | 2 | 40 | 33 | 37 | 30 | 20 | 18 | 35 | 24 | 38 | 38 | 29 |
| Number of educare related intimations | 47 | 2 | 8 | 4 | 6 | 8 | 7 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of formal training sessions conducted | 39 | 5 | 5 | 4 | 3 | 6 | 0 | 7 | 3 | 0 | 2 | 4 | 0 |



The Municipal Health Services Department also undertook the following operational functions for the financial year 2018/2019:

| | |
|---|---|
| Number of pauper burials | 576 |
| Number of Environmental Health Monitoring instances | 5668 |
| Number of environmental health complaints | 827 |
| Number of food facilities monitored | 4159 |
| Number of food samples | 1 056 |
| Number of food labels checked | 6401 |
| Number of infectious disease investigations | 1 |
| Number of intimations | 1518 |
| Number of environmental Health promotion activities | 1449 |
| Number of land assessments | 2 116 |
| Number of residential premises monitored | 966 |
| Number of areas monitored for infestation | 5235 |
| Number of rodent sewer & public space points baited | 2863 |
| Number of rodent points baited & charged in premises | 97 |
| Number of s/pools treated for mosquito's & charged | 1 |
| Number of swamps cleared for mosquito breeding | 24 |
| Number of public spaces treated for mosquito & flies | 2793 |
| Number of sewers treated for cockroaches | 1167 |
| Number of rooms treated for insect pests & charged | 322 |
| Number of bee swarms eradicated in public spaces | 9 |
| Number of bee swarms eradicated & charged | - |
| Number of pollution control instances monitored | 158 |
| Number of pollution control intimations | 63 |
| Number of pollution control complaints investigated | 113 |
| Number of Educare instances monitored | 344 |
| Number of Educare related intimations | 47 |
| Number of formal training sessions conducted | 39 |
| Number of bee swarms eradicated in public spaces | 51 |
| Number of bee swarms eradicated & charged | - |

*T 3.19.2*

## HEALTH INSPECTION AND ETC POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | | | Target |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Provision of integrated Municipal Health Service | Health & Hygiene Programme. | 3 | 4 | 4 | 4 | 4 | 4 | 6 | 8 |
| | Food sampling and analysis | 1000 | **1413** | 1000 | 1000 | **1056** | 1000 | 1000 | 1000 |
| | Water sampling and analysis | 1500 | **1391** | 1500 | 1500 | **1529** | 1500 | 1500 | 1500 |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.19.3

## EMPLOYEES: HEALTH INSPECTION AND ETC.

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 13 | 13 | 13 | 0 | 0% |
| 4 - 6 | 7 | 7 | 7 | 0 | 0% |
| 7 - 9 | 6 | 6 | 6 | 0 | 0% |
| 10 - 12 | 25 | 24 | 23 | 1 | 4.17% |
| 13 - 15 | 6 | 6 | 6 | 0 | 0% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 1 | 1 | 1 | 0 | 0% |
| **Total** | **57** | **58** | **57** | **1** | **1.64%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.19.4

## FINANCIAL PERFORMANCE YEAR 2018/19: HEALTH INSPECTION AND ETC

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **35** | **26** | **26** | **903** | **97%** |
| Expenditure: | | | | | |
| Employees | 32 643 | 36 460 | 36 553 | 38 070 | 4% |
| Repairs and Maintenance | 315 | 638 | 538 | 542 | -18% |
| Other | 3 388 | 4 520 | 3 830 | 2 651 | -70% |
| **Total Operational Expenditure** | **36 346** | **41 617** | **40 920** | **41 263** | **-1%** |
| **Net Operational Expenditure** | **36 311** | **41 590** | **40 894** | **40 360** | **-3%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.19.5

## CAPITAL EXPENDITURE 2018/2019: HEALTH INSPECTION AND ETC

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **900** | **1 412** | **1 387** | **35%** | |
| AIR MONITORING STATION | 900 | 1 412 | 1 387 | 35% | 900 |
| FOOD SAFETY EQUIPMENT | – | 370 | 242 | 100% | 370 |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.19.6

## COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, ETC. OVERALL:

The Municipal Health Services Department had one operating project during the financial year 2018/2019 and no capital projects for the financial year reporting. The Municipal Health Services Plan Review is to be undertaken during the 2019/2020 financial year and this project is envisaged to be completed within the financial year.

The majority of the priority projects undertaken for health inspections is mainly undertaken under operational budget which is provided for on an annual basis through the approval of the operational budget for the Department.

The top three operational projects namely, Health and Hygiene awareness campaigns, number of food samples taken and analyzed, and number of water samples taken and analyzed were successfully implemented during the year under review, resulting in the following impact these programmes had on the services delivery of the department:

1056 food samples were taken, tested and analyzed at the National Health Laboratory Services (NHLS), Forensic Chemistry Laboratory as well as at the Buffalo City Scientific Services Laboratory. 652 food samples taken were submitted for Microbiological analysis, while 404 were sent for Chemical analysis. Those vendor's /service providers who were not in compliance were issued with compliance notices and subjected to re-inspections for compliance.

## SERVICE STATISTICS FOR HEALTH AND HYGIENE CAMPAIGNS

The promotion of Health and Hygiene programmes was also achieved through holding number of Health and Hygiene events at different venues as well as during inspections or sampling at Food Premises. Residents were collectively engaged in health and hygiene education in community halls, however individual and small groups' engagements on health and hygiene awareness at taxi ranks, areas of business (hawkers) etc. are also an ongoing effort.

Regarding the variation to the total approved project value, targets are set based on approved budget hence targets set on the IDP are going to achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.





Photos: Zinyoka Health & Hygiene Event, 11/04/2019 – Inland Region

## HEALTH AND HYGIENE CAMPAIGNS TABLE 2018/19

| No. | Region | Target Audience | Wards | Topic |
|---|---|---|---|---|
| 1. | Inland -Zinyoka | Community members, Schools and Early Childhood Centres children & Senior Citizens | 35 only | General Health & Hygiene covering all MHS Functions; and Waste Management |
| 2. | Inland - KWT | Hawkers/ Food Traders | 37 only | General Health & Hygiene and Food Safety |
| 3. | Coastal – City Hall | All BCMM Councillors | All 50 | MHS Functions - all |
| 4. | Coastal – Gompo Hall | Ward Committees | 1, 2, 5, 6, 7, 8, 9, 10, 19 | MHS Functions - all |






Photos: Hawkers Training, 11 April 2019 – Inland Region *T 3.19.7*

# COMPONENT G: SECURITY AND SAFETY

## INTRODUCTION TO SECURITY & SAFETY

It is Buffalo City Metropolitan Municipality's mission to create a safe and healthy environment and place of Batho Pele Principles at the centre of service delivery. Safety of our communities is a common vision envisaged in the National Development Plan Vision 2030 which we seek to achieve. However, the reality is that violent crime and non-adherence to traffic regulations and by-law transgressions continue occurring despite initiatives aimed at ensuring safety of our communities by law enforcement agencies.

Crime continue to be a hindrance to both social and economic growth. Joint operational efforts in BCMM area in tandem with Traffic, SAPS, Fire & Rescue Services, Home Affairs (Illegal immigrants), Disaster Management and other Municipal Departments had positive outcomes in ensuring that our communities are safe, and such efforts are continuing.

The City has witness instances of business robberies which has had a negative effect on the City's aspirations for economic growth. However, as the component designated in ensuring safety of the City and its people, we have managed to employ at least 28 new Constables and 11 new Traffic Officers which will add some steel in our efforts in dealing with theft, robberies, smash and grabs, drunk and disorderly conduct, traffic violations and transgressions and illegal street trading.

BCMM is rigorous and has intent to do more damage on criminality on its streets by rolling out CCTV cameras on its streets, by having vehicle registration number plates recognition system fitted on traffic patrol vehicles and also a mini bus fitted with latest technology detecting outstanding fines which will ultimately increase the rate of outstanding traffic fine collection.

BCMM is also intent on establishing a fully-fledged Metro Police and process are advanced where due application for its establishment is with the SAPS National Office.

*T 3.20*

# 3.20. POLICE

## 3.20.1. INTRODUCTION TO POLICE

BCMM cannot report on metro police as the function has not yet been established

## PROGRESS TOWARDS THE ESTABLISHMENT OF METRO POLICE

On The 9 January 2017, a draft application was submitted to the Community Police Relations, Safety & Liaison, Province of the Eastern Cape where after the final application was submitted to the M.E.C on the 23rd March 2017. The office of the HOD: H&PS&ES received a letter from the Director Community Police Relations Safety & Liaison Province of the Eastern Cape on the 18th July 2018. The letter in brief provided progress on the application of BCMM, the application was assessed in compliance SAPS Act and found BCMM to be compliant. The letter further indicated that a task team be established from the relevant departments to assess this application in relation to viability and feasibility, this process was to be completed by the end of August 2017.

In the year under review the Local Labour Forum met on the 14th July 2017 to consider the report for the Establishment of a Metro Police, and the application was agreed to in principal. On the 5th October 2017 a consultative stakeholder with National & Provincial Senior Management of SAPS regarding the legal aspect relating to Establishment of the Metro Police for consideration. A letter was submitted to the MEC office on the 17th April 2018 requesting an update. On the 27th June 2018 the Technical Task Team comprising of senior officials of COGTA, Safety & Liaison, Transport, Provincial Treasury and SAPS convened to make a final assessment, the HOD: H&PS&ES, Chief Financial officer as well as the GM:PS&PS represented BCMM in the meeting. The application was once again assessed by the Provincial Task Team and found to be compliant in terms of section 64 of the SAPS Act 68 of 1995.

It was envisaged during deliberations that the process with be completed at the end of August 2018.

The process of establishment of metro police is completed and currently waiting for determination of the MEC of Safety & Liaison.

Since Metro Police has not yet been established, BCMM will still be reporting as Traffic Services and Law Enforcement Services separately.

BCMM Law Enforcement Services primary function is to ensure the that the City and its citizens are protected, safe and secure, free from anti-social behaviour such as public drunkenness and drinking, excessive noise and disturbances, by-law transgressions, illegal electricity connections, theft and other offences that have a negative impact on the quality of life of BCMM residents and visitors.

BCMM Law Enforcement Dept operates from its main centre situated at Tudor Rose Road in the Braelynn residential suburb. The primary function of Law Enforcement Services is the enforcement of municipal by laws and crime prevention. However, their daily duties include:

- Traffic law enforcement
- Enforcement in respect of all offences
- Attending to complaints from the public
- Processing of applications in respect of the Gatherings Act
- Law enforcement operations in conjunction with the SAPS
- Visible patrols and crowd control at special events
- Safety of municipal installations and plant as and when required
- Monitoring of informal trading
- Assisting the Electricity Department with illegal electricity connections
- Land evictions

The 2 main service delivery priorities set for the department during the year under review were:

- The Number of Closed Circuit TV Surveillance systems installed throughout the EL CBD
- The Establishment of Community Safety Forums

Funding was provided for in the Capital Budget for the installation of CCTV in the EL CBD and at Various Municipal Buildings, and CCTV Surveillance cameras were placed at various strategic positions within the EL CBD.

Funding during the year under review budget was not provided for the Establishment of Community Safety Forums hence the department could not achieve the target.

## SERVICE STATISTICS FOR LAW ENFORCEMENT SERVICES

| INFRINGEMENT | STATISTICS |
|---|---|
| DIC | 13 |
| Narcotics Confiscated | 15 |
| Drinking in Public | 177 |
| Drunk and Disorderly | 108 |
| Malicious Damage to Property | 3 |
| Possession of stolen property | 7 |
| Recovery of stolen property | 11 |
| Car washers prosecuted/section 341 notices issued | 244 |
| Fires Extinguished | 217 |
| Goods confiscated from Hawkers | 404 |
| Hawker licences Checked | 144 |
| Hawkers removed | 11 |
| Possession of narcotics | 1 |
| Arrest Public violence | 15 |
| Section 56 notices/ business licences | 34 |
| Arrest House breaking | 1 |
| Arrest for Theft | 2 |
| Vehicles recovered | 1 |
| Hawkers prosecuted | 17 |
| Common assault | 1 |
| Possession of unlicensed firearm | 1 |
| Arrest Common Robbery | 1 |
| Arrest failure to comply | 1 |
| Theft of motor vehicle | 1 |
| Illegal immigrants | 17 |
| Arrest for shoplifting | 1 |
| Interfering with a Peace officer's duties/ obstruction of Justice | 1 |
| CD's/DVD's recovered | 2897 |
| Events | 41 |
| Goods confiscated from car washes | 1980 |
| Illegal electricity disconnections | 27978 |
| Liquor emptied | 1480 |
| Pamphlets confiscated | 8238 |
| Picketing | 12 |
| Protest marches | 44 |
| Unrest protest actions | 33 |
| Section 341 traffic offences | 293 |
| Squatter actions | 183 |
| Shebeens/taverns licences checked | 349 |
| Vagrants removed | 772 |
| Section 56 traffic offences | 395 |

## OPERATIONS CONDUCTED BY LAW ENFORCEMENT SERVICES

On the 24th of May 2019 BCMM Farm 924 court order was executed and the during the operation 56 half-built houses which was built on BCMM land was demolished with the presence of the following stakeholders:

1. BCMM Law Enforcement
2. BCMM Legal Services
3. BCMM Land Administration
4. BCMM Surveyors
5. BCMM Workshops
6. BCMM Human Settlements
7. SAPS POPS
8. SAPS Crime Intelligence

On the 11th of June 2019 Law Enforcement and SAPS POPS went back to BCMM Farm 924 and demolished one half-built house with no roof. There were no incidents during the operation. Law Enforcement are continuing to monitor the area and take any action if necessary.

Figure 1



BCMM Law Enforcement have conducted many liquor outlet inspections during 2018/2019. Various inspections conducted in East London, Mdantsane and King Williams Town. Section 56 notices have been issued to the taverns/ liquor outlets that do not comply with the Liquor By-law Trading Times. A first-time offence it's a R1000 Fine and a second time offence R2000 fine. The operations are ongoing. On a monthly basis at least 5 taverns are closed because they are operating until early hours of the morning.eg below 19th Avenue in Vincent.

BCMM Law Enforcement have conducted many liquor outlet inspections during 2018/2019. Various inspections conducted in East London, Mdantsane and King Williams Town. Section 56 notices have been issued to the taverns/ liquor outlets that do not comply with the Liquor By-law Trading Times. A first-time offence it's a R1000 Fine and a second time offence R2000 fine. The operations are ongoing. On a monthly basis at least 5 taverns are closed because they are operating until early hours of the morning.eg below 19th Avenue in Vincent.



Figure 3

On the 11th of April 2019 Hawkers were removed for trading illegally and trading within 5 metres of an intersection at Old Transkei Road. One cage was attached to the sign board which was removed. Law enforcement officers are continuously monitoring all areas in Buffalo City and removing any illegal hawkers.

On the 9th of April 2019 BCMM Security Officer's and Law Enforcement officers arrested one suspected for Possession of Stolen Property (Electrical Cables) in Amalinda. Suspect was detained at Cambridge Police Station.

At Kinana near Potsdam 5 half built illegal Structures were demolished by Human Settlements and they were escorted by Law Enforcement services.

At Egoli, Buffalo Flats shacks were broken down by Law Enforcement services. As the shacks were coming up Law Enforcement was ready to break them down. Law Enforcement services are continuously monitoring the area. Eights half-built shacks were already broken down during 2018/2019.

Law enforcement officers escorted the BCMM Electricians to Stoney to remove illegal electrical connections. A dog was found tangled and dead amongst the illegal connections. These wires were connected and passing through the drive way of the houses. On a daily basis Law Enforcement officers are escorting BCMM Electricians to disconnect illegal electricity connections in different areas in BCMM.

Fynbos Evictions – on the 26th of June 2019 the illegal occupants of The RDP Fynbos houses were evicted, and the situation became volatile and dangerous. The illegal occupants had thrown stones at the Law Enforcement agencies where a Law Enforcement vehicle and a Locksmith vehicle windscreen were damaged. Three SAPS vehicles tyres were also damaged in the process. A case was registered for Malicious to Damage to Property Buffalo CAS NO: 111/06/2019.

One suspect was arrested for Obstruction of Justice Buffalo Flats CAS NO:113/06/2019. A total number of 105 evictions were executed on that day.

East Bank Evictions – on the 27th of June 2019 the illegal occupants of the RDP houses at East Bank were evicted. At first, they started throwing stones at the Police vehicles and immediately after that four suspects were arrested for Public Violence at East Bank and confiscated six dangerous weapons. Buffalo Flats CAS NO: 117 /06/2019
A total number of one hundred and forty-five (145) evictions were executed on the same day.

## LAW ENFORCEMENT SERVICES – CCTV SYNOPSIS

The CCTV section has increased its camera monitoring capabilities by adding more staff to the section thereby establishing another shift to extend the hours to which the cameras are being monitored.
Contract C3112 has been completed with the following:

| | | |
|---|---|---|
| City Hall | = | 17 Static Cameras |
| Munifin | = | 10 Static Cameras<br>1 Fisheye Cameras (4 cameras in 1) |
| Licensing | = | 10 Static Cameras |
| Gompo Office | = | 6 Static Cameras |
| Beacon Bay Office | = | 6 Static Cameras |
| CBD Street Cameras | = | 15 Pan, Tilt, Zoom (PTZ) Cameras<br>15 Situational Awareness (SA) Cameras |

A PTZ and Situational Awareness camera outside City Hall

CCTV Cameras at City Hall, Munifin and Street Surveillance

Cameras were placed on the network using a combination of Fibre and Wireless links to the CCTV Control Centre at the Fleet Street Fire Department




## FIBRE AND WIRELESS NETWORK DIAGRAM

Contract C335 was awarded to B Sure & Eden Sky (Joint Venture) on the 28 January 2019 and comprises a multi-year contract (3 Years). The SLA was signed by the contractor on the 25 February 2019. In April they were instructed to begin procurement of equipment for the Leaches Bay project. Site visits were conducted, and meetings were held with the Technical Team that was appointed for this contract to assess the needs and current capabilities of the IT support and infrastructure for this project. Quotations were submitted and accepted, and procurement was begun, R2,062,116 worth of equipment has been handed over to the CCTV section in preparation of the commencement of work on this project.

The CCTV section has had a Video wall comprising 4 55" monitors installed and 39 cameras in the Southernwood area has come on line but is not yet fully operational as a Network Recording Server needs to be acquired to be fully capable of crime combatting.



**STAFF MONITORING CAMERAS IN SOUTHERNWOOD**

The CCTV section has assisted SAPS in the determination of false reports of Car Jackings and theft from motor vehicle in the CBD area. We have recovered vehicles due to the diligence of our monitoring staff coupled with the dedicated members on patrol in the Quigney area.

This section has also assisted the operations division with the enforcement of by-laws on the beachfront and in the CBD by issuing Sect 341 notices as well as Sect 56 Notices for Washing a Motor Vehicle on a Public Road and for Obstructing the use of the Sidewalk. They have also assisted with illegal land invasion along the Beachfront particularly adjacent the Orient Theatre. The CCTV on the Beachfront was instrumental in curbing crime over the festive period while the Joint Operations Centre was established at the Osner Hotel during that time.

There has been an increase in enquiries by SAPS regarding CCTV Footage for verifying crime in all areas, we have been able to assist SAPS 10 times in this year with footage in helping to solve crime.

The Highway Taxi Rank system has gone down since May 2019 due to failure of equipment and lack of budget to repair this system. Plans are being developed to revive this ailing system with new equipment and connect it to the Control Centre via Fibre.
The Beachfront cameras also went down in May due to multiple electrical failures, the service provider has been working on this system to restore the video feed.

## PERFORMANCE OF LAW ENFORCEMENT SERVICES OVERALL:

During the period under review, criminal activity in the EL CBD area of East London escalated to the killing of homeless people which occurred mainly at night, the increase of service delivery protests, illegal connections of electricity, armed robberies, house breaking and theft in business premises and illegal occupation of land belonging to Council. Although the core function of policing this type of crime remains with SAPS, the City has an important role to play with regards to deterring & preventing criminal behaviour of this nature from taking place, hence the roll-out of CCTV Surveillance Cameras within the EL CBD and various Municipal Buildings took place, to deter many types of criminal behaviour during the 18/19 financial year.

CCTV Surveillance is seen as a major deterrent measure to crime and it is this deterrent effect that is thought to contribute to the increase in the sense of community safety.

*T 3.20.1*


TRAFFIC SERVICES
BUFFALO CITY METRO
55

# **INTRODUCTION** TO TRAFFIC SERVICES

Over the years Traffic Services who were once regarded as peripheral to most police forces have become one of the most notable, visible and interregional Department. Traffic Services in the past year have played a vital role in providing an array of services to the Metro and its citizens. Traffic Services have over two hundred and sixty-one (261) staff members that cater to the various needs of BCMM and its community.

**Traffic Services during the year under review ensured that the IDP KPI was realised**:

% Reduction in road traffic fatalities on BCMM roads

Total increase in the amount of revenue collected for traffic fines- for the year under review collected an amount of R13 990 185.35 for outstanding traffic fines.

Traffic Services have had a number of capital projects which were undertaken and implemented, a total amount budgeted R1 719 062.00. The top priority projects were:

- Finalizing of construction and opening of King William's Town Traffic Centre
- Vehicle Test Station Equipment Upgrade
- Traffic & Law Enforcement Equipment
- Furniture & Equipment for the King Williams Town Traffic Centre
- Traffic Services comprises of three integral pillars namely; Traffic Administration, Traffic Law Enforcement and Axillary Services.

# TRAFFIC **ADMINISTRATION** PILLAR:

Traffic Administration provided the necessary support for the department by ensuring that daily operations, capital projects, IDP targets, are addressed accordingly. The Administration section in the year under review ensured that Traffic Law Enforcement and Auxiliary Services were kept abreast with all developments and changes in the daily BCMM operations. Traffic Administration ensured that the needs of its staff and that of BCMM and its citizens were addressed and handled with the highest level of professionalism.

# TRAFFIC **LAW ENFORCEMENT** PILLAR:

Traffic Law Enforcement Services is guided by its core functions, namely to provide efficient, effective and responsive services as well as to ensure control, regulate, educate and create a culture of voluntary compliance with road traffic rules and regulations and to enhance courteous and tolerant road user behavior. These rules govern the interactions between vehicles and with pedestrians.

Traffic on roads consists of all types of road users including pedestrians, ridden or herded animals, vehicles, streetcars, buses and other conveyances, either singly or together, while using the public way for purposes of travel. Traffic laws are the laws which govern traffic and regulate vehicles, while rules of the road are both the laws and the informal rules that may have developed over time to facilitate the orderly and timely flow of traffic.

Organized traffic generally has well-established priorities, lanes, right-of-way, and traffic control at intersections.

Traffic is formally organized in many jurisdictions, with marked lanes, junctions, intersections, interchanges, traffic signals, or signs. Traffic is often classified by type: heavy motor vehicle (e.g., car, truck), light vehicle (e.g., moped, bicycle), and pedestrian. Different classes may share speed limits and easement or may be segregated. Some jurisdictions may have very detailed and complex rules of the road while others rely more on drivers' common sense and willingness to cooperate.

Organization typically produces a better combination of travel safety and efficiency. Events which disrupt the flow and may cause traffic to degenerate into a disorganized mess include road construction, collisions, and debris in the roadway. On particularly busy roads, a minor disruption may persist in a phenomenon known as traffic waves. A complete breakdown of organization may result in traffic congestion and gridlock.

Thus, it is the main aim and core function of the Traffic Enforcement to control, regulate, educate and create a culture of voluntary compliance with road traffic rules and regulations and to enhance courteous and tolerant road user behavior. These rules govern the interactions between vehicles and with pedestrians.

The duties of the Traffic Services are to ensure that these rules and regulations are complied with at all times and as a general rule that drivers avoid a collision with vehicles and pedestrians. Our operational activities include roadblocks at high visibility hotspot areas, special intelligence driven operations, random vehicle check points, execution of traffic related warrants and enforcement of traffic laws.

Our operational approach is to co-ordinate and integrate operations, to conduct sporadic interventions in hotspot areas as per the crime threat analysis e.g. offence patterns, etc. and to perform special operations and speed enforcement in high accident frequency locations and high traffic offence locations. These special operations are done in collaboration with various law enforcement stakeholders and must be seen as joint efforts between Traffic Services and other bodies to ensure a safe and secure BCMM.

## TRAFFIC SERVICES PROJECTS

A number of capital projects were undertaken and implemented from a total amount budgeted R 24 369 062.00. The top priority projects were:

- Finalizing of construction and opening of King William's Town Traffic Centre
- Traffic & Law Enforcement Equipment
- Furniture & Equipment for the King Williams Town Traffic Centre

The Construction of the King William's Town Traffic Centre was a multi-year funded project totaling an amount of R 18 000 000.00. An additional amount of R 4 650 000.00 USDG funds was provided for the tarring of the parking area, the erection of carports and the fencing of the premises in order to enhance the look of the building. Services were previously rendered to the communities in the Inland Region, from the Free Masons Hall in Taylor Street. This building was very old and eventually became non-conducive for the staff to operate from.

The 2013/2014 Integrated Development Plan department approved the Construction of a new Traffic Centre in King Williams Town in order to improve service delivery in the Inland Region. A site was identified at the old King Williams Town Fire station located at Edward/James street.

The R4.65 million was allocated in the 2018/2019 financial year for the completion of the King Williams Town Traffic Centre. The initial R18m allocated for the project was not completely utilized by the end of the 2017/2018 financial year as construction was still in progress hence the balance of R6m was not rolled over into the new financial year. Necessary?

The additional works identified to complete the building to an acceptable standard included the tarring of the unpaved areas, erection of covered parking bays for officials and paying the balance owed to the contractor and professional architect/ project consultant for the project. Repeated? Necessary?

In the year under review construction of the KWT building was completed and officially opened by his Honorable the Executive Mayor Councilor XA Pakati on the 15th April 2019.




After images of New Building

Opening ceremony of the KWT Traffic Centre



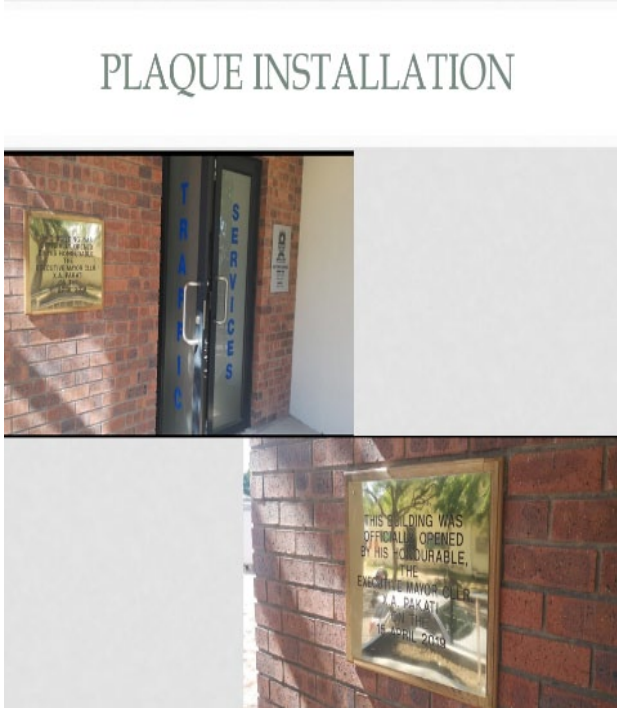




Figure 1 - Opening Ceremony

This new building will serve as a "One Stop Shop" for the communities in the Inland Region to deal with all their traffic related issues such as:

- Drivers & leaners license applications, issues and renewals,
- Application & issue of professional driving permits
- Registration and licensing of all vehicles
- Traffic related complaints and queries
- Event applications
- Traffic fines payments and queries

The completed project has benefited the communities in the Inland Region and surrounding areas whereby a comprehensive package of services is available thus alleviating the financial burden of communities having to travel to East London for services.

## TRAFFIC & LAW ENFORCEMENT EQUIPMENT FOR THE YEAR UNDER REVIEW

The department was able to procure and purchase various law enforcement equipment, namely, additional body Armour, firearms and most notable the department acquiring an Evidentiary breath alcohol testing unit (EBAT).

An Evidential Breath Alcohol Testing (EBAT) is a device that measures the alcohol level of a person through his breath. The concentration of alcohol in the breath is related to the concentration of alcohol in the blood so it is possible to calculate the alcohol levels with this device, without the need to draw blood.

**Advantages of EBAT are as follows:**

- The device reduces the process of drawing blood from offenders from 4 hours to +/- 15 minutes.
- There will no longer be costs incurred for doctors, nurses or hospitals to draw blood from offenders.
- The outcomes will be available on the spot much like spot fine prosecutions, the department will no longer have to wait up to 2 years for the blood results in order for the case to be concluded.
- This will contribute to the reduction of fatalities on our roads as we will be able to effectively hold more Drunken Driving Campaigns.
- The device will also lessen the possibilities of resistance of arrest in the drawing of blood which will also minimize injuries on duty (IODs) in dealing with difficult offenders.
- The portability of the EBAT would mean that it can be stationed at a roadblock for faster and more accurate reading.

During the year under review 5 court cases were successfully finalized with the use of the EBAT machine. Two cases were healed successful convictions from the use of the EBAT the 1st offender plead guilty and fined an amount of R 9 000.00 and 2nd offender fined an amount of R 6000.00.

The Eastern Cape was the sixth (6th) province to implement EBAT.

The Technical Committee for Standards and Procedures (TCSP) resolved to ensure the approval of Alcohol Evidential Centre (AEC) and conduct the relevant training of EBAT operators.




## INTRODUCTION TO TRAFFIC SERVICES: AUXILIARY SERVICES

Auxiliary Services is an organized section incorporated within the Traffic Department which comprises of various sections {Driving, Learner & PRDP License Testing Centers, Vehicle Testing Station, Traffic Fines Management, Motor Vehicle licensing and Registrations & Technical Section} these sections undertake, manage and execute various roles and functions such as testing of learners, drivers, renewals, PRDP's, roadworthiness of vehicles, road markings, registration of vehicles, processing of traffic fines, applications to stage events.

As a daily mantra " the department continuously endeavors to ensure that the highest levels of integrity is maintained and that procedures are followed thereby systematically reducing incidents of fraudulent and corrupt practices in all aspects which relate to the auxiliary services which further promotes efficient, effective services which are rendered to its people thus the bridging the understanding between the Provincial, National mandates which have been set for promoting safety accountability within the region".

Auxiliary services strive to better the commitment to the good citizens of Buffalo City Metro by ensuring that they are our priority, in the year under review this commitment was tested when on the 23rd November 2018 when the learners license class in Braelyn was the target of an arson attack, during the 3-week long strike that nearly brought the Department to a standstill. Clean-up efforts where expedited and alternate arrangements were made for the residence of BCMM who came to do their drivers, learners and PDP's at our satellite stations. Within a week the department had ensured that it kept its promise to the Community to ensure that services continued albeit the condition of the building, the boardroom served as a temporary learner's class. During this period the strike escalated, and some offices and assets were vandalized and set on fire.

The fire caused extensive damages to the learner's class and the examiner's office (room 2). Due to the extent of the fire all network cables, electricity cables and telephone cables were damaged in that section, this left the East London offices with no means of communication and some offices without electricity. There was also serious smoke damage in the surrounding offices and upper floor. A criminal investigation into the arson attack is still being conducted by the South African Police Service under case no. 569/11/2018.

The estimated Traffic Services loss of revenue for the BCMM during the strike is as ± Four and Half Million Rands (R 4 500 000.00) (renewals, applications of drivers, learners, PDP's, as well as registration and licensing renewals).
Total estimated loss of revenue for the collection of outstanding fines during the strike was ±Two Million Rands (R 2 000 000.00).

Estimated damages due the fire at the East London Traffic Department is: estimated at ± Two and a Half Million Rands (R 2 500 000.00), department waiting on the final assessor's report.

2 x offices, 1 x Natis computers, 20 x student tables and chairs, Office table with credenza and 3 drawers oak finish, 2 x office desks with 3 drawers, CCTV Cameras, Natis cabling, electricity cabling, network cabling, light fittings, air conditioners.

Estimated over ± 3000 members of the public have been inconvenienced as they were unable to collect their driver licenses or PDP's, renew their drivers, PDP's, renewal of vehicle registrations, leaners & drivers could not be tested, no new learners or driver's bookings could be taken in. it must be noted that additional revenue to BCMM was lost as registration of vehicles could not be done at our offices and members of the public resorted to renewals at the various post offices.

## ROAD MARKINGS IN BCMM

The Technical team in Buffalo City form and integral part of the Axillary operations, road markings are painted daily in and around BCMM

Tested Roadworthy over 483 vehicles
Tested over 16 221 learners with 11 256 passes and 4851 failing.
Tested over 4263 drivers with 1897 passing and 2261 failing.
156 800 in total number of vehicles registered and renewed.
Over 18 847 driver's cards issued
Generated over R 13 990 185.35 in traffic fines income for the year under review. A total of 29 000 notices finalized

## TRAFFIC LAW ENFORCEMENT SERVICE STATISTICS FOR TRAFFIC SERVICES

### ROAD SAFETY PROGRAMS

In the year under review Traffic Services key performance indicator was % percentage reduction in the number of fatalities in the BCMM area, the number of fatalities reported and investigated at the various South African Police stations were substantially reduced with only 152 fatalities. The reduction of fatalities can to attributed to Traffic Services working in conjunction with the various stakeholders such as SAPS, holding joint operations and various strategic planning sessions & most importantly safety awareness campaigns. In the year under review the focus remained on ensuring that road infrastructure, road furniture, reducing the severity of accidents, limited man power, limited resources were prioritized. Traffic Services in the year under review have tried to combat these accidents by having regular road blocks and safety awareness/education campaigns which develops the knowledge, skills, attitudes as well as values that enable pedestrians, cyclists, motor cyclists, drivers, passengers to use the road safely.

In the year under review Traffic Services launched an a new safety mascot "Traffic Doggy" to engage our future road users, Traffic Doggy along with Danny Cat have engaged over 38 892 learners in the year under review, the duo have proven to valuable assets to the Department and training aids and well received and loved by the learners . Children and young adults are high involvement in road crashes, receiving road safety education as part of their normal curriculum is recognised as being most effective by providing learners as well as educators with road safety knowledge.




***Road Safety program with the new mascot.***

By promoting Traffic /Road safety education at our schools, learners that are engaged have in turn engaged others about the importance of not only promoting road safety education but the dangers of driving under the influence, speeding, using cell phone whilst driving, not wearing a safety belt and what would happen if they did not follow or adhere to the rules of the road. Each school program is customised to the needs of school being visited, these addresses issues such as importance of protective clothing enabling you to be visible, which side of the road is safe, various laws, importance of seat belts, usage of foot bridges. The educators of the schools also serve as assessors. The number of scholars engaged in the year under review was 38 892 with a total of 352 safety awareness campaigns held, the safety programs engage areas such as Mdantsane, King Williams Town, Pefferville, Southernwood, Cambridge, Phakamisa, Beacon Bay, Scenery Park, Vincent.

## APPOINTMENT & TRAINING 17 TRAFFIC OFFICERS

As we are heading to the Metro Police status, we are in dire need of manpower. Traffic Law Enforcement includes all police activities relating to the observation of traffic related violations and the crime prevention taken, such as warning, summoning and arresting. Enforcement impacts are immediately felt by the road users resulting in free and safe flow of traffic and diminishing road collisions. The increase in the Traffic policing services assist Buffalo City to achieve these objectives.

This will fast track our alertness for the Metro Police in terms of the man-power required for such a gargantuan task. This will ensure compliance with the call by the National Government to combat unemployment amongst the youth and contribute towards the Skills Development Act 97 of 1998.

The Buffalo City Metropolitan Municipality area has increased drastically over the years, requiring growth in all departments in terms of staffing requirement to be able to cover all areas adequately.

Trainee personnel may not perform their duties as Peace Officers unless they have received the required training and have been appointed as Peace Officers in terms of the Criminal Procedure Act. In terms of the National Road Traffic Act, training may only be done at accredited Training Institutions. There are no such Training Institutions within Buffalo City Metropolitan Municipality.

The Traffic Officer/Metro Police training is for a period of a year with the first six months being interactive facilitation [lectures] at a Traffic College. The second phase of four months is field training under the guidance of a Field Training Officer within our own Municipality and phase three being interactive facilitation and finalization of practical assessments for two months. Training at the College commenced on the 28th of January 2019.

In addition to the 17 officers an additional 4 Traffic Wardens were trained as Traffic Officers to empower them with the powers of a traffic officer. In the year under review newly appointed Technical Services Superintendent & Traffic Warden were trained as well as in the functions of the Vehicle test station, these training allowed a better understanding of the positions that they would be working in.

### AARTO

In the year under review: Administrative Adjudication of Road Traffic Offences Bill (AARTO) will has been accepted by parliament's transport portfolio committee and has now been sent to the National Assembly prior to final approval by the president.

The bill is obviously aimed at reducing traffic violations and making safer roads through a demerit points system and other measures.

This matter was discussed at the National Road Safety Steering Committee meeting held in Johannesburg on the 27th of February 2019. According to a presentation that was presented by Road Traffic Infringement Agencies (RTIA) Operations Manager Peter Baloyi, the AARTO bill has not yet been implemented.

A readiness assessment has been conducted in the Eastern Cape and it was concluded that the province is not yet ready to implement AARTO. BCMM was notified by the Department of Transport regarding the provinces readiness however more information was received from the RTIA which forms part of the AARTO on a national level. BCMM will have to comply if this system is implemented by law.

The objects of the Administration Adjudication of Road Traffic Offence Act are clearly stipulated in section 2 of the Act which collectively culminates into making every effort to reduce the prevailing road accident rate within the Republic. The Administration Adjudication of Road Traffic Offence Act's delay in its full and national implementation has been identified as a problem in the National Road Safety Strategy Draft 3, January 2016 and the Road Traffic Infringement Agency has been mandated to ensure the Act's implementation after the Road Traffic Management Committee's inability to do so.

The implementation of the Administration Adjudication of Road Traffic Offence Act has been pending since its promulgation in the late nineties and has been implemented in a limited form in certain areas within the Gauteng Province. The well heralded Demerit Point System that is the key strategy to modifying road user behaviour cannot be put into effect until the Administration Adjudication of Road Traffic Offence program has been implemented nationally.

## OPERATIONS FOR THE YEAR UNDER REVIEW

### CROWD CONTROL OVER FESTIVE SEASON

Traffic services prioritize offences that are classified as a notable crime that includes causing death and serious injury by driving offences of speeding, drink-driving, mobile phone use, safety belts, un-roadworthy vehicles. These offences are clamped downed daily, however more so over the Festive Season.

Due to the influx of large crowds of people to Buffalo City Metropolitan Municipality's beaches during the New Year period, road closures were affected to enable traffic free zones in order to provide a safe environment for all the visitors, residents and businesses and to ensure free access for emergency vehicles into the areas.

The Joint Operation Centre which was situated at the Osner Hotel was operational from the 28th of December 2018 until the 2nd of January 2019.

The institutions/departments integrated services manning the Joint Operation Centre were:

- Buffalo City Metro Traffic Department
- Buffalo City Metro Law Enforcement Services
- South African Police Services
- Emergency Ambulance Services (Metro)
- Buffalo City Metro Disaster Management
- Buffalo City Metro Amenities
- Buffalo City Metro Fire Department
- Social Development
- Environmental Health Services
- Provincial Traffic, Eastern Cape

Road closures effected over parts of the Quigney, with the lower part of Moore Street, John Bailie, Link Road and a small section of the Esplanade being closed off. This was done to create a vehicle free zone and to create a safe environment for the pedestrians. The road closures were put in place on the 28th of December 2018 and roads re-opened on the 2nd of January 2019. Road closures were also affected in Beacon Bay and Gonubie when the need arose.

The traffic flow showed a great improvement in comparison to previous years as the department decided to close the roads a day earlier. Roads were closed from the 28th of December 2018.

Improved access was granted for Emergency vehicles due to the cordoned off areas, enabling them to respond to emergency incidents.

The foundation of Traffic Services success was due to the numerous road blocks held during the build up to the festive season as well as human behaviour in terms of compliance with the rules of the road.

Traffic was congested in and around the ABSA Stadium for the Count Down Celebration on the eve of the 31st of December, but it was managed and well controlled.

Between the 30th of December 2018 and the 1st of January 2019, five minor accidents were reported with only one slight injury and no fatalities. Also, no drownings were reported during this period.

The following statistics were recorded over the New Year's Day weekend (31/12/2018-1/01/2019):

| | |
|---|---|
| Prosecutions/citations issued | 56 |
| Vehicles Towed | 3 |
| Obstructions | 23 |
| Suspensions | 2 |
| Impound | 1 |
| Dismantling of Shacks | 7 |
| Action on Taverns | 6 |
| Disconnections of Illegal Electricity | 980 |
| DVDS/CDS Confiscated | 180 |
| Fireworks Confiscated | 1133 |
| Braai Fires Extinguished | 31 |
| Hawkers removed | 7 |
| Arrest -Selling of Illegal CDS/DVDS | 1 |

In the year under review Traffic services clamped down on infringements that occurred in our Metro by conducting several operations carried throughout BCMM as well as joint operations with external stakeholders, we were able to ensure that a zero tolerance would be taken to those who were found guilty.

Traffic Services held Joint Police and Community operations held throughout the year under review provided positive and effective results with the following infringements prosecuted and reported to National department of Transport, known as the National Roll-out Enforcement Plan (NREP).



| Department of Transport: Province of the Eastern Cape | (NREP-10) | |
|---|---|---|
| **AUTHORITY** | **BUFFALO CITY METRO** | |
| **REPORTING PERIOD** | | **18/19** |
| **Vehicles stopped/inspected** | | **TOTAL** |
| **CRITICAL OUTCOMES** | | |
| No. of Vehicles Stopped | | 58243 |
| No. of Drivers Tested for Alcohol | | 847 |
| No. of Vehicles weighed at Weighbridges | | 0 |
| No. of Government Vehicles Impounded | | 0 |
| **DRIVING DOCUMENTATION** | | |
| Driving Licence | None | 4040 |
| | Failed to carry | 0 |
| PrDP | None | 561 |
| | Failed to carry | 0 |
| Dangerous Goods Vehicles | | 0 |
| Public Passanger Transport Permit condition | | 277 |
| **Inconsiderate Driving** | | **767** |
| Overtaking in Face / Barrier line | | 89 |
| Road sign/marking- Traffic signal violations | | 2631 |
| Stopping on Freeway | | 0 |
| Speed - Manual | Screened | 18083 |
| | Prosecuted | 169 |
| Speed - Camera | Screened | 6082 |
| | Prosecuted | 59515 |
| Notice issued for safety belt violations | Drivers | 5497 |
| | Front Seat Passengers | 0 |
| | Rear Seat Passengers | 0 |
| Unlicensed Vehicles | | 2295 |
| FTD - Licence Disc/Licence | | 0 |
| FTD - Operator Card | | 0 |
| Held Cell phone in Hand Whilst Driving | | 522 |
| Other Moving Offences | | 10192 |
| Overloading | GOODS | 0 |
| | PASSENGERS | 516 |
| Windscreen | | 16 |
| Steering | | 10 |
| Brakes (Service & Parking) | | 61 |
| Tyres | | 694 |
| Front Lamps / Headlamps | | 755 |
| Rear Lamps / Stop Lamps | | 176 |
| Direction Indicators | | 17 |
| Number Plate | | 1327 |
| Side and Rear Retro Reflective Markings | | 0 |
| Other Defects | | 929 |
| TOTAL CHARGES ON WRITTEN NOTICES (Sec 56) | | 92034 |
| Vehicles Impounded (NLTA) | | 229 |
| Unroadworthy Vehicles Suspended (Sec 44) | | 705 |
| ARRESTS AFFECTED (Dockets with CAS No's) | | |
| Drivers Arrested for Drunken Driving | | 325 |
| Drivers arrested for Excessive Speed | | 54 |
| Drivers arrested for Rec/Neg Driving | | 134 |
| Warrants of Arrests | | 1300 |
| False Documents | | 2 |
| Drivers License | | 3 |
| Drivers arrested for Other Offences | | 30 |
| Pedestrians Arrested | | 0 |
| **Total Arrests** | | **1739** |

During the year under review Traffic Services in conjunction with various law enforcement stakeholders were presented and welcomed with the opportunity to join forces for a joint operation with the communities, this allowed the community to take a collective action and generate solutions to common problems. The Community often evolves around taking these kinds of collection actions. The wellbeing of the community which allows the problems to be tackled at grass root level, by engaging the community it promotes Equity, Meaningful Participation, Integrity, Inclusion, Collaboration and thus bringing an understanding between Police, Law Enforcement and Traffic Services.

T 3.20.2

## TRAFFIC SERVICES DATA

| | Details | Year 2016/2017 | Year 2017/2018 | | Year 2018/2019 |
|---|---|---|---|---|---|
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Number of road traffic accidents during the year. For the year under review % reduction of fatalities was reported on as per IDP KPI | 2659 | 2700 | 3994 | 152 |
| 2 | Number of by-law infringements attended | N/A | N/A | N/A | N/A |
| 3 | Number of traffic officers in the field on an average day | 95 | 2700 | 108 | 120 |
| 4 | Number of traffic officers on duty on an average day | 95 | 2700 | 108 | 120 |

T 3.20.2

## TRAFFIC SERVICES DATA SAMPLING DIFFERENT TIMES OF THE DAY

| | Details- Shift system in place- (each team on duty is dependent on number of officers, number of leave, number on sick leave & resigned or retired) | Year 2016/2017 | Year 2017/2018 | | Year 2018/2019 |
|---|---|---|---|---|---|
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Mon- Friday 06h00-14h00 | | 26 | 26 | 26 |
| 2 | Mon-Friday 12h00-18h30 | | 25 | 25 | 25 |
| 3 | Mon- Friday- 15h30-00h00 | | 17 | 17 | 17 |
| 4 | Mon- Friday- 08h00-16h00 | | 8 | 8 | 8 |
| 5 | Sat- 07h30- 15h00 | | 18 | 18 | 18 |
| 6 | Sat- 14h30-00h00 | | 18 | 18 | 18 |
| 7 | Sun- 10h00-19h00 | | 17 | 17 | 17 |
| 8 | Mon- Friday- 06h45-14h45 Traffic Wardens | | 20 | 20 | 20 |
| 9 | Mon- Friday- alternating shifts Learner traffic officers- field training | | | | 17 |
| 10 | Number of officers in the office (Commander, Regional Commander & Snr Sups- Coastal & Inland) | | 3 | 3 | |

T 3.20.2

# POLICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Promote sound financial and administrative capabilities | % reduction in road traffic fatalities on BCMM roads | N/A | N/A | Baseline 254 | 5% reduction (241) | 3.15% reduction achieved - 152 | 5 % reduction | | |
| Promote sound financial and administrative capabilities | Total increase in the amount of revenue collected for traffic fines | R11 500 000,00 | R14 729 642,21 | R14 729 642,21 | R13 462 037.00 | R13 990 185.35 | R14 000 000,00 | | |
| Promote sound financial and administrative capabilities | Number of areas covered by surveillance cameras | 2 | Completed installation of 17 Cameras at City Hall, 6 Cameras at Gompo Rent Offices, 6 Cameras at Beacon Bay Cash Office, 21 Cameras Munifin and 15 PTZ Cameras in EL CBD | 3 | 3 - Completion of CCTV installation - EL CBD, West Bank & KWT Taxi Rank | 2 areas completed - West Bank/Fullers Bay & Duncan Village | 2 KWT & BISHO | 3 | |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.20.3

## THE PERFORMANCE OF TRAFFIC SERVICES OVERALL

Traffic Services promotes fair opportunities for growth within the department for staff.

During the year under review numerous challenges have been encountered in terms of ensuring that the department's budget has been entirely spent. The capital funds provided for the year under review was R 24 369 062.00 budget provided for and the close of the year under review the Department had spent 90% of its budget for projects namely:

Traffic & Law Enforcement Equipment,
Firearms,
Finalizing the Construction of the KWT building,
Vehicle test station equipment and the vehicle pound, a total of R 280 956.00 was spent.

In the year under review Traffic Services were commended in archiving the highest level of fulfilling their SDBIP KPI namely:
% reduction in total number of fatalities in BCMM- with only 152 reported cases number of fatalities
Total revenue collected for outstanding traffic fines – with total revenue collected R 13 990 185.35.

## LAW ENFORCEMENT SERVICES DATA

| | Details | Year 2016/2017 | Year 2017/2018 | | Year 2018/2019 |
|---|---|---|---|---|---|
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Number of road traffic accidents during the year | N/A | N/A | N/A | N/A |
| 2 | Number of by-law infringements attended | 73 172 | 73 172 | 35 000 | 35 000 |
| 3 | Number of law enforcement officers in the field on an average day | 16 | 16 | 32 | 32 |
| 4 | Number of law enforcement officers on duty on an average day | 16 | 16 | 30 | 30 |

T 3.20.2

### CONCERNING 3.20.2

The number of officers available is determined by sampling the number of officers in the field and in offices and stations on the same day, sampling different times of day and different days of the week throughout the year.

T 3.20.2.1

# POLICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Promote sound financial and administrative capabilities | % reduction in road traffic fatalities on BCMM roads | N/A | N/A | Baseline 254 | 5% reduction (241) | 3.15% reduction achieved - 152 | 5 % reduction | | |
| Promote sound financial and administrative capabilities | Total increase in the amount of revenue collected for traffic fines | R11 500 000,00 | R14 729 642,21 | R14 729 642,21 | R13 462 037.00 | R13 990 185.35 | R14 000 000,00 | | |
| Promote sound financial and administrative capabilities | Number of areas covered by surveillance cameras | 2 | Completed installation of 17 Cameras at City Hall, 6 Cameras at Gompo Rent Offices, 6 Cameras at Beacon Bay Cash Office, 21 Cameras Munifin and 15 PTZ Cameras in EL CBD | 3 | 3 - Completion of CCTV installation - EL CBD, West Bank & KWT Taxi Rank | 2 areas completed - West Bank/ Fullers Bay & Duncan Village | 2 KWT & BISHO | 3 | |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role. T 3.20.3

## EMPLOYEES: POLICE OFFICERS

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| Police Administrators | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| Chief Police Officer & Deputy | | | | | |
| Other Police Officers | | | | | |
| 0 - 3 | 391 | 28 | 25 | 3 | 10.71% |
| 4 - 6 | 184 | 534 | 516 | 18 | 3.37% |
| 7 - 9 | 94 | 171 | 162 | 9 | 5.26% |
| 10 - 12 | 30 | 43 | 38 | 5 | 11.63% |
| 13 - 15 | 3 | 3 | 3 | 0 | 0% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 2 | 2 | 0 | 0% |
| **Total** | **703** | **782** | **747** | **35** | **4.47%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T 3.20.4

## FINANCIAL PERFORMANCE 2018/2019: POLICE

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **64 888** | **61 445** | **61 445** | **68 792** | **11%** |
| **Expenditure:** | | | | | |
| Police Officers | | | | | |
| Other employees | 220 542 | 234 313 | 240 408 | 243 636 | 4% |
| Repairs and Maintenance | 2 492 | 3 449 | 3 449 | 3 080 | -12% |
| Other | 14 817 | 20 357 | 19 589 | 21 810 | 7% |
| **Total Operational Expenditure** | **237 852** | **258 119** | **263 447** | **268 527** | **4%** |
| **Net Operational Expenditure** | **172 963** | **196 674** | **202 002** | **199 735** | **2%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.
T 3.20.5

## CAPITAL EXPENDITURE 2018/2019: POLICE

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **4 600** | **18 709** | **16 416** | **72%** | |
| CLOSED CIRCUIT TELEVISION NETWORK - CCTV | 2 000 | 1 932 | 1 901 | -5% | 2 000 |
| CLOSED CIRCUIT TELEVISION NETWORK - CCTV | 2 000 | 2 000 | 1 727 | -16% | 2 000 |
| CLOSED CIRCUIT TELEVISION NETWORK - CCTV | | 3 500 | 2 396 | 0% | 3 500 |
| CLOSED CIRCUIT TELEVISION NETW - C/O | | 5 263 | 4 826 | 100% | 5 329 |
| TRAFFIC AND LAW ENFORCEMENT EQUIPMENT | 600 | 600 | 404 | -48% | 600 |
| TRAFFIC AND LAW ENFORCEMENT EQUIPMENT | | 179 | 108 | 100% | 179 |
| TRAFFIC AND LAW ENFORCEMENT EQUIP C/O | | 661 | 527 | 100% | 595 |
| VEHICLE POUND C/O | | 15 | 12 | 100% | 15 |
| VEHICLE TEST STATION EQUIPMENT C/O | | 266 | 221 | 100% | 266 |
| KWT TRAFFIC BUILDING | | 4 294 | 4 294 | 100% | 4 650 |
| | | | | | |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.20.6

## FINANCIAL PERFORMANCE 2018/2019: POLICE

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 64 888 | 61 445 | 61 445 | 68 792 | 11% |
| Expenditure: | | | | | |
| Police Officers | | | | | |
| Other employees | 220 542 | 240 084 | 246 180 | 247 983 | 3% |
| Repairs and Maintenance | 2 492 | 3 529 | 3 529 | 3 105 | -14% |
| Other | 14 817 | 20 770 | 20 002 | 22 601 | 8% |
| **Total Operational Expenditure** | **237 852** | **264 383** | **269 711** | **273 689** | **3%** |
| **Net Operational Expenditure** | **172 963** | **202 938** | **208 266** | **204 898** | **1%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.20.5

## CAPITAL EXPENDITURE 2018/2019: POLICE

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **4 600** | **18 709** | **16 416** | **72%** | |
| CLOSED CIRCUIT TELEVISION NETWORK – CCTV | 2 000 | 1 932 | 1 901 | -5% | 2 000 |
| CLOSED CIRCUIT TELEVISION NETWORK – CCTV | 2 000 | 2 000 | 1 727 | -16% | 2 000 |
| CLOSED CIRCUIT TELEVISION NETWORK – CCTV | | 3 500 | 2 396 | 0% | 3 500 |
| CLOSED CIRCUIT TELEVISION NETW - C/O | | 5 263 | 4 826 | 100% | 5 329 |
| TRAFFIC AND LAW ENFORCEMENT EQUIPMENT | 600 | 600 | 404 | -48% | 600 |
| TRAFFIC AND LAW ENFORCEMENT EQUIPMENT | | 179 | 108 | 100% | 179 |
| TRAFFIC AND LAW ENFORCEMENT EQUIP C/O | | 661 | 527 | 100% | 595 |
| VEHICLE POUND C/O | | 15 | 12 | 100% | 15 |
| VEHICLE TEST STATION EQUIPMENT C/O | | 266 | 221 | 100% | 266 |
| KWT TRAFFIC BUILDING | | 4 294 | 4 294 | 100% | 4 650 |
| | | | | | |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.20.6

## COMMENT ON THE PERFORMANCE OF TRAFFIC SERVICES OVERALL:

Traffic Services promotes fair opportunities for growth within the department for staff.

During the year under review numerous challenges have been encountered in terms of ensuring that the department's budget has been entirely spent. The capital funds provided for the year under review was R 24 369 062.00 budget provided for and the close of the year under review the Department had spent 90% of its budget for projects namely:

a) Traffic & Law Enforcement Equipment,
b) Firearms,
c) Finalizing the Construction of the KWT building,
d) Vehicle test station equipment and the vehicle pound a total of R 280 956.00 was spent.

In the year under review Traffic Services were commended in achieving the highest level of fulfilling their SDBIP KPI namely:
- % reduction in total number of fatalities in BCMM- with only 152 reported cases number of fatalities
- Total revenue collected for outstanding traffic fines – with total revenue collected R 13 990 185.35

During the period under review, criminal activity in the EL CBD area of East London escalated to the killing of homeless people which occurred mainly at night, the increase of service delivery protests, illegal connections of electricity, armed robberies, house breaking and theft in business premises and illegal occupation of land belonging to Council. Although the core function of policing this type of crime remains with SAPS, the City has an important role to play with regards to deterring & preventing criminal behaviour of this nature from taking place, hence the roll-out of CCTV Surveillance Cameras within the EL CBD and various Municipal Buildings took place, to deter many types of criminal behaviour during the 18/19 financial year.

During the 2018/2019 financial year the Public Safety Dept was given a budget of R12 828 850 for the Rollout of CCTV Surveillance Cameras across the City. A total of R10 850 004 was spent at the end of the financial year. This project also found an expression on the SDBIP for the 2018/2019 financial year.

CCTV Surveillance is seen as a major deterrent measure to crime and it is this deterrent effect that is thought to contribute to the increase in the sense of community safety.



CCTV Control Room at Fleet Street Offices.

The following infridgements were attended to during the year under review:

| INFRINGEMENT | STATISTICS |
|---|---|
| DIC | 13 |
| Narcotics Confiscated | 15 |
| Drinking in Public | 177 |
| Drunk and Disorderly | 108 |
| Malicious Damage to Property | 3 |
| Possession of stolen property | 7 |
| Recovery of stolen property | 11 |
| Car washers prosecuted/section 341 notices issued | 244 |
| Fires Extinguished | 217 |
| Goods confiscated from Hawkers | 404 |
| Hawker licences Checked | 144 |
| Hawkers removed | 11 |
| Possession of narcotics | 1 |
| Arrest Public violence | 15 |
| Section 56 notices/ business licences | 34 |
| Arrest House breaking | 1 |
| Arrest for Theft | 2 |
| Vehicles recovered | 1 |
| Hawkers prosecuted | 17 |
| Common assault | 1 |
| Possession of unlicensed firearm | 1 |
| Arrest Common Robbery | 1 |
| Arrest failure to comply | 1 |
| Theft of motor vehicle | 1 |
| Illegal immigrants | 17 |
| Arrest for shoplifting | 1 |
| Interfering with a Peace officer's duties/ obstruction of Justice | 1 |
| CD's/DVD's recovered | 2897 |
| Events | 41 |
| Goods confiscated from car washes | 1980 |
| Illegal electricity disconnections | 27978 |
| Liquor emptied | 1480 |
| Pamphlets confiscated | 8238 |
| Picketing | 12 |
| Protest marches | 44 |
| Unrest protest actions | 33 |
| Section 341 traffic offences | 293 |
| Squatter actions | 183 |
| Shebeens/taverns licences checked | 349 |
| Vagrants removed | 772 |
| Section 56 traffic offences | 395 |
| | |

Regarding the variation to the total approved project value, targets are set based on approved budget hence targets set on the IDP are going to achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

T3.20.7

# 3.21. FIRE

## INTRODUCTION TO FIRE & RESCUE SERVICES

Buffalo City Fire and Rescue Services operates a twenty-four-hour fire and rescue service, providing the following:

a) suppression of fires
b) fire safety
c) fire training
d) water rescue, and
e) hazardous materials incidents

In order to achieve its goals, the Fire and Rescue Services operates out of seven fire stations, situated at Fleet Street East London, Greenfields, Buffalo Flats, Vincent, Mdantsane, King William's Town and Dimbaza. All operational duties are controlled from a single control room which is situated at the Fleet Street fire station, East London.

For the year 2018/2019, the main service delivery priorities were the procurement of fire engines, compliance with the required attendance time for structural firefighting incidents and refurbishment of Dimbaza Fire Station. These targets, were realised & achieved, through the procurement of one Water Tanker, three 4x4 Bush Tenders and one Major Pumper. The refurbishment & renovations to Dimbaza Fire Station were completed thus ensuring the continuous delivery of fire & rescue services in this region. Compliance with the required attendance time for structural firefighting incidents was not achieved due to various factors beyond the departments control.

In terms of support given to communities living in poverty, the departments procurement of the 4X4 bush tenders has assisted by ensuring that these vehicles are able to access the informal settlement areas which are densely populated and with no formal streets or fire hydrants, to assist in the suppression of fires in the poorer & poverty stricken areas of BCMM.

T 3.21.1

## SERVICE STATISTICS: FIRE & RESCUE SERVICES:

The activities of the Fire and Rescue Services for the 2018/2019 financial year were:

**Suppression of fires and emergencies:**

| | |
|---|---|
| Residential fires | 200 |
| Vegetation/grass fires | 1 274 |
| Commercial fires | 44 |
| Transport | 76 |
| Informal dwelling fires | 810 |
| Refuse/illegal fires | 250 |
| Water rescue | 27 |
| Motor vehicle accidents | 48 |

**Fire Safety:**
Activities relating to Fire Safety were:

| | |
|---|---|
| Building plans inspected | 219 |
| Trade licence applications | 179 |
| Fire Safety/Compliance inspections | 2 705 |
| Lectures/demonstrations to the public (schools, industries) | 86 |

**Training:**
Various fire related courses were conducted:

| | |
|---|---|
| Internal (fire personnel) | 60 persons |
| External (public, businesses) | 128 persons |

## METROPOLITAN FIRE SERVICE DATA

| | Details | 2017/2018 | 2018/2019 | | 2019/2020 |
|---|---|---|---|---|---|
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Total fires attended in the year | 1880 | 1900 | 2760 | 2600 |
| 2 | Total of other incidents attended in the year | 233 | 90 | 174 | 200 |
| 3 | Average turnout time - urban areas | 11 | 12 | 12 | 12 |
| 4 | Average turnout time - rural areas | 20 | 25 | 33 | 30 |
| 5 | Fire fighters in post at year end | 141 | 150 | 131 | 150 |
| 6 | Total fire appliances at year end | 27 | 32 | 27 | 29 |
| 7 | Average number of appliances off the road during the year | 4 | 4 | 8 | 4 |

T 3.21.2

**Concerning T3.21.2**

Average turnout times are determined by logging the times taken to reach an emergency incident from receipt of call and analysis of the record. Average Fire appliances off the road. The average number of fire appliances off- the- road is obtained by sampling the number of off- the- road incidents on different days at different times.

T3.21.2.1

## FIRE SERVICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | Previous Year | | *Previous Year | *Current Year (2018/19) | (2018/19) | *Current Year (2019/20) | *Current Year (2020/21) | *Following Year (2021/22) |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Safety | Percentage compliance with the required attendance time for structural firefighting incidents | New Indicator | | | 75% | 23.71% | 75% | 75% | 75% |
| | Number of fire stations refurbished | New Indicator | | | 1 | 1 fire station refurbished completely and 2 fire stations partially refurbished | 2 | 2 | 0 |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.21.3

## EMPLOYEES: FIRE SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| Fire Fighters / Administrators | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| Chief Fire Officer & Deputy | | | | | |
| Other Fire Officers | | | | | |
| 0 - 3 | 7 | 7 | 6 | 1 | 14.29% |
| 4 - 6 | 33 | 17 | 15 | 2 | 11.76% |
| 7 - 9 | 115 | 138 | 126 | 12 | 8.70% |
| 10 - 12 | 11 | 9 | 7 | 2 | 10% |
| 13 - 15 | 5 | 7 | 4 | 3 | 42.86% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 2 | 1 | 1 | 0 | 0% |
| **Total** | **174** | **180** | **160** | **20** | **11.05%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.21.4

## FINANCIAL PERFORMANCE YEAR 2018/19: FIRE SERVICES

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **57 198** | **98 778** | **98 778** | **92 970** | **-6%** |
| Expenditure: | | | | | |
| Fire fighters | | | | | |
| Other employees | 82 910 | 89 666 | 89 911 | 86 792 | -3% |
| Repairs and Maintenance | 1 759 | 2 204 | 2 204 | 1 727 | -28% |
| Other | 5 699 | 16 143 | 78 127 | 118 713 | 86% |
| **Total Operational Expenditure** | **90 367** | **108 013** | **170 243** | **207 232** | **48%** |
| **Net Operational Expenditure** | **42 804** | **9 235** | **71 465** | **114 262** | **92%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.21.5

## CAPITAL EXPENDITURE 2018/2019: FIRE SERVICES

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **7 200** | **15 965** | **14 354** | **50%** | **11 200** |
| FIRE ENGINES PROCURED | 4 100 | 10 553 | 10 553 | 61% | 4 100 |
| FIRE EQUIPMENT | – | 200 | 173 | 100% | – |
| REFURBISH & REHAB - FIRE INFRASTRUCTURE | 1 200 | 2 485 | 2 203 | 46% | 1 200 |
| REFURBISHMENT OF FIRE STATIONS | 1 000 | 1 000 | 902 | -11% | 1 000 |
| EMERGENCY SERVICES SYSTEM | 900 | 1 200 | – | 0% | 900 |
| FIRE EQUIPMENT C/O | – | 527 | 523 | 100% | – |
| | | | | | |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.21.6

## COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The 5year target as set out in the IDP as relates to the Number of Fire Stations refurbished is on track in relation to the available funding and is anticipated to meet the targets set, with Dimbaza Fire Station being fully refurbished as well as work undertaken at Vincent Fire Station and Greenfields Fire Station.

With reference to the 75% compliance in respect of attendance time for structural firefighting incidents, this target is not being met at present. Mitigating factors are the inadequate radio system and long distances travelled to attend to incidents in rural areas. The department has commenced with a project to build a fire station in Berlin and upgrading the tactical radio network system to rectify this target non-achievement.

**The department has identified it's four largest capital projects as follows:**

**FIRE ENGINES PROCURED:**

This project is to ensure that Fire & Rescue Services can provide efficient and effective fire & rescue services.
The 2018/19 budget of R3,352,285 resulted in the procurement of one Water Tanker, with three 4x4 Bush Tenders and one Major Pumper being procured with the 2017/18 rollover funding of R7,200,791.

Budget of R10 million allocated for 2019/20 will be utilized for the further procurement of fire engines (bush tenders) as will the R12,500,000 allocated for 2020/21 and R13,500,000 for 2021/22, to ensure adequate and efficient firefighting vehicles.

**REFURBISHING AND REHABILITATION OF FIRE INFRASTRUCTURE:**

This project is to maintain existing fire infrastructure eg. Fire engines, in order to render adequate services.

The 2018/19 budget of R1,947,715 was used extensively to repair firefighting fleet so as to minimize the downtime of these vehicles.

Budget of R2,200,000 allocated for 2019/20, as well as budgets of R1,600,000 for 2020/21 and R1,500,000 for 2021/22 will be utilized in the same manner.

## NEW FIRE STATION BERLIN:

A needs assessment identified the necessity for a fire station in Ward 45 – Berlin – to service Berlin and surrounding areas.

While no funding was allocated within the 2018/19 year, inter-departmental interactions commenced in terms of identification of land, land usage and sub-division approvals.

Budget of R2 million allocated for 2019/20 will see the commencement of initial surveys, including geomatics in preparation of breaking ground, with further progress utilizing the R7,500,000 funding provided in 2020/21 and completion in the 2021/22 year with a budget allocation of R4 million.




Figure 1: Water Tanker

## REFURBISHMENT OF FIRE STATIONS:

This project is to ensure fire stations are adequately maintained in order to support the rendering of efficient fire and rescue services.

The 2018/19 budget of R1 million resulted in the maintenance of four machine bay doors at Vincent Fire Station; the maintenance of four machine bay doors at Greenfields Fire Station as well as the fitting of two new panoramic machine bay doors at Dimbaza Fire Station. In addition to this, extensive upgrades were completed at the Dimbaza Fire Station, eg. new kitchen cupboards fitted, new toilets fitted, painting of interior and new electrical lights and a geyser installed.

The 2019/20 budget allocation of R500,000 will be utilized for upgrades to Mdantsane and Greenfields Fire Stations, with Mdantsane and Dunoon Fire Stations being identified for upgrades with the R480,000 budget allocated for 2020/21. No funding has been allocated for the 2021/22 year.

To recap, projects completed during the 2018/2019 period resulted in an improvement in the service delivery of the Fire and Rescue Services, projects referred to being:

a) Procurement of three 4x4 Bush Tenders
b) Procurement of one Major Pumper Fire Engine
c) Procurement of one Water Tanker Fire Engine
d) Refurbishment (fitting of new boom) to Aerial appliance completed and appliance taken into use
e) Dimbaza Fire Station fully refurbished
f) Breathing Air Compressor fully refurbished




Figure 2: Major Pumper

Targets are set based on approved budget hence targets set on the IDP are going to achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

T3.21.7

# 3.22. **OTHER** (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

## INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

# **INTRODUCTION** TO DISASTER MANAGEMENT

## INTRODUCTORY COMMENTS

The National Policy Framework of Disaster Risk Management Policy Framework makes provision for four key performance areas:

1. Integrated Institutional capacity
2. Disaster risk assessment
3. Disaster risk reduction
4. Response and recovery,

**as well as the following three enablers:**

1. Information management and communication
2. Education, training, public awareness and research
3. Funding arrangements

In this regard, a Disaster Management centre which is situated at the Fleet Street Fire Station precinct attends to the disaster risk management needs throughout Buffalo City's area of jurisdiction.

Measures taken to improve performance and the major efficiencies achieved by Disaster Management services for 2018/19 are as follows:

The twenty community members from Wards 1 (one) and 2 (two) who were trained to conduct Community Based Risk Reduction went on and did numerous risk reduction assessments in Wards 1 (one) and 2 (two).

Disaster Management officials were actively involved with various committees and/or meetings having attended a total of seventy-six inspections, forums and meetings in respect of the following:

* Road Incident Management System
* Climate Change Committee
* Bulk Liquid Forum
* Provincial Drought Forum
* Provincial Disaster Management Advisory Forum
* South African Search and Rescue Forum
* 2019 National Elections Planning Committee
* Compass Waste Monitoring Committee

A draft Disaster Management Bylaw was drawn up and has already progressed past the public participation process, with the next phase being the submission to Council and thereafter, the promulgation thereof.

It must be noted that it is not a function of Disaster Management to provide support to communities that are living in poverty. Amongst others, the function of Disaster Management is to provide emergency relief, being food parcels and blankets, to disaster victims e.g. flooding, shack fires and severe storms/wind.

T 3.22.1

## SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

## SERVICE STATISTICS FOR DISASTER MANAGEMENT

1. During the period under review, the Disaster Management Services participated in the activities listed below:

| | |
|---|---|
| Events Planning meetings attended | 223 |
| Participated in Venue Operations Centres | 63 |
| Development applications inspected | 83 |
| Event compliance inspections | 49 |
| Emergency relief provided to victims of fires and flooding | 1 640 |
| Emergency exercises facilitated and participated in | 28 |

2. Event Safety Technical Task Team Workshop hosted on 18 October 2018.

3. Event Safety Workshop hosted for the establishment of structures and systems in terms of the Safety at Events Act.

4. Education and Training:
   Twenty community members from Wards 1 (one) and 2 (two) trained to conduct Community Based Risk Reduction assessments.

T 3.22.2

## DISASTER MANAGEMENT POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year (2018/19) | (2018/19) | *Current Year (2019/20) | *Current Year (2020/21) | *Following Year (2021/22) |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| No indicators on the IDP | | | | | | | | | |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.22.3

## EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 0 | 0 | 0 | 0% |
| 4 - 6 | 3 | 4 | 2 | 2 | 50% |
| 7 - 9 | 0 | 1 | 1 | 0 | 0% |
| 10 - 12 | 1 | 2 | 1 | 1 | 50% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| **Total** | **6** | **9** | **6** | **3** | **33.33%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.22.4

## FINANCIAL PERFORMANCE 2018/2019: DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **2** | **–** | **–** | **–** | **0%** |
| Expenditure: | | | | | |
| Employees | 128 964 | 3 704 | 3 714 | 3 014 | -23% |
| Repairs and Maintenance | 640 | 65 | 65 | 254 | 74% |
| Other | 5 396 | 2 201 | 2 201 | 1 487 | -48% |
| **Total Operational Expenditure** | **135 001** | **5 971** | **5 981** | **4 755** | **-26%** |
| **Net Operational Expenditure** | **134 999** | **5 971** | **5 981** | **4 755** | **-26%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.22.5

## CAPITAL EXPENDITURE YEAR 0: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

R'000

| Capital Projects | 2018/2019 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **3560000** | **1560000** | **1431795** | **-149%** | |
| | | | | | |
| Early Warning Systems | 1200000 | 0 | 0 | 0 | - |
| Early Warning Systems C/O | 695000 | 695000 | 539477 | -29% | 539,477 |
| Disaster Management: Event Safety Equipment | 120000 | 120000 | 117957 | -2% | 117,957 |
| Disaster Management: Event Safety Equipment C/O | 105000 | 105000 | 102026 | -3% | 102,026 |
| Tactical Radio Network | 800000 | 0 | 32335 | -2374% | |
| Tactical Radio Network C/O | 640000 | 640000 | 64000 | 0% | |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.22.6

No capital projects for Animal Licensing and Control & Control of Public Nuisances as these fall within the Traffic Services Dept & Municipal Health Services.

# COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

## COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL:

The twenty community members from Wards 1 (one) and 2 (two) who were trained to conduct Community Based Risk Reduction went on and did numerous risk reduction assessments in Wards 1 (one) and 2 (two).

Disaster Management officials were actively involved with various committees and/or meetings having attended a total of seventy-six inspections, forums and meetings in respect of the following:

* Road Incident Management System
* Climate Change Committee
* Bulk Liquid Forum
* Provincial Drought Forum
* Provincial Disaster Management Advisory Forum
* South African Search and Rescue Forum
* 2019 National Elections Planning Committee
* Compass Waste Monitoring Committee

A draft Disaster Management Bylaw was drawn up and has already progressed past the public participation process, with the next phase being the submission to Council and thereafter, the promulgation thereof.

The department has identified it's four largest capital projects as follows:

**Early Warning Systems:**
This project is to provide early warning to communities in respect of severe storms and flooding.

No budget was allocated for 2018/19, however the 2017/18 rollover funding of R695,000 was utilized for the design and implementation of an Early Warning System for the BCMM area.

Budget of 2 million is allocated in 2020/21 for rollout of this system.

**Disaster Management Event Safety Equipment:**
This project is to enhance safety of spectators and implement crowd control at events e.g. cycle races and music festivals.

2018/19 Budget allocation of R120,000 as well as 2017/18 rollover funds of R105,000 resulted in the procurement of event safety barriers/access control channels, as well as two cameras. Further access control channels will be procured utilizing the 2019/20 budget of R200,000 and 2020/21 budget of R200,000. No funding is allocated for 2021/22.

**Tactical Radio Network:**
This project is to increase the radio connectivity of all emergency and public safety personnel.

No funding allocated for 2018/19, however 2017/18 rollover funding of R640,000 utilised for the design and implementation of a Technical Radio Network for the BCMM area.

2019/20 funding of R4,250,000 will be utilized for the rollout of this project, with a further budget of R2 million allocated for 2020/21 and R500,000 allocated in 2021/22 to complete this project.

**Refurbishment of Disaster Management Centre:**
This project is to provide the necessary offices and infrastructure to support the disaster management function.

No budget allocated for 2018/19 or 2019/20, however groundwork in terms of identifying upgrades to existing centre are being done. 2020/21 budget allocation of R1 million will see the commencement of this project, with a further R1 million allocated in 2021/22 for completion of this project.

Disaster Management projects are in progress in relation to available funding and are anticipated to meet targets.

Targets are set based on approved budget hence targets set on the IDP are going to achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

T 3.22.7

# COMPONENT H: SPORT AND RECREATION

## INTRODUCTION TO SPORT AND RECREATION

BCMM provides socially inclusive sport and recreation services to its residents. Driven by the need to build social cohesion and promote an active citizenry, the City prioritises access to sport and recreational facilities. In response to the mandate of providing access to facilities for communities, the City offered competitive and market related tariffs to sport and recreation stakeholders for use of its sport and recreation facilities.

Such facilities include sport stadia, swimming pools, beaches, etc.

There are five public swimming beaches that is serviced by lifeguards all year round. The beaches are Nahoon Beach; Gonubie beach, Bonza bay Beach, Eastern beach, Orient pay beach and the Waterworld pay complex. These beaches with the exception of Orient Beach and Waterworld Complexes are all in a very natural state with very little manmade structures. Thus, the natural beauty of the beaches is largely preserved. Other beaches are serviced during the festive season and have lifeguards for this period depending on availability of funds and lifeguards. Some of these beaches have boardwalks and picnic areas close to the surf area. These boardwalks and picnic areas are popular with locals and tourists outside Buffalo City. The beaches are also amongst the most popular surfing spots in the country.

There are 17 formal and 36 informal sports facilities. The informal sports fields are non- tariff levying.

The sports facilities cater for a variety of sports codes such as: rugby, soccer, netball, tennis, hockey and cricket amongst others. Local sports associations, regional sports associations, provincial federations and national federations utilize the various facilities. Stadia such as Sisa Dukashe Stadium hosts major sports events such as the Premier Soccer League matches, Inter provincial rugby etc.

Zwelitsha, King William's Town, Ruth Belonsky and Joan Harrison Pools, cater for the community recreational needs and sports users.

The high standards of the Sisa Dukashe Stadium have attracted teams from outside Eastern Cape Province to play their matches here, such as Bloemfontein Celtic Football Club. This has ensured that the BCMM receives more exposure as a sports destination of choice.

The Victoria Grounds, Jan Smuts Stadium, NU14 sports fields and the Sweetwaters sportsfields were upgraded in the 2018/19 financial year. The upgrade of these 2 facilities has ensured that more of our communities are able to access our sports facilities, and thereby increase the participation in sports and recreation.

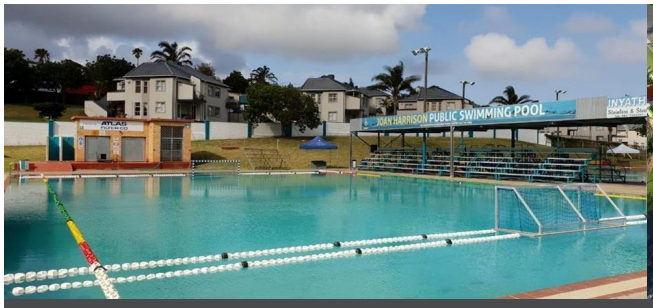
Ruth Belonsky and Zwelitsha Pools are 25 m pools, whilst King William's Town and Joan Harrison Pools are 50 m pools. Joan Harisson Pool has an Olympic standard pool, diving pool, water polo pools and a kiddie's splash pool. The Waterworld and Orient Complexes are more geared towards the recreation and leisure users. The pools have hosted major aquatic competitions at a national level and are also popular during the summer vacations with the local users. The Joan Harisson Pool hosted a national level 2 gala in the 2018/19 financial year.

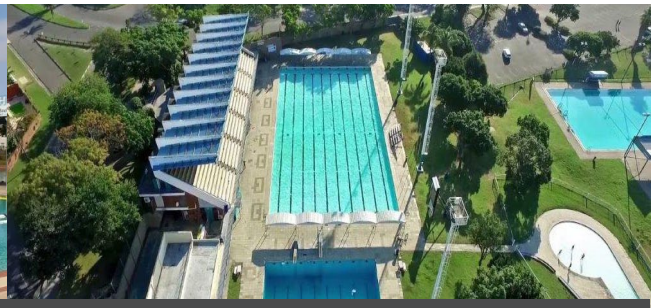
The work on the refurbishment and rehabilitation of the NU2 swimming pool has commenced. The pool is expected to be completed in the 2020/21 financial year.

All the above swimming pools were upgraded and or refurbished as part of the upgrading and refurbishment programme for the department.

The impact in terms of service delivery priorities as listed above was due to putting better planning systems in place and commencing projects earlier than previous years which resulted in greater efficiencies.

In terms of support given to communities living in poverty, NPO's and CBO's that apply for free use of sports and recreation facilities to the Executive Mayor are normally approved so that these facilities are accessible to those that cannot afford them



Joan Harrison Pool




Zwelitsha Swimming Pool



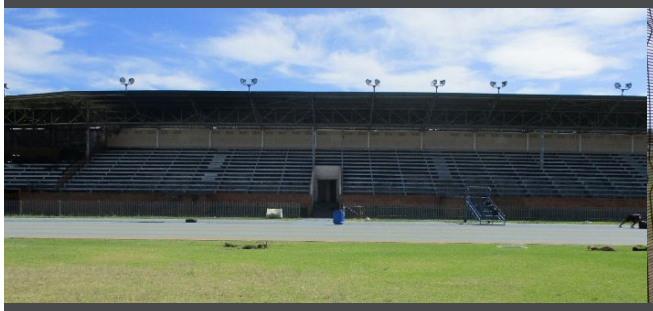
Waterworld Swimming Pool




Ruth Belonsky Swimming Pool



Orient Pools



Jan Smuts Stadium



Orlando Stadium



Sisa Dukashe Stadium



Selborne Tennis Court

T 3.23.


GSH 27 VC
Professional
BOSCH
Bosshammer

# 3.23. SPORTS AND RECREATION

## SERVICE STATISTICS FOR SPORTS AND RECREATION

The key statistics relating to the City's efforts towards promoting access to sports and recreational facilities, supporting sports initiatives and maintaining recreational facilities include:

a) The sports facilities had about 216 595 visitors during the period under review.
b) The Zoo had about 55 010 visitors.
c) About 18 352 people visited the aquarium.
d) Our beaches had about 141 865 visitors and pools attracted 38 354 visitors.
e) The municipality received 800 registration applications for boat licences.

T 3.23.1

| Service delivery objective | Outline Service Targets | Year 2016/17 | |
|---|---|---|---|
| | | Target | Actual |
| Tourism opportunities exploited in high value niche products | Number of Swimming Pools upgraded | 3 | 3 |
| | Number of Zoo Facilities upgraded | 3 | 3 |
| | Number of Nature Reserve Facilities Upgraded | 2 | 2 |
| | Number of Sports Facilities Upgraded | 4 | 4 |
| | Number of Beaches Facilities Upgraded | 2 | 2 |

| Service delivery objective | Outline Service Targets | Year 201718 | | |
|---|---|---|---|---|
| | | Previous | Target | Actual |
| Tourism opportunities exploited in high value niche products | Number of Swimming Pools upgraded | 3 | 5 | 5 |
| | Number of Zoo Facilities upgraded | 3 | 5 | 4 |
| | Number of Nature Reserve Facilities Upgraded | 2 | 3 | 0 |
| | Number of Sports Facilities Upgraded | 4 | 8 | 8 |
| | Number of Beaches Facilities Upgraded | 4 | 4 | 4 |

| Service delivery objective | Outline Service Targets | Year 201819 | | |
|---|---|---|---|---|
| | | Previous | Target | Actual |
| Tourism opportunities exploited in high value niche products | Number of Swimming Pools upgraded | 5 | 7 | 7 |
| | Number of Zoo Facilities upgraded | 4 | 6 | 1 |
| | Proportion of biodiversity priority areas protected | 0 | 100% | 0 |
| | Number of Sports Facilities Upgraded | 8 | 4 | 4 |
| | Number of Beaches Facilities Upgraded | 4 | 4 | 4 |

T 3.23.2

## EMPLOYEES: SPORT AND RECREATION

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 151 | 119 | 107 | 12 | 10.08% |
| 4 - 6 | 68 | 146 | 126 | 20 | 13.70% |
| 7 - 9 | 36 | 38 | 34 | 4 | 10.53% |
| 10 - 12 | 6 | 14 | 11 | 3 | 21.43% |
| 13 - 15 | 2 | 5 | 3 | 2 | 40% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| **Total** | **264** | **323** | **282** | **41** | **12.69%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.23.3

## FINANCIAL PERFORMANCE 2018/19 : SPORT AND RECREATION

R'000

| Details | 2016/17 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **3 751** | **5 909** | **4 697** | **3 408** | **-73%** |
| Expenditure: | | | | | |
| Employees | 66 629 | 59 812 | 71 910 | 71 961 | 17% |
| Repairs and Maintenance | 6 190 | 5 496 | 5 496 | 5 314 | -3% |
| Other | 9 893 | 12 178 | 11 078 | 8 051 | -51% |
| **Total Operational Expenditure** | **82 711** | **77 487** | **88 485** | **85 326** | **9%** |
| **Net Operational Expenditure** | **78 959** | **71 578** | **83 788** | **81 918** | **13%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.23.4

# CAPITAL EXPENDITURE 2018/2019: SPORT AND RECREATION

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 47 450 | 60 014 | 34 581 | -37% | |
| PAVING AROUND CAMPING SITES AND CHALETS | 200 | 200 | – | 0% | 200 |
| CONSTRUCTION OF OFFICES AND GUARD HOUSE | 500 | 484 | 21 | -2245% | 500 |
| UPGRADING OF ORIENT BUILDING | 500 | 500 | 458 | -9% | 500 |
| PAVING AROUND CAMPING SITES AT NAHOON CA | 750 | 750 | – | 0% | 750 |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 25 | 25 | 0 | 0% | 25 |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 25 | 25 | – | 0% | 25 |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 100 | 100 | – | 0% | 100 |
| SUPP & INST SEC SYST - ALL BCMM S/POOLS | 400 | 400 | 360 | -11% | 400 |
| ELECTRIC CONTROL SYSTEMS | 1 000 | 1 000 | 1 000 | 0% | 1 000 |
| PURCHASE OF COIN OPERATING WASHING MACHI | 100 | 100 | 153 | 35% | 100 |
| UPGRADING OF FILTRATION SYSTEM | 700 | 700 | 677 | -3% | 700 |
| REVAMPING OF JUMPING CASTLE | 200 | 200 | – | 0% | 200 |
| PURCHASE OF FURNITURE FOR CHALETS | 500 | 500 | 360 | -39% | 500 |
| FURNITURE AND OFFICE EQUIPMENT - ORIENT | 350 | 350 | 18 | -1897% | 350 |
| FURNITURE AND OFFICE EQUIPMENT-GONUBIE | 1 050 | 1 050 | 50 | -2000% | 1 050 |
| PURCHASE OF OFFICE FURNITURE AND EQUIPME | 500 | 500 | – | 0% | 500 |
| INSTALLATION OF FLOODLIGHTS AT GONUBIE R | 100 | 100 | 100 | 0% | 100 |
| JOHN HARRISON SWIMMING POOLS | 900 | 900 | 773 | -16% | 900 |
| MACHINERY AND EQUIPMENT FOR BONZA BAY | 450 | 450 | 431 | -4% | 450 |
| LIFE GUARDS FACILITIES | 200 | 200 | 200 | 0% | 200 |
| ABLUTION FACILITIES POOLS | 500 | 500 | 499 | 0% | 500 |
| INSTALLATION OF SECURITY ALARMS IN 20 CH | 800 | 800 | 57 | -1299% | 800 |
| BRAAI STANDS | 200 | 200 | – | 0% | 200 |
| BUILD - CHALETS AT NAHOON CARAVAN PARK | 1 000 | 400 | – | 0% | 400 |
| ABLUTION FACILITIES BEACHES | 500 | 168 | 168 | -197% | 500 |
| PUBLIC ABLUTIONS BEACHES | 200 | 200 | 184 | -9% | 200 |
| BOARDWALK (NEW) | 2 000 | – | – | 0% | 2 000 |
| BUILDING OF S/POOL AT GONUBIE RESORT | 3 450 | 450 | – | 0% | 450 |
| REFUBISHMENT OF KING WILLIAMS TOWN SWIMM | 300 | 300 | 188 | -60% | 300 |
| BRAAI AREA | 500 | – | – | 0% | 500 |
| REFURBISHMENT OF ORIENT SWIMMING POOLS | 450 | 450 | 228 | -97% | 450 |
| PLAY AREA | 250 | 250 | – | 0% | 250 |
| DEMOL & CONST - OFFICE AT GONUBIE RESORT | 5 000 | 4 009 | 3 686 | -36% | 5 000 |
| REFUBISHMENT OF RUTH BELONSKY SWIMMING P | 400 | 384 | 103 | -290% | 400 |
| VENDOR STALLS | 500 | – | – | 0% | 500 |
| REFURBISHMENT OF WATER WORLD SWIMMING PO | 450 | 450 | 194 | -132% | 450 |
| POOLS | 300 | 300 | – | 0% | 300 |
| REFURBISHMENT OF ZWELITSHA SWIMMING POOL | 500 | 500 | 341 | -46% | 500 |
| SUPER TUBES | 500 | 29 | 29 | -1608% | 500 |
| REFUBISHMENT OF ABLUTION BLOCKS AT RESOR | 400 | 400 | 392 | -2% | 400 |
| DEVELOPMENT OF MASTER PLAN | 200 | 200 | – | 0% | 200 |

| | | | | | |
|---|---|---|---|---|---|
| UPGRADE OF ENTRANCE | 250 | 250 | – | 0% | 250 |
| LIFESAVER TOWERS | 200 | 200 | 29 | -597% | 200 |
| MASTER PLAN | 300 | 300 | – | 0% | 300 |
| CONSTRUCTION OF BRAAI STANDS AT NAHOON C | 500 | 500 | – | 0% | 500 |
| REFURBISHMENT OF TICKET OFFICES | 250 | 250 | 101 | -148% | 250 |
| FENCING | 200 | 200 | 76 | -165% | 200 |
| RUTH BELONSKY SWIMMING POOL C/O | – | – | – | 0% | – |
| DEMOL & CONST - OFFICE AT GONUBIE RESORT | – | 1 995 | 526 | 100% | 1 995 |
| FENCING | – | 74 | 58 | 100% | 74 |
| REFUBISHMENT OF KING WILLIAMS TOWN SWIMM | – | 104 | – | 0% | 104 |
| UPGRADING OF RESORTS C/O | – | 22 | 19 | 100% | 22 |
| REFURBISHMENT OF TICKET OFFICES | – | 200 | – | 0% | 200 |
| ORLANDO STADIUM: INST - ELEC IRRIGATION C/O | – | 415 | 330 | 100% | 415 |
| CONS - OFF & S/GUARD HSE - NAHOON C/PARK C/O | – | 1 998 | – | 0% | 1 998 |
| ABLUTION FACILITIES | – | 974 | 855 | 100% | 974 |
| JOHN HARRISON SWIMMING POOLS C/O | – | 451 | – | 0% | 451 |
| PLANT AND EQUIPMENT -JOHN HARRISON SWIMM | 850 | 964 | 939 | 10% | 850 |
| PLANT AND EQUIPMETN - KING WILLIAMS TOWN | 650 | 650 | 477 | -36% | 650 |
| PLANT AND EQUIPMENT- ORIENT SWIMMING POO | 650 | 650 | – | 0% | 650 |
| PLANT AND EQUIPMENT- RUTH BELONSKY SWIM | 650 | 1 164 | 1 141 | 43% | 1 164 |
| PLANT AND EQUIPMENT- WATER WORLD SWIMMIN | 500 | 500 | 408 | -22% | 500 |
| PLANT AND EQUIPMENT -ZWELITSHA SWIMMING | 500 | 500 | 443 | -13% | 500 |
| REDEVEL- MDANTS SPORT PRECINT NU2 S/POOL | 1 000 | 10 928 | 1 309 | 24% | 10 928 |
| DEV & UPGRADE AND REFURBISH OF SPORTSFIE | 14 000 | 14 000 | 13 594 | -3% | 14 000 |
| FLOODLIGHTS (STADIUMS & S/FIELDS) C/O | – | 224 | 146 | 100% | 224 |
| PEFFERVILLE: FENCING C/O | – | 606 | 359 | 100% | 606 |
| UPGR - MAIN G/STAND AT SISA DUKASHE STAD C/O | – | 665 | 411 | 100% | 665 |
| REFURB OF TICKET OFFICE AT SISA DUKASHE C/O | – | 2 706 | 2 688 | 100% | 2 706 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.23.5 |

## COMMENT ON THE PERFORMANCE OF SPORT & RECREATION OVERALL

The following priorities were addressed during the year under review: -

1. Upgrading of sports facilities: NU14, Victoria Grounds, Sweetwaters and Jan Smuts.
2. Upgrading of beaches facilities, Orient, West Bank, Gonubie and Eastern beach.
3. Upgrading of swimming pools, KWT, Zwelitsha, Ruth Belonsky, Joan Harrison, NU2 Pool, Waterworld pools and Orient pools.
4. Upgrading of Zoo Facilities.

**T 3.23.6**

# COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

## 3.24. INTRODUCTION TO CORPORATE POLICY OFFICES, ETC

The Office of the City Manager plays a leading role through the Knowledge Management Unit which coordinates and guides the process of policy formulation within the institution. Each directorate is a custodian of its policies and all policies are approved by Council and subject to regular review.

Policies play a pivotal role in the achievement of specific objectives of various directorates towards overall impact on service delivery and ultimately on developmentalism.

*T 3.24*

## 3.24. EXECUTIVE AND COUNCIL

### INTRODUCTION TO EXECUTIVE AND COUNCIL

During the year under review, Council and Executive set out the following key service delivery priorities. It should however be noted that the Executive does not implement service delivery projects but rather Good Governance targets.

The following priorities were identified:

- To promote the competitiveness of various industries and increase export potential
- Number of programmes implemented in partnership with Civil Society
- Number of trainings provided for Ward Committees

The abovementioned priorities were set in line with the vision of a Well Governed city. Due to declining levels of employment the City prioritised the revitalisation of industries to expand the job market and promote investment within the Metro.

**In terms of achievement:**

- Established Invest Buffalo City
- We have also made progress in establishing our own Investment Centre which will provide investors with streamlined services to fast-track investment projects in the city. This centre will complement the Provincial Investment One-Stop-Shop that is being established in the city.
- Progress through DEA/BCMDA – Good Green Deeds
- Reeston Tunnel project approved for loan funding (to enable densified human settlement in NW corridor)
- Free wifi hotspots rolled out

**Measures taken to improve performance**

- Establishment of Monitoring and Evaluation Unit (M&E) under the Executive Mayors Office
- A resolution was taken to review the organisational structure to improve and fastrack services delivery
- We are also implementing a revenue enhancement strategy which is aimed at improving our collection rate and reducing the debtors' book.
- Risk management functional
- Audit committee established

*T 3.24.1*

## SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

The Office of the Speaker holds an annual event known as the Council Open Day which is a culmination of the Integrated Development Plan and Budget roadshows held to conclude the contributions made by various communities towards either the annual reviewal or the formulation of the Integrated Development Plan for the new term of Council.

In addition, the Office of the Speaker has two programmes, that it, the Moral Regeneration Movement which is a multi-sectoral civil society driven movement, to address moral decay and funded by the state.

The second programme is known as the Traditional Initiation Programme which is led by the Traditional Leaders serving in Council as an intervention to curb deaths and permanent injuries to boys undergoing the age- old custom of initiation.

*T 3.24.2*

## THE EXECUTIVE AND COUNCIL POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/2018 | | 2018/2019 | | | 2019/2020 | 2020/2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective** | | | | | | | | | |
| | | | | | | | | | |
| A Well Govern City | Number of Training Session Provided for ward committees | 2 | 2 | 2 | 2 | 2 | 2 | 0 | 0 |
| A Green City | Number of Waste Cells Constructed | 1 | 1 | 1 | 2 | 0 | 1 | 0 | 0 |
| An Innovative and Productive City | Number of Arts, Culture and Heritage Project Implemented | 13 | 13 | 13 | 12 | 8 | 14 | 0 | 0 |
| A Connected City | Percentage of unsurfaced Roads graded | 80KM | 80.2Km | 80KM | 10.53 % (140 Km) | 11.12% (148.95 Km) | 20Km | 0 | 0 |
| A Spatially Integrated City | Number of Community Halls Upgraded | 5 | 5 | 5 | 7 | 2 | 6 | 0 | 0 |

T 3.24.3

## EMPLOYEES: THE EXECUTIVE AND COUNCIL

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts 17/18 | Employees 18/19 | Vacancies (fulltime equivalents)17/18 | Vacancies (as a % of total posts)17/18 |
| | No. | No. | No. | No. | % |
| 0 – 3 | 17 | 19 | 17 | 2 | 10.53% |
| 4 – 6 | 70 | 86 | 82 | 4 | 4.65% |
| 7 – 9 | 36 | 35 | 32 | 3 | 8.57% |
| 10 – 12 | 13 | 26 | 20 | 6 | 23.08% |
| 13 – 15 | 6 | 11 | 9 | 2 | 18.18% |
| 16 – 18 | 13 | 13 | 12 | 1 | 7.70% |
| 19 – 20 | 2 | 2 | 2 | 0 | 0 |
| **Total** | **157** | **192** | **174** | **18** | **9.37%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.24.4

## FINANCIAL PERFORMANCE 2018/2019: THE EXECUTIVE AND COUNCIL

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **31 518** | **–** | **–** | **8** | **100%** |
| Expenditure: | | | | | |
| Employees | 93 824 | 145 480 | 143 937 | 141 583 | -3% |
| Repairs and Maintenance | 1 321 | 3 846 | 1 346 | 1 190 | -223% |
| Other | 217 099 | 160 411 | 161 641 | 151 722 | -6% |
| **Total Operational Expenditure** | **312 244** | **309 737** | **306 924** | **294 496** | **-5%** |
| **Net Operational Expenditure** | **280 726** | **309 737** | **306 924** | **294 487** | **-5%** |

T 3.24.5

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## CAPITAL EXPENDITURE 2018/2019: THE EXECUTIVE AND COUNCIL

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 3 500 | 5 887 | 2 699 | -30% | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | 500 | 450 | 394 | -27% | 500 |
| OFFICE FURN AND EQUIPMENT (COUNCILLORS) | 3 000 | 3 000 | – | 0% | 3 000 |
| OFFICE FURN AND EQUIPMENT (COUNCILLORS)C/O | – | 2 437 | 2 305 | 1 | 2 437 |

T 3.24.6

**Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.**

## COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

In pursuit of promoting public accountability and broadening public participation, Council demonstrated a strong commitment to community-centred participatory approaches in the management of the municipality. Extensive involvement of communities in municipal planning through established institutional arrangements demonstrated the City's commitment to the promotion of public accountability. In this regard, significant strides were made in engaging communities through the utilisation of various governance structures at both the Executive and Legislative components of Council.

This ensured active participation of communities in the development of their areas and ensured that the municipality is accountable to the public. Amongst others, the following included the initiatives undertaken to demonstrate the municipality's commitment to providing the community with information concerning issues of municipal governance, management and development. Consistent monthly Council meetings were held to discuss Council business and all Oversight Committees convened meetings regularly in accordance with the scheduled calendar.

The Mayoral Committee convened its meetings regularly attempting to follow the calendar to process items for Council consideration and take necessary decisions in line with the dictates of the systems of delegations.

*T 3.24.7*

# 3.25. FINANCIAL SERVICES

## INTRODUCTION FINANCIAL SERVICES

### REVENUE MANAGEMENT

The key functions of the Revenue Management Department include the following:

a. Meter Reading
b. Billing of Property Rates and Service Charges
c. Indigent Registration and monthly subsidy allocation
d. Enquiries and Customer Services
e. Call Centre Services
f. Property Valuations and Appeals
g. Revenue Collection
h. Debt Management, including disconnections, blocking and legal collection action
i. Bad Debt Write Offs
j. Data Quality Assurance
k. Electricity Prepayment Vending and Third-Party Collections

### BILLING

During the financial year, despite the various challenges encountered, municipal bills were produced every month and sent to customers. The Query Resolution Centre dealt with billing account queries during the financial year. The department is keenly aware of the challenges related to meter reading and commenced with the installation of smart electricity meters. This has resulted in the monthly electricity billing being consistent and accurate. Previously where KVA meters (large power users) were not read, these accounts have stabilised with the introduction of the smart meters. Up to 30 June 2019, a total of 8,549 smart meters had been installed. The target is to complete 65,000 by August 2020. An additional benefit is the early detection of meter tampering.

In addition to this, BCMM is intending to install smart water meters and has commenced the procurement process. This will prove beneficial to the BCMM customers as it will result in credible monthly readings and billing and will greatly reduce billing related queries. The revenue will also be maximised and the annual non-technical losses should reduce considerably.

### DEBT COLLECTION

The priority of the Department was to increase the collection of debt and to reduce the debt book. Due to the continued efforts of the Revenue Management Department, BCMM maintained a reasonably healthy cash flow during the year. Unfortunately, BCMM was not able to meet the collection rate target of 92.5% related to rates and service charges. Meter tampering played a significant role in BCMM's ability to collect its debt as customers electricity was suspended but because of the tampering it did not prompt the customers to settle their debt. BCMM has a Revenue Protection Unit that attends to the Meter Tampering issues.

The following actions were undertaken inter alia:

Communication with customers prior to debt collection action, which included sms reminders, telephone reminders and pre-termination notices, Disconnection and blocking of electricity, handover of debt for legal collection action

**Measures taken to improve performance**

- Continued Implementation of the Revenue Enhancement Strategy, specifically to enforce the debt collection action.
- Continued Implementation of the expanded Revenue Management Operations.
- Continued Implementation of the Outbound Call Centre Function with the function of incoming calls added.
- Commencement of the procurement process for an IVR System that can manage the Inbound Call Centre, automate the Outbound Call Centre and manage the Query Resolution Process from start to end.
- Stricter enforcement of the Credit Control Policy and the reviewing of the Credit Control, Indigent Support and Rates policies and by-laws.
- Increased disconnection of electricity meters and blocking of prepayment meters.
- Installation of smart meters for electricity related to Business customers.
- Analysis of returned mail resulting in rectification of postal addresses and a reduction in returned mail.
- Updating of consumer data, to ensure that credit control action in the form of telephone calls, SMS notification and letters are successful.
- Continued implementation of the smart meter installation programme.

T 3.25.1

# DEBT RECOVERY

R' 000

| Details of the types of account raised and recovered | 2017/18 | | 2018/19 | | | 2019/20 | |
|---|---|---|---|---|---|---|---|
| | Actual for accounts billed in year | Proportion of accounts value billed that were collected in the year % | Billed in Year | Actual for accounts billed in year | Proportion of accounts value billed that were collected % | Estmated outturn for accounts billed in year | Estimated Proportion of accounts billed that were collected % |
| Property Rates | 1 005 370 | 83% | 1 760 412 | 1 760 412 | 61% | 1 936 453 | Not Available |
| Electricity - B | 111 943 | 91% | 118 997 | 118 997 | 88% | 130 897 | Not Available |
| Electricity - C | 1 131 878 | 91% | 1 203 196 | 1 203 196 | 88% | 1 323 516 | Not Available |
| Water – B | 29 245 | 87% | 27 489 | 27 489 | 94% | 30 238 | Not Available |
| Water – C | 388 553 | 87% | 365 211 | 365 211 | 94% | 401 732 | Not Available |
| Sanitation | 314 273 | 88% | 357 520 | 357 520 | 81% | 393 272 | Not Available |
| Refuse | 233 038 | 83% | 264 287 | 264 287 | 76% | 290 716 | Not Available |
| Other | 113 912 | 66% | 119 769 | 119 769 | 59% | 131 746 | Not Available |

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them. T 3.25.2

## Concerning T 3.25.2

In order to calculate the % collected per service, the amount collected is divided by the amounts billed for the 2018/2019 financial period.

## FINANCIAL SERVICE POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives / Service Indicators | Outline Service Targets | 2017/18 | | 2018/19 | | | 2019/20 | 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Percentage of the municipality's operating budget spent on free basic services to indigent households. | Free Basic Services to Indigent households. | - | - | - | 16% | 8% | 16% | 16% | 16% |
| % of a municipality's capital budget spent on capital projects identified in the IDP | % of a municipality's capital budget spent on capital projects identified in the IDP | 90% | 81% | 90% | 90% | 84% | 100% | 100% | 100% |
| % revenue Collection Rate as measured in accordance with the MSA performance regulations | % revenue Collection Rate as measured in accordance with the MSA performance regulations | 89% | 93% | 92,50% | 92,50% | 88% | 92,50% | 95% | 95% |
| Number of Smart Meters installed | Number of Smart Meters installed | 11000 | 100 (pilot) | 25000 | 25000 | 8328 | 21300 | 0 | 0 |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be iincorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the 2017/2018 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.25.3

## FINANCIAL PERFORMANCE 2018/2019: FINANCIAL SERVICES

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **2 067 925** | **2 492 463** | **2 487 598** | **2 628 985** | **5%** |
| Expenditure: | | | | | |
| Employees | 249 680 | 250 978 | 243 175 | 264 453 | 5% |
| Repairs and Maintenance | 1 588 | 3 142 | 1 942 | 1 450 | -117% |
| Other | 350 157 | 249 360 | 153 615 | 120 360 | -107% |
| **Total Operational Expenditure** | **601 425** | **503 480** | **398 731** | **386 264** | **-30%** |
| **Net Operational Expenditure** | **(1 466 500)** | **(1 988 984)** | **(2 088 866)** | **(2 242 722)** | **11%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.25.5

| CAPITAL EXPENDITURE 2018/2019: FINANCIAL SERVICES | | | | | |
|---|---|---|---|---|---|
| | | | | | R' 000 |
| Capital Projects | 2018/19 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **152 538** | **41 326** | **23 152** | **-559%** | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 500 | 500 | 457 | -9% | 500 |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | – | 170 | 163 | 100% | |
| NEW METER READING SYSTEM | 7 168 | – | – | 0% | 7 168 |
| OFFICE FURN & EQUIPMENT (FMG) | – | 66 | 65 | 0% | |
| SMART METERING SOLUTIONS | 64 120 | 20 053 | 13 192 | -386% | 64 120 |
| FULLY INTEGRATED ASSET MANAGEMENT SYSTEM | – | 6 162 | 19 | 100% | – |
| ACQUIRE ERP SYSTEM | 40 000 | – | (0) | 0% | 40 000 |
| INDIGENT MANAGEMENT SYSTEM | 10 750 | 1 497 | 367 | -2826% | 10 750 |
| ASSET REPLACEMENTS - INSURANCE | 10 000 | 8 884 | 8 884 | -13% | |
| CONSTRUCTION OF OFFICE ACCOMODATION | 20 000 | 3 995 | 3 | -602945% | 20 000 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.25.6 |

## COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Financial Services budgeted to receive a revenue of R2.5 billion, of the budgeted amount 105% was received, which amounted to R2.6 billion. The budgeted expenditure for the directorate amounted to R398.7 million of which R96.87% (R386.2 million) was spent. This was an improvement as compared to the previous financial year.

The largest capital projects are in line with the Buffalo City Metropolitan Municipality's Metro Growth & Development Strategy (MGDS) strategic outcome of a well governed city that plans and efficiently delivers high quality services and cost-effective infrastructure, without maladministration and political disruptions. The year 5 targets allocated to the capital projects can be attainable as per the approved budget provision. The budgeted net operational expenditure exceeded the actual by 11% as the budgeted was R2.1 billion and the actual being R2.2 billion, still resulting to a profit.

The total Capital budget that was allocated for the Directorate of Finance was R41.3 million and 56% (R23.2 million) of the budget was spent, this is quite positive as there was no over expenditure. Financial Services will work to improve on the use of capital funds and better invest on capital expenditure.

*T 3.25.7*



# 3.26. HUMAN RESOURCE SERVICES

## INTRODUCTION TO HUMAN RESOURCE SERVICES

During the 2018/19 financial year, the vacant funded positions were at 788 of which 453 of are still under moratorium. All posts with effect from 1 April 2017 are still eligible to be advertised and a total of 680 new appointments were made of which 97 amounted to internal promotions.

The Chief Financial Officer post was advertised during April 2019. The interviews have taken place in August 2019. Council approved two (2) new HODs namely the Head of Directorate: Solid Waste and Environmental Management and Head of Directorate: Sports, Recreation and Community Development.

16 Senior Management positions were also filled during the financial year under review.

Further to the above the Municipality absorbed a total of 340 long serving temporary employees. Funding for these posts were made available in the adjustment budget during February 2019.

T 3.26.1

## SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The table below reflect the human resources movement during the 2018/2019 financial year:

| Movement | No |
|---|---|
| Staff Compliment | 5299 |
| Councillors | 98 |
| Traditional leaders | 16 |
| Interns | 153 |
| Terminations | 214 |
| Appointments | 680 |

T 3.26.2

## HUMAN RESOURCE SERVICES POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives<br><br>Service Indicators<br>(i) | (ii) | Year 2017/2018 | | Year 2018/2019 | | | 2018/2019 | 2019/2020 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year<br>(iii) | (iv) | *Previous Year<br>(v) | *Current Year<br>(vi) | (vii) | *Current Year<br>(viii) | *Current Year<br>(ix) | *Following Year<br>(x) |
| To ensure BCMM is well structured and capacitate | % of the municipality's budget actually spent on implementing its work-place skills plan training and development opportunities to BCMM staff | 1.7% of staff budget | 1.7% of staff budget | 1.7% of staff budget | 100% | 92.0% | 92% | 100% | 100% |
| To ensure BCMM is well structured and capacitated to deliver on its mandate | Number of people from employment equity target groups (females) employed in the 3 highest levels of management in compliance with municipality's approved employment equity plan | 4 | 3 | 3 | 3 | 5 | 3 | 3 | 3 |
| Improved perfomance and capacity of the institution | Staff vacany rate | N/A | N/A | N/A | 4.30% | 5.86% | 5% | 5% | 5% |
| Expenditure of all grants/capital infrastructure for service delivery in the applicable financial year | Number of active suspensions longer than three months | N/A | N/A | N/A | 3 | 5 | 3 | 5 ( number of suspension longer than 3 months not to exceed 5) | 5 ( number of suspension longer than 3 months not to exceed 5) |
| Improved perfomance and capacity of the institution | Annual reviewal of the Employment Equity Plan effective 01 July 2017 - 30 June 2021 | N/A | N/A | N/A | Approved Employment Equity Plan (2017-2019) | Approved Employment Equity Plan (2017-2019) | Milestones towards implementation of Employment Equity Plan (2019-2021) | Milestones towards implementation of Employment Equity Plan (2019-2021) | Development of Employment Equity Plan effective 01 July 2017 - 30 June 2019 |

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.25.3

T3.26.3

## EMPLOYEES: HUMAN RESOURCE SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 13 | 12 | 12 | 0 | 0% |
| 4 - 6 | 69 | 70 | 63 | 7 | 10% |
| 7 - 9 | 25 | 42 | 40 | 2 | 4.76% |
| 10 - 12 | 36 | 49 | 41 | 8 | 16.33% |
| 13 - 15 | 7 | 10 | 6 | 4 | 40% |
| 16 - 18 | 9 | 10 | 10 | 0 | 0% |
| 19 - 20 | 3 | 3 | 3 | 0 | 0% |
| **Total** | **162** | **196** | **175** | **21** | **10.71%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.26.4

## FINANCIAL PERFORMANCE 2018/2019: HUMAN RESOURCE SERVICES

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **11 830** | **1** | **–** | **0** | **-913%** |
| Expenditure: | | | | | |
| Employees | 73 986 | 94 278 | 85 602 | 85 106 | -11% |
| Repairs and Maintenance | 1 748 | 2 470 | 2 170 | 1 886 | -31% |
| Other | 48 953 | 60 869 | 51 437 | 68 004 | 10% |
| **Total Operational Expenditure** | **124 686** | **157 617** | **139 209** | **154 996** | **-2%** |
| **Net Operational Expenditure** | **112 857** | **157 616** | **139 209** | **154 996** | **-2%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.26.5

## CAPITAL EXPENDITURE 2018/2019: HUMAN RESOURCE SERVICES

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **3 500** | **681** | **558** | **-527%** | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | 500 | 500 | 386 | -29% | 500 |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) C/O | | 151 | 146 | 100% | 151 |
| EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM | 3 000 | – | – | 0% | – |
| EXTENSION TO EMPLOYEE WELLNESS C/O | – | 30 | 26 | 100% | 30 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.26.6 |

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

BCMM is presently investigating the removal of the Scarce Skills Allowance whereby decreasing the expenditure.

Overtime is being monitored monthly. Planned overtime of only 40 hours are paid to the BCMM employees their balance to be transferred into leave pay.

HOD Corporate Services authorizes Emergency Overtime.

With the implementation of the Job Evaluation Results the Additional Responsibility Allowance has been removed from employees whose jobs have been evaluated. The Job Evaluation is ongoing process which will result in a decrease in expenditure.

Scarce Skills Allowance expenditure 2018 2019 are R28 855 259.99 per annum.
Additional Responsibility Allowance 2018 2019 are R4 441 744.93 per annum.
Overtime 2018 2019 are R110 596 932.13 per annum.

A total of 1446 job descriptions have been submitted by Directorates and 632 jobs have been evaluated and audited. A job evaluation project specialist has been appointed on a two (2) year contract to provide specialist support with implementing the Project, and a dedicated Payroll Officer has been assigned to the Project for costing analysis and implementation purposes. Job Evaluation progress reports are submitted regularly to Top Management and the Local Labour Forum.

T 3.26.7

# 3.27. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

## INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT Dept as the enabler of Information Communication and Technology of the institution, has a mandate guided by the ICT Strategy which feeds to the City Development Strategy targeting key strategic areas of the IDP, namely:

a) Municipal Transformation Organizational Development
b) Integrate physical ICT Infrastructure to enhance multimodal connectivity
c) Number of IT Systems integrated
d) Municipal Basic Service Delivery & Infrastructure Development
e) Develop and establish a smart city concept for the City
f) Number of Public free Wi-Fi hotspots established for BCMM Citizens

## MEASURES TO IMPROVE PERFORMANCE

a) Establishment of Governance Structures
b) Operations Forum that monitors the performance of ICT
c) ICT Steering Committee that monitors the progress of ICT project
d) Change Management Committee that ensure all improvement in ICT environment
e) Equip ICT employees with ICT trainings to keep up with ICT Standards in order to improve ICT services

## MAJOR EFFECIENCES ACHIEVED

### ICT GOVERNANCE

a) ICT Policies approved by Council
b) Reviewed the ICT Strategy

ICT Governance structures where fully operational namely:

a) ICT Change Review Board
b) ICT Security and Architecture Review Board
c) ICT Operations and Project Forums
d) Disaster Recovery Planning Forum

### NETWORK INFRASTRUCTURE & INTERNET

a) Constructed a Fibre Back Bone to link Bisho to King William's Town
b) Constructed a Fibre Back Bone link to link IDZ to East London CBD
c) Link various BCM Building into Fibre Back bone link namely:
    a. Klemant Kadalie Offices.
    b. New Traffic Dept and Councilor's offices in King William's Town.
    c. Beacon Bay.
    d. Fire Dept in King William's Town.

d) Enable 60 Hot spot Public Wi-Fi for the City in Mdantsane, King William's Town, Zwelitsha and Dimbaza.
e) Migrated to Office 365 as first Metro in the Country to deploy cloud-based Microsoft Office and Email.
f) Implemented Citizen Engagement Mobile App to automate Service Delivery Request and automation of manual processes for the City.

**APPLICATION & SOFTWARE**

a) Launched a new integrated Website with seamless integration to our Citizen Engagement platform to have a uniform and integrated communication channel for the City.

b) Successfully integrated seamlessly General Ledger and billing transacting system thus ensuring compliancy with the National Treasury on MSCOA.

*T 3.27.1*

## SERVICE STATISTICS FOR ICT SERVICES

Our high-level baseline in execution on 2017/18 the following Service Catalogues where executed:

a) Established Architectural Review Board
b) Established Security Review Board
c) Established ICT Steering Committee
d) Approved ICT Policies by Council
e) Upgraded Network Infrastructure to build a robust network in the CBD and surrounding areas

On our current year 2018/19 the following Service Catalogues where completed:

1) The ICT unit received 1400 IT equipment requests in relation to:
   a) Desktop/Laptops
   b) Smart Tabs
   c) Network Access
   d) Printers/Scanners/Copiers/Fax Machines
   e) Applications
   f) Technology
   g) Cabling
   h) New network points

ICT further responded to a total of 7200 incidents, which related to challenges with:

a) Network
b) Desktop/Laptops
c) Electronic Mail
d) Applications
e) Storage
f) Security
g) Printers
h) Smart Tabs

*T 3.27.2*

# ICT SERVICES POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | Year (2017/2018) | | Year (2018/2019) | | | Year (2019/2020) | Year (2020/2021) | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT** | | | | | | | | | |
| Connected Cit: Implementation of ICT Master Plan | Number of buildings connected with fibre in BCMM | 6 | 8 | 8 | 7 | 7 | 3 | 4 | 2 |
| | Number of Directorates that are connected to Citizens Engagement App | 4 | 5 | 5 | 4 | 4 | 0 | 2 | 2 |
| | Number of High sites with LTE Network | 0 | 0 | 0 | 7 | 7 | 3 | 1 | 1 |
| **KPA 2: MUNICIPAL BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT** | | | | | | | | | |
| Wi-Fi for the City: Capacitate ICT infrastructure within BCMM | Number of Public Wi-Fi hotspots established for BCMM citizens | 15 | 60 | 60 | 15 | 15 | 20 | 10 | 5 |
| **KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION** | | | | | | | | | |
| To be a smart city: Integrate physical and IT infrastructure to enhance multi modal connectivity | Number of information technology system integrated | 3 | 14 | 14 | 4 | 4 | 4 | 2 | 2 |

T 3.27.3

## EMPLOYEES: ICT SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 2 | 2 | 0 | 0% |
| 4 - 6 | 5 | 2 | 1 | 1 | 50% |
| 7 - 9 | 5 | 7 | 4 | 3 | 42.86% |
| 10 - 12 | 18 | 28 | 25 | 3 | 10.71% |
| 13 - 15 | 3 | 5 | 5 | 0 | 0% |
| 16 - 18 | 1 | 1 | 1 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| **Total** | **34** | **45** | **38** | **7** | **15.55%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.27.4

## FINANCIAL PERFORMANCE 2018/19: ICT SERVICES

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | – | – | – | – | **0%** |
| Expenditure: | | | | | |
| Employees | 10 242 | 17 938 | 18 767 | 20 426 | 12% |
| Repairs and Maintenance | 5 072 | 7 187 | 7 187 | 7 285 | 1% |
| Other | 58 071 | 63 924 | 61 653 | 61 251 | -4% |
| **Total Operational Expenditure** | **73 386** | **89 049** | **87 607** | **88 962** | **0%** |
| **Net Operational Expenditure** | **73 386** | **89 049** | **87 607** | **88 962** | **0%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.27.5

## CAPITAL EXPENDITURE 2018/2019: ICT SERVICES

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **51 260** | **133 532** | **134 685** | **62%** | |
| PROCUREMENT OF ICT EQUIPMENT | 1 260 | 3 496 | 3 381 | 63% | 3 496 |
| LTE INFRASTRUCTURE | 13 000 | 27 489 | 27 489 | 53% | 27 489 |
| FIBRE NETWORK | 23 000 | 74 991 | 76 258 | 70% | 74 991 |
| DISASTER RECOVERY ENHANCEMENT | 2 000 | 11 647 | 11 647 | 83% | 11 467 |
| INTELLIGENT OPERATING CENTRE HARDWARE & | 12 000 | 15 910 | 15 910 | 25% | 15 910 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. | | | | | T 3.27.6 |

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The ICT priorities for the next 5 years are as follows:

**1) Connect BCMM Building into Fibre Network**

√ The allocated budget of Fibre Network is not sufficient to connect all the BCMM building into fibre.

**Building an active to active Disaster Recovery Site**

√ This is to ensure a seamless failover where systems are configured for high availability but the funding allocated is not sufficient in addressing this.

**Data Integration**

√ This is to ensure seamless integration of system to ensure that we comply with the MSCOA requirements.

**Business Process Automation**

√ This process is to ensure that the City moves away into manual process, thus ensuring automated built in workflow capabilities in the Applications used by the Metro.

*T3.27.7*

# 3.28. PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

## INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

## PROPERTY MANAGEMENT

The Buffalo City Metropolitan Municipality (BCMM) has a very large portfolio of Capital Assets, Land, Buildings and Facilities of different uses, from which it delivers services to the community.

The department is responsible for.

- Estate Management, Property Transfers and Transactions;
- Property Disposals, Acquisitions, Exchange and Expropriations;
- Building Maintenance, Refurbishment and Renewal

**These services are delivered through the following Divisions:**

**The Estates Management Division** consists of the following Branches: Property Management and Land Reform and Transactions.

**Property Management** manages the Municipal Property Portfolio and is responsible for acquiring and allocation of office space for Councillor's and Municipal Directorates, Inspections and Insurance.

**Land Reform and Transactions** is to support land restitution programs for people dispossessed by racially discriminatory legislation and pricing, in order to provide support for the vital process of reconciliation, reconstruction and development. Restitution is an integral part of the broader land reform programme and closely linked to the need for the redistribution of land and tenure reform.

**Land Re-Distribution** is to provide historically disadvantaged individual and communities with access to land for residential and productive uses, in order to improve their income and quality of life.

**Land Tenure Upgrading** is to upgrade existing land rights i.e. site permits, residential permits, lodgers permits, certificates of occupation, permission to occupy more secure. This aspect of land reform finds expression in Section 25(6) of 1996 Constitution.

**Extended State Discount Benefit Scheme** is specifically dealing with all the beneficiaries prior to 1994 that were allocated houses by the previous regime. All the land rights are now being upgraded to full title.

## PROPERTY DISPOSAL AND ACQUISITIONS DIVISION

**Property Disposals & Acquisitions** is responsible for the disposal and the acquisition of land / property (building) to enhance service delivery in the Buffalo City Municipality jurisdiction area. The core responsibility is to dispose surplus property and land to the public for Residential, Business, Institutional, Industrial, Agricultural purposes, etc. finds expression in clause 25 of the Constitution of the Republic of South Africa. The intention is to address the Land Redistribution Programme of Buffalo City Metropolitan Municipality.

Council approved that land parcels be acquired for Mixed Use Integration Zone, privately owned.

The following land parcels were acquired for the year under review.

## LAND ACQUISITIONS

The Feasibility Study was conducted and approved by Council on 12 December 2018 (Resolution No: BCMC798/18). However, not all the identified land parcels were developable and could therefore not accommodate all the households. Consequently, Council approved the acquisition of land parcels for settlement of Nompumelelo Informal Settlement overflow. It should be noted, however, that land is relatively scarce and therefore alternative housing typologies should be considered. Moreover, the Spatial and Land Use Management principles of densification, to combat urban sprawl, also promote different housing typologies.

In this regard, the Directorate of Human Settlements was consulted to confirm housing typologies so as proceed with the Township Establishment and Layout processes. In terms of the Council Resolution, the Directorate of Human Settlements was also mandated to finalise the screening process to clarify how many e ven need to be planned for and how much land is to be acquired. This is required so that the Human Settlements Directorate can implement the council resolution, hence the request for Directorate to provide the Directorate of Spatial Planning and Development with the required information.

Due to shortage of suitable and developable land, further Feasibility Study was conducted at Quenera area to accommodate *inter alia*, both areas of Ward 15. The findings will be presented to Council on completion.

Since more land is still required, further consents to conduct feasibility studies were obtained from the private property owners.

An informal tender to conduct the feasibility study for additional land to accommodate the overflow was advertised on 14 June 2019 and will close on 24 June 2019.

Nompumelelo is mostly land locked and there are several vacant properties adjacent to the Western side of Nompumelelo- between the Christian Centre to the south, the garage to the north and N6/Dorchester Heights to the west. These properties are mostly steep and can only be suitable for high density that is two or three storey residential buildings. The land is also privately owned and consents to conduct the feasibility study were required and received from the private owners.

To facilitate the acquisition of land parcels, a meeting was held with residents of Ward 15 wherein the community was consulted and advised about the outcome of the feasibility study conducted. The process of land acquisition was outlined to the community. The community was advised that a negotiation process to acquire the identified properties will be embarked upon. Subsequent to the meeting with the community of ward 15 a meeting was held on 29 May 2019 between BCMM officials and with the current owner and the owners agreed to dispose the properties to BCMM. The Property owners requested that the evaluation be conducted by the independent valuer. A request was submitted to the Directorate of Finance on the 13 June 2019 to appoint the independent valuer to conduct market valuation of the properties of the 9 land parcels for Nompumelelo as well as the 10 land parcels in respect of Ducats.

- Feasibility studies have been completed for Quenera: 21/807, 22/807, 23/807, 24/807, 25/807, 38/807, 39/807, 41/807, 42/807, 7/808, and remainder of 808. Two are to be acquired from private owners, 7 from a private company, 2 from a private trust and 1 from a parastatal.

- Feasibility studies have been completed for Smiling Valley Settlement; Erven Remainder of portion 2 of farm 304EL, portion 12 of farm 304 EL, remainder of portion 8 of farm 304 EL, remainder of portion 1 of farm 304 EL, remainder of erf 419 new lands and remainder of portion 7 of 304 EL. 2 are to be acquired from government, 1 from a private owner, and 1 from a Sanral.

- A portion of Portion 13 of farm 1234 was acquired for the Quenera Link Road.

- Sonwabiso Informal Settlement forms part of the Mdantsane infill areas. According to the 2011 informal settlement study, the settlement has been in existence for about 22 years since 1995 and was established on vacant piece of land belonging to private owners, hence the ten (10) erven were acquired. Conveyancers have been appointed for transfer of the properties from Private owners at unit 3 for Sonwabiso informal settlement Erf 9848, 9959, 9965, 9968, 9986, 9994, 9996 unit 3 Mdantsane amounting to R5 944 000, to alleviate transfer problem.

Feasibility studies have been completed for Nompumelelo; Erven 5217, 5219, 5220, 5221, 5236, 5239, 5240, 5241 and 44537 East London. 4 are to be acquired from private company, 1 from a private trust, 2 private owners, and 1 from a CC.

- ECDC is awaiting signing of deed of sales for two land parcels.

## LAND INVASIONS

**Detailed plans on the management of the spate of land grabs in the city.**

BCMM has been plagued by land grabs prior to the national elections . Land invassion is a national and international phenomenon which does not only affect the Buffalo Metropolitan Municipality . The city has identified land parcels which are under threat of being invaded and has approached the high court for a prohibitary court interdict in order to thwart the spate of land grabs within Buffalo City Metropolitan Municipality.

The following areas are examples affected: Parkridge, Scenery Park, Macleantown, Braelyn, Mdantsane Unit 1.

BCMM has approached the Court, a court order was granted. The order prohibits illegal allocation and construction of informal settlements on Municipal land. The notices were erected read as follows, "You are hereby interdicted and restrained from commencing and or continuing to unlawfully erect and / or occupy and or permit to be occupied any structure on ERF 2419 Park Ridge, East London (as per Court Order obtained on the 6th of May 2016 with case no. 245/16).

Inspections are carried out by BCMMM Law Enforcement to identify the perpetrators, of land- grabs. Currently the Municipality is in the process of collating information for screening purposes and submission of information to the Provincial Human Settlements.

BCMM Law Enforcement services conducts periodical patrols on identified areas to eliminate any illegal occupation and unlawful land invasion. Ward Councillors and ward committees are encouraged to report any unlawful activities with regards to land invasion and unlawful occupation so that untoward habit is nipped in the bud.

Land Management policy is currently being reviewed and will be institutionalised and Councillors will be workshopped in their roles with regard to land management policy in their respective wards. The policy requires that there is a clear and definitive assignment of responsibilities. It also requires that, in many instances, the implementation of these responsibilities be effected in a joint decision making and planning forum.

The institutional arrangements will establish a clear framework for integrated coordination, strategizing and decision making around land management in the Municipality.

In particular, decisions on how to resolve any particular land management problem will be made collectively by Directorates and Divisions, which bear responsibilities. Such collective decision-making brings formal commitment and responsibility to the structures participating in the collective decisions.

Buffalo City has prioritised the existing and new illegal settlements according to the following guidelines with the following implications:

| **Priority Level** | **Reason for Classification** | **Implication for Planning** |
|---|---|---|
| High Priority | Where the settlement poses a danger to exisitng land assets, the households in the illegal settlement, an identifiable social or economic development, or sensitive environmental assets. | Relocation is to take place. The goal is to resettle within 12 months.<br>The case is to be dealt with the application of capacity and funding required from the current budget, if necessary requiring a change in the annual plan. |
| Medium Priority | Where the settlement meets some of the following criteria :<br><br>• Significant size.<br>• Located in an area of high economic value.<br>• Is in a state of flux or under growth pressure.<br>• Where resolution will enhance planned socio-economic development or environmental conservation. | May apply to areas of relocation or formalisation. These areas will be prioritised in the forward planning of BCMM.<br>All such areas should be addressed for permanent settlement within 5 years. |
| Low Priority | Where none of the above criteria can be identified to any significant degree. | May apply to areas of relocation or formalisation. These areas are to be included in the forwarded planning of BCMM as capacity and budget resources allow, for permanent settlement within the goals of the land Management Policy and the Housing Policy. |

# THE BUILDING MAINTENANCE DIVISION

The Division consists of the following Branches, Contracts and Planning Branch, Operations Branch and Administration Branch.

**The key objectives are:**

- To ensure that building and assets are adequately maintained.
- To ensure that the risks to BCM in this regard are effectively managed.
- To ensure that the health, safety and security objectives are met.
- To ensure that BCM has the necessary information for monitoring the maintenance.

**The Contracts and Planning Branch** is responsible for the Building Maintenance Project Management programs for the work on CAPEX votes with some of it work under Operating and Opex votes.

The work covers the following functional maintenance areas:

- Planned Maintenance
- Deferred Maintenance

The Contracts and Planning Branches, sections are as follows:

- Electrical and Air- conditioning Works Section
- Informal and Quotations Works Section
- Emergency Works Section
- Formal Tenders Works Section

- **Procurement:** The Section undertakes the procurement of Contractors and Consultants by implementing BCMM procurement processes according to SCM guidelines.

- **Construction Management:** The Section ensures that Maintenance projects are implemented to a good standard and managed in compliance with the various Acts and Regulations governing the construction industry.

- **Contract Management:** The Section ensures that Maintenance projects and consultants are managed in accordance with the Agreement and that contractual obligations are met by all parties.

- **Financial Management:** The Section ensures that Maintenance projects are implemented within budget constraints and that over-expenditure does not occur. Reporting on expenditure.

**Operations Branch** is responsible for all minor Building Maintenance works on the Operating and Capital cost centres. Emergency and minor maintenance works are carried out through either internal in-house workshop sections and make use of annual tenderers.

The workshop sections are as follows:

- Term Maintenance
- Emergency Maintenance
- Housing Maintenance
- Electrical and Air- conditioning Maintenance
- Inland Building Maintenance
- Coastal Building Maintenance

**Administration Branch** is responsible for the Administration of the Division, which includes BMS data BASE, Works Orders, Data Capturing, Sub-Stores, and all BMS Finances.

Refurbishment, renewal and maintenance of buildings is a critical component to the proper management of the physical assets and overall Property Management, and to meet the statutory requirements.

**Budgets for the Property Department for 2018/2019**

| | |
|---|---|
| • Building & Facilities Maintenance | R 26 231 500 |
| • Electrical Equipment | R 502 931 |
| • Capex Building Major Maintenance and Refurbishment | R30 375 251 |
| • Capex Land Acquisition | R13 534 071 |

**Break down of Building Maintenance Operating Budgets for 3 years from 2016/2017 to 2018/2019**

| | |
|---|---|
| 2016/17 Building Maintenance Divisions Operating votes for maintenance were | - |
| Building & Facilities Maintenance- | R 21 678 929.00 |
| Electrical Equipment | R 415 645.00 |
| 2017/2018 Building Maintenance Divisions - Operating votes for maintenance were | |
| Building & Facilities Maintanance- | R 23 846 822,00 |
| Electrical Equipment - | R 457 210,00 |
| 2018/2019 Building Maintenance Divisions - Operating votes for maintenance are | |
| Building & Facilities Maintenance - | R 26 231 500 |
| Electrical Equipment - | R 502 931 |

**DISABLED FACILITIES, PARKING AREAS, PATHWAYS AND RAMPS:**

It is the responsibility of the Property Management Department to ensure that properties and buildings are accessible to all for Universal access. In the budget the department's had facilities to increase access of for the disabled, and the following buildings were provided with disabled facilities, parking areas, pathways and ramps:

## RISK

Buffalo City Municipality is committed to the principles of good governance and understands the importance of taking calculated risks in pursuit of the City's desired objectives. It is against this understanding that the City has developed an enterprise wide risk management strategy which is founded on the premise that risk management is everybody's responsibility and for the City to achieve its desired objectives, it has to have a structured approach to effective management of risk.

## PROCUREMENT SERVICES

Buffalo City Metropolitan Municipality (BCMM) endeavours to make procurement information accessible to suppliers, with the purpose of enhancing planning, accountability and oversight. The City's SCM system is premised on section 217 of the South African Constitution which must be, fair equitable, transparent, competitive and cost effective.

The BCMM's Supply Chain Management Policy is reviewed annually as prescribed by section 3 of the MFMA and during the year under review the SCM Policy was reviewed and approved by Council in May 2019.

Buffalo City Municipality's SCM function comprises of the following critical components:

- Demand Management and Supplier Development Section
- Acquisitions Section (Buying and contracts)
- Logistics, Warehouse and Disposal Sections
- Risk and Compliance Management Section; and
- Contracts Performance Management Section

The Bid Committees have been restructured to ensure the effective and efficient operations. All members of new bid committees have been taken through formal training to improve efficiency in undertaking committee work.

As a tool to monitor performance of each bid committee, all committees submit weekly reports to the City Manager, to assist in early identification and detection of challenges that are experienced by each committee so that remedial actions can be implemented quicker.

Regular reporting of irregular and unauthorized expenditure is being done quarterly by management and the reports for the 1st 3 quarters of the year have been referred to Council, with the last report going to Council in November 2018. Regular completion and auditing of contracts register is done throughout the year, while still awaiting the implementation of the electronic tender management and contract management system, to be linked to Solar Venus Payment system to ensure accuracy and completeness.

## LEGAL SERVICES

**WHAT IS THE PURPOSE OF THE LEGAL SERVICES DEPARTMENT?**

- To create and contribute to a responsible government
- To ensure adherence to Batho Pele
- To prevent disorder and irregularities within BCM
- To ensure legal compliance
- To mitigate legal risks by:
  - Attending to litigation exposure
  - Defending cases
- To ensure ethical and professional conduct by all employees of BCM

*T3.28.1*

# SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

### 1. THE SERVICE STATISTICS FOR PROPERTY ARE TOTALED AS FOLLOWS:

| Items | 2017/2018 | 2018/2019 |
|---|---|---|
| Disposals | 163 | 0 |
| Acquisitions | 11 | 3 |
| Registered properties under the state discount scheme | 158 | 336 |
| External Quotations and Emergency works | 270 | 346 |
| Internal minor and emergency works | 2132 | 2002 |
| Contracts and Planned works | 73 | 29 |
| Inspections of various kinds related the BMS | 7425 | 2675 |
| Jobs created by Building Maintenance | 761 | 541 |
| Annual Tenders CE 167 – CE 171 and CE 228 | 5 Expired | 6 |
| Business Plans | 29 | 31 |

# LEGAL SERVICES

### ANNUAL REPORT ON LITIGATION PROCESSES 2018- 2019

| CASE ATTENDED | NUMBER OF CASES | BCMM POSITION |
|---|---|---|
| 1. ASSAULT | 1 | BCMM defended it and the leave to appeal refused. The matter finalized |
| 2. Claims of damages | 6 | BCMM Legal Services is handling this matter |
| 3. Claims of Payment | 6 | The department will have to handle the claim directly and involve legal department when summons get issued against the municipality |
| 4. Contract Desputes | 4 | BCMM defended the the matter. Service provider failed to deliver items in terms of the contract and deviation undertaken. There was an irregular appointment of the service provider. |
| 5. Disciplinary charges | 5 | There is a pending matter on this issue |
| 6. Demarcation | 1 | BCMM is defending the matter and it was postponed |
| 7. Fraud | 1 | Charges Provisionally withdrawn. |
| 8. Irregular Tender Processes | 9 | BCMM can not settle a claim that is based on misrepresentation, that is done in accordance with the incorrect procurement procedure. BCMM is defending the matter on the basis that it is an irregular and invalid procurement. |
| 9. Land invasion | 3 | BCMM has instructed attorneys to institute legal proceedings against the property owner and the attorneys to institute legal proceedings. |
| 10. Dismissals | 1 | Commissioners Arbitration award set aside. Awaiting judgement on main arbitration. |
| 11. Disciplinary Inquiry | 2 | Matter pending. |
| 12. Access to information | 1 | Matter finalised, information provided to applicant's Attorneys. |
| 13. Zoning Disputes | 3 | BCMM has instructed attorneys to institute legal proceedings against the property owner. |

BCMM: SCM system uses quotation and open bid procurement processes to source goods and services required for service delivery by the institution and has awarded both the quotations and tenders to the values of **R 134 310 145.13** and **R 903 357 095.08** respectively, in the 2018/19 FY.

## STATISTICS OF QUOTATIONS AWARDED IN 2018/19 FINANCIAL YEAR

| Month | R 0 – R2000 | R2001- R10 000 | R10001 – R30 000 | TOTAL |
|---|---|---|---|---|
| July 2018 | R 168 264.60 | R 339 984.83 | R 2 471 866.31 | R 2 980 115.74 |
| August 2018 | R 304 371.68 | R 1 276 996.26 | R 9 853 574.05 | R 11 434 941.99 |
| September 2018 | R 344 184.17 | R 1 272 154.18 | R 9 725 099.00 | R 11 341 437.35 |
| October 2018 | R 486 842.66 | R 1 646 229.12 | R 13 700 966.58 | R 15 834 038.36 |
| November 2018 | R 163 083.31 | R 899 618.18 | R 12 226 490.17 | R 13 289 191.66 |
| December 2018 | R 168 606.34 | R 817 596.66 | R 8 182 749.91 | R 9 168 952.91 |
| January 2019 | R 181 388.55 | R 746 014.97 | R 10 862 733.03 | R 11 790 136.55 |
| February 2019 | R 362 423.42 | R 1 334 635.47 | R 12 582 346.27 | R 14 279 405.16 |
| March 2019 | R 367 115.74 | R 452 551.35 | R 6 229 306.42 | R 7 048 973.51 |
| April 2019 | R 226 680.44 | R 1 117 188.30 | R 11 413 259.88 | R 12 757 128.62 |
| May 2019 | R 162 472.41 | R 822 486.95 | R 9 453 308.29 | R 10 438 267.65 |
| June 2019 | R 288 413.71 | R 1 224 912.98 | R 12 434 228.93 | R 13 947 555.62 |
| | | | **TOTAL** | **R 134 310 145.13** |

## TABLE: TENDERS AWARDED BY THE SUPPLY CHAIN MANAGEMENT SYSTEM IN 2018/19

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total |
|---|---|---|---|---|---|
| Informal Contracts | 32 | 40 | 34 | 95 | 201 |
| Formal Contacts | 8 | 6 | 5 | 6 | 19 |
| Annual Contracts | 3 | 5 | 3 | 8 | 19 |
| **Total Number** | **55** | **78** | **42** | **115** | **239** |

No service statistics for risk management

*T 3.28.2*

# PROPERTY; LEGAL; RISK MANAGEMENT; AND PROCUREMENT SERVICES POLICY OBJECTIVES TAKEN FROM IDP

| Service Objectives | Outline Service Targets | 2017/18 | | 2018/19 | | | 2019/20 | 2020/21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| **Service Objective xxx** | | | | | | | | | |
| Contract Management | Contract reviewed | 10 | 17 | 10 | 10 | 18 | 17 | 10 | 10 |
| Land Invasion | Obtained eviction Orders | 4 | 6 | 4 | 4 | 6 | 4 | 4 | 6 |
| Human Settlement | Reduce disputes regarding housing list | 2 | 3 | 2 | 3 | 3 | 2 | 2 | 3 |
| Planning & Zoning | Objections on rezoning | number of objections-6 | 10 | 6 | 6 | 10 | 6 | 6 | 6 |
| Enforcement of specific performance | 7 | 11 | 14 | 7 | 7 | 14 | 7 | 7 | 7 |
| Municipal Court | Renovation of the Mdantsane Court | Renovations completed | Project complete | None | None | None | None | Employment of staff | Functional court |
| Land | Number of land parcels approved by Council for acquisition for Mixed Use Integration Zone, privately owned. | 3 | 3 | 3 | 8 | 6 | 8 | 8 | 8 |

T 3.28.3

## EMPLOYEES: PROPERTY; LEGAL; RISK MANAGEMENT; AND PROCUREMENT SERVICES

| Job Level | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 7 | 11 | 8 | 3 | 27.27% |
| 4 - 6 | 52 | 67 | 57 | 10 | 14.93% |
| 7 - 9 | 10 | 20 | 11 | 9 | 45% |
| 10 - 12 | 13 | 26 | 13 | 13 | 50% |
| 13 - 15 | 4 | 9 | 5 | 4 | 44.44% |
| 16 - 18 | 8 | 15 | 8 | 7 | 46.67% |
| 19 - 20 | 1 | 2 | 2 | 0 | 0% |
| **Total** | **95** | **150** | **104** | **46** | **30.66%** |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.28.4

## FINANCIAL PERFORMANCE 2018/2019: PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

R'000

| Details | 2017/18 | 2018/19 | | | |
|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| **Total Operational Revenue** | **14 093** | **7 882** | **7 882** | **22 652** | **65%** |
| Expenditure: | | | | | |
| Employees | 26 595 | 37 669 | 35 692 | 31 599 | -19% |
| Repairs and Maintenance | 25 154 | 27 278 | 11 578 | 11 361 | -140% |
| Other | 75 938 | 136 804 | 149 153 | 88 320 | -55% |
| **Total Operational Expenditure** | **127 687** | **201 750** | **196 423** | **131 280** | **-54%** |
| **Net Operational Expenditure** | **113 594** | **193 868** | **188 540** | **108 628** | **-78%** |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.28.5

# CAPITAL EXPENDITURE 2018/2019: PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

R' 000

| Capital Projects | 2018/19 | | | | |
|---|---|---|---|---|---|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| **Total All** | **63 173** | **30 440** | **18 982** | **-233%** | |
| | | | | | |
| OFFICE RENOVATIONS - LEGAL SERVICE C/O | – | 3 196 | 3 196 | 100% | 3 196 |
| SOFTWARE | 4 000 | – | – | 0% | – |
| BISHO CIVIC CENTRE (FENCING) | 1 500 | – | – | 0% | – |
| NEW AIR-COND (REPLAC-SHOPRITE CAXTON ST) | 2 500 | 1 645 | 1 527 | -64% | 1 645 |
| NEW AIR-COND (REPLAC-SHOPRITE CAXTON ST) | | 204 | 204 | 100% | 204 |
| NEW A/CON PLANT - CITY ENGINEERING BUILD | 2 500 | 1 000 | – | 0% | 1 000 |
| NEW A/CON PLANT - MUNIFIN (ONE PLANT) | 4 500 | 1 800 | – | 0% | 1 800 |
| REFURBISHMENT OF NEW DISABLED FACILITIES | 500 | 222 | 222 | -125% | 222 |
| ORIENT THEATRE REFURBISHMENT | 2 000 | 1 000 | – | 0% | 1 000 |
| REFURBISHMENT OF ORIENT COMPLEX C/O | – | 43 | 37 | 100% | 43 |
| MAJOR REFURBISHMENT OF MUNICIPAL BUILDIN | 1 250 | 1 250 | 1 227 | -2% | 1 250 |
| MAJOR REFURBISHMENT OF MUNICIPAL BUILDIN | – | 125 | 124 | 100% | 125 |
| MDANTSANE MAIN COMPLEX RESURFACING | 3 473 | 3 315 | 3 315 | -5% | 3 315 |
| MUNICIPAL BUILDINGS REFUBISHMENT OF DISA | 1 250 | 1 056 | 1 056 | -18% | 1 056 |
| BUXTON AND ELECTRICITY HOUSE REFURBISHME | 4 000 | – | – | 0% | – |
| GREENPOINT BOWLING CLUB REFURBISHMENT | 4 000 | – | – | 0% | – |
| BEACONSFIELD HEALTH DEPARTMENT REFURBISH | 4 000 | – | – | 0% | – |
| MDANTSANE ZONE 6 REFURBISHMENT | 2 500 | – | – | 0% | – |
| SLEEPER SITE REFURBISHMENT | 4 000 | 2 419 | 2 360 | -69% | 2 419 |
| SLEEPER SITE REFURBISHMENT | – | 125 | 64 | 100% | 125 |
| GREENFIELDS FLATS REFURBISHMENT | 1 250 | – | – | 0% | – |
| FLEET STREET FIRE STATION REFURBISHMENT | 1 250 | – | – | 0% | – |
| CONSTR - NEW OFF - CHISELHURST BMS DEPOT | 1 000 | 59 | 59 | -1595% | 59 |
| GONU TRAFF R/WORT REFURB & UPGR OF OFF | 2 500 | – | – | 0% | – |
| EXTENS - WORKSH AT CHISELHURST BMS DEPOT | 1 000 | 145 | 145 | -591% | 145 |
| UPGRADING OF ELECTRICAL - FIRE DEPART EL | 800 | – | – | 0% | – |
| UPGRADING OF ELECTRICAL - FIRE DEPART EL | – | 38 | – | 0% | 38 |
| OLD MUTUAL - UPGRADING OF ALL WINDOWS C/O | – | 50 | 50 | 100% | 50 |
| OLD MUTUAL - UPGRADING OF SHOPS C/O | – | 242 | 242 | 100% | 242 |
| SUNNYMEAD O/A HOME - NEW PARKING C/O | – | 203 | 185 | 100% | 203 |
| LAND ACQUISITION | 11 000 | 7 300 | – | 0% | 7 300 |
| LAND ACQUISITION C/O | – | 4 860 | 4 860 | 100% | 4 860 |
| UPGRADING OF ELECTRICAL - OLD MUTUAL | 800 | – | – | 0% | – |
| UPGRAD OF ELECTRICAL -BISHO CIVIC CENTRE | 800 | – | – | 0% | – |
| UPGRAD OF ELECTRICAL -BISHO CIVIC CENTRE | – | 143 | 110 | 100% | 143 |
| UPGRADING OF ELECTRIC -KWT CIVIC CENTRE | 800 | – | – | 0% | – |

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.28.6

## COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Council approved that land parcels be acquired for Mixed Use Integration Zone, privately owned. The following land parcels were acquired for the year under review. Potion of Portion 13 of farm 1234 was acquired for the Quenera Link Road, Sonwabiso Informal Settlement forms part of the Mdantsane infill areas. According to the 2011 informal settlement study, the settlement has been in existence for about 22 years since 1995 and was established on vacant piece of land belonging to private owners, hence the ten (10) erven were acquired.

New air-conditioning Plant HI Vac system for the Checkers complex in Buffalo street, Phase 1 was completed in 2017 and phase 2 to will be complete in 2019.

Bisho Civic Centre new rear parking is complete.

Phase 1 of the Refurbishment of the Orient Complex, which was for major roof repairs and the external painting. This project started in 2017 and is to be completed in 2020, so that the restaurant area can be rented out. A major part of phase 2 is the structural repairs on the side currently propped up.

Targets are set based on the approved budget, hence targets set on the IDP are going to be achieved within the approved budget. Should there be any variance, budget adjustment is done through the mid-year budget adjustment process.

Priority for land acquisition is supporting eradication of informal settlements by providing low cost housing and associated infrastructure (Human settlements). Furthermore, we acquire land for economic infrastructure and public transport improvements e.g. Quenera link road.

Priority for the maintenance of municipal buildings and assets is based on conditional assessment for proper functioning and meeting the requirements of occupational health and safety act.

1. New air-conditioning Plant HI Vac system for the Checkers complex in Buffalo street, Phase 2 was completed in 2019 and handed over to Checkers.

2. Zone 6 Mdantsane Office internal roads completed

3. Zone 16 Mdantsane Rent Office disable ramps and parking completed

4. Sleeper sites - HOD SP&D Offices completed.

5. A portion of the Capital Budget for Refurbishment, Renewal and Maintenance amounting to R 22 410 311 could not be spent due to the Annual Tenders CE 167, 168, 169, 170, 171 and 228 going through the Bid Processes, and not being awarded in 2018/2019.

6. Land Acquisition - Conveyancers have been appointed for transfer of the properties from Private owners at unit 3 for Sonwabiso informal settlement Erf 9848, 9959, 9965, 9968, 9986, 9994, 9996 unit 3 Mdantsane, to alleviate transfer problem. This process was completed which amounted to R4 771 348.00.

7. Land Audit – The Buffalo City Metropolitan Municipality (BCMM) has a very large portfolio of Capital Assets, Land, Buildings and Facilities of different uses, from which it delivers services to the internal and external community, hens the need for a land audit. The procumbent processes for the appointment of a services provider has commenced. The budget of R3 000 000 was approved for 2019/2020.

*T 3.28.7*

# COMPONENT J: MISCELLANEOUS

## INTRODUCTION TO MISCELLANEOUS

In 2017/2018 the BCMM budgeted for the establishment of Municipal Court for the purpose of enforcement of municipal by-laws. As part of prioritization for 2017/2018 financial year, the building was acquired to house the municipal court in Mdantsane. Renovations have been completed and the staff will be appointed in the current financial year which 2018/19. Prosecutorial authority will be obtained from the National Prosecuting Authority to support the Department of Justice as Magistrates have already allocated to the Court.

T3.29.0

# COMPONENT K:
# ORGANISATIONAL PERFORMANCE SCORECARD

**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR**

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided | |
|---|---|---|---|---|---|---|---|---|---|
| **STRATEGIC OUTCOME 1: AN INNOVATIVE AND PRODUCTIVE CITY** | | | | | | | | | |
| **NATIONAL PRESCRIBED INDICATORS** | | | | | | | | | |
| FE 1.11 | Percentage compliance with the required attendance time for structural firefighting incidents | Fire Incidents Response Times | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 75% of calls within attendanc e times as per SANS 10090:20<br>03 8min - high risk areas,<br>10 min - moderate risk areas, 13 min - low risk areas<br>23 min - rural areas | |
| BCMM INDICATORS | | | | | | | | | |
| IPC8 | Number of interventions supported to retain existing investors and promote attraction of new investment into Buffalo City | | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 3 | |

| | | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|---|
| | | | | | | |
| | 23.78% - 8 min - high risk areas -19 out of the 76 structural fire incidents responded to within attendance time, 10 min - moderate risk areas: 6 out of the 21 structural fire incidents responded to within attendance time 13 min - low risk areas: 120 out of the 536 structural fire incidents responded to within attendance time 23 min - rural areas: 16 out of the 46 structural fire incidents responded to within attendance time. Overall, of the 679 structural firefighting incidents received, 161 were responded to within the required attendance time, equating to a 23.78% achievement rate | News of the Day (Incident Reports) extracted from the Emergency Service System (ESS) - Fire Call logging system | Poor communications between fire crew and control room due to inadequate radio network infrastructure. Cancellation notice for Contract 3176: The Supply and Installation of Emergency Services Resources Management, appeared in the Daily Dispatch on 16th April 2019. Department submitted revised Bid Spec Checklist and Budget Confirmation Form to SCM on 22 May 2019 after Mid Year Budget Adjustments. BSC1 of 13 June 2019 resolved that Contract 3176 be withdrawn due to financial implications. | Departme nt to resubmit revised specificati ons in accordanc e with available budget, to SCM by 31 July 2019. | | Health, Public Safety and Emergency Services |
| | 2 (Provide support to Invest Buffalo City & Contribute financially towards the Infrastructure Upgrade in the Dimbaza Industrial Area) | Progress Report, Invoice; Needs Assessment Report, Deviation Certificate, Draft Concept Document | The target could not be achieved since the department has outsourced the development of the Investment and Incentives Strategy to the Government Technical Advisory Centre (GTAC) as part of the support to BCMM. during the fourth quarter of 2018/19 GTAC consulted with the Office of the City Manager as well as the Budget and Treasury Office and it was resolved that the work be properly grounded in the 2020/21 IDP and Budget Process due to risks associated with short-term revenue losses that could emanate from the incentives. There was also a need to properly engage with National Treasury. | Extensive engagement will take place at Top Management , Mayoral Committee and Council to garner support. A working draft will be completed by July 2019 to form the basis of the consultation | | Economic Developmen t and Agencies |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| IPC3 | Number of infrastructure projects for informal traders implemented | | 0 | 2 | | 0 | 2<br>Mdantsane and Berlin infrastruct ure projects | |
| IPC 4 | Number of interventions implemented to support SMMEs and Cooperatives | | 600 | 600 (During 17/18 FY Indicator was crafted as follows: Number of small businesses and cooperatives supported) | | 600 | 6 | |
| IPC 5 | Number of job opportunities created through Municipal Projects and partnerships | | 3429 | 2700 (During 17/18 FY indicator was crafted as follows: Number of job opportunities created through LED initiatives including implementation of Capital project) | | 3429 | 650 | |
| IPC6 | Number of Arts, Culture and Heritage projects implemented | | 12 | 13 | | 12 | 12<br>(1) Fencin g of World War 1 Site,<br>(2) Restor ation work at Settler sway Cemetery,<br>(3) Fencin g of Chief Pato Battle Site,<br>(4) Restoration work of Desmond Tutu monument,<br>(5) Hosting of Heritage Day,<br>(6) Hostin g of Huma n Rights Day,<br>(7) Artist Training and Capacity Building,<br>(8) Creative Industry Development including film,<br>(9) Dr. Rubusane Statue,<br>(10) Exhumationa of mortal remains of victims of conflict<br>(11) Artist Support to attend exhibition s<br>(12) Ubuntu Cultural Festival | |
| IPC7 | Number of initiatives (programmes) implemented to market and promote Buffalo City as a tourist destination of choice | | 11 | 11 (During 17/18 FY Indicator was crafted as follows: Number of programmes implemented to grow Buffalo City Tourism Sector) | | 11 | 10 | |
| IPC9 | Number of interventions implemented on export development and promotion for emerging exporters on a quarterly basis | | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 3 | |
| FE1.1/ IPC 2 | Number of fire stations refurbished | Refurbishment of Fire Stations - Dimbaza Fire Station | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 1 (Dimbaza fire station) | |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | Responsible Directorate |
|---|---|---|---|---|
| 2<br>Mdantsane and Berlin infrastructure projects | Minutes on Consultative Meetings, Completion Certificates | N/A | N/A | Economic Development and Agencies |
| 6 | Quarterly Report to Council, Invoices | N/A | N/A | Economic Development and Agencies |
| 1345 | Attendence register with I.D numbers | This target has been overachieved. This is due to the fact that some of the projects and events created more jobs than anticipated. | N/A | Economic Development and Agencies |
| 8 (Hosting of Heritage Day, Hosting of Human Rights Day, Artist Training and Capacity Building, Creative Industry Development including film, Dr. Rubusane Statue, Exhumationa of mortal remains of victims of conflict, Artist Support to attend exhibitions, Ubuntu Cultural Festival) | (a) Report, invoices on Creative industries (b) Deviation on Restoration of Desmond Tutu Monument. | The project could not be implemented due to delays in concluding consultation process with interested and affected parties. The consultation has now been concluded and the procurement is currently underway. | The project will be implement ed on the third quarter of 2019/2020 | Economic Development and Agencies |
| 11 ((a) Destination Marketing Programme<br>(b) Tourism Awareness Programme ( c) Tourism Events Programme | Marketing Quartely Reports and Invoices, Tourism Awareness Quartely Reports and invoices, Events Quartely Report and invoices | N/A | N/A | Economic Development and Agencies |
| 3 Export Awareness, Global Exporter Training and Trade Missions | Quarterly Report to Council | N/A | N/A | Economic Development and Agencies |
| 1 One fire station i.e. Dimbaza, totally refurbished. (2 Fire Stations viz Greenfields and Vincent fire stations partially refurbished in that operating mechanisms of engine bay doors replaced). | Requisitions, orders, signed off invoices, budget printouts | Savings were realised with the refurbishment of the Dimbaza fire station and the savings were then utilised to commence with the refurbishment (repairs to engine bay doors) at the Greenfields and Vincent fire stations. | N/A | Health, Public Safety and Emergency Services |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| IPC10 | Review Integrated Sustainable Human Settlements Plan | ISHP | Reviewed Integrated Sustainable Human Settlements Plan | | Reviewed Integrated Sustainable Human Settlement Plan | | Reviewed Integrated Sustainable Human Settlement Plan | Draft of Integrated Sustainable Human Settlements Plan submitted to Mayoral Committee |
| IPC11 | Number of Jobs Created through Expanded Public Works Programme (EPWP) | Construction of Internal Services and Top Structures Refer to HS 1.1/SIC 9 and HS 1.1/SIC 10 REF | 3 509 | | 3592 | | 3 509 | 400 |
| **STRATEGIC OUTCOME 2: A GREEN CITY** | | | | | | | | |
| **NATIONAL PRESCRIBED INDICATORS** | | | | | | | | |
| ENV1.11 | Percentage of atmospheric emission licenses (AELs) processed within guideline timeframes | Atmospheric Emissions Licences processed within BCMM | 1 | | 1 (During 17/18 FY Indicator was crafted as follows: Number of Air Quality Monitoring Priority Projects implemented) | | 1 | 100% (2 applications) |
| ENV1.12 | Proportion of Air Quality (AQ) monitoring stations providing adequate data over a reporting year | Air Monitoring Stations | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 80% Air Quality Monitoring Stations (East London, Zwelitsha, Mobile at Gompo Clinic) |
| ENV4.21 | Percentage mapping of coastal vulnerable areas | Mapping of Coastal Vulnerable Areas | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 100% |
| ENV 3.11 | Percentage of known informal settlements receiving integrated waste handling services | N/A | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 100% (156) |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| Draft Integrated Sustainable Human Settlements Plan submitted to Mayoral Committee | The report submmitted to Mayoral Committee | N/A | N/A | | Human Settlements |
| 422 | Contractors labourers Register with Employee Names | Over achievement is due to contractors needing to appoint more labourers to enhance performance.The municipality does not appoint labours directly , can base the target on the focus made by the contractors whose double production to catch up with lost time. That is acceptable practice during construction phase which is met with a number of unpredicted delays such as bad weather, material supplier delays. Labour strikes , resistance to move relocation site by beneficiaries , all these fators are not predictable. When they occur drastic measures need to be exercised to counter against effect of the delay which might include longer working days and additional labour whenever a need arise . | N/A | | Human Settlements |
| | | | | | |
| 100% - ( 2 AELs issued) | 2 Atmospheric Emission Licenses (AEL) issued to Morhot Galvanising and Stutt Brick (Coro Brick) | N/A | N/A | | Health, Public Safety and Emergency Services |
| 80.98% Air Mornitoring Stations | BCMM Data recovery from Air Quality Monitoring Stations | N/A | N/A | | Health, Public Safety and Emergency Services |
| 100% | Maps and Shape Files | N/A | N/A | | Executive Support Services |
| 100% (156 Human Settlements) | Quarterly Report of Daily Refuse Removal Schedule - Signed off by PM'S | N/A | N/A | | Municipal Services |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| ENV4.21/GC 7 | Proportion of biodiversity priority areas protected | Upgrading of Coastal Nature Reserves | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 100% (Nahoon Estuary & Nahoon Point nature reserves upgraded) |
| EN4.3 | Number of wetlands rehabilitated within BCMM area. | Rehabilitation of John Dube Wetland | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 1 |
| **BCMM INDICATORS** | | | | | | | | |
| ENV 2.2/ GC 1 | Number of Waste Management Facilities upgraded | Upgrading of waste facilities | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 2 (Waste Cell 3 & Leachate Treatment Plant) |
| HS 3.4/ GC 5 | Number of sports facilities upgraded | No of sports facilities upgraded | 8 | | 8 (Orlando Sportfield, Schoeman hockey field, Scenary park sports field, Parkside, North- end, I.G. Foster, Sisa Dukashe & Pefferville) | | 8 (Orlando Sportfield, Schoeman hockey field, Scenary park sports field, Parkside, North-end, I.G. Foster,Kwalini & Pefferville) | 4 Sports field upgraded (Buffalo Flats Astro, Victoria grounds, Sweetwaters & Jan Smuts) |
| HS 3.1/ GC 6 | Number of Zoo facilities upgraded | Upgrading of Zoo Facilities | 1 (Zoo boundary wall) | | 5 (Zoo boundary wall, Wild dog enclosure, staff change rooms, Gibbon's night room, Sungazer) | | 1 (Zoo boundary wall) | 6 (New Reptile Enclosure; Primate Night Room; Predator Enclosure; Zoo boundary wall; Staff change room; Upgrade of Reptile Enclosure) |
| HS 3.1/ GC 8 | Number of BCMM entrances open spaces beautified | Development of Horticultural features and City Scapes & Environmental Enhancement Parks | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 2 (Settlers Way and KWT Entrance) |
| ENV 4.2/ GC 9 | Number of areas cleared of invasive plants | Eradication of Invasive Species | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 37<br>Coastal Wards (1-10, 13, 15,16,19, 27, 28, 29 &33) Midlands Wards (11, 12, 14, 17, 20, 21, 22, 24, 42 & 48)<br>Inland Wards (34,35,36,37,39,41,43,44&45) |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 0% | Request for Quotations (RFQs). | The Department issued a formal tender but the validity lapsed. | Request for Quotations was pursued to try to get the project moving. The upgrading of nature reserves will be completed by June 2020. | | Municipal Services |
| 1 (John Dube Wetland rehabilitated) | Invoice, Colour pictures with date and time (before and after) | N/A | N/A | | Executive Support Services |
| 0 (Waste Cell 3 is 95% & Leachate Treatment Plant & 80% completed) | Invoices | The contract of the consultant expired and the contractor could not continue with the work as there was no one to monitor the work. | The contract of the consultant was renewed until the end of September 2019 and work is unticipated will be done by that time. | | Municipal Services |
| 4 Sports field upgraded (Buffalo Flats Astro, Victoria grounds, Sweetwaters & Jan Smuts) | Invoices and Colour Photos with date & time (Before & after), completion certificate | N/A | N/A | | Municipal Services |
| 1 (Staff change room) | Letter of award | Lengthy time that the tender document was at Bid Committee. Led to the formal tender BCMM/DCOM/Z0015/2018/19 was awarded on the 13th June 2019 order generated on 19/06/2019 for the upgrading of the reptile enclosure. | Work as planned is to commence as the tender has been awarded on the 19/06/2019. Funds will be rolled over to 2019/20 Financial year to ensure completion of project. | | Municipal Services |
| 2 (Settlers Way and KWT Entrance) | Colour photos with date (Before & After) | N/A | N/A | | Municipal Services |
| 35 (The following wards have been completed 1,3,5,6,7,8,12,14 (nu3)15 (nu3) 17 (nu4&16) 20 nu1 (4&16) 22 (nu17), 48 19,24,27,28,29,42, 45,48 Additional wards were completed i.e Ward 1,4,8,9 ,10,16,18,27,29,36,37,39,47 41 and 44 were done in the 3rd quarter Ward 33 and 43 were not done) | Photos and invoices | The scope of work for ward 43 was too big for the budget available. This ward will be attended to through a project to be undertaken by the National Department of Environmental Affairs during the 1st quarter of 19/20 FY. Ward 33 was included in the annual target erroneously as it is situated in a rural area. | Work will be carried out through a project carried out by the National Department of Environmental Affairs during the 1st quarter of 19/20 FY. | | Municipal Services |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| GC 10 | Number of Community Parks Upgraded | Upgrading and Development of Community Parks | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 12 (Inland wards 34, 43, 44 Coastal wards 1, 15, 19, 27, 32, 46 Midland 17, 22, 45) |
| HS 3.1/ GC 11 | Number of beach facilities upgraded | Upgrading of beach facilities | 4 | | 4 ( Staff quarters Orient Beach and Public ablutions Nahoon Beach, Ticket office Orient beach, Ebuhlanti) | | 4 ( Staff quarters Orient Beach and Public ablutions Nahoon Beach, Ticket office Orient beach, Ebuhlanti) | 4 (Eastern Beach; West Bank; Gonubie; Orient) |
| HS 3.1/ GC 12 | Number of Swimming Pools upgraded | Upgrading of swimming pools | 3 (KWT Swimming Pool, Zwelitsha, Ruth Belonsky) | | 5 (NU 2, KWT, Zwelitsha, Ruth belonsky, Joan Harrison Swimming pool) | | 3 (KWT Swimming Pool, Zwelitsha, Ruth Belonsky) | 7 (NU2; Zwelitsha; KWT; Ruth Belonsky; Joan Harrison; Waterworld; Orient) |
| GC 13 | Number of Agricultural Farmer support programmes implemented | | 3 | | 4 | | 3 | 9 (Agricultural Show, cropping programme, farmer support seminars and workshops, Aquaponics, hydroponics, dipping tanks, irrigation equipment, livestock improvement, Newlands Hydroponics) |
| **STRATEGIC OUTCOME 3: A CONNECTED CITY** | | | | | | | | |
| **NATIONAL PRESCRIBED INDICATORS** | | | | | | | | |
| TR1.21 | Length of Non-motorised Transport paths built (km) | Construction of Sidewalks | New indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 11 km (Wards 22, 33, 25, 44, 45) |
| EE1.11 | Number of dwellings provided with connections to the mains electricity supply by the municipality | Electrification of formal and informal dwellings | New indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 1100 |
| EE3.11 | Percentage of unplanned outages that are restored to supply within industry standard timeframes | Operations | New indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 65% of normal network outages returned to service within 24 hrs (will exclude calls cuased by illegal connections) |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 0 | Invoices and Letters of appointment will be provided | There were major delays in the procurement process and tenders were awarded between March and July 2019. The apointment for Sourthen District play park was awarded in March 2019, for Sweetwater's and Breidbach park awarded in May 201, lastly for Mdantsane Parks and Berlin district were only awarderd in July 2019. | Work to continue as contractors are now on site. | | Municipal Services |
| 4 (Eastern Beach; West Bank; Gonubie; Orient) | Before and after photos and invoices | N/A | N/A | | Municipal Services |
| 7 (NU2; Zwelitsha; KWT; Ruth Belonsky; Joan Harrison; Waterworld; Orient) | Before and after photos and invoices | N/A | N/A | | Municipal Services |
| 9 (Agricultural Show, cropping programme, farmer support seminars and workshops, Aquaponics, hydroponics, Dongwe & Hili dipping tanks, irrigation equipment, Newlands Hydroponics) | Closeout report, Completion certificates | N/A | N/A | | Economic Development and Agencies |
| | | | | | |
| 9.032 km (Wards 22, 33, 37, 39, 44, 45) | Invoices & colour photos (with date & time) before & after | Delays in Supply Chain Management processes in appointing contractors through Annual Contract 300 resulted in late start of projects leading to non achievement of the set target. Ward 37 and 39 are part of Transport Planning Operations (TPO) projects from different votes and they were a work in progress. | The Selection Committee needs to sit timeosly. The remaining km of non motorised transport paths to be built in the 2019/20 financial year. Ward 25 was only issued with an order on the last week of May and it is on our first quarter target. | | Spatial Planning and Developement |
| 734 | Completion Certificates and Deviation Certificates | Mzamomhle: Finalisation of planning processes concluded late. Community objections to relocating onto newly planned erven. Sunnysouth: Memorandum between Messrs Eskom and BCMM not signed off timeously. Conditions imposed by new management at ESKOM. | Mzamomhle: Ward Councillor assisting with the community relocation issues, after intervention by Portfolio Cllr, this has since commenced. Sunnysouth: Further consultation between Eskom and BCMM on conditions, has led to signed off. Dwellings in road reserve have been identified to be removed before year end. | | Infrastructure Services |
| 100% of normal network outages returned to service within 24 hrs (will exclude calls cuased by illegal connections) | Outage report from Control Centre, maintained above 65% | N/A | N/A | | Infrastructure Services |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| EE3.21 | Percentage of Planned Maintenance Performed | Operations | New indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | Complete 65% or more of planned maintenace |
| TR6.11 | Percentage of unsurfaced road graded | Rural Roads | 80.2 Km | | 80km | | 80.2 Km | 10.53% (140km) |
| TR6.12 | Percentage of surfaced municipal road lanes which has been resurfaced and resealed | Urban Roads Programme | New indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 2.69% (43km) |
| TR3.11 | Number of week day scheduled municipal bus passenger trips | Municipal Bus Service | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 1350 |
| **BCMM INDICATORS** | | | | | | | | |
| TR1.2/CC7 | Number of pedestrian bridges constructed | Bridge Design and Implementation | 0 | | 1 | | 0 | 1 Bridge completed (Ward 16) |
| TR7.1/ CC1 1 | Number of speed humps constructed | Construction of traffic calming measures | 87 | | 32 | | 87 | 60 (Ward 3,5,6,7,9,10,12,14,15,16,18,19,20,22,23,28,30,32,33,37,42,44,45, 46,48) |
| TR1.1/ CC1 5 | Number of public transport facilities rehabilitated | Upgrading of KWT Public Transport Facilities | 1 (Taxi City) | | 1 (Taxi City) | | 1 (Taxi City) | 1 (Market Square Bus Rank) |
| TR1.1/ CC1 4 | Number of Taxi Embayments constructed | | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 5 Taxi Embayments constructed (Ward 3,24,39) |
| CC16 | Length of surfaced road upgraded (km) | Qumza Highway | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 0.78km |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 91% | Maitenance schedules maintained above 65% | N/A | N/A | | Infrastructure Services |
| 11,12% (148,95 km) | Completion Certificate, Maintainance reports | Increased mid-year budget allocation has produced additional work | N/A | | Infrastructure Services |
| 3.13% (50,14 km) | Completion Certificate, Maintainance reports | Increased mid-year budget allocation has produced additional work | N/A | | Infrastructure Services |
| 1345 | Monthly trip summary sheet | Unplanned election day holiday as Buses do not operate on Public Holiday and bus break downs. | Unable to determine upfront when election would be held and bus break downs to be reported to Mechanical Services within a period of 5 days. Bus breakdowns cannot be foreseen as they are classified as emergency | | Spatial Planning and Developement |
| 0 | Invoices & colour photos (with date & time) before & after and site meeting minutes | Prelimiminary design completed and Water Use License submitted to Department of Water and Sanitation for approval. Water Use License was only granted by the Department of Water and Sanitation (DWS) on 30 April 2019 giving approval to the preliminary design to be changed to a final design. The final design is used to prepare the bid document. Procurement of a contractor through Contract CE 300 was done and a contractor was appointed end June 2019. | Construction will start in August 2019 and the pedestrian bridge will be completed by end of december 2019. | | Spatial Planning and Developement |
| 69 (Wards: 3,5,6,7,9,10,12,14,15,16,18,19,20,22,23,28,30,32,33,37,42,44,45,46,48 | Invoices & colour photos (with date & time) Before & after and site meeting minutes | The contractor performed above expectations hence target was exceeded. Extra funding was received towards the end of financial year 2018/2019. | N/A | | Spatial Planning and Developement |
| 1 (Market Square Bus Rank) Completed | Invoice & colour photo | N/A | N/A | | Spatial Planning and Developement |
| 5 Taxi Embayments constructed (Ward 3,24,39) | Invoice & colour photo | N/A | N/A | | Spatial Planning and Developement |
| 0.78km of Sub-Base Completed | Photo / Invoice | Contractor experienced delays due to inclement weather and compaction test failure on the upper selected layer and that led to late completion of the sub base layer, base layer and to no surfacing. | Contractor will increase resources so that Target is achieved in September 2019. | | Spatial Planning and Developement |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| TR1.2/CC8 | Number of Bridges Constructed | Needscamp / Potsdam Bridge | Concrete Pillars Constructed | | Completion of bridge deck | | Bridge deck not completed | 1 (bridge constructed) (Needscamp / Potsdam) |
| CC 1 | Number of High Sites with Long Term Evolution Network | LTE INFRASTRUCTURE / Fiber Network | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 9 (Ward 17, 19, 25, 28, 29, 34, 41, 43, & 45) |
| CC 2 | Number of Business processes automated | System Integration | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 3 (Revenue Management, Billing, Human Resources) |
| CC 3 | Number of Directorates that are connected to Citizens Engagement Application | Sharepoint | 4 | | 4 Directorates (Spatial Planning, Corporate Services, Infrastructure, Human Settlements) | | 4 Directorates (Spatial Planning, Corporate Services, Infrastructure, Human Settlements) | 3 (Health & Public Safety, Municipal Services, Infrastructure) |
| CC 4 | Number of Public Wi-Fi hotspots established for BCMM citizens | Fiber Network | 15 | | 15 Areas Connected Hotspots | | 15 Areas Connected Hotspots | 25 Hotspots |
| CC18 | Percentage Progress towards the alignment and clean-up of Cadastral Land Parcel Information | CADASTRAL AUDIT (DATA CLEANUP) | New Indicator | | New Indicator | | New Indicator | 40% (audited land parcel register of all BCMM Cadastre) |
| TR 6.1/CC6 | Km of gravel Roads upgraded to Surfaced Standard | Roads Upgrade | 38.058 km | | 30km | | 38.058 km | 20km |
| CC19 | Number of bridges rehabilitated | Bridge Refurbishment Programme | 3 | | 3 | | 3 | 3 |
| EE1.1/ CC13 | Number of informal dwellings provided with a basic electricity service (RDP) | Electrification of informal dwellings | 38 | | 1200 | | 38 Connections | 1000 |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | Responsible Directorate |
|---|---|---|---|---|
| 1 (bridge constructed) (Needscamp / Potsdam) | Invoice & colour photo | N/A | N/A | Spatial Planning and Developement |
| 9 (Ward 17, 19, 25,28,29,34,41,43 & 45) | Installation sign off report | N/A | N/A | Corporate Services |
| 3 (Revenue Management, Billing &Human Resources) | User Acceptance Report | N/A | N/A | Corporate Services |
| 3 (Health & Public Safety, Municipal Services, Infrastructure) | User Signoff Document | N/A | N/A | Corporate Services |
| 25 Hotspots | Installation Signoff document | N/A | N/A | Corporate Services |
| 62.69% | GIS Datasets merged with Corporate GIS's Cadastre and a Draft Progress Report | We have achieved 62.69% which is more than our target of 40% because the data models used in analysing the overlaps were able to resolve similar issues in one step. | N/A | Executive Support Services |
| 23,256km | Completion Certificate, Maintgenance reports | Increased mid-year budget allocation has produced additional work | Not in the control of the Directorate. | Infrastructure Services |
| 3 | Completion Certificate, Maintgenance reports | N/A | N/A | Infrastructure Services |
| 220 | Completion Certificates and Deviation Certificates | Mzamomhle: Finalisation of planning processes concluded late. Community objections to relocating onto newly planned erven. Sunnysouth: Memorandum between Messrs Eskom and BCMM not signed off timeously. Conditions imposed by new management at ESKOM. | Mzamomhle: Ward Councillor assisting with the community relocation issues, after intervention by Portfolio Cllr, this has since commenced. Sunnysouth: Further consultation between Eskom and BCMM on conditions, has led to signed off.<br>Dwellings in road reserve have been identified to be removed before year end. | Infrastructure Services |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| **STRATEGIC OUTCOME 4: A SPATIALLY TRANSFORMED CITY** | | | | | | | | |
| **NATIONAL PRESCRIBED INDICATORS** | | | | | | | | |
| WS1.11 | Number of new sewer connections meeting minimum standards. | No project, depends on applications received from the public, RDP connections provided by Housing Department | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 450 | | |
| WS5.31 | Water connections metered as a percentage of total connections | Water Conservation and Water Demand Management | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 90% | | |
| HS2.22(a) | Average Number of days taken to process building plan applications for approval (<500m2) | Building Plan approval | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 28 Days | | |
| HS2.22(b) | Average Number of days taken to process building plan applications for approval (>500m2) | Building Plan approval | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 58 Days | | |
| HS1.11 | Number of subsidised housing units completed | Amalinda Co-op = R500 000.Reeston Phase 3 Stage 3 = R1 500 000, Potsdam Village Phase 1 & 2 = R10 000 000, Potsdam Ikhwezi Block 1 = R7 50 000, Tyutyu Phase 3 = R500 000, Mdantsane Cluster 1 = R3 000 000, Mdantsane Cluster 2 = R7 200 000, Fynbos Cluster 3 = R15 000 000, Peelton Cluster = R5 000 000, Peelton Phase 2 = R2 000 000 | 583 | 583 (During 17/18 FY Indicator was crafted as follows: Number of top structures practically completed) | 583 | 450 | | |

| | Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | Responsible Directorate |
|---|---|---|---|---|---|
| | 1 955 | Sanitation Department spreadsheet - New Connections and or progress reports | This is dependent on the new connection requests or applications from the public and the delivery of houses built by Department of Human Settlement. The target was based on the historical information. | N/A | Infrastructure Services |
| | 90% | List of completed meter installations | N/A | N/A | Infrastructure Services |
| | 28 Days | Excell Spreadsheet generated from Building Plan System (BPS) database | N/A | N/A | Spatial Planning and Developement |
| | 31 Days | Excell Spreadsheet generated from Building Plan System (BPS) database | The Building Plans submitted for approval had all the required supporting documentation and therefore complied with all the essential requirements. Hence the turnaround time for processing the approvals was speeded up. | N/A | Spatial Planning and Developement |
| | 67 (Top Structures = Majali =55) Peelton: | Completion Certificates | One of the major projects (Fynboss/ Ndancama) completed houses were illegal invaded, no practical completion certificates could be processed due to illegal occupants. Some projects are at standstill due to contractual issues. | Law Enforcement is busy with eviction of illegal occupants in Fynboss so that the contractor can be able to resume work. Contractual Issues will be resolved before the end of July 2019. | Human Settlements |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| HS1.12 | Number of formal sites serviced | Potsdam Ikhwezi Block 1 = R23 143 600, Phakamisa South = R500 000, Potsdam North Kanana = R9 164 200, Ilitha North = R5 140 000, Duncan Village Proper = R541 000, Mdantsane Zone 18cc phase 2 = R8 000 000, Amalinda Co-op, Mdantsane = R8 000 000, Cluster 1 = R5 000 000, Mdantsane Cluster 2 = R14 000 000, Fynbos Cluster 3 = R17 305 000, Duncan Village Comp.Site = R2 200 000, | 1572 | 866 | | 1572 | 1300 | |
| **BCMM INDICATORS** | | | | | | | | |
| STC 3 | Number of cemeteries upgraded | Development and Upgrading of Cemeteries | 8 | 11 | | 8 | 13<br><br>Buffalo Flats, Cambridge Crematorium, East Cemetery, Haven Hills, Bhisho, Breidbach, Clubview, Phakamisa, Zwelitsha, Fort Jackson, Macleantown, Mtsotso Ilitha | |
| HS 3.2/STC 4 | Number of community halls constructed | | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 1 (Nompumelelo community hall) | |
| HS 3.2/ STC 5 | Number of community halls upgraded | | 5 | 5 (Parkside, Scenery Park, Clements Kadalie, Robbie de Lange, Ilitha) | | 5 (Parkside, Scenery Park, Clements Kadalie, Robbie de Lange, Ilitha) | 7 community halls upgraded (Gcobani, Potsdam, Phakamisa, Ndevada Halls, Roji Skenjana, Nu 10 Hall and Parkside Hall) | |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | Responsible Directorate |
|---|---|---|---|---|
| 3093<br>(Internal Services = Fynboss (112), Potsdam/Ikhwezi Block 1 (192) Mdantsane Zone 18 cc (221) | Practical Completion Certificates for either roads, water and or/ sanitation. | The target has been over achieved due to incomplete services of 2017/18 financial year that has been completed. Each time we start a particular financial year there is work carried from the previous financial year that was already done at 90% equivalent to the budget available. The remaining 10 % budget is used to finish up work already started in the previous year, when this happens, production during the year under assessment increases more than the available budget. This means each year we report work that has been started the previuos year but finished in the year under review. | N/A | Human Settlements |
| 13<br><br>Buffalo Flats, Cambridge Crematorium, East Cemetery, Haven Hills, Bhisho, Breidbach, Clubview, Phakamisa, Zwelitsha, Fort Jackson, Macleantown, Mtsotso Ilitha | Invoices<br><br>and photos | N/A | N/A | Municipal Services |
| 0 (80% complete) | Certificate of Deviation, approved revision of practical completion date and progress report. | The date of Practical Completion had to be revised due to the extensive remedial works that were required to be under taken by the current contractor before any new works could be carried out as per approved claim no.1 and no.2. Additional extension of time was claimed for delays due to protest action by the Community and rain delays and consequential delays as per approved claim no.3. This was done in terms of the JBCC contract, clauses 29.2.2, 29.2.3, 29.14 and 29.1.1. | To request the contractor to submit a new project works programme that will align itself with the new revision date of practical completion. The project is envisaged to be completed by the end of September 2019.<br>The approved revised completion date is currently the 17th July 2019.<br>The revised completion date will be extended as the contractor has indicated that there will be additional claims submitted. | Municipal Services |
| 2 (Gcobani & Potsdam) | Pictures with date and time (Before & After) and invoices. | The department intended to implement this project through the appointment of annual contracts.<br>The Building Maintenance Annual Contracts for Wet Works, Flooring and Welding Works have not yet been awarded. This project and many others cannot proceed until the award of these contracts. | To await the award of the annual contracts which is currently at bid adjudication stage of the tender process. The scope of works will be prepared and ready so as to avoid any further delays. This project is anticipated to be completed in the 2nd quarter of the 2019/2020 financial year pending the approval of the request to roll over the funding allocated to this project. | Municipal Services |

**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR**

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| STC 1 | Number of land parcels acquired by Council for Mixed Use Integration Zone and Densification (public and privately owned). | | 1 | 2 | | 1 | 8 | |
| STC10 | Number of Completed Spatial Development Frameworks (SDF) | SDF Review | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | Draft report for Phase 4 of SDF Review | |
| STC 9 | Number of BCMM owned buildings upgraded | | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 14 | |
| WS1.1/ ST C 2 | Number of ablution facilities constructed (seats) | Ablution Facilities | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 80 (seats) | |
| EE1.1/ STC 7 | Number of new high mast lights installed | Streetlights or highmasts within BCMM area of supply | 10 | 5 | | 10 | 10 | |
| WS1.1/ ST C8 | % of households with access to basic level of sanitation | Rural Sanitation Backlog | 91% | 91% | | 91% | 93% | |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 1 | Title Deeds | One transfer registered in the name of BCMM. The Deeds office initially rejected the registration of transfers of the other property due to inventory being amended by the Master of High Court. There were delays with getting consent from affected family. The Conveyancers appointed by the Heirs are still processing the Estate transfer. The transfer is not registered yet at the Deeds Registry Office in favour of the Heirs before the transfer to BCMM. Experienced delays in gettng all the Trustees to sign the Deed of Sale. Awaiting Deed of Sale to be signed by ECDC CEO for two erven. Valuation has been requested for Portion of Farm 623 due to inventory being amended by the Master of High Court. | Transfer of the property would be relodged at Deed Office. Due to the inventory amended by Master of High Court, discussions are still in progress between the Master of the High Court and the Deeds Office. In respect of transfer, the Heir is to provide the BCMM with his Conveyancers' name of the Executor of the State and contact details in order for the BCMM appointed Conveyancer to facilitate the simultaneous registration of the transfers. The Conveyancer is to proceed and draft the necessary transfer documents and obtain Clearance Certificate and register transfer in favour of BCMM. ECADC to fasttrack the signing of the transfer documents. On 5th July 2019 valuation report has been received from Directorate of Finance in respect Portion 1 of Farm 623 East London. On the 8th July 2019 negotiations took place and Conveyancer advised that he will recommend that the owner accepts valuation and forward consent to BCMM. | | Spatial Planning and Developement |
| Draft report for Phase 4 of SDF Review | Copy of Draft report for Phase 4 of SDF Review provided | N/A | N/A | | Spatial Planning and Developement |
| 14 | Invoices | N/A | N/A | | Spatial Planning and Developement |
| 38 (seats) | Internal Completion Certificate | Not in the control of the Directorate. There were delays in issuing orders, the review of the system currently underway to ensure efficiency is restored. | A process of co-ordination between the department and supply chain will be implemented in the new financial year. | | Infrastructure Services |
| 10 | Completion Certificate Consolidated for 2018-19. | N/A | N/A | | Infrastructure Services |
| 92% | Sanitation Department spread sheet Households with Sanitation Services Report. | N/A | N/A | | Infrastructure Services |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| **STRATEGIC OUTCOME 5: A WELL GOVERNED CITY** | | | | | | | | |
| **NATIONAL PRESCRIBED INDICATORS** | | | | | | | | |
| GG 6.11 | Percentage of the municipality's operating budget spent on free basic services to indigent households | Free Basic Services to Indigent households | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 16% | | |
| HS2.21 | Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll | Annual Supplementary Valuation Roll | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 500 | | |
| EE2.11 | Free Basic Electricity provision levels as per percentage of total residential electricity provision (in terms of MWh) | Free Basic Electricity to Indigent households | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 12% | | |
| WS3.11 | Percent of Complaints/ Callouts responded to within 24 hours (sanitation/ wastewater). | Operations and maintenance | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | Responded to 95% sewer overflows within 24 hours (Only covers inspection and identification of required repairs as well as issuing job cards). | | |

| | Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|---|
| | 8% | General Ledger Poor Relief Expenditure Accounts, and<br>Annual Operating Budget | The expenditure related to Poor Relief is dependant on the number of Indigent Beneficiaries at the time of reporting. It was anticipated that more Indigent Debtors would have applied for the Indigent Subsidy during the 2018/2019 Financial period, thus resulting in improved performance. The department did embark on Indigent Registration Campaigns during the financial year. | The corrective measures to be implemented are:<br>1. More frequent Indigent Registration campaigns during 2019/2020 financial period with specific focus on Rural Communities.<br>2. Regular communication with communities informing them of the benefits available should they meet the qualification criteria. Communication methods include:<br>a. Formal Communication<br>b. Communication via electronic means<br>c. Communication with the assistance of Ward Councillors and Ward Committees. | | Financial Services |
| | 376 | Monthly Valuation rolls for April, May and June 2019 | The number of rateable properties in the subsidy housing market entering the municipal valuation roll is dependant on the number of RDP houses completed at the time of reporting. No residential properties in the subsidy housing market entered the municipal valuation rolll in the 4th quarter. | Corrective measures to be implemented are:<br>1. A more realistice target will be sought from the Department of Human Settlements or the target must be placed at Human Sttlements (HS), as HS has direct control over the number of houses completed.<br>2. Properties that fall within the housing subsidy market will be included on the valuation roll as and when they are completed. | | Financial Services |
| | 10.27% | Electricity Statistics Report - BS512 | The expenditure related to Free Basic Electricity is dependant on the number of Indigent Beneficiaries who have claimed their 50kWh, at the time of reporting. It was anticipated that more Indigent Debtors would have applied for the Indigent Subsidy during the 2018/2019 Financial period, thus resulting in improved performance. The department did however embark on Indigent Registration Campaigns during the financial year. | The corrective measures to be implemented are:<br>1. More frequent Indigent Registration campaigns during 2019/2020 financial period with specific focus on Rural Communities.<br>2. Regular communication with communities informing them of the benefits available should they meet the qualification criteria.<br>3. Exploring electronic means of providing the FBE kWh to beneficiaries Engagement with the Human Settlements Directorate will be sort by the end of the first quarter (30 September 2019). Thereafter, adequate corrective measures will be put in place with a documented action plan. | | Financial Services |
| | 78% | Job cards with reference numbers of received/completed complaints or a report from the water management system, departmental reports | There is a backlog in capturing of completed queries even though they were responded to on time. | A program of catching up with capturing of completed queries will be implemented to ensure that the backlog is eradicated by the next quarter. | | Infrastructure Services |

**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR**

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| WS3.21 | Percent of Complaints/ Callouts responded to within 24 hours (water). | Daily Operations and maintenance | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | Respond to 95% of water outages and burst pipe complaints/queries within 24 hours (Exclude completion of repairs) |
| WS4.21 | Percentage of industries with trade effluent inspected for compliance | Six monthly inspection of assessed industries | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 100% of assessed industries inspected |
| WS4.22 | Percentage of wastewater safely treated | WWTW | 89% | | >70% | | 89% | >75% |
| GG2.11 | Percentage of ward committees with 6 or more ward committee members (excluding ward councillors) | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | 100% Ward Committee members | 100% Ward Committee members |
| GG3.12 | Percentage of councillors who have declared their financial interests | New Indicator | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | 100% | 100% |
| GG 2.12 | Average number of councillor-convened meetings per ward | | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 4 Public Meetings Convened per Ward = 200 public meetings for 50 Wards. |
| GG 1.21 | Staff vacancy rate | Filling of vacant funded posts | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 4% |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | Responsible Directorate |
|---|---|---|---|---|
| 95% | Report from the water management system | N/A | N/A | Infrastructure Services |
| 100% | Six monthly tariff letter submitted to each assesed industry. | N/A | N/A | Infrastructure Services |
| 84% | Scientific Services WWTW Compliance Report | Proper control mechanism and monitoring at WWTW | Target will be revisited to consider increasing it. | Infrastructure Services |
| Ward Committee stipend payment list | N/A | N/A | | Executive Support Services |
| Declaration Forms (signed by all BCMM Councillors) | N/A | N/A | | Executive Support Services |
| 166 Public Meetings were held | Attendance Registers or Minutes of the meetings. | Council Speaker is responsible for the functionality of ward councillors. Ward Cllrs are requested to submit schedule of meetings annually to the office of the Speaker to be incorporated in the Institutional diary. Ward Cllrs are responsible to facilitate the sittings of ward public meetings. Due to unforseen circumstances, some of the ward Cllrs could not adhere to the schedule of meetings submitted. | Intervention from Council Speaker to hold sessions with Ward Councillors to unlock bottlenecks that hinders the ability to meet scheduled meetings will be held in quarter one (1) and two (2) during 2019/2020 FY. | Executive Support Services |
| 6.6% | Statistical report on vacant funded posts vs posts filled | The deviation (1.86% which equates to 94 posts) is as the result of the creation of additional posts, number of posts advertised vs number of terminations for the period and the Job Evaluation processes. | Posts will be advertised timeously within one month of termination, evaluated posts to be advertised within one month after report has been approved for implementation. | Corporate Services |

**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR**

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| GG 5.11 | Number of active suspensions longer than three months | Finalisation of all oustanding suspensions that are longer than 3 months | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 3 |
| C9/WGC 27 | % of the municipality's budget actual spent on implementing its workplace skills plan. | Training | 105% | | 100% | | 105% | 100% |
| **BCMM INDICATORS** | | | | | | | | |
| WGC 6 | % of a municipality's capital budget spent on capital projects identified in the IDP | | 80% | | 100% | | 80% | 100% |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 5 | Suspension statistics | Recently a number of staff have been placed on suspension due to various allegations of misconduct. Disciplinary hearings are taking longer to conclude due to a number of reasons, i.e. absenteeism / postpone-ments. | Department to re-evaluate all those on suspension with the intention to lift suspensions for those where investigations have been concluded. The report to the City Manager i.t.o clause 16.3 of the DPCA to lift all suspensions longer than 3 months where the investigations are finalised. shall be submitted by no later than 30 September 2019. The City Manager shall make a determination to lift the suspensions by no later than 30 November 2019 and the determination shall be implemented by no later than 15 December 2019. | | Corporate Services |
| 92% | Budget expenditure drawn from Solar financial System | Roll-over of ISDG funds to 2019/20 | Recovery Plan to spend funds to be sent through to National Treasury by 31 August 2019 | | Corporate Services |
| 84% | Section 71 Report | The major contributing factors on low expenditure are procurement and project management inefficiencies that resulted in the slow progress in implementing capital projects. Poor planning which resulted in late start of some of the projects is also one of the contributing factors. | The following are the strategies that have been put in place to turnaround the City's spending performance:<br>a) &All bid committees were restructured in December 2018 to ensure effectiveness and efficiency.<br>b) &With the new restructured committees, it is envisaged that the target of taking an average period of three months from initiation to the award of an open bid; whereas in the past it used to take an average of about six months.<br>c) & A Selection Committee has been established to ensure fair distribution of work, promote competition, realise value for money, ensure rotational system which is cost effective and transparent in the management of awarded annual contracts.<br>d)&Reconfiguration of processes at the Supply Chain Management unit are also underway to improve all pocurement related activities.<br>e) Business Plans and Procurement Plans are submitted for all approved projects to improve the planning aspect by 30 June 2019. | | Financial Services |

**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR**

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| WGC 7 | % revenue Collection Rate as measured in accordance with the MSA performance regulations | Implementation of Revenue Enhancement Strategy and Credit Control Policy | 89% | | 89% | | 89% | 92.5% |
| WGC14 | Credit Rating Maintained at A | Appointment of a Credit Rating Institution | A | | A | | A | A |
| WGC 15 | Current ratio (Municipality's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short- term Assets (Cash, Inventory, Receivables). | N/A | 2.06: 1 | | 1.65:1 | | 2. 06: 1 | 1.65:1 |
| WGC 16 | Debt to revenue percentage (the extent of Total Borrowings in relation to Total Operating Revenue). | N/A | 10% | | 45% | | 10% | <45% |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 87,37% | Billing sub-system report / Spreadsheet Calculation in terms of MFMA Circular 71 | The primary reasons for the reduced collection rate is as follows:<br>a) The 2017 General Valuation was conducted and implemented on 1 July 2018. The general increase in valuation of properties has also affected the collection rate as this is included in the July 2018 billing. Customers had the opportunity in terms of legislation to object to the new values. The objection process has not yet been finalised.<br>b) Meter Tampering is on the increase and has a negative impact on the collection rate. The Revenue Protection Unit is appointed to address the meter tampering on electricity meters, however where tampers are removed, the customers and communities continue to tamper.<br>c) "No-go" areas are on a sharp increase. In areas such as Breidbach, Sweetwaters, Ginsberg and Reeston (but not limited to) the BCMM staff are being chased out or threatened. This relates to meter readers and disconnections and reconnections.<br>d) Industrial action taken by staff in the institution has affected the collection of debt, specifically targeting due date for payment, | a) Enforcement of Debt collection action as prescribed in the Credit Control Policy, at a regional level.<br>b) Conversion of existing electricity meters to prepayment meters, including conversion of large power users to automated metering devices (Smart Metering)<br>c) Continued implementation of the on-line vending purchases and bill payments through latest technology.<br>d) Activation of the SMS functionality to inform customers of their current and outstanding debt<br>e) Investigation of the strategies to ensure that revenue management services are not interrupted, specifically related to industrial action within the Municipality.<br>f) Perform a water meter audit to address the non-reading of water meters<br>g) Exploring the increase of the City's revenue base, to ease pressure on existing customers.<br>h) Implementation of Indigent Registration campaigns<br>i) Work at curbing electricity and water non-technical losses | | Financial Services |
| A | Credit Rating Report | N/A | N/A | | Financial Services |
| 2.01: 1 | Section 71 Report | N/A | N/A | | Financial Services |
| 8% | Section 71 Report | N/A | N/A | | Financial Services |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| WGC 17 | Cost coverage (ability to meet at least the municipality's monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month). | N/A | 3.5x fixed operating expenditure | | <3x fixed operating expenditure | | 3.5x fixed operating expenditure | 1 - 2x fixed operating expenditure |
| WGC 18 | Creditors payment period | N/A | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 30 days |
| WGC 9(a) | Number of Smart Meters installed - Business Debtors | Installation of Smart Meters - CAPEX | 394 | | 11000 (During 17/18 FY Indicator was crafted as follows: Number of smart meters installed) | | 394 | 18 000 Business |
| WGC 9(b) | Number of Smart Meters installed - Residential Debtors | Installation of Smart Meters - CAPEX | New Project | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | 20000 Residential |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | Responsible Directorate |
|---|---|---|---|---|
| 2,18 x fixed operating expediture | Section 71 Report | N/A | N/A | Financial Services |
| 36 days | Section 71 Report | High level of accruals at year-end and invoices that were delayed for payment due to disputes. | To institutionalise payment of creditors on time. Where a dispute arises, the service provider must be informed in writing within 30 days of receipt of the invoice to enable the matter to be resolved on time. | Financial Services |
| 3 700 | Project Status Report and Meter Register | The primary reason for not achieving the target is due to the fact of delays on training of newly appointed technicians as well as the regular turnover of staff in the employ of the appointed Service Provider. | The Infrastructure Department is expediting the training of newly employed technicians and the Service Provider has employed additional resources to increase the number of meters being installed on a daily basis. There are 18 installers, the department is planning on ramping up to 34 installers by 30 November 2019. | Financial Services |
| 4 380 | Project Status Report and Meter Register | The primary reason for not achieving the target is due to the fact of delays on training of newly appointed technicians as well as the regular turnover of staff in the employ of the appointed Service Provider as well as delays in receiving sufficient meter stock | A Strategic implementation plan has mapped and is being implemented. Expedite training of newly employed technicians. The Infrastructure Department is expediting the training of newly employed technicians and the Service Provider has employed additional resources to increase the number of meters being installed on a daily basis. The installation of residential smart meters started on the 01 April 2019, off the 16 installers submitted for training only 4 were trained in August 2019. | Financial Services |

**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR**

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| WGC 19 | Audit Opinion | | Qualified Audit Opinion | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | Unqualified Audit Opinion | |
| GG 2.1/ WGC 11 | Number of training sessions provided for ward committees | Implement Ward Committee Performance Project | 2 | | 2 | 2 | 2 | |
| WGC 12 | Number of sport development programmes supported | | 3 | | 3 (During 17/18 FY the indicator was crafted as follows: Number of sporting events supported) | 3 | 3 (Steve Vukile Tshwete Games, Mayors Cup, Swimming project) | |
| WGC20 | Number of bursaries awarded | Bursaries Non - Employee | 43 Bursaries Awarded | | 2018 BCMM Busary fund handover (40 busaries awarded in February) | 43 bursaries awarded | 45 Bursaries Awarded | |
| WGC21 | Number of beneficiaries registered | N/A | 2288 | | 2000 | 2288 | 2 010 | |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| Qualified Audit Opinion | AG audit report | • The qualification relates to revenue from the sale of water and the main reason are some faulty water meters and inaccurate meter reading.<br>• The main cause for the inaccurate billing was the high consumption of water related to a clock over on the meter reading where the current reading was less than the previous reading due to faulty meters that have reached their life span.<br>• These are old water meters that are due for replacement.<br>• In addressing this problem, BCMM is having a program of replacing all inaccessible and old water meters to improve the quality and frequency of meter reading. | The Internal Audit comment is noted, and the reason and corrective measure has been adjusted as follows:<br>BCMM is having a program of replacing all inaccessible and old water meters to improve the quality and frequency of meter reading. This exercise will be completed by year end.<br>• BCMM is also exploring the possibility of having an automated and integrated meter reading system to reduce manual and human intervention. A project of installing water meters will be implemented in 2019/20 financial year.<br>• The process of assessing the billing system functionality in identifying anomalies at early stages is being undertaken, this process also involves benchmarking our billing system with other approved systems in local government. This exercise will be completed be end of the 2018/19 financial year.<br>• The City is already going through its population of billing transactions to identify and correct any errors that might have occurred as a result of the above stated meter reading error. Errors have been identified and correcting journals have been | | Financial Services |
| 2 | Attendance Registers | N/A | N/A | | Executive Support Services |
| 3 (Steve Vukile Tshwete Games, Mayors Cup, Swimming project) | Close out report Submitted. | N/A | N/A | | Executive Support Services |
| 50 Bursaries Awarded | Photos, Bursary Award letters for BCMM Bursary Fund beneficiaries Academic Year 2019 | The over achievement is as a result of inability to determine the response by the prospective beneficiaries. The applications are categorised according to programmes in different areas of studies and admission at Institution of Higher Learning per academic year. This therefore hinders the ability to determine the response rate. | N/A | | Executive Support Services |
| 2162 | National Housing Needs Register (NHNR) | Over achievement is caused by the smooth running of the electronic web system as well as the growing requests from the wards to get people registered on the National Housing Needs Register. | N/A | | Human Settlements |

## BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| WGC 3 | Number of Areas covered by surveillance cameras | Roll out of CCTV cameras in BCMM | 3 | | 4 (CBD, Oxford street and Munifin payment hall, City Hall,Gompo cash office) | | 3 (areas - completed Completed the installation of 17 Cameras at City Hall and 6 Cameras at Gompo Rent Offices, 6 cameras at Beacon Bay, 21 cameras at Munifin Building but project not completed as a whole due to fibre network and trenching delays.) | 3 Areas covered (EL CBD, West Bank & KWT Taxi Rank) |
| WGC22 | Total increase in the amount of revenue collected for traffic fines | Collection of traffic fines | R 15 025 335,83 | | R 11 500 000 | | R 15 025 335,83 | R 13 462 037,00 |
| WGC23 | % Reduction in road traffic fatalities on BCMM roads | Reduction in road fatalities on BCMM roads | 88% inccrease in accidents instead of decreasing. | | 14% | | 88% increase in accidents instead of decreasing. | 5% reduction (241) |

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 2 Areas (West Bank & Duncan Village) | Completion certificates, invoices, payment certificates (Attached - Signed off certificate & invoices) | The tender was awarded on the 28 January 2019 and the Service Level Agreement was signed on the 25 February 2019. Contractor commenced work only once the meetings had taken place regarding the implementation of the contract and all parties were consulted. This was in April 2019, leaving only two months May & June 2019 for the implementation and commencement of the project. | Contractor informed and requested to proceed with installations, supply and connections, as per the agreed Service Level Agreement. The Procurement of Equipment and Materials has taken place and been delivered to CCTV Control Room for Fullers Bay & West Bank. Contractor awainting approval from BCMM for Wayleaves, in order to commence work. Once Wayleaves approved, work will commence immediately into the new financial year 2019/2020 & 2020/21 as this is a multi-year project | | Health, Public Safety and Emergency Services |
| R13 990 185.35 | Income report from Solar, TCS & Dept operational reports | • Daily Deployment of the mobile office and additional roadblocks has increased awareness with offenders regarding finalization of outstanding fines.<br>• Increase in number of offender enquiries either telephonically or in person due to enquires being made at roadblocks which resulted in quicker finalization of outstanding notices.<br>• Steady finalization of proxies.<br>• Due to the deployment of the mobile office at road blocks the number of enquires to register on the View Fines website has increased. The site enables offenders to view their outstanding traffic fines. Additional requests from offenders to be registered on the site has increased<br>• Media communication<br>• Personally- Served Summons & Proxies<br>Sending SMS notifications & Section 341 | N/A | | Health, Public Safety and Emergency Services |
| 3.15% (152X5/241) | Provincial SAPS statistics on fatalities | • This can be attributed to Traffic Service deploying officers in the various hotspot areas where most fatalities occur.<br>• Other stakeholders such as provincial traffics, SAPS, etc. are sensitized with regards to accident crashes and where fatalities occur.<br>• High presence of Traffic, Law Enforcement, SAPS and other stakeholders present.<br>• Zero tolerance approach.<br>• Media Communication<br>• Road safety education | N/A | | Health, Public Safety and Emergency Services |

**BUFFALO CITY METROPOLITAN MUNICIPALITY ANNUAL PERFORMANCE REPORT: 2018/2019 FINANCIAL YEAR**

| National Treasury Reference /BCMM | Key Performance Indicator | Project / program | Baseline 2018/2019 | Annual Target 2017/2018 | Actual Annual Performance 2017/2018 | Annual Target 2018/19 | Actual Annual Performance 2018/2019 | Portfolio of Evidence provided |
|---|---|---|---|---|---|---|---|---|
| WS4.1/ WG C4 | % Compliance of water treatment works with SANS 241 requirements | WWTW | 99% | | ≥ 95% | | 99% | >95% |
| WGC24 | Number of kilo-litres reduced (physical water losses in terms of system losses) | Water conservation and water demand management | 1 515 282 kl | | 1300 000 Kl | | 1 515 282.04 Kl | 1 300 000 kl |
| WGC25 | Electricity Losses | Electricity Losses | New Indicator | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | Equal to or less than 18% |
| WGC26 | Annual reviewal of the Employment Equity Plan effective 01 July 2017 - 30 June 2021 | Reviewal of the current Employment Equity Plan | Approved Employment Equity Plan (2017-2019) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | | New Indicator (Indicator was not on the SDBIP for 2017/2018 financial year) | Reviewed Employment Equity (EE) Plan (2019-2021) |
| WGC 1 | Number of people from employment equity target groups (females) employed in the 3 highest levels of management | Implementation of Employment Equity Plan | 4 | | 3 | | 4 | 3 |
| | | | | | | | | |

## ACHIEVEMENT LEVELS & LEGEND

- Outstanding performance
- Performance significantly above expectations
- Fully effective performance
- Performance not fully satisfactory
- Unsatisfactory performance
- Not Applicable /On hold/Not reporting for this quarter

N/A (Not Applicable)

| Portfolio of Evidence provided | Reason for Deviation | Corrective Measures | Achievement levels | | Responsible Directorate |
|---|---|---|---|---|---|
| 99% | Water quality results from Scientific Services | Proper control mechanism and monitoring at WTW | Traget will be revisited to consider increasing it. | | Infrastructure Services |
| 1931280 kl | Non revenue water report | Over achievement can be attributed to the consumer water use awareness campaign, which cannot be excactly quantified upfront as it involves the consumers behaivioral and mindset change towards the importance of water saving. | N/A | | Infrastructure Services |
| 19,95% | Losses Report | Increase in tampers and illegal connectons | indicated the Installation of Smart meters and the implementation of the Criminal Amendments Act, legal Action to be taken against perpetrators | | Infrastructure Services |
| Reviewed Employment Equity (EE) Plan (2019-2021) submitted to Council | Council Minutes | N/A | N/A | | Corproate Services |
| 5 | Letters of appointment | This is due to the fact that the Institution has no control on the number of positions that become available as a result of terminations or otherwise. | N/A | | Corproate Services |
| | | | | | |

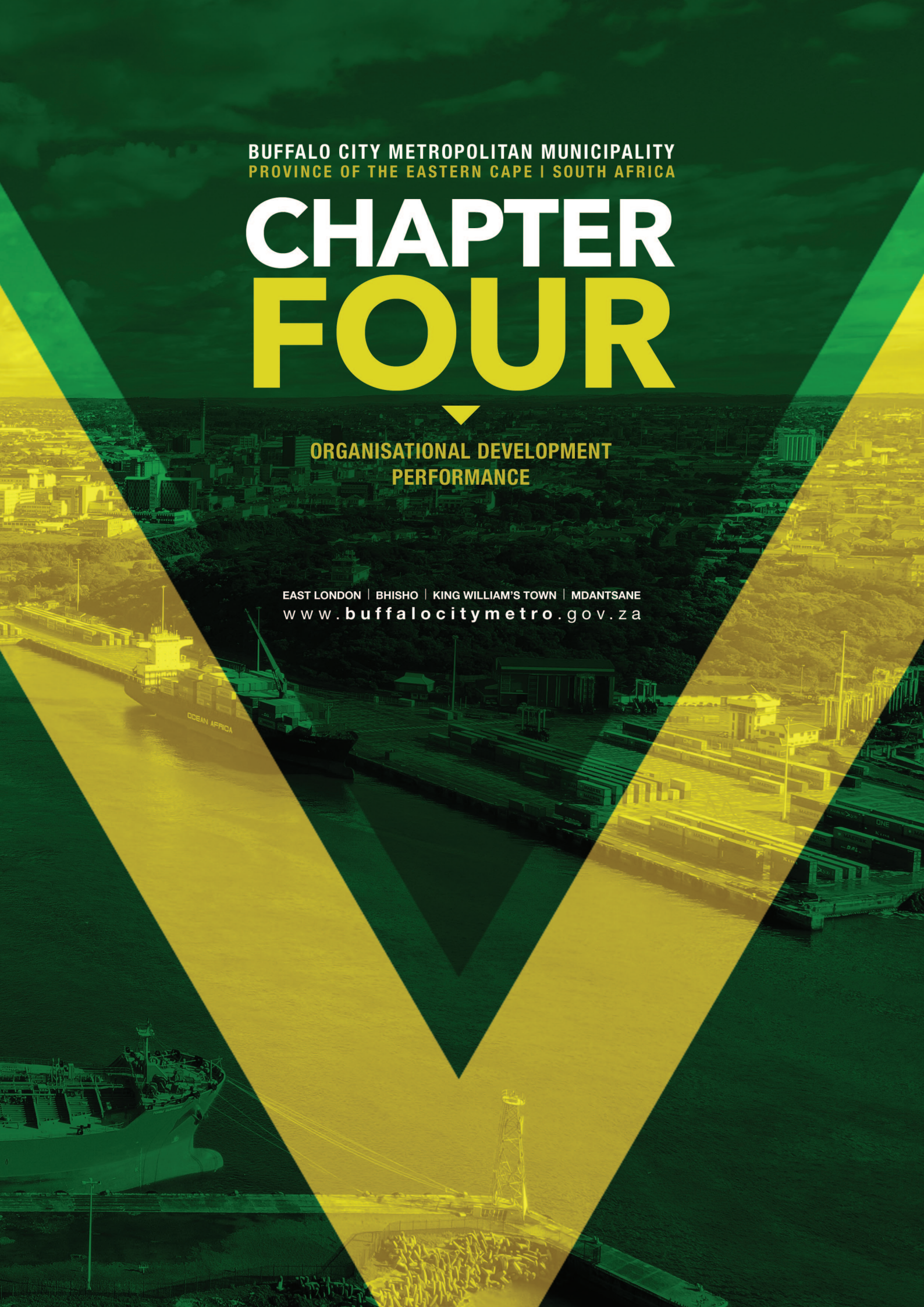


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER FOUR

## ORGANISATIONAL DEVELOPMENT PERFORMANCE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

## INTRODUCTION

Organizational development and employee performance management forms part of the Human Resource support function that the Directorate of Corporate Services renders to BCMM employees. Services rendered by Human Resources include development of the organizational structure, capacitation of staff, recruitment of staff members, job evaluation, employee relations, safety and wellness and assisting management with the implementation of staff performance.

*T 4.0.1*

## COMPONENT A: INTRODUCTION TO THEMUNICIPAL PERSONNEL

The BCMM's employees and the skills they bring to the workplace are a critical input in the delivery of all services. Municipal services differ widely in terms of the skills needs and labour intensity. Some, by nature, require high-level skills, such as planning. Other skills are capital intensive, such as electricity and water distribution. Some are labour intensive, such as waste removal. However, in many instances, municipalities choose whether to use capital labour intensive technologies to perform activities or to deliver a particular service.

The City contributes directly to economic growth by providing a range of essential services to households and commercial enterprises, such as schools and hospitals. It has the potential to increase the contribution to economic growth by improving the reliability, quality and efficiency of the services that it provides to the community of BCMM. The City maintains the appropriate balance between core and support, with vacancies kept to a minimum.

This then calls for the effective management of municipal personnel. Managing municipal personnel is ensures that people with the required skills are recruited, retained and appropriately deployed.

# 4.1. **EMPLOYEE TOTALS,** TURNOVER AND VACANCIES

## EMPLOYEES

| Description | Year 2017/2018 | Year 2018/2019 | | | |
|---|---|---|---|---|---|
| | Employees | Approved Posts | Employees | Vacancies | Vacancies |
| | No.17/18 | No.18/19 | No.18/19 | No.18/19 | %18/19 |
| Water | 307 | 382 | 311 | 71 | 18.58% |
| Waste Water (Sanitation) | 334 | 408 | 343 | 65 | 15.93% |
| Electricity | 228 | 275 | 218 | 57 | 20.72% |
| Solid Waste Management excl 5035 | 534 | 637 | 596 | 41 | 6.43% |
| Waste Disposal 5035 | 44 | 45 | 43 | 2 | 4.44% |
| Housing COO | 57 | 76 | 64 | 12 | 15.78% |
| Roads Services | 295 | 341 | 297 | 44 | 12.90% |
| Transport Services (Bus depot & Trans Planning murp 2031 2045 | 37 | 63 | 44 | 19 | 30.15% |
| Storm water | 8 | 12 | 12 | 0 | 0% |
| Planning (City Plan Arch Survey Land Build)2005 - 2025 | 136 | 163 | 133 | 30 | 18.40% |
| Local Economic Development Market2505 - 2531 | 73 | 88 | 74 | 14 | 15.90% |
| Library Halls Arts & Culture Admin 5011 - 5014 | 172 | 245 | 218 | 27 | 11.02% |
| Cemeteries | 87 | 103 | 85 | 18 | 17.47% |
| Child Care | 2 | 2 | 2 | 0 | 0% |
| Pollution Control 3521 | 2 | 3 | 3 | 0 | 0% |
| Bid diversity & Other (Env Services) 526 5005 5021 - 5024 | 405 | 478 | 413 | 65 | 13.59% |
| Health Inspection | 57 | 58 | 57 | 1 | 1.7% |
| Police office & other (Traffic Law HOD admin law admin) 3505 3531 | 703 | 782 | 747 | 35 | 4.47% |
| Fire Services incl fire admin | 174 | 180 | 160 | 20 | 11.11% |
| Disaster management & Animal Licence | 6 | 9 | 6 | 3 | 33.33% |
| Sport & Recreation Amenities | 264 | 323 | 282 | 41 | 12.69% |
| Executive & Council | 157 | 192 | 174 | 18 | 9.37% |
| Financial services excl Asset & SCM | 545 | 641 | 556 | 85 | 13.26% |
| Human Resources | 162 | 196 | 175 | 21 | 10.71% |
| ICT | 34 | 45 | 38 | 7 | 15.55% |
| Legal Services Risk Management SCM 1061 3031 3071 | 95 | 150 | 104 | 46 | 30.66% |
| Municipal Manager incl. Know Man EPMO excl Legal Services 1051 excl 1061 1015 | 54 | 88 | 69 | 19 | 21.59% |
| Mechanical Services 4542 4543 | 76 | 102 | 75 | 27 | 26.47% |
| **Totals** | **5048** | **6087** | **5299** | **788** | |

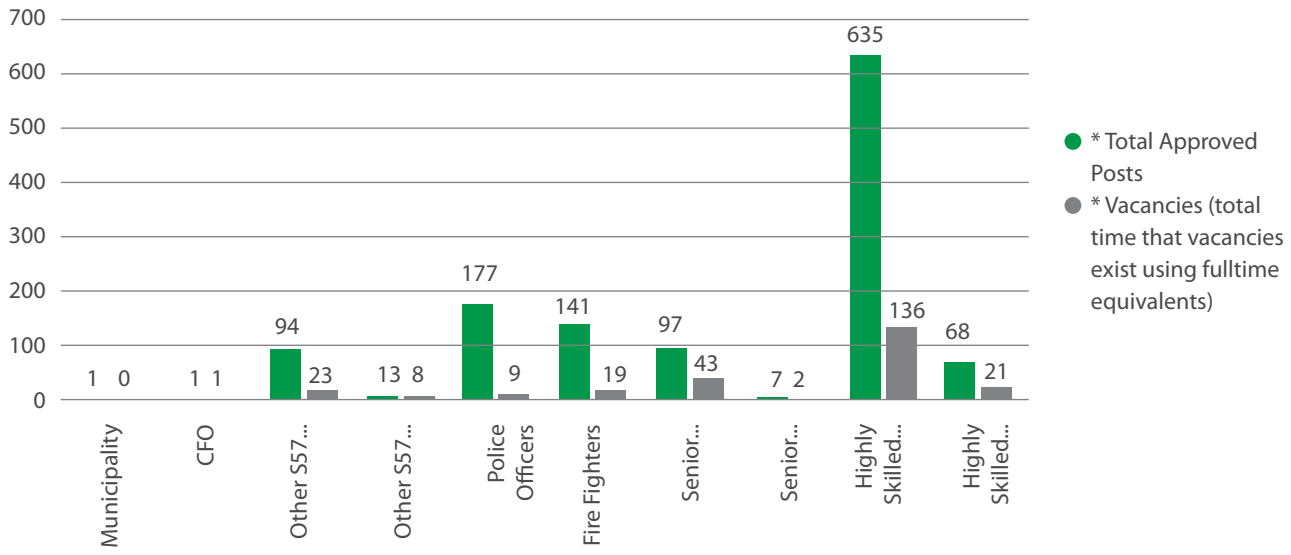
**T 4.1.1**

## VACANCY RATE: YEAR 2018/2019

| Designations | *Total Approved Posts<br>No. | *Vacancies (Total time that vacancies exist using fulltime equivalents)<br>No. | *Vacancies (as a proportion of total posts in each category)<br>% |
|---|---|---|---|
| Municipal Manager | 1 | 0 | 0.00% |
| CFO | 1 | 1 | 1.00% |
| Other S57 Managers (excluding Finance Posts) | 94 | 23 | 24.47% |
| Other S57 Managers (Finance posts) | 13 | 8 | 61.54% |
| Police officers | 177 | 9 | 5.08% |
| Fire fighters | 141 | 19 | 13.47% |
| Senior management: Levels 13-15 (excluding Finance Posts) | 97 | 43 | 44.33% |
| Senior management: Levels 13-15 (Finance posts) | 7 | 2 | 28.57% |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 635 | 136 | 21.42% |
| Highly skilled supervision: levels 9-12 (Finance posts) | 68 | 21 | 30.88% |
| **Total** | **1234** | **262** | **21.23%** |

T 4.1.2

## VACANCY RATE




## TURN-OVER RATE

| Details | Total Appointments as of beginning of Financial Year<br>No. | Terminations during the Financial Year<br>No. | Turn-over Rate* |
|---|---|---|---|
| 2016/2017 | 5159 | 237 | 5% |
| 201720/18 | 5048 | 223 | 4% |
| 2018/2019 | 5299 | 214 | 4% |

* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

T 4.1.3

## COMMENT ON VACANCIES AND TURNOVER:

The Chief Financial Officer post was advertised during April 2019 and interviews took place in August 2019. An acting appointment is still in place pending the Council appointment of the recommended candidate.

The HOD – Municipal Services has been dissolved and Council approved two (2) new HODs namely the Head of Directorate: Solid Waste and Environmental Management and Head of Directorate: Sport, Recreation and Community Development. The administrative processes is still under review by Council and will only be advertised once Council approves the advertising the posts. Currently there is an Acting appointment for the The Head of Directorate: Municipal Services.

Posts are advertised timeously and the Human Resources Department ensures that adverts are placed on a monthly basis.

Recruitment for the period July 2018 to June 2019 amounts to 680 appointments. However, promotions and terminations created 311 additional vacancies.

Other reasons for staff turnover are mentioned in the table below:

| REASON | JULY – SEPT 8 | OCT – DEC 18 | JAN – MAR 19 | APR – JUN 19 | TOTAL |
|---|---|---|---|---|---|
| **Resignation** | 6 | 16 | 9 | 10 | 41 |
| **Retirement** | 17 | 39 | 18 | 20 | 94 |
| **Deceased** | 10 | 11 | 10 | 12 | 43 |
| **Medical Board** | 2 | 2 | 3 | 3 | 10 |
| **Dismissed** | 10 | 4 | 8 | 4 | 26 |
| **Contract Expiry** | 0 | 0 | 0 | 0 | 0 |
| **Total** | **45** | **72** | **48** | **49** | **214** |

*T 4.1.4*

# COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

## INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Organisational development and employee performance management forms part of the Human Resource support function that the Directorate of Corporate Services renders to BCMM employees. Services rendered by Human Resources include development of the organisational structure, capacitation of staff, recruitment of staff members, job evaluation, employee relations, safety and wellness and assisting management with the implementation of staff performance.

Workforce Management is a line function and the sole responsibility of all managers and supervisors within the respective Directorates. Line managers have a duty to see to it that all functions performed by employees in compliance with legislation, policies and procedures. Human Resources provides a support function to line management, enabling them to manage their workforce in compliance with legislation and policies.

Labour Unions within the municipality play a very important role in all staff- related matters. Local Labour Forum Meetings which also include both Management and Unions are held to discuss and negotiate labour related matters pertaining to employees. The Local Labour Forum functions as a consultation/negotiation forum as directed by the Organisational Rights Agreement. The Management delegation is headed by the Portfolio Head of Corporate Services, the City Manager and the Head of Directorate: Corporate Services.

In order to ensure proper consultation regarding workforce policies and management practices, such issues are firstly drafted at a management level and are then consulted extensively with the representative unions in the Local Labour Forum, before being submitted to Council or Top Management for approval.

BCMM has developed its necessary workforce policies as outlined in Table T4.2.1. Progress on any amendments needed are also outlined in T4.2.1. HR Policies are identified for development or review on an annual basis, based on need.

*T 4.2.0*


STEERS
CAXTON ST
JGC 054 EC

# 4.2. POLICIES

## HR POLICIES AND PLANS

| | Name of Policy | Completed % | Reviewed % | Date adopted by council or comment on failure to adopt |
|---|---|---|---|---|
| 1 | Affirmative Action | 100% | 0% | 05 May 1997 |
| 2 | Attraction and Retention | 100% | 50% | Adopted in 2006 |
| 3 | Code of Conduct for employees | 100% | 0% | Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC) |
| 4 | Delegations, Authorisation & Responsibility | 0% | 0% | |
| 5 | Disciplinary Code and Procedures | 100% | | Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC) |
| 6 | Essential Services | 0% | 0% | Part of the Code of Conduct |
| 7 | Employee Assistance / Wellness | 100% | 100% | 07 October 2005 |
| 8 | Employment Equity | 100% | 100% | 04 April 2019 |
| 9 | Exit Management | 100% | 80% | Included in the Recruitment, Selection and Appointments (Staff Provisioning Policy) |
| 10 | Grievance Procedures | 100% | 0% | Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC) |
| 11 | HIV/Aids (Employee Assistance / Wellness Policy | 100% | 100% | 07 October 2005 |
| 12 | Human Resource and Development | 100% | 100% | 25 January 2019 |
| 13 | Information Technology | 100% | 0% | 26 November 2015 |
| 14 | Job Evaluation | 100% | 0% | South African Local Government Association (Salga) Policy applies. |
| 15 | Leave | 100% | 50% | Still being consulted with the relevant parties and once finalized will be submitted to Council for Approval |
| 16 | Occupational Health and Safety | 100% | 100% | 01 May 2016 |
| 17 | Official Housing | 100% | 0% | |
| 18 | Official Journeys | 100% | 100% | 31 May 2016 |
| 19 | Official transport to attend Funerals | 100% | 0% | 05 May 2005 |
| 19 | Official transport to attend Funerals | 100% | 0% | 05 May 2005 |
| 20 | Official Working Hours and Overtime | 100% | 0% | 19 June 2013 |

| | Name of Policy | Completed % | Reviewed % | Date adopted by council or comment on failure to adopt |
|---|---|---|---|---|
| 22 | Payroll Deductions | 100% | 80% | Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC) |
| 23 | Performance Management and Development | 100% | 100% | 21 Jun 2013 |
| 24 | Recruitment, Selection and Appointments (Staff Provisioning Policy) | 100% | 80% | 01 February 2010 |
| 25 | Remuneration Scales and Allowances | 100% | 100% | Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC) |
| 26 | Resettlement | 100% | 80% | Included in the Recruitment, Selection and Appointments (Staff Provisioning Policy) |
| 27 | Sexual Harassment | 100% | 0% | Main Collective Agreement of National South African Local Government Bargaining Council (SALGBC) |
| 28 | Skills Development | 100% | 0% | Incorporated in the Human Resource and Development (HRD) Policy approved on 25 January 2019. |
| 29 | Smoking | 100% | 20% | November 2011 |
| 30 | Scarce Skills | 100% | 60% | 15 May 2010 |
| 31 | Work Organisation | 70% | 0% | Policy in draft and in a process of being consulted with relevant parties. |
| 32 | Uniforms and Protective Clothing | 100% | 30% | 01 September 2014 |

Use name of local policies if different from above and at any other HR policies not listed. T 4.2.1

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

All staff related policies are reviewed on an annual basis to ensure that policies are updated to comply with both legislative imperatives as well as operational needs. In the event of a policy needing to be drafted or amended, Management drafts such policy or amendment and considers it before consulting the representative unions in the Local Labour Forum, with a view to obtaining consensus. Once consultation is completed, the policy is then workshopped with Councillors, before Council approves such.

T 4.2.1.1

# 4.3. INJURIES, SICKNESS AND SUSPENSIONS

## NUMBER AND COST OF INJURIES ON DUTY

| Type of injury | Injury Leave Taken | Employees using injury leave | Proportion employees using sick leave | Average Injury Leave per employee | Total Estimated Cost |
|---|---|---|---|---|---|
| | Days | No. | % | Days | R'000 |
| Required basic medical attention only | 0 | 0 | 0% | 0 | 155,842.08 |
| Temporary total disablement | 714 | 124 | 17% | 6 | 1,807,235.03 |
| Permanent disablement | 0 | 0 | 0% | 0 | 0 |
| Fatal | 0 | 0 | 0% | 0 | 0 |
| **Total** | **714** | **124** | **17%** | **6** | **1,963,077.11** |

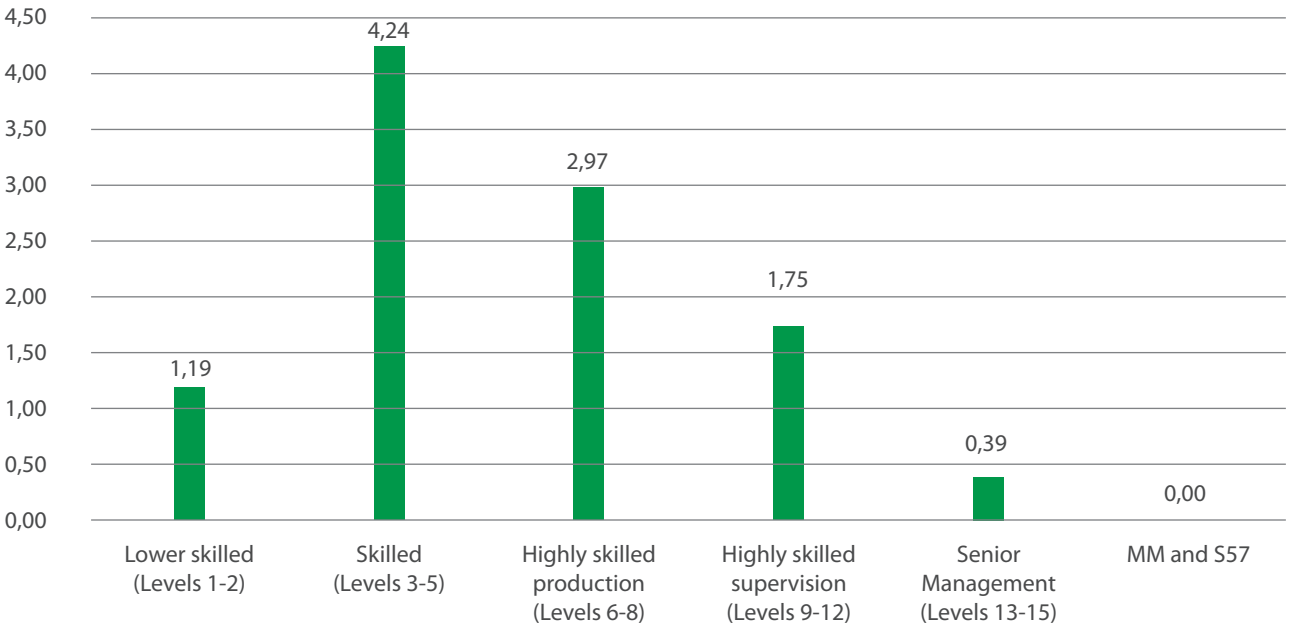
T 4.3.1

## NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)

| Salary band | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | *Average sick leave per Employees | Estimated cost |
|---|---|---|---|---|---|---|
| | Days | % | No. | No. | Days | R' 000 |
| Lower skilled (Levels 1-2) | 6291 | 18% | 441 | 503 | 1.19 | 2875 |
| Skilled (Levels 3-5) | 22458 | 20% | 1626 | 2323 | 4.24 | 1173 |
| Highly skilled production (levels 6-8) | 15758 | 26% | 1164 | 1446 | 2.97 | 12512 |
| Highly skilled supervision (levels 9-12) | 9250 | 23% | 600 | 693 | 1.75 | 11918 |
| Senior management (Levels 13-15) | 2066 | 28% | 262 | 326 | 0.39 | 4902 |
| MM and S57 | 17 | 17% | 4 | 8 | 0.00 | 76 |
| **Total** | **55840** | **22%** | **4097** | **5299** | **10.54** | **33456** |

* - Number of employees in post at the beginning of the year
*Average is calculated by taking sick leave in colunm 2 divided by total employees in colunm 5 T 4.3.2

## AVERAGE NUMBER OF DAYS SICK LEAVE (EXCLUDING IOD)




**T.4.3.3**

## COMMENT ON INJURY AND SICK LEAVE:

**Employee Wellness, Health and Safety**

The BCM Employee Wellness Centre situated in Southernwood renders services to all BCMM employees and councillors. Employee Wellness is a sub division of HR reporting to Performance and Development. Three sections namely Occupational Health, Occupational Safety and Employee Assistance programmes operate from the centre.

- Occupational Health renders Occupational Health services as well as primary health care services to all employees and councillors.
- Occupational Risk and Safety services addresses legal compliance in terms of Osh act and other related legislation. Administrative functions with regard to COID claims are performed from this office.
- BCMM has struggled in the past to reduce its Disabling Injury Frequency Rate (DIFR) to a targeted level of 2.4 % or below. Introduction of a Safety Plan involving ongoing training and education of managers and staff has had a positive effect, substantially reducing the DIFR. As at 30 June 2018, the DIFR had been reduced to 1.35%. The continued focus on training and education has assisted in reducing the DIFR to 0.95 % as at 30 June 2019. This means that the injuries on duty for BCMM staff members have been substantially reduced.
- EAP services is aimed at the wellbeing of employees and councillors in terms of work and personal related problems, the objective is to have a productive workforce who has access to assistance with regard to their individual wellbeing. The HIV/AIDS programmes resort under EAP services.
- A Men's Health Campaign was conducted within all three regions in BCMM. The aim of the campaign was to promote an open communication about Men's health-related issues among BCMM men.
- Education on Prostate Cancer was done and further referrals to health centres were made for employees for testing.
- The Wellbeing department also regularly conducts information campaigns on a variety of wellness issues such as diabetes, hypertension etc for staff members via BCMM's communication department.

## SICK LEAVE COMMENTS

Sick leave cost for the previous financial year 2017/2018 was R39 451 and for the current year 2018/2019 is R33 456. There is a slight improvement of absenteeism in the current year as compared to the previous financial year due to new control measures introduced such as installation of the new leave system that assists on monitoring of absenteeism by staff and cases of employees absent from work for longer periods are referred to the senior management.

T 4.3.4

## NUMBER AND PERIOD OF SUSPENSIONS

| Position | Nature of Alleged Misconduct | Date of Suspension | Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised | Date Finalised |
|---|---|---|---|---|
| General Manager Supply Chain. | Financial Misconduct. | 6-Feb-18 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Head governance and Internal Audit. | Gross Impropriety, Financial Misconduct, Gross dishonesty and misrepresentation and Breach of BCMM Recruitment policy. | 10-Sep-18 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Security Officer. | Theft. | 28-Jan-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| General worker. | Theft. | 11-Feb-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Regional Commander. | Sexual Harrasment. | 3-May-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Superintendent. | Unauthorised use of Municipal vehicle, Gross Negligence and Consumption of alcohol. | 7-May-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Assistant Artisan. | Theft & Intimidation. | 13-May-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Driver. | Unauthorised draining of diesel from Municipal truck, Dishonesty and Gross violation of Fleet Management | 28-May-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Payroll Officer. | Theft and Dishonesty. | 22-Jul-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Acting Security Supervisor. | Sexual Harrasment. | 07-Aug-19 | Disciplinary hearing is in progress and still pending. | Not finalised. |
| | | | | |
| **General worker.** | **Theft.** | **4-Feb-19** | **Disciplinary hearing finalised.** | **Finalised on the 31/07/19.** |
| | | | | |

T 4.3.5

## DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

| Position | Nature of Alleged Misconduct and Rand value of any loss to the municipality | Disciplinary action taken | Date Finalised |
|---|---|---|---|
| General Manager Supply Chain. | Financial Misconduct. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Head governance and Internal Audit. | Gross Impropriety, Financial Misconduct, Gross dishonesty and misrepresentation and Breach of BCMM Recruitment policy. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Security Officer. | Theft. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| General worker. | Theft. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Regional Commander. | Sexual Harrasment. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Superintendent. | Unauthorised use of Municipal vehicle, Gross Negligence and Consumption of alcohol. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Assistant Artisan. | Theft & Intimidation. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Driver. | Unauthorised draining of diesel from Municipal truck, Dishonesty and Gross violation of Fleet Management | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Payroll Officer. | Theft and Dishonesty. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| Acting Security Supervisor. | Sexual Harrasment. | Disciplinary hearing is in progress and still pending. | Not finalised. |
| | | | |
| **General worker.** | **Theft.** | **Disciplinary hearing finalised.** | **Finalised on the 31/07/19.** |
| | | | |

T 4.3.6

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

**The following cases mentioned at table 4.3.6 relate to financial misconduct, namely:**

a) General Manager: Communications & Public Participation;
b) General Manager: Supply Chain Management; and
c) Chief Financial Officer.

Two cases are finalised and one of the GM: SCM is part heard and is scheduled to be finalised for 8 and 9 September 2019.

T 4.3.7

# 4.4. **PERFORMANCE** REWARDS

## PERFORMANCE REWARDS BY GENDER

| Designations | Beneficiary profile | | | | |
|---|---|---|---|---|---|
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards Year 2018/19 | Proportion of beneficiaries within group |
| | | | | R' 000 | % |
| Lower skilled (Levels 1-2) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Highly skilled production (levels 6-8) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Highly skilled supervision (levels 9-12) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Senior management (Levels 13-15) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| MM and S57 | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| **Total** | | | | | |
| Has the statutory municipal calculator been used as part of the evaluation process? | | | | | No |
| No performance rewards were paid during the 2018/19 financial year | | | | | T 4.4.1 |

## COMMENT ON PERFORMANCE REWARDS:

Roll-out of Performance Management (PMS) in BCMM has been implemented in accordance with the Municipal Systems Act 32 of 2000 for the Accounting Officer and Section 57 senior officials and administered by the Department of Integrated Development Planning and Performance Management

PMS has been implemented for managers in the levels of programme managers and higher. Such implementation is still actioned on a manual basis as BCMM is busy adapting its internal systems to cater for employee performance management as well.

An Institutional Cultural Behaviour and Change Management project for the next three (3) years has commenced in the 2018/19 financial year. The aim of this project is to implement Change Management to all staff to change the organization's culture to an ethical, accountable and performance-oriented culture. Such project is being implemented in liaison with the Border Kei Chamber of Business and Mercedes Benz SA.

T 4.4.1.1

# COMPONENT C:
# CAPACITATING THE MUNICIPAL WORKFORCE

## INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

In line with the Constitution of RSA Section 195 (1) (a) which talks about capacitation for maximisation of human capital and the Municipal Systems Act 32 of 2000 which requires municipalities to develop their human resource capacity for optimisation of their competencies and performance, BCMM has implemented systems and controls to improve staff capacity. The Skills Development Act 97 of 1998 requires employers to do proper planning and implementation of capacity development initiatives for its employees by developing Workplace Skills Plans (WSPs) which contain training needs collected from employees and which are submitted to the Local Government SETA by the cut-off date of 30 April in each year. BCMM complied with the submission deadline for the WSP in this financial year and the LGSETA has approved its WSP. Training needs have been collected through a skills audit in the previous years, but this has proved to be problematic. In order to address these challenges, a competency framework that shows skills and competences required in each position is in the process of being developed and will be used for the identification of competency/skills gaps through performance reviews of incumbents in each post. This process will commence by being piloted at Supply Chain Management Department and Solid Waste Management Department as key performance areas. It is envisaged that this will promote alignment of capacitation with performance management. Development of talent pools which are inclusive of both the workforce and the unemployed young graduates in the form of mentorship program towards professional registration, apprenticeships, internships and learnerships formed part of the workplace skills plan.

T 4.5.0

# 4.5. SKILLS DEVELOPMENT AND TRAINING

## SKILLS MATRIX

| Management level | Gender | Employees in post as at 30 June 2018/2019 | Number of skilled employees required and actual as at 30 June 2019 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | ISDG Interns, LGSETA Interns, Apprenticeship | | | Skills programmes & other short courses | | | Other forms of training – Bursaries | | | Total | | |
| | | No. | Actual: End of Year 2017/18 | Actual: 2018/19 | 2018/19 Target 2019/20 | Actual: End of Year 2017/18 | Actual: End of Year 2018/19 | 2018/2019 Target 2019/20 | Actual: End of Year 2017/18 | Actual: End of Year 2018/19 | 2018/2019 Target 2019/20 | Actual: End of Year 2017/18 | Actual: End of Year 2018/19 | 2018/2019 Target 2019/20 |
| MM and s57 | Female | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 1 | 0 |
| Councillors, senior officials and manager | Female | 109 | 0 | 0 | 0 | 48 | 45 | 26 | 3 | 26 | 20 | 51 | 71 | 46 |
| | Male | 218 | 0 | 0 | 0 | 92 | 64 | 25 | 20 | 38 | 34 | 112 | 102 | 59 |
| Technicians and associate professionals* | Female | 167 | 31 | 74 | 38 | 12 | 32 | 159 | 6 | 5 | 6 | 49 | 111 | 203 |
| | Male | 330 | 31 | 47 | 32 | 36 | 38 | 144 | 20 | 6 | 8 | 87 | 91 | 184 |
| Professionals | Female | 120 | 18 | 2 | 27 | 68 | 61 | 30 | 15 | 34 | 17 | 101 | 97 | 74 |
| | Male | 146 | 10 | 6 | 20 | 34 | 25 | 25 | 27 | 12 | 30 | 66 | 43 | 75 |
| Sub total | Female | 399 | 49 | 76 | 65 | 128 | 138 | 188 | 24 | 65 | 43 | 201 | 279 | 296 |
| | Male | 698 | 41 | 53 | 34 | 162 | 131 | 194 | 68 | 56 | 72 | 271 | 240 | 300 |
| **Total** | | **1097** | **90** | **129** | **99** | **290** | **400** | **382** | **92** | **121** | **115** | **472** | **519** | **596** |

*Registered with ECSA, SAGC, SACQSP, SACPLAN T 4.5.1

## FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT*

| Description | A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c) | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)€) |
|---|---|---|---|---|---|---|
| **Financial Officials** | | | | | | |
| Accounting officer | 1 | 1 | 2 | 2 | 2 | 0 |
| Chief financial officer | 0 | 1 | 1 | 1 | 1 | 0 |
| Senior managers | 6 | 1 | 7 | 7 | 7 | 5 |
| Any other financial officials | 32 | 0 | 32 | 32 | 32 | 26 |
| **Supply Chain Management Officials** | | | | | | |
| Heads of supply chain management units | 1 | 0 | 1 | 1 | 1 | 1 |
| Supply chain management senior managers | 3 | 0 | 3 | 2 | 2 | 2 |
| **TOTAL** | **43** | **3** | **46** | **45** | **45** | **34** |

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2

## SKILLS DEVELOPMENT EXPENDITURE

R'000

| Management level | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development Year 2018/19 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Internship (ISDG) Internship (LGSETA) Apprenticeship | | Skills programmes & other short courses | | Other forms of training (Bursaries) + Additional Budget | | Total | |
| | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual |
| MM and S57 | Female | 3 | 0 | 0 | 70 | 0 | 0 | 0 | 70 | 0 |
| | Male | 4 | 0 | 0 | 0 | 0 | 30 | 0 | 30 | 0 |
| Legislators, senior officials and managers | Female | 109 | 0 | 0 | 150 | 140 | 800 | 788 | 950 | 928 |
| | Male | 218 | 0 | 0 | 150 | 145 | 800 | 790 | 950 | 935 |
| Professionals | Female | 120 | 3200 | 2800 | 700 | 693 | 700 | 697 | 4600 | 4190 |
| | Male | 146 | 3200 | 2800 | 700 | 703 | 700 | 732 | 4600 | 4235 |
| Technicians and associate professionals | Female | 167 | 3000 | 2576 | 300 | 200 | 1090 | 1009 | 4390 | 3785 |
| | Male | 330 | 3000 | 2736 | 300 | 309 | 1000 | 1150 | 4300 | 4195 |
| Clerks | Female | 563 | 2195 | 2192 | 200 | 276 | 800 | 697 | 3195 | 3165 |
| | Male | 159 | 2195 | 2193 | 200 | 120 | 800 | 683 | 3195 | 2756 |
| Service and sales workers | Female | 403 | 0 | 0 | 2000 | 2157 | 850 | 990 | 2950 | 3162 |
| | Male | 532 | 0 | 0 | 2000 | 2157 | 850 | 993 | 2950 | 3165 |
| Plant and machine operators and assemblers | Female | 61 | 0 | 0 | 120 | 121 | 650 | 645 | 770 | 766 |
| | Male | 230 | 0 | 0 | 120 | 121 | 640 | 620 | 760 | 761 |
| Elementary occupations | Female | 900 | 0 | 0 | 600 | 525 | 1100 | 1085 | 1700 | 1585 |
| | Male | 1245 | 0 | 0 | 600 | 610 | 1100 | 1152 | 1700 | 1762 |
| Sub total | Female | 2326 | 8395 | 4771 | 4140 | 4112 | 5990 | 5825 | 18625 | 17581 |
| | Male | 2864 | 8395 | 3586 | 4070 | 4165 | 5920 | 5771 | 18485 | 17809 |
| **Total** | | **5190** | **16790** | **15297** | **8335** | **8277** | **11953** | **11950** | **37110** | **35390** |

**Total Budget allocated was R37 080 574.00 inclusive of conditional grant of R10,7m received from National Treasury. Expenditure is R35 million with a balance of R1,5 million.**

T4.5.3

## COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

A Training Plan aligned to the WSP for the 2018/19 financial year was developed and implemented throughout the municipality including spontaneous training requests arising out of performance deficiencies identified during the year. A target of 100% expenditure on allocated training budget amounting to R37 080 574 was set up and performance measured quarterly till the end of the financial year. By the end of the financial year 96% of the targeted amount was achieved with an under achievement of 4% which is equivalent to R1 555 819. The underachievement is attributed to the scarcity of unemployed graduates in certain disciplines for enrolment into the mentorship program funded through a conditional grant. Alternative fields will be targeted while a rigorous drive will unfold in the BCMM communities for youth to undertake studies in those scarce fields of study. Rolling out of the WSP 2018/19 was successfully done with enhancement of competences of participants as well as spin-offs of permanent work opportunities for some of the young unemployed youth who participated. The training budget is sourced from LGSETA grants, BCMM own funds as well as National Treasury Conditional Grant. Funding received from these sources has proved to be adequate for planned development interventions.

Briefings are held consistently with departments to plan for the development of staff so that their needs find expression in the WSP. Assistance has been given to all personnel affected by the MFMA Regulations on minimum competency levels to acquire the Unit Standards prescribed for certain occupational categories.

T 4.5.4

# COMPONENT D:
# MANAGING THE WORKFORCE EXPENDITURE

## INTRODUCTION TO WORKFORCE EXPENDITURE

BCMM's staff budget was **R 1 733 321 456** during the **2018/2019** financial year.

The national salary increase for staff below S56 level is negotiated by the SALGBC for the financial year was 6.50%. Section 56 Senior Managers receive a salary increase as regulated by National Gazette No.41173 dated 10 October 2017.

Employee expenditure is closely monitored and controlled each month by respective Line Managers. The Budget office submits monthly reports on any over/under expenditure and Line Managers are required to take the necessary corrective actions in order to be within the budgeted amount.

The Municipality seeks to obtain value for money from the work force expenditure through various control initiatives such as Absenteeism Reduction and fully implementing the Biometric Employee Attendance Control system. Line Managers are required to ensure that employees are productive and are performance driven.

BCMM are presently investigating the removal of the Scarce Skills allowance whereby decreasing the expenditure.

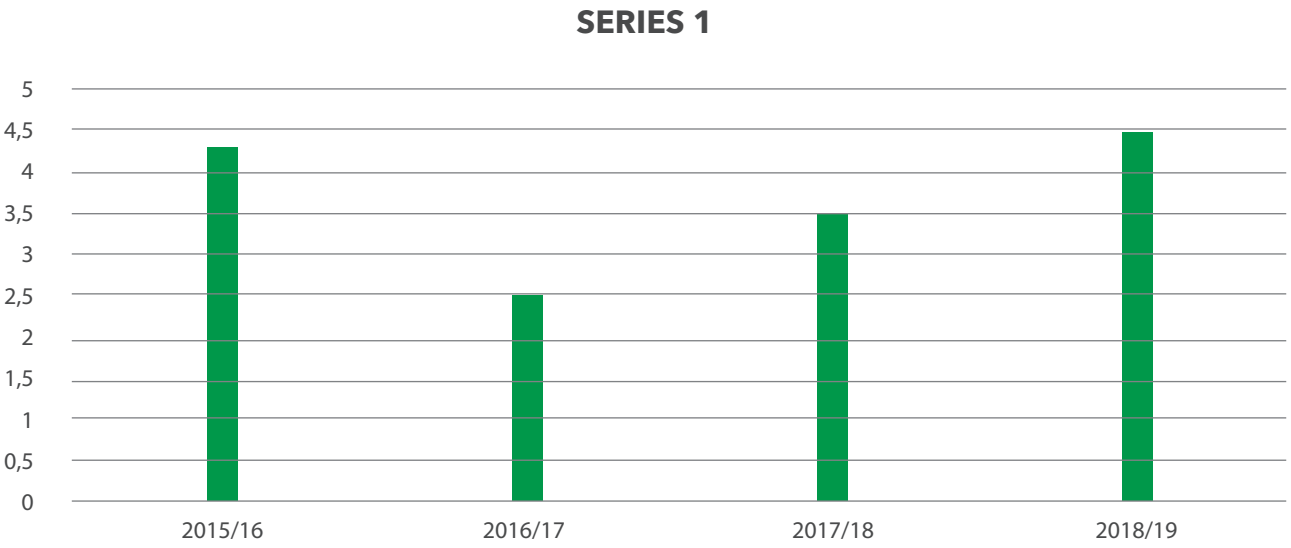
Overtime is being monitored monthly.

**A comparison of workforce expenditure (including remuneration of Councillors) over the past 3 financial years is as follows:**

| Financial year | Budgeted amount | Expenditure | Expenditure pattern |
|---|---|---|---|
| 2015/16 | R1 492 882 121 | R1 464 141 056 | Within budget |
| 2016/17 | R1 605 875 450 | R1 672 263 037 | Exceeded budget |
| 2017/18 | R1 883 480 575 | R1 883 336 363 | Within budget |
| 2018/2019 | R 2 072 351 243 | R2 075 488 788 | Exceeded budget |

T 4.6.0

# 4.6. EMPLOYEE **EXPENDITURE**




Source: MBRR SA22 T 4.6.1

## COMMENT ON WORKFORCE EXPENDITURE:

The increase in expenditure for the 2018/19 financial year can be attributed to the following reason:

1. General annual salary increase of 7.0% with effect from 1 July 2018.
2. The standardisation of salaries has been implemented in the 17/18 financial year.

*T 4.6.1.1*

**Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded**

| Beneficiaries | Gender | Total |
|---|---|---|
| Lower skilled (Levels 1-3) | Female | 80 |
| | Male | |
| Skilled (Levels 4-8) | Female | 725 |
| | Male | |
| Highly skilled production (Levels 9-13) | Female | 158 |
| | Male | |
| Highly skilled supervision (Levels 14-18) | Female | 31 |
| | Male | |
| Senior management (Levels19-23) | Female | - |
| | Male | - |
| MM and S 57 | Female | - |
| | Male | - |
| **Total** | | **994** |
| Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above). | | T 4.6.2 |

## EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |

T 4.6.3

**Employees appointed to posts not approved**

| Department | Level | Date of appointment | No. appointed | Reason for appointment when no established post exist |
|---|---|---|---|---|
| Housing | 3 | 1.05.19 | 6 | Council approved the absorption of long serving temporary employees (see further comment below) |
| Executive Support - Admin | 3 | 1.05.19 | 3 | Council approved the absorption of long serving temporary employees (see further comment below) |
| Special Programmes | 7 | 1.05.19 | 3 | Council approved the absorption of long serving temporary employees (see further comment below) |
| PIU | 5 | 1.06.19 | 1 | Council approved the absorption of long serving temporary employees (see further comment below) |

T 4.6.4

## COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

In respect of T4.6.4 the variance is due to the absorption of 340 long serving temporary employees and the positions identified in the table was due to the need for the posts within the Departments and the structural amendments will be reported to Council in the 19/20 financial year.

There were variances in relation to the previous job evaluation implementation process. Some employees remained with the salaries as they were already earning higher than the evaluated grade. In terms of the Wage Collective Agreement such employees were on Contractual to Holder principle, meaning that they retained their salaries.

T 4.6.5

## DISCLOSURES OF FINANCIAL INTERESTS

As part of standard management practices, geared towards promoting compliance with relevant and applicable legislation, City employees and Councillors disclosed their financial interests.

**Refer to Appendix J: Disclosures.**

T 4.6.6



BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER FIVE

## FINANCIAL PERFORMANCE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# CHAPTER 5 FINANCIAL PERFORMANCE

## INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

√ **Component A:** Statement of Financial Performance
√ **Component B:** Spending Against Capital Budget
√ **Component C:** Other Financial Matters

Buffalo City Metropolitan Municipality's finances continue to be stable however there is pressure on the collection of outstanding debtors which is negatively impacting the growth trend of the City's cash and cash equivalent balance. A debt collector has been appointed to assist with the collection of outstanding debts over 120 days, which will result in the reduction of the debt book. The Metro is implementing revenue collection measures in order to improve the cash flow position in line with its Credit Control Policy.

Buffalo City Metropolitan Municipality has sought to contain inflationary pressure by instituting the following cost containment measures:

√ Stringent internal controls are enforced on subsistence & travel allowance.
√ The budgetary increase on general expenses is capped below CPI.
√ Measures have been put in place to reduce overtime:
  - o Employees are not permitted to work more than ten (10) hours overtime per week – this is in line with the Basic Conditions of Employment Act.
  - o All planned overtime is capped at forty (40) hours per month - this is in line with the Basic Conditions of Employment Act.
√ Review of organogram, governance structure and service delivery model in line with the City's objective and funding affordability.

***T 5.0.1***

# COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

## INTRODUCTION TO FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (No. 56 of 2003).

The financial statements are prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. The financial statements present the state of affairs of the City, its performance against its budget, its management of revenue, expenditure, assets and liabilities and its financial position as at the end of the financial year.

Table 5.1.1 below presents the statement of comparison of budget and actual amounts for the 2018/2019 financial year. The statement of financial performance is presented using MFMA classification which is revenue by source and expenditure by type.

A surplus (including capital transfers and contributions) that amount to R470 million was achieved for the year under review. This reflects an unfavourable variance of R34 million in comparison to the budgeted surplus of R504 million.

The unfavourable revenue variance of R252 million was due to the following factors:

a) Property rates revenue: total revenue realised amounted to R1.295 billion which was R122 million below the budgeted amount of R1.417 billion.

- Service charges: realised a total revenue of R2.824 billion which was R327 million below the budgeted amount of R3.151 billion.
- Investment revenue: interest earned on investments was R99 million which was R42 million below the budgeted amount of R141 million.
- Transfers recognised – operational: total revenue realised was R1.435 billion which was R82 million below the budgeted amount of R1.517 billion.
- Other own revenue contributed R348 million to the City's revenue and this was R15 million above the budgeted other revenue of R333 million.
- The total capital revenue recognised amounted to R998 million in comparison to a budget of R1 billion, thus resulting in an unfavourable variance of R2 million.

The City's total operating expenditure was lower than anticipated budget and therefore experienced favourable variance of R218 million against the adjusted budget. The largest contributors to this variance is as follows:

- Employee costs: amounted to R2.050 billion which was R26 million above the budget of R2.024 billion.
- Debt impairment: amounted to R373 million which was R15 million above the budgeted expenditure of R358 million.
- Depreciation and asset impairment: amounted to R1.297 billion which was R99 million below the budgeted expenditure of R1.396 billion.
- Transfers and grants: amounted to R47 million which was R22 million below the budgeted expenditure of R69 million.
- Other expenditure: it amounted to R1.340 billion which was R135 million below the budgeted expenditure of R1.475 billion.

The statement of financial position for 2018/2019 reflects a favourable position as the City is having excess assets over liabilities resulting into the net worth of R20.887 billion. The value of the municipality's total assets is R23.580 billion, which comprise of current assets to the value of R2.766 billion and non-current assets amounting to R20.814 billion. The value of the municipality's total liabilities is R2.693 billion, which comprise of current liabilities to the value of R1.715 billion and non-current liabilities amounting to R978 million.

The long-term loans comprise a total of R288 million, which is a decrease of R58 million on the balance at the beginning of

the financial year. The Institution is in an enviable position of having access to additional long-term loan facilities in order to invest in the replacement of infrastructure assets.

The City continues to drive cost containment measures suggested by National Treasury in a bid to achieve operational efficiency and avoid budget deficit.

The City has a strong cash and cash equivalent and can meet its immediate obligations. However, the stagnant revenue base is a threat to the City's cash position and as a result, measures have been put in place to drive revenue growth to ensure the future viability of the City.

***T 5.1.0***

# 5.1. STATEMENT OF **FINANCIAL PERFORMANCE**

**RECONCILIATION OF TABLE A1 BUDGET SUMMARY**

| Description | 2018/2019 | | | | | | | | | | | 2017/2018 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| **Financial Performance** | | | | | | | | | | | | | | | |
| Property rates | 1 421 961 | (4 800) | 1 417 161 | | | 1 417 161 | 1 295 503 | | (121 658) | 91,4% | 91,1% | | | | 973 025 |
| Service charges | 3 172 285 | (21 204) | 3 151 081 | | | 3 151 081 | 2 823 913 | | (327 168) | 89,6% | 89,0% | | | | 2 576 079 |
| Investment rev enue | 140 961 | (330) | 140 631 | | | 140 631 | 98 690 | | (41 941) | 70,2% | 70,0% | | | | 126 690 |
| Transfers recognised - operational | 1 471 673 | 45 552 | 1 517 225 | | | 1 517 225 | 1 435 031 | | (82 194) | 94,6% | 97,5% | | | | 1 285 547 |
| Other ow n rev enue | 310 342 | 23 058 | 333 400 | | | 333 400 | 347 927 | | 14 527 | 104,4% | 112,1% | | | | 351 309 |
| **Total Revenue (excluding capital transfers and contributions)** | **6 517 222** | **42 277** | **6 559 499** | | | **6 559 499** | **6 001 065** | | **(558 434)** | **91,5%** | **92,1%** | | | | **5 312 651** |
| Employ ee costs | 1 961 118 | 63 049 | 2 024 166 | | | 2 024 166 | 2 049 669 | 25 503 | 25 503 | 101,3% | 104,5% | – | – | – | 1 876 853 |
| Remuneration of councillors | 65 035 | (850) | 64 185 | | | 64 185 | 63 066 | – | (1 119) | 98,3% | 97,0% | 144 | 144 | – | 60 373 |
| Debt impairment | 343 696 | 14 640 | 358 336 | | | 358 336 | 373 183 | 14 846 | 14 846 | 104,1% | 108,6% | 135 457 | 135 457 | – | 321 277 |
| Depreciation & asset impairment | 896 426 | 499 864 | 1 396 290 | | | 1 396 290 | 1 296 841 | – | (99 449) | 92,9% | 144,7% | 17 267 | 17 267 | – | 1 018 294 |
| Finance charges | 59 818 | (20 805) | 39 013 | | | 39 013 | 38 467 | – | (546) | 98,6% | 64,3% | – | – | – | 43 960 |
| Materials and bulk purchases | 1 698 510 | (69 200) | 1 629 310 | | | 1 629 310 | 1 628 957 | – | (353) | 100,0% | 95,9% | – | – | – | 1 645 700 |
| Transfers and grants | 60 526 | 8 354 | 68 881 | | | 68 881 | 47 193 | – | (21 687) | 68,5% | 78,0% | – | – | – | 39 330 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other ex penditure | 1 428 163 | 47 198 | 1 475 360 | | | 1 475 360 | 1 340 040 | – | (135 321) | 90,8% | 93,8% | 4 694 | 4 694 | – | 1 068 628 |
| **Total Expenditure** | **6 513 291** | **542 250** | **7 055 541** | | | **7 055 541** | **6 837 415** | **40 349** | **(218 126)** | **96,9%** | **105,0%** | **157 562** | **157 562** | **–** | **6 074 416** |
| **Surplus/(Deficit)** | **3 931** | **(499 973)** | **(496 042)** | | | **(496 042)** | **(836 351)** | | **(340 309)** | **168,6%** | **-21276,1%** | | | | **(761 765)** |
| Transfers recognised - capital | 803 900 | 196 422 | 1 000 322 | | | 1 000 322 | 998 245 | | (2 077) | 99,8% | 124,2% | | | | 930 588 |
| Contributions recognised - capital & contributed assets | – | – | – | | | – | 279 067 | | 279 067 | 0,0% | 0,0% | | | | – |
| | **807 831** | **(303 551)** | **504 280** | | | **504 280** | **440 961** | | **(63 319)** | **87,4%** | **54,6%** | | | | **168 823** |
| **Surplus/(Deficit) after capital transfers & contributions** | | | | | | | | | | | | | | | |
| Tax ation | – | – | – | | | – | 602 | | 602 | 0,0% | 0,0% | | | | (538) |
| Share of surplus/ (deficit) of associate | – | – | – | | | – | 29 467 | | 29 467 | 0,0% | 0,0% | | | | 33 571 |
| **Surplus/(Deficit) for the year** | **807 831** | **(303 551)** | **504 280** | | | **504 280** | **469 826** | | **(33 250)** | **93,2%** | **58,2%** | | | | **202 931** |
| **Capital expenditure & funds sources** | | | | | | | | | | | | | | | |
| **Capital expenditure** | | | | | | | | | | | | | | | |
| Transfers recognised - capital | 803 900 | 196 422 | 1 000 322 | | | 1 000 322 | 894 057 | | (106 266) | 89,4% | 111,2% | | | | 834 431 |
| Public contributions & donations | – | – | – | | | – | – | | – | 0,0% | 0,0% | | | | – |
| Borrowing | 69 000 | (69 000) | – | | | – | – | | – | 0,0% | 0,0% | | | | – |
| Internally generated funds | 880 242 | 215 806 | 1 096 048 | | | 1 096 048 | 861 931 | | (234 117) | 78,6% | 97,9% | | | | 495 814 |
| **Total sources of capital funds** | **1 753 142** | **343 228** | **2 096 370** | | | **2 096 370** | **1 755 987** | | **(340 383)** | **83,8%** | **100,2%** | | | | **1 330 245** |
| | | | | | | | | | | | | | | | |
| **Cash flows** | | | | | | | | | | | | | | | |
| Net cash from (used) operating | 1 683 238 | 212 125 | 1 895 364 | | | 1 895 364 | 1 156 497 | | (738 866) | 61,0% | 68,7% | | | | 1 500 050 |
| Net cash from (used) investing | (1 753 142) | (343 228) | (2 096 370) | | | (2 096 370) | (1 757 789) | | 338 582 | 83,8% | 100,3% | | | | (1 317 014) |
| Net cash from (used) financing | 9 333 | (67 306) | (57 974) | | | (57 974) | (52 572) | | 5 402 | 90,7% | -563,3% | | | | (47 642) |
| **Cash/cash equivalents at the year end** | **1 643 284** | **(76 768)** | **1 566 516** | | | **1 566 516** | **1 171 633** | | **(394 883)** | **74,8%** | **71,3%** | | | | **1 825 497** |

T 5.1.1

## FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

R '000

| Description | 2017/2018 | 2018/2019 | | | 2018/2019 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| **Operating Cost** | | | | | | |
| Water | 623 453 | 641 479 | 656 932 | 599 867 | -6,94% | -9,51% |
| Waste Water (Sanitation) | 303 305 | 455 370 | 466 576 | 301 628 | -50,97% | -54,69% |
| Electricity | 1 854 018 | 1 989 513 | 1 964 605 | 2 027 332 | 1,87% | 3,09% |
| Waste Management | 322 769 | 308 541 | 371 537 | 390 107 | 20,91% | 4,76% |
| Housing | 105 092 | 107 401 | 136 684 | 57 397 | -87,12% | -138,14% |
| **Component A: sub-total** | **3 208 637** | **3 502 304** | **3 596 335** | **3 376 330** | **-3,73%** | **-6,52%** |
| Waste Water (Stormwater Drainage) | 0 | 0 | 0 | 0 | 0,00% | 0,00% |
| Roads | 454 135 | 560 346 | 615 128 | 748 210 | 25,11% | 17,79% |
| PIU & Construction | 43 049 | 38 422 | 68 795 | 57 050 | 32,65% | -20,59% |
| Transport | 84 999 | 53 002 | 261 099 | 291 812 | 81,84% | 10,53% |
| **Component B: sub-total** | **582 183** | **651 770** | **945 023** | **1 097 073** | **40,59%** | **13,86%** |
| Planning | 98 726 | 71 104 | 88 856 | 105 738 | 32,75% | 15,97% |
| Local Economic Development | 80 109 | 115 999 | 138 019 | 122 304 | 5,16% | -12,85% |
| **Component B: sub-total** | **178 835** | **187 103** | **226 875** | **228 042** | **17,95%** | **0,51%** |
| Libraries, Archieves, Museums, Galaries, Community Facilities etc | 128 544 | 69 456 | 161 171 | 148 432 | 53,21% | -8,58% |
| Cemetories and Crematoriums | 34 823 | 39 211 | 48 375 | 44 777 | 12,43% | -8,04% |
| Child Care, Aged Care, Social Programmes | 0 | 0 | 0 | 0 | 0,00% | 0,00% |
| **Component C: sub-total** | **163 367** | **108 667** | **209 546** | **193 209** | **43,76%** | **-8,46%** |
| Pollution Control | 0 | 0 | 0 | 0 | 0,00% | 0,00% |
| Bio-Diversity, Landscape and Other | 157 197 | 158 712 | 164 044 | 168 010 | 5,53% | 2,36% |
| **Component E: Environmental Protection - sub-total** | **157 197** | **158 712** | **164 044** | **168 010** | **5,53%** | **2,36%** |
| Clinics | 0 | 0 | 0 | 0 | 0,00% | 0,00% |
| Ambulance Service | 0 | 0 | 0 | 0 | 0,00% | 0,00% |
| Health Inspection, Food and Abbatoir Licensing and Inspection | 36 346 | 41 617 | 40 920 | 41 263 | -0,86% | 0,83% |
| **Component F: Health - sub-total** | **36 346** | **41 617** | **40 920** | **41 263** | **-0,86%** | **0,83%** |
| Traffic Services & Law Enforcement | 237 852 | 258 119 | 263 447 | 268 531 | 3,88% | 1,89% |
| Fire | 90 367 | 114 529 | 176 507 | 212 395 | 46,08% | 16,90% |
| Other ( Disaster Management, Animal Licencing and Control etc | 4 223 | 5 971 | 5 981 | 4 755 | -25,59% | -25,79% |
| **Component G: Security and Safety - sub-total** | **332 442** | **378 619** | **445 935** | **485 681** | **22,04%** | **8,18%** |
| Sport and Recreation | 87 945 | 77 487 | 103 985 | 92 272 | 16,02% | -12,69% |
| **Component H: Sport and Recreation - sub-total** | **87 945** | **77 487** | **103 985** | **92 272** | **16,02%** | **-12,69%** |
| Executive and Council | 314 477 | 391 356 | 390 385 | 344 863 | -13,48% | -13,20% |
| Financial Services | 612 171 | 503 480 | 398 731 | 380 300 | -32,39% | -4,85% |
| Human Resources Services | 124 686 | 157 617 | 167 209 | 154 396 | -2,09% | -8,30% |
| Information and Communication Technology | 73 386 | 89 049 | 87 607 | 88 962 | -0,10% | 1,52% |
| Property, Legal, Risk Management and Procurement Services | 128 484 | 201 750 | 218 423 | 132 944 | -51,76% | -64,30% |
| **Component I:Policy Offices and Other sub-total** | **1 253 205** | **1 343 253** | **1 262 355** | **1 101 465** | **-21,95%** | **-14,61%** |
| Other | 74 259 | 63 761 | 60 524 | 54 673 | -16,62% | -10,70% |
| **Component J: Other sub-total** | **74 259** | **63 761** | **60 524** | **54 673** | **-16,62%** | **-10,70%** |
| **TOTAL EXPENDITURE** | **6 074 416** | **6 513 291** | **7 055 541** | **6 838 017** | **4,75%** | **-3,18%** |

In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. T 5.1.2

## COMMENT ON FINANCIAL PERFORMANCE:

## COMMENTS ON MATERIAL VARIANCES (SIGNIFICANT VARIANCES GREATER THAN 10% VERSUS FINAL BUDGET):

## REVENUE BY SOURCE

### SERVICE CHARGES

a) Electricity: factors that contributed to the variance between budget and actual performance are, but not limited to the following:
   i. The imposition of intensified load-shedding at the beginning of 2019.
   ii. The continued drive from ESKOM to reduce electricity consumption.
   iii. The move by more affluent consumers to off grid or alternative energy sources.
   iv. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.

b) Water: the variance is due to the following:
   i. Areas where there is community unrest whereby meters could not be read.
   ii. Challenges relating to delays in communicating the information on completed RDP houses to water and billing departments as the process is not automated.

### INVESTMENT REVENUE

Interest rate on call investments are less than the prior year resulting in less interest ncentiv for the year-end 30 June 2019. In addition, Cash and Cash Equivalent levels decreased when compared with prior year-end balance. The impact of the lower Cash and Cash Equivalent levels meant that less funds were available to invest, and less interest was ncentiv.

## CAPITAL EXPENDITURE AND FUNDS SOURCES

### CONTRIBUTIONS RECOGNISED

BCMM recognized assets transferred by other Municipalities in terms of the demarcation pronounced 3rd August 2016.

### INTERNALLY GENERATED FUNDS

The major contributing factors on low expenditure are procurement and project management inefficiencies that resulted in the slow progress in implementing own funded capital projects, however most of the projects are already awarded and the funding of such projects is fully committed. The above highlighted inefficiencies are being addressed by management.

## CASH FLOWS

**Net cash from (used) investing**
Capital assets paid for were less than the adjusted budget due to under expenditure on own funded capital budget.

**Net cash from (used) financing**
BCMM did not take up the originally budgeted loan funding during 2018/19 financial year.

***T5.1.3***



# 5.2. GRANTS

## INTRODUCTION TO TOTAL OPERATING TRANSFERS AND GRANTS:

The grant performance table below provides a summary of operating transfers and grants which totalled R921 million inline with the adjusted budget of R920 million.

### OPERATING GRANT PERFORMANCE

R' 000

| Description | 2017/2018 | 2018/2019 | | | 2018/2019 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| **Operating Transfers and Grants** | | | | | | |
| **National Government:** | **796 889** | **894 801** | **900 165** | **898 092** | **0%** | **0%** |
| Equitable share | 705 277 | 778 048 | 778 048 | 778 048 | 0,00% | 0% |
| Infrastructure Skills Development | 8 715 | 10 700 | 10 690 | 9 587 | -11,60% | -12% |
| Finance Management | 1 300 | 1 150 | 1 084 | 1 086 | -5,88% | 0% |
| Expanded Public Works Programme Inc | 4 952 | 4 050 | 4 050 | 4 050 | 0,01% | 0% |
| Urban Settlement Development | 71 193 | 77 810 | 93 175 | 93 164 | 16,48% | 0% |
| Public Transport Network Grant | 5 453 | 14 000 | 4 074 | 3 407 | -310,90% | -20% |
| Municipal Emergency Housing Grant | – | 9 043 | 9 043 | 8 749 | -3,36% | -3% |
| Other transfers/grants [insert description] | | | | | | |
| **Provincial Government:** | **15 000** | **15 870** | **15 870** | **19 090** | **17%** | **17%** |
| Library Subsidy | 15 000 | 15 870 | 15 870 | 15 870 | 0,00% | 0% |
| DEA – Waste Management (BCMDA) | – | – | – | 2 468 | 0,00% | 0% |
| Office of the Premier | – | – | – | 752 | 0,00% | 0% |
| **District Municipality:** | **–** | **–** | **–** | **–** | **-** | **-** |
| State Health-Environmental | – | – | – | – | – | – |
| **Other grant providers:** | **5 680** | **846** | **4 440** | **4 005** | **79%** | **-11%** |
| SETA – Skills Development | 3 115 | – | 3 594 | 3 594 | 100% | 0% |
| Salaida/Gavle | 639 | 846 | 846 | 410 | -106% | -106% |
| Glasgow | 90 | – | – | – | 0% | 0% |
| City of Oldenburg | 253 | – | – | – | 0% | 0% |
| Leiden | 77 | – | – | – | 0% | 0% |
| GMC – BCMDA | 1 505 | – | – | – | 0% | 0% |
| **Total Operating Transfers and Grants** | **817 569** | **911 517** | **920 476** | **921 187** | **1%** | **0%** |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

T 5.2.1

## INTRODUCTION TO TOTAL CAPITAL TRANSFERS AND GRANTS:

The grant performance table below provides a summary of capital transfers and grants. The capital transfers and grants performance total to R998 million which is 100% of R1 billion.

The grant performance table below provides a summary of capital transfers and grants.

## CAPITAL GRANT PERFORMANCE

R' 000

| Description | 2017/2018 | Year 2018/2019 | | | 2018/2019 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| **Capital Transfers and Grants** | | | | | | |
| **National Government:** | **930 359** | **804 000** | **991 286** | **990 299** | **19%** | **0%** |
| Integrated National Electrification Programme | 19 799 | 6 200 | 6 200 | 5 213 | -19% | -19% |
| Electricity Demand Side Management | 5 000 | 8 000 | 8 000 | 7 998 | 0% | 0% |
| Infrastructure Skills Development | – | 100 | 110 | 110 | 0% | 0% |
| Finance Management | – | 100 | 66 | 65 | 0% | 0% |
| Urban Settlement Development | 856 643 | 685 182 | 869 817 | 869 826 | 21% | 0% |
| Public Transport Network Grant | 41 960 | 81 165 | 91 091 | 91 092 | 11% | 0% |
| Integrated City Development Grant | 6 956 | 10 003 | 10 003 | 10 002 | 0% | 0% |
| Neighboughood Development Partnership Grant | – | 13 250 | 6 000 | 5 993 | 0% | 0% |
| Other transfers/grants [insert description] | | | | | | |
| **Provincial Government:** | **–** | **–** | **9 036** | **7 456** | **–** | **–** |
| Local Govt & Traditional Affairs | – | – | 9 036 | 7 456 | 0% | 0% |
| Department of Sport, Arts and Culture | – | – | – | – | 0% | 0% |
| Department of Public Works | – | – | – | – | 0% | 0% |
| Other transfers/grants [insert description] | | | | | | |
| **District Municipality:** | **–** | **–** | **–** | **–** | **0%** | **0%** |
| [insert description] | | | | | | |
| **Other grant providers:** | **229** | **–** | **–** | **491** | **100%** | **100%** |
| Salaida/Gavle | 229 | – | – | – | 0% | 0% |
| BCMDA | – | – | – | 491 | 0% | 0% |
| **Total Capital Transfers and Grants** | **930 588** | **804 000** | **1 000 322** | **998 245** | **19%** | **0%** |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes. T 5.2.1

# COMMENT ON TRANSFERS AND GRANTS:

## PURPOSE OF GRANTS & TRANSFERS RECEIVED

### FINANCE MANAGEMENT GRANT

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

The allocated grant funding was fully spent by appointing interns that served in the Financial Management Program in the current financial year. Furthermore, the funding was utilized to support the training of municipal officials and interns in financial management.

### INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

Grant funding was spent inline with the Memorundum of Agreement signed by the Metro and the Department of Energy. Funding was utilized for connections to households at Fynbos/Scenery Park and NU5 at Mdantsane; all connections that were planned for 2018/19 were completed using a lesser budget than originally projected. BCMM installs minimum size of supply of 2 KVA, After Diversity Maximum Demand (ADMD), 40 AMP per household connection.

### ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT

To provide subsidies to municipalities to implement Energy Efficiency and Demand Side Management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

The grant funding was fully spent on the installation of 1790 energy efficient streetlights, resulting in reducing energy consumed by public lighting infrastructure which will save energy costs.

### INFRASTRUCTURE SKILLS DEVELOPMENT GRANT

To strengthen the capacity of local government to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills available and to facilitate lifelong learning and the transfer of knowledge to municipalities. To sustain infrastructure related capacity in local government.

The contributing factor towards the underspending of R1.1 million on ISDG is due to the following:

i. Scarcity of targeted graduates with B. degrees in Civil Engineering and Electrical Engineering during recruitment. This was informed by the analysis of Employee Profile as per the Institutional Workplace Skills Plan. Due to the scarcity of targeted graduates, this has prompted the municipality to have a career exhibition in the City in order to highlight the areas where the youth need to undertake studies that are relevant to the economy.

ii. Non-availability of an accredited scientific laboratory where Chemical Analyst and Microbiologist interns could be placed after enrolment into the program.

### EXPANDED PUBLIC WORKS PROGRAMME

To ncentivize municipalities to expand work creation efforts through the use of labour intensive delivery methods in compliance with the EPWP guidelines. To improve the quality of life of poor people and increase social stability through engaging the unemployed in productive activities.

The grant funding was fully spent to ncentivize the following EPWP IG projects:

- Waste Minimisation, Recycling Awareness and Waste Separation Programme
- Pirrie Mission Food Security Programme
- Duncan Village Revitalisation Programme
- Coastal Protection Programme
- Ginsberg Cleaning and Beautification Programme
- Administration and Data Capturers

### URBAN SETTLEMENT DEVELOPMENT GRANT

To assist metropolitan municipalities to improve urban land production to the benefit of poor households, by supplementing the revenues of metropolitan municipalities to:

reduce the real average cost of urban land, increase the supply of well-located land, enhance tenure security and quality of life in informal settlements, improve spatial densities and to subsidise the capital costs of acquiring land and providing basic services for poor households.

The grant funding was 100% spent. The grant funding is still aligned towards the provision of services that will improve household access to basic services through the provision of bulk and reticulation infrastructure and urban land production to support the broader urban development and spatial integration aligned to the Built Environment Performance Plan of the metro.

### PUBLIC TRANSPORT NETWORK GRANT

To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.

The grant was funding the following projects in the 2018/19 financial year:

- The Review of BCMM Business Plan and Operation Plan
- Upgrading of Qumza Highway

### INTEGRATED CITY DEVELOPMENT GRANT

To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focusing their use of available infrastructure investment and regulatory instruments.

The funding was fully spent. The implemented project consisted of the milling, resurfacing and repainting of road marking and parking areas on Currie Street (650m) and the Esplanade (1Km).

### MUNICIPAL EMERGENCY HOUSING GRANT

To provide funding to municipalities to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelters.

Fourteen temporary shelters have been completed and occupied by fire beneficiaries and eighty temporary shelters are under construction.

**T 5.2.2**

# GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DORA)

| Details of Donor | Actual Grant 2017/2018 | Actual Grant 2018/2019 | Year 2018/2019 Municipal Contribution | Date Grant terminates | Date Municipal contribution terminates | Nature and benefit from the grant received, include description of any contributions in kind |
|---|---|---|---|---|---|---|
| **Parastatals** | | | | | | |
| Department of Human Settlements | 109 905 | 38 902 | 0 | N/A | 0 | The creation of sustainable and integrated human settlements that enable an improved quality of household life and access to basic services |
| **Foreign Governments/Development Aid Agencies** | | | | | | |
| Salaida/ Gavle | 30 | – | 0 | N/A | 0 | An inter-governmental agreement aimed at poverty alleviation and sustained development. |
| Library Subsidy | 15 000 | 15 870 | 0 | N/A | 0 | To transform urban and rural community library infrastructure, facilities and services |
| Local Government Sector Education & Training Authority Fund (SETA) | 3 115 | 3 572 | 0 | N/A | 0 | The key focus must be to address scarce and critical skills through programmes that are designed to address needs which include such skills as work integrated learning. |

Provide a comprehensive response to this schedule T 5.2.3

# COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

## HOUSING – HUMAN SETTLEMENT DEVELOPMENT GRANT

The grant is utilized for the construction of top structures (construction of the dwelling except for internal services infrastructure) for human settlement developments.

All projects in the approved business plan must be aligned with the integrated development plan (IDP) and the spatial development framework of municipalities as well as the built environment performance plan (BEPP) for metropolitan municipalities. The provincial business plans must reflect relevant allocations, targets and outputs as agreed and approved with the respective municipalities.

## SALAIDA/ GAVLE

The partnership between Sweden and Buffalo City Metropolitan Municipality was formed to strengthen local democracy, improve competence and capacity among the parties in their developmental role as service providers through mutual transfer of knowledge and to promote economic growth.

## LOCAL GOVERNMENT SECTOR EDUCATION & TRAINING AUTHORITY FUND (SETA)

This grant is informed by the Skills Development Levies Act; the municipality is compelled to pay 1% of the workers' pay to the skills development levy. The municipality gets back some of the money back from SETA as a refund if they train their workers. Funding is used to fund the education and training programmes as contained in Workplace Skills Plan (WSP) and Annual Training Report (ATR) of SETA.

## LIBRARY SUBSIDY

The City has an agreement with the Department of Sports, Recreation, Arts & Culture (DSRAC) for the running of the libraries within the jurisdiction of Buffalo City Metropolitan Municipality, therefore the grant is transferred to the City to fund the operations of the libraries.

In the 2018/19 financial year an amount of R3.06 million remained unspent. The Metro applied to National Treasury for the roll-over R1.1 million for Infrastructure Skills Development Grant and R666 thousand for Public Transport Network Grant, the application was not approved by National Treasury.

National Treasury requested that the unspent amount be surrendered to the National Revenue Fund. The unspent amount is in respect of the following grants:

- Infrastructure Skills Development Grant – R1.1 million
- Neighbourhood Development Partnership Grant – R7 thousand
- Urban Settlement Development Grant – R1 thousand
- Intergrated National Electrification Programme – R988 thousand
- Energy Efficiency and Demand Side management Grant – R2 thousand
- Municipal Emergency Housing Grant – R294 thousand
- Public Transport Network Grant – R666 thousand

***T 5.2.4***

# 5.3. ASSET MANAGEMENT

## INTRODUCTION TO ASSET MANAGEMENT

BCMM has two asset divisions within Finance Directorate that are both responsible for the management of Assets, being;

- Asset Reporting and Insurance division, and
- Corporate Asset Management.

Both divisions liase with asset custodians (user Departments) to ensure accurate asset reporting, adequate insurance and full asset management of all assets that are owned by the Council.

Staff compliment for asset reporting section is 21 staff members, and 15 for Corporate Asset Management division delegated to the General Manager Corporate Asset Management under the direct supervision of the Chief Finance Officer. Corporate Asset Managemnt division is a newly established section and has not yet been fully filled with staff personnel as yet because of the morotorium.

All directorates within BCMM have each delegated two individuals per division to assist with assets related issues. These staff members have been trained on unbundling of assets and asset capitalisation.

All staff members in Asset Reporting and Insurance have been trained on basic asset management, and asset capitalisation.

A full asset management training is planned for the 2019/20 financial year to ensure that staff is fully capacitated.

BCMM is currently inuse of the approved Movable Asset Managemnt Policy and Immovable Asset Policy. Both policies are aligned to GRAP standards and are reviewed when necessary to ensure compliance with the changes in legislation and regulations. These approved policies amongst other things outline the following key elements but not limited to:

- Roles and responsibilities
- Classification of assets
- Accounting for property, plant and equipment
- Accounting policy applicable to each class of assets
- Annual updating of the asset registers
- Depreciation methods per each class of assets

BCMM is in the process of developing a fully intergrated asset management system, to ensure that all council assets are accounted for in one system that is fully integrated with the main financial management systems and other sub-systems that are used by other Departments to manage the Municipal assets, this will further enhance the capacity of this Department and influence the amendment of the existing policies together with the organogram.

*T 5.3.1*

## TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2018/2019

| ASSET 1 | | | | |
|---|---|---|---|---|
| Name | Property, Plant, Equipment | | | |
| Description | Upgrading of Mdantsane Roads | | | |
| Asset Type | Roads | | | |
| Key Staff Involved | | | | |
| Staff Responsibilities | | | | |
| Asset Value | **2015/2016** | **2016/2017** | **2017/2018** | **2018/2019** |
| | 59 996 030 | 56 374 995 | 84 773 218 | 106 538 190 |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | | | | |

| ASSET 2 | | | | |
|---|---|---|---|---|
| Name | Property, Plant, Equipment | | | |
| Description | Bisho, KWT & Zwelitsha Bulk Regional Scheme | | | |
| Asset Type | Sanitation | | | |
| Key Staff Involved | | | | |
| Staff Responsibilities | | | | |
| Asset Value | **2015/2016** | **2016/2017** | **2017/2018** | **2018/2019** |
| | 26 400 000 | 110 645 923 | 126 470 625 | 251 450 133 |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | | | | |

| ASSET 3 | | | | |
|---|---|---|---|---|
| Name | Property, Plant, Equipment | | | |
| Description | Reeston Waste Water Treatment Works – Civil Component | | | |
| Asset Type | Sanitation | | | |
| Key Staff Involved | | | | |
| Staff Responsibilities | | | | |
| Asset Value | **2015/2016** | **2016/2017** | **2017/2018** | **2018/2019** |
| | - | - | - | 100 422 200 |
| Capital Implications | | | | |
| Future Purpose of Asset | | | | |
| Describe Key Issues | | | | |
| Policies in Place to Manage Asset | | | | |

T 5.3.2

## COMMENT ON ASSET MANAGEMENT:

Improving asset management continues to be a focus for Buffalo City Metropolitan Municipality, as it is the area from which services are delivered to the inhabitants of the Municipality and subsequently the primary area of revenue generation.

The Metro has employed a service provider to assist with development of fully integrated and GRAP compliant asset management system which includes the review and updating of the existing asset management policies and asset maintenance plans.

In deciding on the projects to implement, the relevant Buffalo City Metropolitan Municipality directorates undertake needs analyses to establish the communities' priorities based on the approved IDP and the approved available budget. This information is then fed into the SDBIP and used to implement the approved priorities including the creation of assets.

**T 5.3.3**

## REPAIR AND MAINTENANCE EXPENDITURE: 2018/2019

R' 000

| | Original Budget | Adjustment Budget | Actual | Budget variance |
|---|---|---|---|---|
| Repairs and Maintenance Expenditure | 493 616 | 398 143 | 392 896 | 20% |

T 5.3.4

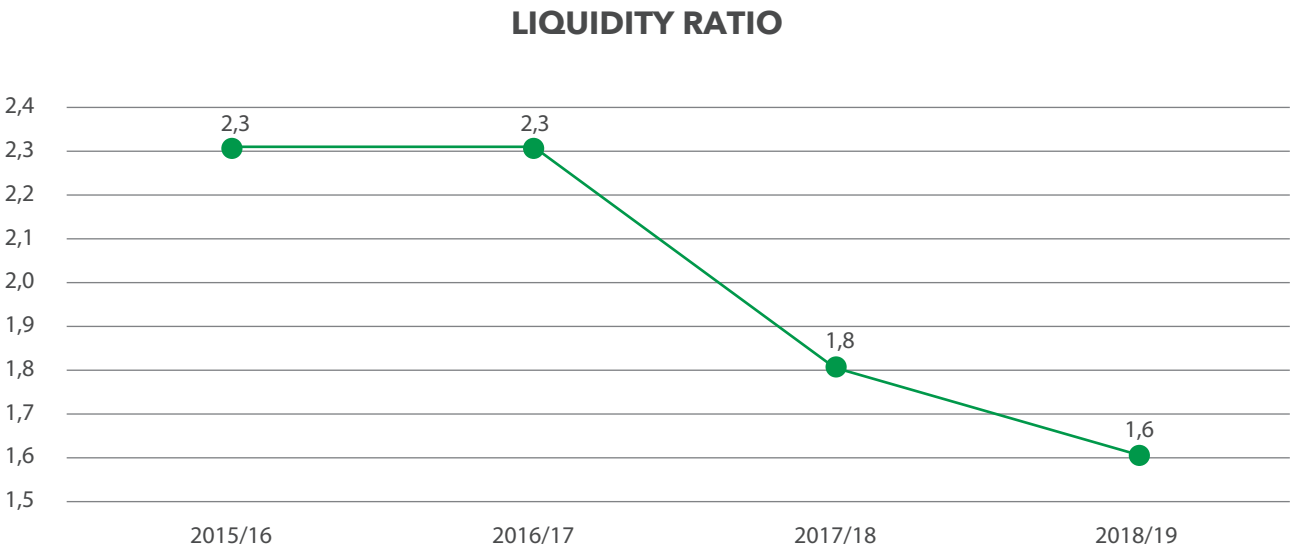
## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The City budgeted 6% for repairs and maintenance of its total Operating Expenditure Budget. The City is striving towards 8% repairs and maintenance of its Property Plant & Equipment owing to the aging of the City's infrastructure and historic deferred maintenance.

The City's infrastructure repairs and maintenance programme is complemented by the renewal and upgrading of existing infrastructure programme. Buffalo City Metropolitan Municipality spent 99% of its repairs and maintenance budget during the year under review. This was spent primarily on infrastructure maintenance.

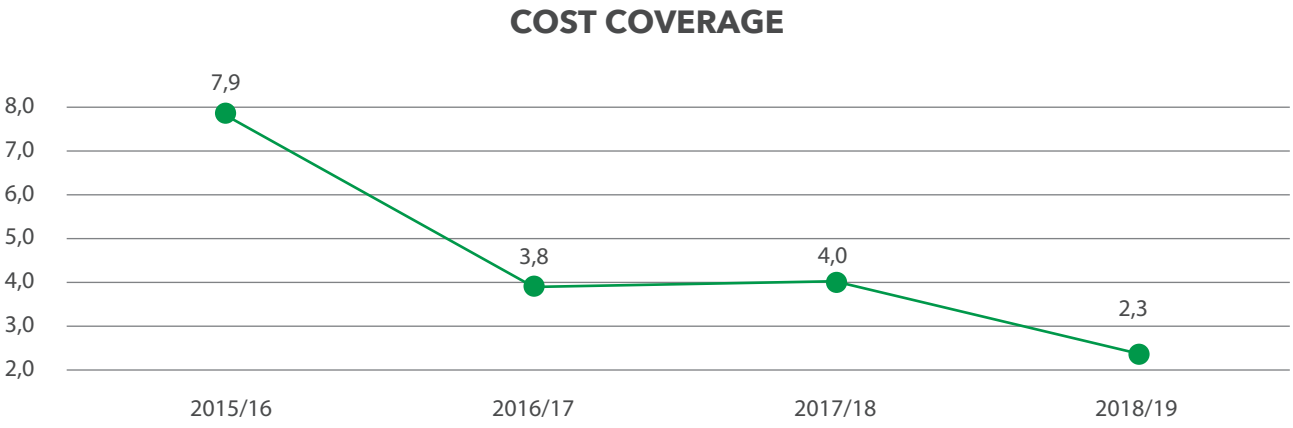
*T 5.3.4.1*

# 5.4. **FINANCIAL RATIOS** BASED ON KEY PERFORMANCE INDICATORS




Liquidity Ratio - Measures the municpality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better. Data used from Audited Consolidated Annual Financial Statements.

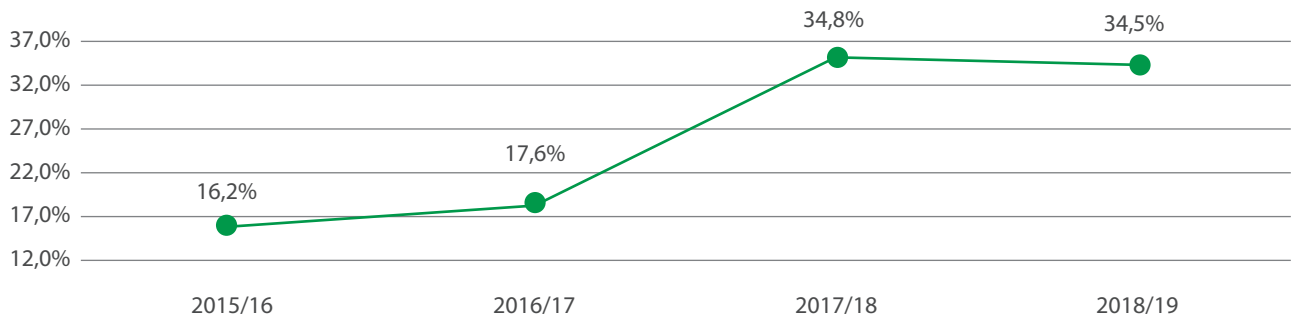
T 5.4.1




Cost Coverage - It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated as follows: (Available cash + Investments) /monthly fixed operational expenditure. Data used from Audited Consolidated Annual Financial Statements.

T 5.4.2

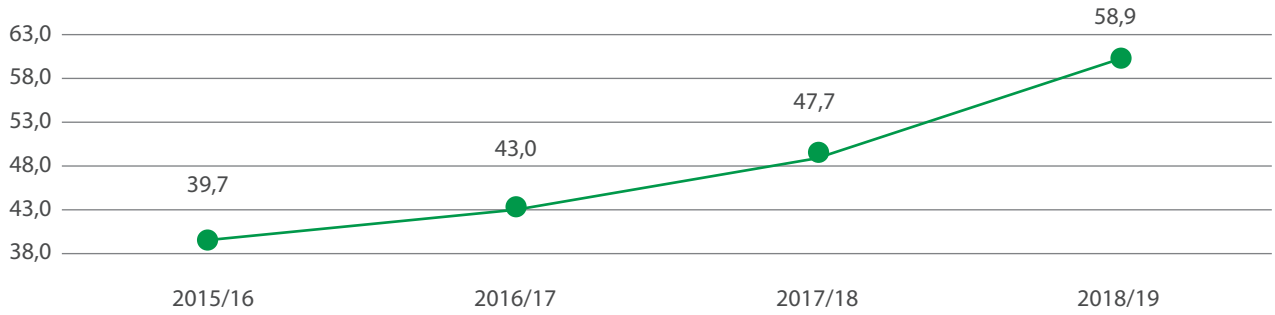
## TOTAL OUTSTANDING SERVICE DEBTORS




Total Outstanding Service Debtors - Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. Data used from Audited Consolidated Annual Financial Statements.

T 5.4.3

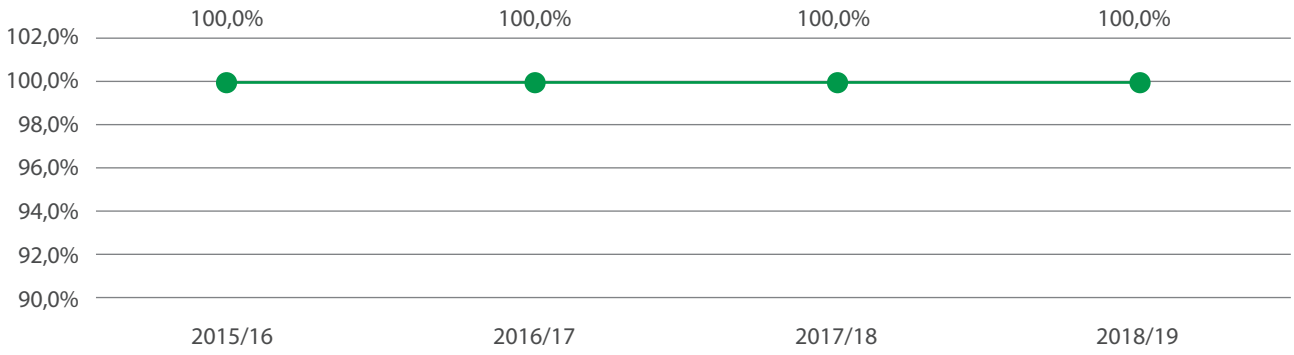
## DEBT COVERAGE




Debt Coverage - The number of times debt payments can be accomodated within Operation revenue (excluding grants). This in turn represents the ease with which debt repayments can be accomodated by the municipality. Data used from Audited Consolidated Annual Financial Statements.

T 5.4.4

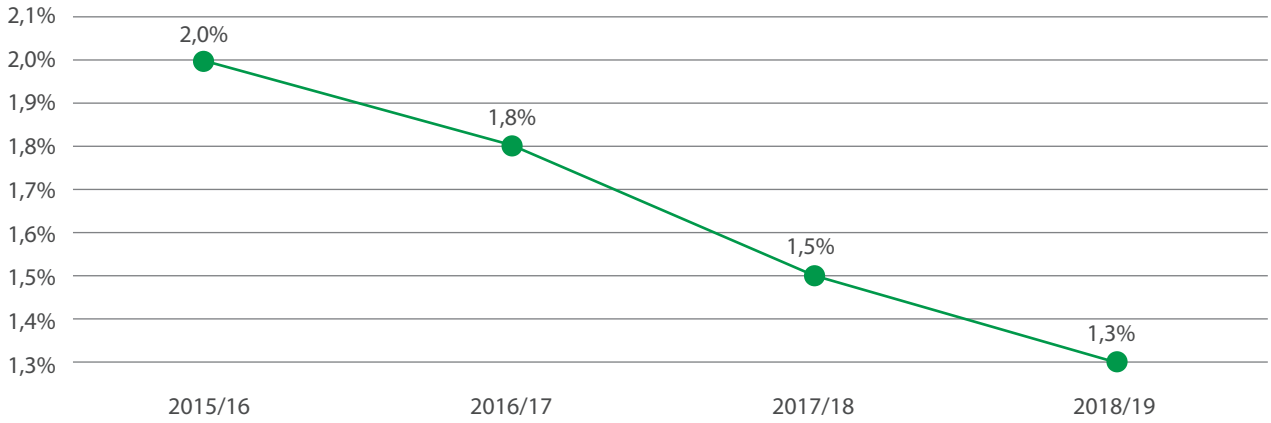
## CREDITORS SYSTEM EFFICIENCY




Creditor System Effeciency - The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases. Data used from Audited Consolidated Annual Financial Statements.

T 5.4.5

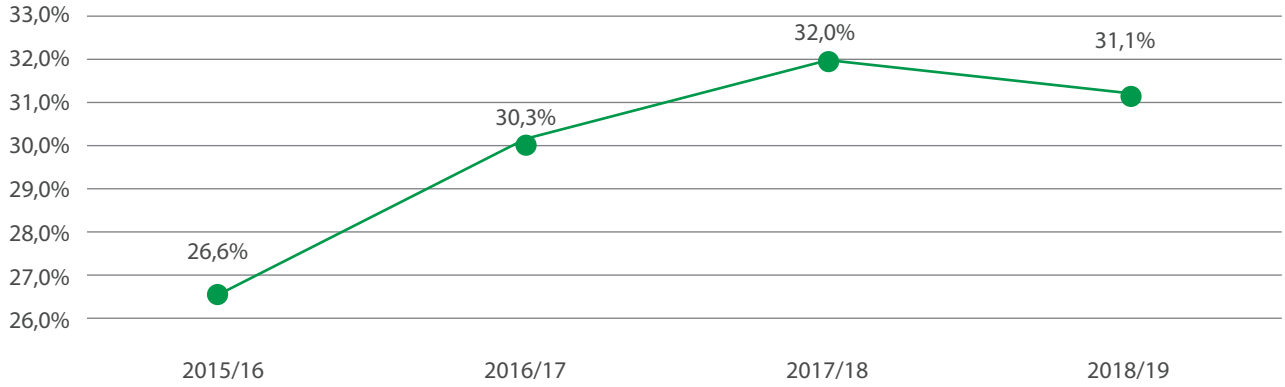
## CAPITAL CHARGES TO OPERATING EXPENDITURE




Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principal paid by the total operating expenditure. Data used from Audited Consolidated Annual Financial Statements.

T 5.4.6

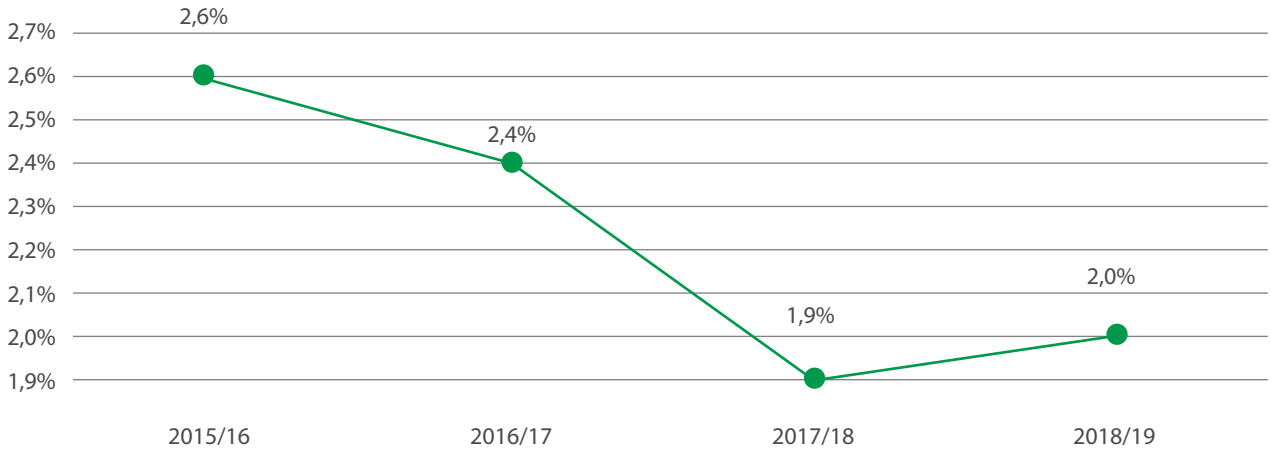
## EMPLOYEE COSTS




Employee Cost - Measures what portion of the expenditure was spent on paying employee costs. It is calculated by dividing the total employee cost by the total operating expenditure. Data used from Audited Consolidated Annual Financial Statements.

T 5.4.7

## REPAIRS AND MAINTENANCE




Repairs and Maintenanca - This represents the proportion total Repairs and Maintenance when compared with property, plant and Equipment at carrying value. Data used from Audited Consolidated Annual Financial Statements.

T 5.4.8

## COMMENT ON FINANCIAL RATIOS:

**Liquidity Ratio:** The rate of 1.6 : 1 is regarded as being within the National Treasury norm that ranges between 1.5 – 2 : 1. The ratio measures the municipality's ability to meet its Current Liabilities and is calculated by dividing the monetary assets (due within one year) by the municipality's Current Liabilities. A higher ratio indicates a situation of strengthened liquidity position. Data used to calculate the liquidity ratio was extracted from the Audited Consolidated Annual Financial Statements at 30 June 2019. The Current Assets have increased at a slower rate than the Current Liabilities when compared with 2017/18, with the Metro's Liquidity Ratio moving closer to National Treasuries lower acceptable norm (1.5 : 1) which signals a weakening of the liquidity position. The Metro still is able to pay Current Liabilities with available Current Assets but driving more stringent revenue management strategies in order to strengthen the current liquidity position.

**Cost Coverage:** This ratio explains how many months' expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. Cost Coverage is calculated using available cash and investments divided monthly fixed operational expenditure. This rate has declined over the past year and currently is at 2.3 months. The National Treasury norm is between 1 – 3 months. BCMM's Cost Coverage is within the norm.

**Total Outstanding Service Debtors:** The rate of outstanding service debtors has decreased when compared with last year 34.8% and is currently at 34.5%. The percentage is calculated by dividing Total outstanding service debtors by the annual revenue received for services. Outstanding debtors continue to be a focus by prioritising debt collection to improve financial sustainability of the Metro. The Metro continues to implement efforts to decrease outstanding services debtors and therefore improve its Collection Ratio above the budget of 92.5%.

**Debt Coverage:** It reflects the number of times debt payments can be made within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be made by the Metro. This rate continues to improve increasing from 48.7 times (2017/18) to 58.8 times at 30 June 2019. This indicates that the Metro's long-term debt is decreasing and is due to the Metro not taking up additional loan funding during 2018/19 financial year. The Metro is however in the process of taking up additional loan funding which will drive this ratio down in the future, as this loan funding will be used to fund Capital Projects.

**Efficiency:** The Metro maintains its policy to pay its creditors within 30 days. The constant 100% payment levels to creditors highlights this achievement.

**Capital Charges to Operating Expenditure:** The ratio is calculated by dividing the sum of interest and principal paid on loan funding by the total operating expenditure. The rate has decreased from 1.5% in 2017/18 to 1.3% in 2018/19. BCMM is currently in the process of taking up new loan facility which will have a direct impact on this ratio.

**Employee Costs as a percentage of Operating Expenditure:** The rate of 31.1% is within the norm of 25% - 40%. It is calculated by dividing the total employee cost by the total operating expenditure.

**Repairs and maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions):** This represents the proportion total Repairs and Maintenance when compared with Property, Plant and Equipment at carrying value. The rate 2% remains below the norm of 8% for the Metro. The City is augmenting its assets maintenance programme by using part of its own funding towards capital investment on renewal of existing assets to ensure the continued provision of services.

***T 5.4.9***



# COMPONENT B:
# SPENDING AGAINST CAPITAL BUDGET

## INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The City had a capital budget of R2.1 billion of which R1.86 billion (inclusive of vat) which equates to 89% was spent. Own funded projects had a budget of R1.09 billion and R0.862 billion (79%) of the budget was spent. Grant funded projects had a budget of R1 billion and R0.998 billion which equates to 100% was spent.

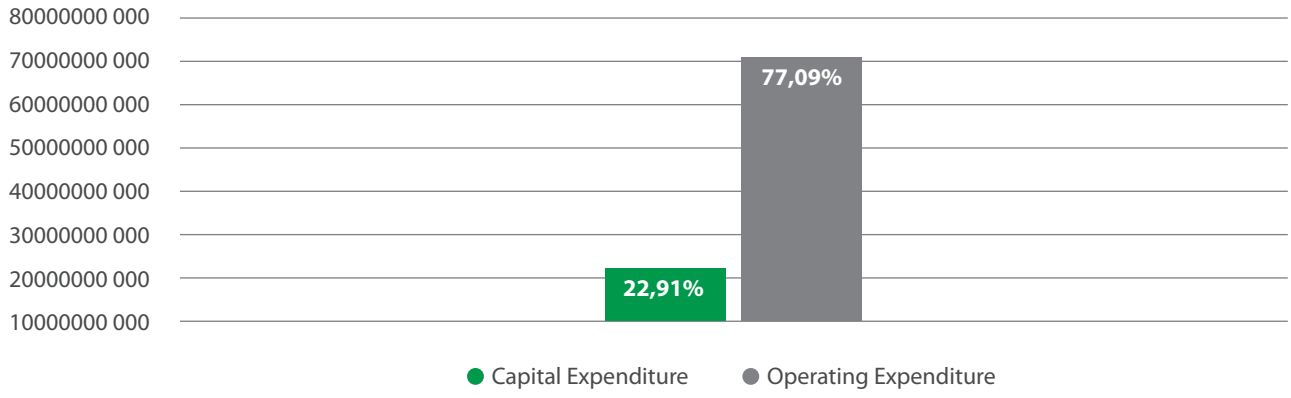
Renewal of existing assets represent 35% (R0.743 billion) of the total capital budget while new asset renewal equates to 65% (R1.35 billion) in the 2018/2019 financial year. Ninety-five percent (95%) of the allocated budget for the renewal of existing assets has been spent and 78% has been spent on the allocated budget for new assets renewal.

**The 5 largest capital projects of the City in the 2018/2019 financial year were the following: -**

a) Bisho, KWT and Zwelitsha Bulk Regional Sewerage Scheme - Phase 2 Zwelitsha WWTW: the project was allocated 8% of the City's capital budget.
b) BCMM Fleet, Plant and Specialised Equipment and Specialised Solid Waste Vehicles: the project was allocated 5% of the City's capital budget.
c) Fleet Street: the project was allocated 3% of the City's capital budget.
d) Roads Provision - Replacing Existing Infrastructure: the project was allocated 5% of the City's capital budget.
e) Bulk Electricity Infrastructure Upgrade: the project was allocated 3% of the City's capital budget.

*T 5.5.0*

### CAPITAL EXPENDITURE: 2018/2019




T5.5.1

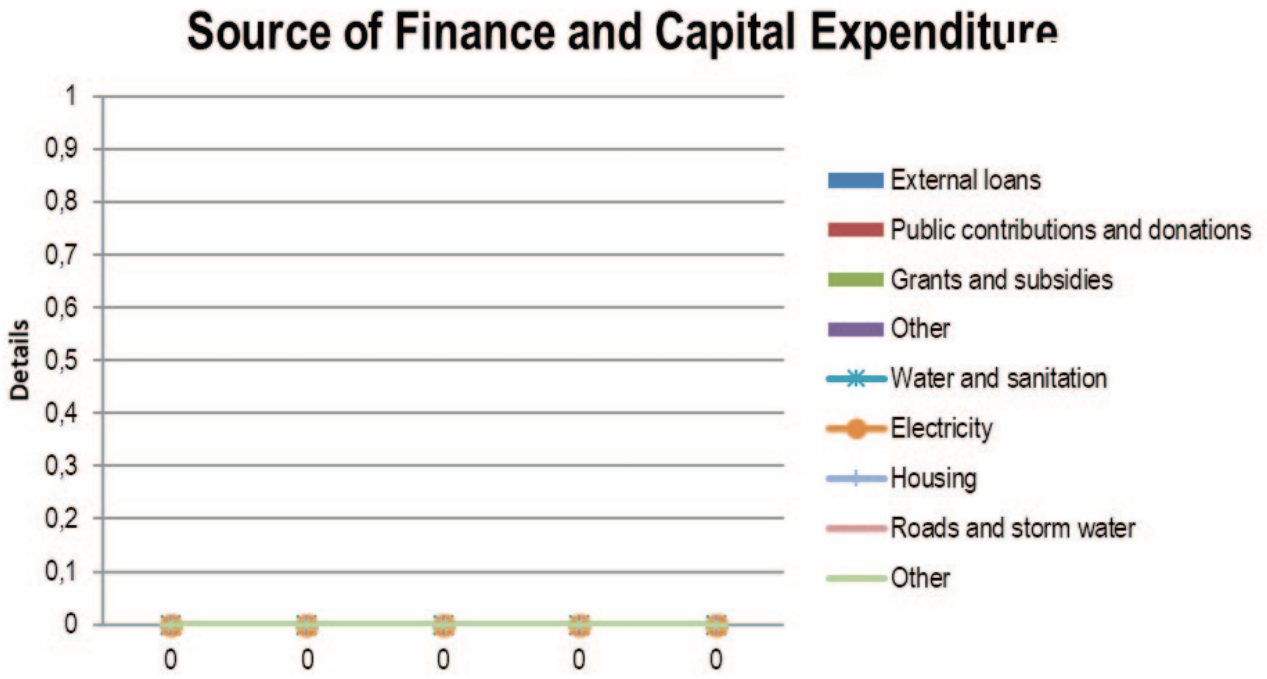
# 5.6. SOURCES OF **FINANCE**

## CAPITAL EXPENDITURE - FUNDING SOURCES: 2017/2018 TO 2018/2019

R' 000

| Details | | 2017/2018 | 2018/2019 | | | | |
|---|---|---|---|---|---|---|---|
| | | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| **Source of finance** | | | | | | | |
| | External loans | – | 69 000 | – | – | -100,00% | -100,00% |
| | Public contributions and donations | 229 | – | – | – | 0,00% | 0,00% |
| | Grants and subsidies | 930 359 | 803 900 | 1 000 322 | 997 754 | 24,43% | 24,11% |
| | Other | 495 926 | 880 242 | 1 096 048 | 861 931 | 24,52% | -2,08% |
| **Total** | | **1 426 514** | **1 753 142** | **2 096 370** | **1 859 685** | **-51,05%** | **-77,97%** |
| Percentage of finance | | | | | | | |
| | External loans | 0,0% | 3,9% | 0,0% | 0,0% | 195,9% | 128,3% |
| | Public contributions and donations | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| | Grants and subsidies | 65,2% | 45,9% | 47,7% | 53,7% | -47,9% | -30,9% |
| | Other | 34,8% | 50,2% | 52,3% | 46,3% | -48,0% | 2,7% |
| **Capital expenditure** | | | | | | | |
| | Water and sanitation | 418 213 | 481 845 | 404 343 | 344 669 | -16,08% | -28,47% |
| | Electricity | 128 318 | 129 450 | 151 366 | 145 832 | 16,93% | 12,65% |
| | Housing | 142 661 | 104 755 | 170 532 | 170 087 | 62,79% | 62,37% |
| | Roads and storm water | 277 611 | 291 335 | 543 856 | 519 905 | 86,68% | 78,46% |
| | Other | 459 710 | 745 757 | 826 273 | 679 193 | 10,80% | -8,93% |
| **Total** | | **1 426 514** | **1 753 142** | **2 096 370** | **1 859 685** | **161,11%** | **116,08%** |
| Percentage of expenditure | | | | | | | |
| | Water and sanitation | 29,3% | 27,5% | 19,3% | 18,5% | -10,0% | -24,5% |
| | Electricity | 9,0% | 7,4% | 7,2% | 7,8% | 10,5% | 10,9% |
| | Housing | 10,0% | 6,0% | 8,1% | 9,1% | 39,0% | 53,7% |
| | Roads and storm water | 19,5% | 16,6% | 25,9% | 28,0% | 53,8% | 67,6% |
| | Other | 32,2% | 42,5% | 39,4% | 36,5% | 6,7% | -7,7% |

T 5.6.1




## COMMENT ON SOURCES OF FUNDING:

The City had a total budget of R9.15 billion of which R2.09 billion (23%) was allocated towards the City's capital budget. The City spent R1.86 billion of its capital budget which equates to 89%.

Own funded projects had a budget of R1.09 billion and R0.862 billion (79%) of the budget was spent. Grant funded projects had a budget of R1 billion and R0.998 billion which equates to 100% was spent.

Grants and subsidies continue to comprise the most significant portion of the funding utilized for capital expenditure. The largest is the Urban Settlement Development Grant, which is focused on developing new urban areas for habitation. This grant was utilised to create new infrastructure in the previously disadvantaged

areas and to replace existing infrastructure in those areas where infrastructure is nearing or has exceeded its useful life. This is required to ensure the continued economic growth of the city and to allow for business confidence.

The municipality should envisage other revenue streams that will enable more own revenue in order to fund future capital projects. This will result in lessening grant dependency by the Municipality. The municipality is also using the revaluation method to account for its assets and this allows the municipality to raise funding through depreciation for renewal and refurbishment of existing assets. This assists the municipality to contributing towards capital budget funding.

**Explanation on variations that are more than 10% is detailed below:**

### 3. OWN FUNDS

The major contributing factors on low expenditure are Supply Chain Management processes that resulted in the slow progress in implementing own funded capital projects, however most of the projects are already awarded and the funding of such projects is fully committed.

*T 5.6.1.1*

# 5.7. **CAPITAL SPENDING** ON LARGEST PROJECTS

| Capital Expenditure of 5 largest projects* | | | | | |
|---|---|---|---|---|---|
| | | | | | R' 000 |
| **Name of Project** | **Current: 2018/2019** | | | **Variance: Current 2018/2019** | |
| | **Original Budget** | **Adjustment Budget** | **Actual Expenditure** | **Original Variance (%)** | **Adjustment variance (%)** |
| A - Bisho, KWT and Zwelitsha Bulk Regional Sewerage Scheme - Phase 2 Zwelitsha WWTW | 86 294 | 81 294 | 79 462 | 8% | 6% |
| B - BCMM Fleet, Plant and Specialised Equipment and Specialised Solid Waste Vehicles | 18 000 | 73 000 | 71 474 | -297% | -306% |
| C - Roads Provision | 90 082 | 252 950 | 229 660 | -155% | -181% |
| D - Bulk Electricity Infrastructure Upgrade(Ring-Fenced 4% of the Total Electricity Revenue) | 59 800 | 58 800 | 56 178 | 6% | 2% |
| E - Qumza Highway Phase 7 - Phase 1 & 2 | 81 165 | 91 091 | 91 092 | -12% | -12% |
| * Projects with the highest capital expenditure in Year 2018/2019 | | | | | |
| | | | | | |
| **Name of Project - A** | **Bisho, KWT and Zwelitsha Bulk Regional Sewerage Scheme - Phase 2 Zwelitsha** | | | | |
| Objective of Project | Provision of bulk sanitation existing and future developments | | | | |
| Delays | No delays, multi year programme | | | | |
| Future Challenges | Additional funding is required | | | | |
| Anticipated citizen benefits | Entire municipality will benefit | | | | |
| | | | | | |
| **Name of Project - B** | **BCMM Fleet, Plant and Specialised Equipment and Specialised Solid Waste Vehicles** | | | | |
| Objective of Project | To procure plant for BCMM | | | | |
| Delays | None | | | | |
| Future Challenges | Additional funding is required | | | | |
| Anticipated citizen benefits | Entire municipality will benefit | | | | |
| | | | | | |
| **Name of Project - C** | **Roads Provision** | | | | |
| Objective of Project | To rehabilitate existing urban roads in BCMM | | | | |
| Delays | None | | | | |
| Future Challenges | This is an ongoing project aimed at improving the condition of roads infrastructure in BCMM. | | | | |
| Anticipated citizen benefits | All the residents of BCMM | | | | |
| | | | | | |
| **Name of Project - D** | **Bulk Electricity Infrastructure Upgrade (Ring-Fenced 4% of the Total Electricity Revenue)** | | | | |
| Objective of Project | The Upgrading of Electrical infrastructure, broken down into MV/LV Network, MV switching | | | | |
| Delays | Procurement processes. | | | | |
| Future Challenges | N/A | | | | |
| Anticipated citizen benefits | All the residents of BCMM as there would be less interuption of electrical supply. | | | | |
| | | | | | |
| **Name of Project - E** | **Qumza Highway Phase 7 - Phase 1 & 2** | | | | |
| Objective of Project | Alleviate traffic congestion and improve safety of road users | | | | |
| Delays | Delays due to SMME Labour unrest | | | | |
| Future Challenges | Traffic diversion between construction | | | | |
| Anticipated citizen benefits | All road users will be safe on the road and travel times will be reduced | | | | |
| | | | | | |
| T 5.7.1 | | | | | |

## COMMENT ON CAPITAL PROJECTS:

Bisho, KWT and Zwelitsha Bulk Regional Sewerage Scheme - Phase 2 Zwelitsha WWTW budget was decreased from R86 million to R81 million resulting in a decrease amounting to R0.1 million. The budget was decreased in the adjustment budget process as the programme was progressing at a pace that is below the original anticipation and therefore it required a reduced amount of funding.

BCMM Fleet, Plant and Specialized Equipment and Specialized Solid Waste Vehicles (R3Mill for Building Maintenance Vehicles) - budget was increased from R18 million to R73 million resulting in an increase amounting to R55 million. The budget was increased in the adjustment budget process to fund the purchase Solid Waste Compactor trucks.

Roads Provision - Roads Provision budget was increased from R90 million to R253 million resulting in an increase amounting to R163 million. The budget was increased in the adjustment budget process as the programme was progressing at a pace that is above the original anticipation and therefore it required additional funding.

Bulk Electricity Infrastructure Upgrade (Ring- Fenced 4% of the Total Electricity Revenue) remained the same at R60 million. Budget is made available for the future in order to operate the projects. Planning and time management is key in order to implement the capital projects on time and in line with the budget provided.

**T5.7.1.1**

# 5.8. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

## INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Department is responsible for universal access to electricity as a key basic service to residents and implements electrification to RDP houses through the Department of Energy funding. The institution provides a minimum of 40 amps to all RDP service connections within the Municipal area of supply, above the Department of Energy's requirement of 20 amps.

The housing projects need to meet the DoE guidelines for electrification which requires that the housing project must be 80% complete and occupied. The department implements informal electrification in line with a council resolution. Informal dwellings within the BCMM area of supply receive the same service as a formal RDP household. In addition, BCMM council took a decision to electrify informal dwellings within BCMM which meet the informal dwelling electrification criteria, the main criteria being that the area must have a formal layout and be on BCMM property.

## HOUSING

The housing backlog according to National Housing Needs Register(NHNR) is currently at +- 81 000 and this is caused by migration of people from rural to urban areas, current socio economic situations, poverty and other social factors. The reason/s why the backlog is so huge is due to insufficient budget from National and Provincial Departments, shortage of strategic well located land, land invasion/grabs and lack of planned integrated Human Settlements within the urban edge.

- The trend towards disaggregation of families into more than one housing unit.

BCMM Human Settlements Directorate implement housing projects/programs as per the accreditation level 1 given by Provincial Department of Human Settlements. The houses are built according to standards, available budget/ funding agreements and Integrated Sustainable Human Settlements Plan which is approved by National Department of Human Settlements.

## WATER AND SANITATION SERVICES

The growth in population impacts on BCMM's ability to address service delivery backlogs. The other factors that hinders the eradication of backlogs is the increased demand for services in the informal settlements which are rapidly increasing. The migration of people to rural areas closest to town led to the development of huge households that demands high level of service.

Sanitation backlogs are only found in rural areas due to historical backlogs that were inherited from the TLCs and the increased population and the village extensions.

The City provides Waste Management Service that includes Area Cleaning, Street Sweeping, and management of Waste Management Facilities well as clearance of illegally dumped waste.

The Solid Waste Management Services Department provides the waste management service to the City's Coastal, Midland and Inland regions. The City currently provides waste management service to about 127 000 billed households as well as 101 806 indigent households.

**Achievements of Solid Waste Department during this year of reporting is as outlined below:**

- The Department has commenced with the construction of the new cell in the Roundhill Regional Landfill Site situated in Berlin. The Department has remediated Cell 1 and Cell 2 and the general aesthetics of the site including gas and water monitoring systems as required by Waste Management regulations. Currently the department is constructing Cell 3 and Cell 4 on the Site and upgrading the Leachate Treatment Plant that will ensure prevention of water pollution of the neighboring environment.

  Establishment of Monitoring Committee for the Roundhill Landfill Site to ensure continuous compliance of this site. The Department continues to provide awareness raising campaigns to various communities however challenges like littering and illegal dumping of waste continue to be a challenge.

- Implementation of Call 2 Action Programme under the BCMM – BKCOB partnership to specifically deal with waste management issues.

Procurement of Compactor Trucks to assist in the improvement of Refuse Removal Service.

***T 5.8.1***

## SERVICE BACKLOGS AS AT 30 JUNE 2019

**Households (HHs)**

| | *Service level above minimum standard | | **Service level below minimum standard | |
|---|---|---|---|---|
| | No. HHs | % HHs | No. HHs | % HHs |
| Water | 249000 | 98% | 5000 | 2% |
| Sanitation | 229000 | 90% | 24000 | 10% |
| Electricity | 125000 | 1.6% | 40000 | 89% |
| Waste management | 149 551 | 98% | 61 252 | 2% |
| Housing | 100000 | 0.67% | 0 | % |

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements. T 5.8.2

## URBAN SETTLEMENT GRANT (USDG)* EXPENDITURE 2018/2019 ON SERVICE BACKLOGS

R' 000

| Details | Budget | Adjustments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
|---|---|---|---|---|---|---|
| | | | | Budget | Adjustments Budget | |
| Electricity | 8 200 | 27 718 | 27 847 | -240% | 0% | • A minimum of 50 per cent of the USDG allocation must be spent on the provision of individual basic services to households living in informal settlements either through in-situ upgrades, relocation or integrated development projects. • Metros must submit an annual BEPP, USDG performance matrix and SDBIP aligned to the IDP, to the National Department of Human Settlements and National Treasury. |
| Human Settlements | 104 255 | 176 541 | 176 530 | -69% | 0% | |
| Public Safety | – | 4 294 | 4 294 | | 0% | |
| Roads | 197 950 | 266 396 | 266 621 | -35% | 0% | |
| EPMO | 22 890 | 18 423 | 18 423 | 20% | 0% | |
| Transport Planning | 71 000 | 90 147 | 90 511 | -27% | 0% | |
| Waste Manangement | 34 452 | 40 148 | 40 148 | -17% | 0% | |
| Waste Water | 186 294 | 203 482 | 203 482 | -9% | 0% | |
| Water | 137 951 | 135 843 | 135 134 | 2% | 1% | |
| **Total** | **762 992 000** | **962 992 000** | **962 990 473** | **-26%** | **0%** | |

* USDG is intended to provide the municipalities with funds to supplement Capital Investment Programmes in terms of the provisions of the Division of Revenue Act (DoRA) for infrastructure development and is directly linked to planning and implementation of human settlements programmes in urban areas. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. T 5.8.3

## COMMENT ON BACKLOGS:

Backlog within the formal RDP housing sector is owing to new houses completed during new developments taking place within the year, this number fluctuates at between 1500 and 2000 which remain un-electrified for a short period of time.

The electricity department applies on a yearly basis for funding to electrify formal RDP housing that meet the DoE's electrification guidelines. The funding provided allows the Department to electrify an estimated 1500 RDP houses.

The Solid Waste Management Services Department is not yet servicing the Rural Areas of the City as the department is amongst others busy with the study to determine a most cost effective and efficient waste service model that will be provided in the rural area of the city.

***T 5.8.4***

# COMPONENT C:
# CASH FLOW MANAGEMENT AND INVESTMENTS

## INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Managing the cash resources of BCMM remains a key requirement to ensure the liquidity of the Municipality in order to meet its financial obligations, both currently and into a sustainable future.

Cash flow is actively monitored by BCMM, with daily cash flows being prepared and reported on in order to provide a clear indication of the current cash position. This enables the Municipality to meet its obligations as they become due. Both major revenue (grants, equitable share and high revenue inflow periods, etc.) and expenditure (bulk purchases and loan repayments, etc.) categories have been identified and accounted for appropriately to ensure that repayments are made on time and that surplus funds are invested in order to earn a favourable return on investment.

The effects of the global economic crisis are a cause of concern to the Metro as they impact

on revenue-generating ability and the ability to maintain a favourable cash flow position. Operations have settled and tight cash controls have ensured that cash optimization in spending occurs, rather than a focus on cash generation. The area of revenue collection requires close attention in order to ensure a favourable cash flow position is maintained so that this position can be improved. The collection of outstanding debtors is critical to the financial sustainability of the Metro.

BCMM makes payment to creditors within the terms specified by suppliers, ensuring that investments remain in place in order to maximise the interest-earning potential whilst also ensuring safety of the principal of any surplus funds. Investment diversification is in practice at BCMM, in an attempt to minimise risk and maximise interest earning potential.

*T 5.9*

# 5.9. **CASH** FLOW

## CASH FLOW OUTCOMES

R'000

| Description | 2017/18 | Current: Year 2018/19 | | |
|---|---|---|---|---|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Property rates, penalties & collection charges | 973 025 | 1 315 314 | 1 310 874 | 1 295 503 |
| Service charges | 2 576 079 | 2 934 363 | 2 914 750 | 2 823 913 |
| Other revenue | 456 442 | 248 395 | 258 070 | 444 790 |
| Government - operating | 817 569 | 1 471 673 | 1 517 225 | 921 187 |
| Government - capital | 930 588 | 803 900 | 1 000 322 | 998 245 |
| Interest | 176 012 | 182 768 | 195 036 | 165 784 |
| Dividends | – | – | – | – |
| **Payments** | | | | |
| Suppliers and employees | (4 346 374) | (5 152 832) | (5 191 941) | (5 407 264) |
| Finance charges | (43 960) | (59 818) | (39 013) | (38 467) |
| Transfers and Grants | (39 330) | (60 526) | (69 961) | (47 193) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **1 500 050** | **1 683 238** | **1 895 364** | **1 156 497** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Proceeds on disposal of PPE | 15 235 | – | – | 2 226 |
| Decrease (Increase) in non-current debtors | – | – | – | – |
| Decrease (increase) other non-current receivables | – | – | – | – |
| Decrease (increase) in non-current investments | – | – | – | – |
| **Payments** | | | | |
| Capital assets | (1 332 249) | (1 753 142) | (2 096 370) | (1 760 015) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | **(1 317 014)** | **(1 753 142)** | **(2 096 370)** | **(1 757 789)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Short term loans | – | – | | – |
| Borrowing long term/refinancing | – | 69 000 | | – |
| Increase (decrease) in consumer deposits | – | – | | – |
| **Payments** | | | | |
| Repayment of borrowing | (47 642) | (59 667) | (57 974) | (52 572) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | **(47 642)** | **9 333** | **(57 974)** | **(52 572)** |
| NET INCREASE/ (DECREASE) IN CASH HELD | **135 395** | **(60 571)** | **(258 980)** | **(653 864)** |
| Cash/cash equivalents at the year begin: | **1 690 102** | **1 703 855** | **1 825 497** | **1 825 497** |
| Cash/cash equivalents at the year end: | **1 825 497** | **1 643 284** | **1 566 516** | **1 171 633** |

Source: MBRR A7 T 5.9.1

## COMMENT ON CASH FLOW OUTCOMES:

The net cash flows used in operating activities have decreased significantly from to R 1.5 billion when compared with R 1.1 billion at 30 June 2019. The main contributing factor is as a result of the increase in suppliers and employee related expenditure.

Cash flow from investing activities have increased from R 1.3 billion to R 1.7 billion at 30 June 2019. The cash flow summary clearly indicates the decrease in Cash and Cash Equivalent at the year-end from R 1.8 billion down to R 1.1 billion at 30 June 2019. The net impact is an decrease in cash and cash equivalents at year end.

*T 5.9.1.1*

# 5.10. **BORROWING** AND **INVESTMENTS**

**INTRODUCTION TO BORROWING AND INVESTMENTS**

The Metro's current loans balance total R0.287 billion as outstanding when compared with R0.345 billion for 2017/2018. No additional borrowings were taken up during the current year. The Metro is currently servicing its debt quarterly with two financial institutions, namely Rand Merchant Bank and The Development Bank of Southern Africa. The Metro is currently in the process of taking up additional loan funding.

**T 5.10.1**

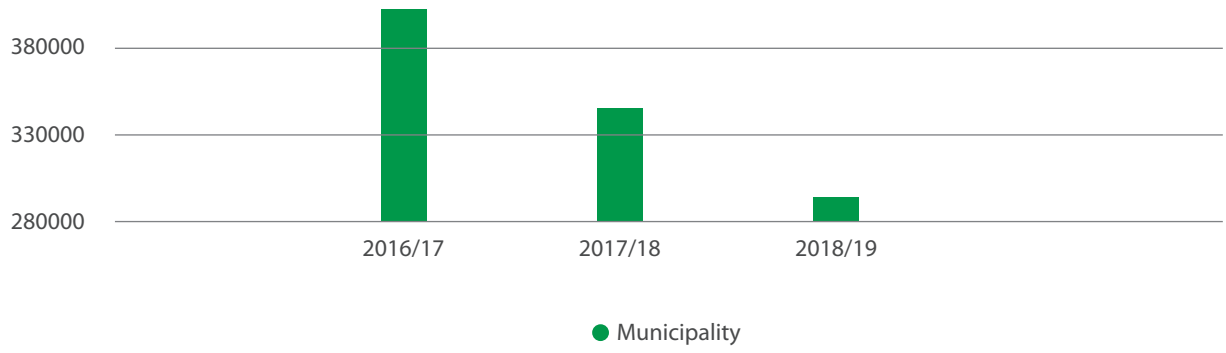
## ACTUAL BORROWINGS: 2016/2017 - 2018/2019

**R' 000**

| Instrument | 2016/17 | 2017/18 | 2018/19 |
|---|---|---|---|
| **Municipality** | | | |
| Long-Term Loans (annuity/reducing balance) | 398 126 | 345 554 | 287 580 |
| **Municipality Total** | **398 126** | **345 554** | **287 580** |

T 5.10.2

## ACTUAL BORROWINGS




*T 5.10.3*

## MUNICIPAL AND ENTITY INVESTMENTS

**R' 000**

| Investment* type | 2016/17 | 2017/18 | 2018/19 |
|---|---|---|---|
| | Actual | Actual | Actual |
| **Municipality** | | | |
| Deposits - Bank | 1 665 510 | 1 660 392 | 924 619 |
| Consolidated total: | 1 665 510 | 1 660 392 | 924 619 |

T 5.10.4

## COMMENT ON BORROWING AND INVESTMENTS:

The City's investments held with financial institutions have decreased from R 1.6 billion, to R 0.9 billion in 2018/2019. The Metro has not taken up new loan funding during 2018/19.

*T 5.10.5*

# COMPONENT D: OTHER FINANCIAL MATTERS

## 5.11. OTHER FINANCIAL MATTERS

**No Public Private Partnerships (PPP) concluded during the year under review.**

As a tool to monitor the performance of each bid committee, all committees are submitting weekly reports to the City Manager and this is assisting in early identification of challenges that are experienceTd by each committee so that remedia5l actions can be implemented quicker.

Findings emanating from the audit conducted resulted in the expenditure on annual contracts being declared as irregular expenditure in the 2018/19 Annual AG report due to incompleteness issues identified. The control environment is being reviewed in order to enhance internal control processes and activities to reduce the risks associated with incurring irregular expenditure The electronic tender management and contract management system will be rolled out during the next coming months to enable users to manage contracts more efficiently and effectively.

T 5.12.1

## 5.12. SUPPLY CHAIN MANAGEMENT

Buffalo City Metropolitan Municipality (BCMM) endeavours to make procurement information accessible to suppliers, with the purpose of enhancing planning, accountability and oversight. The City's SCM system is premised on section 217 of the South African Constitution which must be, fair equitable, transparent, competitive and cost effective.
The BCMM's supply chain management policy is reviewed annually as prescribed by section 3 of the MFMA and during the year under review the SCM policy was reviewed and approved by Council in May 2018.
Buffalo City Municipality's SCM function comprises of the following critical components:

- Demand Management and Supplier Development Section
- Acquisitions Section (Buying and contracts)
- Logistics, Warehouse and Disposal Sections
- Risk and Compliance Management Section and
- Contracts Performance Management Section

The Bid Committees have been restructured to ensure the effective and efficient operations. All members of new bid committees have been taken through formal training to improve efficiency in undertaking the committee work.

## 5.13. GRAP COMPLIANCE

GRAP is an acronym for Generally Recognized Accounting Practice. GRAP provides the regulations and guidelines which municipalities are required to maintain their financial accounts.

The City currently complies with all provisions of GRAP. The financial statements have been prepared using an accrual accounting bases and are in accordance with historical cost convention, unless otherwise specified.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB). This has occurred in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

***T 5.13.1***



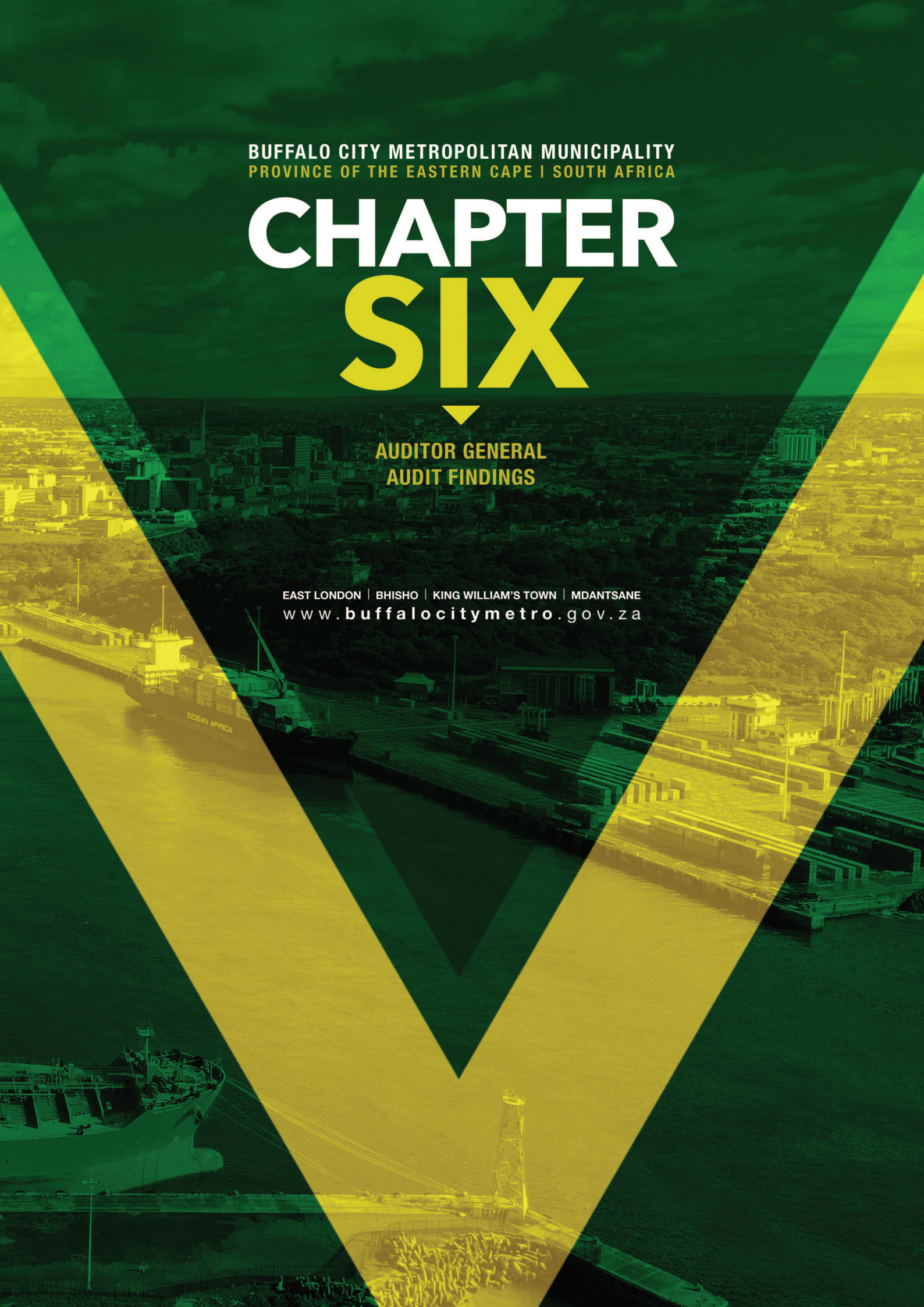


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER SIX

## AUDITOR GENERAL AUDIT FINDINGS

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# CHAPTER 6
# AUDITOR GENERAL AUDIT FINDINGS

## INTRODUCTION

The Annual Financial Statements were prepared and presented to the Auditor General by 31 August 2019 in compliance with the legislative requirements detailed in section 126(1)(a) of the Municipal

Finance Management Act, No 56 of 2003. The audit was completed by the Auditor General with the audit opinion being signed on 13 January 2020.

T 6.0.1




vodacom

# COMPONENT A:
# AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017/2018

## 6.1.
## AUDITOR GENERAL REPORTS 2017/2018 (PREVIOUS YEAR)

### AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2017/2018*

| **Status of audit report:** | **Qualified** |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| The consolidated and separate financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, current liabilities and expenditure identified by the auditors in the submitted consolidated and separate financial statements were subsequently corrected, resulting in the consolidated and separate financial statements receiving a qualified audit opinion. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| The performance management system and related controls were inadequate as the processes of planning, measurement and reporting were not conducted and managed as intended, as required by municipal planning and performance management regulation 7(1). | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| An effective system of internal control for receivables and revenue was not in place as required by section 64(2)(f) of the MFMA, as significant internal control deficiencies were identified in the billing system of the Municipality. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act 5 of 2000. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review |
| Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, as required by SCM Regulation 46(2)l. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |

| Status of audit report: | Qualified |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| Awards were made to providers who were in the service of other state institutions in contravention of MFMA 112(j) and SCM Regulation 44. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| An effective system of internal control for assets was not in place as required by section 63(2)I of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Reasonable steps were not taken to prevent unauthorised expenditure of R160,4 million, as disclosed in note 59 to the consolidated and separate annual financial statements in contravention of section 62(1)(d) of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Effective steps were not taken to prevent irregular expenditure of R213,3 million, as disclosed in note 61 to the consolidated and separate Annual Financial Statements as required by section 62(1)(d) of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Monies owed by the municipality were not always paid within 30 days, as required by section 65(2)I of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure as required by section 32(2)(b) of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |

T 6.1.1

# AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE: 2017/2018*

| **Status of audit report**:** | **No audit opinion expressed** |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| The reported achievements for certain indicators were misstated as the evidence provided did not agree to the achievements reported | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| The Auditor General was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the target Number of waste cells constructed as reported in the annual performance report. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| A comparison per indicator between the performance of the year under review and previous year was not included for any of the indicators in the annual performance report. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| The achievement for the targeted number of formal dwellings (RDP) provided with a basic electricity reported in the annual performance report did not agree to the reported achievement. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| The Auditor General was unable to obtain sufficient appropriate audit evidence for the reported achievement of certain indicators as reported achievements were not supported by sufficient audit evidence. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |

T 6.1.2

# AUDIT ACTION PLAN ON SERVICE DELIVERY FOR 2017/2018

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| Section 122 (1)(a) of the MFMA on the preparation of financial statements requires that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.<br><br>In terms of section 62(1)(c)(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.<br><br>The accounting officer of a municipality must submit to the AGSA such information, returns, documents, explanations and motivations as may be prescribed or as may be required in terms of Section 74(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).<br><br>A performance management system is required to be established in terms of section 38(a) of the MSA and municipal planning and performance management regulation 8.<br><br>Chapter 4 of the Framework for Managing Programme Performance Information (FMPPI) states that performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action. | The Roads branch will ensure that the supporting documentation is properly referenced and attached in a sequence that makes it easy to track supporting documentation in relation to the reported achievements. These will be signed off by the Delegated Managers. | The document will indexed with page numbers in order to allow assessors to be able to easily refer to different parts of the document such as the quarterly report, the district reports and the supporting documentation. | Move towards an electronic system whereby documents can be scanned and submitted electronically in folders and referenced correctly. This will enable easy distribution of the information and allow assessor to check the information more easily. |

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| Section 122 (1)(a) of the MFMA on the preparation of financial statements requires that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.<br><br>In terms of section 62(1)(c)(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.<br><br>The accounting officer of a municipality must submit to the AGSA such information, returns, documents, explanations and motivations as may be prescribed or as may be required in terms of Section 74(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).<br><br>A performance management system is required to be established in terms of section 38(a) of the MSA and municipal planning and performance management regulation 8.<br><br>Chapter 4 of the Framework for Managing Programme Performance Information (FMPPI) states that performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action. | Electricity Department will put in place a process to ensure POE is checked(Project Manager to submitt5 information to Section Manager , Manger to check information and then submit to GM'S office for final check before submission) | | |

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| Section 122 (1)(a) of the MFMA on the preparation of financial statements requires that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.<br><br>In terms of section 62(1)(c)(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.<br><br>The accounting officer of a municipality must submit to the AGSA such information, returns, documents, explanations and motivations as may be prescribed or as may be required in terms of Section 74(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).<br><br>A performance management system is required to be established in terms of section 38(a) of the MSA and municipal planning and performance management regulation 8.<br><br>Chapter 4 of the Framework for Managing Programme Performance Information (FMPPI) states that performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action. | 0 | Electricity Department will put in place a process to ensure POE is checked (Project Manager to submit information to Section Manager , Manger to review information and then submit to GM who will authorize before submission) | |

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| Section 122 (1)(a) of the MFMA on the preparation of financial statements requires that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.<br><br>In terms of section 62(1)(c)(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.<br><br>The accounting officer of a municipality must submit to the AGSA such information, returns, documents, explanations and motivations as may be prescribed or as may be required in terms of Section 74(1)of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).<br><br>A performance management system is required to be established in terms of section 38(a) of the MSA and municipal planning and performance management regulation 8.<br><br>Chapter 4 of the Framework for Managing Programme Performance Information (FMPPI) states that performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action. | Cross checking of information will be implemented to ensure information is submitted fully | N/A | N/A |

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| Section 122 (1) (a) and (b) of the MFMA relating to the preparation of financial statements requires that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year and disclose the information required in terms of sections 123, 124 and 125. | Reconciliation will be submitted to Finance on monthly basis. A Standard Operating Procedure will be developed to improve controls and provide for checks and balances on both Infrastructure and Finance side. | 0 | Appointment of Senior Financial Officer within the Project Implementation Unit (PIU) |
| In terms of section 62(1)I(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.<br><br>The accounting officer of a municipality must submit to the AGSA such information, returns, documents, explanations and motivations as may be prescribed or as may be required in terms of Section 74(1)of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).<br><br>A performance management system is required to be established in terms of section 38(a) of the MSA and municipal planning and performance management regulation 8.<br><br>Chapter 4 of the Framework for Managing Programme Performance Information (FMPPI) states that performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action. | The Roads branch will ensure that the supporting documentation is properly referenced and attached in a sequence that makes it easy to track supporting documentation in relation to the reported achievements | The document will indexed with page numbers in order to allow assessors to be able to easily refer to different parts of the document such as the quarterly report, the district reports and the supporting documentation. | Move towards an electronic system whereby documents can be scanned and submitted electronically in folders and referenced correctly. This will enable easy distribution of the information and allow assessor to check the information more easily. |

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| Section 122 (1)(a) of the MFMA on the preparation of financial statements requires that every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.<br><br>In terms of section 62(1)(c)(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.<br><br>The accounting officer of a municipality must submit to the AGSA such information, returns, documents, explanations and motivations as may be prescribed or as may be required in terms of Section 74(1)of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).<br><br>A performance management system is required to be established in terms of section 38(a) of the MSA and municipal planning and performance management regulation 8.<br><br>Chapter 4 of the Framework for Managing Programme Performance Information (FMPPI) states that performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action. | Electricity Department will put in place a process to ensure POE is checked(Project Manager to submitt5 information to Section Manager , Manger to check information and then submit to GM'S office for final check before submission) | | |

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| Section 62(1)I(i)of the MFMA states that the accounting officer of the municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.<br><br>According to section 125(2)(d)(i) of the MFMA the notes to the annual financial statements of a municipality or municipal entity must disclose particulars of any material losses and any material irregular or fruitless and wasteful expenditures, including in the case of a municipality, any material unauthorised expenditure, that occurred during the financial year, and whether these are recoverable;.<br><br>MFMA circular no. 71 states that the purpose of the electricity distribution losses ratio is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.<br><br>**Formula:**<br>(Number of Electricity Units Purchased and / or Generated<br><br>– Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100<br><br>**Norm:**<br><br>The Norm is between 7% and 10% and will be superseded by the sector determination. Interpretation of Results | Implement water conservation and demand management projects (i.e Pipe replacement programme, meter replacement, installation of bulk meters, community awareness campaigns etc.) and reduce the physical water losses by 1300 Megaliters by June 2018. | Reduce distribution water losses to less than 30% by the 2019/2020 financial year. Investigate the feasibility of implementing smart water metering. Appoint a professional service provider to review and monitor the implementation of the water conservation and management strategy. | Implement the smart metering programme and contain the distribution water losses to less than 30% |

| Audit Finding | Short term intervention | Medium term intervention | Long-term intervention |
|---|---|---|---|
| A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.<br><br>MFMA circular no. 71 states that the water losses ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.<br><br>**Formula:**<br><br>(Number of Kilolitres Water Purchased or Purified – Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100<br><br>**Norm:**<br><br>The Norm is between 15% and 30%<br><br>**Interpretation of Results:**<br><br>A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed. | Implement water conservation and demand management projects (i.e Pipe replacement programme, meter replacement, installation of bulk meters, community awareness campaigns etc.) and reduce the physical water losses by 1300 Megaliters by June 2018. | Reduce distribution water losses to less than 30% by the 2019/2020 financial year. Investigate the feasibility of implementing smart water metering. Appoint a professional service provider to review and monitor the implementation of the water conservation and management strategy. | Implement the smart metering programme and contain the distribution water losses to less than 30% |

T 6.1.3

# COMPONENT B:
# AUDITOR-GENERAL OPINION 2018/2019 (CURRENT YEAR)

## 6.2.
## AUDITOR GENERAL REPORT 2018/2019

### AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2018/2019*

| **Status of audit report:** | **Qualified** |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non- current assets, non-current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| The performance management system and related controls were inadequate as the described processes of planning, measurement and reporting were not conducted and managed, as required by municipal planning and performance management regulation 7(1). | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Some of the goods and services with a transaction value of above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). This non-compliance was identified in the procurement processes for the key projects of bulk water supply to coastal areas, Stoneydrift to Stafford 132KV lines and Qumza highway | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |

| Status of audit report: | Qualified |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA) and its regulations. Similar non- compliance was reported in the prior year | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the PPPFA and the preferential procurement regulations. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Some of the bid documentation for the procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 8(2) and 8(5) of 2017. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Awards were made to providers who were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1). | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |

| Status of audit report: | Qualified |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| Some of the construction contracts were awarded to contractors that were not registered with the CIDB and did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A). | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Reasonable steps were not taken to prevent unauthorised expenditure amounting to R43 million, as disclosed in note 50 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was as a result of exceeding the budget on non-cash items. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Reasonable steps were not taken to prevent irregular expenditure, amounting to R132,5million in note 52 of the financial statements, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the irregular expenditure was as a result of non-compliance arising from transgressions of the SCM Regulations. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R12,4 million, as disclosed in note 51 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was as a result of interest and penalties incurred. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Capital projects where the related contract is an annual contract have not been included in the commitment registers resulting in an understatement of commitments. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| All irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Sufficient appropriate audit evidence could not be provided that investigations were undertaken into allegations of financial misconduct laid against municipal officials, as required by section 171(4)(a) of the MFMA.<br><br>Sufficient appropriate audit evidence could not be provided to confirm that allegations of fraud and the uttering of a forged document that exceeded R100 000 were reported to the South African Police Service, as required by section 34(1) of the Prevention and Combating of Corrupt Activities Act of South Africa, 2004 (Act No. 12 of 2004). | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non- compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |

**T 6.2.1**

# AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE: 2018/2019*

| **Status of audit report**:** | **No audit opinion expressed** |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| Material findings were raised on the following indicators and targets:<br><br>• Number of dwellings provided with connections to the mains electricity supply by the municipality.<br>• Number of weekdays scheduled municipal bus passenger trips.<br>• Km of gravel Roads upgraded to Surfaced Standard.<br>• Number of high sites with long term evolution network.<br>• Length of non-motorised transport paths built (km)<br>• Percentage of planned maintenance performed.<br>• Percentage of unsurfaced road graded.<br>• Number of weekdays scheduled municipal bus passenger trips.<br>• Number of Public Wi-Fi hotspots established for BCMM citizens.<br>• Km of gravel Roads upgraded to Surfaced Standard.<br>• Number of high sites with long term evolution network.<br>• Number of new sewer connections meeting minimum standards.<br>• Average number of days taken to process building plan applications for approval (<500m2).<br>• Average number of days taken to process building plan applications for approval (>500m2).<br>• Number of subsidised housing units completed.<br>• Percentage of households with access to basic level of sanitation.<br>• Number of formal sites serviced.<br>• Percentage of the municipality's operating budget spent on the basic services to indigent households.<br>• Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll.<br>• Free basic electricity provision levels as per percentage of total residential electricity provision (in terms of MWh).<br>• Percentage of the municipality's capital budget spent on capital projects identified in the IDP.<br>• Number of smart meters installed -Business debtors.<br>• Number of smart meters installed -Residential debtors. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |

| Status of audit report**: | No audit opinion expressed |
|---|---|
| **Non-Compliance Issues** | **Remedial Action Taken** |
| Disagreement misstatements between reported achievement and audit value arose among the following indicators:<br><br>• Staff vacancy rate<br>• Number of smart meters installed -Residential debtors<br>• % of the municipality's capital budget spent on capital projects identified in the IDP.<br>• Percentage of ward committees with 6 or more ward committee members (excluding ward councillors)<br>• Electricity losses | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| Limitation misstatements arose for the following indicators:<br><br>• Percentage of the municipality's operating budget spent on the basic services to indigent households.<br>• Percentage of complaints/ call outs responded to within 24 hours (sanitation/wastewater).<br>• Percentage of complaints/ call outs responded to within 24 hours (water).<br>• Percentage of industries with trade effluent inspected for compliance.<br>• Percentage of waste water safely treated.<br>• Percentage of the municipality's budget actual spent on implementing its workplace plan.<br>• Percentage Compliance of water treatment works with SANS 241 requirements.<br>• Number of kilo-litres reduced (physical water losses in terms of system losses). | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review. |
| The Auditor General was unable to obtain sufficient appropriate audit evidence to support measures as reported in the annual performance report. | An Audit Improvement Plan has been prepared detailing the audit findings together with the required corrective action to be taken. A committee has been created that has been tasked with undertaking oversight of the actions to rectify non-compliance related issues. The AIP will be submitted to Internal Audit on a quarterly basis for review.<br><br>*T 6.2.2* |

# AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2018/2019

**T 6.2.3**


FINANCIAL
SAVINGS GOAL
SAVINGS CALCULATOR
RESULTS



AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

# BUFFALO CITY METROPOLITAN MUNICIPALITY
# AUDIT REPORT

## FOR THE YEAR ENDED 30 JUNE 2019

# REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE BUFFALO CITY METROPOLITAN MUNICIPALITY AND ITS MUNICIPAL ENTITY

## REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCFAL STATEMENTS

### QUALIFIED OPINION

1. I have audited the consolidated and separate financial statements of the Buffalo City Metropolitan Municipality and Its municipal entity (group) set out on pages ... to ..., which comprise the consolidated and separate statement of financial pos lion as at 30 June 2019, the consolidated and separate statement or financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes lo the consolidated and separate financial statements, Including a summary of significant accounting policies

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report. the consolidated and separate financial statements present fairly, In all material respects, the consolidated and separate financial poslllon of lhe group as at 30 June 2019, and it's financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No, 56 or 2003) {MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018) (Dora).

### BASIS FOR QUALIFIED OPINION

**Irregular expenditure**

3. The municipality did not fully record irregular expenditure In the notes lo the consolidated and separate financial statements, as required by section 125(2){d} of the MFMA. This was due to the expenditure Incurred in contravention of the supply chain management (SCM) requirements not being detected and appropriately disclosed In the consolidated and separate financial statements Consequently, I was unable to determine the full extent of the Irregular expenditure stated at R2,8 billion in note 57 lo the consolidated and separate financial statements as It was Impracticable to do so.

**Commitments**

4. The municipality did not recognise all commitments as required by GRAP 17, Property, plant and equipment due to Inadequate systems and processes lo record this disclosure. I was unable to determine the full extent of the misstatement as it was impractical to do so. Consequently, authorised capital expenditure Included In commitments stated al R591,8 million in note 48 to the consolidated and separate financial statements was materially misstated by an unquantifiable amount.

### CONTEXT FOR THE OPINION

5. I conducted my audit in accordance with the Intemational Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.

6. I am independenl of the group in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and parts 1 and 3 of the Intemalional Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including Intemational Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant lo my audit In South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

7. I believe that the audit evidence I have obtained is sufficient and appropriate lo provide a basis for my qualified opinion.

## EMPHASIS OF MATTERS

8. I draw attention to the mailers below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

9. As disclosed in note 51 to the consolidated and separate financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors Identified In the consolidated end separate financial statements of the group at, and for the year ended, 30 June 2019.

### Material losses end Impairments

10. As disclosed in notes 12 end 14 to the consolidated and separate financial statements, material impairment allowances of R443,4 million (2017-18: R402.4 milrion) and R788,5 million (2017- 18: R699,5 million) were made against receivables from non-exchange and exchange transactions respectively.

11. As disclosed in note 61.1 to the consolidated and separate financial statements, material electrlclty losses of R302,1 million (2017-18: R236,5 million) were incurred, which represent 21,7% (2017-18: 16,1%) of the total electricity purchased. Non-technical losses amounted to 15,9% of the total electricity losses and were as a result of theft, faults end billing errors.

12. As disclosed In note 61 2 lo the consolidated and separate financial statements, material water losses of R158,2 million (2017-18: R140,3 million) were incurred, which represent 46,1% (2017- 18: 43,7%) of the total water purchased. Non-technical losses amounted lo 19,5% of the total water losses end were due to poorly maintained water infrastructure.

## OTHER MATTER

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Unaudited disclosure note

14. In terms or section 125(2)(e) of the MFMA. the municfpallly and its municipal entity are required lo disclose particulars of non•compliance with this legislation , This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion thereon.

## RESPONSLBLLLTLES OFTHE ACCOUNTING OFFICER FOR THE CONSOLFDATED AND SEPARATE FINANCIAL STATEMENTS

15. The accounting officer is responsible for the preparation and fair presentation or the consolidated and separate financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such Internal control as the accounting officer determines is necessary to enable the preparation of consol dated and separate financial statements that are free from material misstatement, whether due to fraud or error,

16. In preparing the consolidated and separate financial statements, the accounting officer Is responsible for assessing lhe group's ability to continue as a going concern, disclosing, as applicable, matters relating lo going concern and using lhe going concern basis of accounting unless the appropriate governance structure either inlands lo liquidate the group or to cease operations, or has no realistic alternative but to do so,

## AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCLAL STATEMENTS

17. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due lo fraud or error, and to issue an auditor's report that Includes my opinion, Reasonable assurance Is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when II exists. Misstatements can arise from fraud or error and are considered material if, Individually or in aggregate, they could reasonably be expected lo influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

18. A further description of my responsibilities for the audit of the consolidated and separate financial statements is Included In the annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### INTRODUCTION AND SCOPE

19. In accordance with the Public Audit Act of South Afnca, 2004 (Act No 25 of 2004) (PAA) and the general notice issued in terms thereof, I have e responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report. I performed procedures lo Identify findings but not to gather evidence lo express assurance.

20. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance Indicators included in the planning documents My procedures also did not extend lo any disclosures or assertions relating lo planned performance strategies and information in respect of future periods that may be Included as part of the reported performance information. Accordingly, my findings do not extend lo these matters.

21. I evaluated the usefulness and reliability of the reported performance information In accordance with the criteria developed from the performance management and reporting framework, as defined In the general notice, for the following selected strategic objectives presented in the annual performance report of the municipality for the year ended 30 June 2019:

| Strategic Objectives,lactfvas | Pages in the Annual Performance Report |
|---|---|
| A connected city | x - x |
| A spatially lransformed city | x - x |
| A well governed city | x - x |

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the Indicators end related targets were measurable end relevant, end assessed the reliability of the reported performance Information to determine whether It was valid, accurate and complete.

23. The material findings in respect of the usefulness and reliability of the selected strategic objectives are as follows:

### A CONNECTED CITY

**Various Indicators**

24. I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against targets. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable lo determine whether any adjustments were required to the reported measures taken to improve performance for the Indicators listed below.

- Number of dwellings provided with connections to lhe mains electricity supply by the municipality
- Number of weekdays scheduled municipal bus passenger trips
- Km of gravel Roads upgraded to Surfaced Standard
- Number of high sites with long term evolution network

25. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report. This was due lo a lack of proper performance management systems and processes, formal standard operating procedures or documented system descriptions that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the Indicator by alternative means. Consequently, I was unable lo determine whether any adjustments were required to the reported achievement reported in the annual performance report for the Indicators listed below

- Length of non-motorised transport paths built (km)
- Percentage of planned maintenance performed
- Percentage of unsurfaced road graded
- Number or weekdays scheduled municipal bus passenger trips
- Number of Public WI-Fl hotspots established for BCMM citizens
- Km of gravel Roads upgraded to Surfaced Standard
- Number of high sites with long term evolution network

## A SPATIALLY TRANSFORMED CITY

**Various Indicators**

26. I was unable to obtain sufficient appropriate audit evidence for the reported achievements In the annual performance report. This was due to a lack of proper performance management systems and processes, formal standard operating procedures or documented system descriptions that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the Indicator by alternative means . Consequently, I was unable to determine whether any adjustments were required lo the reported achievement reported In the annual performance report ror the Indicators listed below.

    - Number of new sewer connections meeting minimum standards
    - Average number of days taken to process building plan appllcatlons for approval (<500m2)
    - Average number of days taken to process building plan applications for approval (>500m2)
    - Number of subsidised housing units completed Percentage of households with access lo basic level of sanitation
    - Number or formal sites serviced

## A WELL GOVERNED CITY

**Various indicators**

27. I was unable to obtain sufficient appropriate audit evidence to support the measures taken to Improve performance against targets. This was due to limitations placed on the scope of my WOfk. I was unable lo confirm the reported measures taken by alternative means Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to Improve performance for the indicators listed below.

    - Percentage of the munictpality's operating budget spent on the basic services to indigent house holds
    - Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll
    - Free basic electricity provision levels as per percentage of total residential electricity provision {in terms of MWh)
    - Percentage of the municipality's capital budget spent on capital projects Identified lo the IDP Number of smart meters Instaned -Business debtors
    - Number of smar1 meters installed -Residenlial debtors

28. The repor1ed achievement In the aMual performance repor1 did not agree to the supporting evidence provided for the Indicators listed below. The supporting evidence provided indicated that the achievemenls or these indicators wenr as follows:

| Indicator description | Reported Achievement | Audited value |
|---|---|---|
| Staff vacancy rate | 5,9% | 6,6% |
| Number of smart meters In-stalled -Residential debtors | 4 380 | 4 880 |
| % of lhe municipality's capital budget spenl on capital projects Identified in the IDP. | 75% | 84% |
| Percenlage of ward com-mittees with 6 or more ward committee members (excluding ward council-lors) | 100% | 89% |
| Electricity losses | 11% | 22,2% |

29. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance repor1. This was due to a lack of proper performance management systems and processes, formal standard operallng procedures or documented system descriptions that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement reported in Iha annual performance report for the indicators listed below.
Percentage of the municipality's operating budget spent on the basic services to Indigent households

- Percentage of complaints/ call outs responded to within 24 hours {sanitation/wastewater)
- Percentage of complaints/ call outs responded to within 24 hours (water) Percentage of industries with trade effluent inspected for compliance
- Percentage of wasle water safely treated
- Percenlage of Iha municipality's budget actual spent on implementing Its workpiece plan
- Percentage compliance of waler treatment works with SANS 241 requirements
- Number of kilo-litres reduced (physical water losses In terms of system losses)

## OLHER MATTERS

30. I draw attention to the matters below

### Achievement of planned targets

31. The annual performance report on pages .. to ... includes Information on the achievement of planned targets for the year This information should be considered In the context of the material findings on the usefulness and rellab, il ty of the reported performance information in paragraphs 24 to 29 of this report

### Adjustment of material misstatements

32. I Identified material misstatements In the annual performance report submitted for auditing. These material misstatements were on the reported performance information for the strategic objective: a connected city. As management subsequently corrected only some of the misstatements , I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

# REPORT ON THE AUDIT OF COMPLIANCE WITH LEGLSLATLON

## INTRODUCTION AND SCOPE

33. In accordance with the PM and the general notice Issued In terms thereof, I have a responsibilily to report material findings on the compliance of the municipality with specific matters In key legislation I performed procedures to >dentify findings but not to gather evidence to express assurance

34. The material findings on compliance with specific matters In key legislation are as follows

### Annual financial statements

35. The annual financial statements submitted for auditing were not prepared In all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, non-current liabltllles, revenue, expenditure and disclosure items Identified by the audlton; In the submitted annual fmanclal statements were subsequently corrected and the supporting records provided , but the uncorrected material misstatements and supporting records that could not be provided resulted In the annual financial i;tatements receiving a qualified audit opinion.

### Strategic planning and performance management

36. The performance management system and related controls were inadequate as the described processes of planning, measurement and reporting were not conducted and managed, as required by municipal planning and performance management regulation 7(1).

### Revenue management

37. An effective syi;tem of Internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA

38. Interest was not charged on all accounts in arrears, as required by section 64(2}(g) of the MFMA

**Procurement and contract management**

39. Some of the goods and services with a transaction value of above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). This non-compliance was idenlifred in the procurement processes for the key projects of bulk water supply to coastal areas, Stoneydrift to Stafford 132KV lines and Oumza highway.

40. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).

41. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential ProcU1'81Tlent Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000} (PPPFA) and its regulations. Similar non-compliance was reported in the prior year.

42. Some of the contracts and quotations were awarded to bidders that did not score the highest points In the evaluation process, as required by section 2(1)(I) of the PPPFA and the preferential procurement regulations

43. Some of the bid documentation for the procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 8(2) and 8(5} of 2017.

44. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

**Expenditure management**

45. Reasonable steps were not taken to prevent irregular ell:pendlture, as required by section 62(1)(d) of the MFMA. The full extent of the Irregular expenditure could not be quantified BS indicated in the basis for qualification paragraph The majority of the irregular ell:pendlture was BS a result of non-comphance arising from transgressions of the SCM regulations.

46. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R12,4 million disclosed In note 56 to annual financial statements of the munlcipaHly, as required by section 62(1)(d) of the MFMA The majority of the disclosed fruitless and wasteful expenditure was as a result of interest and penalties incurred.

47. Reasonable steps were not taken to prevent unauthorised expenditure of R43 minion disclosed in note 55 to the annual financial statements of the municipality, as required by section 62(1)(d) of the MFMA The majority of the unauthorised expenditure was as a result of exceeding the budget on non-cash items

**Consequence management**

48. All irregular and fruitless and wasteful expenditure incurred by the municlpellty was not investigated to determine if any person Is liable for the expenditure, as required by section 32(2)(b} of the MFMA.

49. Sufficient appropriate eudil evidence could not be provided to confirm that allegations of fraud and the uttering of a forged document that exceeded R100 000 were reported to the South African Police Service, as required by seclloo 34(1) of the Prevention and Combating of Corrupt Activities Act of South Africa, 2004 (Act No. 12 of 2004}

50. Sufficient appropriate audit evidence could not be provided that investigations were undertaken into allegations of financial misconduct laid against municipal officials , as required by section 171(4Xa) of the MFMA.

## OTHER INFORMATION

51. The accounting officer is responsible for the other information. The other information comprises the Information included In the annual report, The other Information does not include Iha consolidated and separate financial statements, the auditor's report and those selected strategic objectives presented In the annual performance report that have been specifically reported on In this auditor's report.

52. My opinion on the consolidated and separate financial statements and findings on the reported performance Infonnalion end compUance with legislation do not cover the other Information and I do not expl'ess an audit opinion or any form of assurance conclusion thereon.

53. In connection with my audit, my responsibility Is lo read the other infonnalion and, In doing so, consider whether the other information is materially Inconsistent with the consolidated and separate financial slalements and Iha selected strategic objectives presented in the annual performance report, or my knowledge obtained In the audit. or otherwise appears to be materially misstated,

54. I did not receive the other Information prior to the dale of this report When I do receive and read this information, end ir I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected If the other Information Is not corrected, I may have to retract this auditor's report and re-Issue an amended report as appropriate However, If it is corrected this will nol be necessary.

## INTERNAL CONTROL DEFICIENCIES

55. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance inforrnatioo and compllence with applicable legislation however, my objective was not to express eny form of assurance on 1I. The matters reported below are limited to the significant Internal control deficiencies that resulted In the basis for the qualified opinion, the findings on lhe performance report and the findings on compliance with leglslation Included in this report

56. Leadership did not adequately oversee financial and performance reporting and compliance with legislation In this regard, leadership did not appropriately monitor the Implementation of policies and procedures to supporl the achievement of credible reporting and compliance with legislative requirements

57. Management did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable Information, as material misstatements were identified in the consolidated and separate financial statements and material findings were raised on the annual performance report. This was due to a lack of Integrated systems to account for and report on financial and performance management.

58. Management's review and monitoring processes over compHance were not effective to ensure compliance with legislative requirements.

## OTHER REPORTS

59. I draw attention to the following engagements conducted by various parties that had, or could have, an Impact on the matters reported In the consolidated and separate financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance Information or comp ence with legislation.

**Investigations**

60. Eight investigations were conducted by various parties during the year under review relating to SCM 1rregularilies and financial misconduct. of which one was finalised. The munlcipality is currently addressing the recommendations from the completed Investigation.

AUDITOR-GENERAL SOUTH AFRICA

*Auditing to build public confidence*

AUDITOR-GENERAL

East London
13 January 2020

# ANNEXURE - **AUDITOR GENERAL'S RESPONSIBILITY** FOR THE AUDIT

As part of an audit In accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements, and the procedures performed on reponed performance information for selected strategic objectives and on the group's compliance with respect to the selected subject matters.

## CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2. In addition lo my responsibility for the audit of the consolidated and separate financial statements as described ,n this auditor 's report I also.
   - identify and assess the risks of material misstatement of the consolidated and separate financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that Is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud Is higher than for one resultlng from error, as fraud may involve collusion, forgery, Intentional omissions, misrepresentations, or the override of Internal control
   - obtain an understanding of Internal control relevant to the audit In order to design audit procedures that are appropriate In the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the groups internal control
   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the consolidated and separate flrlSncial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainly exists related lo events or conditions that may cast significant doubt on the group's ability to continue as a going concern If I conclude that a material uncertainty exlsts, I em required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures ere Inadequate, to modify the opinion on the consolidated and separate financial statements My conclusions are based on the Information available lo me at the date of this auditor's report. However, future events or conditions may cause a group to cease continuing as a going concern

     evaluate the overall presentation, structure and content of the consolidated and separate financial statements, Including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events In a manner !hat achieves fair presentation
   - obtain sufficient appropriate audit evidence regarding !he financial Information of the entity within the group to express an opinion on the consolidated financial statements I am responsible for the direction, supervision and performance of lhe group audit. I remain solely responsible for my audit opinion

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other mailers, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I Identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

# COMMENTS **ON AUDITOR-GENERAL'S OPINION** 2018/2019:

The Auditor General has issued a qualified audit opinion on the Annual Financial Statements for the year ended 30 June 2019. Except for matters raised in the qualification paragraph, the Annual Financial Statements present fairly, in all material respects, the consolidated and separate financial position of the Buffalo City Metropolitan Municipality.

The municipality is pleased to report that all prior year material misstatements were cleared during the 2018/2019 audit period. Buffalo City Metropolitan Municipality does however take cognisance of the recent Audit Report issued by the Auditor General with specific reference to irregular expenditure and commitments.

Irregular expenditure refers to money that was not spent in the manner prescribed by law and does not equate to money that has been misappropriated. Examples of irregular expenditure include:

- Non- compliance with legislation;
- Non-compliance with delegations of authority;
- Miscalculation of preferential points system;
- Procuring without inviting competitive bids.

The irregular expenditure findings, during the 2018/2019 audit, arose not necessarily out of negligence, but rather due to technical errors under the normal operating activities of the institution.

Similarly, findings on commitments arose as a result of technical operational issues and not as a matter of negligence.

There is disagreement, between the Auditor General and the municipality, with respect to the use of annual contracts on asset additions. In the procurement processes of

annual contracts, management has fully complied with all the procurement processes outlined in section 12(1)d of the SCM regulations and BCMM SCM Policy section 12(1)d.

The qualification on the disagreement will therefore remain as long as the disagreement exists and the finding is not resolved.

Despite these challenges, the municipality is confident that appropriate solutions are currently being implemented through the 2019/2020 Audit Improvement Plan. The concerns raised by the Auditor General are being addressed in order to achieve sound financial management, commitment to clean governance and the attainment of a clean audit.

T 6.2.4

# COMMENTS ON **MFMA SECTION 71 RESPONSIBILITIES**

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)

.....

Dated

T.6.2.5.



BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# VOLUME II:
# BUFFALO CITY METROPOLITAN MUNICIPALITY
# ANNUAL FINANCIAL STATEMENTS 2018/2019 FINANCIAL YEAR

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# VOLUME II:
# BUFFALO CITY METROPOLITAN MUNICIPALITY
# ANNUAL FINANCIAL STATEMENTS 2018/2019
# FINANCIAL YEAR

**BUFFALO CITY METROPOLITAN MUNICIPALITY**

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

I am responsible for the preparation of these Annual Financial Statements which are set out herewith, in terms of Section126(1) of the Municipal Finance Management Act (56 of 2003) and which I have signed on behalf of the Metropolitan Municipalily.

I certify that the salaries, allowances and benefits of Councillors are disclosed within these Annual Financial Statements and are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act (20 of 1998) and the Minister for Corporate Governance and Traditional Affairs determination in accordance with this Act except where identified as irregular expenditure in the Annual Financial Statements.

**Mr. A. Sihlahla - City Manager** **Date**

# GENERAL **INFORMATION**

| | |
|---|---|
| **Legal form of Entity** | Municipality |
| **Nature of business and principal activities** | Local Government |
| **Jurisdiction** | The demarcation board has determined that Buffalo City Metropolitan Municipality (BUF) includes the towns of East London, Bisho, King William's Town, Berlin as well as the townships of Mdantsane, Gompo, Zwelitsha, Dimbaza, Phakamisa, Ndevana, Ilitha, Ginsberg and the surrounding rural areas. |
| **Grading of local authority** | Grade 6 Municipality |
| **City Manager / Accounting Officer** | Mr. A. Sihlahla |
| **Chief Financial Officer** | Mr. N. Sigcau |
| **Business address** | Trust Centre<br>Oxford Street<br>East London<br>5201 |
| **Postal address** | PO Box 134<br>East London<br>5200 |
| **Bankers** | Standard Bank |
| **Auditors** | Auditor General of South Africa |
| **Members of Audit Committee** | Ms. R. Shaw (Chairperson) - appointment 03 July 2017<br>Ms. Y. Roboji (Member) - appointment 03 July 2017<br>Mr. P. Ntuli (Member) - - appointment 03 July 2017<br>Mr. S. Sokutu (Member) - - appointment 03 July 2017<br>Ms. P. Mzizi (Member) - - appointment 03 July 2017<br>Mr. T. Zororo (Member) - - appointment 03 July 2017 |

## LEGISLATION GOVERNING THE MUNICIPALITY

The Constitution of the Republic of South Africa,1996.

The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)

Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007)

Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)

Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

Division of Revenue Act (Act 1 of 2007)

# INDEX

The reports and statements set out below comprise the audited consolidated annual financial statements presented to the provincial legislature:


| | Page |
|---|---|
| Statement of Financial Position | 3 |
| Statement of Financial Performance | 4 |
| Statement of Changes in Net Assets | 5 |
| Cash Flow Statement | 6 |
| Statement of Comparison of Budget and Actual Amounts Accounting Policies | 8 |
| Notes to the Audited Consolidated Annual Financial Statements | 9 |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Financial Position as at 30 June 2019

| | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|
| Figures in Rand | Note(s) | 2019 | 2018 Restated* | 2019 | 2018 Restated* |
| **Assets** | | | | | |
| Current Assets | | | | | |
| Inventories | 10 | 37 177 518 | 42 789 558 | 37 142 100 | 42 756 503 |
| Receivables from exchange transactions - BCMDA | 11 | 812 054 | 101 763 | – | – |
| Receivables from non-exchange transactions | 12 | 412 450 766 | 244 063 152 | 412 450 766 | 244 179 436 |
| VAT receivable | 13 | 171 155 706 | 110 145 810 | 170 849 380 | 109 939 374 |
| Receivables from exchange transactions | 14 | 973 266 627 | 897 181 229 | 973 266 627 | 897 181 229 |
| Cash and cash equivalents | 15 | 1 171 632 915 | 1 825 496 588 | 1 167 645 512 | 1 825 129 600 |
| | | **2 766 495 586** | **3 119 778 100** | **2 761 354 385** | **3 119 186 142** |
| Non-Current Assets | | | | | |
| Investment property | 3 | 401 546 000 | 392 622 726 | 401 546 000 | 392 622 726 |
| Property, plant and equipment | 4 | 9 744 457 335 | 18 227 831 377 | 19 744 149 699 | 18 227 480 486 |
| Intangible assets | 5 | 19 903 241 | 23 863 353 | 18 103 059 | 22 642 433 |
| Heritage assets | 6 | 50 513 440 | 49 779 875 | 50 513 440 | 49 779 875 |
| Investments in associates | 7 | 597 392 286 | 567 924 996 | 597 392 286 | 567 924 996 |
| Deferred tax | 8 | – | 602 051 | – | – |
| | | **20 813 812 302** | **19 262 624 378** | **20 811 704 484** | **19 260 450 516** |
| **Total Assets** | | **23 580 307 888** | **22 382 402 478** | **23 573 058 869** | **22 379 636 658** |
| **Liabilities** | | | | | |
| Current Liabilities | | | | | |
| Borrowings | 18 | 57 973 556 | 52 572 023 | 57 973 556 | 52 572 023 |
| Current tax payable | 46 | 702 236 | 702 236 | – | – |
| Trade payables from exchange transactions | 22 | 1 086 207 575 | 1 096 540 303 | 1 085 009 223 | 1 094 751 890 |
| Consumer deposits | 23 | 64 109 019 | 60 012 613 | 64 109 019 | 60 012 613 |
| Employee benefit obligation | 9 | 49 252 390 | 44 965 933 | 49 252 390 | 44 965 933 |
| Unspent conditional grants and receipts | 17 | 210 610 282 | 245 352 358 | 207 656 749 | 245 343 510 |
| Provisions | 19 | 246 000 151 | 241 499 393 | 244 971 179 | 240 650 571 |
| | | **1 714 855 209** | **1 741 644 859** | **1 708 972 116** | **1 738 296 540** |
| Non-Current Liabilities | | | | | |
| Borrowings | 18 | 287 580 532 | 345 554 088 | 287 580 532 | 345 554 088 |
| Employee benefit obligation | 9 | 679 562 697 | 688 188 698 | 679 562 697 | 688 188 698 |
| Provisions | 19 | 11 158 873 | 10 459 392 | 11 158 873 | 10 459 392 |
| | | **978 302 102** | **1 044 202 178** | **978 302 102** | **1 044 202 178** |
| **Total Liabilities** | | **2 693 157 311** | **2 785 847 037** | **2 687 274 218** | **2 782 498 718** |
| **Net Assets** | | **20 887 150 577** | **19 596 555 441** | **20 885 784 651** | **19 597 137 940** |
| Reserves | | | | | |
| Revaluation reserve | 16 | 9 866 999 401 | 9 046 230 471 | 9 866 999 401 | 9 046 230 471 |
| Accumulated surplus | | 11 020 151 176 | 10 550 324 970 | 11 018 785 250 | 10 550 907 469 |
| **Total Net Assets** | | **20 887 150 577** | **19 596 555 441** | **20 885 784 651** | **19 597 137 940** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Financial Performance

| | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|
| Figures in Rand | Note(s) | 2019 | 2018 Restated* | 2019 | 2018 Restated* |
| **Revenue** | | | | | |
| **Revenue from exchange transactions** | | | | | |
| Service charges | 25 | 2 823 912 532 | 2 576 078 780 | 2 823 912 532 | 2 576 078 780 |
| Rental of facilities and equipment | 26 | 20 704 443 | 20 067 719 | 20 704 443 | 20 067 719 |
| Fees earned - BCMDA | | 619 583 | 123 740 | – | – |
| Other revenue - (exchange) | 27 | 161 944 914 | 151 166 533 | 161 923 399 | 151 137 666 |
| Interest received | 28 | 165 783 829 | 176 012 022 | 165 344 665 | 175 866 976 |
| **Total revenue from exchange transactions** | | **3 172 965 301** | **2 923 448 794** | **3 171 885 039** | **2 923 151 141** |
| Revenue from non-exchange transactions | | | | | |
| Property rates | 29 | 1 295 502 964 | 973 025 312 | 1 295 502 964 | 973 025 312 |
| Licences and Permits (non-exchange) | | 14 300 355 | 14 249 685 | 14 300 355 | 14 249 685 |
| Government grants & subsidies | 31 | 1 919 432 295 1 | 748 157 009 1 | 916 450 673 | 1 746 651 862 |
| Other revenue - (non-exchange) | 32 | 58 326 467 | 57 512 912 | 58 326 467 | 57 512 912 |
| Public contributions and donations - PPE | | 279 066 643 | 3 393 726 | 279 066 643 | 3 393 726 |
| Fines | | 24 938 282 | 23 698 183 | 24 938 282 | 23 698 183 |
| Fuel levy | | 513 844 000 | 467 978 000 | 513 844 000 | 467 978 000 |
| **Total revenue from non-exchange transactions** | | **4 105 411 006 3** | **288 014 827 4** | **102 429 384** | **3 286 509 680** |
| **Total revenue** | 24 | **7 278 376 307 6** | **211 463 621 7** | **274 314 423** | **6 209 660 821** |
| **Expenditure** | | | | | |
| Employee related costs | 33 | (2 049 668 803) | (1 876 853 400) | (2 031 924 267) | (1 861 297 883) |
| Remuneration of councillors | 34 | (63 065 986) | (60 372 732) | (62 315 519) | (59 473 021) |
| Depreciation and amortisation | 36 | (1 296 822 454) | (1 018 294 148) | (1 295 635 453) | (1 017 494 970) |
| Finance costs | 37 | (38 467 001) | (43 959 792) | (38 466 994) | (43 954 780) |
| Debt Impairment | 38 | (373 182 710) | (321 276 963) | (373 182 710) | (321 276 963) |
| Contracted services | 35 | (6 449 136) | (2 937 715) | – | – |
| Bulk purchases | 39 | (1 628 956 804) | (1 552 488 423) | (1 628 956 804) | (1 552 488 423) |
| Repairs and maintenance | 40 | (392 895 827) | (355 902 817) | (392 317 941) | (355 900 493) |
| Grants and subsidies paid | 30 | (47 193 237) | (39 330 255) | (77 040 454) | (59 549 363) |
| General expenses | 41 | (903 293 316) | (781 971 314) | (898 662 253) | (777 837 797) |
| **Total expenditure** | | **(6 799 995 274)** | **(6 053 387 559)** | **(6 798 502 395)** | **(6 049 273 693)** |
| **Operating surplus** | | **478 381 033** | **158 076 062** | **475 812 028** | **160 387 128** |
| Loss on disposal of assets | | (46 324 822) | (21 014 118) | (46 324 822) | (21 014 118) |
| Fair value adjustments | 42 | 8 923 274 | 31 775 077 | 8 923 274 | 31 775 077 |
| Impairment loss | | (18 537) | – | – | – |
| Share of surplus of associate accounted for under the equity method | 7 | 29 467 290 | 33 570 517 | 29 467 290 | 33 570 517 |
| Write off of Intangible assets - BCMDA | | – | (14 316) | – | – |
| | | **(7 952 795)** | **44 317 160** | **(7 934 258)** | **44 331 476** |
| **Surplus before taxation** | | **470 428 238** | **202 393 222** | **467 877 790** | **204 718 604** |
| Taxation | 44 | 602 051 | (538 253) | – | – |
| **Surplus for the year** | | **469 826 187** | **202 931 475** | **467 877 790** | **204 718 604** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Changes in Net Assets

| Figures in Rand | Revaluation reserve | Accumulated surplus | Total net assets |
|---|---|---|---|
| **Economic entity** | | | |
| Opening balance as previously reported Adjustments | 6 925 099 057 | 10 113 472 413 | 17 038 571 470 |
| Prior year adjustments (prior to 2017/18) Refer note 51 | – | 233 921 082 | 233 921 082 |
| **Balance at 01 July 2017 as restated*** | **6 925 099 057** | **10 347 393 495** | **17 272 492 552** |
| Changes in net assets | | | |
| Revaluation | 2 121 131 414 | – | 2 121 131 414 |
| Net income (losses) recognised directly in net assets | 2 121 131 414 | – | 2 121 131 414- |
| Surplus for the year (2017/18 restated) Refer note 51 | – | 202 931 475 | 202 931 475 |
| Total recognised income and expenses for the year | 2 121 131 414 | 202 931 475 | 2 324 062 889 |
| Total changes | 2 121 131 414 | 202 931 475 | 2 324 062 889 |
| **Restated* Balance at 01 July 2018** | **9 046 230 471** | **10 550 324 967** | **19 596 555 438** |
| Changes in net assets | | | |
| Revaluation | 820 768 930 | – | 820 768 930 |
| Net income (losses) recognised directly in net assets | 820 768 930 | – | 820 768 930 |
| Surplus for the year | – | 469 826 209 | 469 826 209 |
| Total recognised income and expenses for the year | 820 768 930 | 469 826 209 | 1 290 595 139 |
| Total changes | 820 768 930 | 469 826 209 | 1 290 595 139 |
| **Balance at 30 June 2019** | **9 866 999 401** | **11 020 151 176** | **20 887 150 577** |
| Note(s) | 16 | 51 | |
| **Controlling entity** | | | |
| Opening balance as previously reported Adjustments | 6 925 099 057 | 10 112 266 908 | 17 037 365 965 |
| Prior year adjustments (prior to 2017/18) Refer note 51 | – | 233 921 955 | 233 921 955 |
| **Balance at 01 July 2017 as restated*** | **6 925 099 057** | **10 346 188 863** | **17 271 287 920** |
| Changes in net assets | | | |
| Revaluation reserve | 2 121 131 414 | – | 2 121 131 414 |
| Net income (losses) recognised directly in net assets | 2 121 131 414 | – | 2 121 131 414 |
| Surplus for the year (2017/18 restated) Refer note 51 | – | 204 718 604 | 204 718 604 |
| Total recognised income and expenses for the year | 2 121 131 414 | 204 718 604 | 2 325 850 018 |
| Total changes | 2 121 131 414 | 204 718 604 | 2 325 850 018 |
| **Restated* Balance at 01 July 2018** | **9 046 230 471** | **10 550 907 460** | **19 597 137 931** |
| Changes in net assets | | | |
| Revaluation | 820 768 930 | – | 820 768 930 |
| Net income (losses) recognised directly in net assets | 820 768 930 | – | 820 768 930 |
| Surplus for the year | – | 467 877 790 | 467 877 790 |
| Total recognised income and expenses for the year | 820 768 930 | 467 877 790 | 1 288 646 720 |
| Total changes | 820 768 930 | 467 877 790 | 1 288 646 720 |
| **Balance at 30 June 2019** | **9 866 999 401** | **11 018 785 250** | **20 885 784 651** |
| Note(s) | 16 | 51 | |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Cash Flow Statement

| | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|
| Figures in Rand | Note(s) | 2019 | 2018 Restated* | 2019 | 2018 Restated* |
| **Cash flows from operating activities** | | | | | |
| **Receipts** | | | | | |
| Sale of goods and services | 60 | 4 564 205 502 | 4 005 545 765 | 4 564 490 869 | 4 007 058 725 |
| Government grants & subsidies | 60 | 1 919 432 295 | 1 748 157 009 | 1 916 450 673 | 1 746 651 862 |
| Interest income | 28 | 165 783 829 | 176 012 022 | 165 344 665 | 175 866 976 |
| | | 6 649 421 626 | 5 929 714 796 | 6 646 286 207 | 5 929 577 563 |
| **Payments** | | | | | |
| Employee costs & Councillors remuneration | 33&34 | (2 112 734 789) | (1 937 226 132) | (2 094 239 786) | (1 920 770 904) |
| Suppliers | 60 | (3 341 722 801) | (2 448 478 612) | (3 362 444 351) | (2 462 171 132) |
| Finance costs | 37 | (38 467 001) | (43 959 792) | (38 466 994) | (43 954 780) |
| | | (5 492 924 591) | (4 429 664 536) | (5 495 151 131) | (4 426 896 816) |
| **Net cash flows used in operating activities** | **45** | **1 156 497 035 1** | **500 050 260 1** | **151 135 076** | **1 502 680 747** |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | 4 | (1 757 702 745) | (1 331 997 006) | (1 757 539 625) | (1 331 898 306) |
| Proceeds from sale of property, plant & equipment | 4 | 2 226 048 | 877 199 | 2 226 048 | 877 199 |
| Proceeds from sale of investment property | 3 | – | 14 357 941 | – | 14 357 941 |
| Purchase of other intangible assets | 5 | (1 578 425) | (252 211) | – | – |
| Purchases of heritage assets | 6 | (733 565) | – | (733 565) | – |
| **Net cash flows used in investing activities** | | **(1 757 788 687)** | **(1 317 014 077)** | **(1 756 047 142)** | **(1 316 663 166)** |
| **Cash flows from financing activities** | | | | | |
| Net movement on borrowings | 18 | (52 572 023) | (47 641 565) | (52 572 023) | (47 641 565) |
| **Net cash flows used in financing activities** | | **(52 572 023)** | **(47 641 565)** | **(52 572 023)** | **(47 641 565)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(653 863 675)** | **135 394 618** | **(657 484 089)** | **138 376 016** |
| Cash and cash equivalents at the beginning of the year | | 1 825 496 588 | 1 690 101 970 | 1 825 129 600 | 1 686 753 585 |
| **Cash and cash equivalents at the end of the year** | **15** | **1 171 632 913** | **1 825 496 588** | **1 167 645 511** | **1 825 129 601** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic entity - 2019** | | | | | | | | | | | |
| **Financial Performance** | | | | | | | | | | | |
| Property rates | 1 421 961 287 | (4 800 000) | 1 417 161 287 | – | | 1 417 161 287 | 1 295 502 964 | | (121 658 323) | 91% | 91% |
| Service charges | 3 172 284 692 | (21 203 666) | 3 151 081 026 | – | | 3 151 081 026 | 2 823 912 532 | | (327 168 494) | 90% | 89% |
| Investment revenue | 140 961 479 | (330 376) | 140 631 103 | – | | 140 631 103 | 98 690 424 | | (41 940 679) | 70% | 70% |
| Transfers recognised - operational | 1 471 672 870 | 45 552 308 | 1 517 225 178 | – | | 1 517 225 178 | 1 435 031 160 | | (82 194 018) | 95% | 98% |
| Other own revenue | 310 341 935 | 23 058 261 | 333 400 196 | – | | 333 400 196 | 347 927 449 | | 14 527 253 | 104% | 112% |
| **Total revenue (excluding capital transfers and contributions)** | **6 517 222 263** | **42 276 527** | **6 559 498 790** | **–** | | **6 559 498 790** | **6 001 064 529** | | **(558 434 261)** | **91%** | **92%** |
| Employee costs | (1 961 117 601) | (63 048 599) | (2 024 166 200) | – | – | (2 024 166 200) | (2 049 668 803) | – | (25 502 603) | 101 % | 105 % |
| Remuneration of councillors | (65 035 043) | 850 000 | (64 185 043) | – | – | (64 185 043) | (63 065 986) | - | 1 119 057 | 98 % | 97 % |
| Debt impairment | (343 696 466) | (14 640 000) | (358 336 466) | | | (358 336 466) | (373 182 710) | – | (14 846 244) | 104 % | 109 % |
| Depreciation and asset impairment | (896 425 520) | (499 864 238) | (1 396 289 758) | | | (1 396 289 758) | (1 296 840 991) | – | 99 448 767 | 93 % | 145 % |
| Finance charges | (59 817 900) | 20 805 000 | (39 012 900) | – | – | (39 012 900) | (38 467 001) | - | 545 899 | 99 % | 64 % |
| Materials and bulk purchases | (1 698 509 600) | 69 200 000 | (1 629 309 600) | – | – | (1 629 309 600) | (1 628 956 804) | – | 352 796 | 100 % | 96 % |
| Transfers and grants | (60 526 334) | (8 354 328) | (68 880 662) | – | – | (68 880 662) | (47 193 237) | – | 21 687 425 | 69 % | 78 % |
| Other expenditure | (1 428 162 858) | (47 197 577) | (1 475 360 435) | – | – | (1 475 360 435) | (1 340 039 827) | – | 135 320 608 | 91 % | 94 % |
| **Total expenditure** | **(6 513 291 322)** | **(542 249 742)** | **(7 055 541 064)** | **–** | **–** | **(7 055 541 064)** | **(6 837 415 359)** | **–** | **218 125 705** | **97 %** | **105 %** |
| **Surplus/(Deficit)** | **3 930 941** | **(499 973 215)** | **(496 042 274)** | **–** | | **(496 042 274)** | **(836 350 830)** | | **(340 308 556)** | **169 %** | **169 %** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Transfers recognised - capital | 803 900 240 | 196 422 212 | 1 000 322 452 | – | | 1 000 322 452 | 998 245 135 | | (2 077 317) | 100 % | 124 % |
| Contributions recognised - capital and contributed assets | – | – | – | – | | 279 066 | 643 279 | | 066 643 | DIV/0 % | DIV/0 % |
| **Surplus (Deficit) after capital transfers and contributions** | **807 831 181** | **(303 551 003)** | **504 280 178** | **–** | | **504 280 178** | **440 960 948** | | **(63 319 230)** | **87 %** | **55 %** |
| Share of surplus (deficit) of associate | – | – | – | – | | – | (29 467 290) | | (29 467 290) | DIV/0 % | DIV/0 % |
| Taxation | – | – | – | – | | – | 602 051 | | 602 051 | DIV/0 % | DIV/0 % |
| **Surplus/(Deficit) for the year** | **807 831 181** | **(303 551 003)** | **504 280 178** | **–** | | **504 280 178** | **469 826 187** | | **(34 453 991)** | **93 %** | **58 %** |
| **Capital expenditure and funds sources** | | | | | | | | | | | |
| Total capital expenditure | 1 753 141 990 | 343 228 384 | 2 096 370 374 | – | | 2 096 370 374 | 1 755 987 403 | | (340 382 971) | 84% | 100% |
| **Sources of capital funds** | | | | | | | | | | | |
| Transfers recognised - capital | 803 900 240 | 196 422 212 | 1 000 322 452 | – | | 1 000 322 452 | 894 056 514 | | (106 265 938) | 89 % | 111 % |
| Borrowing | 69 000 000 | (69 000 000) | – | – | | – | – | | – | DIV/0 % | - % |
| Internally generated fun | 880 241 750 | 215 806 172 | 1 096 047 922 | – | | 1 096 047 922 | 861 930 889 | | (234 117 033) | 79 % | 98 % |
| **Total sources of capital funds** | **1 753 141 990** | **343 228 384** | **2 096 370 374** | **–** | | **2 096 370 374** | **1 755 987 403** | | **(340 382 971)** | **84 %** | **100 %** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash flows** | | | | | | | | | | | |
| Net cash from (used) operating | 1 683 238 070 | 212 125 457 | 1 895 363 527 | – | | 1 895 363 527 | 1 156 497 035 | | (738 866 492) | 61 % | 69 % |
| Net cash from (used) investing | (1 753 141 990) | (343 228 383) | (2 096 370 373) | – | | (2 096 370 373) | (1 757 788 687) | | 338 581 686 | 84 % | 100 % |
| Net cash from (used) financing | 9 332 862 | (67 306 418) | (57 973 556) | – | | (57 973 556) | (52 572 023) | | 5 401 533 | 91 % | (563)% |
| **Net increase/ (decrease) in cash and cash equivalents** | **(60 571 058)** | **(198 409 344)** | **(258 980 402)** | **–** | | **(258 980 402)** | **(653 863 675)** | | **(394 883 273)** | **252 %** | **1 079 %** |
| Cash and cash equivalents at the beginning of the year | 1 703 854 792 | 121 641 797 | 1 825 496 589 | – | | 1 825 496 589 | 1 825 496 588 | | (1) | 100 % | 107 % |
| **Cash and cash equivalents at year end** | **1 643 283 734** | **(76 767 547)** | **1 566 516 187** | **–** | | **1 566 516 187** | **1 171 632 913** | | **394 883 274** | **75 %** | **71 %** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Controlling entity - 2019** | | | | | | | | | | | |
| **Financial Performance** | | | | | | | | | | | |
| Property rates | 1 421 961 287 | (4 800 000) | 1 417 161 287 | – | | 1 417 161 287 | 1 295 502 964 | | (121 658 323) | 91 % | 91 % |
| Service charges | 3 172 284 692 | (21 203 666) | 3 151 081 026 | – | | 3 151 081 026 | 2 823 912 532 | | (327 168 494) | 90 % | 89 % |
| Investment revenue | 140 172 487 | – | 140 172 487 | – | | 140 172 487 | 98 251 260 | | (41 921 227) | 70 % | 70 % |
| Transfers recognised - operational | 1 471 672 870 | 35 050 336 | 1 506 723 206 | – | | 1 506 723 206 | 1 432 540 496 | | (74 182 710) | 95 % | 97 % |
| Other own revenue | 298 808 226 | – | 298 808 226 | – | | 298 808 226 | 347 286 351 | | 48 478 125 | 116 % | 116 % |
| **Total revenue (excluding capital transfers and contributions)** | **6 504 899 562** | **9 046 670** | **6 513 946 232** | **–** | | **6 513 946 232** | **5 997 493 603** | | **(516 452 629)** | **92 %** | **92 %** |
| Employee costs | (1 939 390 696) | (72 762 152) | (2 012 152 848) | – | – | (2 012 152 848) | (2 031 924 267) | – | (19 771 419) | 101 % | 105 % |
| Remuneration of councillors | (64 185 043) | – | (64 185 043) | – | – | (64 185 043) | (62 315 519) | – | 1 869 524 | 97 % | 97 % |
| Debt impairment | (343 696 466) | (14 640 000) | (358 336 466) | | | (358 336 466) | (373 182 710) | – | (14 846 244) | 104 % | 109 % |
| Depreciation and asset impairment | (895 013 435) | (500 000 000) | (1 395 013 435) | | | (1 395 013 435) | (1 295 635 453) | – | 99 377 982 | 93 % | 145 % |
| Finance charges | (59 807 900) | 20 800 000 | (39 007 900) | – | – | (39 007 900) | (38 466 994) | – | 540 906 | 99 % | 64 % |
| Materials and bulk purchases | (1 698 509 600) | 69 200 000 | (1 629 309 600) | – | – | (1 629 309 600) | (1 628 956 804) | – | 352 796 | 100 % | 96% |
| Transfers and grants | (94 850 634) | 26 169 942 | (68 680 692) | – | – | (68 680 692) | (77 040 454) | – | 352 796 | 112 % | 81 % |
| Other expenditure | (1 407 813 097) | (37 861 322) | (1 445 674 419) | – | – | (1 445 674 419) | (1 328 381 722) | – | 117 292 697 | 92 % | 94 % |
| **Total expenditure** | **(6 503 266 871)** | **(509 093 532)** | **(7 012 360 403)** | **–** | **–** | **(7 012 360 403)** | **(6 835 903 923)** | **–** | **176 456 480** | **97 %** | **105 %** |
| **Surplus/(Deficit)** | **1 632 691** | **(500 046 862)** | **(498 414 171)** | **–** | | **(498 414 171)** | **(838 410 320)** | | **(339 996 149)** | **168 %** | **(51 351)%** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Transfers recognised - capital | 803 900 240 | 196 422 212 | 1 000 322 452 | – | | 1 000 322 452 | 997 754 177 | | (2 568 275) | 100 % | 124 % |
| Contributions recognised - capital and contributed assets | – | – | – | – | | – | 279 066 643 | | 279 066 643 | DIV/0 % | DIV/0 % |
| **Surplus (Deficit) after capital transfers and contributions** | **805 532 931** | **(303 624 650)** | **501 908 281** | **–** | | **501 908 281** | **438 410 500** | | **(63 497 781)** | **87 %** | **54 %** |
| Share of surplus (deficit) of associate | – | – | – | – | | – | (29 467 290) | | (29 467 290) | DIV/0 % | DIV/0 % |
| **Surplus/(Deficit) for the year** | **805 532 931** | **(303 624 650)** | **501 908 281** | **–** | | **501 908 281** | **467 877 790** | | **(34 030 491)** | **93 %** | **58 %** |
| **Capital expenditure and funds sources** | **1 750 850 240** | **343 148 248** | **2 093 998 488** | **–** | | **2 093 998 488** | **1 754 245 858** | | **(339 752 630)** | **84%** | **100%** |
| Total capital expenditure | 803 900 240 | 196 422 212 | 1 000 322 452 | – | | 1 000 322 452 | 860 189 344 | | (140 133 108) | 86 % | 107 % |
| **Sources of capital funds** | | | | | | | | | | | |
| Transfers recognised - capital | 69 000 000 | (69 000 000) | – | – | | – | – | | – | DIV/0 % | - % |
| Borrowing | 69 000 000 | (69 000 000) | – | – | | – | – | | – | DIV/0 % | - % |
| Internally generated funds | 877 950 000 | 215 726 036 | 1 093 676 036 | – | | 1 093 676 036 | 894 056 514 | | (199 619 522) | 82 % | 102 % |
| **Total sources of capital funds** | **1 750 850 240** | **343 148 248** | **2 093 998 488** | **–** | | **2 093 998 488** | **1 754 245 858** | | **(339 752 630)** | **84 %** | **100 %** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. council approved policy) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash flows** | | | | | | | | | | | |
| Net cash from (used) operating | 1 680 399 260 | 212 965 559 | 1 893 364 819 | – | | 1 893 364 819 | 1 151 135 076 | | (742 229 743) | 61 % | 69 % |
| Net cash from (used) investing | (1 750 850 240) | (331 148 233) | (2 081 998 473) | – | | (2 081 998 473) | (1 756 047 142) | | 325 951 331 | 84 % | 100 % |
| Net cash from (used) financing | 9 962 335 | (67 935 891) | (57 973 556) | – | | (57 973 556) | (52 572 023) | | 5 401 533 | 91 % | (528)% |
| **Net increase/ (decrease) in cash and cash equivalents** | **(60 488 645)** | **(186 118 565)** | **(246 607 210)** | – | | **(246 607 210)** | **(657 484 089)** | | **(410 876 879)** | **267 %** | **1 087 %** |
| Cash and cash equivalents at the beginning of the year | 1 699 821 867 | 125 307 734 | 1 825 129 601 | – | | 1 825 129 601 | 1 825 129 600 | | (1) | 100 % | 107 % |
| **Cash and cash equivalents at year end** | **1 639 333 222** | **(60 810 831)** | **1 578 522 391** | – | | **1 578 522 391** | **1 167 645 511** | | **410 876 880** | **74 %** | **71 %** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Statement of Comparison of Budget and Actual Amounts

Figures in Rand

| | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated audited outcome |
|---|---|---|---|---|

**Explanation of significant variances greater than 10% on budget comparison to actuals**

Reasons for material variances shown on the Statement of Comparison of Budget and Actual Amounts are detailed below:

**REVENUE BY SOURCE**

**Investment Revenue**

Interest rate on call investments are less than the prior year resulting in less interest realised for the year-end 30 June 2019. In addition, Cash and Cash Equivalent levels decreased when compared with prior year-end balance. The impact of the lower Cash and Cash Equivalent levels meant that less funds were available to invest, and less interest was realised.

**Other Own Revenue**

The variance is due to certain items being classified as service charges on mSCOA.

**CAPITAL EXPENDITURE AND FUNDS SOURCES**

**Contributions Recognised**

BCMM recognised assets transferred by other Municipalities in terms of the demarcation pronounced 3rd August 2016.

**Internally generated funds**

The major contributing factors on low expenditure are procurement and project management inefficiencies that resulted in the slow progress in implementing own funded capital projects, however most of the projects are already awarded and the funding of such projects is fully committed.

**CASH FLOWS**

**Net cash from (used) investing**

Capital assets paid for were less than the adjusted budget due to under expenditure on own funded capital budget.

**Net cash from (used) financing**

BCMM did not take up the originally budgeted loan funding during 2018/19.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

### 1. Presentation of Audited Consolidated Annual Financial Statements

The audited consolidated annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These audited consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited consolidated annual financial statements, are disclosed below.

### 1.1 Going concern assumption

These audited consolidated annual financial statements have been prepared based on the expectation that the economic entity will continue to operate as a going concern for at least the next 12 months.

### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the audited consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited consolidated annual financial statements. Significant judgements include:

**Trade receivables / Held to maturity investments and/or loans and receivables**

The economic entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

**Allowance for slow moving, damaged and obsolete stock**

An allowance has been made for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the notes to the financial statements per inventory note 10.

**Fair value estimation**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the economic entity is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the economic entity for similar financial instruments.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

**1.2 Significant judgements and sources of estimation uncertainty (continued)**

**Impairment testing**

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including i.e. production estimates, supply demand, together with economic factors such as exchange rates, inflation and interest.

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

**Taxation**

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The economic entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The economic entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the economic entity to make significant estimates related to expectations of future taxable income.
Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the economic entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

**Useful lives of waste water and water network and other assets**

The entity's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

**Post-retirement benefits**

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The economic entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the economic entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 9.

**Effective interest rate**

The economic entity used the prime interest rate to discount future cash flows.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

**1.2 Significant judgements and sources of estimation uncertainty (continued)**

**Allowance for doubtful debts**

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

**1.3 Investment property**

Investment property is property (land or a building - or part of a building - or both - or under construction) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property exludes owner-occupied property.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the economic entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

**Fair value**

Subsequent to initial measurement investment property is measured at fair value. The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

**1.3 Investment property (continued)**

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
(d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

The initial cost of a property interest held under a lease and classified as an investment property has been recognised at the lower of the fair value of the property and the present value of the minimum lease payments.

**1.4 Property, plant and equipment**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the economic entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

**1.4 Property, plant and equipment (continued)**

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, except for land, buildings, other properties, community properties, roads, electricity, water and wastewater which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value except for furniture and fittings, which are depreciated using the diminishing balance method at 10% per annum.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|---|---|---|
| Land landfill sites | Straight line | 50 |
| Buildings | Straight line | 30 to 60 |
| Plant and machinery | Straight line | 3 to 30 |
| Motor vehicles | Straight line | 4 to 15 |
| Furniture and fittings | Straight line | 3 to 7 |
| Electricity | Straight line | 30 to 60 |
| Community - Buildings | Straight line | 30 to 60 |
| Community - Recreation | Straight line | 15 to 60 |
| Other properties | Straight line | 5 to 60 |
| Roads | Straight line | 5 to 100 |
| Wastewater network | Straight line | 5 to 80 |
| Water network | Straight line | 5 to 150 |
| Servitudes | Straight line | Indefinite |

The entity acquires and maintains assets to provide social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than that of certain Plant and Equipment, and Transport assets with significant carrying values. For Plant and Equipment and Transport assets (Above R5000) the residual value and the useful life of an asset and the deprecation method is reviewed annually and any changes are recognised prospectively as a change in accounting estimates in the Statement of Financial Performance. Minor assets (Below R5000) are recognised and depreciated annually to R1 and are included in the asset register mainly for completeness and monitoring purposes.

**1.4 Property, plant and equipment (continued)**

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of PPE are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised and will be classified as revenue. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the entity.

Servitudes are recognised as a component of property, plant and equipment as it is directly linked to the location and construction of infrastructure assets.

**1.5 Site restoration and dismantling cost**

The entity has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
(c) if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

If the related asset is measured using the revaluation model:

(a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
    - a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit
    - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
(b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
(c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

# Accounting Policies

### 1.6 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identified as an intangible asset when it:

- is capable of being separated or divided from a entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or
- arises from contractual rights or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

When an intangible asset is acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

| Item | Depreciation method | Average useful life |
|---|---|---|
| Computer software | Straight line | 3 years |

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

### 1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an economic entity's operations that is shown as a single item for the purpose of disclosure in the audited consolidated annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

**1.7 Heritage assets (continued)**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**Recognition**

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

If a entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

**Initial measurement**

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

**Subsequent measurement**

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

**Impairment**

The entity assesses at each reporting date whether there is an indication that a heritage assets may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

**Transfers**

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

**Derecognition**

The entity derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

### 1.8 Investments in associates

**Controlling entity audited consolidated annual financial statements**

An associate is a entity over which the entity is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investment.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

The carrying value of the investment in associates is adjusted for the municipality's share of operating surpluses/(deficits) less any dividends received.

Where the entity or its entities transact with an associate, unrealised gains and losses are eliminated to the extent of the municipality's or its municipal entities' interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Where the entity is no longer able to exercise significant influence over the associate, the equity method of accounting is discontinued.

The entity uses the most recent available financial statements of the associate in applying the equity method. When the reporting dates are different, the entity makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the entity.

### 1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by a entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, a entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

**1.9 Financial instruments (continued)**

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

**1.9 Financial instruments (continued)**

**Classification**

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position and in note 20:

| Class | Category |
|---|---|
| Cash and cash equivalents | Financial asset measured at amortised cost |
| Receivables from non-exchange transactions | Financial asset measured at amortised cost |
| Receivables from exchange transactions | Financial asset measured at amortised cost |

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position and in note 21:

| Class | Category |
|---|---|
| Borrowings | Financial liability measured at amortised cost |
| Payables from exchange transactions | Financial liability measured at amortised cost |
| Unspent conditional grants and receipts | Financial liability measured at amortised cost |
| Accrued leave pay | Financial liability measured at amortised cost |
| Consumer deposits | Financial liability measured at fair value |
| Other deposits | Financial liability measured at fair value |

**Initial recognition**

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

**Initial measurement of financial assets and financial liabilities**

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**1.9 Financial instruments (continued)**

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

**Fair value measurement considerations**

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

**Reclassification**

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

**Gains and losses**

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

**Impairment and uncollectibility of financial assets**

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

**1.9 Financial instruments (continued)**

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

**Financial assets measured at cost:**

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

**Presentation**

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

**1.10 Tax**

**Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### 1.10 Tax (continued)

**Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Tax expenses**

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

### 1.11 Leases

A lease is either a written or implied contract by which an owner (the lessor) of a specific asset grants a second party (the lessee) the right to its exclusive possession and use for a specific period and under spedific conditions, in return for specific periodic rental or lease payments.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

**Operating leases - lessor**

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

**Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.12 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

**1.12 Inventories (continued)**

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the economic entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

**1.13 Impairment of cash-generating assets**

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

### 1.13 Impairment of cash-generating assets (continued)

**Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

**Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the economic entity applies the appropriate discount rate to those future cash flows.

**Cash-generating units**

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash- generating unit are affected by internal transfer pricing, the economic entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non- cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

**1.13 Impairment of cash-generating assets (continued)**

**Reversal of impairment loss**

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

**1.14 Impairment of non-cash-generating assets**

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/amortisation.

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

**1.14 Impairment of non-cash-generating assets (continued)**

At each reporting date a review is carried out to determine whether there are any indications that any assets and non-cash-generating units may be impaired. If such indications exist, the recoverable amounts of the affected assets are determined.

Where the recoverable amount of an asset or non-cash-generating unit is lower than its carrying amount, an impairment loss is recognised in surplus or deficit in respect of assets at historic cost, and recognised in the the revaluation reserve in respect of assets at revalued amounts.

**Identification**

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

**Value in use**

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

**Depreciated replacement cost approach**

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

**Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**1.14 Impairment of non-cash-generating assets (continued)**

**Reversal of an impairment loss**

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**Redesignation**

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

**1.15 Employee benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**1.15 Employee benefits (continued)**

**Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

**Post-employment benefits**

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

**Post-employment benefits: Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

**1.15 Employee benefits (continued)**

**Post-employment benefits: Defined benefit plans**

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the audited consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

**1.15 Employee benefits (continued)**

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

**1.15 Employee benefits (continued)**

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

**1.16 Provisions and contingencies**

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If a entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

**1.16 Provisions and contingencies (continued)**

A constructive obligation to restructure arises only when a municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the economic entity

No obligation arises as a consequence of the sale or transfer of an operation until the economic entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 49.

**1.17 Commitments**

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash. A commitment is disclosed to the extent that it has not already been recognised elsewhere in the financial statements.

At the end of each financial period the entity determines commitments in respect of capital expenditure that has been approved and contracted for which is then disclosed as a note in the annual financial statements differentiating between community, infrastructure and other capital expenditure commitments. (Refer to note 48)

**1.18 Revenue from exchange transactions**

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**1.18 Revenue from exchange transactions (continued)**

**Measurement**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. Service charges relating to solid waste, sanitation and sewerage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and revenue is recognised in the period when the consumption took place. Provisional estimates of consumption are made monthly when meter readings have not been performed. Adjustments to provisional estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period.

To include all revenue in the financial period, calculations and accruals are made to account for consumption that took place during the last meter reading dates and the financial year end.

Services provided on a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

**1.18 Revenue from exchange transactions (continued)**

**Interest, royalties and dividends**

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

**1.19 Revenue from non-exchange transactions**

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

Taxes such as property rates are economic benefits or service potential compulsorily paid or payable to the entity, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

**Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

### 1.19 Revenue from non-exchange transactions (continued)

**Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

**Taxes (Property rates)**

The entity recognises an asset in respect of taxes at the gross amount when the taxable event occurs and the asset recognition criteria are met.

**Transfers**

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

**Debt forgiveness and assumption of liabilities**

The entity recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

**Fines**

Fines are economic benefits or service potential received or receivable by the entity, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the entity.

Where the entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Traffic fines are accounted for at a net value based on total outstanding fines calculated using the average of the previous three years less impairment based on a probability collection factor calculated using the average of the previous 5 years.

**Bequests**

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

### 1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

### 1.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the economic entity, and the costs can be measured reliably. The economic entity applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the economic entity. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the economic entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories as per accounting policy number 1.12, 1.13 and 1.14. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is suspended.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the economic entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the economic entity ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.23 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

### 1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements is recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements. Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end is recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements is updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.26 Use of estimates

The preparation of unaudited annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited annual financial statements are disclosed in the relevant sections of the unaudited annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

### 1.27 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

### 1.28 Off-setting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

### 1.29 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

### 1.30 Budget information

Economic Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

### 1.30 Budget information (continued)

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2018/07/01 to 2019/06/30.

The budget for the economic entity includes all the entities approved budgets under its control. Comparative information is not required.
Differences between budget and actual amounts are regarded as material differences when a 10% difference exists. All material differences are explained in the Statement of Comparison of Budget and Actual Amounts to the annual financial statements.

### 1.31 Related parties

Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management of the entity. (Refer to note 50)

### 1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.33 Value added tax (VAT)

The entity accounts for value added tax on the payment basis. Revenue, expenses and assets are recognised net of the amount of VAT. The net amount of VAT recoverable from or payable to, the taxation authority is disclosed on the face of the statement of financial position. (Refer to note 13)

### 1.34 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 | 2019 | 2018 |

### 2. New standards and interpretations

### 2.1 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2019 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| • GRAP 110 (as amended 2016): Living and Non-living Resources | 01 April 2020 | Unlikely there will be a material impact |
| • Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 7 (as revised 2010): Investments in Associates | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 8 (as revised 2010): Interests in Joint Ventures | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 18 (as amended 2016): Segment Reporting | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 20: Related parties | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 32: Service Concession Arrangements: Grantor | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 105: Transfers of functions between entities under common control | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 106 (as amended 2016): Transfers of functions between entities not under common control | 01 April 2019 | Unlikely there will be a material impact |
| • GRAP 107: Mergers | 01 April 2019 | Unlikely there will be a material impact |
| • GRAP 108: Statutory Receivables | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 109: Accounting by Principals and Agents | 01 April 2019 | Unlikely there will be a material impact |
| • IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset | 01 April 2020 | Unlikely there will be a material impact |
| • IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land | 01 April 2019 | Unlikely there will be a material impact |
| • IGRAP 19: Liabilities to Pay Levies | 01 April 2020 | Unlikely there will be a material impact |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

### 3. Investment property

| Economic entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 401 546 000 | – | 401 546 000 | 392 622 726 | – | 392 622 726 |

| Controlling entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 401 546 000 | – | 401 546 000 | 392 622 726 | – | 392 622 726 |

**Reconciliation of investment property - Economic entity - 2019**

| | Opening balance | Fair value adjustments | Total |
|---|---|---|---|
| Investment property | 392 622 726 | 8 923 274 | 401 546 000 |

**Reconciliation of investment property - Economic entity - 2018**

| | Opening balance | Derecognition | Fair value adjustments | Total |
|---|---|---|---|---|
| Investment property | 375 205 590 | (14 357 941) | 31 775 077 | 392 622 726 |

# Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**3. Investment property (continued)**

**Reconciliation of investment property - 2019**

| | Opening balance | Fair value adjustments | Total |
|---|---|---|---|
| Investment property | 392 622 726 | 8 923 274 | 401 546 000 |

**Reconciliation of investment property - 2018**

| | Opening balance | Derecognition | Fair value adjustments | Total |
|---|---|---|---|---|
| Investment property | 375 205 590 | (14 357 941) | 31 775 077 | 392 622 726 |

A register containing the information required by section 63 of the Municipal Finance Management Act No 56 of 2003 is available for inspection at the registered office of the entity.

No Investment Properties are pledged as a security and there are no restrictions on all the Investment Properties.

The total direct operating expenses for repairs and maintenance on all municipal properties amounts to R387 717 976 including repairs and maintenance expenses on investment properties. Refer to repairs and maintenance note 40 and commitments note 48.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**3. Investment property (continued)**

Operational expenditure regarding investment property earning rentals and those that are not earning rentals are not available as these expenses pertaining to investment properties are not budgeted for separately on the budget.

Per accounting policy Note 1.2 the entity is on the fair value(FV) model of meassuring Investment Property.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The values were determined jointly by an external property valuer, through the update of the Investment Property. All the properties were individually valued by the Poperty Valuers and assumptions used are detailed per each property.

Registration details of internal and external valuers involved in the valuation were as follows; Mr Graham, Professional Valuer (3841)

Properties were individually valued using a specific method that is best applicable to each property. The full methodology and assumptions used are available for review to each propety certificate.

Rental income from investment properties in respect of monthly and annual leases amounted to R16 045 368, (2018: R15 882 120).

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

### 4. Property, plant and equipment

| Economic entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | **Cost / Valuation** | **Accumulated depreciation and accumulated impairment** | **Carrying value** | **Cost / Valuation** | **Accumulated depreciation and accumulated impairment** | **Carrying value** |
| Land | 81 658 476 | – | 81 658 476 | 81 658 475 | – | 81 658 475 |
| Plant and machinery | 120 597 151 | (76 416 614) | 44 180 537 | 115 657 529 | (62 739 205) | 52 918 324 |
| Furniture and fixtures | 137 390 589 | (87 158 098) | 50 232 491 | 124 504 560 | (65 250 677) | 59 253 883 |
| Motor vehicles | 582 164 495 | (224 313 448) | 357 851 047 | 527 154 065 | (186 035 793) | 341 118 272 |
| IT equipment | 705 442 | (469 710) | 235 732 | 557 362 | (281 061) | 276 301 |
| Electricity infrastructure | 10 616 859 824 | (6 838 428 814) | 3 778 431 010 | 9 875 645 071 | (6 182 667 999) | 3 692 977 072 |
| Other properties ( halls, social housing) | 1 782 721 793 | (848 157 315) | 934 564 478 | 1 696 609 623 | (797 964 482) | 898 645 141 |
| Work in progress (WIP) | 4 038 166 366 | – | 4 038 166 366 | 2 962 310 164 | – | 2 962 310 164 |
| Recreational facilities | 810 184 572 | (529 402 943) | 280 781 629 | 749 055 738 | (483 120 116) | 265 935 622 |
| Roads | 12 565 023 732 | (7 766 577 096) | 4 798 446 636 | 11 505 344 069 | (6 416 481 363) | 5 088 862 706 |
| Wastewater network | 2 085 698 056 | (343 090 341) | 1 742 607 715 | 1 511 467 879 | (32 257 537) | 1 479 210 342 |
| Water network | 6 404 642 834 | (3 806 350 059) | 2 598 292 775 | 5 939 828 073 | (3 631 711 491) | 2 308 116 582 |
| Community buildings | 2 079 333 845 | (1 040 325 402) | 1 039 008 443 | 1 914 439 607 | (917 891 114) | 996 548 493 |
| **Total** | **41 305 147 175** | **(21 560 689 840)** | **19 744 457 335** | **37 004 232 215** | **(18 776 400 838)** | **18 227 831 377** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**4 Property, plant and equipment (continued)**

| Economic entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | **Cost / Valuation** | **Accumulated depreciation and accumulated impairment** | **Carrying value** | **Cost / Valuation** | **Accumulated depreciation and accumulated impairment** | **Carrying value** |
| Land | 81 658 476 | - | 81 658 476 | 81 658 475 | - | 81 658 475 |
| Plant and equipment | 120 597 151 | (76 416 614) | 44 180 537 | 115 657 529 | (62 739 205) | 52 918 324 |
| Furniture and fittings | 137 276 715 | (87 116 128) | 50 160 587 | 124 405 726 | (65 226 433) | 59 179 293 |
| Motor vehicles | 582 164 495 | (224 313 448) | 357 851 047 | 527 154 065 | (186 035 793) | 341 118 272 |
| Electricity infrastructure | 10 616 859 824 | (6 838 428 814) | 3 778 431 010 | 9 875 645 071 | (6 182 667 999) | 3 692 977 072 |
| Other properties ( halls, social housing) | 1 782 721 793 | (848 157 315) | 934 564 478 | 1 696 609 623 | (797 964 482) | 898 645 141 |
| Work in progress (WIP) | 4 038 166 366 | - | 4 038 166 366 | 2 962 310 164 | - | 2 962 310 164 |
| Recreational facilities | 810 184 572 | (529 402 943) | 280 781 629 | 749 055 738 | (483 120 116) | 265 935 622 |
| Roads | 12 565 023 732 | (7 766 577 096) | 4 798 446 636 | 11 505 344 069 | (6 416 481 363) | 5 088 862 706 |
| Wastewater network | 2 085 698 056 | (343 090 341) | 1 742 607 715 | 1 511 467 879 | (32 257 537) | 1 479 210 342 |
| Water network | 6 404 642 834 | (3 806 350 059) | 2 598 292 775 | 5 939 828 073 | (3 631 711 491) | 2 308 116 582 |
| Community buildings | 2 079 333 845 | (1 040 325 402) | 1 039 008 443 | 1 914 439 607 | (917 891 114) | 996 548 493 |
| **Total** | **41 304 327 859** | **(21 560 178 160)** | **19 744 149 699** | **37 003 576 019** | **(18 776 095 533)** | **18 227 480 486** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**4. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - Economic entity - 2019**

| | Opening balance | Additions | Disposals | WIP transfers | Transfers | Revaluations | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|---|
| Land | 81 658 476 | – | – | – | – | – | – | – | 81 658 476 |
| Plant and machinery | 52 918 324 | 4 855 880 | (4 252) | – | – | – | (13 589 415) | – | 44 180 537 |
| Furniture and fixtures | 59 253 883 | 13 663 410 | (23 216) | – | – | – | (22 661 586) | – | 50 232 491 |
| Motor vehicles | 341 118 272 | 88 212 178 | (12 757 138) | – | – | – | (58 722 265) | – | 357 851 047 |
| IT equipment | 276 301 | 148 080 | – | – | – | – | (188 649) | – | 235 732 |
| Infrastructure | 3 692 977 072 | 75 523 637 | (10 559 389) | 7 472 028 | – | 269 813 445 | (254 711 889) | (2 083 894) | 3 778 431 010 |
| Other properties (halls, social housing) | 898 645 141 | 359 790 | (527 816) | 2 056 475 | 699 481 | 87 249 466 | (52 831 456) | (1 086 603) | 934 564 478 |
| Work in progress (WIP) | 2 962 310 164 | 1 487 484 747 | – | (411 628 545) | – | – | – | – | 4 038 166 366 |
| Recreational facilities | 265 935 622 | 168 460 | (6 955 655) | 28 800 | 11 470 029 | 40 027 250 | (29 864 143) | (28 734) | 280 781 629 |
| Roads | 5 088 862 706 | 10 112 578 | (15 252 222) | 107 910 846 | 238 069 206 | (117 165 560) | (514 070 521) | (20 397) | 4 798 446 636 |
| Wastewater network | 1 479 210 342 | 53 766 450 | (728 120) | 242 447 332 | – | 61 328 120 | (93 416 409) | – | 1 742 607 715 |
| Water network | 2 308 116 582 | 18 321 031 | (8 664) | 39 487 877 | 14 564 956 | 392 438 627 | (174 575 077) | (52 557) | 2 598 292 775 |
| Community buildings | 996 548 493 | 5 086 504 | (1 734 398) | 12 225 187 | 15 035 945 | 87 077 591 | (75 230 879) | – | 1 039 008 443 |
| | **18 227 831 378** | **1 757 702 745** | **(48 550 870)** | **–** | **279 839 617** | **820 768 939** | **(1 289 862 289)** | **(3 272 185)** | **19 744 457 335** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**4. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - Economic entity - 2018**

| | Opening balance | Additions | Disposals | Transfers | Non cash additions | Revaluations | Depreciation | Total |
|---|---|---|---|---|---|---|---|---|
| Land | 77 967 166 | - | - | - | - | 3 691 309 | - | 81 658 475 |
| Plant and machinery | 64 443 651 | 1 742 507 | - | - | - | - | (13 267 834) | 52 918 324 |
| Furniture and fixtures | 74 431 559 | 9 393 276 | (17 526) | - | - | - | (24 553 426) | 59 253 883 |
| Motor vehicles | 271 957 893 | 103 837 178 | (146 440) | - | - | - | (34 530 359) | 341 118 272 |
| IT equipment | 355 907 | 98 700 | - | - | - | - | (178 306) | 276 301 |
| Electricity infrastructure | 3 203 911 193 | 74 649 926 | (4 550 193) | 4 373 633 | 25 978 | 617 553 348 | (202 986 813) | 3 692 977 072 |
| Other properties ( halls, social housing) | 838 408 151 | 34 845 315 | - | 49 409 | - | 73 790 556 | (48 448 290) | 898 645 141 |
| Work in progress (WIP) | 2 043 023 893 | 1 083 342 994 | - | (164 056 723) | - | - | - | 2 962 310 164 |
| Recreational facilities | 250 905 550 | 1 173 561 | (389 290) | 12 915 497 | - | 29 405 877 | (28 075 573) | 265 935 622 |
| Roads | 4 380 964 156 | 9 050 236 | (7 751 441) | 37 785 067 | 3 367 747 | 1 006 507 764 | (341 060 823) | 5 088 862 706 |
| Wastewater network | 1 441 409 566 | - | (3 215 672) | 100 452 365 | - | 34 331 982 | (93 767 899) | 1 479 210 342 |
| Water network | 2 203 041 657 | 4 734 334 | (1 298 012) | 21 735 698 | - | 237 525 189 | (157 622 284) | 2 308 116 582 |
| Community buildings | 918 311 917 | 9 128 979 | (4 522 743) | 10 886 679 | - | 127 194 110 | (64 450 449) | 996 548 493 |
| | **15 769 132 259** | **1 331 997 006** | **(21 891 317)** | **24 141 625** | **3 393 725** | **2 130 000 135** | **(1 008 942 056)** | **18 227 831 377** |

# Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**4. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2019**

| | Opening balance | Additions | Disposals | WIP transfers | Transfers | Revaluations | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|---|
| Land | 81 658 476 | – | – | – | – | – | – | – | 81 658 476 |
| Plant and equipment | 52 918 324 | 4 855 880 | (4 252) | – | – | – | (13 589 415) | – | 44 180 537 |
| Furniture and fittings | 59 179 293 | 13 648 370 | (23 216) | – | – | – | (22 643 860) | – | 50 160 587 |
| Motor vehicles | 341 118 272 | | 88 212 178 | (12 757 138) | | – | – | (58 722 265) | 357 851 047- |
| Electricity infrastructure | 3 692 977 072 | 75 523 637 | (10 559 389) | 7 472 028 | | – | 269 813 445 | (254 711 889) | (2 083 894) | 3 778 431 010 |
| Other properties (halls, social housing) | 898 645 141 | 359 790 | (527 816) | 2 056 475 699 | 481 87 249 466 | (52 831 456) | (1 086 603) | 934 564 478 | |
| Work in progress (WIP) | 2 962 310 164 | 1 487 484 747 | – | (411 628 545) | – | – | – | – | 4 038 166 366 |
| Recreational facilities | 265 935 622 | 168 460 | (6 955 655) | 28 800 | 11 470 029 | 40 027 250 | (29 864 143) | (28 734) | 280 781 629 |
| Roads | 5 088 862 706 | 10 112 578 | (15 252 222) | 107 910 846 | 238 069 206 | (117 165 560) | (514 070 521) | (20 397) | 4 798 446 636 |
| Wastewater network | 1 479 210 342 | 53 766 450 | (728 120) | 242 447 332 | – | 61 328 120 | (93 416 409) | – | 1 742 607 715 |
| Water network | 2 308 116 582 | 18 321 031 | (8 664) | 39 487 877 | 14 564 956 | 392 438 627 | (174 575 077) | (52 557) | 2 598 292 775 |
| Community buildings | 996 548 493 | 5 086 504 | (1 734 398) | 12 225 187 | 15 035 945 | 87 077 591 | (75 230 879) | – | 1 039 008 443 |
| | **18 227 480 487** | **1 757 539 625** | **(48 550 870)** | **–** | **279 839 617** | **820 768 939** | **(1 289 655 914)** | **(3 272 185)** | **19 744 149 699** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**4. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2018**

| | Opening balance | Additions | Disposals | Transfers | Non cash additions | Revaluations | Depreciation | Total |
|---|---|---|---|---|---|---|---|---|
| Land | 77 967 166 | – | – | – | – | 3 691 309 | – | 81 658 475 |
| Plant and equipment | 64 443 651 | 1 742 507 | – | – | – | – | (13 267 834) | 52 918 324 |
| Furniture and fittings | 74 339 465 | 9 393 276 | (17 526) | – | – | – | (24 535 922) | 59 179 293 |
| Motor vehicles | 271 957 893 | 103 837 178 | (146 440) | – | – | – | (34 530 359) | 341 118 272 |
| Electricity infrastructure | 3 203 911 193 | 74 649 926 | (4 550 193) | 4 373 633 | 25 978 | 617 553 348 | (202 986 813) | 3 692 977 072 |
| Other properties (halls, social housing) | 838 408 151 | 34 845 315 | – | 49 409 | – | 73 790 556 | (48 448 290) | 898 645 141 |
| Work in progress (WIP) | 2 043 023 893 | 1 083 342 994 | – | (164 056 723) | – | – | – | 2 962 310 164 |
| Recreational facilities | 250 905 550 | 1 173 561 | (389 290) | 12 915 497 | – | 29 405 877 | (28 075 573) | 265 935 622 |
| Roads | 4 380 964 156 | 9 050 236 | (7 751 441) | 37 785 067 | 3 367 747 | 1 006 507 764 | (341 060 823) | 5 088 862 706 |
| Wastewater network | 1 441 409 566 | – | (3 215 672) | 100 452 365 | – | 34 331 982 | (93 767 899) | 1 479 210 342 |
| Water network | 2 203 041 657 | 4 734 334 | (1 298 012) | 21 735 698 | – | 237 525 189 | (157 622 284) | 2 308 116 582 |
| Community buildings | 918 311 917 | 9 128 979 | (4 522 743) | 10 886 679 | – | 127 194 110 | (64 450 449) | 996 548 493 |
| | **15 768 684 258** | **1 331 898 306** | **(21 891 317)** | **24 141 625** | **3 393 725** | **2 130 000 135** | **(1 008 746 246)** | **18 227 480 486** |

| **Proceeds on disposal of PPE** | **2019** | **2018** | **2019** | **2018** |
|---|---|---|---|---|
| Carrying value of PPE | 48 550 870 | 21 891 317 | 48 550 870 | 21 891 317 |
| Net gain/(loss) on disposal of assets | (46 324 822) | (21 014 118) | (46 324 822) | (21 014 118) |
| | **2 226 048** | **877 199** | **2 226 048** | **877 199** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**4. Property, plant and equipment (continued)**

There are properties for which tittle deeds are registered under the name of the Municipality but have not been included in the Municipality's financial records. These properties are
represented by RDP land, ex Ciskei and other land parcels, vacant and improved. The Municipality is of the view that these properties will have a net realisable value of NIL as they will either be transferred to RDP housing beneficiaries or have long serving residents for which there has been a delay in the transfer of tittle. It should furthermore be noted that management is of the view that the inclusion of these properties in the Annual Financial Statements could result in a misrepresentation of the financial information for users of the Annual Financial Statements.

Expenditure relating to property, plant and equipment is disclosed under repairs and maintenance note 40.

Transfers refer to the assets that have been received from other neigbouring Municipalities as a result of redetermination of Municipal boundaries in terms of the Municipal Demarcation Act).

The values were determined as 30 June 2019 by an external Professional Valuer registered with the South African Council for the Property Valuers Profession, Registration No. 4973/1. Revaluation methodology is available at BCMM.

The following property plant and equipment is in the process of being constructed or developed and is disclosed as part of work-in-progress. Work-in-progress comprises of the following classes of infrastructure.

| **WIP Categories** | **2019** | **2018** | **2019** | **2018** |
|---|---|---|---|---|
| Buildings | 108 961 447 | 83 571 762 | 108 961 447 | 83 571 762 |
| Community facilities | 709 880 735 | 583 667 578 | 709 880 735 | 583 667 578 |
| Electricity | 383 017 420 | 178 080 705 | 383 017 420 | 178 080 705 |
| Other assets | 20 531 828 | 2 802 950 | 20 531 828 | 2 802 950 |
| Roads | 1 624 118 353 | 979 790 472 | 1 624 118 353 | 979 790 472 |
| Sanitation | 568 318 232 | 706 717 162 | 568 318 232 | 706 717 162 |
| Water supply | 623 338 351 | 430 892 506 | 623 338 351 | 430 892 506 |
| | **4 038 166 366** | **2 965 523 135** | **4 038 166 366** | **2 965 523 135** |

# Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

## 5. Intangible assets

| Economic entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Software | 46 097 866 | (26 194 625) | 19 903 241 | 49 659 046 | (25 795 693) | 23 863 353 |

| Controlling entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Software | 34 796 776 | (16 693 717) | 18 103 059 | 47 627 420 | (24 984 987) | 22 642 433 |

**Reconciliation of intangible assets - Economic entity - 2019**

| | Opening balance | Additions | Amortisation | Impairment loss | Total |
|---|---|---|---|---|---|
| Software | 23 863 353 | 1 578 425 | (5 520 000) | (18 537) | 19 903 241 |

**Reconciliation of intangible assets - Economic entity - 2018**

| | Opening balance | Additions | Transfers received | Write off | Amortisation | Total |
|---|---|---|---|---|---|---|
| Software | 14 763 570 | 252 211 | 18 213 980 | (14 316) | (9 352 092) | 23 863 353 |

**5. Intangible assets (continued)**

**Reconciliation of intangible assets - 2019**

| | Opening balance | Amortisation | Total |
|---|---|---|---|
| Software | 22 642 433 | (4 539 374) | 18 103 059 |

**Reconciliation of intangible assets - 2018**

| | Opening balance | Transfers received | Amortisation | Total |
|---|---|---|---|---|
| Software | 13 177 177 | 18 213 980 | (8 748 724) | 22 642 433 |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

### 6. Heritage assets

| Economic entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | **Cost /Valuation** | **Accumulated impairment losses** | **Carrying value** | **Cost /Valuation** | **Accumulated impairment losses** | **Carrying value** |
| Monuments | 7 398 532 | - | 7 398 532 | 6 664 967 | - | 6 664 967 |
| Memorials | 2 866 049 | - | 2 866 049 | 2 866 049 | - | 2 866 049 |
| Historical buildings & sites | 22 198 433 | - | 22 198 433 | 22 198 433 | - | 22 198 433 |
| Other Heritage sites | 18 050 426 | - | 18 050 426 | 18 050 426 | - | 18 050 426 |
| **Total** | **50 513 440** | **-** | **50 513 440** | **49 779 875** | **-** | **49 779 875** |

| Controlling entity | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | **Cost /Valuation** | **Accumulated impairment losses** | **Carrying value** | **Cost /Valuation** | **Accumulated impairment losses** | **Carrying value** |
| Monuments | 7 398 532 | - | 7 398 532 | 6 664 967 | - | 6 664 967 |
| Memorials | 2 866 049 | - | 2 866 049 | 2 866 049 | - | 2 866 049 |
| Historical buildings & sites | 22 198 433 | - | 22 198 433 | 22 198 433 | - | 22 198 433 |
| Other Heritage sites | 18 050 426 | - | 18 050 426 | 18 050 426 | - | 18 050 426 |
| **Total** | **50 513 440** | **-** | **50 513 440** | **49 779 875** | **-** | **49 779 875** |

**Reconciliation of heritage assets Economic entity - 2019**

| | **Opening balance** | **Additions** | **Total** |
|---|---|---|---|
| Historical monuments | 6 664 967 | 733 565 7 | 398 532 |
| Archaeological- and palaeontology sites | 2 866 049 | - | 2 866 049 |
| Historical buildings | 22 198 433 | - | 22 198 433 |
| Other (specify class) | 18 050 426 | - | 18 050 426 |
| | **49 779 875** | **733 565** | **50 513 440** |

# Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**6. Heritage assets (continued)**

**Reconciliation of heritage assets Economic entity - 2018**

| | Opening balance | Total |
|---|---|---|
| Historical monuments | 6 664 967 | 6 664 967 |
| Archaeological- and palaeontology sites | 2 866 049 | 2 866 049 |
| Historical buildings | 22 198 433 | 22 198 433 |
| Other (specify class) | 18 050 426 | 18 050 426 |
| | **49 779 875** | **49 779 875** |

**Reconciliation of heritage assets 2019**

| | Opening balance | Additions | Total |
|---|---|---|---|
| Monuments | 6 664 967 | 733 565 | 7 398 532 |
| Memorials | 2 866 049 | – | 2 866 049 |
| Historical buildings & sites | 22 198 433 | – | 22 198 433 |
| Other Heritage sites | 18 050 426 | – | 18 050 426 |
| | **49 779 875** | **733 565** | **50 513 440** |

**Reconciliation of heritage assets 2018**

| | Opening balance | Total |
|---|---|---|
| Monuments | 6 664 967 | 6 664 967 |
| Memorials | 2 866 049 | 2 866 049 |
| Historical buildings & sites | 22 198 433 | 22 198 433 |
| Other Heritage sites | 18 050 426 | 18 050 426 |
| | **49 779 875** | **49 779 875** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

**6. Heritage assets (continued)**

Where practical, heritage assets were valued on the replacement value method and retrospectively restated on 01 July 2012 in accordance with the transitional provision applicable to GRAP 103. However, due to the nature of certain heritage assets, it is not possible or practical to establish a fair value associated with these assets and have been recognised in accordance with GRAP 103.99.

Heritage assets are reviewed annually for impairment. Some of the items carried at R1 had physical damages.

None of the City's Heritage assets are restricted and or pledged as a security.

The additions in the Heritage assets is as a result of a newly constructed statue of Dr WB Rubusana that is erected in front of the City Hall.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 7. Investments in associates

| Name of entity | Carrying amount 2019 | Carrying amount 2018 | Carrying amount 2019 | Carrying amount 2018 |
|---|---|---|---|---|
| BCMM share in IDZ - 26,000 shares @ 0,01c included in the carrying amount (Unlisted) | 597 392 286 | 567 924 996 | 597 392 286 | 567 924 996 |
| **% holding** | **26%** | **26%** | **26%** | **26%** |

The carrying amounts of associates are shown net of impairment losses.

**Movements in carrying value**

| | | | | |
|---|---|---|---|---|
| Opening balance | 567 924 996 | 534 354 479 | 567 924 996 | 534 354 479 |
| Share of surplus/deficit | 29 467 290 | 33 570 517 | 29 467 290 | 33 570 517 |
| | **597 392 286** | **567 924 996** | **597 392 286** | **567 924 996** |

Investment in associate amounted to R 597 392 286 (2018: R 567 924 996).

**Fair value**

Management could not make a reliable estimate of the fair value of the associate as the information to determine the fair value is not readily available. Management however believes that the face value approximates the fair value of the shares.

**Principal activities, country of incorporation and voting power**

| Legal name | Principal activity | Country of incorporation | Proportion of voting power |
|---|---|---|---|
| East London Industrial Development Zone (Pty)Ltd | Development of East London's Industrial Development Zone. | SA | 26% |

**Summary of controlled entity's interest in associate**

| | | |
|---|---|---|
| Total assets | 910 101 125 | 730 848 394 |
| Total liabilities | 312 708 580 | 162 923 137 |
| Share in surplus for the year | 29 467 290 | 33 570 517 |
| Surplus - Opening balance | 567 924 997 | 534 354 480 |
| Total equity | **597 392 286** | **567 924 996** |

**Associates with different reporting dates**

The financial statements of East London Industrial Development Zone (Proprietary) Limited have a different year end to BCMM and ELIDZ statements are prepared for the accounting period 01 April 2018 to 31 March 2019.

Per Accounting Policy 1.8, the entity uses the most recent available financial statement of the associate in applying the equity method. The amounts reflected above are for the period 01 July 2018 - 31 March 2019.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**8. Deferred tax**

**Deferred tax liability**

| | | | | |
|---|---|---|---|---|
| Deferred tax liability | – | 602 051 | – | – |

As indicated in the Accounting Policy note, deferred tax is accounted for in line with IAS 12. Management made an annual assessment and judgement on the recognition of deferred tax in teh current year. The decision was that since the BCMDA is still heavily dependent on grant income which is exempt for Income Tax purposes, with an assessed loss balance of R23 million, therefore the recognition of deferred tax in the current period would not necessarily be in line with the Accounting Standard. IAS 12 requires there should be probability of the agency deriving taxable income which would reduce the deferred tax in future. Disclosed below thefore its unrecognised deferred tax asset in respect of both deductible temporary differences and tax losses. The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

**Reconciliation of deferred tax asset \ (liability)**

| | | | | |
|---|---|---|---|---|
| At beginning of year | 602 051 | 63 798 | – | – |
| Prior year assessed loss derecognised | (602 051) | – | – | – |
| Charge for the year | – | 538 253 | – | – |
| | **–** | **602 051** | **–** | **–** |

**Unrecognised deferred tax asset**

| | | | | |
|---|---|---|---|---|
| Deductible temporary differences not recognised as deferred tax assets | 374 131 | – | – | – |
| Unused tax losses not recognised as deferred tax asset | 6 621 792 | – | – | – |
| | **6 995 923** | **–** | **-** | **–** |

**9. Employee benefit obligations**

**The amounts recognised in the statement of financial position are as follows:**

| | | | | |
|---|---|---|---|---|
| **Carrying value** | | | | |
| Balance at the beginning of the year | 733 154 631 | 712 160 259 | 733 154 631 | 712 160 259 |
| Interest cost | 66 226 017 | 62 784 568 | 66 226 017 | 62 784 568 |
| Current service cost | 45 500 660 | 45 086 372 | 45 500 660 | 45 086 372 |
| Actual employer benefit payments | (44 327 240) | (44 200 438) | (44 327 240) | (44 200 438) |
| Actuarial gain recognised in the year | (71 738 981) | (42 676 130) | (71 738 981) | (42 676 130) |
| | **728 815 087** | **733 154 631** | **728 815 087** | **733 154 631** |
| Non-current liabilities | (679 562 697) | (688 188 698) | (679 562 697) | (688 188 698) |
| Current liabilities | (49 252 390) | (44 965 933) | (49 252 390) | (44 965 933) |
| **Net liability** | **(728 815 087)** | **(733 154 631)** | **(728 815 087)** | **(733 154 631)** |
| **Net costs** | | | | |
| Interest cost | 66 226 017 | 62 784 568 | 66 226 017 | 62 784 568 |
| Current service cost | 45 500 660 | 45 086 372 | 45 500 660 | 45 086 372 |
| Actuarial gains recognised in the year | (71 738 981) | (42 676 130) | (71 738 981) | (42 676 130) |
| Employer benefits vesting | (25 020 537) | (22 569 396) | (25 020 537) | (22 569 396) |
| **Net costs per Statement of Financial Performance** | **14 967 159** | **42 625 414** | **14 967 159** | **42 625 414** |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**9. Employee benefit obligations (continued)**

**Post retirement medical contribution amounts recognised in the statement of financial position**

| | | | | |
|---|---|---|---|---|
| Balance at the beginning of the year | 537 974 627 | 527 298 221 | 537 974 627 | 527 298 221 |
| Interest costs | 50 673 684 | 48 169 637 | 50 673 684 | 48 169 637 |
| Current service cost | 25 123 633 | 24 732 544 | 25 123 633 | 24 732 544 |
| Actual employer benefit payments | (19 306 703) | (21 631 042) | (19 306 703) | (21 631 042) |
| Actuarial gain recognised in the year | (82 596 666) | (40 594 733) | (82 596 666) | (40 594 733) |
| | **511 868 575** | **537 974 627** | **511 868 575** | **537 974 627** |

**Post retirement medical contribution - Net cost**

| | | | | |
|---|---|---|---|---|
| Interest costs | 50 673 684 48 | 169 637 50 | 673 684 | 48 169 637 |
| Current service cost | 25 123 633 | 24 732 544 | 25 123 633 | 24 732 544 |
| Actuarial gains recognised in the year | (82 596 666) | (40 594 733) | (82 596 666) | (40 594 733) |
| | **(6 799 349)** | **32 307 448** | **(6 799 349)** | **32 307 448** |

The best estimates for the employer benefit payments in the 2019/20 financial period is expected to be R20 603 827 (The actual employer benefit payments in the 2018/19 financial period was R19 306 703).

The entity employees contribute to 5 accredited medical aid schemes, namely LA Health, Bonitas, Key Health, SAMWU Med and Hosmed. Pensioners continue on the option they belonged to on the day of their retirement.

The obligation in respect of the medical care contributions for retirement benefits is valued every year by independent qualified actuaries. The last actuarial valuation was prepared in July 2019 by ARCH Actuarial Consulting using the Projected Unit Credit Method.

The entity opted not to recognise the actuarial loss applying the "Corridor" method.

The employer's post-employment health care liability consists of a commitment to pay a portion of the pensioners' postemployment medical scheme contributions. The liability is also generated in respect of dependants who are offered continued membership of the medical scheme on the death of the primary member.

# Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**9. Employee benefit obligations (continued)**

**Key assumptions used**

Assumptions used at the reporting date:

| | | | | |
|---|---|---|---|---|
| Discount rate | 9.39 % | 9.59 % | 9.39 % | 9.59 % |
| Health care cost inflation rate | 6.86 % | 7.40 % | 6.86 % | 7.40 % |
| Net-of-health-care-cost-inflation discount rate | 2.37 % | 2.04 % | 2.37 % | 2.04 % |
| Maximum subsidy inflation rate | 4.77 % | 5.18 % | 4.77 % | 5.18 % |
| Net-of-maximum-subsidy-inflation discount rate | 4.41 % | 4.20 % | 4.41 % | 4.20 % |
| Average retirement age | 62 | 63 | 62 | 63 |
| Continuation of membership at retirement | 75.00 % | 100.00 % | 75.00 | 100.00 |
| Proportion with a spouse dependant at retirement | 60.00 % | 90.00 % | 60.00 | 90.00 |
| Mortality during employment | SA 85-90 | SA 85-90 | SA 85-90 | SA 85-90 |
| Mortality post-employment | PA(90) -1 with a 1% mortality improvement p.a. from 2010 | PA(90) - 1 | PA(90) -1 with a 1% mortality improvement p.a. from 2010 | PA(90) - 1 |

**In-service members**

| | | | | |
|---|---|---|---|---|
| Number of in-service members | 3 422 | 3 304 | 3 422 | 3 304 |
| Average age | 44.6 | 44.3 | 44.6 | 44.3 |
| Average past service | 11.8 | 11.6 | 11.8 | 11.6 |
| Average present value of post-employment subsidy p.m. | R 1 501 | R 1 571 | R 1 501 | R 1 571 |
| Average current value of post-employment subsidy p.m. | R 2 264 | R 2 457 | R 2 264 | R 2 457 |

**Continuation members**

| | | | | |
|---|---|---|---|---|
| Number of principal members | 529 | 532 | 529 | 532 |
| Average number of spouse dependants | 0.41 | 0.41 | 0.41 | 0.41 |
| Average age of members | 71.7 | 71.4 | 71.7 | 71.4 |
| Average subsidy per month | R 3 138 | R 2 960 | R 3 138 | R 2 960 |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**9. Employee benefit obligations (continued)**

**Sensitivity Results**

The liability at the Valuation Date was recalculated to show the effect of:

A 1% increase and decrease in the assumed rate of health care cost inflation;
A 1% increase and decrease in the discount rate;
A one-year age reduction in the assumed rates of post-employment mortality;
A one-year decrease in the assumed average retirement age; and
A 10% decrease in the assumed proportion of in-service members that continue to receive the subsidy after retirement.

| Assumption | Change | In-service members | Continuation members | Total | % change |
|---|---|---|---|---|---|
| Central assumptions | | 277.127 | 234.742 | 511.869 | |
| Health care inflation rate | +1% | 309.153 | 251.650 | 560.803 | 10% |
| Discount rate | -1% | 240.913 | 217.737 | 458.650 | -10% |
| | +1% | 232.433 | 215.365 | 447.798 | -13% |
| | -1% | 334.569 | 257.541 | 527.922 | 16% |
| Post-employment mortality | -1 yr | 284.629 | 243.293 | 527.922 | 3% |
| Average retirement age | -1 yr | 305.157 | 234.742 | 539.899 | 5% |
| Continuation of membership at retirement | -10% | 240.177 | 234.742 | 474.918 | -7% |

The post-employment mortality adjustment assumes that someone aged 70 will experience the mortality of someone aged 69. The liability is expected to increase under this scenario because members are expected to live longer.

The table above indicates, for example, that if medical inflation is 1% greater than the long-term assumption made, the liability will be 10% higher than that shown.

The table below summarises the results of this analysis on the Current-Service and Interest Costs for the year ending 30 June 2019.

| Assumption | Change | Current service cost | Interest Cost | Total | % change |
|---|---|---|---|---|---|
| Central assumptions | | 25 123 600 | 50 673 700 | 75 797 300 | |
| Health care inflation rate | +1% | 27 866 200 | 55 184 900 | 83 051 100 | +10% |
| | -1% | 21 790 300 | 45 604 300 | 67 394 600 | -11% |
| Discount rate | +1% | 20 905 400 | 48 751 500 | 69 656 900 | -8% |
| | -1% | 30 537 200 | 52 661 200 | 83 198 400 | +10% |
| Post-employment mortality | -1 yr | 25 844 100 | 52 343 500 | 78 187 600 | +3% |
| Average retirement age | -1 yr | 27 139 700 | 54 035 400 | 81 175 100 | +7% |
| Continuation of membership at retirement | -10% | 22 611 300 | 47 573 100 | 70 184 400 | -7% |

These figures were derived at the last valuation and were presented in that report.

The table below summarises the results of this analysis on the Current-Service and Interest Costs for the year ending 30 June 2020.

| Assumption | Change | Current service cost | Interest Cost | Total | % change |
|---|---|---|---|---|---|
| Central assumptions | | 20 993 600 | 47 118 800 | 68 112 400 | |
| Health care inflation rate | +1% | 23 715 200 | 51 709 200 | 75 424 400 | +11% |
| Discount rate | -1% | 17 834 100 | 42 126 100 | 59 960 200 | -12% |
| | +1% | 17 315 000 | 45 482 200 | 62 797 200 | -8% |
| | -1% | 25 791 000 | 48 831 100 | 74 622 100 | +10% |
| Post-employment mortality | -1 yr | 21 559 400 | 48 626 200 | 70 185 600 | +3% |
| Average retirement age | -1 yr | 22 259 600 | 49 750 900 | 72 010 500 | +6% |
| Continuation of membership at retirement | -10% | 18 194 500 | 43 649 200 | 61 843 700 | -9% |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**9. Employee benefit obligations (continued)**

**History of Liabilities, Assets and Experience Adjustments**

The table below summarises the accrued liabilities and the plan assets for the current period and previous periods.

| **Liability history** | **30/06/2015** | **30/06/2016** | **30/06/2017** | **30/06/2018** | **30/06/2019** |
|---|---|---|---|---|---|
| Accrued liability | 503.423 | 505.116 | 527.298 | 537.975 | 511.869 |
| Fair value of plan asset | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| **Surplus / (Deficit)** | **(503.423)** | **(505.116)** | **(527.298)** | **(538.975)** | **(512.869)** |

The table below summarises the experience adjustments for the current period and the previous four periods. Experience adjustments are the effects of differences between the previous actuarial assumptions and what has actually occurred.

| **Experience adjustments** | **Year ending 30/06/2015** | **Year ending 30/06/2016** | **Year ending 30/06/2017** | **Year ending 30/06/2018** | **Year ending 30/06/2019** |
|---|---|---|---|---|---|
| Liabilities: (Gain) / Loss | 37.093 | (11.690) | 26.366 | (1.794) | (3.964) |
| Assets: Gain / (Loss) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

**Long service awards amounts recognised in the statement of financial position**

| | | | | |
|---|---|---|---|---|
| Balance at the beginning of the year | 195 180 004 | 184 862 038 | 195 180 004 | 184 862 038 |
| Interest cost | 15 552 333 | 14 614 931 | 15 552 333 | 14 614 931 |
| Current service cost | 20 377 027 | 20 353 828 | 20 377 027 | 20 353 828 |
| Actual employer benefit payments | (25 020 537) | (22 569 396) | (25 020 537) | (22 569 396) |
| Actuarial gain recognised in the year | 10 857 685 | (2 081 397) | 10 857 685 | (2 081 397) |
| | **216 946 512** | **195 180 004** | **216 946 512** | **195 180 004** |

**Long service awards - Net cost**

| | | | | |
|---|---|---|---|---|
| Interest costs | 15 552 333 | 14 614 931 | 15 552 333 | 14 614 931 |
| Current service cost | 20 377 027 | 20 353 828 | 20 377 027 | 20 353 828 |
| Actuarial (gains)/losses recognised in the year | 10 857 685 | (2 081 397) | 10 857 685 | (2 081 397) |
| Employer benefits vesting | (25 020 537) | (22 569 396) | (25 020 537) | (22 569 396) |
| | **21 766 508** | **10 317 966** | **21 766 508** | **10 317 966** |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**10. Inventories**

| | | | | |
|---|---|---|---|---|
| Electricity store (Electrical maintenance parts) | 10 136 210 | 11 186 094 | 10 136 210 | 11 186 094 |
| Workshop store (Mechanical maintenance parts) | 248 446 | 454 051 | 248 446 | 454 051 |
| Water store (Water maintenance parts) | 3 219 126 | 3 399 936 | 3 219 126 | 3 399 936 |
| Unsold water (Treated water in pipelines & reservoirs) | 14 842 491 | 15 476 087 | 14 842 491 | 15 476 087 |
| General stores (Chiselhurst, Mdantsane, KWT) | 9 367 833 | 12 748 192 | 9 332 415 | 12 715 137 |
| | 37 814 106 | 43 264 360 | 37 778 688 | 43 231 305 |
| Inventories (write-downs) | (636 588) | (474 802) | (636 588) | (474 802) |
| | **37 177 518** | **42 789 558** | **37 142 100** | **42 756 503** |

Carrying value of stock is disclosed at the lower of cost and net realisable value.

The inventories (write-downs) amount is in respect of obsolete stock and not due to a change in accounting policy.

Inventory write-downs is included under note 41 : General Expenses - Other expenses.

**Inventory pledged as security**

No inventory was pledged as security.

**11. Receivables from exchange transactions - BCMDA**

| | | | | |
|---|---|---|---|---|
| Deposits | 44 713 | 44 713 | – | – |
| Project management fee receivable | 767 341 | 54 821 | – | – |
| Sundry debtors | – | 2 229 | – | – |
| | **812 054** | **101 763** | **–** | **–** |

Receivables from exchange transactions is made up of R44 713 (refundable deposit paid to EL IDZ for the rental office space). Project management fees receivable of R630 837 are in relation to the implementation of the Water World and Court Crescent Projects and the DEA Waste Management Project.

Receivable control in the prior year was in relation to retention monies due to the agency. These are retentions on the GMC project that the BCMDA implemented on behalf of DEA.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| Figures in Rand | Economic entity 2019 | Economic entity 2018 Restated* | Controlling entity 2019 | Controlling entity 2018 Restated* |
|---|---|---|---|---|
| **12. Receivables from non-exchange transactions** | | | | |
| Traffic fines | 38 750 259 | 27 896 195 | 38 750 259 | 27 896 195 |
| Other receivables (billing) | 187 964 156 | 160 819 057 | 187 964 156 | 160 819 057 |
| Other debtors | 44 904 473 | 21 863 114 | 44 904 473 | 21 979 398 |
| Property rates | 584 203 499 | 435 853 482 | 584 203 499 | 435 853 482 |
| Allowance for impairment property rates and other receivables billing | (443 371 621) | (402 368 696) | (443 371 621) | (402 368 696) |
| | **412 450 766** | **244 063 152** | **412 450 766** | **244 179 436** |
| **Property rates age analysis** | | | | |
| Current (0-30 days) | 107 643 758 | 74 517 231 | 107 643 758 | 74 517 231 |
| 31-60 days | 35 006 196 | 27 423 925 | 35 006 196 | 27 423 925 |
| 61-90 days | 22 867 998 | 13 221 235 | 22 867 998 | 13 221 235 |
| 91-120 days | 18 697 787 | 10 453 639 | 18 697 787 | 10 453 639 |
| 121- 365 days | 121 085 395 | 80 754 414 | 121 085 395 | 80 754 414 |
| >365 days | 278 902 365 | 229 483 038 | 278 902 365 | 229 483 038 |
| | **584 203 499** | **435 853 482** | **584 203 499** | **435 853 482** |
| **Other receivables (billing) age analysis** | | | | |
| Current (0-30 days) | 30 597 961 | 6 823 366 | 30 597 961 | 6 823 366 |
| 31-60 days | 4 381 103 | 4 511 124 | 4 381 103 | 4 511 124 |
| 61-90 days | 3 205 243 | 3 593 903 | 3 205 243 | 3 593 903 |
| 91-120 days | 3 249 982 | 3 223 118 | 3 249 982 | 3 223 118 |
| 121- 365 days | 24 284 553 | 33 498 927 | 24 284 553 | 33 498 927 |
| >365 days | 122 245 314 | 109 168 619 | 122 245 314 | 109 168 619 |
| | **187 964 156** | **160 819 057** | **187 964 156** | **160 819 057** |
| **Less: Allowance for Impairment - Property rates and other receivables** | | | | |
| Current (0-30 days) | (91 815 344) | (83 315 715) | (91 815 344) | (83 315 715) |
| 31-60 Days | (21 748 495) | (19 735 170) | (21 748 495) | (19 735 170) |
| 61-90 Days | (13 954 990) | (12 663 133) | (13 954 990) | (12 663 133) |
| 91-120 Days | (11 609 988) | (10 535 216) | (11 609 988) | (10 535 216) |
| 121-365 days | (74 494 235) | (67 598 075) | (74 494 235) | (67 598 075) |
| >365 days | (229 748 569) | (208 521 387) | (229 748 569) | (208 521 387) |
| | **(443 371 621)** | **(402 368 696)** | **(443 371 621)** | **(402 368 696)** |
| **Traffic Fines** | | | | |
| Opening Balance - Total Outstanding Fines (Based on prior 3 years) | 111 584 781 | 74 026 927 | 111 584 781 | 74 026 927 |
| Less: Outstanding Fines in respect of prior third year | (14 877 599) | (13 023 604) | (14 877 599) | (13 023 604) |
| Total Traffic Fines Issued BCMM | **90 874 420** | **68 138 450** | **90 874 420** | **68 138 450** |
| Traffic Fines withdrawn, untraceable and uncollectable | (5 376 243) | (2 520 050) | (5 376 243) | (2 520 050) |
| Traffic Fines Paid | (13 725 969) | (15 036 942) | (13 725 969) | (15 036 942) |
| Total Outstanding Fines | **168 479 390** | **111 584 781** | **168 479 390** | **111 584 781** |
| Impairment (Based on a probability collection factor of approx. 23% - 2019 and 25% - 2018) | (129 729 131) | (83 688 586) | (129 729 131) | (83 688 586) |
| **Traffic Fines Debtor** | **38 750 259** | **27 896 195** | **38 750 259** | **27 896 195** |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**12. Receivables from non-exchange transactions (continued)**

**Trade and other receivables from non-exchange transactions pledged as security**

No portion of accounts receivable was pledged as security for any financial liabilities.

No security is held for any accounts receivable.

These accounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

**Credit quality of receivables from non-exchange transactions**

The credit quality of trade and other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings.

Although credit quality can be assessed the entity did not apply any methods to evaluate the credit quality.

**Trade and other receivables from non-exchange transactions impaired**

As of 30 June 2019, other receivables from non-exchange transactions of R (443 371 621) (2018: R (402 368 696)) were impaired and provided for.

Amounts totalling R37 420 603 (2018: R45 496 454) were written off as uncollectable against the debt impairment allowance account. This represents 0.02% (2018: 0.01%) of the total operating income for the year.

**Reconciliation of allowance for impairment of trade and other receivables from non-exchange transactions**

| | | | | |
|---|---|---|---|---|
| Opening balance | (402 368 696) | (352 103 319) | (402 368 696) | (352 103 319) |
| Allowance for impairment | (78 423 528) | (95 761 831) | (78 423 528) | (95 761 831) |
| Amounts written off as uncollectible | 37 420 603 | 45 496 454 | 37 420 603 | 45 496 454 |
| | **(443 371 621)** | **(402 368 696)** | **(443 371 621)** | **(402 368 696** |

**)**

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note 38). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or credit enhancements.

**13. VAT receivable**

| | | | | |
|---|---|---|---|---|
| VAT | 171 155 706 | 110 145 810 | 170 849 380 | 109 939 374 |

The above VAT receivable amount is the net amount of total VAT input R4 741 164 456 (2018: R4 080 942 715) less total VAT output R4 570 315 076 (2018: R3 971 003 341).

The entity is registered on the payment basis. VAT is declared to SARS on receipt of payments from customers and claimed once payment is made to suppliers.

# Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |
| **14. Receivables from exchange transactions** | | | | |
| **Gross balances** | | | | |
| Electricity | 387 048 444 | 329 739 719 | 387 048 444 | 329 739 719 |
| Water | 474 123 459 | 426 515 579 | 474 123 459 | 426 515 579 |
| Sewerage | 239 428 552 | 206 774 610 | 239 428 552 | 206 774 610 |
| Refuse | 272 779 500 | 242 524 341 | 272 779 500 | 242 524 341 |
| Accrued income | 388 396 859 | 391 126 109 | 388 396 859 | 391 126 109 |
| | **1 761 776 814** | **1 596 680 358** | **1 761 776 814** | **1 596 680 358** |
| **Less: Allowance for impairment** | | | | |
| Electricity | (224 907 641) | (158 580 820) | (224 907 641) | (158 580 820) |
| Water | (275 228 833) | (289 421 989) | (275 228 833) | (289 421 989) |
| Sewerage | (134 798 546) | (109 980 876) | (134 798 546) | (109 980 876) |
| Refuse | (153 575 167) | (141 515 444) | (153 575 167) | (141 515 444) |
| | **(788 510 187)** | **(699 499 129)** | **(788 510 187)** | **(699 499 129)** |
| **Net balance** | | | | |
| Electricity | 162 140 803 | 171 158 899 | 162 140 803 | 171 158 899 |
| Water | 198 894 626 | 137 093 590 | 198 894 626 | 137 093 590 |
| Sewerage | 104 630 006 | 96 793 734 | 104 630 006 | 96 793 734 |
| Refuse | 119 204 333 | 101 008 897 | 119 204 333 | 101 008 897 |
| Accrued income | 388 396 859 | 391 126 109 | 388 396 859 | 391 126 109 |
| | **973 266 627** | **897 181 229** | **973 266 627** | **897 181 229** |
| **Electricity** | | | | |
| Current (0 -30 days) | 200 612 062 | 207 590 024 | 200 612 062 | 207 590 024 |
| 31 - 60 days | 23 782 089 | 11 950 693 | 23 782 089 | 11 950 693 |
| 61 - 90 days | 11 802 765 | 6 437 138 | 11 802 765 | 6 437 138 |
| 91 - 120 days | 7 728 571 | 4 497 083 | 7 728 571 | 4 497 083 |
| 121 - 365 days | 47 768 515 | 27 523 077 | 47 768 515 | 27 523 077 |
| > 365 days | 95 354 442 | 71 741 704 | 95 354 442 | 71 741 704 |
| | **387 048 444** | **329 739 719** | **387 048 444** | **329 739 719** |
| **Water** | | | | |
| Current (0 -30 days) | 65 194 979 | 95 286 884 | 65 194 979 | 95 286 884 |
| 31 - 60 days | 20 549 823 | 38 688 753 | 20 549 823 | 38 688 753 |
| 61 - 90 days | 15 839 497 | 29 465 456 | 15 839 497 | 29 465 456 |
| 91 - 120 days | 14 708 088 | 22 776 748 | 14 708 088 | 22 776 748 |
| 121 - 365 days | 84 474 331 | 122 579 833 | 84 474 331 | 122 579 833 |
| > 365 days | 276 003 658 | 117 717 905 | 276 003 658 | 117 717 905 |
| | **476 770 376** | **426 515 579** | **476 770 376** | **426 515 579** |
| **Sewerage** | | | | |
| Current (0 -30 days) | 25 591 286 | 20 803 885 | 25 591 286 | 20 803 885 |
| 31 - 60 days | 11 425 054 | 10 095 600 | 11 425 054 | 10 095 600 |
| 61 - 90 days | 7 100 531 | 6 139 572 | 7 100 531 | 6 139 572 |
| 91 - 120 days | 5 698 915 | 4 854 509 | 5 698 915 | 4 854 509 |
| 121 - 365 days | 39 016 107 | 35 443 091 | 39 016 107 | 35 443 091 |
| > 365 days | 150 596 659 | 129 437 953 | 150 596 659 | 129 437 953 |
| | **239 428 552** | **206 774 610** | **239 428 552** | **206 774 610** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**14. Receivables from exchange transactions (continued)**

| | | | | |
|---|---|---|---|---|
| **Refuse** | | | | |
| Current (0 -30 days) | 19 536 864 | 18 715 794 | 19 536 864 | 18 715 794 |
| 31 - 60 days | 9 962 879 | 9 890 327 | 9 962 879 | 9 890 327 |
| 61 - 90 days | 6 626 293 | 7 069 979 | 6 626 293 | 7 069 979 |
| 91 - 120 days | 6 025 949 | 5 848 789 | 6 025 949 | 5 848 789 |
| 121 - 365 days | 43 390 322 | 43 829 326 | 43 390 322 | 43 829 326 |
| > 365 days | 187 237 193 | 157 170 126 | 187 237 193 | 157 170 126 |
| | **272 779 500** | **242 524 341** | **272 779 500** | **242 524 341** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**14. Receivables from exchange transactions (continued)**

**Summary of debtors by customer classification: (This refers to the total debtor classification including exchange and non-exchange transactions as per billing system i.e. this includes rates and other billing receivables)**

| | | | | |
|---|---|---|---|---|
| **Consumers** | | | | |
| Current (0 -30 days) | 140 836 633 | 155 252 307 | 140 836 633 | 155 252 307 |
| 31 - 60 days | 67 246 059 | 72 230 183 | 67 246 059 | 72 230 183 |
| 61 - 90 days | 46 035 863 | 50 941 046 | 46 035 863 | 50 941 046 |
| 91 - 120 days | 42 395 144 | 39 214 312 | 42 395 144 | 39 214 312 |
| 121 - 365 days | 287 120 965 | 239 075 703 | 287 120 965 | 239 075 703 |
| > 365 days | 959 419 530 | 653 440 098 | 959 419 530 | 653 440 098 |
| | 1 543 054 194 | 1 210 153 649 | 1 543 054 194 | 1 210 153 649 |
| Less: Allowance for impairment | - | - | (912 206 310) | (696 253 470) |
| | **1 543 054 194** | **1 210 153 649** | **630 847 884** | **513 900 179** |
| **Industrial/ commercial** | | | | |
| Current (0 -30 days) | 288 447 358 | 222 852 467 | 288 447 358 | 222 852 467 |
| 31 - 60 days | 32 149 097 | 22 444 623 | 32 149 097 | 22 444 623 |
| 61 - 90 days | 18 023 569 | 10 275 826 | 18 023 569 | 10 275 826 |
| 91 - 120 days | 13 014 398 | 7 500 303 | 13 014 398 | 7 500 303 |
| 121 - 365 days | 68 751 888 | 64 162 852 | 68 751 888 | 64 162 852 |
| > 365 days | 145 455 800 | 126 978 062 | 145 455 800 | 126 978 062 |
| | 565 842 110 | 454 214 133 | 565 842 110 | 454 214 133 |
| Less: Allowance for impairment | (319 675 498) | (250 390 512) | (319 675 498) | (250 390 512) |
| | **246 166 612** | **203 823 621** | **246 166 612** | **203 823 621** |
| **National and provincial government** | | | | |
| Current (0 -30 days) | 19 892 920 | 23 582 131 | 19 892 920 | 23 582 131 |
| 31 - 60 days | 5 711 987 | 2 729 743 | 5 711 987 | 2 729 743 |
| 61 - 90 days | 3 382 896 | 520 336 | 3 382 896 | 520 336 |
| 91 - 120 days | 699 751 | 263 005 | 699 751 | 263 005 |
| 121 - 365 days | 4 146 371 | 3 263 338 | 4 146 371 | 3 263 338 |
| > 365 days | 5 464 301 | 14 243 475 | 5 464 301 | 14 243 475 |
| | **39 298 226** | **44 602 028** | **39 298 226** | **44 602 028** |
| **Total** | | | | |
| Current (0 -30 days) | 449 176 911 | 423 737 183 | 449 176 911 | 423 737 183 |
| 31 - 60 days | 105 107 143 | 102 560 421 | 105 107 143 | 102 560 421 |
| 61 - 90 days | 67 442 327 | 65 927 282 | 67 442 327 | 65 927 282 |
| 91 - 120 days | 56 109 293 | 51 653 887 | 56 109 293 | 51 653 887 |
| 121 - 365 days | 360 019 224 | 343 628 668 | 360 019 224 | 343 628 668 |
| > 365 days | 1 110 339 631 | 814 719 346 | 1 110 339 631 | 814 719 346 |
| | 2 148 194 529 | 1 802 226 787 | 2 148 194 529 | 1 802 226 787 |
| Less: Allowance for impairment | (1 231 881 808) | (1 101 867 825) | (1 231 881 808) | (1 101 867 825) |
| | **916 312 721** | **700 358 962** | **916 312 721** | **700 358 962** |
| **Less: Allowance for impairment** | | | | |
| Current (0 -30 days) | (256 975 306) | (228 179 632) | (256 975 306) | (228 179 632) |
| 31 - 60 days | (54 049 392) | (54 049 392) | (60 311 109) | (54 049 392) |
| 61 - 90 days | (34 680 962) | (34 680 962) | (38 698 812) | (34 680 962) |
| 91 - 120 days | (28 853 160) | (28 853 160) | (32 195 849) | (28 853 160) |
| 121 - 365 days | (185 133 186) | (185 133 186) | (206 581 191) | (185 133 186) |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**14. Receivables from exchange transactions (continued)**

| | | | | |
|---|---|---|---|---|
| > 365 days | (570 971 493) | (570 971 493) | (637 119 542) | (570 971 493) |
| | **(1 130 663 499)** | **(1 101 867 825)** | **(1 231 881 809)** | **(1 101 867 825)** |
| **Total debtor past due but not impaired** | | | | |
| Current (0 -30 days) | 87 877 561 | 63 586 194 | 87 877 561 | 63 586 194 |

**Consumer debtors pledged as security**

No portion of accounts receivable was pledged as security for any financial liabilities.

No security is held for any of the accounts receivable.

**Credit quality of consumer debtors**

The credit quality of consumer debtors that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Although credit quality can be assessed the entity did not apply any methods to evaluate the credit quality.

**Consumer debtors impaired**

As of 30 June 2019, consumer debtors of R (788 510 187) (2018: R (699 499 129)) were impaired and provided for.

Amounts totaling R205 748 123 as of June 30, 2019 (2018: R240 827 289) were written off as uncollectable against the debt impairment allowance account. This represents 0.0331% (2018: 0.0462%) of the total operating income for the year.

**Reconciliation of allowance for impairment of consumer debtors**

| | | | | |
|---|---|---|---|---|
| Opening balance | (699 499 129) | (714 811 285) | (699 499 129) | (714 811 285) |
| Allowance for impairment | (294 759 182) | (225 515 133) | (294 759 182) | (225 515 133) |
| Amounts written off as uncollectible | 205 748 123 | 240 827 289 | 205 748 123 | 240 827 289 |
| | **(788 510 188)** | **(699 499 129)** | **(788 510 188)** | **(699 499 129)** |

The creation and release of allowance for impaired receivables have been included in operating expenses in the statement of financial performance (note 38). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

Refer to note 12 regarding impairment of non-exchange transactions.

In terms of the arrangements to repay rates and services debt as at 30 June 2019, 3521 (2018: 2596) debtors had active outstanding arrangements to the value of R61 326 180 (2018: R35 486 337). The repayment periods range from 1 month to a maximum of 24 months in terms of the Credit Control Policy.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 15. Cash and cash equivalents

| | | | | |
|---|---|---|---|---|
| **Cash and cash equivalents consist of:** | | | | |
| Cash on hand | 86 484 | 82 009 | 84 607 | 80 007 |
| Bank balances | 246 927 038 | 165 021 627 | 242 941 512 | 164 656 641 |
| Short-term deposits | 924 619 393 | 1 660 392 952 | 924 619 393 | 1 660 392 952 |
| | **1 171 632 915** | **1 825 496 588** | **1 167 645 512** | **1 825 129 600** |
| **Allocation of external investments (call and short term deposits)** | | | | |
| BCMET | 512 075 | 531 780 | 512 075 | 531 780 |
| Own funding (operating account commitments) | 924 107 318 | 1 659 861 172 | 924 107 318 | 1 659 861 172 |
| | **924 619 393** | **1 660 392 952** | **924 619 393** | **1 660 392 952** |
| **Call and short-term deposits per institution** | | | | |
| Absa (interest rate range 6.3% - 6.6% : 2018 6.30% - 7.72%) | 239 825 801 | 414 689 209 | 239 825 801 | 414 689 209 |
| Nedbank (interest rate range 6.3% - 6.6% : 2018 6.30% - 7.85%) | 205 985 619 | 408 150 415 | 205 985 619 | 408 150 415 |
| RMB (interest rate range 6.3% - 6.6% : 2018 6.30% - 7.95%) | 240 877 015 | 415 168 994 | 240 877 015 | 415 168 994 |
| Standard Bank (interest rate range 6.3% - 6.6% : 2018 6.30% - 7.75%) | 152 179 540 | 295 161 008 | 152 179 540 | 295 161 008 |
| Stanlib (interest rate range 7.2% - 7.5% : 2018 7.29% - 7.55%) | 85 751 418 | 127 223 326 | 85 751 418 | 127 223 326 |
| | **924 619 393** | **1 660 392 952** | **924 619 393** | **1 660 392 952** |

Own funding includes the insurance and Compensation for Occupational Injuries and Diseases (COID) purposes.

No cash and cash equivalents (or portions thereof) were pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash. No portion is past due or impaired.

These amounts best represent the maximum exposure to credit rist at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

A cession by the Municipality in respect of the Department of Labour for COID amounts to R18 500 034 (2018 : R10 474 620)

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 15. Cash and cash equivalents (continued)

**The entity had the following bank accounts**

| Account number / description | Bank statement balances | | Cash book balances | |
|---|---|---|---|---|
| | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 |
| ABSA BANK - Primary Account - 408-009-0281 | 2 571 001 | 241 424 838 | 2 522 341 | 159 594 559 |
| ABSA BANK - Prism Account - 408-009-0574 | – | – | – | 3 710 137 |
| ABSA BANK - Market Account - 408-009-0639 | – | 2 607 020 | – | 1 351 945 |
| ABSA BANK - Unpaid Account - 408-009-0697 | – | 3 106 | – | – |
| STANDARD BANK - Primary Account - 081-166-702 | 381 736 314 | – | 233 367 599 | – |
| STANDARD BANK - Market Account - 081-167-873 | 1 784 773 | – | 1 108 402 | – |
| STANDARD BANK - Prism Account - 081-167-776 | – | – | 5 943 170 | – |
| First National BANK - EC Buffalo City GMC 2015 Cheque Account - 626-1293-9267 | – | 6 293 | – | 6 293 |
| First National BANK - Public Sector Cheque Account - 620-9871-7899 | 303 231 | 335 316 | 303 231 | 335 316 |
| First National BANK - Commercial Money Market Account - 620-9871-9358 | 732 510 | 23 292 | 732 510 | 23 292 |
| First National BANK - DEA Waste Management Public Sector Cheque Account - 627-4180-3177 | 2 949 | 785 85 | 2 949 | 785 85 |
| **Total** | **390 077 614** | **244 399 950** | **246 927 038** | **165 021 627** |

### 16. Revaluation reserve

| | | | | |
|---|---|---|---|---|
| Opening balance | 9 046 230 471 | 6 925 099 056 | 9 046 230 471 | 6 925 099 056 |
| Change during the year | 820 768 930 | 2 121 131 415 | 820 768 930 | 2 121 131 415 |
| | **9 866 999 401** | **9 046 230 471** | **9 866 999 401** | **9 046 230 471** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 17. Unspent conditional grants and receipts

**Unspent conditional grants and receipts comprises of:**

| | | | | |
|---|---|---|---|---|
| **Unspent conditional grants and receipts** | | | | |
| National Government Grants | 6 016 308 | 43 739 712 | 3 062 775 | 43 730 864 |
| Provincial Government Grants | 7 928 711 | 14 595 675 | 7 680 686 | 14 329 878 |
| Other conditional grants | 1 939 139 | 4 875 010 | 2 187 164 | 5 140 807 |
| Administrative grant | 194 726 124 | 182 141 961 | 194 726 124 | 182 141 961 |
| | **210 610 282** | **245 352 358** | **207 656 749** | **245 343 510** |

| **National Government** | **Unspent balance 2018** | **Current years receipts / interest allocated** | **Transfer to revenue operating expenditure** | **Transfer to revenue capital expenditure** | **Transfers / Prior period error** | **Unspent balance 2019** |
|---|---|---|---|---|---|---|
| Financial Management Grant (FMG) | 1 204 | 1 150 000 | (1 086 539) | (64 892) | 405 | 178 |
| Neighbourhood Development Partnership Grant (NDPG) | - | 6 000 000 | - | (5 992 817) | - | 7 183 |
| Integrated National Electrification Programme (INEP) | 567 | 6 200 000 | - | (4 875 550) | (337 402) | 987 615 |
| Electricity Demand: Side Management Grant (EDSM) | 19 | 8 000 000 | - | (7 996 091) | (1 643) | 2 285 |
| Urban Settlement Development Grant (USDG) | 291 553 | 962 992 000 | (83 784 580) | (778 446 265) | (101 051 265) | 1 443 |
| Expanded Public Works Programme (EPWP) | 216 | 4 167 000 | (4 167 264) | - | - | (48) |
| Municipal Emergency Housing Grant (MEHG) | - | 9 043 295 | (7 853 371) | - | (895 564) | 294 360 |
| Integrated City Development Grant (ICDG) | - | 10 003 000 | - | (10 002 379) | - | 621 |
| Infrastructure Skills Development Grant (ISDG) | 1 845 208 | 10 800 000 | (9 456 700) | (15 249) | (2 070 401) | 1 102 858 |
| Public Transport Network Grant (PTNG) | 41 592 183 | 95 165 000 | (2 965 645) | (79 366 197) | (53 759 061) | 666 280 |
| DEA - GMC Grant - BCMDA | 8 848 | - | - | - | (5 263) | 3 585 |
| DEA - Waste Management Conditional grant - BCMDA | - | 5 417 769 | (2 467 821) | - | - | 2 949 948 |
| **Subtotal** | **43 739 7121** | **118 938 064** | **(111 781 920)** | **(886 759 440)** | **(158 120 194)** | **6 016 308** |

| **Provincial Government** | **Unspent balance 2018** | **Current years receipts / interest allocated** | **Transfer to revenue operating expenditure** | **Transfer to revenue capital expenditure** | **Transfers / Prior period error** | **Unspent balance 2019** |
|---|---|---|---|---|---|---|
| Transitional Grant | 113 769 | - | - | - | - | 113 769 |
| King William's Town: Grants Government | 2 053 | - | - | - | - | 2 053 |
| European Commission | 1 114 528 | 74 059 | - | - | - | 1 188 587 |
| Gompo Survey (DVRI Hydroponics) | 98 532 | - | - | - | - | 98 532 |
| Rehabilitation of Stoney Drift Landfill Site (DEDEAT) | 199 168 | - | - | - | - | 199 168 |
| Gompo & Mdantsane Art Centres (DVRI Arts Centre) | 861 | - | - | - | - | 861 |
| Pilot Housing Project | 268 793 | - | - | - | - | 268 793 |
| Reeston Development - Land Affairs | 165 214 | 11 034 | - | - | - | 176 248 |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| Figures in Rand | Economic entity 2019 | Economic entity 2018 Restated* | Controlling entity 2019 | Controlling entity 2018 Restated* |
|---|---|---|---|---|

### 17. Unspent conditional grants and receipts (continued)

| | | | | | | |
|---|---|---|---|---|---|---|
| Mdantsane Urban Renewal Project (Mount Ruth Node) | 10 856 433 | 721 337 | - | (7 455 623) | - | 4 122 147 |
| Ikhwezi Block 1 Development | 175 288 | - | - | - | - | 175 288 |
| Mdantsane Upgrade - MD Assessment Study | 189 165 | - | - | - | - | 189 165 |
| Needscamp Planning | 937 253 | - | - | - | - | 937 253 |
| Department of Sports, Recreation, Arts and Culture (DSRAC) | 208 821 | - | - | - | - | 208 821 |
| **Subtotal** | **14 329 878** | **806 430** | **-** | **(7 455 623)** | **-** | **7 680 685** |

| **Other conditional grants** | **Unspent balance 2018** | **Current years receipts / interest allocated** | **Transfer to revenue operating expenditure** | **Transfer to revenue capital expenditure** | **Transfers / Prior period error** | **Unspent balance 2019** |
|---|---|---|---|---|---|---|
| Amatole District Municipality Funding (ADM) | 1 673 270 | - | - | - | (1 673 270) | - |
| Buffalo City Metro Transport (BCMET) Funding | 487 499 | - | - | - | - | 487 499 |
| VUNA Award | 1 040 066 | - | - | - | (1 040 066) | - |
| Friends of East London Zoo (Felzoo) | 248 025 | - | - | - | - | 248 025 |
| SALAIDA (Gavle) | 1 051 684 | 122 622 | (410 411) | - | - | 763 895 |
| Leiden | 74 274 | 5 218 | - | - | - | 79 492 |
| Umsobomvu Youth Fund | 241 844 | 18 842 | - | - | - | 260 686 |
| City of Oldenburg | 324 143 | 23 424 | - | - | - | 347 567 |
| **Subtotal** | **5 140 805** | **170 106** | **(410 411)** | **-** | **(2 713 336)** | **2 187 164** |

| **Administrative grant** | **Unspent balance 2018** | **Current years receipts / interest allocated** | **Transfer to revenue operating expenditure** | **Transfer to revenue capital expenditure** | **Transfers / Prior period error** | **Unspent balance 2019** |
|---|---|---|---|---|---|---|
| Land Affairs - West Bank | 97 766 810 | 6 976 416 | - | - | - | 104 743 226 |
| Land Affairs - East Bank | 84 375 152 | 5 607 744 | - | - | - | 89 982 896 |
| **Subtotal** | **182 141 962** | **12 584 160** | **-** | **-** | **-** | **194 726 122** |

| **National Government (2018)** | **Unspent balance 2017** | **Current years receipts / interest allocated** | **Transfer to revenue operating expenditure** | **Transfer to revenue capital expenditure** | **Transfers / Prior period error** | **Unspent balance 2018** |
|---|---|---|---|---|---|---|
| Financial Management Grant (FMG) | 771 | 1 300 000 | (1 299 567) | - | - | 1 204 |
| Integrated National Electrification Programme (INEP) | 25 470 812 | 7 300 000 | - | (19 444 295) | (13 325 949) | 568 |
| Electricity Demand: Side Management Grant (EDSM) | - | 5 000 000 | - | (4 999 982) | - | 18 |
| Urban Settlement Development Grant (USDG) | 195 928 | 128 000 | (65 131 354) | (765 810 138) | (96 895 150) | 291 553 |
| Expanded Public Works Programme (EPWP) | 139 | 4 952 000 | (4 916 940) | - | (34 982) | 217 |
| Integrated City Development Grant (ICDG) | 116 650 | 6 956 000 | - | (6 956 000) | (116 650) | - |
| Infrastructure Skills Development Grant (ISDG) | 2 013 060 | 10 560 000 | (8 586 659) | - | (2 141 193) | 1 845 208 |
| Public Transport Network Grant (PTNG) | 33 136 686 | 55 868 000 | (4 593 997) | (36 991 983) | (5 826 523) | 41 592 183 |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 17. Unspent conditional grants and receipts (continued)

| | | | | | | |
|---|---|---|---|---|---|---|
| DEA - GMC Grant - BCMDA | 1 489 147 | 24 848 | (1 505 147) | - | - | 8 848 |
| Subtotal | 62 227 4601 | 020 088 848 | (86 033 664) | (834 202 398) | (118 340 447) | 43 739 799 |

| Provincial Government (2018) | Unspent balance 2017 | Current years receipts / interest allocated | Transfer to revenue operating expenditure | Transfer to revenue capital expenditure | Transfers / Prior period error | Unspent balance 2018 |
|---|---|---|---|---|---|---|
| Transitional Grant | 113 769 | - | - | - | - | 113 769 |
| King William's Town: Grants Government | 2 053 | - | - | - | - | 2 053 |
| European Commission | 1 044 957 | 69 571 | - | - | - | 1 114 528 |
| Gompo Survey (DVRI Hydroponics) | 98 532 | - | - | - | - | 98 532 |
| Human Settlement Development Grant (HSDG) | - | 109 905 110 | (71 002 960) | - | - | 38 902 150 |
| Rehabilitation of Stoney Drift Landfill Site (DEDEAT) | 199 168 | - | - | - | - | 199 168 |
| Gompo & Mdantsane Art Centres (DVRI Arts Centre) | 861 | - | - | - | - | 861 |
| Pilot Housing Project | 268 793 | - | - | - | - | 268 793 |
| Reeston Development - Land Affairs | 140 029 | 25 185 | - | - | - | 165 214 |
| Mdantsane Urban Renewal Project (Mount Ruth Node) | 10 226 501 | 629 932 | - | - | - | 10 856 433 |
| Ikhwezi Block 1 Development | 175 288 | - | - | - | - | 175 288 |
| Mdantsane Upgrade - MD Assessment Study | 189 165 | - | - | - | - | 189 165 |
| Needscamp Planning | 937 253 | - | - | - | - | 937 253 |
| Department of Sports, Recreation, Arts and Culture (DSRAC) | 208 821 | - | - | - | - | 208 821 |
| **Subtotal** | **13 605 190** | **110 629 798** | **(71 002 960)** | **-** | **-** | **53 232 028** |

| Other conditional grants | Unspent balance 2017 | Current years receipts / interest allocated | Transfer to revenue operating expenditure | Transfer to revenue capital expenditure | Transfers / Prior period error | Unspent balance 2018 |
|---|---|---|---|---|---|---|
| Amatole District Municipality Funding (ADM) | 1 673 270 | - | - | - | - | 1 673 270 |
| Buffalo City Metro Transport (BCMET) Funding | 487 499 | - | - | - | - | 487 499 |
| VUNA Award | 1 040 066 | - | - | - | - | 1 040 066 |
| Friends of East London Zoo (Felzoo) | 248 025 | - | - | - | - | 248 025 |
| SALAIDA (Gavle) | 1 750 800 | 169 352 | (639 468) | (229 000) | - | 1 051 684 |
| Leiden | 143 033 | 8 711 | (77 470) | - | - | 74 274 |
| Umsobomvu Youth Fund | 224 074 | 17 770 | - | - | - | 241 844 |
| Glasgow Partnership | 89 858 | - | (89 858) | - | - | - |
| City of Oldenburg | 540 950 | 36 168 | (252 975) | - | - | 324 143 |
| **Subtotal** | **6 197 575** | **232 001** | **(1 059 771)** | **(229 000)** | **-** | **5 140 805** |

| Administrative grant | Unspent balance 2017 | Current years receipts / interest allocated | Transfer to revenue operating expenditure | Transfer to revenue capital expenditure | Transfers / Prior period error | Unspent balance 2018 |
|---|---|---|---|---|---|---|
| Land Affairs - West Bank | 91 204 869 | 6 561 941 | - | - | - | 97 766 810 |
| Land Affairs - East Bank | 79 084 327 | 5 290 825 | - | - | - | 84 375 152 |

| | | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|---|
| Figures in Rand | | | 2019 | 2018 Restated* | 2019 | 2018 Restated* |
| **17. Unspent conditional grants and receipts (continued)** | | | | | | |
| **Subtotal** | **170 289 196** | **11 852 766** | **-** | **-** | **-** | **182 141 962** |
| **18. Borrowings** | | | | | | |
| **At amortised cost** | | | | | | |
| Annuity loans | | | 345 554 088 | 398 126 111 | 345 554 088 | 398 126 111 |
| **Non-current liabilities** | | | | | | |
| At amortised cost | | | 287 580 532 | 345 554 088 | 287 580 532 | 345 554 088 |
| **Current liabilities** | | | | | | |
| At amortised cost | | | 57 973 556 | 52 572 023 | 57 973 556 | 52 572 023 |

The entity did not default on any of the borrowings in respect of capital or interest portions.

No terms attached to the borrowings were re-negotiated.

Average interest rate is 9.74%

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 19. Provisions

**Reconciliation of provisions - Economic entity - 2019**

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Total |
|---|---|---|---|---|---|
| Provision - Website and mailbox services | 24 381 | - | - | (24 381) | - |
| Landfill Sites | 211 366 794 | 699 481 | - | - | 212 066 275 |
| Bonus provision | 40 567 610 | 5 349 580 | (824 441) | - | 45 092 749 |
| | **251 958 785** | **6 049 061** | **(824 441)** | **(24 381)** | **257 159 024** |

**Reconciliation of provisions - Economic entity - 2018**

| | Opening Balance | Additions | Total |
|---|---|---|---|
| Provision - Website and mailbox services | - | 24 381 | 24 381 |
| Landfill Sites | 176 492 077 | 34 874 717 | 211 366 794 |
| Bonus provision | 35 846 211 | 4 721 399 | 40 567 610 |
| | **212 338 288** | **39 620 497** | **251 958 785** |

**Reconciliation of provisions - 2019**

| | Opening Balance | Additions | Total |
|---|---|---|---|
| Landfill Sites | 211 366 794 | 699 481 | 212 066 275 |
| Bonus provision | 39 743 169 | 4 320 608 | 44 063 777 |
| | **251 109 963** | **5 020 089** | **256 130 052** |

**Reconciliation of provisions - 2018**

| | Opening Balance | Additions | Total |
|---|---|---|---|
| Landfill Sites | 176 492 077 | 34 874 717 | 211 366 794 |
| Bonus provision | 35 846 211 | 3 896 958 | 39 743 169 |
| | **212 338 288** | **38 771 675** | **251 109 963** |

| | | | | |
|---|---|---|---|---|
| Non-current liabilities | 11 158 873 | 10 459 392 | 11 158 873 | 10 459 392 |
| Current liabilities | 246 000 151 | 241 499 393 | 244 971 179 | 240 650 571 |
| | **257 159 024** | **251 958 785** | **256 130 052** | **251 109 963** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 19. Provisions (continued)

With regards to the Provision for Landfill sites it is stated in the Department of Water Affairs and Forestry "Minimum Requirements for Waste Disposal by Landfill", Second Edition 1998, Chapter 2.3.4, that "All landfills except those closed prior to August 1990 when the permitting system came into effect, must be permitted before they can be considered closed. Closure will involve, inter alia, the application of final cover, topsoil, vegetating, drainage maintenance and leachate management."
Rehabilitation costs in respect of geohydrological monitoring is anticipated to be a recurring cost for the next 30 years. The future value of the rehabilitation of landfill sites obligation was calculated by inflating the non-current rehabilitation cost to an estimated future cost which was then discounted to present value.

Assumptions used:

- Interest rate used is BCMM's borrowing rate at 9.74% (2018: 9.91%).

- The valuation for the landfill site provision in 2019 was done by Munitech (Pty) Ltd, a company which specialises in infrastructure maintenance and operations and municipal services, which includes solid waste collection and disposal. The company registration number is 1988/761/07 and the SAACE membership number is 439.

The expense relating to the provision is included under note 41: General Expenses - Other expenses.

### 20. Financial assets by category

| 2019 | | Financial assets at amortised cost | Total |
|---|---|---|---|
| Trade and other receivables from exchange transactions | 14 | 973 266 627 | 973 266 627 |
| Other receivables from non-exchange transactions | 12 | 412 450 766 | 412 450 766 |
| Cash and cash equivalents | 15 | 1 167 645 512 | 1 167 645 512 |
| | | **2 553 362 905** | **2 553 362 905** |

| 2018 | | Financial assets at amortised cost | Total |
|---|---|---|---|
| Trade and other receivables from exchange transactions | 14 | 897 181 229 | 897 181 229 |
| Other receivables from non-exchange transactions | 12 | 244 179 436 | 244 179 436 |
| Cash and cash equivalents | 15 | 1 825 129 600 | 1 825 129 600 |
| | | **2 966 490 265** | **2 966 490 265** |

Refer to note 52 - Risk management

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 21. Financial liability by category

| 2019 | | Financial liabilities at amortised cost | Measured at fair value | Total |
|---|---|---|---|---|
| Accrued leave pay | 22 | 93 397 746 | - | 93 397 746 |
| Payments received in advance | 22 | 136 456 462 | - | 136 456 462 |
| Borrowings: Other financial liabilities | 18 | 345 554 088 | - | 345 554 088 |
| Trade and other payables | 22 | 847 778 662 | - | 847 778 662 |
| Consumer deposits | 23 | - | 64 109 019 | 64 109 019 |
| Other deposits | 22 | - | 7 376 353 | 7 376 353 |
| Unspent conditional grants | 17 | 207 656 749 | - | 207 656 749 |
| | | **1 630 843 707** | **71 485 372** | **1 702 329 079** |

| 2018 | | Financial liabilities at amortised cost | Measured at fair value | Total |
|---|---|---|---|---|
| Accrued leave pay | 22 | 77 722 616 | - | 77 722 616 |
| Payments received in advance | 22 | 131 369 432 | - | 131 369 432 |
| Borrowings: Other financial liabilities | 18 | 398 126 111 | - | 398 126 111 |
| Trade and other payables | 22 | 878 777 104 | - | 878 777 104 |
| Consumer deposits | 23 | - | 60 012 613 | 60 012 613 |
| Other deposits | 22 | - | 6 882 738 | 6 882 738 |
| Unspent conditional grants | 17 | 245 343 510 | - | 245 343 510 |
| | | **1 731 338 773** | **66 895 351** | **1 798 234 124** |

Refer to note 52 - Risk management

### 22. Trade payables from exchange transactions

| | | | | |
|---|---|---|---|---|
| Trade payables | 658 157 379 | 678 604 506 | 657 649 834 | 677 854 935 |
| Payments received in advanced | 136 456 462 | 131 369 432 | 136 456 462 | 131 369 432 |
| Retention monies | 107 007 205 | 94 711 079 | 107 007 205 | 94 711 079 |
| Accrued leave pay | 93 397 746 | 77 722 616 | 93 397 746 | 77 722 616 |
| Deposits received | 7 376 353 | 6 882 738 | 7 376 353 | 6 882 738 |
| Other creditors | 83 812 430 | 107 249 932 | 83 121 623 | 106 211 090 |
| | **1 086 207 575** | **1 096 540 303** | **1 085 009 223** | **1 094 751 890** |

### 23. Consumer deposits

| | | | | |
|---|---|---|---|---|
| Electricity | 38 768 862 | 36 285 976 | 38 768 862 | 36 285 976 |
| Water | 25 340 157 | 23 726 637 | 25 340 157 | 23 726 637 |
| | **64 109 019** | **60 012 613** | **64 109 019** | **60 012 613** |

The amounts reflected represent a cost value which is viewed to be the approximate fair value.

The consumer deposits are reflected at nominal value as they are utilised as part of the settlement of final consumer accounts.

Guarantees held in lieu of Electricity and Water deposits amounted to R20 851 479 (2018: R19 626 779).

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 24. Revenue

| | | | | |
|---|---|---|---|---|
| Service charges | 2 823 912 532 | 2 576 078 780 | 2 823 912 532 | 2 576 078 780 |
| Rental of facilities and equipment | 20 704 443 | 20 067 719 | 20 704 443 | 20 067 719 |
| Licences and permits | 14 300 355 | 14 249 685 | 14 300 355 | 14 249 685 |
| Fees earned | 619 583 | 123 740 | - | - |
| Total other revenue | 161 944 914 | 151 166 533 | 161 923 399 | 151 137 666 |
| Interest received - investment | 165 783 829 | 176 012 022 | 165 344 665 | 175 866 976 |
| Property rates | 1 295 502 964 | 973 025 312 | 1 295 502 964 | 973 025 312 |
| Government grants & subsidies | 1 919 432 295 | 1 748 157 009 | 916 450 673 | 1 746 651 862 |
| Levies | 58 326 467 | 57 512 912 | 58 326 467 | 57 512 912 |
| Public contributions and donations - PPE | 279 066 643 | 3 393 726 | 279 066 643 | 3 393 726 |
| Fines | 24 938 282 | 23 698 183 | 24 938 282 | 23 698 183 |
| Fuel levy | 513 844 000 | 467 978 000 | 513 844 000 | 467 978 000 |
| | **7 278 376 307** | **6 211 463 621** | **7 274 314 423** | **6 209 660 821** |

**The amount included in revenue arising from exchanges of goods or services are as follows:**

| | | | | |
|---|---|---|---|---|
| Service charges | 2 823 912 532 | 2 576 078 780 | 2 823 912 532 | 2 576 078 780 |
| Rental of facilities and equipment | 20 704 443 | 20 067 719 | 20 704 443 | 20 067 719 |
| Fees earned | 619 583 | 123 740 | - | - |
| Total other revenue | 161 944 914 | 151 166 533 | 161 923 399 | 151 137 666 |
| Interest received | 165 783 829 | 176 012 022 | 165 344 665 | 175 866 976 |
| | **3 172 965 301** | **2 923 448 794** | **3 171 885 039** | **2 923 151 141** |

**The amount included in revenue arising from nonexchange transactions is as follows:**

| | | | | |
|---|---|---|---|---|
| **Taxation revenue** | | | | |
| Property rates | 1 295 502 964 | 973 025 312 | 1 295 502 964 | 973 025 312 |
| Licences or permits | 14 300 355 | 14 249 685 | 14 300 355 | 14 249 685 |
| **Transfer revenue** | | | | |
| Government grants & subsidies | 1 919 432 295 | 1 748 157 009 | 1 916 450 673 | 1 746 651 862 |
| Levies | 58 326 467 | 57 512 912 | 58 326 467 | 57 512 912 |
| Donations received | 279 066 643 | 3 393 726 | 279 066 643 | 3 393 726 |
| Fines | 24 938 282 | 23 698 183 | 24 938 282 | 23 698 183 |
| Fuel levy | 513 844 000 | 467 978 000 | 513 844 000 | 467 978 000 |
| | **4 105 411 006** | **3 288 014 827** | **4 102 429 384** | **3 286 509 680** |

**Traffic fines are made up as follows:**

| | | | | |
|---|---|---|---|---|
| Traffic fines movement | 10 854 065 | 8 649 194 | 10 854 065 | 8 649 194 |
| Revenue received | 14 084 217 | 15 036 942 | 14 084 217 | 15 036 942 |
| **Revenue raised** | **24 938 282** | **23 686 136** | **24 938 282** | **23 686 136** |

Total fines outstanding at 30 June 2019 is R168 479 390 (R111 584 781 : 2018) after eliminating untraceable and collected fines. A probability factor of 23% (25% : 2018) collection of total outstanding fines was calculated which amounted to R38 750 259 (R27 896 195 : 2018). Refer to note 12.

The lifespan of traffic fines is as follows:

- Traffic offences in respect of which the admission of guilt amount is below R500: one year from date of issue of the warrant.
- Traffic offences in respect of which the admission of guilt amount is from R500 up to the maximum amount that may be determined by a peace officer in terms of section 56(1) of Act 51 of 1977: two years from the date of issue of the warrant.

The above arrangement also applies in traffic cases where a notice in terms of section 341 of Act 51 1977 is followed up by a summons setting admission of guilt up to the above maximum amount.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |
| **25. Service charges** | | | | |
| Sale of electricity | 1 716 442 537 | 1 637 896 076 | 1 716 442 537 | 1 637 896 076 |
| Sale of water | 498 963 346 | 361 971 467 | 498 963 346 | 361 971 467 |
| Sewerage and sanitation charges | 328 902 160 | 304 784 783 | 328 902 160 | 304 784 783 |
| Refuse removal | 251 916 126 | 245 180 658 | 251 916 126 | 245 180 658 |
| Other service charges | 27 688 363 | 26 245 796 | 27 688 363 | 26 245 796 |
| | **2 823 912 532** | **2 576 078 780** | **2 823 912 532** | **2 576 078 780** |
| **26. Rental of facilities and equipment** | | | | |
| **Facilities and equipment** | | | | |
| Rental of facilities | 20 704 443 | 20 067 719 | 20 704 443 | 20 067 719 |
| **27. Other revenue - (exchange)** | | | | |
| Grazing fees | 96 920 | 57 633 | 96 920 | 57 633 |
| Fire brigade | 137 977 | 45 458 | 123 245 | 32 570 |
| Vehicle registrations | 26 205 210 | 25 689 629 | 26 198 427 | 25 673 650 |
| Street frontage and administration fees | 339 828 | 210 735 | 339 828 | 210 735 |
| Town planning and sub-division fees | 3 933 225 | 3 723 989 | 3 933 225 | 3 723 989 |
| Commission | 25 089 482 | 23 276 472 | 25 089 482 | 23 276 472 |
| Private works | 3 389 470 | 3 757 440 | 3 389 470 | 3 757 440 |
| Tender receipts | 712 676 | 960 062 | 712 676 | 960 062 |
| Sale of property | 7 011 360 | - | 7 011 360 | - |
| Coupons and clip tickets | 425 111 | 563 412 | 425 111 | 563 412 |
| Plan approval fees | 18 635 333 | 13 070 859 | 18 635 333 | 13 070 859 |
| Sale of scrap waste | 2 889 075 | 2 956 040 | 2 889 075 | 2 956 040 |
| Cold storage fees | 1 800 529 | 1 089 303 | 1 800 529 | 1 089 303 |
| Hire charges | 10 659 | 24 128 | 10 659 | 24 128 |
| Photocopies | 53 132 | 114 632 | 53 132 | 114 632 |
| Library | 90 | 170 432 | 90 | 170 432 |
| Insurance | 1 828 065 | 3 835 212 | 1 828 065 | 3 835 212 |
| Sale of plants and animals | 9 940 | 9 213 | 9 940 | 9 213 |
| Admission fees | 2 658 647 | 2 863 818 | 2 658 647 | 2 863 818 |
| Service connections and reconnections | 43 987 565 | 45 415 264 | 43 987 565 | 45 415 264 |
| Sundry income | 15 335 932 | 13 010 821 | 15 335 932 | 13 010 821 |
| Cemetery fees | 7 394 688 | 10 321 981 | 7 394 688 | 10 321 981 |
| | **161 944 914** | **151 166 533** | **161 923 399** | **137 666** |
| **28. Interest received** | | | | |
| **Interest revenue** | | | | |
| Call accounts with financial institutions | 75 713 495 | 108 729 758 | 75 713 495 | 108 729 758 |
| Bank | 22 976 929 | 17 960 654 | 22 537 765 | 17 815 608 |
| Interest charged on trade and other receivables | 67 093 405 | 49 321 610 | 67 093 405 | 49 321 610 |
| | **165 783 829** | **176 012 022** | **165 344 665** | **175 866 97** |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**29. Property rates**

**Rates received**

| | | | | |
|---|---|---|---|---|
| Residential | 551 093 984 | 475 824 233 | 551 093 984 | 475 824 233 |
| Commercial | 599 781 138 | 465 690 681 | 599 781 138 | 465 690 681 |
| Industrial | 113 819 480 | - | 113 819 480 | - |
| Public Benefit Organisation | - | 54 595 | - | 54 595 |
| Educational | 15 472 468 | 12 506 855 | 15 472 468 | 12 506 855 |
| Agricultural | 5 165 629 | 7 057 050 | 5 165 629 | 7 057 050 |
| Public Service Infrastructure | 773 056 | 1 178 488 | 773 056 | 1 178 488 |
| Vacant land | 50 641 035 | 43 802 504 | 50 641 035 | 43 802 504 |
| Less: Income forgone | (41 243 826) | (33 089 094) | (41 243 826) | (33 089 094) |
| | **1 295 502 964** | **973 025 312** | **1 295 502 964** | **973 025 312** |

| | | | | |
|---|---|---|---|---|
| **Valuations** | | | 62 142 944 000 | 47 944 269 949 |
| Residential | | | 24 835 478 000 | 17 684 155 647 |
| Commercial | | | 4 319 155 000 | - |
| Industrial | | | - | 81 658 000 |
| Public Benefit Organisation | | | 2 537 637 000 | 1 681 587 000 |
| Educational | | | 3 140 757 000 | 2 828 176 840 |
| Agricultural | | | 282 700 500 | 354 417 000 |
| Public Service Infrastructure | | | 2 988 186 000 | 1 087 914 730 |
| Vacant Land | | | - | 3 552 303 000 |
| Rural Communal Land | | | **100 246 857 500** | **75 214 482 166** |

The following property categories no longer exist with effect from 1 July 2018 in terms of the Buffalo City Metropolitan Municipality's Rates Policy and the Valuation Roll, hence they reflect zero values for 2019:

- Public Benefit Organisations
- Rural Communal Land and Special

A new property category i.e. Industrial, was created with effect from 1 July 2018 in terms of BCMM's Rates Policy, hence the zero value for 2018.

The Buffalo City Metropolitan Municipality is requierd in tems of the Municipal Property Rates Act, Act 6 of 2004 (MPRA) to undertake a General Valuation on land and buildings every 4 years and a supplementary valuation at least once a year.
The third general valuation in terms of the MPRA was done in 2017 and the implementation date was 1 July 2018. The valuation date was 1 Juy 2017.

Rates are levied on a monthly basis (the due date for monthly accounts is the 15th of every month). Consumers must apply if they want to pay annually with the final date for payment for annual accounts being 30 September each year. Interest at a standard rate (as amended from time to time), is levied on rates outstanding after 30 September, except where the owner is paying in installments.

| | | |
|---|---|---|
| **Tarifffs levied: cents in the rand** | | |
| Residential | 0.010660 | 0.010660 |
| Commercial | 0.026649 | 0.026649 |
| Industrial | 0.026649 | - |
| Public Benefit Organisation | - | 0.002665 |
| Educational | 0.007462 | 0.007462 |
| Agricultural | 0.002665 | 0.002665 |
| Public Service Infrastructure | 0.002665 | 0.002665 |
| Vacant land | 0.031979 | 0.031979 |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**29. Property rates (continued)**

**Municipal properties**

Buffalo City Metropolitan Municipality grants rebates in terms of the Municipality's rates policy to the following categories of property or owners:

1 Newly developed commercial/ industrial properties with a value of R50 000 000 and above.

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 are payable.

2) A discretionary rebate/discount of up to 75%, where the Municipality does not supply some or all of the following services:

| | | |
|---|---|---|
| Constructed public roads | 15% | 15% |
| Water supply | 22.5% | 22.5% |
| Refuse removal service | 7.5% | 7.5% |
| Electricity supply | 15% | 15% |
| Sewerage service | 15% | 15% |
| | **75%** | **75%** |

3) Senior citizens who are 60 years and above qualify for up to 100% depending on their income level allocated as follows:

| Gross monthly income (Rand) | Rebate |
|---|---|
| 0 - 3500 | 100% |
| 3501 - 5000 | 85% |
| 5001 - 6500 | 70% |
| 6501 - 8000 | 55% |
| 8001 - 9500 | 40% |
| 9501 - 10500 | 25% |
| 10501 - 12000 | 20% |
| 12001 - 13500 | 15% |
| 13501 - 15000 | 10% |

4) On application, Public Benefit Organisations (PBO's) as defined in the Municipal Property Rates Act and BCMM's Rates Policy are granted rebates.

5) Section 17 of the MPRA lists other impermissible rates, where a entity may not levy a rate and the following were applied in the 2018/19 finanicial year:

Section 17(1)(a) - First 30% of the market value of public service infrastructure.
Section 17(1)(h) - First R15 000 of the market value of a property categorised as residential.
Section 17(1)(i) - On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 30. Grants and subsidies paid

| | | | | |
|---|---|---|---|---|
| Buffalo City Metropolitan Development Agency | - | - | 29 847 217 | 20 219 108 |
| Mayoral Social Responsibility | 670 221 | 949 663 | 670 221 | 949 663 |
| Sponsored Events | 27 847 411 | 28 281 696 | 27 847 411 | 28 281 696 |
| Social Welfare Grant (Poor relief) | 15 910 605 | 8 530 024 | 15 910 605 | 8 530 024 |
| Other Organisations | 2 765 000 | 1 568 872 | 2 765 000 | 1 568 872 |
| | **47 193 237** | **39 330 255** | **77 040 454** | **59 549 363** |

### 31. Government grants and subsidies

| | | | | |
|---|---|---|---|---|
| **Operating grants** | | | | |
| Government grants - operating projects | 111 705 546 | 92 672 155 | 111 705 546 | 92 672 155 |
| Other Government grants and subsidies | 798 242 016 | 723 392 164 | 798 242 016 | 723 392 164 |
| Government grants - housing projects | 8 748 934 | - | 8 748 934 | - |
| LG SETA grant - BCMDA | 22 843 | - | - | - |
| GMC Conditional grant - BCMDA | - | 1 505 147 | - | - |
| DEA - Waste Management Conditional grant - BCMDA | 2 467 821 | - | - | - |
| | **921 187 160** | **817 569 466** | **918 696 496** | **816 064 319** |
| **Capital grants** | | | | |
| Government grant (capital) - BCMDA | 490 958 | - | - | - |
| Government grant (capital: PPE) | 997 754 177 | 930 587 543 | 997 754 177 | 930 587 543 |
| | **998 245 135** | **930 587 543** | **997 754 177** | **930 587 543** |
| | **1 919 432 295** | **1 748 157 009** | **1 916 450 673** | **1 746 651 862** |

### 32. Other revenue - (non-exchange)

| | | | | |
|---|---|---|---|---|
| Dog tax and penalties | 949 641 | 785 765 | 949 641 | 785 765 |
| Fire levy | 57 376 826 | 56 727 147 | 57 376 826 | 56 727 147 |
| | **58 326 467** | **57 512 912** | **58 326 467** | **57 512 912** |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**33. Employee related costs**

| | | | | |
|---|---|---|---|---|
| Basic emoluments | 1 268 967 691 | 1 125 854 187 | 1 261 192 980 | 1 119 031 776 |
| Bonus | 552 367 | 446 841 | - | - |
| Medical aid contributions | 91 069 604 | 84 980 056 | 91 069 604 | 84 980 056 |
| UIF | 9 706 967 | 9 645 424 | 9 670 604 | 9 600 340 |
| Workmen's compensation fund | 158 531 | 43 347 | - | - |
| SDL | 147 098 | 124 451 | - | - |
| Leave pay contributions (Leave pay provision charge) | 48 726 684 | 28 192 586 | 48 353 281 | 27 896 526 |
| Pension fund contributions | 215 694 758 | 196 840 509 | 215 013 298 | 196 263 438 |
| Overtime payments | 136 607 351 | 148 874 886 | 136 607 351 | 148 874 886 |
| Long-service awards | 24 955 404 | 22 535 285 | 24 955 404 | 22 535 285 |
| 13th Cheques | 92 959 622 | 81 046 157 | 92 959 622 | 81 046 157 |
| Car allowance | 31 252 525 | 28 328 123 | 31 132 525 | 28 268 123 |
| Housing benefits and allowances | 7 093 722 | 7 606 822 | 7 045 722 | 7 606 822 |
| Essential user cost | 27 288 015 | 26 137 261 | 27 288 015 | 26 137 261 |
| Group life | 7 232 945 | 7 002 118 | 7 232 945 | 7 002 118 |
| Other allowances | 64 435 757 | 59 429 681 | 64 435 757 | 59 429 681 |
| Employee benefit obligation net cost | 14 967 159 | 42 625 414 | 14 967 159 | 42 625 414 |
| | **2 041 816 200** | **1 869 713 148** | **2 031 924 267** | **1 861 297 883** |

Other allowances include senior manager allowance packages, acting scarcity, standby, cellphone and accomodation / incidental allowances.

Essential user allowances are paid to employees who use their private vehicles for municipal business.

**Remuneration of City Manager**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 407 132 | 1 324 609 | 1 407 132 | 1 324 609 |
| Travel Allowance | 312 000 | 312 000 | 312 000 | 312 000 |
| Allowance | 332 079 | 296 858 | 332 079 | 296 858 |
| UIF | 1 785 | 1 785 | 1 785 | 1 785 |
| Medical Aid | 27 205 | 26 431 | 27 205 | 26 431 |
| Pension Contributions | 265 019 | 263 384 | 265 019 | 263 384 |
| | **2 345 220** | **2 225 067** | **2 345 220** | **2 225 067** |

**Remuneration of Chief Financial Officer**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 735 924 | 1 067 628 | 735 924 | 1 067 628 |
| Travel Allowance | 192 000 | 288 000 | 192 000 | 288 000 |
| Allowance | 109 632 | 146 482 | 109 632 | 146 482 |
| UIF | 1 190 | 1 785 | 1 190 | 1 785 |
| Medical Aid | 33 745 | 47 307 | 33 745 | 47 307 |
| Pension Contributions | 144 898 | 208 187 | 144 898 | 208 187 |
| Group Life | 13 913 | 19 990 | 13 913 | 19 990 |
| | **1 231 302** | **1 779 379** | **1 231 302** | **1 779 379** |

The position became vacant on 01 March 2019. If the position was filled for the entire financial year the remuneration would have amounted to R1 857 672. Acting allowance to the value of R61 961 was paid in the 2018/19 financial year in respect of the vacant Chief Financial Officer post.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**33. Employee related costs (continued)**

**Remuneration of HOD: Executive Support Services**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 120 915 | 1 063 487 | 1 120 915 | 1 063 487 |
| Travel Allowance | 242 766 | 242 766 | 242 766 | 242 766 |
| Allowance | 268 720 | 234 514 | 268 720 | 234 514 |
| UIF | 1 785 | 1 785 | 1 785 | 1 785 |
| Medical Aid | 25 063 | 24 337 | 25 063 | 24 337 |
| Pension Contributions | 194 873 | 191 946 | 194 873 | 191 946 |
| Group Life | 14 070 | 13 644 | 14 070 | 13 644 |
| | **1 868 192** | **1 772 479** | **1 868 192** | **1 772 479** |

**Remuneration of HOD: Human Settlements**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 968 165 | 227 241 | 968 165 | 227 241 |
| Travel Allowance | 286 475 | 70 448 | 286 475 | 70 448 |
| Allowance | 107 510 | 21 743 | 107 510 | 21 743 |
| UIF | 1 785 | 446 | 1 785 | 446 |
| Medical Aid | 49 807 | 11 309 | 49 807 | 11 309 |
| Pension Contributions | 166 559 | 40 903 | 166 559 | 40 903 |
| Group Life | 16 447 | 4 255 | 16 447 | 4 255 |
| Housing Subsidy | - | 2 390 | - | 2 390 |
| | **1 596 748** | **378 735** | **1 596 748** | **378 735** |

The position was filled on 1 April 2018. If the position was filled for the entire financial year the remuneration would have amounted to R1 514 940. Acting allowance to the value of R114 633 was paid in the 2017/18 financial year in respect of the vacant HOD: Human Settlements position.

**Remuneration of HOD: Corporate Services**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 120 915 | 1 063 487 | 1 120 915 | 1 063 487 |
| Travel Allowance | 240 000 | 240 000 | 240 000 | 240 000 |
| Allowance | 250 423 | 216 699 | 250 423 | 216 699 |
| UIF | 1 785 | 1 785 | 1 785 | 1 785 |
| Medical Aid | 43 956 | 43 127 | 43 956 | 43 127 |
| Pension Contributions | 211 113 | 207 380 | 211 113 | 207 380 |
| | **1 868 192** | **1 772 478** | **1 868 192** | **1 772 478** |

**Remuneration HOD: Health and Public Safety**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 958 048 | 387 572 | 958 048 | 387 572 |
| Allowance | 456 476 | 171 641 | 456 476 | 171 641 |
| UIF | 1 785 | 744 | 1 785 | 744 |
| Pension Contributions | 180 438 | 71 268 | 180 438 | 71 268 |
| | **1 596 747** | **631 225** | **1 596 747** | **631 225** |

The position was filled on 1 February 2018. If the position was filled for the entire financial year the remuneration would have amounted to R1 514 940. Acting allowance to the value of R44 903 was paid in the 2017/18 financial year in respect of the vacant HOD: Health and Public Safety position.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**33. Employee related costs (continued)**

**Remuneration of HOD: Infrastructure Services**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 120 915 | 1 063 487 | 1 120 915 | 1 063 487 |
| Travel Allowance | 168 000 | 168 000 | 168 000 | 168 000 |
| Allowance | 327 831 | 295 195 | 327 831 | 295 195 |
| UIF | 1 785 | 1 785 | 1 785 | 1 785 |
| Medical Aid | 24 556 | 22 988 | 24 556 | 22 988 |
| Pension Contributions | 211 113 | 207 380 | 211 113 | 207 380 |
| Group Life | 13 993 | 13 644 | 13 993 | 13 644 |
| | **1 868 193** | **1 772 479** | **1 868 193** | **1 772 479** |

**Remuneration of HOD: Development and Spatial Planning**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 120 915 | 1 063 487 | 1 120 915 | 1 063 487 |
| Travel Allowance | 192 000 | 192 000 | 192 000 | 192 000 |
| Allowance | 308 316 | 271 887 | 308 316 | 271 887 |
| UIF | 1 785 | 1 785 | 1 785 | 1 785 |
| Medical Aid | 24 556 | 26 843 | 24 556 | 26 843 |
| Pension Contributions | 211 113 | 207 380 | 211 113 | 207 380 |
| Group Life | 9 508 | 9 097 | 9 508 | 9 097 |
| | **1 868 193** | **1 772 479** | **1 868 193** | **1 772 479** |

**Remuneration of HOD: Economic Development & Agencies**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 958 048 | 467 921 | 958 048 | 467 921 |
| Travel Allowance | 285 643 | 133 429 | 285 643 | 133 429 |
| Allowance | 351 271 | 152 227 | 351 271 | 152 227 |
| UIF | 1 785 | 892 | 1 785 | 892 |
| | **1 596 747** | **754 469** | **1 596 747** | **754 469** |

The position was filled on 1 January 2018. If the position was filled for the entire financial year the remuneration would have amounted to R1 514 940.

**Remuneration of HOD: Municipal Services**

The position was vacant for 2018/19. If the position was filled for the entire financial year the remuneration would have amounted to R1 596 747. Acting allowance to the value of R173 792 was paid in the 2018/19 financial year in respect of the vacant HOD: Municipal Services post.

The position was vacant for 2017/18. If the position was filled for the entire financial year the remuneration would have amounted to R1 514 940. Acting allowance to the value of R133 914 was paid in the 2017/18 financial year in respect of the vacant HOD: Municipal Services post.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**33. Employee related costs (continued)**

**BCMDA - Remuneration of Chief Executive Officer - Appointed 01 October 2017**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 2 051 937 | 1 429 797 | - | - |
| Performance Bonuses | 168 300 | 110 250 | - | - |
| Contributions to UIF, Medical and Pension Funds | 196 847 | 146 542 | - | - |
| | **2 417 084** | **1 686 589** | **-** | **-** |

**BCMDA - Remuneration of Chief Executive Officer - Appointed 30 April 2016 - 30 September 2017**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | - | 393 257 | - | - |
| Car Allowance | - | 60 000 | - | - |
| Contributions to UIF, Medical and Pension Funds | - | 45 273 | - | - |
| Ex-Gratia payment | - | 72 000 | - | - |
| | **-** | **570 530** | **-** | **-** |

Included in the above disclosure of Remuneration of Chief Executive Officer, is the remuneration of the previous CEO, who resigned from the organisation in the 2017/18 financial year. This disclosure is required to ensure that the comparatives in these financial statements reconcile with the amounts that were audited in the previous financial year.

**BCMDA - Remuneration of Chief Financial Officer - Appointed 20 April 2016**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 337 291 | 1 094 889 | - | - |
| Car Allowance | 14 000 | 168 000 | - | - |
| Performance Bonuses | 111 222 | 97 145 | - | - |
| Contributions to UIF, Medical and Pension Funds | 135 429 | 126 686 | - | - |
| | **1 597 942** | **1 486 720** | **-** | **-** |

**BCMDA - Remuneration of Company Secretary/Legal Advisor - Appointed July 2018**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 876 783 | 713 025 | - | - |
| Performance Bonuses | 72 166 | - | - | - |
| Contributions to UIF, Medical and Pension Funds | 88 499 | 78 127 | - | - |
| | **1 037 448** | **791 152** | **-** | **-** |

**BCMDA - Remuneration of Corporate and human resources (corporate services) - Appointed 01 June 2016**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 158 004 | 1 082 247 | - | - |
| Performance Bonuses | 95 313 | 83 250 | - | - |
| Contributions to UIF, Medical and Pension Funds | 116 313 | 108 820 | - | - |
| | **1 369 630** | **1 274 317** | **-** | **-** |

**BCMDA - Remuneration of Development facilitation - Appointed 01 July 2016**

| | | | | |
|---|---|---|---|---|
| Annual Remuneration | 1 209 535 | 1 130 406 | - | - |
| Performance Bonuses | 99 554 | 86 954 | - | - |
| Contributions to UIF, Medical and Pension Funds | 121 409 | 113 583 | - | - |
| | **1 430 498** | **1 330 943** | **-** | **-** |

# Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

## 34. Remuneration of councillors

| | | | | |
|---|---|---|---|---|
| Executive Mayor | 810 150 | 789 100 | 810 150 | 789 100 |
| Deputy Executive Mayor | 654 293 | 637 293 | 654 293 | 637 293 |
| Mayoral Committee Members | 5 649 727 | 5 828 524 | 5 649 727 | 5 828 524 |
| Speaker | 654 293 | 637 293 | 654 293 | 637 293 |
| Chief Whip | 616 334 | 601 134 | 616 334 | 601 134 |
| Councillors salaries | 26 851 580 | 25 343 192 | 26 851 580 | 25 343 192 |
| Councillors' pension contribution | 4 265 267 | 4 135 819 | 4 265 267 | 4 135 819 |
| Councillors housing subsidy | 2 360 870 | 2 260 632 | 2 360 870 | 2 260 632 |
| Councillors medical aid | 2 270 435 | 2 070 347 | 2 270 435 | 2 070 347 |
| Travel allowance | 13 873 281 | 13 122 948 | 13 873 281 | 13 122 948 |
| Cellphone Allowance | 4 309 289 | 4 046 739 | 4 309 289 | 4 046 739 |
| BCMDA - Board members | 750 467 | 899 711 | - | - |
| | **63 065 986** | **60 372 732** | **62 315 519** | **59 473 021** |

| 2019 | Data Allowance | Reimbursive costs | Board Remuneration | Total |
|---|---|---|---|---|
| S Kondlo | 1 400 | 1 641 | 128 125 | 131 166 |
| C Sangqu | 1 400 | 8 716 | 115 813 | 125 929 |
| J Badenhorst | 1 400 | 958 | 137 625 | 139 983 |
| N Petela-Ngcanga | 1 400 | 10 294 | 104 813 | 116 507 |
| M Pango | 1 400 | 3 495 | 137 563 | 142 458 |
| T Bonakele | 1 400 | 2 025 | 91 000 | 94 425 |
| | **8 400** | **27 129** | **714 939** | **750 468** |

| 2018 | Data Allowance | Reimbursive costs | Board Remuneration | Total |
|---|---|---|---|---|
| S Kondlo | 1 050 | 1 009 | 73 000 | 75 059 |
| C Sangqu | 1 050 | 8 064 | 165 000 | 174 114 |
| J Badenhorst | 1 050 | 3 032 | 177 500 | 181 582 |
| N Petela-Ngcanga | 1 050 | 10 705 | 121 875 | 133 630 |
| M Pango | 1 050 | 3 988 | 170 875 | 175 913 |
| L Simon - Ndzele | - | 524 | - | 524 |
| T Bonakele | 1 050 | 1 215 | 156 625 | 158 890 |
| | **6 300** | **28 537** | **864 875** | **899 712** |

**In-kind benefits**

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. Cost of secretarial support amounts to R20 931 379 (2018: R18 867 918.

The House Keeper appointed to maintain the Mayoral house cost to Council amounts to R268 991 (2018: R300 872).

The Executive Mayor, Deputy Executive Mayor and Speaker each have the use of a Council owned vehicle for official duties. Repairs to the vehicles amounts to R189 917 (2018: R386 444). An amount of R1 097 339 (2018: R892 225) was incurred for hired vehicles.

The Executive Mayor, Deputy Executive Mayor and Speaker each have full-time bodyguards. Cost of 14 bodyguards amounts to R9 491 354 (2018: R10 221 059).

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| Figures in Rand | | Economic entity 2019 | Economic entity 2018 Restated* | Controlling entity 2019 | Controlling entity 2018 Restated* |
|---|---|---|---|---|---|
| **35. Contracted services** | | | | | |
| Infromation Technology Services | | 445 984 | 330 883 | - | - |
| Security Services | | 587 153 | 297 584 | - | - |
| Operating Leases | | 606 855 | 552 301 | - | - |
| Specialist Services | | 307 668 | 450 540 | - | - |
| Engineering Consultants and Professional Services | | 3 546 706 | 1 306 408 | - | - |
| Business and Advisory | | 932 270 | - | - | - |
| Legal Cost | | 22 500 | - | - | - |
| | | **6 449 136** | **2 937 716** | **-** | **-** |
| **36. Depreciation and amortisation** | | | | | |
| Property, plant and equipment | 4 | 1 291 302 454 | 1 008 942 056 | 1 291 096 079 | 1 008 746 246 |
| Intangible assets - amortisation | 5 | 5 520 000 | 9 352 092 | 4 539 374 | 8 748 724 |
| | | **1 296 822 454** | **1 018 294 148** | **1 295 635 453** | **1 017 494 970** |
| **37. Finance costs** | | | | | |
| Non-current borrowings | | 38 466 994 | 43 935 228 | 38 466 994 | 43 935 228 |
| Bank | | 7 | 5 012 | - | - |
| Other interest paid (Arrears salaries) | | - | 19 552 | - | 19 552 |
| | | **38 467 001** | **43 959 792** | **38 466 994** | **43 954 780** |
| **38. Debt impairment** | | | | | |
| Contributions to debt impairment - Exchange | 14 | 295 310 377 | 225 515 132 | 295 310 377 | 225 515 132 |
| Contributions to debt impairment - Non-exchange | 12 | 77 872 333 | 95 761 831 | 77 872 333 | 95 761 831 |
| | | **373 182 710** | **321 276 963** | **373 182 710** | **321 276 963** |
| **39. Bulk purchases** | | | | | |
| Electricity | | 1 395 328 547 | 1 345 951 511 | 1 395 328 547 | 1 345 951 511 |
| Water | | 233 628 257 | 206 536 912 | 233 628 257 | 206 536 912 |
| | | **1 628 956 804** | **1 552 488 423** | **1 628 956 804** | **1 552 488 423** |
| **40. Repairs and maintenance** | | | | | |
| Repairs and maintenance | | 392 895 827 | 355 902 817 | 392 317 941 | 355 900 493 |
| **The above repairs and maintenance are made up of the below categories** | | | | | |
| Infrastructure | | 194 562 005 | 146 488 115 | 194 562 005 | 146 488 115 |
| Community assets | | 7 635 086 | 9 607 139 | 7 635 086 | 9 607 139 |
| Other Assets | | 16 046 743 | 37 378 705 | 15 468 857 | 37 324 063 |
| Furniture and fittings | | 21 177 020 | 7 493 499 | 21 177 020 | 7 545 817 |
| Machinery and equipment | | 127 315 594 | 125 740 055 | 127 315 594 | 125 740 055 |
| Transport assets | | 26 159 379 | 29 195 304 | 26 159 379 | 29 195 304 |
| | | **392 895 827** | **355 902 817** | **392 317** | **355 900 493** |

# Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**40. Repairs and maintenance (continued)**

Included in the note above repairs and maintenance disclosure is a combination of property, plant and equipment and investment property.

**41. General expenses**

| | | | | |
|---|---|---|---|---|
| Advertising | 11 905 546 | 13 796 078 | 11 854 008 | 13 754 446 |
| Assessment rates & municipal charges | 17 256 871 | 19 439 844 | 17 256 871 | 19 439 844 |
| Auditors remuneration | 15 740 807 | 13 479 474 | 15 108 534 | 12 809 701 |
| Bank charges | 5 202 859 | 4 955 249 | 5 190 130 | 4 939 917 |
| Cleaning | 517 427 | 578 468 | 517 427 | 578 468 |
| Commission paid | 39 072 491 | 39 328 655 | 39 072 491 | 39 328 655 |
| Legal costs | 33 563 385 | 16 287 209 | 33 563 385 | 16 287 209 |
| Consulting and professional fees | 29 806 211 | 39 233 191 | 29 474 339 | 39 106 512 |
| Consumables | 39 269 740 | 36 577 526 | 38 739 356 | 36 324 562 |
| Entertainment | 12 940 212 | 11 383 591 | 12 852 512 | 11 278 454 |
| Fines and penalties | 5 238 | 58 185 | - | - |
| Hire (Labour and plant) | 4 101 147 | 5 911 614 | 3 936 366 | 5 841 896 |
| Insurance | 22 969 090 | 19 911 145 | 22 943 210 | 19 886 610 |
| Conferences and seminars | 4 225 581 | 5 186 185 | 4 225 581 | 5 186 185 |
| IT expenses | 51 218 266 | 53 583 494 | 50 962 395 | 53 436 106 |
| Marketing | 4 513 802 | 4 313 528 | 4 513 802 | 4 313 528 |
| Levies | 17 096 693 | 15 832 040 | 17 096 693 | 15 832 040 |
| Magazines, books and periodicals | 1 098 798 | 972 914 | 1 098 798 | 972 914 |
| Motor vehicle expenses | 4 142 036 | 4 350 948 | 4 142 036 | 4 350 948 |
| Fuel and oil | 51 372 362 | 45 504 001 | 51 372 362 | 45 502 572 |
| Postage and courier | 6 454 752 | 6 169 888 | 6 452 715 | 6 168 569 |
| Printing and stationery | 7 139 906 | 8 130 536 | 7 139 906 | 8 130 536 |
| Promotions | 1 601 212 | 1 978 004 | 1 416 675 | 1 470 092 |
| License fees | 2 581 246 | 6 339 487 | 2 581 246 | 6 339 487 |
| Special events | 53 200 350 | 14 653 050 | 53 200 350 | 14 477 439 |
| Security (Guarding of municipal property) | 3 759 705 | 761 199 | 3 759 705 | 761 199 |
| Subscriptions and membership fees | 14 940 519 | 14 449 592 | 14 925 843 | 14 436 595 |
| Telephone and fax | 24 842 441 | 24 801 734 | 24 586 951 | 24 565 709 |
| Training | 23 715 155 | 19 819 734 | 23 628 019 | 19 578 704 |
| Travel - local | 18 807 117 | 18 129 131 | 18 063 041 | 17 449 774 |
| Travel - overseas | 1 744 180 | 1 294 685 | 1 744 180 | 1 294 685 |
| Title deed search fees | 649 957 | 132 980 | 649 957 | 132 980 |
| Utilities | 144 750 | 148 231 | - | - |
| Uniforms | 12 267 186 | 9 554 594 | 11 715 864 | 9 554 594 |
| Lease rentals on operating lease | 158 435 768 | 117 727 887 | 158 435 768 | 117 727 887 |
| Bursaries | 231 208 | 100 000 | - | - |
| Placement fees | 261 091 | 172 166 | - | - |
| Remuneration to WARD Committees | 7 072 336 | 6 780 343 | 7 072 336 | 6 780 343 |
| Corporate activities | 56 234 | 78 111 | - | - |
| Disconnections | 12 765 758 | 11 124 523 | 12 765 758 | 11 124 523 |
| Other expenses | 186 603 883 | 168 942 100 | 186 603 643 | 168 674 114 |
| | **903 293 316** | **781 971 314** | **898 662 253** | **777 837 797** |

**42. Fair value adjustments**

| | | | | |
|---|---|---|---|---|
| Investment property (Fair value model) | 8 923 274 | 31 775 077 | 8 923 274 | 31 775 077 |

Refer to note 3 for details of the valuer.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**43. Auditors' remuneration**

| | | | | |
|---|---|---|---|---|
| Audit fees | 15 740 807 | 13 479 474 | 15 108 534 | 12 809 701 |

**44. Taxation**

**Major components of the tax expense (income)**

**Current**

| | | | | |
|---|---|---|---|---|
| Local income tax - current period | - | (538 253) | - | - |

**Deferred**

| | | | | |
|---|---|---|---|---|
| Deferred tax derecognised | 602 051 | - | - | - |
| | **602 051** | **(538 253)** | **-** | **-** |

**Reconciliation of the tax expense**

Reconciliation between accounting surplus and tax expense.

| | | | | |
|---|---|---|---|---|
| Accounting surplus | 2 550 468 | (2 325 382) | - | - |
| Tax at the applicable tax rate of 28% (2018: 28%) | 714 131 | (651 107) | - | - |
| **Tax effect of adjustments on taxable income** | | | | |
| Fines and penalties | 1 467 | 16 292 | - | - |
| Deferred tax effect - temporary differences | - | 96 562 | - | - |
| Grant | (9 192 075) | - | - | - |
| Unrecognised tax benefits | 9 190 608 | - | - | - |
| | **714 131** | **(538 253)** | **-** | **-** |

BCMDA is owned by BCMM which is not subjected to income tax. Management is making representations to SARS seeking exemption for the entity to pay income tax. However, in the mean time a provision has been made for income tax.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| Figures in Rand | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|
| | | 2019 | 2018 Restated* | 2019 | 2018 Restated* |
| **45. Cash generated from operations** | | | | | |
| Surplus | | 469 826 187 | 202 931 475 | 467 877 770 | 204 718 604 |
| **Adjustments for:** | | | | | |
| Depreciation and amortisation | 36 | 1 296 822 454 | 1 018 294 148 | 1 295 635 453 | 1 017 494 970 |
| Gain on sale of assets and liabilities | 4 | 46 324 822 | 21 014 118 | 46 324 822 | 21 014 118 |
| Write off of Intangible assets | | - | 14 316 | - | - |
| Share of profit of associate | 7 | (29 467 290) | (33 570 517) | (29 467 290) | (33 570 517) |
| Fair value adjustment on Investment property revalued | 42 | (8 923 274) | (31 775 077) | (8 923 274) | (31 775 077) |
| Impairment deficit | | 18 537 | - | - | - |
| Debt impairment | 38 | 373 182 710 | 321 276 963 | 373 182 710 | 321 276 963 |
| Movement in operating lease assets and accruals | | - | (3 562) | - | - |
| Movement in retirement benefit assets and liabilities | 9 | (4 339 544) | 205 856 410 | (4 339 544) | 205 856 410 |
| Movement in provisions | 19 | 5 200 239 | 39 620 497 | 5 020 089 | 38 771 675 |
| Deferred tax asset | | 8 602 051 | (538 253) | - | - |
| PPE (Transfers / Adjustments) | 4 | (279 839 617) | (24 141 625) | (279 839 617) | (24 141 625) |
| Non-cash PPE | 4 | 1 832 031 | (3 393 725) | 1 832 031 | (3 393 725) |
| Intangible asset transfer | 5 | - | (18 213 980) | - | (18 213 980) |
| Opening balance adjustments | | - | (214 627 191) | - | (214 626 325) |
| **Changes in working capital:** | | | | | |
| Inventories | 10 | 5 612 040 | (4 220 046) | 5 614 403 | (4 211 967) |
| Receivables from exchange transactions - BCMDA | 11 | (710 291) | 81 443 | - | - |
| Movement in Receivables from exchange transactions | 14 | (449 268 108) | (762 093 110) | (449 268 108) | (328 546 470) |
| Other receivables from non-exchange transactions | 12 | (168 387 614) | 465 532 669 | (168 271 330) | 33 667 546 |
| Trade payables from exchange transactions | 22 | (10 332 732) | 331 252 753 | (9 742 678) | 330 065 363 |
| Movement in VAT receivables | 13 | (61 009 896) | (8 971 786) | (60 910 006) | (8 909 855) |
| Unspent conditional grants and receipts | 17 | (34 742 076) | (6 967 063) | (37 686 761) | (5 486 764) |
| Consumer deposits | 23 | 4 096 406 | 2 691 403 | 4 096 406 | 2 691 403 |
| | | **1 156 497 035** | **1 500 050 260** | **1 151 135 076** | **1 502 680 747** |
| **46. Current tax payable** | | | | | |
| Balance at beginning of the year | | 702 236 | 702 236 | - | - |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**47. Operating leases - as lessee (expense)**

**Minimum lease payments due - Buildings**

| | | | | |
|---|---|---|---|---|
| - within one year | 12 978 992 | 13 327 664 | 12 978 992 | 13 327 664 |
| - in second to fifth year inclusive | 2 493 034 | 13 546 076 | 2 493 034 | 13 546 076 |
| | **15 472 026** | **26 873 740** | **15 472 026** | **26 873 740** |

Operating lease payments represent rentals payable by the entity for certain of its office properties.

Leases are negotiated for an average term of five years and rental escalates at annual fixed rates that vary between 0% and 12% annually.

No contingent rent is payable.

**Minimum lease payments due - Printing Machines**

| | | | | |
|---|---|---|---|---|
| - within one year | 6 843 104 | 6 233 531 | 6 843 104 | 6 233 531 |
| - in second to fifth year inclusive | 4 497 985 | 9 628 890 | 4 497 985 | 9 628 890 |
| | **11 341 089** | **15 862 421** | **11 341 089** | **15 862 421** |

Operating lease payments represent rentals payable by the entity for certain of its printing machinery.

Leases are negotiated for an average term of three years and there is no rental escalation.

No contingent rent is payable.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**48. Commitments**

**Authorised capital expenditure**

| | | | | |
|---|---|---|---|---|
| **Already contracted for but not provided for - Property, plant and equipment** | | | | |
| • Community (including housing) | 299 669 951 | 278 079 887 | 299 669 951 | 278 079 887 |
| • Infrastructure | 286 641 420 | 684 938 681 | 286 641 420 | 684 938 681 |
| • Other | 5 477 571 | 4 262 168 | 5 477 571 | 4 262 168 |
| | **591 788 942** | **967 280 736** | **591 788 942** | **967 280 736** |

**Authorised operational expenditure**

| | | | | |
|---|---|---|---|---|
| **Already contracted for but not provided for** | | | | |
| • Operating lease - Premises | 274 691 | 525 935 | - | - |
| • Operating lease - IT Equipment | 122 065 | 49 776 | - | - |
| • Hosting of internet and website services | 394 016 | 467 266 | - | - |
| • Provision of securuty services EL Beachfront | 342 141 | - | - | - |
| • System Upgrade to mSCOA compliance | 173 650 | 488 635 | - | - |
| • Feasibility Study for the development of Signal Hill, East London | 484 410 | - | - | - |
| • Provision of precinct designs and implementation services | - | 3 353 214 | - | - |
| • Court Crescent Construction - Project Management Services | 5 452 653 | - | - | - |
| • Supply and delivery of cloud based backup and recovery services | 272 349 | - | - | - |
| • Water World Construction - Project Management Services | 4 103 776 | - | - | - |
| • Procurement of an electronic document management systems | - | 1 500 000 | - | - |
| | **11 619 751** | **6 384 826** | **-** | **-** |

**Total operational commitments**

| | | | | |
|---|---|---|---|---|
| Already contracted for but not provided for | 11 619 751 | 6 384 826 | - | - |

This committed expenditure relates to Infrastructure, Community and other Property, Plant and Equipment.

The above amounts exclude VAT.

**Operating leases - as lessee (expense)**

| | | | | |
|---|---|---|---|---|
| **Minimum lease payments due** | | | | |
| - within one year | 338 623 | 569 325 | - | - |
| - in second to fifth year inclusive | 67 311 | 7 187 | - | - |
| | **405 934** | **576 512** | **-** | **-** |

Operating lease payments represent rentals payable by the Agency in relation to office accommodation and two multipurpose printer/copier. Office accommodation lease is for a period of a year, wherein an option to renew was exercised for the lease to end on 30 November 2019. Printers/copiers rental agreement is for a period of three years with no escalation clause.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 49. Contingencies

| | | | | |
|---|---|---|---|---|
| Litigation issues | 59 242 110 | 116 684 590 | 59 242 110 | 116 684 590 |

These are instances whereby legal claims have been instituted against Council by various third parties. Legal advice is sought and Council will defend claims where so advised.

| | | | | |
|---|---|---|---|---|
| Labour issues | 13 097 481 | 25 402 285 | 13 097 481 | 25 402 285 |

These are instances whereby labour disputes have resulted in possible claims by employees.

| | | | | |
|---|---|---|---|---|
| Insurance issues | 74 742 247 | 63 192 911 | 74 742 247 | 63 192 911 |

These are instances whereby insurance claims have been instituted against Council by various third parties. Advise is sought from Council's insurers whether BCMM is liable. If BCMM is liable, then Council's insurers will determine the settlement amount to be paid. If BCMM is not liable, then Council's insurers will legally defend the matter on Council's behalf.

| | | | | |
|---|---|---|---|---|
| **Total contingent liabilities** | **147 081 838** | **205 279 786** | **147 081 838** | **205 279 786** |

**Contingent assets**

Due to the uncertainty relating to the inflow of the ecomic benefit / service potential, BCMM has no contingent assets.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**50. Related parties**

**Relationships**

| | |
|---|---|
| Controlled entities | Buffalo City Metropolitan Development Agency SOC Ltd |
| Associates | Refer to note 7 |
| Members of key management | Refer to note 31 and 32 |

Buffalo City Metropolitan Development Agency (BCMDA) (a SOC Ltd company registration no 2016/168330/30).

The BCMDA was incorporated on 20 April 2016 as a Municipal Entity of BCMM. BCMDA is 100% controlled by BCMM.

BCMM relationship with BCMDA: Subsidiary - Buffalo City Metropolitan Development Agency (SOC) Ltd.

The entity issued grants of R34 324 300 to BCMDA during the current financial year (2018: R23 100 000).

BCMDA has trade receivables of R1 029 620 (2018: R0 and trade payables of R0 (2018: R116 285) which relates to transactions with BCMM.

BCMM reimbursed BCMDA with an amount of R564 601 (2018: R0) for the implementation of the BCMDA Water World Project.

BCMDA has paid no consumer accounts during the current financial year.

There are no share based payments in respect of BCMDA.

There are no post-employment benefits for key personnel in respect of BCMDA.

BCMM paid an amount of R3 240 366 (2018: R2 953 301) VAT inclusive in respect of grass mowing, municipal services and office rental for the 2017/18 financial year to the East London IDZ.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

**Key management information - BCMDA**

| Class | Description | Number |
|---|---|---|
| Non-executive board members | Board of Directors | 6 |
| Audit Committee | Shared with parent municipality | 6 |
| Executive management | Agency management | 4 |
| Councillors | Shareholder representative | 1 |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 51. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

**Statement of financial position**

**Accumulated surplus prior to 2018**

| | Note | Error reference | As previously reported | Correction of error | Restated |
|---|---|---|---|---|---|
| Opening balance | | | 10 113 472 412 | - | 10 113 472 412 |
| PPE - Various | 4 | k,m,n,r | - | 74 204 062 | 74 204 062 |
| Investment property | 3 | j | - | (21 070 266) | (21 070 266) |
| Intangible assets | 5 | k,l | - | 7 690 424 | 7 690 424 |
| VAT receivable | 13 | h | - | (17 835 759) | (17 835 759) |
| Payables from exchange transactions - Retention monies | 22 | i | - | 658 680 | 658 680 |
| Payables from exchange transactions - Other creditors | 22 | a,f | - | (17 463 922) | (17 463 922) |
| Receivables from non-exchange transactions - Property rates | 12 | c,d | - | (385 541) | (385 541) |
| Receivables from exchange transactions | 14 | t | - | 568 305 | 568 305 |
| Investment in associate | 7 | g | - | 424 880 527 | 424 880 527 |
| Receivables from non-exchange transactions - Other receivables (billing) | 12 | t | - | 6 843 470 | 6 843 470 |
| Receivables from non-exchange transactions - Accrued income | 12 | b | - | (3 459 776) | (3 459 776) |
| Provision - Bonus (13th Cheques) | 19 | v | - | (35 846 211) | (35 846 211) |
| Employee benefit obligation | 9 | v | - | (184 862 038) | (184 862 038) |
| VAT receivable - BCMDA | 13 | - | - | (873) | (873) |
| | | **-** | **10 113 472 412** | **233 921 082** | **10 347 393 494** |

**2018**

| **Revaluation reserve** | **Note** | **Error reference** | **As previously reported** | **Correction of error** | **Restated** |
|---|---|---|---|---|---|
| Opening balance | | | 9 050 457 617 | - | 9 050 457 617 |
| PPE - Various | 4 | k,m,n | - | (4 227 146) | (4 227 146) |
| | | **-** | **9 050 457 617** | **(4 227 146)** | **9 046 230 471** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 51. Prior-year adjustments (continued)

**Controlling entity - 2019**

| | Note | Error reference | As previously reported | Correction of error | Reclassification | Restated |
|---|---|---|---|---|---|---|
| Investment property | 3 | j | 427 562 993 | (34 940 266) | - | 392 622 727 |
| PPE - Buildings | 4 | k,n | 142 215 759 | (142 215 759) | - | - |
| PPE - Plant and equipment | 4 | k,l | 29 373 101 | 23 545 223 | - | 52 918 324 |
| PPE - Furniture and fittings | 4 | k,l | 21 243 220 | 20 626 471 | 17 384 191 | 59 253 882 |
| PPE - Office equipment | 4 | k,l | 17 384 191 | - | (17 384 191) | - |
| PPE - Motor vehicles | 4 | k,l | 337 372 653 | 3 745 619 | - | 341 118 272 |
| PPE - Electricity infrastructure | 4 | k,l,m,n | 3 625 327 922 | 67 649 150 | - | 3 692 977 072 |
| PPE - Other properties | 4 | k | 898 877 846 | (232 704) | - | 898 645 142 |
| PPE - Work in progress | 4 | k,m,n,q,r | 3 153 145 860 | (190 835 696) | - | 2 962 310 164 |
| PPE - Recreational facilities | 4 | k | 255 861 178 | 10 074 444 | - | 265 935 622 |
| PPE - Roads | 4 | k,m,n | 5 070 660 376 | 18 202 331 | - | 5 088 862 707 |
| PPE - Wastewater network | 4 | k,n | 1 302 813 640 | 176 396 704 | - | 1 479 210 344 |
| PPE - Water network | 4 | k,p | 2 243 609 217 | 64 507 366 | - | 2 308 116 583 |
| PPE - Community buildings | 4 | k | 1 010 906 470 | (14 357 976) | - | 996 548 494 |
| Intangible assets | 5 | k,l | 18 884 486 | 4 978 868 | - | 23 863 354 |
| Investment in associate | 7 | g | 121 008 277 | 446 916 719 | - | 567 924 996 |
| VAT receivable | 13 | h | 127 982 442 | (17 836 632) | - | 110 145 810 |
| Payables from exchange transactions - Retention monies | 22 | i | (95 369 760) | 658 680 | - | (94 711 080) |
| Payables from exchange transactions - Other creditors | 22 | a,f | (46 382 700) | (32 804 120) | (28 063 112) | (107 249 932) |
| Payables from exchange transactions - Trade payables | 22 | e | (681 129 504) | 2 524 993 | - | (678 604 511) |
| Payables from exchange transactions - Payments received in advance | 22 | t | (126 723 055) | (4 646 377) | - | (131 369 432) |
| Payables from exchange transactions - Deposits received | 22 | u | (839 163) | (6 043 575) | - | (6 882 738) |
| Receivables from non-exchange transactions - Property rates | 12 | c,d | 431 077 615 | 4 775 866 | - | 435 853 481 |
| Receivables from non-exchange transactions - Other billing | 12 | t | 228 689 250 | (68 063 795) | 193 602 | 160 819 057 |
| Receivables from non-exchange - Impairment | 12 | | (391 435 417) | (10 891 929) | - | (402 327 346) |
| Receivables from non-exchange - Other debtors | 12 | | 7 399 567 | (13 483 280) | 28 063 112 | 21 979 399 |
| Receivables from non-exchange transactions - Accrued income | 12 | b | 433 488 035 | (42 361 926) | (391 126 109) | - |
| Receivables from exchange transactions - Accrued income | 14 | - | - | 391 126 109 | 391 126 109 | |
| Receivables from exchange transactions - Electricity | 14 | s,t | 298 544 178 | 31 195 541 | - | 329 739 719 |
| Receivables from exchange transactions - Housing rental | 14 | t | 193 602 | - | (193 602) | - |
| Receivables from exchange transactions - Refuse | 14 | t | 242 221 931 | 302 410 | - | 242 524 341 |
| Receivables from exchange transactions - Sewerage | 14 | t | 188 246 450 | 18 528 160 | - | 206 774 610 |
| Receivables from exchange transactions - Water | 14 | s,t | 479 319 769 | (52 804 189) | - | 426 515 580 |
| Unspent conditional grants - Provincial Government grants | 17 | b | (53 232 025) | 38 902 150 | - | (14 329 875) |
| Provision - Bonus(13th Cheques) | 19 | v | (201 756 224) | (39 743 169) | - | (241 499 393) |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|---|
| Figures in Rand | | | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**51. Prior-year adjustments (continued)**

| | | | | | | |
|---|---|---|---|---|---|---|
| Employee benefit obligation - Long service award | 9 | v | - | (195 180 004) | - | (195 180 004) |
| | | | **-** | **-** | **67 089 298** | **-** |

| **Summary of Statement of Financial Position** | | | **As previously reported** | **Correction of error** | **Reclassification** | **Restated** |
|---|---|---|---|---|---|---|
| Investment property | 3 | | 427 562 993 | (34 940 266) | - | 392 622 727 |
| Property, plant and equipment | 4 | | 18 190 726 208 | 37 105 173 | - | 18 227 831 381 |
| Intangible assets | 5 | | 18 884 486 | 4 978 868 | - | 23 863 354 |
| Investments in associates | 7 | | 121 008 277 | 446 916 719 | - | 567 924 996 |
| VAT receivable | 7 | | 127 982 442 | (17 836 632) | - | 110 145 810 |
| Receivables from non-exchange transactions | 12 | | 736 998 960 | (130 025 064) | (362 869 395) | 244 104 501 |
| Receivables from exchange transactions | 14 | | 508 985 451 | (2 778 078) | 390 932 507 | 897 139 880 |
| Trade payables from exchange transactions | 22 | | (1 028 166 798) | (40 310 399) | (28 063 112) | (1 096 540 309) |
| Unspent conditional grants | 17 | | (284 254 510) | 38 902 150 | - | (245 352 360) |
| Provision - Bonus (13th Cheques) | 19 | | (201 756 224) | (39 743 169) | - | (241 499 393) |
| Employee benefit obligation | 9 | | (537 974 627) | (195 180 004) | - | (733 154 631) |
| | | **-** | **18 079 996 658** | **67 089 298** | **-** | **18 147 085 956** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**51. Prior-year adjustments (continued)**

**Detail of Statement of financial performance**

**2018**

| | Note | Error reference | As previously reported | Correction of error | Reclassification | Restated |
|---|---|---|---|---|---|---|
| Amortisation - Intangibles | 36 | k,l | 6 640 536 | 2 711 556 | - | 9 352 092 |
| Depreciation - PPE | 36 | o | 981 269 716 | 27 672 339 | - | 1 008 942 055 |
| Loss on disposal of asset | 4 | k | 2 499 363 | 18 514 755 | - | 21 014 118 |
| Fair value adjustment | 42 | | (36 725 077) | - | 4 950 000 | (31 775 077) |
| Impairment of assets | | | 4 950 000 | - | (4 950 000) | - |
| Share of surplus in associate | 7 | g | (11 534 322) | (22 036 195) | - | (33 570 517) |
| Employee related cost - Basic emoluments | 33 | a | 1 103 929 415 | 13 041 897 | 8 882 875 | 1 125 854 187 |
| Employee related cost - UIF | 33 | | 9 623 940 | - | 21 484 | 9 645 424 |
| Employee related cost - Pension fund contributions | 33 | a | 194 492 963 | 2 347 541 | - | 196 840 504 |
| Employee related cost - 13th Cheques | 33 | v | 77 149 199 | 3 896 958 | - | 81 046 157 |
| Employee related cost - Employee benefit obligation net cost | 33 | v | 32 307 448 | 10 317 966 | - | 42 625 414 |
| General expenses - Lease rentals on operating lease | 41 | e,f | 114 659 970 | (984 672) | 4 052 589 | 117 727 887 |
| General expenses - Projects | 41 | b | 265 987 094 | (72 592 522) | (193 394 572) | - |
| General expenses - Consumables | 41 | b | 36 134 227 | - | 443 299 | 36 577 526 |
| General expenses - Printing and stationary | 41 | b | 7 875 683 | - | 254 854 | 8 130 537 |
| General expenses - Entertainment | 41 | | 10 309 726 | - | 1 073 865 | 11 383 591 |
| General expenses - Hire (Labour and plant) | 41 | b | 5 841 896 | - | 69 718 | 5 911 614 |
| General expenses - Fuel and oil | 41 | | 45 492 107 | - | 11 894 | 45 504 001 |
| General expenses - Cleaning | 41 | | 528 645 | - 49 823 | 578 468 | |
| General expenses - Consulting and professional fees | 41 | b | 25 628 151 | - | 13 605 040 | 39 233 191 |
| General expenses - Conferences and seminars | 41 | | 4 501 159 | - | 685 026 | 5 186 185 |
| General expenses - Legal costs | 41 | | - | - | 16 287 210 | 16 287 210 |
| General expenses - License fees | 41 | | 2 243 126 | - | 4 096 361 | 6 339 487 |
| General expenses - Advertising | 41 | | 12 976 946 | - | 819 132 | 13 796 078 |
| General expenses - IT expenses | 41 | | 38 514 118 | - | 15 069 376 | 53 583 494 |
| General expenses - Other expenses | 41 | | 64 361 067 | - | 104 581 033 | 168 942 100 |
| General expenses - Promotions | 41 | | 964 132 | - | 1 013 872 | 1 978 004 |
| General expenses - Marketing | 41 | | 2 832 548 | - | 1 480 980 | 4 313 528 |
| General expenses - Postage and courier | 41 | | 6 169 750 | - | 138 | 6 169 888 |
| General expenses - Special events | 41 | | 7 350 306 | - | 7 302 744 | 14 653 050 |
| General expenses - Telephone and fax | 41 | | 24 554 422 | - | 247 311 | 24 801 733 |
| General expenses - Training | 41 | | 8 627 538 | - | 11 192 195 | 19 819 733 |
| General expenses - Travel (Local) | 41 | | 16 236 577 | - | 1 892 554 | 18 129 131 |
| General expenses - Travel (overseas) | 41 | | 1 023 049 | - | 271 636 | 1 294 685 |
| General expenses - Subscription and membership fees | 41 | | 14 386 700 | - | 62 892 | 14 449 592 |
| General expenses - Uniforms | 41 | | 9 412 861 | - | 141 733 | 9 554 594 |
| Government grants - Housing projects | 31 | b | (71 002 960) | 71 002 960 | - | - |
| Property rates - Agricultural | 29 | c,d | (7 070 932) | 13 883 | - | (7 057 049) |
| Property rates - Commercial | 29 | c,d | (466 691 322) | 1 000 641 | - | (465 690 681) |
| Property rates - Educational | 29 | c,d | (12 561 681) | 54 825 | - | (12 506 856) |
| Property rates - Residential | 29 | c,d | (474 277 677) | (1 546 556) | - | (475 824 233) |

| Figures in Rand | | | Economic entity 2019 | Economic entity 2018 Restated* | Controlling entity 2019 | Controlling entity 2018 Restated* |
|---|---|---|---|---|---|---|
| **51. Prior-year adjustments (continued)** | | | | | | |
| Property rates - Vacant land | 29 | c,d | (43 934 354) | 131 849 | - | (43 802 505) |
| Service charges - Sale of water | 25 | s | (436 642 001) | 74 670 535 | - | (361 971 466) |
| Service charges - Sale of electricity | 25 | s | (1 661 074 270) | 23 178 193 | - | (1 637 896 077) |
| Service charges - Refuse | 25 | s | (249 496 723) | 4 316 065 | - | (245 180 658) |
| Service charges - Sewerage and sanitation | 25 | s | (304 733 420) | (51 363) | - | (304 784 783) |
| Repairs and maintenance | 40 | | 355 293 553 | 554 621 | 54 643 | 355 902 817 |
| Debt impairment | 38 | | 310 385 034 | 10 891 929 | - | 321 276 963 |
| Other revenue - Sundry income | 27 | | (12 693 817) | (317 004) | - | (13 010 821) |
| Rental of facilities and equipment | 26 | | (15 882 120) | (4 185 598) | - | (20 067 718) |
| Contracted services | 35 | | 3 207 427 | - | (269 712) | 2 937 715 |
| **Surplus for the year** | | **-** | **-** | **162 604 603** | **-** | **-** |

| **Summary of Statement of Financial Performance** | | | **As previously reported** | **Correction of error** | **Reclassification** | **Restated** |
|---|---|---|---|---|---|---|
| Service charges | 25 | | (2 678 192 210) | 102 113 430 | - | (2 576 078 780) |
| Property rates | 29 | | (972 679 954) | (345 358) | - | (973 025 312) |
| Government grants | 31 | | (1 819 159 969) | 71 002 960 | - | (1 748 157 009) |
| Employee related cost | 33 | | 1 838 344 674 | 29 604 362 | 8 904 359 | 1 876 853 395 |
| Depreciation and amortisation | 36 | | 987 910 252 | 30 383 895 | - | 1 018 294 147 |
| General expenses | 41 | | 864 237 805 | (73 577 194) | (8 689 297) | 781 971 314 |
| Loss on disposal of asset | | | 2 499 363 | 18 514 755 | - | 21 014 118 |
| Fair value adjustment | | | (36 725 077) | - | 4 950 000 | (31 775 077) |
| Share of surplus in associate | 7 | | (11 534 322) | (22 036 195) | - | (33 570 517) |
| Impairment of assets | | | 4 950 000 | - | (4 950 000) | - |
| Repairs and maintenance | 40 | | 355 293 553 | 554 621 | 54 643 | 355 902 817 |
| Debt impairment | 38 | | 310 385 034 | 10 891 929 | - | 321 276 963 |
| Other revenue - Sundry income | 38 | | (12 693 817) | (317 004) | - | (13 010 821) |
| Rental of facilities and equipment | 26 | | (15 882 120) | (4 185 598) | - | (20 067 718) |
| Contracted services | 35 | | 3 207 427 | - | (269 712) | 2 937 715 |
| | | **-** | **-** | **162 604 603** | **-** | **-** |

**Cash flow statement**

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**51. Prior-year adjustments (continued)**

**2018**

| | Note | As previously reported | Correction of error | Restated |
|---|---|---|---|---|
| **Cash flow from operating activities** | | | | |
| Receipts - Sale of goods and services | 60 | 3 972 626 062 | 32 919 703 | 4 005 545 765 |
| Receipts - Government grants & subsidies | 60 | 1 819 159 969 | (71 002 960) | 1 748 157 009 |
| Receipts - Interest received | 28 | 176 012 022 | - | 176 012 022 |
| Payments - Employee costs & Councillors remunerations | 33&34 | (1 898 717 406) | (38 508 726) | (1 937 226 132) |
| Payments - Suppliers | 60 | (2 525 776 178) | 77 297 566 | (2 448 478 612) |
| Payments - Finance costs | 37 | (43 959 792) | - | (43 959 792) |
| | | **1 499 344 677** | **705 583** | **1 500 050 260** |
| **Cash flow from investing activities** | | | | |
| Purchase of property, plant and equipment | 4 | (1 330 344 072) | (1 652 934) | (1 331 997 006) |
| Proceeds from sale of property, plant and equipment | 4 | 13 799 850 | (12 922 651) | 877 199 |
| Proceeds from sale of investment property | 3 | 487 940 | 13 870 001 | 14 357 941 |
| Purchase of other intangible assets | 5 | (252 211) | - | (252 211) |
| | | **(1 316 308 493)** | **(705 584)** | **(1 317 014 077)** |
| **Cash flow from financing activities** | | | | |
| Net movement on borrowings | 18 | (47 641 565) | - | (47 641 565) |
| **Net cash flows used in investing activities** | | **(47 641 565)** | **-** | **(47 641 565)** |

| **Net cash flow** | As previously reported | Correction of error | Restated |
|---|---|---|---|
| Net (decrease)/increase in cash and cash equivalents | 135 394 621 | (3) | 135 394 618 |
| Cash and cash equivalents at the beginning of the year | 1 690 101 970 | - | 1 690 101 970 |
| Cash and cash equivalents at the end of the year | **1 825 496 591** | **(3)** | **1 825 496 588** |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**51. Prior-year adjustments (continued)**

**Explanations of errors**

a) Salaries and overtime paid in 2018/19 in respect of 2017/18 and prior years.

b) The prior period error is as a result of a revision in the treatment of Human Settlement Development Grant projects from GRAP 23 to GRAP 109.

c) Property rates valued and/or duplicated in error on the 2013 General Valuation.

d) Supplementary valuation implemented after property was sold.

e) Accrual raised in error and non payment of lease due to expired contract.

f) Adjustment of lease smoothing between the amount as per the contract to the actual amount paid for the 2017/18 financial year.

g) Adjusted share of surplus in associate in-line with IDZ audited AFS as at 31 March 2019 and IDZ first quarter AFS as at 30 June 2019.

h) A Value Added Tax review and recovery exercise was performed in respect of 2013/07 to 2018/06, which resulted in a correction of error.

i) Adjust balance on retention, incorrectly allocated when paid in respect of 2014/2015.

j) Adjustment in investment property values as at 30 June 2017 and 30 June 2018.

k) Recognition and de-recognition of assets that were acquired and disposed of in the previous financial years. The Municipality erroneously did not recognise and de-recognise these assets in the past.

l) To account for incorrect remaining useful lives as at 30 June 2017 and 30 June 2018.

m) To account for duplicated components on the asset register as at 30 June 2018.

n) To account for costs that were incorrectly allocated to asset capitalisations as at 30 June 2017.

o) Adjustments to accumulated depreciation on assets in previous years arising from de-recognitions, capitalisations not previously recognised and changes in remaining useful lives.

p) To account for negative carrying values on water infrastructure assets as at 30 June 2018.

q) Reclassification of repairs and maintenance expenditure that was incurred in the 30 June 2017 and 30 June 2018 financial years which meets the definition of an asset.

r) Reclassification of work in progress that were erroneously recognised by the Municipality in the previous financial year and reclassification of the same expenditure as general expenses.

s) Transfer revenue billed in the current year in respect of service charges relating 2017/18.

t) Re-alignment of debtor control variances to reconcile to the debtors age analysis.

u) Correction of prior year 2017/2018 general deposits - adjustment of incorrect alignment of water income and age analysis - June 2018.

v) This is now recognised in the 2018/2019 financial year and has been restated retrospectively.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

## 52. Risk management

### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk Management is carried out under policies approved by the accounting officer. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.
Cash forecasts are prepared and adequate utilised borrowing facilities are monitored.

### Interest rate risk

As the entity has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the entity to cash flow interest rate risk. Borrowings issued at fixed rates expose the entity to fair value interest rate risk.

The risk of a decrease in interest rate will place additional pressure to funding operations as a result of less income being realised from interest received.

### Cash flow interest rate risk

| Financial instrument | Current interest rate | Due in less than a year | Due in one to two years | Due in two to three years | Due in three to four years | Due after five years |
|---|---|---|---|---|---|---|
| Trade and other receivables - normal credit terms | 11.25 % | 863 343 | 508 522 | 373 885 | - | - |
| Cash in current banking institutions | 6.25 % | 242 941 512 | - | - | - | - |
| Call Investments deposits | 6.58 % | 924 619 393 | - | - | - | - |
| Trade and other payables - extended credit terms | 10.25 % | 847 778 662 | - | - | - | - |
| Long term borrowings | 9.74 % | 57 973 556 | 54 395 605 | 45 190 555 | 49 140 564 | 138 853 808 |

These amounts best represent maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements.

### Sensitivity Analysis of Market Risk

| Effect of a 1% change in the interest rate | Current interest rate | Value at 30 June 2019 | Discounted value at current rate | Discounted value at current rate (-1%) | Discounted value at current rate (+1%) | |
|---|---|---|---|---|---|---|
| Trade and other receivables - normal credit terms | 11.25 % | 863 343 508 | 776 039 108 | 783 078 012 | 769 125 620 | - |
| Trade and other payables | 10.25 % | 847 778 662 | 768 960 238 | 775 998 775 | 762 048 236 | - |
| Cash in current banking institutions | 6.25 % | 242 941 512 | 228 650 835 | 230 823 289 | 226 518 892 | - |
| Call investment deposits | 6.58 % | 924 619 393 | 867 535 554 | 875 752 409 | 859 471 457 | - |
| Short term borrowings | 9.74 % | 57 973 556 | 52 828 099 | 53 313 919 | 52 351 053 | - |

| | | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|---|
| Figures in Rand | | 2019 | 2018 Restated* | 2019 | 2018 Restated* | |

**52. Risk management (continued)**

| | | | | | | |
|---|---|---|---|---|---|---|
| Long term borrowings | 9.74 % | 287 580 532 | 262 056 253 | 264 466 187 | 259 689 843 | - |

The sensitivity analysis was based on the assumption that a 1% increase or decrease in the interest rate could occur.

The method used to prepare the sensitivity analysis was based on the discounted value of the respective cash flow for 1 year using the respective current interest rate in order to determine the effect of applicable market risk of a 1% increase or decrease in the interest rate.

**Credit risk**
Credit risk consists mainly of cash deposits (refer note 15) and trade debtors (refer note 12 + 14). The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

**Capital risk management**
The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the entity consists of debt, which incudes the borrowings, cash and cash equivalents and equity.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The entity is in an enviable position of having access to additional long term facilities in order to invest in the replacement of infrastructure assets.

**53. Going concern**

The audited consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**54. Events after the reporting date**

At the time of preparing and submitting the Annual Financial Statements there were no subsequent events to disclose.

**55. Unauthorised expenditure**

| | | | | |
|---|---|---|---|---|
| Opening balance | 157 562 251 | 95 876 117 | 160 458 700 | 95 876 117 |
| Expenditure authorised in terms of section 32 of the MFMA | (157 562 251) | (95 876 117) | (160 458 700) | (95 876 117) |
| Unauthorised expenditure for the year | 40 348 847 | 157 562 251 | 42 977 417 | 160 458 700 |
| **Closing balance** | **40 348 847** | **157 562 251** | **42 977 417** | **160 458 700** |

**Analysed as follows: non-cash**

| | | | | |
|---|---|---|---|---|
| Employee related cost | 25 502 603 | - | 19 771 410 | - |
| Depreciation | - | 17 267 068 | - | 17 325 629 |
| Debt impairment | 14 846 244 | 135 456 597 | 14 846 244 | 135 456 597 |
| Other materials | - | - | - | 573 224 |
| Loss on disposal of PPE | - | 2 499 363 | - | 2 499 363 |
| **Total** | **40 348 847** | **155 223 028** | **34 617 654** | **155 854 813** |

# Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**55. Unauthorised expenditure (continued)**

**Analysed as follows: cash**

| | | | | |
|---|---|---|---|---|
| Employee related costs | - | - | - | 2 286 887 |
| Remuneration of Councillors | - | 144 189 | - | - |
| Grants and subsidies paid | - | - | 8 359 763 | - |
| Other expenditure | - | 2 195 034 | - | 2 317 000 |
| **Total** | **-** | **2 339 223** | **8 359 763** | **4 603 887** |

**The unauthorised expenditure can be attributed to difficulty of achieving budget accuracy for each expenditure type due to varying operational requirements. The 2019 unauthorised expenditure comprises the following:**

1) Employee related costs of R25.5 million, this is as a result of the bonus provision as well as the long service allowance raised at year end.
2) Debt impairment of R14.85 million, this is a result of more debts written off than projected.

There is no unauthorised expenditure regarding the total budgeted amount.

**The 2018 unauthorised expenditure comprises the following:**

1) Remuneration of Councillors of R144 189, this is as a result of remuneration of BCMDA Board Members.
2) Debt impairment of R135.46 million, this is a result of more debts written off than projected.
3) Depreciation and asset impairment of R17.27 million. Infrastructure assets were revalued at the end of the financial year in accordance with the accounting policy adopted by BCMM. The revaluation brought about additional depreciation.
4) Other expenditure of R2.19 million is as a result of reclassification from contracted services.
5) Loss on disposal of assets of R2.5 million was incurred as a result of derecognition of assets and investment property.

**56. Fruitless and wasteful expenditure**

| | | | | |
|---|---|---|---|---|
| Opening balance | 5 865 359 | 5 319 926 | 5 794 525 | 5 304 830 |
| Acts of negligence | - | 35 420 | - | 35 420 |
| Interest charged on overdue accounts due to late payment. | 1 154 612 | 454 275 | 1 154 612 | 454 275 |
| Penalties (SARS) | 4 557 074 | - | 4 557 074 | - |
| Interest (SARS) | 6 667 364 | - | 6 667 364 | - |
| Fines and penalties - BCMDA | 5 238 | 62 926 | - | - |
| Travel and accommodation - BCMDA | - | 4 428 | - | - |
| Recovered during the year - BCMDA | (1 509) | (11 616) | - | - |
| **Closing balance** | **18 248 138** | **5 865 359** | **18 173 575** | **5 794 525** |

Staff members involved in acts of negligence resulted in the entity incurring losses totalling R0 (2018 : R35 420).

Late payment of invoices resulted in the Municipality incurring fruitless and wasteful expenditure of R1 154 612 (2018: 454 275).

SARS conducted an audit for the period May 2013 to March 2015 and charged interest and penalties amounting to R11 224 438 on disallowed input VAT.

BCMM has established a Municipal Public Accounts Committee (MPAC) which is constituted by Council to investigate all irregular, fruitless and wasteful expenditure. The MPAC recommends to Council the write off and future actions to be taken in accordance with the provisions in terms of Section 32 of the MFMA.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 57. Irregular expenditure

| | | | | |
|---|---|---|---|---|
| Opening balance | 2 644 154 250 | 2 430 833 674 | 2 644 154 250 | 2 430 833 674 |
| Add: Irregular Expenditure - current year | 141 182 463 | 213 320 576 | 132 542 939 | 213 320 576 |
| Add: Irregular Expenditure identified in the current year, relating previous financial periods | 4 713 524 | - | - | - |
| **Closing balance** | **2 790 050 237** | **2 644 154 250** | **2 776 697 189** | **2 644 154 250** |

**Analysis of expenditure awaiting write-off per age classification**

| | | | | |
|---|---|---|---|---|
| Current year | 141 182 463 | 213 320 576 | 132 542 939 | 213 320 576 |
| Prior years | 2 648 867 774 | 2 430 833 674 | 2 644 154 250 | 2 430 833 674 |
| | **2 790 050 237** | **2 644 154 250** | **2 776 697 189** | **2 644 154 250** |

**Details of irregular expenditure**

| | | | | |
|---|---|---|---|---|
| Procurement made outside SCM regulations | 479 357 | 13 918 147 | 479 357 | 13 918 147 |
| Bid Construction Contracts (BCC) | 102 011 932 | 154 779 603 | 102 011 932 | 154 779 603 |
| Annual contracts | 23 074 315 | 15 485 573 | 23 074 315 | 15 485 573 |
| Formal contracts | 565 796 | 3 896 115 | 565 796 | 3 896 115 |
| Informal contracts | 396 720 | 143 478 | 396 720 | 143 478 |
| 3 Quotation System | 769 533 | 42 000 | 769 533 | 42 000 |
| Suppliers in service of state - Declared state employees | - | 2 681 571 | - | 2 681 571 |
| Suppliers in service of state - Not-declared state employees | 1 534 827 | 773 241 | 1 534 827 | 773 241 |
| Non-Approved deviations by Council - MFMA Regulation 36 on SCM | - | 21 600 848 | - | 21 600 848 |
| Other expired leases | 3 710 459 | - | 3 710 459 | - |
| Bid Adjudication Committee - BCMDA | 8 639 524 | - | - | - |
| | **141 182 463** | **213 320 576** | **132 542 939** | **213 320 576** |

**Cases under investigation**

Cases related to non-compliance with procurement process requirements.

| EMPLOYEE JOB TITLE | DIRECTORATE | MISCONDUCT |
|---|---|---|
| Gen Manager Com & Public Participation | Executive Support Services | Financial Misconduct |
| General Manager Supply Chain | Financial Services | Financial Misconduct |
| Chief Financial Officer | Financial Services | Financial Misconduct |
| Head Internal Audit | City Manager | Financial Misconduct |
| Natis Cashier | Health, Public Safety and Emergencies | Theft |

### 58. In-kind donations and assistance

| | | | | |
|---|---|---|---|---|
| FELZOO donated assistance to BCMM | 26 516 | 63 450 | 26 516 | 63 450 |
| FELA donated assistance to BCMM | 4 100 | 5 300 | 4 100 | 5 300 |
| Nahoon Point Nature Reserve | 71 371 | 56 230 | 71 371 | 56 230 |
| Nahoon Estuary Nature Reserve | 426 795 | 33 000 | 426 795 | 33 000 |
| | **528 782** | **157 980** | **528 782** | **157 980** |

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 59. Additional disclosure in terms of Municipal Finance Management Act

### 59.1 Contributions to organised local government

| | | | | |
|---|---|---|---|---|
| Current year contribution | 14 100 000 | 13 300 000 | 14 100 000 | 13 300 000 |
| Amount paid - current year | (14 100 000) | (13 300 000) | (14 100 000) | (13 300 000) |
| | - | - | - | - |

### 59.2 Contributions to SA Cities Network

| | | | | |
|---|---|---|---|---|
| Current year contribution | 3 783 552 | 2 276 010 | 3 783 552 | 2 276 010 |
| Amount paid - current year | (3 783 552) | (2 276 010) | (3 783 552) | (2 276 010) |
| | - | - | - | - |

### 59.3 Audit fees

| | | | | |
|---|---|---|---|---|
| Current year subscription / fee | 15 740 807 | 13 479 474 | 15 108 534 | 12 809 701 |
| Amount paid - current year | (15 740 807) | (13 479 474) | (15 108 534) | (12 809 701) |
| | - | - | - | - |

### 59.4 PAYE, UIF and Skills Development Levy

| | | | | |
|---|---|---|---|---|
| Opening balance | 271 705 | - | - | - |
| Current year contribution | 336 070 479 | 306 409 448 | 331 610 349 | 302 677 130 |
| Amount paid - current year | (336 070 479) | (306 137 743) | (331 610 349) | (302 677 130) |
| Amount paid - previous years | (271 705) | - | - | - |
| | - | **271 705** | - | - |

### 59.5 Pension and Medical Aid Deductions

| | | | | |
|---|---|---|---|---|
| Opening balance | 97 509 | - | - | - |
| Current year contribution | 485 750 078 | 442 998 253 | 484 418 258 | 441 810 776 |
| Amount paid - current year | (485 648 169) | (442 900 744) | (484 418 258) | (441 810 776) |
| Amount paid - previous years | (97 509) | - | - | - |
| | **101 909** | **97 509** | - | - |

### 59.6 VAT

| | | | | |
|---|---|---|---|---|
| VAT receivable | 171 155 706 | 110 145 810 | 170 849 380 | 109 939 374 |

VAT output payables and VAT input receivables are shown in note 13 as net VAT receivable.

All VAT returns have been submitted by the due date throughout the year. Vat is only declared to SARS on receipt of payment from consumers and claimed on payment to suppliers.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**59. Additional disclosure in terms of Municipal Finance Management Act (continued)**

**59.7 Councillors' and officials arrear consumer accounts**

Arrear Councillors accounts totalling R36 074 were outstanding for more than 90 days at 30 June 2018 (2018 R32 278) for which mechanisms are in place to deduct amounts from the monthly allowances of each Councillor. The following amounts represent the total outstanding as at 30 June 2019 Stop orders are in place, whereby a monthly amount is deducted until the balance is settled.

| **30 June 2019** | **Outstanding more than 90 days R** | **Total R** |
|---|---|---|
| Councillor Z. Mtyingizane | 16 194 | 16 194 |
| Councillor I.T. Tongo-Luzipho | 9 264 | 9 264 |
| Councillor P. Nazo-Makatala | 5 623 | 5 623 |
| Councillor K. Ciliza | 2 688 | 2 688 |
| Councillor T.T. Apleni | 1 194 | 1 194 |
| Councillor M.T. Kolela | 616 | 616 |
| Councillor N.P. Peter | 414 | 414 |
| Councillor N.P. Matiwane | 81 | 81 |
| | **36 074** | **36 074** |

| **30 June 2018** | **Outstanding more than 90 days R** | **Total R** |
|---|---|---|
| Councillor N.P. Matiwane | 128 | 128 |
| Councillor N.E. Tshabe | 9 568 | 9 568 |
| Councillor Z. Mtyingizane | 17 253 | 17 253 |
| Councillor K. Ciliza | 4 541 | 4 541 |
| Councillor N.P. Peter | 485 | 485 |
| Councillor V. Tutu | 303 | 303 |
| | **32 278** | **32 278** |

At year end, officials accounts totalling R2 370 968 (2018: R1 106 097) were outstanding for more than 90 days.

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**59. Additional disclosure in terms of Municipal Finance Management Act (continued)**

**59.8 Deviation from supply chain management regulations**

Regulation 36 of the MFMA on Supply Chain Management (SCM) Regulations and clause 36 of the SCM Policy of 2012 states that a SCM Policy must provide for the procurement of goods and services by way of a competitive bidding process.

Regulation 36 states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the unaudited separate annual financial statements.

During the financial year under review goods/services totaling R79 425 717 (2018: R36 396 328) were procured and the process followed in procuring those goods/services deviated from the provisions of the regulations as stated above. The accounting officer approved the deviations from the normal SCM regulations.

| **Incident** | | | | |
|---|---|---|---|---|
| Emergency | 1 | 1 627 189 | 1 | 1 627 189 |
| Sole supplier | 9 | 57 094 532 | 9 | 57 094 532 |
| Other exceptional cases | 4 | 20 703 996 | 4 | 20 703 996 |
| Deviations - BCMDA | 5 | 1 370 680 | - | - |
| | **19** | **80 796 397** | **14** | **79 425 717** |

| **59.9 Electricity Losses** | **Amount (R)** | **%** | **Amount (R)** | **%** |
|---|---|---|---|---|
| Technical | 80 916 897 | 5.80 | 86 918 136 | 6.50 |
| Non-technical | 221 156 808 | 15.85 | 149 583 908 | 9.58 |
| | **302 073 705** | **21.65** | **236 502 044** | **16.08** |

Total losses amounted to 322 739 881 kWh (2018: 263 249 658 KWh) of which 86 452 447 kWh (2018: 96 748 779 kWh) are technical losses and 236 287 434 kWh (2018: 166 502 196 kWh) are non-technical losses.

Technical Losses: Losses within the network which are inherent in any network.
Non-technical losses: Theft, faults and billing errors.

Attempts are currently being made to reduce these losses including the following:
- More than 6 000 informal dwellings have been electrified in the past 6 years.
- Informal settlements have been upgraded to formal houses in Mdantsane.
- Illegal connections are being removed on an ongoing basis.
- An audit of business customers was undertaken to reduce meter tampering.
- Smart meters are currently being installed within the BCMM area for business and certain domestic consumers.

| **59.10 Water Losses** | **Amount (R)** | **%** | **Amount (R)** | **%** |
|---|---|---|---|---|
| Technical | 91 327 066 | 26.61 | 109 093 280 | 33.98 |
| Non-technical | 66 889 926 | 19.50 | 31 169 626 | 9.71 |
| | **158 216 992** | **46.11** | **140 262 906** | **43.69** |

| | | Economic entity | | Controlling entity | |
|---|---|---|---|---|---|
| Figures in Rand | | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**59. Additional disclosure in terms of Municipal Finance Management Act (continued)**

Total losses amounted to 29 566 498 KL (2018: 28 861 201 KL) of which 17 066 571 KL (2018: 22 447 582 KL) are technical losses and 12 499 927 KL (2018: 6 413 619 KL) are non-technical losses.

The above losses include rural areas and informal settlements.

Water losses are being addressed by the implementation of water conservation and water demand measures which include pipe replacement, water meter replacement etc.

A pipe replacement program is also underway prioritising areas experiencing frequent bursts.

A pressure reducing valve installation program has yielded results in reducing the frequency of bursts in areas with old infrastructure as well as areas where there is high demand.

**60. Cash flows from operating activities**

| | | | | | |
|---|---|---|---|---|---|
| **Receipts : Sale of goods and services** | | | | | |
| Total revenue as per Statement of Financial Performance | | 7 278 376 307 | 6 211 463 621 | 7 274 314 423 | 6 209 660 821 |
| Less: Fair value adjustments | 42 | (8 923 274) | (31 775 077) | (8 923 274) | (31 775 077) |
| Less: Interest received | 28 | (165 783 829) | (176 012 022) | (165 344 665) | (175 866 976) |
| Less: Government grants and subsidies received | 31 | (1 919 432 295) | (1 748 157 009) | (1 916 450 673) | (1 746 651 862) |
| Loss on sale of assets | 4 | 46 324 822 | 21 014 118 | 46 324 822 | 21 014 118 |
| Movement in receivables from exchange transactions | 14 | (449 268 108) | (762 093 110) | (449 268 108) | (328 546 470) |
| Movement in receivables from non-exchange transactions | 12 | (168 387 614) | 465 532 669 | (168 271 330) | 33 667 546 |
| Movement in receivables from exchange transactions - BCMDA | 11 | (710 291) | 81 443 | - | - |
| Fair value adjustment on Investment Property revalued | 42 | 8 923 274 | 31 775 077 | 8 923 274 | 31 775 077 |
| Movement in VAT receivables | 13 | (61 009 896) | (8 971 786) | (60 910 006) | (8 909 855) |
| Net movement in consumer deposits | 23 | 4 096 406 | 2 691 403 | 4 096 406 | 2 691 403 |
| Movement in operating lease assets - BCMDA | - | (3 562) | - | - | |
| | | **4 564 205 502** | **4 005 545 765** | **4 564 490 869** | **4 007 058 725** |
| **Payment : Suppliers** | | | | | |
| Total expenditure as per the Statement of Financial Performance | | (6 799 995 274) | (6 053 387 559) | (6 798 502 395) | (6 049 273 693) |
| Employee costs and Councillors remuneration | 33&34 | 2 112 734 789 | 1 937 226 132 | 2 094 239 786 | 1 920 770 904 |
| Interest paid | 37 | 38 467 001 | 43 959 792 | 38 466 994 | 43 954 780 |
| Depreciation and amortisation | 36 | 1 296 822 454 | 1 018 294 148 | 1 295 635 453 | 1 017 494 970 |
| Loss on disposal of assets | 4 | (46 324 822) | (21 014 118) | (46 324 822) | (21 014 118) |
| Debt impairment | 38 | 373 182 710 | 321 276 963 | 373 182 710 | 321 276 963 |
| Net movement on unspent conditional grants | 17 | (34 742 076) | (6 967 063) | (37 686 761) | (5 486 764) |
| Movement in Post retirement medical aid benefit obligation | 9 | (4 339 544) | 205 856 410 | (4 339 544) | 205 856 410 |
| Movement in provisions relating to landfill sites | 19 | 5 200 239 | 39 620 497 | 5 020 089 | 38 771 675 |
| Movement in payables from exchange transactions | 22 | (10 332 732) | 331 252 753 | (9 742 678) | 330 065 363 |
| Movement in inventory | 10 | 5 612 040 | (4 220 046) | 5 614 403 | (4 211 967) |
| Intangible asset transfer | 5 | - | (18 213 980) | - | (18 213 980) |
| PPE (Transfers / Adjustments) | 4 | (279 839 617) | (24 141 625) | (279 839 617) | (24 141 625) |
| Non cash PPE additions | 4 | 1 832 031 | (3 393 725) | 1 832 031 | (3 393 725) |
| Opening balance adjustments | - | (214 627 191) | - | (214 626 325) | |
| | | **(3 341 722 801)** | **(2 448 478 612)** | **(3 362 444 351)** | **(2 462 171 132)** |

# Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

## 61. Deficit for the year

**Reconciliation of actual operating results to net income**

| | | | | |
|---|---|---|---|---|
| Net income for the period | 469 826 187 | 202 931 475 | 467 877 790 | 204 718 604 |
| Share of surplus of associate accounted for under the equity method | (29 467 290) | (33 570 517) | (29 467 290) | (33 570 517) |
| Capital expenditure ex grant funding | (997 754 177) | (930 587 543) | (997 754 177) | (930 587 543) |
| **Actual operating results** | **(557 395 280)** | **(761 226 585)** | **(559 343 677)** | **(759 439 456)** |

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

**62. Retirement benefit information**

The employees of the Council as well as the Council as employer, contribute to Municipal Pension, Retirement and various Provident Funds as listed below:

- Cape Joint Pension Fund / L A Retirement Fund
- Cape/Consolidated Retirement Fund
- Eastern Cape Local Authorities Provident Fund
- Government Employees Pension Fund
- Municipal Worker's Retirement Fund
- SALA Pension Fund
- Municipal Employees Pension Fund
- Municipal Councillors Pension Fund
- National Fund for Municipal Workers
- Aftredevoorsieningfonds vir Kaapse Plaaslike Owerhede
- East London Municipal A Band Provident Fund

The Cape Joint Pension Fund's / LA Retirement Fund's last actuarial valuation was at 30 June 2017 conducted by S. Neethling from Momentum Consultants and Actuaries. The fund was 102.6% funded at valuation date.

The Cape/Consolidated Retirement Fund's last actuarial valuation was at 30 June 2016 conducted by S. Neethling from MMI Group Limited who certified that the fund was in a sound financial position.

The Eastern Cape Local Authorities Provident Fund's last valuation was at 30 June 2018 conducted by E. Du Toit from Alexander Forbes Financial Services, who confirmed that the fund was in a sound financial position. The funding level was at 100% at valuation date.

The Government Employees Pension Fund's last valuation was at 31 March 2016 conducted by H. Buck . The funding level at this date was 115.8%.

Municipal Worker's Retirement Fund (previously known as SAMWU National Provient Fund) last actuarial valuation was at 30 June 2017 conducted by E.J. Potgieter and G. Base from Towers Watson (Pty) Ltd. The report stated that the fund was in a sound financial position as at 30 June 2017.

The SALA Pension Fund's last valuation was at 01 July 2015 conducted by J.F. Rosslee of ARGEN Actuarial Solutions. The fund was 100% funded as at valuation date. The valuator was satisfied with the investment strategy of the fund and the nature of the assets is in his opinion, suitable for the nature of the liabilities of the fund as defined in the rules of the fund.

The Municipal Employees Pension Fund's last interim valuation was at 28 February 2014 prepared by Itakane Consultants and Actuaries (Pty) Ltd. The report stated that the fund was financially sound and the funding level at this date was 100%

The Municipal Councillors Pension Fund's last valuation was at 30 June 2015 prepared by Mothapo R. and Barnard G.M. from Moruba Consultants and Actuaries. The report stated that the funding level was at 100% at the time of valuation.

The National Fund for Municipality Worker's last Actuarial Valuation was at 30 June 2015 and prepared by G. Grobler from Alexander Forbes Financial Services. The assets of the fund are sufficient to cover 100.42% of members' liabilities.

The East London Municipal A Band and the Aftredevoorsieningsfonds vir Kaapse Plaaslike Owerhede are a fixed/defined contributions funds. It is therefore not necessary to perform an actuarial valuation for these funds.

It is Council's policy to fund 60% of Pensioner's medical aid expenses. The current costs amount to approximately R 22,7 million.

An amount of R324,8 million (2018: R294,7 million) was contributed by Council, Councillors' and employees' in respect of Councillor and employee retirement funding. These contributions have been expensed.

# BUFFALO CITY METROPOLITAN MUNICIPALITY

Audited Consolidated Annual Financial Statements for the year ended 30 June 2019

## Notes to the Audited Consolidated Annual Financial Statements

| | Economic entity | | Controlling entity | |
|---|---|---|---|---|
| Figures in Rand | 2019 | 2018 Restated* | 2019 | 2018 Restated* |

### 63. Bids awarded to family of employees in service of the State

In terms of section 45 of the Municipal SCM regulation, any award above R 2 000 to family of an employee in the service of the State must be disclosed in the annual financial statements. The following is a list as recorded in the declaration-of-interest form:

| Connected person | Position held in BCMM | 2019 | 2018 |
|---|---|---|---|
| T. Nyati | PA to SCM GM | - | 49 182 |
| S. Majembe | Buyer | 82 472 | 242 674 |
| Z. Ndzondo | Bid Secretariat | 1 067 653 | 12 526 |
| C. Ruiters | Tender Coordinator | 190 599 | 129 907 |
| H. Lestig | Handy Man | - | 197 820 |
| S. Xoki | Chief Risk Officer | - | 180 000 |
| | | **1 340 724** | **812 109** |

| Connected person | Name of institution | 2019 | 2018 |
|---|---|---|---|
| F. Ngcwangu | EC Provincial Planning & Treasury | 1 534 826 | 2 333 375 |
| N. Maqula | Department of Human Settlements | - | 207 740 |
| D. Muzenda | National Lottery | - | 140 456 |
| | | **1 534 826** | **2 681 571** |



# GLOSSARY

| | |
|---|---|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports. |
| Activities | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do". |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual Report | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved Budget | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic municipal service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment. |
| Budget year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial Statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General Key performance indicators | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| Inputs | All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings. |
| Integrated Development Plan (IDP) | Set out municipal goals and development plans. |

| | |
|---|---|
| National Key performance areas | • Service delivery & infrastructure<br>• Economic development<br>• Municipal transformation and institutional development<br>• Financial viability and management<br>• Good governance and community participation |
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve". |
| Outputs | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| Performance Indicator | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to<br>which an output has been achieved (policy developed, presentation delivered, service rendered) |
| Performance Information | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| Performance Standards: | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor. |
| Performance Targets: | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period. |
| Service Delivery Budget Implementation Plan | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| Vote: | One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.<br>Section 1 of the MFMA defines a "vote" as:<br><br>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and<br><br>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned |



BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDICIES A-S

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za





BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX A

## COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

## COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

| Council Members | Full Time / Part Time | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
|---|---|---|---|---|---|
| | FT/PT | | | % | % |
| Mtsi, S.A. (Speaker) | FT | Council (Chairperson) | PR ANC | 100% | 0% |
| Pakati, X.A. (Executive Mayor) | FT | Metropolitan Mayoral Committee (Chairperson) | PR ANC | 100% | 0% |
| Matana, Z.P. (Deputy Executive Mayor) | FT | Metropolitan Mayoral Committee<br>IDP and Organisational Performance Management (Chairperson) | PR ANC | 71,43% | 28,57% |
| Vaaiboom, M. (Chief Whip of Council) | FT | IDP and Organisational Performance Management | PR ANC | 92,86% | 7,14% |
| Angelbeck, R.E. | PT | Finance | PR DA | 100% | 0% |
| Apleni, T.T. | PT | IDP and Organisational Performance Management | PR EFF | 21,43% | 78,57% |
| Bakawuli, Z. | PT | Infrastructure Services | PR DA | 92,86% | 7,14% |
| Batala, N. | PT | Institutional Operations and Civic Relations | PR EFF | 64,29% | 35,71% |
| Bentley, S.E. | PT | Health and Public Safety and Emergency Services | PR DA | 100% | 0% |
| Bopi, M. | PT | IDP and Organisational Performance Management | Ward 15 ANC | 92,86% | 7,14% |
| Bota, M. | PT | Finance | Ward 49 ANC | 100% | 0% |
| Botha, A.M.C. | PT | Municipal Services | Ward 4 DA | 85,71% | 14,29% |
| Ciliza, K. | PT | Infrastructure Services | Ward 1 ANC | 85,71% | 14,29% |
| Dhaya, D.M. | PT | Economic Development and Agencies | PR DA | 78,57% | 21,43% |
| Diko, V.A. | PT | Health and Public Safety and Emergency Services | PR AIC | 50% | 50% |
| Dlova, S.P. | PT | Municipal Services | PR AIC | 78,57% | 21,43% |
| Dyonase, B. | PT | Municipal Services | Ward 39 ANC | 92,86% | 7,14% |
| Faku, K.T. | PT | Spatial Planning and Development | Ward 40 ANC | 71,43% | 28,57% |
| Fini, M. [Started w.e.f. 27/6/18 Council meeting] | PT | Health and Public Safety and Emergency Services | Ward 21 ANC | 100% | 0% |
| Fritz, T.F. | PT | Infrastructure Services | PR DA | 92,86% | 7,14% |
| Gamnca, N. | PT | Municipal Services | Ward 20 ANC | 57,14% | 42,86% |
| Gcilishe, M. | PT | Finance | Ward 11 ANC | 100% | 0% |

## COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

| Council Members | Full Time / Part Time FT/PT | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance % | Percentage Apologies for non-attendance % |
|---|---|---|---|---|---|
| Gcobo, A. | PT | Economic Development and Agencies | PR PAC | 57,14% | 42,86% |
| Gomba, S.G. | PT | Spatial Planning and Development | PR ANC | 57,14% | 42,86% |
| Gosani, G.L. | PT | IDP and Organisational Performance Management and Health and Public Safety and Emergency Services | Ward 12 ANC | 85,71% | 14,29% |
| Gould, W.D. | PT | Finance | PR DA | 100% | 0% |
| Gqodi, V. | PT | Institutional Operations and Civic Relations and Economic Development and Agencies | PR ANC | 100% | 0% |
| Holmes, V.A. | PT | Corporate Services | PR DA | 78,57% | 21,43% |
| Hoyo, S.K. | PT | Human Settlement | PR EFF | 71,43% | 28,57% |
| Jayiya, A. | PT | Institutional Operations and Civic Relations | PR DA | 85,71% | 14,29% |
| July, T. | PT | Corporate Services and Human Settlement | PR UDM | 50% | 50% |
| Kaba, P. | PT | Economic Development and Agencies | PR EFF | 50% | 50% |
| Kalani, B.B. | PT | MPAC | Ward 27 ANC | 100% | 0% |
| Kiki, P.L. | PT | Municipal Services | Ward 6 ANC | 100% | 0% |
| Kilimani, N.W. | PT | Economic Development and Agencies | Ward 46 ANC | 92,86% | 7,14% |
| Kodwa-Gajula, Z. | PT | MPAC (Chairperson) | Ward 24 ANC | 71,43% | 28,57% |
| Kolela, M.C. | PT | IDP and Organisational Performance Management | Ward 25 ANC | 100% | 0% |
| Kosani, M. | PT | Economic Development and Agencies | PR DA | 85,71% | 14,29% |
| Kumbaca, N.L.N. | FT | Infrastructure Services (Chairperson) | PR ANC | 85,71% | 14,29% |
| Luzipo, T.I. | PT | Corporate Services | PR DA | 85,71% | 14,29% |
| Mabandla, B.S. | PT | MPAC | Ward 27 ANC | 0% | - |
| Mackley, M. | PT | Spatial Planning and Development | Ward 28 DA | 85,71% | 14,29% |
| Madikane, M.N. | PT | Infrastructure Services and Institutional Operations and Civic Relations | PR COPE | 92,86% | 7,14% |
| Majeke, A [Started w.e.f. 25/10/18 Council meeting] | PT | MPAC | PR DA | 81,82% | 18,18% |
| Makapela, Y.C. | PT | IDP and Organisational Performance Management and Infrastructure Services | PR AIC | 71,43% | 28,57% |
| Mankayi, Z.Y. | PT | Municipal Services | Ward 43 ANC | 42,86% | 57,14% |
| Maphuka, S | PT | Health and Public Safety and Emergency Services | Ward 42 ANC | 92,86% | 7,14% |
| Mapisa, A. | PT | Corporate Services | Ward 8 ANC | 85,71% | 14,29% |

## COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

| Council Members | Full Time / Part Time | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
|---|---|---|---|---|---|
| | FT/PT | | | % | % |
| Marata, M.N. | FT | Economic Development and Agencies (Chairperson) | PR ANC | 92,86% | 7,14% |
| Matiwane, C. | PT | MPAC | PR EFF | 71,43% | 28,57% |
| Matiwane, N.P. | PT | Economic Development and Agencies | Ward 13 ANC | 71,43% | 28,57% |
| McDowell, J.S. [Started w.e.f. 27/6/18 Council meeting] | PT | IDP and Organisational Performance Management | Ward 18 DA | 100% | 0% |
| Mdinwa, F.Z. | PT | Economic Development and Agencies | PR DA | 85,71% | 14,29% |
| Mhlola, N.M. | FT | Human Settlement (Chairperson) | Ward 2 ANC | 57,14% | 42,86% |
| Miza, P.K. | PT | MPAC | Ward 3 ANC | 85,71% | 14,29% |
| Mnyute, A.O. | FT | Health and Public Safety and Emergency Services (Chairperson) | PR ANC | 92,86% | 7,14% |
| Morolong-Yekiso, M.C. | PT | Institutional Operations and Civic Relations | Ward 7 ANC | 57,14% | 42,86% |
| Moyikwa, N. | PT | Health and Public Safety and Emergency Services | Ward 30 ANC | 100% | 0% |
| Mpanza, V.E. | PT | Economic Development and Agencies | Ward 48 ANC | 85,71% | 14,29% |
| Mtya, T.L. | PT | MPAC | Ward 50 ANC | 92,86% | 7,14% |
| Mtyingizane, Z. | PT | Finance | Ward 14 ANC | 78,57% | 21,43% |
| Nazo-Makatala, P. | FT | Spatial Planning and Development (Chairperson) | PR ANC | 57,14% | 42,86% |
| Ncotela, N.E. | PT | Infrastructure Services and Spatial Planning and Development | Ward 26 ANC | 85,71% | 14,29% |
| Ndotyi, N.L. | PT | Infrastructure Services | Ward 38 ANC | 78,57% | 21,43% |
| Neale-May, H.E. | FT | Municipal Services (Chairperson) | PR ANC | 100% | 0% |
| Nelani, P.E. | PT | Corporate Services and Human Settlement | Ward 33 ANC | 92,86% | 7,14% |
| Ngabayena, M.L. [Deceased] | PT | Health and Public Safety and Emergency Services | Ward 21 ANC | 0% | - |
| Njece, V. | PT | Spatial Planning and Development and Municipal Services | Ward 47 ANC | 100% | 0% |
| Nombewu, M.B. | PT | Health and Public Safety and Emergency Services | PR ANC | 85,71% | 14,29% |
| Norexe, G.T. | PT | Human Settlement | Ward 45 ANC | 100% | 0% |
| Ntame, O. | PT | MPAC | PR DA | 57,14% | 42,86% |
| Ntsasela, S. | PT | Human Settlement | Ward 44 ANC | 92,86% | 7,14% |
| Ntshebe, N.M. | PT | Corporate Services | Ward 37 ANC | 92,86% | 7,14% |
| Peter, N.P. | FT | Finance (Chairperson) | PR ANC | 71,43% | 28,57% |
| Peter, V. | PT | Institutional Operations and Civic Relations | Ward 32 ANC | 78,57% | 21,43% |

## COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

| Council Members | Full Time / Part Time | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
|---|---|---|---|---|---|
| | FT/PT | | | % | % |
| Pollock, L. | PT | Health and Public Safety and Emergency Services | PR DA | 92,86% | 7,14% |
| Quse, L.M. | PT | Spatial Planning and Development and Finance | PR ACDP | 64,29% | 35,71% |
| Rademeyer, A | PT | Municipal Services | PR DA | 57,14% | 42,86% |
| Relu, M.R. | PT | Corporate Services | Ward 16 ANC | 85,71% | 14,29% |
| Rooy, R.L.K. | PT | Human Settlement | Ward 19 DA | 100% | 0% |
| Royi, L. | PT | Corporate Services | PR EFF | 21,43% | 78,57% |
| Sakube, V.V. | PT | Corporate Services and Finance | Ward 22 ANC | 85,71% | 14,29% |
| Sauli, B. | PT | Institutional Operations and Civic Relations | Ward 36 ANC | 64,29% | 35,71% |
| Simandla, X. | PT | Human Settlement | Ward 23 ANC | 100% | 0% |
| Simon-Ndzele, L.E. | PT | Institutional Operations and Civic Relations and Finance | PR ANC | 50% | 50% |
| Skepe, S.G. | PT | Economic Development and Agencies | Ward 41 ANC | 78,57% | 21,43% |
| Skolo, S. | PT | MPAC | Ward 35 ANC | 71,43% | 28,57% |
| Swart, C.A. | PT | IDP and Organisational Performance Management | Ward 29 DA | 85,71% | 14,29% |
| Thompson, I. | PT | Spatial Planning and Development | PR DA | 100% | 0% |
| Thwalingca, B.O. | PT | Health and Public Safety and Emergency Services | PR EFF | 57,14% | 42,86% |
| Tokwe, V. | PT | Infrastructure Services | Ward 34 ANC | 71,43% | 28,57% |
| Tokwe, Z.P.W. | PT | MPAC | Ward 5 ANC | 92,86% | 7,14% |
| Toni, S.N. | FT | Corporate Services (Chairperson) | Ward 31 ANC | 100% | 0% |
| Tsala, S.E. | PT | Human Settlement | PR DA | 71,43% | 28,57% |
| Tshabe, N.E. | PT | Spatial Planning and Development | PR EFF | 50% | 50% |
| Tutu, V. | PT | Municipal Services and Finance | PR AIC | 85,71% | 14,29% |
| Vallabh, D. | PT | Institutional Operations and Civic Relations | PR DA | 71,43% | 28,57% |
| Viaene, D.P. [Left in March 2018] | PT | IDP and Organisational Performance Management | Ward 18 DA | 66,67% | 33,33% |
| Vitbooi, R. | PT | Human Settlement | Ward 10 ANC | 92,86% | 7,14% |
| Walton, G.K. | PT | MPAC | PR DA | 100% | 0% |
| Wetsetse, M. | PT | Spatial Planning and Development | Ward 9 ANC | 71,43% | 28,57% |
| Witbooi, X. | FT | Institutional Operations and Civic Relations (Chairperson) | PR ANC | 100% | 0% |
| Yenana-Nonjiwu, P.P. | PT | IDP and Organisational Performance Management and Infrastructure Services | Ward 17 ANC | 85,71% | 14,29% |
| | | | | | |

Note: * Councillors appointed on a proportional basis do not have wards allocated to them

T A

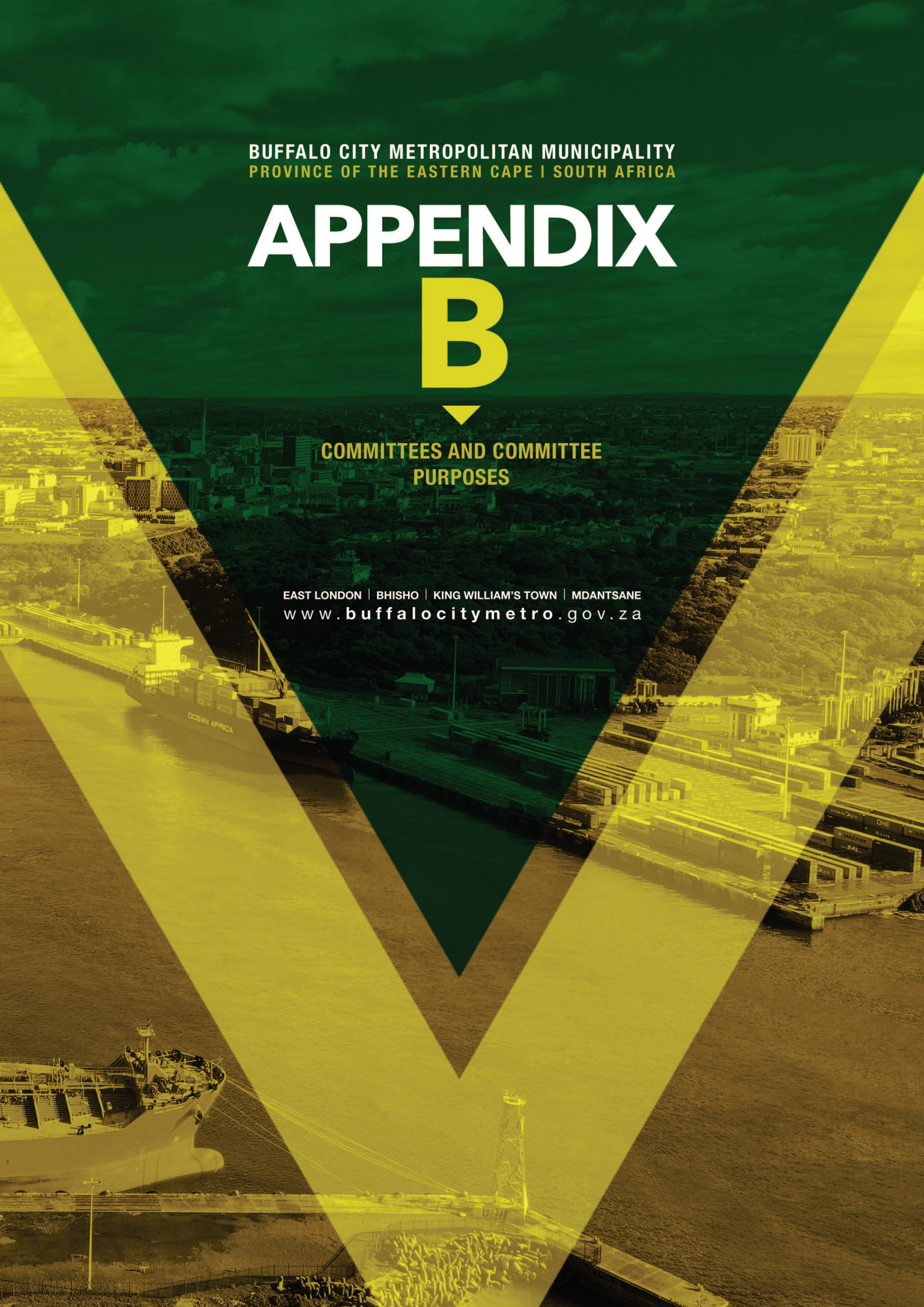


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX B

## COMMITTEES AND COMMITTEE PURPOSES

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

## COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

| Municipal Committees | Purpose of Committee |
|---|---|
| **CORPORATE SERVICES PORTFOLIO COMMITTEE** | To consider and to make recommendations to the Council on the measures necessary including inter alia the following –<br>Industrial relations matters, including to investigate questions relating to job evaluations and the submission thereof to the Industrial Council and to consider measures relating to Conciliation Boards and Industrial Court hearings Manpower planning<br>Recruitment, selection, remuneration, utilization and development of staff; Occupational Health and Safety and Industrial Health services;<br>Productivity in the municipal workforce Training and staff development; Employment equity and skills development Employee performance;<br>Information and technology support services;<br>Contract management and negotiations in respect of salary increases and fringe benefits; Measures required in respect of the avoidance of strike and other conflict actions;<br>Policy regarding the appointment of Directors, General Managers and Heads of Departments and confirmation of their appointments; and Council Support<br>Auxilliary,Records Management and Decision Tracking |
| **INSTITUTIONAL OPERATIONS AND CIVIC RELATIONS PORTFOLIO COMMITTEE** | To make recommendations to the Executive Mayor pertaining to the formulation of policies, strategies and programmes aimed at increasing equity for vulnerable marginalized or special interest groups, with specific focus on: Young people, the aged, the disabled, gender-related issues, special projects. |
| **MUNICIPAL SERVICES PORTFOLIO COMMITTEE** | To consider and make recommendations to the Mayoral Committee on in respect of all environmental services matters as provided for in any relevant legislation and all community matters; to consider all matters under the control of the Director of Community Services, including inter alia the following –<br>Childcare facilities;<br>Pontoons, ferries, jetties, piers and harbours [excluding the regulation of international and national shipping and matters related thereto];<br>Beaches and amusement facilities; Cemeteries, funeral parlours and crematoria; Fencing and fences;<br>Local amenities; Local sports facilities<br>Municipal parks and recreation<br>Public places; Horticulture; Libraries;<br>Halls; and Community Support Centres. |

# COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

| Municipal Committees | Purpose of Committee |
|---|---|
| **FINANCE PORTFOLIO COMMITTEE** | To formulate recommendations to the Executive Mayor (Mayoral Committee) on financial matters. As an Operational Committee the scope of these financial matters would include considerations of the financial position of Council in terms of the budget from an accrual as well as a cash flow perspective, including inter alia the following – Budget alignment;<br>Monitoring and budget implementation; Control measures<br>Financial reporting;<br>Budget management including revenue and expenditure management; Capital raising; and<br>Supply Chain management. |
| **BUDGET STEERING COMMITTEE** | The Finance Budget Committee will fulfil the following Operational functions. Budget Management<br>Revenue (Including Tariffs Expenditure) In-year Financial Reporting<br>Control Measures of Budget Implementation<br>Monitoring and Budget Progress<br>Budget Implementation<br>It must be emphasized that the interface with the IDP, Budget Strategy and Performance Management Committee is central to the achievement of delivery objectives and must be closely monitored |
| **HEALTH AND PUBLIC SAFETY AND EMERGENCY SERVICES PORTFOLIO COMMITTEE** | To consider and make recommendations to the Mayoral Committee on all health and public safety matters of the Metropolitan Municipality including inter alia the following – Air pollution;<br>Firefighting services; Municipal health services; Trading regulations;<br>Control of public nuisances;<br>Control of undertakings that sell liquor to the public;<br>Facilities for the accommodation, care and burial of animals; Licensing of dogs;<br>Licensing and control of undertakings that sell food to the public; Municipal abattoirs;<br>Noise pollution; Street trading;<br>Traffic and parking; and<br>Disaster management. |
| **DEVELOPMENT AND SPATIAL PLANNING PORTFOLIO COMMITTEE** | To make recommendations to the Mayoral Committee and Council on transportation, town and regional planning, architectural, land survey and land administration matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic land and property use, including inter alia the following – Building regulations and control<br>Municipal planning<br>Billboards and the display of advertisements in public places<br>Spatial planning, Spatial Development Frameworks and precinct plans<br>Architectural services<br>GIS Mapping<br>Regional / District/ Precinct management Spatial norms and standards enforcement Land use management<br>Property management<br>Municipal valuations |

# COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

| Municipal Committees | Purpose of Committee |
|---|---|
| **INFRASTRUCTURE SERVICES PORTFOLIO COMMITTEE** | To consider and to make recommendations on all matters affecting the civil engineering and electrical infrastructure, associated designs and mechanical and scientific services , including inter alia the following –<br>Air pollution;<br>Electricity and gas reticulation; Municipal airports;<br>Municipal public works Storm water management systems;<br>Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal<br>Municipal public transport systems; Cleansing;<br>Municipal roads;<br>Refuse removal, refuse dumps and solid waste disposal; Street lighting; and<br>Traffic and parking<br>Fleet management and maintenance<br>Scientific services<br>Built environment with the exception of town planning building control |
| **IDP AND ORGANISATIONAL PERFORMANCE MANAGEMENT PORTFOLIO COMMITTEE** | To oversee on behalf of the Executive Mayor the process of integrated development planning (strategic planning) in Buffalo City, including annual reviews of the IDP, and to make recommendations to the Executive Mayor in this regard in terms of chapter 5 of the Municipal Systems Act and section 56 of the Municipal Structures Act. |
| **ECONOMIC DEVELOPMENT AND AGENCIES PORTFOLIO COMMITTEE** | To assist the Executive Mayor in ensuring that the economic development including rural development of the whole community of Buffalo City is promoted (sections 152 & 153 of the Constitution), including inter alia the following:- Facilitate job creation<br>Promote the development of small, medium and micro-enterprises<br>Market the municipality holistically Promote and facilitate rural development Arts and culture and Heritage Activities Municipal public transport<br>Street trading |
| **HUMAN SETTLEMENTS PORTFOLIO COMMITTEE** | To make recommendations to the Mayoral Committee and Council on housing matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic use of housing resources. |
| **SOCIAL FACILITATION COMMITTEE** | To consider Councillors welfare and matters related thereto |
| **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE** | The purpose of the Municipal Public Accounts Committee is to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources. Consider and evaluate the content of the annual report and make recommendations to Council when adopting an oversight report on the annual report as required in terms of section 121 of the Local Government: Municipal Finance management Act and Circular no 32 issued by the Minister of Finance |
| **AUDIT COMMITTEE** | The primary purpose of the Audit Committee is to assist the Council discharge its responsibility in maintaining and applying appropriate accounting and financial reporting processes and procedures as well as maintaining effective risk management and internal controls. |
| **REMUNERATION COMMITTEE** | To examine information provided to the Committee dealing with the total remuneration package of all Section 57 Managers including the City Manager. |
| **RULES COMMITTEE** | To determine the standing rules and orders of procedure for the Council. |


TILEAFRICA
TILEAFRICA
TILEAFRICA

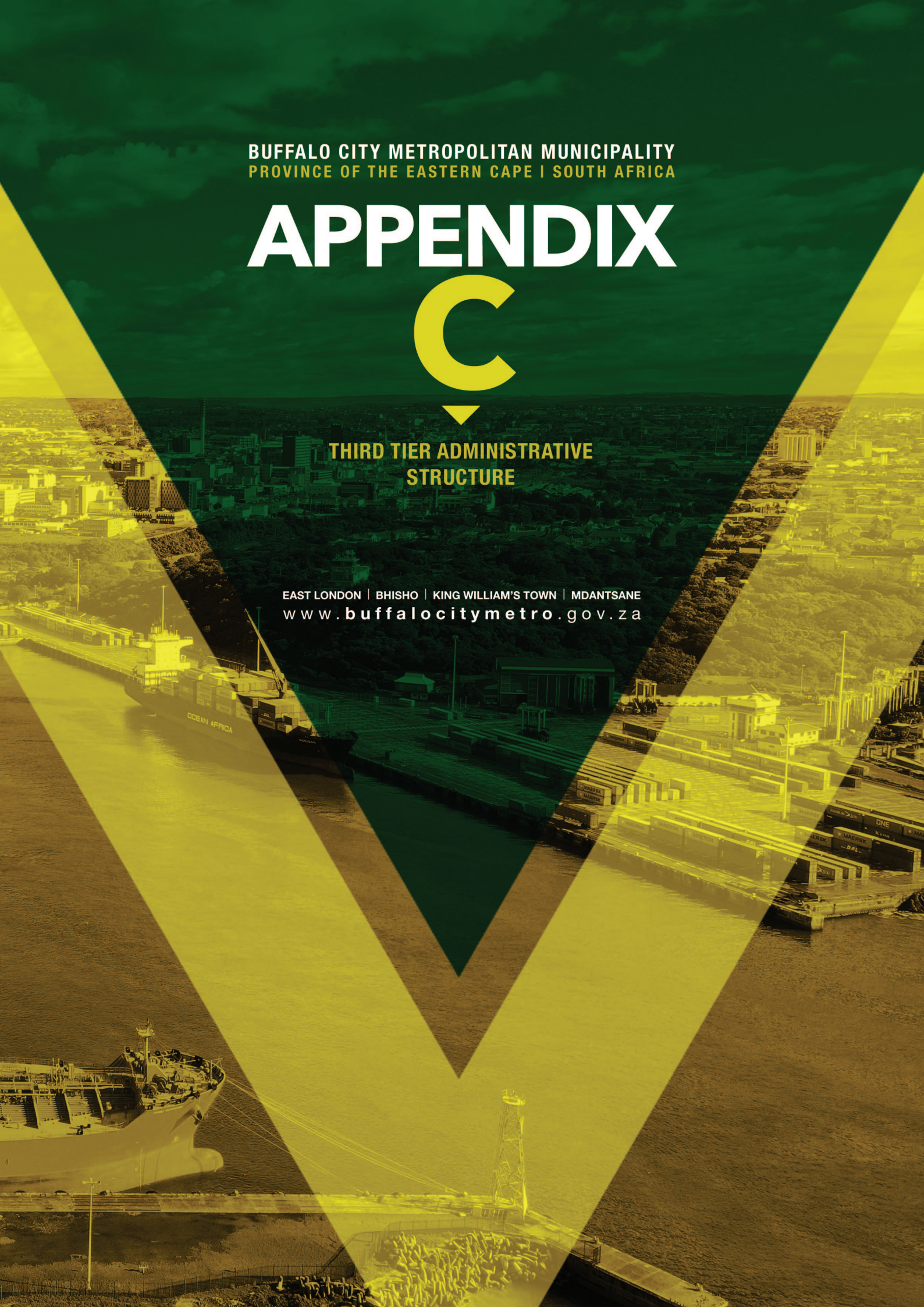


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX C

## THIRD TIER ADMINISTRATIVE STRUCTURE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

## THIRD TIER STRUCTURE

| DIRECTORATE | DIRECTOR/MANAGER (TITLE AND NAME) |
|---|---|
| **EXECUTIVE SUPPORT SERVICES** | MS NCUMISA SUDUKWANA |
| **CORPORATE SERVICES** | MR BOB NAIDOO |
| **ECONOMIC DEVELOPMENT AND AGENCIES** | MS NOLUDWE NCOKAZI |
| **INFRASTRUCTURE SERVICES** | MR NCEBA NCUNYANA |
| **MUNICIPAL SERVICES** | MR KHOLEKILE TAPILE / HORWARD SIKWEZA (ACTING) |
| **MUNICIPAL HEALTH, PUBLIC SAFETY AND EMERGENCY SERVICES** | MR .VUYANI LWANA |
| **FINANCE** | MR NTSIKELELO SIGCAU |
| **SPATIAL PLANNING AND DEVELOPMENT** | MRS NONCEBA MBALI-MAJENG |
| **HUMAN SETTLEMENT** | MR LUYANDA MBULA |


Post Office

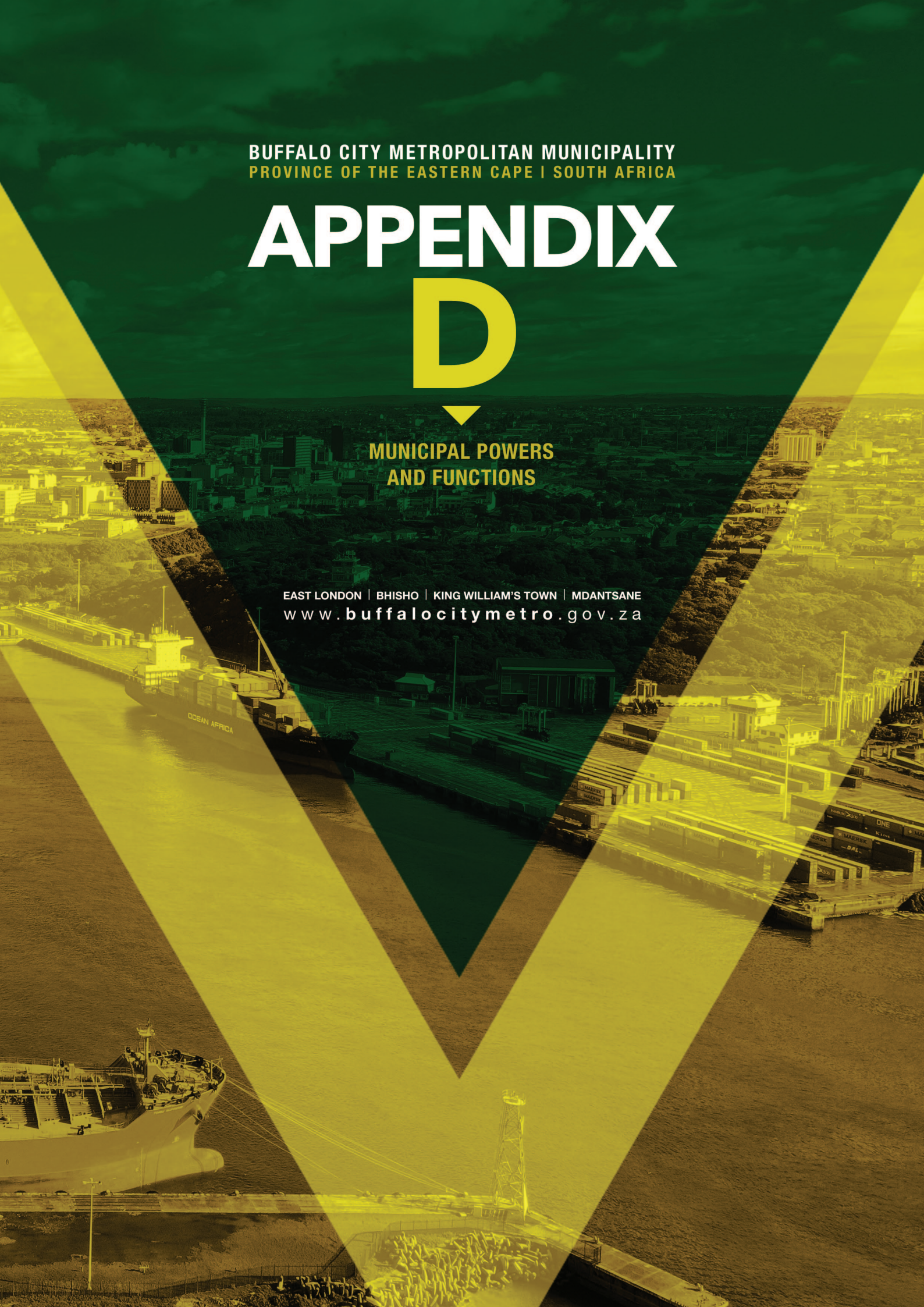


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX D

## MUNICIPAL POWERS AND FUNCTIONS

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX D – MUNICIPAL POWERS AND FUNCTIONS

**MUNICIPAL / ENTITY FUNCTIONS**

| MUNICIPAL FUNCTIONS | FUNCTION APPLICABLE TO MUNICIPALITY (YES / NO)* | FUNCTIONS APPLICABLE TO THE ENTITY (BCMDA) |
|---|---|---|
| | | |
| Constitution Schedule 4, Part 4 functions | | |
| Air Pollution | Y | |
| Building regulations | Y | |
| Child care facilities | Y | |
| Electricity and gas reticulation | Y | |
| Firefighting services | Y | |
| Local tourism | Y | Y |
| Municipal airports | N | |
| Municipal planning | Y | |
| Municipal health services | Y | |
| Municipal public transport | Y | |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law. | Y | |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto. | Y | |
| Storm water management systems in built-up areas | Y | |
| Trading regulations | Y | |
| Water and sanitation services limited to potable water supply and domestic waste-water and sewage disposal systems | Y | |
| Beaches and amusement facilities | Y | |
| Billboards and the display of advertisements in public places | Y | |
| Cemeteries, funeral parlours and crematoria | Y | |

| MUNICIPAL / ENTITY FUNCTIONS | | |
|---|---|---|
| **MUNICIPAL FUNCTIONS** | **FUNCTION APPLICABLE TO MUNICIPALITY (YES / NO)*** | **FUNCTIONS APPLICABLE TO THE ENTITY (BCMDA)** |
| | | |
| Cleansing | Y | |
| Control of public nuisances | Y | |
| Control of undertakings that sell liquor to the public | Y | |
| Facilities for the accommodation, care and burial of animals | Y | |
| Fencing and fences | Y | |
| Licensing of dogs | Y | |
| Licensing and control of undertakings that sell food to the public | Y | |
| Local amenities | Y | |
| Local sport facilities | Y | |
| Markets | Y | Y |
| Municipal abattoirs | Y | |
| Municipal parks and recreation | Y | |
| Municipal roads | Y | |
| Noise pollution | Y | |
| Pounds | Y | |
| Public places | Y | |
| Refuse removal, refuse dumps and solid waste disposal | Y | |
| Street trading | Y | |
| Street lighting | Y | |
| Traffic and parking | Y | |
| *If municipality: indicate (yes or No), * If entity: Provide name of entity | | TD |

TD

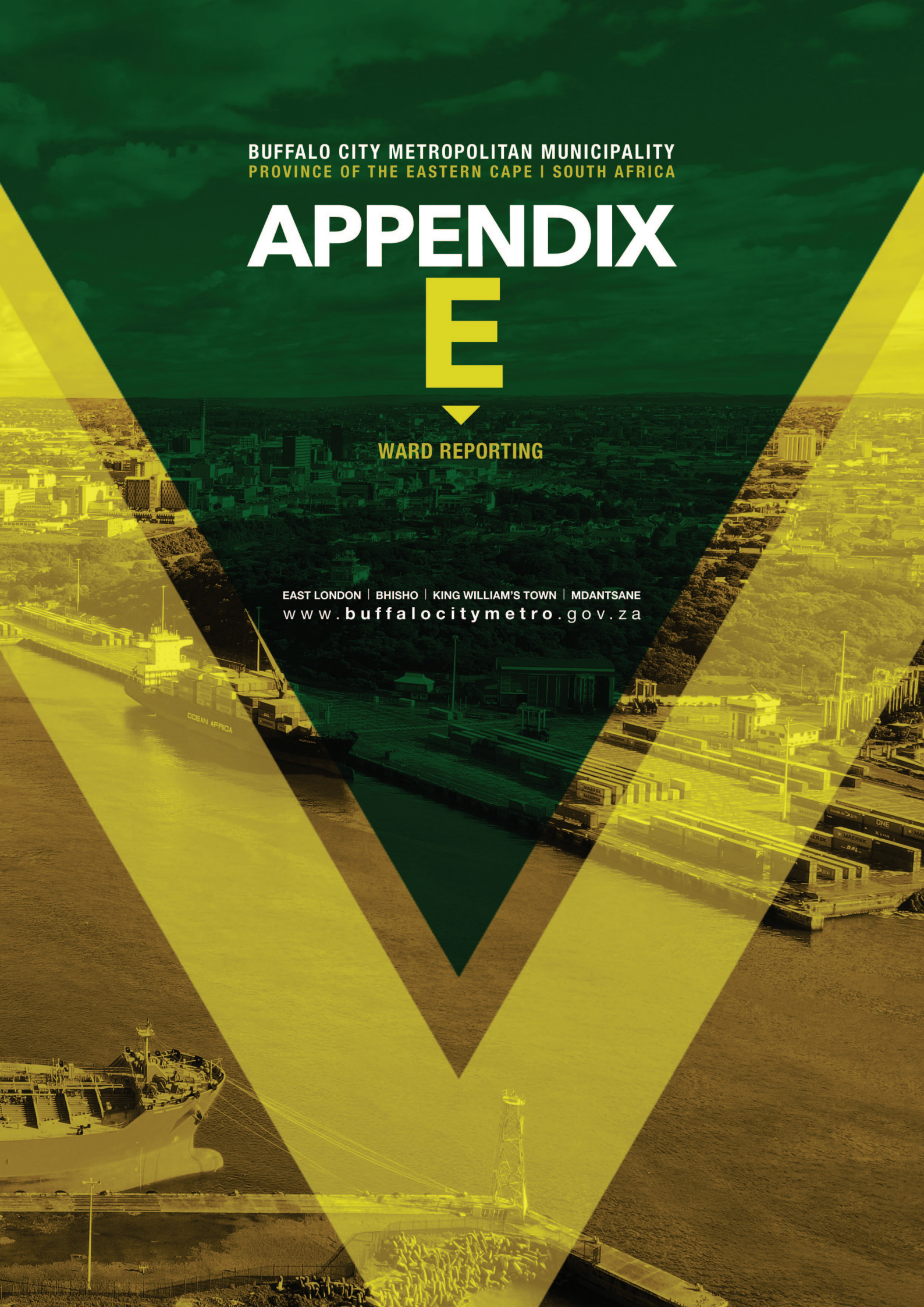


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX E

## WARD REPORTING

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX E – WARD REPORTING

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| **1** | Cllr KUHLE CILIZA | Yes | 2 | | 4 |
| | KOLONZA JANINE | | | 12 | |
| | DUMANI ZIYANDA | | | 12 | |
| | MABENTSELA NOMSA | | | 12 | |
| | MKHABA ZIKHONA | | | 12 | |
| | NASE PHAKAMA | | | 12 | |
| | REWU PASIJO | | | 12 | |
| | TILONGO BABALWA | | | 12 | |
| | STOFILE CHARLEN ELIZABETH | | | 12 | |
| | NTOMBIFUTHI RUBHUSHE (Resigned) VELA LINDA (Replace) | | | 12 | |
| | ZABEKO NOMFUNDO | | | 10 | |
| **2** | Cllr NTOMBIZANDILE M MHLOLA | Yes | 3 | | 1 |
| | GOBOZI NOMAWETHU | | | 12 | |
| | LINGANI YANDISWA SAMI | | | 12 | |
| | MALIWA MZOLI | | | 12 | |
| | MKLANGENI NKWENKWANA ALFRED | | | 12 | |
| | NOGWINA SISA SHERPARD | | | 12 | |
| | NGWETSHENI NEZISWA | | | 12 | |
| | ANDILE NQWABA | | | 12 | |
| | ZWELIFILE BONGIWE | | | 12 | |
| | XAPHA SPHELO | | | 12 | |
| **3** | Cllr PINDILE K. MIZA | Yes | 10 | | 3 |
| | KELELE NONTUTUZELO | | | 12 | |
| | MAGANDA VUYOLWETHU | | | 12 | |
| | MAJIKI NOLINDO | | | 12 | |
| | MANANGA NOLUVO | | | 12 | |
| | MTSHAWULI O. NOMSA | | | 12 | |
| | MTSHAWULANA L. NOZIPHO | | | 08 | |
| | NDLHOVU VUSUMUZI | | | 12 | |
| | JIBA PRUNDENCE | | | 12 | |
| | ZWENI ANELISA | | | 12 | |
| | MATSHWILI OLIVDE | | | 12 | |
| **4** | Cllr ANNASTASIA M.C BOTHA | Yes | 3 | | 0 |
| | CHARLIE THANDUXOLO | | | | |
| | BAYNES A.J ELIZABETH | | | 12 | |
| | COETZER RIONA CATHERIEN | | | 12 | |
| | FOKWEBE NONTUTHUZELO PRUNAH | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | HASHE BUSISIWE | | | 12 | |
| | NEITHERCUT ROSEMARY | | | 12 | |
| | SAGQU KHOLEKILE | | | 12 | |
| | VOSTER ANNETTE | | | 12 | |
| | MBAMBO SANGO.L | | | 12 | |
| | LYNCH WADE | | | 09 | |
| **5** | Cllr ZANDISILE TOKWE | Yes | 9 | | 4 |
| | JALI MKULULEKI | | | 12 | |
| | MOSTEKO PHINDILE | | | 12 | |
| | MALGAS NTOBEKO TERRY | | | 12 | |
| | FULELA NOKUZOLA C. | | | 12 | |
| | VUYANI HOLIDAY M. (Resigned)<br>SICELO MANYI (Replaced) | | | 12<br>01 | |
| | MBENE KHUMBUZA | | | 12 | |
| | JOSE FUNDISWA | | | 12 | |
| | MBOYANE MAVIS | | | 12 | |
| | NTLAMA XABISA. L | | | 12 | |
| | MBANGATA LUNGILE | | | 12 | |
| **6** | CLLR LIXOLILE P. KIKI | Yes | 4 | | 3 |
| | SPALDING GERENDRA PEDRO | | | 12 | |
| | BOESAK GERENDRA PEDRO | | | 12 | |
| | BUYANE NONZINGISO THEODORA | | | 12 | |
| | DU PLESSIS VALDA | | | 12 | |
| | FAKU THANDUXOLO JOSEPH | | | 12 | |
| | KING NIKITA | | | 07 | |
| | MAKOTYANA NKULUYAKHE | | | 12 | |
| | MEHLO LUNGA | | | 11 | |
| | NKWENKWANAZAMEKILE | | | 12 | |
| | XOLILE SIBULO | | | 11 | |
| **7** | CLLR CLARA MOROLONG-YEKISO | Yes | 1 | | 3 |
| | NONGOGO MICHEAL L. | | | 12 | |
| | DEKI NOMBEKO. E | | | 12 | |
| | LOLIWE NTSIKELELO | | | 12 | |
| | JAM – JAM MATU | | | 12 | |
| | GQOKOZA LINDIWE | | | 12 | |
| | KHEWANE ZOLISWA | | | 12 | |
| | MAGOPENI NTOMBIZAMANTULI. P | | | 12 | |
| | MTHOTYWA ZUKILE | | | 12 | |
| | SIZANI FLORANCE | | | 12 | |
| | TENANA BULELWA | | | 12 | |
| **8** | CLLR AYANDA MAPISA | Yes | 4 | | 1 |
| | DYANI XOLISA | | | 10 | |
| | GQATE SIMPHIWE | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | KOBO SIBONGILE | | | 12 | |
| | MABOMBO NOXOLO | | | 12 | |
| | MAFANYA THABISA | | | 12 | |
| | NGAMNTWINI ISAAC | | | 12 | |
| | QAMRA NOSISA | | | 12 | |
| | SALIMANI LUDUMO | | | 12 | |
| | SAM VUYO .M | | | 12 | |
| | SIKO PHAKAMILE | | | 11 | |
| **9** | CLLR MENDI WETSETSE | Yes | 7 | | 12 |
| | DUMA SITHEMBELE | | | 12 | |
| | GUMEDE BONGINKOSI | | | 12 | |
| | LUKASHE VUYISWA | | | 12 | |
| | LUSASENI LUDUMO | | | 12 | |
| | MBUTO ENDY | | | 12 | |
| | MENZIWA LWANELE | | | 0 | |
| | RAYI NOMPUMELELO | | | 12 | |
| | MAKAZI NANGAMSO | | | 12 | |
| | VENGADAJELLUM COLLIN ERIC | | | 08 | |
| | DLAKI VANI | | | 10 | |
| **10** | CLLR ROSELINE VITBOOI | Yes | 3 | | 5 |
| | CARLES ANTONIO | | | 11 | |
| | DAVIS DESMOND | | | 11 | |
| | FRANCE NOTOSI. A | | | 12 | |
| | GANATRI THEMBALETHU.M | | | 12 | |
| | HANS PEARL | | | 12 | |
| | LIMANE YANDISWA | | | 10 | |
| | MGXWATI NWABISA | | | 12 | |
| | MICHEALS GETRUDE | | | 12 | |
| | RALASI AMANDA | | | 12 | |
| | FRITZ ESME | | | 12 | |
| **11** | CLLR MASHWABADA GCILISHE | Yes | 7 | | 2 |
| | BALI-TYOKOM YANDISWA. V | | | 12 | |
| | GOLA NOKUBONGA | | | 12 | |
| | JILINGISI XOLELWA, F | | | 12 | |
| | BANXEBA BANELE | | | 12 | |
| | MBANGE LINDA.P | | | 12 | |
| | MBOLEKWA ASANDA | | | 12 | |
| | MKETO ANDA | | | 12 | |
| | NYATHELA GERALD | | | 12 | |
| | QONI VUYELWA | | | 12 | |
| | SAMBANE NOKWANDA. S | | | 12 | |
| **12** | CLLR GWEBILE LENNOX GOSANI | Yes | 9 | | 3 |
| | BAKA MNTUNZIMA | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | BADUZA AYANDA | | | 12 | |
| | DUNGU KHULISWA | | | 12 | |
| | HILITA LUMNKA | | | 12 | |
| | MDLEDLE NOLUNDI | | | 12 | |
| | NGESI LULAMA.C | | | 12 | |
| | NGXOVU XOLISWA | | | 12 | |
| | VELLEM NOMTHANDAZO | | | 12 | |
| | VOKOZELA NONTOBEKO.P | | | 12 | |
| | NKOYI NOLUKHANYO (Resigned) | | | | |
| **13** | CLLR NOKULUNGA PORTIA MATIWANE | Yes | 4 | | 2 |
| | BODLANI LUYANDA | | | 12 | |
| | DYABANA NOMTHANDAZO | | | 12 | |
| | GOMBA FUZILE.P | | | 12 | |
| | NGEMNTU NOMFUKU P | | | 12 | |
| | SAM MAKHI | | | 12 | |
| | TYENI ODWELL ODWA | | | 12 | |
| | VUSO ZOLEKA | | | 12 | |
| | ZEMINI PHINDILISILE | | | 12 | |
| | KOFI BUTISE.R | | | 12 | |
| | DYABANA NOMTHANDAZO | | | 12 | |
| **14** | CLLR ZININZI MTYINGIZANE | Yes | 11 | | 3 |
| | GUWA NOMBONGO | | | 12 | |
| | MAFARANA NOTHEMBA | | | 12 | |
| | MTYEKU AMANDA NDILEKA | | | 12 | |
| | NDLANDLA NCEDO JOSEPH | | | 12 | |
| | NGEMNTU NANDIPHA | | | 12 | |
| | NGODWANA APHIWE | | | 12 | |
| | SIMANDLA NOMVUYO | | | 12 | |
| | TUMTUMANA NOSISEKO | | | 12 | |
| | ZWELIBANZI QONDANI | | | 12 | |
| | NGODWANE APHIWE | | | 12 | |
| | YANDA PHELISA (Resigned)<br>VUYOKAZI MENQE (Replacement) | | | 10<br>09 | |
| **15** | CLLR MAKHAYA BOPI | Yes | 9 | | 8 |
| | BARTMAN MENTI ALI | | | 12 | |
| | DAKA NOMNOKELEO | | | 12 | |
| | JAMES ASANDA JENIFFER | | | 12 | |
| | LUNGANI NOLONWABO | | | 12 | |
| | MDITSHWA LIZO | | | 12 | |
| | MXENGE SIPIWO CLIFORD | | | 12 | |
| | SILINGA NCUMISA (Resigned)<br>NOGWANYA MZWANELE NICHOLUS (Replacement) | | | 12<br>04 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | SIMAYILE FEZEKA MARCIA | | | 12 | |
| | TSHAKA MASIXOLE | | | 12 | |
| | VACANT | | | | |
| **16** | CLLR MZUKISI RODGERS RELU | Yes | 2 | | 5 |
| | BOTTOMAN NOMFANELO EUNICE | | | 12 | |
| | JIBA LAWRENCE BUNGALIPHEL | | | 12 | |
| | NCEDANI NOLUSINDISO VIVIENNE | | | 12 | |
| | NGUNUZA MXOLISI CORNELIUS | | | 12 | |
| | PANDA SIYABONGA | | | 12 | |
| | TSHALI NOMPHELO | | | 12 | |
| | TYITYI NOBONILE PRISCILLA | | | 12 | |
| | XELO NOMIKI ELDA | | | 12 | |
| | ZAMILE CHRISTOPHER | | | 12 | |
| | VACANT | | | | |
| **17** | CLLR PUMLA YENANA-NONJIWU | Yes | 8 | | 5 |
| | BAWANA SIPO PETER | | | 12 | |
| | BLANKETE NTOMBOMZI ALBERTINA | | | 12 | |
| | JACOBS VUYELWA VALENCIA | | | 12 | |
| | LISHWA NTOMBENTSHWA LIZETTE | | | 12 | |
| | MABHOKO NKOSINATHI | | | 12 | |
| | MAQUKANYA SANDISWA | | | 12 | |
| | MATITI SIBONGILE | | | 12 | |
| | MGWAYI NKULULEKO LENIN | | | 12 | |
| | MZAMO SANDILE | | | 12 | |
| **18** | CLLR DAVID PETER VIAENE | Yes | 8 | | 4 |
| | BADENHORST KATHLEEN JOAN | | | 12 | |
| | CARTER ALAN ROBERT | | | 12 | |
| | CUNNINGHAM HALDENE WALTER | | | 12 | |
| | KEIL BERYL | | | 12 | |
| | LIDDLE ANDREW GEOFFREY | | | 12 | |
| | NIKELO BUHLE | | | 12 | |
| | MC DOWELL (Resigned)<br>VASHISHT RAMSUNDER (Replacement) | | | 12<br>12 | |
| | VAN SCHELTEMA SUSAN PATRICIA (Resigned)<br>VALERIE VILJOEN (Replacement) | | | 12<br>11 | |
| | VAN DYK JESSY (Resigned)<br>SUSAN MERLE HOLMES (Resigned) | | | 12<br>04 | |
| | VAN SCHELTEMAGERHARD JAN | | | 12 | |
| **19** | CLLR RICHARD L M KELVIN ROOY | Yes | 2 | | 0 |
| | JABAVU NOMPUMELELO | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | LESSING CATHERINE LORRAIN | | | 11 | |
| | MPAFI CHUMASANDA | | | 09 | |
| | SCHROEDER ROSEMARY ANNE | | | 12 | |
| | STERLING ANTHONY HUNG | | | 12 | |
| | VINCANA NOMSITELO CHRISTINA | | | 12 | |
| | SHEILA NOMPUMELELO | | | 12 | |
| | SANDRA PIJOOS | | | 12 | |
| | EXFORD JULIET (Resigned)<br>THABANG SEJOSENGOE(Replace) | | | 09<br>03 | |
| | BOTHA SHANNON (Resigned)<br>QAPA NOMFUNDO (Replace) | | | 09<br>03 | |
| **20** | CLLR NTOMBIZODWA GAMNCA | YES | 1 | | 1 |
| | FUMANISA SONWABO | | | 12 | |
| | KRATSHI XOLISWA PORTIA | | | 11 | |
| | MBEKWA NKULULEKO (Resigned)<br>NOTHEMBA MATINISI (Replacement) | | | 11 | |
| | MBENGE TUMEKA | | | 12 | |
| | MBINA NOSKHUMBUZO | | | 12 | |
| | MJOLI NOMHLE (Deceased) | | | 12 | |
| | NDZANDZA LAMLIZIZWE LAWRENCE | | | 12 | |
| | NGQAME XOLISWA D MOTETE | | | 12 | |
| | NTSANGANI MAWETHU | | | 12 | |
| | VANTO THEMBINKOSI JEFFRY | | | 12 | |
| | MLUNGWANA YONELA | | | 12 | |
| | NOTHEMBA MATINISE | | | 12 | |
| **21** | CLLR MLANDELI NGABAYENA | YES | 8 | | 3 |
| | BANGANI JONGILE | | | 12 | |
| | FUNDANI LINDILE | | | 12 | |
| | HOPA THOZAMA | | | 12 | |
| | MAPHUKATHA ZOLILE | | | 12 | |
| | MASHIBINI NONANI | | | 12 | |
| | MATYALANA VUYANI | | | 12 | |
| | SINYABI SIMPHIWE.A. T | | | 12 | |
| | SITYEBI NOPOLOLO | | | 12 | |
| | XAKATHA PHINDILE | | | 12 | |
| | MQULO MIMI (Deceased)<br>ZINIKO NEWTON (Replace) | | | 10 | |
| **22** | CLLR VELIWE VIVIENNE SAKUBE | Yes | 14 | | 12 |
| | BOOI SABELO | | | 12 | |
| | FAKIDOLO VUYISILE | | | 12 | |
| | LUMBE MFUNDO. S. S | | | 12 | |
| | MAPUKO FANISWA. S | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | MAYO NOSICELO AGNES | | | 12 | |
| | MDLAMNKOMO MILDRED NTOMBIZODWA | | | 12 | |
| | PHONOYI CIKIZWA | | | 12 | |
| | QAMARAHA YOLISWA EUNICE | | | 12 | |
| | TAPI PETIDO NONZWAKAZI | | | 12 | |
| | XELO ZOLEKA BRYCENA | | | 12 | |
| **23** | CLLR XOLANI SIMANDLA | YES | 2 | | 3 |
| | GWAYI THEMBELAN | | | 12 | |
| | JUZAYO KHAULEZILE MAXWELL | | | 12 | |
| | MAMA PUMLA PAMELA | | | 12 | |
| | MANCAM MLULEKI ALFRED | | | 12 | |
| | MATINISE MVUSELELI SAM | | | 12 | |
| | MBAMBISA VUYELWA | | | 12 | |
| | MGCUWA LINDILE IAN | | | 12 | |
| | SICATSHA LANDELWA EUNTHIA | | | 12 | |
| | SNOBOLO NOLUTANDO | | | 12 | |
| | YAWATHI NOMPHELO MONALISA | | | 12 | |
| **24** | CLLR ZAMEKA KODWA-GAJULA | YES | 4 | | 4 |
| | MLOTA PHUMLA | | | 06 | |
| | BOTILE NONTEMBEKO | | | 06 | |
| | HLALU JOSEPH | | | 06 | |
| | ZINDLU THABISA | | | 06 | |
| | MBOYI VELISWA | | | 06 | |
| | SOHA PUMLA | | | 06 | |
| | VACANT | | | | |
| | VACANT | | | | |
| | VACANT | | | | |
| | VACANT | | | | |
| **25** | CLLR MTHETHELELI CROSBY KOLELA | YES | 4 | | 2 |
| | DYANTYIE MBUYISELO JULY | | | 12 | |
| | KALIPA WINNIE WILLIAM | | | 12 | |
| | KWEPILE NOSIPHIWO | | | 12 | |
| | LEKONYANA TSELISO ERNEST | | | 12 | |
| | MABECE NOMANDITHINI IRENE | | | 12 | |
| | MOOI LINDILE | | | 12 | |
| | MPAKU NTOMBIZANELE GETRUDE | | | 12 | |
| | NOJOKO SKHUMBUZO | | | 12 | |
| | PONI THEMBINKOSI ERIC | | | 12 | |
| | TSHAKA NOXOLO (Resigned) | | | 07 | |
| **26** | CLLR NTUNKULANA ELLIOT NCOTELA | YES | 11 | | 3 |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | BAKUMENI SIYANDA | | | 12 | |
| | CIMANI NDILEKA | | | 12 | |
| | MATSHINI GCINIKHAYA SAMUEL | | | 12 | |
| | MFENE MONDE | | | 12 | |
| | NOKOYO NOMBASA(Resigned) | | | 12 | |
| | QAZE NONCEBA THEO (Resigned) | | | 12 | |
| | MFENE SISONKE | | | 12 | |
| | MAGUMASHOLO MKHULULI | | | 12 | |
| | RATSHI THABISA | | | 12 | |
| | TAPILE GCOBISA | | | 12 | |
| | WEXU NOMARUTWANA NOCAWE | | | 12 | |
| | NGELANGA THEMBINKOSI | | | 12 | |
| **27** | CLLR BOY-BOY KALANI | YES | 9 | | 4 |
| | DALASILE SIKO SEDWICK | | | 11 | |
| | HOKISI VUYISILE | | | 12 | |
| | JITA XOLISA PAUL | | | 12 | |
| | MAPHI NOMBULELO (Resigned)<br>MAJALI NAMFAZI | | | 0<br>05 | |
| | MBENGWANA NTOMBIYAKHE (Resigned)<br>LIZOLE MANINJWA | | | 12 | |
| | MPOFU ZIMASA | | | 12 | |
| | ROPO THEMBA | | | 12 | |
| | THUNYISWA DERRICK | | | 12 | |
| | VETO NOSICELO VOLCONIA | | | 12 | |
| | BONGEKA SDUMO | | | 12 | |
| **28** | CLLR MARION MACKLY | YES | 10 | | 3 |
| | WRIGHT RENE | | | 12 | |
| | GUNGU BRENDA PAMELLA | | | 11 | |
| | NDIKA ZUZILE DERRICK | | | 08 | |
| | PROUD SETON JOHN | | | 12 | |
| | WILDEMAN WILLIAM EUGEN | | | 12 | |
| | SMITH SHANE SELWIN | | | 12 | |
| | MIKE WILLIAM | | | 12 | |
| | GAIL COUSIN | | | 12 | |
| | KAREN BREETZKE | | | 12 | |
| | JOHN PROUD | | | 12 | |
| **29** | CLLR CHRISTIAAN A. SWART | YES | 9 | | 3 |
| | SWART CORNELIUS JOHANNES | | | 12 | |
| | ELS DEWALD | | | 12 | |
| | KNOETZE DEWALD | | | 12 | |
| | KNOETZE VALERIE DAWN | | | 12 | |
| | MCLAREN MICHAEL | | | 12 | |
| | SUNJKA CHRISTOPHER NOEL | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | MATIKINCA KWEZI | | | 11 | |
| | DE REUCK RUSSELL WAYNE | | | 12 | |
| | MIKE McLaren | | | 12 | |
| | KISWA NTSIKA | | | 12 | |
| | CAROLYN HENN | | | 12 | |
| | | | | | |
| **30** | CLLR NOMONDE MOYIKWA | YES | 9 | | 5 |
| | FITI ANELE ANNE | | | | |
| | GQIRANA PINKIE<br>PAMELA(Resigned)<br>NTOMBIZANELE BIYO (Replace) | | | 12<br>03 | |
| | KALIMASHE NOMAKULA | | | 12 | |
| | LUGOGWANA NONQABA<br>(Deceased)<br>BAVUMA NOMBUYISELO (Replace) | | | 12<br>05 | |
| | MAGUBHEN LULAMA VESTA | | | 12 | |
| | MAXENGANE AYANDA (Deceased)<br>TWALINGCA BENNET<br>KHAYALANDILE (Replace) | | | 12<br><br>03 | |
| | | | | | |
| | MAZALENI MBASA | | | 12 | |
| | MQOLOMBENI VUYISWA | | | 12 | |
| | VALENTIYA NOMZAMO | | | 12 | |
| | MNYAMANA THEMBINKOSI | | | 12 | |
| | | | | | |
| **31** | CLLR SINDILE TONI | YES | 4 | | 4 |
| | JONI YONGAMA BERNETT | | | 12 | |
| | MAHLATHI NOWAKHE EUNICE | | | 12 | |
| | MDANISO SITHEMBISO HENRY | | | 12 | |
| | DINGANI NONDAKUTINI PATIENCE | | | 12 | |
| | DYOKWE KADEPHI ELLIOT | | | 12 | |
| | KALIKENI ABONGILE | | | 12 | |
| | MBINDA GLORIA NONTUTHUZELO | | | 12 | |
| | MKOBENI BONISILE | | | 12 | |
| | NOZEWU MAYENZEKE OTTO | | | 12 | |
| | SIMAYILE E LIBELE | | | 12 | |
| | DYANTYI VUYISILE | | | 12 | |
| | | | | | |
| **32** | CLLR VUYANI PETER | YES | 1 | | 6 |
| | RUNGQU VUYISA | | | 12 | |
| | GAULA NTOMBENTSHA VERONICA | | | 12 | |
| | KONDLO LUYANDA VALENCIA | | | 12 | |
| | KULA LUBABALO | | | 12 | |
| | MAKATSI BONGANI BETHUELL | | | 12 | |
| | MGANGQA MZOLISI ELLIOT | | | 12 | |
| | MJEKULA SINDISWA CYNTHIA | | | 12 | |
| | PINAPI ASANDA NOMNIKELO | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | TOKWE LYDIA | | | 08 | |
| | TSHABENI BULELWA PATRICIA | | | 12 | |
| **33** | CLLR PUTUMILE ENOCH NELANI | YES | 5 | | 4 |
| | DAMANE MBUYISELI IVAN | | | 12 | |
| | DYAKOPU BONIWE | | | 12 | |
| | FUDUMELE NOMSA | | | 12 | |
| | JOVANA POZISA | | | 12 | |
| | MGQIBELO NELISWA OLIVIA | | | 12 | |
| | NTONA NOMVELISO VICTORIA | | | 12 | |
| | NYANGWA NONTEMBEKO PRECIOUS | | | 12 | |
| | YELANI VUKILE ADVOCATE | | | 12 | |
| | RUNGQU VUYISILE | | | 12 | |
| | NONQONQOTHO ZOLEKA | | | 12 | |
| **34** | CLLR VUYO TOKWE | YES | 7 | | 5 |
| | DYANTYI ASANDISWA | | | 12 | |
| | JAFTA CACISA | | | 12 | |
| | KAYA MAWETU | | | 12 | |
| | LUVATSHA ZOLILE MOSES | | | 12 | |
| | MAKALIMA LINDA | | | 12 | |
| | MANGXOLA PHUMZILE | | | 12 | |
| | MAPETE BULELWA IDA | | | 12 | |
| | QOLO KHANYISA BEAUTY | | | 12 | |
| | SISHUBA NONYAMEKO ZUKISWA | | | 12 | |
| | TSANA VUYISWA | | | 12 | |
| **35** | CLLR SIYABONGA SKOLO | YES | 8 | | 4 |
| | FANENZE PHUMLANI (Deceased)<br>MAGQAZA SIMPIWE | | | 00<br>04 | |
| | HLABI SIPHUKHANYO | | | 12 | |
| | MANKAYI THOBILE MARCPHESON (Resigned)<br>LIZO STUURMAN (Replace) | | | 06<br>10 | |
| | MELANE SIKHULULWE | | | 12 | |
| | NOYILA NOLUBABALO CECILIA | | | 12 | |
| | SEYISI NDODANA MATTHEWS | | | 12 | |
| | TSEWU SINDILE BENWELL | | | 12 | |
| | NOCEBO XASHE(Resigned) | | | 00 | |
| | DINGENI LINDELWA ANNASTACIA | | | 12 | |
| | MATSHA ERIC(Deceased)<br>TYHOPO MVELI (Replace) | | | 00<br>12 | |
| | MLINDAZWE SIPHOSETHU | | | 12 | |
| **36** | CLLR BONGIWE SAULI | YES | 1 | | 5 |
| | BHETHE-JILILI THENJIWE JANE | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | JOYISI SONWABO LIVINGSTONE | | | 12 | |
| | MANGWANA JONGINTSHABA ENOCH | | | 12 | |
| | MDLELENI XOLANI MCPHERSON (Resigned)<br>SOMNONO LUNGILE | | | <br>02 | |
| | NGESI NOMVUYISO GLADYS | | | 12 | |
| | QONDO NOMFUNEKO GLADYS (Contract Terminated) | | | 10 | |
| | SOPOTELA VELISWA FAITH | | | 12 | |
| | STOFILE LUYANDA | | | 12 | |
| | TWEBE NTOMBESIZWE ELIZABETH | | | 12 | |
| | ZADUNGE BONISWA CYNTHIA | | | 12 | |
| **37** | CLLR NTOMBEKHAYA NTSHEBE | YES | 6 | | 8 |
| | BOMVANA THANDIWE ANTONCIA | | | 12 | |
| | MAHLOMO THABO | | | 12 | |
| | MAWU NOMANA GLADYS | | | 10 | |
| | GEZAR MZIWAKHE MKHULU | | | 11 | |
| | GWARUBE NODUTYWA CATHERINE | | | 10 | |
| | NDLUMBINI FUZEKA LENAH | | | 12 | |
| | FUZEKA LENAH PHUMEZO | | | 12 | |
| | NTSINDELO PHILLIP | | | 10 | |
| | VANCANT | | | | |
| | VANCANT | | | | |
| **38** | CLLR NTOMBOMZI NDOTYI | YES | 12 | | 4 |
| | DAYIMANI KHUMBUZILE DAVID | | | 12 | |
| | FAMA SINOXOLO | | | 12 | |
| | GQOLA SONWABO | | | 12 | |
| | KEPE MANELISI CALLCIUS | | | 12 | |
| | MAZUZA NIKIWE CAROLINE | | | 12 | |
| | MCITAKALI ZIBELE | | | 12 | |
| | MHLANTLA VUYISWA ETHEL | | | 12 | |
| | MONI NOLUTHANDO | | | 12 | |
| | NKANTINI NOMZINGISO | | | 12 | |
| | TWENI SIPHOKAZI (Resigned)<br>YAMKELA SALI (Replace) | | | 12<br>12 | |
| **39** | CLLR BONGANI DYONASE | YES | 1 | | 1 |
| | VIMBAYO SIMPHIWE | | | 02 | |
| | YAKOBI NONDUMISO YAKOBI | | | 02 | |
| | SMITH MELVIN | | | 02 | |
| | THEMBALEKHAYA SMANGA | | | 02 | |
| | HABANA THEMBINKOSI | | | 02 | |
| | KUNELISI MALIBONGWE | | | 02 | |
| | CHUMANI MANANA | | | 02 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | PHUMEZ NOKRAWUZA | | | 02 | |
| | THEMBISA GEORGE | | | 02 | |
| **40** | CLLR KHOLIWE THEMLA FAKU | YES | 8 | | 4 |
| | BAWUSHANI LULAMA | | | 12 | |
| | CIKOZANI MBULELO | | | 12 | |
| | FENI BUKIWE | | | 12 | |
| | JOSI NOMTHANDAZO | | | 12 | |
| | KATE LUYOLO | | | 12 | |
| | MGWATYU PHELISA | | | 12 | |
| | MXOLI NOMANGESI | | | 12 | |
| | NGANTWENI MNONELELI | | | 12 | |
| | NONTSHINGA XOLA SYDNEY | | | 12 | |
| | TSHAMBU KHOLIWE | | | 00 | |
| **41** | CLLR SINDISWA SKEPE | YES | 10 | | 4 |
| | KEWUTI LINDELA | | | 12 | |
| | MAGQAZA PUMLANI DOUGLAS | | | 12 | |
| | MINI AGNES | | | 12 | |
| | NGOKU NANDIPHA ETHEL | | | 12 | |
| | NGWANE SISA LAWRENCE | | | 12 | |
| | NONYANDA THOZEKA MONICA | | | 12 | |
| | TYILO MAKHAYA | | | 12 | |
| | MANGALI VUMEKA WINKY | | | 12 | |
| | SIZANI ZUKISWA | | | 12 | |
| | BULWANA NOKUZOLA | | | 06 | |
| **42** | CLLR SENDUKU MAPHUKA | YES | 12 | | 5 |
| | GOBINDUKU NONKQUBELA | | | 12 | |
| | JACK LINDA | | | 12 | |
| | KOLISI MLUNGISI | | | 12 | |
| | KOYANA TANDIKAYA | | | 12 | |
| | LUSU ALBERTINA KHOLEKA | | | 12 | |
| | MKANYELWA NTOMBIZAKHE | | | 12 | |
| | NTLONGWENI NONDUMISO | | | 12 | |
| | NTONTELA PHELEKA | | | 12 | |
| | SOBETWA NOLUNDI | | | 12 | |
| | STUURMAN THANDISWA | | | 12 | |
| **43** | CLLR ZUKISWA MANKAYI | YES | 8 | | 5 |
| | BONTSI ZOLEKA ANGEL | | | 01 | |
| | HASI ZUKISWA | | | 12 | |
| | JHO NTOMBEKHAYA FELICIA | | | 12 | |
| | KOMANA NONCEDO | | | 12 | |
| | KOMANI WONGALETHU | | | 12 | |
| | MAMA LUNDI | | | 06 | |
| | MANQININI DILIZA | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | MAPISA NONKULULEKO FLORANCE | | | 12 | |
| | NOGQALA MICHEAL LINDA | | | 12 | |
| | MADOLWANA ZAMUKWAKHA | | | 12 | |
| **44** | CLLR SIXOLISIWE NTSASELA | YES | 6 | | 2 |
| | MASE FEZIWE | | | 12 | |
| | MFAZWE THOTYELWA SYLVIA | | | 12 | |
| | NDALA NOZINTOMBI VIRGINIA | | | 12 | |
| | NONTSENDWANA YANGA | | | 12 | |
| | NQGUMAZA AVIWE | | | 12 | |
| | QABA MAWETHU | | | 12 | |
| | SITHUNGU DORIS NOKUTEMBELA | | | 12 | |
| | WINNAAR TULLY SAMANTHA | | | 12 | |
| | YAWA THOZAMA | | | 12 | |
| | DESMOND COETZEE (Resigned) | | | 00 | |
| **45** | CLLR THOZAMILE NOREXE | YES | 2 | | 4 |
| | BANGUSHE WELEKAZI FELICIA | | | 12 | |
| | DYELE THEMBAKAZI | | | 12 | |
| | GIDIMI MLULEKI JEFFERY | | | 12 | |
| | GOMOMO NOMONDE (Resigned) | | | 12 | |
| | GXABALASHE ARETHA VIWE | | | 12 | |
| | MGQALISO REBECCA NOMBULELO | | | 12 | |
| | NAKO NOMBULELO FLORANCE | | | 12 | |
| | NKUNJANA OLWETHU | | | 12 | |
| | TANANA LUMKO | | | 12 | |
| | VITI SIZIWE SYLVIA | | | 12 | |
| | YEKANI NOMPHELO | | | 12 | |
| **46** | CLLR NCEBA KILIMANI | YES | 7 | | 5 |
| | APRIL ZINAKILE JEFFREY | | | 12 | |
| | GALIMOYA NOMTHANDAZO | | | 12 | |
| | GWEJE NONDUMISO | | | 12 | |
| | KLAAS LUNGAKAZI | | | 12 | |
| | LENI NOKUZOLA LENI | | | 12 | |
| | MALOYI SIPHOKAZI THERESA | | | 09 | |
| | MBALANE OWETHU | | | 12 | |
| | NDONDO NOKUZOLA FLORENCE | | | 12 | |
| | NKONTSO KHUNGEKA | | | 12 | |
| | SABA TEMLETON MPUMELELO | | | 10 | |
| **47** | CLLR VUSUMZI NJECE | YES | 8 | | 7 |
| | NGUBO NONZWAKAZI NORAH | | | 12 | |
| | BANGANI DANNY | | | 12 | |
| | KENTANE BONGIWE | | | 12 | |
| | KOSE NTOMBEKAYA | | | 12 | |

| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
|---|---|---|---|---|---|
| | MBULA NOMSA (Resigned)<br>BULELANI PIKE (Replace) | | | 12<br>04 | |
| | MYEKENI KULUSHE VICTORIA | | | 12 | |
| | POKWANA NONTOBEKO VALERIE | | | 12 | |
| | RWAYI ABULELE XHATI OSBORN | | | 12 | |
| | SIFENENGU NKOSINATHI | | | 12 | |
| | DAMA ZINGISILE | | | 12 | |
| **48** | CLLR VUYISWA MPAZA | YES | 9 | | 4 |
| | ZUKISWA TSHOTYANA | | | 12 | |
| | TEMBELANI NIKIWE | | | 12 | |
| | BOTA MLAMLI | | | 12 | |
| | NGUQU TABATA | | | 12 | |
| | NONTUTHELA VUYISWA | | | 12 | |
| | NTSIKELELO SIRUNU | | | 12 | |
| | XOLANI NGAMLANA | | | 12 | |
| | NOTUTELA ANDILE | | | 12 | |
| | SIMKA THEMBELA | | | 12 | |
| | LUTHANDO NDAMASE (Resigned) | | | 08 | |
| **49** | CLLR MFUNDO BOTA | YES | 1 | | 2 |
| | HIBANA ERIC LENANA (Deceased) | | | 12 | |
| | KATSANA SIYATHEMBA | | | 12 | |
| | MAJWABI NTOZAKHE | | | 12 | |
| | MATAMO NTOMBOKUQALA JOYCE | | | 12 | |
| | MBENTSE LETITIA NOKUZOLA | | | 12 | |
| | MENZELA STANLEY LUNGILE | | | 12 | |
| | NGALONKULU ZANDISILE | | | 12 | |
| | BOMA FIKISWA MONICA | | | 12 | |
| | GQOGQA SINDISWA FLORANCER | | | 12 | |
| | GWESHANA LUNGISANI | | | 12 | |
| **50** | CLLR THOBILE MTYA | YES | 7 | | 7 |
| | DYELE SITHEMBISO | | | 12 | |
| | GAVINI SYDNEY | | | 12 | |
| | GQAMLANA SINDILE DAVID | | | 12 | |
| | MAJUMJUM MNCEDISI | | | 12 | |
| | MAKELENI VUYOKAZI | | | 12 | |
| | MANTLOZANA MANDLA | | | 12 | |
| | MATELISE THEMBISILE | | | 12 | |
| | MONA NOMVELO | | | 12 | |
| | NQUMAMA THULANI | | | 12 | |
| | SKRITSHI MZUKISI | | | 12 | |

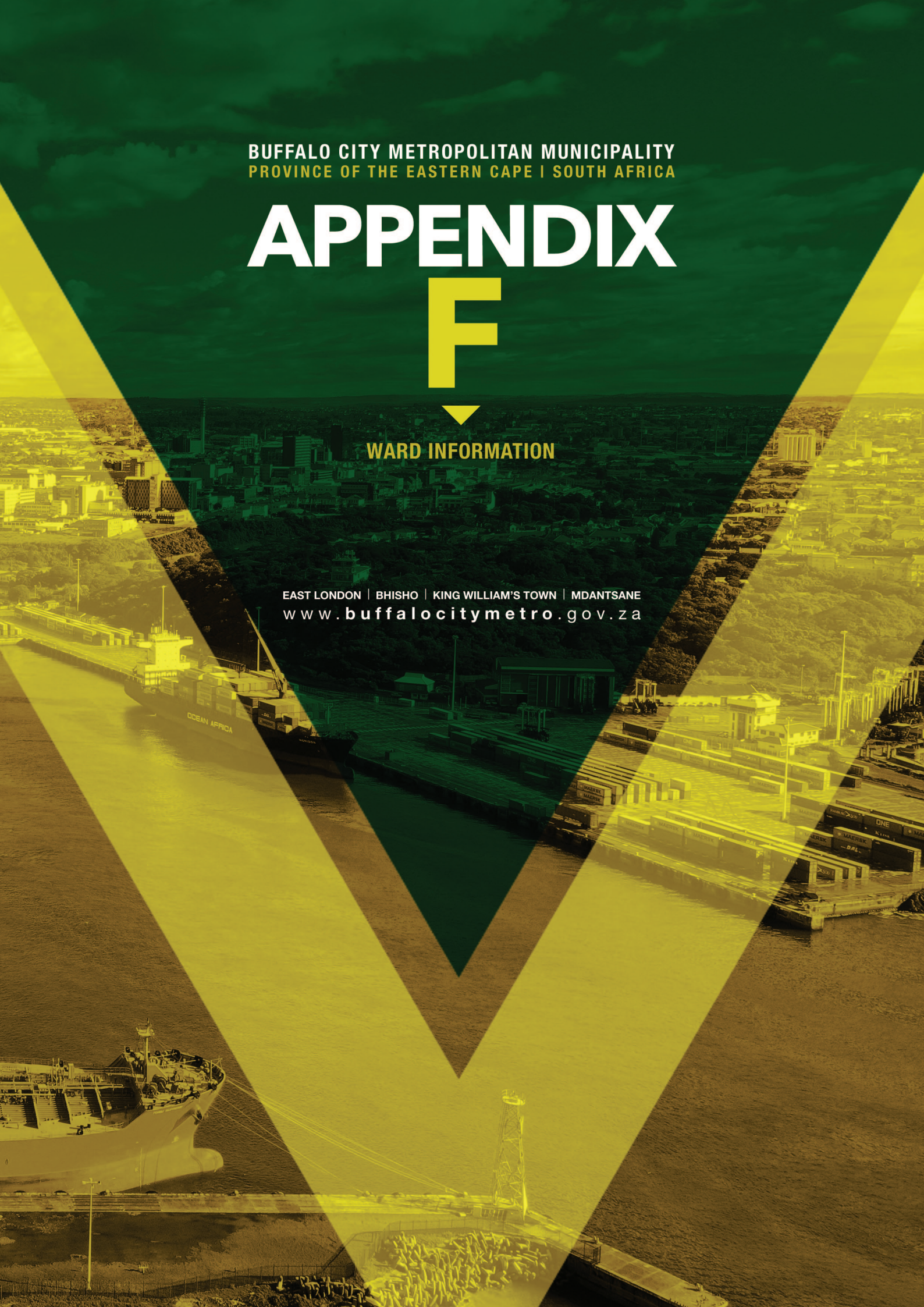


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX F

## WARD INFORMATION

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX F – WARD INFORMATION

**Ward Title: Ward Name (Number)**

**Capital Projects: Seven Largest in Year 2018/2019 (Full List at Appendix O)**

| | | | | | R' 000 |
|---|---|---|---|---|---|
| **No.** | **Project Name and detail** | **Ward No.** | **Start Date** | **End Date** | **Total Value** |
| **1** | **KWT Roads** | | 01-Jul-18 | 30-Jun-20 | 65 000 |
| | WARD 37 | 37 | 01-Jul-18 | 30-Jun-20 | |
| | WARD 39 | 39 | 01-Jul-18 | 30-Jun-20 | |
| | WARD 43 | 43 | 01-Jul-18 | 30-Jun-20 | |
| **2** | **Roads Provision** | **Ward No.** | 01-Jul-18 | 30-Jun-20 | 308 502 |
| | ROADS PROVISION - WARD 1 | 1 | | | |
| | ROADS PROVISION - WARD 12 | 12 | | | |
| | ROADS PROVISION - WARD 10 | 10 | | | |
| | ROADS PROVISION - WARD 27 | 27 | | | |
| | ROADS PROVISION - WARD 19 | 19 | | | |
| | ROADS PROVISION - WARD 24 | 24 | | | |
| | ROADS PROVISION - WARD 2 | 2 | | | |
| | ROADS PROVISION - WARD 11 | 11 | | | |
| | ROADS PROVISION - WARD 14 | 14 | | | |
| | ROADS PROVISION - WARD 17, 20, 21,30 | 17, 20, 21, 30 | | | |
| | ROADS PROVISION - WARD 15 | 15 | | | |
| | ROADS PROVISION - WARD 46 | 46 | | | |
| | ROADS PROVISION - WARD 10 | 10 | | | |
| | ROADS PROVISION - WARD 15 | 15 | | | |
| | ROADS PROVISION - WARD 16 | 16 | | | |
| | ROADS PROVISION - WARD 18 | 18 | | | |
| | ROADS PROVISION - WARD 24 | 24 | | | |
| | ROADS PROVISION - WARD 7 | 7 | | | |
| | ROADS PROVISION - WARD 8 | 8 | | | |
| | ROADS PROVISION - WARD 2 | 2 | | | |
| | ROADS PROVISION - WARD 4 | 4 | | | |
| | ROADS PROVISION - WARD 5 | 5 | | | |
| | ROADS PROVISION - WARD 6 | 6 | | | |
| | ROADS PROVISION - WARD 24 | 24 | | | |
| | ROADS PROVISION - WARD 25 | 25 | | | |
| | ROADS PROVISION - WARD 26 | 26 | | | |
| | ROADS PROVISION - WARD 26 | 28 | | | |
| | ROADS PROVISION - WARD 28 | 29 | | | |
| | ROADS PROVISION - WARD 29 | 29 | | | |
| | ROADS PROVISION - WARD 3 | 3 | | | |
| | ROADS PROVISION - WARD 31 | 31 | | | |
| | ROADS PROVISION - WARD 32 | 32 | | | |
| | ROADS PROVISION - WARD 34 | 34 | | | |
| | ROADS PROVISION - WARD 36 | 36 | | | |

| Ward Title: Ward Name (Number) | | | | | |
|---|---|---|---|---|---|
| **Capital Projects: Seven Largest in Year 2018/2019 (Full List at Appendix O)** | | | | | |
| | | | | | **R' 000** |
| **No.** | **Project Name and detail** | **Ward No.** | **Start Date** | **End Date** | **Total Value** |
| | ROADS PROVISION - WARD 39 | 39 | | | |
| | ROADS PROVISION - WARD 4 | 4 | | | |
| | ROADS PROVISION - WARD 41 | 41 | | | |
| | ROADS PROVISION - WARD 43 | 43 | | | |
| | ROADS PROVISION - WARD 44 | 44 | | | |
| | ROADS PROVISION - WARD 45 | 45 | | | |
| | ROADS PROVISION - WARD 5 | 5 | | | |
| | ROADS PROVISION - WARD 50 | 50 | | | |
| | ROADS PROVISION - WARD 6 | 6 | | | |
| | ROADS PROVISION - WARD 7 | 7 | | | |
| | ROADS PROVISION - WARD 8 | 8 | | | |
| | ROADS PROVISION - WARD 9 | 9 | | | |
| | ROADS PROVISION - WARD 1 AND 9 | 1, 9 | | | |
| | ROADS PROVISION - WARD 16 | 16 | | | |
| | ROADS PROVISION - WARD 34 AND 36 | 34, 36 | | | |
| | ROADS PROVISION - WARD 47 | 47 | | | |
| | ROADS PROVISION - WARD 50 | 50 | | | |
| | ROADS PROVISION - WARD 45 | 45 | | | |
| | ROADS PROVISION - WARD 26 | 26 | | | |
| | ROADS PROVISION - WARD 25 AND 41 | 25, 41 | | | |
| | ROADS PROVISION - WARD 5 | 5 | | | |
| | ROADS PROVISION - WARD 28 | 28 | | | |
| | ROADS PROVISION - WARD 3 | 3 | | | |
| | ROADS PROVISION - WARD 39 | 39 | | | |
| | ROADS PROVISION - WARD 13 | 13 | | | |
| | ROADS PROVISION - WARD 44 | 44 | | | |
| | ROADS PROVISION - WARD 29 | 29 | | | |
| | ROADS PROVISION - WARD 4 | 4 | | | |
| | ROADS PROVISION - WARD 25 | 25 | | | |
| | ROADS PROVISION - WARD 8 AND 10 | 8, 10 | | | |
| **3** | **Bisho KWT & Zwelitsha Bulk Regional Sewer - PHASE 2** | **Ward No.** | 01-Jul-18 | 30-Jun-21 | 145 143 |
| | WATER TREATMENT WORKS | 34,37,38,39,40,41,43,44,49,35 | 01-Jul-18 | 30-Jun-21 | |
| | BULK MAINS | 34,37,38,39,40,41,43,44,49,35 | 01-Jul-18 | 30-Jun-21 | |
| | BULK MAINS | 34,37,38,39,40,41,43,44,49,35 | 01-Jul-18 | 30-Jun-21 | |
| | DAMS AND WEIRS | 34,37,38,39,40,41,43,44,49,35 | 01-Jul-18 | 30-Jun-21 | |

**Ward Title: Ward Name (Number)**

**Capital Projects: Seven Largest in Year 2018/2019 (Full List at Appendix O)**

| | | | | | R' 000 |
|---|---|---|---|---|---|
| **No.** | **Project Name and detail** | **Ward No.** | **Start Date** | **End Date** | **Total Value** |
| **4** | **Rural Roads** | **Ward No.** | 01-Jul-18 | 30-Jun-21 | 136 100 |
| | RURAL ROADS - WARD 17 | 17 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 22 | 22 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 24 | 24 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 25 | 25 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 26 | 26 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 28 | 28 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 29 | 29 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 31 | 31 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 32 | 32 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 33 | 33 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 34 | 34 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 35 | 35 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 36 | 36 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 37 | 37 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 38 | 38 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 40 | 40 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 43 | 43 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 44 | 44 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 45 | 45 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 46 | 46 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 49 | 49 | 01-Jul-18 | 30-Jun-21 | |
| | RURAL ROADS - WARD 50 | 50 | 01-Jul-18 | 30-Jun-21 | |
| | | | | | |
| **5** | **Bulk Electrification Infrastructure Upgrade - Replacement of Exisiting Infrastructure** | **Ward No.** | 01-Jul-18 | 30-Jun-21 | 94 000 |
| | MV SWITCHING STATION - RC=COASTAL | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | LV NETWORKS - RC=COASTAL | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | MV NETWORKS - RC=COASTAL | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | MV SUBSTATIONS - RW=WHOLE METRO | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | MV SUBSTATIONS - RC=COASTAL | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | | | | | |
| **6** | **Bulk Electricity Infrastructure Upgrade(Ring-Fenced 4% of the Total Electricity Revenue)** | **Ward No.** | 01-Jul-18 | 30-Jun-21 | 179 800 |
| | LV NETWORK - RC=COASTAL | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | MV SUBSTATIONS - RC=COASTAL | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | MV SUBSTATIONS - RW=WHOLE METRO | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | MV SWITCHING STATION - RN=INLAND | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | MV NETWORK - RN=INLAND | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| | | | | | |

| Ward Title: Ward Name (Number) | | | | | |
|---|---|---|---|---|---|
| **Capital Projects: Seven Largest in Year 2018/2019 (Full List at Appendix O)** | | | | | |
| | | | | | **R' 000** |
| **No.** | **Project Name and detail** | **Ward No.** | **Start Date** | **End Date** | **Total Value** |
| | MV SWITCHING STATION - RC=COASTAL | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | 01-Jul-18 | 30-Jun-21 | |
| **7** | **Qumza Highway PHASE 7 - PHASE 1 & 2** | **Ward No.** | 01-Jul-18 | 30-Jun-20 | 461 799 |
| | QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | 21, 20,48 | 01-Jul-18 | 30-Jun-20 | |
| | | | | | |
| | | | | | |

**T F.1**

## BASIC SERVICE PROVISION

| Detail | Water | Sanitation | Electricity | Refuse | Housing |
|---|---|---|---|---|---|
| Households with minimum service delivery | | | 127 000 | | |
| Households without minimum service delivery | | | 40000 | | |
| Total Households* | | | | | |
| Houses completed in year | | | | | |
| Shortfall in Housing units | | | | | |

*Including informal settlements

T F.2

## TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD (HIGHEST PRIORITY FIRST)

| No. | Priority Name and Detail | Progress During Year 2018/19 |
|---|---|---|
| | Upgrade of BCMM Roads | 23, 256 km |
| | Electrification of formal and informal dwellings | 734 new connection completed |
| | Number of Bridges Constructed | 1 (bridge constructed) (Needscamp / Potsdam |
| | high mast lighting for security | 10 |

T F.3

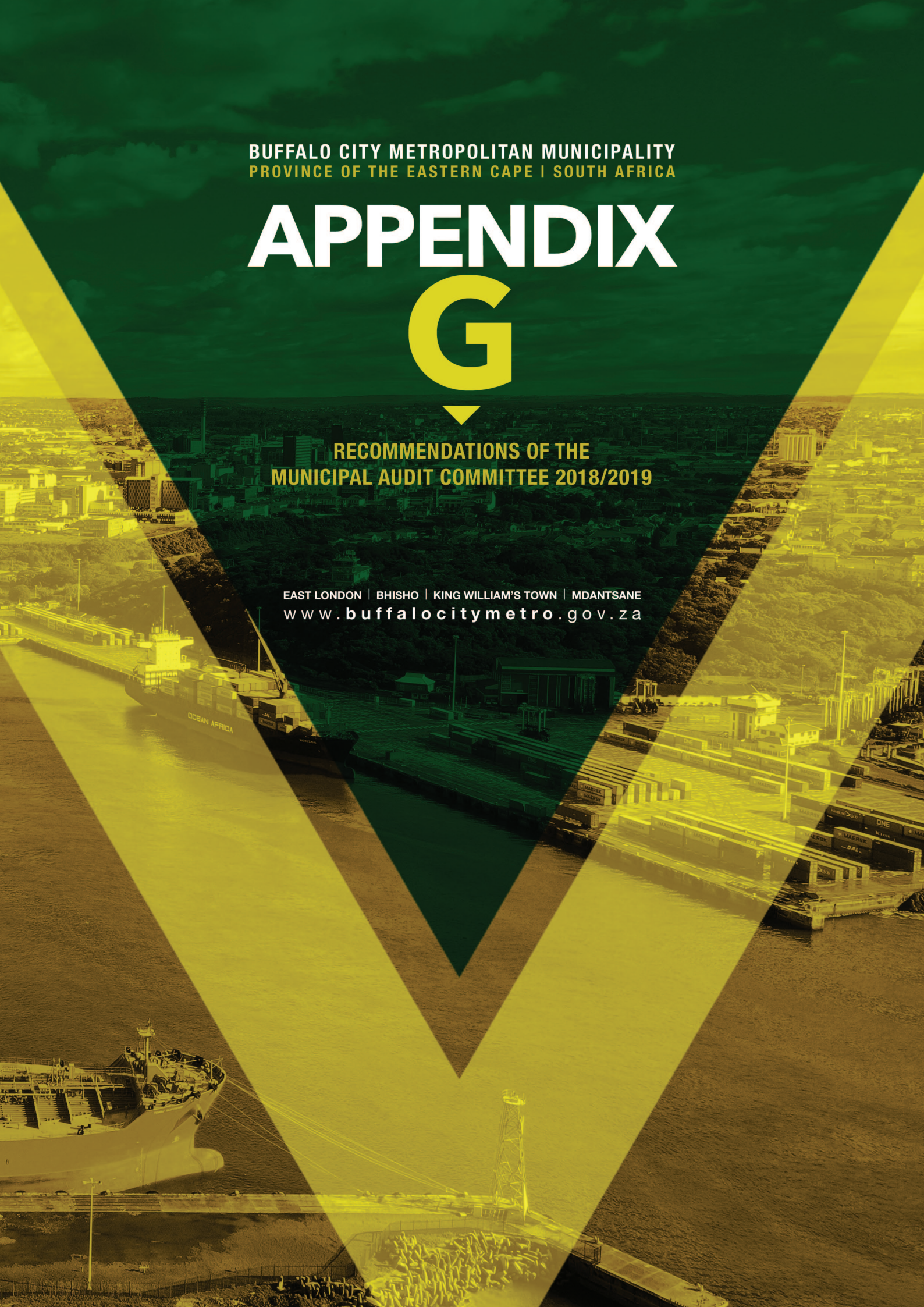


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX G

## RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/2019

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/2019

## MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

| Date of Committee | Committee recommendations during 2018/2019 | Recommendations adopted (enter Yes) If not adopted (provide explanation) |
|---|---|---|
| 30 July 2018 | 7 | 7 |
| 28 August 2018 | 1 | 1 |
| 29 October 2018 | 6 | 6 |
| 11 January 2019 | 0 | 0 |
| 18 February 2019 | 12 | 12 |
| 29 April 2019 | 11 | 11 |
| 13 May 2019 | 25 | 25 |
| **Total** | **62** | **62** |


EL
255
MOORE



BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX H

## LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

No long-term contracts and public private partnerships concluded during the year under review



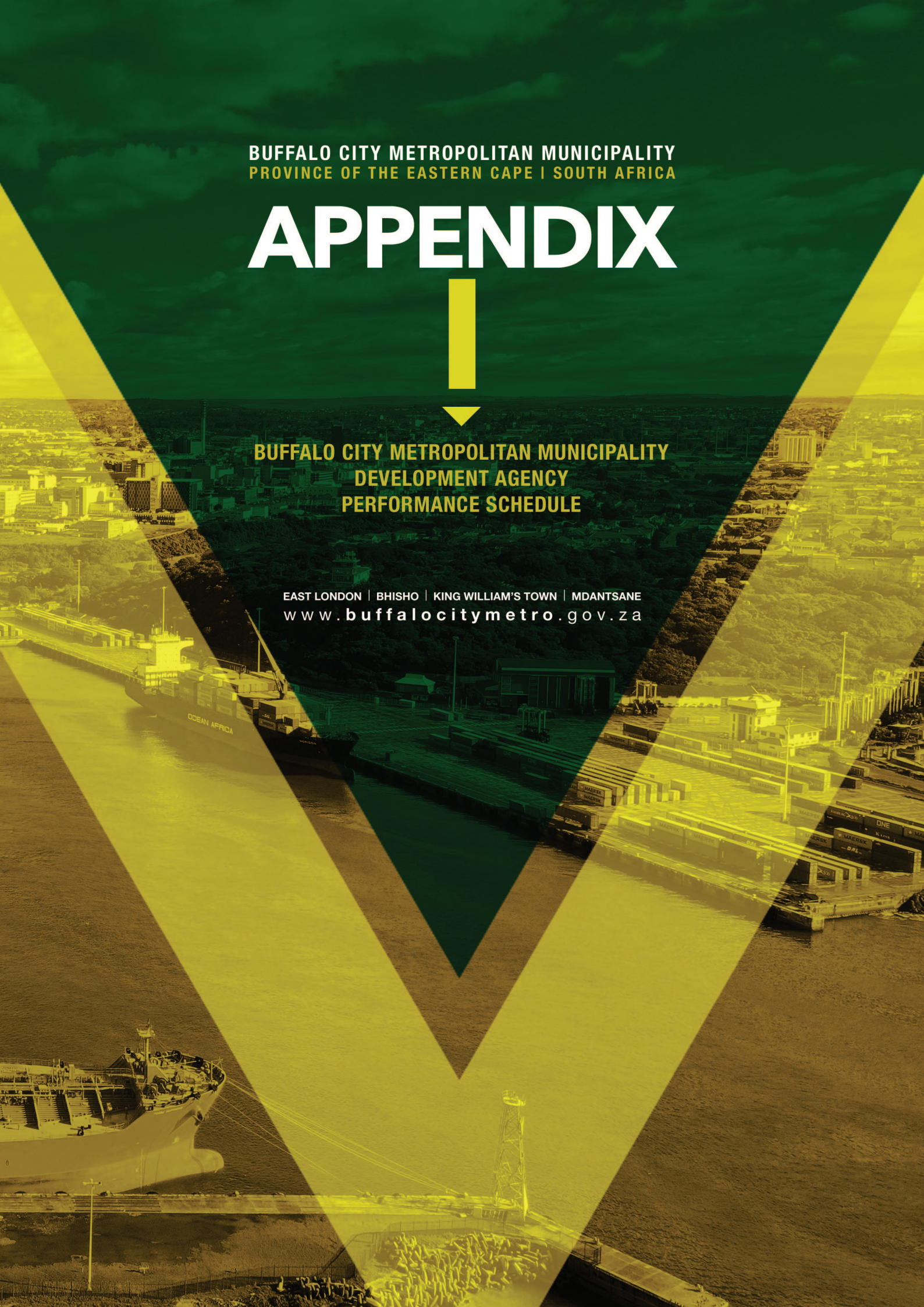


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX I

## BUFFALO CITY METROPOLITAN MUNICIPALITY DEVELOPMENT AGENCY PERFORMANCE SCHEDULE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# **APPENDIX I –** BUFFALO CITY METROPOLITAN MUNICIPALITY DEVELOPMENT AGENCY PERFORMANCE SCHEDULE

## 5.1. **GOAL 1:**

### A STABLE AND FULLY CAPACITATED AGENCY TO DELIVER ON ITS MANDATE EFFICIENTLY AND EFFECTIVELY

| BCMDA | SERVICE INDICATORS / SERVICE TARGETS | YEAR 0 ( 2018-19) | | YEAR 1 (2019-2020) | | | YEAR 2 ( 2020-2021) | YEAR 3 (2021-2022) | |
|---|---|---|---|---|---|---|---|---|---|
| | | TARGET | ACTUAL | TARGET | | ACTUAL | | TARGET | |
| | | Previous yr. | | Previous yr. | Current yr. | | Current yr. | Current yr. | Following yr. |
| | 1. Commencement of project planning & execution at Water World | Contractor appointed & site handover certificate awarded | •Construction project management Consultant was appointed in quarter 4.<br>• Reviewed the designs & commenced with geotechnical studies | Contractor appointed & site handover certificate awarded | Phase 1: Earthworks, Landscaping, Paving and beautification, Slides & recreational furniture installed | NA | Phase 1: upgrading completion at Water World | Phase 2: Water World Hotel Development - project commencement | Phase 2: Water World Hotel - project completion |
| | 2. Commencement of project planning & execution at Court Crescent ( Beachfront precinct development programme)1 | Contractor appointed & site handover certificate awarded | • Construction project management Consultant was appointed in quarter 4.<br>• Reviewed the designs & commenced with geotechnical studies | Contractor appointed & site handover certificate awarded | • Phase 1: Landscaping, Paving & Beautification, Urban furniture & Art installed | NA | Phase 1: upgrading completion at Court Crescent | Phase 2: Esplanade road upgrade - projection planning | Phase 2: Esplanade road - project execution |
| | 3. Implementation of a Waste Management Programme with DEA | Implementation of Waste Management Programme with DEA | • 8 Site project implementations identified.<br>• 168 workers employed | Implementation of Waste Management Programme with DEA | • Implementation of Waste Management Programme with DEA | NA | Implementation of Waste Management Programme with DEA | NA | NA |
| | 4. Audit Outcome | Unqualified Audit Report without findings | • Unqualified Audit Report without findings | • Unqualified Audit Report without findings | • Unqualified Audit Report without findings | NA | • Unqualified Audit Report without findings | • Unqualified Audit Report without findings | • Unqualified Audit Report without findings |
| | 5. Implementation of board resolutions | All Board & Committee meetings resolutions implemented | • 100% Board Resolutions implemented | • All Board & Committee meetings resolutions implemented | • 100% Board Resolutions implemented | NA | • 100% Board Resolutions implemented | • 100% Board Resolutions implemented | • 100% Board Resolutions implemented |

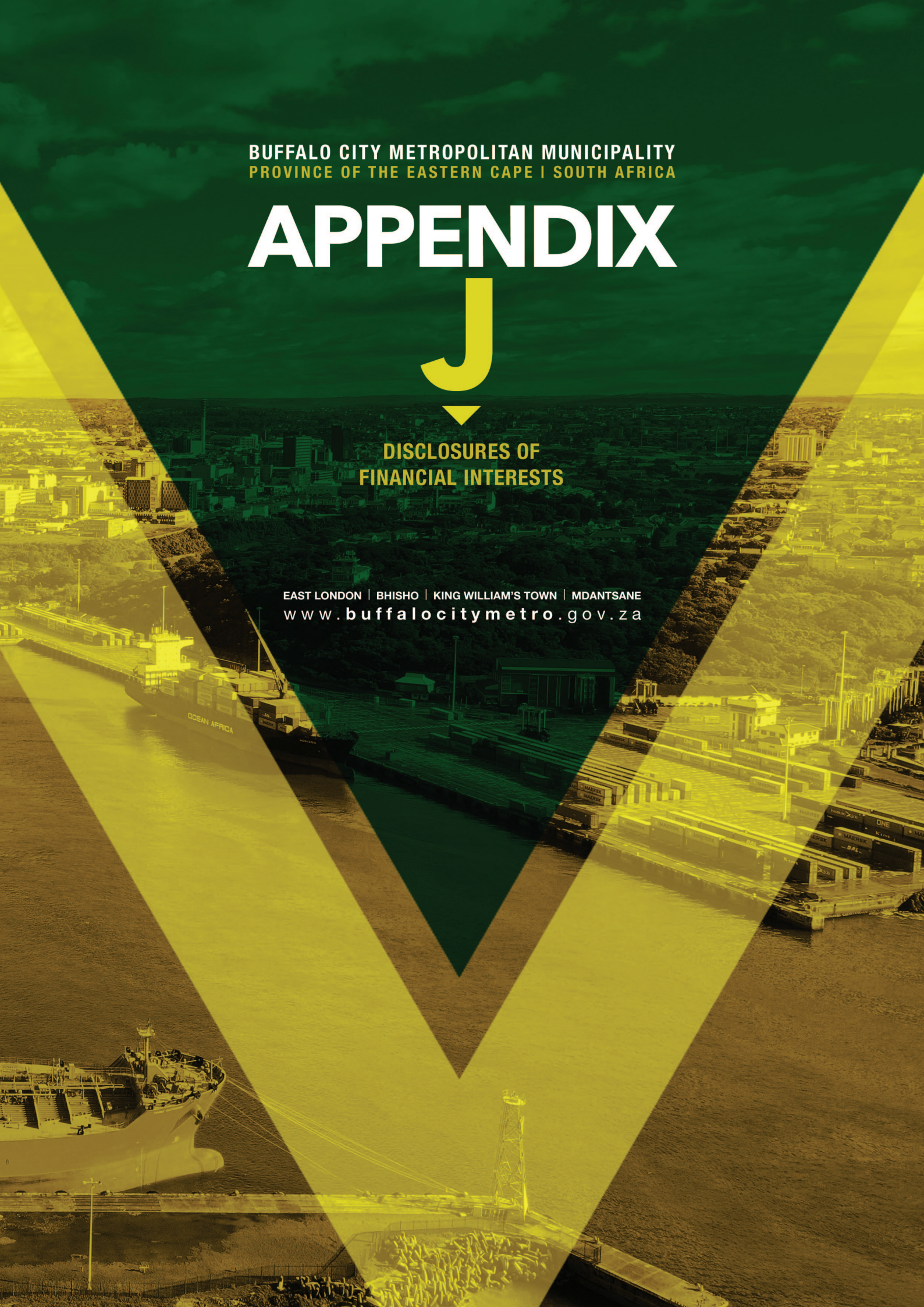


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX J

## DISCLOSURES OF FINANCIAL INTERESTS

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| Name of Councillor<br>Naam van Raadslid | Date of Notice to Company<br>Datum van Kennisgewing van Maatskappy | Date of Minute<br>Datum van Notulering | Particulars of Contract<br>Besonderhede van Kontrak | Nature of Extent of Interest<br>ar den Omvang van belang |
|---|---|---|---|---|
| ROY EDMUND ANGELBECK | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| Thembinkosi Tevin APLEN | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| ZOLANI BAKAWULI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NOLUDWE BATALA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| SUSAN BENTLEY | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MAKHAYA BOPI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MFUNDO BOTA | | | BNC Promotions and Events | ORDINARY PROMOTIONS AND EVENT COMPANY |
| ANASTASIA MELISA BOTHA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| KUHLE CILIZA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| DHARMESH MANILAL DHAYA | | | GIBB HOLDINGS<br>FOREVER NEW FRONTER<br>ST BERNARDS HOSPICE | ORDINARY<br>PRODUCTION<br>NGO |
| VUYISILE ALFRED DIKO | | | TAXI BUSINESS | TRANSPORT |
| SIKIWE DLOVA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| BONGANI DYONASE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| KHOLIWE THELMA FAKU | NOTHING DECLARED | | NOTHING DECLARED | NOTHING DECLARED |
| TERENCE FLAVIAN FRITZ | | | DADDY TEE BUILDERS CC(WIFE) | CLOSE CORPORATION |
| NTOMBIZODWA GAMNCA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MASHWABADA GCILISHE | | | GCILISHE TRADING PTY(LTD)<br>INTONGA ENTLE PTY (LTD) | ORDINARY |
| AYANDA GCOBO | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| SINDISWA GRISELDA GOMBA | RESIGNED | | | |
| GWEBILE LENNOX GOSANI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| Name of Councillor<br>Naam van Raadslid | Date of Notice to Company<br>Datum van Kennisgewing van Maatskappy | Date of Minute<br>Datum van Notulering | Particulars of Contract<br>Besonderhede van Kontrak | Nature of Extent of Interest<br>ar den Omvang van belang |
| WILLIAM DONNE GOULD | | | THE PAUL POTTS TRUST | TRUSTEE |
| VUYOLWETHU GQODI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |

| Name of Councillor<br>Naam van Raadslid | Date of Notice to Company<br>Datum van Kennisgewing van Maatskappy | Date of Minute<br>Datum van Notulering | Particulars of Contract<br>Besonderhede van Kontrak | Nature of Extent of Interest<br>ar den Omvang van belang |
|---|---|---|---|---|
| VAUGHAN ANDREW HOLMES | | | NVEST (STOCK MARKET SHARES)<br>VAUGHAN HOLMES ATTORNEY | ORDINARY<br><br>LEGAL |
| SABELO KABELO HOYO | NOTHING DECLARED | | NOTHING DECLARED | NOTHING DECLARED |
| ANATHI JAYIYA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| THEMBISA JULY | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| PHINDIWE KABA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| BOY – BOY KALANI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| PETER LIXOLILE KIKI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NCEBA WISEMAN KILIMANI | NOTHING DECLARED | | NOTHING DECLARED | NOTHING DECLARED |
| ZAMEKA KODWA-GAJULA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MTHETHELELI CROSBY KOLELA | | | UTSHUNGU PROPERTY DEVELOPMENT | CONSTRUCTION |
| MAWETHI KOSANI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NCEDO LITHALOMZI NYAMEKO KUMBACA | NOTHING DECLARED | NOTHING DECLARED | ASPIDUS (THE COMPANY IS NO LONGER EXISTING) | NOTHING DECLARED |
| THANDISWA IVY LUZIPHO | | | UBUKHOBETHU COOPERATIVE | CO-OPERATIVE |
| MARION MACKLEY | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MERCY NONCEBA MADIKANE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| ANATHI MAJEKE | NOTHING DECLARED | | NOTHING DECLARED | NOTHING DECLARED |
| YALEKA CYNTHIA MAKAPELA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| ZUKISWA YVONNE MANKAYI | NOTHING DECLARED | | NOTHING DECLARED | NOTHING DECLARED |
| SENDUKA MAPHUKA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| AYANDA MAPISA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MAWETHU NICOLAS MARATA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| ZOLISWA PATIENT MATANA | | | SAB ZENZELE | ORDINARY |
| CHUMANI MATIWANE | | | IMBOLA PTY LTD<br>SAM AUTO SPARES | GENERAL<br>AUTOSPARES |
| NOKILUNGA PORTIA MATIWANE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |

| Name of Councillor<br>Naam van Raadslid | Date of Notice to Company<br>Datum van Kennisgewing van Maatskappy | Date of Minute<br>Datum van Notulering | Particulars of Contract<br>Besonderhede van Kontrak | Nature of Extent of Interest<br>ar den Omvang van belang |
|---|---|---|---|---|
| FRANCIS ZWELANDILE MDINWA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NTOMBIZANDILE MAUREEN MHLOLA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| PINDILE MIZA | | | EC INTERACT COOP<br>EASTERN CAPE DOORS | ORDINARY<br>PREFERENCE |
| AMANDA OLWETHU MNYUTE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MKAKUTTA CLARA MOROLONG-YEKISO | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NOMONDE MOYIKWA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| VUYISWA ETHEL MPANZA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| SKUTTA ALFRED MTSI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| THOBILE LIBERMAN MTYA | | | THOBILE MTYA LIVESTOCK FARMING<br>MANDISI JONGILANGA NOZUKA MTYA | CLOSE COOPORATION<br><br>TRANSPORT<br>IEC EMPLOYEE |
| ZININZI MTYINGIZANE | | | BORDER ALLIANCE TAXI ASSOCIATION | OWNER |
| PUMLA NAZO-MAKATALA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NTUNKULANA ELLIOT NCOTELA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NTOMBOMZI LETTICIA NDOTYI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| HELEN ELIZABETH NEALE-MAY | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| PUTUMILE ENOCH NELANI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MLANDELI LEORNARD NGABAYENA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| VUSUMZI NJECE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| MKHUSELI BRIAN NOMBEWU | | | AMAHLE TRADING PTY(LTD)<br>KHANGELANI GROUP<br>KUNYE GREAT MINDS<br>CSO TRADING | GENERAL TRADING<br>GENERAL TRADING<br>GENERAL TRADING<br>GENERAL TRADING |
| GIDEON THOZAMILE NOREXE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| OLWETHU NTAME | | | ABUSEKHO MULTI-PURPOSE | MULTI-PURPOSE |
| SIXOLISIWE NTSASELA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NTOMBEKHAYA MURIEL NTSHEBE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| XOLA ANDERSON PAKATI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NONTSIKELELO PRISCILLA PETER | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| VUYANI PETER | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| LINDSEY POLLOCK | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |

| Name of Councillor<br>Naam van Raadslid | Date of Notice to Company<br>Datum van Kennisgewing van Maatskappy | Date of Minute<br>Datum van Notulering | Particulars of Contract<br>Besonderhede van Kontrak | Nature of Extent of Interest<br>ar den Omvang van belang |
|---|---|---|---|---|
| LUKE MONWABISI QUSE | | | MTN<br>SIBANYE GOLD<br>IMPLATS<br>GOLDFIELDS<br>SATRIV<br>FNB | ORDINARY<br>ORDINARY<br>ORDINARY<br>ORDINARY<br>ORDINARY<br>ORDINARY |
| ANNETTE RADEMEYER | | | KWT SPCA<br>NSPCA | ANIMAL WELFARE<br>ANIMAL WELFARE |
| MZUKISI RODGERS RELU | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| RICHARD LOVEMORE KELVIN ROOY | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| LUHLE ROYI | RESIGNED | | | |
| VELIWE VIVIENNE SAKUBE | | | BONGUTHANDO HIRING | SOLE MEMBER |
| BONGIWE SAULI | | | IUI HOLDINGS | CIVIL AND CONSTRUCTION |
| XOLANI SIMANDLA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| LULEKA ETHEL SIMON-NDZELE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| SINDISWA SKEPE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| SIYABONGA SKOLO | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| CHRISTIAAN ANDRIES SWART | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| ISABEL THOMPSON | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| BUYELWA THWALINGCA | NOTHING DECLARED | | NOTHING DECLARED | NOTHING DECLARED |
| VUYO TOKWE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| ZANDISILE PHANTOM WELCOME TOKWE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| SINDILE NIMROD TONI | | | T-WAVE PULSE | ORDINARY |
| SIMPHIWE ELVIS TSALA | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| NOZIBELE EMILY TSHABE | | | ASPIDUS 362 | CLOSE CORPORATION |
| VUSUMZI TUTU | | | QZL TRADING<br>QZL FUNERAL<br>NXARHUNI YOUTH/ ADULT<br>MDANTSANE CARE CENTRE | |
| MZWANDILE VAAIBOOM | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| DINESH VALLABH | | | SASOL | ORDINARY |
| DAVID PETER VIAENE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| ROSELINE VITBOOI | | | INKAZIMULO ECD | |
| GEOFFREY KEITH WALTON | | | ABSA<br>OLD MUTUAL | ORDINARY |
| MENDI WETSETSE | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| XOLANI WITBOOI | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |
| PUMLA PATRICIA YENANA-NONJIWU | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED | NOTHING DECLARED |

# DISCLOSURE OF FINANCIAL INTERESTS FOR CITY MANAGER AND HEADS OF DIRECTORATES

| Name of Section 56 Manager | Date of Notice to Company | Date of Minute | Particulars of Contract | Nature of Extent of Interest |
|---|---|---|---|---|
| Mr A. Sihlahla | | | Nokuphumla Family Trust<br><br>29 Alamen Street | Trust Deed – no remuneration or income<br>House ownership – no remuneration or income |
| Ms Noludwe Ncokazi | | | Sasol Inzalo shares<br>Directorship of the following:<br>-Lifa Investment Holdings<br>-Tourism Investment Company<br>-Automotive Industry Development Centre (AIDC)<br>-Eastern Cape Information and Technology Initiative | 32 shares for R12 000<br><br>-Savings Group – 9,1%<br>-State owned- no remuneration or income<br>-State owned- no remuneration or income<br><br>-State owned- no remuneration or income |
| Ms Ncumisa Sidukwana | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE |
| Ms Nonceba Mbali Majeng | | | Pule Funeral Directors | Funeral Parlour owned by husband – no remuneration or income |
| Mr Bob Naidoo | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE |
| Mr Luyanda Mbula | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE |
| Mr V. Lwana | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE | NOTHING TO DECLARE |
| Mr N. Ncunyana | | | LRAPAB (Pty) Ltd | Property Consultancy business – no remuneration or income |


60

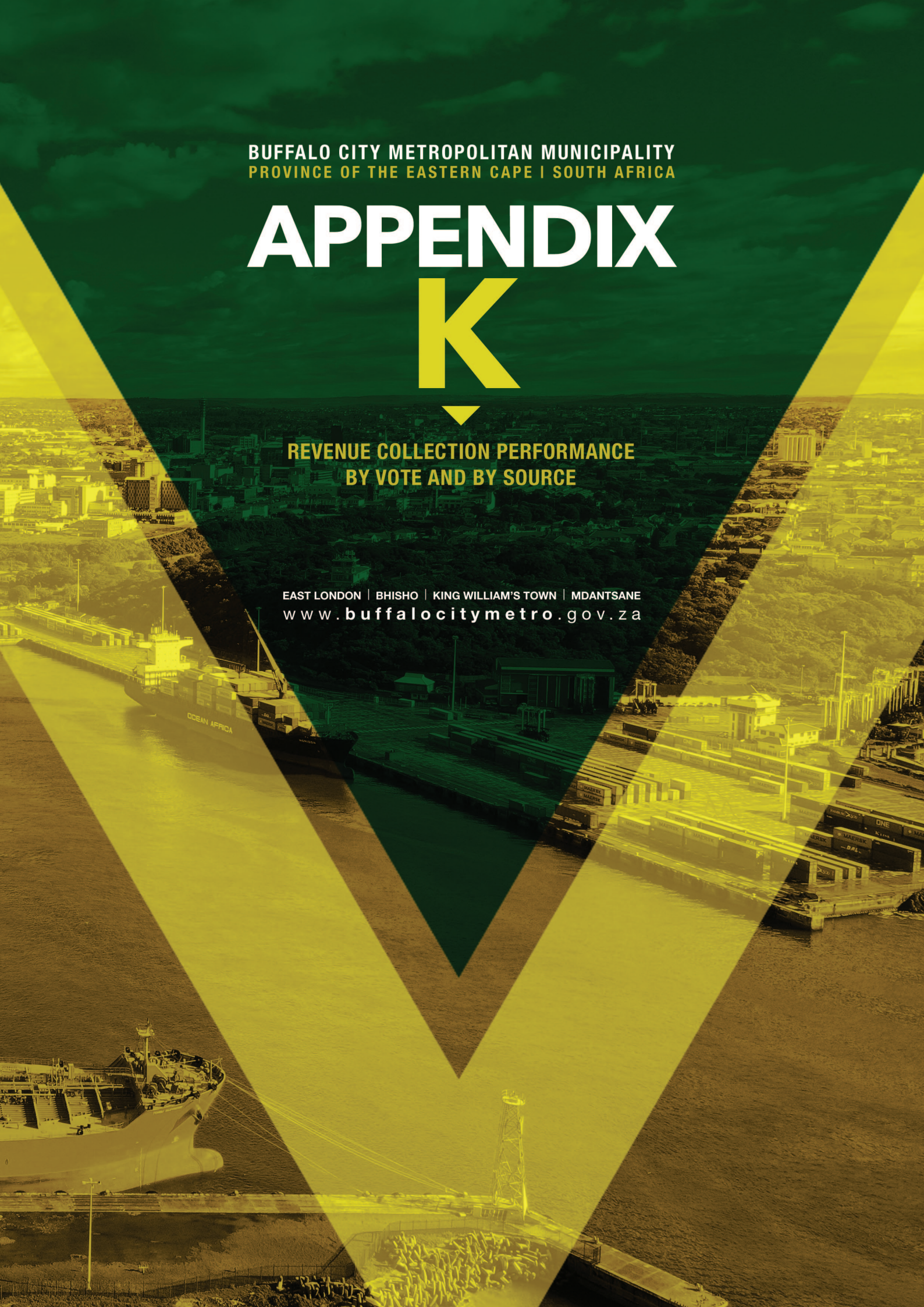


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX K

## REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX K:
# REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

## APPENDIX K (I):
## REVENUE COLLECTION PERFORMANCE BY VOTE

**Revenue Collection Performance by Vote**

R' 000

| Vote Description | 2017/2018 | Current: 2018/2019 | | | 2018/2019 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Vote 1 - Directorate - Executive Support Services | 1 138 | – | 846 | 419 | 100% | -102% |
| Vote 2 - Directorate - Municipal Manager | 30 698 | 26 940 | 22 473 | 22 544 | -20% | 0% |
| Vote 3 - Directorate - Human Settlement | 215 250 | 159 786 | 260 913 | 185 279 | 14% | -41% |
| Vote 4 - Directorate - Chief Financial Officer | 1 998 540 | 2 492 463 | 2 487 663 | 2 647 998 | 6% | 6% |
| Vote 5 - Directorate - Corporate Services | 11 830 | 10 801 | 10 801 | 14 021 | 23% | 23% |
| Vote 6 - Directorate - Infrastructure Services | 3 245 939 | 3 732 612 | 3 807 201 | 3 537 151 | -6% | -8% |
| Vote 7 - Directorate - Spatial Planning & Development Planning | 140 323 | 195 565 | 223 748 | 247 553 | 21% | 10% |
| Vote 8 - Directorate - Health, Public Safety & Emergency Services | 149 846 | 160 250 | 164 545 | 166 997 | 4% | 1% |
| Vote 9 - Directorate - Municipal Services | 450 816 | 503 257 | 508 952 | 453 416 | -11% | -12% |
| Vote 10 - Directorate - Economic Development & Agencies | 32 968 | 39 449 | 72 679 | 32 466 | -22% | -124% |
| **Total Revenue by Vote** | **6 277 347** | **7 321 123** | **7 559 821** | **7 307 844** | **0%** | **-3%** |
| | | | | | | |
| **Expenditure by Vote** | | | | | | |
| Vote 1 - Directorate - Executive Support Services | 209 553 | 275 413 | 306 950 | 264 677 | 4% | 14% |
| Vote 2 - Directorate - Municipal Manager | 176 395 | 191 028 | 202 704 | 199 632 | -5% | 2% |
| Vote 3 - Directorate - Human Settlement | 105 092 | 107 401 | 136 684 | 57 397 | 47% | 58% |
| Vote 4 - Directorate - Chief Financial Officer | 612 171 | 503 480 | 398 731 | 369 387 | 27% | 7% |
| Vote 5 - Directorate - Corporate Services | 124 686 | 157 617 | 167 209 | 154 396 | 2% | 8% |
| Vote 6 - Directorate - Infrastructure Services | 3 348 091 | 3 748 890 | 3 832 561 | 3 800 756 | -1% | 1% |
| Vote 7 - Directorate - Spatial Planning & Development Planning | 293 906 | 305 497 | 536 716 | 500 010 | -64% | 7% |
| Vote 8 - Directorate - Health, Public Safety & Emergency Services | 368 787 | 420 235 | 486 855 | 526 944 | -25% | -8% |
| Vote 9 - Directorate - Municipal Services | 731 278 | 653 407 | 849 112 | 842 602 | -29% | 1% |
| Vote 10 - Directorate - Economic Development & Agencies | 104 456 | 150 330 | 138 019 | 122 217 | 19% | 11% |
| **Total Expenditure by Vote** | **6 074 416** | **6 513 298** | **7 055 541** | **6 838 017** | **-5%** | **3%** |
| **Surplus/ (Deficit) for the year** | **202 931** | **807 825** | **504 280** | **469 826** | **42%** | **7%** |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 | T K.1

# APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

**Revenue Collection Performance by Source**

R' 000

| Description | 2017/2018 | Current: 2018/2019 | | | 2018/2019 Variance | |
|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Property rates | 973 025 | 1 421 961 | 1 417 161 | 1 295 503 | -10% | -9% |
| Service Charges - electricity revenue | 1 637 896 | 1 992 712 | 1 971 508 | 1 739 494 | -15% | -13% |
| Service Charges - water revenue | 361 971 | 563 043 | 563 043 | 503 580 | -12% | -12% |
| Service Charges - sanitation revenue | 304 785 | 322 143 | 322 143 | 328 923 | 2% | 2% |
| Service Charges - refuse revenue | 245 181 | 294 388 | 294 388 | 251 916 | -17% | -17% |
| Service Charges - other | 26 246 | 0 | 0 | 0 | 0% | 0% |
| Rentals of facilities and equipment | 20 068 | 17 563 | 17 563 | 20 704 | 15% | 15% |
| Interest earned - external investments | 126 690 | 140 961 | 140 631 | 98 690 | -43% | -42% |
| Interest earned - outstanding debtors | 49 322 | 41 807 | 54 405 | 67 093 | 38% | 19% |
| Fines | 23 698 | 16 591 | 40 290 | 24 938 | 33% | -62% |
| Licences and permits | 14 250 | 14 597 | 28 847 | 14 300 | -2% | -102% |
| Agency services | 26 134 | 31 270 | 57 405 | 26 198 | -19% | -119% |
| Transfers recognised - operational | 1 285 547 | 1 471 673 | 2 757 220 | 1 435 031 | -3% | -92% |
| Other revenue | 217 837 | 188 513 | 199 716 | 194 693 | 3% | -3% |
| **Total Revenue (excluding capital transfers and contributions)** | **5 312 651** | **6 517 222** | **7 864 319** | **6 001 065** | **-8,60%** | **-31,05%** |
| | | | | | | |
| **Expenditure By Type** | | | | | | |
| Employee related costs | 1 876 853 | 1 961 118 | 2 024 166 | 2 049 669 | 4% | 1% |
| Remuneration of councillors | 60 373 | 65 035 | 64 185 | 63 066 | -3% | -2% |
| Debt impairment | 321 277 | 343 696 | 358 336 | 373 183 | 8% | 4% |
| Depreciation & asset impairment | 1 018 294 | 896 426 | 1 396 290 | 1 296 841 | 31% | -8% |
| Finance charges | 43 960 | 59 818 | 39 013 | 38 467 | -56% | -1% |
| Bulk purchases | 1 552 488 | 1 698 510 | 1 629 310 | 1 628 957 | -4% | 0% |
| Contracted services | 681 617 | 857 589 | 785 696 | 676 016 | -27% | -16% |
| Transfers and grants | 39 330 | 60 526 | 68 881 | 47 193 | -28% | -46% |
| Other expenditure | 459 209 | 570 574 | 644 665 | 617 699 | 8% | -4% |
| Loss on disposal of PPE | 21 014 | 0 | 45 000 | 46 325 | 100% | 3% |
| **Total Expenditure** | **6 074 416** | **6 513 291** | **7 055 541** | **6 837 415** | **5%** | **-3%** |
| **Surplus/(Deficit)** | **(761 765)** | **3 931** | **808 778** | **(836 351)** | **100%** | **197%** |
| | | | | | | |
| Transfers recognised - capital | 930 588 | 803 900 | 1 000 322 | 998 245 | 19% | 0% |
| Contributions recognised - capital | 0 | 0 | 0 | 0 | 0% | 0% |
| Contributed assets | 0 | 0 | 0 | 279 067 | 0% | 0% |
| **Surplus/(Deficit) for the year after capital transfers and contributions** | **168 823** | **807 831** | **1 809 100** | **440 961** | **-83%** | **-310%** |
| | | | | | | |
| **Taxation** | **(538)** | **0** | **0** | **602** | **0%** | **0%** |
| **Share of surplus/ (deficit) of associate** | **33 571** | **0** | **0** | **29 467** | **100%** | **100%** |
| **Surplus/(Deficit) for the year** | **202 931** | **807 831** | **1 809 100** | **469 826** | **-72%** | **-285%** |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

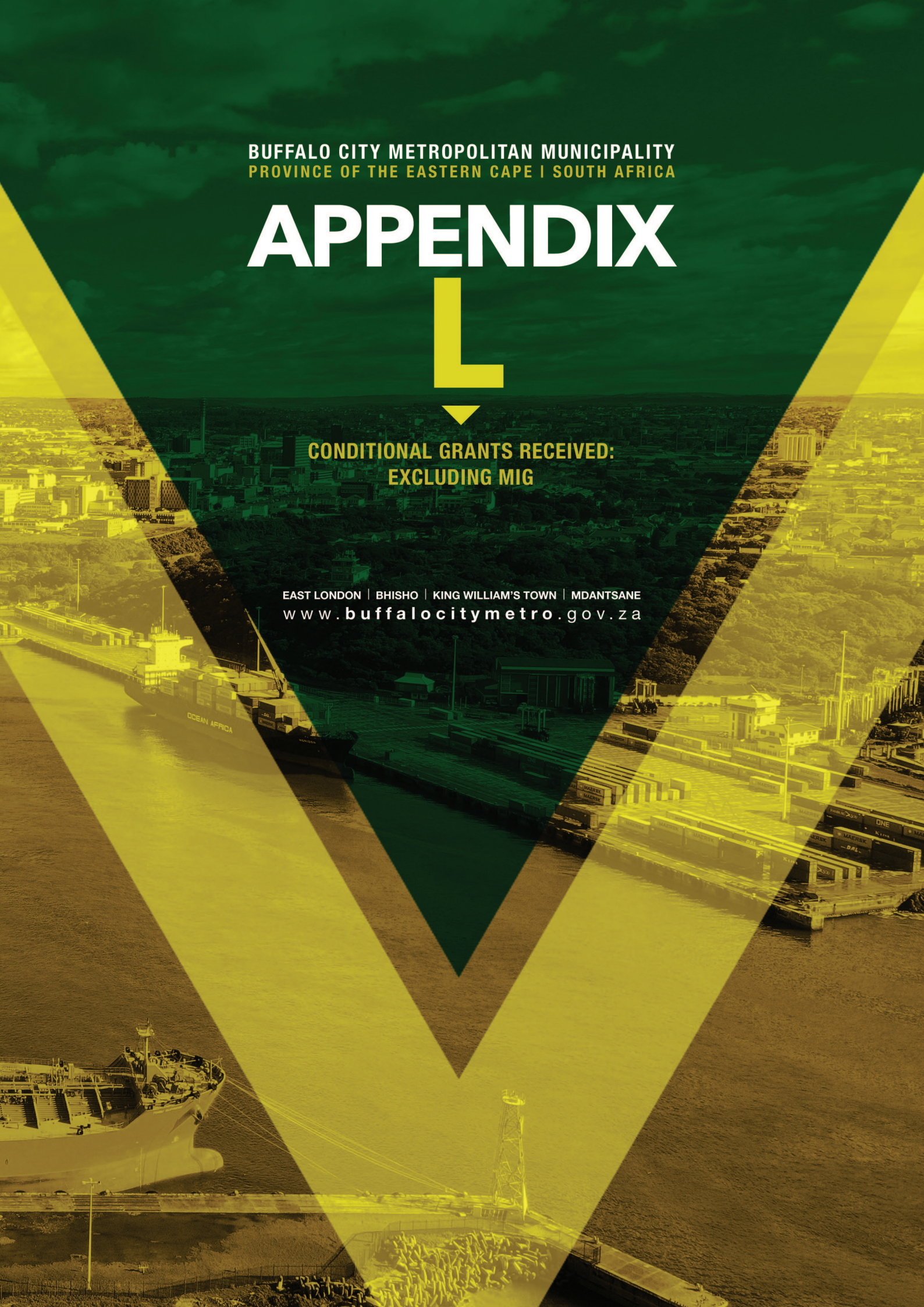


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX L

## CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

## CONDITIONAL GRANTS: EXCLUDING USDG

R' 000

| Details | Budget | Adjustments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
|---|---|---|---|---|---|---|
| | | | | Budget | Adjustments Budget | |
| Finance Management Grant | 1 150 | 1 150 | 1 151 | 0% | 0% | • Establishment of a Budget and Treasury Office (BTO) with positions filled by appropriately qualified personnel. • Appointment of at least five (5) interns over a multi-year period. • Support the training of municipal officials in financial management towards attaining the minimum competencies. |
| Infrastructure Skills Development Grant | 10 800 | 10 800 | 9 697 | -11% | -11% | • Submit evidence of graduate registration to National Treasury when graduates have qualified and are registered as professionals. • Graduates to be evaluated by professionally registered mentors quarterly on training progress. • Mentoring must be provided by registered professionals in the same field as the graduates-in training and the full names and proof of registration of the mentor must be submitted to the National Treasury. |
| Public Transport Network Grant | 95 165 | 95 165 | 94 499 | -1% | -1% | To provide funding for accelerated construction and improvement of public and non-motorised transport |
| Expanded Public Works Programme | 4 050 | 4 050 | 4 050 | 0% | 0% | • Expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised. • Expenditure should be guided by the approved business plans. • Maintain project and payroll records as specified in the EPWP Audit requirements. |
| Urban Settlement Development Grant | 762 992 | 962 992 | 962 990 | 21% | 0% | To improve urban land production to the benefit of poor households, reduce cost of urban land, enhance quality of life in informal settlements, subsidise costs of acquiring land & provide basic services for poor households. |

| | | | | | | |
|---|---|---|---|---|---|---|
| Integrated National Electrification Programme Grant | 6 200 | 6 200 | 5 213 | -19% | -19% | • Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved by DoE. • Register electrification master plans for bulk infrastructure with INEP and abide by the advice or guidance of the Department of Energy (DoE) regarding the central planning and co-ordination for such bulk infrastructure. • Adhere to labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc. • Minimum size of supply of 1.2 KVA, After Diversity Maximum Demand (ADMD), 20 Amp per household connection, in line with the Suite of Supply Policy. |
| Integrated City Development Grant | 10 003 | 10 003 | 10 002 | 0% | 0% | • To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments. • Municipalities have the authority to select preferred investments within their functional mandates, and within identified integration zones. |
| Electricity Demand Side Management Grant | 8 000 | 8 000 | 7 998 | 0% | 0% | To provide subsidies to municipalities to implement Energy Efficiency and Demand Side Management (EEDSM) initiatives within municipal infrastructure to reduce electricity consumption and improve energy efficiency. |
| Neighbourhood Development Partnership Grant | 13 250 | 6 000 | 5 993 | -121% | 0% | To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships. |
| Municipal Emergency Housing Grant | 9 043 | 9 043 | 8 749 | -3% | -3% | To provide funding to municipalities to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter. |
| Other Specify: | | | | | | |
| **Total** | **920 653** | **1 113 403** | **1 110 343** | **17%** | **-15%** | |

* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. TL

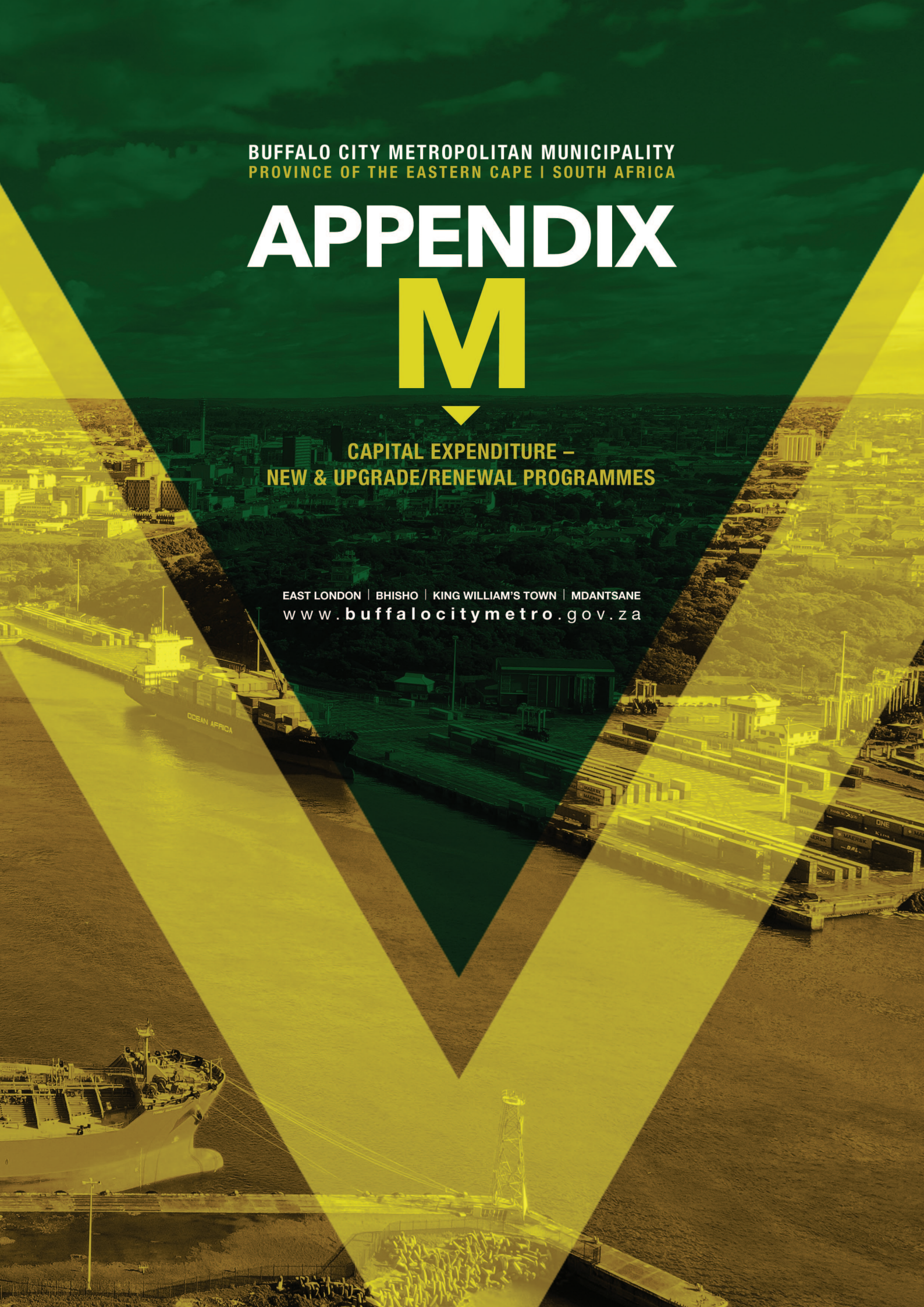


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX M

## CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX M:
# CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

## APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

### CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME*

R '000

| Description | 2017/2018 | 2018/2019 | | | Planned Capital expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2019/2020 | 2020/2021 | 2021/2022 |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Infrastructure - Total** | **781 429** | **898 188** | **1 117 095** | **1 098 622** | **743 153** | **943 028** | **932 285** |
| **Infrastructure: Road transport - Total** | **306 885** | **328 957** | **544 839** | **533 558** | **262 755** | **387 589** | **338 026** |
| Roads, Pavements & Bridges | 284 418 | 318 801 | 526 962 | 515 845 | 224 814 | 348 322 | 316 786 |
| Storm water | 22 468 | 10 156 | 17 877 | 17 713 | 37 941 | 39 268 | 21 240 |
| **Infrastructure: Electricity - Total** | **100 319** | **164 320** | **149 362** | **147 348** | **94 888** | **42 500** | **58 000** |
| Generation | – | – | – | | – | – | – |
| Transmission & Reticulation | 100 319 | 164 320 | 149 362 | 147 348 | 94 888 | 42 500 | 58 000 |
| Street Lighting | – | – | – | | – | – | – |
| **Infrastructure: Water - Total** | **67 366** | **62 835** | **82 043** | **78 373** | **89 433** | **208 941** | **289 441** |
| Dams & Reservoirs | – | – | – | | – | – | – |
| Water purification | 67 366 | 62 835 | 82 043 | 78 373 | 89 433 | 208 941 | 289 441 |
| Reticulation | 0 | 0 | 0 | | 0 | 0 | 0 |
| **Infrastructure: Sanitation - Total** | **234 038** | **262 774** | **202 790** | **200 788** | **212 677** | **287 998** | **232 819** |
| Reticulation | – | – | – | | – | – | – |
| Sewerage purification | 234 038 | 262 774 | 202 790 | 200 788 | 212 677 | 287 998 | 232 819 |
| **Infrastructure: Other - Total** | **72 821** | **79 302** | **138 061** | **138 555** | **83 400** | **16 000** | **14 000** |
| Waste Management | 43 118 | 53 852 | 50 973 | 50 219 | 59 400 | 6 000 | 8 000 |
| Transportation | – | – | – | | – | – | – |
| Other | 29 703 | 25 450 | 87 087 | 88 336 | 24 000 | 10 000 | 6 000 |
| | | | | | | | |
| **Community - Total** | **2 042** | **19 150** | **18 229** | **15 898** | **4 800** | **10 300** | **22 300** |
| Parks & gardens | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sportsfields & stadia | 0 | 2 000 | 606 | 359 | – | 0 | 0 |
| Swimming pools | 0 | 0 | 0 | – | – | 0 | 0 |
| Community halls | 0 | 0 | 0 | – | – | 0 | 0 |
| Libraries | 0 | 0 | 0 | – | – | 0 | 0 |
| Recreational facilities | 0 | 16 650 | 17 123 | 15 050 | 300 | 3 300 | 5 300 |

R '000

| Description | 2017/2018 | 2018/2019 | | | Planned Capital expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2019/2020 | 2020/2021 | 2021/2022 |
| Museums & Art Galleries | – | – | – | – | – | – | – |
| Cemeteries | – | 500 | 500 | 490 | – | – | – |
| Social rental housing | | – | | | – | – | – |
| Other | 2 042 | | | | 4 500 | 7 000 | 17 000 |
| | | | | | | | |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Heritage assets - Total** | **736** | **130** | **1 183** | **839** | **400** | **1 000** | **2 000** |
| Buildings | – | – | – | – | – | – | – |
| Other | 736 | 130 | 1 183 | 839 | 400 | 1 000 | 2 000 |
| | | | | | | | |
| **Investment properties - Total** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing development | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – |
| | | | | | | | |
| **Other assets** | **148 413** | **122 661** | **204 148** | **162 679** | **119 676** | **122 180** | **121 443** |
| General vehicles | 111 219 | 35 100 | 91 062 | 90 880 | 62 000 | 59 500 | 60 000 |
| Specialised vehicles | – | – | – | – | – | – | – |
| Plant & equipment | 12 019 | 48 443 | 68 793 | 44 796 | 40 172 | 38 634 | 41 447 |
| Computers - hardware/ equipment | 3 026 | 9 328 | 5 464 | 5 222 | 3 564 | 11 731 | 4 254 |
| Furniture and other office equipment | 8 034 | 24 640 | 24 605 | 15 141 | 10 280 | 11 815 | 8 742 |
| Civic Land and Buildings | – | – | – | – | – | – | – |
| Other | 14 115 | 5 150 | 14 224 | 6 640 | 3 660 | 500 | 7 000 |
| | | | | | | | |
| **Agricultural assets** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| List sub-class | | | | | | | |
| | | | | | | | |
| **Biological assets** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Licences and Rights | | | | | | | |
| | | | | | | | |
| **Intangibles** | **9 577** | **51 000** | **12 473** | **4 506** | **125 922** | **61 014** | **61 116** |
| Computers - software & programming | 9 577 | 51 000 | 12 473 | 4 506 | 125 922 | 61 014 | 61 116 |
| Other (list sub-class) | – | – | – | – | – | – | – |
| | | | | | | | |
| **Total Capital Expenditure on new assets** | **942 196** | **1 091 129** | **1 353 129** | **1 282 544** | **993 950** | **1 137 522** | **1 139 143** |
| | | | | | | | |
| | | | | | | | |
| **Specialised vehicles** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Refuse | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fire | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Conservancy | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ambulances | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a) T M.1

# APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

## CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME*

R '000

| Description | 2017/2018 | 2018/2019 | | | Planned Capital expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2019/2020 | 2020/2021 | 2021/2022 |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Infrastructure - Total** | **351 385** | **426 351** | **540 890** | **453 337** | **632 368** | **633 285** | **704 266** |
| **Infrastructure: Road transport -Total** | **158 608** | **145 200** | **285 359** | **265 564** | **446 577** | **435 346** | **464 644** |
| Roads, Pavements & Bridges | 158 608 | 145 200 | 285 359 | 265 564 | 446 577 | 435 346 | 464 644 |
| Storm water | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Infrastructure: Electricity - Total** | **39 883** | **40 000** | **41 327** | **40 834** | **83 958** | **79 000** | **74 000** |
| Generation | – | – | – | | – | – | – |
| Transmission & Reticulation | 39 883 | 40 000 | 41 327 | 40 834 | 83 958 | 79 000 | 74 000 |
| Street Lighting | – | – | – | | – | – | – |
| **Infrastructure: Water - Total** | **90 314** | **151 051** | **139 450** | **115 627** | **44 000** | **63 208** | **108 597** |
| Dams & Reservoirs | – | – | – | | – | – | – |
| Water purification | – | – | – | | – | – | – |
| Reticulation | 90 314 | 151 051 | 139 450 | 115 627 | 44 000 | 63 208 | 108 597 |
| **Infrastructure: Sanitation - Total** | **62 545** | **85 100** | **69 754** | **28 518** | **56 332** | **34 231** | **29 776** |
| Reticulation | 62 545 | 85 100 | 69 754 | 28 518 | 56 332 | 34 231 | 29 776 |
| Sewerage purification | – | – | – | | – | – | – |
| **Infrastructure: Other - Total** | **35** | **5 000** | **5 000** | **2 794** | **1 500** | **21 500** | **27 248** |
| Waste Management | 35 | 5 000 | 5 000 | 2 794 | 1 500 | 21 500 | 27 248 |
| | | | | | | | |
| **Community** | **114 288** | **171 705** | **156 125** | **96 591** | **76 073** | **104 150** | **167 050** |
| Parks & gardens | – | | | | – | – | – |
| Sportsfields & stadia | – | 49 050 | 44 632 | 18 118 | 26 660 | 26 350 | 19 550 |
| Swimming pools | – | | | | – | – | – |
| Community halls | – | 10 000 | 15 500 | 11 164 | 5 500 | 6 000 | 15 000 |
| Museums & Art Galleries | – | | | | | | |
| Cemeteries | 7 193 | 9 000 | 9 343 | 8 832 | 5 623 | 7 500 | 20 900 |
| Social rental housing | 1 535 | | | | | | |
| Other | 105 560 | 103 655 | 86 650 | 58 477 | 38 290 | 64 300 | 111 600 |
| | | | | | | | |
| **Heritage assets** | **651** | **1 550** | **1 975** | **–** | **200** | **200** | **3 000** |
| Buildings | | | | | | | |
| Other | 651 | 1 550 | 1 975 | – | 200 | 200 | 3 000 |

R '000

| Description | 2017/2018 | 2018/2019 | | | Planned Capital expenditure | | |
|---|---|---|---|---|---|---|---|
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2019/2020 | 2020/2021 | 2021/2022 |
| **Capital expenditure by Asset Class** | | | | | | | |
| **Investment properties** | **1 374** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing development | 1 374 | – | – | – | – | – | – |
| Other | | | | | | | |
| | | | | | | | |
| **Other assets** | **16 621** | **62 407** | **44 251** | **27 213** | **34 822** | **61 003** | **41 400** |
| General vehicles | 987 | 1 200 | 2 485 | 2 203 | 3 700 | 1 600 | 1 500 |
| Specialised vehicles | – | – | – | – | – | – | – |
| Plant & equipment | – | – | – | – | – | – | – |
| Computers - hardware/ equipment | – | – | – | – | – | – | – |
| Furniture and other office equipment | – | – | – | – | – | – | – |
| Abattoirs | – | – | – | – | – | – | – |
| Markets | – | – | – | – | – | – | – |
| Civic Land and Buildings | – | – | – | – | – | – | – |
| Other Buildings | – | – | – | – | 31 122 | 59 403 | 39 900 |
| Other Land | – | – | – | – | – | – | – |
| Surplus Assets - (Investment or Inventory) | – | – | – | – | – | – | – |
| Other | 15 634 | 61 207 | 41 767 | 25 010 | – | – | – |
| | | | | | | | |
| **Agricultural assets** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| List sub-class | | | | | | | |
| | | | | | | | |
| **Biological assets** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| List sub-class | | | | | | | |
| | | | | | | | |
| **Intangibles** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Computers - software & programming | | | | | | | |
| Other (list sub-class) | | | | | | | |
| | | | | | | | |
| **Total Capital Expenditure on renewal of existing assets** | **484 318** | **662 013** | **743 241** | **577 141** | **743 462** | **798 637** | **915 716** |
| | | | | | | | |
| | | | | | | | |
| **Specialised vehicles** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Refuse | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fire | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Conservancy | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ambulances | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b) T M.2

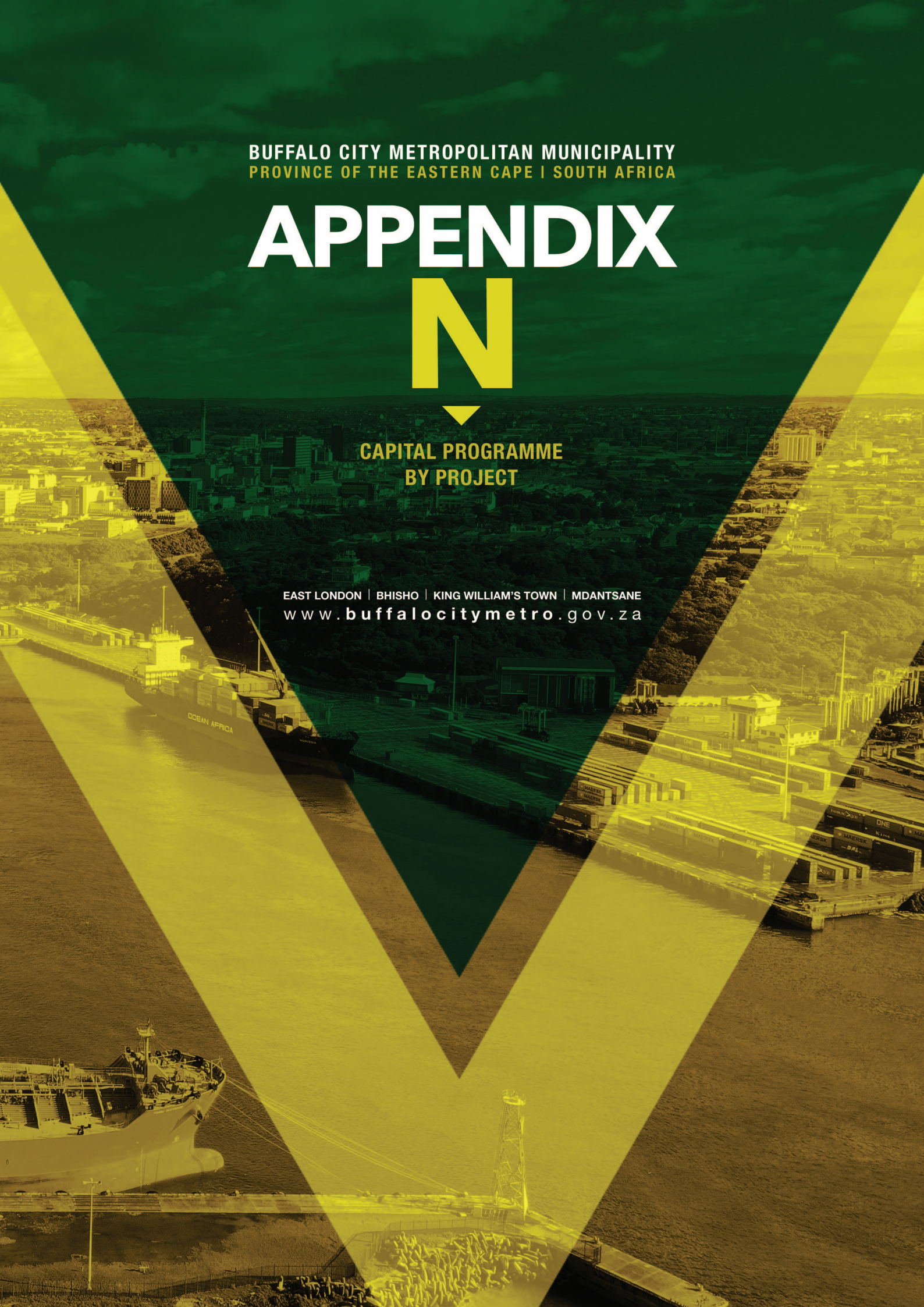


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX N

## CAPITAL PROGRAMME BY PROJECT

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX N – CAPITAL PROGRAMME BY PROJECT

## CAPITAL PROGRAMME BY PROJECT: 2018/2019

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| **DIRECTORATE OF EXECUTIVE SUPPORT SERVICES** | | | | | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | 500 | 450 | 394 | -14% | -27% |
| OFFICE FURN AND EQUIPMENT (COUNCILLORS) | 3 000 | 3 000 | – | 0% | 0% |
| OFFICE FURN AND EQUIPMENT (COUNCILLORS)C/O | 0 | 2 437 | 2 305 | 0% | 0% |
| **TOTAL: EXECUTIVE SUPPORT SERVICES** | **3 500** | **5 887** | **2 699** | **-118%** | **-30%** |
| | | | | | |
| **MUNICIPAL MANAGERS 'OFFICE** | | | | | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | 500 | 386 | 352 | -10% | -42% |
| P-CNIN FURN & OFF EQUIP | 80 | 216 | 216 | 0% | 63% |
| PROCUREMENT OF ICT EQUIPMENT | 1 260 | 3 496 | 3 381 | 0% | 0% |
| LTE INFRASTRUCTURE | 13 000 | 27 489 | 27 489 | 0% | 53% |
| FIBRE NETWORK | 23 000 | 74 991 | 76 258 | 2% | 70% |
| DISASTER RECOVERY ENHANCEMENT | 2 000 | 11 647 | 11 647 | 0% | 83% |
| INTELLIGENT OPERATING CENTRE HARDWARE & | 12 000 | 15 910 | 15 910 | 0% | 25% |
| OFFICE RENOVATIONS - LEGAL SERVICE C/O | | 3 196 | 3 196 | 0% | 100% |
| **TOTAL: MUNICIPAL MANAGERS 'OFFICE** | **51 840** | **137 330** | **138 448** | **1%** | **63%** |
| | | | | | |
| **DIRECTORATE OF HUMAN SETTLEMENTS** | | | | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | – | 395 | 366 | -8% | 100% |
| | | | | | |
| AMALINDA CO- OP | 8 000 | 17 | 17 | 0% | -46277% |
| AMALINDA CO- OP - ROADS | 1 024 | 2 | 2 | 0% | -46277% |
| AMALINDA CO- OP - SANITATION | 5 520 | 12 | 12 | 0% | -46277% |
| AMALINDA CO- OP - STORMWATER | 656 | 1 | 1 | 0% | -46277% |
| AMALINDA CO- OP - WATER | 800 | 2 | 2 | 0% | -46277% |
| BLOCK YARD TRA | 3 858 | 206 | 206 | 0% | -1771% |
| BLOCK YARD TRA - ROADS | 1 024 | 206 | 206 | 0% | -396% |
| BLOCK YARD TRA - SANITATION | 2 243 | – | – | 0% | 0% |
| BLOCK YARD TRA - STORMWATER | 267 | – | – | 0% | 0% |
| BLOCK YARD TRA - WATER | 325 | – | – | 0% | 0% |
| | | | | | |
| BOXWOOD PROJECT - ROADS | 600 | 28 148 | 28 148 | 0% | 98% |
| | | | | | |
| BRAELYN EXT 10 | 3 000 | – | – | 0% | 0% |
| BRAELYN EXT 10 - ROADS | 384 | – | – | 0% | 0% |
| BRAELYN EXT 10 - SANITATION | 2 070 | – | – | 0% | 0% |
| BRAELYN EXT 10 - STORMWATER | 246 | – | – | 0% | 0% |
| BRAELYN EXT 10 - WATER | 300 | – | – | 0% | 0% |
| BREIDBACH SERVICES PROJECT - ROADS | 100 | – | – | 0% | 0% |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| CLUSTER 1 | 5 000 | 525 | 525 | 0% | -853% |
| CLUSTER 1 - ROADS | 640 | 301 | 301 | 0% | -113% |
| CLUSTER 1 - SANITATION | 3 450 | 224 | 224 | 0% | -1441% |
| CLUSTER 1 - STORMWATER | 410 | – | – | 0% | 0% |
| CLUSTER 1 - WATER | 500 | – | – | 0% | 0% |
| CLUSTER 2 | 12 500 | 10 229 | 10 229 | 0% | -22% |
| CLUSTER 2 - ROADS | 1 920 | 4 884 | 4 884 | 0% | 61% |
| CLUSTER 2 - SANITATION | 7 850 | 2 802 | 2 802 | 0% | -180% |
| CLUSTER 2 - STORMWATER | 1 230 | 1 666 | 1 666 | 0% | 26% |
| CLUSTER 2 - WATER | 1 500 | 878 | 878 | 0% | -71% |
| CLUSTER 3 | 5 000 | 31 141 | 31 141 | 0% | 84% |
| CLUSTER 3 - ROADS | 640 | 5 624 | 5 623 | 0% | 89% |
| CLUSTER 3 - SANITATION | 3 450 | 8 616 | 8 616 | 0% | 60% |
| CLUSTER 3 - STORMWATER | 410 | 5 359 | 5 359 | 0% | 92% |
| CLUSTER 3 - WATER | 500 | 11 542 | 11 542 | 0% | 96% |
| | | | | | |
| CNIP VICTIMS - HOUSING PROJECT - ROADS | 800 | 1 626 | 1 626 | 0% | 51% |
| DUNCAN REDEVELOPMENT PROGRAMME - ROADS | 100 | – | – | 0% | 0% |
| | | | | | |
| DUNCAN VILL COMP/SITE | 2 200 | – | – | 0% | 0% |
| DUNCAN VILL COMP/SITE - ROADS | 256 | – | – | 0% | 0% |
| DUNCAN VILL COMP/SITE - SANITATION | 1 380 | – | – | 0% | 0% |
| DUNCAN VILL COMP/SITE - STORMWATER | 164 | – | – | 0% | 0% |
| DUNCAN VILL COMP/SITE - WATER | 400 | – | – | 0% | 0% |
| DUNCAN VILLAGE PROPER | 291 | – | – | 0% | 0% |
| DUNCAN VILLAGE PROPER - ROADS | 64 | – | – | 0% | 0% |
| DUNCAN VILLAGE PROPER - SANITATION | 95 | – | – | 0% | 0% |
| DUNCAN VILLAGE PROPER - STORMWATER | 82 | – | – | 0% | 0% |
| DUNCAN VILLAGE PROPER - WATER | 50 | – | – | 0% | 0% |
| | | | | | |
| GINSBERG 139 UNITS PROJECT - ROADS | 100 | – | – | 0% | 0% |
| | | | | | |
| ILITHA NORTH 177 UNITS | 5 410 | 31 | 31 | 0% | -17436% |
| ILITHA NORTH 177 UNITS - ROADS | 3 450 | – | – | 0% | 0% |
| ILITHA NORTH 177 UNITS - SANITATION | 410 | 31 | 31 | 0% | -1229% |
| ILITHA NORTH 177 UNITS - STORMWATER | 500 | – | – | 0% | 0% |
| ILITHA NORTH 177 UNITS - WATER | 1 050 | – | – | 0% | 0% |
| MDANTSANE Z 18 CC PH 2 | 8 000 | 31 624 | 31 624 | 0% | 75% |
| MDANTSANE Z 18 CC PH 2 - ROADS | 1 024 | 8 539 | 8 539 | 0% | 88% |
| MDANTSANE Z 18 CC PH 2 - SANITATION | 5 520 | 11 623 | 11 623 | 0% | 53% |
| MDANTSANE Z 18 CC PH 2 - STORMWATER | 656 | 4 855 | 4 855 | 0% | 86% |
| MDANTSANE Z 18 CC PH 2 - WATER | 800 | 6 607 | 6 607 | 0% | 88% |
| | | | | | |
| MZAMOMHLE PEOPLES HOUSING PROCESS | 500 | – | – | 0% | 0% |
| NELSON MANDELA 102 PROJECT - ROADS | 100 | – | – | 0% | 0% |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 500 | 50 | 48 | -4% | -936% |
| | | | | | |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| C SECTION AND TRIANGULAR SITE | 500 | – | – | 0% | 0% |
| C SECTION AND TRIANGULAR SITE - ROADS | 64 | – | – | 0% | 0% |
| C SECTION AND TRIANGULAR SITE - SANITATION | 345 | – | – | 0% | 0% |
| C SECTION AND TRIANGULAR SITE - STORMWATER | 50 | – | – | 0% | 0% |
| C SECTION AND TRIANGULAR SITE - WATER | 41 | – | – | 0% | 0% |
| | | | | | |
| PHAKAMISA SOUTH ROADS & STORM WATER | 500 | 10 693 | 10 693 | 0% | 95% |
| | | | | | |
| POTSDAM IKHWEZI BL 1 - ROADS | 23 144 | 29 724 | 29 724 | 0% | 22% |
| POTSDAM IKHWEZI BL 1 - ROADS | 1 173 | 1 349 | 1 349 | 0% | 13% |
| POTSDAM IKHWEZI BL 1 - SANITATION | 18 184 | 24 034 | 24 034 | 0% | 24% |
| POTSDAM IKHWEZI BL 1 - STORMWATER | 751 | 858 | 858 | 0% | 12% |
| POTSDAM IKHWEZI BL 1 - WATER | 3 035 | 3 483 | 3 483 | 0% | 13% |
| | | | | | |
| POTSDAM NORTH KANANA | 9 164 | 96 | 13 | -667% | -73050% |
| POTSDAM NORTH KANANA - ROADS | 1 173 | 96 | 13 | -667% | -9263% |
| POTSDAM NORTH KANANA - SANITATION | 6 323 | – | – | 0% | 0% |
| POTSDAM NORTH KANANA - STORMWATER | 751 | – | – | 0% | 0% |
| POTSDAM NORTH KANANA - WATER | 916 | – | – | 0% | 0% |
| | | | | | |
| TSHOLOMNQA DISASTER HOUSING | 1 000 | – | – | 0% | 0% |
| | | | | | |
| TYUTYU PHASE 3 | 3 000 | 6 253 | 714 | -776% | -320% |
| TYUTYU PHASE 3 - ROADS | 384 | 442 | 58 | -667% | -567% |
| TYUTYU PHASE 3 - SANITATION | 2 070 | 2 434 | 317 | -667% | -552% |
| TYUTYU PHASE 3 - STORMWATER | 246 | 2 295 | 299 | -667% | 18% |
| TYUTYU PHASE 3 - WATER | 300 | 1 082 | 39 | -2666% | -667% |
| | | | | | |
| WESTBANK RESTITUTION | 11 388 | 236 | 31 | -667% | -36972% |
| WESTBANK RESTITUTION - ROADS | 384 | 30 | 4 | -667% | -9666% |
| WESTBANK RESTITUTION - SANITATION | 5 570 | 163 | 21 | -667% | -26179% |
| WESTBANK RESTITUTION - STORMWATER | 246 | 19 | 3 | -667% | -9666% |
| WESTBANK RESTITUTION - WATER | 5 188 | 24 | 3 | -667% | -168784% |
| | | | | | |
| REESTON PHASE 3 STAGE 2 | | 19 538 | 19 538 | 0% | 100% |
| | | | | | |
| **TOTAL : HUMAN SETTLEMENTS** | **104 755** | **170 532** | **170 502** | **0%** | **39%** |
| | | | | | |
| **DIRECTORATE OF FINANCIAL SERVICES** | | | | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 500 | 736 | 685 | 0% | 0% |
| SMART METERING SOLUTIONS | 64 120 | 20 053 | 13 192 | 0% | 0% |
| ACQUIRE ERP SYSTEM (ASSET MANAGEMENT SYS) | 40 000 | – | (0) | 100% | 16961470% |
| FULLY INTEGRATED ASSET MANAGMNT SYSTEM C/O | | 6 162 | 19 | -32032% | 100% |
| CONSTRUCTION OF OFFICE ACCOMODATION | 20 000 | – | – | 0% | 0% |
| CONSTRUCTION OF OFFICE ACCOMODATION - C/O | | 3 995 | 3 | -120353% | 100% |
| NEW METER READING SYSTEM | 7 168 | – | – | 0% | 0% |
| INDIGENT MANAGEMENT SYSTEM | 10 750 | – | – | 0% | 0% |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| INDIGENT MANAGEMENT SYSTEM C/O | | 1 497 | 367 | -307% | 100% |
| **TOTAL : FINANCIAL SERVICES** | **142 538** | **32 442** | **14 267** | **-127%** | **-899%** |
| | | | | | |
| **DIRECTORATE OF CORPORATE SERVICES** | | | | | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | 500 | 500 | 386 | -29% | -29% |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) C/O | | 151 | 146242 | 0% | 0% |
| EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM | 3 000 | – | – | 0% | 0% |
| FURNITURE FOR INTERNS | 100 | 110 | 110 | 0% | 0% |
| EXTENSION TO EMPLOYEE WELLNESS C/O | | 30 | 26 | 0% | 0% |
| **TOTAL : CORPORATE SERVICES** | **3 600** | **791** | **668** | **-18%** | **-439%** |
| | | | | | |
| **DIRECTORATE OF INFRASTRUCTURE SERVICES** | | | | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 1 000 | 1 000 | 899 | -11% | -11% |
| INEP ELECTRIF PROGR - COUNTERFUNDING | 4 000 | 4 523 | 4 523 | 0% | 12% |
| TOOL & EQUIPMENT | 1 000 | 1 000 | 892 | -12% | -12% |
| HIGHMAST STREETLIGTING - WARD 7 | 100 | – | – | 0% | 0% |
| HIGHMAST STREETLIGTING - WARD 12 | 100 | – | – | 0% | 0% |
| ELECTRIFICATION - WARD 4 | 5 000 | – | – | 0% | 0% |
| REFURBISH, UPGRADE AND RENEWAL OF ZWELITSHA OVERHEAD LINE | – | 8 034 | 8 034 | 0% | 100% |
| ELECTRIFICATION PHAKAMISA - WARD 25 | – | 4 594 | 4 594 | 0% | 100% |
| **BULK ELEC INFRAS UPGR(RING-FENCED 4%)** | **59 800** | **58 800** | **56 178** | **-5%** | **-6%** |
| LV NETWORK - RC=COASTAL | 8 000 | 8 500 | 7 515 | -13% | -6% |
| MV SUBSTATIONS - RC=COASTAL | 2 100 | 3 100 | 3 045 | -2% | 31% |
| MV SUBSTATIONS - RW=WHOLE METRO | 5 000 | 5 000 | 4 991 | 0% | 0% |
| MV SWITCHING STATION - RN=INLAND | 5 000 | 5 000 | 4 871 | -3% | -3% |
| MV NETWORK - RN=INLAND | 9 000 | 12 000 | 10 879 | -10% | 17% |
| HV TRANSMISSION CONDUCTORS - RC=COASTAL | 16 800 | 16 800 | 16 722 | 0% | 0% |
| MV SWITCHING STATION - RC=COASTAL | 13 900 | 8 400 | 8 157 | -3% | -70% |
| BULK ELECTR INFRA UPGRD-RING FENCED C/O | – | 2 554 | 2 087 | -22% | 100% |
| **ELECTRIF - INFOR DWELLING AREAS - BCMM** | **8 000** | **6 954** | **6 954** | **0%** | **-15%** |
| LV NETWORKS - RM=MIDLAND | 8 000 | 6 954 | 6 954 | 0% | -15% |
| LV NETWORKS - RM=MIDLAND | – | 5 872 | 6 001 | 2% | 100% |
| | | | | | |
| ELECTRIFY INFORMAL DWELLINGS AREAS BCMM C/O | – | 2 753 | 2 731 | -1% | 100% |
| | | | | | |
| **BULK ELEC INFRAS UPGR - REPL EXIST INF** | **29 000** | **28 020** | **28 020** | **0%** | **-3%** |
| MV SWITCHING STATION - RC=COASTAL | 15 000 | 14 995 | 14 995 | 0% | 0% |
| LV NETWORKS - RC=COASTAL | 5 710 | 4 968 | 4 968 | 0% | -15% |
| MV NETWORKS - RC=COASTAL | 1 690 | 1 335 | 1 335 | 0% | -27% |
| MV SUBSTATIONS - RW=WHOLE METRO | 5 400 | 5 377 | 5 377 | 0% | 0% |
| MV SUBSTATIONS - RC=COASTAL | 1 200 | 1 345 | 1 345 | 0% | 11% |
| | | | | | |
| BULK ELECTR INFRA UPGRD-REPLC EXIST INFR C/O | – | 6 368 | 5 985 | -6% | 100% |
| | | | | | |
| INEP ELECTRIFICATION PROGRAMME | 6 200 | 6 200 | 5 213 | -19% | -19% |
| REPLACEMENT OF EXISTING STREETLIGHTNING | 8 000 | 8 000 | 7 998 | 0% | 0% |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| LIGHTING WITHIN THE MDANTSANE CBD | 2 250 | – | – | 0% | 0% |
| BUILDING ALTERATIONS BEACON BAY CIVIC CE | 1 000 | 2 000 | 1 926 | -4% | 48% |
| | | | | | |
| **STR LIGHT & H/MASTS - BCMM AREAS OF SUPP** | **4 000** | **4 695** | **4 695** | **0%** | **15%** |
| LV NETWORKS - RC=COASTAL | 3 800 | 4 239 | 4 239 | 0% | 10% |
| LV NETWORKS - RN=INLAND | 200 | 194 | 194 | 0% | -3% |
| LV NETWORKS - RM=MIDLAND | – | 262 | 262 | 0% | 100% |
| | **128 450** | **150 366** | **145 832** | **-3%** | **12%** |
| | | | | | |
| INTEGRATED CITY DEVELOPMENT GRANT | 10 003 | 10 003 | 10 002 | 0% | 0% |
| FLEET STREET | – | 25 000 | 25 000 | 0% | 100% |
| PROCURE - GRADERS FOR R/RDS - YELLOW FLT | 3 000 | – | – | 0% | 0% |
| QUENERA BEACON BAY LINK ROAD | 43 000 | 44 325 | 44 325 | 0% | 3% |
| REHABILIT OF BCMM BRIDGES AND STORWATER | 5 000 | 4 797 | 4 797 | 0% | -4% |
| ROADS INFRA - REVAL: ACQUISITION | – | 2 523 | 2 523 | 0% | 100% |
| ROADS INFRA - REVAL: ACQUISITION | 7 000 | 6 000 | 5 993 | 0% | -17% |
| SAULI & TOYANA ROAD UPGRADE | | – | – | 0% | 0% |
| | | | | | |
| ROADS PROVISION | 90 082 | 256 334 | 234 143 | -9% | 62% |
| ROADS PROVISION - WARD 1 | 1 582 | 3 382 | 3 024 | -12% | 48% |
| ROADS PROVISION - WARD 12 | – | 1 800 | 1 796 | 0% | 100% |
| ROADS PROVISION - WARD 10 | 500 | 1 850 | 1 596 | -16% | 69% |
| ROADS PROVISION - WARD 27 | – | 1 700 | 933 | -82% | 100% |
| ROADS PROVISION - WARD 19 | 3 000 | 4 800 | 4 773 | -1% | 37% |
| ROADS PROVISION - WARD 24 | | 1 900 | 1 861 | -2% | 100% |
| ROADS PROVISION - WARD 2 | 3 500 | 5 300 | 5 122 | -3% | 32% |
| ROADS PROVISION - WARD 11 | – | 1 900 | 1 900 | 0% | 100% |
| ROADS PROVISION - WARD 14 | – | 1 900 | 1 891 | 0% | 100% |
| ROADS PROVISION - WARD 17, 20, 21,30 | – | 3 350 | 1 070 | -213% | 100% |
| ROADS PROVISION - WARD 15 | – | 1 181 | 1 179 | 0% | 100% |
| ROADS PROVISION - WARD 46 | – | 1 000 | 870 | -15% | 100% |
| ROADS PROVISION - WARD 10 | 2 000 | 2 157 | 2 157 | 0% | 7% |
| ROADS PROVISION - WARD 15 | 2 000 | 2 406 | 2 406 | 0% | 17% |
| ROADS PROVISION - WARD 15 | 1 500 | 1 720 | 1 720 | 0% | 13% |
| ROADS PROVISION - WARD 15 | 3 000 | 3 170 | 3 170 | 0% | 5% |
| ROADS PROVISION - WARD 16 | 4 000 | 3 958 | 3 958 | 0% | -1% |
| ROADS PROVISION - WARD 18 | 3 050 | 5 200 | 5 200 | 0% | 41% |
| ROADS PROVISION - WARD 24 | 4 000 | – | – | 0% | 0% |
| ROADS PROVISION - WARD 7 | 2 000 | 4 518 | 4 518 | 0% | 56% |
| ROADS PROVISION - WARD 7 DOUGLAS HIGHWAY | – | 2 947 | 2 947 | 0% | 100% |
| ROADS PROVISION - WARD 8 | 3 000 | 6 327 | 6 327 | 0% | 53% |
| ROADS PROVISION - WARD 1 | – | 2 079 | 2 079 | 0% | 100% |
| ROADS PROVISION - WARD 2 | – | 2 444 | 2 444 | 0% | 100% |
| ROADS PROVISION - WARD 4 | – | 1 439 | 1 439 | 0% | 100% |
| ROADS PROVISION - WARD 5 | – | 4 009 | 4 009 | 0% | 100% |
| ROADS PROVISION - WARD 6 | – | 2 852 | 2 852 | 0% | 100% |
| ROADS PROVISION - WARD 24 | – | 4 000 | 3 959 | -1% | 100% |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| ROADS PROVISION - WARD 7 | – | 2 000 | 1 485 | -35% | 100% |
| ROADS WARD - 8 | – | 3 000 | – | 0% | 0% |
| ROADS PROVISION - WARD 46 | 2 500 | 4 209 | 4 209 | 0% | 41% |
| ROADS PROVISION - WARD 25 | 2 500 | 5 500 | 5 126 | -7% | 51% |
| ROADS PROVISION - WARD 26 | 3 000 | 3 000 | 2 870 | -5% | -5% |
| ROADS PROVISION - WARD 26 | 2 500 | 2 500 | 530 | -372% | -372% |
| ROADS PROVISION - WARD 28 | 2 500 | 2 500 | 2 500 | 0% | 0% |
| ROADS PROVISION - WARD 29 | 3 000 | 5 195 | 5 195 | 0% | 42% |
| ROADS PROVISION - WARD 3 | 4 000 | 4 000 | 3 982 | 0% | 0% |
| ROADS PROVISION - WARD 31 | 3 000 | – | – | 0% | 0% |
| ROADS PROVISION - WARD 31 | 1 000 | 2 805 | 2 680 | -5% | 63% |
| ROADS PROVISION - WARD 32 | 4 000 | 1 000 | 998 | 0% | -301% |
| ROADS PROVISION - WARD 34 | 1 000 | 5 800 | 5 798 | 0% | 83% |
| ROADS PROVISION - WARD 36 | 2 500 | 2 700 | 1 663 | -62% | -50% |
| ROADS PROVISION - WARD 39 | 2 500 | 5 000 | 4 648 | -8% | 46% |
| ROADS PROVISION - WARD 4 | 3 000 | 4 000 | 2 974 | -34% | -1% |
| ROADS PROVISION - WARD 41 | 2 000 | 5 500 | 3 357 | -64% | 40% |
| ROADS PROVISION - WARD 43 | 2 000 | 3 500 | 1 509 | -132% | -33% |
| ROADS PROVISION - WARD 44 | 2 950 | 3 700 | 3 136 | -18% | 6% |
| ROADS PROVISION - WARD 45 | 2 000 | 2 950 | 2 948 | 0% | 32% |
| ROADS PROVISION - WARD 5 | 2 000 | 4 076 | 3 970 | -3% | 50% |
| ROADS PROVISION - WARD 50 | 3 000 | 2 224 | 2 224 | 0% | -35% |
| ROADS PROVISION - WARD 6 | 1 000 | 4 600 | 4 378 | -5% | 77% |
| ROADS PROVISION - WARD 7 | 1 000 | 2 800 | 993 | -182% | -1% |
| ROADS PROVISION - WARD 8 | 2 000 | 2 000 | 1 995 | 0% | 0% |
| ROADS PROVISION - WARD 9 | 2 000 | 3 000 | 2 142 | -40% | 7% |
| ROADS PROVISION - WARD 9 | – | 2 000 | 2 000 | 0% | 100% |
| ROADS PROVISION - WARD 1 AND 9 C/O | – | 2 400 | 2 400 | 0% | 100% |
| ROADS PROVISION - WARD 16 C/O | – | 3 500 | 3 140 | -11% | 100% |
| ROADS PROVISION - WARD 34 AND 36 C/O | – | 4 500 | 4 460 | -1% | 100% |
| ROADS PROVISION - WARD 47 | – | 3 324 | 3 313 | 0% | 100% |
| ROADS PROVISION - WARD 50 | – | 2 700 | 2 697 | 0% | 100% |
| ROADS PROVISION - WARD 45 | – | 7 400 | 7 174 | -3% | 100% |
| ROADS PROVISION - WARD 26 | – | 4 500 | 4 455 | -1% | 100% |
| ROADS PROVISION - WARD 25 AND 41 C/O | – | 3 000 | 2 972 | -1% | 100% |
| ROADS PROVISION - WARD 5 | – | 3 700 | 3 700 | 0% | 100% |
| ROADS PROVISION - WARD 28 | – | 2 098 | 1 982 | -6% | 100% |
| ROADS PROVISION - WARD 3 C/O | – | 2 000 | 1 850 | -8% | 100% |
| ROADS PROVISION - WARD 39 | – | 3 000 | 2 774 | -8% | 100% |
| ROADS PROVISION - WARD 13 C/O | – | 3 000 | 2 995 | 0% | 100% |
| ROADS PROVISION - WARD 44 | – | 4 000 | 3 999 | 0% | 100% |
| ROADS PROVISION - WARD 29 | – | 8 309 | 8 132 | -2% | 100% |
| ROADS PROVISION - WARD 4 | – | 5 056 | 5 053 | 0% | 100% |
| ROADS PROVISION - WARD 25 C/O | – | 2 000 | 1 955 | -2% | 100% |
| ROADS PROVISION - WARD 8 AND 10 C/O | – | 3 000 | 2 988 | 0% | 100% |
| ROAD PROVISION | | 20 000 | 19 594 | | |
| RURAL ROADS | 31 400 | 60 702 | 60 702 | 0% | 48% |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| RURAL ROADS - WARD 17 | 2 000 | 2 075 | 2 075 | 0% | 4% |
| RURAL ROADS - WARD 22 | – | – | – | 0% | 0% |
| RURAL ROADS - WARD 24 | 3 000 | 3 419 | 3 419 | 0% | 12% |
| RURAL ROADS - WARD 25 | – | – | – | 0% | 0% |
| RURAL ROADS - WARD 26 | – | – | – | 0% | 0% |
| RURAL ROADS - WARD 28 | – | 1 499 | 1 499 | 0% | 100% |
| RURAL ROADS - WARD 29 | – | 1 633 | 1 633 | 0% | 100% |
| RURAL ROADS - WARD 31 | – | 3 746 | 3 746 | 0% | 100% |
| RURAL ROADS - WARD 32 | 2 000 | 5 177 | 5 177 | 0% | 61% |
| RURAL ROADS - WARD 33 | 3 900 | 5 183 | 5 183 | 0% | 25% |
| RURAL ROADS - WARD 34 | 1 500 | 1 273 | 1 273 | 0% | -18% |
| RURAL ROADS - WARD 35 | 3 500 | 5 092 | 5 092 | 0% | 31% |
| RURAL ROADS - WARD 36 | 2 000 | 3 875 | 3 875 | 0% | 48% |
| RURAL ROADS - WARD 37 | – | 1 814 | 1 814 | 0% | 100% |
| RURAL ROADS - WARD 38 | 1 500 | 2 604 | 2 604 | 0% | 42% |
| RURAL ROADS - WARD 40 | 3 500 | 7 248 | 7 248 | 0% | 52% |
| RURAL ROADS - WARD 43 | 1 500 | 4 482 | 4 482 | 0% | 67% |
| RURAL ROADS - WARD 44 | 1 000 | 1 081 | 1 081 | 0% | 7% |
| RURAL ROADS - WARD 45 | – | – | – | 0% | 0% |
| RURAL ROADS - WARD 46 | – | 1 739 | 1 739 | 0% | 100% |
| RURAL ROADS - WARD 49 | 4 000 | 4 524 | 4 524 | 0% | 12% |
| RURAL ROADS - WARD 50 | 2 000 | 4 239 | 4 239 | 0% | 53% |
| RURAL ROADS c/o | – | 5 800 | 4 394 | -32% | 100% |
| RURAL ROADS | – | 1 744 | 1 482 | -18% | 100% |
| RURAL ROADS | – | 2 256 | 2 256 | 0% | 100% |
| RURAL ROADS | – | 1 800 | 656 | -174% | 100% |
| | | | | | |
| SIDEWALKS | 4 000 | – | – | 0% | 0% |
| | | | | | |
| UPGRADING OF MDANTSANE ROADS- CLUSTER 1 | 23 000 | 28 041 | 28 041 | 0% | 18% |
| UPGR OF MDANTSANE RDS - CLUST 1: WARD 11 | 3 000 | 3 390 | 3 390 | 0% | 12% |
| UPGR OF MDANTSANE RDS - CLUST 1: WARD 12 | 6 000 | 8 770 | 8 770 | 0% | 32% |
| UPGR OF MDANTSANE RDS - CLUST 1: WARD 14 | 4 500 | 5 142 | 5 142 | 0% | 12% |
| UPGR OF MDANTSANE RDS - CLUST 1: WARD 17 | 1 500 | 1 604 | 1 604 | 0% | 6% |
| UPGR OF MDANTSANE RDS - CLUST 1: WARD 42 | 8 000 | 9 135 | 9 135 | 0% | 12% |
| UPGRADING OF MDANTSANE ROADS - CLUSTER 2 | 17 000 | 18 277 | 18 277 | 0% | 7% |
| UPGR OF MDANTSANE RDS - CLUST 2: WARD 11 | 2 000 | 2 300 | 2 300 | 0% | 13% |
| UPGR OF MDANTSANE RDS - CLUST 2: WARD 17 | 1 500 | 1 725 | 1 725 | 0% | 13% |
| UPGR OF MDANTSANE RDS - CLUST 2: WARD 20 | 7 000 | 7 668 | 7 668 | 0% | 9% |
| UPGR OF MDANTSANE RDS - CLUST 2: WARD 30 | 3 500 | 3 270 | 3 270 | 0% | -7% |
| UPGR OF MDANTSANE RDS - CLUST 2: WARD 48 | 3 000 | 3 314 | 3 314 | 0% | 9% |
| UPGRADING OF MDANTSANE ROADS - CLUSTER 3 | 26 000 | 35 841 | 35 841 | 0% | 27% |
| UPGR - MDANTSANE RDS - CLUST 3: WARD 21 | 7 000 | 14 874 | 14 874 | 0% | 53% |
| UPGR OF MDANTSANE RDS - CLUST 3: WARD 23 | 16 000 | 17 517 | 17 517 | 0% | 9% |
| UPGR OF MDANTSANE RDS - CLUST 3: WARD 24 | 3 000 | 3 450 | 3 450 | 0% | 13% |
| | | | | | |
| UPGRADING OF MDANTSANE ROADS | – | 2 200 | 2 087 | -5% | 100% |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| UPGRADING OF MDANTSANE ROADS - CLUSTER 3 | – | 15 034 | 15 034 | 0% | 100% |
| UPGR - MDANTSANE RDS - CLUST 3: WARD 21 | – | – | – | 0% | 0% |
| UPGR OF MDANTSANE RDS - CLUST 3: WARD 23 | – | 15 034 | 15 034 | 0% | 100% |
| UPGR OF RDP SETTLEMENTS | 10 000 | 2 000 | 1 737 | -15% | -476% |
| UPGR OF RDP SETTLEMENTS-CLUST 3:WARD 27 | 4 000 | – | – | 0% | 0% |
| UPGR OF RDP SETTLEMENTS-CLUST 2:WARD 22 | 2 000 | 2 000 | 1 737 | -15% | -15% |
| UPGRD OF ROADS RDP SETTLEMENTS - WARD 13 | 4 000 | – | – | 0% | 0% |
| UPGR OF RDP SETTLEMENTS | – | – | – | 0% | 0% |
| UPGR OF RDP SETTLEMENTS-CLUST 3:WARD 27 | – | – | – | 0% | 0% |
| UPGRD OF ROADS RDP SETTLEMENTS - WARD 13 | – | – | – | 0% | 0% |
| KWT ROADS | 16 500 | 17 561 | 17 591 | 0% | 6% |
| URBAN ROADS - WARD 35 (KWT ROADS) | 1 500 | 1 717 | 1 717 | 0% | 13% |
| WARD 37 | 11 000 | 11 753 | 11 864 | 1% | 7% |
| WARD 39 | 2 000 | – | – | 0% | 0% |
| WARD 43 | 2 000 | 2 091 | 2 206 | 5% | 9% |
| WARD 43 | – | 2 000 | 1 804 | -11% | 100% |
| | | | | | |
| WEST DRIVE BRIDGE - WARD 37 | 1 000 | 1 154 | 1 154 | 0% | 13% |
| STORMWATER UPGRADE / REHABILITATION | | 8 263 | 8 263 | 0% | 100% |
| | **286 985** | **543 856** | **519 905** | **-5%** | **45%** |
| | | | | | |
| ABLUTION FACILITIES | 3 000 | 2 801 | 2 801 | 0% | -7% |
| BISHO KWT & ZWELITSHA BULK REG SEWER SCH | 81 294 | 89 399 | 89 399 | 0% | 9% |
| E/L SEWER DIVERSION : CENTRAL TO REESTON | 69 000 | – | – | 0% | 0% |
| EAST BEACH GRAVITY SEWER UPGRADE | 26 100 | 11 100 | 2 108 | 0% | 0% |
| HOOD POINT MARINE OUTF SEWER & ANC WORKS | 19 000 | 6 396 | 6 396 | 0% | -197% |
| MDASANE SANITATION | 18 000 | 20 551 | 20 551 | 0% | 12% |
| BERLIN SEWERS | 2 000 | 1 654 | 1 654 | 0% | -21% |
| PUMP STATIONS | 4 000 | 4 000 | 3 971 | -1% | -1% |
| REESTON PHASE 3 BULK SERVICES SEWER | 8 000 | 9 165 | 9 165 | 0% | 13% |
| RETICULATION | 24 000 | 24 000 | 12 747 | -88% | -88% |
| WASTEWATER TREATMENT WORKS | 29 000 | 29 000 | 8 296 | -250% | -250% |
| UPGRADING OF LABORATORY | 4 000 | 4 000 | 531 | -654% | -654% |
| UPGRADING OF LABORATORY C/O | | 1 119 | 1 036 | -8% | 100% |
| DUNCAN VILLAGE - ABLUTION FACILITIES | | 403 | 403 | 0% | 100% |
| DUNCAN VILLAGE - SEWER PIPES | | 3 000 | 3 000 | 0% | 100% |
| SCENERY PARK - SEWER PIPES REPLACEMENT | | 1 600 | 1 600 | 0% | 100% |
| | **287 394** | **208 187** | **163 657** | **-27%** | **-76%** |
| | | | | | |
| KWT & BISHO INFRASTRUCTURE | 14 000 | 11 883 | 11 846 | 0% | -18% |
| WATER TREATMENT WORKS | 6 000 | 1 502 | 1 464 | -3% | -310% |
| BULK MAINS | 2 000 | 2 034 | 2 034 | 0% | 2% |
| BULK MAINS | 4 500 | 8 347 | 8 347 | 0% | 46% |
| DAMS AND WEIRS | 1 500 | – | – | 0% | 0% |
| | | | | | |
| FEASIBILIT- ALTERN W/SUPPLY - BULK MAINS | 2 000 | 205 | 205 | 0% | -876% |
| | | | | | |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| WESTBANK RESTITUTION | 9 000 | 9 584 | 9 584 | 0% | 6% |
| BULK MAINS | 4 000 | 1 186 | 1 186 | 0% | -237% |
| RESERVOIRS | 5 000 | 8 398 | 8 398 | 0% | 40% |
| WATER BACKLOGS | 13 400 | 27 180 | 26 508 | -3% | 49% |
| BULK MAINS | 6 000 | 22 017 | 21 345 | -3% | 72% |
| DISTRIBUTION MAINS | 3 082 | 1 942 | 1 942 | 0% | -59% |
| RESERVOIRS | 4 318 | 866 | 866 | 0% | -398% |
| BULK MAINS | – | 2 354 | 2 354 | 0% | 100% |
| AMAHLEKE WATER SUPPLY | 7 600 | 19 456 | 19 456 | 0% | 61% |
| DISTRIBUTION MAINS | 2 000 | 2 300 | 2 300 | 0% | 13% |
| PUMP STATION | 1 000 | 1 132 | 1 132 | 0% | 12% |
| RESERVOIRS | 4 600 | 16 024 | 16 024 | 0% | 71% |
| | | | | | |
| UMZONYANA DAM UPGRADE | 78 951 | 48 974 | 48 974 | 0% | -61% |
| W/DEMAND MANGM - WATER CONSERV - PRV STA | 5 000 | 4 334 | 4 334 | 0% | -15% |
| UPGRADE WATER NETWOKRS | 8 000 | 7 245 | 7 245 | 0% | -10% |
| RESERVOIRS | 3 800 | 4 262 | 4 262 | 0% | 11% |
| PUMP STATION | 1 200 | 996 | 996 | 0% | -21% |
| DISTRIBUTION | 1 000 | 889 | 889 | 0% | -12% |
| BULK MAINS | 2 000 | 1 098 | 1 098 | 0% | -82% |
| PIPE AND WATER METER REPLACEMENT IN MDANTSANE | 19 250 | 22 041 | 14 718 | -50% | -31% |
| RESERVOIRS-PIPE AND WATER METER REPLACEM | 3 000 | 1 500 | – | 0% | 0% |
| WATER TREATMENT WORKS-PIPE AND WATER MET | 2 000 | 2 195 | 2 195 | 0% | 9% |
| DISTRIBUTION POINTS-PIPE AND WATER METER | 5 000 | – | – | 0% | 0% |
| BULK-PIPE AND WATER METER REPLACEMENT IN | 9 250 | 6 500 | 4 100 | -59% | -126% |
| DISTRIB POINTS & WATER METER REPLACEMENT IN MDT | – | 9 250 | 6 186 | -50% | 100% |
| WATER METER REPLACEMENT - MDANTSANE - WARD 14 | – | 1 406 | 1 048 | -34% | 100% |
| | | 1 189 | 1 189 | | |
| PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA | 14 250 | 17 408 | 16 534 | -5% | 14% |
| DISTRIBUTION POINTS-PIPE AND WATER METER | 11 550 | 11 552 | 11 552 | 0% | 0% |
| RESERVOIRS-PIPE AND WATER METER REPLACEM | 2 700 | 2 698 | 1 823 | -48% | -48% |
| WATER METER REPLACEMENT - BHISHO - WARD 43 | – | 1 219 | 1 219 | 0% | 100% |
| WATER METER REPLACEMENT - SWEETWATERS - WARD 44 | – | 1 939 | 1 939 | 0% | 100% |
| PIPE AND WATER METER REPLACEMENT IN EL | 23 000 | 24 847 | 21 606 | -15% | -6% |
| BULK-PIPE AND WATER METER REPLACEMENT IN | 8 000 | 8 000 | 7 468 | -7% | -7% |
| DISTRIBUTION POINTS-PIPE AND WATER METER | 9 000 | 9 000 | 6 189 | -45% | -45% |
| RESERVOIRS-PIPE AND WATER METER REPLACEM | 4 000 | 4 000 | 1 764 | -127% | -127% |
| WATER TREATMENT WORKS-PIPE AND WATER MET | 2 000 | 2 000 | 1 341 | -49% | -49% |
| DISTRIB POINTS & WATER METER REPLC IN EL C/O | – | 1 847 | 1 847 | 0% | 100% |
| WATER METER REPLACEMENT - DUNCAN VILLAGE | – | 2 998 | 2 998 | 0% | 100% |
| | **194 451** | **196 156** | **181 012** | **-8%** | **-7%** |

R' 000

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| BCM FLEET PLANT SPEC EQUIP & S/WASTE VEH | 18 000 | 71 624 | 71 443 | 0% | 75% |
| | | | | | |
| **TOTAL : INFRASTRUCTURE SERVICES** | **916 280** | **1 171 190** | **1 082 747** | **-8%** | **15%** |
| | | | | | |
| **DIRECTORATE OF SPATIAL PLANNING & DEVELOPMENT** | | | | | |
| UPGRADING OF KING WILLIAMS TOWN PAYMENTS | 2 500 | 854 | 623 | -37% | -301% |
| KING WILLIAMS TOWN PAYMENTS HALL C/O | 2 500 | – | – | 0% | 0% |
| UPGRADING OF LIFTS FOR BCMM BUILDINGS | – | 3 700 | 229 | -1514% | 100% |
| UPGRADING OF LIFTS FOR BCMM BUILDINGS | – | 3 488 | 3 453 | -1% | 100% |
| SCM INVENTORY WAREHOUSING AND FENCING C/O | – | 266 | 266 | 0% | 100% |
| SURVEY EQUIPMENT AND SOFTWARE PACKAGES C/O | 4 000 | 1 068 | 1 068 | 0% | 0% |
| SOFTWARE | 1 500 | – | – | 0% | 0% |
| BISHO CIVIC CENTRE (FENCING) | 2 500 | – | – | 0% | 0% |
| NEW AIR-COND (REPLAC-SHOPRITE CAXTON ST) | – | 1 645 | 1 527 | -8% | 100% |
| NEW AIR-COND (REPLAC-SHOPRITE CAXTON ST) | 2 500 | 204 | 204 | 0% | 0% |
| NEW A/CON PLANT - CITY ENGINEERING BUILD | 4 500 | 1 000 | – | 0% | 0% |
| NEW A/CON PLANT - MUNIFIN (ONE PLANT) | 500 | 1 800 | – | 0% | 0% |
| REFURBISHMENT OF NEW DISABLED FACILITIES | 2 000 | 222 | 222 | 0% | 0% |
| ORIENT THEATRE REFURBISHMENT | – | 1 000 | – | 0% | 0% |
| REFURBISHMENT OF ORIENT COMPLEX C/O | 1 250 | 43 | 37 | -16% | -3325% |
| MAJOR REFURBISHMENT OF MUNICIPAL BUILDIN | | 1 250 | 1 227 | -2% | 100% |
| MAJOR REFURBISHMENT OF MUNICIPAL BUILDIN | 3 473 | 125 | 124 | -1% | -2701% |
| MDANTSANE MAIN COMPLEX RESURFACING | 1 250 | 3 315 | 3 315 | 0% | 62% |
| MUNICIPAL BUILDINGS REFUBISHMENT OF DISA | 4 000 | 1 056 | 1 056 | 0% | 0% |
| BUXTON AND ELECTRICITY HOUSE REFURBISHME | 4 000 | – | – | 0% | 0% |
| GREENPOINT BOWLING CLUB REFURBISHMENT | 4 000 | – | – | 0% | 0% |
| BEACONSFIELD HEALTH DEPARTMENT REFURBISH | 2 500 | – | – | 0% | 0% |
| BEACONSFIELD HEALTH DEPARTMENT REFURBISH | 4 000 | – | – | 0% | 0% |
| MDANTSANE ZONE 6 REFURBISHMENT | – | – | – | 0% | 0% |
| SLEEPER SITE REFURBISHMENT | 1 250 | 2 419 | 2 360 | 0% | 0% |
| SLEEPER SITE REFURBISHMENT | 1 250 | 125 | 64 | 0% | 0% |
| GREENFIELDS FLATS REFURBISHMENT | 1 000 | – | – | 0% | 0% |
| FLEET STREET FIRE STATION REFURBISHMENT | 2 500 | – | – | 0% | 0% |
| CONSTR - NEW OFF - CHISELHURST BMS DEPOT | 1 000 | 59 | 59 | 0% | -1595% |
| GONU TRAFF R/WORT REFURB & UPGR OF OFF | 800 | – | – | 0% | 0% |
| EXTENS - WORKSH AT CHISELHURST BMS DEPOT | – | 145 | 145 | 0% | 0% |
| UPGRADING OF ELECTRICAL - FIRE DEPART EL | – | 38 | – | 0% | 0% |
| OLD MUTUAL - UPGRADING OF ALL WINDOWS C/O | – | 50 | 50 | 0% | 0% |
| OLD MUTUAL - UPGRADING OF SHOPS C/O | – | 242 | 242 | 0% | 100% |
| EAST LONDON MECHANICAL W/SHOPS REFURB C/O | 11 000 | – | – | 0% | 0% |
| SUNNYMEAD O/A HOME - NEW PARKING C/O | – | 203 | 185 | -10% | 100% |
| LAND ACQUISITION | 800 | 7 300 | – | 0% | 0% |
| LAND ACQUISITION C/O | – | 4 860 | 4 860 | 0% | 0% |
| UPGRADING OF ELECTRICAL - OLD MUTUAL | 800 | – | – | 0% | 0% |
| UPGRAD OF ELECTRICAL -BISHO CIVIC CENTRE | 800 | – | – | 0% | 0% |
| UPGRAD OF ELECTRICAL -BISHO CIVIC CENTRE | – | 143 | 110 | 0% | 0% |
| UPGRADING OF ELECTRIC -KWT CIVIC CENTRE | 500 | – | – | 0% | 0% |

**R' 000**

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 3 500 | 500 | 336 | 0% | 0% |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | – | 580 | 582 | 0% | 100% |
| BRIDGE DESIGNS & IMPLEMENTATION - COASTAL | – | 1 236 | 1 236 | 0% | 100% |
| BRIDGE DESIGNS & IMPLEMENTATION - MIDLAND | 500 | 215 | 215 | 0% | -132% |
| BRIDGE DESIGNS & IMPLEMENTATION- INLAND | 500 | 89 | 89 | 0% | -461% |
| BRIDGE DESIGNS & IMPLEMENTATION - WARD 8 | 800 | 128 | 128 | 0% | 0% |
| BRIDGE DESIGNS & IMPLEMENTATION - WARD 14 | – | 218 | 218 | 0% | 0% |
| GUARDRAILS - MIDLAND | 23 000 | – | – | 0% | 0% |
| GUARDRAILS - INLAND | 19 000 | – | – | 0% | 0% |
| SLEEPER SITE ROADS | 6 000 | 1 277 | 1 277 | 0% | -370% |
| NEEDS CAMP POTSDAM BRIDGE | 4 000 | 41 893 | 42 198 | 1% | 91% |
| MARY STREET | 200 | 6 000 | 4 789 | 0% | 0% |
| CITY TO SEA BOULEVARD | 81 165 | 1 081 | 1 081 | 0% | -7410% |
| QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | – | 91 091 | 91 092 | 0% | 100% |
| QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | 5 500 | 32 077 | 32 077 | 0% | 0% |
| QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | – | 9 455 | 9 455 | 0% | 100% |
| SIDEWALKS- COASTAL | 2 400 | – | – | 0% | 0% |
| SIDEWALKS- MIDLAND | – | 598 | 598 | 0% | 100% |
| SIDEWALKS- INLAND | – | 2 570 | 2 570 | 0% | 100% |
| TRAFFIC CALMING- COASTAL | 3 500 | 1 556 | 1 614 | 0% | 0% |
| TRAFFIC CALMING - MIDLAND | – | 595 | 595 | 0% | 100% |
| TRAFFIC CALMING- INLAND | – | 379 | 379 | 0% | 100% |
| TRAFFIC SIGNALS | 300 | – | – | 0% | 0% |
| TRAFFIC SIGNALS - COASTAL | – | 1 356 | 1 356 | 0% | 100% |
| TRAFFIC SIGNALS - INLAND | 300 | 844 | 844 | 0% | 0% |
| TRAFFIC CALMING - WARD 16 | 8 500 | – | – | 0% | 0% |
| TRAFFIC CALMING - WARD 16 | – | 286 | 286 | 0% | 100% |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC) | 14 000 | – | – | 0% | 0% |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC) - COASTAL | 3 000 | 3 212 | 3 212 | 0% | 0% |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC)- INLAND | – | 222 | 222 | 0% | 100% |
| MARKET SQUARE BUS RANK | – | 11 500 | 11 499 | 0% | 100% |
| TAXI/BUS EMBAYMENTS | 15 000 | 189 | 189 | 0% | -7818% |
| TAXI/BUS EMBAYMENTS | 4 000 | 189 | 189 | 0% | 0% |
| TAXI/BUS EMBAYMENTS | – | 1 019 | 1 019 | 0% | 100% |
| MARKET SQUARE TAXI RANK | – | 10 500 | 8 903 | -18% | 100% |
| NORTH WEST CORRIDOR - COASTAL | | 3 485 | 3 478 | | |
| MDANTSANE URBAN RENEW - MT RUTH NODE C/O | | 9 036 | 7 456 | | |
| **TOTAL : SPATIAL PLANNING & DEVELOPMENT** | **263 838** | **269 995** | **250 605** | **-8%** | **-5%** |
| | | | | | |
| **DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES** | | | | | |
| BUILDING OF MEMORIAL STONES | 130 | 130 | – | 0% | 0% |
| BUILDING OF MEMORIAL STONES | | 125 | 105 | -19% | 100% |
| EXTENSION OF MDANTSANE ART CENTRE | 1 600 | 300 | – | 0% | 0% |
| FENCING OF WORLD WAR 1 | 350 | 350 | – | 0% | 0% |
| RESTORAT WORK - SETTLERS WAY | 600 | 600 | – | 0% | 0% |
| | | | | | **R' 000** |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| RESTORAT WORK - SETTLERS WAY | | 425 | – | 0% | 0% |
| RESTORAT WORK DESMOND TUTU MONUMENT | 600 | 600 | – | 0% | 0% |
| ART CULTURE & HERITAGE SITES UPGR C/O | | 928 | 734 | -27% | 100% |
| UPGRADING OF COLD ROOMS | 2 000 | 2 000 | 1 158 | -73% | -73% |
| MARKET PLANT AND EQUIPMENT | 1 000 | 600 | – | 0% | 0% |
| INSTALLATION OF BOOM GATES | 200 | 200 | 189 | -6% | -6% |
| UPGRADING OF MARKET HALL | 4 800 | 7 200 | 1 897 | -279% | -153% |
| CCTV CAMERA INSTALLATION C/O | | 596 | 467 | 0% | 0% |
| HYDROPONICS AND PACKHOUSE - WARD 20 | 650 | 650 | 45 | -1349% | -1349% |
| HYDROPONICS AND PACKHOUSE - WARD 24 | 650 | 650 | – | 0% | 0% |
| HYDROPONICS AND PACKHOUSE - WARD 22 | 650 | 650 | – | 0% | 0% |
| HYDROPONICS AND PACKHOUSE - WARD 26 | 100 | 3 100 | 1 498 | -107% | 93% |
| HYDROPONICS AND PACKHOUSE - WARD 21 | 650 | 650 | – | 0% | 0% |
| HYDROPONICS AND PACKHOUSE - WARD 40 | 550 | 550 | – | 0% | 0% |
| HYDROPONICS AND PACKHOUSE - WARD 34 | 650 | 650 | – | 0% | 0% |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 500 | 500 | 364 | -37% | -37% |
| INFORMAL TRADE ( HAWKER STALLS) | 8 000 | 5 000 | 1 460 | -242% | -448% |
| INFORMAL TRADE ( HAWKER STALLS) C/O | | 5 000 | 4 621 | -8% | 100% |
| KWT ART CENTRE | 1 720 | 1 720 | – | 0% | 0% |
| IMPROVE ACCESS ROAD AND ROAD SIGNAGE | 2 000 | – | – | 0% | 0% |
| UPGRG OF ACCESS ROAD TO COMMUN LODGE C/O | | 2 615 | 2 265 | -15% | 100% |
| SITE LANDSCAPING - COMMUNITY LODGE C/O | | 2 500 | 1 407 | -78% | 100% |
| INSTALLATION OF ADVENTURE ACTIVITIES | 2 000 | – | – | 0% | 0% |
| INSTALLATION OF KIDDIES PLAY AREA | 3 000 | – | – | 0% | 0% |
| OFFICE FURN & EQUIPMENT - SMME INCUBATOR | 1 000 | – | – | 0% | 0% |
| OFFICE FURN & EQUIPMENT - SMME INCUBATOR | | 906 | 817 | -11% | 100% |
| INSTALLATION OF RECREATIONAL FACILITIES | 2 500 | 2 500 | 705 | -255% | -255% |
| CONTRUCTION OF CABIN ACCOMMODATION | 4 500 | – | – | 0% | 0% |
| TOURISM HUB | 4 000 | 9 000 | 6 898 | -30% | 42% |
| UPGRADING OF BUILDINGS | 1 000 | 1 000 | 1 000 | 0% | 0% |
| UPGRADING OF BUILDINGS | | 540 | 497 | -9% | 100% |
| WATER LEISURE ACTIVITIES | 3 000 | 3 000 | 176 | 0% | 0% |
| CONSTRUCTION OF BRAAI OUTDOOR LOUNGES | 2 000 | 2 000 | – | 0% | 0% |
| REVITALISATION OF INDUSTRIAL AREA | 4 000 | 4 000 | 3 478 | | |
| **TOTAL : ECONOMIC DEVELOPMENT & AGENCIES** | **54 400** | **61 235** | **29 780** | **-106%** | **-83%** |
| | | | | | |
| **DIRECTORATE OF HEALTH, PUBLIC SAFETY & EMERGENCY SERVICES** | | | | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 500 | 537 | 491 | -9% | -2% |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 0 | 930 | 715 | -30% | 100% |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) C/O | 0 | 12 | 8 | -38% | 100% |
| EARLY WARNING SYSTEMS | 1 200 | – | – | 0% | 0% |
| EARLY WARNING SYSTEMS | – | 695 | 539 | -29% | 100% |
| DISASTER MANAGEMENT: EVENT SAFETY EQUIPM | 120 | 120 | – | 0% | 0% |
| DISASTER MANAGEMENT: EVENT SAFETY EQUIPM | – | 105 | – | 0% | 0% |
| REFURBISHMENT OF FIRE STATIONS | 1 000 | 1 000 | 902 | -11% | -11% |
| NEW FIRE STATION BERLIN - WARD 45 | 500 | – | – | 0% | 0% |
| FIRE ENGINES PROCURED | 4 100 | 3 352 | 3 352 | 0% | -22% |
| | | | | | **R' 000** |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| FIRE ENGINES PROCURED | – | 7 201 | 7 201 | 0% | 100% |
| REFURBISH & REHAB - FIRE INFRASTRUCTURE | 1 200 | 1 948 | 1 696 | -15% | 29% |
| REFURBISH & REHAB - FIRE INFRASTRUCTURE | – | 537 | 507 | -6% | 100% |
| EMERGENCY SERVICES SYSTEM | 900 | 1 200 | – | 0% | 0% |
| FIRE EQUIPMENT | – | 200 | 173 | -15% | 100% |
| FIRE EQUIPMENT C/O | – | 482 | 482 | 0% | 100% |
| FIRE EQUIPMENT C/O | – | 45 | 42 | -8% | 100% |
| AIR MONITORING STATION | 900 | 899 | 899 | 0% | 0% |
| AIR MONITORING STATION | – | 513 | 488 | -5% | 100% |
| CLOSED CIRCUIT TELEVISION NETWORK - CCTV | 2 000 | 1 932 | 1 901 | -2% | -5% |
| CLOSED CIRCUIT TELEVISION NETWORK - CCTV | – | 2 000 | 1 727 | -16% | 100% |
| CLOSED CIRCUIT TELEVISION NETWORK - CCTV | – | 3 500 | 2 396 | -46% | 100% |
| CLOSED CIRCUIT TELEVISION NETW - C/O | – | 5 263 | 4 826 | -9% | 100% |
| TRAFFIC AND LAW ENFORCEMENT EQUIPMENT | 600 | 600 | 404 | -48% | -48% |
| TRAFFIC AND LAW ENFORCEMENT EQUIPMENT | – | 179 | 108 | -66% | 100% |
| TRAFFIC AND LAW ENFORCEMENT EQUIP C/O | – | 661 | 527 | -25% | 100% |
| VEHICLE POUND C/O | – | 15 | 12 | -32% | 100% |
| VEHICLE TEST STATION EQUIPMENT C/O | – | 266 | 221 | -20% | 100% |
| KWT TRAFFIC BUILDING | – | 4 294 | 4 294 | 0% | 100% |
| FOOD SAFETY EQUIPMENT | 450 | – | – | 0% | 0% |
| FOOD SAFETY EQUIPMENT | – | 370 | 242 | -53% | 100% |
| RADIO NETWORK | – | 32 | 32 | 0% | 100% |
| RADIO NETWORK | 800 | – | – | 0% | 0% |
| RADIO NETWORK C/O | – | 640 | 640 | 0% | 100% |
| **TOTAL : HEALTH, PUBLIC SAFETY & EMERGENCY SERVICES** | **14 270** | **39 527** | **34 825** | **-13%** | **59%** |
| | | | | | |
| **DIRECTORATE OF MUNICIPAL SERVICES** | | | | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 1 000 | 1 016 | 961 | -6% | -4% |
| HALLS-TOOLS AND EQUIPMENT | 500 | 500 | 412 | -21% | -21% |
| DEVELOPMENT OF C/HALLS & FACILITIES | 7 500 | 7 500 | 7 296 | -3% | -3% |
| DEVELOPMENT OF C/HALLS & FACILITIES | | 5 500 | 3 484 | -58% | 100% |
| UPGR & REFURB EXIST C/HALLS & FACILITIES | 2 500 | 2 500 | 384 | -551% | -551% |
| PAVING AROUND CAMPING SITES AND CHALETS | 200 | 200 | – | 0% | 0% |
| CONSTRUCTION OF OFFICES AND GUARD HOUSE | 500 | 484 | 21 | -2172% | -2245% |
| UPGRADING OF ORIENT BUILDING | 500 | 500 | 458 | -9% | -9% |
| PAVING AROUND CAMPING SITES AT NAHOON CA | 750 | 750 | – | 0% | 0% |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 150 | 150 | 0 | 0% | 0% |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 25 | 25 | 0 | 0% | 0% |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 25 | 25 | – | 0% | 0% |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 100 | 100 | – | | |
| SUPP & INST SEC SYST - ALL BCMM S/POOLS | 400 | 400 | 360 | -11% | -11% |
| ELECTRIC CONTROL SYSTEMS | 1 000 | 1 000 | 1 000 | 0% | 0% |
| PURCHASE OF COIN OPERATING WASHING MACHI | 100 | 100 | 153 | 35% | 35% |
| UPGRADING OF FILTRATION SYSTEM | 700 | 700 | 677 | -3% | -3% |
| REVAMPING OF JUMPING CASTLE | 200 | 200 | – | 0% | 0% |
| PURCHASE OF FURNITURE FOR CHALETS | 500 | 500 | 360 | -39% | -39% |
| | | | | | **R' 000** |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| FURNITURE AND OFFICE EQUIPMENT - ORIENT | 350 | 350 | 18 | -1897% | -1897% |
| FURNITURE AND OFFICE EQUIPMENT-GONUBIE | 1 050 | 1 050 | 50 | -2000% | -2000% |
| PURCHASE OF OFFICE FURNITURE AND EQUIPME | 500 | 500 | – | 0% | 0% |
| INSTALLATION OF FLOODLIGHTS AT GONUBIE R | 100 | 100 | 100 | 0% | 0% |
| JOHN HARRISON SWIMMING POOLS | 900 | 900 | 773 | -16% | -16% |
| MACHINERY AND EQUIPMENT FOR BONZA BAY | 450 | 450 | 431 | -4% | -4% |
| LIFE GUARDS FACILITIES | 200 | 200 | 200 | 0% | 0% |
| ABLUTION FACILITIES POOLS | 500 | 500 | 499 | 0% | 0% |
| INSTALLATION OF SECURITY ALARMS IN 20 CH | 800 | 800 | 57 | -1299% | -1299% |
| BRAAI STANDS | 200 | 200 | – | 0% | 0% |
| BUILD - CHALETS AT NAHOON CARAVAN PARK | 1 000 | 400 | – | 0% | 0% |
| ABLUTION FACILITIES BEACHES | 500 | 168 | 168 | 0% | -197% |
| PUBLIC ABLUTIONS BEACHES | 200 | 200 | 184 | -9% | -9% |
| BOARDWALK (NEW) | 2 000 | – | – | 0% | 0% |
| BUILDING OF S/POOL AT GONUBIE RESORT | 3 450 | 450 | – | 0% | 0% |
| REFUBISHMENT OF KING WILLIAMS TOWN SWIMM | 300 | 300 | 188 | -60% | -60% |
| BRAAI AREA | 500 | – | – | 0% | 0% |
| REFURBISHMENT OF ORIENT SWIMMING POOLS | 450 | 450 | 228 | -97% | -97% |
| PLAY AREA | 250 | 250 | – | 0% | 0% |
| DEMOL & CONST - OFFICE AT GONUBIE RESORT | 5 000 | 4 009 | 3 686 | -9% | -36% |
| REFUBISHMENT OF RUTH BELONSKY SWIMMING P | 400 | 384 | 103 | -274% | -290% |
| VENDOR STALLS | 500 | – | – | 0% | 0% |
| REFURBISHMENT OF WATER WORLD SWIMMING PO | 450 | 450 | 194 | -132% | -132% |
| POOLS | 300 | 300 | – | 0% | 0% |
| REFURBISHMENT OF ZWELITSHA SWIMMING POOL | 500 | 500 | 341 | -46% | -46% |
| SUPER TUBES | 500 | 29 | 29 | 0% | -1608% |
| REFUBISHMENT OF ABLUTION BLOCKS AT RESOR | 400 | 400 | 392 | -2% | -2% |
| DEVELOPMENT OF MASTER PLAN | 200 | 200 | – | 0% | 0% |
| UPGRADE OF ENTRANCE | 250 | 250 | – | 0% | 0% |
| LIFESAVER TOWERS | 200 | 200 | 29 | -597% | -597% |
| MASTER PLAN | 300 | 300 | – | 0% | 0% |
| CONSTRUCTION OF BRAAI STANDS AT NAHOON C | 500 | 500 | – | 0% | 0% |
| REFURBISHMENT OF TICKET OFFICES | 250 | 250 | 101 | -148% | -148% |
| FENCING | 200 | 200 | 76 | -165% | -165% |
| DEMOL & CONST - OFFICE AT GONUBIE RESORT | | 1 995 | 526 | -279% | 100% |
| FENCING | | 74 | 58 | 0% | 0% |
| REFUBISHMENT OF KING WILLIAMS TOWN SWIMM | | 104 | – | 0% | 0% |
| UPGRADING OF RESORTS C/O | | 22 | 19 | 0% | 0% |
| REFURBISHMENT OF TICKET OFFICES | | 200 | – | 0% | 0% |
| ORLANDO STADIUM: INST - ELEC IRRIGATION C/O | | 415 | 330 | 0% | 0% |
| CONS - OFF & S/GUARD HSE - NAHOON C/PARK C/O | | 1 998 | – | 0% | 0% |
| ABLUTION FACILITIES | | 974 | 855 | 0% | 0% |
| JOHN HARRISON SWIMMING POOLS C/O | | 451 | – | 0% | 0% |
| PLANT AND EQUIPMENT -JOHN HARRISON SWIMM | 850 | 964 | 939 | -3% | 10% |
| PLANT AND EQUIPMETN - KING WILLIAMS TOWN | 650 | 650 | 477 | -36% | -36% |
| PLANT AND EQUIPMENT- ORIENT SWIMMING POO | 650 | 650 | – | 0% | 0% |
| PLANT AND EQUIPMENT- RUTH BELONSKY SWIM | 650 | 1 164 | 1 141 | -2% | 43% |
| | | | | | **R' 000** |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| PLANT AND EQUIPMENT- WATER WORLD SWIMMIN | 500 | 500 | 408 | -22% | -22% |
| PLANT AND EQUIPMENT -ZWELITSHA SWIMMING | 500 | 500 | 443 | -13% | -13% |
| REDEVEL- MDANTS SPORT PRECINT NU2 S/POOL | 1 000 | 10 928 | 1 309 | -735% | 24% |
| DEV & UPGRADE AND REFURBISH OF SPORTSFIE | 14 000 | 14 000 | 13 594 | -3% | -3% |
| FLOODLIGHTS (STADIUMS & S/FIELDS) C/O | | 224 | 146 | -53% | 100% |
| PEFFERVILLE: FENCING C/O | | 606 | 359 | -69% | 100% |
| UPGR - MAIN G/STAND AT SISA DUKASHE STAD C/O | | 665 | 411 | -62% | 100% |
| REFURB OF TICKET OFFICE AT SISA DUKASHE C/O | | 2 706 | 2 688 | -1% | 100% |
| KWT BOTANIC GARDENS DEPOT | 100 | 100 | 88 | -13% | -13% |
| BERLIN DEPOT | 200 | 200 | 127 | -58% | -58% |
| GRASS CUTTING EQUIPMENT | 500 | 500 | 351 | -43% | -43% |
| WATER TRANSPORT TRAILOR-AQUARIUM | 199 | 199 | 173 | -15% | -15% |
| OFFICE EQUIPMENT AQUARIUM | 1 | 1 | 0 | -221233% | -221233% |
| OFFICE EQUIPMENT AQUARIUM | 2 | 52 | 33 | -56% | 94% |
| OFFICE EQUIPMENT AQUARIUM | 3 | 3 | 2 | 0% | 0% |
| OFFICE EQUIPMENT OFFICE RESERVCES | 7 | 7 | – | 0% | 0% |
| MEDICAL EQUIPMENT AQUARIUM | 15 | 65 | 43 | -52% | 64% |
| SPECIMAN COLLECTING EQUPMENT AQUARIUM | 23 | 73 | 20 | -263% | -14% |
| UPGRADING OF PREDATOR ENCLOSURE | | 138 | 137 | 0% | 100% |
| ADDITION TO STAFF CHANGE ROOMS | | 153 | 129 | 0% | 0% |
| PRIMATE NIGHT ROOM | | 200 | – | 0% | 0% |
| NEW REPTILE ENCLOSURE | | 75 | – | 0% | 0% |
| ZOO BOUNDRY WALL | | 653 | 229 | -185% | 100% |
| GOMPO DEPOT | 200 | 200 | 136 | -47% | -47% |
| GONUBIE DEPOT | 150 | 150 | 97 | -55% | -55% |
| MEADOW RD DEOPT | 150 | 150 | 86 | -74% | -74% |
| ZWELITSHA BLOCKYARD DEPOT | 200 | 200 | 100 | -100% | -100% |
| INLAND CEMETRIES (BHISHO) | 500 | 500 | 452 | -11% | -11% |
| COASTAL CEMETRIES (HAVEN HILLS) | 875 | 875 | 871 | 0% | 0% |
| INLAND CEMETRIES (KWT / CLUBVIEW) | 500 | 500 | 493 | -1% | -1% |
| COAST CEMETRIES (CAMBRIDGE CREMATORIUM) | 250 | 250 | 221 | -13% | -13% |
| COAST CEMETRIE (CAMBRIDGE CREMATORIUM) 2 | 875 | 875 | 874 | 0% | 0% |
| COASTAL CEMETRIES (BUFFALO FLATS) | 875 | 875 | 841 | -4% | -4% |
| CONSTRUCTION OF KWT CREMATORIUM | 500 | 500 | 490 | -2% | -2% |
| INLAND CEMETRIES (BREIDBACHT) | 800000 | 800 | 604 | -32% | -32% |
| INLAND CEMETRIES (PHAKAMISA) | 700 | 700 | 630 | -11% | -11% |
| INLAND CEMETRIES (ZWELITSHA) | 1500000 | 1500000 | 1352583 | -11% | -11% |
| MIDLANDS CEMETRIES (FORT JACKSON) | 1 575 | 1 918 | 1 918 | 0% | 18% |
| MIDLANDS CEMETRIES (MACLEANTOWN) | 175 | 175 | 164 | -7% | -7% |
| MIDLANDS CEMETRIES (MTSOTSO CEMETERY) | 875 | 875 | 862 | 0% | 0% |
| TOOLS AND EQUIPMENT (ZOO) | 20 | 20 | – | 0% | 0% |
| OFFICE FURNITURE NAHOON ESTUARY | 18 | 18 | – | 0% | 0% |
| ENTRANCE FEATURE AT NAHOON POINT | 200 | 200 | – | 0% | 0% |
| EXTENT - EXIST SIDE WALK AT NAHOON POINT | 156 | 6 | – | 0% | 0% |
| REFURB - EDUCAT CENTER AT NAHOON ESTUARY | 160 | 160 | 0 | 0% | 0% |
| REFURBISH -FENCE AT NAHOON POINT | 200 | 200 | – | 0% | 0% |
| REFURBISH-WOODEN BOARWALKS -NAHOON POINT | 66 | 86 | 86 | 0% | 23% |
| UPGRADING OF EE CENTRE NAHOON POINT | 200000 | 200 | 95 | 0% | 0% |
| RELOCATION OF AQUARIUM | 1582100 | 282 | – | 0% | 0% |
| ADDITION TO STAFF CHANGE ROOMS | 100 | 100 | 94661 | 0% | 0% |
| NEW REPTILE ENCLOSURE | 75 | 75 | – | 0% | 0% |
| | | | | | **R' 000** |

| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
|---|---|---|---|---|---|
| PRIMATE NIGHT ROOM | 200 | 200 | 70 | 0% | 0% |
| UPGRADING OF REPTILE ENCLOSURE | 200 | 400 | – | 0% | 0% |
| UPGRADING OF PREDATOR ENCLOSURE | 250 | 750 | 88 | -751% | -184% |
| UPGRADING OF ENCLOSURE FEATURES | | 300 | 57 | 0% | 0% |
| REFURBISHMENT OF ENCLOSURE FEATURES | | 300 | – | 0% | 0% |
| ZOO BOUNDRY WALL | 1 000 | 1 000 | 233 | -329% | -329% |
| FENC OF COMMUNITY PARKS - EAST DISTRICT | 100 | 100 | 100 | 0% | 0% |
| FENC OF COMMUNITY PARKS - NORTH DISTRICT | 150 | 150 | 144 | -4% | -4% |
| FENC OF COMMUNITY PARKS - SOUTH DISTRICT | 150 | 150 | 124 | -21% | -21% |
| FENC OF COMMUNITY PARKS - WEST DISTRICT | 100 | 100 | 84 | -19% | -19% |
| UPGR & DEVEL COMM PARKS - SOUTH DISTRICT | 1 000 | 1 000 | 455 | -120% | -120% |
| UPGR & DEVEL COMM PARKS - WEST DISTRICT | 1 000 | 1 000 | 527 | -90% | -90% |
| UPGRADE & DEV COMM PARKS -EAST DISTRICT | 1 000 | 1 000 | 144 | 0% | 0% |
| UPGRADE AND DEVEL COMM PARKS - MDANTSANE | 400 | 400 | 84 | 0% | 0% |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 1 | 400 | 400 | – | 0% | 0% |
| UPGRADE AND DEVEL COMM PARKS - MDANTSANE | 300 | 300 | – | 0% | 0% |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 2 | 300 | 300 | – | 0% | 0% |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 3 | 300 | 300 | – | 0% | 0% |
| UPGRADE AND DEVEL COMM PARKS - BERLIN | 550 | 550 | 62 | 0% | 0% |
| MOBILE TRANSFER STATION | 8 000 | – | – | 0% | 0% |
| GALVANISED STREET LITTER BINS (CBDS) | 2 000 | 5 000 | – | 0% | 0% |
| METAL SKIPS | 2 000 | 5 000 | – | 0% | 0% |
| INSTALLATION OF CCTV CAMERAS AT GONUBIE | 500 | 500 | 486 | 0% | 0% |
| CONSTRUCTION OF CELL 3, CELL 4 AND AUXILLIARY WORKS AT ROUDHILL | 33 000 | 33 000 | 22 794 | -45% | -45% |
| **INSTALLAT OF LINERS ON CELL 3 AND CELL 4** | **8 000** | **8 000** | **–** | | |
| **CONSTRUCTION OF LEACHATE TREATMENT PLANT** | **20 000** | **20 000** | **20 000** | **0%** | **0%** |
| CONSTRUCTION AND REHABILITATION OF WASTE | 5 000 | 5 000 | 2 794 | -79% | -79% |
| CONSTRUCTION OF CELL 3, CELL 4 AND AUXILLIARY WORKS AT ROUDHILL | 39 452 | 45 148 | 40 148 | 0% | 0% |
| CONSTRUCTION OF LEACHATE TREATMENT PLANT | 5 000 | 5 750 | 5 750 | 0% | 0% |
| INSTALLAT OF LINERS ON CELL 3 AND CELL 4 | 5 000 | 6 351 | 6 351 | 0% | 21% |
| INSTALLATION OF CAMERAS | 100 | – | – | 0% | 0% |
| BEDDING PIPES | 1 500 | – | – | 0% | 0% |
| CONSTR OF MATERIAL RECOVERY FAC (MRF) | 6 552 | 7 535 | 7 535 | 0% | 13% |
| EARHWORKS (ROADS & SUGRADE) | 3 000 | 3 328 | 3 328 | 0% | 10% |
| INSTALLATION OF GEOMEBRANE LINER | 3 000 | – | – | 0% | 0% |
| EATHWORKS (PIPE TRENCHES) | 2 500 | 2 875 | 2 875 | 0% | 13% |
| GABIONS AND PITCHING | 2 000 | 1 941 | 1 941 | 0% | -3% |
| GEOSYTHETIC CLAY LINER (GCL) | 6 300 | 7 245 | 7 245 | | |
| MEDIUM PRESSURE PIPES | 2 000 | 2 300 | 2 300 | | |
| STORM WA INFRA - REVAL: ACQUISITION | 2 500 | 2 823 | 2 823 | | |
| **TOTAL : MUNICIPAL SERVICES** | **160 829** | **184 185** | **124 517** | **-48%** | **-29%** |
| | | | | | |
| **BCMDA PROJECTS** | | | | | |
| EL BEACHFRONT AND WATERWORLD | 25 000 | 12 000 | – | 0% | 0% |
| OFFICE FURN & EQUIPMENT | 2 292 | 2 372 | 1 742 | 0% | 0% |
| **xTOTAL BCMDA PROJECTS** | **27 292** | **14 372** | **1 742** | **-725%** | **-1467%** |
| | | | | | |
| **Asset Replacements - Insurance** | **10 000** | **8 884** | **8 884** | **0%** | **-13%** |
| | | | | | |
| **TOTAL CAPITAL PROGRAMME** | **1 753 142** | **2 096 370** | **1 859 685** | **-13%** | **6%** |



BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX O

## CAPITAL PROJECTS BY PROGRAMME

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX O – CAPITAL PROJECTS BY PROGRAMME

## CAPITAL PROGRAMME BY PROJECT BY WARD: YEAR 2018/19

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| **SANITATION / SEWERAGE** | | |
| ABLUTION FACILITIES | 1, 2, 6, 7, 9, 10, 12,16,19, 28,29 | No |
| EAST BEACH GRAVITY SEWER UPGRADE | 1, 2, 3, 4, 6, 7, 8, 9, 16, 18, 19, 28, 47 | No |
| MDANTSANE SANITATION | 11, 12, 14, 20, 21, 22, 23, 24, 30 | No |
| BERLIN SEWERS | 45 | No |
| HOOD POINT MARINE OUTF SEWER & AUXILLIARY WORKS | 19, 31, 46 | No |
| BISHO KWT & ZWELITSHA BULK REG SEWER SCH-PHASE 2 | 25, 35, 37, 41 , 44 | No |
| WASTEWATER TREATMENT WORKS | 9, 11, 13, 18, 23, 29, 36, 37, 39, 41, 43, 45 | No |
| E/L SEWER DIVERSION : CENTRAL TO REESTON | 5, 10, 16 | No |
| UPGRADING OF LABORATORY | 1-50 | No |
| | | |
| **WATER** | | |
| **BULK WATER PROVISION** | | **No** |
| WESTBANK RESTITUTION | 31,46 | No |
| WATERDEMAND MANAGEMENT - WATER CONSERVATION | 1-50 | No |
| FEASIBILITY- ALTERNATIVE WATER SUPPLY - BULK MAINS | 1-50 | No |
| WATER BACKLOGS | 26,31,32,33,36,37,38,40,50 | No |
| KWT & BISHO INFRASTRUCTURE | 34,37,38,39,40,41,43,44,49,35 | No |
| AMAHLEKE WATER SUPPLY | 36 | No |
| UPGRADE WATER NETWOKRS | 26,31,32,33,36,37,38 | No |
| BULK-PIPE AND WATER METER REPLACEMENT IN EL | 1-10,15,16,18,27,28,29,31,32,33,46,47,50 | No |
| RESERVOIRS-PIPE AND WATER METER REPLACEMENT IN MDANTSANE | 11,12,13,14,42,48,50,17,20,23 | No |
| BULK-PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA | 34,35,36,37,38,39,40,41,43,44,49 | No |
| UMZONYANA DAM UPGRADE | 1-10,15,16,18,27,28,29,31,32,33,46,47,50 | |
| | | |
| **ELECTRICITY** | | |
| BULK ELEC INFRAS UPGR(RING-FENCED 4%) | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | No |
| BULK ELEC INFRAS UPGR - REPL EXIST INF | 7,9,8.10,13,1415,17,22,27,37,42,45,46, | No |
| INEP ELECTRIFICATION PROGRAMME | ALL WARDS | No |
| HIGHMAST STREETLIGTING - WARD 7 | 7 | No |
| HIGHMAST STREETLIGTING - WARD 12 | 12 | No |
| INEP ELECTRIF PROGR - COUNTERFUNDING | ALL WARDS | No |
| ELECTRIF - INFOR DWELLING AREAS - BCMM | ALL WARDS | No |
| STR LIGHT & H/MASTS - BCMM AREAS OF SUPP | ALL WARDS | No |
| TOOLS AND EQUIPMENT (SPECIALISED VEHICLES) | ALL WARDS | No |
| REPLACEMENT OF EXISTING STREETLIGHTNING WITH ENERGY EFFICIENT LIGHTNING | ALL WARDS | No |
| BUILD ALTER - B/BAY C/CENTRE & OPER DEPO | 28 | No |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| ELECTRIFICATION - WARD 4 | 4 | No |
| LIGHTING WITHIN THE MDANTSANE CBD | 14 | No |
| | | |
| **ROADS** | | |
| QUENERA BEACON BAY LINK ROAD | 28 | No |
| RURAL ROADS -USDG | 17,24,25.26,31.33.34,35,36,38,49,50,43, 40,44 | No |
| UPGRADING OF MDANTSANE ROADS | 17,42,14,12,11,17,20,48,30,24,23,21 | No |
| WARD 37, 39 AND 43 - KWT ROADS | 37,39,43 | No |
| REHABILIT OF BCMM BRIDGES AND STORWATER | ALL WARDS | No |
| ROADS PROVISION | 10,13,35,15,16,46,10,8,7,1,9,19,18,24,25,4 1,3,29,28,26,31,32,34,36,39,4,43,45,47,50 | No |
| INTEGRATED CITY DEVELOPMENT GRANT | 47 | No |
| UPGRADING OF RDP SETTLEMENTS-CLUSTER 1 | 44,36,39,35,45 | No |
| CONSTRUCTION OF ROAD INFRASTRUCTURE | 14 | No |
| SIDEWALKS | 14 | No |
| | | |
| **HOUSING** | | |
| HLALANI | 11 | No |
| PHOLA PARK | 11 | No |
| BERLIN LINGELITSHA - PHASE 1 | 45 | No |
| ILITHA SPORTSFIELD | 45 | No |
| EMPILISWENI | 20 | No |
| MATSHENI PARK | 20 | No |
| KHAYALITSHA | 20 | No |
| XHWITINJA | 36 | No |
| KWATSHATSHU | 44 | No |
| GINSBERG 139 | 39 | No |
| SLOVO PARK | 42 | No |
| EKUPHUMLENI | 42 | No |
| ETHEMBENI | 11 | No |
| EAST BANK RESTITUTION | 16 | No |
| REESTON PHASE 3 STAGE 2 | 13 | No |
| NELSON MANDELA 102 PROJECT | 16 | No |
| GINSBERG 139 UNITS PROJECT | 39 | No |
| BREIDBACH SERVICES PROJECT | 44 | No |
| BOXWOOD PROJECT | 31 | No |
| DUNCAN REDEVELOPMENT PROGRAMME | 1 | No |
| CNIP VICTIMS - HOUSING PROJECT | 16 | No |
| MZAMOMHLE PEOPLES HOUSING PROCESS | 27 | No |
| TSHOLOMNQA DISASTER HOUSING | 32 | No |
| | | |
| **ECONOMIC DEVELOPMENT** | | |
| UPGRADING OF MARKET HALL | 5 | No |
| HYDROPONICS AND PACKHOUSE | 22,21,24,20,34,40,26 | No |
| INFORMAL TRADE ( HAWKER STALLS) | 45, 47 | No |
| UPGRADING OF BUILDINGS | 41 | No |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| OFFICE FURN & EQUIPMENT - SMME INCUBATOR | 37 | Yes |
| BUILDING OF MEMORIAL STONES | 32 | No |
| FENCING OF WORLD WAR 1 | 37 | No |
| RESTORAT WORK -SETTLERS WAY | 19 | No |
| RESTORATION WORK OF DESMOND TUTU MONUMENT | 47 | No |
| EXTENSION OF MDANTSANE ART CENTRE | 42 | No |
| KWT ART CENTRE | 41 | No |
| INSTALLATION OF ADVENTURE ACTIVITIES | 38 | No |
| INSTALLATION OF RECREATIONAL FACILITIES | 38 | No |
| CONTRUCTION OF CABIN ACCOMMODATION | 38 | No |
| WATER LEISURE ACTIVITIES | 38 | No |
| CONTRUCTION OF BRAAI OUTDOOR LOUNGES | 38 | No |
| IMPROVE ACCESS ROAD AND ROAD SIGNAGE | 38 | No |
| INSTALLATION OF KIDDIES PLAY AREA | 38 | No |
| TOURISM HUB | 32 | No |
| REVITALISATION OF INDUSTRIAL AREA | 36, 24,5 | No |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | ALL WARDS | Yes |
| EAST LONDON BEACHFRONT AND WATERWORLD | 47 | No |
| | | |
| **SPATIAL & DEVELOPMENT PLANNING** | | |
| UPGRADING OF LIFTS FOR BCMM BUILDINGS | 47 | No |
| UPGRADING OF KING WILLIAMS TOWN PAYMENTS HALL | 43 | No |
| MDANTSANE MAIN COMPLEX RESURFACING | 20 | No |
| REFURBISHMENT OF NEW DISABLED FACILITIES | ALL WARDS | No |
| BISHO CIVIC CENTRE (FENCING) | 43 | No |
| CONSTR - NEW OFF - CHISELHURST BMS DEPOT | 4 | No |
| EXTENS - WORKSH AT CHISELHURST BMS DEPOT | 4 | No |
| MAJOR REFURBISHMENT OF MUNICIPAL BUILDING IN VARIOUS AREAS | ALL WARDS | No |
| MDANTSANE ZONE 6 REFURBISHMENT | 20 | No |
| MUNICIPAL BUILDINGS REFUBISHMENT OF DISAB FAC (ACC PATH & RAMPS) | ALL WARDS | No |
| GREENFIELDS FLATS REFURBISHMENT | 19 | No |
| BUXTON AND ELECTRICITY HOUSE REFURBISHMENT | 47 | No |
| GREENPOINT BOWLING CLUB REFURBISHMENT | 19 | No |
| BEACONSFIELD HEALTH DEPARTMENT REFURBISHMENT | 47 | No |
| FLEET STREET FIRE STATION REFURBISHMENT | 47 | No |
| SLEEPER SITE REFURBISHMENT | 47 | No |
| ORIENT THEATRE REFURBISHMENT | 47 | No |
| NEW AIR-COND (REPLAC-SHOPRITE CAXTON ST) | 47 | No |
| NEW A/CON PLANT - CITY ENGINEERING BUILD | 47 | No |
| NEW A/CON PLANT - MUNIFIN (ONE PLANT) | 47 | No |
| GONU TRAFF R/WORT REFURB & UPGR OF OFF | 27 | No |
| UPGRADING OF ELECTRICAL - FIRE DEPART EL | 47 | No |
| UPGRADING OF ELECTRICAL - OLD MUTUAL | 47 | No |
| UPGRAD OF ELECTRICAL -BISHO CIVIC CENTRE | 43 | No |
| UPGRADING OF ELECTRIC -KWT CIVIC CENTRE | 37 | No |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| SOFTWARE | 4, 47 & 20 | No |
| LAND ACQUISITION | ALL WARDS | No |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | ALL WARDS | Yes |
| ROADS | 47 | No |
| ROADS - 50% | 47 | No |
| ROADS | 47 | No |
| QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2 | 21, 20,48 | No |
| MDANTSANE ACCESS ROAD | 5,9,10,12,13,16 | No |
| BRIDGE DESIGNS & IMPLEMENTATION | ALL WARDS | No |
| TAXI/BUS EMBAYMENTS | ALL WARDS | No |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC) | ALL WARDS | No |
| TAXI RANK INFRAST (ROADS & ABLUTION FAC) | ALL WARDS | No |
| TRAFFIC CALMING | 13,19,48,28 (2018/2019),22,23,37,7,30,15 ,6,46 (2019/2020), 9,20,37,5,33,45,18,12 (2020/2021) | No |
| TRAFFIC SIGNALS | 10 (2018/2019), 15 (2019/2020) AND 9 (2020/20201) | No |
| SIDEWALKS | 15,44,45 (2018/2019), 11,34 (2019/2020), 22,41 (2020/2021) | No |
| GUIDANCE SIGNAGE | 12 (1819), 24 (1920), 43 (20/21) | No |
| GUARDRAILS | 16,48,45 (1819), 23,6,34,46 (1920), 9,20,33,41,37 (2021) | No |
| MARKET SQUARE TAXI RANK | 37 | No |
| NORTH WEST CORRIDOR | 16 | No |
| TAXI CITY TAXI RANK | 37 | No |
| MARKET SQUARE BUS RANK | 37 | Yes |
| MARY STREET | 37 | No |
| NEEDS CAMP POTSDAM BRIDGE | 33& 22 | Yes |
| | | |
| **SPORT ARTS & CULTURE** | | |
| DEVELOPMENT, UPGRADE AND REFURBISHMENT OF SPORTS FIELDS AND STADIUMS | ALL WARDS | No |
| ABLUTION FACILITIES | 47 | No |
| LIFESAVER TOWERS | 47 | No |
| POOLS | 47 | No |
| SUPER TUBES | 47 | No |
| VENDOR STALLS | 47 | No |
| PLAY AREA | 18, 27, 28, 29, 47 | No |
| AMPHITHEATRE | 47 | No |
| BRAAI AREA | 18, 27, 28, 29, 47 | No |
| BRAAI STANDS | 47 | No |
| UPGRADING OF ORIENT BUILDING | 47 | No |
| PUBLIC ABLUTIONS | 18, 27, 28, 29, 46, 47 | No |
| DEVELOPMENT OF MASTER PLAN | 18, 27, 28, 29, 46, 47 | No |
| FENCING | 18, 27, 28, 29, 46, 47 | No |
| LIFE GUARDS FACILITIES | 18, 27, 28, 29, 46, 47 | No |
| MACHINERY AND EQUIPMENT FOR BONZA BAY | 28 | No |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| FURNITURE AND OFFICE EQUIPMENT - ORIENT | 47 | No |
| FURNITURE AND OFFICE EQUIPMENT-GONUBIE | 29 | No |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 18 | No |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 18 | No |
| MACHINERY AND EQUIPMENT-NAHOON BEACH | 18 | No |
| BOARDWALK (NEW) | 18, 28, 29 | No |
| BUILDING OF S/POOL AT GONUBIE RESORT | 29 | No |
| DEMOL & CONST - OFFICE AT GONUBIE RESORT | 29 | No |
| BUILD - CHALETS AT NAHOON CARAVAN PARK | 18 | No |
| CONSTRUCTION OF OFFICES AND GUARD HOUSE AT NAHOON CARAVAN PARK | 18 | No |
| INSTALLATION OF FLOODLIGHTS AT GONUBIE RESORTS | 29, 30 | No |
| PAVING AROUND CAMPING SITES AND CHALETS | 28, 29 | No |
| PURCHASE OF FURNITURE FOR CHALETS | 28, 29 | No |
| PURCHASE OF OFFICE FURNITURE AND EQUIPMENT | ALL WARDS | No |
| INSTALLATION OF CCTV CAMERAS AT GONUBIE RESORT | 28,29 | No |
| INSTALLATION OF SECURITY ALARMS IN 20 CHALETS | 28,29 | No |
| REVAMPING OF JUMPING CASTLE AT RESORTS | 28,29,18,19 | No |
| REFUBISHMENT OF ABLUTION BLOCKS AT RESORTS | 28,29 | No |
| PURCHASE OF COIN OPERATING WASHING MACHINES AND TUMBLE DRYERS AT NAHOON CARAVAN PARK | 18 | No |
| CONSTRUCTION OF BRAAI STANDS AT NAHOON CARAVAN PARK | 18 | No |
| PAVING AROUND CAMPING SITES AT NAHOON CARAVAN PARK | 18 | No |
| WATER TRANSPORT TRAILOR-AQUARIUM | 47 | No |
| OFFICE EQUIPMENT AQUARIUM | 47 | No |
| OFFICE EQUIPMENT AQUARIUM | 47 | No |
| OFFICE EQUIPMENT AQUARIUM | 47 | No |
| OFFICE EQUIPMENT OFFICE RESERVCES | 47 | No |
| MEDICAL EQUIPMENT AQUARIUM | 47 | No |
| SPECIMAN COLLECTING EQUPMENT AQUARIUM | 47 | No |
| OFFICE FURNITURE NAHOON ESTUARY | 28 | No |
| ENTRANCE FEATURE AT NAHOON POINT | 18 | No |
| EXTENT - EXIST SIDE WALK AT NAHOON POINT | 18 | No |
| REFURB - EDUCAT CENTER AT NAHOON ESTUARY | 28 | No |
| REFURBISH -FENCE AT NAHOON POINT | 18 | No |
| REFURBISH-WOODEN BOARWALKS -NAHOON POINT | 28 | No |
| ADDITION TO STAFF CHANGE ROOMS | 19 | No |
| NEW REPTILE ENCLOSURE | 47 | No |
| PRIMATE NIGHT ROOM | 47 | No |
| UPGRADING OF REPTILE ENCLOSURE | 47 | No |
| UPGRADING OF PREDATOR ENCLOSURE | 47 | No |
| ZOO BOUNDRY WALL | 47 | No |
| TOOLS AND EQUIPMENT (ZOO) | 47 | No |
| RELOCATION OF AQUARIUM | 47 | No |
| FENC OF COMMUNITY PARKS - EAST DISTRICT | 15,18,27 | No |
| FENC OF COMMUNITY PARKS - NORTH DISTRICT | 3,4,9 | No |
| FENC OF COMMUNITY PARKS - SOUTH DISTRICT | 1,5,6 | No |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| FENC OF COMMUNITY PARKS - WEST DISTRICT | 19,21,32 | No |
| FENCING OF COMMUNITY PARKS - NOMPUMELELO | 15 | No |
| UPGR & DEVEL COMM PARKS - SOUTH DISTRICT | 8,10,13 | No |
| UPGR & DEVEL COMM PARKS - WEST DISTRICT | 19,31,32 | No |
| UPGRADE & DEV COMM PARKS -EAST DISTRICT | 15,27,28 | No |
| UPGRADE & DEV COMM PARKS - NORTH DISTRICT | 3,4,16 | No |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 1 | 43 | No |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 2 | 43 | No |
| UPGRADE AND DEVEL OF COMM PARKS -KWT 3 | 43 | No |
| UPGRADE AND DEVEL COMM PARKS - MDANTSANE 1 | 14 | No |
| UPGRADE AND DEVEL COMM PARKS - MDANTSANE 2 | 23 | No |
| UPGRADE AND DEVEL COMM PARKS - BERLIN | 45 | No |
| UPGRADE AND DEVEL COMM PARKS - BERLIN | 1 | No |
| UPGRADING OF EE CENTRE NAHOON POINT | 18 | No |
| | | |
| **UPGRADING OF CEMETRIES** | | |
| COASTAL CEMETRIES (BUFFALO FLATS) | 19 | No |
| COAST CEMETRIES (CAMBRIDGE CREMATORIUM) | 4 | No |
| COAST CEMETRIE (CAMBRIDGE CREMATORIUM) 2 | 4 | No |
| COASTAL CEMETRIES (EAST CEMETERY) | 47 | No |
| COASTAL CEMETRIES (HAVEN HILLS) | 5,10 &13 | No |
| CONSTRUCTION OF KWT CREMATORIUM | 43,44 | No |
| INLAND CEMETRIES (BHISHO) | 43 | No |
| INLAND CEMETRIES (KWT / CLUBVIEW) | 43 | No |
| INLAND CEMETRIES (BREIDBACHT) | 44 | No |
| INLAND CEMETRIES (PHAKAMISA) | 25 | No |
| INLAND CEMETRIES (ZWELITSHA) | 41 | No |
| MIDLANDS CEMETRIES (FORT JACKSON) | 24 | No |
| MIDLANDS CEMETRIES (MACLEANTOWN) | 26 | No |
| MIDLANDS CEMETRIES (MTSOTSO CEMETERY) | 13 | No |
| DEVELOPMENT OF CEMETERIES-INLAND | 43, 44 | No |
| DEVELOPMENT OF CEMETERIES-COASTAL | 5,10 ,13,19 | No |
| DEVELOPMENT OF CEMETERIES-MIDLAND | 24, 13 | No |
| | | |
| **SWIMMING POOLS** | | |
| JOHN HARRISON SWIMMING POOLS | 4 | No |
| SUPP & INST SEC SYST - ALL BCMM S/POOLS | 4, 19, 37, 41, 42, 46, 47 | No |
| REFUBISHMENT OF RUTH BELONSKY SWIMMING POOL | 19 | No |
| REFURBISHMENT OF WATER WORLD SWIMMING POOL | 46 | No |
| REFUBISHMENT OF KING WILLIAMS TOWN SWIMMING POOL | 37 | No |
| REFURBISHMENT OF ORIENT SWIMMING POOLS | 47 | No |
| REFURBISHMENT OF ZWELITSHA SWIMMING POOLS | 41 | No |
| MASTER PLAN | 4, 19, 37, 41, 42, 46, 47 | No |
| REFURBISHMENT OF TICKET OFFICES | 4, 19, 37, 41, 42, 46, 48 | No |
| UPGRADE OF ENTRANCE | 4, 19, 37, 41, 42, 46, 49 | No |
| ELECTRIC CONTROL SYSTEMS | 4, 19, 37, 41, 42, 46, 49 | No |
| UPGRADING OF FILTRATION SYSTEM | 4, 19, 37, 41, 42, 46, 49 | No |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| ABLUTION FACILITIES | 4, 19, 37, 41, 42, 46, 49 | No |
| PLANT AND EQUIPMENT -JOHN HARRISON SWIMMING POOLS | 4 | No |
| PLANT AND EQUIPMETN - KING WILLIAMS TOWN SWIMMING POOL | 37 | No |
| PLANT AND EQUIPMENT- ORIENT SWIMMING POOLS | 47 | No |
| PLANT AND EQUIPMENT- RUTH BELONSKY SWIMMING POOL | 19 | No |
| PLANT AND EQUIPMENT- WATER WORLD SWIMMING POOL | 46 | No |
| PLANT AND EQUIPMENT -ZWELITSHA SWIMMING POOLS | 41 | No |
| REDEVELOPMENT OF MDANTSANE SPORT PRECINT NU2 SWIMMING POOL | 42 | No |
| | | |
| **COMMUNITY HALLS** | | |
| DEVELOPMENT OF C/HALLS & FACILITIES | 15 | No |
| HALLS-TOOLS AND EQUIPMENT | 1,2,4,5,9,12,16,19,20,21,22,24,26,27,29,47,48 | No |
| UPGR & REFURB EXIST C/HALLS & FACILITIES | ALL WARDS | No |
| | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | ALL WARDS | Yes |
| | | |
| **UPGRADING OF DEPOTS** | | |
| GOMPO DEPOT | 7 | No |
| GONUBIE DEPOT | 28,29 | No |
| KWT BOTANIC GARDENS DEPOT | 28,29 | No |
| MEADOW RD DEOPT | 19 | No |
| NU 6 MDANTSANE DEPOT | 20 | No |
| BERLIN DEPOT | 45 | No |
| ZWELITSHA BLOCKYARD DEPOT | 41 | No |
| GRASS CUTTING EQUIPMENT | ALL WARDS | No |
| | | |
| **HEALTH** | | |
| AIR MONITORING STATION | 1-50 | No |
| | | |
| **SAFETY & SECURITY** | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | 1-50 | Yes |
| EARLY WARNING SYSTEMS | 1-50 | No |
| DISASTER MANAGEMENT: EVENT SAFETY EQUIPM | 1-50 | No |
| FIRE ENGINES PROCURED | 1-50 | No |
| EMERGENCY SERVICES SYSTEM | ALL WARDS | No |
| REFURBISH & REHAB - FIRE INFRASTRUCTURE | 1-50 | No |
| AIR MONITORING STATION | 7, 41, 47 | No |
| CLOSED CIRCUIT TELEVISION NETWORK - CCTV | 43,37,25,41,44,34,36 & 39 | No |
| TRAFFIC AND LAW ENFORCEMENT EQUIPMENT | 1-50 | No |
| RADIO NETWORK | 1-50 | No |
| FIRE EQUIPMENT | 1-50 | No |
| REFURBISHMENT OF FIRE STATIONS | 47 | No |
| NEW FIRE STATION - BERLIN WARD 45 | 45 | No |
| NEW EMERGENCY SERVICES CENTRE | 47 | No |
| FOOD SAFETY EQUIPMENT | 1-50 | No |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| **SOLID WASTER PROGRAMME** | | |
| CHIPPING MACHINE | 27 & 28 | No |
| INPECTION CAMERA | 27 & 28 | No |
| STORAGE CONTAINERS | 27 & 28 | No |
| WEIGHING SCALES | 27 & 28 | No |
| COMPUTERS AND PRINTERS | 27 & 28 | No |
| FENC OF TRANSF STATION (PALISADE FENCE) | 27 & 28 | No |
| GUARD HOUSE ABLUTION FACILIT & OFFICES | 27 & 28 | No |
| CONSTRUCTION OF LEACHATE TREATMENT PLANT | 45 | No |
| CONSTRUCTION OF LEACHATE TREATMENT PLANT | 45 | No |
| BEDDING PIPES | 45 | No |
| CONSTR OF MATERIAL RECOVERY FAC (MRF) | 45 | No |
| EARHWORKS (ROADS & SUGRADE) | 45 | No |
| EATHWORKS (PIPE TRENCHES) | 45 | No |
| GABIONS AND PITCHING | 45 | No |
| GEOSYTHETIC CLAY LINER (GCL) | 45 | No |
| INSTALLATION OF GEOMEBRANE LINER | 45 | No |
| MEDIUM PRESSURE PIPES | 45 | No |
| STORM WATER DRAINADGE | 45 | No |
| INSTALLATION OF CAMERAS | 45 | No |
| CONSTRUCTION AND REHABILITATION OF WASTE CELLS-KWT LANDFILL SITE | 45 | No |
| INSTALLAT OF LINERS ON CELL 3 AND CELL 4 | 45 | No |
| PURCHASE OF CAMBRIDGE/TRANSFER FACILITIES | 4 | No |
| PURCHASE OF BULK CONTAINERS WITH REMOVAL VEHICLES | ALL WARDS | No |
| MOBILE TRANSFER STATION | ALL WARDS | No |
| GALVANISED STREET LITTER BINS (CBDs) | ALL WARDS | No |
| METAL SKIPS | ALL WARDS | No |
| | | |
| **FINANCE** | | |
| OFFICE FURN & EQUIPMENT (DIRECTORATE) | ALL WARDS | Yes |
| SMART METERING SOLUTIONS ( | ALL WARDS | No |
| ASSET REPLACEMENTS - INSURANCE | ALL WARDS | No |
| ACQUIRE ERP SYSTEM (ASSET MANAGEMENT SYSTEM,PROCUREMENT SYSTEM, etc) | ALL WARDS | No |
| INDIGENT MANAGEMENT SYSTEM | ALL WARDS | No |
| NEW METER READING SYSTEM | ALL WARDS | No |
| CONSTRUCTION OF OFFICE ACCOMODATION -CUSTOMER CARE OFFICE-MIDLAND | 11, 12, 13, 14, 20, 42, 48, 50, 17, 23, 47, 46, 33 | No |
| | | |
| **CORPORATE SERVICES** | | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | ALLWARDS | Yes |
| EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM | ALLWARDS | No |
| PHASE 2-UPGRADING OF THE DISABILITY FRIENDLY OF MUNICIPAL BUILDINGS | ALLWARDS | No |
| FURNITURE FOR INTERNS | ALL WARDS | Yes |
| | | |

R' 000

| Capital Project | Ward(s) affected | Works completed (Yes/No) |
|---|---|---|
| **CITY MANAGER'S OFFICE** | | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | ALL WARDS | Yes |
| OFFICE FURNITURE AND EQUIPMENT-EPMO | ALL WARDS | Yes |
| | | |
| **ICT SERVICES** | | |
| FIBRE NETWORK | ALL WARDS | No |
| LTE INFRASTRUCTURE | ALL WARDS | No |
| DISASTER RECOVERY ENHANCEMENT | ALL WARDS | No |
| PROCUREMENT OF ICT EQUIPMENT | ALL WARDS | No |
| NETWORK EQUIPMENT REFRESH(KWT,MDA,BISHO) | ALL WARDS | No |
| INTELLIGENT OPERATING CENTRE HARDWARE & SOFTWARE | ALL WARDS | No |
| | | |
| **EXECUTIVE SUPPORT** | | |
| OFFICE FURN AND EQUIPMENT (DIRECTORATE) | ALL WARDS | Yes |
| OFFICE FURN AND EQUIPMENT (COUNCILLORS) | ALL WARDS | No |
| | | |
| **FLEET** | | |
| BCM FLEET PLANT SPECIALISED EQUIPMENT & SOLID WASTE VEHICLES | ALL WARDS | No |
| | | |
| | | |

T O



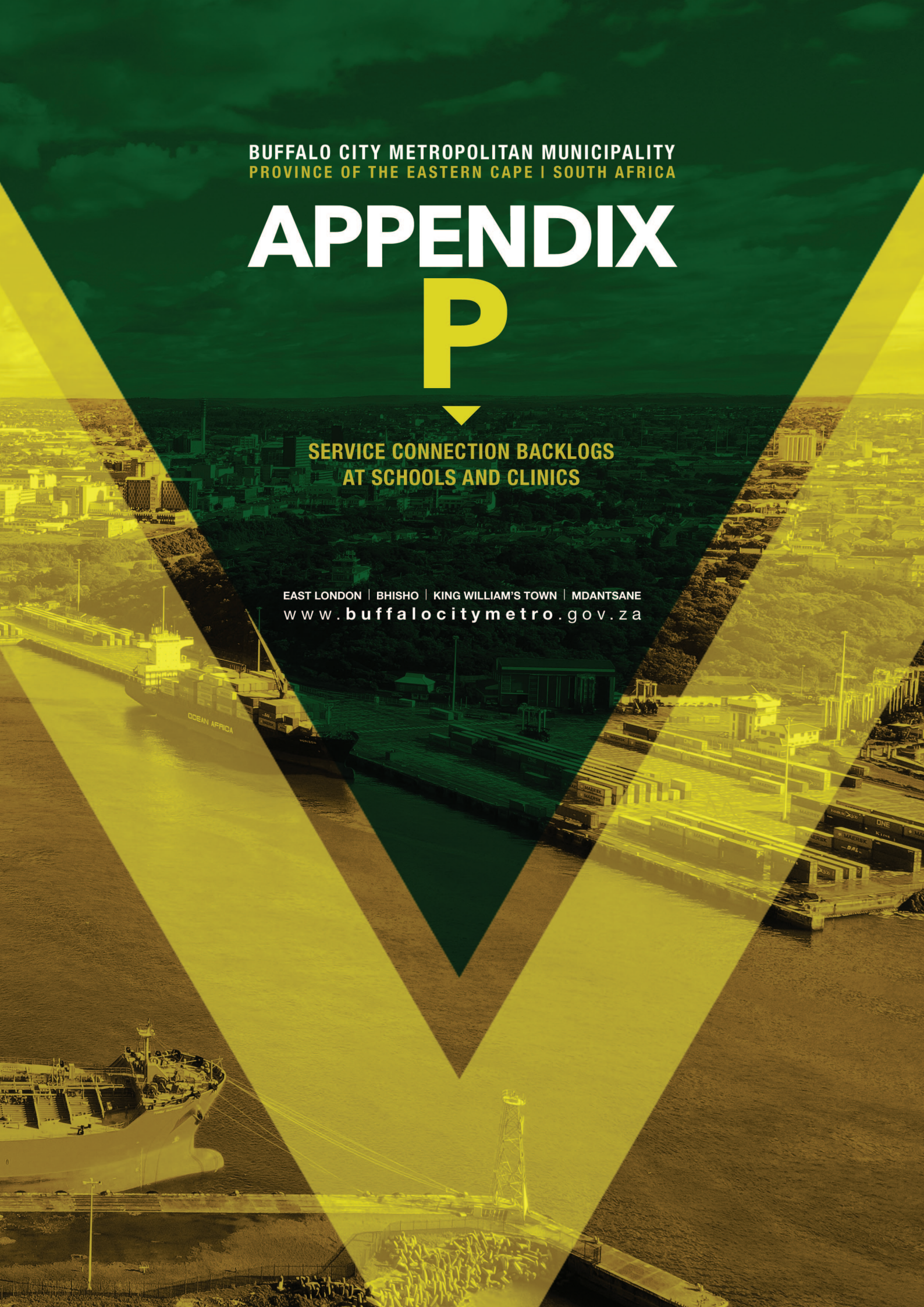


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX P

## SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable for BCMM


SHOPRITE

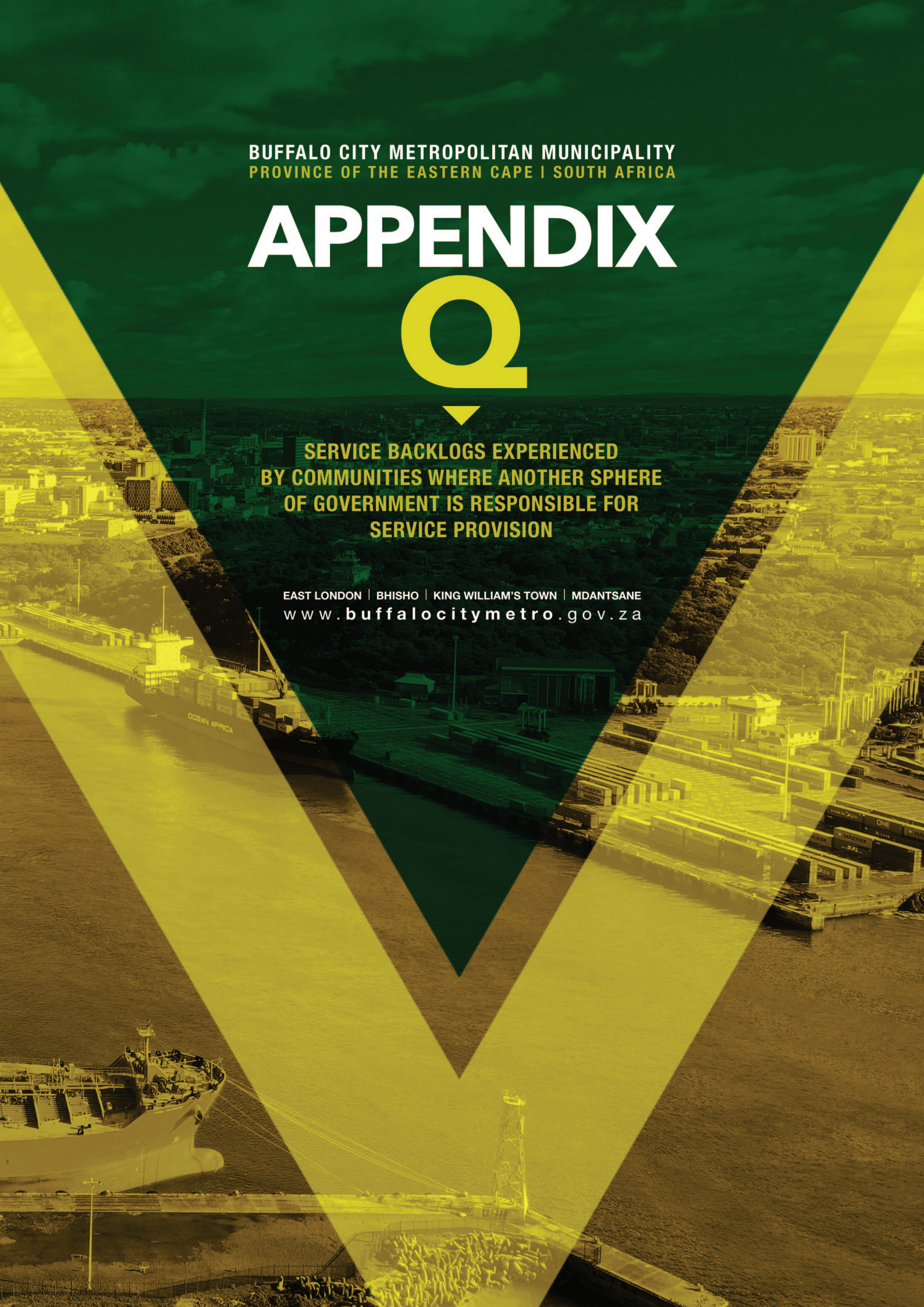


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX Q

## SERVICE BACKLOGS EXPERIENCED BY COMMUNITIES WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY COMMUNITIES WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Not applicable for BCMM



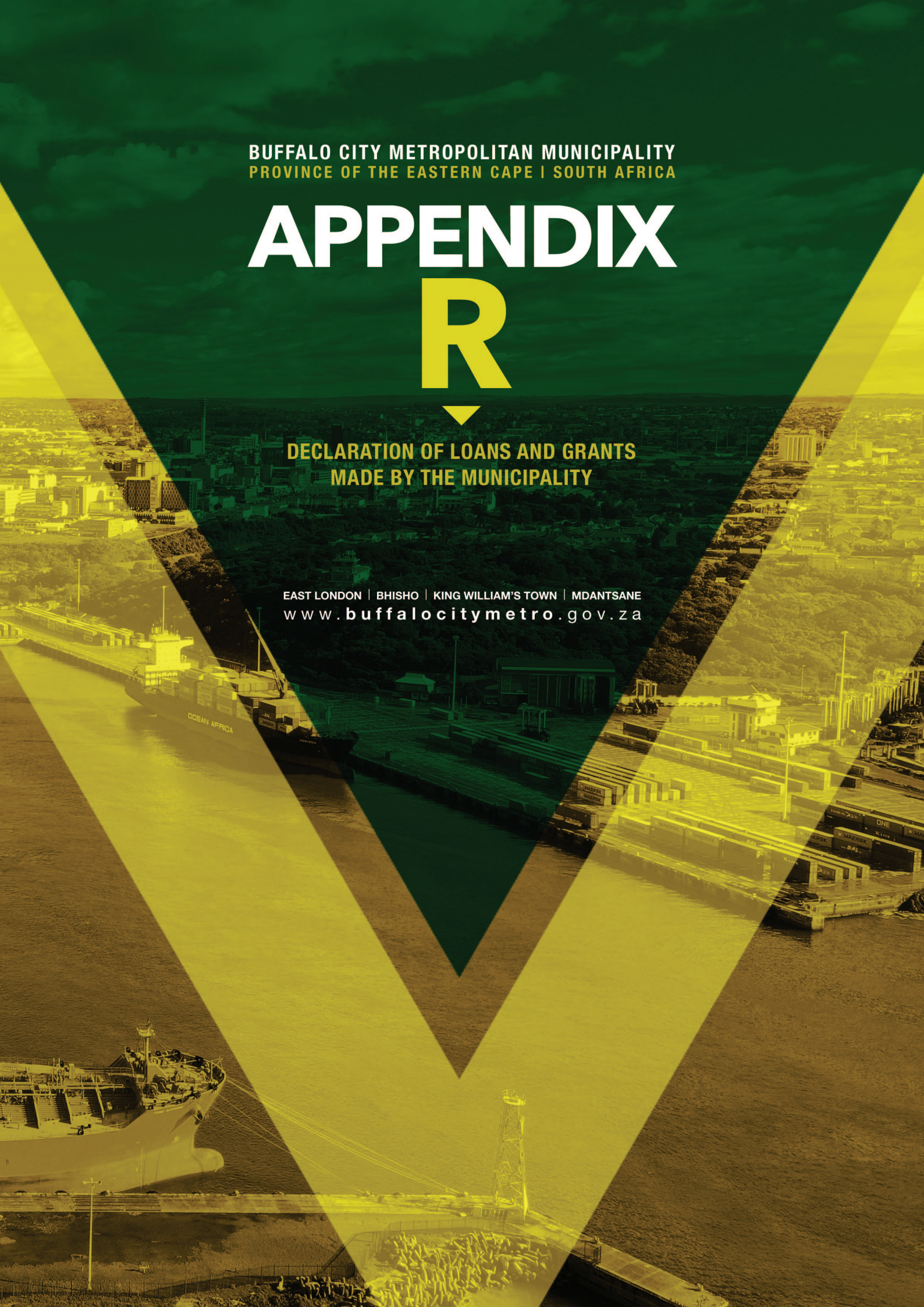


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX R

## DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

BCMM did not take loans during the year under review



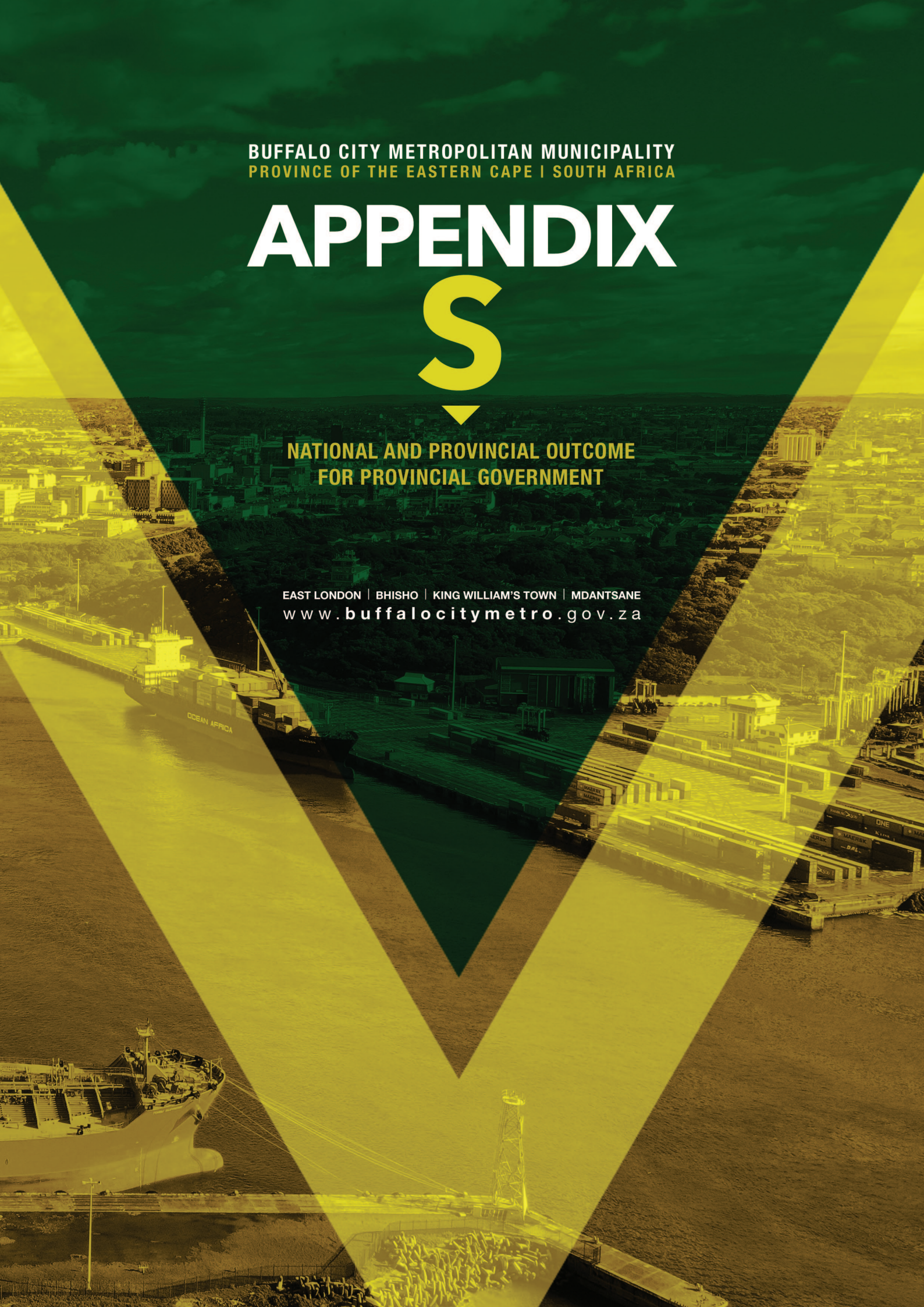


BUFFALO CITY METROPOLITAN MUNICIPALITY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# APPENDIX S

## NATIONAL AND PROVINCIAL OUTCOME FOR PROVINCIAL GOVERNMENT

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.buffalocitymetro.gov.za



# APPENDIX S – NATIONAL AND PROVINCIAL OUTCOME FOR PROVINCIAL GOVERNMENT

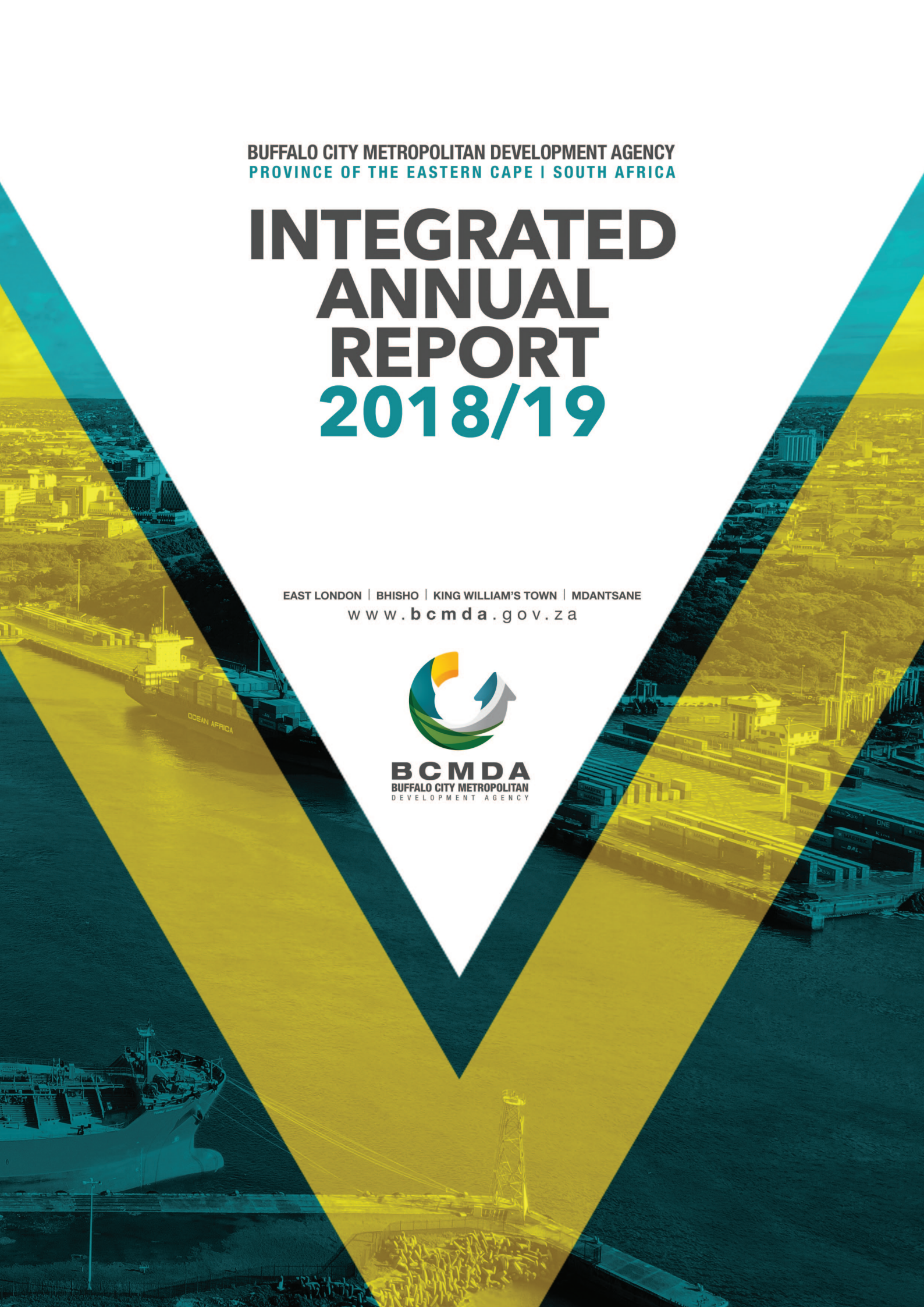
The information required on this appendix is not applicable to BCMM.





BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# INTEGRATED ANNUAL REPORT 2018/19




EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY



BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER ONE

## ABOUT THE REPORT




EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

# BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
# INTEGRATED ANNUAL REPORT 2018/19

# INDEX


1. **ABOUT THE REPORT**
   - Introduction
   - Materiality
   - Assurance Statement
   - Board Responsibility and Approval

2. **BCMDA LEADERSHIP- THE YEAR UNDER REVIEW**
   - Foreword by the Executive Mayor
   - Chairperson's Foreword
   - Chief Executive Officer's Report
   - Chief Financial Officer's Report

3. **CORPORATE PROFILE AND STRATEGIC OVERVIEW**
   - Vision statement
   - Mission statement
   - Guiding values
   - Mandate
   - Goals

4. **CORPORATE GOVERNANCE**
   - Corporate Governance Statement
   - Board of Directors
   - Board Committees
   - Audit Function
   - Role of the Company Secretary
   - Risk Management & Internal Audit Function
   - ICT Governance
   - Stakeholder Management
   - Sustainability Report

5. **ORGANISATIONAL PERFORMANCE**
   - **Goal 1:** A financially viable and fully capacitated agency delivering its mandate efficiently and effectively
   - **Goal 2:** A dynamic tourist destination through infrastructure investment and promotion
   - **Goal 3:** Acquire, plan, develop and manage land and buildings
   - **Gaol 4:** The facilitation and delivery of socio-economic development programmes
   - **Goal 5:** Project preparation, packaging and investment facilitation

6. **HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT**
   - Operational Context
   - Learning & Development
   - Vacancies
   - Employment Equity
   - Performance Management
   - Skills Development
   - Employee Benefits
   - HR/ Payroll system
   - Organisational Structure

7. **Supply Chian Management**
   - Capital Expenditure
   - Supply China Management
     - Bid Committees
     - Role of Committees
     - Deviations
     - Black Economic Empowerment

8. **ANNUAL FINANCIAL STATEMENTS**
   - Boards Responsibilities & Approval
   - Boards Report
   - Statement of Financial Preference
   - Cash flow Statement
   - Statement of Comparison of Budget & Actual Accounts
   - Accounting Policies
   - Notes to the Annual Financial Statement
   - Internal and External Audit Findings
   - Audit Committee Report 30 June 2019
   - Auditor -General on BCMDA

# 1. ABOUT THE REPORT

## 1.1. INTRODUCTION

The preparation of the Integrated Buffalo City Metropolitan Development Agency (BCMDA) is guided by circular 63 of the Municipal Finance Management Act (MFMA) (2003), issued by the National Treasury.

The Act prescribes the content municipalities should cover in their annual reports in chapter 12 "Financial Reporting and Auditing" section 121 to section 134. The BCMDA being an entity wholly funded and owned by the Municipality reports according to these standards in line with clause section 121 subsection (1) which states that "Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter". In this regard the 2018/19 integrated annual report provides the required data and tables, in line with the above the purpose of this report is to:

- Provide a record of activities of the Agency during the financial 2018/19
- Provide an account on the performance against the budget of the Agency's for the 2018/19 financial year.
- Provide the state of affairs of the Agency with reference to its business activities and its financial position as at the end of the financial year.
- To promote accountability to the local community for the decisions made throughout the year by the Agency.

To comply with local and international sustainable reporting best practice guidelines, the 2018/19 integrated annual report also considers the financial, social and economic factors in reporting on the BCMDA's operations. The guidelines applied include:

- Reporting requirements as per the Municipal Finance Management Act No. 56 of 2003, Circular 63 (MFMA)
- The South African Statements of Generally Recognised Accounting Practice (GRAP)
- Section 46(1) of the Municipal Systems Act (2000).
- King Code of Governance for South Africa
- National Treasury Guidelines and Regulations

As noted above the Buffalo City Metropolitan Development Agency (BCMDA) is a municipal entity wholly owned by the Buffalo City Metropolitan Municipality. It is a successor to the Buffalo City Development Agency that was established as a non-profit company by the Municipality in 2004. As the legislation evolved over time, it was deemed necessary to become a profit orientated company and BCMDA was established as a profit company on 20 April 2016, in terms of the Companies Act, 1973 as amended. This allows the Agency to transact, generate funds and have a borrowing capacity to carry its mandate to increase economic growth through tourism, economic and social development as well as property management and commercialisation.

The BCMDA is established as a juristic person operating as a municipal entity, which has been classified in terms of the Municipal Finance Management Act. As an entity of BCMM, the BCMDA thus extends the BCMM's capability with respect to the identification, planning and implementation of development projects for the benefit of the entire municipal area.

The BCMDA's outcomes are aligned with those set out in the Buffalo City Metropolitan Municipality's 2017/18–2020/21 integrated development plan and the BCMM 2030 Metro Growth and Development Strategy (MGDS 2030)

# 1.2. MATERIALITY

The BCMDA applies the principle of materiality to determine the nature, timing and extent of the disclosures in its annual reports. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the entity's ability to create value in the short, medium and long term. The following internal and external criteria were used to identify material issues:

## TABLE:1

| Internal Criteria | External Criteria |
|---|---|
| The BCMDA's mission, vision and values. | Priorities and support of national and provincial government. |
| The goals and objectives of the MGDS 2030 | The priorities and support of local government |
| The expectations of the shareholder. | The socioeconomic development agenda. |
| BCMDA's governance framework and policy environment. | Factors that may affect the BCMDA's reputation and influence its ability to promote the economic development of Buffalo City. |
| The expectations and feedback of stakeholders such as residents, ratepayers, the business community, civil society, national and provincial government, neighbouring municipalities, and designated targeted groups. | The provisions of various frameworks, including the MFMA, section 46(1) of the Municipal Systems Act, King IV, the International Financial Reporting Standards, the Millennium Development Goals, and the broad-based black economic empowerment (BBBEE) code. |

Table1: Internal and External Materiality

Material issues are embedded into the company's processes in at least the following four ways that ensure efficiency and impact:

- **Strategy**: To feed into ongoing strategy development by highlighting rapidly emerging issues and enabling them to be factored into strategy development and possibly addressed as business opportunities, rather than ignored until they become business risks.
- **Performance**: To promote internal understanding of the link between environmental, social, and governance issues and business performance. The materiality determination provides a link between issue experts and strategic and operational managers.
- **Stakeholder engagement:** To provide a framework to design stakeholder engagement strategies and a powerful tool to help identify opportunities for dialogue and collaboration.
- **Reporting**: To determine the scope of reporting and other communications so that they are more strategically aligned and useful to external stakeholders.

# 1.3. **ASSURANCE** STATEMENT

The BCMDA's executive management, internal audit unit, and the Audit and Risk Committee have reviewed and assessed the entity's integrated annual report for 2018/19 to ascertain whether minimum disclosure requirements were adhered to in terms of the following:

| **Integrated reporting framework** | **MFMA: Circular 63 Annual Reporting Requirements** |
|---|---|
| Ethical leadership and corporate citizenship | Chairperson's foreword and executive summary |
| Boards and directors<br>Board independence<br>Board reporting<br>Board's performance<br>Board committees<br>Directors' remuneration | Governance<br>Governance structures<br>Intergovernmental relations<br>Public accountability participation<br>Supply chain management,<br>By-laws and oversight committees<br>Risk management<br>Anticorruption and fraud<br>Disclosure of financial interests |
| Audit and Risk Committee<br>Finance competence<br>Audit and Risk Committee performance | Service delivery |
| The governance of risk | Organisational development performance |
| Compliance with laws, codes, rules and standards | Financial performance |
| Internal audit<br>Assessment of governance risk, management ethics and internal control processes | Appendices and annual financial statements |
| Governing stakeholder relationships | |
| Integrated reporting disclosure<br>Financial disclosure<br>Sustainability disclosure | |
| Integrated reporting philosophy | |

Table 2: Minimum Disclosure Requirements

# 1.4. **BOARD RESPONSIBILITY** AND APPROVAL

The directors are responsible for the preparation, integrity and fair presentation of the financial statement of the entity. The financial statements presented in Chapter 8 have been prepared in accordance with Generally Recognised Accounting Practice and include amounts based on judgements and estimates made by management.

The directors are responsible for the preparation of the other information in the integrated annual report and are responsible for both its accuracy and consistency with the financial statements. The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the entity will not be a going concern in the foreseeable future based on the forecast and available cash resources. Refer to the Directors' report in Chapter 8 with regard to the appropriateness of the going concern assumption for the preparation of the financial statements.

The financial statements were approved by the Board of Directors on …… 2018 and signed on its behalf by Mr. T. Bonakele (Chairperson)



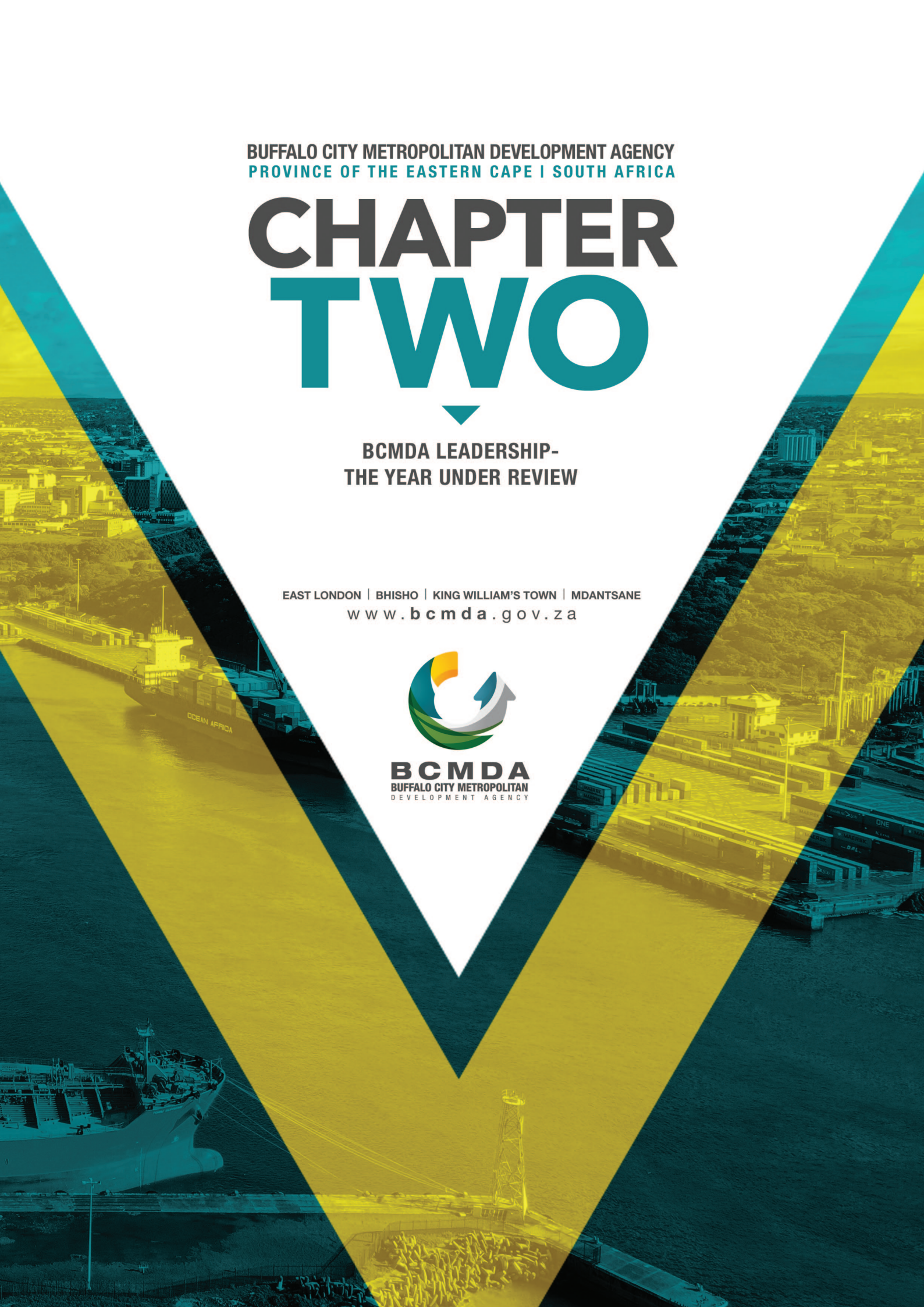
BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER TWO

## BCMDA LEADERSHIP- THE YEAR UNDER REVIEW

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY



# 2. **BCMDA LEADERSHIP**- THE YEAR UNDER REVIEW

## 2.1. **FORWARD** BY EXECUTIVE MAYOR

Inset Mayors Comments

# 2.2. **CHAIRPERSONS** STATEMENT

Insert Chairpersons Comments

# 2.3. **CHIEF EXECUTIVE OFFICERS** REPORT

Insert CEO's comments

# 2.4. **CHIEF FINANCIAL OFFICER'S** REPORT

Insert CFO's comment



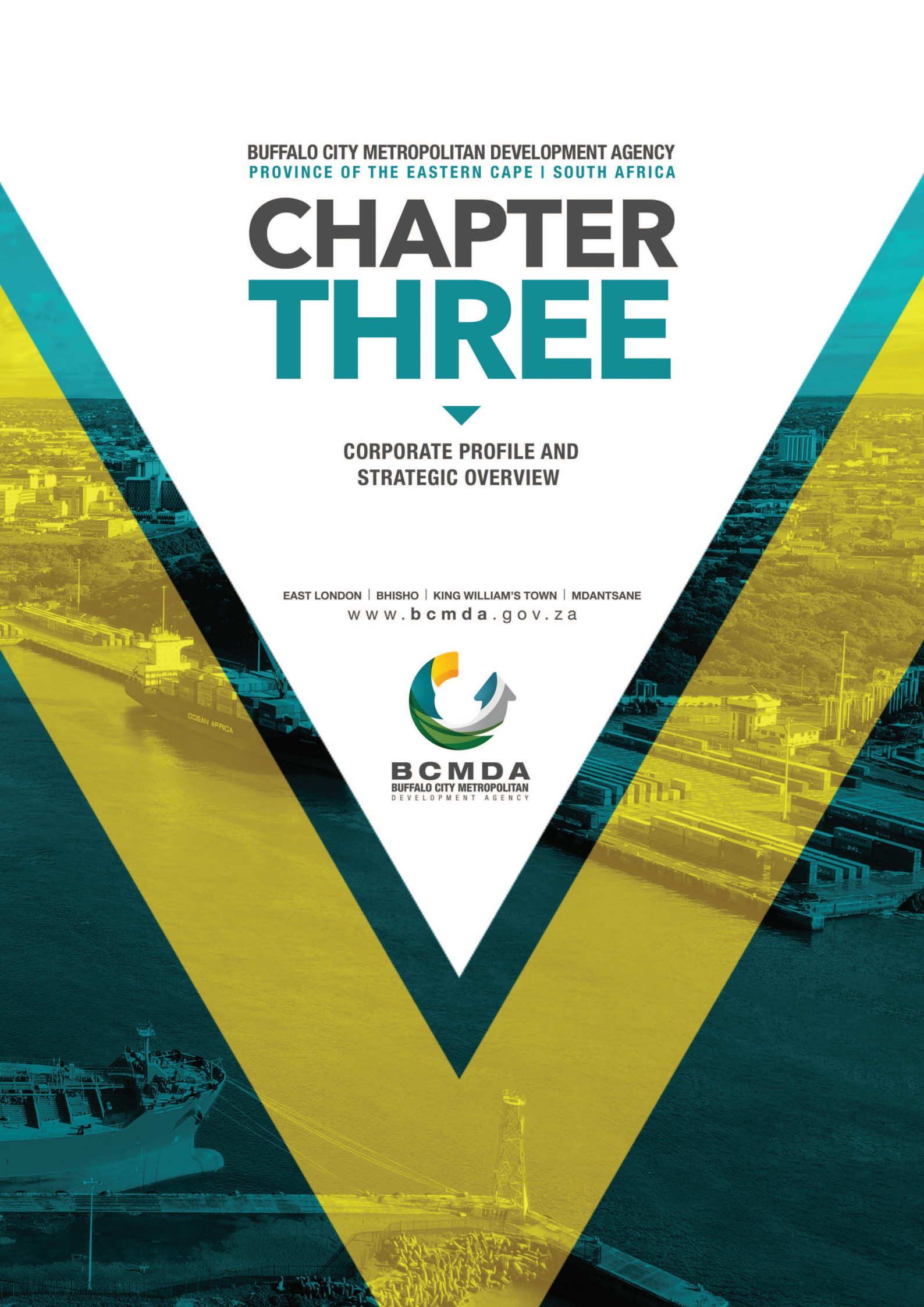
BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER THREE

## CORPORATE PROFILE AND STRATEGIC OVERVIEW

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY



# 3. CORPORATE PROFILE AND STRATEGIC OVERVIEW

## 3.1. VISION STATEMENT

A city that is more welcoming and competitive with ample opportunities to invest, work, play and live.

## 3.2. MISSION STATEMENT

Building a better Buffalo City through facilitating and undertaking development initiatives for the benefit of all the citizens of the city.

## 3.3 VALUES

As BCMDA we will strive to ***perform*** our functions in a ***professional*** and ***transparent*** manner guided by the highest levels of ***integrity*** whilst delivering high ***quality*** products and services and ***accountable*** to our stakeholders. The BCMDA has therefore defined the following guiding values in its operations:

- Performance
- Professionalism
- Integrity
- Quality
- Accountability
- Transparency

## 3.4. MANDATE

In 2011, the Buffalo City Municipality attained a metropolitan status and this subsequently led to a revising of the organisational structure to align to the metro requirements. This resulted in the incorporation of BCMDA, with a new mandate. The primary mandate of the Buffalo City Metropolitan Development Agency is to:

- Attract investors into Buffalo City,
- Increase economic growth through tourism, economic & social development &
- Property management and commercialisation.

The mandate was approved by the council on 11 December 2015 and can be summarised in the figure below.

- **Economic and Social Development**
  To conceptualise, plan and execute catalytic socio-economic development project
- **Tourism**
  To serve as a tourism agency of the Municipality
- **Property Management and Commercialisation**
  To acquire, own, and manage land and buildings and/or rights to land and buildings necessary to enable it to achieve its aims and objectives

Figure 1. Approved BCMDA mandate

In approving the mandate of the BCMDA, the Buffalo City Metropolitan Municipality Council also resolved that the Agency shall be empowered to take any such actions within its scope of authority to further its mandate, including, but not limited to:

- To conduct regular communications with all stakeholders.
- To launch, manage and/or monitor any study that may be necessary to further the objectives of the Agency.
- To negotiate, enter into and administer contracts in furtherance of its objectives.
- To collect income, raise, receive and hold funds, or receive guarantees, from any lawful source, for the purposes of the BCMDA and to manage administer and disburse those funds in pursuance of the objects of the BCMDA and for administrative purposes in accordance with the terms and conditions determined by the BCMDA.
- To conduct and operate any financial assistance, subsidy or incentive Programme necessary to ensure the most advantageous development projects for the Municipality.

# 3.5. STRATEGIC **GOALS**

As part of its planning process, every year the organisation assesses its strategic position in line with the prevailing conditions within the developmental context of the city. These planning sessions are conducted between management and the board as well as the Metro, as the current soul shareholder. The outcome orientated goals of the Agency are as follows:

- **Goal 1:** A financially viable and fully capacitated agency delivering its mandate efficiently & effectively.
- **Goal 2:** A dynamic tourist attraction destination through infrastructure investment & promotion.
- **Goal 3:** Acquire, plan, develop and manage land and buildings
- **Goal 4:** The facilitation and delivery of socio-economic development programmes
- **Goal 5:** High growth industrial economy through project preparation, packaging and investment facilitation

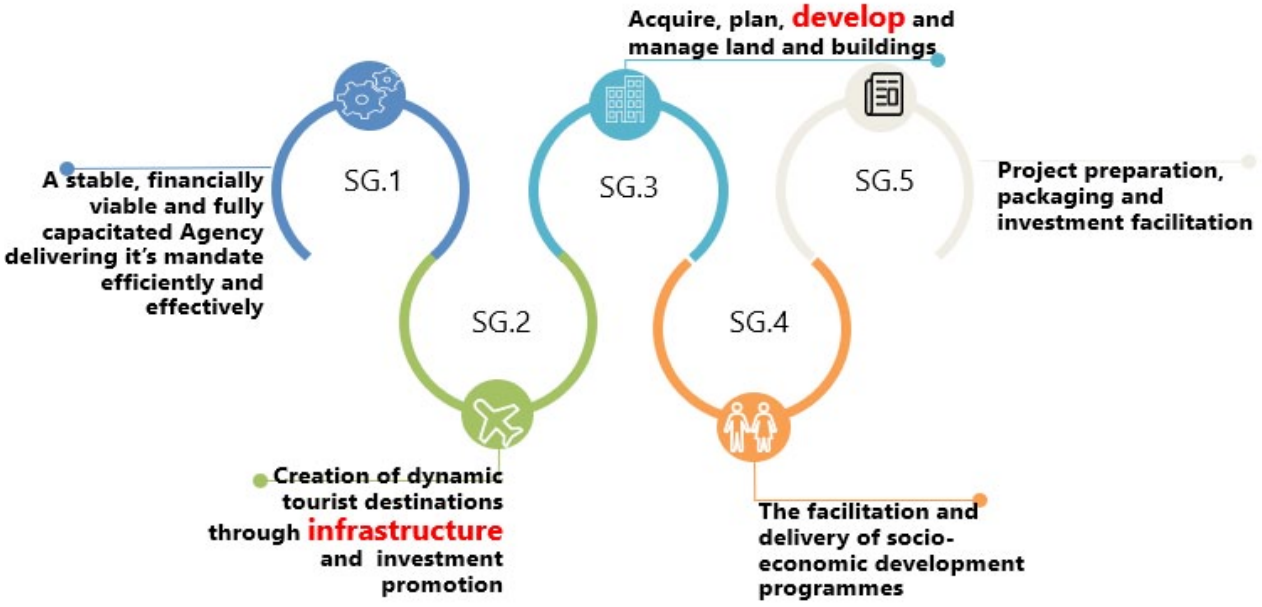



Figure 2: BCMDA Strategic Goals

# 3.6. BUSINESS **MODEL**

The business model of the agency is premised on the delivery of 13 strategic objectives which are derived from the 5 strategic objectives noted in figure 2 which in turn aligned to the 2030 Metro Growth and Development Strategy. The agency ensures alignment between the Growth Strategy and its strategic outcomes.

| MGDS 2030 | BCMDA Outcome Oriented Goal Defined | Strategic Goal Ref | Strategic Objective |
|---|---|---|---|
| A well governed city | A stable, financially viable and fully capacitated agency delivering its mandate efficiently and effectively | SG1 | • Financial sustainability.<br>• Organisational alignment to mandate<br>• Efficient and effective Information Technology and Knowledge Management service<br>• Equitable and sound Corporate Governance<br>• Efficient and Effect8ve Corporate Services<br>• Effective Board Secretariat and legal support |
| Innovative and productive city | A dynamic tourist destination through infrastructure investment and promotion | SG2 | • Tourism opportunities exploited in high value products |
| A spatially transformed city | Acquire, plan, develop and manage land and buildings | SG3 | • Inner City Regeneration<br>• A well-developed beachfront |
| A green city | The facilitation and delivery of socio-economic development programmes | SG4 | • Job Creation & Economic Development |
| A connected city | Project preparation, packaging and investment facilitation | SG 5 | • Facilitation and promotion of investment activities within Buffalo City<br>• Transport and Logistics industrial network that supports economic growth.<br>• Facilitation of SMME Development and Funding |

Table3: Basis for bases model

# 3.7. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS **ANALYSIS**

The management and staff undertook a strategic planning session during the second quarter of the 2018-2019 financial year, this process also included undertaking an assessment and reflection on the 5-year strategy of the Agency (Strategy for 2019/20 – 2023/24). This process culminated in the Special Board Strategic Session that was held on the third quarter. Table four outlines the identified strengths, weaknesses opportunities and threats assessment.

| **STRENGTHS** | **WEAKNESSES** |
|---|---|
| • Vibrant organisation that encourages innovative thinking.<br>• Proven capability to deliver.<br>• Experienced Executive Team and Board.<br>• Quick decision making.<br>• Broad mandate to drive job creation Ability to establish partnerships.<br>• Maintained Unqualified Audit<br>• Governance Framework in place<br>• 5 Year Strategy in place<br>• Continuity in the Board composition through retention of majority membership(majority) | • Lack of current capacity to deliver on big projects (i.e. resources, both human & financial).<br>• Lack of diverse sources of funds – dependent on municipal funding.<br>• Blurred lines of Accountability & Communication between BCMDA & BCMM.<br>• Dependent upon municipality for key outcomes e.g. approvals, land etc.<br>• Limited marketing budget & limited knowledge of the brand.<br>• Approved Organisational structure not adequately funded. |
| **OPPORTUNITIES** | **THREATS** |
| • University City<br>• Strong culture & heritage of the location.<br>• Automotive Industry providing employment.<br>• Establish strategic partnerships<br>• After-care investment Programme.<br>• Access to funds through grants & other revenue pools.<br>• To re-industrialize BCMM<br>• To support local Cooperatives through economic empowerment.<br>• Align the BCMDA to new Government initiatives such as Oceans Economy, Reindustrialisation & National Government Investment Drive<br>• To mobilize resources from other Departments that can fund key programmes of the Agency.<br>• Improvement of Communication Strategy<br>• Access skills in the market through Skills Funding<br>• Availability of land for Development.<br>• Alignment of the BCMDA to the Smart City Concept | • Funding & resource constraints.<br>• Dependency on BCMM for operational funding.<br>• Potential loss of current investors.<br>• Competition from other Metropolitans – investors opt to invest in other Metropolitans as a result of the high cost to operate in BCMM.<br>• Agency Capacity being overstretched (could lead to implosion<br>• Risk of Slow Decision-Making processes within the SCM linked to Non-segregation of duties & overstretched capacit<br>• Slowing economy, may result in less Investment.<br>• Shrinking Revenue Collection by the Metropolitan<br>• Frequent Political changes may undermine/compromise investor confidence in the city<br>• The Mandate of the BCMDA requires strong 'Political Will' to be realised |

Table4: SWOT analysis



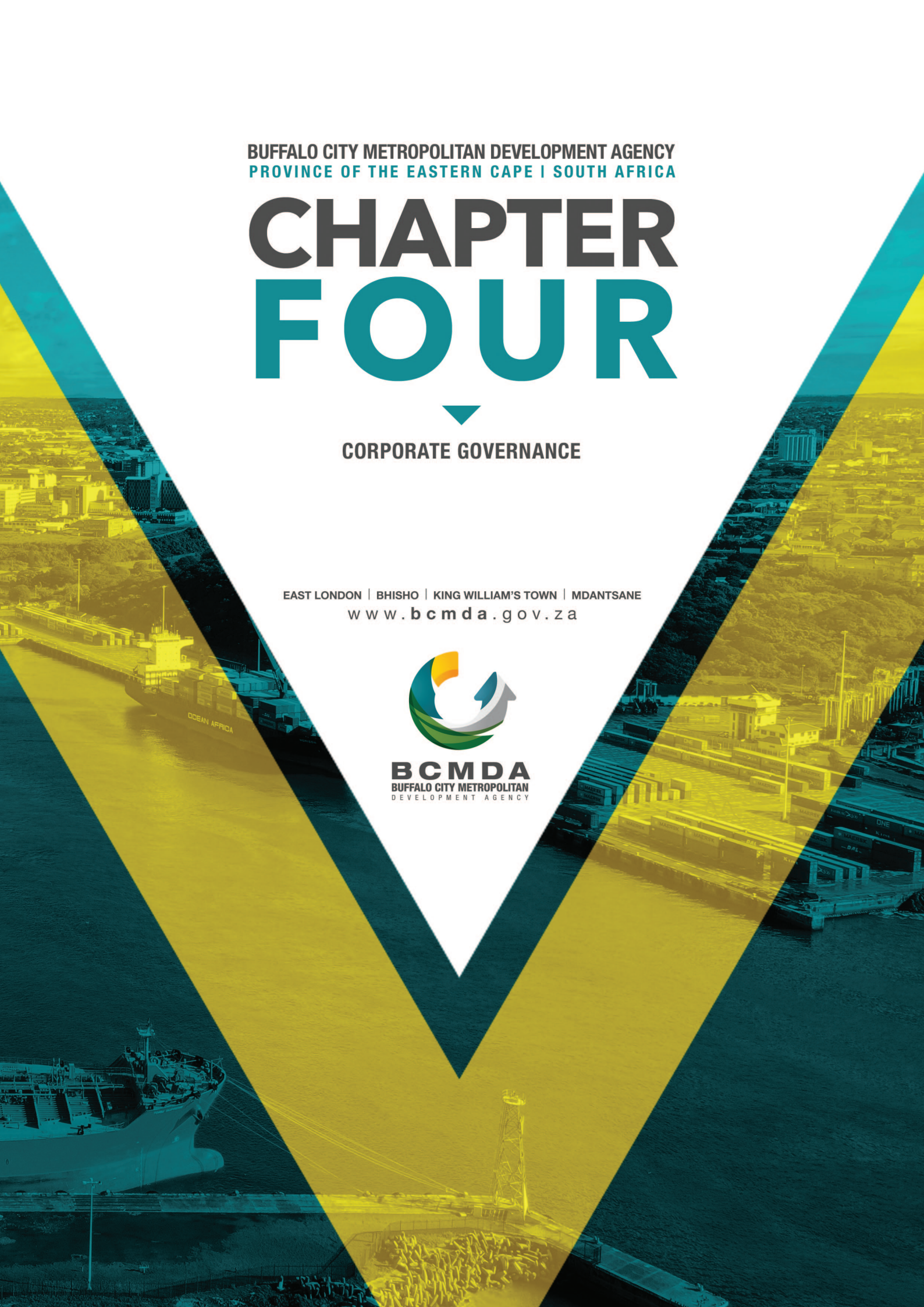
BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER FOUR

## CORPORATE GOVERNANCE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY



# 4. CORPORATE GOVERNANCE STATEMENT

## 4.1. CORPORATE GOVERNANCE STATEMENT

Good Corporate governance is essentially about effective and ethical leadership by the BCMDA Board. It requires leadership that is able to integrate decision-making, business strategy and sustainability. It also calls for an inclusive and collaborative approach with stakeholders, in order to ensure effective engagement and in order to ensure all stakeholders interests are considered in decision-making.

The Board ensures compliance with the King Code IV of Corporate Governance practices and strives towards the achievement of the following outcomes:

- Ethical culture,
- Good performance,
- Effective control and
- Legitimacy.

The Board consists of a majority of Non-Executive Directors and one Executive Director which is the CEO. The Board works collectively in executing its fiduciary duties effectively and has maintained good and strong relations with the Chief Executive Officer.

The BCMDA recognises that conducting its affairs with integrity will ensure that the public and its parent municipality, BCMM will have confidence in its work. To that end the BCMDA's Board of Directors and executive management team subscribe to the governance principles set out in the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, circular 63 of the MFMA and the King Code.

The Board also actively reviews and enhances the systems of internal control and governance procedures in place to ensure that the Agency is managed ethically and within prudently determined risk parameters.

The BCMDA performs according to a service delivery agreement and performance objectives set by the Buffalo City Metropolitan Municipality.

The BCMDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The BCMDA coordinates its area-based development activities and other catalytic interventions with BCMM and engages with functional departments in the design and construction of infrastructure assets.

The Board and management team are committed to the principles of openness, integrity and accountability advocated by the King Code principles.

The internal audit team provided regular feedback to the Audit and Risk Committee, which is responsible for monitoring compliance with the King Code. The entity applies the governance principles contained in the King Code as far as it applies to it and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King Code on Corporate Governance.

Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring of the entity's compliance with the King Code on Corporate Governance forms part of the Shareholder mandate. During the year under review the entity has complied with the provisions of the Code.

The Board is the focal point of the Agency and provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the company's establishment.

The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the entity's stakeholders.

The BCMDA, as an entity of BCMM has both social and moral obligations to the citizens. The Board is responsible for ensuring that the BCMDA protects, enhances and invests in the economy, society and the natural environment, and pursues its activities within the limits of social, political and environmental responsibilities outlined in international conventions on human rights.

The Board is responsible for ensuring that the entity complies with applicable laws and considers adherence to non-binding rules, codes and standards. The company secretary certifies that all statutory returns have been submitted to the Registrar of Companies in terms of section 268(d) of the Companies Act. The internal audit team provides assurance on the BCMDA's compliance with laws and regulations.

# 4.2. **BOARD** OF DIRECTORS

The BCMDA has a single shareholder which is the Buffalo City Metropolitan Municipality (BCMM). For the current financial year, the Board consisted of six (6) members whose term was effective from 01 February 2017 until 31st January 2019, and extended for a further period of 6 months whilst awaiting finalisation of the recruitment process.

The Board is constituted as follows:

- Six non-executive Directors,
- A Councillor & an official from BCMM who serve as non-participating observer members
- The Chief Executive Officer
- The Chief Financial Officer who is a permanent invitee.

The contribution of the Board is derived from the wide range of skills they collectively possess inter alia, business administration, finance, accounting, human resources, Public Sector management etc. The Board is the Core of the Agency's corporate governance architecture and is responsible for:

- Providing a clear strategic Direction to the Agency;
- Ensuring that appropriate management structures are in place to ensure day to day;
- Promoting a culture of ethical behaviour;
- Entrenching sound corporate governance through an integrated governance structure; and
- Compliance with all relevant laws, regulation and codes of practice.

The Board is the Core of the Agency's corporate governance architecture and is responsible for:

- Providing a clear strategic Direction to the Agency
- Ensuring that appropriate management structures are in place to ensure day to day
- Promoting culture of ethical behaviour
- Entrenching sound corporate governance through an integrated governance structure; and
- Compliance with all relevant legislation, regulations and codes of practice.

| Member | Capacity | Race | Gender | Qualifications/ skills/ expertise | Committee Membership |
|---|---|---|---|---|---|
| Mr. Tembinkosi Bonakele | Chairperson of the Board | African | Male | Attorney/Regulator | GC Chairperson |
| Mr. Simphiwe Khondlo | Member | African | Male | Engineer | GC & PDIC Member & OC Chairperson |
| Mr. Chuma Sangqu | Member | African | Male | Project manager | GC Member & PDIC Chairperson |
| Ms. Nomalungelo Buela Petelo-Ngcanga | Member | African | Female | Management | PDIC & GC |
| Mr. John Badenhorst | Member | White | Male | Teacher &Politician | OC & PDIC |
| Ms. Mankomo Ulyth Pango | Member | African | Female | Teacher & Politician | OC |

Table 5: Board of Directors

The Board of Directors of the Agency meets at regular intervals, retains full and effective control over the entity and monitors the implementation of the entity's strategic programmes by the executive management through a structured approach to reporting and accountability. It also sets the strategic direction and monitors overall performance. All Board Committees are chaired by independent Non-Executive directors.

The Board meets not less than four times a year to consider matters specifically reserved for its attention. The Board has established three sub-committees namely Governance Committee (GC), Organisational Committee (OC) and The Project Development and Investment Committee (PDIC). During the year under review, the Board met as per the schedule of meetings below.

## 4.2.1. BOARD MEETING SCHEDULE AND ATTENDANCE

| Date | T Bonakele | C Sangqu | S Khondlo | M Pango | J Badenhorst | N Petela-Ngcanga |
|---|---|---|---|---|---|---|
| 20 August 2018 | Yes | Yes | Yes | Yes | Yes | Apology |
| 21 November 2018 | Apology | Yes | Yes | Yes | Yes | Yes |
| 17 January 2019 | Apology | Yes | Apology | Yes | Yes | Yes |
| 27 March 2019 | Yes | Yes | Yes | Yes | Yes | Apology |
| 15 April 2019 | Yes | Yes | Apology | Yes | Yes | Yes |
| 24 May 2019 | Yes | Yes | Yes | Yes | Yes | Yes |
| 21 June 2019 | Yes | Yes | Yes | Yes | Yes | Yes |

Table 6: Schedule of Audit Committee Meetings and Attendance for 2018/19 Financial Year

# 4.3. BOARD **COMMITTEES**

There are three Board committees, which are Governance Committee, Organisational Committee and the Project Development and Investment Committee.

Their recommendations and reports to the Board ensure transparency and full disclosure of the Committee activities. Each Committee carries out its duties within the terms of reference that define its composition, role, responsibility and delegated authority.

## 4.3.1. GOVERNANCE COMMITTEE MEETING SCHEDULE & ATTENDANCE

| Date of Meeting | T Bonakele | J Badenhorst | S Khondlo | N Petela-Ngcanga |
|---|---|---|---|---|
| 13 December 2018 | Yes | Yes | Yes | Apology |
| 5 April 2019 | Yes | Yes | Yes | Yes |
| 21 June 2019 | Yes | Yes | Yes | Yes |

Table 6: Schedule of Governance Meetings & Attendance for 3rd & 4th Quarter

## 4.3.2. ORGANISATIONAL COMMITTEE MEETING SCHEDULE & ATTENDANCE

| Date of Meeting | S Kondlo | J Badenhorst | M Pango |
|---|---|---|---|
| 20 August 2018 | Yes | Yes | Yes |
| 9 November 2018 | Yes | Yes | Yes |
| 13 December 2018 | Yes | Yes | Yes |
| 27 February 2019 | Yes | Yes | Yes |
| 06 May 2019 | Yes | Yes | Yes |

Table 7: Schedule of Organisational Committee Meetings & Attendance for 2018/19 Financial Year

## 4.3.3. PROJECT DEVELOPMENT & INVESTMENT COMMITTEE MEETING SCHEDULE & ATTENDANCE

| Date of Meeting | S Sangqu | J Badenhorst | S Khondlo | N Petela-Ngcanga |
|---|---|---|---|---|
| 20 August 2019 | Yes | Yes | Yes | Apology |
| 9 November 2019 | Yes | Yes | Yes | Yes |
| 27 February 2019 | Yes | Yes | Yes | Yes |
| 6 May 2019 | Yes | Yes | Apology | Apology |

Table 8: Schedule of Project Development & Investment Committee Meetings & Attendance for the 2018/19

# 4.4. **FINANCIAL** REPORTING

In terms of Section 87(11) of the MFMA the Agency is required to submit monthly financial reports to BCMM within 7 working days after the end of every month. In addition, BCMDA submits quarterly performance reports to BCMM.
Board Remuneration for 2018/19

| Board Members | Total |
|---|---|
| Mr T.K Bonakele | R 253 315.00 |
| Mr. S.N Kondlo | R 206 225.00 |
| Ms. N Petela-Ngcanga | R 250 137.00 |
| Mr. C.T Sangqu | R 300 043.00 |
| Ms. M.U Pango | R 318 371.00 |
| Mr. J.H Badenhorst | R 321 565.00 |
| Ms. L.E Simon-Ndzele | Nil |
| | R 1 649 656.00 |

Table 9: Board Remuneration for 2018/19

# 4.5. EXCO **FUNCTIONALITY**

The function of Executive Committee (EXCO) is to drive the strategic direction of the organization. 9 EXCO Meetings were held in 2018/19 financial year:

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|
| 09 July 2018 | 11 October 2018 | 09 January 2019 | 16 April 2019 |
| 07 August 2018 | | 13 March 2019 | 20 May 2019 |
| 13 September 2018 | | | 25 June 2019 |

Table 10: Schedule of EXCO Meetings for 2018/19

## SPECIAL EXCO

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|
| 28 August 2018 | 30 October 2018 | 14 January 2019 | 12 June 2019 |
| | 10 December 2018 | 05 March 2019 | |
| | | 14 March 2019 | |

Table 11: Special EXCO for 2018/19

### 7 SPECIAL EXCO MEETINGS WERE HELD IN 2018/19 FINANCIAL YEAR:

| Executives | Total |
|---|---|
| Mr. Bulumko Nelana | R 2 417 084 |
| Ms. Vicky Ntsodo | R 1 597 941 |
| Mr. Eldrid Uithaler | R 1 430 498 |
| Mr. Xola Jikela | R 1 369 628 |

Table 12: Executive renumeration 2018/19

# 4.6. **AUDIT** FUNCTION

With regards to the Audit Committee (AC), the Agency shares or utilises the Audit Committee of the parent municipality. The AC members are as follows:

| **Name of Audit Committee Member and Status of Attendance** | | | | | | |
|---|---|---|---|---|---|---|
| **Date** | **R. Shaw** | **Y. Roboji** | **P. Ntuli** | **S. Sokutu** | **P. Mzizi** | **T. Zororo** |
| 21 August 2018 | Yes | Yes | Yes | Yes | Apology | Apology |
| 12 November 2018 | Yes | Yes | Yes | Yes | Yes | Apology |
| 12 February 2019 | Yes | Yes | Yes | Apology | Yes | Apology |
| 10 May 2019 | Yes | Apology | Yes | Yes | Apology | Yes |

Table 12: Schedule of Audit Committee Meetings and Attendance for 2018/19 Financial Year

### 4.6.1. ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Reviewing BCMDA's internal controls and published financial reports for statutory compliance and against standards of best practice and recommending appropriate disclosure to the Board.
- The external and internal auditors attend these meetings, and have direct access to the Chairperson of the Committee and Chairperson of the Board;
- Reviewing reports from management and the internal and external auditors, to provide reasonable assurance that control procedures are in place and working as intended;
- Considering the appointment of both the internal and external auditors, the audit fee and any questions of resignation or dismissal of auditors;
- Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.

## 4.7. ROLE OF THE **COMPANY SECRETARY**

- Ensuring compliance to the provisions of Companies Law and rules made there-under and other statues and policies of the Agency;
- Ensuring that Business of the Agency is conducted in accordance with its objects as contained in Memorandum of Incorporation (MOI);
- Ensuring that the affairs of the Agency are managed in accordance with the provisions of the law;
- Develop framework to ensure that the organisation complies with relevant statutes;
- Preparing, approving and signing agreements, leases, legal forms, on behalf of the Agency when authorised;
- Engaging legal advisors and defending the rights of the Agency in Courts of Law; and
- Advising the Chief Executive and other executives in respect of legal matters.

The Company Secretary, ensures that s/he keeps up to date with the changes in pertinent legislation and corporate governance matters in order for him/her to properly advise the Board.

# 4.8. **RISK MANAGEMENT** & **INTERNAL AUDIT** FUNCTION

Risk management is an integral part of good governance. It is a process whereby

- There is a shared awareness and understanding within the organisation of the nature and extent of the risks it faces (both positive and negative risks); the categories and extent of those risks regarded as acceptable and the likelihood and potential impacts of the risk materialising.
- There is a regular and ongoing identification, evaluation, management, monitoring, recording and reporting of risks with a view of improving the organisation's ability to manage and reduce the incidence or impact on the organisation of risks that do materialise. The Risk register is updated on a monthly basis.
- An appropriate assessment is made of the costs of implementation and operating a particular control relative to the benefit obtained in managing the related risk.

The BCMDA's Board monitors risk through the Audit Committee, which ensures that there is an effective risk management process and system in place. The committee recommends risk strategies and policies that need to be set, implemented and monitored. The BCMDA Board is responsible for identifying, assessing and monitoring the risks presented by the Audit Committee.

The BCMDA has a risk management strategy, which follows an enterprise-wide risk management system in which all identified risk areas are managed systematically and continuously on an on-going basis at departmental level. The risk register is treated as a working risk management document because risks are constantly recorded and managed. Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

The BCMDA submits its risk management reports to the Audit Committee. The committee assesses all risks affecting the BCMDA and makes recommendations to the Chief Executive Officer and the board on the general effectiveness of risk management processes in the BCMDA.

Risk identification and assessment is an on-going process. The BCMDA conducted an annual strategic and operational risk assessment workshop. This process is supported by an on-going risk management process at departmental level; and all employees are required to take ownership of risks that fall within their respective areas of responsibilities. The risk management programmes and/or activities that were implemented during the 2018/2019 financial year are as follows:

- Strategic Risks Management and Monitoring
- Operational Risks Management and Monitoring
- Audit Tracking Reports and Monitoring
- Special Risk Training Workshop and Capacitation for all Staff
- Code of Ethics Policy

The Board and the Audit Committee will continue to monitor the implementation of the documents listed above to ensure that the organisation is proactive in addressing risks and strengthening its internal control environment.

## 4.6.1. STRATEGIC RISKS

| | Strategic objective | Risk description at Strategic Objective level | Existing controls | Actions to improve management of the risk | Status |
|---|---|---|---|---|---|
| 1 | Equitable and sound corporate governance | Non-adherence to policies, procedures and legislative prescripts | Existence of Induction procedure<br><br>Existence of BCMDA's Code of Conduct<br><br>Annual policy awareness sessions | Annual review and update of all policies<br><br>Develop a policy to enhance consequence management in relation to irregular, fruitless and wasteful expenditure. | All policies have been updated. |
| | | Non-compliance with applicable policies, regulations and/or legislation | Existence of compliance register<br><br>Existence of policies<br><br>Existence of Management oversite | Annual planning and budgeting<br><br>Bi-annual policy awareness campaigns<br><br>Implementation of fraud prevention policy | Annual planning and budgeting commenced six months before the actual submission date. Inputs are sought from all divisions. |
| | | Inability to spend allocated funds | Existence of annual procurement plan<br><br>Existence of Project Management Framework and procedures manual | Monthly reminders to Divisions to comply with procurement plan | Procurement plan is monitored on a monthly basis and where expenditure is slow, reasons thereof are sought from divisions.<br><br>In certain instances, adjustments are done accordingly and processed one the adjustments process is concluded. |

| | Strategic objective | Risk description at Strategic Objective level | Existing controls | Actions to improve management of the risk | Status |
|---|---|---|---|---|---|
| 2 | Adequate and appropriately skilled staff | Non-alignment of organizational structure to the mandate | Approved organogram<br><br>Regular review of the strategy and organogram | Ensure financial viability of the organisation<br><br>Annual job reviewal process<br><br>Annual job enrichment process | The new structure has been proposed and was endorsed by Board. |
| | | Limited funding for organizational organogram | Existence of partnership agreements | | |
| | | Inability to retain experienced and qualified personnel | Existence of retention and remuneration policy<br><br>Outsourced skills<br><br>Existing training and skills development policy and plan<br><br>Existence of Performance Management and Development System (PMDS) | | |
| 3 | Effective brand management & communication | Limited brand positioning of the BCMDA<br><br>Lack of respect for the BCMDA brand by strategic stakeholders<br><br>Ineffective communication of the strategy and programs of BCMDA to the public and the City | Established media partnerships<br><br>Existence of marketing and communications strategy<br><br>Effective management of design services (Appointment of MDA Consultants)<br><br>Existing collaborative partnerships (TNPA, IBC, BCMM) | ICT embeded Marketing and Communication Strategy<br><br>Motivate for additional HR and financial resources<br><br>Referral process (Like minded SOE's)<br><br>Enhancement of the monitoring and evaluation process of the consultants | Challenges with budget allocations are hampering the effectives of effective brand management and communication.<br><br>Established partnerships with TNPA, ECDC and Invest Buffalo City.<br><br>Operational risk of a non-functional website has limited communication capacity. EXCO is addressing this matter. |

| | Strategic objective | Risk description at Strategic Objective level | Existing controls | Actions to improve management of the risk | Status |
|---|---|---|---|---|---|
| 4 | Effective board secretariat and legal support | Non-implementation of board resolutions<br><br>Exposure of the Agency to non-compliance and litigation and ill advise<br><br>Compromised effectiveness of corporate governance structures | Existence of resolution register and board follow-up<br><br>Existence of Standard Operating Procedures (SOP)<br><br>Existence of Board Annual Plan<br><br>Board capacitation and evaluation<br><br>Provision of electronic communications equipment | Motivate for more budget and staffing<br><br>Skills gap training to enhance job performance | A request for more budget and human resources in the has been made.<br><br>In the interim due to budget constraints an intern has been appointed to enhance human capacity. |
| 5 | Transform municipal open spaces | Non-implementation of the intended development projects as per SDA<br><br>Non-delivery of stakeholder's expectations | Existence of a signed Service Delivery Agreement (SDA)<br><br>Continuous engagements with the main shareholder.<br><br>Submission of funding proposals for additional projects (external)<br><br>Existence of approved Financial Sustainability Strategy | Continuous engagements at management and board level aiming at obtaining more focused open space management projects.<br><br>Board and CEO's engagement of the City in pursuance of the matters as captured in the SDA<br><br>Monthly reporting at EXCO meetings | Water World and Court Crescent will see innovative designs linked to a green, spatially transformed and innovative space.<br><br>Implementation will start in the new financial period.<br><br>Agency will endeavor to seek out new investors for new land parcels. |
| 6 | Inner City Regeneration | Ineffective delivery of projects in relation to Inner City Regeneration<br><br>No realizable beautification and safety improvement in the Buffalo City Metropolitan Area<br><br>Inadequate implementation of Inner City Regeneration plans | Continuous engagements with BCMM.<br><br>Approved City Improvement District (CID) concept by the BCMDA board<br><br>Signed agreement with Invest Buffalo City (IBC) on the Call2Action<br><br>Existence of live projects | Continuous engagements with all relevant stakeholders aiming at obtaining buy-inn.<br><br>Sleeper Site role clarification and other catalytic projects | Falcolux Safety and Security Services has been appointed and their services at the beach front has assisted in adding value in relation to crime reduction. |

| | Strategic objective | Risk description at Strategic Objective level | Existing controls | Actions to improve management of the risk | Status |
|---|---|---|---|---|---|
| 7 | A well-developed beach front | Non-implementation of the intended development projects as per SDA<br><br>Non-delivery on project implementation programs<br><br>Potential cancellation of contract with service provider due to poor and insufficient services | Signed SDA with the City and SLA with consultants (MDA)<br><br>Continuous engagements with the main shareholder.<br><br>Adherence to works program (Project schedule)<br><br>Continued engagements with consultants to resolve impasse and poor performance | Immediate plan should the consultant's agreements be cancelled (Contingency plan)<br><br>Intensify project monitoring and evaluation process | The beach front projects i.e. Water World and Court Crescent are on track with the appointment of the PM Consultants and handover from the Design team. |
| 8 | Tourism opportunities exploited in high value products | Inability to attract tourists and investment opportunities<br><br>Inadequate strategic partnerships to attain high value tourism products. | Implementation of the marketing strategy which gives effect to various partnerships<br><br>Existing draft annual marketing plan to be approved | Develop a plan to identify high impact tourism value partnerships<br><br>Motivate for the filling of the position of Manager: Investment and Promotions | Ongoing process of establishing partnerships with entities that have a mutual interest in tourism development continues. A highlight in this regard is the regular attendee of Provincial Tourism Forum as well as the Boarder Chamber of Business Tourism Committee<br><br>Appointment of Manger: Investment Promotion and Tourism Developed achieved as well as the approval by Board of the funding of a post for Project Manager: Tourism Development. Achieved |

| | Strategic objective | Risk description at Strategic Objective level | Existing controls | Actions to improve management of the risk | Status |
|---|---|---|---|---|---|
| 9 | Job Creation | Inability to create jobs<br><br>Inability to service the mandate of the Agency<br><br>Compromised continuity of the Agency | Continuous engagements with the main shareholder.<br><br>Submission of funding proposals for additional projects<br><br>Projects funded by external partners (DEA)<br><br>Perused agreements with external partners | Request additional funding from the parent municipality.<br><br>Secure additional external funding and partnerships<br><br>Engage stakeholders to establish collaborative projects | The DEA Waste Management Project commenced rollout with 168 employed participants.<br><br>The project is currently implemented in 8 sites and assists in cleaning the city and reducing the amount of waste to landfill sites. |
| 10 | Efficient and effective information technology and knowledge management services | Loss of data in the event of disaster or system failure | Approved ICT Governance Framework.<br><br>Approved revised organogram<br><br>Daily server backups<br><br>Active Directory implementation (Password Changes, Username)<br><br>Antivirus Protection<br><br>Firewall/Network Security<br><br>Insurance of ICT assets and data | Implementation of EDMS.<br><br>Development of Disaster Recovery Plan (DRP)<br><br>Motivate for appropriate office space<br><br>Approval of offsite storage facility by the City | Metrofile has been appointed as the service provider for implementation of EDMS.<br><br>Disaster Recovery Plan has been developed and approved. |
| | | Loss of institutional memory | Shared Server/Folder Implementation | | |

# 4.9. **CORPORATE ETHICS** AND ORGANISATIONAL INTEGRITY

The BCMDA and its board subscribe to high ethical standards and principles. The leadership provided by the board is characterised by the values of responsibility, accountability, fairness and transparency, and has been a defining characteristic of the BCMDA since its establishment in 2016.

The agency's main objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions.

## 4.9.1 CODE OF CONDUCT

The BCMDA's code of conduct, which is fully endorsed by the Board, applies to all directors and employees. The code is consistent with schedule 1 of the Municipal Systems Act and the provisions of the BCMM corporate governance protocol for municipal entities. The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism. Through its code of conduct, the BCMDA is committed to:

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large.
- Fair commercial and competitive business practices.
- Eliminating discrimination and enabling employees to realise their potential through continuous training and skills development.
- Taking environmental and social issues into consideration.
- Ensuring that all directors declare any direct or indirect personal or business interest that might adversely affect them in the proper performance of their stewardship of the entity.

The code requires all staff to act with the utmost integrity and objectivity and in compliance with the law and company policies at all times. Failure to act in terms of the code results in disciplinary action. The code is discussed with each new employee as part of the induction process, and all employees are asked to sign an annual declaration confirming their compliance with the code. A copy of the code is available to interested parties on request. Any breach of the code is considered a serious offence and is dealt with accordingly; this acts as a deterrent. The directors believe that ethical standards are being met and are fully supported by the ethics programme.

## 4.9.2 DECLARATION OF INTEREST

In accordance with its code of conduct, the BCMDA maintains a register of directors' declarations of interests. The register is updated annually and as and when each director's declared interests change. A register is circulated at every Board and Board committee meeting for the directors to declare any interest related to every matter discussed at a particular meeting.

The BCMDA's employee code of ethics and terms and conditions of employment require all employees to complete declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the BCMDA, gifts and hospitality, and the status of their municipal accounts.

# 4.10. **COMPLIANCE** WITH LAWS AND REGULATIONS

BCMDA has a compliance register which regulates the state of compliance with the applicable laws and regulations. The register is updated to ensure that all the divisions adhere to the requirements. Further there are policies and procedures that employees abide by, which are made available to each employee. Further the Internal and External Auditors provide assurance that the Agency is compliant and make the necessary recommendations where applicable.

# 4.11. **ANTI-CORRUPTION** AND FRAUD

The system of internal control applied by the Agency over anti-corruption and fraud which is Fraud Prevention Policy and Plan is approved by the Board. There is currently no reported fraud and corruption matters to the Agency.

# 4.12. INFORMATION AND COMMUNICATION TECHNOLOGY **(ICT) GOVERNANCE**

The Executive Management (EXCO) of BCMDA's emphasis in the year under review has been the focus on information governance in line with King IV. While in the previous versions of the King Governance code, there has been no distinct separation between Information and Technology, King IV places emphasis and distinguishes between Information technology and information governance as two separate aspects of ICT governance as opposed to King III, where they were viewed as one.

In the financial year under review management's focus has largely been on advancing the Agency by implementing different ICT solutions or systems. The major benefit is an automation of critical business processes, core of which is the ease of accessibility, alignment with information governance framework ,that ensures that there is governance from data migration, to the tools that perform data cleansing, to the manner in which the data is structured at storage, to the mining of the data to inform decision intelligence nodes, right through to who accesses the information, how they access it, to what extent they need to access information, to their ability to modify it, to the backup strategy (on and off-site), to the stakeholder dissemination model.

The establishment of ICT Steering Committee plays a critical gatekeeper role that ensures that BCMDA has a sound and solid ICT Governance Framework that is fully implemented and importantly that ICT investments are protected and realize the maximum business value to the benefit of BCMDA.

Besides the existence of an ICT Steering Committee, the ICT Unit has reviewed the existing ICT Policies to ensure relevance and alignment also the has been an addition of new policies such as the Backup policy, User Access Management policy and ICT Service Level Agreement policy that ensures adherence to best ICT governance practices.

The unit has also continually reviewed the ICT governance framework to ensure its improvement and alignment to best practice standards.

## 4.12.1. ICT RISK MANAGEMENT

Another important principle of King IV is ICT risks management and its inclusion in Enterprise Risk Management. The Agency has a developed and approved ICT Operational Risk Register, on a quarterly basis the ICT unit has reported on the status of implementation of some of the key intervention in order to minimize the risk exposure of the Agency.

The Agency has in the year under review implemented solutions in order to manages critical risks i.e. cloud-based disaster recovery solution and corporate anti-virus solution to name few. The Agency has invested on corporate antivirus solution that will assist in ensure security/protection of the information.

## 4.12.2. ICT CONTROL ENVIRONMENT

The BCMDA's internal audit organization provide a 'litmus' test on ICT controls within the BCMDA ICT environment. On the year under review, the internal audit was conducted in Quarter 2 of the financial year in which the emphasis was Application Control.

The applications that the internal audit reviewed were Sage Evolution (Financial Management System), Sage 300 People (Human Resource Systems), and HPE Content Manager (Electronic Document Management System). There were no ICT findings in that audit, however, ICT management will continue to partner with assurance providers to ensure that controls are in place and improved.

## 4.12.3. BUSINESS CONTINUITY/ DISASTER RECOVERY

With critical business processes being automated, that brings heavy reliance on availability of ICT resources 24/7. The Agency has therefore completed the implementation of Cloud-Based Backup, Restore and Replication Solution in the year under review. The solution backing up the entire Server Environment of the Agency into the cloud on daily basis to ensure that BCMDA has the most up to data information in case of disaster. Also, as part of disaster recovery planning the ICT unit conducts conduct Disaster Restoration Testing on quarterly basis with backup from the implemented cloud-based solution. The cloud-based recovery solution also acts as the 'litmus' as BCMDA explorers the potential of migrating the production environment into the cloud.

## 4.12.4. SMART CITY

BCMDA ICT views the smart cities as catalytic ICT intervention that will not only see online delivery of services to the Buffalo City possible but also preferably as a smart and more cost-effective option. In the assortment of key indicators on smart cities is the emergence of the individual becoming the center for the city's services, fair data sharing based on consent and shared initiatives, backed by key institutional improvements that support and herald technological reform around people, processes and systems.

Armed with this understanding, BCMDA ICT has ensured that it continues to position itself to match and fully support Buffalo City's smart cities initiative. The Agency also from time-to-time has been approached by private companies that have intentions of partnering with BCMDA in order to reap the benefits of smart city initiatives. The Agency is making strides in investigating these partnership proposals with the desire to contribute to Buffalo City being a smart city. Future pronouncements will be made on the developments of these partnerships. Also, the Agency will in the next financial year develop Smart City strategy that will provide a pathway for BCMDA to heavily participate in the development of Buffalo City as a smart city.







BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER FIVE

## ORGANISATIONAL PERFORMANCE

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY



# 5. **ORGANISATIONAL** PERFORMANCE

## 5.1.
## **GOAL 1:** A STABLE AND FULLY CAPACITATED AGENCY TO DELIVER ON ITS MANDATE EFFICIENTLY AND EFFECTIVELY

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: FINANCIAL SUSTAINABILITY

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 1. Approval of financial Sustainability Strategy (FSS) by 30 June 2019 | Board approved FSS | 1approved FSS | Achieved | FSS was approved in Board meeting held in June 2019. Council Approval of FSS could not be sought before Board approval of the revised FSS.<br><br>Submit Revised FSS to BCMM during Q1 of 2019/20 for Council approval. |
| 2. % collection of project management fees by 30 June 2019 | Nil | % Collection of Project Management Fees on existing capital projects | Not Achieved | The City was billed for collection of PM fees on invoices received in June 2019.<br><br>PM fees billed also included PM fees for the design phase of both water world and court crescentNo capital projects commenced as yet. |

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: EFFICIENT AND EFFECTIVE INFORMATION TECHNOLOGY AND KNOWLEDGE MANAGEMENT SERVICES

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 3. Development of Enterprise Architecture/ Master Systems Plan (MSP) | Approved ICT Strategy | Approved Enterprise Architecture/MSP | ACHIEVED | The Master Systems Plan was developed and it was endorsed by EXCO. |
| 4. Implementation of ePDMS | Manually Signed Performance Agreements and Reviews | 100% Implementation of ePDMS | ACHIEVED | Implementation of ePMDS Solution was completed successfully on the system, to start managing performance electronically in 2019/20FY. |
| 5. Implementation of Enterprise Backup and Recovery Solution | Iron Tree Backup Solution | 100% implementation of Enterprise Backup and Recovery Solution | ACHIEVED | Implementation of Cloud-based Disaster Recovery Solution was completed successfully. |
| 6. Implementation of Enterprise wide antivirus and Internet Protection | Standalone antivirus licenses | 100% Implementation of Enterprise wide Antivirus and Internet Protection | ACHIEVED | Implementation of Corporate Antivirus Solution was completed successfully. |

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: EQUITABLE AND SOUND CORPORATE GOVERNANCE

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 7. Expenditure incurred | 84% | 99% | Not achieved | 90 % YTD Expenditure. This incuses99% YTD target could not be achieved due to the following: Employee related costs (critical posts budgeted for were only filled half year through the financial year.<br><br>Office furniture and Office building rentals as the Agency will relocate later that anticipated and Transactional advisors expenditure could improve upon finalisation of AFS as some invoices relating to 2018/19 are being received which were not included at the time of conclusion of the June monthly report. |
| 8. Audit Outcome | Unqualified Audit Opinion | Unqualified Audit Report without findings | Not Achieved | None |
| 9. Implementation of audit recommendations from audit reports (External Audit) | 90% | 90% | Achieved. | 100% implementation of findings relating to finance have been implemented. |
| 10. Percentage Implementation of audit recommendations from Internal audit reports | 90% | 90% | Achieved | Unresolved finding relates to a difference in 2017/18 financial year relating to the 2016/17 payroll control differences which will to resolve the differences before the finalisation of 2018/19 AFS. be resolved. |
| 11. Expenditure incurred | 90% | 90% | Not Achieved | 90 % YTD Expenditure.99% YTD target could not be achieved due to the following: Employee related costs (critical posts budgeted for were only filled half year through the financial year. Office furniture and Office building rentals as the Agency will relocate later that anticipated and Transactional advisors. % expenditure could improve upon finalisation of AFS as some invoices relating to 2018/19 are being received which were not included at the time of conclusion of the June monthly report |

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: EQUITABLE AND SOUND CORPORATE GOVERNANCE

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 12. Number of policies developed, implemented and reviewed | Policies and a strategy were developed, reviewed and approved including the review of the standard operating procedures. | Review previously approved policies and procedures. | Achieved | SOPs and Asset Management Policy tabled and approved. |
| 13. Number of financial and performance reports prepared and submitted (with supporting portfolio of evidence) | 4 Quarterly reports | 4 Quarterly reports | Achieved. | None |
| 14. Prepare and submit half year 2018/19 financial statements. | Nil | Submission of 2018/19 half year financial statements by 28 February 2019 and mid-year assessment reports by 20 January 2019. | Achieved | The mid-year report was submitted to the City on the 18th of January 2019 and the AFS were tabled before EXCO after the 28th February 2019 as there was no sitting on the target date |
| 15. % of creditors paid within 30 days from the date of receiving an invoice by Finance Division | 100% | 100% | Achieved. | Creditors were all paid within 30 days. |
| 16. Number of monthly budget statements prepared and submitted by the 7th working day of each month by 30 June 2019. | 12 | 12 | Achieved. | All 3 monthly budget statements were submitted to the City and the Board within 7 working days of each month. |
| 17. Timeous reconciliation of all revenue, expenditure, assets and liabilities (by the 10th of the following month). | 12 Monthly reconciliations | 12 Monthly reconciliations | Achieved. | All monthly reconciliations were timeously prepared. Payroll recon differences from preceding years. To be resolved before finalisation of 2018/19 AFS. |

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: EQUITABLE AND SOUND CORPORATE GOVERNANCE

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 18. Submission of EMP 201 returns within 7 days after every month-end | 12 submitted for 2017/2018 | 12 returns to be submitted | Achieved. | All 3 EMP 201 returns were prepared and submitted timeously |
| 19. Submission of VAT 201 returns by the last working day of the 3rd month after a two-month VAT period | 6 returns submitted for 2017/2018 | 6 returns to be submitted | Achieved. | In May SARS changed our registration category and BCMDA is required to submit returns on a monthly basis.<br><br>In addition to the vat returns that were due for submission in 4th quarter, there's an additional return that was done for the month of May submitted in June.<br><br>The June return is due in July which will be the 2019/20 financial year. |
| 20. Submission of EMP 501 returns by October and May | 2 submitted for 2017/2018 | 2 returns to be submitted | Achieved | None |
| 21. Accurate fixed asset register that reconciles with the general ledger | 2017/18 Fixed Asset register | 2018/19 Fixed asset register | Achieved | Asset management reconciliations for Apr, May & June prepared. Physical verification for quarter 4 conducted. |
| 22. % expenditure of conditional grants by June 2018 | 38% | 99% | Not achieved. | As previously reported the grant was only received in March 2019. The percentage expenditure at end of June 2019 is 46%.<br><br>Grant was only received in March 2019 and therefore impossible to catch up with the target in the remaining period.<br>Aim was to at least achieve the baseline by end of June 2019, which was achieved.<br><br>The funds received will be spent in full by the end of the next financial year. (2019/20) |
| 23. Prepare and submit 2019/20 annual budget for approval by 31 May 2019. | Approved 2018/19 Budget by 31 May 2018. | Approved 2019/20 budget. | Achieved. | The Annual budget for 2019/20 was approved in a Board Meeting held on 24 May 2019. |

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: EQUITABLE AND SOUND CORPORATE GOVERNANCE

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 24. Monitor MSCOA compliance | 30% implementation | 100% mSCOA compliance | Achieved. | Transacting live on mSCOA. Integration with BCMM is 100% achieved. |
| 25. % implementation of the Supply Chain Management Policy | 100% | 100% | Achieved. | No SCM Policy transgressions noted to date. |
| 26. Develop and approve annual procurement plan. | Approved procurement plan | Approved procurement plan | Achieved. | Procurement plan monitoring in progress. |
| 27. Monthly evaluation of supplier performance and maintenance of contracts register. | Contract register | Contract register | Achieved. | Supplier performance evaluations for Apr, May & June. conducted and contracts register updated. |
| 28. % LEVEL ONE BBBEE expenditure on procurement of goods and services | 60% | 75% | Not Achieved. | 35% expenditure to date, however (81% of BCMDA's total suppliers are LEVEL ONE BBBEE category. The major contributors to the non-achievement of this target relate to expenditure on contracts already awarded to service providers whose BBBEE status level are below level one (63% to level two contributors). For future procurement the Agency will be targeting level one BBBEE contributors through exercising the 2017 PPPFA regulations, these regulations allow bid conditions to specify that only a certain level of BBBEE contributors may tender. |
| 29. 2018/19 Performance contracts and work plans for all divisional staff developed and signed. | 100% | 100% | Achieved | Individual discussions on performance were held with staff. |
| 30. Appoint a panel of transactional advisors | n/a | 1 panel of transactional advisors appointed | Achieved | Services provides |

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: ADEQUATE AND APPROPRIATELY SKILLED STAFF

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 31. Vacancy rate on funded posts | 6.9% | 10% of Vacancy rate on funded post | ACHIEVED | All funded posts were filled by the Agency |
| 32. Women employed by the agency | 63% | 50 % of Women employed by the Agency | ACHIEVED | 61% of women employed by the Agency |
| 33. Turnover of staff | 5.8% | 12% of Turnover of staff | ACHIEVED | Only one resignation occurred in the Agency |
| 34. Talent management Learning & Growth) | 6 Bursaries Awarded | 75% Implementation of Training & Development Plan | NOT ACHIEVED | 42% of the Training plan has been implemented. To send employees to free workshops/seminars/ conferences that are available |
| 35. Culture & Change Management | Nil | Approved Change Management Policy | ACHIEVED | The Change Management Policy has been developed and approved by the Agency. |
| 36. Employee Relations Management | Nil | To have sound labour relations with no external dispute referrals | ACHIEVED | Workplace Committee meetings and general staff meetings were conducted by the Agency. |
| 37. Development of Internship and Learnership Programme | Nil | Appointment of Learners and Interns | ACHIEVED | All interns are appointed by the Agency. |
| 38. % Compliance to Health and Safety controls | Approved H&S Procedures/ Appointed H& S reps | 100% Minimum Fulfilment of Health and Safety Controls | ACHIEVED | The Agency has appointed and trained the First Aiders. The Agency has also established Health & Safety committee. The TOR for H& S Committee has been developed and approved. |

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: EFFECTIVE BOARD SECRETARIAT AND LEGAL SUPPORT

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 39. Board & committee meetings organised and recorded | All Board and Committee meetings properly organised | 20 | Achieved | A total of 26 Board and committee meetings were organised and recorded this consists of 9 Board meetings (including 2 round robin meetings), 1 AGM and 15 committee meetings. |
| 40. Implementation of board resolutions | All Board and Committee meetings resolutions implemented | 100% | Achieved | 100% of Board Resolutions have been implemented |
| 41. Board Secretariat functions and legal support matters dealt with as per legislated time-frames | Effective Board Secretariat function | 100% | Achieved | 100% - All board secretariat functions and legal support matters were dealt with as per legislated time-frames. |
| 42. Implementation of litigation matters attended to within time-frames | Attending to litigation matters within the legal timeframe | 100% | Achieved | No litigation matters in the year under review. |

# 5.2. GOAL 2: A DYNAMIC TOURIST DESTINATION THROUGH INFRASTRUCTURE INVESTMENT AND PROMOTION

**MGDS PILLAR: A Well Governed City**

**IDP KPI: Good Governance and Participation**

## BCMDA STRATEGIC OBJECTIVE: TOURISM OPPORTUNITIES EXPLOITED IN HIGH VALUE PRODUCTS

| PERFORMANCE INDICATOR | BASELINE | ANNUAL TARGET 2018/19 | PROGRESS / ACHIEVEMENT AGAINST TARGET | COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES |
|---|---|---|---|---|
| 43. Implementation Tourism Infrastructure Masterplan (TIM) | N/a | 100% development of TIM | Not Achieved | Project commenced late due to vacancy in position. Draft 1 has been complete and a consultation workshop has been planned. |

# 5.3. **GOAL 3:** ACQUIRE, PLAN, DEVELOP AND MANAGE LAND AND BUILDINGS

| Performance Indicator | Baseline | Annual target 2018/19 | Achievements/ Progress | Comments / Challenges / Explanations on Variances |
|---|---|---|---|---|
| **STRATEGIC OBJECTIVE: INNER CITY REGENERATION** | | | | |
| 44. Development of a BCMM Business Improvement District Strategy (BIDS) | CID Concept | 1 Business Improvement District Strategy developed and approved | Achieved | 1 Business Improvement District Strategy was submitted and endorsed by Board meeting on 21 June 2019. Submission of same to BCMM as part of BEPP Consolidation in June 2019 and to National Treasury for potential funding. |
| **STRATEGIC OBJECTIVE: A WELL-DEVELOPED BEACHFRONT** | | | | |
| 45. Development of Integrated Beachfront Programme (IBP) | n/a | 1 Developed Integrated Beachfront Plan developed and approved | Achieved | Final IBP Report and Draft Plan concluded in March 2019 and Report submitted at PDIC meeting on 6 May 2019 and subsequent Board meeting on 24 May 2019. In addition, the Water Front Business Case for Latimer's Landing has been concluded and Transactional Advisors appointed for the Signal Hill Feasibility Study which both are an extension of the IBP. |
| 46. Number of City Improvement Districts established | Visit various CID implementers | 1 CID implemented | Achieved | A Safety and Security modality of CID was implemented in the East London Beach Front. Falcolux Security Services appointed for this role is continuously monitored to ensure that any non-compliance be addressed. Regular engagements to assess the quality of the services and advise on interventions. Submission of consolidated reports to PDIC for quality assurance. |

| Performance Indicator | Baseline | Annual target 2018/19 | Achievements/ Progress | Comments / Challenges / Explanations on Variances |
|---|---|---|---|---|
| 47. Commencement of project planning and execution at Water World | Draft designed developed | Contractor appointed and site handover certificate awarded | Not Achieved | A contractor could not be appointed due to various delays in authorisation of both the EIA and municipal approvals. However, a Construction Project Management Consultant was appointed in quarter 4 that reviewed the Designs and commenced with Geotechnical studies. Implementation will thus only commence in the next financial year. |
| 48. Commencement of project planning and execution at Court Crescent | Draft designs developed | Contractor appointed and site handover certificate awarded | Not Achieved | A contractor could not be appointed due to various delays in authorisation of both the EIA and municipal approvals. However, a Construction Project Management Consultant was appointed in quarter 4 that reviewed the Designs and commenced with Geotechnical studies. Implementation will thus only commence in the next financial year. |

# 5.4. **GOAL 4:** THE FACILITATION AND DELIVERY OF SOCIO-ECONOMIC DEVELOPMENT PROGRAMMES

| Performance Indicator | Baseline | Annual target 2018/19 | Achievements/ Progress | Comments / Challenges / Explanations on Variances |
|---|---|---|---|---|
| **STRATEGIC OBJECTIVE: JOB CREATION AND ECONOMIC DEVELOPMENT** | | | | |
| 49. Implementation of a Waste Management Programme with DEA | | Implementation of Waste Management Programme with DEA | Not Achieved | Due to delays in approval of the Business Plan by DEA that only occurred in quarter 2, various other necessary procurement and work processes ensued. 168 workers employed who work in the 8 pilot areas. In addition, the DF team lead the GGD process and responded positively to various requests for additional cleaning in areas outside of the agreed mandate areas. |
| 50. Implementation of a Corporate Social Investment (CSI) Programme | 10 | 5 NPO's supported | Achieved | Only 4 NPO's were compliant with the BCMDA process and were assisted with their needs as expressed in their proposals. Regular ad-hoc compliance checks were made by the CSI Committee. The Final NPO Reports were submitted to EXCO on 20 May 2019 and subsequent to PDIC and Board. |

# 5.5. GOAL 5: PROJECT PREPARATION, PACKAGING AND INVESTMENT FACILITATION

| MGDS PILLAR: A Well Governed City | | | | |
|---|---|---|---|---|
| IDP KPI: Good Governance and Participation | | | | |
| **BCMDA STRATEGIC OBJECTIVE: FACILITATE AND PROMOTION OF INVESTMENT ACTIVITIES WITHIN BUFFALO CITY** | | | | |
| **PERFORMANCE INDICATOR** | **BASELINE** | **ANNUAL TARGET 2018/19** | **PROGRESS / ACHIEVEMENT AGAINST TARGET** | **COMMENTS (CHALLENGES / EXPLANATIONS ON VARIANCES** |
| 51. Investor summits held | Nil | 1 | Achieved | None |
| 52. International trade agreements reviewed | Nil | 25% of Trade Agreements reviewed | Achieved | China agreement was reviewed and opportunities were identified.<br><br>Germany partnership agreement was reviewed and opportunities were identified |

# 5.6. EFFICIENT, PRODUCTIVE AND SUSTAINABLE MANAGEMENT OF LAND & BUILDINGS

The primary mandate of the BCMDA revolves around the creation of a vibrant, integrated and inclusive city through promoting investment in property, tourism and socio-economic development for the benefit of citizens of this Metro and its region.

In pursuing this mandate, the agency has a well capacitated group of professionals that oversee the core responsibilities of property development, socio-economic development, tourism and investment promotion. In the 2018/19 financial year BCMDA ensured delivery on the following projects:

**5.5.6.1. Project: Business Improvement District Strategy**

A Business Improvement District (BID) is a public private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district. In the case of East London these areas would include the Central Business District (CBD), Southernwood and Quigney where most tertiary functions are situated. The aim of investing in a programme of this nature is to ensure:

- a cleaner, safer and more attractive business district;
- a steady and reliable funding source for supplemental services to existing municipal services and programs;
- the potential to increase property values, improve sales and decrease commercial vacancy rates;
- a district that is better able to compete with nearby retail and business centre's;
- investment in the long-term economic development the BCM area.

After engagements with a variety of stakeholders which include national, provincial and municipal officials; representatives of major local place-based institutions, such as the University of Fort Hare and Walter Sisulu University, key financial stakeholders, private property developers, stakeholders from major industrial and trade hubs in the city, private-sector and civil-society development practitioners, academics and activists, a strategy was developed that include the following programmes:

- Neighbourhood Improvement Program
- Property Development Program
- Social Infrastructure Improvement Program
- Skills Development Program
- Enterprise Development Program
- Branding Plan

The ultimate objectives of these programmes are to realise short-term localised projects and precincts which gradually and over time have an impact on the spatial economy of the city as a whole. Such projects in relation to urban safety and upgrading and cleaning of spaces is within the agencies Agenda starting in the 2019/20 financial year.

**5.5.6.2. Project: Integrated Beach Front Programme**

According to the BCM Tourism Master Plan based on interviews with visitors, beaches are the main attraction for Buffalo City. It is estimated that 50 000 visitors visit Buffalo City beaches per day over the festive season. The Buffalo City Tourism sector has various inherent challenges. The safety and security of visitors on its beaches in particular has become a major concern. Also, the state of beaches is alarming as most of the beaches are underdeveloped and the existing tourist attractions have not been maintained for over a decade. This may be due to the lack of anchor projects, which are aimed at developing the beachfront. In addition, the lack of coordination from various tourism participants and a creation of unique products may have contributed to the challenges.

Emanating from its strategic plan with a target of realising a 'well-developed beachfront', the Agency has recognised that the development of an Integrated Beachfront Programme (IBP) would be a cornerstone in the identification, planning and implementation of development projects that would leverage the approximately 70 km of beach and coastline, in particular the beachfront as one of the Metro's greatest natural assets. This largely underdeveloped and unexploited area has the potential of forming the foundation of a thriving tourism, recreation and holiday industry.

Although the BCM Beaches are popular holiday destinations for domestic and foreign tourists alike it remains underdeveloped relative to its potential. The infrastructure scenarios and deficiencies deriving from the assessment shows the need for basic interventions as illustrated below.

The East London beaches are the biggest tourism attraction for the Metro. The state of the beaches has been a contention for both local, regional and foreign visitors over the past few years. BCMDA will therefore make a concerted effort to ensure that it respond to the need for better and safer beaches through infrastructure interventions in targeted areas in the next financial year.

## 5.6.3. WATER WORLD AND COURT CRESCENT

The Water World upgrading and expansion as a recreational and tourism space and Court Crescent on the East London Esplanade as an interactive public open space for recreation and targeted events that boost tourism, are flagship projects of the BCMDA. To balance its approach in regards of development, the Agency has been requested by the BCMM to upgrade and expand the current facility located at the West Bank and responds to the West Bank LSDF.

On the other side the Court Crescent green fields development responds to the East London Beach Front LSDF. BCMDA appointed consultants for design works in 2017 for both projects which resulted in the approvals of the EIA's for both projects in December 2018 and municipal authorisations in relation to town planning, architectural, engineering and related approvals, in January 2019.

These approvals and authorizations paved the way for BCMDA to appoint Project Managers on both projects in May 2019 so that the process for on-site construction can start in the next financial year. BCMDA will ensure local participation in these projects with 30% of the construction works set aside for SMME's and 70% participation from localised labourers.

## 5.8.1 CATALYTIC LAND DEVELOPMENTS

In addition to the projects highlighted so far, BCMDA is also engaging and exploring various potential developers and funders to invest in strategic land parcels that will allow for exponential revenue generation and job-creation in the metro. These include the following land parcels:

- Marina Glen A as a mixed-use development site,
- Seaview terrace as a mixed-use development site,
- Sleeper Site development as a mixed-use development with a government precinct,
- Waterfront development at Latimer's Landing and Signal Hill as a mixed-use development,
- Victoria grounds in King Williams Town, and A section of the Water World site as potential Hotel and Campsite developments

These projects are anticipated to create thousands of jobs during their development and the operational stages. They will also create much needed infrastructure in the city that supports tourism for our citizens. The quality of life in BCMM should equally improve from these interventions. Last but not least, it is the intention that a large percentage of funding for these projects come from the private sector augmenting those from the municipality

# 5.9. IMPROVED SOCIO-ECONOMIC BENEFITS WITHIN BCMM

## 5.9.1 WASTE MANAGEMENT PROGRAMME

This project forms part of the Good Green Deeds and city-wide waste management projects funded by the national Department of Environmental Affairs and which was launched by the President of the Republic on 8 March 2019.

The project provides labour intensive work opportunities to mostly youth and women Metro-wide and will run for at least 12 months. Participants work an 8-hour day for 5 days and were further capacitated with various training opportunities.

They also assist with specific activities and or events hosted by various partner organisations within the Metro.

## 5.9.2 SAFETY AND SECURITY

The East London Esplanade is home to the International Convention Center and various Hotel and accommodation establishments which draw a number of business, international and local tourists on a daily basis. Its proximity to the ocean is the major drawcard and contributes to the highest number of tourism feet in the Metro.

It is thus important that the safety of those visiting our shores are ensured. BCMDA saw this as part of its strategic mandates and made a conscious decision to supplement the work of the SAPS and other law enforcements agencies. In 2018 the Agency appointed Falcolux Safety and Security Services, a black-owned company through a competitive and rigorous tender process.

Their presence assists with interventions to reduce criminal activities taking place at the beach front. Falcolux employs 14 people for this project with 4 patrolling the beachfront on a 24-hours basis (2 shifts). Their work acts as deterrents for petty-crimes robberies, pick-pocketing whilst they also assist with accidents, medical emergencies and general information to any member of the public and tourists.

The impact of their work has seen a decrease in criminal activities and it is the wish of the Agency to expand this work to the CBD and Southernwood in response to the Business Improvement Districts and to safeguard especially students, especially women, that is a vulnerable group targeted by criminals.

## 5.9.3 CORPORATE SOCIAL INVESTMENT

Community development projects aims to strengthen the capacity of people as active citizens through work, in amongst non-profit organisations. Many times, these type of voluntary support helps change and shape communities. BCMDA through its CSI Policy created the platform to reach out and assist such organisations, especially those that focus and contribute to achieving the mandate and outputs as envisioned by the Agency.

In the November 2018, after a call for proposals from the non-profit sector and a competitive evaluation process, the Agency resolved to provide funding to four non-profit organisations:

Institute of Training and Education for Capacity Building (ITEC) which focus on parental and caregiver training for especially those that work with young children and babies to ensure they assist with good quality early childhood development;

Inspire Foundation Group Africa which is a youth-led organisation focusing narrowing the education gap of disadvantaged youth through educational interventions;

Empilisweni HIV and Aids Orphans Care Center mainly assists with the provision of treatment and material assistance to orphans and vulnerable children and those individuals and families impacted by the scourge of HIV and Aids;

Lathitha Development Center provides skills training and development programmes to the unemployed so that they can become self-reliant and valued members of society.

BCMDA staff regularly interacted with these projects as part of ensuring due diligence but also to engage participants to ensure that the Agency's investment reach its goal. The response to the assistance by both the funded organisations and beneficiaries were overwhelming. This gave the CSI Committee and staff involved in the projects, the confidence that we are on the right trajectory with the kind and type of assistance provided. The hope is that this community development programme and its associated benefits could be expanded wider in the new financial year.



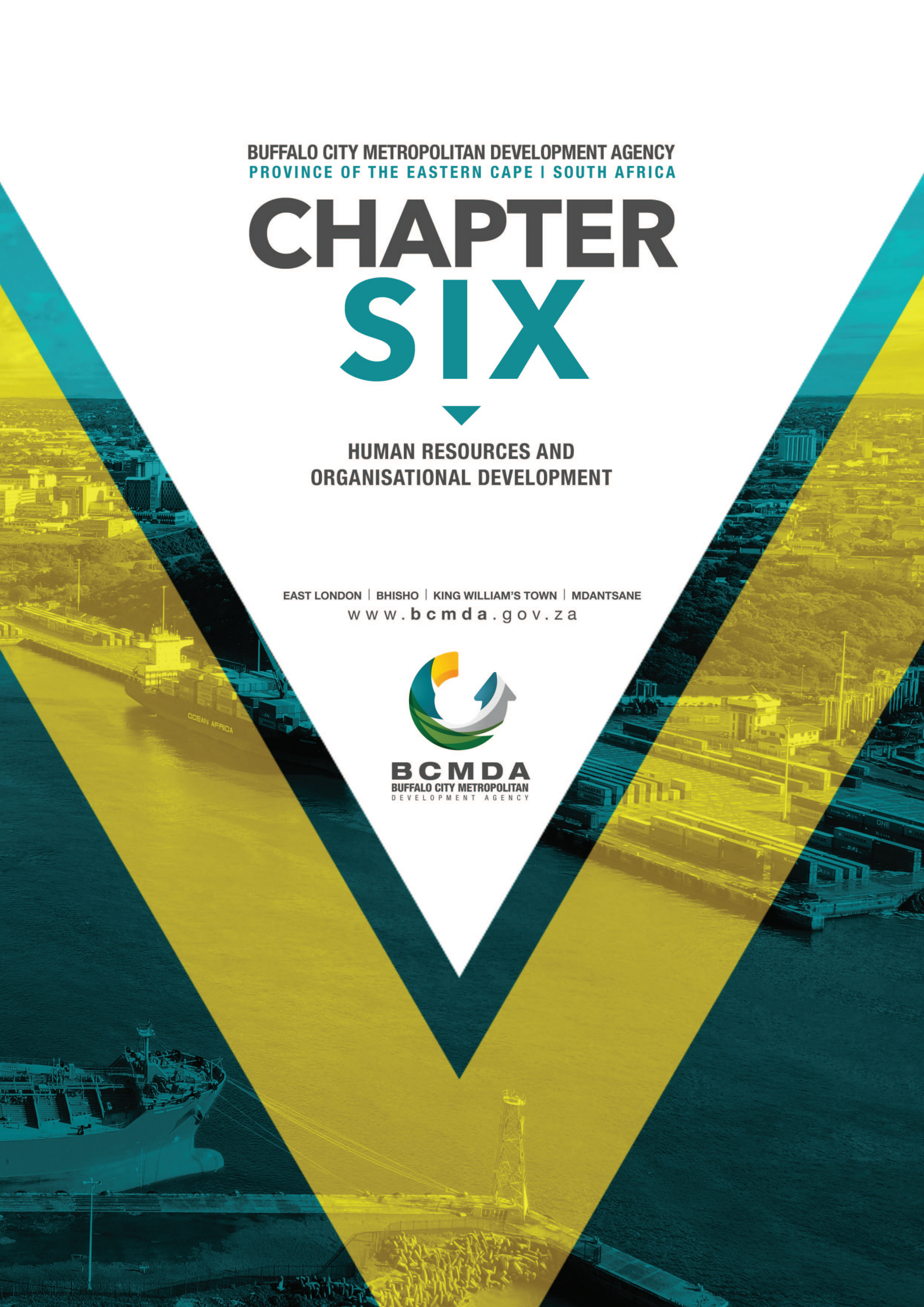
BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER SIX

## HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY



# 6. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

## 6.1. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

BCMDA aims to be the employer of choice in its field. This is supported by the BCMDA's overall objective, as set out in its Talent Acquisition & On-Boarding Policy, to ensure that its employment practices and remuneration policies motivate and retain talented employees and create an attractive work environment.

BCMDA periodically reviews its Human Resource Policies to ensure that it remains relevant and practical for the changing needs of current and potential employees.

## 6.2. LEARNING AND DEVELOPMENT

The learnership programmes provides an excellent opportunity for graduates to acquire experience in their different fields of expertise as well as other operational areas of the BCMDA. Four interns were appointed in various divisions for 2018/19 financial year.

| DIVISION | DATE OF ENGAGEMENT |
|---|---|
| **Office of CEO** | |
| • Marketing & Communications Intern | 01 November 2018 |
| • Legal Services Intern | 01 February 2019 |
| **Corporate Services** | |
| • Human Resources Intern | 07 January 2019 |
| • ICT Intern | 07 January 2019 |

## 6.3. KEY VACANCIES 2018/19

A key strategy of BCMDA is to ensure that there is adequate human resources capacity to deliver on the mandate. With regards to vacancies, for the post of Programme Manager: Development Facilitation, the recruitment process is completed. The Programme Manager: Development Facilitation commenced employment on 01/02/2019 in the 2018/19 financial year.

# 6.4. **EMPLOYMENT** EQUITY

BCMDA is committed to the principles of equity, non-discrimination and diversity enshrined in the Constitution and the Employment Equity Act (1998). It aims to employ a diverse staff complement and support staff development and training. Equal employment opportunities are offered to all employees.

The BCMDA's staff complement as at 30 June 2019 as per the employment equity principles in terms of **gender** is reflected as below:




| | MALE | | | | | FEMALE | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | AFRICAN | COLOURED | INDIAN | WHITE | OTHER | AFRICAN | COLOURED | INDIAN | WHITE | OTHER |
| 5. Semi-Skilled | | | | | | 1 | | | | |
| 4. Administration | | | | | | 4 | | | | |
| 3. Professional | 2 | | | | | 2 | | | | |
| 2. Managers | 2 | | | | | 3 | | | | |
| 1. Senior Management | 2 | | | | 1 | 1 | | | | |

# 6.5. **PERFORMANCE** MANAGEMENT

The BCMDA views performance management as a positive management strategy rather than a punitive process, which ensures that employees feel comfortable being part of the process. The agency uses a scorecard to evaluate the performance of managers. Individual performance indicators are linked to the BCMDA's strategic objectives. Objectives that reinforce the culture of governance and Financial management among managers are also included.

The Agency rolled out performance management agreements/ workplans to all employees during 2018/19. As part of the coaching and mentorship process, personal development plans (PDP's) are included in the performance review process. In areas where there are gaps identified in terms of performance, the responsible officials are earmarked to receive training to improve their skills so that they can perform better in their functions.

# 6.6. **SKILLS** DEVELOPMENT

The BCMDA is committed to staff training and development, ensuring professional delivery and a competitive edge. It aims to provide an integrated learning experience to its employees that will strengthen their commitment to the organisation's values, enhance leadership capability and improve the BCMDA's capacity to meet current and future business requirements. The BCMDA's Learning Strategy is based on four pillars:

- Understanding the educational requirements of the organisation, based on competency assessments and pivotal training.
- Best practice learning design
- Timely and appropriate learning delivery.
- Assessment of the impact of learning interventions on overall company performance.

# 6.7. **MINIMUM COMPETENCY** (TREASURY REGULATIONS)

BCMDA continually ensures that it complies with Treasury regulations and in this regard, it registered its Accounting Officer as well as its Executive Manager: Corporate Services for Municipal Financial Management Program (MFMP) which seeks to capacitate Senior Management on Financial Management matters. Both Senior Managers have completed the course through Wits University in 2018/19 FY.

# 6.8. **EMPLOYEE** BENEFITS

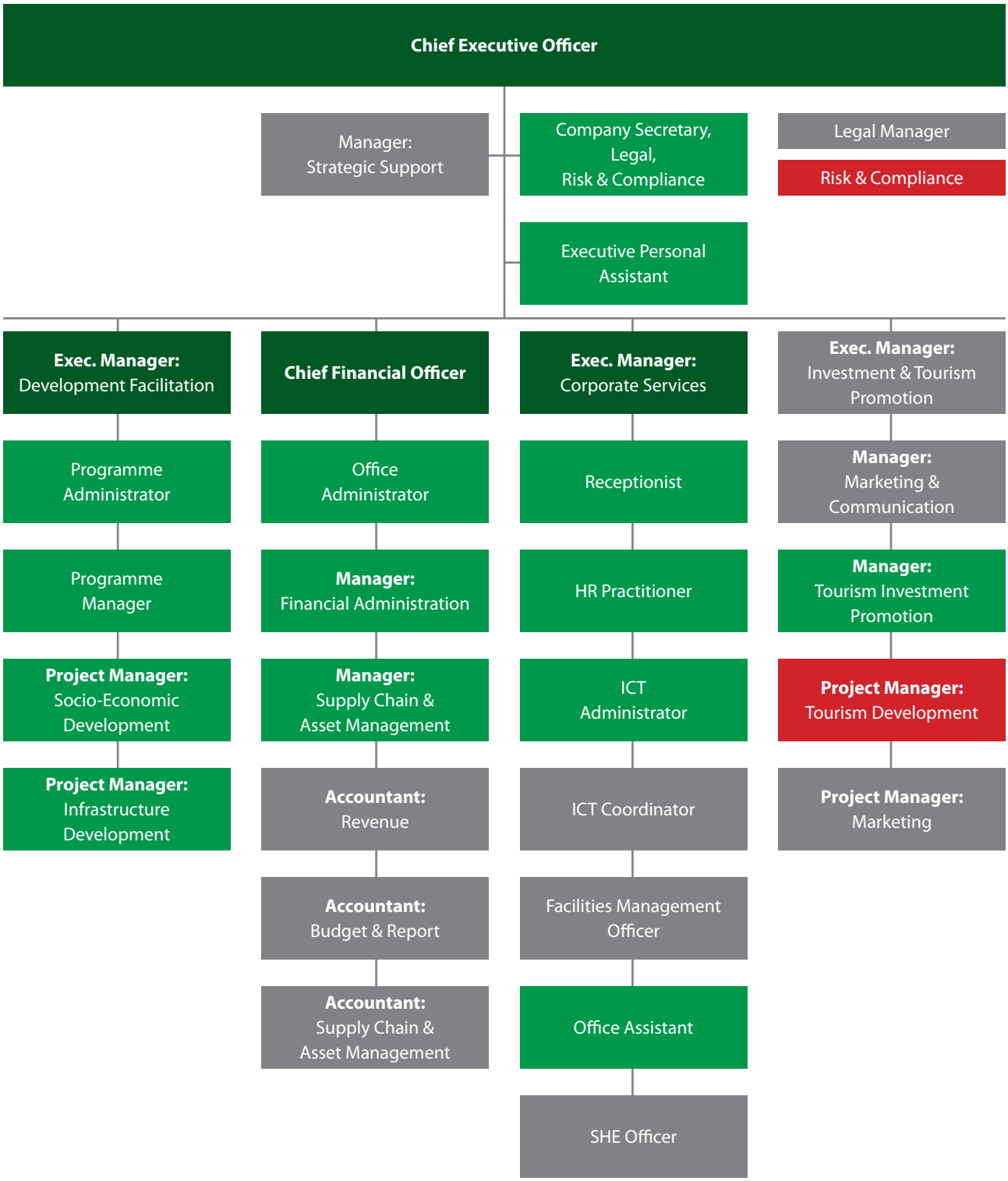
The BCMDA participates in two retirement benefit schemes: Old Mutual Superfund Scheme and Wealth port retirement scheme. Contributions of which are deducted through the payroll and paid directly into both schemes.

# 6.9. **HR/PAYROLL** SYSTEM PROCUREMENT

In terms of MSCOA compliance, the Agency had to procure a system that is aligned to mSCOA and the Agency's Financial system. This led to the Agency procuring VIP 300 Payroll system that integrates with the Agency's Financial Modules.

# 6.10. **ORGANISATIONAL** STRUCTURE

| | |
|---|---|
| GREY | Approved but Unfunded |
| GREEN | Approved and Funded |
| RED | Funded but vacant |

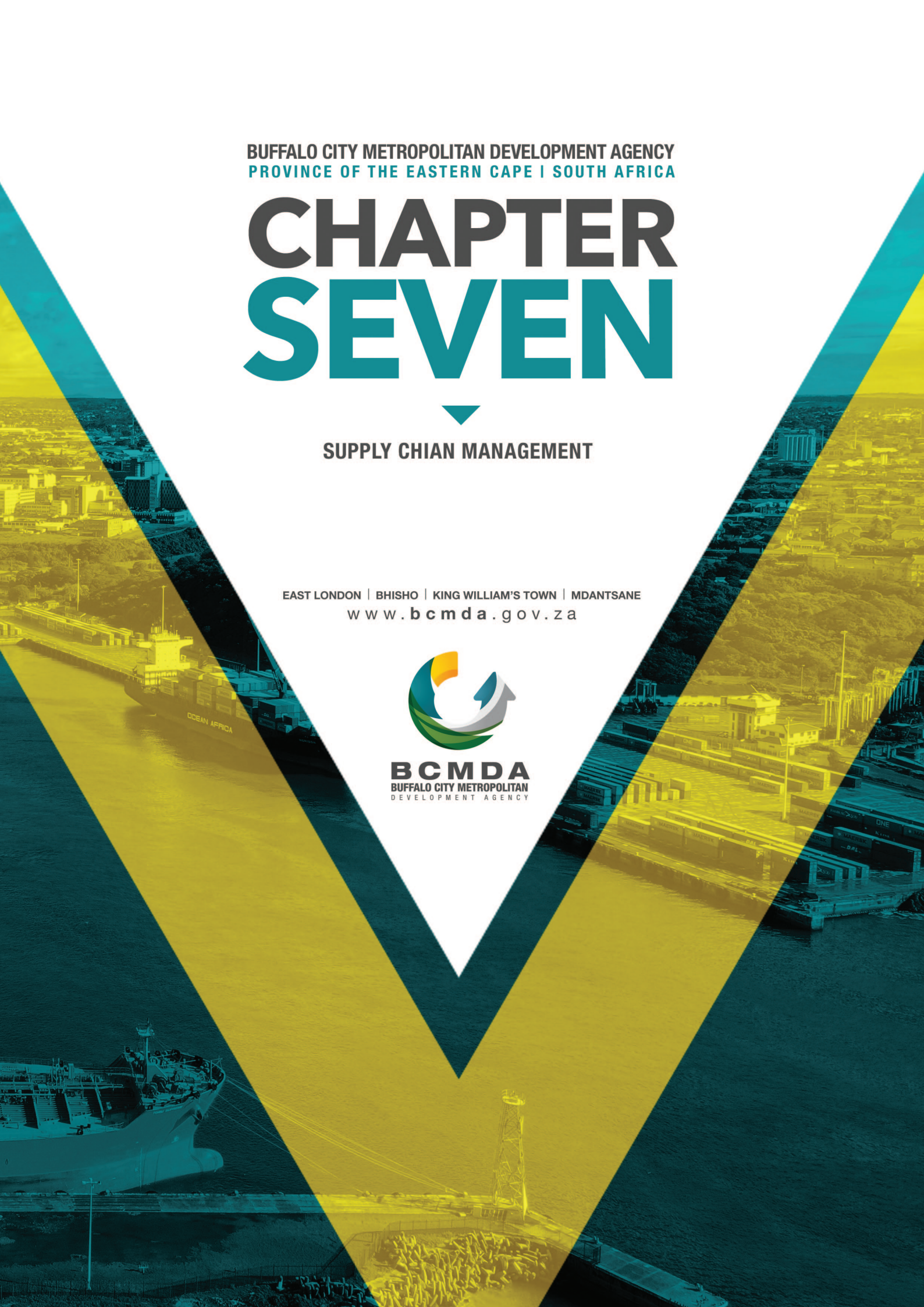




BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY
PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER SEVEN

## SUPPLY CHIAN MANAGEMENT




EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE
www.bcmda.gov.za

BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

# 7. **SUPPLY CHAIN** MANAGEMENT

## 7.1. **BID** COMMITTEES

In line with the above-mentioned prescripts the Accounting Officer appointed bid committees to serve during the period 01 July 2018 to 30 June 2019. These committees are constituted as follows:

| Bid Specification Committee (BSC) | Bid Evaluation Committee (BEC) | Bid Adjudication Committee (BAC) |
|---|---|---|
| **Ms. O. Makalima** (Manager: Marketing and Communications) – Office of the CEO. | **Mr. A. Manciya** (Manager: Supply Chain and Asset Management) – Office of the CFO | **Ms. V. Ntsodo** (Chief Financial Officer) – Chairperson. |
| **Mr. A. Manciya** (Manager: Supply Chain and Asset Management) – Office of the CFO | **Mr. L. Hute** (ICT Administrator) – Corporate Services | **Dr. E. Uithaler** (Executive Manager: Development Facilitation) |
| **Ms. N. Mpongoshe** (Manager: Legal Services and Company Secretary) – Office of the CEO. | **Ms. A. Mayeza** (Project Manager: Socio Economic Development) - Development Facilitation | **Mr. X. Jikela** (Executive Manager: Corporate Services) – |
| **Mr. G. Yawathe** (Project Manager: Infrastructure Development) – Development Facilitation | **Ms. S. Mgudlwa** (Manager: Financial Administration) – Office of the CFO. | **Ms. N. Mpongoshe** (Manager: Legal Services and Company Secretary) – Office of the CEO. |
| | **Mrs. A. Ntshokoma** (Programme Manager: Development Facilitation – Development Facilitation | **Mr. A. Manciya** (Manager: Supply Chain and Asset Management) - Secretariat |

# 7.2. THE ROLES OF THE COMMITTEES

## 7.2.1 BID SPECIFICATION COMMITTEE

- Consider all bids above the threshold value of R200 000, bids whose project duration exceeds 12 months as well as other bids as and when required;
- Ensure that Terms of Reference / Specification are clearly defined for ease of reference to bidders and that they are compiled in an unbiased manner as defined in Section 112(1) of chapter 11 of the MFMA No. 56 of 2003.

## 7.2.2 BID EVALUATION COMMITTEE

- Evaluate all procurement above the threshold value of R30 000 and bids whose project duration exceeds 12 months in accordance with specifications of that particular bid and the point system set out in BCMDA's Supply Chain Management Policy and the Preferential Procurement Policy Framework Act;
- Ensure all information contained in each bidding document is taken into account during evaluation of bids and evaluate each bidder's ability to execute the contract;
- Ensure that the recommended bidder complies with the following:
  - Ø the bidder is registered on the Central Supplier Database (CSD) and is not listed as a restricted supplier on the CSD.
  - Ø municipal rates and taxes and municipal service charges of the recommended bidder are not in arrears;
  - Ø that all tax matters are in order;
  - Ø the bidder has provided a declaration that its directors/shareholders/members are not in the service of the state;
- Submit to the Bid Adjudication Committee a report and recommendations regarding the awarding of the bid;

## 7.2.3 BID ADJUDICATION COMMITTEE

- Consider all the reports of the BEC;
- Recommends to the Accounting Officer to make the final award or make the relevant recommendation to the Accounting Officer on how to proceed with the procurement.

The following table reflect the sittings of the bid committees during the period of reporting:

| COMMITTEE | SITTING DATES | TENDER CONSIDERED | MEMBER ATTENDANCE |
|---|---|---|---|
| BSC | 28 August 2018 | Bid 6 of 2018 – Leasing of Multifunctional Printer | 75% |
| | 07 September 2018 | Bid 7 of 2018 - Supply and deploy cloud-based backup, restore and replication solution/disaster recovery as a service. | 75% |
| | | RFQ 1 OF 2018/TA - Business Case for Waterfront Development as part of the East London Port expansion master plan | |
| | 18 October 2018 | Bid 8 OF 2018 - Construction project management services at Court Crescent, East London Esplanade | 100% |
| | | Bid 9 OF 2018 - Construction project management services at Water World, Westbank | |

| COMMITTEE | SITTING DATES | TENDER CONSIDERED | MEMBER ATTENDANCE |
|---|---|---|---|
| BEC | 10 July 2018 | RFP 1 of 2018 – Appointment of a panel to serve as Transactional Advisors. | 100% |
| | | RFP 2 of 2018 - Appointment of a panel to serve as Fund Managers. | |
| | 01 August 2018 | RFP 1 of 2018 – Appointment of a panel to serve as Transactional Advisors. | 100% |
| | | RFP 2 of 2018 - Appointment of a panel to serve as Fund Managers. | |
| | 11 September 2018 | Bid 5 of 2018 – Provision of Security Services, EL Beachfront. | 100% |
| | | Notice 4 OF 2018 – Supply and delivery of computer equipment. | |
| | | Notice 5 OF 2018 – Provision of Corporate Antivirus Software. | |
| | 11 October 2018 | RFQ 1 OF 2018/TA - Business Case for Waterfront Development as part of the East London Port expansion master plan | 100% |
| | 23 October 2018 | Bid 6 of 2018 – Leasing of Multifunctional Printer | 100% |
| | 12 November 2018 | Bid 7 of 2018 – Provision of Cloud-based backup and Recovery Services | 100% |
| | 06 December 2018 | Notice 6 OF 2017 – Provision of Strategy Consulting Services | 100% |
| | 08 December 2018 | Notice 6 OF 2017 – Provision of Strategy Consulting Services (Re-evaluation) | 100% |
| BAC | 05 July 2018 | Bid 4 of 2018 – Provision of accounting support services | 75% |
| | 11 JULY 2018 | RFP 1 of 2018 – Appointment of a panel to serve as Transactional Advisors | 75% |
| | | RFP 2 of 2018 - Appointment of a panel to serve as Fund Managers | |
| | 16 JULY 2018 | RFP 1 of 2018 – Appointment of a panel to serve as Transactional Advisors. (Re-adjudication after request from CEO) | 100% |
| | | RFP 2 of 2018 - Appointment of a panel to serve as Fund Managers. (Re-adjudication after request from CEO). | |
| | 03 AUGUST | RFP 1 of 2018 – Appointment of a panel to serve as Transactional Advisors. (Re-adjudication) | 75% |
| | | RFP 2 of 2018 - Appointment of a panel to serve as Fund Managers. (Re-adjudication) | |
| | 12 October 2018 | Bid 5 of 2018 – Provision of Security Services, EL Beachfront. | 75% |
| | | Notice 4 OF 2018 – Supply and delivery of computer equipment. | |
| | | Notice 5 OF 2018 – Provision of Corporate Antivirus Software. | |
| | | RFP 3 of 2018- funding of registered not-for-profit organizations | |
| | | RFQ 1 OF 2018/TA - Business Case for Waterfront Development as part of the East London Port expansion master plan | |
| | 13 November 2018 | RFQ 1 OF 2018/TA - Business Case for Waterfront Development as part of the East London Port expansion master plan | 100% |
| | | Bid 6 of 2018 – Provision of multifunctional printer | |
| | | Notice 7 of 2018 – Provision of strategy consulting services | |
| | 19 November 2018 | RFQ 1 OF 2018/TA - Business Case for Waterfront Development as part of the East London Port expansion master plan (Clarification meeting and final adjudication). | 75% |
| | 12 December 2018 | Bid 7 of 2018 – Provision of Cloud-based backup and Recovery Services | 75% |
| | | Extension of time- EL Beachfront precinct design services (bid 3 of 2016) by MD Consortium. | |
| BSC | 14 February 2019 | RFQ 1 of 2019 - Feasibility study for the development of East London Signal Hill | 100% |
| | 26 March 2019 | RFQ 2 of 2019 – Request for investors/developers' proposals through BCMDA appointed fund originators in regards of land parcel development in East London. | 100% |

| COMMITTEE | SITTING DATES | TENDER CONSIDERED | MEMBER ATTENDANCE |
|---|---|---|---|
| BEC | 28 January 2019 | Bid 8 of 2018 – Construction project management services at Court Crescent, East London Esplanade | 80% |
| | | Bid 9 of 2018 – Construction project management services at Water world, Westbank | |
| | 12 February 2019 | Bid 10 of 2018 – Provision of leased office space and parking facilities | 80% |
| | 19 February 2019 | Bid 8 of 2018 – Construction project management services at Court Crescent, East London Esplanade – re-evaluation | 80% |
| | 25 February 2019 | Bid 9 of 2018 – Construction project management services at Water world, Westbank – re-evaluation | 80% |
| | 04 February 2019 | Notice 3 – Supply and delivery of concrete bins – DEA Projects (#good green deeds 08 March 2019 launch) | 100% |
| | | Notice 7 of 2019 – Supply and delivery of Branding and Marketing material (T-Shirts) (#good green deeds 08 March 2019 launch) | |
| | | Notice 8 of 2019 – Supply and delivery of protective gloves (#good green deeds 08 March 2019 launch) | |
| | | Notice 9 of 2019 – Personal Protective Equipment (#good green deeds 08 March 2019 launch) | |
| | | Notice 10 of 2019 – Mdantsane Eco park upgrade (#good green deeds 08 March 2019 launch) | |
| | 26 February 2019 | Bid 1 of 2019 – Provision of Board performance evaluation services | 80% |
| | 13 March 2019 | Notice 1 of 2019 – Supply and delivery of a laptop | 100% |
| | | Notice 2 of 2019 – Supply and delivery of Personal protective equipment | |
| | | Notice 5 of 2019 – Provision of medical examination services | |
| | 27 March 2019 | Notice 4 of 2019 – Supply and delivery of refuse bags | 100% |
| | | Notice 5 of 2019 – Provision of medical examination services – re-evaluation | |
| | | Notice 11 of 2019 – Supply and delivery of branding and marketing material (wall banner, lanyards e.t.c) | |
| | | Rfq 1 of 2019 – Feasibility study for the development of East London, Signal hill | |
| BAC | 01 March 2019 | Bid 8 of 2018 – Construction project management services at Court Crescent, Esplanade East London | 100% |
| | | Bid 9 of 2018 – Construction project management services at Water world, Westbank | |
| | | Bid 10 of 2018 – Provision of leased office space and parking facilities | |
| | | Bid 1 of 2019 – Provision of board performance evaluation services | |
| | 19 March 2019 | CEO's correspondence for Bid 8,9 and 10. | 75% |
| | | Notice 1 of 2019 – Supply and delivery of a laptop | |
| | | Notice 2 of 2019 – Supply and delivery of Personal protective equipment | |
| | 29 March 2019 | Notice 4 of 2019 – Supply and delivery of refuse bags | 100% |
| | | Notice 11 of 019 – Supply and delivery of Branding and Marketing material | |
| | | Extension of time- EL Beachfront precinct design services (bid 3 of 2016) by MD Consortium. | |

| COMMITTEE | SITTING DATES | TENDER CONSIDERED | MEMBER ATTENDANCE |
|---|---|---|---|
| BSC | 29 April 2019 | Bid 5 of 2019 – Pre and Post medical assessments | 100% |
| | | Bid 6 of 2019 - Supply and delivery of nine (9) storage containers and one (1) office container | |
| | | Bid 7 of 2019 – Supply and delivery of 240 000 refuse bags | |
| | | Bid 8 of 2019 – Design and Implementation of services of the EL buy-back Centre at the oriental Plaza, Buffalo City Metro | |
| | 06 May 2019 | Bid 2 of 2019 – Provision of internal audit services | 100% |
| | 23 May 2019 | Bid 9 of 2019 – Supply, delivery and installation of office furniture | 100% |
| BEC | 24 April 2019 | Rfq 1 of 2019 - a) Feasibility study for the development of Signal Hill, East London | 80% |
| | | Re-evaluation Bid 10 of 2019 – Provision of leased office space and parking facilities | 80% |
| | 13 May 2019 | RFQ 3 of 2019 – Provision of technical assistance with evaluating proposals from Fund Originators at BCMDA (BEC). | 80% |
| | 11 June 2019 | Bid 5 of 2019 - Pre and Post medical assessments | 60% |
| | 18 June 2019 | Re-evaluation of Bid 5 of 2019 – Pre and Post medical assessments | 80% |
| | | Bid 7 of 2019 – Supply and delivery of 240 000 refuse bags | |
| | 27 June 2019 | Bid 8 of 2019 – Design and Implementation of services of the EL buy-back Centre at the oriental Plaza, Buffalo City Metro | 80% |
| | 28 June 2019 | Bid 6 of 2019 - Supply and delivery of nine (9) storage containers and one (1) office container | 80% |
| BAC | 15 May 2019 | Rfq 1 of 2019 – Feasibility study for the development of Signal Hill, East London | 75% |
| | | Re-adjudication of Bid 10 of 2019 – Provision of leased office space and parking facilities | |
| | | Rfq 3 of 2019 – Providing technical assistance with evaluating proposals from Fund Originators at BCMDA (BEC) | |
| | 19 MAY 2019 | Re- adjudication of Bid 10 of 2019 – Provision of leased office space and parking facilities | 100% |
| | | Bid 5 of 2019 – Provision of Pre and Post medical Examinations | |
| | | Bid 7 of 2019 – Supply and delivery of 240 000 refuse bags | |
| | 07 June 2019 | Bid 10 of 2019 – Provision of leased office space and parking facilities – property viewing | 75% |

# 7.3. **EXPENDITURE** ON B-BBEE

The following tables provide a complete picture of expenditure per B-BBEE category as at 30 June 2019. For the quarter under review the Agency had set a target of 75% expenditure on B-BBEE level one and the actual achievement was 35%.

The major contributors to the non-achievement of this target relate to expenditure on contracts already awarded to service providers whose BBBEE status level are below level one.

For future procurement the Agency will be targeting level one BBBEE contributors through exercising the 2017 PPPFA regulations, these regulations allow bid conditions to specify that only a certain level of BBBEE contributors may tender.



BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA

# CHAPTER EIGHT

## ANNUAL FINANCIAL STATEMENTS

EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE

www.bcmda.gov.za

BCMDA

BUFFALO CITY METROPOLITAN

DEVELOPMENT AGENCY



# STATUS ON ANNUAL REPORT 2018-2019

| | Status | Responsibility | Timeframe |
|---|---|---|---|
| **1. ABOUT THE REPORT** | | | |
| Introduction | Completed | Mr. Makalima | 16 August |
| Materiality | Completed | Mr. Makalima | 16 August |
| Assurance Statement | Completed | Mr. Makalima | 16 August |
| Board Responsibility and Approval | Completed (requires sign off) | Mr. Makalima | 30 November |
| **2. BCMDA LEADERSHIP- THE YEAR UNDER REVIEW** | | | |
| Foreword by the Executive Mayor | Pending | Mr. Makalima | 20 December |
| Chairperson's Foreword | Pending | Mr. Makalima | 20 December |
| Chief Executive Officer's Report | Pending | Mr. Makalima | 20 December |
| Chief Financial Officer's Report | Pending | Ms. Mgudlwa | 20 December |
| **3. CORPORATE PROFILE AND STRATEGIC OVERVIEW** | | | |
| Vision statement | Completed | Mr. Makalima | 16 August |
| Mission statement | Completed | Mr. Makalima | 16 August |
| Guiding values | Completed | Mr. Makalima | 16 August |
| Mandate | Completed | Mr. Makalima | 16 August |
| Goals | Completed | Mr. Makalima | 30 August |
| SWOT | Completed | Mr. Makalima | 30 August |
| **4. CORPORATE GOVERNANCE** | | | |
| Corporate Governance Statement | Completed | Ms Mpongoshe | 13 August |
| Board of Directors | Completed<br>(duration of board term) | Ms Mpongoshe | 13 August |
| Board Committees | Completed<br>could benefit from an overview narrative and assessment and improvements as well as indicate what the minimum target of meetings are versus those held) | Ms Mpongoshe | 13 August |
| EXCO Functionality | Completed (could benefit from an overview narrative and assessment and improvements as well as indicate what the minimum target of meetings are versus those held) | Ms Mazantsana | 12 August |
| Special EXCO | Completed<br>Rationality for Special EXCO in relation to operations | Ms Mazantsana | 12 August |
| EXCO renumeration | Completed | Ms. Ntsodo | 30 August |
| Audit Function | Completed | Ms Mpongoshe | 13 August |
| Role of the Company Secretary | Completed | Ms Mpongoshe | 13 August |
| Risk Management & Internal Audit Function | Work in progress inputs still needed from various units | Ms Mpongoshe | 30 August |
| ICT Governance | Completed | M Hute | 11 August |
| Stakeholder Management | Updated input required based on quarterly reports and special EXCO sessions. | Mr Makalima<br>Ms Mazantsana | |

| | Status | Responsibility | Timeframe |
|---|---|---|---|
| Sustainability Report | Pending requires updating | Mr Makalima<br>Mr Jikela<br>Mr Uithaler | 30 August |
| Corporate Social Responsibility | Pending | Ms Mayeza | 30 August |
| **5. ORGANISATIONAL PERFORMANCE** | | | |
| Goal 1: A financially viable and fully capacitated agency delivering its mandate efficiently and effectively | Pending<br>information on Conducive working environment | Ms. Momoza | 30 August |
| Goal 2: A dynamic tourist destination through infrastructure investment and promotion | Completed<br>Establish indicators on event launches required for performance report as it was not in APP | Mr Makalima | 13 August |
| Goal 3: Acquire, plan, develop and manage land and buildings | Completed | Mr Uithaler | 13 August |
| Gaol 4: The facilitation and delivery of socio-economic development programmes | Completed | Mr Uithaler | 13 August |
| Goal 5: Project preparation, packaging and investment facilitation | Completed | Mr Makalima | 16 August |
| **6. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT** | | | |
| Operational Context | Completed | Mr Jikela | 13 August |
| Learning & Development | Completed | Mr Jikela | 13 August |
| Vacancies | Completed | Mr Jikela | 13 August |
| Employment Equity | Completed | Mr Jikela | 13 August |
| Performance Management | Completed | Mr Jikela | 13 August |
| Skills Development | Completed | Mr Jikela | 13 August |
| Employee Benefits | Completed | Mr Jikela | 13 August |
| HR/ Payroll system | Completed | Mr Jikela | 13 August |
| Organisational Structure | Completed | MS Momoza | 13 August |
| **7. CASH FLOW STATMWENTS AND HIGH LEVEL NOTES** | | | |
| Capital Expenditure | Completed | Mr Manciya | 12 August |
| Supply China Management | Completed | Mr Manciya | 12 August |
| Bid Committees | Completed | Mr Manciya | 12 August |
| Role of Committees | Completed | Mr Manciya | 12 August |
| Deviations | Completed | Mr Manciya | 12 August |
| Black Economic Empowerment | Completed | Mr Manciya | 12 August |
| **8. ANNULA FINANCIAL STATEMENTS** | | | |
| Boards Responsibilities & Approval | Pending (Draft AFs submitted) | Ms V Ntsodo | 6 December |
| Boards Report | Pending (Draft AFs submitted) | Ms V Ntsodo | 6 December |
| Statement of Financial Preference | Pending (Draft AFs submitted) | Ms V Ntsodo | 6 December |
| Cash flow Statement | Pending (Draft AFs submitted) | Ms V Ntsodo | 6 December |
| Statement of Comparison of Budget & Actual Accounts | Pending (Draft AFs submitted) | Ms V Ntsodo | 6 December |
| Accounting Policies | Pending (Draft AFs submitted) | Ms V Ntsodo | 6 December |
| Notes to the Annual Financial Statement | | | 6 December |
| Internal and External Audit Findings | | | 6 December |
| Audit Committee Report 30 June 2019 | Pending (in draft) | | 16 September |
| Auditor -General on BCMDA | AG process to be completed | | 30 November |


KOBELCO
BELL


BUFFALO CITY
FIRE RESCUE
E2




**BUFFALO CITY METROPOLITAN MUNICIPALITY**

**PROVINCE OF THE EASTERN CAPE | SOUTH AFRICA**

TRUST CENTRE. OXFORD STREET. EAST LONDON. EASTERN CAPE
PO BOX 134. EAST LONDON 5200
**BCMM CALL CENTRE 086 111 3017 | FAX +27 43 742 0062**

**EAST LONDON | BHISHO | KING WILLIAM'S TOWN | MDANTSANE**

www.buffalocitymetro.gov.za


Masiphume, sande, siphumelele

**BUFFALO CITY**
METROPOLITAN MUNICIPALITY