

DRAFT INTEGRATED DEVELOPMENT PLAN

1 July 2026 to 30 June 2027

2026/2027

2021/2026 Integrated Development Plan Reviewed in terms of
Chapter 5 of the Municipal Systems Act, No 32 of 2000



BUFFALO CITY
METROPOLITAN MUNICIPALITY

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FOR BUREAU OF LOCAL GOVERNMENT AFFAIRS

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ABBREVIATIONS & ACRONYMS

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4IR	Fourth Industrial Revolution	MAR	Mdantsane Access Road
AAP	Audit Action Plan	MBRR	Municipal Budget and Reporting Regulations
ABET	Adult Basic Education and Training	MBSA	Mercedes Benz South Africa
ABWSS	Amathole Bulk Water Supply System	MBU	Maternity Birthing Unit
AfCFTA	African Continental Free Trade Area	MCC	Municipal Coastal Committee
ACSA	Airports Company South Africa	MDG	Millennium Development Goal
ADM	Amathole District Municipality	MDR	Multidrug Resistant
AEL	Atmospheric Emission License	MTSRP	Metro Trading Services Reform Programme
AFS	Annual Financial Statements	MEC	Member of the Executive Council
AGSA	Auditor-General South Africa	MELD	Mdantsane East London Development
AIDS	Acquired Immune Deficiency Syndrome	MFMA	Municipal Finance Management Act
AIP	Audit Improvement Plan	MGDS	Metro Growth and Development Strategy
ANC	African National Congress	MEC	Member of the Executive Council
ANDM	Alfred Nzo District Municipality	MELD	Mdantsane-East London Development
ANPR	Automatic Number Plate Recognition	MHS	Municipal Health Services
AQMP	Air Quality Management Plan	MICE	Meetings, Incentives, Conference and Events
AQO	Air Quality Officer	MIG	Municipal Infrastructure Grant
ARNDP	Area Road Network Development Plan	MM	Municipal Manager
ARS	Amathole Reconciliation Strategy	MMC	Member of the Mayoral Committee
ART	Antiretroviral Treatment	MMR	Maternal Mortality Rate
ARV	Antiretroviral	MoU	Memorandum of Understanding
ASSA	Actuarial Society of South Africa	MPA	Marine Protected Area
AU	African Union	MPAC	Municipal Public Accounts Committee

ABBREVIATIONS & ACRONYMS			
AWSRS	Amatola Water Supply Reconciliation Strategy	MPRA	Municipal Property Rates Act
AYSF	Adolescent Youth Friendly Services	MSA	Municipal Systems Act
BBBEE	Broad-Based Black Economic Empowerment	mSCOA	Municipal Standard Chart of Accounting
BBC	Buy-Back Centre	MSDF	Municipal Spatial Development Framework
BCA	Buffalo City Aquatics	MSME	Micro, Small, and Medium Enterprises
BCGNCC	Buffalo City Metro Geographical Name Change Committee	MTDP	Medium-Term Development Plan
BCMC	Buffalo City Metropolitan Council	MTEC	Medium Term Expenditure Committee
BCMDA	Buffalo City Metropolitan Development Agency	MTEF	Medium-Term Expenditure Framework
BCMHD	Buffalo City Metro Health District	MTREF	Medium-Term Revenue and Expenditure Framework
BCMM	Buffalo City Metropolitan Municipality	MTSR	Metro Trading Service Reform
BEE	Black Economic Empowerment	MW/h	Megawatt/hour
BEPP	Built Environment Performance Plan	MV	Medium Voltage
BFI	Budget Facility for Infrastructure	M&Z Services	Marine and Zoological Services
BI	Budget Integration	NAEIS	National Emission Information System
BKCOB	Border Kei Chamber of Business	NATIS	National Traffic Information system
BLMC	Biodiversity Land Management Classes	NCCR	National Climate Change Response
BOD	Burden of Disease	NDoT	National Department of Transport
BPESA	Business Process Enabling South Africa	NDP	National Development Plan
BPM	Business Process Management	NDPG	Neighbourhood Development Partnership Grant
BPO	Business Process Outsourcing	NEAP	Non-economically Active Population
CAGR	Compound Annual Growth Rate	NEMA	National Environmental Management Act
CBA	Critical Biodiversity Area	NEMBA	National Environmental Management Biodiversity Act

ABBREVIATIONS & ACRONYMS			
CBC	Central Bid Committee	NEM: ICMA	National Environmental Management: Integrated Coastal Management Act
CBD	Central Business District	NEMWA	National Environmental Management Waste Act
CCMDD	Central Chronic Medicines Dispensing and Distribution	NERSA	National Electricity Regulator of South Africa
CCTV	Closed Circuit Television	NGO	Non-Governmental Organisation
CDW	Community Development Workers	NHA	National Health Act
CFO	Chief Financial Officer	NHNR	National Housing Needs Register
CHC	Community Health Centres	NHTS	National Household Travel Survey
CHDM	Chris Hani District Municipality	NLTA	National Land Transport Act
CIDMS	City Infrastructure Delivery and Management System	NMBMM	Nelson Mandela Bay Metro Municipality
CITP	Comprehensive Integrated Transport Plan	NMT	Non-Motorised Transport
CLDP	Catalytic Land Development Programme	NRTA	National Road Traffic Act
CMP	Coastal Management Programme	NRW	Non-Revenue Water
COGTA	Cooperative Governance and Traditional Affairs	NSDF	National Spatial Development Framework
COID	Compensation for Occupational Injuries and Diseases	NSDP	National Spatial Development Plan
COSO	Committee of Sponsoring Organisations	NSRI	National Sea Rescue Institute
CPI	Consumer Price Index	NT	National Treasury
CPTR	Current Public Transport Record	NUSP	National Upgrading Support Programme
CRCP	Continuously Reinforced Concrete Pavement	NQAP	National Quality Assurance Panel (
CRVA	Climate Risk and Vulnerability Assessment	NWX	North West Expressway
CSD	Central Supplier Database	OECD	Organisation for Economic Co-operation and Development
CSP	City Support Programme		
DALRRD	Department of Agriculture, Land Reforms and Rural Development	OHS	Occupational health & Safety

ABBREVIATIONS & ACRONYMS			
DCoG	Department of Cooperative Governance	OPD	Outpatient Department
DDM	District Development Model	OPMS	Organisational Performance Management System
DED	Department of Economic Development	ORT	Outbreak Response Team
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism	ORTDM	OR Tambo District Municipality
DFA	Development Facilitation Act	OTP	Office of the Premier
DFFE	Department of Forestry, Fisheries and the Environment	OOWV	Oldenburgisch-Ostfriesischer Wasserverband
DHET	Department of Higher Education and Training	PCC	Provincial Coastal Committee
DHS	Department of Human Settlements	PDP	Public Driving Permit
DIRCO	Department of International Relations and Cooperation	PEP	Public Employment Programme
DLTC	Driving Licence Centres	PDoHS	Provincial Departments of Human Settlements
DMA	Disaster Management Act	PEPUDA	Promotion of Equality and Prevention of Unfair Discrimination Act
DoE	Department of Energy	PGDP	Provincial Growth and Development Plan
DORA	Division of Revenue Act	PHC	Primary Health Care
DPLG	Department of Provincial and Local Government	PICC	Presidential Infrastructure Coordinating Commission
DPME	Department of Planning, Monitoring and Evaluation	PIAP	Performance Improvement Action Plan
DPW	Department of Public Works	PIU	Project Implementation Unit
DRDLR	Department of Rural Development and Land Reform	PMA	
DSRAC	Department of Sport, Recreation, Arts and Culture	PMF	Public Finance Management Act
DTI	Department of Trade and Industry	PMIG-RAS-FW	Provincial Municipal Infrastructure Grants Risk Adjusted Strategy Framework
DTIC	Department of Trade and Industry and Cooperation	PMM	

ABBREVIATIONS & ACRONYMS			
DVRI	Duncan Village Re-development Initiative	PMS	Performance Management System
DWS	Department of Water and Sanitation	POE	Portfolio of Evidence
EAF	Estuary Advisory Forum	POPI Act	Protection of Personal Information Act
EAP	Economically Active Population	PPE	Property, Plant and Equipment
EBAT	Evidentiary Breath Alcohol Testing	PPP	Public Private Partnership
EC	Eastern Cape	PPPSG	Programme and Project Preparation Support Grant
ECA	Electronic Communications ACT	PRASA	Passenger Rail Agency of South Africa
EC-COGTA	Eastern Cape Cooperative Governance and Traditional Affairs	PrDP	Professional Driving Permit
ECDC	Eastern Cape Development Corporation	PRV	Pressure Reducing Valve
ECDoH	Eastern Cape Department of Health	PSL	Professional Soccer League
ECDOT	Eastern Cape Department of Transport	PTISG	Public Transport Infrastructure and Systems Grant
ECGNC	Eastern Cape Geographical Names Committee	RBSH	Royal Buffalo Specialist Hospital
ECPGNC	Eastern Cape Provincial Geographical Name Change Committee	RDP	Reconstruction and Development Programme
ECPTA	Eastern Cape Parks and Tourism Agency	RMS	Road Management System
ECSECC	Eastern Cape Socio-Economic Consultative Council	RRAMS	Rural Roads Asset Management System
EDA	Economic Development Agency	RRTT	Rapid Response Task Team
EDMS	Electronic Data Management System	PTS	
EE	Employment Equity	RSA	Republic of South Africa
EEA	Employment Equity Act	RTMC	Road Traffic Management Corporation
EIA	Environmental Impact Assessment	SA	South Africa
EIP	Environmental Implementation Plan	SAAELIP	South African Atmospheric Emission Licence Portal
EL	East London	SACN	South African Cities Network
ELCNR	East London Coastal Nature Reserve	SADC	Southern African Development Community

ABBREVIATIONS & ACRONYMS			
ELIDZ	East London Industrial Development Zone	SADHS	South Africa Demographic and Health Survey
EMP	Environmental Management Plan	SAEON	South African Environmental Observation Network
EMS	Emergency Medical Services	SALB	South African Library for the Blind
EPMDS	Employee Performance Management and Development System	SALGA	South African Local Government Association
EPMS	Employee Performance Management System	SAMWU	South African Municipal Workers Union
EPMO	Enterprise Programme Management Office	SANBI	South African National Biodiversity Institute
EPWP	Expanded Public Works Programme	SANS	South African National Standards
ERP	Enterprise Resource Planning	SAPS	South African Police Service
ERRP	Economic Reconstruction and Recovery Plan	SAQA	South African Qualifications Authority
ESS	Executive Support Services	SASQAF	South African Statistical Qualifications Framework
FAR	Fixed Asset Register	SASSA	South African Social Security Agency
FBE	Free Basic Electricity	SAWS	South African Weather Service
FCE	Final Consumption Expenditure	SBDM	Sarah Baartman District Municipality
GBS	Global Business Services	SCM	Supply Chain Management
GBV	Gender-Based Violence	SCOA	Standard Chart of Accounts
GBV & F	Gender-Based Violence and Femicide	SDBIP	Service Delivery and Budget Implementation Plan
GCIS	Government Communication and Information System	SDF	Spatial Development Framework
GDP-R	Gross Domestic Product by Region	SDG	Sustainable Development Goal
GHG	greenhouse gas	SDH	Social Determinant of Health
GIS	Geographic Information Systems	SDM	Service Delivery Model
GM	General Manager	SEFA	Small Enterprise Finance Agency
GMA	General Manager (Corporate Assets)	SETA	Sector Education and Training Authority
GME	General Manager (Expenditure and Financial Reporting)	SEZ	Special Economic Zone

ABBREVIATIONS & ACRONYMS			
GRAP	Generally Recognised Accounting Practice	SFA	Spatial Focus Areas
GTAC	Government Technical Advisory Council	SLA	Service Level Agreement
GVA	Gross Value Added	SLGP	Strengthening Local Governance Programme
GVA-R	Gross Value Added by Region	SMME	Small, Medium and Micro Enterprises
HAI	Hospital Acquired Infection	SO	Strategic Outcome
HAST	HIV, AIDS, STIs and TB	SOCA	State of the City Address
HDI	Human Development Index	SOE	State-owned Enterprise
HIV	Human Immuno-deficiency Virus	SoER	State of the Environment Report
HMS	Hospital Management System	SONA	State of the Nation Address
HoD	Head of Directorate	SOP	Standard Operating Procedure
HR	Human Resources	SOPA	State of the Province Address
HSDG	Human Settlements Development Grant	SPLUMA	Spatial Planning and Land Use Management Act
HSRC	Human Science Research Council	SPSP	Sector Policy Support Programme
IA	Internal Audit	StatsSA	Statistics South Africa
IAA	Institute of Internal Auditors	STI	Sexually Transmitted Infections
IAS	Invasive Alien Species	SOP	Standard Operating Procedure
IAP	Invasive Alien Plant	SV	Supplementary Valuations
IBP	Index of Buying Power	SVT	Steve Vukile Tshwete
ICLEI	International Council for Local Environmental Initiatives	SWEM	Solid Waste and Environmental Management
ICLEI AS	ICLEI Africa Secretariat	TB	Tuberculosis
ICROP	Integrated Community Registration Outreach Programme	TEBRA	Tyolomnqa East Bank Ratepayers' Association
ICT	Information and Communications Technology	TIU	Trade and Investment Unit
ICU	Intensive Care Unit	TNPA	Transnet National Ports Authority
ICZMP	Integrated Coastal Zone Management Plan	TRA	Temporary Relocation Area
IDC	Industrial Development Corporation	TRU	Temporary Relocation Units

ABBREVIATIONS & ACRONYMS			
IDMS	Infrastructure Delivery Management System	TSP	Traffic Safety Plan
IDP	Integrated Development Plan	TSRS	Trading Sector Reform Strategies
IDZ	Industrial Development Zone	TVET	Technical and Vocational Education and Training
IEMP	Integrated Environmental Management Plan	UAT	User Acceptance Testing
IGR	Intergovernmental Relations	UDZ	Urban Development Zone
IGRF	Intergovernmental Relations Forum	UFH	University of Fort Hare
IHS	Information Handling Services	UIF	Unemployment Insurance Fund
IIA	Institute of Internal Auditors	UISP	Upgrading of Informal Settlement Programme
IKM	Information Knowledge Management	WHO	World Health Organisation
IMATU	Independent Municipal and Allied Trade Union	UNISA	University of South Africa
IMCDSP	Integrated Mother & Child Development and Support Programme	UN WTO	United Nations World Tourism Organisation
INEP	Integrated National Electrification Programme	UPS	Uninterrupted Power Supply
IP	Intellectual Property	USAID	United States Agency for International Development
IPC	Infection Protection Control	USDG	Urban Settlement Development Grant
IPMS	Institutional Performance Management System	VCT	Voluntary Counselling and Testing
IPTN	Integrated Public Transport Network	VD	Voting District
IR	International Relations	VIP	Ventilated Improved Pit Latrine
IRDP	Integrated Residential Development Programme	VLR	Voluntary Local Review
IRRT	Integrated Rapid Response Teams	VNR	Voluntary National Review
ISDG	Infrastructure Skills Development Grant	WC/WDM	Water Conservation and Water Demand Management
ISHSP	Integrated Sustainable Human Settlement Plan	WESSA	Wildlife Environment Society in South Africa
ISUPG	Informal Settlements Upgrading Partnership Grant	WMA	Water Management Area

ABBREVIATIONS & ACRONYMS			
ITPCC	Integrated Transport Planning Co-ordinated Committee	WSDP	Water Services Development Plan
IUDF	Integrated Urban Development Framework	WSP	Workplace Skills Plan
IWMP	Integrated Waste Management Plan	WSU	Walter Sisulu University
JGDM	Joe Gqabi DM	WWTW	Wastewater Treatment Works
KFA	Key Focus Area	XDR	Extensively Drug-Resistant (Tuberculosis)
KPA	Key Performance Area		
KPI	Key Performance Indicator		
KRI	Key Risk Indicator		
KVA	Kilovolt-ampere		
KwNBG	Kwelera National Botanical Gardens		
KWT	King William's Town		
LAB: Wetlands SA	Local Action for Biodiversity: Wetlands South Africa		
LED	Local Economic Development		
LFPR	Labour Force Participation Rate		
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer and Questioning		
LGCS	Local Government Communication System		
LGDRS	Local Government Database and Reporting System		
LGSETA	Local Government Sector Education Training Authority		
LLF	Local Labour Forum		
LOS	Levels of Service		
LRA	Labour Relations Act		
LSDF	Local Spatial Development Framework		
LTFM	Long-Term Financial Model		
LTFS	Long-Term Financial Strategy		



Princess Faku
**FOREWORD BY
THE EXECUTIVE
MAYOR**

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Mxolisi Yawa **OVERVIEW BY THE CITY MANAGER**

We are presenting the Integrated Development Plan (IDP) in the final financial year of the council's current term. As 2026 is an election year, we find ourselves at a critical juncture, we are closing one chapter and preparing for a new term of council. This is therefore the final year of the current

IDP cycle, and it serves as our definitive opportunity to cement the progress we have made over the past five years.

While the municipality is a going concern beyond election terms, but leadership regimes do inform our approach as South African local government is setup within the principles of participatory democracy. We therefore had to align our approach with this reality and as such the IDP and budget for the 2026/27 financial year will see rigorous conclusion of existing projects.

Our priority is the completion of the major catalytic initiatives launched during this term, and we do not intend to initiate new mega projects. This is also in line with our objective of focusing on basic infrastructure maintenance. We recognize that while some municipal projects naturally extend beyond a five-year window, our duty is to ensure they are handed over to the next term in a state of excellence and momentum.

The transition to a new term of council is not a time to slow down; rather, it is a call to work harder and better. We must execute our duties with renewed commitment and zeal to ensure that we leave a lasting legacy of service delivery. Our communities expect and deserve an administration that finishes as strongly as it began, ensuring no project is left stagnant during this transition.

We present this IDP and Budget with a sober understanding of the challenging economic conditions we face. Globally, geopolitical tensions and economic protectionism continue to create a conservative investment climate. Domestically, our economy continues to navigate a path of recovery following the marginal growth seen in recent years. With consumers still feeling the weight of high living costs and fiscal pressures, our mandate is clearer than ever.

This IDP reflects a strategy of decisive prioritization. To cushion our residents against the current economic climate, we have ensured that the proposed tariffs and rates adjustments are reasonable and balanced. This was a complex balancing act: we remain committed to protecting the financial well-being of our struggling consumers while simultaneously generating the revenue required to keep the city fully functional and developmentally impactful.

The plans before you are the result of intensive strategic sessions and meaningful community consultations. Our roadmap remains firmly guided by Metro Growth and Development Strategy(MGDS), the IDP, and the Built Environment Performance Plan. We remain steadfast in our commitment to the five key pillars of our MGDS:

- Innovative & Productive City
- A Green City
- A Connected City
- A Spatially Transformed City
- A Well-Governed City

We have ensured total alignment between these proposals and our Medium-Term Revenue and Expenditure Framework (MTREF). Our budget prioritizes the people of Buffalo City by ensuring consistent service delivery within our available means. By maintaining financial stability and institutional credibility, we ensure that local government remains a reliable partner for our residents well into the future.

The Buffalo City management is fully committed to the implementation of this Integrated Development Plan and Budget. Working alongside Council and our communities, we are dedicated to bettering the lives of all Buffalo City residents and fostering a fertile environment for our business community. Let us use this period of transition to set a new standard for excellence and accountability.



M. Yawa

City Manager

31 March 2026

EXECUTIVE SUMMARY

1. INTRODUCTION

The Buffalo City Metropolitan Council (BCMC) adopted its 2021/26 Integrated Development Plan (IDP) on 31 May 2021, in accordance with the Municipal Systems Act (MSA), No. 32 of 2000. This report represents the fifth revision of this five-year IDP for the review period of 2025/26.

In accordance with Section 25(2) of the Local Government: MSA, No. 32 of 2000, an IDP adopted by a municipal council under the Act may be amended in terms of Section 34 and remains in force until a new IDP is adopted by the next elected council.

Section 25(3) of the Local Government: MSA provides the incoming council with the following options regarding the development of the five-year IDP:

- (a) A newly elected municipal council may, within the prescribed period, adopt the IDP of its predecessor, but before taking a decision it must comply with section 29(1)(b)(i), (c) and (d)
- (b) A newly elected municipal council that adopts the IDP of its predecessor with amendments, must affect the amendments in accordance with the process referred to in section 34(b).

As we approach the Local Government Elections scheduled for 2026, and with this last IDP Review document signalling the end of the five-year IDP cycle, the considerations of options presented by Section 25(3) of the MSA informed the 2026/30 IDP Process Plan, which Council adopted on 22 August 2025.

Against this backdrop, this document sets out the outcomes of the planning process for the review of the 2021/26 IDP for the 2026/27 period. It describes the following:

- The process followed to review BCMM's IDP;
- The key considerations or informants of the IDP Review; and
- The objectives, strategies, key performance indicators (KPIs), and targets that have been developed and aligned with the long-term Metro Growth and Development Strategy (MGDS), which was adopted by the Council in 2015 and adjusted in accordance with legally prescribed processes.

2. THE PROCESS FOLLOWED

BCMM's IDP and budget review was undertaken in an inclusive, integrated, and procedurally consistent manner, in line with an approved IDP/Budget/Performance Management System (PMS) Process Plan and Time Schedule. This was compiled in accordance with Sections 28 and 29 of the MSA and Section 21(1) of the Municipal Finance Management Act (MFMA).

The strategic processes and activities undertaken in order to produce the Revised 2026/27 IDP, are summarised in the Table below:

Table 1: IDP process followed

NO	ACTIVITY DESCRIPTION	DATES ACHIEVED
JUL – AUG: Preparing for the IDP, Budget and Performance Management Process		
1.	Top Management, Strategic Development Portfolio Committee and Budget Steering Committee: Consider and recommend that IDP/Budget/PMS Process Plan and Time Schedule be approved by Council (at least 10 months before the start of the budget year)	Senior Management Team: 15 July 2025 Budget Steering Committee: 7 August 2025 Strategic Development Portfolio Committee: 7 August 2025
2.	Top Management: Consider 2025/2026 First Adjustment Budget & the 2024/2025 Fourth Adjustment Budget and recommend these being approved by Council	07 August 2025
3.	Budget Steering Committee: Consider 2025/2026 First Adjustment Budget & the 2024/2025 Fourth Adjustment Budget and recommend these being approved by Council	12 August 2025
4.	Council: - Approve IDP/Budget/PMS Process Plan and Time Schedule (at least 10 months before the start of the budget year), the 2025/2026 First Adjustment Budget (to be tabled before 25 August 2025) and the 2024/2025 Fourth Adjustment Budget. AND - Note SDBIP approved by Executive Mayor and performance agreements signed by Municipal Manager and Managers directly accountable to the Municipal Manager to Council for notification	22 August 2025
SEPT – OCT: PHASE 1: Research Information Collection and Analysis		
5.	DDM/One Plan Review Framework /Process Plan developed and integrated with the IDP/Budget/PMS Process Plan of the metro REF: DISTRICT DEVELOPMENT MODEL- (DDM) / ONE PLAN	5 Sept 2025
6.	DDM/One Plan Conveners Orientation Session: Orientation of Management on their roles and responsibilities	16 Sept 2025
7.	BCMM DDM Core Group: Internal Work Session: Technical Planning Session to solidify and converge plans for Buffalo City Metropolitan Municipality as the local sphere of government contributing to the Revised (Third Generation) One Plan	10 Oct 2025
8.	Conduct IDP/Budget/PMS Workstreams to: - Prepare a draft Situational Analysis Report for the Mayoral and Council Lekgotlas; and - Assess and identify information from adopted Sector Plans against the backdrop of the SITUATIONAL ANALYSIS, including the LSDFs for integration into the IDP Review document if possible	14 October 2025

NO	ACTIVITY DESCRIPTION	DATES ACHIEVED
	REF: DISTRICT DEVELOPMENT MODEL- (DDM) / ONE PLAN	
9.	Ward-based Planning Sessions: Public engagements to interact with ward communities, listen to needs and concerns and provide feedback on approved programmes and projects for 2026/2027 and review Ward Priorities.	October 2025 to 3 March 2026.
OCT – DEC: PHASE 2: Vision, Objectives and Strategies		
10.	Three Spheres Joint Planning Session: All three spheres reflect on information available at all levels, joint metro spatial analysis, progress on previous commitments, confirm/change strategic direction of development in line with Provincial Growth and Development Strategy and National Spatial Development Plan REF: DISTRICT DEVELOPMENT MODEL- (DDM) / ONE PLAN	14 November 2025
11.	BCMM DDM Core Group: Technical Planning Session to solidify and converge plans for Buffalo City Metropolitan Municipality as the local sphere of government contributing to the Revised (Third Generation) One Plan REF: DISTRICT DEVELOPMENT MODEL- (DDM) / ONE PLAN	19 November 2025
12.	Budget Preparation sessions with all directorates: - Prepare for 2025/2026 Mid-Year Adjustment Budget Reallocation; - Prepare for 2026/2027 MTREF Budget Reallocation - Facilitate IDP and Budget Integration through the incorporation of strategic informants to Budget Priorities for Adjustment Budget and MTREF Budget - Confirm 2026/2027 Tariff Process - Verify Fleet and Staff Keys	24 November to 9 December 2025
13.	BCMM Technical IGR Forum To present the revised One Plan to stakeholders	12 December 2025
14.	Council: Endorses the Reviewed DDM/One Plan	15 December 2025
JAN – FEB: PHASE 3: Development of Programmes and Projects		
15.	Council: - To table and adopt the Statement of Financial Performance and the Implementation of the 2025/2026 budget for the second quarter & Mid-year budget and Performance assessment report ended 31 December 2025 - To consider Municipal entity's proposed budget, priorities and objectives for 2026/2027 and proposed budget adjustments for 2025/2026 - To table the Draft 2024/2025 Annual Report within 7 months after the end of the financial year to which the report relates	29 January 2026
16.	Ward-based Planning Sessions:	Continued from 30 January to 3 March 2026.

NO	ACTIVITY DESCRIPTION	DATES ACHIEVED
	Public engagements to interact with ward communities, listen to needs and concerns and provide feedback on approved programmes and projects for 2026/2027 and review Ward Priorities.	
17.	Senior Management Technical Planning Session: - Review strategic objectives for service delivery and development; - Reflect on progress made with implementation of strategic priorities during preceding financial years; - Review SITUATIONAL ANALYSIS of the metro that inform priority choices, including community needs expressed; - Reflect on desired key outcomes over the remainder of Council's 5-year term; and - Deliberate on and confirm strategic imperatives that should inform the Budget Priorities	15 – 17 February 2026
18.	IDP Technical Work Sessions (per directorate): - Review 2025/2026 service delivery key performance indicators and targets after adjustments budget - Set Key Performance Indicators and Targets for the draft Revised 2026/2027 IDP and SDBIP - Align IDP, Budget, Risk and performance indicators	February – March 2026
FEB: PHASE 4: Integration and Consolidation		
19.	Budget Steering Committee: Consider 2025/2026 Mid-year Adjustment Budget for recommendation to Council	February 2026
20.	Councillors and Traditional Leaders' Workshop: Deliberate on the proposed 2025/2026 Mid-year Adjustment Budget	13 February 2026
21.	Top Management Technical Planning Session: - Review strategic objectives for service delivery and development - Reflect on progress made with implementation of strategic priorities during preceding financial years - Review SITUATIONAL ANALYSIS of the metro that inform priority choices, including community needs expressed - Reflect on desired key outcomes over the remainder of Council's 5-year term - Deliberate and confirm strategic imperatives that should inform the Budget Process - Incorporate S154 Turnaround Framework into the draft IDP	17 – 18 February 2025
22.	Council: Consider and adopt 2025/2026 Mid-year Adjustment Budget	25 February 2026
23.	National Treasury Mid-year Budget and Performance Assessment Review	5-6 March 2026
MAR: PHASE 5: Approval, Adoption and Publication Approval of draft IDP		

NO	ACTIVITY DESCRIPTION	DATES ACHIEVED
24.	Budget Steering Committee: Consider and recommend the draft IDP, MTREF Budget and SDBIP	19 March 2026
25.	Councillors and Traditional Leaders' Workshop: - Review strategic objectives for service delivery and development - Reflect on progress made with implementation of strategic priorities during preceding financial years - Review SITUATIONAL ANALYSIS of the metro that inform priority choices, including community needs expressed - Reflect on desired key outcomes over the remainder of Council's 5-year term - Deliberate and confirm strategic imperatives that should inform the Budget Process	24 March 2026
26.	Council: - To approve the draft IDP, MTREF Budget and draft policies (at least 90 days before the start of the budget year) - To consider the proposed budget of the entity and assess the entity's (BCMDA) priorities and objectives and make recommendations. Board of Directors to consider the recommendations and, if necessary, submit a revised budget.	31 March 2026

3. IDP INFORMANTS

The 2026/27 Review of the 2021/26 IDP was conducted within the framework of national and provincial legislation and policy directives. These include, most notably, the National Development Plan (NDP) 2030, the Medium-Term Development Plan (MTDP) (2024/29), the District/Metro Development Model (DDM), the South African Economic Reconstruction and Recovery Plan (SA ERRP), the Provincial Development Plan (2030), the Provincial Spatial Development Strategy, and the Provincial Economic Development Strategy.

Other factors that were taken into consideration include:

a) Assessment Issues

- The comments on the last adopted IDP provided by the Member of the Executive Council (MEC) for Local Government, in accordance with Sections 31 and 32 of the MSA;
- Findings from the National Treasury Benchmarking Report and Mid-Year Budget Performance Assessment Report;
- Findings from the Auditor General's Report of the previous financial year/s; and
- Shortcomings and weaknesses identified through self-assessment.

b) Review of the strategic elements of the IDP concerning Council priorities and Management objectives:

- Review of the strategic elements of the IDP and, if required, the Metro Growth and Development Strategy (MGDS);
- Integration of the strategic intent throughout the budget process, including alignment with the Municipal Standard Chart of Accounting (mSCOA), and finalisation of the SDBIP;

- Review of elements of the Spatial Development Framework (SDF);
- Update of master plans and sector plans; and
- Update of the Financial Plan.

c) Inclusion of new information where necessary

- Consideration of the impact of the COVID-19 global pandemic;
- Consideration of the impact of changes to municipal boundary demarcation following the next Local Government Elections;
- The Provincial Municipal Infrastructure Grants Risk Adjusted Strategy Framework (PMIG – RAS – FW), approved on 23 June 2023;
- The MTDP (2024/29);
- Water Services Amendment Bill and the Metro Trading Services Reform, etc.; and
- Updates: The following updates were made in the IDP document:

As a result of the IDP Review, the following updates and/or amendments were done in the IDP Revision document for 2026/27:

Table 2: Updates done in the IDP document

Foreword by the Executive Mayor	The Executive Mayor provides a contextualised update of the foreword to reflect a summarised setting of the tone for the newly elected Council and key priorities to be focused on for the next term, giving due consideration of the changing socio-economic environment that the city, our country and the world at large are confronting in our development planning endeavours.
Overview by the City Manager	Following the tone set by the Executive Mayor, the City Manager expands on situating the IDP Review within the confines of the Metro Growth and Development Strategy, the increasing demand for reliable municipal services and the financial outlook of the metro.
Executive Summary	Key updates include: • The IDP Process Followed for this review period; • The key informants to the IDP review; and • The latest available assessment of the IDP and key assessment findings from Provincial Government with recommendations on gaps and improvement measures
SECTION A	No amendments were made in respect of Section A – the vision, mission, values, strategic outcomes, strategic objectives and key focus areas are retained for the remainder of the IDP cycle.
SECTION B	The BCMM Profile is updated in this section, with more recent statistical data and analysis, taking cognizance of the most recent Census 2022 results and subsequent updates and projections:

SECTION C	No amendments or updates have been made to this Section.
SECTION D	The section is updated with a summary of the recently Council endorsed Third Generation One Plan for Buffalo City Metro.
SECTION E	The key performance indicators and targets have been provisionally updated contingent on the conclusion of the SDBIP within 28 days after adoption of the Budget as per Performance Management Regulations.
SECTION F	The financial plan for the metro is updated as aligned with the MTREF Budget tabled in Council and includes the operational and capital projects for the MTREF period.
SECTION G (NEW)	This section is a new summary of the metro's transitional plans, progress made and other structural/operational matters relating to the introduction trading services reforms for Cohort 1: Electricity and Energy, Water and Sanitation (entered the trading reform in 2025/26); and Cohort 2: Solid Waste Management (entering the trading reform in 2026/2027).
SECTION H (was previously Section G in 2025/26 IDP)	The Operational Plan has been updated.
ANNEXURES	Most significant updates on annexures are: • Annexure B - IDP/Budget/PMS Process Plan followed; and • Annexure C - Community and Stakeholder Issues / Priorities Raised (recommended revisions/corrections were received and incorporated into the IDP Review document). • Annexure D - Programmes by Buffalo City Metro Development Agency

4. STRUCTURE OF THE IDP

Among other elements, BCMM's IDP outlines the Municipality's long-term vision, which is:

“BUFFALO CITY: WELL-GOVERNED, CONNECTED, GREEN AND INNOVATIVE”

It also outlines the Council's development objectives and priorities, thereby addressing the challenges facing the City. Linked to this vision are the five strategic outcomes that must be achieved by the year 2030.

In accordance with legislative prescripts, BCMM's 2021/26 IDP has been reviewed for the fifth year, and amendments are submitted to the Council for adoption. Please refer to the table below for the structure of the IDP.

This IDP document is structured as follows:

Table 3: Structure of the 2021/26 IDP as amended for 2026/27 IDP Review

SECTION A	INTRODUCTION Provides an outline of the legislative imperatives which guide the review of the integrated development plan. An overview of national and provincial plans which were taken into consideration during the development of the plan and an outline of the process that was followed during the review of the IDP form part of this Section.
SECTION B	BCMM PROFILE AND ANALYSIS This section provides an overview of the municipality focusing on the current situation, key challenges and opportunities in terms of each key performance area. Service delivery backlogs and level of access to municipal services is also outlined.
SECTION C	SPATIAL DEVELOPMENT FRAMEWORK The SDF provides a spatial analysis of the Municipality, details the spatial development principles / guidelines with accompanying maps indicating the spatial objectives and strategies of the Municipality.
SECTION D	ONE PLAN: THREE SPHERES SERVICE DELIVERY BUDGET, PROGRAMMES AND PROJECTS The catalytic programmes and projects from all three spheres of government operating in the BCMM space as converged with the global, national and provincial strategic directives are clustered in accordance with the Six Key Transformational Areas of the District Development Model/One Plan.
SECTION E	DEVELOPMENT OBJECTIVES, STRATEGIES, KEY PERFORMANCE INDICATORS AND TARGETS Contains the development objectives, strategies, indicators and targets for the entire term of Council as revised for the year under review.
SECTION F	FINANCIAL PLAN A strategic framework for financial management, key financial policies and strategies are outlined in this section. Budget Priorities in the form of projects and programmes as aligned with the Five MGDS/IDP Strategic Outcomes provide clarity on how the metro plans to converge strategic priorities with the allocation of appropriate resources to enable effective implementation of the IDP.
SECTION G	BCMM TRADING SERVICES REFORM PROGRAMME (MTSRP) The Section provides a summary of operational plans and progress made with BCMM's participation in the South African Metro Trading Services Reform Programme (MTSRP). The MTSRP has been configured to strengthen accountability and financial sustainability, improve service delivery of core municipal services such as water, sanitation, electricity, and solid waste management, and enable spatial transformation, economic inclusion and growth.
SECTION H	BCMM OPERATIONAL PLAN This section outlines the structure of the municipality providing a breakdown for each directorate, the status of the macro-structure and the policy environment informing the governance agenda of the metro.

5. BUFFALO CITY METROPOLITAN MUNICIPALITY INTEGRATED DEVELOPMENT PLAN RATINGS

The annual assessment of IDPs is a requirement of Section 31 of the MSA (No. 32 of 2000), which mandates the MEC to:

- Monitor the processes followed by a Municipality during the drafting and adoption of IDPs.
- Assist municipalities with the Planning, Drafting, Review and Adoption of IDPs.
- Facilitate the Co-ordination and Alignment of IDPs of different municipalities and those of district municipalities within its area.

The overall intention of the assessment of the IDP is to ascertain the compliance of IDPs with the fundamental elements and development processes set out in Sections 26 and 29 of the MSA. In line with the legislative mandate, the Eastern Cape Department of Cooperative and Traditional Affairs (EC-COGTA), in conjunction with municipalities, sector departments, and relevant stakeholders, conducts an annual assessment of IDPs. This process allows sector departments and relevant stakeholders to engage with municipalities in developing strategies based on feedback and improvement measures within strict timeframes, as required by the IDP Analysis and Assessment Framework.

The summary of findings on gaps and improvement measures relating to all six KPAs is as follows:

Table 4: Summary of findings on gaps and improvement measures for 2025/26 IDP KPAs

2025/26 IDP Assessment Findings
KPA 1: Spatial Planning, Land, Human Settlement and Environmental Management
The municipality must indicate whether there are any records of outstanding land claims that may hinder human settlements and socio-economic developments.
The municipality must reflect whether its housing sector plan covers migration plan, bulk services, social amenities and locked projects.
The municipality must reflect whether on Community Residential Units in the IDP.
The municipality must reflect efforts to address past and current social inequalities where there are both high levels of poverty and demonstrated economic potential.
The municipality must reflect on a co-ordinated plan to leverage donor funding for climate change particularly labour-intensive initiatives in light of unemployment figures.
The municipality must indicate whether there are any records of outstanding land claims that may hinder human settlements and socio-economic developments.
The municipality must reflect whether its housing sector plan covers migration plan, bulk services, social amenities and locked projects.
The municipality must have continuous consultation with traditional leadership on land development and rehabilitation.
The municipality must indicate whether there are any enforced environmental by-laws.
The municipality must reflect in the IDP all elements of Environmental Health Plan.
The municipality must reflect on official designated as health officers in terms of the National Health Amendment Act No.12 of 2013.
The municipality must reflect on officials designated as inspectors in terms of the Foodstuffs, Cosmetics & Disinfectant Act No. 54 of 1972.

2025/26 IDP Assessment Findings

The municipality must reflect on officials in terms of the Criminal Procedure Act No. 51 of 1977 for the enforcement of environmental health laws.

The municipality must prioritise the appointment of Environmental Health Practitioners as per applicable norms and standards.

The municipality must develop a Trade Effluent Policy and budget for its operations and maintenance.

The municipality must develop a Leachate Plan and reflect it in the IDP.

KPA 2: Service Delivery and Infrastructure Planning

The municipality must develop the Rural Roads Asset Management System (RRAMS).

The municipality must reflect on roads and stormwater related plans, projects of other spheres of government.

The municipality must reflect on both primary and secondary schools within the area that has been affected by the school rationalisation and realignment process.

The municipality must reflect in the IDP the number of functional or operating Early Childhood Development (ECD) Centres.

The municipality must reflect in the IDP the status of registration and an indication on ECD centres that meet the norms and standards set by Department of Social Development.

The municipality must ensure the development and review of the Disaster Management Framework, and this must be reflected in the IDP.

The municipality must establish a disaster management centre in compliance with the National Disaster Management Policy Framework.

The municipality must appoint Head of the Centre (DMC) in terms of Section 51 of the Disaster Management Act and reflect in the IDP.

The municipality must appoint qualified disaster management staff as guided by the Municipal Staff Regulations and reflect in the IDP.

The municipality must integrate its Disaster Risk Profile into the IDP.

The municipality must reflect on Early Warning System in the IDP.

The municipality must develop a Disaster All-hazard Contingency Plan and reflect in the IDP.

The municipality must prioritize budget for disaster public awareness and advocacy campaigns.

The municipality must budget for response and recovery in line with gazetted national thresholds.

The municipality must develop and reflect on the Fire Master Plan in the IDP.

The municipality must adopt fire safety by-laws and reflect in the IDP.

The municipality must develop and reflect on a Hydrant Maintenance Plan in the IDP.

The municipality must develop Standard Operational Procedures (SOPs) and reflect in the IDP.

The municipality must indicate functionality of Chief Fires Officer Forum.

The municipality must develop the electricity by-laws and reflect in the IDP.

2025/26 IDP Assessment Findings

The municipality must develop the Electricity Disruption Contingency Plan and reflect in the IDP.

The municipality must reflect on its Water Services Infrastructure Maintenance Plan.

The municipality must reflect on the institutional arrangement for the provision of water services.

KPA 3: Financial Planning and Budgets

The Municipality must indicate whether relevant policies are promulgated into by-laws and gazetted.

The Municipality must establish the Indigent Steering Committee and ensure it is functional.

KPA 4: Local Economic Development (LED)

The municipality must develop and adopt Local Economic Development Strategy.

The municipality must focus on their strengths and opportunities as to clearly capture its uniqueness and in relation to its location and the surrounding municipalities.

The municipality must indicate alignment of LED priorities with the national, provincial and district objectives.

The municipality must indicate functionality of for a for stakeholder and community involvement in LED activities.

The municipality must support the implementation of the Small Town Development Framework and reflect in the IDP.

KPA 5: Good Governance and Public Participation

The municipality must indicate the functionality of War Rooms in the IDP.

The municipality must reflect capacity building programmes undertaken to capacitate ward committees.

The municipality must develop Ward Based Plans and reflect these in the IDP.

The municipality must indicate the resolution tracking mechanism it utilises to monitor implementation of such resolutions.

The municipality must reflect the financial disclosure of senior officials in the IDP.

The municipality must keep a litigation register and this must be reflected in the IDP.

The municipality must attend to findings lifted by Auditor General to improve the audit opinion.

The municipality must reflect its adopted delegation framework and register in the IDP.

The municipality must develop a policy on reasonable accommodation for people living with disability.

KPA 6: Institutional Arrangements

The municipality must demonstrate the development of an HR plan in line with regulations.

The municipality must conduct Performance Management quarterly reviews and reflect this in the IDP.

The municipality must reflect on the action plan to address ICT challenges.

The municipality must reflect on compliance with Records and Archive Act.

An IDP Assessment Improvement Action Plan has been drafted by the Municipality, and its implementation will be monitored internally by the IDP and Budget Integration Unit.

An objective overall rating per KPA, ranging from low, medium to high, as illustrated in the Table below, was assigned:

Table 5: Rating per KPA

Levels of performance	Scores	Performance Description	Action Required
Low	Less than 40%	Poor	Immediate and intensive intervention
Basic	41 – 69%	Basic	Support required
Medium	70–84%	Satisfactory	Minimum support required
High	85–100%	Good	Benchmarking

The comparative ratings with the recent 2023/24 assessment ratings for BCMM are shown as follows:

Table 6: IDP Assessment Ratings 2023/24, 2024/25 and 2025/26

KPA	Rating 2023/24 Revised IDP	Rating 2024/25 Revised IDP	Rating 2025/26 Revised IDP
KPA 1: Spatial Planning, Land, Human Settlements & Environmental Management	HIGH	HIGH	MEDIUM
KPA 2: Service Delivery & Infrastructure Planning	MEDIUM	MEDIUM	BASIC
KPA 3: Financial Planning & Budgets	HIGH	HIGH	HIGH
KPA 4: Local Economic Development	HIGH	HIGH	HIGH
KPA 5: Good Governance & Public Participation	HIGH	MEDIUM	HIGH
KPA 6: Institutional Arrangements	HIGH	HIGH	HIGH
Overall Rating	HIGH	HIGH	HIGH

It can be surmised that BCMM has scored an overall **high** rating on the 2025/26 Revised IDP.

SECTION A: INTRODUCTION AND BACKGROUND

1. LEGISLATIVE FRAMEWORK

BCMM's 2021–2026 IDP has been developed and revised annually under the guidance of various legislative requirements that define the nature, content, and approach of this principal strategic planning document. The legislative requirements include the following:

1.1 Constitution of South Africa Act, No. 108 of 1996

Sections 152 and 153 of the Constitution give effect to the IDP by stipulating that a municipality must structure its administration, budgeting, and planning processes to prioritise the basic needs of its communities and promote their social and economic development, thereby achieving a democratic, safe, and healthy environment.

1.2 Local Government: Municipal Systems Act, No. 32 of 2000

Section 25 of the MSA states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive, strategic plan for the development of the municipality. Section 35(1)(a) of the MSA defines an IDP as:

- a) *the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality;*
- b) *binds the municipality in the exercise of its executive authority.*

Sections 28 and 34 of the MSA stipulate the need for an annual review of the IDP and the development of a process plan to guide the review.

1.3 Local Government: Municipal Finance Management Act, No. 56 of 2003

Section 21(1)(a) of the MFMA requires the Mayor of a municipality to coordinate the process of preparing the annual budget and reviewing the municipality's IDP and budget-related policies, ensuring that the budget and IDP are mutually consistent and credible. Furthermore, the MFMA provides for the development of the SDBIP as a mechanism to strengthen the alignment between the IDP and the budget.

1.4 Local Government: Municipal Structures Amended Act, No. 117 of 2002

This Act provides for the establishment of municipalities and defines their various types and categories. It also regulates municipalities' internal systems, governance structures, and office-bearers.

1.5 Municipal Property Rates Act 6 of 2004

The objective of this Act is to regulate the authority of municipalities to levy rates on properties within their jurisdiction. These rates serve as a critical source of own revenue, enabling municipalities to fulfil their constitutional development mandate.

2. STRATEGIC AGENDA

2.1 Buffalo City Metropolitan Municipality Vision Statement

BCMM is guided by the following long-term vision: “Buffalo City: well-governed, connected, green and innovative”.

- We are a City that reinvented 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 EC province, home of a globally competitive auto industry with excellent educational and medical facilities.

2.2 Mission Statement

BCMM is a City that:

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

2.3 Core Values

We are a City that espouses the following values:

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

2.4 Strategic Outcomes

By 2030, BCMM strives to achieve the following five strategic outcomes:

- **An innovative and productive City:** marked by rapid, inclusive economic growth and a decline in unemployment;
- **A green City:** environmentally sustainable, maximising the benefits of natural assets, and known as a clean, healthy city of subtropical gardens;

- **A connected City:** offering high-quality (and competitively priced) access to Information and Communications Technology (ICT), electricity, and transport networks, both within the city and linking to the wider world;
- **A spatially transformed City:** progressively overcoming apartheid spatial divisions and fragmentation, with township economies becoming increasingly productive; and
- **A well-governed City:** featuring a smart and responsive Municipality (in collaboration with other levels of government) that effectively plans and delivers high-quality services and cost-effective infrastructure, free from maladministration and political disruption.

2.5 Council Priorities (2021–2026) REVISED FOR 2025/2026

The Mayoral Strategic Planning Session (previously known as Mayoral Lekgotla), followed by the Traditional Leaders and Councillors' Strategic Planning Session (previously known as Council Lekgotla), are critical instruments of the IDP Process and assist the Executive Mayor in his/her responsibility for the preparation and implementation of the IDP, budget, and performance management. In his/her executive capacity, the Executive Mayor is required to:

- Be responsible for the overall oversight, development, and monitoring of the process or delegate IDP and PMS responsibilities to the City Manager;
- Ensure that the budget, IDP, and budget-related policies are mutually consistent and credible;
- Approve nominated persons who will be responsible for different roles and activities within the IDP/Budget process; and
- Submit the IDP and the Annual Budget to the Municipal Council for adoption.

These Council's priorities, arranged in accordance with the BCMM MGDS and IDP, are aligned with the National and Provincial Imperatives as follows:

Table 7: BCMM imperatives converged with provincial and national imperatives

BUFFALO CITY METRO IMPERATIVES		JOINT IGR IMPERATIVES	PROVINCIAL IMPERATIVES	NATIONAL IMPERATIVES		
BCMM IDP Strategic Outcomes (SO)	Revised BCMM Council Priorities 2025/26	One Plan Focus Areas	Provincial Development Plan (EC Vision 2030)	National Development Plan (NDP: 2030)	Medium-Term Development Plan (MTDP 2024/29)	Integrated Urban Development Framework (IUDF)
SO 1: An Innovative and Productive City	▪ Prioritise Infrastructure Projects ▪ Infrastructure Audit	Focus Area 1: People Development & Demographics	Goal 4: Improved human development	NDP Chapter 9 – improving education, training, and innovation NDP Chapter 11 – social protection NDP Chapter 12 – building safer communities NDP Chapter 15 – nation building and social cohesion NDP Chapter 10 – health care for all	Priority: Reduce Poverty and Tackle the High Cost of Living	Policy lever 7: Empowered active communities
SO 1: An innovative and productive city	▪ Prioritise Infrastructure Projects	Focus Area 2: Economic Positioning	Goal 3: Rural development and an innovative and high-value agriculture sector	NDP Chapter 3 – economy and employment NDP Chapter 4 – economic infrastructure	Priority: Inclusive Growth and Job Creation	Policy lever 6: Inclusive economic development

BUFFALO CITY METRO IMPERATIVES		JOINT IGR IMPERATIVES	PROVINCIAL IMPERATIVES	NATIONAL IMPERATIVES		
BCMM IDP Strategic Outcomes (SO)	Revised BCMM Council Priorities 2025/26	One Plan Focus Areas	Provincial Development Plan (EC Vision 2030)	National Development Plan (NDP: 2030)	Medium-Term Development Plan (MTDP 2024/29)	Integrated Urban Development Framework (IUDF)
	Infrastructure Audit			NDP Chapter 6 – inclusive rural economy NDP Chapter 7 – South Africa in the region and the world		
SO 2: A green city SO 4: A Spatially transformed city	- Prioritise Key Infrastructure Projects - Infrastructure Audit	Focus Area 3: Spatial Restructuring and Environmental Sustainability	Goal 5: Environmental sustainability	NDP Chapter 5 – environmental sustainability and resilience NDP Chapter 8 – transforming human settlements	Priority: Build a Capable, Ethical, and Developmental State	Policy lever 1: Integrated urban planning and management Policy lever 3: Integrated and sustainable human settlements Policy lever 5: Efficient land governance and management
SO 3: A connected City	- Prioritise Key Infrastructure Projects - Infrastructure Audit - Integrated Transport Planning	Focus Area 4: Infrastructure Engineering Focus Area 5: Integrated Services Provisioning	Goal 2: An enabling infrastructure network	NDP Chapter 4 – economic infrastructure	Priority: Inclusive Growth and Job Creation	Policy lever 4: Integrated urban infrastructure Policy lever 2: Integrated transport and mobility
SO 5: A well-governed City	- Customer Debtor Profiling (Data Cleansing) - Implement a transparent Budgeting System - Strengthen Revenue Collection Systems	Focus Area 6: Governance & Financial Management	Goal 6: Capable democratic institutions	NDP Chapter 13 – building a capable and developmental state NDP Chapter 14 – fighting corruption	Priority: Build a Capable, Ethical, and Developmental State	Policy lever 8: Effective urban governance Policy lever 9: Sustainable finances

BUFFALO CITY METRO IMPERATIVES		JOINT IGR IMPERATIVES	PROVINCIAL IMPERATIVES	NATIONAL IMPERATIVES		
BCMM IDP Strategic Outcomes (SO)	Revised BCMM Council Priorities 2025/26	One Plan Focus Areas	Provincial Development Plan (EC Vision 2030)	National Development Plan (NDP: 2030)	Medium-Term Development Plan (MTDP 2024/29)	Integrated Urban Development Framework (IUDF)
	- Improve Debt Collection - Material Losses and Impairments - Improve Public Awareness and Compliance (Customer Engagement) - Professionalise Administration and Improve Organisational Culture					

2.6 Strategic Alignment Matrix

The Strategic Framework outlined in this IDP serves as the primary informant for the BCMM Five-Year Performance Scorecard, Multi-Year Budget, Annual SDBIP, and the Performance Agreements of Senior Managers. The establishment of KPIs and Targets, against which the performance of the Municipality and its senior management and leadership are measured, derives its mandate from this IDP.

The introduction of KFAs was part of the 2019/20 IDP Review and is informed by the need to create greater functional synchrony between the strategic imperatives captured in the IDP and the core competencies of the Municipality. One of the benefits of incorporating KFAs into the IDP is that they enhance accountability, as KFAs can be specified in the performance agreements of specific officials.

The following amendments to the KFAs were approved during the 2023/24 IDP Review:

- a. That KFA 12: Traffic Management be amended to KFA 12: Safety and Security, which will include traffic management and law enforcement; and
- b. That KFA 15: Beaches, Parks and Open Spaces be divided into two KFAs: KFA 15: Beaches and KFA 16: Parks and Open Spaces.
- c. The numbering of the KFAs be adjusted to accommodate the amendment to KFA 15: Beaches, Parks and Open Spaces.

Table 8: BCMM Strategic Framework

SO 1: An innovative and productive City	To enhance the quality of life for the BCMM community through rapid, inclusive economic growth and reduced unemployment.	KFA 1: Enterprise Development
		KFA 2: Trade and Investment Promotion
		KFA 3: Innovation and Knowledge Management
		KFA 4: Tourism and Marketing
		KFA 5: Job Readiness and Training (external)
		KFA 6: Rural Development and Agrarian Reform
		KFA 7: Arts, Culture and Heritage Resource Management
		KFA 8: Sport Development (Programmes)
		KFA 9: Sport and Recreation Facilities
		KFA 10: Libraries and Halls
		KFA 11: Emergency and Disaster Management
		KFA 12: Safety and Security
SO 2: A green City	To promote an environmentally sustainable City that maximises the benefits of its natural assets.	KFA 13: Environmental Management and Climate Change
		KFA 14: Air quality
		KFA 15: Beaches and KFA 16: Parks and Open Spaces.
		KFA 17: Vegetation Control and Biodiversity
		KFA 18: Municipal and Environmental Health
		KFA 19: Solid Waste Management
SO 3: A connected City	To maintain a world-class logistics network.	KFA 20: Roads and Storm water Infrastructure
		KFA 21: ICT
		KFA 22: Transport Planning and Operations
		KFA 23: Energy Supply Efficiency
		KFA 24: Water and Wastewater

SO 4: A spatially transformed City	To develop and maintain world-class infrastructure and utilities.	KFA 25: Spatial and Urban Planning
		KFA 26: Sustainable Human Settlements
		KFA 27: Built Environment Management
		KFA 28: Urban, Rural and Township Regeneration
		KFA 29: Property Management and Land Use
		KFA 30: Cemeteries and Crematoria
SO 5: A well-governed City	Promote sound financial and administrative capabilities	KFA 31: Risk Management
		KFA 32: Stakeholder Participation and Customer Relations
		KFA 33: Intergovernmental Relations (IGR) and International Relations (IR)
		KFA 34: Communications (Internal and External)
		KFA 35: Corporate Marketing (Branding)
		KFA 36: Revenue Management
		KFA 37: Expenditure and Supply Chain Management
		KFA 38: Budget and Treasury
		KFA 39: Corporate Asset Management
		KFA 40: Internal Human Capital and Skills Development
		KFA 41: Gender, Elderly, Youth and Disabled (Vulnerable Groups)
		KFA 42: Performance Management and Monitoring and Evaluation
		KFA 43: Fleet Management
		KFA 44: Employee Performance Management
		KFA 45: Human Resources Management
		KFA 46: Internal Audit

3. ALIGNMENT WITH GLOBAL, NATIONAL AND PROVINCIAL STRATEGIC IMPERATIVES

The BCMM takes guidance from several international, national, and local frameworks that highlight the challenges of the twenty-first century and emphasise the need for strategies and plans for transformation, building resilience, and improving the quality of life in communities through sustainable development practices.

The diagram below highlights some of the frameworks:

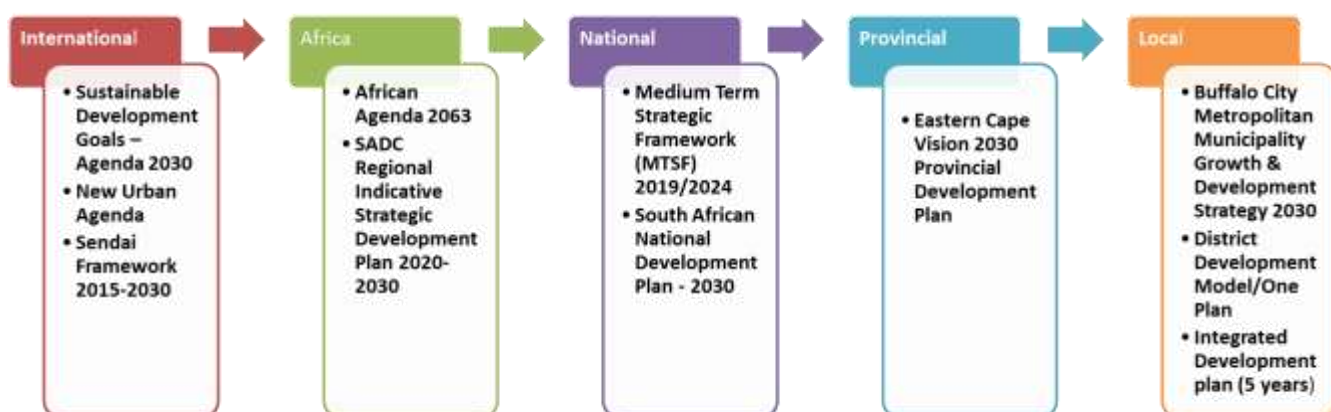


**Figure 1: The Governance and Institutional Frameworks Guiding Sustainable Development
(Draft BCMM Voluntary Local Review on Localising the Sustainable Development Goals, 2024)**

3.1 Sustainable Development Goals

In September 2015, countries adopted a set of goals to **end poverty, protect the planet, and ensure prosperity for all** as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years, until 2030. The goals are as follows:

- Goal 1: End poverty in all its forms everywhere.
- Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
- Goal 3: Ensure healthy lives and promote well-being for all at all ages.
- Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- Goal 5: Achieve gender equality and empower all women and girls.
- Goal 6: Ensure the availability and sustainable management of water and sanitation for all.
- Goal 7: Ensure access to affordable, reliable, and sustainable economic growth, along with full and productive employment and decent work for all.
- Goal 8: Promote sustained, inclusive, and sustainable economic growth, along with full and productive employment and decent work for all.
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.
- Goal 10: Reduce inequality within and among countries.
- Goal 11: Make cities and human settlements inclusive, safe, resilient, and sustainable.
- Goal 12: Ensure sustainable consumption and production patterns.
- Goal 13: Take urgent action to combat climate change and its impacts.
- Goal 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
- Goal 15: Protect, restore, and promote sustainable use of terrestrial ecosystems; sustainably manage forests; combat desertification; halt and reverse land degradation; and stop biodiversity loss.
- Goal 16: Promote peaceful and inclusive societies for sustainable development, ensure access to justice for all, and build effective, accountable, and inclusive institutions at all levels.
- Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development.

SUSTAINABLE DEVELOPMENT GOALS



Figure 2: United Nations Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) adopted by the United Nations (UN) in 2015 to transform the world align with many of South Africa's (SA) national goals at the country level and need to translate into transformative economic, social, and environmental action at the local level. The greatest impact that all levels of government, civil society, business, and other stakeholders can collectively make is on the ground, demonstrating how meaningfully the lives of people can change for the better.

Alignment with the SDGs strategically offers opportunities to tackle broader issues faced by the world at a local level and provides a chance to access and share resources, improve capacity, experiences, and best practices. This, in turn, meaningfully enhances the effectiveness and efficiency of municipalities in responding to developmental challenges. It is crucial to highlight all frameworks that recognise the key role local government plays in facilitating and achieving commitments and goals. Decentralised cooperation represents an important window of opportunity to strengthen the role of cities in localising global agendas and harnessing the opportunities offered internationally.

Localising the nationally and internationally agreed development goals is essential for ensuring that these goals reflect local needs, norms, and values, thus guaranteeing that all of society finds them relevant and meaningful.

SA is a signatory to the 2030 Agenda for Sustainable Development and the SDGs and is therefore obliged to honour its international commitments by ensuring that its programmes and strategies align with the SDGs. It must also embrace the principles of the 2030 Agenda, guided by the strategic intent to "Leave No One Behind".

At the international level, SA adopts models and best practices in line with its national priorities and the NDP. To reinforce vertical coherence and complement Voluntary National Reviews (VNRs), Buffalo City Metro Municipality (BCMM) has been working on its Voluntary Local Review (VLR) since September 2023, having been selected by

the South African Local Government Association (SALGA) as one of the five (5) metros to participate in the localisation process. The BCMM VLR will feed into the VNR for the country.

BCMM, through its IR programmes, has already been working with the SDGs, as all applications to the Swedish or German programmes must be SDG-aligned. Following the selection by SALGA, the BCMM Core Group has been creating alignments to BCMM's pillars, strategies, and programmes to demonstrate the contribution the Metro is making towards Agenda 2030, although it has not yet been reporting. Therefore, the VLR Baseline Report for BCMM will outline the meaningful contributions the Metro is making towards sustainable development. The first alignment is depicted below in the diagram showing the alignment of the SDGs to the BCMM's five pillars:

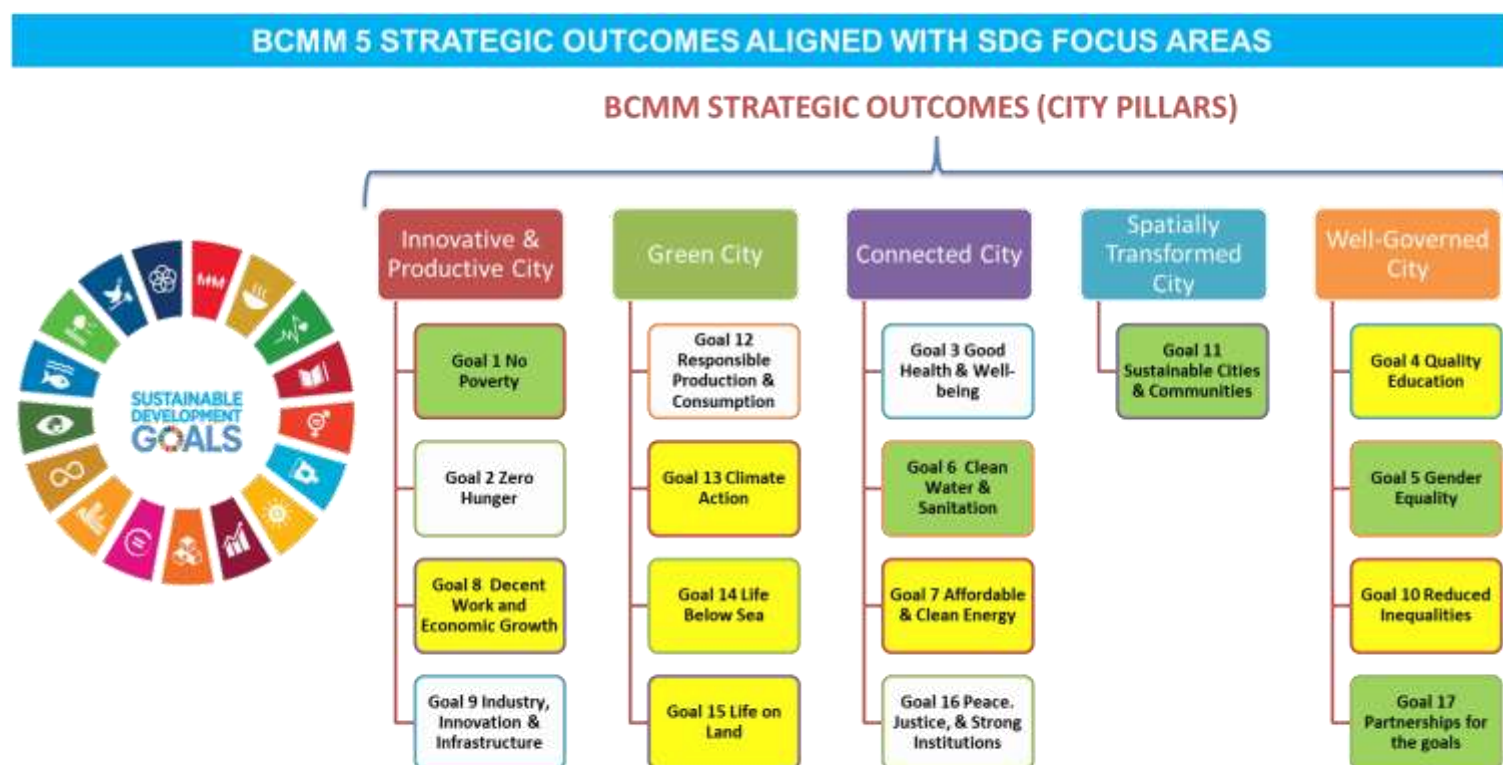


Figure 3: BCMM's Strategic Outcomes Aligned with SDG Focus Areas

3.2 Agenda 2063: The Africa We Want

Agenda 2063 is Africa's blueprint and master plan for transforming the continent into a global powerhouse. It serves as the strategic framework that aims to achieve inclusive and sustainable development, embodying the pan-African drive for unity, self-determination, freedom, progress, and collective prosperity pursued under Pan-Africanism and the African Renaissance. The genesis of Agenda 2063 arose from the realisation by African leaders of the need to refocus and reprioritise Africa's agenda. The previous focus on the struggle against apartheid and the attainment of political independence – which had been the emphasis of the Organisation of African Unity, the precursor to the African Union (AU) – has shifted towards prioritising inclusive social and economic development, continental and regional integration, democratic governance, and peace and security, among other issues, with the aim of repositioning Africa as a dominant player in the global arena.

Agenda 2063 not only encapsulates Africa's aspirations for the future but also identifies key flagship programmes that can enhance the continent's economic growth and development, leading to rapid transformation. Additionally, it outlines key activities to be undertaken in its ten-year implementation plans, ensuring that Agenda 2063 delivers both quantitative and qualitative transformational outcomes for Africa's people.

3.3 Government's 12 Outcomes

The National Government has identified 12 outcomes that span all three spheres of government. Achieving these outcomes requires collaboration from all key stakeholders and government spheres. The 12 government outcomes were to be achieved during the period from 2014 to 2019. Although some outcomes may fall outside the competency of local government, municipalities still have a role to play in key outputs to ensure their achievement. The 12 outcomes are as follows:

- Outcome 1: Improved quality of basic education.
- Outcome 2: Long and healthy life for all South Africans.
- Outcome 3: All people in South Africa are free and feel safe.
- Outcome 4: Decent employment through inclusive economic growth.
- Outcome 5: Skilled and capable workforce to support an inclusive growth path.
- Outcome 6: Efficient, competitive, and responsive economic infrastructure network.
- Outcome 7: Vibrant, equitable, and sustainable rural communities with food security for all.
- Outcome 8: Sustainable human settlements and improved quality of household life.
- Outcome 9: Responsive, accountable, effective, and efficient local government system.
- Outcome 10: Environmental assets and natural resources that are well-protected and continually enhanced.
- Outcome 11: Create a better SA and contribute to a better and safer Africa and world.
- Outcome 12: Efficient, effective, and development-oriented public service alongside an empowered, fair, and inclusive citizenship.

From the above, relevant outcomes of government have been considered during the development of the five-year IDP and its annual reviews, and they will inform the performance plans of each BCMM directorate.

3.4 National Outlook

The national sphere of government develops and promulgates legislation, policies, plans, and strategies that must be implemented by all spheres of government. When developing their own plans and policies, other spheres, particularly local government, must ensure alignment with the national and provincial spheres. Key national and provincial plans include the NDP, National Spatial Development Plan (NSDP), MTSF (2019–2024), Back to Basics, and the 2030 Vision for the EC.

3.4.1 National Development Plan

The NDP is a plan for the country to eliminate poverty and reduce inequality by 2030 by uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the state's capacity, and encouraging leaders to work together to solve complex problems. It presents a long-term strategy to increase employment by fostering economic growth, improving the quality of education, skills development, and innovation, and building the state's capacity to play a developmental and transformative role.

Some of the critical actions required to make the NDP a reality include:

- A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport, and raising rural incomes.
- Phase in national health insurance, focusing on upgrading public health facilities, producing more health professionals, and reducing the relative cost of private healthcare.
- Public infrastructure investment at 10% of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes, and loans, with a focus on transport, energy, and water.
- New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements, and addressing housing market gaps.

Chapter 5 of the NDP focuses on environmental sustainability and resilience through an equitable transition to a low-carbon economy, which will also have implications for the approach to spatial planning and development in SA.

Chapter 6 sets out specific targets and goals for establishing a more inclusive rural economy through integrated rural development. The focus here is on increased investment in new agricultural technologies, researching the development of adaptation strategies for the protection of rural livelihoods, and the expansion of commercial agriculture.

Chapter 8 focuses on the country's spatial planning system and stipulates that:

- All municipal and provincial SDFs are to be translated into “spatial contracts that are binding across national, provincial, and local governments”;
- The current planning system should “actively support the development of plans that cross municipal and even provincial boundaries”, particularly to address biodiversity protection, climate change adaptation, tourism, and transportation; and
- Every municipality should have an “explicit spatial restructuring strategy”, which must include the identification of “priority precincts for spatial restructuring”.

Within the context of transforming the spatial structure of the economy and the unsustainable human settlement patterns of the past, the NDP proposes that specific focus areas for intervention should include:

- Responding systematically and sustainably to dysfunctional spatial patterns of settlement that have been entrenched in the past (i.e., it is crucial to break with the previous fragmented and sprawling spatial development);
- Using housing development processes as tools to assist in the restructuring of urban settlements over time;
- Improving planning systems, particularly by strengthening collaborative approaches to development planning and management between different spheres and agencies of government; and
- In this regard, a priority is the progressive development of the capacity of responsible government agencies to administer their functions, including planning.

3.4.2 Medium-term Strategic Framework (MTSF) 2019–2024

The NDP 2030, issued in 2012, set out a long-term vision for the country and provides the programme through which SA can advance radical economic transformation via development planning. The MTSF 2014–2019 outlined the plan and outcomes-based monitoring framework for implementing the NDP during the country's fifth democratic administration. The MTSF 2019–2024 details the priorities to be implemented in the sixth administration, as well as the priorities and interventions across SA's national development pillars.

Following the first seven years since the adoption of the NDP 2030 and its implementation through the MTSF 2014–2019, the current MTSF is informed by lessons learned over the past five years, 25 years of our democracy, and the Reconstruction and Development Programme (RDP).

The MTSF 2019–2024 translates the government priorities outlined by the President in the 2019 State of the Nation Address (SONA), which are derived from the electoral mandate for the next five-year period. The seven priorities of this strategic framework are embedded within the three pillars. These priorities, which will be achieved through more focused implementation, coordination, and integration by various levels of government, including state-owned enterprises (SOEs), the private sector, and civil society, are as follows:

- Priority 1: A capable, ethical, and developmental state;
- Priority 2: Economic transformation and job creation;
- Priority 3: Education, skills, and health;
- Priority 4: Consolidating the social wage through reliable and quality basic services;
- Priority 5: Spatial integration, human settlements, and local government;
- Priority 6: Social cohesion and safe communities;
- Priority 7: A better Africa and world.

3.4.3 National Spatial Development Plan (NSDP)

The objective of the NSDP is to promote informed economic investment profiling to guide regional growth and development planning within a socio-economic framework. It therefore serves as an indicative planning tool for the three spheres of government. An outcome of this economic investment profiling, which involves all spheres of government, is the East London Industrial Development Zone (ELIDZ). The NSDP also informs the SDF of the BCMM.

3.4.4 Back to Basics – Serving our Communities Better

BCMM adopted the national and provincial Back to Basics support package on 29 July 2015. The Cooperative Governance and Traditional Affairs (COGTA), through the Presidential Local Government Summit, developed the Back to Basics approach.

It identifies five areas that require focus from local government:

- i. Putting people and their concerns first;
- ii. Supporting the delivery of municipal services at the right quality and standard;
- iii. Promoting good governance, transparency, and accountability;
- iv. Ensuring sound financial management and accounting; and

- v. Building institutional resilience and administrative capability.

The package sought to achieve the following objectives:

- i. Address people's concerns about service delivery and ensure immediate and visible improvements.
- ii. Create a functional and responsive municipality.
- iii. Establish a solid foundation for economic growth and job creation in the BCMM.
- iv. Entrench good governance and accountability for performance within the BCMM at both political and administrative levels.
- v. Root out corruption and mismanagement.
- vi. Engage BCMM stakeholders and enlist their support in turning around the Metro's fortunes.
- vii. Improve the state of service provision in communities.
- viii. Stabilise the BCMM's finances and build reserves to sustain a capital investment programme.

Back to Basics ten-point plan

- Positive community experiences
- Municipalities receiving disclaimers over five years
- Revenue-enhancement programme
- Appointment of senior managers in municipalities
- Service and infrastructure
- Implementation of forensic reports
- Metropolitan Back to Basics programme
- Strengthening roles of district municipalities
- Spatial regional integration zones/spatial contracts
- Strengthen capacity and role of provincial COGTA departments

3.4.5 The Integrated Urban Development Framework (IUDF)

The IUDF represents the government's policy framework for guiding the future growth and management of urban areas. It aims to foster a shared understanding across government and society on the most effective ways to manage urbanisation while advancing economic development, job creation, and improved living conditions for all.

The IUDF responds to and builds on several chapters of the NDP, particularly Chapter 8, which focuses on "Transforming human settlements and the national space economy".

To achieve this transformative vision, four strategic goals are introduced.

- **Spatial Integration:** Forge new spatial patterns across settlement, transport, social, and economic areas;
- **Inclusion and access:** Ensure people have access to social and economic services, opportunities, and choices;
- **Growth:** Harness urban dynamism to drive inclusive, sustainable economic growth and development;
- **Governance:** Strengthen the capacity of the state and its citizens to work together toward achieving spatial and social integration.

The above strategic goals give rise to a series of policy levers, the implementation of which depends on their integration into municipal development planning tools such as the SDF, IDP, and Built Environment Performance Plan (BEPP).

The nine policy levers include:

- **Integrated urban planning and management:** The prudent use of land and natural resources to build sustainable communities;
- **Integrated transport and mobility:** The development of efficient urban forms centred around integrated transport, which supports economic and social development;
- **Integrated and sustainable human settlements:** Addressing the legacy of apartheid-era geography by restructuring cities, shifting ownership profiles and choices, and creating more humane, safe living and working conditions;
- **Integrated urban infrastructure:** Developing resource-efficient urban infrastructure that provides for both universal access and more inclusive economic growth;
- **Efficient land governance and management:** Expanding investment in land and property to create inclusive, multi-functional urban spaces;
- **Inclusive economic development:** Fostering dynamic, efficient cities and towns that encourage entrepreneurial activity and innovation, sustain livelihoods, enable economic growth, and generate the tax base needed to sustain and expand public services and amenities;
- **Empowered, active communities:** Nurturing cities and towns with socially and culturally diverse citizens who are actively engaged in civic life;
- **Effective urban governance:** Managing intergovernmental dynamics within the city;
- **Sustainable finances:** Establishing a fiscal framework that recognises the developmental potential and pressures of urban areas, while managing finances effectively and efficiently in order to access the resources and partnerships needed for inclusive urban growth.

3.4.6 District/Metro Development Model (DDM)

During his 2019 SONA, The President tasked the sixth administration with developing and implementing a new, integrated, district-based approach to address service delivery challenges. To advance this mandate, the Minister for COGTA announced during her budget speech that the Department would develop and implement a new DDM to tackle the service delivery challenges across the 44 districts and eight metropolitan municipalities.

The DDM aims to dismantle the silos and improve the coherence of planning and implementation across all spheres of government. The challenges intended to be addressed through the DDM include:

- i. Silos at both horizontal and vertical levels;
- ii. Narrowing the distance between the people and government by strengthening coordination roles and capacities at the District/Metro levels;
- iii. Delivering integrated services while enhancing monitoring, evaluation, and impact at district and local levels;
- iv. Ensuring inclusive and gender-oriented mainstream budgets based on the needs and aspirations of the people;
- v. Maximising impact and aligning the resources at our disposal;
- vi. Changing the face of our rural and urban landscapes by ensuring alignment between urban and rural development; and
- vii. Accelerating sustainable development to eradicate poverty, create employment, and improve people's quality of life.

The DDM has been piloted in three municipal areas: OR Tambo District Municipality, eThekweni Metropolitan Municipality, and Waterberg District Municipality, with the intention of rolling it out across all 44 districts and eight metropolitan municipalities in the country. The DDM is anchored in the development of a One Plan for each district and metro. The One Plan is an intergovernmental framework that outlines a 25–30-year long-term strategic approach (consisting of short-term, medium-term, and long-term actions) to guide investment and delivery in relation to each of the 52 district and metropolitan areas. It is critical that the One Plans are jointly developed and agreed upon by all three spheres of government.

3.4.7 The South African Economic Reconstruction and Recovery Plan

The SA ERRP has three phases: Engage and Preserve, which includes a comprehensive health response to save lives and curb the spread of the Covid-19 Pandemic; Recovery and Reform, which involves interventions to restore the economy while managing health risks; and, lastly, Reconstruct and Transform, which entails building a sustainable, resilient, and inclusive economy. In terms of the Plan, the following priority interventions will be implemented:

- Aggressive infrastructure investment;
- Employment-orientated strategic localisation, reindustrialisation and export promotion;
- Energy security;
- Support for tourism recovery and growth;
- Gender equality and economic inclusion of women and youth;
- Green economy interventions;
- Strengthening food security;
- Mass public employment interventions;
- Strengthening food security; and

- Macro-economic interventions.

Metros are expected to develop ERRPs to ignite economic recovery, driven by Executive Mayors. Line departments and ministries will be responsible for implementing programmes relevant to their respective areas. This work will be coordinated by the Presidential Advisory Technical Team and the National Treasury's Operation Vulindlela, with a centralised capacity in the Presidency to drive and coordinate implementation. The DDM will underpin the implementation of all programmes identified in the Plans.

The implementation and its impact will be evaluated annually, and where necessary, adjustments will be made in pursuit of the NDP: Vision 2030, which aims to:

- Grow the economy at a rate of 5,4%;
- Reduce the unemployment rate to 6%;
- Increase investment as a share of GDP to 30%;
- Reduce inequality as measured by the Gini coefficient to 0,60; and
- Total eradication of poverty.

It is important to ensure seamless integration between the NDP, the SA ERRP, BCMM's long-term strategy, IDP, SDF, and the BCMM Economic Recovery Plan.

The Figure below provides a graphic illustration of the high-level alignment between the National ERRP, the BCMM MGDS, IDP, and the BCMM Economic Recovery and Investment Plan:

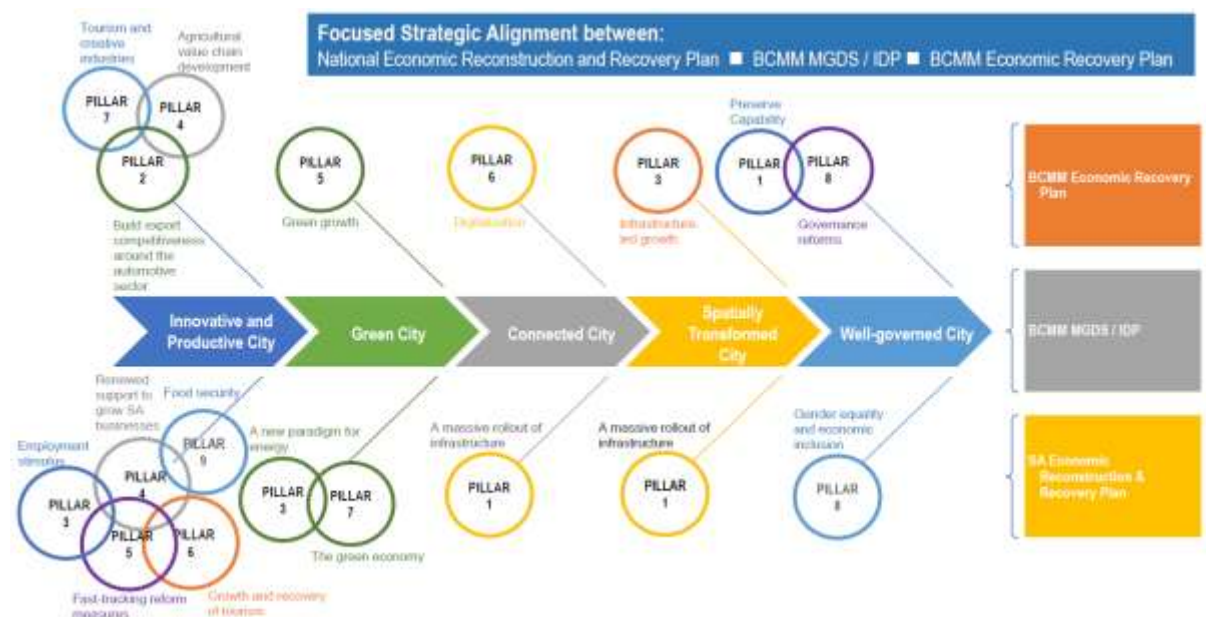


Figure 4: BCMM alignment with SA ERRP

3.4.8 The MTDP (Medium-Term Development Plan) 2024-2029

The **MTDP 2024–2029** focuses on three key priorities: inclusive growth and job creation; reducing poverty and tackling the high cost of living; and building a capable, ethical, and developmental state.

- Here is a more detailed breakdown of the MTDP priorities:
 - **Inclusive Growth and Job Creation:**
The MTDP aims to drive economic growth that benefits all South Africans, focusing on job creation and improving livelihoods.
 - **Reduce Poverty and Tackle the High Cost of Living:**
The MTDP addresses the challenges of poverty and rising living costs by implementing policies aimed at improving access to basic services, reducing inequality, and promoting economic opportunities.
 - **Build a Capable, Ethical, and Developmental State:**
The MTDP emphasises the importance of a strong and effective government that can deliver on its promises while promoting good governance, accountability, and transparency.
- Other Key Areas:
 - **Industrialisation and Localisation:**
The MTDP recognises the importance of local manufacturing and promotes localisation through government procurement and public-private partnerships.
 - **Infrastructure Development:**
The MTDP emphasises the need for investment in infrastructure to support economic growth and development.
 - **Education and Skills Development:**
Investing in quality education and skills development is crucial for creating a skilled workforce and promoting economic growth.
 - **Health Care:**
The plan aims to improve access to quality healthcare services for all South Africans.
 - **Social Protection:**
The MTDP focuses on strengthening social safety nets to protect vulnerable populations.
 - **Combating Crime and Corruption:**
The MTDP addresses the challenges of crime and corruption by strengthening law enforcement agencies and promoting good governance.

3.5 Provincial Strategic Agenda

3.5.1 Provincial Perspective: 2030 Vision for the Eastern Cape

Aligned with the NDP, the EC province's 2030 Vision seeks to offer innovative responses to the province's challenges. A sustainable future for the EC province depends on people-centred development to achieve the following interconnected goals:

Goal 1: An innovative, inclusive and growing economy;

Goal 2: An enabling infrastructure network;

- Goal 3: An innovative and high-value agriculture and rural sector;
Goal 4: Human development;
Goal 5: Environmental sustainability;
Goal 6: Capable democratic institutions.

These goals will be pursued with a focus on rural development to address inherited structural deficiencies. The legacy of apartheid has left the rural regions of the EC province underdeveloped, resulting in an urban economy that is unduly stressed and experiencing slow growth. Addressing this spatial unevenness in endowment and development will require time and hard work, but it is achievable.

3.5.2 The Eastern Cape Provincial Municipal Infrastructure Grants Risk Adjusted Strategy Framework (PMIG – RAS –FW)

The **Risk Adjusted Strategy (RAS)** has been developed in recognition that similar government-implemented initiatives, such as the Balanced Scorecard Performance Management System, have failed to deliver results; instead, most municipalities have remained in a state of decay, particularly regarding service delivery.

There is no clear accountability mechanism for Mayors/Executive Mayors to effectively exercise oversight. As a result, poor service delivery, frequent community protests, and widespread consumer dissatisfaction have become the norm. The RAS addresses this gap by introducing a set of non-negotiables – simple, practical actions that, when implemented, can deliver major impact without requiring additional budget allocation.

The non-negotiables make service delivery an overarching focal point as a basis for the existence of municipalities. They aim to consolidate all the deliverables in a clear, simple, and practical way in order to strengthen oversight.

Transformation is a form of change in a revolution, but its intention is to be systematic in introducing changes. As a necessary condition in a country faced with a past historical background, it requires a mindset of change agents who understand that we maintain what is working as we change others.

RAS, therefore, presents transformative change that requires a deep understanding of governance, economics, risks, planning, and the development of systems.

Municipalities are expected to implement all the aspects of the non-negotiables relevant to their functions without fail.

All the tasks outlined in the non-negotiables represent the KPAs of departments in the Municipality and therefore must constitute performance agreements (Budget and Treasury Office [BTO], Supply Chain Management [SCM], Technical Services, and the Councils).

The MM is the Chief Implementer of the programme, and this implementation must be cascaded down to the General Worker, who must be trained to understand the rationale.

No municipality must consistently perform poorly if the non-negotiable programme is implemented. Any non-compliance with the required standards must be recorded and reasons explained.

The Mayor is the Chief Oversight Manager of the holistic implementation of the non-negotiable programme in his/her municipality. Implementation reports must be submitted to COGTA monthly and to Council quarterly.

3.6 Intervention in terms of Section 154 of the Constitution of South Africa

The Buffalo City Metropolitan Municipality (BCMM) is currently undergoing a Section 154 intervention (Constitution of South Africa) involving national and provincial government support to address service delivery failures, financial controls, and governance, intensified as of August 2025. This involves a "ten-point plan" to improve administration and accelerate development.

Key Aspects of Section 154 Intervention in BCMM:

Purpose: The intervention is designed to strengthen administrative efficiency, bolster governance, and improve service delivery, rather than taking over the municipality.

Support Teams: In August 2025, a 13-member team was deployed to assist the metro, focusing on correcting service delivery failures.

Focus Areas: Key focus areas include improved project management, auditing, and financial control to correct a lack of administrative capacity.

Recent Activity (2026): The Senior Management of the metro held a Technical Planning Session on 15 – 17 March 2026 to align strategies and address audit outcomes, with the focus on implementing the turnaround framework primarily through its incorporation in the Integrated Development Plan. Due process in respect of consulting the Senior Leadership of the metro is in the pipeline towards the full implementation of the proposed 10-point plan aimed at improving performance.

3.7 Standing Committee on Public Accounts (SCOP)

On 11 March 2026, the joint meeting between the Standing Committee on Public Accounts (SCOPA) and the Portfolio Committee on Cooperative Governance and Traditional Affairs (COGTA) examined the governance, financial management, and service delivery performance of Buffalo City Metropolitan Municipality, following a prior oversight visit. Municipal leadership presented updates on audit outcomes, financial recovery efforts, and measures to address irregular expenditure, infrastructure challenges, and governance weaknesses. The municipality reported a qualified audit opinion, primarily linked to asset management and property, plant and equipment, and outlined steps to improve its asset register, strengthen performance management, and enhance internal controls. Ongoing challenges highlighted included infrastructure vandalism, water supply constraints, wastewater management issues, and the need for substantial investment in ageing infrastructure.

Members raised serious concerns regarding accountability and the pace of reform, particularly in relation to delays in addressing findings from oversight bodies. Attention focused on inconsistencies and delays in the handling of key reports, including those linked to the Special Investigating Unit (SIU), with Members questioning discrepancies in timelines and submissions. These issues were viewed as undermining transparency and credibility, with Members cautioning that unresolved inconsistencies could result in adverse findings.

Material irregularities were a key area of concern, particularly the longstanding Nahoon River pollution matter raised by the Auditor-General. Members criticised the lack of measurable progress and the absence of a clear, implementable plan to address the issue, noting its implications for environmental and public health. The continued exposure of communities to unsafe conditions was highlighted as indicative of broader governance and service delivery failures.

Financial management and consequence management were also scrutinised. Members questioned the write-off of significant amounts of fruitless and wasteful expenditure without sufficient detail on recoveries, responsible officials, or disciplinary action. Concerns were raised about the slow pace of investigations into various projects, including COVID-19-related procurement and infrastructure developments, and the limited evidence of accountability outcomes. Members further proposed expanding the scope of SIU investigations to include additional projects where allegations of irregularities persist.

Procurement practices and institutional capacity emerged as central concerns. Members interrogated the justification and cost-effectiveness of high-value contract deviations, including those classified as “sole service provider” arrangements, and highlighted weaknesses in planning, contract management, and supply chain processes. Broader issues raised included infrastructure underinvestment and its contribution to water and electricity losses, the sustainability of revenue collection, and the municipality’s economic diversification strategy. Members also questioned the fairness and structure of electricity tariff charges, the integrity of the indigent register, and the value derived from sponsorship and partnership arrangements. Overall, the Committee emphasised the need for improved transparency, strengthened oversight, and more effective accountability mechanisms to address persistent governance and service delivery challenges. (Ref: <https://pmg.org.za/committee-meeting/42567/?via=homepage-feature-card>)



Buffalo City Metropolitan Municipality (BCMM) has reaffirmed its commitment to accountability, governance reform and improved service delivery following its appearance before Parliament’s Standing Committee on Public Accounts (SCOPA) on 11 March 2026.

Executive Mayor, Cllr Princess Faku and City Manager Mxolisi Yawa led a delegation of senior municipal leadership and officials that appeared before the committee as part of its oversight engagements into the municipality’s governance, financial management and service delivery performance.

In a 12-hour session, the Metro managed to respond to a wide range of issues raised by SCOPA members, including matters related to audit outcomes, consequence management, infrastructure delivery and progress in stabilising the municipality’s administration.

The delegation outlined steps already taken by the City to strengthen internal controls, improve financial management systems and address historical governance challenges that had previously affected the municipality’s performance.

BCMM also highlighted progress made in implementing corrective measures following findings by oversight bodies, while committing to accelerate interventions aimed at improving service delivery to residents.

Executive Mayor told the committee that the municipality was determined to restore public confidence through stronger accountability, transparent governance and decisive action against wrongdoing.

City Manager Yawa emphasised that the administration had already begun implementing reforms aimed at improving compliance, strengthening oversight mechanisms and ensuring that officials are held accountable where failures occur.

The engagement formed part of SCOPA's ongoing efforts to ensure municipalities address audit findings and improve governance and financial management.

BCMM said it welcomed the oversight process and would continue working closely with Parliament and other accountability institutions to ensure that governance reforms translate into better services for communities across the BCMM.

3.8 Local Informants

3.6.1 Community Needs and Priorities

In developing its IDP, BCMM takes its lead from residents and the broader public of the Metro, who participate in various public consultation processes and programmes, such as the annual Mayoral Imbizo and IDP/Budget Roadshow. Through these engagements, residents can define and shape their needs and priorities, which must be considered during planning and budgeting. BCMM aims to address identified needs and priorities through the 2021/26 IDP and Budget, which are revised annually.

In terms of Section 23(2) of the MFMA (No. 56 of 2003), **after considering all the budget submissions**, the Council must give the Executive Mayor an opportunity:

- (a) To **respond to the submissions**; and
- (b) If necessary, **to revise the budget and table amendments** for consideration by the Council.

WARD-BASED PLANNING SESSIONS

Ward-based Planning Meetings were held in all 50 wards of the metro. This follows a memorandum from Executive Mayor, dated 16 January 2026 advising Ward Councillors to convene public meetings to review Ward Priorities for the 2026/27 FY together with the respective ward residents and Ward Committees.

The outcomes of these sessions can be summarised as follows:

Table 9: Summary of Ward Priorities and Wards, 2026

No.	SERVICE DELIVERY FUNCTIONS	REQUESTS/ISSUES RAISED	NUMBER OF REQUESTS / ISSUES	WARDS
1	Electricity delivery	Provision of electricity at informal settlements	21	2, 4, 5, 6, 7, 8, 11, 12, 13, 14, 16, 17, 20, 22, 23, 24, 30, 35, 38, 48, 49
2		Provision of electricity to formal households	1	47

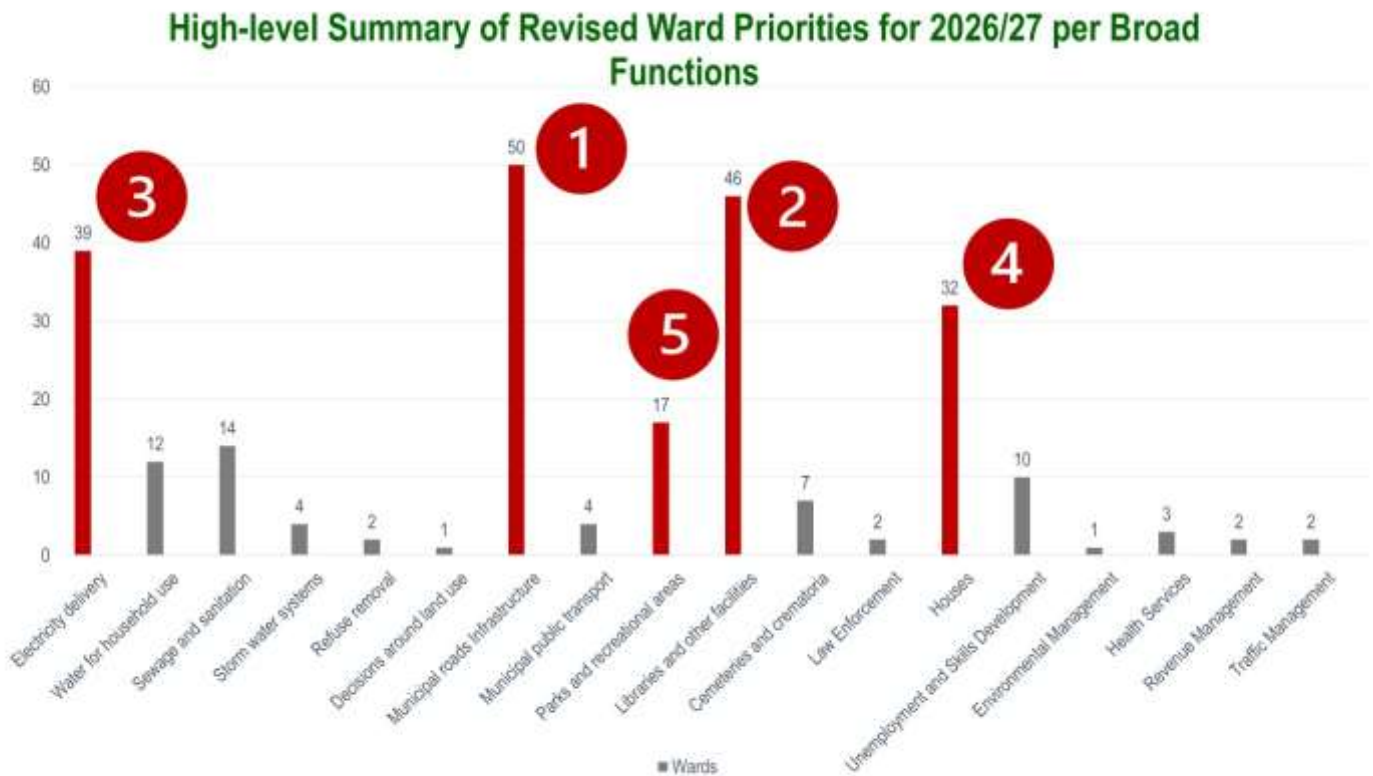
No.	SERVICE DELIVERY FUNCTIONS	REQUESTS/ISSUES RAISED	NUMBER OF REQUESTS / ISSUES	WARDS
3		Provision of electricity to rural households	5	31, 32, 33, 43, 45
4		High mast lighting	9	10, 14, 15, 16, 19, 24, 26, 42, 48,
5		Street Lighting	3	28, 29, 41
6	Water for household use	Provision of water for household use at informal settlements	7	22, 26, 35, 38, 40, 44, 47
7		Provision of water for household use at rural settlements	3	32, 33, 50
8		Provision of water to formal households	2	18, 36
9		Provision of water to business	0	
10		Water Quality	0	
11		Water Leakages and burst pipes	4	6, 24, 28, 39
12	Sewage and sanitation	Provision of sanitation services to rural households	4	31, 32, 33, 44
13		Provision of sanitation services to informal settlements	6	2, 12, 14, 17, 35, 38
14		Sewage Leakages	5	18, 28, 29, 46, 47
15	Storm water systems	Inefficient storm water systems	4	3, 18, 19, 43
16	Refuse removal	Illegal dumping sites	0	
17		Provision of refuse bags	0	
18		Removal of household and business refuse	2	41, 45
19	Fire fighting services	Fire fighting services to rural areas	0	
20		Response time to fire and emergency incidents	0	
21	Municipal health services	Air Quality	0	
22		Environmental Health	0	
23	Decisions around land use	Land use application turn around times	1	27
24		Land invasions	0	
25		Building Plan Application turn around times	0	
26	Municipal roads infrastructure	Maintenance and Rehabilitation	16	1, 2, 7, 8, 14, 16, 18, 27, 28, 31, 33, 34, 35, 38, 46, 50
27		Resurfacing	13	3, 4, 5, 20, 21, 22, 25, 28, 30, 43, 45, 47, 12

No.	SERVICE DELIVERY FUNCTIONS	REQUESTS/ISSUES RAISED	NUMBER OF REQUESTS / ISSUES	WARDS
28		New Roads	13	11, 13, 15, 17, 24, 28, 32, 37, 39, 41, 44, 48, 49
29		Speed humps, guard rails, sidewalks and walkways	4	12, 21, 29, 49
30		Bridge construction	3	10, 32, 37
31		Bridge rehabilitation	1	20
32	Municipal public transport	New public transport routes	0	
33		Taxi embayments	4	9, 16, 27, 49
34		Public Transport	0	
35		Parking	0	
36	Street trading	Informal Traders Infrastructure	0	
37	Parks and recreational areas	Maintenance and Fencing of parks and public open spaces	8	3, 4, 8, 19, 21, 25, 29, 50
38		Parks and recreational facilities	4	1, 9, 11, 23
39		Bush Clearance	2	19, 46
40	Libraries and other facilities	Additional libraries	3	10, 13, 26
41		New community halls	20	1, 3, 6, 7, 8, 9, 10, 11, 14, 17, 20, 22, 23, 25, 31, 37, 39, 40, 42, 44
42		New swimming pools	1	8
43		New sport facilities	8	13, 20, 24, 27, 30, 31, 34, 49
44		Maintenance and upgrading of community halls	1	2
45		Maintenance and upgrading of swimming pools	0	
46		Maintenance of sport facilities	13	5, 8, 11, 15, 16, 21, 23, 26, 36, 41, 42, 44, 48
47	Local tourism	Tourist Facilities	0	
48		Tourism Programmes	0	
49	Cemeteries and crematoria	Cemeteries FENCING & Maintenance	5	30, 34, 36, 37, 41
50		Identification of land for new cemeteries	2	27, 45
51		Crematoria	0	
52	Law Enforcement	Law Enforcement	2	3, 41
53	Houses	Housing provision	27	1, 2, 4, 5, 6, 7, 8, 10, 11, 12, 14, 15, 17, 20, 22, 23, 24, 25, 26, 27, 30, 31,

No.	SERVICE DELIVERY FUNCTIONS	REQUESTS/ISSUES RAISED	NUMBER OF REQUESTS / ISSUES	WARDS
				32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 44, 45, 46, 47, 50
54		Rectification of houses	3	1, 9, 13
55		Identification of land for housing	2	45, 50
56	Unemployment and Skills Development	Job Creation	3	2, 9, 34
57		Skills Development	3	7, 11, 35
58		Bursaries	0	
59		SMME Support	1	25
60		Agriculture Support	3	32, 36, 41
61	Environmental Management	Environmental Management	1	18
62	Customer Care Services	Customer Care	0	
63	Health Services	Clinic	3	42, 43, 46
64	Education	School	0	
65		Early Childhood Development	0	
66	Revenue Management	Rent Office (Property Management)	2	21, 23
67		Billing	0	
68		Credit Control / Revenue Collection	0	
69	Traffic Management	Traffic Management	0	
70		Robots	0	
71		Street Markings and Signage	2	18, 29

Top Five (5) Ward Priorities

- The top five service delivery priorities identified by communities from the 50 wards are depicted in the following graphic illustration:



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Figure 5: High-level Summary of Revised Ward Priorities for 2026/27 per Broad Functions

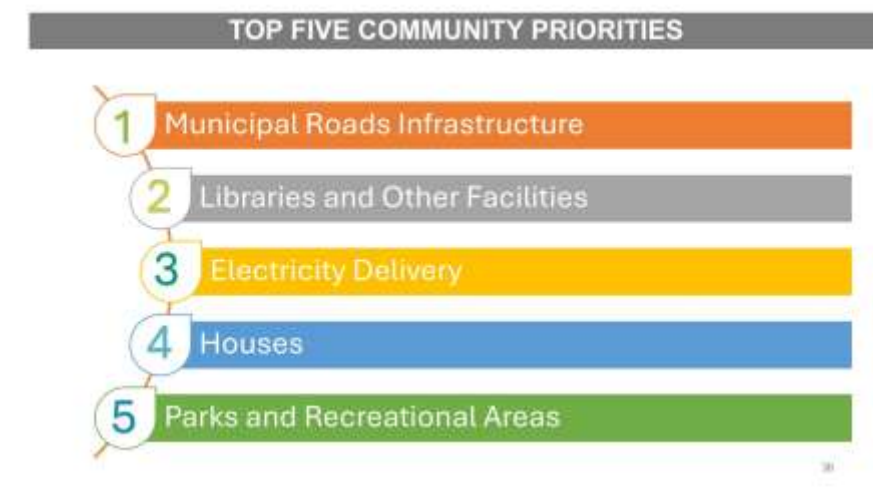


Figure 6: List of Top five community priorities

PRIORITY 1: MUNICIPAL ROADS INFRASTRUCTURE

MUNICIPAL ROADS INFRASTRUCTURE

- Maintenance and Rehabilitation (32%)
- Resurfacing (26%)
- New Roads (26%)
- Speed humps, guard rails, sidewalks and walkways (8%)
- Bridge construction (6%)
- Bridge rehabilitation (2%)

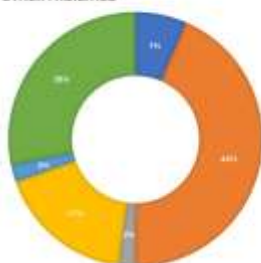


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PRIORITY 2: LIBRARIES & OTHER FACILITIES

LIBRARIES & OTHER FACILITIES

- Additional libraries (7%)
- New community halls (64%)
- New swimming pools (3%)
- New sport facilities (17%)
- Maintenance and upgrading of community halls (2%)
- Maintenance of sport facilities (28%)



28

PRIORITY 3 : ELECTRICITY DELIVERY

ELECTRICITY DELIVERY

- Provision of electricity at informal settlements (54%)
- Provision of electricity to formal households (3%)
- Provision of electricity to rural households (13%)
- High mast lighting (23%)
- Street Lighting (9%)

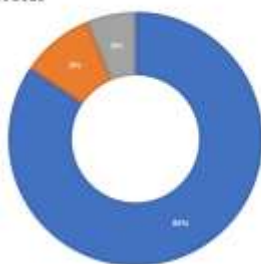


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PRIORITY 4: HOUSES

HOUSES

- Housing provision (85%)
- Rectification of houses (9%)
- Identification of land for housing (6%)

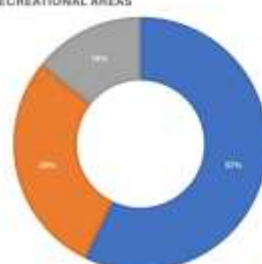


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PRIORITY 5: PARKS AND RECREATIONAL AREAS

PARKS AND RECREATIONAL AREAS

- Maintenance and Fencing of parks and public open spaces (57%)
- Parks and recreational facilities (29%)
- Bush Clearance (14%)



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The **TOP FIVE** development and service delivery priorities identified by residents of Buffalo City during the IDP Review are:

1. **Municipal Roads & Transport Infrastructure** – Residents are very concerned about the condition of rural access roads and the overall maintenance of roads across the city. Most of the requests center around maintenance and rehabilitation of existing streets.
2. **Libraries and Other Facilities** – Communities, especially those in more rural settings, have requested more community halls, libraries, youth centres, clinics, satellite police stations, sports fields, and other public amenities that will improve their quality of life and ensure better universal access to services from all three spheres of government.
3. **Electricity** – Here, the main requests centre around the electrification of informal settlements and lighting.
4. **Housing** – The demand for housing is increasing, particularly for vulnerable individuals and backyard dwellers.
5. **Parks, Open Spaces, Cemeteries** – These issues are commonly associated with other social ills that our communities are combating, particularly criminal activity, drug and substance abuse, vandalism of municipal property, illegal dumping, and other scourges.

Transversal / Cross-cutting matters

- Communities and stakeholders have utilised the opportunity to reflect on their needs regarding government services in various spheres (e.g., schools, clinics, police stations) as well as other issues that may be considered to cut across more than one government entity and sphere.
- The Municipality fully embraces the concept of joint intergovernmental planning, as guided by the **DDM** adopted by the Cabinet in 2019.
- Against this backdrop, the Municipality actively participates in the National and Provincial IGR Structures and establishes numerous platforms for joint planning.

The BCMM IGR Unit has disseminated the issues relevant to other organs of state to the appropriate entities for responses and will present a status report at the next Political IGR Forum. Detailed needs and priorities per ward are attached as Annexure C.

3.6.2 Strategic Priorities, Key Levers and Action Plans for 2025/2026 and beyond

It is important to highlight some significant interactions that provided the platform for engagement and joint planning during this IDP review:

- The review of the Third Generation DDM/One Plan for Buffalo City Metro was done through a series of engagement throughout the course of September to December 2025, culminating in the endorsement of the One Plan at a Council meeting on 15 December 2026.
- During the period of October 2025 to the first week in March 2026, Ward-based Planning Sessions to interact with ward communities, listen to needs and concerns, provide feedback on approved programmes and projects for 2025/26 and review Ward Priorities for 2026/2027 were held in all four of the functional regions, covering all wards of the Metro. Provincial and National government departments and external business and civil society stakeholders participated and made submissions towards the One Plan (a summary of the One Plan is captured in Section D of this IDP).
- The public engagements were followed by a Senior Management Technical Planning session held on 15 to 17 March 2026 added depth and cohesion to the plans and budget for the metro, including the incorporation of the Draft S154 Turnaround Framework.
- The Traditional and Councillors' Workshop deliberated on the Draft IDP and MTREF Budget before the Council meeting for the consideration of the strategic plan and Budget scheduled for 31 March 2026. Strategic Planning Session – provided additional insights, reinforced the key priorities identified during the

3.6.3 BCMM Service Delivery Charter

BCMM developed a Service Delivery Charter to ensure that services are delivered effectively and efficiently while meeting acceptable standards. The Charter enables BCMM communities to understand the level of services they can expect from the Municipality, including basic service delivery norms and standards, as well as response times to emergencies. Buffalo City finalised and adopted its Service Delivery Charter in 2017.

3.6.4 Rapid Response Task Team

Another effort by the BCMM to ensure a speedy response to service delivery concerns has been the establishment of the Rapid Response Task Team (RRTT). The *modus operandi* of the RRTT is to deploy teams wherever challenges or early warning signs arise. This Task Team gathers all the necessary facts and directs them to the relevant departments for responses, either in report form or through interventions. In cases where the executive leadership is required to address local communities, leadership is briefed in advance.

3.6.5 Metro Growth and Development Strategy

BCMM adopted the MGDS, which is the Vision towards 2030. The MGDS is the primary foundation for BCMM's future work in partnership to achieve goals and programmes and to encourage business and investment in a common direction. The strategic outcomes for the long-term development of the City are identified in the MGDS.

The MGDS defines the City's 15-year economic trajectory toward Vision 2030. Its implementation will span three consecutive five-year IDPs, running through to 2030, and it will be subject to structured monitoring and evaluation processes.

A large component of the programmes and projects identified requires partnerships between the City and its stakeholders in order to achieve Vision 2030. The MGDS Vision 2030 implementation plans are encapsulated in the five strategic outcome areas and are aligned with the IDP process.

3.6.6 Buffalo City Metropolitan Development Agency

The BCMDA was established in 2004 and incorporated in terms of the Companies Act as a non-profit company (Section 21). Initial funding for its establishment was sourced from the Industrial Development Corporation (IDC), and it undertook various projects, some of which were completed while others were not. The BCMDA Board was dissolved in 2009, and all functions reverted to the City Manager. BCMM embarked on a process to resuscitate the BCMDA, and on 1 February 2015, a new Board of Directors was appointed.

i) Approved mandate of the BCMDA

Buffalo City Metropolitan Council (BCMC) approved the following mandate of the BCMDA:

- **Economic and Social Development:** To conceptualise, plan, and execute catalytic socio-economic development projects.
- **Tourism:** To serve as the tourism agency of the Municipality.
- **Property Management and Commercialisation:** To acquire, own, and manage necessary land and buildings, and/or rights to such land and buildings, to enable it to achieve its aims and objectives.

ii) Powers of the Agency

The BCMDA is empowered to take any actions within its scope of authority to further the above mandate, including, but not limited to:

- Conducting regular communications with all stakeholders.
- Launching, managing, and/or monitoring any study necessary to further the objectives of the BCMDA.
- Negotiating, entering into, and administering contracts in support of its objectives.

- Collecting income, raising, receiving, and holding funds, or receiving guarantees from any lawful source for the purposes of the BCMDA, and managing, administering, and disbursing 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.
- Conducting and operating any financial assistance, subsidy, or incentive programme necessary to ensure the most advantageous development projects for the Municipality.

A clear BCMDA resuscitation plan is in place, and several key milestones in the plan have already been achieved.

4. ALIGNMENT OF STRATEGIC IMPERATIVES

BCMM has made an effort to ensure horizontal alignment with provincial and national plans in the development of the long-term MGDS and the IDP. This alignment can be demonstrated as follows:

Table 10: Alignment of Strategic Imperatives

BCMM Strategic Outcomes	12 National Outcomes	Provincial Development Plan (EC Vision 2030)	National Development Plan	Sustainable Development Goals	National Ten- Point Plan
An innovative and productive City	- Decent employment through inclusive economic growth. - A skilled and capable workforce to support inclusive growth. - An efficient, competitive, and responsive economic infrastructure network.	- A growing, inclusive, and equitable economy. - Vibrant and equitably enabled communities.	- Unemployment rate should fall from 27% in 2011 to 14% by 2020 and to 6% by 2030. - Total employment should rise from 13 million to 24 million.	Ensure access to affordable, reliable, and sustainable economic growth, as well as full and productive employment and decent work for all.	- Unlocking the potential of small, medium, and micro enterprises (SMMEs), cooperatives, and township and rural enterprises. - Operation Phakisa aimed to grow the ocean economy and other sectors. - Encouraging private sector investment.
A green City	Protection and enhancement of environmental assets and natural resources.	A growing, inclusive, and equitable economy.	- Achieve the peak, plateau, and decline trajectory for greenhouse gas emissions, with the peak being reached around 2025. - By 2030, an economy-wide carbon price should be established.	Take urgent action to combat climate change and its effects.	- Resolving the energy challenge. - Revitalising agriculture and the agro-processing value chain.

BCMM Strategic Outcomes	12 National Outcomes	Provincial Development Plan (EC Vision 2030)	National Development Plan	Sustainable Development Goals	National Ten- Point Plan
A well-governed City	Improve the quality of basic education.	An educated, empowered, and innovative citizenry.	- All children should have at least two years of pre-school education, which implies a need for approximately two million places. - About 80% of schools and learners achieve 50% or above in literacy, mathematics, and science in grades three, six, and nine. - At least 80% of students should complete 12 years of schooling.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	N/A
A well-governed City	A development-oriented public service and inclusive citizenship.	An educated, empowered, and innovative citizenry.	A capable and effective state, able to enhance economic opportunities, support the development of capabilities, and intervene to ensure a rising floor of social rights for the poor.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Moderating workplace conflict.
A spatially transformed City	Improve health and life expectancy.	A healthy population.	By 2030, life expectancy should reach at least 70 years for both men and women.	Ensure healthy lives and promote well-being for all at all ages.	N/A

BCMM Strategic Outcomes	12 National Outcomes	Provincial Development Plan (EC Vision 2030)	National Development Plan	Sustainable Development Goals	National Ten- Point Plan
			The infant mortality rate should decline from 43 to 20 per 1 000 live births, and the under-five mortality rate should be less than 30 per 1 000, down from 104 today.		
A spatially transformed City	Sustainable human settlements and an improved quality of household life.	Vibrant and equitably enabled communities (universal access to social infrastructure).	- The proportion of people with access to electricity should rise from 70% in 2010 to 95% by 2030, with no grid options available for the rest. - Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry.	Ensure availability and sustainable management of water and sanitation for all.	State reform and strengthening the role of state-owned companies, along with the rollout of ICT infrastructure or broadband, as well as improvements to water, sanitation, and transport infrastructure.

SECTION B: BUFFALO CITY METROPOLITAN MUNICIPALITY PROFILE AND ANALYSIS

1. EXECUTIVE SUMMARY

The following Statistical Overview Report aims to quantify the economic, demographic, and socio-economic environment of BCMM in the context of its neighbouring regions, the province, and SA. A better understanding of this environment could inform stakeholders in implementing and monitoring plans and policies that will foster a healthy, growing, and inclusive economy and society.

Understanding the changes in the composition of the population with respect to population group, age, and gender is vital in the face of growing pressure on food, energy, water, jobs, and social support for the country's citizens. It is essential to comprehend how total fertility rates, age-specific fertility rates, gender ratios at birth, life expectancies, and international migration affect the respective population groups, ages, and genders for effective spatial planning. The first section of the Statistical Overview Report will aim to disentangle the changes in BCMM demographics in the context of other districts, the province, and SA.

The second section will provide insights into the economic environment of BCMM in relation to other metropolitan municipalities in the region, the province, and SA's performance. This analysis will include the economic contributions of the regions within BCMM. The changing economic environment impacts the ability of the economy to create jobs; therefore, this section will also include an analysis of employment data and related income dynamics in BCMM.

The third component of the Statistical Overview will investigate issues pertaining to the socio-economic environment of residents in BCMM. The analysis will include a review of the Human Development Index (HDI), Gini coefficient, poverty, education, population density, crime, bulk infrastructure, international trade, and tourism indicators relative to those of other districts, the province, and SA.

1.1. Buffalo City Metropolitan Municipality in Context

BCMM is situated relatively centrally in the EC province and is surrounded by the Great Kei, Amahlati, Nkonkobe, and Ngqushwa Local Municipalities. Buffalo City is a metropolitan municipality located on the east coast of the EC province, South Africa, bounded to the south-east by the long coastline along the Indian Ocean. It includes the towns of East London, Bhisho, and Qonce (previously known as King William's Town), as well as the large townships of Mdantsane and Zwelitsha.

BCMM was established as a local municipality in 2000 following SA's reorganisation of municipal boundaries. It is named after the Buffalo River, at the mouth of which lies SA's only river port. On 18 May 2011, it was separated from the Amathole District Municipality and converted into a metropolitan municipality. The area boasts a well-developed

manufacturing sector, with the automotive industry playing a particularly significant role. Daimler AG, through its wholly owned subsidiary Mercedes-Benz South Africa (MBSA), operates a major assembly plant adjacent to the port of East London, producing a range of vehicles for export.



Figure 7: BCMM Locality in South Africa

Source: BCMM GIS UNIT

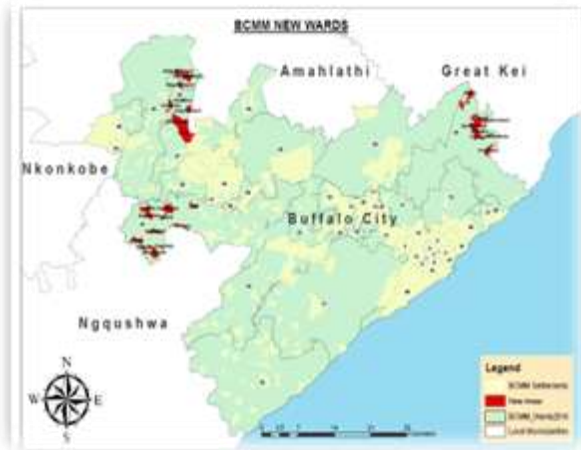


Figure 8: New areas (shown in red) recently demarcated to BCMM from Great Kei, Amahlathi and Ngqushwa Local Municipalities

Source: BCMM GIS UNIT

BCMM comprises significant portions of two Magisterial Districts, as follows:

- East London, including the former Ciskei Magisterial District(s) of Mdantsane.
- Qonce, including the former Ciskei Magisterial District of Zwelitsha.

Municipal Demarcation Amendments: Circular 2/2024 (Re-determination of Municipal Boundaries in Respect of Section 21(5) of the Local Government: Municipal Demarcation Act, 1998)

In terms of Section 21 of the Local Government Municipal Demarcation Act (No. 27 of 1998), the Municipal Demarcation Board has re-determined the municipal boundaries of:

Ngqushwa Local Municipality (EC126), Amathole District Municipality (DC12), and Buffalo City Metropolitan Municipality (BUF) by excluding Nxwashu/Tyip-Tyip village from the municipal areas of Ngqushwa Local Municipality (EC126) and Amathole District Municipality (DC12), and by including it in the municipal area of Buffalo City Metropolitan Municipality (BUF).

Amahlathi Local Municipality (EC124), Amathole District Municipality (DC12), and Buffalo City Metropolitan Municipality (BUF) by excluding eThembeni village from the municipal areas of Amahlathi Local Municipality (EC124) and Amathole District Municipality (DC12), and by including it in the municipal area of Buffalo City Metropolitan Municipality (BUF).

In line with the local government dispensation in South Africa, the BCMM is a Category “A” Municipality.

This re-demarcation has a profound impact on the Metro’s planning priorities for the medium to long term. Given that this is a recent development, the Metro is unlikely to conduct a thorough diagnostic analysis to inform the IDP and Budget priorities for the 2024/25 Review.

The area is characterised by a composite settlement and land use pattern, incorporating urban, peri-urban, and rural components, which were previously administered as separate local government entities.

Buffalo City is the key urban centre in the eastern part of the EC. It consists of a corridor of urban areas, stretching from the “port city” of East London in the east, through to Mdantsane, and reaching Dimbaza in the west. Buffalo City’s land area is approximately 2 515 km², with 68 km of coastline.

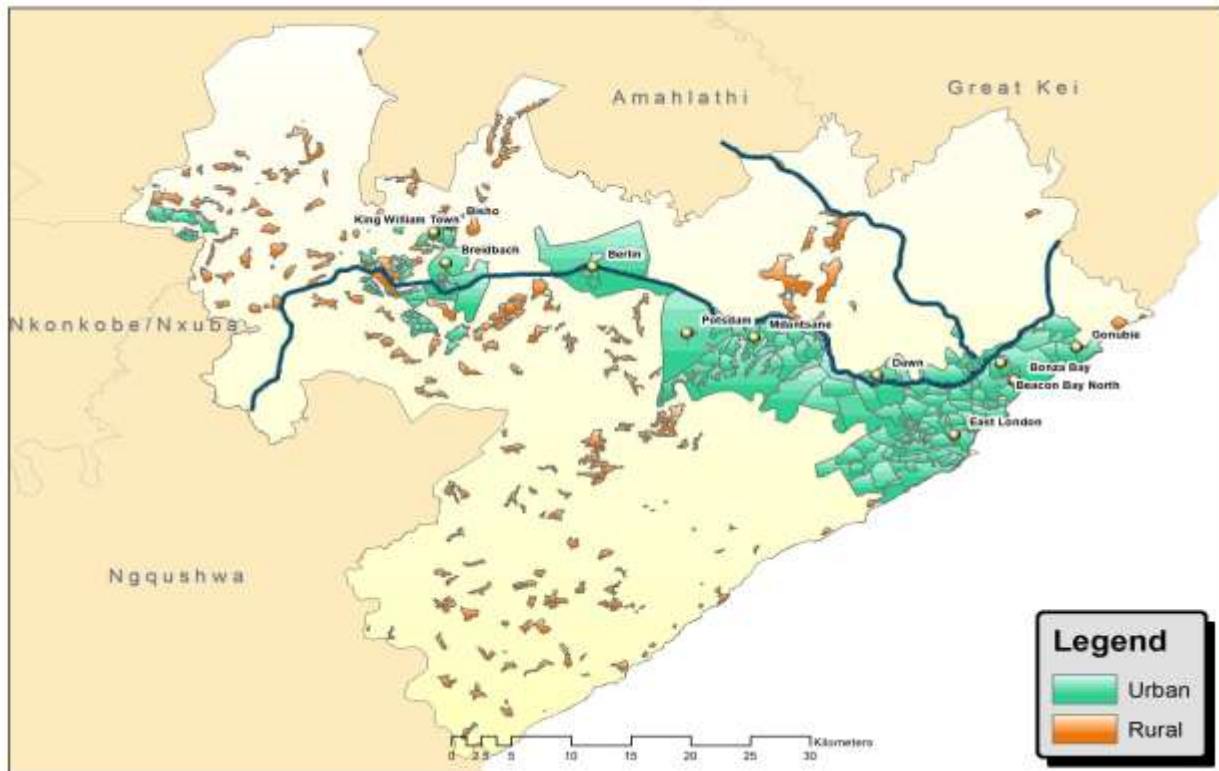
The existing urban areas and settlements in Buffalo City are spatially fragmented, which is a feature of the entire BCMM. This spatial fragmentation creates a negative urban dimension.

In Buffalo City, the following three main identifiable land use and land need patterns are noted:

- Firstly, a general appraisal of land use and settlement patterns within BCMM clearly indicates that the urban settlement pattern is dominated by the East London–Mdantsane–Qonce–Dimbaza urban development axis. This axis dominates the industrial and service sector centres, attracting people from throughout the greater Amathole region in search of work and better access to urban services and facilities. On the urban fringes, there are smaller components such as Gonubie, Berlin, and Potsdam. The south-eastern boundary is restricted by the Indian Ocean. East London serves as the primary node and is the dominant economic hub in the region.
 - The Qonce area and its surroundings are spatially fragmented, with Qonce as the main urban centre. The outlying urban areas include Bhisho, Ginsberg, Zwelitsha, Phakamisa, Breidbach, Ilitha, and Dimbaza. Qonce serves as a secondary node in the Buffalo City region.
 - Qonce functions as a Regional Service Centre and, together with Bhisho, serves as the provincial administrative hub, housing the seat of the Provincial Government of the EC province. Given the dominance of the East London Core Area, the Qonce/Bhisho Regeneration process requires budgetary emphasis to implement the projects identified by the Qonce/Bhisho LSDF.
- The second area comprises non-urban land within the municipal area. This region is characterised by distinctive enclaves, primarily within the former Ciskei, but also notable on the outskirts of East London in Newlands. Here, rural and peri-urban settlements accommodate approximately 20% of the municipal population, with land utilised for both intensive and extensive agricultural purposes. The rural settlements are mainly located in the western and southern parts of Buffalo City.

- The third distinctive land use is commercial farming areas. These areas dominate the north-eastern and south-western (coastal) sectors of the BCMM and are characterised by extensive land use, with some areas employing intensive, irrigation-based farming.

However, within the generalised spatial landscape of the aforementioned areas, one finds diverse and complex urban and rural situations.



Source: BCMM GIS UNIT

Figure 9: BCMM urban and rural settlements

1.2 Physical characteristics

The physical shape, environmental character, and configuration of the BCMM play an important role in influencing how people choose to reside in the area. This section provides a general overview of the state of the physical environment within BCMM.

1.3 Topography

The BCMM area extends from sea level along the coastal belt, rising in a north-westerly direction to a plateau with elevations ranging between 450 and 850 metres above sea level. This plateau stretches from Maclean Town and Berlin to Dimbaza. The highest elevation in the far northwestern part of BCMM is located in the Amathole Mountains, reaching up to 2 100 metres above sea level.

The region's topography is characterised by a series of incised river valleys that run nearly parallel to each other in a south-easterly direction through BCMM, dissecting it at regular intervals. This terrain, which lacks large tracts of flat land, significantly impacts settlement patterns and the cost of providing services within the region.

1.4 Geology and Soils

The geological strata of the region are typical of the Karoo system, consisting mainly of mudstone and sandstone intruded by dolerite dykes and sills. Generally, the dolerite dykes trend from east to west. Much of the geology is of marine origin, contributing to the high salinity of the groundwater in the area. The soils are typically moderate to deep clayey loams, and the erodibility index of the soils in the region is recorded as medium to low.

1.5 Climate

The climate of BCMM is moderate for most of the year, but there are hot spells from December to February, particularly in the inland areas. Although the region receives rainfall throughout the year, it is primarily a summer rainfall region, with June and July generally being the driest months.

Sunshine Coast

The Sunshine Coast is a scenic coastal route stretching between St Francis Bay and East London in South Africa's EC province. The region enjoys a subtropical climate, with average winter daytime temperatures around 21°C and summer daytime temperatures averaging 28°C, often rising into the mid-30s. Sea temperatures range between 14°C and 24°C throughout the year. In summer, shorts and T-shirts are typical attire, while in winter, jeans and sweaters are more suitable.

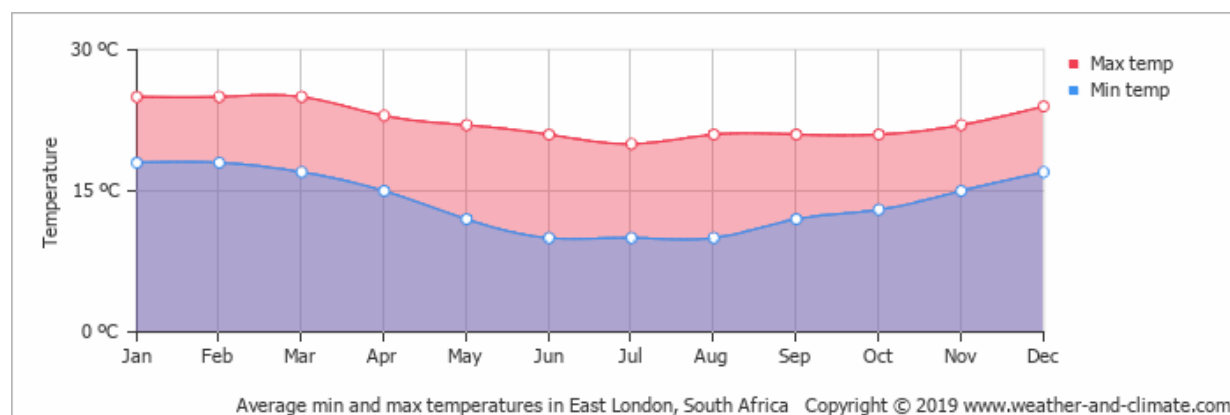


Figure 10: BCMM weather averages 2019

1.6 Drainage System

BCMM has ten major river systems. Of these, nine are considered endangered, while the Buffalo River system is regarded as vulnerable (South African National Biodiversity Institute [SANBI], 2004). In terms of aquatic systems, the National Wetlands Inventory identifies a total of 2 064 wetland areas. The groundwater potential in the region is generally poor, resulting in low borehole yields (typically below 2 l/s) and high salinity levels. The north-western portion of the region, particularly the Peelton villages, has greater groundwater potential, which decreases in a south-easterly direction towards the coast.

1.7 Vegetation

BCMM encompasses a diverse range of vegetation types across its 252 577.5-hectare area. These vegetation types play an important role in shaping community livelihoods, as they determine the land's carrying capacity for livestock. The availability and scarcity of vegetation also influence land-use decisions, helping to determine whether areas are better suited for crop production or livestock farming.

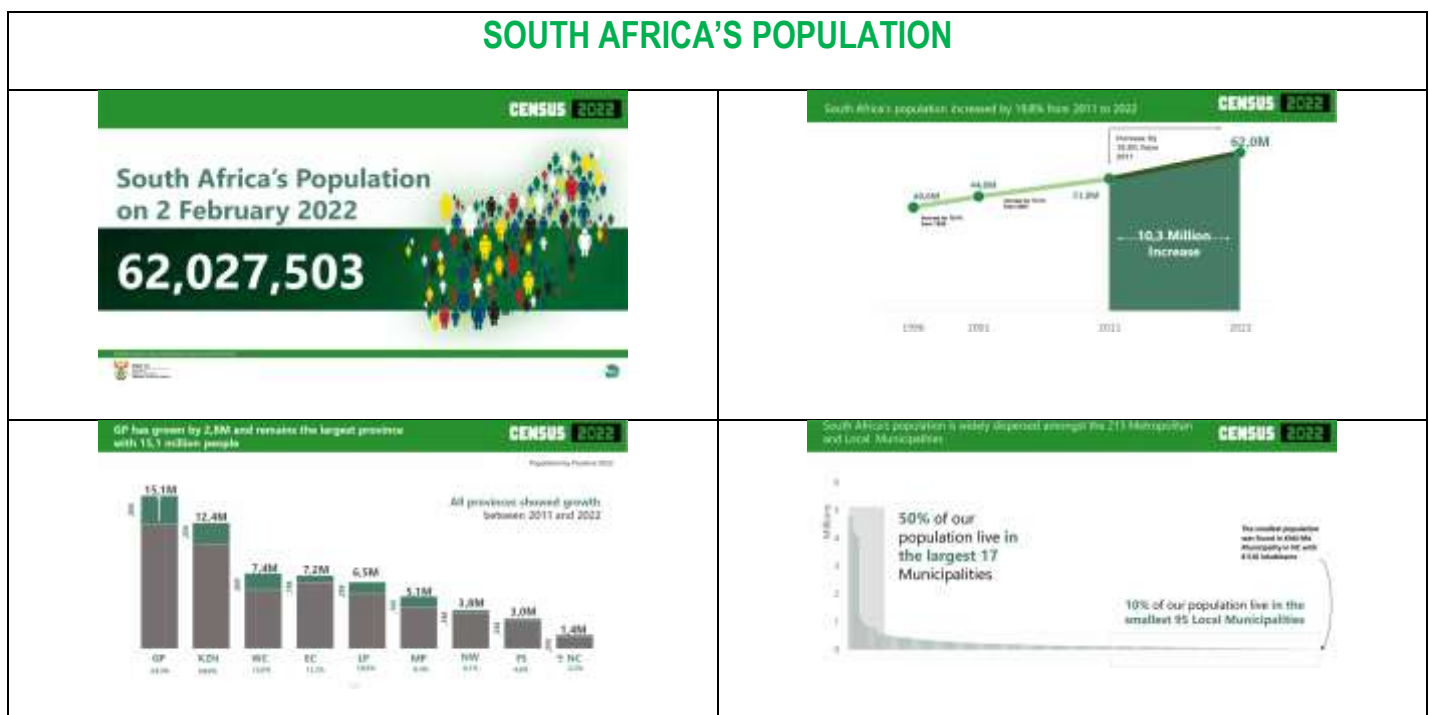
Four biomes are represented in BCMM: Albany Thicket (66.82%), Savanna (29.24%), Forest (2.73%), and Grassland (1.14%). Within these biomes, 12 vegetation types have been classified by Mucina and Rutherford (2006). It is estimated that 26.8% of the area has no remaining natural habitat. SANBI identifies no critically endangered or vulnerable terrestrial ecosystems within the Municipality.

2. POPULATION TRENDS AND PROFILE

Demographics, or population characteristics, involve the analysis of the population of a region. The distributions of values within demographic variables and across households, as well as trends over time, are of interest. This section provides an overview of the demography of BCMM, its neighbouring regions, the EC province, and SA as a whole.

2.1 Total Population

Population statistics are important when analysing an economy, as population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.



EASTERN CAPE POPULATION

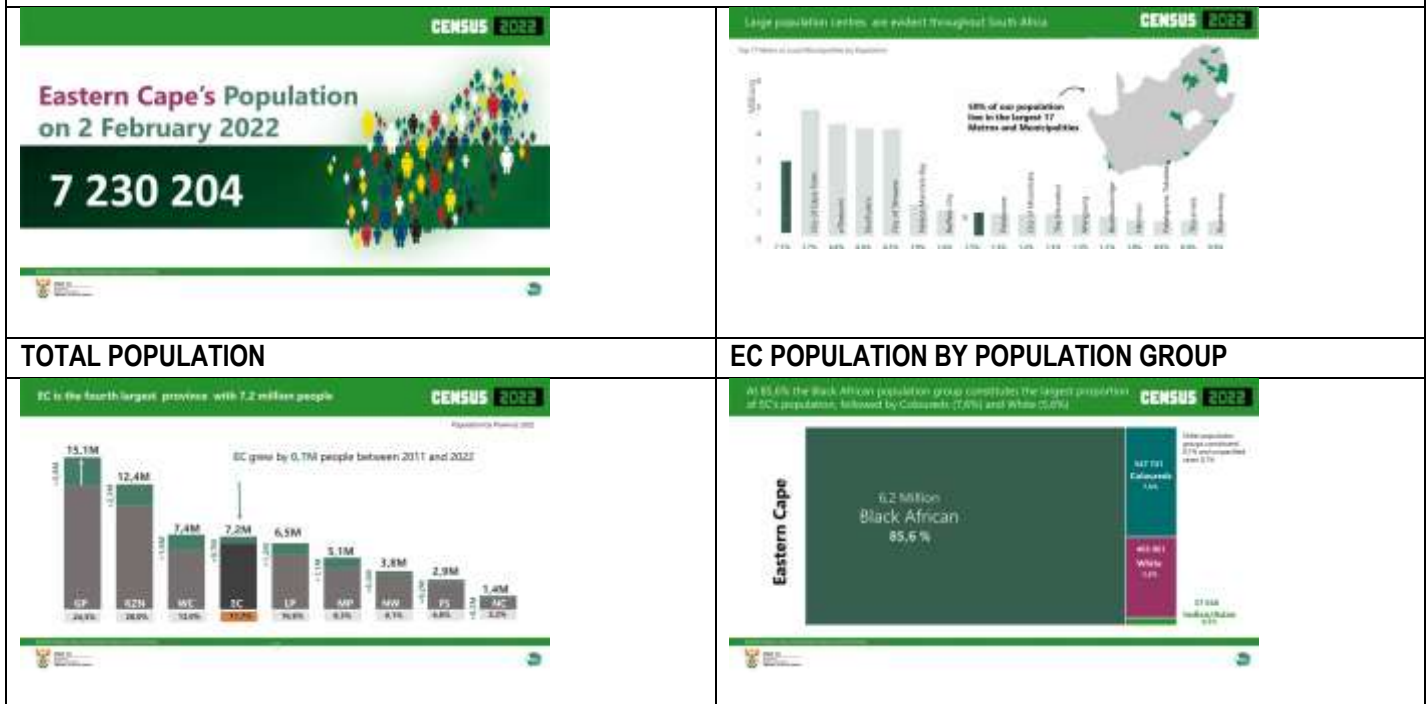


Figure 11: South Africa and Eastern Cape Population (StatsSA, 2022)

BUFFALO CITY METROPOLITAN MUNICIPALITY: SOUTH AFRICA'S 7th LARGEST POPULATION CENTRE

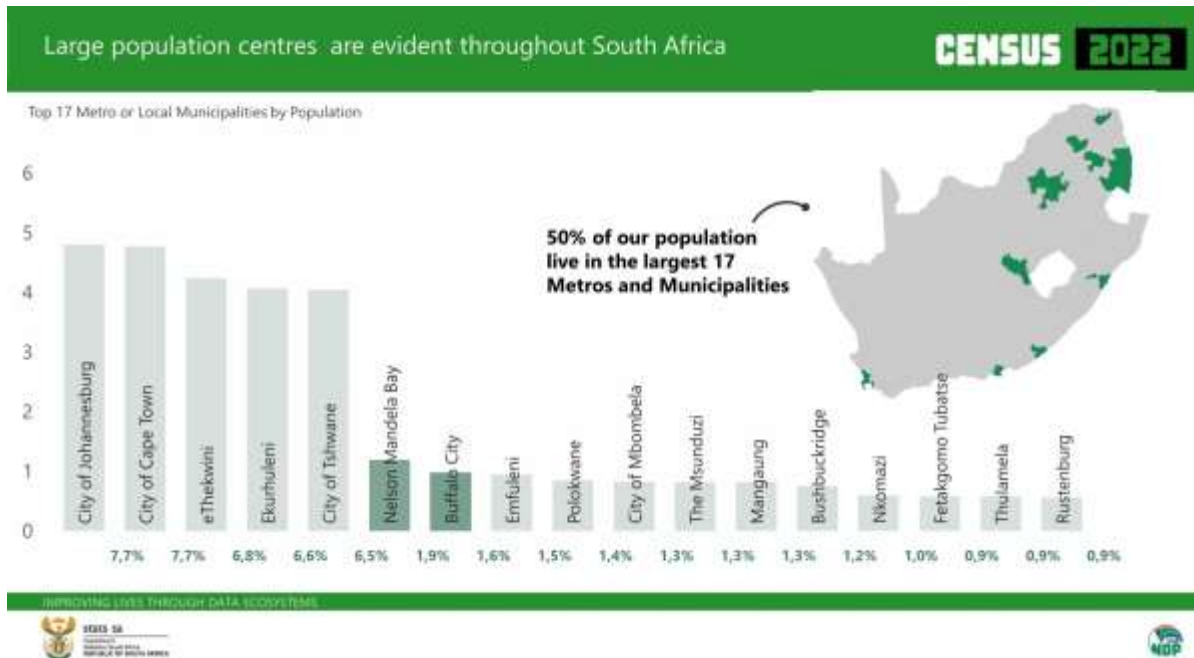


Figure 12: Large population centres in SA (StatsSA, 2022)

Buffalo City is home to **1,6%** of the country's population currently residing in the ten largest population centres, making it the seventh largest population centre. Buffalo City grew by **193 402** people, reflecting a **24,7%** increase from 2011 to 2022.



Figure 13: Buffalo City's Total Population (StatsSA, 2022)

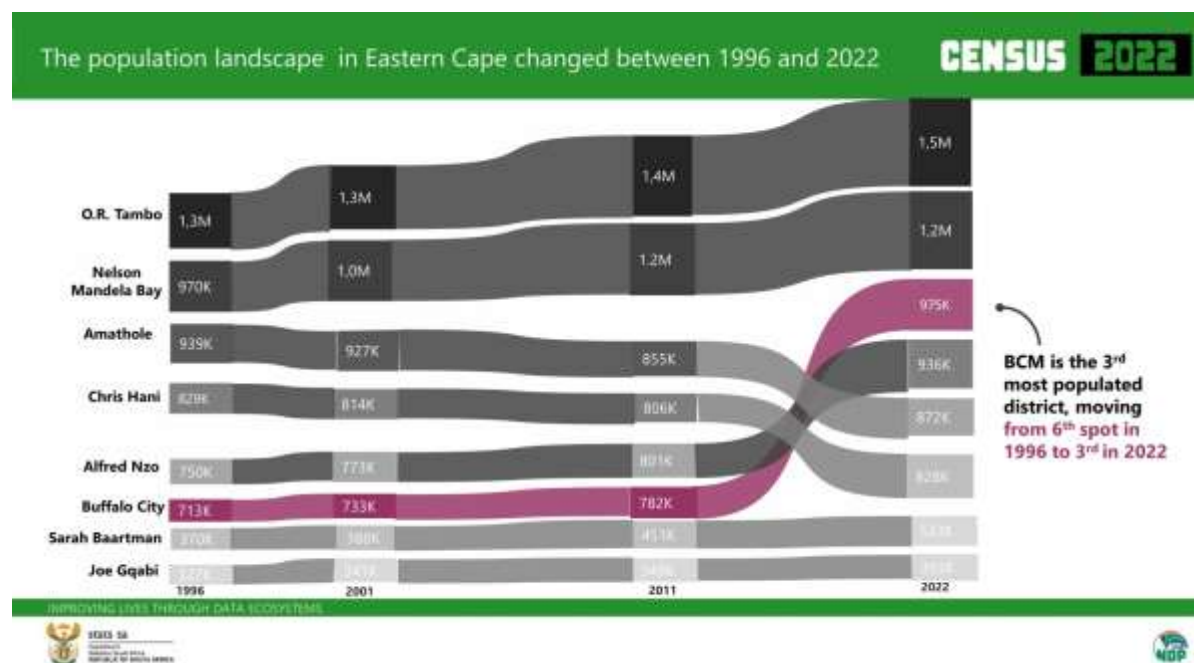


Figure 14: Population landscape 1996-2022 (StatsSA, 2022)

- Buffalo City was the 3rd most populated district in the Eastern Cape Province in 2022, according to official census data, moving up from 6th position in 1996.

According to South Africa Regional eXplorer, BCMM's estimated population for 2023 and 2024 was 898 000 and 910 000 respectively (S&P Global, 2025).

2.1 Population Projections

Based on the 2024 age-gender structure as well as fertility, mortality and migration rates, Buffalo City's population is projected to grow at an average annual rate of 1.0%; that is, from 910 000 in 2024 to 955 000 in 2029.

Table 11: Population projections - Buffalo City, Eastern Cape and National Total, 2024-2029

	Buffalo City	Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
2024	910,000	7,330,000	64,100,000	12.4%	1.42%
2025	919,000	7,400,000	64,900,000	12.4%	1.42%
2026	929,000	7,470,000	65,700,000	12.4%	1.41%
2027	938,000	7,530,000	66,500,000	12.5%	1.41%
2028	947,000	7,600,000	67,300,000	12.5%	1.41%
2029	955,000	7,670,000	68,000,000	12.5%	1.40%

Source: South Africa Regional eXplorer v2607 (as cited in S&P Global, 2025)

The population projection of Buffalo City Metropolitan Municipality shows an estimated average annual growth rate of 1.0% between 2024 and 2029. The average annual growth rate in the population over the forecast period for Eastern Cape Province and South Africa is 0.9% and 1.2% respectively. The Eastern Cape Province is estimated to have average growth rate of 0.9% which is lower than the Buffalo City Metropolitan Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.2%, which is higher than that of Buffalo City's growth rate.

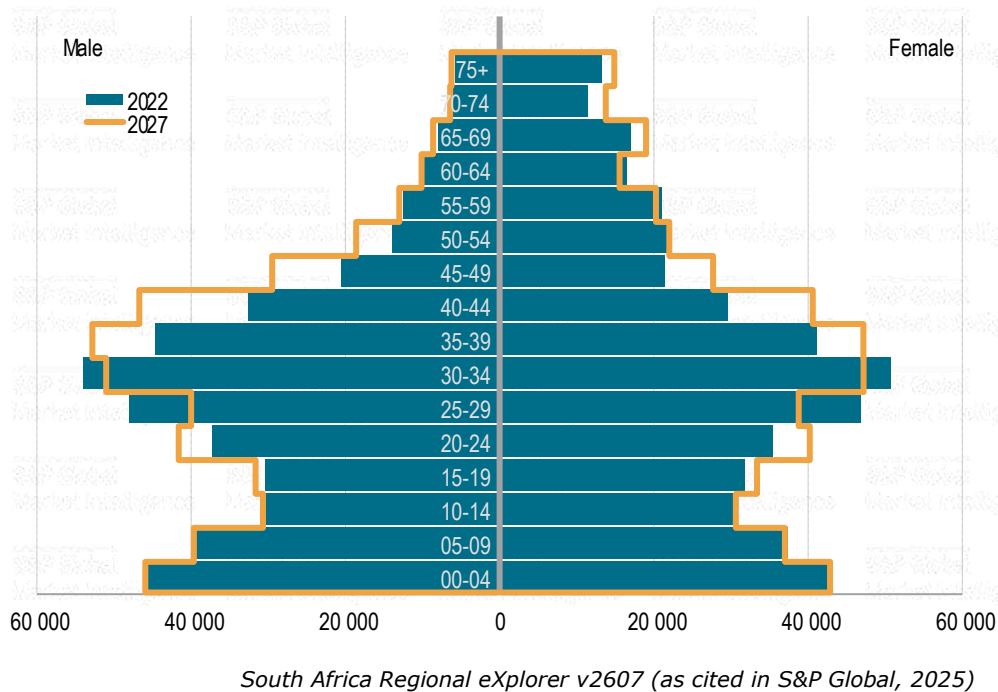


Figure 15: Population pyramid - Buffalo City Metropolitan Municipality, 2024 vs. 2029 [Percentage]

The population pyramid reflects a projected change in the structure of the population from 2024 to 2029. The differences can be explained as follows:

- In 2024, there is a slightly larger share of young working-age people between 20 and 34 (25.8%), compared to what is estimated for 2029 (25.6%). This age category will decrease over time.
- The fertility rate in 2029 is estimated to be slightly higher than in 2024.
- The share of children between the ages of 0 to 14 years is projected to be significantly smaller (24.5%) in 2029 when compared to 2024 (26.3%).

In 2024, the female population for the 20 to 34 years age group amounts to 13.2% of the total female population while the male population group for the same age amounts to 12.5% of the total male population. In 2029, the male working age population at 12.7% does not exceed that of the female population working age population at 12.8%, although both are at a lower level compared to 2024.

2.2 Population by Population Group, Gender and Age

The total population of a region is the number of people within that region measured at the middle of the year. Total population can be categorised according to population group, as well as sub-categories of age and gender. The population groups include African, White, Coloured, and Asian, with the Asian group encompassing all individuals originating from Asia, India, and China. The age subcategory divides the population into 5-year cohorts, e.g., 0-4, 5-9, 10-14, etc.

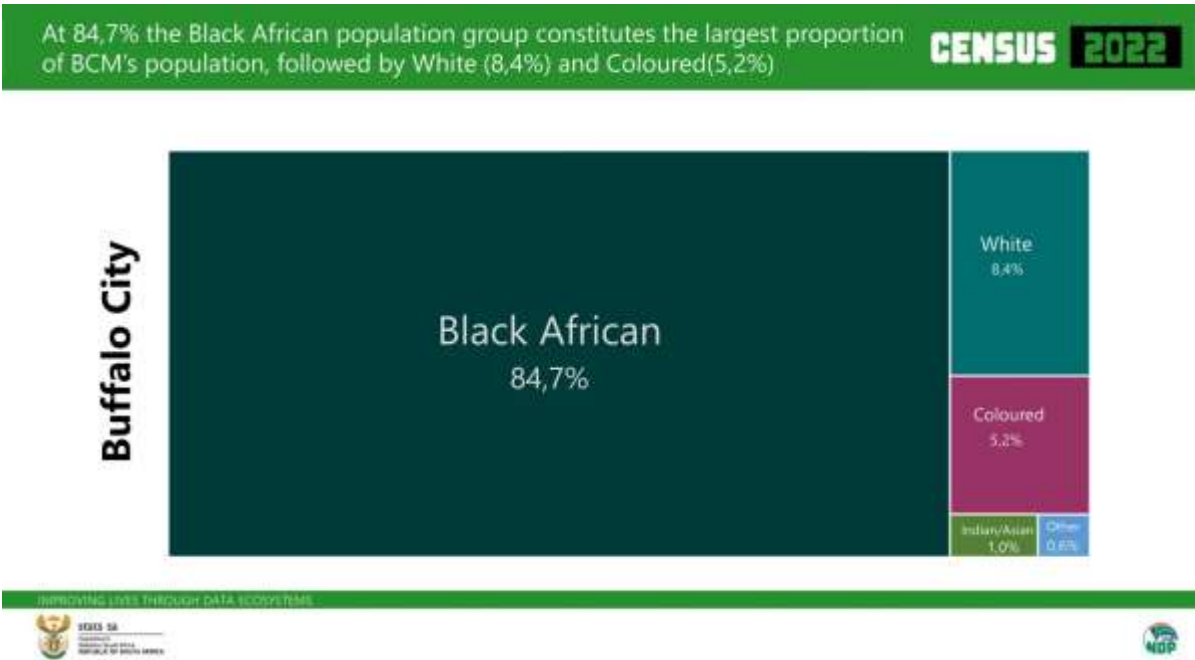


Figure 16: Population by population group (StatsSA, 2022)

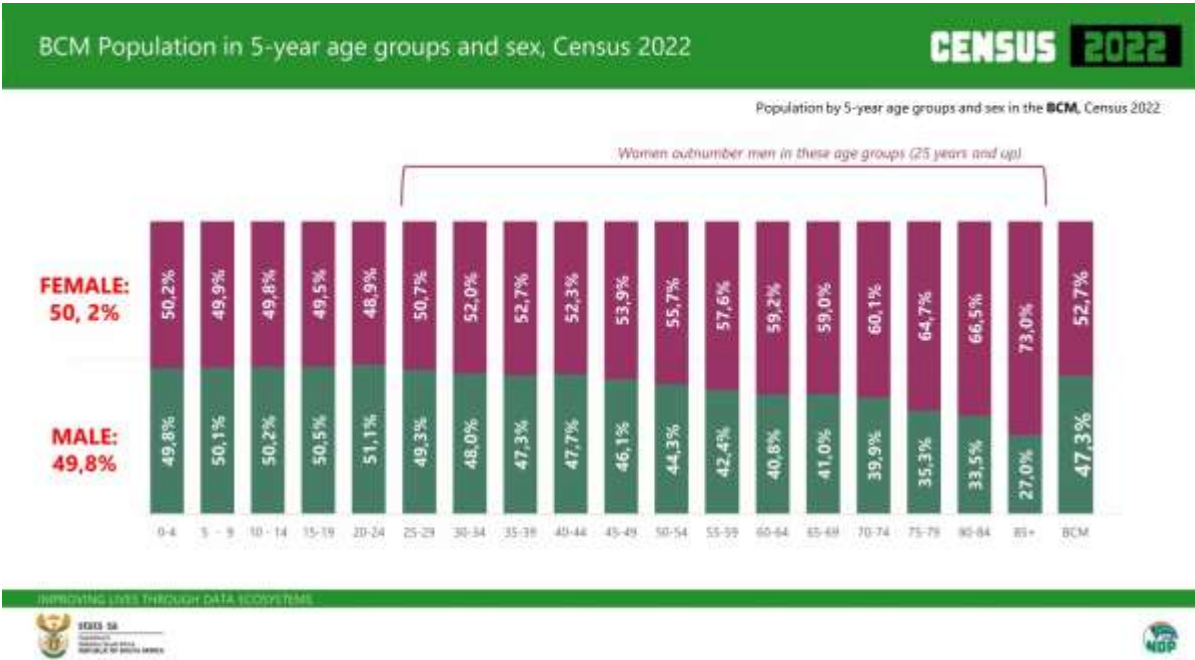


Figure 17: BCMM Population in 5-year age groups and sex (StatsSA, 2022)

The results show a dip in the younger ages, especially 10 to 24 years.

CENSUS 2022

Population by 5-year age groups in Buffalo City Metro, Census 2011 and 2022

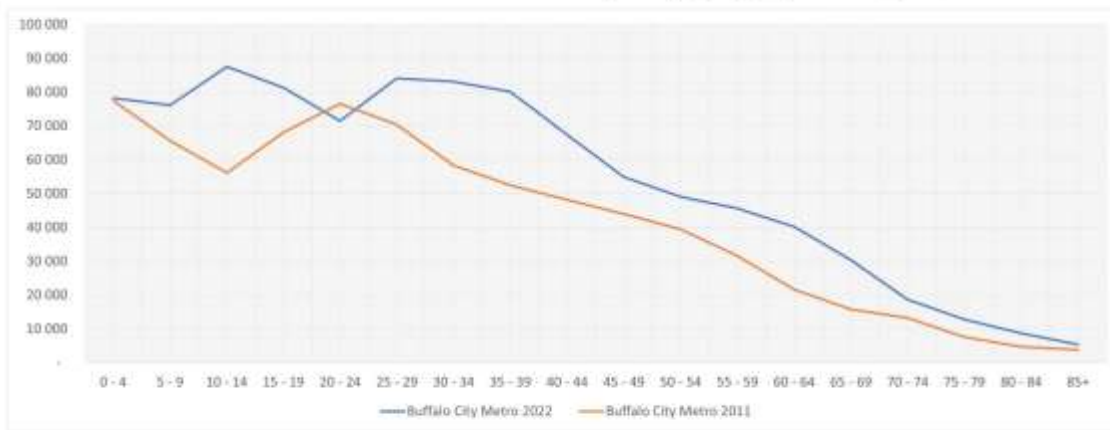


Figure 18: Population by 5-year age group in BCMM (StatsSA, 2011; 2022)

Table 12: Population by gender – Buffalo City and the rest of Eastern Cape Province, 2024

	Male	Female	Total
Buffalo City	431,380	478,178	909,559
Nelson Mandela Bay	630,310	692,473	1,322,783
Sarah Baartman	226,921	266,348	493,269
Amatole	398,434	458,137	856,570
Chris Hani	380,888	433,596	814,483
Joe Gqabi	181,996	211,517	393,513
O.R.Tambo	738,580	869,408	1,607,988
Alfred Nzo	421,187	507,724	928,911
Eastern Cape	3,409,696	3,917,380	7,327,077

Source: South Africa Regional eXplorer v2607 (as cited in S&P Global, 2025)

In 2024, Buffalo City Metropolitan Municipality's estimated male/female split in population was 90.2 males per 100 females. The Municipality had significantly more females (52.57%) than males, when compared to a typical stable population. This is most probably an area with high male out migration associated with work search. In total there were 478 000 (52.57%) females and 431 000 (47.43%) males. This is different from the Eastern Cape Province as a whole, where the female population was 3.92 million, which constitutes 53.46% of the total population of 7.33 million.

Table 13: Population by population group, gender and age - Buffalo City Metropolitan Municipality, 2024

C	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	44,600	46,600	1,040	896	2,000	2,030	105	157
05-09	36,100	37,100	1,070	1,180	1,870	1,920	228	246
10-14	27,800	27,300	1,180	1,280	1,930	1,880	290	263
15-19	30,000	27,400	1,180	1,070	2,080	1,830	185	190
20-24	31,200	30,000	1,050	815	1,630	1,600	190	148
25-29	35,500	32,900	1,540	1,120	1,720	1,530	330	215
30-34	44,200	42,500	1,230	1,190	1,510	1,450	436	422
35-39	44,000	50,600	1,530	1,750	2,130	2,280	539	431
40-44	32,000	35,300	1,730	1,630	2,050	1,830	463	528
45-49	18,800	17,900	1,650	1,630	1,400	1,580	396	350
50-54	18,100	9,680	1,960	1,940	1,190	1,470	366	316
55-59	16,700	7,050	1,690	1,780	1,390	1,190	266	251
60-64	12,300	5,610	1,490	1,520	1,240	989	213	214
65-69	14,900	5,140	1,370	1,170	951	765	165	170
70-74	10,400	4,280	1,250	959	794	585	165	172
75+	8,100	2,710	3,300	1,690	730	400	202	140
Total	425,000	382,000	24,300	21,600	24,600	23,300	4,540	4,210

Source: South Africa Regional eXplorer v2607 (as cited in S&P Global, 2025)

In 2024, BCMM's population consisted of 88.72% African (807 000), 5.05% White (45 900), 5.27% Coloured (48 000) and 0.96% Asian (8 750).

The largest share of population is within the young working age (25-44 years) category with a total of 347 000 (38.1% of the total population). The 0-14 years age category was the second largest (26.3%), followed by the older working age (45-64 years) category with 133 000 people. People aged 65 years and above made up the smallest category, with a population of 60 600, according to the South Africa Regional eXplorer v2607 (S&P Global, 2025).

2.3 Migration



Figure 19: Interprovincial migration during 2011 to 2022 (StatsSA, 2011; 2022)

The strongest migration flows from the EC are to the Western Cape.

2.4 Number of Households

Definition: A household is either a group of people who live together and jointly provide themselves with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within it.

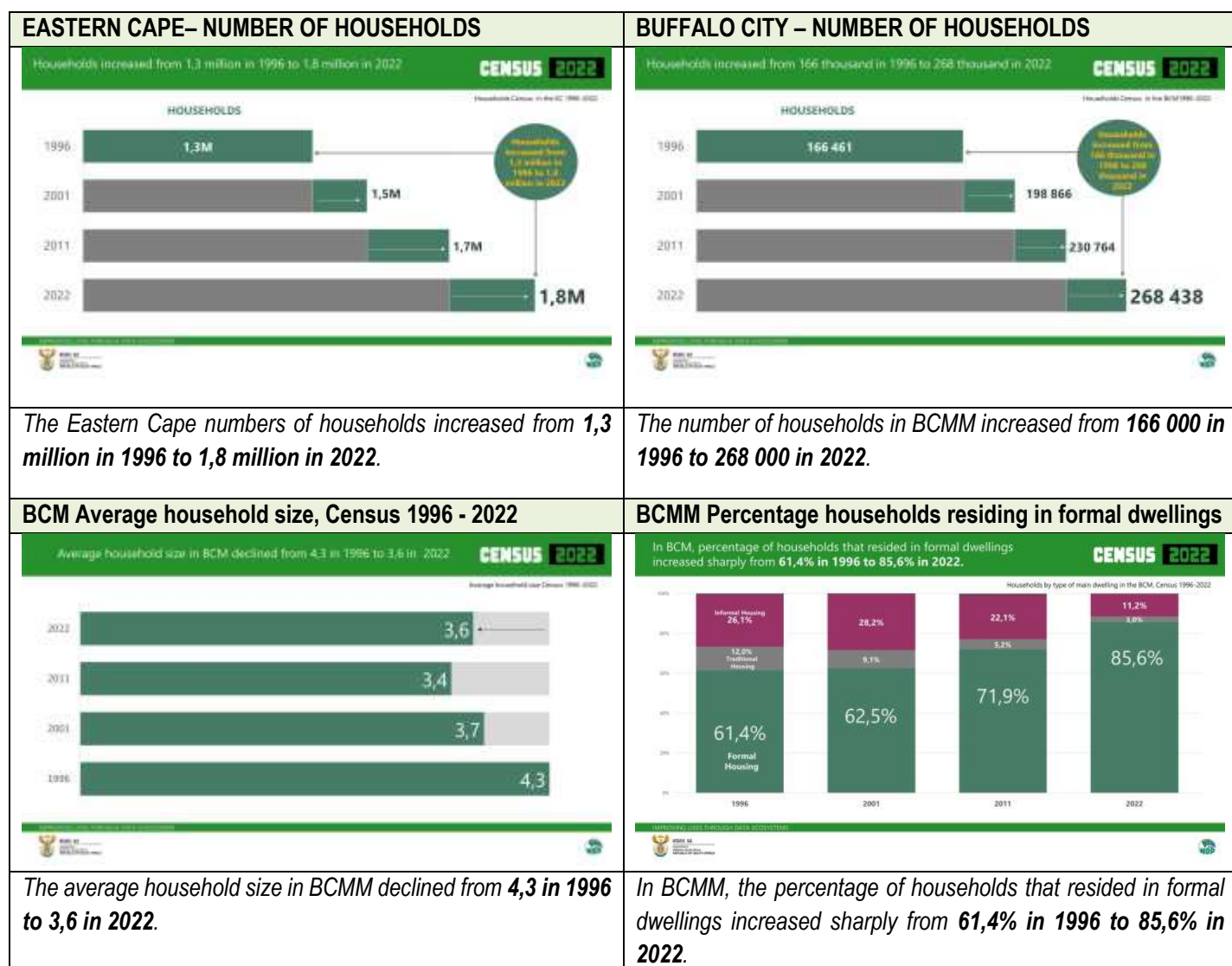


Figure 20: Number of households

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. According to 2022 national census figures, there were 268 438 households in BCM (see figure above). This equates to an average annual growth rate of 1.56% in the number of households from 2012 to 2022. With an average annual growth rate of 1.20% in the total population, the average household size in the municipality is by implication decreasing. This is confirmed by the data where the average household size in 2012 decreased from approximately 3.5 individuals per household to 3.4 persons per household in 2022.

Table 14: Number of households - Buffalo City, EC, and National Total, 2012-2022 [Number percentage]

Buffalo City		Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
2012	231 000	1 730 000	14 600 000	13,3%	1,57%
2022	269 000	1 980 000	17 200 000	13,6%	1,56%
Average Annual growth					
<u>2012–2022</u>	<u>1,56%</u>	<u>1,33%</u>	<u>1,62%</u>		

Source: South Africa Regional eXplorer v2443.

Relative to the province, the BCMM had a higher average annual growth rate of 1,56% from 2012 to 2022. In contrast, SA had a total of 17,2 million households, with a growth rate of 1,62%, thus growing at a higher rate than Buffalo City.

In the same vein, if the 2011 and 2022 census data were to be the bases for the calculation, with the number of households in 2011 being 230 764, the average annual growth rate in the number of households between the two censuses would be 1.39%. From its dataset, the South Africa Regional eXplorer v.2607 estimates the annual average household growth rate to be 1.76% in 2024 (S&P Global, 2025). It also estimates a decreased average household size from approximately 3.6 individuals per household in 2014 to 3.4 persons per household in 2024.

2.5 Number of Households by population group

To categorise a household according to population group, the population group to which the head of the household belongs is used.

The composition of households by population group consists of 86,8% ascribed to the African population group, which has the largest number of households. The White population group accounts for 7,4% (ranking second), while the Coloured population group comprises 4,8% of the total households.

The smallest population group by households is the Asian population group, with only 1,0% in 2022.

The growth in the number of African-headed households averaged 1,77% per annum between 2012 and 2022, resulting in an increase of 37 500 households during this period. Although the Asian population group is not the largest, it was the fastest-growing group between 2012 and 2022, with a growth rate of 2,75%. The average annual growth rate in the number of households for all the other population groups has increased by 1,55%.

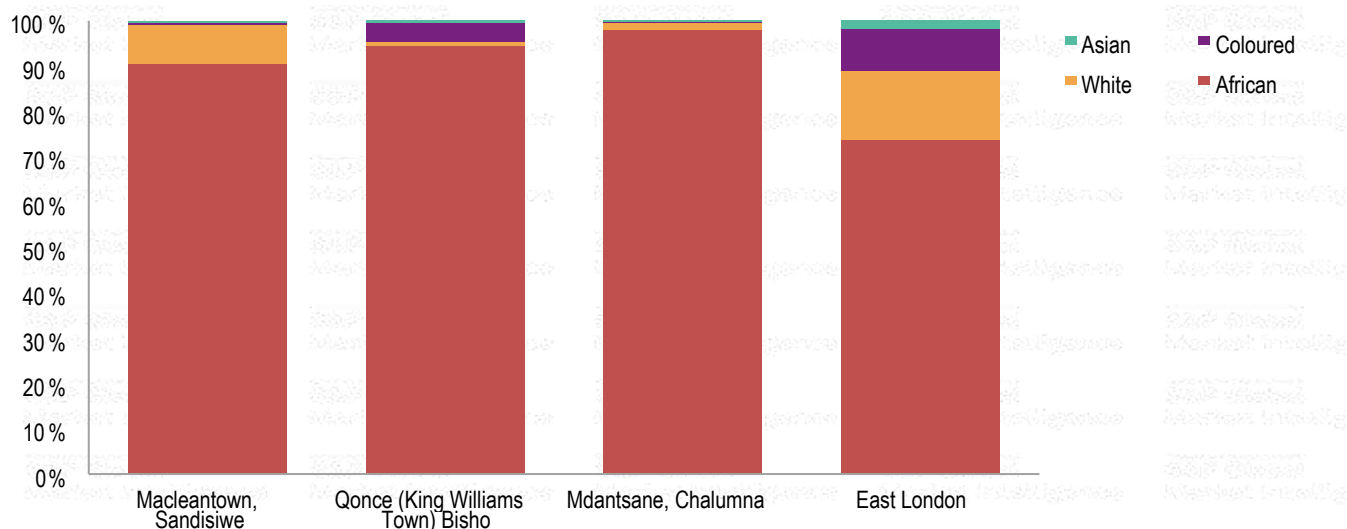


Figure 21: Number of households by population group - Sub-metro regions of BCMM, 2022 [percentage]

Source: South Africa Regional eXplorer v2443.

Available estimates for 2024 show that the African proportion of the total number of households was 88.3%, White proportion (6.2%), Coloured (4.5%), and Asian (1.1%) (South Africa Regional eXplorer v2607, S&P Global, 2025). In the ten years between 2014 and 2024, the eXplorer further estimates that the growth in the number of African headed households was on average 2.04% per annum, which translates in the number of households increasing by 42 900 in the period. Although the Asian population group is not the biggest in size, it was, however, the fastest growing population group between 2014 and 2024 at 3.35%. The average annual growth rate in the number of households for all the other population groups during that decade increased with 1.75%.

2.6 Poverty

South Africa is known as one of the most unequal countries in the world, reporting a per capita expenditure Gini coefficient of 0,67 in 2006, which dropped to 0,65 in 2015, according to the Inequality Trends in South Africa report released by StatsSA. According to the Palma ratio, the top 10% of the population spent 8,6 times more than the bottom 40% in 2006; this ratio reduced to 7,9 in 2015. These figures indicate that overall inequality, measured at a national level, has declined between 2006 and 2015.

According to data from StatsSA (2023), the country's unemployment rate rose to 32,9% of the labour force in the first quarter of 2023, up from 32,7%.

The number of employed workers increased by 258 000 to 16.2 million in the first quarter of 2023 compared with the fourth quarter of 2022. However, 179 000 more people were unemployed. In total, there are now 7,9 million people without jobs in SA, up from 7.8 million last quarter. According to Statista, the unemployment rate in South Africa is consistently higher among women than men, reaching approximately 35,7% of the total labour force during the second quarter of 2023.

COVID-19 has exacerbated job losses and unemployment; therefore, poverty levels have risen, resulting in more people living on social grants, an increase in crime and vandalism, and more individuals applying for social relief from the state.

The people of Buffalo City, similar to many other parts of our country, are still experiencing worrying levels of poverty. The Eastern Cape Department of Health recently reported that 1 722 children under the age of five in the province were newly diagnosed with severe acute malnutrition between August 2022 and September 2023. Tragically, 114 of these children died – 101 from severe acute malnutrition and 13 from moderate malnutrition – serving as a damning indicator of a province in crisis.

According to StatsSA, as of 2023, an individual in South Africa living on less than ZAR 1 058 (approximately USD 55,23) per month is considered poor. Approximately 55,5% of the population (about 30,3 million people) are living below the national upper poverty line (approximately ZAR 992), while around 13,8 million people (25%) are experiencing food poverty.

Definition: The upper poverty line is defined by StatsSA as the level of consumption at which individuals can purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area and is directly aligned with the official upper poverty rate as measured by StatsSA.

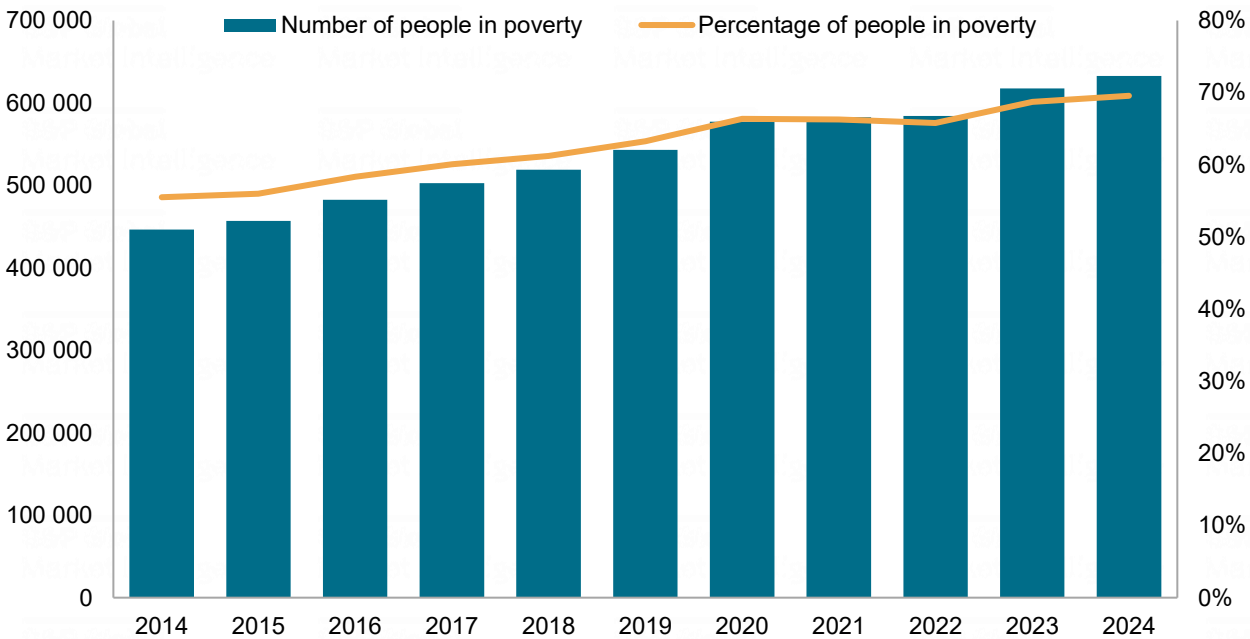


Figure 22: Number & Percentage of people living in poverty – BCMM, 2014-2024

Source: South Africa Regional eXplorer v2607.

In 2024, there were 633 000 people living in poverty, using the upper poverty line definition, across Buffalo City Metropolitan Municipality - this is 41.66% higher than the 447 000 in 2014. The percentage of people living in poverty has increased from 55.50% in 2014 to 69.56% in 2024, which indicates an increase of -14.1 percentage points.

Table 15: Percentage of people living in poverty by population group - Buffalo City, 2014-2014 [Percentage]

	African	White	Coloured	Asian
2014	61.3%	0.9%	40.0%	5.5%
2015	61.7%	0.9%	41.0%	5.5%
2016	64.1%	1.1%	42.9%	6.3%
2017	65.8%	1.1%	44.3%	6.7%
2018	67.0%	1.1%	44.7%	7.3%
2019	69.1%	1.2%	45.6%	8.2%
2020	72.3%	1.4%	48.3%	10.3%
2021	72.2%	1.2%	46.7%	10.1%
2022	71.6%	1.0%	45.6%	9.9%
2023	74.6%	1.2%	48.3%	11.8%
2024	75.4%	1.2%	48.1%	12.0%

Source: South Africa Regional eXplorer v2607.

In 2024, the population group with the highest percentage of people living in poverty was the African population group with a total of 75.4% people living in poverty, using the upper poverty line definition. The proportion of the Coloured population group living in poverty decreased by 6.51 percentage points, as can be seen by the change from 39.99% in 2014 to 48.05% in 2024. In 2024, 1.16% of the White population group lived in poverty, as compared to the 0.90% in 2014. The Asian and the African population groups saw a decrease in the percentage of people living in poverty, with a decrease of 0.264 and 14.1 percentage points respectively.

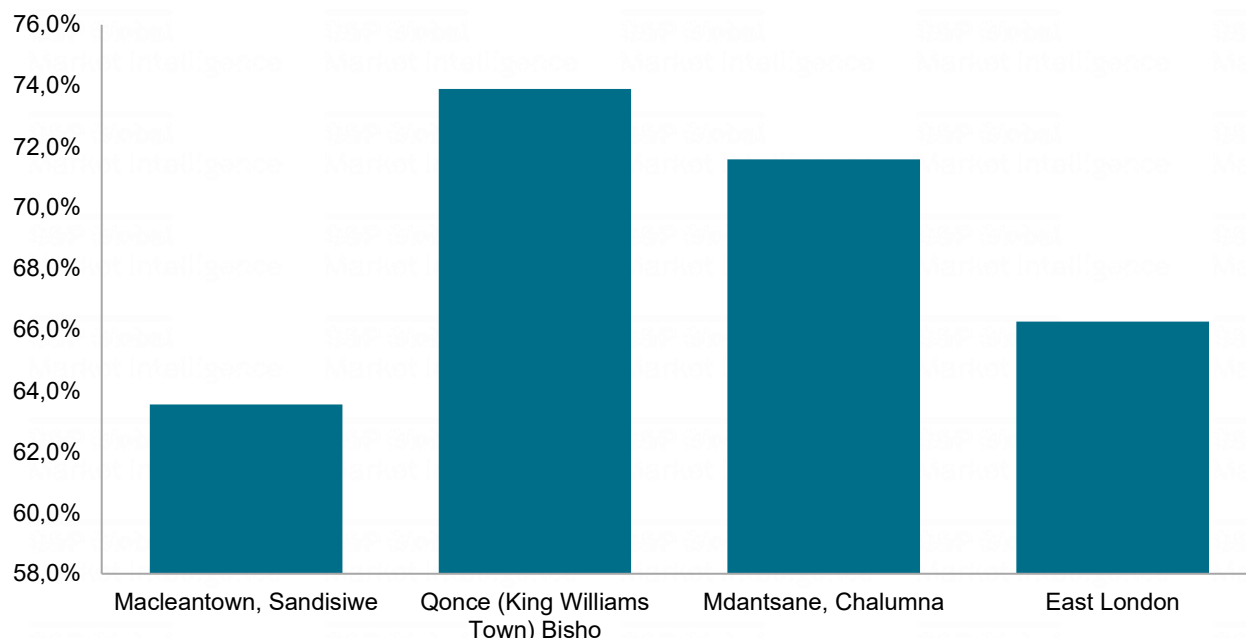


Figure 23: Percentage of people living in poverty - Sub-metro regions and the rest of BCMM, [percentage] Buffalo City, 2014-2024

Source: South Africa Regional eXplorer v2607.

In terms of the percentage of people living in poverty for each of the regions within the Buffalo City Metropolitan Municipality, Qonce (King Williams Town) Bisho Sub-metro Region has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 73.9%. The lowest percentage of people living in poverty can be observed in the Macleantown, Sandisiwe Sub-metro Region with a total of 63.6% living in poverty, using the upper poverty line definition.

2.7 Poverty Gap Rate

Definition: The poverty gap is an indicator used to measure the depth of poverty. It quantifies the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The poverty gap addresses a significant shortcoming of the poverty rate, which does not indicate the depth of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals can purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in Buffalo City Metropolitan Municipality was 31.9% in 2024 - the rate needed to bring all poor households up to the poverty line and out of poverty.

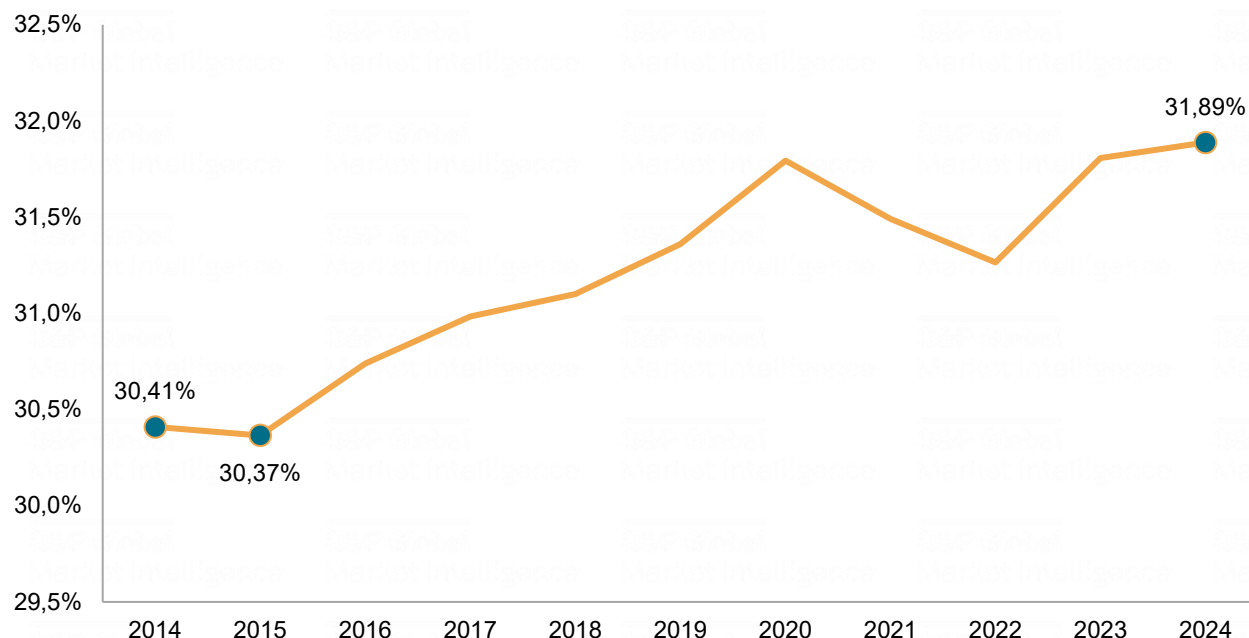


Figure 24: Poverty gap rate by population group - BCMM, 2014–2024

Source: South Africa Regional eXplorer v2607.

In 2024, the poverty gap rate was 31.9%, up from 30.4% in 2014. This means that there were no improvements in terms of the depth of poverty within Buffalo City Metropolitan Municipality.

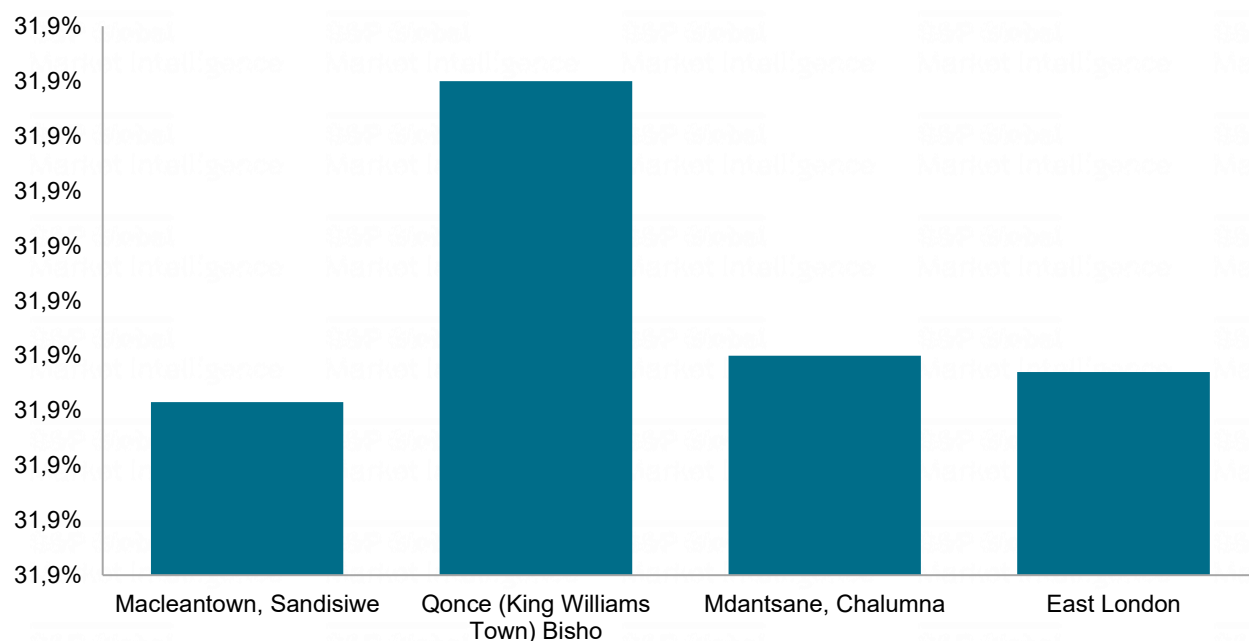


Figure 25: Poverty gap rate - Sub-metro regions and the rest of BCMM, 2024

Source: South Africa Regional eXplorer v2602 (S&P Global, 2025.)

In terms of the poverty gap rate for each of the regions within the Buffalo City Metropolitan Municipality, Qonce (King William's Town) Bisho Sub-metro Region had the highest poverty gap rate, with a rand value of 31.9%. The lowest poverty gap rate can be observed in the Macleantown, Sandisiwe Sub-metro Region, with a total of 31.9%.

2.8 Social Grants

Individual social grant receipts were reported as the highest in Buffalo City (37,7%) compared to other metropolitan cities in the country.

A similar pattern is evident at the metropolitan level for households. Receipt of one or more social grants was most common among households in Mangaung (56,9%) and Buffalo City (55,6%), and least common in Cape Town (33,9%) and Johannesburg (35,1%).

Salaries and wages as the main source of income in Buffalo City were reported at 47,6%.

2.9 Indigent Management and Support System

The BCMM offers a social package that assists households experiencing poverty or other circumstances that limit their ability to pay for services. To receive these free services, households are required to register in accordance with the Metro's Indigent Policy.

It should, however, be noted that although this is a goal from a social perspective, it indicates that the overall strategic direction of the institution is not being achieved. The institution is attempting to steer towards economic growth and job creation, which is contrary to this focus area. The cost of the social package for registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The number of indigent households requiring free basic services grew by at least 10%, clearly demonstrating the impact of poverty on many households.

After the 2022/23 external audit by the Auditor-General of South Africa (AGSA), the Metro reported that the percentage of the Municipality's operating budget spent on free basic services for indigent households was 6,9%, compared to 6,6% in the preceding year under review (2021/22). The percentage of total residential electricity provision allocated as Free Basic Electricity (FBE) was reported as 15,22%, compared to the previous year's reported 10,11%.

The Indigent Management Unit consists of dedicated employees who manage and administer the indigent register to ensure the provision of free basic services to qualifying consumers.

The Indigent Steering Committee will be established with the assistance of COGTA, the Members of Mayoral Committee (MMC), and the Public Participation Unit within BCMM, as key stakeholders in this initiative. The committee will comprise ward committee members, public participation facilitators, elderly persons, and a finance official.

The following table provides a breakdown of the current and proposed total poor relief package per indigent household:

Table 16: BCMM Social Welfare Package per Indigent Household

SOCIAL WELFARE PACKAGE							
	Total Per	Tariff	Total Per	Tariff	Total Per	Tariff	Total Per
	Household	%	Household	%	Household	%	Household
	2024/2025	Increase	2025/2026	Increase	2026/2027	Increase	2027/2028
Rates	352,10	2,00%	359,14	4,60%	375,66	4,40%	392,19
Refuse	333,04	4,80%	349,03	4,70%	365,43	4,40%	381,51
Sewerage	118,48	4,80%	124,17	4,70%	130,00	4,40%	135,72
Fire Levy	69,57	4,30%	72,56	4,60%	75,90	4,40%	79,24
Total Monthly Subsidy	873,19		904,90		946,99		988,66
Electricity - 50kwh p.m	115,50	12,74%	130,21	5,36%	137,19	6,19%	145,69
Water - 6kl p.m.	140,67	9,80%	154,46	6,54%	164,56	6,54%	175,32
Total Poor Relief	1 129,36	5,33%	1 189,57	4,97%	1 248,75	4,88%	1 309,67

2.10 Dependency Ratio

The dependency ratio relates the number of children (0–14 years old) and older persons (65 years or over) to the working-age population (15–64 years old). In the case of the BCMM area, the dependency ratio dropped by 0,1% from 48,4% in 2011 to 48,3% in 2022, which still indicates an alarming percentage of the population putting pressure on the government and the productive population.

3. SOCIAL DEVELOPMENT PROFILE

3.1 Health

3.1.1 Health Overview

The Buffalo City Health District was established in June 2013. It consists of three Sub areas, East London, Mdantsane and King William's Town/Bhisho Sub Areas. Two-thirds of the district's health facilities are situated in urban areas and the remaining third is in rural areas.

BCM Health District has 74 Primary Healthcare Facilities, 4 Satellite Clinics, 21 mobile clinics (18 functional), 5 Community Health Centres, 2 District Hospitals and 2 specialised Hospitals, 1 Regional Hospital and 1 Tertiary Hospital that are responsible for the equitable service delivery platform.

All fixed PHC facilities in the district provide a comprehensive package of PHC services inclusive of the following: Minor ailments; Management of Communicable diseases including STIs, HIV & AIDS and TB; Non – Communicable diseases, Integrated Management of Childhood Illnesses (IMCI); Maternal Health, Immunisations; Sexual and Reproductive Health; Mental Health; Oral Health; Trauma & Emergency Services; Rehabilitation Services; Medico-legal Services; and Management & Prevention of Genetic disorder & Birth Defects as part of the integrated maternal, child and women's healthcare.

TB is a leading cause of death in BCMHD, followed by Diabetes Mellitus, Hypertension and HIV-related illnesses in both men and women in the district. This picture could be related to the informal settlements prevalent in the peri-urban areas of the city. There is a higher incidence and prevalence of HIV amongst men than in women.

The Metro is characterised by a young population with 10 – 15 and 30 – 34-year age bulges. Most of the population is in the East London Sub-District with the bulk of Primary Healthcare facilities also located in East London Sub-area.

3.1.2 Health Facilities in BCMM

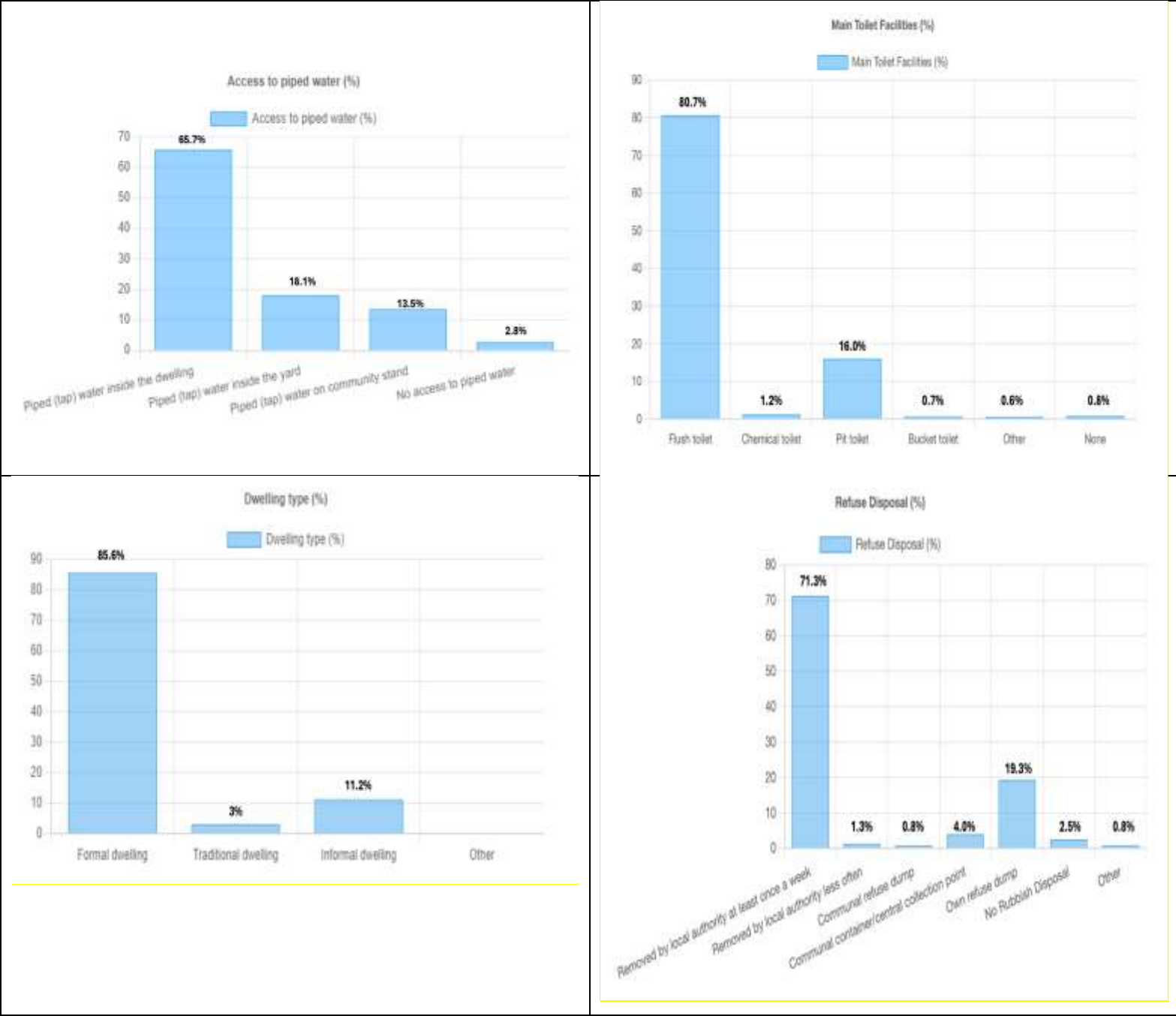


Figure 27: Social determinants of Health in BCMM – StatsSA 2022

Key Observations

- Access to piped water: 2.8% have no access to piped water.
- Main toilet facilities: 16% of residents in BCM still use pit toilets and 0.7% use a bucket system.
- Dwelling type: 11.2% of informal settlements is a challenge concerning health outcomes due to overcrowding.
- Refuse disposal: 19.3% do not have access to municipal refuse removal and resort to dumping, which is a health hazard.

The District participates in inter-governmental and IDP activities within the Metro, including the District Health Council and the Metro Aids Council, where these issues are discussed and solutions agreed upon. Municipal Health Services play an integral role in the environmental health work needed in health facilities, and collaboration between the District and the Municipality has yielded notable results in this regard. Since the onset of COVID-19, the District has been involved in the Metro’s Disaster Management Command Structures.

The Metro is engaging with sector departments, particularly the BCMHD, on issues related to Spatial Development and the development of a One Plan. The District currently faces challenges with new informal settlements or formal settlements lacking fixed clinics due to citizen relocations within the Metro. Although the District provides health services to these areas through mobile services, strategies have been developed at both facility and programmatic levels to respond to community needs by enhancing community-based health services. However, the Ward Based Outreach Teams require additional resources to adequately address the extensive health needs of the communities.

Observations of the Demographic Patterns:

- Inward migration to BCMM makes it an economic hub for many surrounding towns.
- The young population is biased towards females.
- There is a lack of coherence between the Municipal Spatial Development and the Infrastructure Development Plans of the ECDoH, although there has been marked improvement in this area.

3.1.4 Burden of Disease (BOD) Leading causes of death

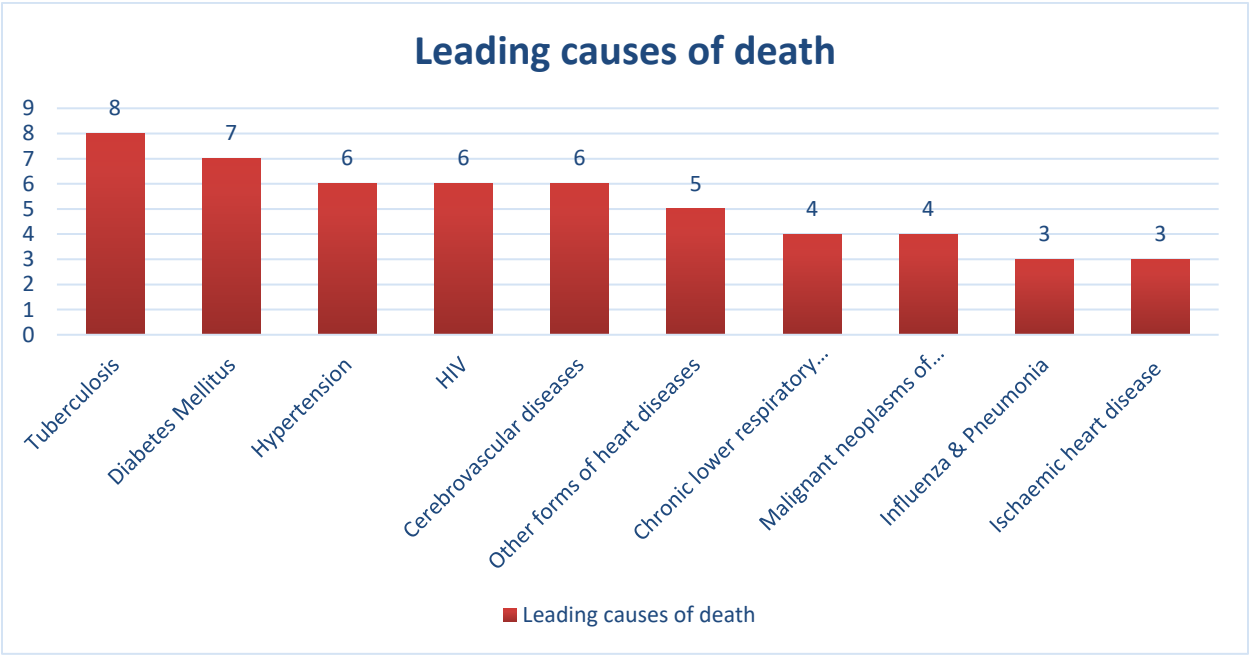


Figure 28: Leading causes of death in BCMM – StatsSA (Mortality and causes of death in South Africa, 2022)

Key observations

- TB remains the leading cause of natural deaths in the district at 8.3%. This is attributed to the informal settlements and poverty in the rural areas. Most of the population remains unemployed and not self-sustaining.
- There is a need for strengthening lifestyle modification education to reduce the incidence and prevalence of diabetes mellitus and hypertension. As opposed to the broader picture of the province where HIV is the number 3 killer disease, in the district HIV follows at number 4 by 6.1%. Of the top ten causes of natural death in the district, Influenza, Pneumonia and Ischaemic heart disease are the bottom 2 at 2.9% each.
- The focus of the district shall therefore be on TB, Non-Communicable Diseases (NCDs) and HIV.

3.1.5 Women and Maternal Health Performance 2023/2024

Table 17: Women and Maternal Health Performance 2023/2024 - DHIS

Indicator/Data Element	Year	Eastern Cape	Buffalo City Metro
Maternal mortality in facility ratio/100 000 live births	2023/24	136.2	136.9
Still birth in facility rate	2023/24	22.6	27.9
Couple year protection rate	2023/24	58.4	58.2
IUCD (Intrauterine contraceptive device) uptake	New Indicator	5884	1077
Delivery in 10 –19 years in facility rate	2023/24	18	13.1
Delivery in 10 – 14 years in facility rate	New Indicator	395	40
ANC 1 st visit before 20 weeks rate	2023/24	62.8	62.6
ANC initiated ART rate	2023/24	99.4	99.4
Cervical Cancer screening coverage	2023/24	49.4	51.4
Mother postnatal within 6 days rate	2023/24	82.8	77.1
Neonatal death in facility rate	2023/24	11.8	11.4
Live birth under 2500g in facility rate	2023/24	16.6	18.4
Infant PCR test positive around 6 months rate	2023/24	0.7	0.5

Key observations

Maternal mortality in facility ratio/ 100 000 live birth

Maternal mortality in facilities remains above the national target. Complicated referrals to the regional and tertiary hospitals contribute to 50% of the deaths. Most of the deaths are related to HIV and TB complications.

Stillbirth in facility rate

Most of the stillbirths at the District level occur in unbooked mothers arriving at health facilities with already-delivered babies. The deaths at regional and tertiary hospitals are mainly associated with complicated maternal diseases.

Couple year protection rate (CYPR)

The shortage of male condoms in the financial year 2023/24 contributed largely to the low CYPR

Live birth under 2500g in facility rate

Un-booked pregnancies in PHC facilities and obstetric complications at regional and tertiary hospitals contribute to the majority of underweight babies in the District. Untreated infections contribute to pre-term labour.

3.1.6 Child & Neonatal Health Performance in 2023/2024

Table 18: Child Health Performance - DHIS

Indicator/Data Element	Year	Eastern Cape	Buffalo City Metro
Child under 5 years severe acute malnutrition (SAM) case fatality rate	2023/24	9.5	10.8
Child under 5 years Pneumonia case fatality rate	2023/24	3.4	1
Child under 5 years diarrhea case fatality rate	2023/24	2.2	1.2
Vitamin A dose 12-59 months coverage	2023/24	76.1	67.4
Deaths under 5 years against Live Births rate	2023/24	2.3	2.3

Key observations

Child under 5 years severe acute malnutrition (SAM) case fatality rate

SAM deaths mainly occur due to poor implementation of Integrated Management of Childhood Illnesses (IMCI) i.e. Integration of Extended Programme on Immunization (EPI) and IMCI. Babies with low birth weight contributed to SAM deaths in the District.

3.1.7 TB & HIV Performance

Table 19: TB & HIV Performance - DHIS

Indicator/Data Element	Year	Eastern Cape	Buffalo City Metro
All DS -TB client treatment success rate	2023/24	74.7	69.2
All Ds -TB client death rate	2023/24	7.7	7.4
All Ds -TB client lost to follow-up rate	2023/24	12.7	14.8
HIV test done – sum	2023/24	2061702	276152
HIV positive 15-24 years (excluding ANC) rate	2023/24	1.7	1.3
ART clients remain in care rate (adult)	2023/24	-	52.9
ART child remain in care rate	2023/24	-	55.9
ART Adult viral load suppressed rate (below 50 copies /ml)	2023/24	-	81.8
ART Child viral load suppressed rate (below 50 copies /ml)	2023/24		54.3

Key observations

All DS-TB client treatment success rate, the district has exceeded a target of 67.1 in 2023/24 to 69.2. All DS-TB client death rate target was 7.1, the district reached 7.4. All DS-TB client lost to follow-up rate target was 10.6, the district did not achieve at 14.8. The high death and lost to follow-up rates contribute to the non-achievement of TB treatment success rate.

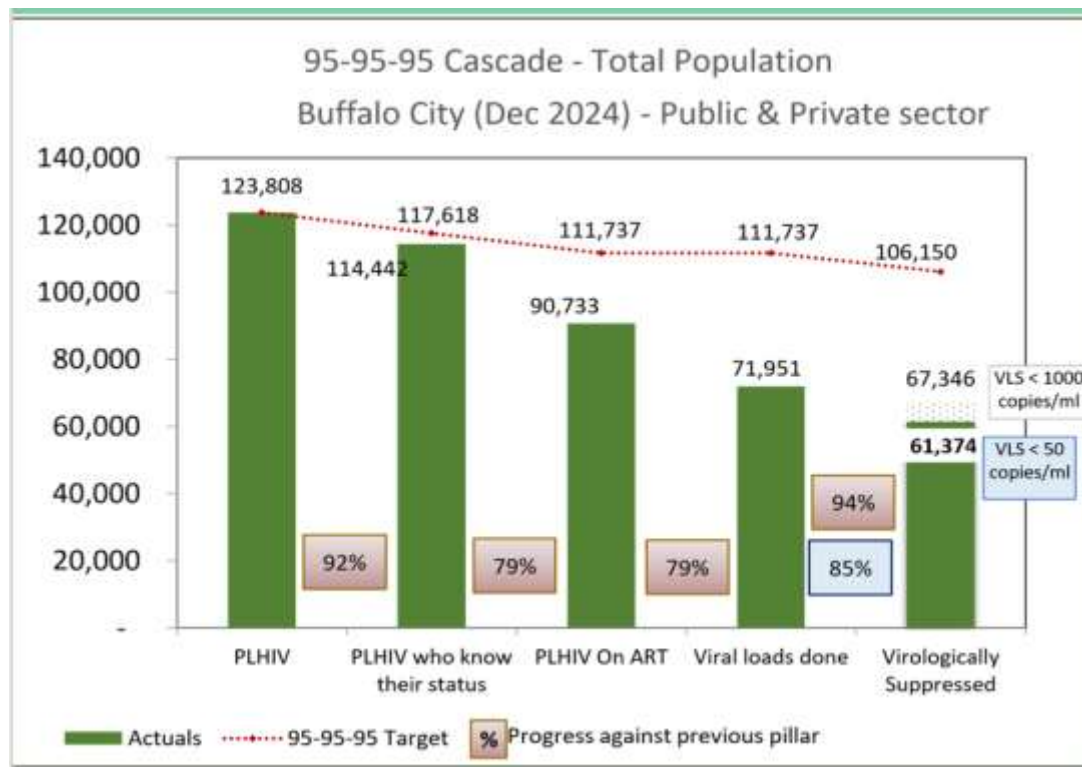


Figure 29: BCMM January 2025 - 95-95-95 Cascade – Total Population

There is a gap in the linkage to care- out of 92% PLHIV, only 79% are initiated on ART against target of 95%. The discrepancy is mostly attributed to regional and tertiary hospitals as they need to stabilise very ill patients before ART initiation. Viral load done declined from 80,9% achieved the previous year to 79%. This is due to non capturing of results which also accounts for the decline in VL suppression rate to 85% compared to 92% previously achieved.

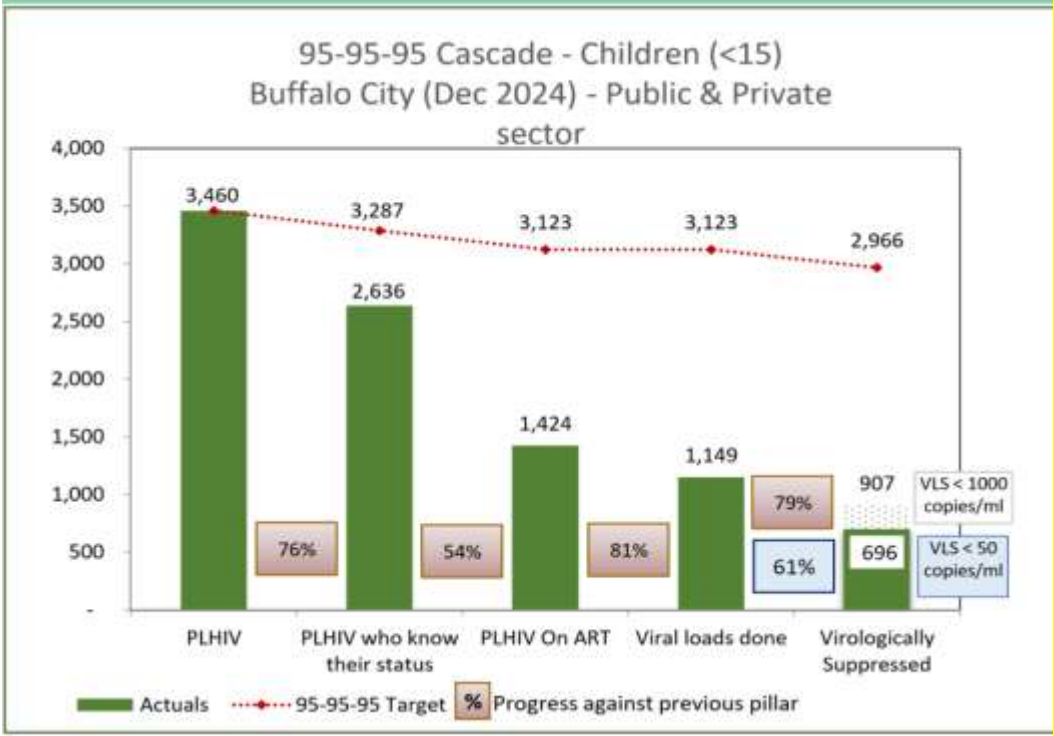


Figure 30: BCMM January 2025 - 95-95-55 Cascade – Children <15

Key observations

Viral load done rate in children is 81% which has been maintained from the previous year, but there is a need to improve viral load uptake. Viral load suppression rate improved from 45% to 61% due to the community-based school holiday clinic strategy used in collaboration with partnerships.

3.1.8 Non-Communicable Diseases Performance 2023/2024

Table 20: Non-Communicable Diseases Performance 2023/2024 – DHIS

Indicator/Data Element	Year	Eastern Cape	Buffalo City Metro
Positivity rate for diabetes 18 – 44 years	2023/24	0.42	0.2
Positivity rate for diabetes >45 years	2023/24	0.76	0.5
Positivity rate for hypertension 18 – 44 years	2023/24	0,46	0.4

Indicator/Data Element	Year	Eastern Cape	Buffalo City Metro
Positivity rate for hypertension >45 years	2023/24	1.4	1.0
PHC Mental disorders treatment rate new	2023/24	0.03	0.01

Key observations

- All the above indicators were new in 2023/2024. It was observed that health facilities were not interpreting and reporting the indicators correctly according to NIDS 2023, as a result, the District performed poorly in this period.

3.1.9 Quality of Care

Access, Quality and Impact

Quality of Care: Patient Complaints

Table 21: Top 5 Patient Complaints – Ideal Clinic Database

Complaint	Percentage (Complaints)
Staff attitudes	30%
Waiting times	24%
Patient care	13%
Hygiene & cleanliness	7%
Access to information	5%

Key Observations:

The table above illustrates that most of DoH complaints emanate from compromised service delivery which affects service standards and norms. Improvement of Staff attitude involving training and monitoring will improve the status quo.

Quality of Care: Patient Experience of Care (PEC) Survey

Table 22: Top 5 Patient Satisfaction Elements - Patient Experience of Care survey software

Element	Percentage (Satisfied)
Access to care	86%
Values & Attitudes	84%

Element	Percentage (Satisfied)
Patient safety	83%
Waiting times	77%
Cleanliness	73%

Key Observations

The above results demonstrate optimal performance on most elements and a need to improve more on waiting times and cleanliness.

Quality of Care: Ideal Health Facility Realisation and Maintenance (IHFRM) – 2023/24

Table 23: Ideal Health Facility Realisation & Maintenance Achieved - Ideal Clinic database

Facility	Province	Buffalo City Metro Health District
Primary Healthcare (PHC)	61%	66%

Key Observations

The District's performance improved from 52% in 2023/24 to 66% in 2024/25. The establishment of Quality Learning Centres (QLCs) contributed to good performance.

Top 5 Worst Performing VITAL Ideal Health Facility elements

Table 24: Top 5 worst performing VITAL Ideal Health Facility elements in PHC facilities, 2023/24 - Ideal Clinic Database

Elements	Buffalo City Metro
Element 68: 80% of professional nurses have been trained on basic life support	6%
Element 216: Maintenance schedule for buildings and grounds are available	6%
Element 245: Facility has a functional backup electricity supply available in designated areas	13%
Element 44: Facility has a doctor at all times	23%
Element 152: Staffing needs have been determined in line with workload requirements	24%

Key Observations

The table illustrates a challenge with human resources management, infrastructure, training and development.

Top 10 worst-performing ideal health facility elements in PHC facilities, 2023/24

Table 25: Top 10 worst-performing ideal health facility elements in PHC facilities, 2023/24 - Ideal Clinic database

Elements	Buffalo City Metro
Element 71: 50% of professional nurses are trained on mother-baby friendly initiative	0%
Element 14: The triage system is visible and displayed	1%
Element 99: Waiting time for the 24-hour emergency unit is visible and posted in the waiting area	1%
Element 151: Facility controls rapid test kit performances by running one negative and one positive control on a weekly basis	1%
Element 165: Staff satisfaction survey is conducted annually	2%
Element 70: 80% of professional nurses at the MOU are trained on ESMOE	3%
Element 40: Patients are formally handed over at the end of each shift	5%
Element 166: The results of the staff satisfaction survey are used to improve the work environment	6%
Element 101: Waiting time survey report is available	7%
Element 115: Duty roster indicates that a pharmacist is available during operational hours	7%

Key Observations

The table illustrates a challenge with human resources management, infrastructure, training and development, clinical care and wellness programmes. This indicates a need for the District to focus more on the identified elements for improvement. Some of the above elements (i.e. element 115) have been revised (version 20) to accommodate elements not applicable to the clinics.

Access to Health Care Services : Service Delivery Platform

Table 26: Number of facilities by level of care 2023/24

Clinics	74
Mobile Clinics	18
CHC/CDC	5
District Hospital	2
Regional Hospital	1
Central/ Tertiary Hospital	1
Specialised Hospitals	2

Key Observations

BCM service platform, 2 District Hospitals are in the Bhisho-KWT Sub-Area with no District Hospital in the Mdantsane and East London Sub-Areas, leading to referrals being directly from a PHC Clinic or CHC facility to a Regional and Tertiary Facility. The 2 Specialised Hospitals are Nkqubela TB Hospital and Newhaven Hospital of which the latter is not gazetted as a result this hospital has been identified as one of the hospitals falling under the Service Optimization Model.

3.1.10 Opening of new East London private hospital – Royal Buffalo Specialist Hospital

Lancet Laboratories officially opened at the Royal Buffalo Specialist Hospital in East London on 4 April 2022. The laboratory is committed to delivering diagnostic excellence and remains at the forefront of innovation in diagnostic services.

The laboratory offers a 24-hour, 7 days a week service for both hospitalised and walk-in patients. Its repertoire of tests includes biochemistry, haematology, microbiology, histopathology, and cytology. As one of SA's leading private pathology laboratories, the service is led by over 120 specialist pathologists with a broad range of expertise, performing in excess of 3 700 separate pathology tests. The pathologist's role is not only to ensure the quality and validity of investigations but also to offer consultative services to physicians, managed healthcare institutions, the occupational health environment, and the insurance and industrial sectors.

Why the hospital was built in Buffalo City

The Royal Buffalo Specialist Hospital (RBSH) was built in response to the increased need of a group of working professionals who can afford private healthcare services and to address the call of the President and/or government for all citizens to have access to healthcare. The hospital has increased the number of beds in BCM, allowing more people to access healthcare services. Furthermore, RBSH aims to retain healthcare specialists in the region and attract those who have scattered across the country and abroad to return home and utilise their expertise to improve our communities and surroundings.

Future Prospects and Expectations

RBSH is planning to extend its services by providing oncology and mental health services.

Table 27: Services

Services Offered		Accident and Emergency
Medical	Cardiology	Open 24 hours
General Surgeon	Gastro Entomology	
Neuro Surgery	Podiatry	Visiting Hours
Adult ICU	Maternity	12h00 - 13h00
Paediatrics	Ophthalmology	19h00 - 20h00
Psychology	Dermatology	
Surgical	Paediatric ICU	Pharmacy Hours
Speech & Hearing Therapy	Social Work	Mondays - Fridays 08h00 - 20h00
Physiotherapy	Occupational Therapy	Saturdays 09h00 - 13h00
Ear Nose and Throat Surgery	Dental Surgery	Sundays 09h00 - 12h00

Services Offered		Accident and Emergency
Psychiatry	Orthopaedic Surgeons	Public Holidays 09h00 - 12h00
Gynaecology/Obstetrics		
Dietetics	Ancillary Services	Number of Beds
Chiropractic	Radiology	150 active beds
Cardiac Coronary Care	Pathology	Maximum capacity of 240 beds
Haematology	Retail Pharmacy	
Urology	Baby Clinic	Cost of Investment
Neo Natal ICU		R520 million

3.1 Education

Education is vital for a country's economic growth and the development of its industries, providing the trained workforce and skilled professionals required.

The education measure represents the highest level of education attained by an individual, using the 15 years and older age category. According to the UN's definition of education, a person is considered an adult when they are 15 years or older. IHS uses this cut-off point to facilitate cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in SA.

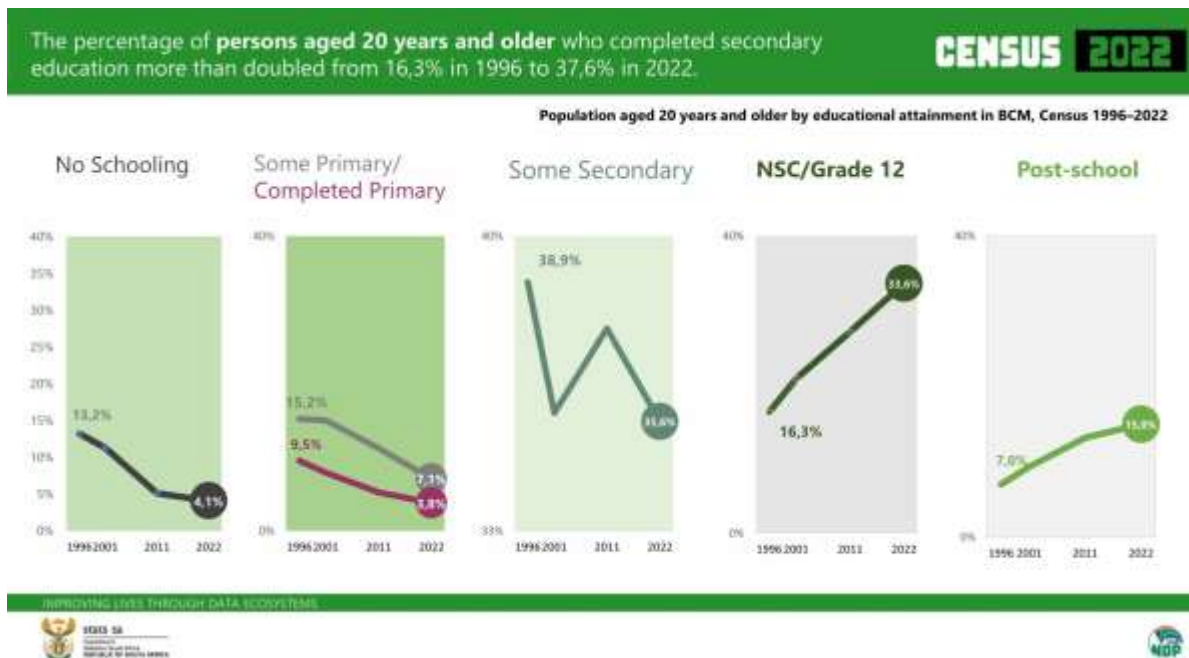


Figure 31: Population aged 20 years and older by educational attainment in BCMM (StatsSA, 2022)

S&P Global (2025) notes that according to the United Nations definition of education, one is an “adult” when 15 years or older, and, therefore, uses this cut-off point to allow for cross-country comparisons. The age of 15 is also the legal

age at which children may leave school in South Africa. The graph below indicates the highest level of education for people aged 15 years and above in Buffalo City Metropolitan Municipality between 2014-2024.

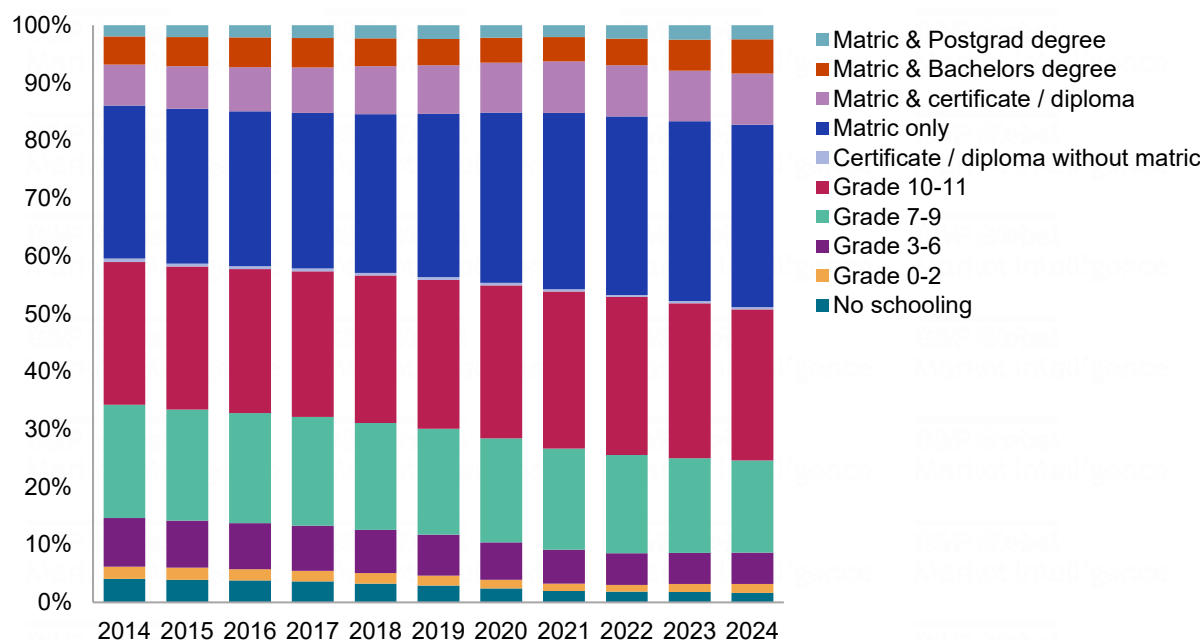


Figure 32: Highest level of education: age 15+ - Buffalo City Metropolitan Municipality, 2014-2024

Source: South Africa Regional eXplorer v2607 (S&P Global).

Between 2014 and 2024, the number of people without any schooling in BCMM decreased at an average annual rate of 7.18%, while the number of people within the 'matric only' category increased from 146,000 to 203,000. The number of people with 'matric and a certificate/diploma' increased at an annual rate of 3.85%. The average annual rate of increase in the number of people with a 'matric and a Bachelor's' was 3.62%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

Table 28: Highest level of education: Age 15+ - Buffalo City, Eastern Cape and Total, 2024

	Buffalo City	Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
No schooling	10,600	162,000	1,430,000	6.6%	0.74%
Grade 0-2	9,920	110,000	452,000	9.0%	2.20%
Grade 3-6	34,800	433,000	2,480,000	8.0%	1.40%
Grade 7-9	102,000	887,000	5,830,000	11.5%	1.75%
Grade 10-11	168,000	1,140,000	10,200,000	14.8%	1.65%

	Buffalo City	Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
Certificate / diploma without matric	2,390	13,600	140,000	17.6%	1.71%
Matric only	203,000	1,100,000	14,200,000	18.4%	1.42%
Matric certificate / diploma	56,800	256,000	3,000,000	22.1%	1.89%
Matric Bachelors degree	38,200	159,000	2,110,000	24.0%	1.81%
Matric Postgrad degree	15,600	67,900	1,040,000	23.0%	1.51%

Source: South Africa Regional eXplorer v2607 (S&P Global, 2025).

The number of people without any schooling in Buffalo City Metropolitan Municipality accounts for 6.55% of the provincial figure for this category and 0.74% nationally. In 2024, the number of people in Buffalo City Metropolitan Municipality with a 'matric only' was 203,000 (18.44% of the Eastern Cape total for this category). The number of people with a matric and a Postgrad degree constitutes 24% of the province's total and 1.81% of the national.

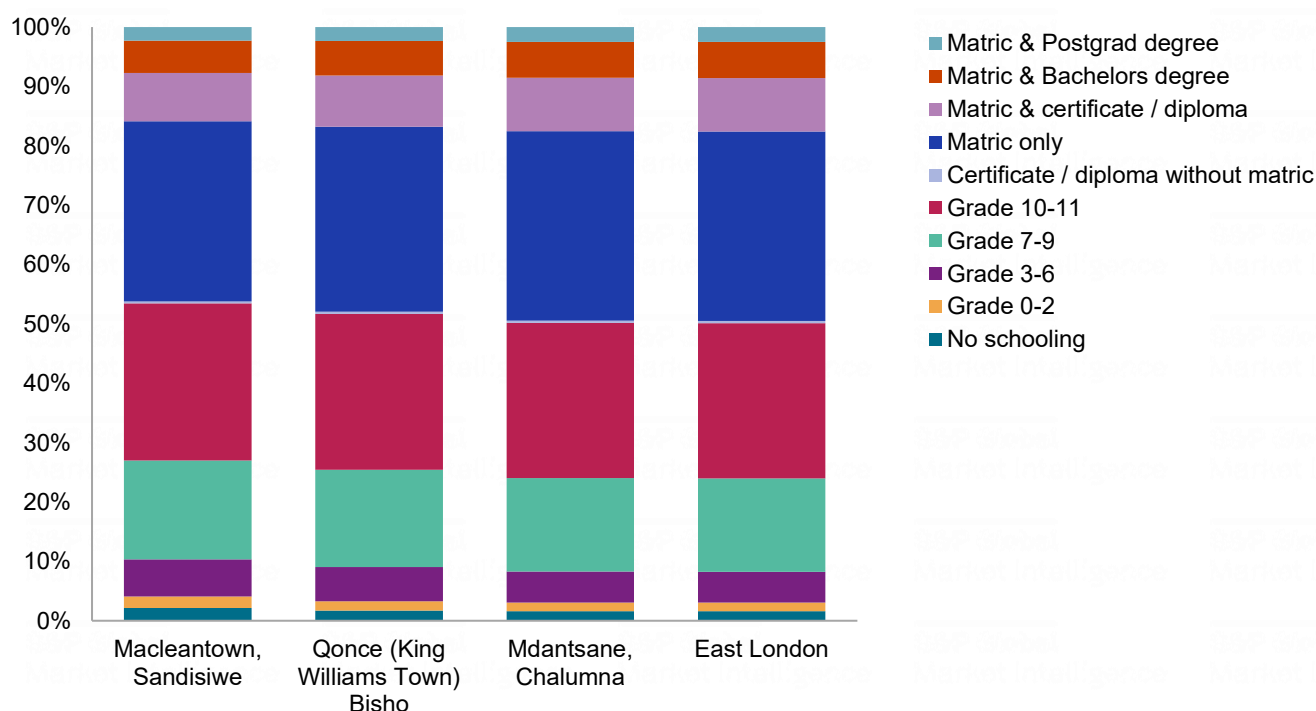


Figure 33: Highest level of education: Age 15+ - Sub-Metro regions of Buffalo City Metropolitan Municipality, 2024

Source: South Africa Regional eXplorer v2607 (S&P Global, 2025).

Functional literacy

Definition: For the purposes of this report, the IHS defines “functional literacy” as the number of people in a region who are 20 years and older and have completed at least their primary education (i.e., Grade 7).

Functional literacy describes the reading and writing skills that are sufficient for an individual to cope with the demands of everyday life, including those in the workplace. This contrasts with illiteracy in the strictest sense, which refers to the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute to economic growth, thereby reducing poverty.

Table 29: Functional literacy: age 20+, completed grade 7 or higher – BCMM, 2014-2024

	Illiterate	Literate	%
2014	83,055	525,376	86.3%
2015	81,926	535,985	86.7%
2016	81,002	546,744	87.1%
2017	79,674	557,462	87.5%
2018	76,410	570,916	88.2%
2019	72,494	586,944	89.0%
2020	65,890	607,390	90.2%
2021	58,532	628,413	91.5%
2022	55,393	645,644	92.1%
2023	56,699	659,680	92.1%
2024	57,991	673,913	92.1%
Average Annual growth			
2014-2024	-3.53%	2.52%	0.64%

Source: South Africa Regional eXplorer v2607

Approximately 674 000 individuals in Buffalo City Metropolitan Municipality were considered functionally literate in 2024, while 58 000 people were considered illiterate. Expressed as a rate, this amounts to 92.08% of the population, which is an increase of 0.057 percentage points since 2014 (86.35%). The number of illiterate individuals decreased on average by 3.53% annually from 2014 to 2024, while the number of functionally literate people increased by 2.52% annually.

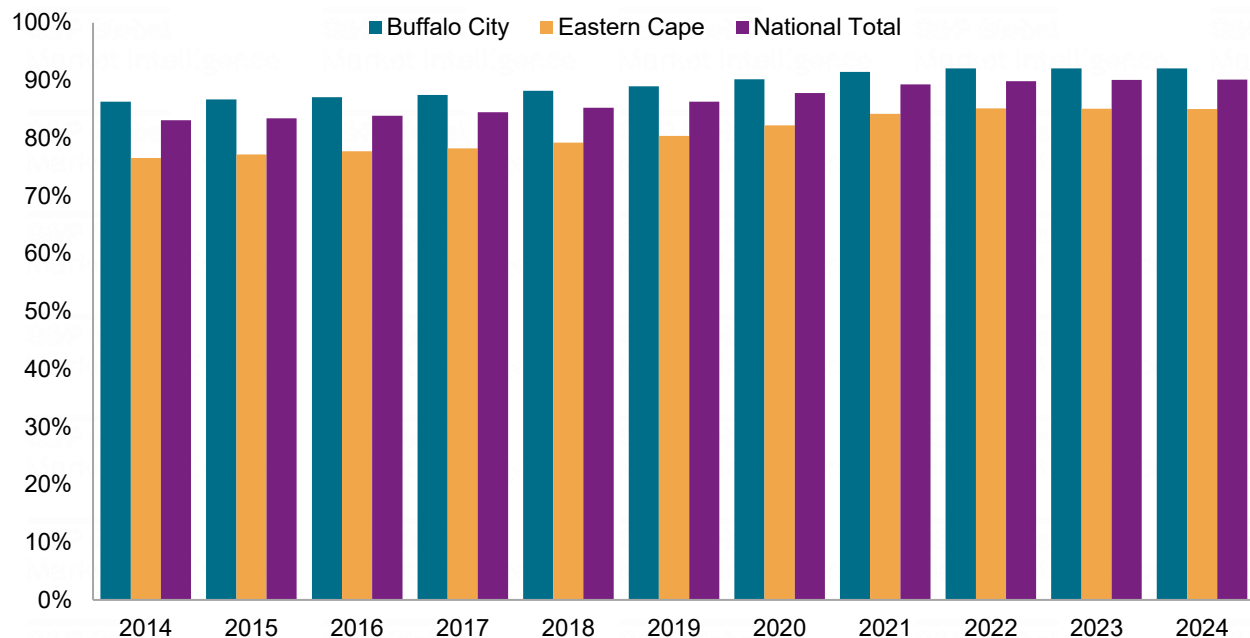


Figure 34: Functional literacy: age 20+, completed grade 7 or higher - Buffalo City, EC,

Source: South Africa Regional eXplorer v2607 (S&P Global, 2025)

Buffalo City Metropolitan Municipality's functional literacy rate of 92.08% in 2024 is higher than that of Eastern Cape, which stands at 85.07%. In comparison to the country as a whole, which has a functional literacy rate of 90.17%, it is evident that BCMM's rate is higher.

A higher literacy rate is often associated with greater levels of urbanisation, where access to schools is less of an issue and where economies of scale can be realised. A spatial breakdown of literacy rates in SA indicates that districts with larger cities typically have higher literacy rates.

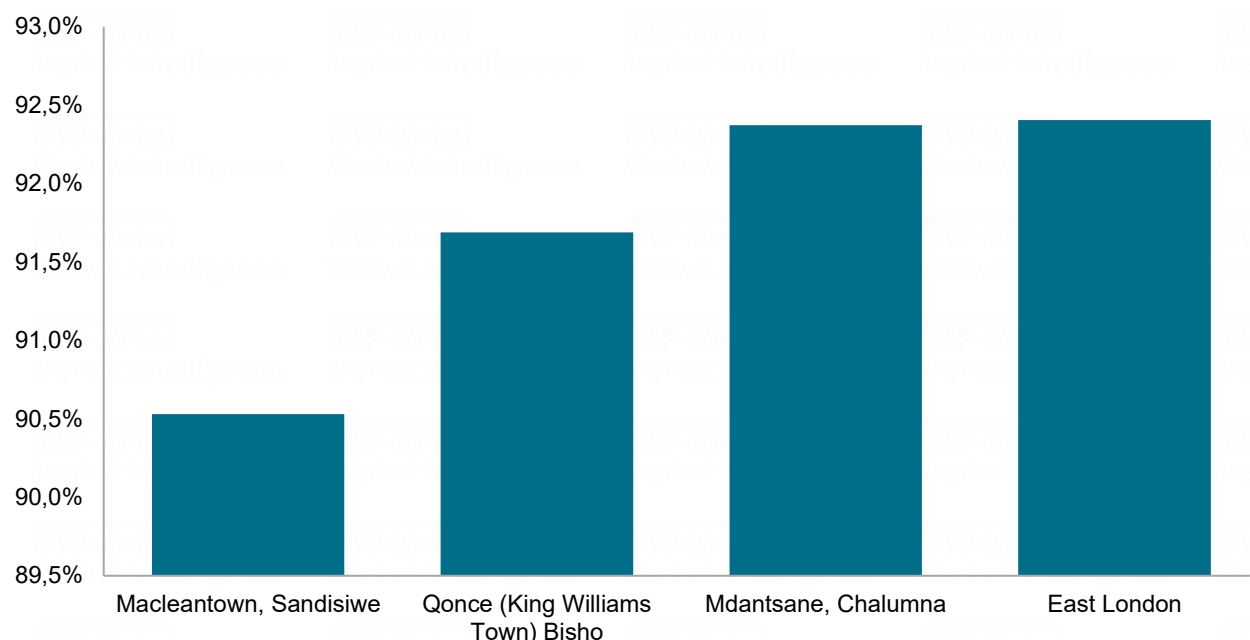


Figure 35: Literacy rate - Sub-metro regions and the rest of BCMM, 2024

Source: South Africa Regional eXplorer v2607.

In terms of the literacy rates for each of the regions within the BCMM, the East London Sub-metro Region had the highest literacy rate at 92,2%. In contrast, the lowest literacy rate was observed in the Macleantown area of the Sandisiwe Sub-metro Region, with a total of 90,4%.

3.2 Crime

The state of crime in SA has been the subject of numerous media articles and papers in recent years. While many acknowledge that the country has a crime problem, very little research has been conducted on the relative level of crime. The media often focus on negative or sensational information, while the progress made in combating crime is frequently overlooked.

IHS Composite Crime Index

The IHS Composite Crime Index utilises official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These categories are divided into two groups based on the nature of the crime: violent crimes and property crimes. IHS employs (a) Length-of-sentence and (b) Cost-of-crime to assign a weight to each category.

3.2.1 Overall crime index

Definition: The crime index is a composite, weighted index that measures crime. The higher the index number, the greater the level of crime for that specific year in a particular region. The index is most effectively used by examining changes over time or comparing crime levels across regions.

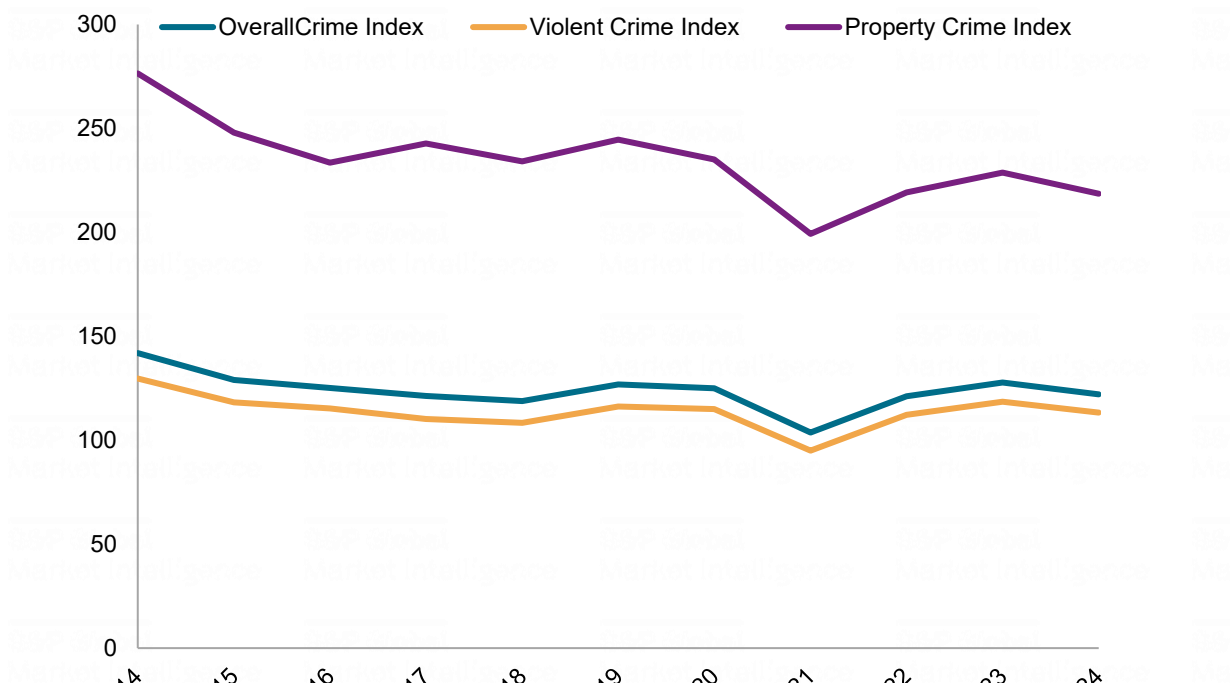


Figure 36: IHS Crime Index - Calendar years (weighted avg /100 000 people) - BCMM, 2013/14–2023/24 [Index value]

Source: South Africa Regional eXplorer v2607 (S&P Global, 2025).

For the period from 2013/14 to 2023/24, overall crime has decreased at an average annual rate of 1,50% within the Municipality. Violent crime decreased by 1,35% since 2013/14, while property crimes decreased by 2,25% between the 2013/14 and 2023/24 financial years.

Table 30: Overall crime index - BCMM and the rest of the EC, 2013/14–2023/24

	Buffalo City	Nelson Mandela Bay	Sarah Baartman	Amatole	Chris Hani	Joe Gqabi	O.R.Tambo	Alfred Nzo
2013/2014	141.93	153.95	166.02	101.48	82.96	95.19	69.46	56.75
2014/2015	129.02	140.03	165.18	97.30	84.74	93.83	59.63	54.95
2015/2016	125.14	133.71	162.74	99.25	81.59	97.87	56.83	52.06
2016/2017	121.27	129.51	154.13	93.54	83.86	96.63	56.11	47.95
2017/2018	118.86	124.81	147.06	93.02	84.76	96.20	58.62	51.37
2018/2019	126.92	126.57	153.51	93.97	85.63	94.05	63.52	48.99
2019/2020	124.99	126.98	147.80	91.87	87.76	87.28	62.40	48.87
2020/2021	103.71	100.88	123.97	80.23	83.71	80.48	56.60	45.30
2021/2022	121.17	107.80	133.05	90.33	90.67	91.09	63.87	50.84
2022/2023	127.71	117.72	143.59	95.79	97.84	95.32	67.86	49.49
2023/2024	122.01	115.15	137.56	96.30	98.43	98.35	68.67	47.92
Average Annual growth								
2013/2014-2023/2024	-1.50%	-2.86%	-1.86%	-0.52%	1.72%	0.33%	-0.11%	-1.68%

Source: South Africa Regional eXplorer v2607 (S&P Global, 2025).

In 2023/24, the Sarah Baartman District Municipality (SBDM) recorded the highest overall crime rate among the sub-regions of the EC Province, with an index value of 138. BCMM follows with the second highest overall crime index at 122, while Nelson Mandela Bay Metropolitan Municipality (NMBMM) has the third highest overall crime index of 115. O. R. Tambo District Municipality (ORTDM) has the second lowest overall crime index at 68,7, and Alfred Nzo District Municipality has the lowest overall crime rate of 47,9. The region that experienced the most significant decrease in overall crime since 2013/14 was NMBMM, with an average annual decrease of 2,9%, followed by SBDM, which saw an average annual decrease of 1,9%.

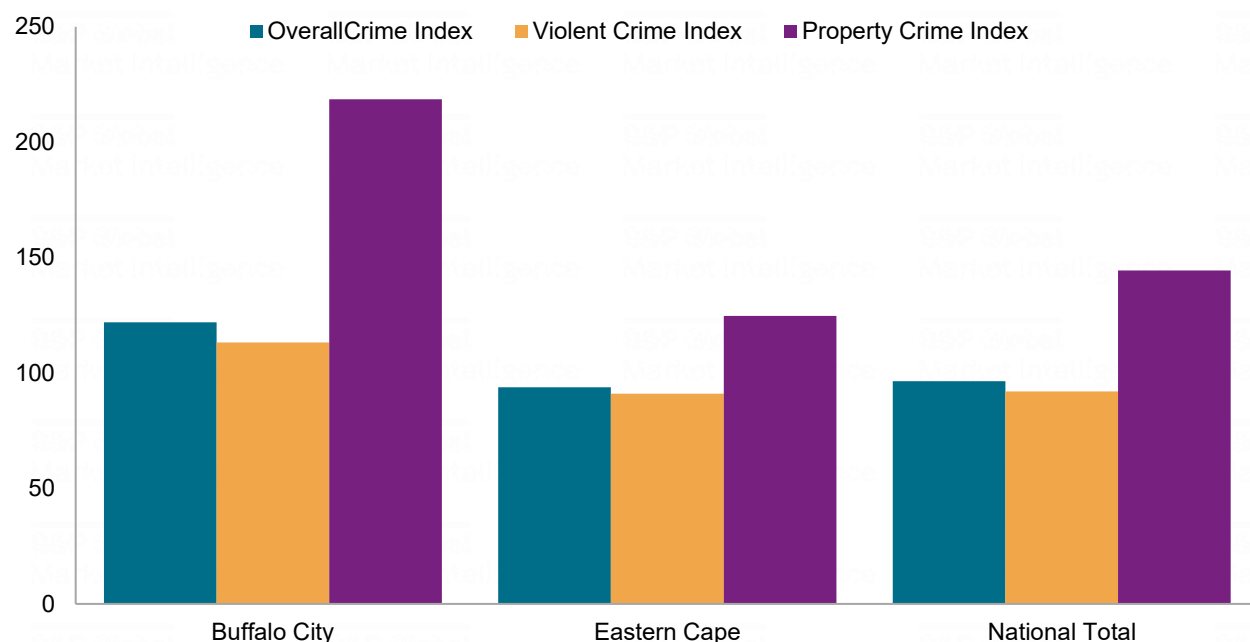


Figure 37: IHS Crime Index - calendar years (weighted avg / 100,000 people) - Buffalo City, EC, and National Total, 2023/2024 [Index value]

Source: South Africa Regional eXplorer v2607 (S&P Global).

From the chart above, it is evident that property crime is a major problem across all regions compared to violent crime.

BCMM consists of three regions: Inland (Qonce), Midland (Mdantsane), and Coastal (East London). There are 31 police stations within the Metro. Crime hotspots are:

Table 31: BCMM crime hot spots

	HOT SPOT AREAS	NATURE OF CRIME
Inland	Mlungisi Township	Assault and Murder
	Farns and Township rural	Theft
	Dimbaza	Robbery and Murder
Midland	Mdantsane N.U 1 -Taxi Rank	Common Robbery
	Nyibiba N.U 14	Rape cases
	Vulindlela	House breaking
Coastal	CBD Streets: Caxton Street, Union Street, Terminus Street, Buffalo Street	Theft of motors
	Southernwood	Common robbery and house breaking in the flats.
	Quigney: Moore Street, Currie Street	Human trafficking and Drugs
	St Paul's Road	Human and drug trafficking; market for stolen goods
	Duncan Village: C-Section	House break-ins, murder and common robbery
	Mzamomhle	Common Robbery

3.2.2 Crime Trends in Buffalo City Metropolitan Municipality (2020-2024)

Buffalo City Metropolitan Municipality (BCMM) has experienced a concerning rise in violent crime over the five-year period from 2020 to 2024. **Total contact crimes** increased by 26.4%. **Murder rates** showed an alarming 39% increase, rising from 309 cases in 2020 to 428 in 2024. **Assault cases** are the most concerning with **assault GBH** rising by 38% and **common assault** increased by 44%. **Sexual offences** increased by 12%” and although this reflects a less dramatic trend than other violent crime categories, it nevertheless represents significant trauma for local women. **Attempted murder** showed one of the steepest increases at 47% reinforcing the trend in violence.

In contrast to violent crime, **property-related crimes** showed relative stability with a marginal decrease of 0.7% over the five-year period. However, this masks significant variation between different property crime categories. **Burglary at non-residential premises** decreased substantially by 18%, representing a positive trend for business security. **Burglary at residential premises however** increased by 3.2%, suggesting a shift in criminal focus toward residential targets.

Vehicle-related crimes showed slight increases, with **theft of motor vehicles** up by 3.4% and **theft from motor vehicles** growing by 5.0%. This pattern diverges from provincial trends, where vehicle-related crimes generally decreased. **Stock theft** decreased by 13.4%, representing an improvement in rural areas within the BCM.

One of the most significant developments in Buffalo City seems to be the substantial improvement in police effectiveness, as measured by **crimes detected as a result of police action**. This category increased by 64.0% over the five-year period, a reflection of greater police operations. **Drug-related crime** detection increased by 59%. Similarly, the clamping down on **driving under the influence** cases rose dramatically by 79%. Critical to reducing violence – the detection of **illegal possession of firearms and ammunition** increased by 42.4% a very encouraging trend in BCM.

Kidnapping showed an alarming increase of 173.4%, rising from 64 cases in 2020 to 175 in 2024. This represents the largest percentage increase across all crime categories and indicates a troubling new criminal trend in the metropolitan area. **Commercial crime** increased by 38%, suggesting growing sophistication in criminal operations and reflecting broader economic challenges

Buffalo City Annual Crime Totals (2020-2024) Based on Q4 2023-24 – Q3 202425)							
Crime Category	2020	2021	2022	2023	2024	Change 2020-2024	% Change
Contact Crimes							
Murder	309	418	516	506	428	119	+38.5%
Sexual offences	1,077	1,250	1,265	1,203	1,205	128	+11.9%
Attempted murder	169	233	257	232	248	79	+46.7%
Assault with intent to inflict GBH	3,681	4,202	4,668	4,619	5,074	1,393	+37.8%
Common assault	1,857	2,194	2,385	2,358	2,667	810	+43.6%
Common robbery	717	610	687	679	687	-30	-4.2%
Robbery with aggravating circumstances	1,981	2,061	2,354	2,077	2,069	88	+4.4%

Buffalo City Annual Crime Totals (2020-2024) Based on Q4 2023-24 – Q3 2024(25)							
Crime Category	2020	2021	2022	2023	2024	Change 2020-2024	% Change
Total Contact Crimes	9,791	10,968	12,132	11,674	12,378	2,587	+26.4%
Contact-related Crimes	2,233	2,551	2,738	2,448	2,484	251	+11.2%
Property-related Crimes							
Burglary at non-residential premises	1,38	1,262	1,496	1,344	1,137	-243	-17.6%
Burglary at residential premises	3,968	3,894	4,482	4,179	4,096	128	+3.2%
Theft of motor vehicle and motorcycle	262	288	355	253	271	9	+3.4%
Theft out of or from motor vehicle	2,018	2,025	2,446	2,378	2,119	101	+5.0%
Stock-theft	374	303	345	359	324	-50	-13.4%
Total Property-related Crimes	8,002	7,772	9,124	8,513	7,947	-55	-0.7%
Other Serious Crimes							
All theft not mentioned elsewhere	4,677	4,978	5,498	5,047	4,776	99	+2.1%
Commercial crime	2,051	2,535	2,454	2,654	2,822	771	+37.6%
Shoplifting	807	680	764	914	700	-107	-13.3%
Total Other Serious Crimes	7,535	8,193	8,716	8,615	8,298	763	+10.1%
Total Community-reported Serious Crimes	27,561	29,484	32,71	31,25	31,107	3,546	+12.9%
Crimes Detected as a Result of Police Action							
Illegal possession of firearms and ammunition	132	149	160	218	188	56	+42.4%
Drug-related crime	970	778	957	1,346	1,537	567	+58.5%
Driving under the influence of alcohol or drugs	570	475	688	721	1,018	448	+78.6%
Sexual offences detected as a result of police action	3	6	2	3	4	1	+33.3%
Total Crimes Detected as a Result of Police Action	1,675	1,408	1,807	2,288	2,747	1,072	+64.0%
Kidnapping	64	101	143	146	175	111	+173.4%

4. GOVERNANCE AND FINANCE DEVELOPMENT PROFILE

4.1 BCMM Governance Profile

4.1.1 Municipal Functions

Table 32: Municipal functions of BCMM

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	
Childcare 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 wastewater 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	
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	
Licencing of dogs	Y	
Licencing and control of undertakings that sell food to the public	Y	
Local amenities	Y	
Local sport facilities	Y	

MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY (YES/NO)*	FUNCTIONS APPLICABLE TO THE ENTITY (BCMDA)
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	

Intergovernmental Relations

The purpose of a system of intergovernmental relations for BCMM is to promote cooperative decision-making, ensure the execution of policies through effective communication, coordinate priorities and budgets across different sectors, and prevent disputes and conflicts between spheres of government.

In May 2014, the BCMM's Intergovernmental Relations Forum (IGRF) was launched in accordance with the Intergovernmental Relations Framework Act, No. 13 of 2005, which is outlined in Chapter 3 of the South African Constitution, 1996 and sets forth the basic principles and values of cooperative government and IGR. Section 41 of the Constitution requires an Act of Parliament to:

- a) Establish and provide structures and institutions to promote and facilitate intergovernmental relations; and
- b) Provide appropriate mechanisms and procedures to facilitate the settlement of intergovernmental relations.

Subsequently, the Intergovernmental Relations Framework Act (No. 13 of 2005) was enacted. The objective of the Act is "to facilitate coordination by the three spheres of Government, i.e., National, Provincial and Local Governments, in the implementation of policy and legislation".

The IGR Framework Act outlines the general principles and objectives of intergovernmental relations, primarily focusing on the outcomes that the system must achieve:

- Coherent government
- Effective provision of services
- Monitoring implementation of policy and legislation
- Realisation of national priorities.

The South African system of IGR is complex and continues to evolve as improved modes of cooperation and coordination emerge, and as functions are shifted between the spheres.

The following key elements and principles underpin the intergovernmental relations system:

- Accountability

- Transparency and governance
- Mutual support
- Redistribution
- Vertical division
- Revenue sharing
- Broadened access to services
- Responsibility over budgets

The intergovernmental system relies on well-coordinated policy, planning, budgeting, implementation, and reporting. This is essential both within and between spheres and is facilitated through technical, executive, and legislative consultative forums.

Regarding the BCMM IGR Framework, BCMM has established the following IGR Structures, which serve as mechanisms to enable engagement, alignment, integration, coordination, consultation, prioritisation, and focus:

- BCMM Political IGR Forum
- BCMM Technical IGR Committee
- BCMM IGR Core Group
- BCMM IGR Political Roundtable (New)
- BCMM IGR Technical Roundtable

The main purpose of the BCMM IGR Structures is to:

- Improve integrated planning with other spheres and agencies of government.
- Engage sector departments on issues and projects that are cross-cutting with BCMM.
- Jointly resolve challenges faced within wards that are not part of BCMM functions.

The structures are chaired by political and administrative representatives who meet as per the IGR Calendar.

Table 33: BCMM IGR structures and calendar

Structure	Responsible	Responsibility	Meetings
BCMM Political IGR Forum	Chaired by the Deputy Executive Mayor, with representation from the Mayoral Committee, City Manager, HODs, Sector Departments, parastatals, and SOEs.	Facilitates IGR within the local municipality, among provincial and national government departments, and with SOEs within BCMM. The main objective of the BCMM IGR Forum is to enhance integrated development and address priorities that require intervention in the Metro.	Two meetings per year
BCMM Technical IGR Forum	Chaired by the City Manager or his nominee, with representation from HoDs, municipal officials, parastatals, SOEs, and	The functions of the technical support structure include: • Providing technical support and advice to the BCMM IGRF.	Two meetings per year

Structure	Responsible	Responsibility	Meetings
	agencies across all three spheres.	- Ensuring the implementation of the decisions made by the BCMM IGRF. - Reporting on progress in implementing the priorities and programmes determined by the BCMM IGRF. - Designing integrated programmes for policy implementation with clear timeframes. - Performing duties as delegated by the BCMM IGRF.	
BCMM Core Group	Chaired by the HoD: Executive Support Services (ESS), this structure comprises BCMM, COGTA, OTP, the South African Local Government Association (SALGA), and Treasury.	This structure examines issues of governance, including new policies, programmes, or projects that impact IGR.	As and when required
BCMM Political Roundtable	Chaired by the Deputy Executive Mayor, it includes representation from members of the Mayoral Committee, the City Manager, HoDs, sector departments, parastatals, and SOEs.	This IGR political structure addresses outstanding and urgent matters that require political intervention between the BCMM and other spheres, necessitating one-on-one engagement.	Two meetings per year
BCMM Technical Roundtable	Chaired by the HoD: ESS, with representatives from HoDs, municipal officials, parastatals, SOEs, and agencies from all three spheres.	Discusses and finds solutions raised at the IGRF in preparation for the IGR political roundtable.	Two meetings per year
Three Sphere Engagements	Chaired by the City Manager, with representatives from HoDs, municipal officials, parastatals, SOEs, and agencies from all three spheres.	Enables input on projects, budgets, and commitments from other spheres within the BCMM jurisdiction into the IDP and One Plan.	Two meetings per year

The BCMM political and technical IGR sessions have been successfully held with representation from all three spheres of government. However, the COVID-19 pandemic negatively impacted the hosting of meetings. In light of the pandemic, from August 2020 to date, BCMM has conducted 95% of all its meetings on the virtual Microsoft Teams platform.

In 2021, BCMM recognised the need to review the IGR Framework and the Terms of Reference due to:

- Provincial IGR Framework Review
- IGR Framework Act 2005 Review
- Introduction of the DDM and One Plan
- To include BCMM's current structures and processes that were not part of the 2013 BCMM IGR Framework

The review was also necessary for the following reasons:

- The need for BCMM not merely to comply, but to seek innovative ways to make IGR work;
- Room for improvement in IGR coordination across BCMM and in the other two spheres;
- To ensure that the IGR Forum is more functional with tangible, measurable outputs for achieving key strategic outcomes for BCMM;
- To ensure IGR is cross-cutting so that BCMM becomes more efficient and effective;
- The need for more alignment with the IDP, Provincial Growth and Development Plan (PGDP), and NDP; and
- To ensure a more realistic and credible IDP and One Plan.

District Development Model and One Plan

In July 2019, the President officially launched the DDM in the OR Tambo District. All spheres of government are required to embrace the model and facilitate its implementation to improve joint planning, increase implementation, and enhance service delivery. The President proposed the “One Plan” of government or the DDM as the best approach to integrate planning, budgeting, implementation, and monitoring across all government spheres.

The BCMM One Plan has, through various internal and external IGR, IDP, and Council engagements, reached the final stages of the Fifth-Generation One Plan development. The IGR core group, comprising BCMM's IGR, IDP, and EPMO units, together with the Office of the Premier, COGTA, and Provincial Treasury, has been working jointly on the One Plan for BCMM since January 2020.

A number of participatory IGR sessions on the DDM and the One Plan, involving BCMM, OTP, COGTA, Provincial Treasury, and the EC Socio-Economic Consultative Council (ECSECC), were held, and a gap analysis assessment was undertaken by ECSECC. BCMM's Political and Technical IGR Committees facilitated several DDM/One Plan consultative processes to enable input from all three spheres into the plan and to finalise it by the deadline of 31 August 2021.

In 2024, BCMM continues to strengthen the input of projects, budgets, and commitments from other spheres for a more informed and integrated IDP and One Plan.

International Relations

In the international space, the COVID-19 pandemic has highlighted a wide range of challenges faced by municipalities. The closure of borders negatively impacted BCMM's international relations. Many project meetings had to be postponed or convened on virtual platforms. Fortunately, BCMM did not tackle the challenges of the pandemic single-handedly; it worked alongside international partners who provided substantial support.

BCMM International Relations Economic Recovery Webinar

Taking into consideration the South African Economic and Recovery Plan, as well as broader issues currently facing the BCMM, an International Relations webinar was held with potential donors, experts, and strategic provincial and national government departments to explore the funding opportunities available for BCMM to harness in the long-term economic recovery process.

COVID-19 delivered a severe shock to urban economies and exacerbated existing structural challenges. However, it has also been seen as a silver lining, offering cities an opportunity to rethink their economic models, address long-standing structural issues, and build more inclusive, resilient, and sustainable economies. BCMM was urged to understand its unique comparative advantages and economic growth drivers, as well as its specific challenges, in order to develop a shared vision and long-term growth and development strategies with all its stakeholders.

Donations

The local communities and public health care facilities of BCMM have faced unprecedented challenges and pressures during this period, increasingly turning to local government for support and guidance. However, BCMM lacks sufficient budget allocations for crisis management or the direct provision of personal protective equipment to public health facilities. In response, the BCMM International Relations Unit mobilised personal protective equipment resources through its international partner cities in China and Germany.

The International Relations Unit's efforts to engage with Chinese and German partners to support BCMM's fight against the pandemic by donating personal protective equipment to the Metro were backed by the Office of the Executive Mayor. The request was favourably received by Chinese and German counterparts, although the respective cities were also battling the pandemic.

The donations from the respective cities to date have been as follows:

Table 34: Personal Protective Equipment donations by international partners

City	Donation	Value
BCMM local Chinese Community	4 000 three ply masks	R120 000
BCMM local Chinese Community	Donation of 135 Food parcels to orphanages	R45 000
City of Jinhua, China	20 000 three ply masks	R600 000
City Jinhua China	30 000 FFP2 masks,	R1 500 000
City of Oldenburg, Germany	2 000 single ply masks	R50 000
Value		R2 315 000

BCMM also received three-ply masks and food parcels donated by the local Chinese community. These were handed over to the following orphanages through the Office of the Executive Mayor:

- Masizakhe Child and Youth Care Centre – Mdantsane
- God's Heart Desire Children's Home – Fort Jackson
- Qonce Orphanage

Beneficiaries

BCMM also donated the 20 000 three-ply masks received from the City of Jinhua in China to the Department of Health in the EC province to aid in the fight against the pandemic.

During the second wave of the pandemic, BCMM received a second donation from the City of Jinhua. In December 2020, BCMM sent a formal request to Jinhua for further assistance, and they responded by donating a total of 30 000 masks, along with 20 000 gloves and 990 items of protective clothing.

The Bhisho Hospital, Grey Hospital, Frere Hospital, Cecilia Makiwane Hospital, and Nqubela TB Hospital in Mdantsane were provided with 5 000 masks, 3 000 gloves, and 180 items of personal protective clothing through the Office of the Executive Mayor.

Cooperation with City of Oldenburg in Germany

“Save water Campaign”

BCMM's Water and Sanitation Department has been collaborating with the City of Oldenburg's Water Authority (OOWV) on a “Save the Water Campaign” during 2020/21.

The project successfully concluded at the end of 2021, featuring promotional material such as posters and radio announcements, as well as a local rap group that produced a rap song and video on saving water. These resources were utilised in the campaign to encourage communities to conserve water.

New water project – cooperation of water operators

BCMM, OOWV, and a new water operator in Germany, Wupperverband, will cooperate from 2022 to 2023 on a project aimed at strengthening the capacity of local municipal water and sanitation systems to manage and ensure a stable and reliable water supply for local communities and residents. Commencing in February 2022, the project includes exchanges in both SA and Germany to develop the project concept, share lessons learnt, identify best practices, create action plans, and conduct research.

The health risks posed by COVID-19, along with safety and security risks stemming from the war between Russia and Ukraine, are negatively impacting countries across the globe. This is leading to global economic downturns, with nations concerned about their investments. As a result, BCMM requires a new approach to international relations. Therefore, in April 2022, BCMM aims to review its International Relations Framework and consider new methods of cooperation with partners abroad.

4.1.2 Summary of community developmental issues and priorities

While still facing a barrage of challenges, BCMM has made satisfactory progress in implementing the 2021/2026 five-year IDP and is planning to accelerate the pace of service delivery progressively.

The Table below presents a summary of the Ward Priorities raised by communities during the 2025/2026 IDP Review:

Table 35: Summary of Ward Priorities

NO.	NEEDS	NO. OF ISSUES	WARDS
1.	Municipal Roads & Transport Infrastructure	39	1,2, 3, 4, 5, 8, 9, 10, 13, 14, 16, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 36, 37, 39, 41, 42, 43, 44, 45, 46, 47, 48
2.	Public Amenities (Community Halls, Libraries, Youth Centres, Clinics, Satellite Police stations, sport fields)	37	1, 3, 5, 6, 7, 8, 9, 10, 11, 14, 16, 17, 20, 21, 22, 23, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 42, 43, 44, 46, 48
3.	Housing	30	2, 4, 5, 6, 8, 9, 10, 11, 13, 14, 15, 17, 20, 22, 24, 25, 26, 27, 33, 35 37, 38, 39, 41, 42, 44, 45, 46, 47
4.	Electricity	27	2, 4, 5, 6, 7, 8, 10, 11, 13, 14, 15, 16, 17, 19, 20, 23, 24, 26, 28, 31, 33, 35, 38, 43, 45, 48, 49
5.	Parks, Open Spaces, Cemeteries	20	1, 3, 7, 8, 12, 13, 14, 19, 21, 24, 27, 29, 30, 36, 37, 40, 45, 46, 47, 48
6.	Water	16	6, 15, 18, 22, 24, 26, 28, 33, 34, 35, 36, 38, 39, 40, 43, 44,
7.	Sanitation	14	2, 6, 12, 15, 17, 18, 23, 28, 29, 33, 34, 35, 38, 47
8.	Economic, Safety and Environmental	11	2, 4, 9, 11, 18, 32, 34, 35, 36, 40, 41
9.	Ailing Infrastructure	5	2, 28, 29, 46, 47
10.	Billing and Revenue	4	21,23, 42, 43
11.	Spatial Planning and Land	4	12, 27, 30, 45

The **TOP FIVE** development and service delivery priorities as identified by residents of Buffalo City during the IDP Review are:

1. Municipal Roads & Transport Infrastructure – Rural residents are very concerned about the condition of rural access roads and the overall maintenance of roads across the City.

2. Public Amenities – Communities, especially those in more rural settings, have requested more community halls, libraries, youth centres, clinics, satellite police stations, sports fields, and other public amenities that will improve their quality of life and ensure better universal access to services from all three spheres of government.

3. Housing - We are building and developing human settlements in the wards of the Midlands Region. We are faced with challenges related to the illegal invasion of incomplete housing units, but we are assisted by the law enforcement unit to remove people who occupy houses that do not belong to them.

4. Electricity – Here, the main requests centre around the electrification of informal settlements and lighting in ESKOM-supplied areas.

5. Parks, Open Spaces, Cemeteries – These issues are commonly associated with other social ills that our communities are combating, particularly criminal activity, drug and substance abuse, vandalism of municipal property, illegal dumping, and other scourges.

Multi-Sectoral Intergovernmental Matters

The following multi-sectoral intergovernmental matters have been identified by the public and form part of the agenda for discussions between BCMM and the relevant spheres at the specified IGR platforms created for such engagements:

Table 36: Multi-sectoral Intergovernmental Matters

ISSUES THAT CUT ACROSS GOVERNMENT SPHERES OR RESIDE UNDER THE FUNCTIONS OF A GOVERNMENT ENTITY AT PROVINCIAL OR NATIONAL LEVEL		
SPORT		
Sport - Boxing	Installation of a boxing ring in a community hall.	31
ROADS		
Access Road	There was no road leading to the grazing land next to Kiwane; a request was made for an access road to be constructed.	32
Roads	Request for road construction from Gwizi to Nxamkwan. Cars have been damaged due to the poor condition of the roads.	24
Roads	Twecu Village sought clarity regarding the construction of a tarred road between Jojweni and Kei Bridge; the project had not yet been implemented, despite being promised in previous years.	32, Twecu
Roads	Maintenance of roads from Airport Park and Ntente on the R72 towards Buffalo Pass is required, as the roads are in a poor state and need to be reconstructed.	31
Bridge	Bridge requested from eQonce to Zinyoka; the road is submerged during heavy rains, forcing taxis to use alternative routes to access the area.	35
Bridges	2 bridges in Peulton are not mentioned.	43
Roads	The DR26 road is in a bad state; taxis refuse to use it.	26
Pavements	Road pavements to be constructed for schoolchildren.	49
DESTITUTE HOUSES AND HOUSES NEEDING RECTIFICATION		
Rectification of houses	Rectification of houses in Phola Park: houses were built in 1999, and only 50 have been rectified.	34
Destitute houses	Ndayi area: Houses that were promised but have not yet been built.	24
DAMS		
Maiden dam	Dam project has not commenced.	38
Dams	2 dams will be closed at Eluxolweni as they cause mosquito infestation.	17
POLICE SERVICES		
Mobile police station		24
Police station	Satellite police station requested, as the main one is at Lloyd.	10
Satellite police station	Two police stations serve the areas of Kidds Beach and Fleet Street, and crime continues to be a challenge. A request has been made for a mobile police station.	31
Sport development	Develop the sports fields at Tsholomnqa.	32
SMME SUPPORT AND ENTREPRENEURSHIP		
Youth development	NYDA to assist in rural areas.	31
Employment	Deforesting Longumsobomvu, which was previously used by soldiers, will create jobs. Develop the ward by generating employment.	35
NYDA	Requests made for programme of action.	38
Job creation	Provision of employment opportunities for youth with no educational qualifications.	6
Youth empowerment	Application processes at NYDA will be expedited to assist businesses.	14
SMME's	Not considered for projects in the ward.	21
LIBRARIES AND INFORMATION CENTRES		
Library	Request made: even if it is a mini-library, as children currently have to travel to town for research and other school projects.	41
Information Centre/Library	Request made for an information centre or library to be constructed.	49

ISSUES THAT CUT ACROSS GOVERNMENT SPHERES OR RESIDE UNDER THE FUNCTIONS OF A GOVERNMENT ENTITY AT PROVINCIAL OR NATIONAL LEVEL

Library		5
Library		5 (Scenery Park)
SOCIAL DEVELOPMENT		
Youth centre	Request made for Youth Centre at Nkqonkweni.	45
Youth	Request for youth to be provided with learnerships and for a youth centre to be built for their activities.	49
Youth Development	Youth skills programmes, namely: soft skills, computer skills, mentorship skills, and data analysis skills, should be complemented by hard skills such as bricklaying and artisan training. Educational requirements should start from below Grade 12 to ensure that all residents can benefit.	2
Social workers	A concern has been raised regarding the sexual abuse of young girls and boys who were recruited to sell drugs. Additionally, there is a request for Social Workers to be deployed to communities.	2
Social workers		8
Social workers	Social development representatives should move around the ward due to issues with drug addicts and rape.	13
Social workers	A community member raised a concern about children being raped and residents using drugs, and requested that social workers be available to make rounds.	15
Social workers	A concern has been raised regarding the sexual abuse of young girls and boys who have been recruited to sell drugs. A resident requested that social workers be deployed to communities for easier access.	2, 8, 13, 15
EDUCATION, SKILLS DEVELOPMENT AND TRAINING		
School and scholar transport	No school in the village; children have to travel long distances as the school is in Village 3.	31
Disaster damaged school	Twecu made a request for the maintenance of Jim Vabaza High School, which had collapsed due to stormy weather.	33
School	Request for a school in Sweetwaters, as children have to travel to Zwelitsha.	44, Sweetwaters
School		45
Learnerships	Learnership opportunities that accommodate residents with Grade 12.	27
Skills development	NU 5: Old buildings that can be utilised for skills development. School dropouts.	11
Skills development	Request drivers' licences and computer skills.	23
Skills development	Forums were formed to develop people in the ward. Additionally, as there are wine-making skills in the ward, the Municipality was requested to consider these skills.	24
Schools	No schools in the ward; children have to travel to other areas.	24
Scholar transport	MaBungalweni residents.	
Skills development	Request drivers' licences and computer skills.	23
Youth Development	Youth skills programmes; namely: soft skills, computer skills, mentorship skills, and data analysis skills. A resident added that hard skills, such as bricklaying and artisan training, should also be provided. Additionally, the education requirement should start from below Grade 12 to ensure that all residents can benefit.	2
Learnerships	Learnership opportunities that accommodate residents with Grade 12.	27
CLINICS		
Clinic/mobile clinic	2 areas serviced by only 2 clinics. At least the provision of a mobile clinic should be made.	31

ISSUES THAT CUT ACROSS GOVERNMENT SPHERES OR RESIDE UNDER THE FUNCTIONS OF A GOVERNMENT ENTITY AT PROVINCIAL OR NATIONAL LEVEL

Clinic	For Nkqonkweni: in Tshabo, there is a high school that has been closed. A request has been made for the site to be restructured as a clinic.	45
Mobile clinic		3, Southernwood
Clinic		28 (Mzamomhle)
Clinic	Requested at eLuxolweni.	17
Clinic		24
School, Clinic	Macleantown: No school and no clinic	26
Clinic	NU 9: There is a shortage of nurses in the clinic(s).	30
Mobile clinic	Requested for Mabungalow, as none are reaching the area.	42
Clinic	Shortage of staff, as the NU 8 clinic caters to three areas (NU 8, NU 10, and NU 12).	48
Clinic/mobile clinic	20 areas serviced by only two clinics. A request has been made for at least one mobile clinic.	31
Clinic/mobile clinic		3
LAND AND AGRICULTURE		
Rural development plan	The programme of action is unclear.	31
Land transfer from Bongweni to Ntenti	Sort out the issue of land, ensuring that it is owned by the people.	31
Fencing of communal land	Request made for the fencing of communal land.	31
Land and Agriculture	Request made for cultivable land.	31
Dipping Tank	Phozi village: request made for a dipping tank.	32
Fencing of fields	Fencing of fields at Phozi	32
Dipping tank	Request for installation of dipping tank in the Cwecweni area.	32, Cwecweni
Land to build houses	Land to be identified at Phola Park for building houses.	34, Phola park
Land availability	Availability of land for Nompumelelo residents – Phase 2.	15
Dipping tanks	Request for old dipping sites in rural areas to be refurbished.	50
Land	Land occupied by residents is privately-owned.	17
Dipping tanks	Renovation of dips.	22
Land	Sisonke and Andrew Mlangeni request the municipality to purchase land, as it is currently privately owned.	42
Land availability	Availability of land for Nompumelelo residents for phase 2.	15
Wontini forest place		32
Development of Gumtree Forest	Gxetu has a Gumtree forest left by the previous owner that needs to be developed.	33, Gxetu
Deforest	The forest that lies between Msundulu Primary School and the Reservoir in Kwanohlazana needs to be deforested, as criminals use it as a sanctuary and a dumping ground for stolen cars, dead bodies, and other items. The municipality has been requested to assist in this regard.	33

Governance structures that are linked to communities, the business sector, and other stakeholders (women, youth, traditional leaders)

The BCMM engages with, inter alia, the following community/stakeholder structures through its formal platforms:

- Ward committees

- IDP/Budget/PMS External Representative Forum
- Youth Council
- Gender Forum
- Elderly Forum
- BCMM Green Forum
- Community Safety Forums

4.1.3 Vacancy rate

Table 37: Staff Vacancy Rate per directorate, April 2024

Directorate	Staff Complement	Vacant Posts	Vacancy Rate
EXECUTIVE SUPPORT SERVICES	149	55	37%
CITY MANAGER	80	22	28%
CORPORATE SERVICES	193	25	13%
SPATIAL AND DEVELOPMENT PLANNING	158	37	23%
ECONOMIC DEVELOPMENT AND AGENCIES	76	7	9%
CHIEF FINANCIAL OFFICER	619	81	13%
PUBLIC SAFETY & EMERGENCY SERVICES	831	96	12%
HUMAN SETTLEMENTS	64	5	8%
INFRASTRUCTURE SERVICES	1 150	208	18%
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	1 025	193	19%
SPORTS, RECREATION & COMMUNITY DEVELOPMENT	791	144	18%

Table 38: Staff Vacancy Rate per designation, BCMM 2022/23 Annual Report

Designation	*Total Posts Approved	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a portion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	100%

Designation	*Total Posts	Approved	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a portion of total posts in each category)
	No.		No.	%
CFO	1		0	0%
S57 - HoDs	9		1	11,11%
Other Senior Managers (excl. Finance Posts T16 & above)	104		15	14,42%
Other Senior Managers (Finance posts T16 & above)	18		4	22,22%
Police Officers		185	14	7,57%
Firefighters		131	10	7,63%
Senior management: Levels 13- 15 (excluding Finance Posts) ex 3005-3071		143	24	16,78%
Senior management: Levels 13- 15 (Finance posts)		22	2	9,09%
Highly skilled supervision: Levels 9-12 (excluding Finance posts)		687	84	12,23%
Highly skilled supervision: Levels 9-12 (Finance posts)		88	5	5,68%
Total		1 389	160	11,51%

The table above presents a more detailed breakdown of the number of filled posts and vacancies across various skill levels.

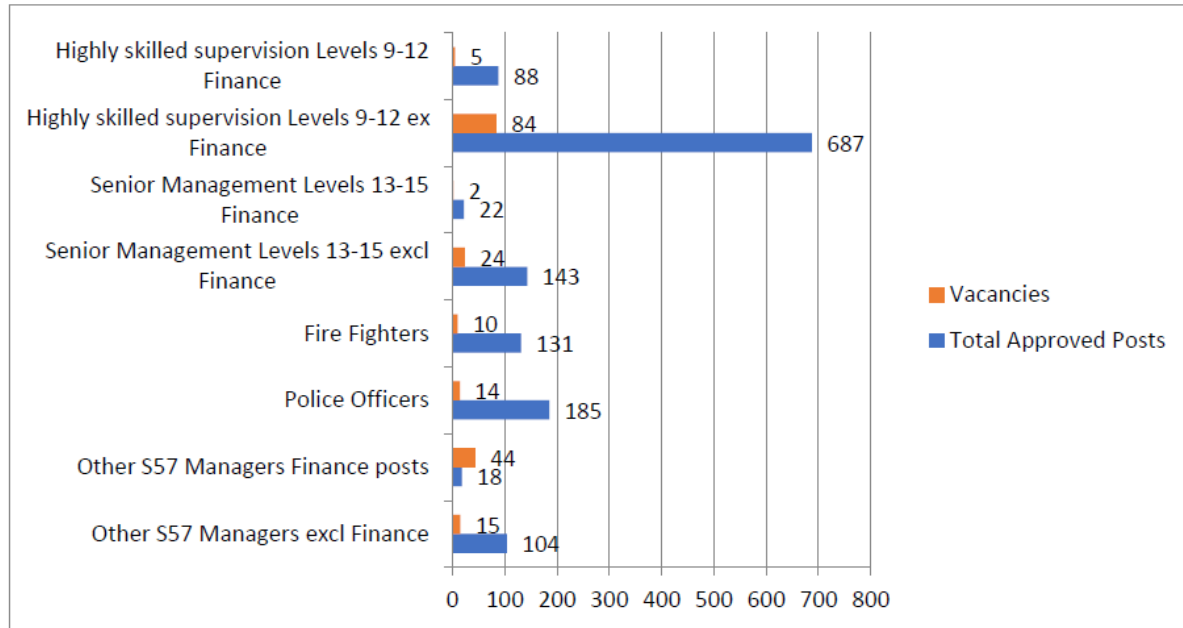


Figure 38: Vacancies, BCMM 2022/23 Annual Report

Table 39: Turnover Rate, BCMM 2022/23 Annual Report

Turnover Rate			
Details	Staff establishment as at the end of Financial Year	Terminations during the Financial Year	Turn-over Rate*
2020/21	5 552	276	5%
2021/22	5 404	275	5%
2022/23	5 252	243	5%

Comment on Vacancies and Turnover:

BCMM has an approved staff complement of 5 252, with 614 of these positions currently vacant and funded. We are actively advertising these vacancies.

In the fiscal year ending June 2023, a total of 127 posts were filled. Additionally, there were 243 terminations, broken down as follows:

:

- Contract Expiry – 1
- Deceased – 41
- Dismissals – 15
- Medical Boarding – 9
- Resignations – 52
- Retirements – 125
- Appointments – 127

5.1 The Buffalo City Metropolitan Municipality Finance Profile

5.1.1 [Overall Financial Performance & Expenditure of the BCMM](#)

Table 40: Consolidated Budget Summary

Description	2020/21	2021/22	2022/23
R thousands	Audited Outcome	Audited Outcome	Audited Outcome
Financial Performance			
Total Revenue (excluding capital transfers and contributions)	7 738 963	8 249 591	8 061 516
Total Expenditure	8 207 573	9 275 196	9 063 135
Surplus/(Deficit)	(468 610)	(1 025 605)	(1 001 619)

Description	2020/21	2021/22	2022/23
R thousands	Audited Outcome	Audited Outcome	Audited Outcome
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 065 032	686 636	732 602
Contributions recognised - capital & contributed assets	14 979	2 294	4 160
Surplus/(Deficit) after capital transfers & contributions	611 401	(336 675)	(264 857)
Share of surplus/ (deficit) of associate	(26 628)	(29 869)	20 143
Surplus/(Deficit) for the year	584 773	(366 544)	(285 000)
Capital expenditure & funds sources			
Capital expenditure	1 690 102	1 465 623	1 462 280
National Government	1 098 015	707 259	730 712
Provincial Government	542	–	–
Borrowing	230 800	35 311	–
Internally generated funds	860 389	855 691	660 480
Total sources of capital funds	2 189 745	1 598 261	1 391 192
Financial position			
Total assets	26 436 034	29 124 434	29 769 545
Total liabilities	3 350 954	3 245 673	3 622 230
Community wealth/Equity	23 085 081	25 878 762	26 147 314
Cash flows			
Cash/cash equivalents at the year end	1 145 407	697 457	679 975
Collection rate	70,20%	71,39%	82,05%
Outstanding debtors	4 368 246	5 760 893	6 378 787
Percentage of capital expenditure spent against capital budget	77%	92%	100%
Current ratio	1,7:1	1,6:1	1,36:1
Debt (Total Borrowings) to Revenue	3,75%	2,64%	1,83%
Remuneration as % of Total Operating Expenditure	31%	28%	28%
Cost coverage	1,79	1	0,81

Account of the Financial Performance of the Metro

- The Revenue base has remained stagnant, only increasing due to the rise in the annual tariffs. For the Metro to grow, there needs to be an increase in the Revenue base from new investments and the expansion of current investments.
- The Metro's operating expenditure budget is growing at a high rate; one of the main contributing factors is the growth of employee costs.
- In the 2022/23 financial year, the City realised a deficit of R 285 million compared to a deficit of R 366 million in the 2021/22 financial year.

- The Metro injected substantial own funding investment into the capital budget programme in the past few years (a total of about R 2,38 billion over the past three years).
- Capital expenditure has improved in the past few years, with 77% spent in 2020/21 and 100% spent in 2022/23. The Capital expenditure percentage reflects a good trend as it has reached 100% in 2022/23.
- The book value of Total Assets has increased from R 26,44 billion (2020/21) to R 29,77 billion (2022/23). This reflects the investment made by the Metro in its Capital Expenditure Programme.
- Cash and cash equivalents have decreased from R 1,14 billion (2020/21) to R 680 million (2022/23). The main contributing factor to this decrease is the substantial own funding injection that has been made in the capital programme over the past years.
- The collection rate achieved over the past years has been below the set target. This has also contributed to the decline in cash and cash equivalents.
- Debtors continue to be a concern for the Metro, with outstanding debtors increasing year-on-year. This increase in outstanding debtors is directly correlated to the decline in the collection rate.

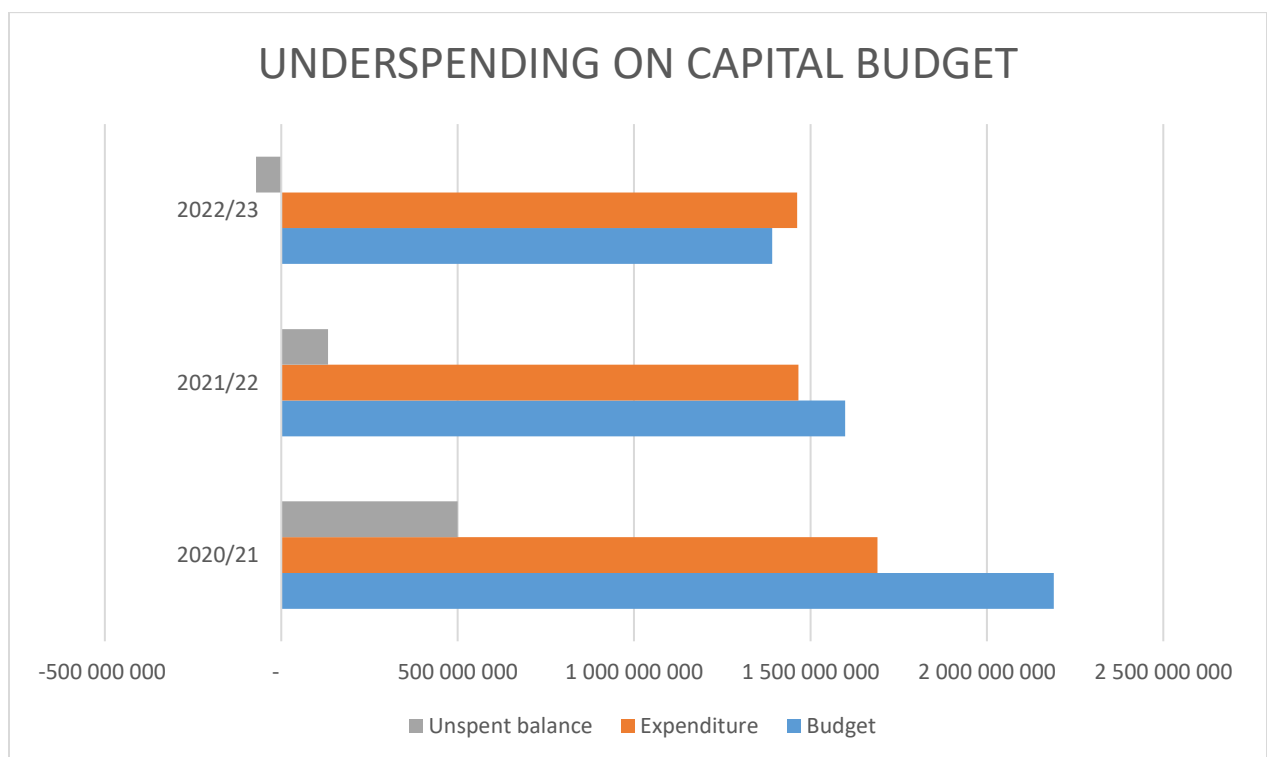


Figure 39: Under-expenditure on Capital Budget

In the 2020/21 financial year, there was under-expenditure of 23% on the capital budget. In the 2021/22 financial year, the under-expenditure on the capital budget was 8%, and in the 2022/23 financial year, the Metro fully spent the allocated capital budget.

5.1.2 Cost Drivers in the BCMM Administration

BCMM's cash and cash equivalents have continued to decline over the years, from R697 million in June 2022 to R680 million in June 2023. The main reason for this decline is due to the following cost drivers:

- Significant decline in the institutional collection rate and a continued increase in demand for services.
- The high level of investment in capital infrastructure is increasing the balance sheet while decreasing reserves.
- Ongoing increases in water and electricity losses due to theft.
- The application of the revaluation method to account for depreciation of municipal assets poses a significant/material decrease in the value of BCMM assets, without equivalent rehabilitation or upgrading of assets.
- The decline in the collection rate increases debt impairment on an annual basis, impacting the financial health of the metro from a financial performance perspective.
- The continued increase in employee-related costs and overtime.

BCMM Audit Findings over the last three years

There are five types of Audit Reports:

Table 41: Types of Audit Reports

 Unqualified Opinion No Findings	 Unqualified Opinion Emphasis of Matter Items	 Qualified Opinion	 Adverse Opinion	 Disclaimer of Opinion	An Outstanding Opinion

In the past three financial years BCMM obtained the following audit opinions:

Table 42: Previous Audit Opinions

Overall Opinion		2020/21	2021/22	2022/23	Reason
		Qualified	Unqualified	Qualified	
Overall Progress					
Qualification Paragraphs					
Revenue from exchange transactions				x	Completeness, accuracy, and validity in sanitation resulting in an understatement.
Irregular Expenditure			x		Irregular expenditure disclosed in the notes to the AFS is understated.
Property, plant and equipment				x	Due to WIP and the capitalisation of assets, AG is requiring piecemeal componentisation.

Overall Opinion		2020/21	2021/22	2022/23	Reason
		Qualified	Unqualified	Qualified	
Overall Progress					
					This requirement also stems from a long-term error in revaluations dating back to 2013, which the AG only identified in their 2022/23 audit.
Commitments				X	Understatement
Emphasis of matter paragraphs					
Irregular expenditure incurred		x	x		
Electricity Losses		x	x	x	
Water Losses		x	x	x	
Debt impairment			x	x	
Underspending on Conditional Grants			x	x	

In 2022/23, the City obtained a qualified audit opinion on its Annual Financial Statements (AFS). The qualification arose due to the following:

- i. Inability to provide sufficient appropriate audit evidence for property, plant and equipment that was incorrectly accounted for concerning the revaluation of the Metro's assets.
- ii. Service charges pertaining to sanitation were not adequately recognised, resulting in properties not being billed and the sanitation service charges not being adequately recorded, leading to an understatement of receivables and revenue from exchange transactions.
- iii. Commitments on capital assets work-in-progress were incorrectly disclosed, resulting in an overstatement of commitments.

Action plans to achieve an unqualified audit:

The 2022/23 Audit Report and Management Report was analysed to develop the Audit Action Plan (AAP), which details the audit findings along with the required corrective actions to be taken.

The AAP contains actions to be undertaken, grouped by Directorates, with the responsible person listed for each action and the timeline for implementation. Progress updates on these actions are reported monthly by the relevant departments to keep the AAP current. The AAP was also submitted to Internal Audit for quality assurance regarding its completeness, accuracy, and validity. The KPIs addressing audit findings have been incorporated into all HoDs' performance plans for the 2023/24 financial year.

5.1.3 Irregular Expenditure of the last three years

BCMM continues to train all SCM officials and Bid Committee members on SCM-related procedures, regulations, and policies to promote full compliance and alleviate irregular expenditure. The Municipality is also considering the appointment of legal personnel for each Bid Committee to avoid litigation and non-compliance.

Table 43: Irregular Expenditure - 2020/21, 2021/22, 2022/23

Irregular expenditure	2020/21	2021/22	2022/23
Opening balance	2 885 963 535	3 085 212 548	9 216 993 440
Add: Irregular Expenditure - current	291 115 980	1 529 971 015	1 839 725 316
Add: Irregular Expenditure - prior period	-	4 689 793 434	-
Less: Amount written off by Council	(91 866 967)	(87 983 557)	-
Closing balance	3 085 212 548	9 216 993 440	11 056 718 756

The irregular expenditure disclosed at R 11,06 billion in the 2022/23 AFS results from:

- Procurement Made Outside SCM Regulations
- BCC contracts are primarily associated with service providers appointed between 2004 and 2010 for consulting work (during the Central Bid Committee system).
- Annual contracts awarded outside of procurement regulations.
- Formal contracts established outside of procurement regulations.
- Expired leases.
- Utilising annual contracts to construct capital assets.

5.1.4 Unfunded Mandates

There are a number of under- and unfunded mandates that the City must finance, including libraries, housing construction, and natural disasters. Continuous engagements are held with the respective provincial and national departments, and we are also utilising the IGR structures in an endeavour to secure sufficient funding for these unfunded mandates. Unfortunately, the majority of these engagements do not yield the desired outcomes. To date, the City has not received payment from the disaster fund for the January 2022 floods. Libraries are a provincial function, but the budget allocated to the metro is insufficient to cover operational costs, including employee salaries.

Listed below is how these unfunded or underfunded mandates affect the budget and tariffs:

- BCMM is compelled to perform functions that are not allocated to the municipality, which places pressure on the budget and tariffs.
- The budget needs to be allocated to perform unfunded mandates using the revenue raised from annual tariffs.
- Funding these unfunded mandates puts pressure on mandated services that must be delivered by the Metro, potentially resulting in a lower level of services.
- BCMM must cover the costs of employing staff, managing operations, and maintaining infrastructure, among other things, when performing unfunded mandates.

5. INFRASTRUCTURE DEVELOPMENT PROFILE

BCMM is facing service delivery challenges and backlogs related to water, sanitation, housing, roads, infrastructure, and spatial development. These issues exacerbate the vulnerability of already marginalised groups regarding their economic participation, access to housing, water, sanitation, electricity, safe neighbourhoods, and their overall health and welfare within communities.

5.1 Household infrastructure and access to basic services

Drawing on the household infrastructure data of a region is essential for economic planning and social development. Assessing household infrastructure involves measuring five indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "serviced" if it has access to the last four of these basic services. If not, the household is regarded as part of the backlog. The way access to a given service is defined, and how to accurately measure that over time, gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or as a single person who lives alone.

The next few sections provide an overview of the household infrastructure of BCMM between 2010 and 2020.

5.2 Household by Dwelling Type

Using the StatsSA definition of a "household" and a "dwelling unit", households can be categorised according to the type of dwelling. The categories are:

- **Very formal dwellings:** Structures built according to approved plans; e.g., houses on a separate stand, flats or apartments, townhouses, and rooms in backyards that have running water and flush toilets within the dwelling.
- **Formal dwellings:** Structures built according to approved plans; i.e., a house on a separate stand, a flat or apartment, a townhouse, a room in a backyard, or rooms or a flatlet elsewhere, but without running water or a flush toilet within the dwelling.
- **Informal dwellings:** Informal structures or shanties in informal settlements, serviced stands, or proclaimed townships, as well as informal structures in the backyards of other dwelling types.
- **Traditional dwellings:** Structures made of clay, mud, reeds, or other locally available materials.

- Other dwelling units: Tents, ships, caravans, etc.

In Buffalo City, the percentage of households residing in formal dwellings increased sharply from 61,4% in 1996 to 85,6% in 2022 (StatsSA, 2022):

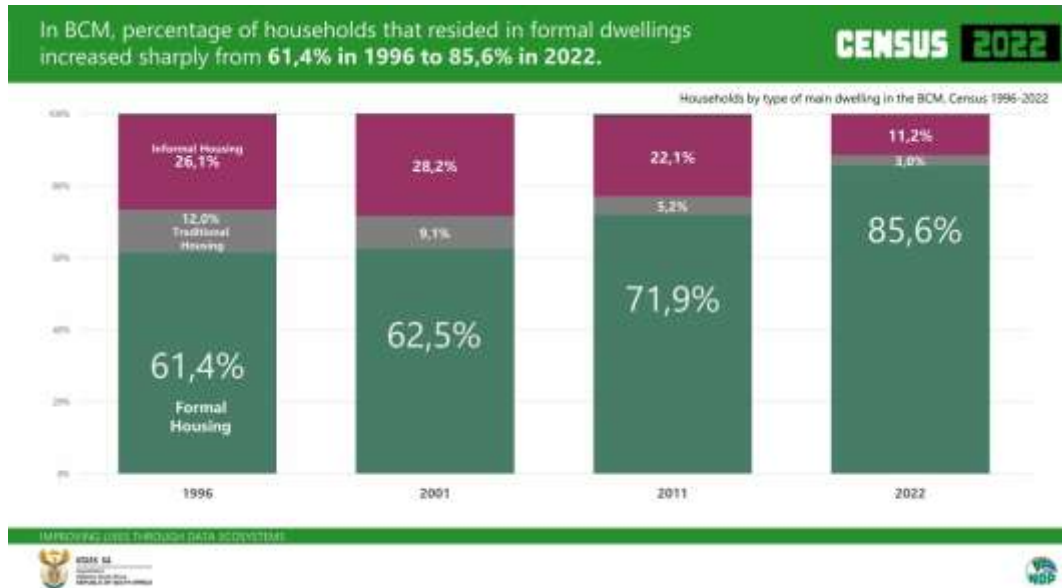


Figure 40: Households by type of main dwelling in the BCM, Census 1996-2022

The BCMM has approximately 114 500 potential beneficiaries registered in the National Housing Needs Register (NHNR). These individuals remain in the NHNR system until the Directorate of Spatial Planning and Development secures available land and the Provincial Department of Human Settlements allocates the necessary budget. In relation to informal settlements, the Municipality has around 80 600 households residing in these areas. The Directorate of Human Settlements, Spatial Planning, and Development, along with the Infrastructural Services Directorates, collaborate on the Informal Settlements Upgrading Programme (ISUP). This programme is funded through the Informal Settlement Upgrading Partnership Grant (ISUPG).

Table 44: Percentage of households with access to basic housing, BCMM 2022/23 Annual Report

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
2019/20	219 281	114 995	52,4%
2020/21	223 568	162 068	72,4%
2021/22	233 400	163 000	69,8%
2022/23	280 951	166 451	59,2%
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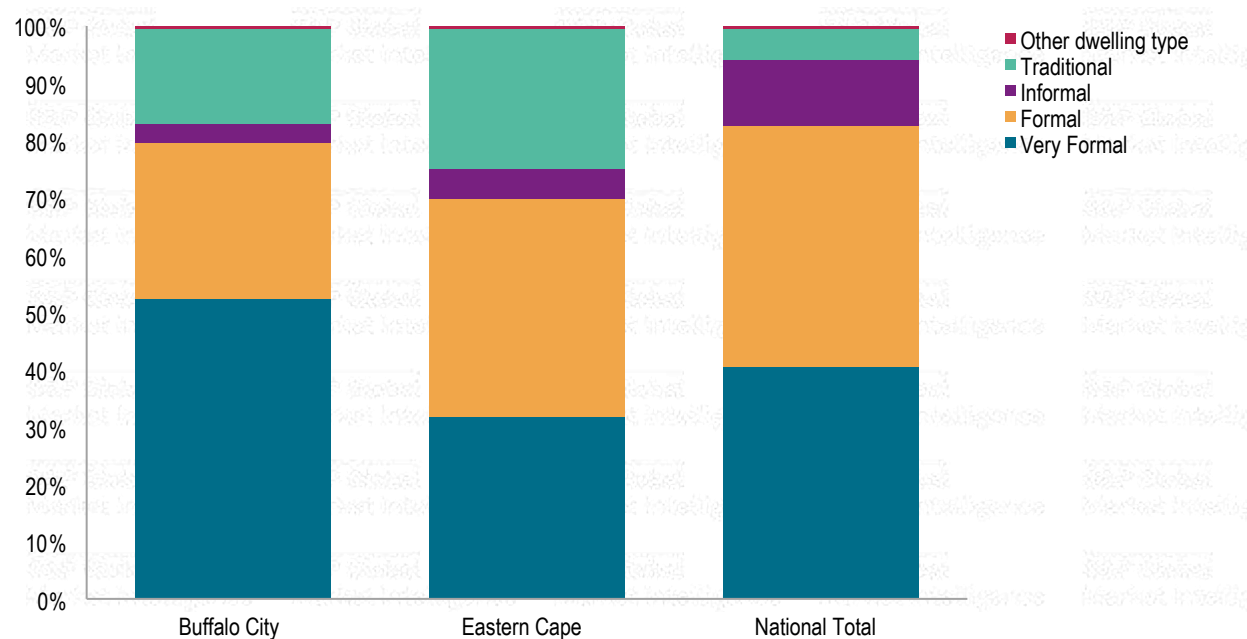


Figure 41: Households by dwelling unit type - Buffalo City, Eastern Cape and National Total, 2022

Source: South Africa Regional eXplorer v2443.

BCMM had a total of 141 000 (52,43% of total households) very formal dwelling units, 73 100 (27,17% of total households) formal dwelling units, and 8 810 (3,27% of total households) informal dwelling units.

Table 45: Households by dwelling unit type - Macleantown, Sandisiwe, Qonce, Bhisho, Mdantsane, Chalumna and East London Sub-metro regions, 2022 [Number]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Macleantown, Sandisiwe	10 106	6 543	704	3 703	109	21 166
Qonce, Bhisho	31 706	18 142	2 185	10 873	303	63 208
Mdantsane, Chalumna	41 121	20 170	2 456	12 540	376	76 663
East London	58 167	28 269	3 460	17 667	531	108 093
Total Buffalo City	141 099	73 124	8 806	44 783	1 318	269 130

Source: South Africa Regional eXplorer v2443.

The region within the BCMM that has the highest number of very formal dwelling units is the East London Sub-metro Region, with 58 200 units, accounting for 41 22% of the total very formal dwelling units in the municipality. In contrast, the region with the lowest number of very formal dwelling units is the Macleantown, Sandisiwe Sub-metro Region, which has a total of 10 100 units, representing 7,16% of the overall very formal dwelling units within BCMM.

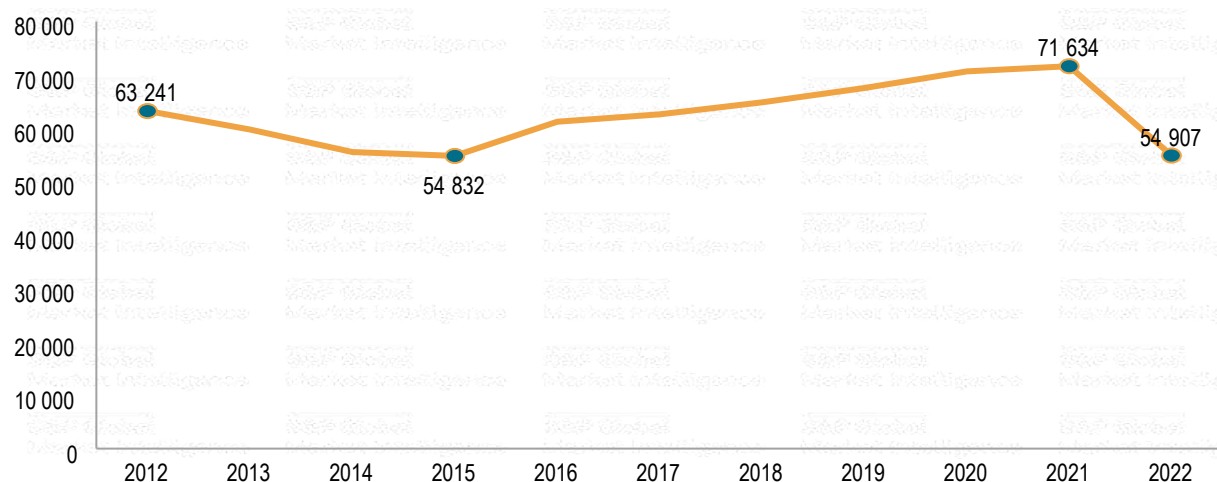


Figure 42: Formal dwelling backlog - number of Households not living in a formal dwelling - BCMM, 2012-2022 [Number of Households]

Source: South Africa Regional eXplorer v2443.

When examining the formal dwelling unit backlog (the number of households not living in a formal dwelling) over time, it is evident that in 2012, the number of households not living in a formal dwelling was 63 200 within BCMM. From 2012, this number decreased annually by -1,40%, reaching 54 900 in 2022.

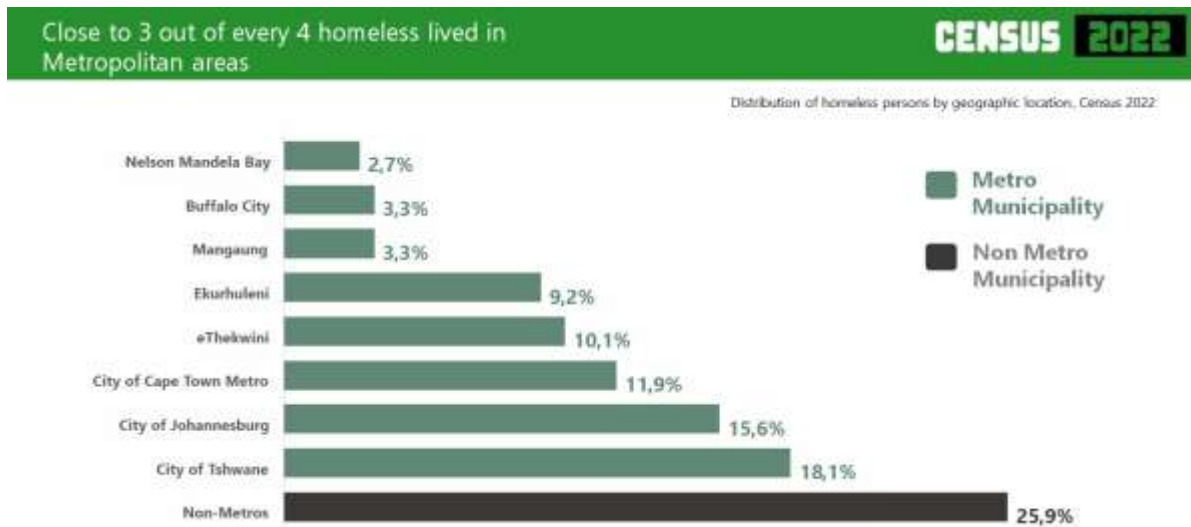


Figure 43: Distribution of homeless persons by geographic location, Census 2022

In Buffalo City, 3,3% of the total population are homeless.

5.3 Household by Type of Sanitation

Sanitation can be divided into specific categories that a household has access to, as follows:

- **No toilet:** no access to any of the toilet systems explained below.
- **Bucket system:** a top structure with a seat over a bucket. The bucket is periodically removed, and the contents are disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions.)
- **Pit toilet:** a top structure over a pit.
- **Ventilation improved pit:** a pit toilet with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet:** waste is flushed into an enclosed tank, preventing it from flowing into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

There are 14 wastewater treatment works in the vicinity of AWSS: one treatment works operated by Amathole District Municipality (ADM) and 13 WWTW owned and operated by BCMM.

The service varies from full waterborne systems in formal settlements (urban) to communal ablutions provided to informal settlements, which are connected to full flushing at a strategic ratio of 10 informal households to one toilet seat.

On-site sanitation is provided in peri-urban and rural areas, with each household receiving one ventilated improved pit (VIP) latrine. The national water and sanitation guidelines permit the provision of such technology as a minimum service level, to be developed by the municipalities. The following key projects and programmes are crucial tools used to unlock new developments, human settlement, and economic activities in various areas of the Metro.

- i. Zwelitsha Regional Wastewater Upgrade
- ii. Diversion of Central Wastewater Treatment Works to Reeston WWTW
- iii. Eastern Beach Sewer
- iv. Kidds Beach Wastewater Treatment Works
- v. Upgrade of Dimbaza Wastewater Treatment Works
- vi. Mdantsane Wastewater Treatment Upgrade
- vii. Rural Sanitation

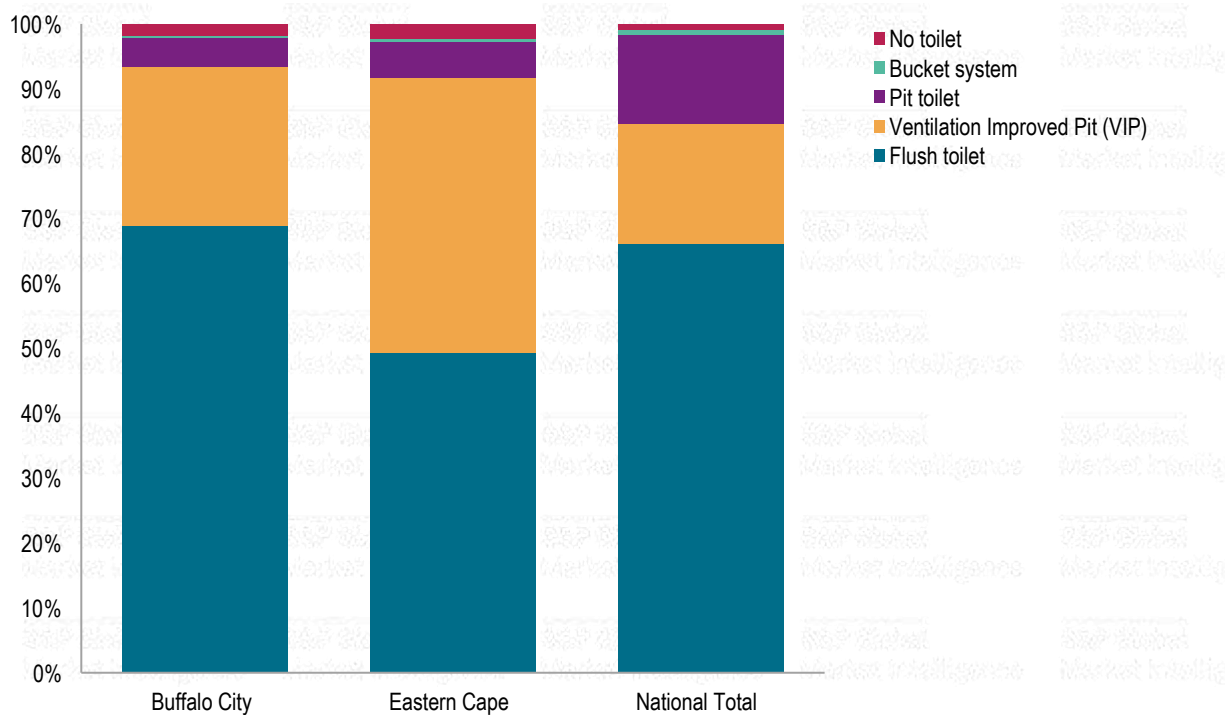


Figure 46: Households by type of sanitation - Buffalo City, EC, and National Total, 2022 [Percentage]

Source: South Africa Regional eXplorer v2443.

BCMM had a total number of 186 000 flush toilets (68,95% of total households), 65 700 Ventilation Improved Pit (VIP) (24,40% of total households), and 12 100 (4,51%) of total households pit toilets.

Table 46: Households by type of sanitation - Macleantown, Sandisiwe, Qonce, Bhisho, Mdantsane, Chalumna and East London Sub-metro regions, 2022 [Number]

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Macleantown, Sandisiwe	13 676	5 840	1 065	70	515	21 166
Qonce Bhisho	41 803	16 775	3 308	201	1 121	63 208
Mdantsane, Chalumna	53 879	17 958	3 231	256	1 339	76 663
East London	76 214	25 103	4 523	362	1 892	108 093
Total Buffalo City	185 572	65 677	12 127	888	4 866	269 130

Source: South Africa Regional eXplorer v2443.

The region within Buffalo City with the highest number of flush toilets is the East London Sub-metro Region, which has 76 200 flush toilets, accounting for 41,07% of the total in Buffalo City. Conversely, the region with the lowest number of flush toilets is Macleantown in the Sandisiwe Sub-metro Region, with a total of 13 700, representing 7,37% of the total flush toilets in the BCMM.

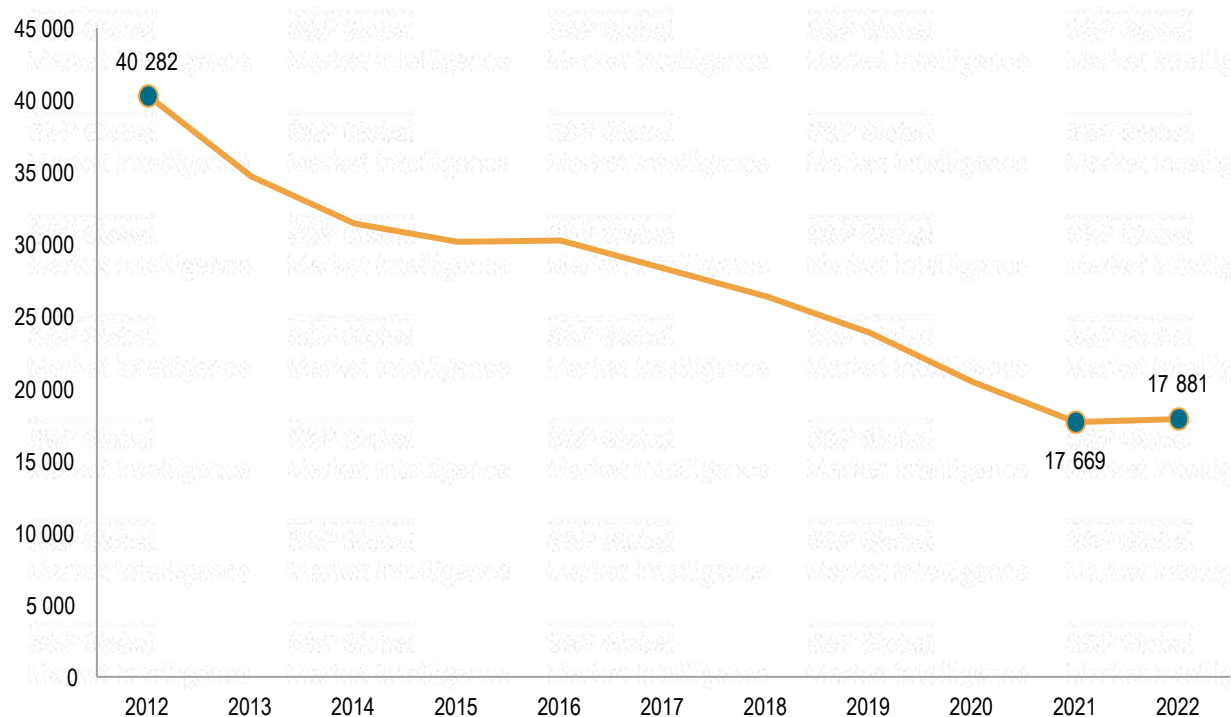


Figure 47: Sanitation backlog - BCMM, 2012-2022 [Number of households without hygienic toilets]

When examining the sanitation backlog (the number of households without hygienic toilets) over time, it is evident that in 2012, the number of households without hygienic toilets in BCMM was 40 300. This figure decreased annually at a rate of -7,80%, reaching 17 900 in 2022.

The BCMM sewer system does not allow for the separation of domestic and industrial sewer flow; all waste is disposed of in the same wastewater treatment works via the same outfall sewers.

According to the WSDP, BCMM has 500 registered trade effluent customers whose effluent has been classified as hazardous. Approximately 20% of these customers are inspected annually to evaluate compliance. DWS, as the regulator, has established an incentive-based system for evaluating the wastewater performance of municipalities, where an annual audit is conducted and scores are published to the public. This system is referred to as “Green Drop” in SA. In the latest Green Drop report (2023), BCMM was cautioned regarding 2 out of 15 wastewater treatment works that are in critical and high-risk categories, scoring 53,2%, while the acceptable score is between 80 and 90%. Plans are in place to improve the current situation through the consolidation of various wastewater treatment works, which will lead to better management of these facilities.

Table 47: Sanitation Backlogs

Year	Backlog (Units)	Relocations (Units)	Refurbishments (Units)	Emptying of Full VIPs (Units)
2023/24	8788	24 453	2 441	16 434
2022/23	6 956	26 432	2 441	12 325

- Backlog - These are new VIPs that were transferred from ADM after the conclusion of new demarcations.
- Relocations - These are VIPs that were built from 2005 to 2012. They were constructed using partial lining and cannot be emptied when full. This figure includes approximately 1 979 collapsing toilets.
- Refurbishments - This category consists of toilets that have reached the end of their design lifespan (gone beyond the latent defect liability period) and now need to be refurbished.
- Emptying of Full VIPs - This category covers fully lined VIP units built five years ago or earlier, but excludes any units classified as Relocations.

There is a substantial increase in the emptying of VIPs. This increase is due to the addition of VIPs that have become full in the last financial year. Furthermore, the 1 979 collapsing toilets were replaced, resulting in their removal from the overall figures.

5.4 Households by Access to Water

A household is categorised based on its primary access to water, as follows:

- Regional/local water scheme
- Borehole and spring
- Water tank

- Dam/pool/stagnant water
- River/stream and other primary methods of accessing water.

No formal piped water includes households that obtain water via water carriers and tankers, rainwater, boreholes, dams, rivers, and springs.

Stats SA (2022) confirmed that the total population of BCMM is increasing, with a long-term Compound Annual Growth Rate (CAGR) of 1,56%. This implies that planning for water services infrastructure must consider future population growth. The data demonstrated that BCMM, as both Water Services Authority (WSA) and Wastewater Services Provider (WSP), has continued to provide water and sanitation services to its citizens, with an overall improvement in services over the years. However, some existing challenges that hinder the optimal delivery of water services include theft and vandalism of physical infrastructure, unauthorised connections, ageing infrastructure, and a high level of Non-Revenue Water (NRW).

The Municipality has prioritised reducing water losses and NRW through the implementation of pipe and water meter replacement programmes. Over the last three financial years, the municipality has spent over R200 million on the pipe and meter replacement programme. The strategy required BCMM to set aside a budget of approximately R35 million a year, but this has been challenging as there is never adequate funding to ensure a consistent maintenance programme. The programme includes the replacement of old water meters and the installation of an advanced remote smart meter reading system to reduce metering inaccuracies.

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

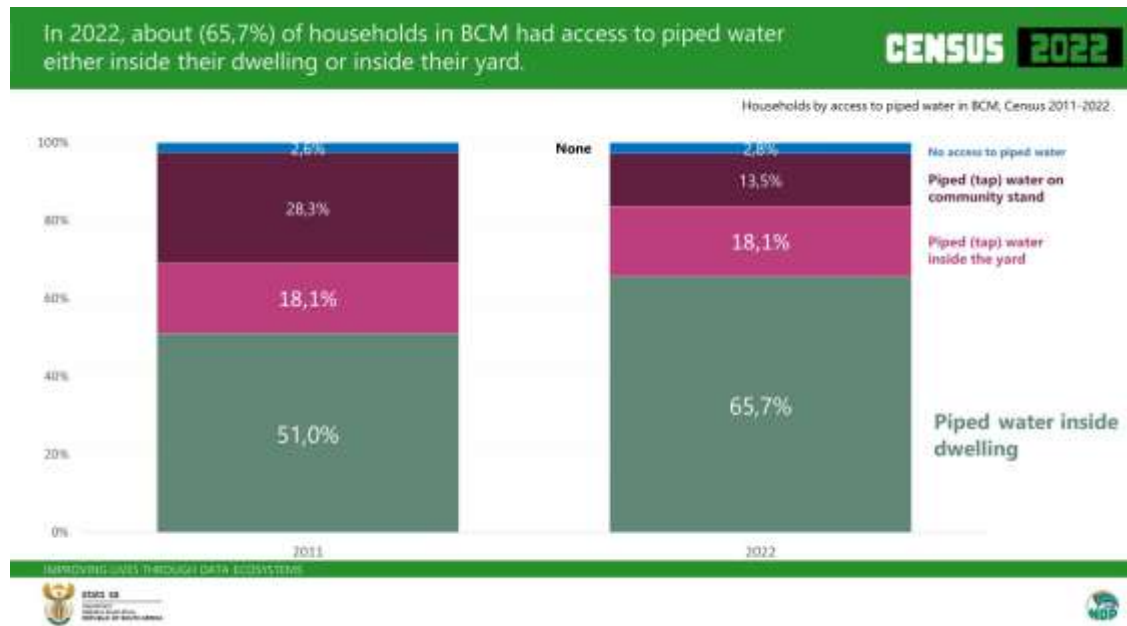


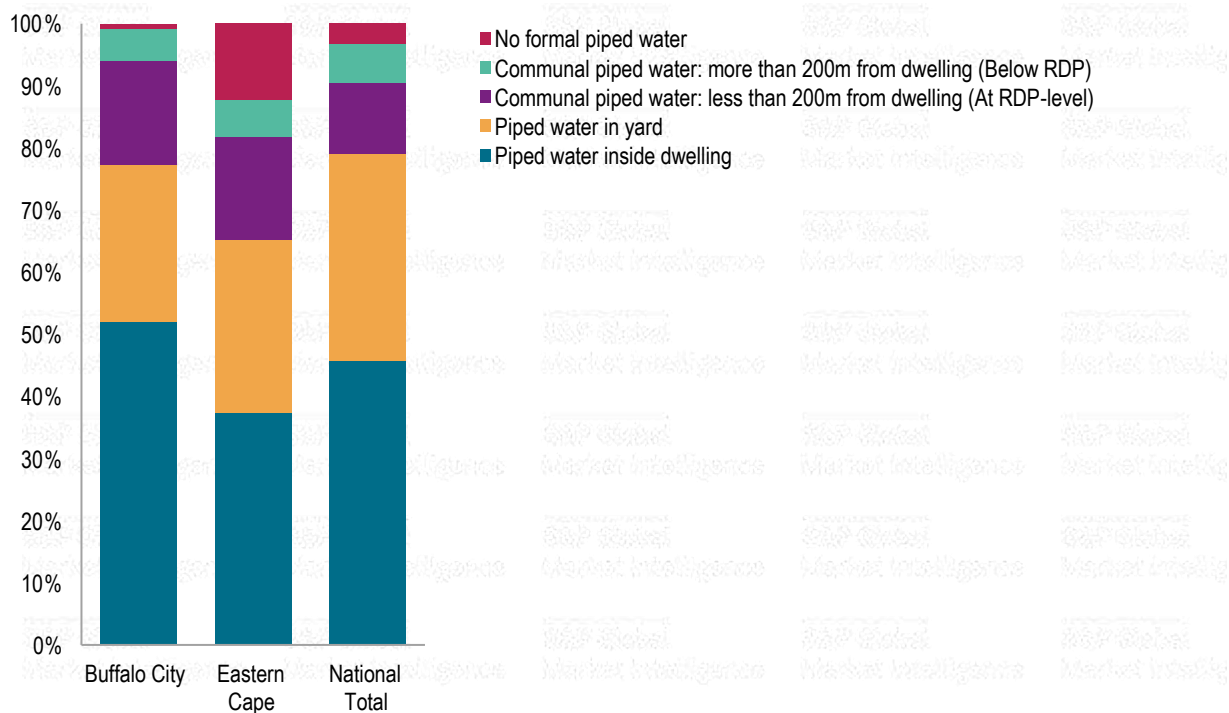
Figure 48: Households by access to piped water in BCMM, Census 2011 - 2022

At least 97,3% (StatsSA 2022) of BCMM's population have access to a clean and safe water supply. The Metro has been applauded for the high quality of water produced and supplied to the communities. Water is supplied in various categories, such as in formal dwellings with fully pressurised water pipes inside the dwelling, while in

informal settlements and rural areas, water is supplied through communal standpipes strategically positioned within a maximum radius of 200 metres. This means a person would walk less than 200 metres to access clean water.

The Metro's water complies with the strict guidelines for drinking water as specified in the South African National Standards (SANS 241). The Metro has initiated short, medium, and long-term projects that enable the delivery of this SDG 6 target and indicator. Some of these projects are multi-year, continuing from the past five or more years, hence the high percentage of access or coverage. Projects include the:

- I. Umzonyana Dam and East Coast Water Supply Upgrade – upgrade from 120 ML/D to 150 ML/D.
- II. Water Backlogs – bulk and reticulation for approximately 15 villages.
- III. Upgrade Water Networks – extension of the water network to unserved villages.



Source: South Africa Regional eXplorer v2443.

Figure 49: Households by type of water access - Buffalo City, EC, and National Total, 2022 [Percentage]

BCMM had a total of 140 000 (51,91%) households with piped water inside the dwelling. Additionally, 68 400 (25,42%) households had piped water inside the yard, while 2 110 (0,78%) households had no formal piped water.

Table 48: Households by type of water access – BCMM, 2022 [Number]

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Macleantown, Sandisiwe	10 223	5 771	3 633	1 286	253	21 166
Qonce, Bhisho	31 605	16 285	11 190	3 518	610	63 208
Mdantsane, Chalumna	40 545	19 230	12 487	3 878	523	76 663
East London	<u>57 328</u>	<u>27 123</u>	<u>17 487</u>	5 426	728	108 093
Total Buffalo City	<u>139 701</u>	<u>68 410</u>	<u>44 798</u>	14 108	2 112	269 130

Source: South Africa Regional eXplorer v2443.

The region within BCMM that has the highest number of households with piped water inside the dwelling is the East London Sub-metro Region, with 57 300 households, accounting for 41,04% of the total. Conversely, the region with the lowest number of households with piped water inside the dwelling is Macleantown in the Sandisiwe Sub-metro Region, which has a total of 10 200 households, representing 7,32% of the overall households with piped water inside the dwelling within BCMM.

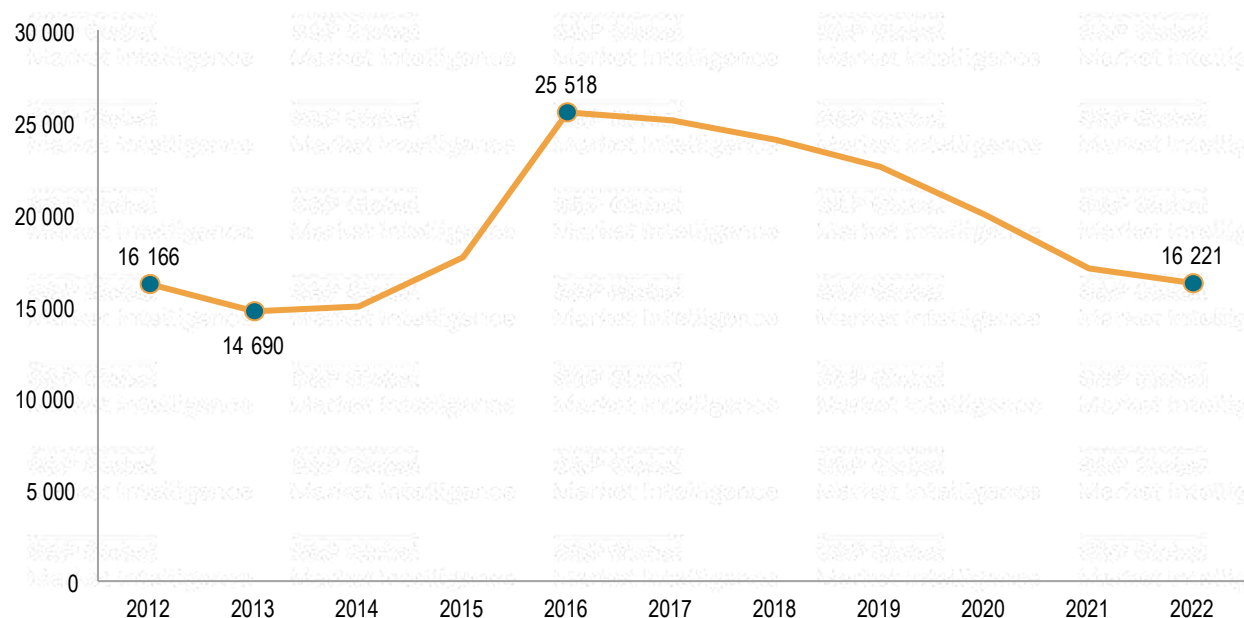


Figure 50: Water backlog - BCMM, 2012-2022 [Number of households below RDP-level]

Source: South Africa Regional eXplorer v2443.

When examining the water backlog (number of households below RDP-level) over time, it is evident that in 2012, the number of households below the RDP-level was 16 200 within BCMM. This figure increased annually by 0,03% to 16 200 in 2022. Meanwhile, the total number of households within BCMM grew at an average annual rate of 1,56% from 2012 to 2022, which is higher than the annual increase of 1,62% in the number of households in SA.

5.5 Households by Type of Electricity

There are three categories of household use of electricity:

- for cooking
- for heating
- for lighting.
-

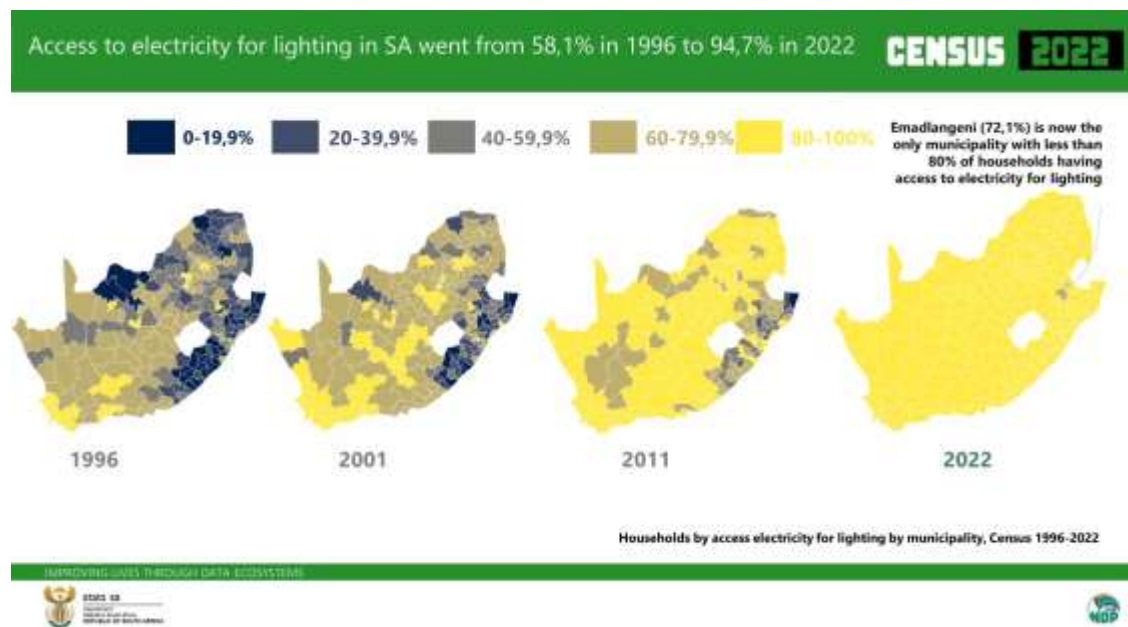


Figure 51: Households by access to electricity by municipality, Census 1996 - 2022

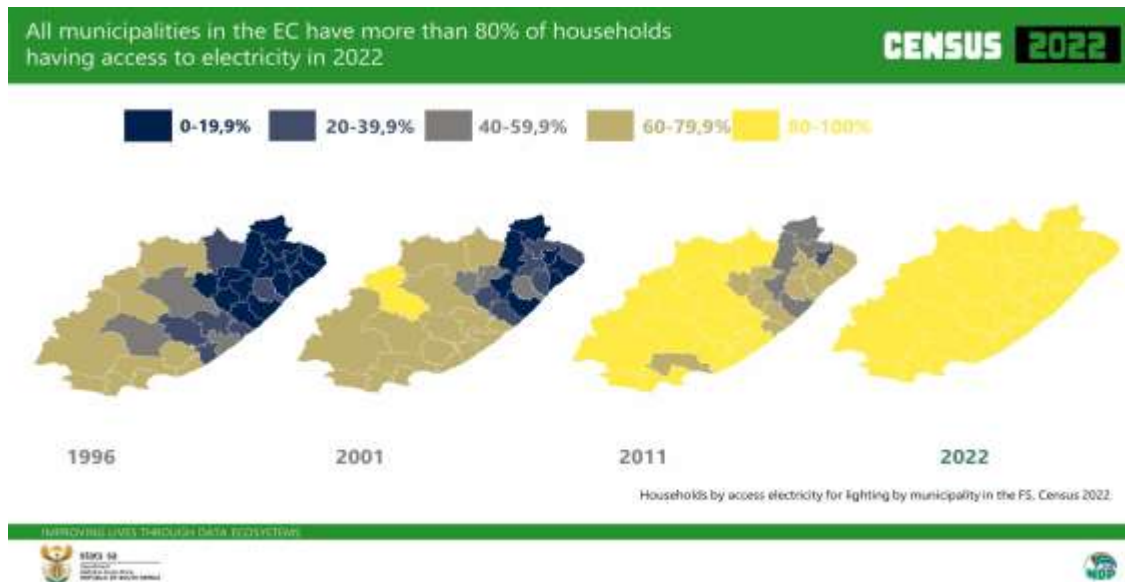


Figure 52: Households by access to electricity in the EC, Census 1996 - 2022

Households using solar power are classified as households with an electrical connection. The following figure categorises households in a region based on their access to electricity (electrical connection) during the period 2010–2020.

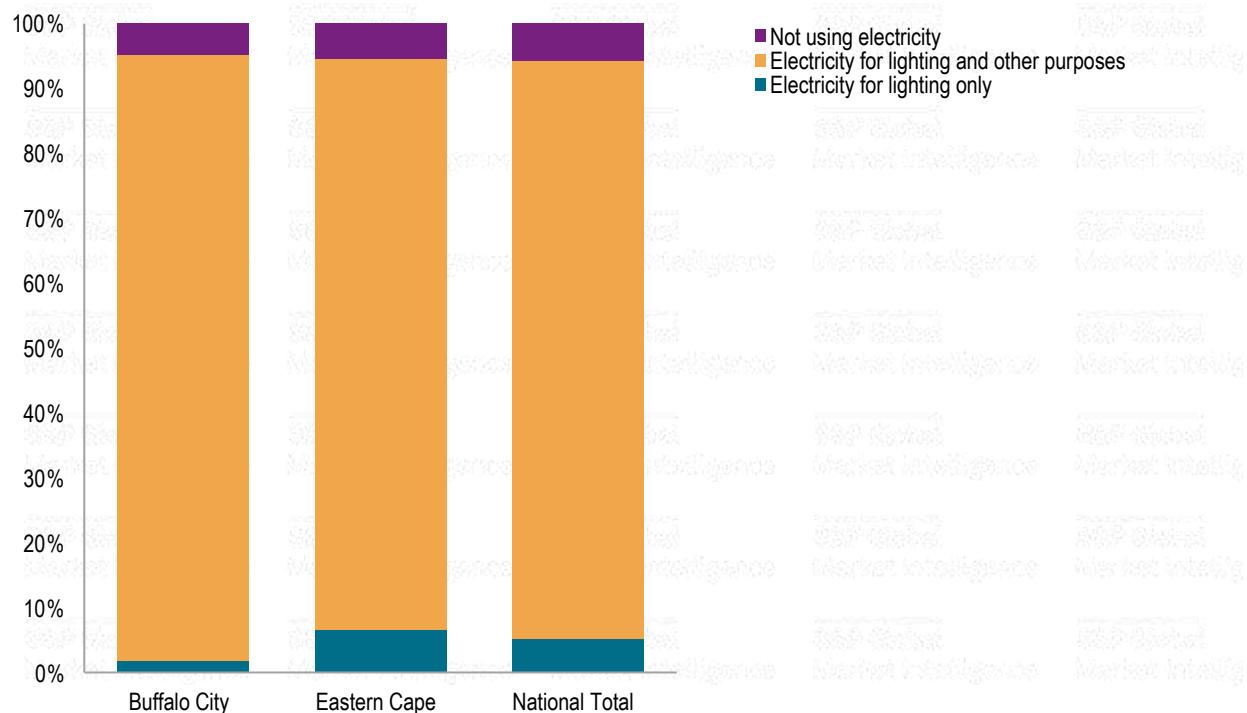


Figure 53: Households by type of electrical connection - Buffalo City, Eastern Cape and National Total, 2022 [Percentage]

Source: South Africa Regional eXplorer v2443.

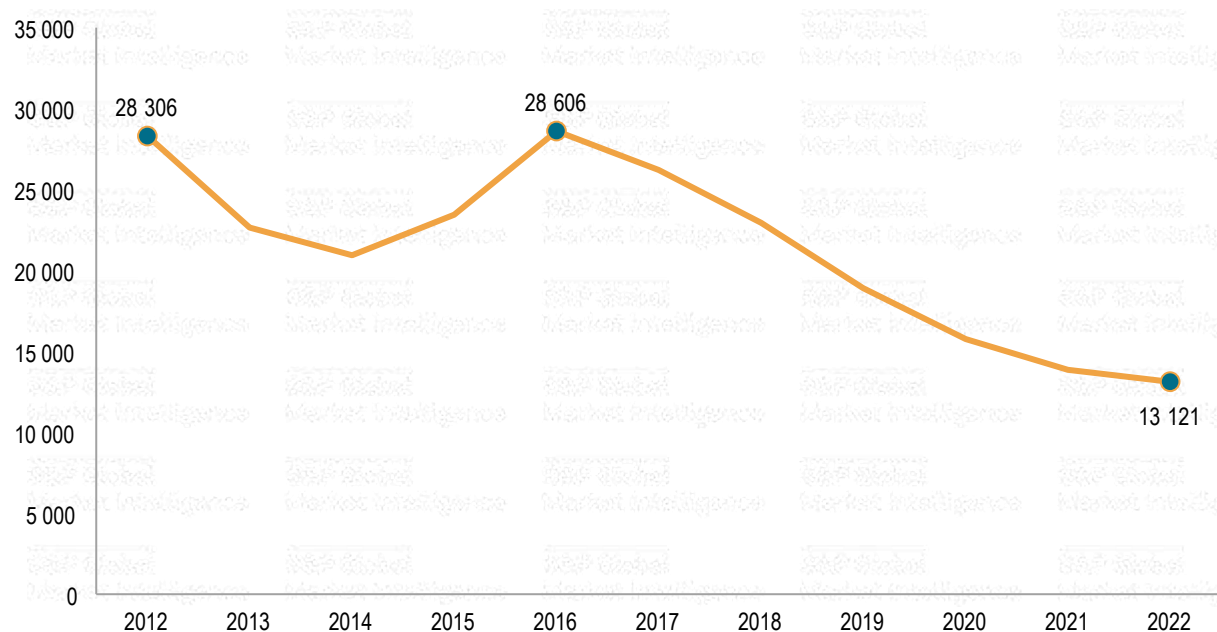
BCMM had a total of 5 020 (1,86%) households with electricity for lighting only. A total of 251 000 (93,26%) households had electricity for lighting and other purposes, while 13 100 (4,88%) households did not use electricity.

Table 49: Households by type of electrical connection - Macleantown, Sandisiwe, Qonce, Bhisho, Mdantsane, Chalumna and East London Sub-metro regions, 2022 [Number]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Macleantown, Sandisiwe	430	19 665	1 070	21 166
Qonce, Bhisho	1 247	58 990	2 970	63 208
Mdantsane, Chalumna	1 389	71 512	3 762	76 663
East London	1 949	100 826	5 318	108 093
Total Buffalo City	5 016	250 993	13 121	269 130

Source: South Africa Regional eXplorer v2443.

The region within Buffalo City that has the highest number of households with electricity for lighting and other purposes is the East London Sub-metro Region, which accounts for 101 000 households, or 40,17% of the total households with electricity in the BCMM. Conversely, the region with the lowest number of households with electricity is Macleantown in the Sandisiwe Sub-metro Region, which has a total of 19 700 households, representing 7,84% of the total households with electricity within BCMM.



Source: South Africa Regional eXplorer v2443.

Figure 54: Electricity connection - BCMM, 2012-2022 [Number of households with no electrical connection]

When examining the number of households without an electrical connection over time, it is evident that in 2012, the number of households without an electrical connection in BCMM was 28 300. This figure decreased annually at a rate of -7,40% per annum, reaching 13 100 in 2022.

5.6 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is collected by the local authorities, it is referred to as formal refuse removal. Informal refuse removal occurs when either the household or the community disposes of the waste, or when there is no refuse removal at all. A further breakdown is based on the frequency with which the refuse is collected, leading to the following categories:

- Removed weekly by the authority
- Removed less often than weekly by the authority
- Removed by community members
- Personal removal/(own dump)
- No refuse removal

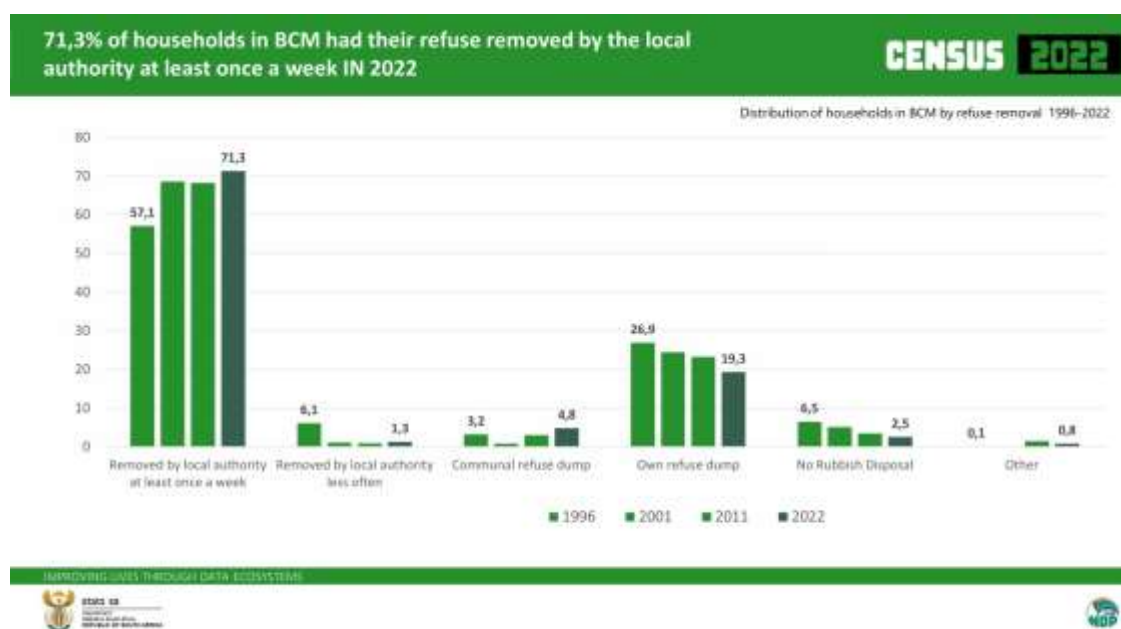


Figure 55: Distribution of households in BCMM by refuse removal, Census 1996 - 2022

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

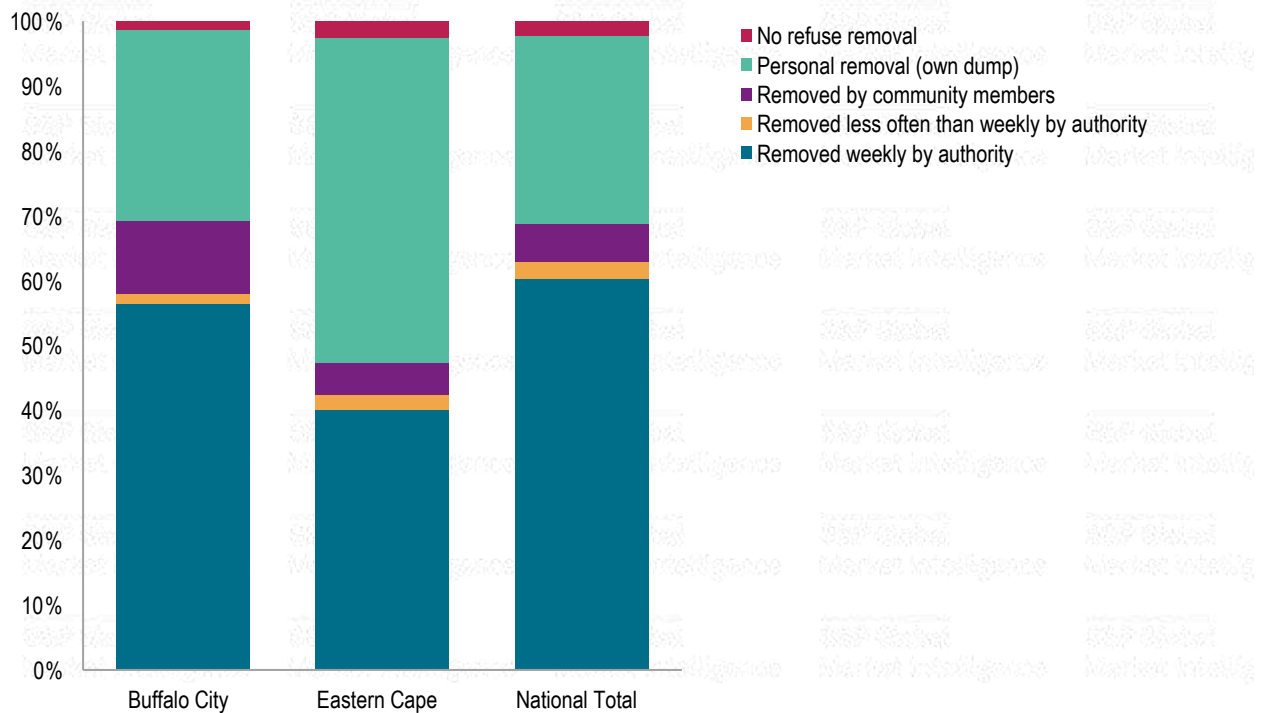


Figure 56: Households by refuse disposal - Buffalo City, EC, and National Total, 2022 [Percentage]

Source: South Africa Regional eXplorer v2443.

BCMM had a total of 152 000 (56,44%) households that had their refuse removed weekly by the authority. A total of 3 890 (1,45%) households had their refuse removed less often than weekly, while 79 400 (29,51%) households had to remove their refuse personally (own dump).

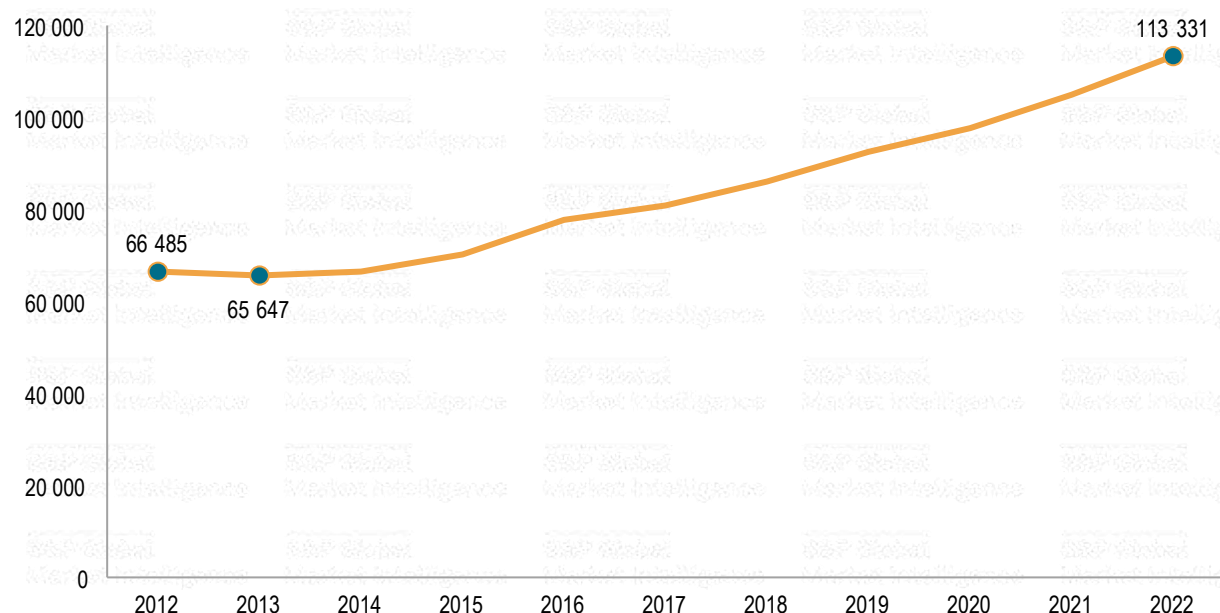
Table 50: Households by refuse disposal - Macleantown, Sandisiwe, Qonce, Bhisho, Mdantsane, Chalumna and East London Sub-metro regions, 2022 [Number]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Macleantown, Sandisiwe	11 212	299	2 256	7 060	339	21 166
Qonce, Bisho	34 180	874	6 908	20 438	809	63 208

	Removed weekly authority by	Removed often weekly less than by	Removed community members by	Personal removal (own dump)	No refuse removal	Total
Mdantsane, Chalumna	44 120	1 125	8 776	21 640	1 001	76 663
East London	62 397	1 591	12 403	30 289	1 413	108 093
Total Buffalo City	151 910	3 889	30 342	79 427	3 562	269 130

Source: IHS Markit Regional eXplorer version 2201

The region within Buffalo City that has the highest number of households where refuse is removed weekly by the authority is the East London Sub-metro Region, with 62 400 households, accounting for 41,08% of the total. Conversely, the region with the lowest number of households with weekly refuse removal by the authority is Macleantown in the Sandisiwe Sub-metro Region, which has a total of 11 200 households, representing 7,38% of the total households serviced within BCMM.



Source: South Africa Regional eXplorer v2443.

Figure 57: Refuse removal - BCMM, 2012-2022 [Number of households with no formal refuse removal]

When examining the number of households with no formal refuse removal, it is evident that in 2012, there were 66 500 such households in BCMM. This figure increased annually by 5,48% to reach 113 000 in 2022.

During the same period, the total number of households within BCMM grew at an average annual rate of 1,56%, which is higher than the annual increase of 1,62% in the number of households across SA.

5.7 Overview of Service Delivery Backlogs

Water

The BCMM Water Department has achieved 98% access to a basic level of water supply for all households; 2% of households still require basic water services, primarily in villages that were included after the 2016 local government elections. The water supply to these villages does not meet minimum standards, but the Water Department is currently providing temporary measures to ensure access. To eliminate these backlogs, a budget of R 176 million for water and R 200 million for sanitation is required. Overall, access to basic services has increased significantly over time within the BCMM jurisdiction.

The following key achievements are noted:

- 98% of the BCMM population has access to minimum basic water services, and approximately 75 868 indigent consumers received free basic water (6 kl per month). However, BCMM is generally a water-stressed region, largely due to the lack of additional capacity at water treatment plants and water losses from aging and poorly maintained infrastructure. The Water Department has also managed to reduce water losses by 6 079 637 kilolitres in the past three years.
- The rapid growth of urban centres is putting pressure on the Municipality to increase its capacity in order to respond to service calls timeously. Provision of water and sanitation services is carried out using internal capacity within the Municipality, as well as contractors procured through the supply chain management process. In recent years, BCMM has accelerated the provision of water and sanitation services in informal settlements and rural areas to increase access to basic services for all its citizens.
- The recent increase in BCMM's infrastructure investment and expenditure demonstrates its commitment to providing sustainable water services to all communities. Since 2015/16, more than R 1 billion has been spent on water and sewer infrastructure. In 2018/19 alone, BCMM spent R 377 213 040 on 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 R 572 464 962 in wastewater treatment works since 2015/16.
- BCMM also invested close to R 154 574 373 in various water meter replacement programmes, primarily aimed at ensuring customers receive accurate readings. In terms of the bulk water supply network, about R 322 563 733 has been spent since 2015/16, including approximately R 107 543 904 in the financial year under review.

Sanitation

The Sanitation Department operates fifteen (15) wastewater treatment works servicing the three operational districts. Due to new developments and the housing rollout, the sewerage system across BCMM lacks sufficient spare capacity. Aging infrastructure, vandalism, and theft are the main contributors to the increased incidents of sewage overflows that threaten the environment. This limits development, particularly the potential for industrial development in some

catchment zones. To address some of the identified challenges, BCMM has established and is implementing regional wastewater treatment works in Qonce, Zwelitsha, and Reeston, to unlock developments in the Inland and Amalinda catchment zones, respectively.

Informal settlements have access to minimum standards of sanitation. Approximately 58 797 indigent consumers receive free basic sanitation. Several villages still require basic sanitation in the form of VIPs, and the Sanitation Department is rolling out approximately 3 000 VIPs per year.

Electricity

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

- New RDP housing projects are being completed as part of the formal housing backlog. Approximately 1 500 more formal houses require electricity each year.
- The mushrooming of informal dwellings within BCMM requires electrification. BCMM has implemented a SOP to expedite the electrification of informal areas that meet the required criteria, while also addressing minor concerns in these areas, such as re-blocking and relocation out of access ways (roadways).
- In the ESKOM area of supply, the backlog is mainly caused by extensions to already electrified villages that do not meet the electrification guidelines of having a formal layout plan.

As per government policy, BCMM prioritises the electrification of formal RDP households, aiming to electrify all completed homes built within the following year, subject to the availability of funding. In the 2020/21 financial year, 100 households received electricity for the first time, thereby improving their standard of living. The continued electrification of RDP houses is prioritised to ensure that the backlog of around 2% is maintained or reduced.

Informal settlements are an urban reality and will be the only form of housing available to many residents. To improve the quality of life for residents of these settlements, the Council decided that those meeting specific requirements in line with an approved SOP will be provided with interim electricity services. The approved SOP proceeds through the Spatial Planning and Development/Human Settlement Phase; thereafter, electricity can commence with the electrical planning phase in line with the OHS Act. In the year under review, 900 informal dwellings received electricity.

The BCMM has continued to invest capital funding of R 87,4 million into the ageing electrical network by upgrading, refurbishing, and replacing equipment that has reached its useful lifespan. The 4IR Supervisory Control and Data Acquisition project has continued, providing the Electricity and Energy Department with much-needed control and monitoring of the electrical network, which offers safer, more efficient operating conditions during load-shedding events.

When addressing the electricity backlog, three key elements come into play:

- The backlog regarding universal access relates to the electrification of new formal RDP (Reconstruction and Development Programme) dwellings. For BCMM, this backlog is approximately 1%, with only recently constructed dwellings remaining unelectrified. Typically, these dwellings are electrified within one or two years of the housing project's completion, and the current backlog stands at around 2 000 dwellings.
- In 2012, the BCMM Council decided to electrify informal dwellings. Informal dwellings, therefore, constitute a backlog, with an initial estimate of 45 000 dwellings. This number has likely increased due to land invasion and growth in existing informal settlements.
- To date, the Electricity and Energy Department has electrified 8 000 dwellings. A new methodology called re-blocking has been introduced to expedite the electrification of informal settlements. The re-blocking

methodology considers several factors, including land ownership, available space, the stability of the settlement, and the ongoing growth of the settlement. This approach involves clearing access ways to ensure that electrification, as well as other services, can be installed in a safe and maintainable manner. However, this process has been hampered by continued growth in the settlement under consideration.

- Once communities become aware of a potential project, informal settlements often experience rapid expansion. For instance, in an area initially identified with 300 informal dwellings and sufficient space for relocating and re-blocking dwellings outside the defined developable area, the settlement expanded to over 600 informal dwellings. This expansion significantly alters the project's dynamics, design, and the relocation and re-blocking process, as the available space is no longer adequate. Consequently, this setback necessitates a return to the planning stage of the project.

Waste removal

The Solid Waste Management Services Department provides waste management services to 223 568 households across three regions – Coastal, Midland, and Inland – encompassing both formal and informal areas in BCMM. Currently, refuse removal services are offered in 15 areas in the Coastal region, 7 in the Midland region, and 12 in the Inland region. This operation follows the established refuse collection schedule, which is communicated annually to BCMM residents. The aim is to ensure that the citizens of the City inhabit an environment that is conducive to their health and enhances the overall aesthetics of the City.

BCMM waste collection services are categorised into different levels, based on access conditions in the formal and informal communities:

Refuse removal

- Kerbside collection services involve the collection of waste placed in black bags or wheelie bins on scheduled days. This type of service is provided to formally developed residential areas (149 551 households) where street networks are sufficiently developed to allow reasonable access to individual properties. 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 (approximately 61 252 households) and blocks of flats, communal collection occurs, involving the collection of waste in bulk from central collection points. These points are accessed by either the residents, the Municipality, or contractors working for the Municipality, who take the refuse for bulk removal. Occasionally, six cubic metre skip containers are placed at central strategic points for the storage of refuse until its removal.
- Clustering of service areas for refuse removal in residential areas has been undertaken to ensure optimal use of resources and to prevent waste collection backlogs. Clustering has commenced in the Midland and Inland Regions, while the Coastal region is drawing lessons from them to improve their service model.

Clearance of illegal dumps

The department also has programmes for clearing illegal dumps in all wards. The process of mapping illegal dump hotspots has been successfully initiated in all three regions, and their clearance is ongoing. BCMM is in the process of converting these spots into mini-transfer stations that will be accessible to communities where illegal dumping occurs.

The City has established Integrated Rapid Response Teams (IRRT), which are active in all three regions to address various issues, including waste management and illegal dumping. In addition, the City is developing a concept document to engage communities in waste management services, promoting initiatives such as “Adopt a Street”, “Adopt a Spot,” and “Adopt a Pavement” to help reduce illegal dumping.

Landfill sites & Transfer Stations

Landfilling is the most commonly used waste disposal method in SA, with over 95% of all generated waste being disposed of in landfill sites. It is perceived as the most economical method of waste disposal and can be considered environmentally acceptable, provided it is properly managed.

BCMM is serviced by two general waste landfill sites, Roundhill and Qonce, which have a combined average waste disposal capacity of 850 to 1 300 tonnes of municipal solid waste per day. The estimated lifespan of these sites is approximately 15 years. BCMM does not have any hazardous waste landfill sites. The City also has nine old (pre-National Environmental Management Waste Act) waste management facilities, which vary in compliance with the Waste Regulatory Framework.

Additionally, there are transfer stations at Kayser’s Beach, Kidd’s Beach, Beacon Bay, and the privately owned Gonubie Garden Transfer Stations. The City continued to upgrade the two transfer stations within the Coastal region, namely Kayser’s Beach and Kidd’s Beach, during the 2022/23 financial year through the installation of guard rails.

Waste Minimisation, Education & Planning

The Waste Minimisation Unit is responsible for implementing programmes that aim to ensure waste is reduced before disposal at landfill sites.

Table 51: Waste minimisation resources

Personnel	2	1	2
Vehicles	1	1	0

The Unit is responsible for the following activities:

- To empower and enable communities, businesses, schools, and the government to take responsibility for their waste by conducting awareness campaigns (door-to-door) and clean-up initiatives.
- To capacitate communities with an understanding that waste is a resource by introducing waste separation at source in schools, households, and businesses.
- To encourage communities to keep the City clean by introducing **Adopt a Spot** programmes to reduce instances of illegal dumping.

BCMM, in partnership with the Border Kei Chamber of Business (BKCOB), has strengthened its waste minimisation programmes, resulting in the establishment of two buy-back centres (BBCs) in the Coastal Region. The plan is to roll out these BBCs to the other two regions, namely Midland and Inland, in collaboration with BKCOB and the Buffalo City Metropolitan Development Agency (BCMDA).

Waste Minimisation Programmes

Recycling drop-off point units were placed at the following offices as part of BCMM internal waste recycling:

- Trust Centre
- Old Mutual Building
- Debt Management Offices
- Solid Waste, Cambridge
- Solid Waste – Director's Office
- IEMP Building
- Engineering Building

(i) EC Waste Management Systems Project

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

- Upgrading of East London BBC
- Waste separation at source
- Street cleaning

(ii) Education and awareness campaigns:

Solid Waste Management Services conducts awareness and education programmes on issues relating to cleanliness, waste, environmental management, and sustainable development, targeting communities and schools.

(iii) Service delivery Fridays

These were introduced as a result of the launch of Good Green Deeds by the President, aiming to further intensify waste management service delivery models such as litter picking, gutter clearance, and the clearance of illegal dumps. The programme is progressing well.

Achievements of Solid Waste Department during this year of reporting:

- a) Implementation of waste separation at source programme;
- b) Fully operational BBCs within the Coastal Region;
- c) Successfully operating recyclable drop-off points;
- d) Successfully launching and implementing the Good Green Deeds initiative.

Top Service Delivery Priorities

- BCMM will strengthen its IRRT endeavours to ensure the sustainability of the service provided.
- The BCMM will ensure the Integrated Waste Management Plan (IWMP) is reviewed annually.
- The BCMM will continue to establish drop-off zones.

- The BCMM will pilot a community-based service delivery platform in Southernwood, Quigney, Mdantsane, and Qonce to learn lessons that can be applied throughout the city.
- In the Coastal region, the Department will implement a new collection model. Through gains in efficiency, BCMM will be able to redirect resources to Duncan Village and Southernwood.

Table 52: Solid Waste Service Delivery Levels, 2022/2023 Annual Report (T.3.4.2)

Solid Waste Service Delivery Levels				
Description	Households			
	2019/20 Actual No.	2020/21 Actual No.	2021/22 Actual No.	2022/23 Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	26 846	157 392	157 392	157 392
<i>Minimum Service Level and Above sub-total</i>	26 846	157 392	157 392	157 392
<i>Minimum Service Level and Above percentage</i>	89,9%	71,1%	70,5%	70,5%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	547	2012,11	2 012 6	2012,11
Using communal refuse dump	846	6 707	707 46	6 707 46
Using own refuse dump	952	46 949	949 3	949 3
Other rubbish disposal	123	3 130 7	130 7	130
No rubbish disposal	112	154	154	7 154
<i>Below Minimum Service Level sub-total</i>	3 015	63 942	65 953	65 953
<i>Below Minimum Service Level percentage</i>	10,1%	28,9%	29,5%	29,5%
Total number of households	27 745	221 334	223 344	223 344
				<i>T 3.4.2</i>

Table 53: Solid Waste Service Delivery Levels below minimum, 2022/23 Annual Report (T.3.4.3)

Households – Solid Waste Service Delivery Levels below the minimum						
Description	2019/20	2020/21	2021/22	2022/23		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	2012,112	2012,112	2012,112	2012,112	2012,112	2012,112
Households below minimum service level	1 416,52	1 416,52	1 416,52	1 416,52	1 416,52	1 416,52
Proportion of households below minimum service level	70,40%	70,40%	70,40%	70,40%	70,40%	70,40%
Informal Settlements						
Total households	100 000	100 000	63 942	63 942	63 942	63 942
Households below minimum service level	25 000	25 000	43 847	43 847	43 847	43 847
Proportion of households below minimum service level	25%	25%	68,57%	68,57%	68,57%	68,57%
T 3.4.3						

Roads and storm water

The roads and stormwater services fall under the Directorate of Infrastructure Services, which is responsible for the rehabilitation, upgrade, and maintenance of 2 940 km of surfaced and gravel roads; 70 bridge structures; 21 000 manholes, inlet and outlet structures; and 600 km of pipes and channels. BCMM has a pavement management system developed in the 2012/13 financial year and is currently procuring a consultant to review it in the 2022/23 financial year.

The capital and operating budgets for the 2018/19 financial year were R130 million and R280 million, respectively. The roads and stormwater branch achieved its performance targets for the 2018/19 financial year, with 140 km of roads regavelled/rehabilitated, 43 km of existing roads resurfaced, 23 km of gravel roads upgraded to surfaced standards, and three bridge structures rehabilitated.

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 road network is approximately 2 940 km, comprising 1 340 km of gravel roads and 1 600 km of surfaced roads. It is also responsible for the rehabilitation, maintenance, and upgrade of existing stormwater pipes, channels, bridges, and drainage structures.

The existing stormwater infrastructure consists of approximately 70 bridge structures, approximately 21 000 manholes, kerb inlets, headwalls, and other inlet and outlet structures. In addition, there are approximately 600 km of stormwater pipes and culverts within the Metro.

5.8 Informal settlements

There are 156 informal settlements, comprising approximately 30 000 informal structures in BCMM, as illustrated in the plans below:

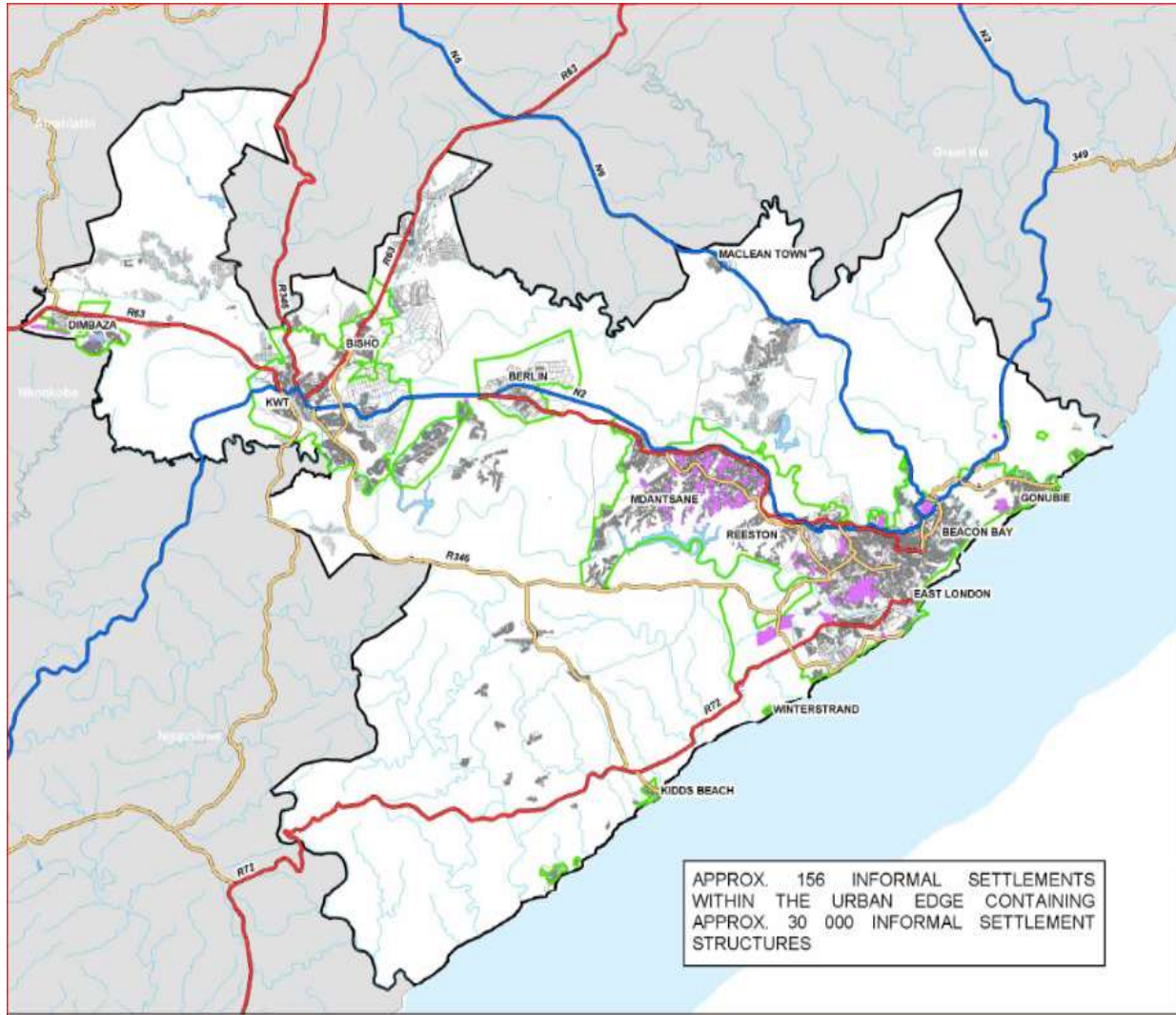


Figure 58: Plan D.1 BCMM informal settlements – overall

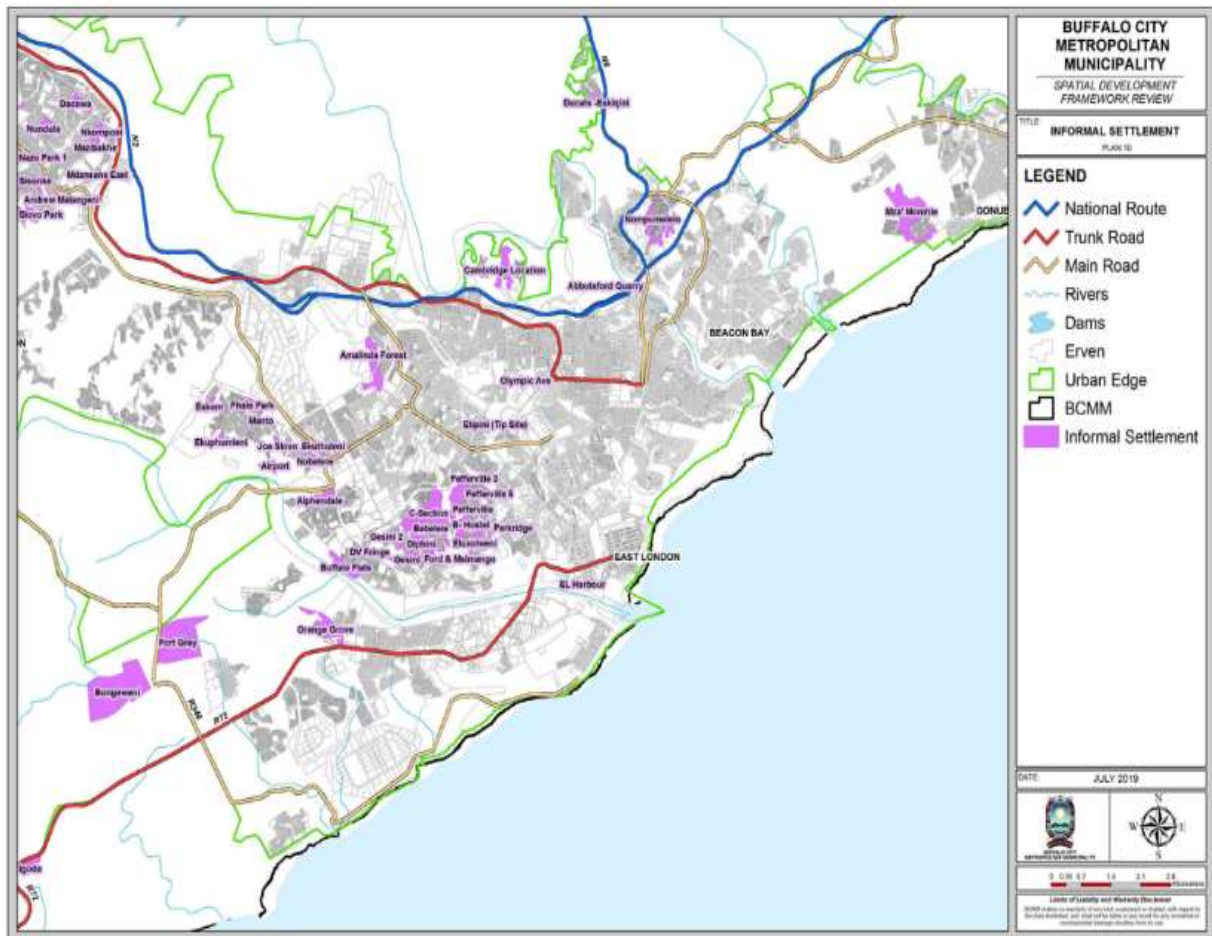


Figure 59: Plan D.2 BCMM Informal Settlements – East London

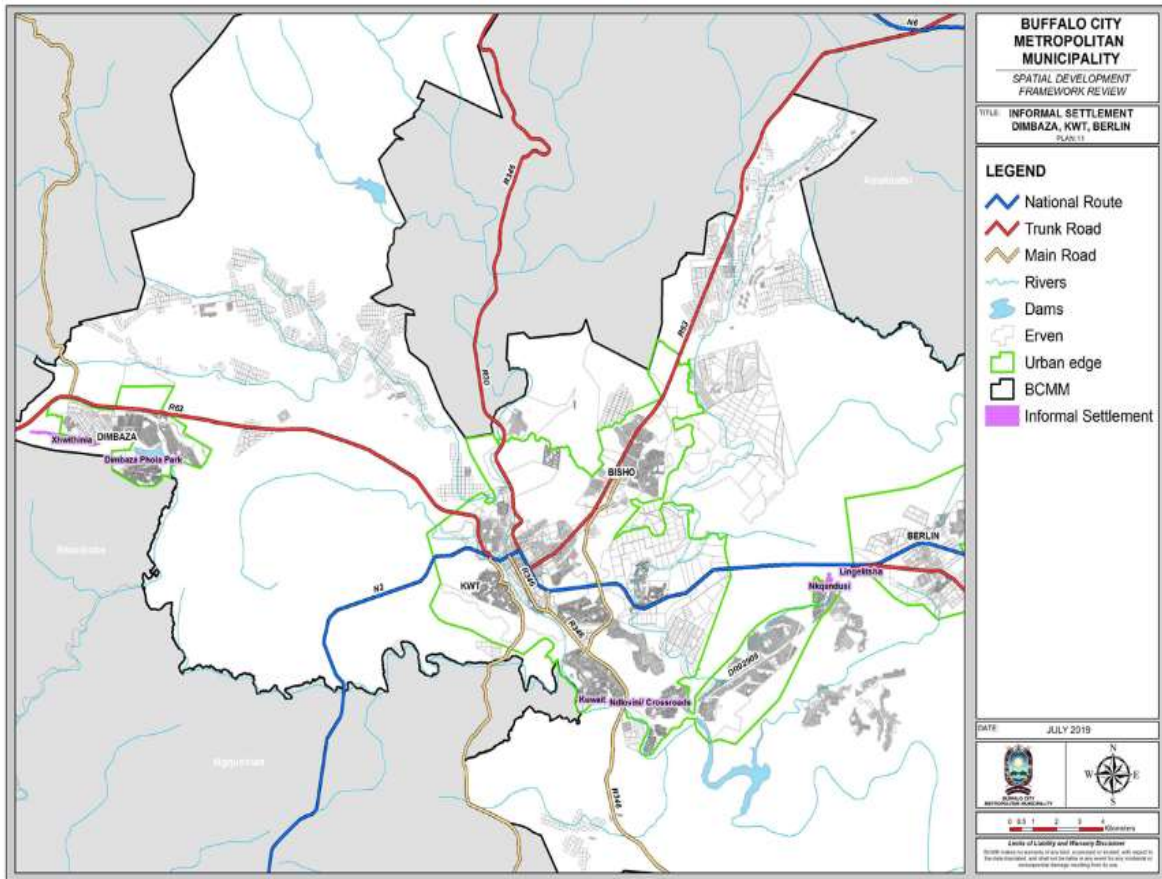


Figure 60: Plan D.3 BCMM informal Settlements – Qonce

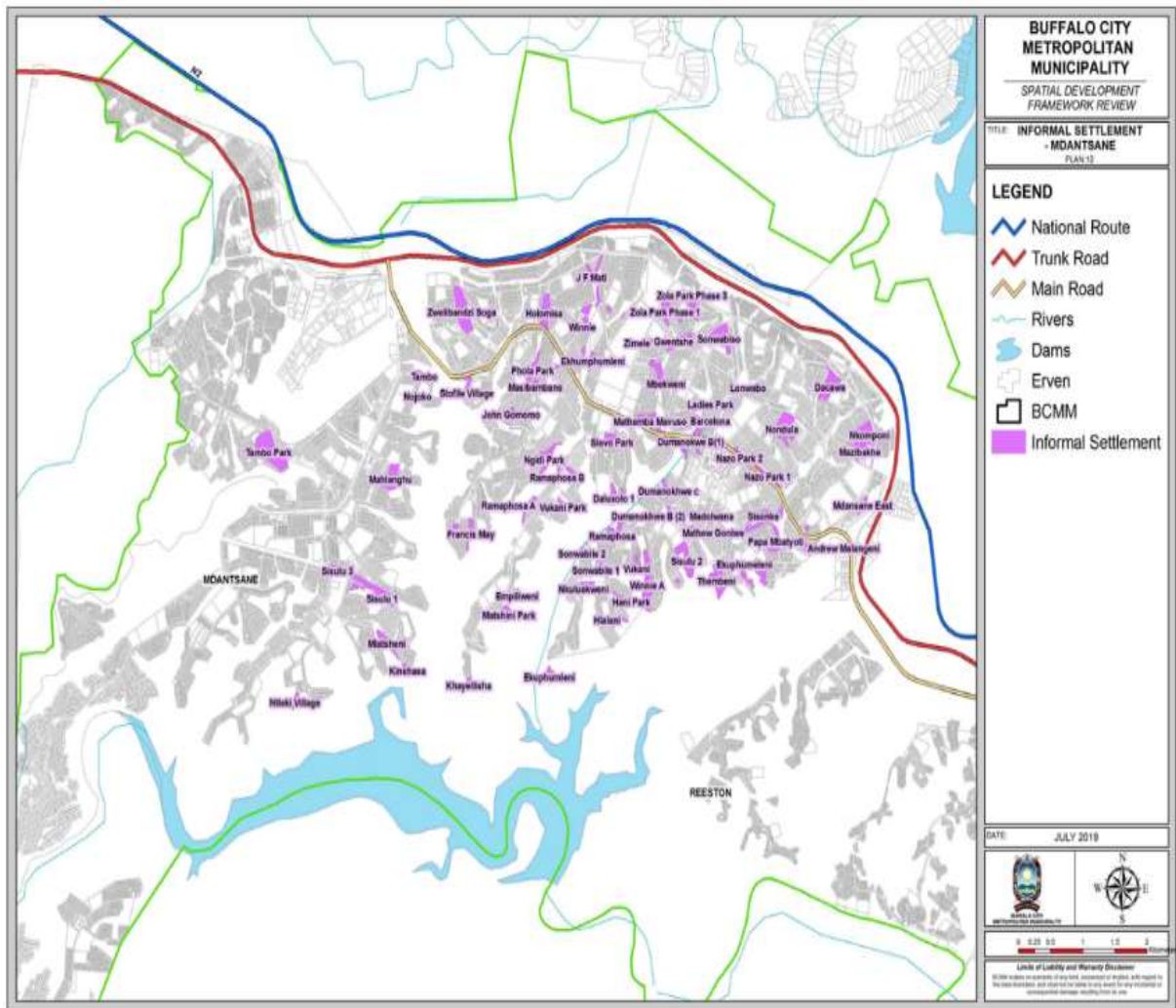


Figure 61: Plan D.4 BCMM Informal settlements – Mdantsane

6. A SUMMARY OF THE KEY DEVELOPMENT TRENDS IN THE METRO

6.1 Economy Growth and Development Trends

The economic state of BCMM is put into perspective by comparing it spatially with its neighbouring metropolitan municipalities, EC Province, and SA. This section also highlights the economic composition and contribution of the regions within BCMM.

BCMM does not function in isolation from the EC province, SA, and the world. Now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the Municipality to plan and implement policies that will encourage social development and economic growth for its people and industries, respectively.

6.2 Towards an Economic Recovery Plan for BCMM

6.2.1 Contextual Considerations

SA's economic competitiveness relative to other economies has declined over time, as reflected in its steady drop on the World Bank's Global Competitiveness Index since 2007. This downward trend has contributed to weakening business confidence and a decline in both foreign direct investment and domestic investment. Contributing factors include rising costs of doing business, declining export competitiveness, and inefficiencies in our network industries and infrastructure (energy, ports, rail, telecoms). For a middle-income country, SA has a notably low Human Capital Index of 0.4, according to the World Bank. This score, which is even lower than that of Zimbabwe, indicates that the country is operating at only 40% of its potential productivity, given current health and education outcomes. SA has struggled to achieve productivity-driven growth, bearing the cost structures of a middle-income country but the productivity levels of a low-income country. This mismatch has contributed to rising structural unemployment, as the economy has been unable to generate sufficient jobs for unskilled workers.

6.2.2 Contraction and Recovery of the Economy

The COVID-19 pandemic caused the global economy to contract by -5.2%, while the South African economy shrank by over -7%. A recovery is expected in 2021, and according to the IMF, the global economy is anticipated to rebound in a V-shaped recovery, though it will take time to return to pre-recession levels.

The pandemic has significantly reduced global consumption demand, disrupted global supply chains, and decreased demand for commodities, which is detrimental for a commodity exporter like SA. Currently, more than 90% of countries across the world are in recession, which is estimated to be far worse than both the Great Recession and the Great Depression.

6.2.3 Sector Impacts

At a national level, construction, manufacturing, finance, real estate, and trade all demonstrate significant or severe COVID-19–related contraction.

Table 54: Sector impact

	direct	total	direct	total
Agriculture, forestry and fishing	-0.4	-3.9		
Mining and quarrying	-5.2	-4.6		
Manufacturing	-5.1	-7.3		
Electricity, gas and water	-0.2	-4.2		
Construction	-11.9	-14.2		
Trade, catering and accommodation	-1.1	-4.9		
Transport, storage and communication	-3.2	-4.5		
Finance, real estate and business services	-2.0	-6.6		
General government services	-0.3	-1.4		
Personal services	-6.0	-3.7		

Legend

-  Sector hit by severe contraction
-  Sector hit by large contraction
-  Sector hit by small contraction

(Source: NT)

6.2.4 Business Confidence

There has been a severe decline in business confidence and economic activity in SA, and similar trends can be observed in BCMM.

Table 55: Business Confidence Index

	BUSINESS CONFIDENCE INDEX (% satisfied)					
	Building	Manufacturing	Retail	Wholesale	Motor	Total*
19Q2	30	22	28	42	17	28
19Q3	23	16	17	29	22	21
19Q4	31	24	30	28	17	26
20Q1	15	17	18	25	16	18
20Q2	2	6	11	4	2	5
	↓ Lowest since 1986Q3	↓ Record low	↓ Lowest since 1991Q3	↓ Record low	↓ Lowest since 1976Q4	↓ Record low

	Activity (% up less % down = net %)					
	Building activity	Manufacturing production	Retail sales volumes	Wholesale sales volumes	Motor sales volumes	Total*
19Q2	-56	-32	-37	-27	-78	-46
19Q3	-68	-25	-40	-50	-63	-49
19Q4	-49	-18	-35	-39	-63	-41
20Q1	-72	-37	-48	-47	-63	-53
20Q2	-91	-77	-57	-88	-100	-83
	↓ Record low	↓ Record low	↓ Lowest since 77Q4	↓ Record low	↓ Record low	↓ Record low

Source: BER, National Treasury * Unweighted average across sectors

6.2.5 Implications for Buffalo City

- Construction, manufacturing, trade, tourism, finance, and business services have been the most impacted by COVID-19.
- The automotive sector has been heavily affected by the crash in global vehicle demand; however, MBSA was already slowing down production to prepare the plant for the new W206 model, which commences next year.
- General Government Services have been less affected as an economic sector, suggesting that the BCMM economy will contract slightly less than the national economy given its relative significance. However, risks remain high due to the state of fiscal distress.
- Levels of fixed investment for 2020 are expected to decline by at least 15% due to the impact on the property and construction sector. Nevertheless, we project this to be slightly better than the national contraction, owing to sustained investment by MBSA in the W206 plant and machinery, as well as our own property and infrastructure projects (BCMDA projects and road projects such as Sleeper Site, Settlers Way, etc.), although our capacity to maintain this investment without growth is unlikely.
- Small businesses, bed and breakfast establishments, restaurants, and similar ventures have been heavily affected, with many closing and unlikely to reopen.

- Large investors, such as Defy, have been impacted by the crash in consumer demand, and national restructuring is back on the agenda, which could lead to their closure in BCMM.
- The real impact on the BCMM economy will depend on whether there is significant contraction in the government sector moving forward (due to fiscal constraints) and how quickly the automotive sector can resume production capacity aligned with global demand.

6.2.6 Labour Market Impacts

COVID-19-related job loss in SA is projected to be between 600 000 and 1,7 million. The impact is significantly worse for low-skill segments, women, and the informal sector. BCMM is projected to lose between 5 000 and 15 000 jobs, depending on the speed of recovery. Most of these job losses will occur in small family-owned businesses and in sectors such as tourism and leisure, construction, trade, manufacturing, and financial services. Hunger poverty in BCMM is expected to increase by at least 10%–20% in the immediate term.

6.2.7 Fiscal Gap

The result of low growth and declining fixed investment is that the gap between revenue and expenditure is widening, threatening a sovereign debt crisis. The fiscal gap has grown wider, leading to the implementation of expenditure ceilings to avert a debt crisis. This has resulted in fewer transfers and grants, alongside a likely shift towards more incentive-based resource allocation, where cities must implement reforms, demonstrate value and impact, and manage their spending effectively to secure additional funding. Furthermore, it will necessitate a transition to evidence-based budget prioritisation. There will also be an increased emphasis on private sector partnerships, blended finance, and similar approaches to finance CAPEX, along with a focus on expenditure that catalyses growth (cities must urgently and intentionally expand their tax bases).

6.2.8 Coherent Economic Strategy

Metros are expected to develop economic reconstruction and recovery plans to ignite economic recovery, driven by executive mayors. Line departments and ministries will be responsible for implementing programmes relevant to their areas. This work will be coordinated by the Presidential Advisory Technical Team and the National Treasury's Operation Vulindlela, with centralised capacity in the Presidency to drive and coordinate implementation.

The BCMM ERP must be framed by a coherent economic strategy, proposed to be underpinned by the following two pillars:

- **AUTOMOTIVE CONSOLIDATION AND DEEPENING:**
 - Expand MBSA's productive base in the City (W206 and beyond)
 - Local content and supplier development
 - Logistics and skills to enhance the overall export competitiveness of the city

- **DIVERSIFICATION INTO NEW GROWTH SECTORS TO REDUCE AUTO-DEPENDENCY:**
- Agro-industry
- ICT and Global Business Services (GBS) aligned with SMART CITY development
- Green industries
- Tourism and creative industries

6.3 Economy

The economic state of BCMM is clarified by comparing it spatially with its neighbouring metropolitan municipalities, the EC province, and SA as a whole. This section will also touch upon the economic composition and contributions of the regions within BCMM.

The BCMM does not operate in isolation from the EC, SA, and the world. Now, more than ever, it is crucial to have reliable information on its economy for effective planning. This information is essential for empowering the Municipality to plan and implement policies that will foster social development and economic growth for both the people and industries within the municipality.

6.4 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and their economic states.

Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices. Current prices reflect the economy in actual Rand, while constant prices adjust for inflation, capturing the real growth in volumes as if prices were fixed in a specific base year.

Table 56: Gross Domestic Product (GDP) - Buffalo City, EC, and National Total, 2012-2022 [R billions, Current prices]

	Buffalo City (R Billion)	Eastern Cape (R Billion)	National Total (R Billion)	Buffalo City as % of province	Buffalo City as % of national
2012	58,6	287,2	3,566,4	20,4%	1,64%
2013	63,2	309,6	3,868,6	20,4%	1,63%
2014	67,6	330,8	4,133,9	20,4%	1,64%
2015	72,2	354,1	4,420,8	20,4%	1,63%
2016	77,1	379,0	4,759,6	20,4%	1,62%
2017	82,0	403,4	5,078,2	20,3%	1,61%
2018	85,4	420,9	5,363,2	20,3%	1,59%
2019	88,5	437,2	5,625,2	20,2%	1,57%
2020	86,7	430,3	5,568,0	20,1%	1,56%
2021	94,9	472,9	6,208,8	20,1%	1,53%

	Buffalo City (R Billion)	Eastern Cape (R Billion)	National Total (R Billion)	Buffalo City as % of province	Buffalo City as % of national
2022	100,2	501,0	6,628,6	20,0%	1,51%

Source: South Africa Regional eXplorer v2443.

With a GDP of R 100 billion in 2022 (up from R58,6 billion in 2012), the BCMM contributed 20,01% to the EC province GDP of R 501 billion in 2022, increasing its share of the EC from 20,42% in 2012. The BCMM contributes 1,51% to the GDP of SA, which had a total GDP of R6,63 trillion in 2022 (as measured in nominal or current prices). Its contribution to the national economy remained similar in importance from 2012 when it contributed 1,64% to SA, but it is lower than the peak of 1,64% in 2012.

Table 57: Gross Domestic Product (GDP) - Buffalo City, EC, and National Total, 2010-2020 [Annual percentage change, Constant 2010 prices]

	Buffalo City	Eastern Cape	National Total
2012	1,6%	1,9%	2,4%
2013	1,4%	1,4%	2,5%
2014	0,8%	0,8%	1,4%
2015	0,8%	0,9%	1,3%
2016	0,7%	0,8%	0,7%
2017	0,2%	0,5%	1,2%
2018	1,0%	1,1%	1,6%
2019	-0,1%	0,1%	0,3%
2020	-6,2%	-5,8%	-6,0%
2021	4,3%	4,9%	4,7%
2022	1,9%	2,1%	1,9%
Average Annual growth 2012-2022	0,44%	0,64%	0,92%

Source: IHS Markit Regional eXplorer version 2201

In 2022, the BCMM achieved an annual growth rate of 1,90%, which is very similar to the EC province's 2,08% GDP growth, and lower than that of SA, where the 2022 GDP growth rate was 1,91%. Contrary to the short-term growth rate of 2022, the longer-term average growth rate for Buffalo City (0,44%) is slightly lower than that of SA (0,92%). Economic growth in Buffalo City peaked in 2021 at 4,26%.

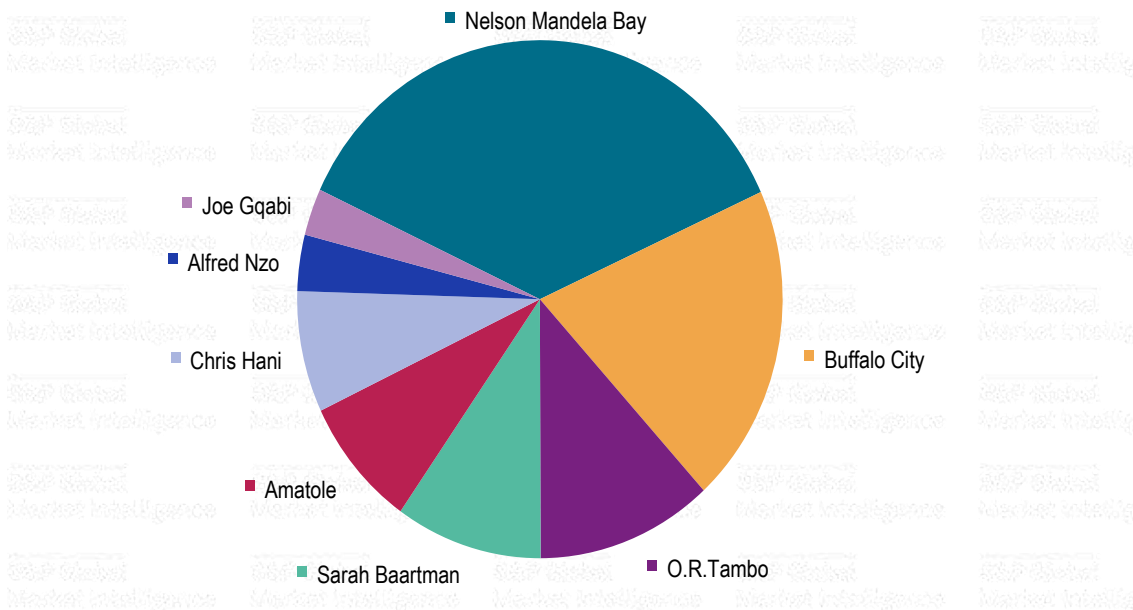


Figure 62: Gross Domestic Product (GDP) – BCMM and the rest of the EC, 2022 [Percentage]

Source: South Africa Regional eXplorer v2443.

The BCMM had a total GDP of R100 billion. In terms of its overall contribution to the EC province, the BCMM ranked second among all regional economies contributing to the total EC province GDP. This ranking in size relative to other regions of Buffalo City has remained the same since 2012. In 2022, its share was slightly smaller at 20,0% compared to 20,4% in 2012. From 2012 to 2022, the average annual growth rate of 0,4% for Buffalo City was the seventh highest among its peers in terms of growth, measured in constant 2010 prices.

Table 58: Gross Domestic Product (GDP) - Sub-metro regions of BCMM, 2012 to 2022, share and growth

	2022 (Current prices)	Share metropolitan municipality of	2012 (Constant prices)	2022 (Constant prices)	Average Annual growth
Macleantown, Sandisiwe	7,09	7,07%	4,96	5,17	0,42%
Qonce Bhisho	25,97	25,91%	18,13	18,95	0,44%
Mdantsane, Chalumna	31,15	31,08%	21,76	22,74	0,44%
East London	36,02	35,93%	25,16	26,29	0,44%
Buffalo City	100,2		70,01	73,15	

Source: IHS Markit Regional eXplorer version 2201

Qonce/Bhisho had the highest average annual economic growth, averaging 0,44% between 2012 and 2022, compared to the other regions within the BCMM. The Mdantsane, Chalumna Sub-metro Region had the second highest average

annual growth rate of 0,44%. Macleantown, Sandisiwe Sub-metro Region recorded the lowest average annual growth rate of 0,42% between 2012 and 2022.

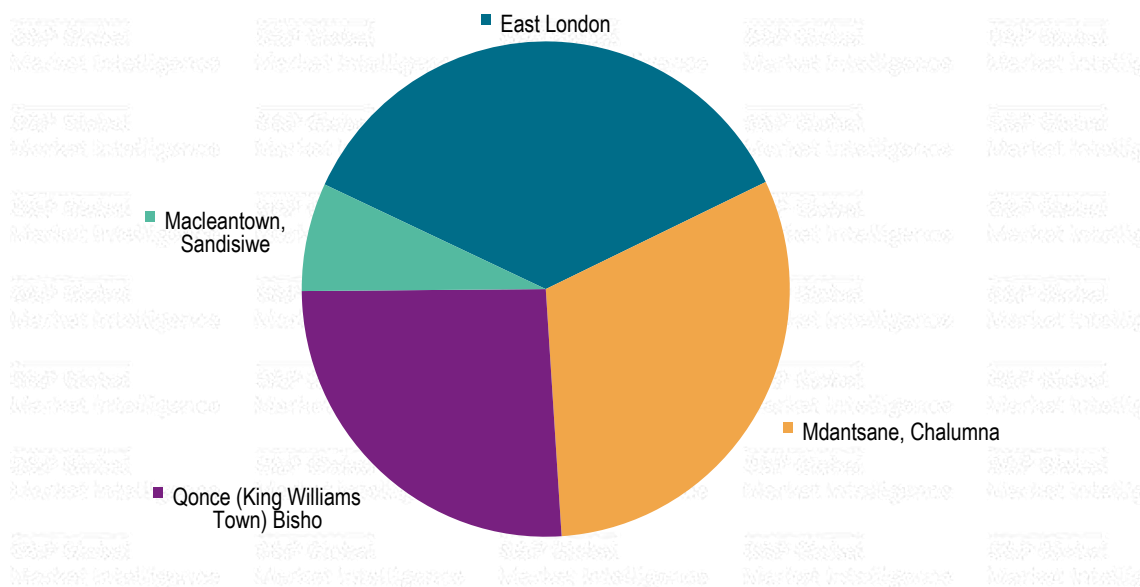


Figure 63: GDP contribution - Sub-metro regions of BCMM, 2022 [Current prices, percentage]

Source: South Africa Regional eXplorer v2443

The greatest contributor to the BCMM's economy is the East London Sub-metro Region, which has a share of 35,93% or R36 billion, increasing from R21,1 billion in 2012. The economy with the lowest contribution is the Macleantown, Sandisiwe Sub-metro Region, with R7,09 billion, growing from R4,15 billion in 2012.

6.5 Economic Growth Forecast

It is expected that BCMM will grow at an average annual rate of 1,32% from 2022 to 2027. The average annual growth rates for EC Province and SA are projected to be 1,47% and 1,76%, respectively.

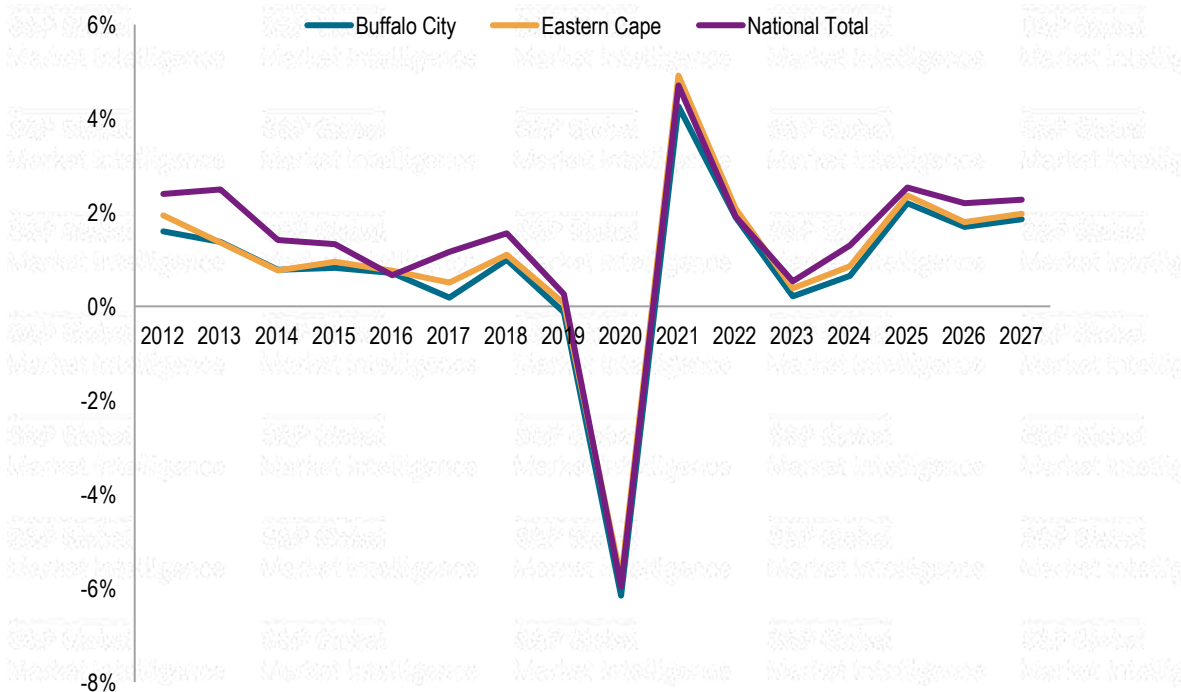


Figure 64: Gross Domestic Product (GDP) - Buffalo City, EC, and National Total, 2012-2027 [Average annual growth rate, constant 2010 prices]

Source: South Africa Regional eXplorer v2443.

In 2027, Buffalo City's forecasted GDP is estimated to be R 78,1 billion (constant 2010 prices), accounting for 19,8% of the total GDP of EC province. The ranking of the BCMM in terms of size will remain unchanged between 2022 and 2027, with its contribution to the EC province GDP projected at 19,8% in 2027, down from 20,0% in 2022. With an average annual GDP growth rate of 1,32% between 2022 and 2027, Buffalo City ranks fourth compared to other regional economies.

Table 59: Gross Domestic Product (GDP) - Sub-metro regions of BCMM, 2022 to 2027, share and growth

	2027 (Current prices)	Share metropolitan municipality of	2022 (Constant prices)	2027 (Constant prices)	Average Annual growth
Macleantown, Sandisiwe	9,63	7,07%	5,17	5,53	1,34%
Qonce Bhisho	35,31	25,91%	18,95	20,23	1,31%
Mdantsane, Chalumna	42,35	31,08%	22,74	24,28	1,32%
East London	48,95	35,93%	26,29	28,07	1,32%
Buffalo City	136,24		73,15	78,10	

Source: South Africa Regional eXplorer v2443.

When examining the regions within the BCMM, it is anticipated that from 2022 to 2027, the Macleantown, Sandisiwe Sub-metro Region will achieve the highest average annual growth rate of 1,34%. The region expected to achieve the second highest average annual growth rate is Mdantsane, Chalumna Sub-metro Region, averaging 1,32% during the same period. Conversely, the region that performed the poorest relative to the others within the BCMM was the Qonce/Bhisho Sub-metro Region, with an average annual growth rate of 1,31%.

6.6 Gross Value Added by Region (GVA-R)

The BCMM's economy comprises various industries. The GVA-R variable provides a sector breakdown, with each sector measured by its *value added* produced in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) for a region, reflecting the value created within that region. GVA can be categorised into various production sectors.

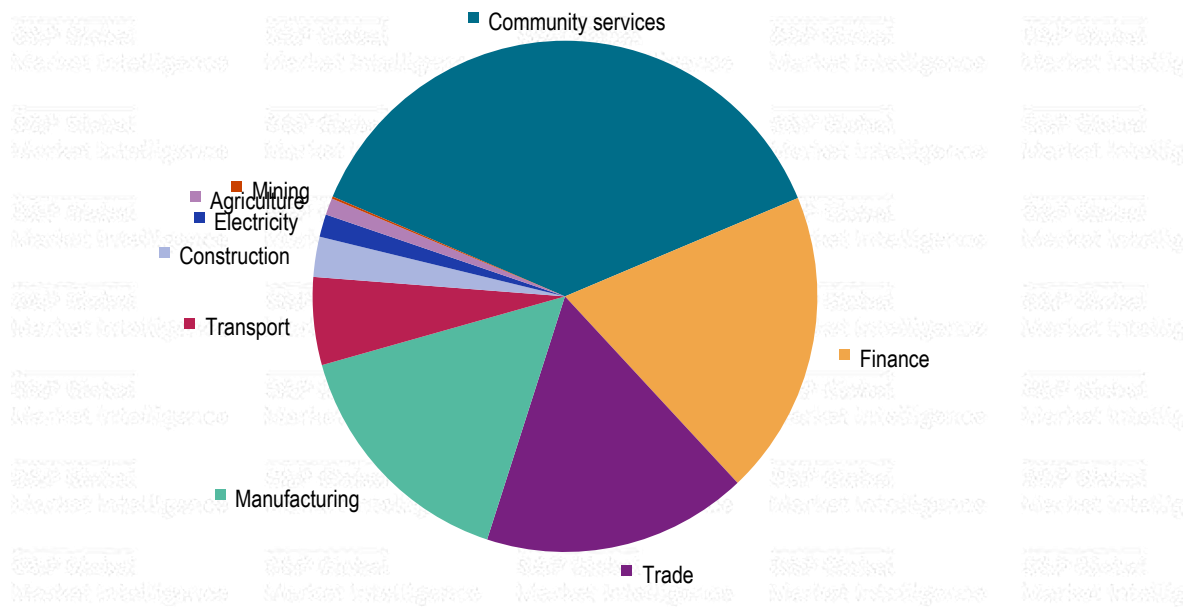
The summary table below puts the GVA of all the regions in perspective to that of BCMM.

Table 60: Gross Value Added (GVA) by broad economic sector - BCMM, 2020 [R billions, current prices]

	Buffalo City	Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
Agriculture	1,0	11,2	187,6	8,5%	0,51%
Mining	0,1	1,5	483,3	8,4%	0,03%
Manufacturing	14,1	64,8	813,1	21,8%	1,74%
Electricity	1,3	9,1	192,8	14,3%	0,67%
Construction	2,3	11,7	146,6	19,6%	1,56%
Trade	15,3	75,3	807,5	20,4%	1,90%
Transport	5,0	23,9	451,4	21,0%	1,11%
Finance	17,4	80,9	1,386,9	21,5%	1,26%
Community services	33,7	174,1	1,483,6	19,4%	2,27%
Total Industries	90,3	452,5	5,952,7	20,0%	1,52%

Source: South Africa Regional eXplorer v2443.

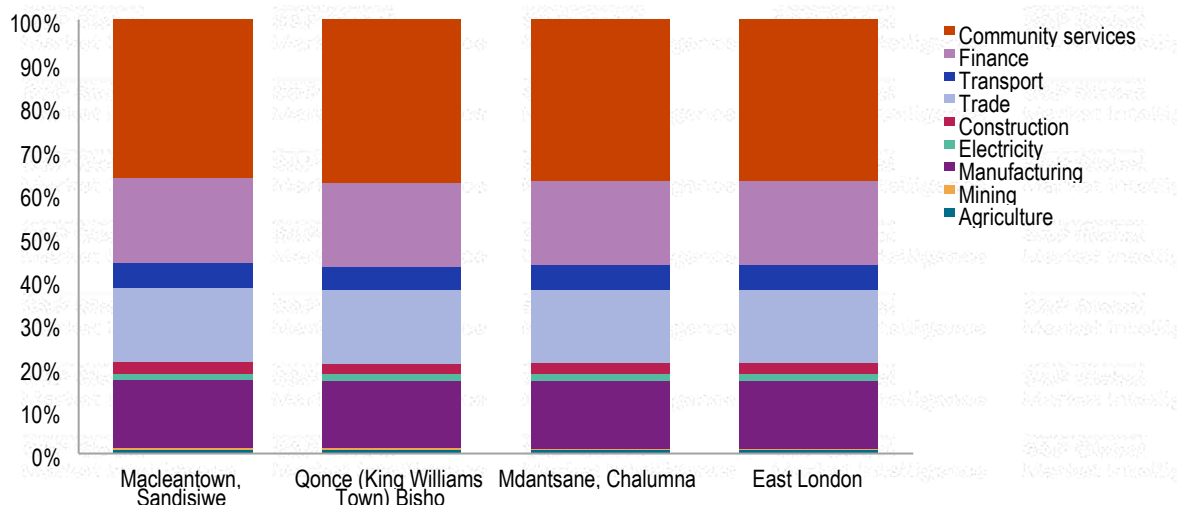
In 2022, the community services sector is the largest within BCMM, accounting for R33,7 billion or 37,3% of the total GVA in the metropolitan municipality's economy. The sector that contributes the second most to the GVA of the BCMM is the finance sector at 19,3%, followed by the trade sector with 17,0%. The sector that contributes the least to the economy of BCMM is the mining sector, with a contribution of R124 million or 0,14% of the total GVA.



Source: South Africa Regional eXplorer v2443.

Figure 65: Gross Value Added (GVA) by broad economic sector - BCMM, 2022 [percentage composition]

The community sector, which includes government services, is generally a significant contributor to GVA in smaller and more rural local municipalities. When examining the regions within the metropolitan Municipality, the East London Sub-metro Region made the largest contribution to the community services sector, accounting for 35,87% of the metropolitan Municipality. Overall, the East London Sub-metro Region contributed R32,4 billion, or 35,93%, to the GVA of the BCMM, making it the largest contributor to the overall GVA of the BCMM.



Source: South Africa Regional eXplorer v2443.

Figure 66: Gross Value Added (GVA) by broad economic sector - Sub-metro regions of BCMM, 2022 [percentage composition]

6.7 Historical Economic Growth

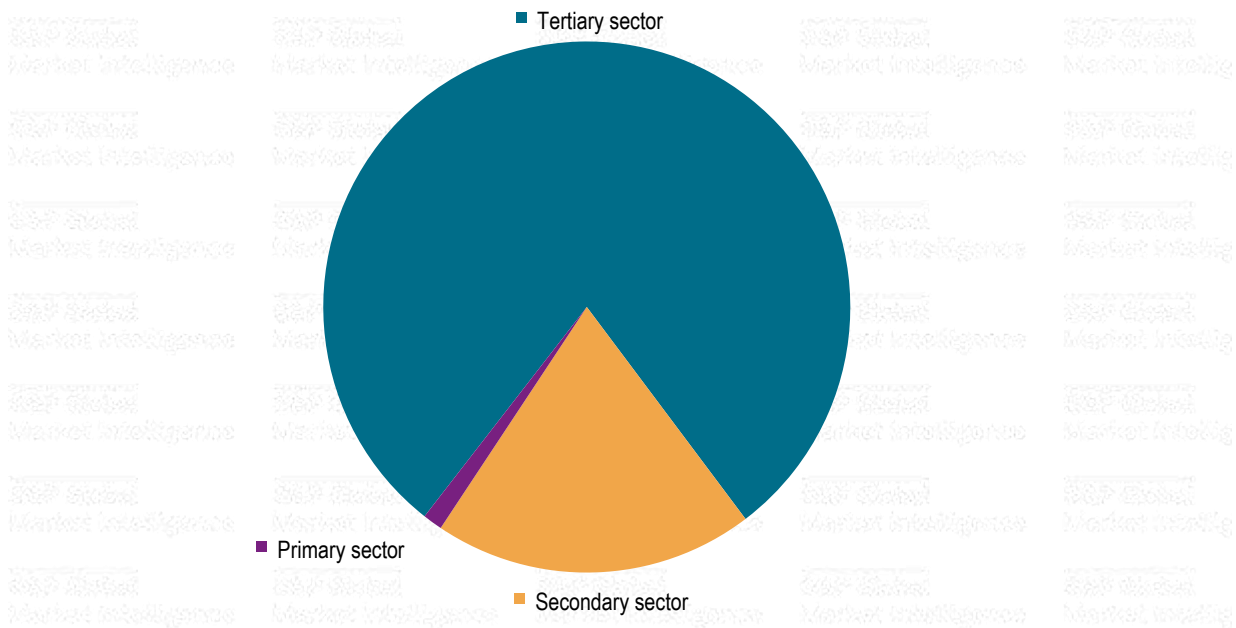
For the period 2022 to 2012, the GVA in the agriculture sector experienced the highest average annual growth rate in Buffalo City at 2,39%. The industry with the second highest average annual growth rate is the finance sector, averaging 1,52% per year. The construction sector had an average annual growth rate of -3,02%, while the mining sector recorded the lowest average annual growth at -4,36%. Overall, there was positive growth in all industries in 2022, with an annual growth rate of 1,82% since 2021.

Table 61: Gross Value Added (GVA) by broad economic sector - BCMM, 2012, 2017 and 2022 [R billions, 2010 constant prices]

	2012 (R Billion)	2017 (R Billion)	2022 (R Billion)	Average growth	Annual
Agriculture	0.47	0.53	0.60	2.39%	
Mining	0.09	0.07	0.06	-4.36%	
Manufacturing	9.54	9.51	9.16	-0.41%	
Electricity	0.83	0.72	0.66	-2.33%	
Construction	2.31	2.29	1.70	-3.02%	
Trade	10.66	10.76	10.38	-0.26%	
Transport	3.93	4.26	4.21	0.70%	
Finance	11.83	12.59	13.76	1.52%	
Community services	23.25	24.65	25.41	0.89%	
Total Industries	62.92	65.38	65.94	0.47%	

Source: South Africa Regional eXplorer v2443.

The tertiary sector contributes the most to the GVA within the BCMM at 79,2%, which is slightly higher than the national economy at 69,4%. The secondary sector contributed a total of 19,6%, ranking second, while the primary sector contributed the least at 1,2%.



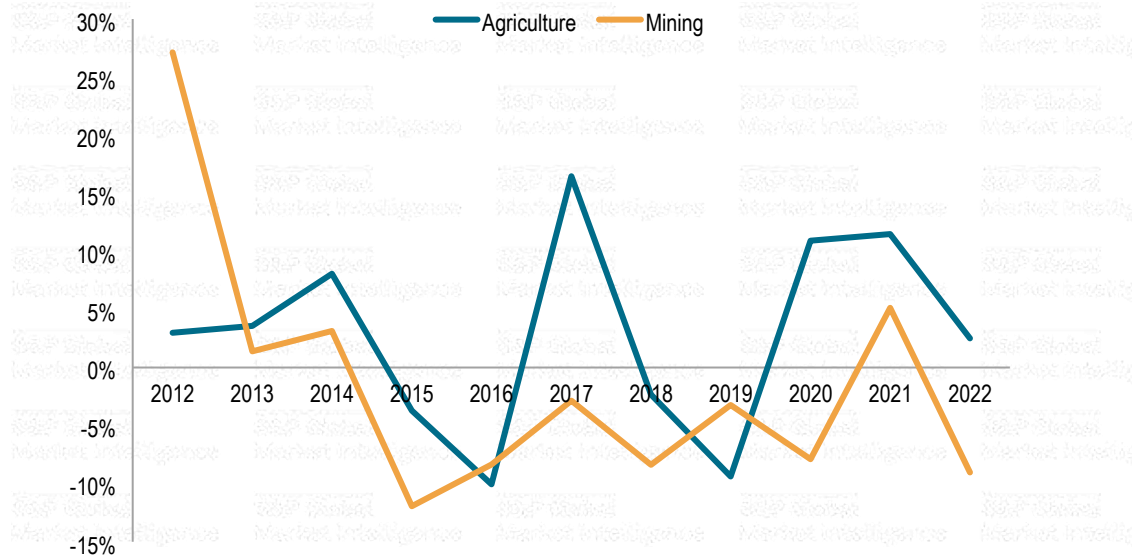
Source: South Africa Regional eXplorer v2443.

Figure 67: Gross Value Added (GVA) by aggregate economic sector - BCMM, 2022 [percentage]

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

Primary Sector

The primary sector consists of two broad economic sectors, namely the mining sector and the agricultural sector. The following chart represents the average growth rate in GVA for both of these sectors in BCMM from 2012 to 2022.



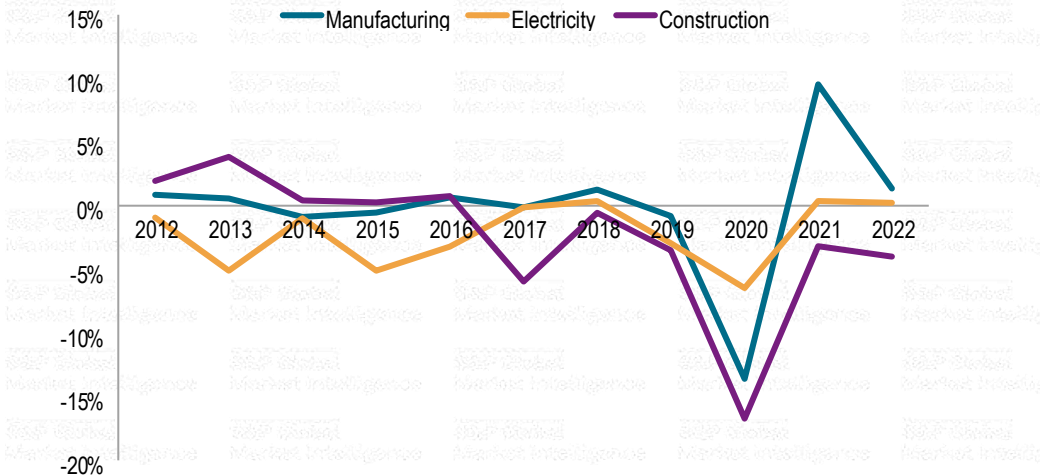
Source: South Africa Regional eXplorer v2443.

Figure 68: Gross Value Added (GVA) by primary sector - Buffalo City, 2012-2022 [Annual percentage change]

Between 2012 and 2022, the agriculture sector experienced its highest positive growth in 2017, with an average growth rate of 16,5%. The mining sector peaked at a growth rate of 27,1% in 2012. The agricultural sector recorded its lowest growth during the period in 2016, at -10,1%, while the mining sector reached its lowest point in 2015, at -11,9%. Both the agriculture and mining sectors are generally characterised by volatility in growth throughout the period.

Secondary Sector

The secondary sector consists of three broad economic sectors, namely manufacturing, electricity, and construction. The following chart represents the average growth rates in GVA for these sectors in BCMM from 2012 to 2022.



Source: South Africa Regional eXplorer v2443.

Figure 69: Gross Value Added (GVA) by secondary sector - Buffalo City, 2012-2022 [Annual percentage change]

Between 2012 and 2022, the manufacturing sector experienced its highest positive growth in 2021, with a growth rate of 9,5%. The construction sector reached its peak growth in 2013 at 3,8%. The manufacturing sector saw its lowest growth in 2020, with a rate of -13,6%, while the construction sector also recorded its lowest growth rate in 2020, experiencing a decline of -16,7%, which was a greater decrease than that of the manufacturing sector. The electricity sector achieved its highest growth in 2021 at 0,4%, but recorded its lowest growth of -6,5% in 2020.

Tertiary Sector

The tertiary sector consists of four broad economic sectors, namely trade, transport, finance, and community services. The following chart represents the average growth rates in GVA for these sectors in BCMM from 2012 to 2022.

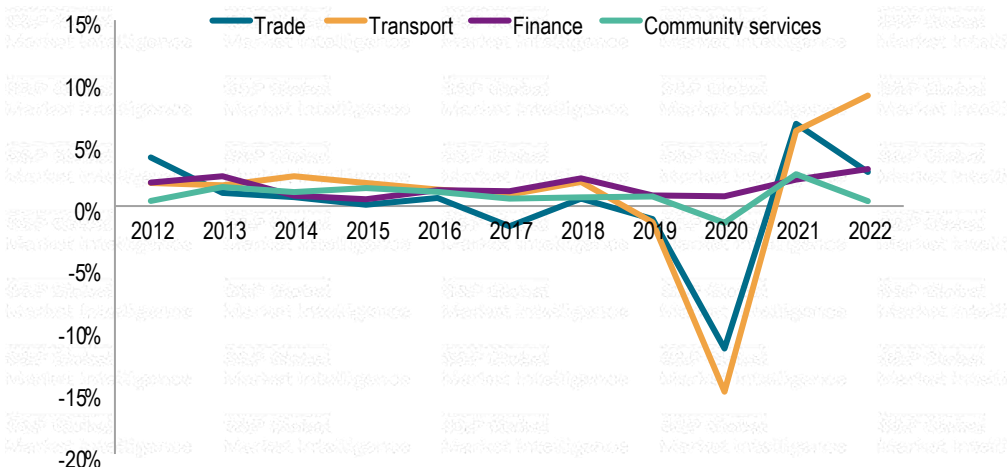


Figure 70: Gross Value Added (GVA) by tertiary sector - Buffalo City, 2010-2020 [Annual percentage change]

The trade sector experienced the highest positive growth in 2021, with a growth rate of 6,6%. The transport sector reached its peak growth in 2022 at 8,9%. The finance sector had its highest growth rate in 2022, growing by 3,0%, while it recorded the lowest growth rate in 2015 at 0,5%. The trade sector also had the lowest growth rate in 2020 at -11,5%. The community services sector, which largely consists of government, experienced its highest positive growth in 2021 at 2,6% and its lowest growth rate in 2020 at -1,4%.

6.8 Sector Growth forecast

The GVA forecasts are based on projected growth rates derived from two sources: historical growth rate estimates and national-level industry forecasts. The projections are partly based on the idea that regions that have performed well in the recent past are likely to continue doing so (and vice versa), and partly on the notion that regions with prominent sectors forecast to grow rapidly in the national economy (e.g., finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010), the emphasis shifts from historical growth rates to national-level industry growth rates.

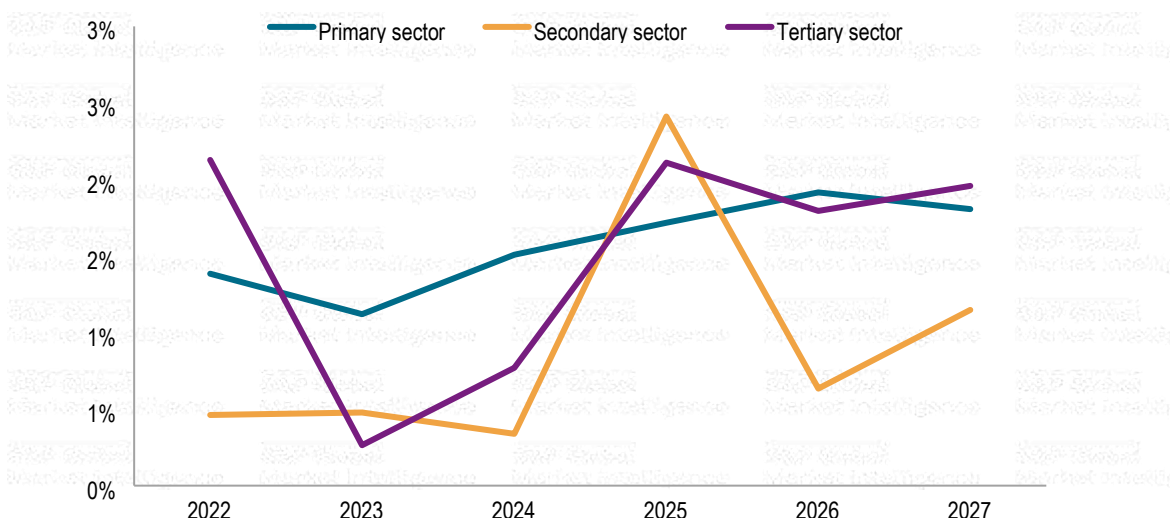
Table 62: Gross value added (GVA) by broad economic sector - BCMM, 2022-2027 [R billions, constant 2010 prices]

	2022	2023	2024	2025	2026	2027	Average Annual growth
Agriculture	0,60	0,61	0,62	0,63	0,64	0,65	1,84%
Mining	0,06	0,05	0,05	0,05	0,05	0,05	-0,88%
Manufacturing	9,16	9,17	9,13	9,36	9,37	9,44	0,60%
Electricity	0,66	0,65	0,64	0,66	0,67	0,68	0,77%
Construction	1,70	1,76	1,84	1,88	1,93	1,99	3,14%
Trade	10,38	10,52	10,52	10,83	10,88	10,99	1,15%

	2022	2023	2024	2025	2026	2027	Average Annual growth
Transport	4,21	4,30	4,38	4,51	4,64	4,77	2,52%
Finance	13,76	13,89	14,12	14,53	14,96	15,39	2,26%
Community services	25,41	25,19	25,29	25,59	25,97	26,42	0,78%
Total Industries	65,94	66,14	66,61	68,04	69,13	70,38	1,31%

Source: IHS Markit Regional eXplorer version 2201

The construction sector is expected to grow the fastest, averaging 3,14% annually, increasing from R 1,7 billion in BCMM to R 1,99 billion by 2027. The community services sector is projected to be the largest sector within the BCMM in 2027, with a total share of 37,5% of the overall GVA (as measured in current prices), growing at an average annual rate of 0,8%. The sector anticipated to grow the slowest is the mining sector, with an average annual growth rate of - 0,88%.



Source: South Africa Regional eXplorer v2443.

Figure 71: Gross value added (GVA) by aggregate economic sector - BCMM, 2022-2027 [Annual growth rate, constant 2010 prices]

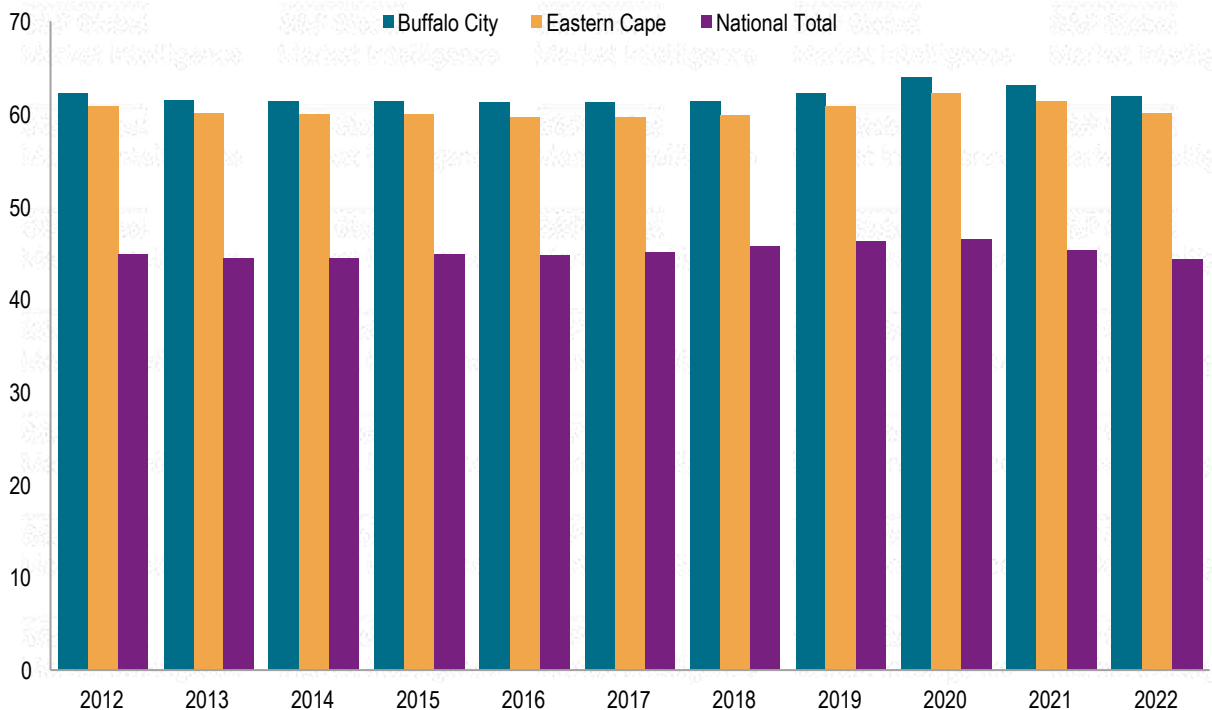
The Primary sector is expected to grow at an average annual rate of 1,61% between 2022 and 2027, with the Secondary sector growing at an average of 1,00% annually. The Tertiary sector is projected to grow at an average annual rate of 1,38% over the same period.

Based on the typical profile of a developing country, we can anticipate faster growth in the Secondary and Tertiary sectors compared to the Primary sector. It is also important to note that the agricultural sector is subject to significant

volatility due to uncertain weather conditions, pests, and other natural factors. The forecasts presented here reflect a long-term trend rather than attempting to predict the unpredictable nature of weather conditions.

6.9 Tress Index

Definition: The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 indicates that all economic sectors in the region contribute equally to GVA, while a Tress index of 100 signifies that only one economic sector constitutes the entirety of the region's GVA.



Source: South Africa Regional eXplorer v2443.

Figure 72: Tress index - Buffalo City, EC, and National Total, 2012-2022 [Number]

In 2022, Buffalo City's Tress Index was estimated at 61,9, which is higher than the province's 60,1 and the 60,1 for SA as a whole. This suggests that, on average, the BCMM is less diversified in terms of its economic activity than the national economy.

The BCMM has a concentrated community services sector.

The more diverse an economy is, the more likely it is to create employment opportunities across all skill levels—not just for highly skilled labourers—and to maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are priorities, it is essential to have industries

that are growing rapidly and creating jobs, particularly in the lower-skilled categories. Unfortunately, in practice, many fast-growing industries do not generate significant employment opportunities for unskilled labourers, which hampers efforts to alleviate unemployment.

6.10 Location Quotient

Definition: A specific regional economy has a comparative advantage over other regional economies if it can produce the same good more efficiently. The location quotient is one method of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This occurs because the share of that sector within the specified regional economy is greater than that of the same sector in the national economy. The location quotient is typically calculated by taking the percentage share of the sector in the regional economy and dividing it by the percentage share of that same sector in the national economy.

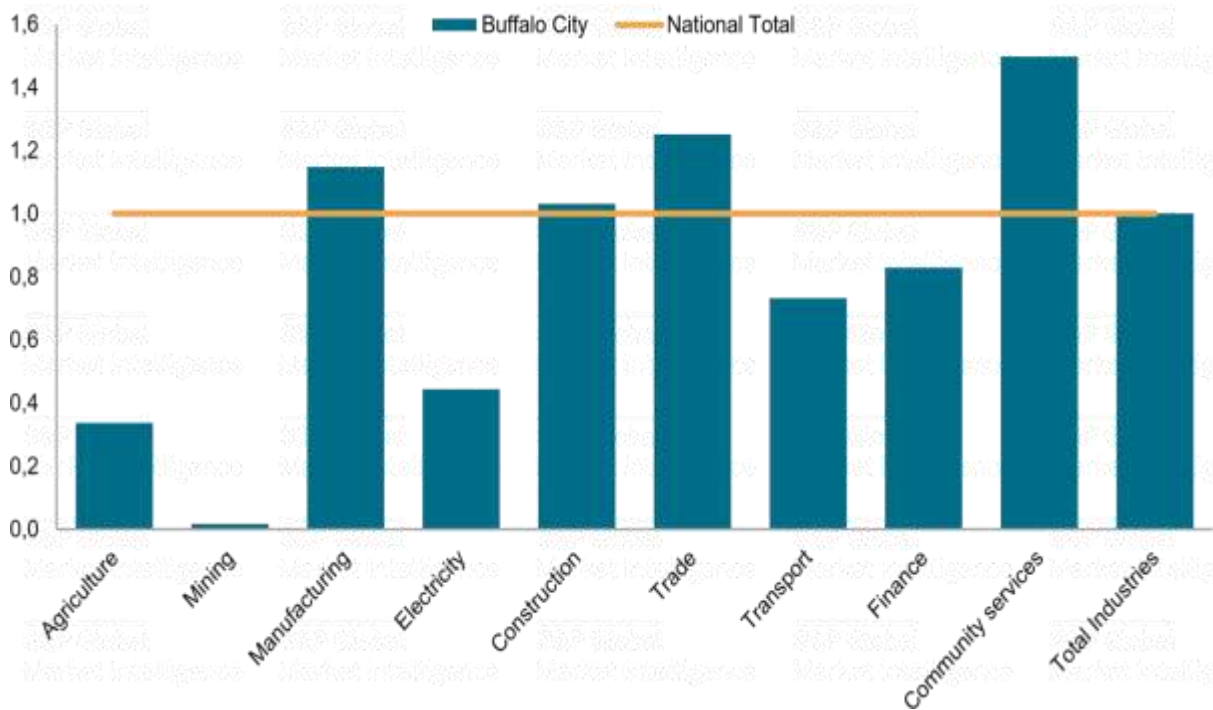


Figure 73: Location quotient by broad economic sectors - BCMM and SA, 2022 [Number]

Source: South Africa Regional eXplorer v2443.

For 2022, BCMM has a comparative advantage in the community services sector. The trade sector also holds a comparative advantage. The manufacturing sector has a comparative advantage when compared to the South African economy as a whole, although it is less prominent. In contrast, the BCMM experiences a significant comparative

disadvantage in the mining and agriculture sectors, the latter exhibiting a very large comparative disadvantage. Generally, mining is a highly concentrated economic sector. Unfortunately, the BCMM currently has minimal mining activity, with an LQ of only 0,017.

6.11 Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) who are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). Those not included are students, retired individuals, stay-at-home parents, people in prisons or similar institutions, individuals employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Table 63: Location quotient by broad economic sectors - BCMM and SA, 2022 [Number]

	Buffalo City		Eastern Cape		National Total	
	2012	2022	2012	2022	2012	2022
15-19	70 200	62 100	744 000	699 000	5 010 000	5 100 000
20-24	98 000	72 700	761 000	591 000	5 410 000	4 580 000
25-29	93 300	105 000	634 000	672 000	5 220 000	5 210 000
30-34	68 200	85 900	441 000	690 000	4 220 000	5 600 000
35-39	47 300	62 300	315 000	577 000	3 470 000	5 220 000
40-44	41 000	41 900	273 000	404 000	2 950 000	4 060 000
45-49	38 900	41 900	268 000	288 000	2 590 000	3 240 000
50-54	37 900	36 200	269 000	249 000	2 240 000	2 710 000
55-59	31 600	33 600	234 000	242 000	1 850 000	2 340 000
60-64	22 300	26 700	195 000	237 000	1 490 000	1 970 000
Total	549 000	621 000	4 130 000	4 650 000	34 500 000	40 000 000

Source: South Africa Regional eXplorer v2443.

The working age population in Buffalo City in 2022 was 621 000, increasing at an average annual rate of 1,25% since 2012. For the same period, the working age population for EC province grew at an annual rate of 1,18%, while that of SA increased at 1,51% annually.

The graph below combines all facets of the labour force in the BCMM into one compact view. The chart is divided into "place of residence" on the left, measured from the population side, and "place of work" on the right, measured from the business perspective.

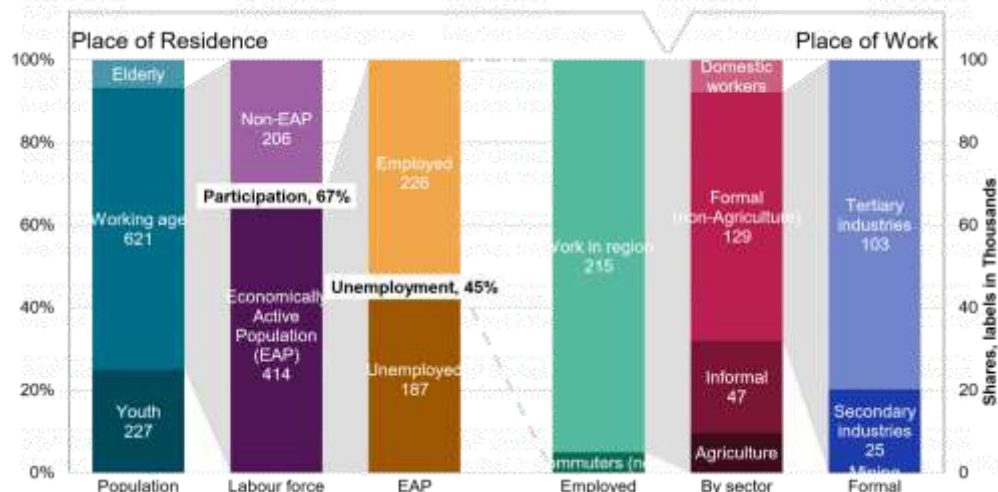


Figure 74: Labour Glimpse - BCMM, 2022

Source: South Africa Regional eXplorer v2443

Reading the chart from the left-most bar, which breaks down the total population of the BCMM (910 000) into working age and non-working age, we find that the number of people of working age is approximately 621 000. By definition, those aged 0-19 (youth) or 65 and over (pensioners) are part of the non-working age population. Of the working age group, 66,7% are participating in the labour force, meaning 414 000 residents of the metropolitan municipality are currently part of the EAP.

In comparison, the non-economically active population (NEAP) of the metropolitan municipality, which includes full-time students at tertiary institutions, disabled individuals, and those choosing not to work, totals 207 000 people. Among the economically active population, 188 000 are unemployed, resulting in an unemployment rate of 45,3%. Up to this point, all statistics are measured at the place of residence.

On the far right, we see the formal non-agricultural jobs in Buffalo City, broken down by the primary (mining), secondary, and tertiary industries. The majority of formal employment lies in the tertiary industry, with 103 000 jobs. When including informal, agricultural, and domestic workers, the total number of jobs in the area reaches 215 000. Formal jobs account for 60,2% of all jobs in the BCMM. The discrepancy between employment measured at the place of work and the number of people employed living in the area can be explained by the net commuters who work outside the metropolitan municipality.

In theory, a higher or increasing population dividend is expected to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure [FCE]), and a denser concentration of working age individuals is anticipated to decrease dependency ratios, provided that the additional labour offered to the market is absorbed.

6.12 Economically Active Population (EAP)

The EAP is a good indicator of how many individuals within the total working-age population are actively participating in the labour market of a region. If a person is economically active, he or she is part of the labour force.

Definition: The economically active population (EAP) is defined as the number of people (between the ages of 15 and 65) who are able and willing to work and who are actively looking for work. It includes both employed and unemployed individuals. People who have not recently taken any active steps to find employment are not included in this measure. These individuals may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers and thus form part of the non-economically active population.

Table 64: Economically active population (EAP) - Buffalo City, EC, and National Total, 2012-2022
[number, percentage]

	Buffalo City	Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
2010	300 000	1 760 000	18 700 000	1,0%	1,60%
2011	311 000	1 830 000	19 300 000	17,0%	1,61%
2012	327 000	1 920 000	20 100 000	17,0%	1,63%
2013	339 000	2 000 000	20 800 000	17,0%	1,63%
2014	354 000	2 090 000	21 500 000	17,0%	1,65%
2015	369 000	2 180 000	22 000 000	16,9%	1,67%
2016	377 000	2 240 000	22 300 000	16,9%	1,69%
2017	391 000	2 330 000	22 700 000	16,8%	1,72%
2018	391 000	2 330 000	22 100 000	16,8%	1,77%
2019	401 000	2 390 000	22 200 000	16,8%	1,80%
2020	414 000	2 470 000	23 100 000	16,7%	1,79%

Average Annual growth

2012-2022	3,29%	3,47%	2,16%		

Source: South Africa Regional eXplorer v2443

BCMM's EAP was 414 000 in 2022, representing 45,51% of its total population of 910 000, and roughly 16,74% of the total EAP of the EC province. From 2012 to 2022, the average annual increase in the EAP in BCMM was 3,29%, which is 0,179 percentage points lower than the growth in the EAP of the EC for the same period.

Table 65: EAP as % of total population - Buffalo City and the rest of the EC, 2010, 2015, 2020
[percentage]

	2012	2017	2022
Buffalo City	37,1%	42,9%	45,5%
Nelson Mandela Bay	43,6%	44,3%	45,0%
Sarah Baartman	37,1%	42,0%	43,2%
Amatole	18,2%	23,8%	27,1%

	2012	2017	2022
Chris Hani	20,7%	26,3%	29,2%
Joe Gqabi	23,0%	28,7%	31,0%
O.R.Tambo	16,3%	21,3%	24,3%
Alfred Nzo	15,4%	19,9%	22,6%

Source: South Africa Regional eXplorer v2443

In 2012, 37,1% of the total population in BCMM were classified as economically active, which increased to 45,5% in 2022. Compared to other regions in the EC province, BCMM had the highest EAP as a percentage of the total population within its own region. In contrast, Alfred Nzo District Municipality (ANDM) had the lowest EAP, with 22,6% of people classified as economically active in 2022.

6.13 Labour Force participation rate

Definition: The labour force participation rate (LFPR) is the EAP expressed as a percentage of the total working-age population.

The following is the labour participation rate for Buffalo City, EC, and the National Total as a whole.

Table 66: The labour force participation rate - Buffalo City, EC and National Total, 2010–2020

	Buffalo City	Eastern Cape	National Total
2012	54,6%	42,5%	54,3%
2013	56,0%	43,8%	55,2%
2014	58,3%	45,6%	56,6%
2015	59,9%	47,0%	57,7%
2016	61,7%	48,5%	58,8%
2017	63,5%	50,2%	59,5%
2018	64,2%	50,9%	59,4%
2019	65,6%	52,3%	59,4%
2020	64,7%	51,5%	57,0%
2021	65,4%	52,2%	56,5%
2022	66,7%	53,2%	57,8%

Source: South Africa Regional eXplorer v2443

The BCMM's labour force participation rate increased from 5,60% to 66,70%, which is an increase of 12 percentage points. The EC Province rose from 42,54% to 53,22%, while SA increased from 54,27% to 57,82% from 2012 to 2022.

The BCMM exhibited a greater percentage point change in labour force participation compared to the EC Province during this period. In 2022, the BCMM also had a higher labour force participation rate than SA.

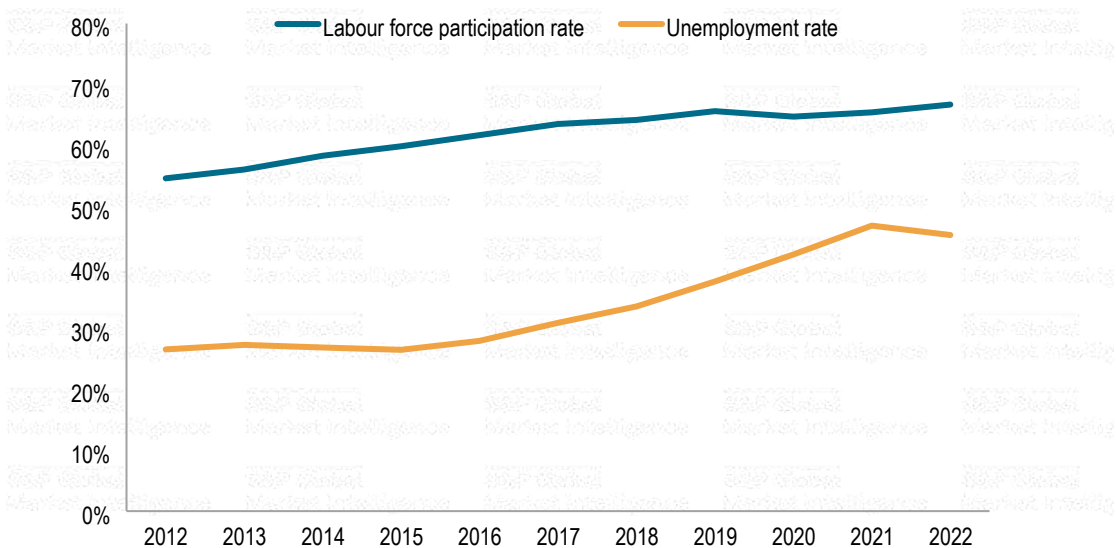


Figure 75: The labour force participation and unemployment rates - BCMM, 2012-2022 [percentage]

In 2022, the labour force participation rate for Buffalo City was 66,7%, significantly higher than the 54,6% recorded in 2012. The unemployment rate is an effective indicator that measures the success of the labour force in terms of employment. In 2012, Buffalo City's unemployment rate was 26,5%, which increased over time to 45,3% in 2022. The gap between the labour force participation rate and the unemployment rate has decreased, indicating a negative outlook for employment within the BCMM.

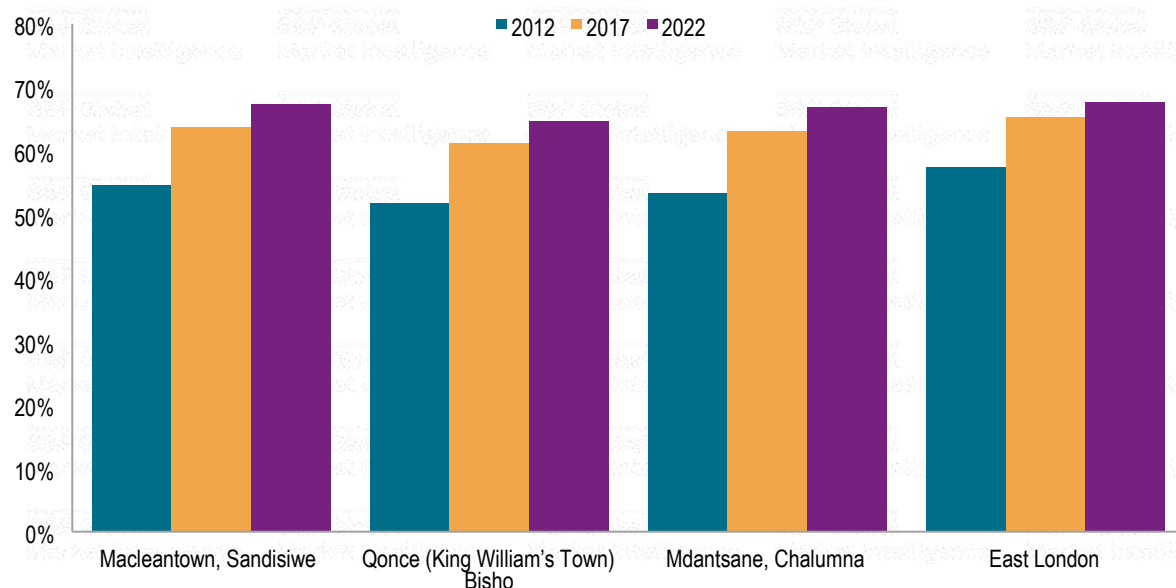


Figure 76: The labour force participation rate - Sub-metro regions and the rest of BCMM, 2017 and 2022 [percentage]

Source: South Africa Regional eXplorer v2443.

The East London Sub-metro Region had the highest labour force participation rate at 67,7% in 2022, up from 57,5% in 2012. In contrast, the Qonce (King William's Town) Bisho Sub-metro Region recorded the lowest labour force participation rate of 64,6% in 2022, an increase from 51,7% in 2012.

6.14 Total Employment

Employment data is a key element in estimating unemployment. In addition, trends in employment across different sectors and industries typically indicate significant structural changes in the economy. Employment data is also used to calculate productivity, earnings per worker, and other economic indicators.

Definition: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

Table 67: Total employment - Buffalo City, EC, and National Total, 2010-2022 [numbers]

	Buffalo City	Eastern Cape	National Total
2012	209 000	1 240 000	14 000 000
2013	215 000	1 270 000	14 400 000
2014	227 000	1 340 000	15 000 000
2015	237 000	1 400 000	15 500 000
2016	242 000	1 430 000	15 800 000
2017	242 000	1 440 000	16 000 000
2018	238 000	1 440 000	16 200 000
2019	232 000	1 430 000	16 200 000
2020	215 000	1 350 000	15 400 000
2021	202 000	1 300 000	14 800 000
2022	215 000	1 370 000	15 300 000

Average Annual growth

2010-2020

0,29%

1,05%

0,92%

Source: South Africa Regional eXplorer v2443.

In 2022, Buffalo City employed 215 000 people, which is 15,69% of the total employment in EC province (1,37 million) and 1,40% of total employment in SA (15,3 million). Employment in Buffalo City increased annually at an average rate of 0,29% from 2012 to 2022.

Table 68: Total employment per broad economic sector - Buffalo City and the rest of Eastern Cape, 2022 [Numbers]

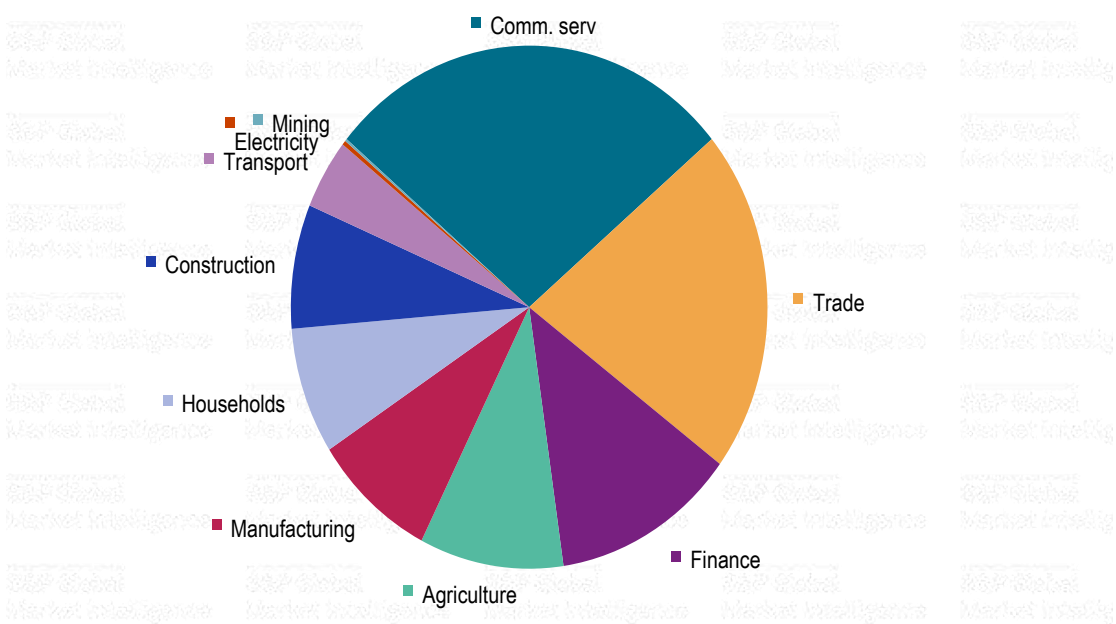
	Buffalo City	Nelson Mandela Bay	Sarah Baartman	Amatole	Chris Hani	Joe Gqabi	O.R. Tambo	Alfred Nzo	Total Eastern Cape
Agriculture	21 000	12 000	33 600	10 200	12 000	8 740	7 150	4 540	109 289
Mining	319	468	33	65	129	86	198	63	1 359
Manufacturing	18 100	75 500	15 200	6 600	5 980	3 280	5 940	3 150	133 735
Electricity	580	718	318	361	408	209	496	226	3 317
Construction	16 500	28 700	13 100	11 100	13 000	7 570	17 300	11 400	118 766
Trade	46 000	86 300	30 300	27 800	23 400	13 200	40 300	16 900	284 248
Transport	9 340	28 100	7 710	5 720	4 980	2 780	8 640	3 810	71 100
Finance	26 800	62 500	14 500	13 100	11 900	5 900	21 200	8 250	164 295
Community services	59 800	94 600	27 800	42 400	42 800	19 900	66 500	28 600	382 525
Households	16 900	30 800	13 200	9 440	9 800	6 610	12 200	5 580	104 396
Total	215 000	420 000	156 000	127 000	124 000	68 400	180 000	82 600	1 373 030

Source: South Africa Regional eXplorer v2443.

BCMM employs a total of 215 000 people within its metropolitan area.

The metropolitan Municipality with the highest number of employees relative to other regions in the EC province is NMBMM, with a total of 420 000. Conversely, Joe Gqabi Metropolitan Municipality has the lowest number of employees among the regions in the EC province, with a total of 68 400.

In BCMM, the economic sectors that recorded the largest employment figures in 2022 were the community services sector, which employed 59 800 people, accounting for 27,8% of total employment in the metropolitan Municipality. The trade sector, with a total of 46 000 employees (21,3%), ranks second in terms of employment. The mining sector employs the least, with 319 individuals (0,1%), followed closely by the electricity sector, which employs 580 people (0,3%).



Source: South Africa Regional eXplorer v2443.

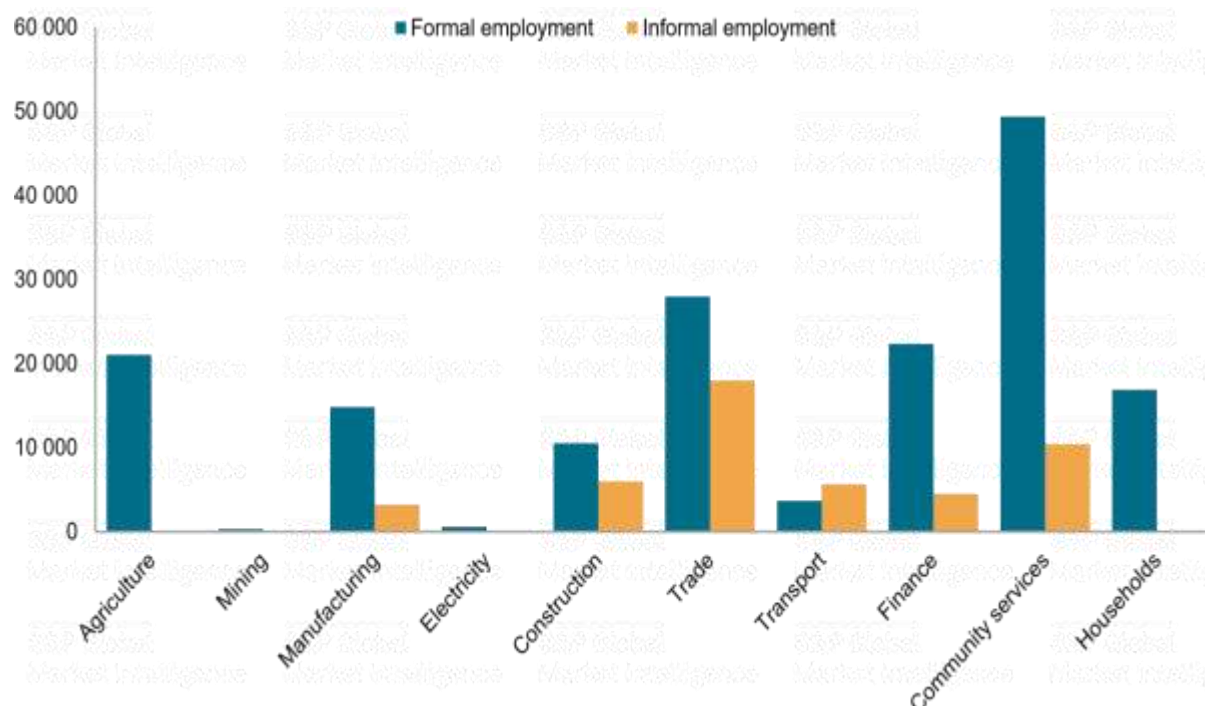
Figure 77: Total employment per broad economic sector - BCMM, 2022 [percentage]

6.15 Formal and Informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, while informal employment is assessed from the household side where formal businesses have not been established.

Formal employment is significantly more stable than informal employment. Informal employment is more challenging to measure and manage, simply because it cannot be tracked through the formal business sector of the economy. However, informal employment is a reality in SA and cannot be ignored.

The number of formally employed people in BCMM was counted at 168 000 in 2022, accounting for approximately 77,80% of total employment. In contrast, the number of people employed in the informal sector was 47 800, or 22,20% of total employment. Informal employment in Buffalo City increased from 42 000 in 2012 to an estimated 47 800 in 2022.



Source: South Africa Regional eXplorer v2443.

Figure 78: Formal and informal employment by broad economic sector - BCMM, 2022 [numbers]

Some economic sectors have little or no informal employment:

The mining industry, due to well-regulated safety policies and strict mine registration, has little or no informal employment. The electricity sector is also well-regulated, making it difficult to obtain information on informal

employment. Domestic workers and employment in the agriculture sector are typically counted under a separate heading.

In 2022, the trade sector recorded the highest number of informally employed individuals, with a total of 18 000 employees, representing 37.65% of total informal employment. This is expected, as the barriers to entering the trade sector in terms of capital and skills required are lower than in most other sectors. The manufacturing sector has the lowest informal employment, with 3 210 employees, contributing only 6.72% to total informal employment.

Table 69: Formal and Informal employment by broad economic sector - BCMM, 2022 [numbers]

	Formal employment	Informal employment
Agriculture	21 000	N/A
Mining	319	N/A
Manufacturing	14 800	3 210
Electricity	580	N/A
Construction	10 500	6 000
Trade	28 000	18 000
Transport	3 680	5 660
Finance	22 300	4 500
Community services	49 400	10 400
<u>Households</u>	<u>16 900</u>	<u>N/A</u>

The informal sector is vital for areas with very high unemployment and low labour participation rates. Unemployed individuals view participation in the informal sector as a survival strategy. The most desirable situation would be to secure a stable formal job. However, as the formal economy is not growing quickly enough to generate sufficient jobs, the informal sector serves as a crucial survival mechanism.

6.16 Unemployment

Definition: The unemployed includes all persons aged 15 to 65 who are currently not working but are actively looking for work. It therefore excludes those who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a significant impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who, during the reference period, were:

- "Without work", i.e., not in paid employment or self-employment;
- "Currently available for work", i.e., available for paid employment or self-employment during the reference period; and

- "Seeking work", i.e., having taken specific steps in a specified reference period to seek paid employment or self-employment. These specific steps may include registration at a public or private employment exchange; applications to employers; checking at worksites, farms, factory gates, markets, or other assembly places; placing or answering newspaper advertisements; seeking assistance from friends or relatives; and looking for land.

Table 70: Unemployment (official definition) - Buffalo City, EC, and National Total, 2012-2022
[Number percentage]

	Buffalo City	Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
2012	79 400	509 000	4 700 000	15,6%	1,69%
2013	84 600	540 000	4 850 000	15,7%	1,74%
2014	87 700	565 000	5 060 000	15,5%	1,73%
2015	89 800	583 000	5 300 000	15,4%	1,69%
2016	98 800	636 000	5 670 000	15,5%	1,74%
2017	114 000	718 000	5 990 000	15,9%	1,90%
2018	127 000	782 000	6 100 000	16,2%	2,08%
2019	147 000	885 000	6 450 000	16,6%	2,28%
2020	165 000	964 000	6 710 000	17,1%	2,46%
2021	188 000	1 070 000	7 470 000	17,5%	2,51%
2022	188 000	1 080 000	7 810 000	17,3%	2,40%

Average Annual growth

2012-2022	8,97%	7,85%	5,20%		

Source: South Africa Regional eXplorer v2443.

In 2022, there were a total of 188 000 people unemployed in Buffalo City, an increase of 108 000 from 79 400 in 2012. The total number of unemployed individuals in Buffalo City constitutes 17,32% of the total number of unemployed people in the EC province. The BCMM experienced an average annual increase of 8,97% in the number of unemployed individuals, which is worse than the EC province, which had an average annual increase in unemployment of 7,85%.

Table 71: Unemployment rate (official definition) - Buffalo City, EC, and National Total, 2010–2020
[Percentage]

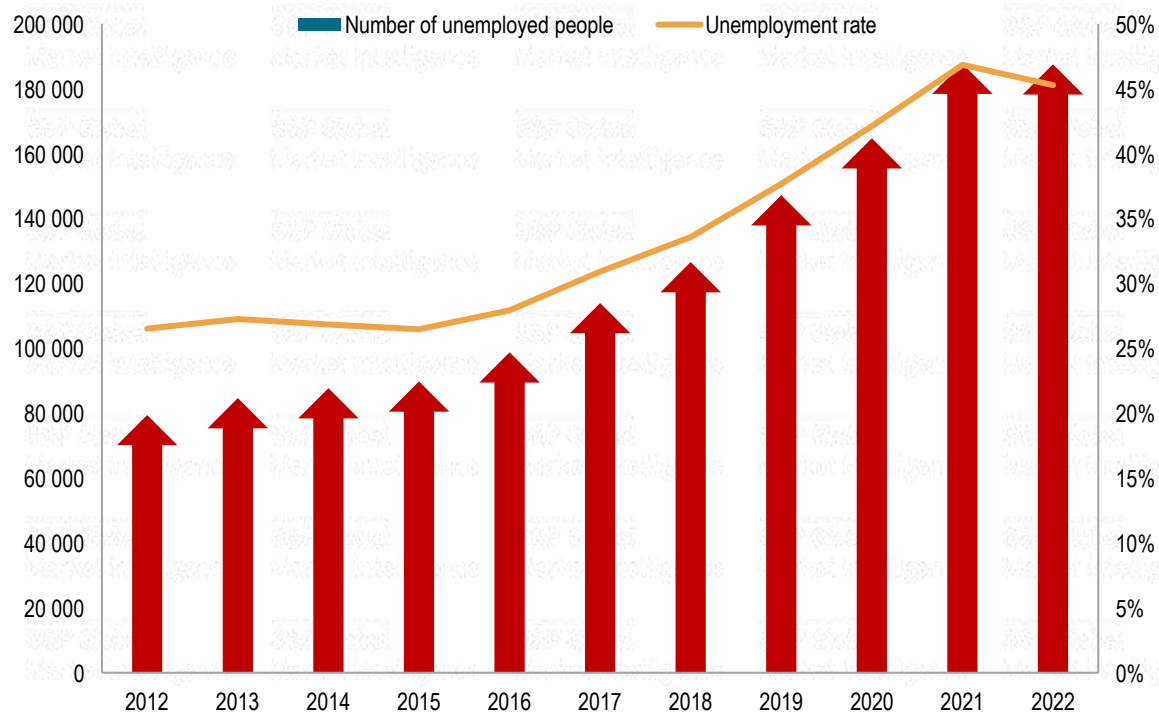
	Buffalo City	Eastern Cape	National Total
2012	2,5%	28,9%	25,1%
2013	27,3%	29,6%	25,2%
2014	26,8%	29,4%	25,2%
2015	26,5%	29,2%	25,5%
2016	27,9%	30,5%	26,4%
2017	30,9%	32,9%	27,2%
2018	33,6%	35,0%	27,4%
2019	37,7%	38,0%	28,4%
2020	42,1%	41,5%	30,3%

2021
2022

Buffalo City	Eastern Cape	National Total
46,8%	44,9%	33,6%
45,3%	43,8%	33,7%

Source: South Africa Regional eXplorer v2443.

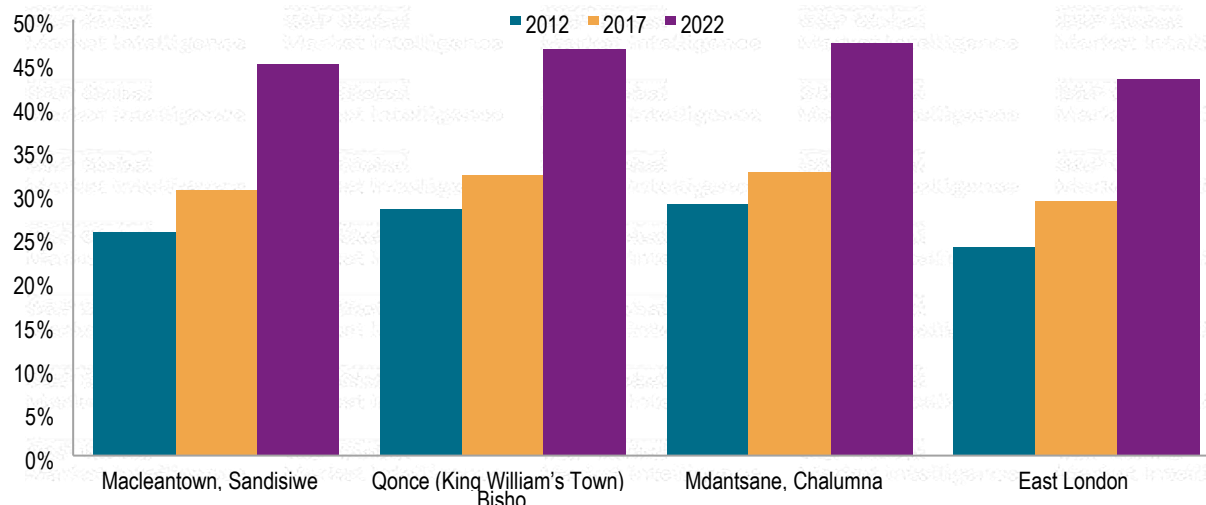
In 2022, the unemployment rate in BCMM (based on the official definition of unemployment) was 45,28%, reflecting an increase of 18,8 percentage points. This rate is higher than that of the EC. In SA, the unemployment rate was 33,73% in 2022, showing an increase of 8,58 percentage points from 25,15% in 2012.



Source: South Africa Regional eXplorer v2443.

Figure 79: Unemployment and unemployment rate (official definition) - BCMM, 2012-2022 [number percentage]

When comparing unemployment rates among regions within the BCMM, Mdantsane, Chalumna Sub-metro Region, has reported the highest unemployment rate of 47,3%, an increase from 28,8% in 2012. In contrast, the East London Sub-metro Region had the lowest unemployment rate at 43,2% in 2022, up from 24,0% in 2012.



Source: South Africa Regional eXplorer v2443.

Figure 80: Unemployment rate - Sub-metro regions and the rest of BCMM, 2010, 2015 and 2020 [percentage]

6.17 Income and Expenditure

In a growing economy where production factors are increasing, most household incomes are spent on purchasing goods and services. Therefore, measuring the income and expenditure of households is a major indicator of various economic trends. It also serves as a good marker of growth and consumer tendencies.

6.17.1 Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income, including payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc. Note that income tax is included in the income distribution.

Income categories start at R0 – R2 400 per annum and extend to R2 400 000+ per annum. A household is defined as either a group of people who live together and jointly provide themselves with food and/or other essentials for living, or a single person living alone. These income brackets do not account for inflation creep; over time, the movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

Table 72: Households by income category - Buffalo City, EC, and National Total, 2022

	Buffalo City	Eastern Cape	National Total	Buffalo City as % of province	Buffalo City as % of national
0-2 400	21	141	1 260	14,8%	1,67%
2 400-6 000	254	1 780	14 500	14,3%	1,76%
6 000-12 000	2 010	13 900	107 000	14,4%	1,87%
12 000-18 000	4 550	32 000	242 000	14,2%	1,88%
18 000-30 000	16 500	126 000	914 000	13,1%	1,80%
30 000-42 000	22 700	182 000	1 290 000	12,4%	1,76%
42 000-54 000	21 800	181 000	1 270 000	12,0%	1,72%
54 000-72 000	30 700	252 000	1 820 000	12,2%	1,69%
72 000-96 000	30 000	243 000	1 860 000	12,4%	1,61%
96 000-132 000	28 400	221 000	1 860 000	12,8%	1,52%
132 000-192 000	29 600	213 000	1 930 000	13,9%	1,53%
192 000-360 000	36 600	231 000	2 350 000	15,9%	1,56%
360 000-600 000	25 100	139 000	1 630 000	18,0%	1,55%
600 000-1 200 000	18 100	93 300	1 240 000	19,4%	1,46%
1 200 000-2 400 000	7 780	39 900	565 000	19,5%	1,38%
2 400 000+	1 380	7 260	111 000	19,1%	1,25%
Total	276 000	1 980 000	17 200 000	13,9%	1,60%

Source: South Africa Regional eXplorer v2443.

It was estimated that in 2022, 8,47% of all households in the BCMM were living on R 30 000 or less per annum. In comparison, 2012's figure of 24,99% shows a decrease of more than half. The R192 000-R 360 000 income category has the highest number of households, totalling 36 600, followed by the R54 000-R 72 000 income category with 30 700 households. Only 21 households fall within the R0-R 2 400 income category.

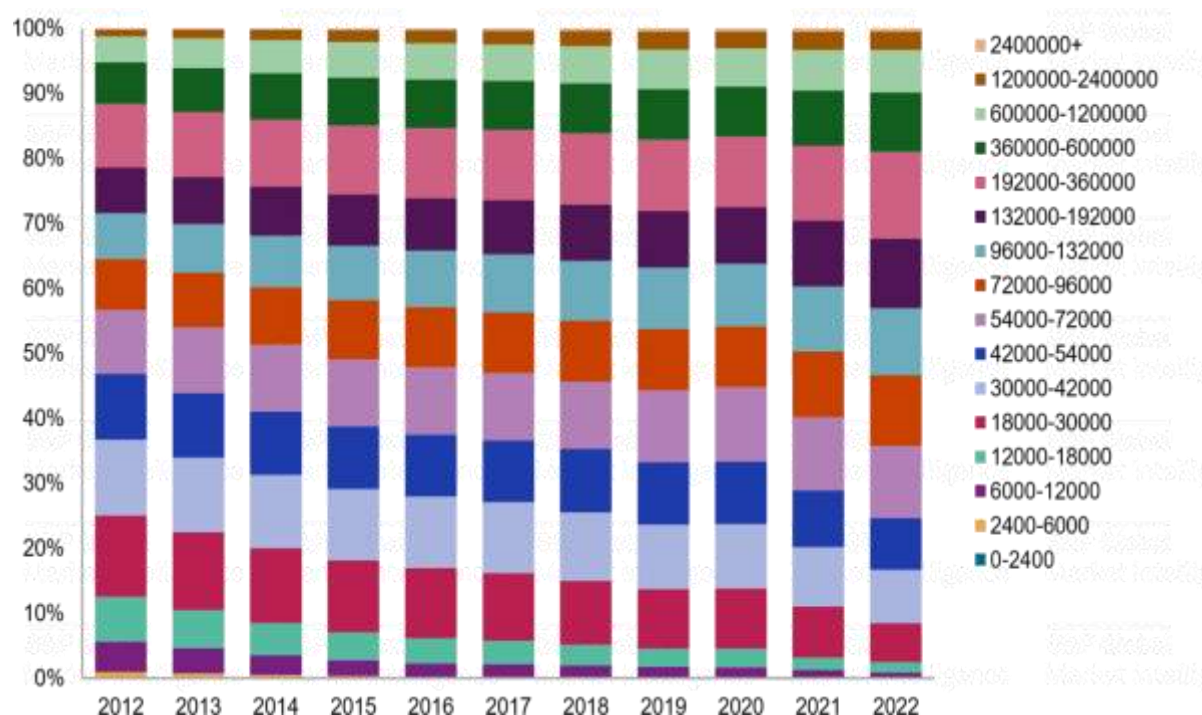


Figure 81: Households by income bracket - BCMM, 2012-2022 [Percentage]

6.17.2 Annual total Personal Income

Personal income is an even broader concept than labour remuneration. It includes profits, income from property, net current transfers, and net social benefits.

Definition: Annual total personal income is the sum of total personal income for all households in a specific region. The definition of income is the same as that used in the income brackets (Number of Households by Income Category) and also includes income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

Table 73: Annual total personal income - Buffalo City, EC, and National Total [Current Prices, R billions]

	Buffalo City	Eastern Cape	National Total
2012	38,9	210,1	2,525,0
2013	42,4	229,0	2,729,4
2014	45,8	248,1	2,938,2
2015	49,4	268,4	3,180,0
2016	52,5	287,0	3,413,6
2017	56,0	310,2	3,662,1
2018	59,2	332,2	3,913,0
2019	61,5	349,0	4,111,6
2020	59,3	340,5	4,009,8

2021
2022

Buffalo City	Eastern Cape	National Total
65,2	379,8	4,425,4
71,1	420,6	4,812,5

Average Annual growth
2012-2022

6,22%	7,19%	6,660%

Source: IHS Markit Regional eXplorer version 2201

BCMM recorded an average annual growth rate of 6,22% (from R38,9 billion to R71,1 billion) from 2012 to 2022, which is lower than both Eastern Cape's (7,19%) and SA's (6,66%) average annual growth rates.

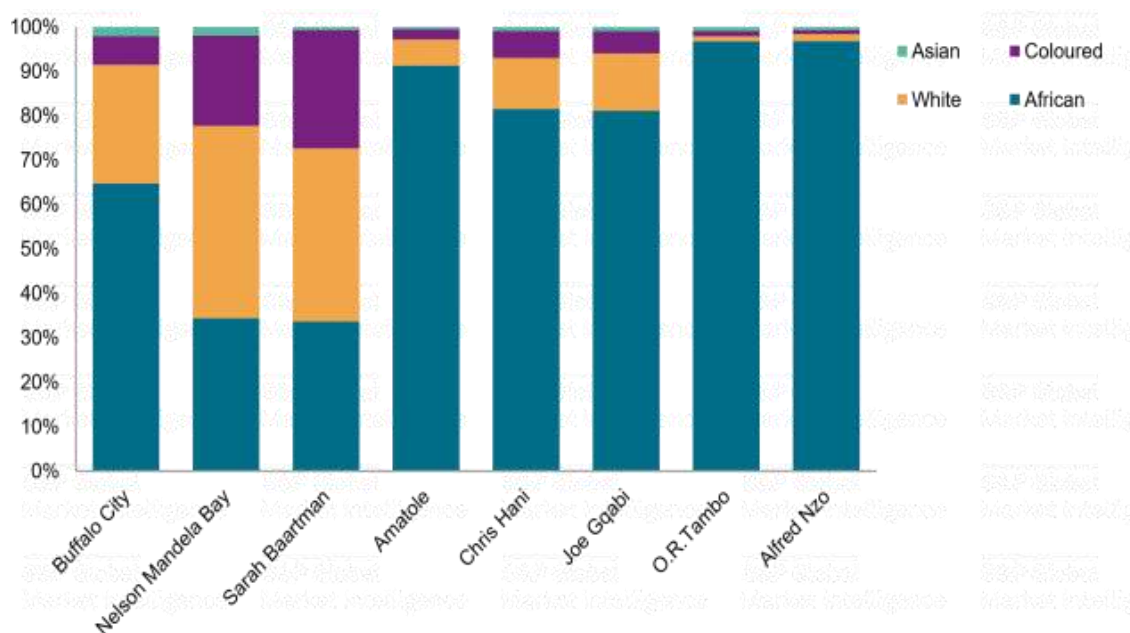


Figure 82: Annual total personal income by population group - Buffalo City and the rest of EC [Current Prices, R billions]

Source: South Africa Regional eXplorer v2443.

The total personal income of BCMM amounted to approximately R71,1 billion in 2022. The African population group earned R46,1 billion, accounting for 64,76% of total personal income, while the White population group earned R19 billion, or 26,71% of the total. The Coloured and Asian population groups had shares of 6,49% and 2,03% of total personal income, respectively.

Table 74: Annual total personal income - Macleantown, Sandisiwe, Qonce, Bhisho, Mdantsane, Chalumna and East London Sub-metro regions [Current Prices, R billions]

	Macleantown, Sandisiwe	Qonce, Bhisho	Mdantsane, Chalumna	East London
2012	2,51	10,12	12,18	14,09
2013	2,73	11,02	13,28	15,36
2014	2,95	11,90	14,35	16,60
2015	3,17	12,83	15,48	17,90
2016	3,37	13,64	16,46	19,04
2017	3,60	14,57	17,55	20,30
2018	3,81	15,40	18,54	21,44
2019	3,97	16,01	19,25	22,26
2020	3,83	15,44	18,55	21,45
2021	4,22	17,01	20,40	23,59
2022	4,61	18,58	22,23	25,70
Average Annual growth				
2012-2022	6,29%	6,27%	6,20%	6,19%

Source: South Africa Regional eXplorer v2443.

When examining the annual total personal income for the regions within the EC province, it is clear that the East London Sub-metro Region had the highest total personal income at R25,7 billion, an increase from R 14,1 billion recorded in 2012. Conversely, the Macleantown, Sandisiwe Sub-metro Region had the lowest total personal income of R4,61 billion in 2022, up from R2,51 billion in 2012.

6.17.3 Annual per Capita Income

Definition: Per capita income refers to the income per person. It takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth, particularly when comparing economies or population groups. Rising per capita income usually indicates a likely increase in demand for consumption.

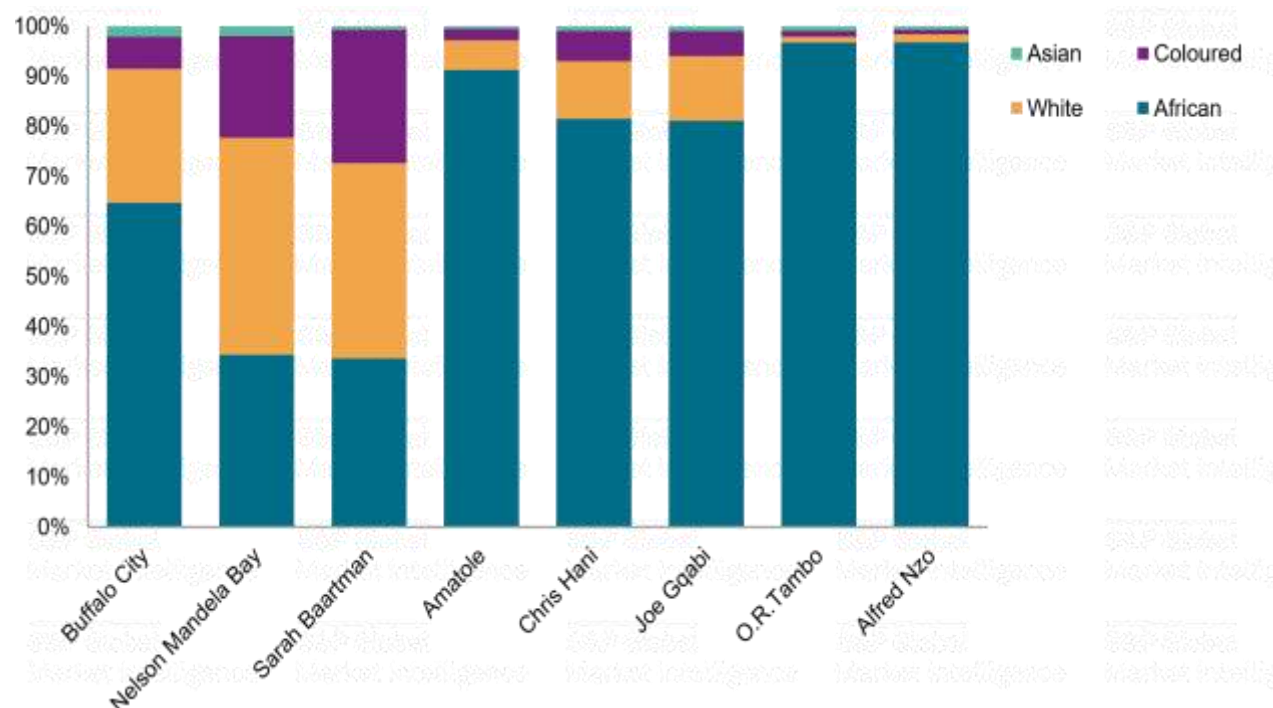


Figure 83: Per capita income - Buffalo City, EC, and National Total, 2022 [Rand, current prices]

Source: South Africa Regional eXplorer v2443.

The total personal income of BCMM amounted to approximately R71,1 billion in 2022. The African population group earned R46,1 billion, representing 64,76% of total personal income, while the White population group earned R19 billion, accounting for 26,71% of the total. The Coloured and Asian population groups had shares of 6,49% and 2,03% of total personal income, respectively.

Table 75: Per capita income by population group - Buffalo City and the rest of the EC province, 2022 [Rand, current prices]

	African	White	Coloured	Asian
Buffalo City	58 300	331 000	86 000	171 000
Nelson Mandela Bay	49 800	330 000	78 900	170 000
Sarah Baartman	47 900	319 000	63 300	131 000
Amatole	40 900	252 000	60 600	109 000
Chris Hani	42 200	312 000	71 500	124 000
Joe Gqabi	42 200	308 000	71 100	151 000
O.R. Tambo	33 100	210 000	78 000	108 000
Alfred Nzo	28 300	195 000	60 000	95 600

Source: South Africa Regional eXplorer v2443

NMBMM has the highest per capita income at R91 600. SBDM had the second highest per capita income at R80 000, while ANDM recorded the lowest per capita income at R28 900. In BCMM, the White population group has the highest per capita income at R331 000, compared to the other population groups. The Asian population group has the second highest per capita income within BCMM at R 171 000, followed by the Coloured and African population groups, which had per capita incomes of R86 000 and R58 300, respectively.

6.17.4 Index of Buying Power

Definition: The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful for comparing two regions in terms of their capacity to purchase products. Values range from 0 to 1 (where the national index equals 1) and can be interpreted as the percentage of national buying power attributable to the specific region. A region's buying power typically depends on three factors: the size of the population, the ability of the population to spend (measured by total income), and the willingness of the population to spend (measured by total retail sales).

Table 76: Index of buying power - Buffalo City, Eastern Cape and National Total, 2022 [Number]

	Buffalo City	EC	National Total
Population	910 127	7 471 281	61 111 836
Population - share of national total	1,5%	12,2%	100,0%
Income	71 122	420 592	4 812 518
Income - share of national total	1,5%	8,7%	100,0%
Retail	18 976 480	112 342 927	1 295 054 000
Retail - share of national total	1,5%	8,7%	100,0%
Index	<u>0,01</u>	<u>0,09</u>	<u>1,00</u>

Source: South Africa Regional eXplorer v2443

BCMM has a 1,5% share of the national population, a 1,5% share of the total national income, and a 1,5% share of the total national retail. This equates to an IBP index value of 0,015 relative to SA as a whole. The EC has an IBP of 0,091, while South Africa has an IBP index value of 1.

The considerably low IBP in the BCMM suggests that the Municipality has access to only a small percentage of the goods and services available in the EC province. Its residents are most likely spending some of their income in neighbouring areas.

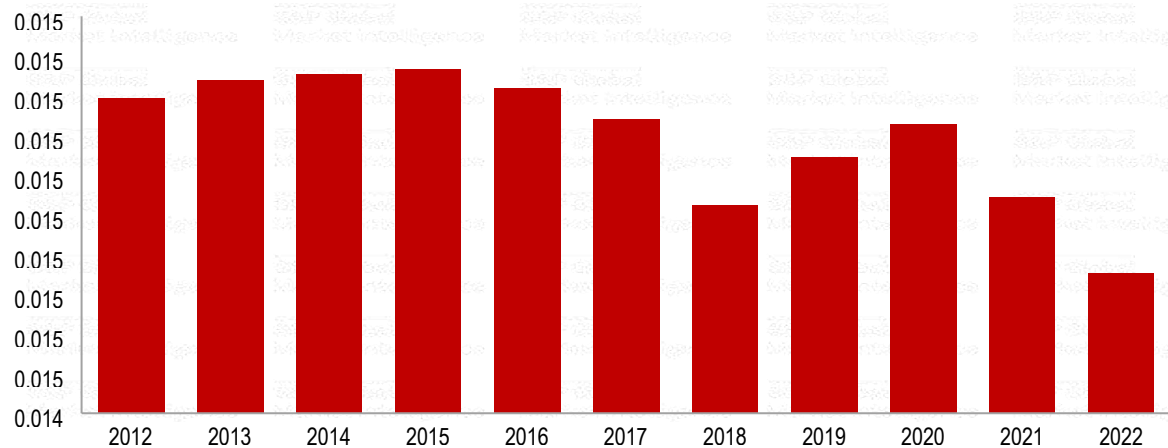


Figure 84: Index of buying power BCMM, 2012-2022 [Index value]

Source: South Africa Regional eXplorer v2443.

Between 2012 and 2022, the IBP within BCMM increased to its highest level in 2015 (0,01527) from its lowest in 2022 (0,01475). The buying power in BCMM is relatively small compared to other regions and decreased at an average annual growth rate of -0,29%.

6.18 Development

Indicators of development, such as the HDI, Gini coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development in a given region of SA relative to the rest of the country.

Another widely used indicator is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those essentials that determine quality of life, including food, clothing, shelter, and safe drinking water. Additionally, it encompasses other "intangibles", such as the opportunity to learn and the privilege of earning the respect of fellow citizens. Curbing poverty and alleviating its effects should be a fundamental premise in the formulation of all policies aimed at achieving a better life for all.

6.19 Human Development Index (HDI)

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: a long and healthy life, knowledge, and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is usually based on adult literacy and/or the combination of enrolment in primary, secondary, and tertiary schools. To

gauge a decent standard of living, we use GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

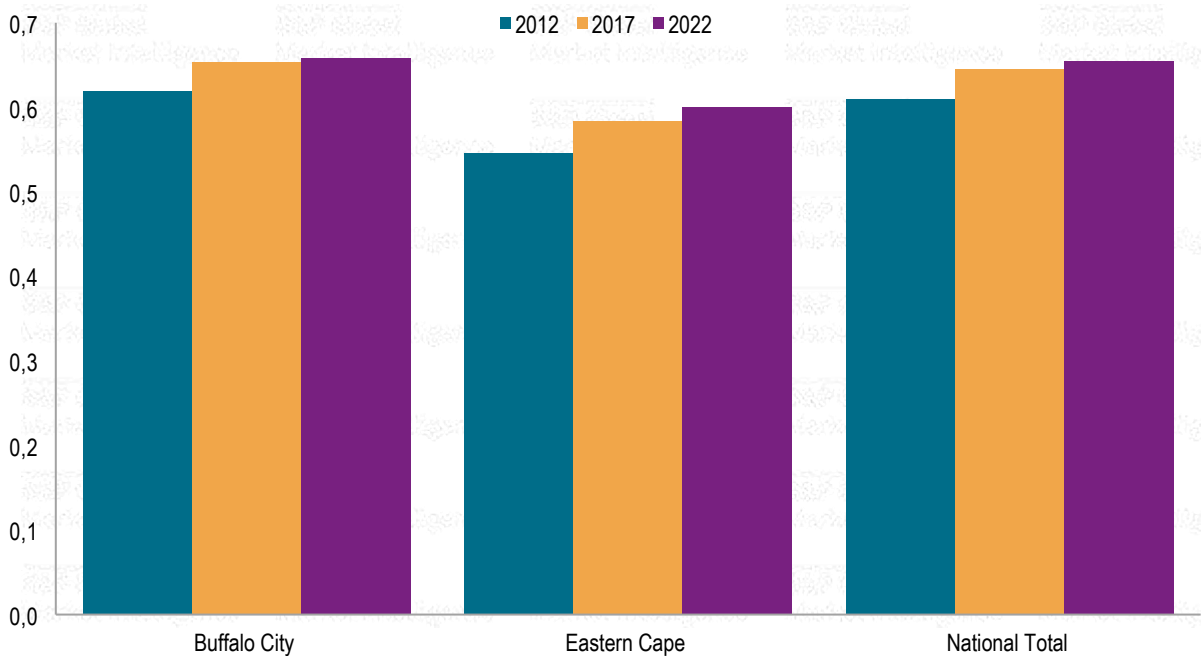


Figure 85: Human Development Index (HDI) - Buffalo City, EC, and National Total, 2012, 2017, 2022

Source: South Africa Regional eXplorer v2443.

In 2022, BCMM had an HDI of 0,659, compared to the EC's HDI of 0,601 and the national total of 0,655. This indicates that SA recorded a lower HDI in 2022 compared to BCMM, which translates to better human development for Buffalo City. SA's HDI increased at an average annual growth rate of 0,72%, which is higher than that of BCMM at 0,62%.

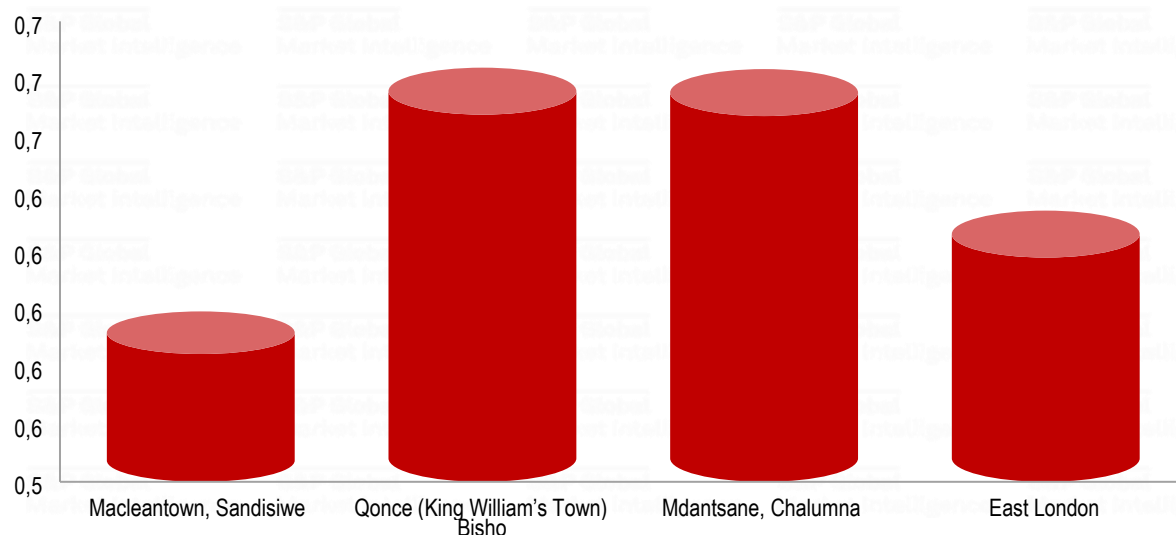


Figure 86: Human development Index (HDI) - Sub-metro regions and the rest of BCMM, 2022
[Number]

Source: South Africa Regional eXplorer v2443.

In terms of the HDI for each of the regions within the BCMM, Qonce (KWT) Bisho Sub-metro Region has the highest HDI, with an index value of 0,684. The lowest is observed in the Macleantown, Sandisiwe Sub-metro Region, with an index value of 0,599.

Gini Coefficient

Definition: The Gini coefficient is a summary statistic of income inequality, varying from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner; in other words, there is no variance between high- and low-income earners within the population. In contrast, if the Gini coefficient equals 1,

income is completely inequitable, i.e., one individual in the population earns all the income while the rest have no income. Generally, this coefficient lies in the range between 0,25 and 0,70.

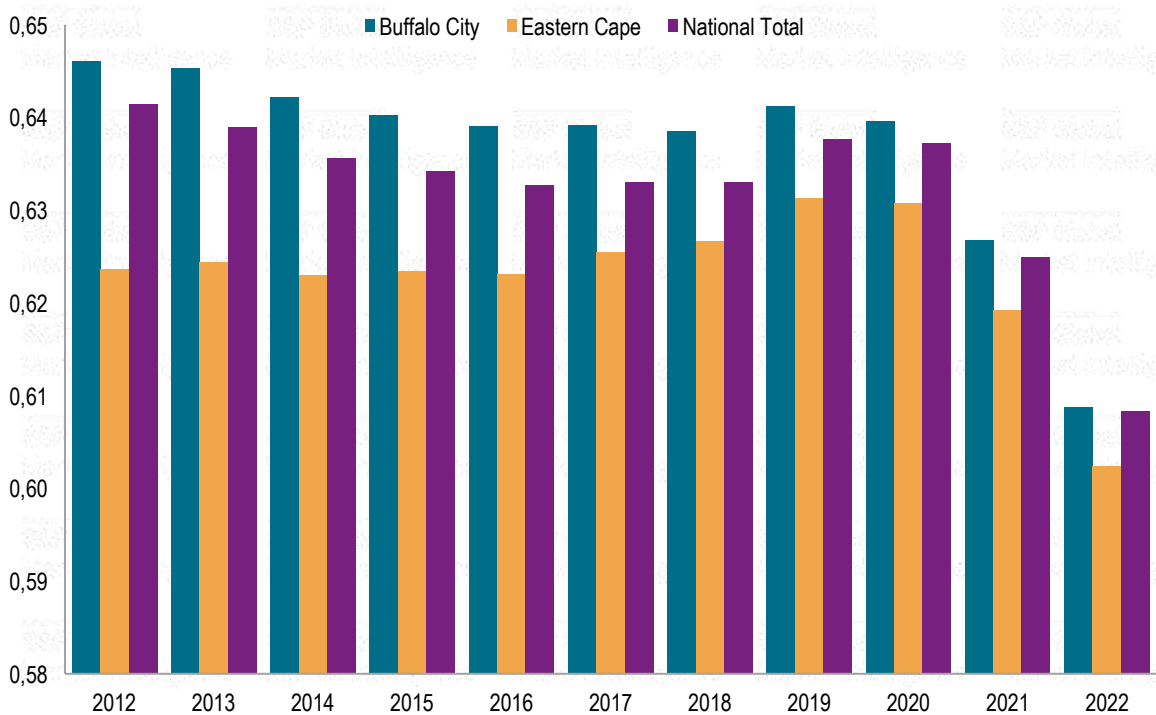


Figure 87: Gini coefficient - Buffalo City, EC, and National Total, 2012-2022 [Number]

Source: South Africa Regional eXplorer v2443.

In 2022, the Gini coefficient in BCMM stood at 0.609, reflecting a decrease over the ten-year period from 2012 to 2022.The EC province and SA had Gini coefficients of 0,602 and 0,608, respectively. BCMM had the highest Gini coefficient when compared to the EC province and SA as a whole.

When segmenting the BCMM into population groups, it is evident that the Gini coefficient for the Asian population group decreased the least among the groups, with an average annual growth rate of -0,47%. In contrast, the Gini coefficient for the Coloured population group decreased the most, with an average annual growth rate of -0,72%. This implies that all population groups have improved in terms of income equality within their respective groups over the period.

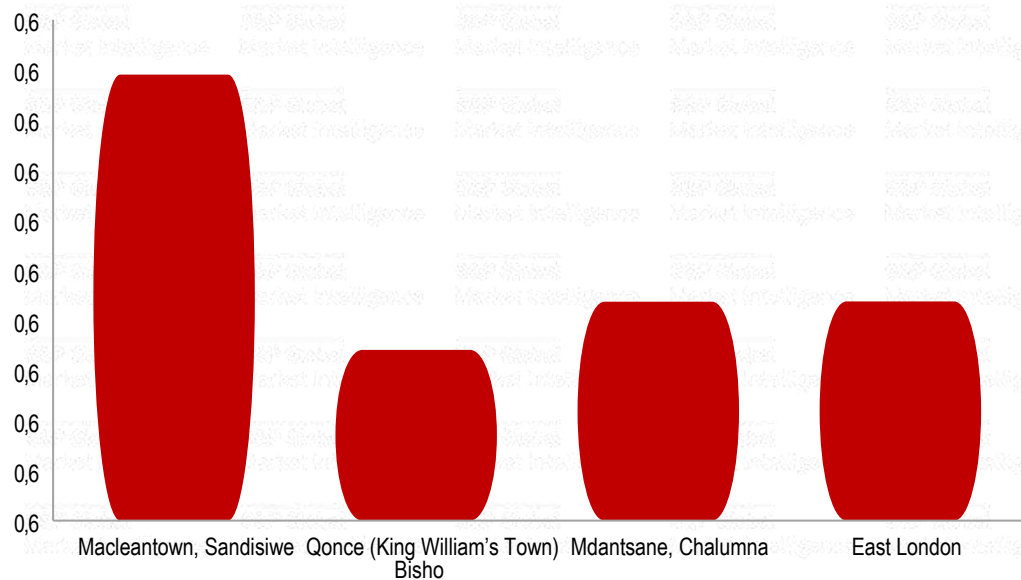


Figure 88: Gini coefficient - Sub-metro regions and the rest of BCMM, 2022

Source: South Africa Regional eXplorer v2443.

In terms of the Gini coefficient for each region within the BCMM, Macleantown, Sandisiwe Sub-metro Region, has the highest Gini coefficient, with an index value of 0,611. The lowest Gini coefficient is observed in the Qonce / Bisho Sub-metro Region, with an index value of 0,608.

Tourism

Tourism can be defined as the non-commercial organisation and operation of vacations and visits to places of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday, or undertake medical and religious trips, all of these are included in tourism.

Trips by purpose of trips

Definition: As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel by a person from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. The Information Handling Services (his) prefers to narrow this definition to overnight trips only, specifically those made by adult visitors (over 18 years). It is also important to note that the number of "person" trips is measured, not household or "party trips".

The main purpose of an overnight trip is grouped into the following categories:

- Leisure/Holiday
- Business

- Visits to friends and relatives
- Other (Medical, Religious, etc.)

Table 77: Number of trips by purpose of trips - BCMM, 2012-2022 [Number Percentage]

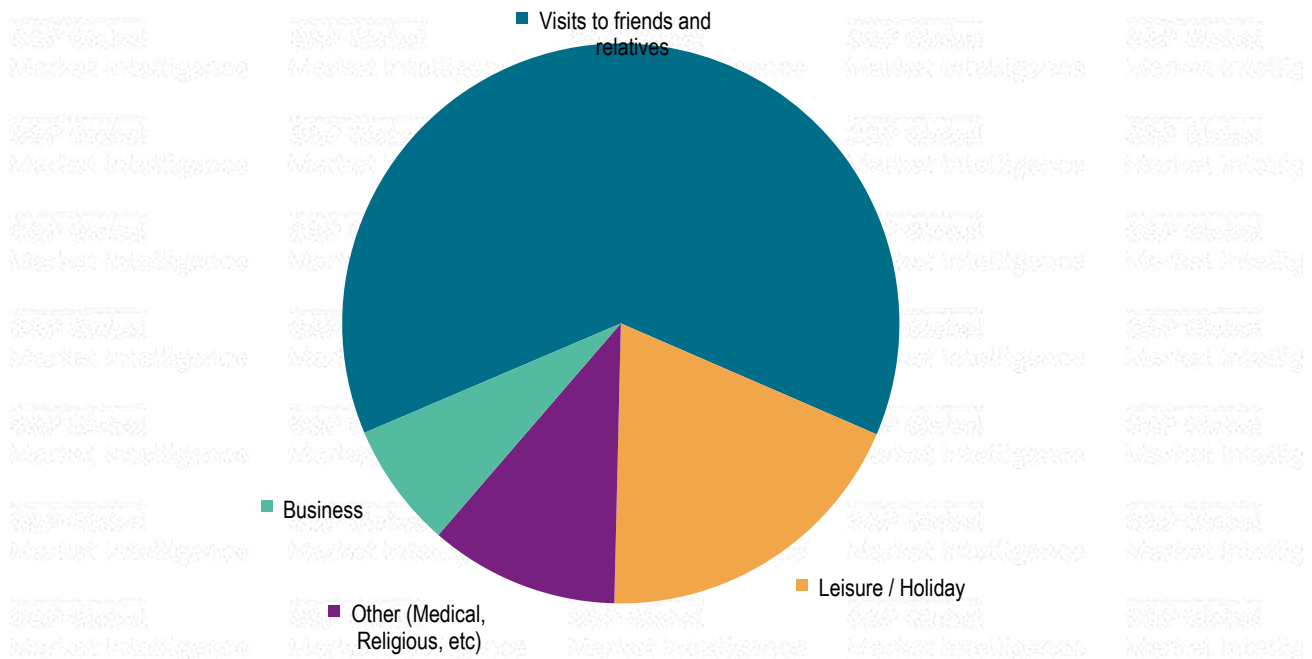
	Leisure Holiday	/ Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2012	134 000	49 800	690 000	92 000	966 000
2013	116 000	46 100	620,000	92 100	875 000
2014	106 000	44 000	592 000	94 700	837 000
2015	97 900	42 400	572 000	92 900	805 000
2016	98 400	43 400	587 000	99 100	828 000
2017	106 000	42 800	633 000	109 000	890 000
2018	119 000	43 900	690 000	114 000	967 000
2019	126 000	43 500	692 000	110 000	972 000
2020	111 000	37 300	635 000	98 300	882 000
2021	123 000	46 700	582 000	94 200	847 000
2022	187 000	71 600	621 000	109 000	988 000

Average Annual growth

2012-2022	<u>3.40%</u>	<u>3.69%</u>	<u>-1.05%</u>	<u>1.67%</u>	<u>0.23%</u>

Source: IHS Markit Regional eXplorer version 2201

In BCMM, the Business tourism sector recorded the highest average annual growth rate, increasing from 49 800 in 2012 to 71 600 in 2022, at a rate of 3,69%. Visits to friends and relatives had the highest number of visits in 2022, totalling 621 000, but experienced an average annual growth rate of -1,05%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism, which saw an average annual growth rate of -1,05%, declining from 690 000 in 2012 to 621 000 in 2022.



Source: South Africa Regional eXplorer v2443.

Figure 89: Trips by Purpose of trip - BCMM, 2022 [Percentage]

Visits to friends and relatives at 62,87% has the largest share of total tourism within BCMM. Leisure/Holiday tourism had the second highest share at 18,89%, followed by Other (Medical, Religious, etc.) tourism at 10,99%, and Business tourism with the smallest share of 7,25% of total tourism within BCMM.

Origin of Tourists

In the following table, the number of tourists who visited BCMM from both domestic origins and international locations is listed.

Table 78: Total number of trips by origin tourists - BCMM, 2012-2022 [Number]

	Domestic tourists	International tourists	Total tourists
2012	911 000	54 900	966 000
2013	818 000	56 900	875 000
2014	778 000	58 900	837 000
2015	749 000	56 000	805 000
2016	763 000	64 800	828 000
2017	824 000	66 600	890 000
2018	899 000	68 200	967 000
2019	905 000	66 400	972 000

2020	860 000	21 300	882 000
2021	831 000	15 700	847 000
2022	952 000	35 600	988 000
Average Annual growth 2010-2020	0,44%	-4,24%	0,23%

Source: South Africa Regional eXplorer v2443

The number of trips by tourists visiting BCMM from other regions in SA has increased at an average annual rate of 0,44%, rising from 911 000 in 2012 to 952 000 in 2022. In contrast, the number of tourists from other countries decreased at an average annual growth rate of -4,24%, falling from 54 900 in 2012 to 35 600. International tourists constitute 3,61% of the total number of trips, while domestic tourism represents the remaining 96,39%.

Bed nights by origin of tourist

Definition: A bed night is the tourism industry's measurement of one night away from home on a single-person trip.

The following is a summary of the number of bed nights spent by domestic and international tourists within BCMM between 2012 and 2022.

Table 79: Bed nights by origin of tourist - BCMM, 2012-2022 [Number]

	Domestic tourists	International tourists	Total tourists
2012	3 350 000	578 000	3 930 000
2013	2 940 000	597 000	3 540 000
2014	2 730 000	632 000	3 360 000
2015	2 610 000	635 000	3 250 000
2016	2 440 000	774 000	3 210 000
2017	2 340 000	866 000	3 200 000
2018	2 200 000	2 050 000	4 250 000
2019	1 870 000	2 790 000	4 670 000
2020	1 370 000	1 140 000	2 510 000
2021	1 210 000	1 140 000	2 360 000
2022	1 430 000	2 740 000	4 160 000
Average Annual growth 2012-2022	-8,18%	16,82%	0,58%

Source: South Africa Regional eXplorer v2443.

From 2012 to 2022, the number of bed nights spent by domestic tourists decreased at an average annual rate of 8,18%, whereas international tourists experienced an average annual increase of 16,82% during the same period. Overall, the

total number of bed nights spent by tourists increased at an average annual growth rate of 0,58%, rising from 3,93 million in 2012 to 4,16 million in 2022.

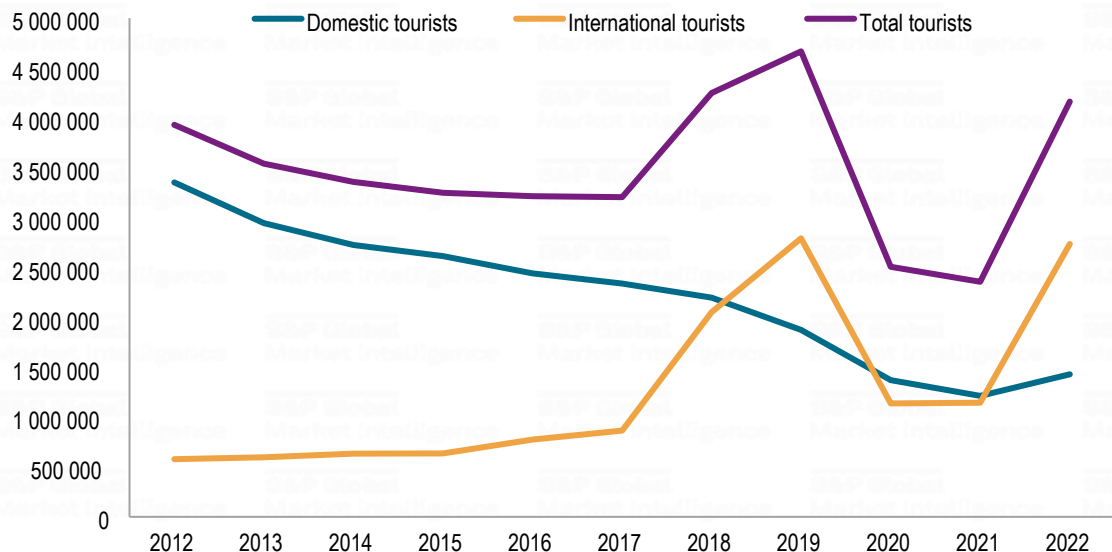


Figure 90: Growth in tourism (using bed nights) by origin - BCMM, 2012-2022 [Number]

Source: South Africa Regional eXplorer v2443.

Tourism spending

Definition: In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to a particular region. This excludes capital expenditure and the shopping expenditure of traders (referred to as shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal expenditure on trips made to each region.

Table 80: Total tourism spending - Buffalo City, EC, and National Total, 2012-2022 [R billions, Current Prices]

	Buffalo City	Eastern Cape	National Total
2012	3,1	16,4	229,8
2013	3,4	17,8	253,3
2014	3,7	19,4	275,4
2015	3,3	17,5	253,9
2016	3,6	19,3	277,6
2017	3,4	18,2	264,0
2018	3,8	20,8	293,2
2019	5,6	32,1	411,3

2020	3,3	20,0	241,5
2021	4,1	25,8	290,8
	4,8	29,9	333,1

Average Annual growth
2012-2022

4,37%	6,22%	3,78%

Source: South Africa Regional eXplorer v2443

BCMM had total tourism spending of R 4,78 billion in 2022, with an average annual growth rate of 4,4% since 2012 (R 3,12 billion). The EC province had total tourism spending of R 29,9 billion in 2022, achieving an average annual growth rate of 6,2% over the same period. The total tourism spending in SA increased from R230 billion in 2012 to R333 billion in 2022, at an average annual rate of 3,8%.

Tourism Spend per Resident Capita

Another interesting topic to consider is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living in that region. This provides a relative indication of how important tourism is for a particular area.

Table 81: Tourism spend per resident capita - BCMM and the rest of EC, 2012,2017 and 2022 [R Thousands]

	2012	2017	2022
<i>Buffalo City</i>	R 3 859	R 3 980	R 5 252
<i>Nelson Mandela Bay</i>	R 4 480	R 4 551	R 5 325
<i>Sarah Baartman</i>	R 6 306	R 6 898	R 13 633
<i>Amatole</i>	R 1 468	R 1 647	R 3 115
<i>Chris Hani</i>	R 1 352	R 1 348	R 2 656
<i>Joe Gqabi</i>	R 1 130	R 1 151	R 2 483
<i>O.R. Tambo</i>	R 976	R 1 054	R 1 757
<i>Alfred Nzo</i>	<u>R 961</u>	<u>R 1 015</u>	<u>R 1 734</u>

Source: South Africa Regional eXplorer v2443

In 2022, BCMM had a tourism spend per capita of R 5,250 and an average annual growth rate of 3,13%. It ranked third among all regions within the EC in terms of tourism spend per capita. The region that ranked first in the EC province for tourism spend per capita is Sarah Baartman District Municipality, with a total per capita spending of R13 600,

reflecting an average annual increase of 8,01% since 2012. The metropolitan municipality with the lowest tourism spend per capita is Alfred Nzo, with a total of R1 730, which shows an average annual increase of 6,08% since 2012.

Tourism Spend as a Share of GDP

Definition: This measure presents tourism spending as a percentage of a region's GDP, providing a gauge of the importance of tourism to the local economy. It is important to note that this variable does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

Table 82: Total spending as % share of GDP – Buffalo City, EC, and National Total, 2012-2022

	Buffalo City	Eastern Cape	National Total
2012	5,3%	5,7%	6,4%
2013	5,4%	5,8%	6,5%
2014	5,5%	5,9%	6,7%
2015	4,6%	4,9%	5,7%
2016	4,7%	5,1%	5,8%
2017	4,2%	4,5%	5,2%
2018	4,5%	4,9%	5,5%
2019	6,3%	7,3%	7,3%
2020	3,8%	4,7%	4,3%
2021	4,3%	5,5%	4,7%
2022	4,8%	6,0%	5,0%

Source: South Africa Regional eXplorer v2443

In BCMM, tourism spending as a percentage of GDP in 2022 was 4,77%. In EC province, tourism spending as a percentage of GDP for 2022 was 5,97%, while in SA it was 5,02%.

International Trade

Trade is defined as the act of buying and selling, with international trade referring to buying and selling across international borders, more generally called importing and exporting. The Trade Balance is calculated by subtracting imports from exports.

Relative Importance of international Trade

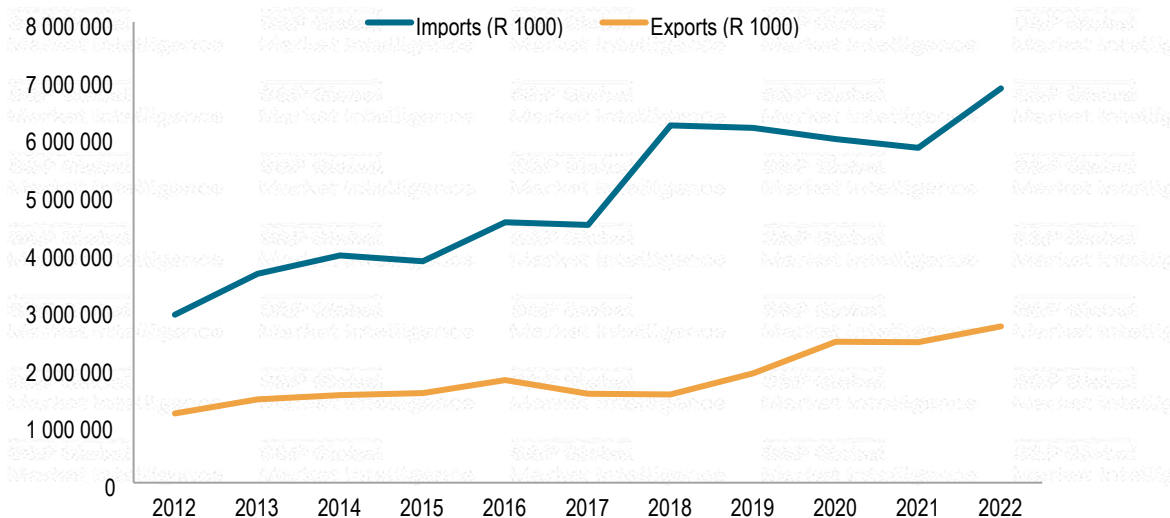
In the table below, the BCMM is compared to EC and SA in terms of actual imports and exports, the Trade Balance, as well as the contribution to GDP and the region's contribution to total national exports and imports.

Table 83: Merchandise exports and imports - Buffalo City, EC, and National Total, 2022 [R 1000, current prices]

	Buffalo City	Eastern Cape	National Total
Exports (R 1000)	2 713 957	73 461 195	2 013 485 000
Imports (R 1000)	6 846 598	74 201 008	1 791 905 000
Total Trade (R 1000)	9 560 555	147 662 203	3 805 390 000
Trade Balance (R 1000)	-4 132 640	-739 813	221 580 000
Exports as % of GDP	2,7%	14,7%	30,4%
Total trade as % of GDP	9,5%	29,5%	57,4%
Regional share - Exports	0,1%	3,6%	100,0%
Regional share - Imports	0,4%	4,1%	100,0%
Regional share - Total Trade	0,3%	3,9%	100,0%

Source: South Africa Regional eXplorer v2443

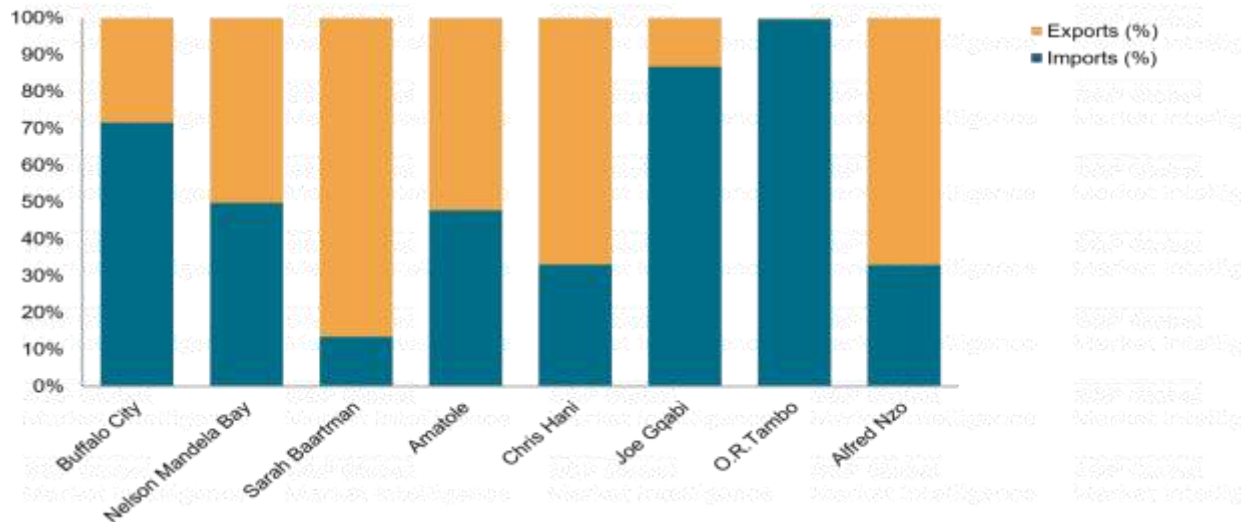
The merchandise export from BCMM amounts to R 2,71 billion, which constitutes about 0,13% of total national exports. The exports from BCMM make up 2,71% of its total GDP. Merchandise imports of R 6,85 billion account for about 0.38% of national imports. Total trade within Buffalo City represents approximately 0.25% of total national trade. BCMM had a negative trade balance in 2022, valued at R 4,13 billion.



Source: South Africa Regional eXplorer v2443.

Figure 91: Import and Exports in BCMM, 2012–2022 [R1 000]

Analysing the trade movements over time, total trade increased from 2012 to 2022 at an average annual growth rate of 8,79%. Merchandise exports rose at an average annual rate of 8,48%, reaching a peak of R 2,71 billion in 2022. Meanwhile, merchandise imports grew at an average annual growth rate of 8,91% during the same period, with the lowest level of imports recorded in 2012.



Source: South Africa Regional eXplorer v2443.

Figure 92: Merchandise exports and imports - Buffalo City and the rest of EC, 2022 [Percentage]

When comparing the BCMM with other regions in the EC Province, Nelson Mandela Bay has the largest amount of international trade (when aggregating imports and exports in absolute terms), with a total of R102 billion. This is also true for exports, which totalled R53,8billion in 2020. O.R. Tambo had the lowest total trade figure at R12 million and also recorded the lowest exports in terms of currency value, with a total of R1,14 million.

6. SPATIAL DEVELOPMENT PROFILE

An overview of spatial form

The land cover pattern is largely determined by topographical and climatic factors. However, past political engineering, current tenure arrangements, and population densities have impacted the type of land cover. The Land Cover plan illustrated in the figure below indicates that:

- 1,2% of the municipal land cover is thicket and bushland.
- Approximately 9% is cultivated on a semi-commercial/subsistence basis.
- Just over 10% of the land cover in the Municipality is degraded.
- The urban or built-up residential land constitutes about 7,8% of the land cover.

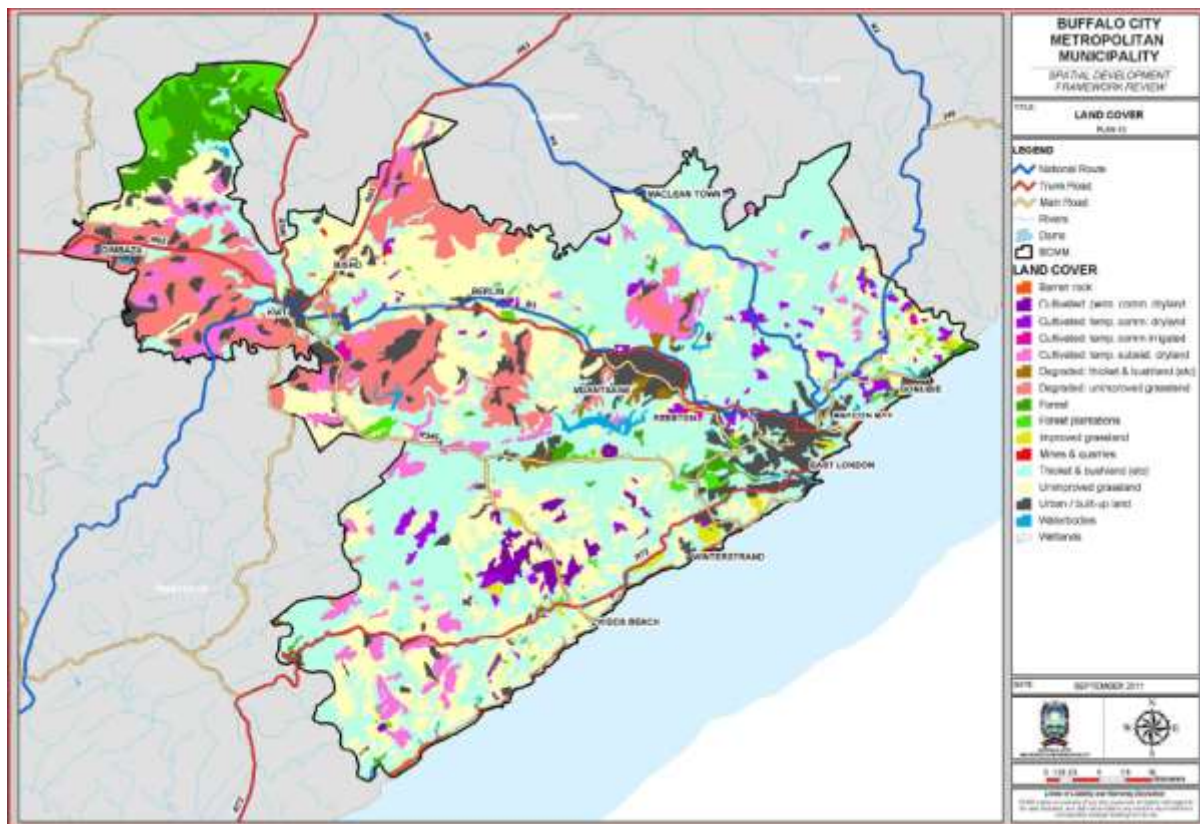


Figure 93: Plan E.1 Land cover plan showing agricultural and urban areas

BCMM has a rich floral and faunal biodiversity, primarily due to its coastal location and altitudinal variation, ranging from sea level to approximately 2 100 m in the Amathola Mountains. BCMM falls within the Albany Centre of Endemism, making it a region with many endemic plant taxa and species of high conservation significance.

The EC Biodiversity Conservation Plan identifies critical biodiversity areas and provides guidelines for biodiversity land management uses to conserve biodiversity. The plan has been developed for the entire EC province and should be used as a planning tool for the whole area.

From the biodiversity plan in the following figure, it can be seen that Biodiversity Land Management Class (BLMC) 1 (Critical Biodiversity Area 1) – BLMC 1 (CBA 1) – occupies 15% of BCMM's land cover. This is primarily located along the coastline in the west, in the area around the Buffalo River below the Laing Dam, and in the indigenous forests near the Maiden Dam in the North West. Biodiversity Land Management Class 2 (Critical Biodiversity Area 2) – BLMC 2 (CBA 2) – occupies a further 29% of the land cover.

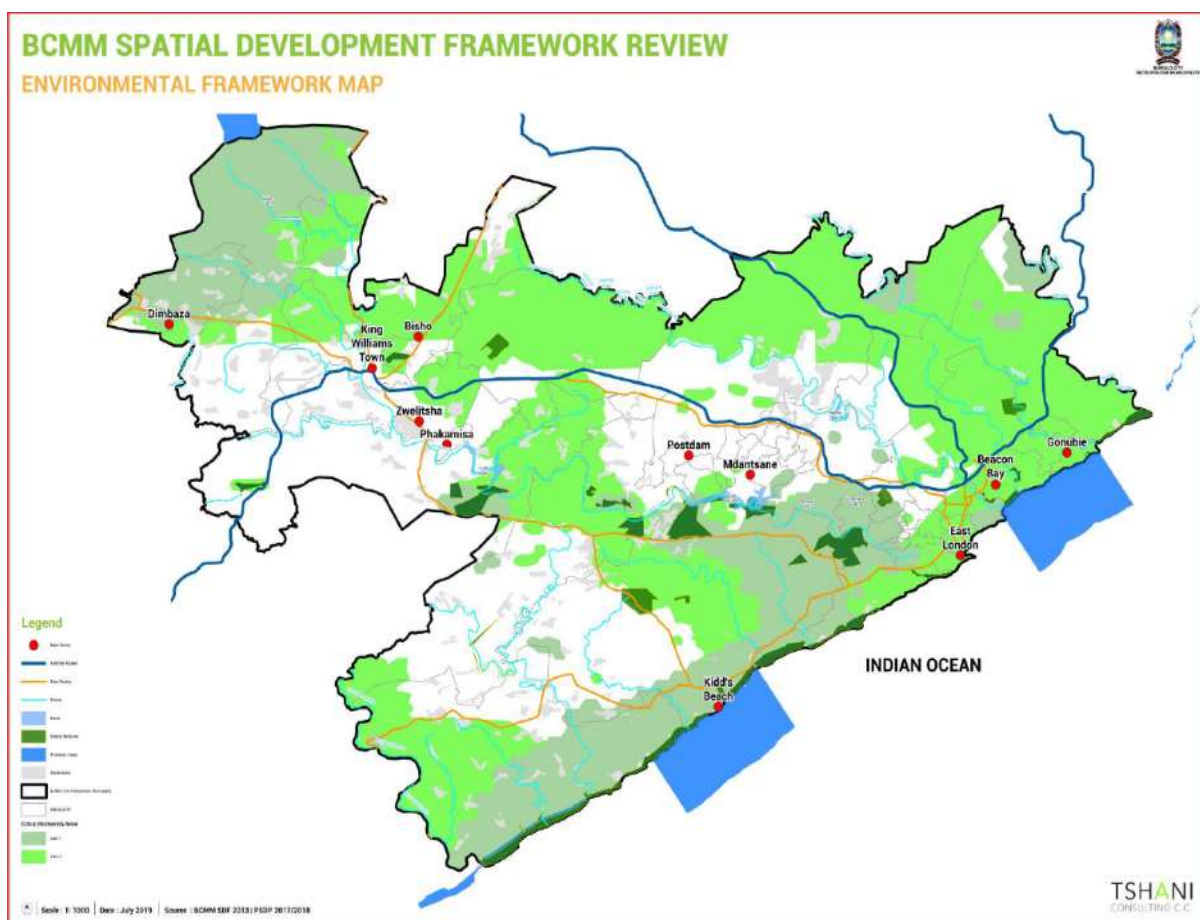


Figure 94: Plan E.2 Biodiversity and environmentally sensitive areas

Nodes and their role within the district and the province

Development nodes are generally described as areas of mixed land use development, typically characterised by a high intensity of activities involving retail, traffic, office, industry, and residential land uses. These areas are where the most interaction occurs between people and organisations, facilitating the most efficient transactions and exchange of goods and services. Nodes are usually situated at nodal interchanges to provide maximum access and often act as catalysts for new growth and development. See the Figure and Table below:

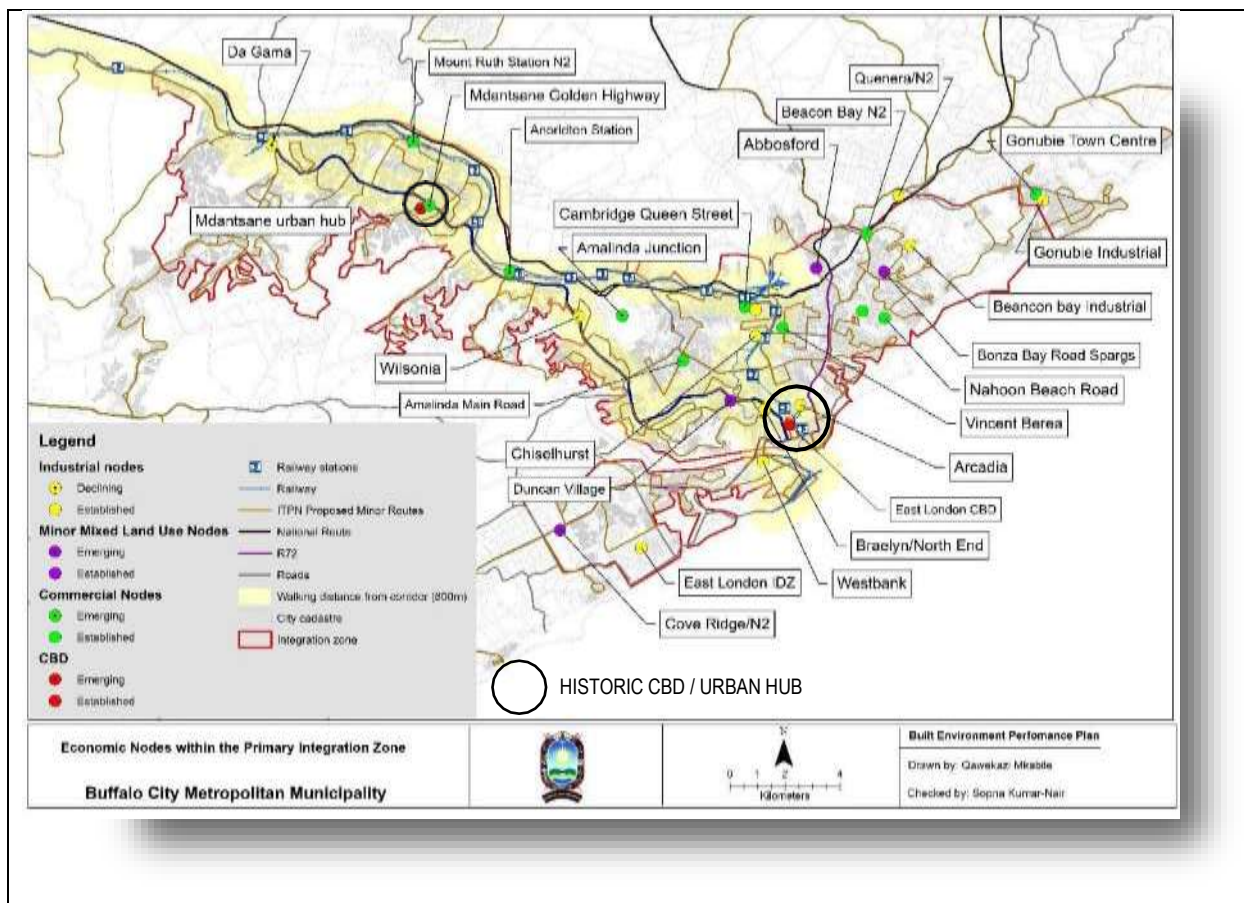


Figure 95: Plan E.3 BCMM development nodes

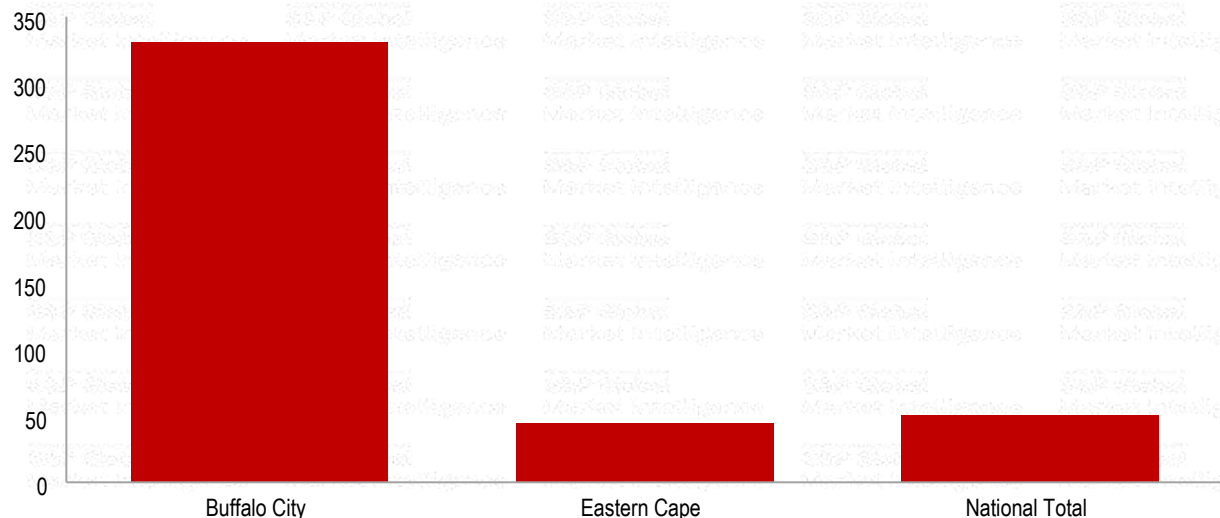
Table 84: Development nodes and localities

NODE TYPE	AREA/DESCRIPTION OF LOCALITY
PRIMARY NODES:	
Central Business Districts (CBDs)	- East London - Qonce - Mdtantsane - Dimbaza
	- Mount Ruth Station - Arnoldton Station - Amalinda Junction
LOCAL NODES	
Minor Mixed Land Use Nodes (Existing)	- Meisies Halt - Bonza Bay Road (Sparg's Centre) - Ndende (Duncan Village) - Golden Highway (Mdtantsane) - Berlin town centre - Zwelitsha town centre
Minor Mixed Land Use Nodes (Potential)	Quenera

NODE TYPE		AREA/DESCRIPTION OF LOCALITY
PRIMARY NODES:		
		• Brakfontein • Chester Road • Cove Ridge • Nahoon Valley • Mdantsane Station • Mtsotso Station • Needs Camp • Zone CC (Mdantsane) • Fort Jackson Station • Ndevana • Phakamisa Junction
Administrative Node		• Bhisho
Commercial Nodes		• Vincent Park • Beacon Bay Retail Park/The Hub
Industrial Node		• East London IDZ • North end • Fort Jackson • Berlin • Qonce Zwelitsha
Coastal Nodes		• Kidd's Beach • Sunrise-on-Sea
Rural Service Centre (Existing)		• Crossways • St Luke's (Newlands) • Kidd's Beach Interchange
Rural Service Centre (Potential)		• Khwetyana Intersection (Newlands) • Kuni Village • Upper eJojweni Village (Tyolomnqa) • Drayini Village (Yellowwoods)

Spatial Density and Spatial Planning

Definition: Population density measures the concentration of people in a region. To calculate this, the population of the region is divided by its area. The result is expressed as the number of people per square kilometre.



Source: South Africa Regional eXplorer v2443.

Figure 96: Population density - Buffalo City, EC, and National Total, 2022 [number of people per km]

In 2022, BCMM had an average population density of 331 people per square kilometre, which is higher than that of EC (44,2 people per square kilometre). Compared to SA (50 people per square kilometre), it is evident that BCMM has a greater number of people living per square kilometre than the national average.

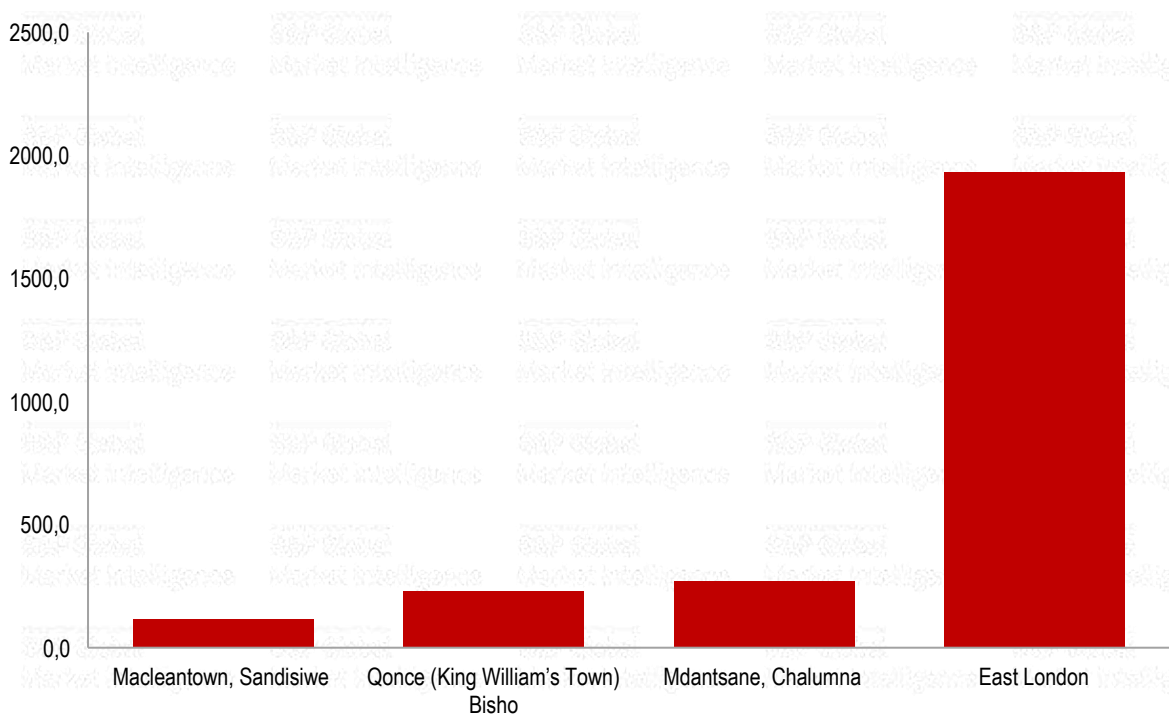
Table 85: Population density - Buffalo City and the rest of EC, 2012-2022 [number of people per km]

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Buffalo City	293,74	297,25	300,87	304,64	308,42	312,35	316,20	320,11	324,02	327,33	330,92
Nelson Mandela Bay	609,50	619,41	629,20	638,95	648,37	657,74	666,71	675,50	684,13	691,38	698,74
Sarah Baartman	8,00	8,15	8,29	8,43	8,57	8,70	8,84	8,97	9,10	9,21	9,32
Amatole	40,92	40,80	40,75	40,77	40,84	40,99	41,18	41,41	41,68	41,89	42,19
Chris Hani	22,53	22,63	22,77	22,93	23,10	23,30	23,51	23,74	23,96	24,15	24,37
Joe Gqabi	14,00	14,12	14,25	14,40	14,55	14,72	14,88	15,05	15,22	15,35	15,50
O.R.Tambo	116,44	117,50	118,67	119,94	121,21	122,56	123,96	125,36	126,76	127,90	129,17
Alfred Nzo	76,95	77,56	78,25	79,00	79,77	80,61	81,47	82,32	83,16	83,82	84,57

Source: IHS Markit Regional eXplorer version 2201

In 2022, BCMM had a population density of 331 per square kilometre, ranking highest among its peers. The region with the highest population density was Nelson Mandela Bay, with a total density of 699 per square kilometre. In terms of growth, BCMM experienced an average annual increase in population density of 1,20% per square kilometre. The region with the highest growth rate in population density was Sarah Baartman, which had an average annual growth rate of 1,53% per square kilometre. In 2022, the region with the lowest population density in EC province was Sarah Baartman, with 9,32 people per square kilometre. The region with the lowest average annual growth rate was Amatole, with an average annual growth rate of 0,31% per square kilometre over the period in question.

Using population density rather than the total number of people provides a better basis for comparing different regions or economies. A higher population density affects the provision of household infrastructure, the quality of services, and access to resources such as medical care, schools, sewage treatment, and community centres.



Source: South Africa Regional eXplorer v2443.

Figure 97: Population Density - Sub-metro regions and the rest of BCMM, 2022 [Number of people per KM]

In terms of population density for each of the regions within the BCMM, the East London Sub-metro Region had the highest density, with 1 930 people per square kilometre. The lowest population density can be observed in the Macleantown, Sandisiwe Sub-metro Region, with a total of 117 people per square kilometre.

Land Ownership Patterns within the Region

A significant amount of land within BCMM is owned by the State, with a considerable portion under tribal authority. BCMM-owned land is located in urban areas, although some portions are not developable.

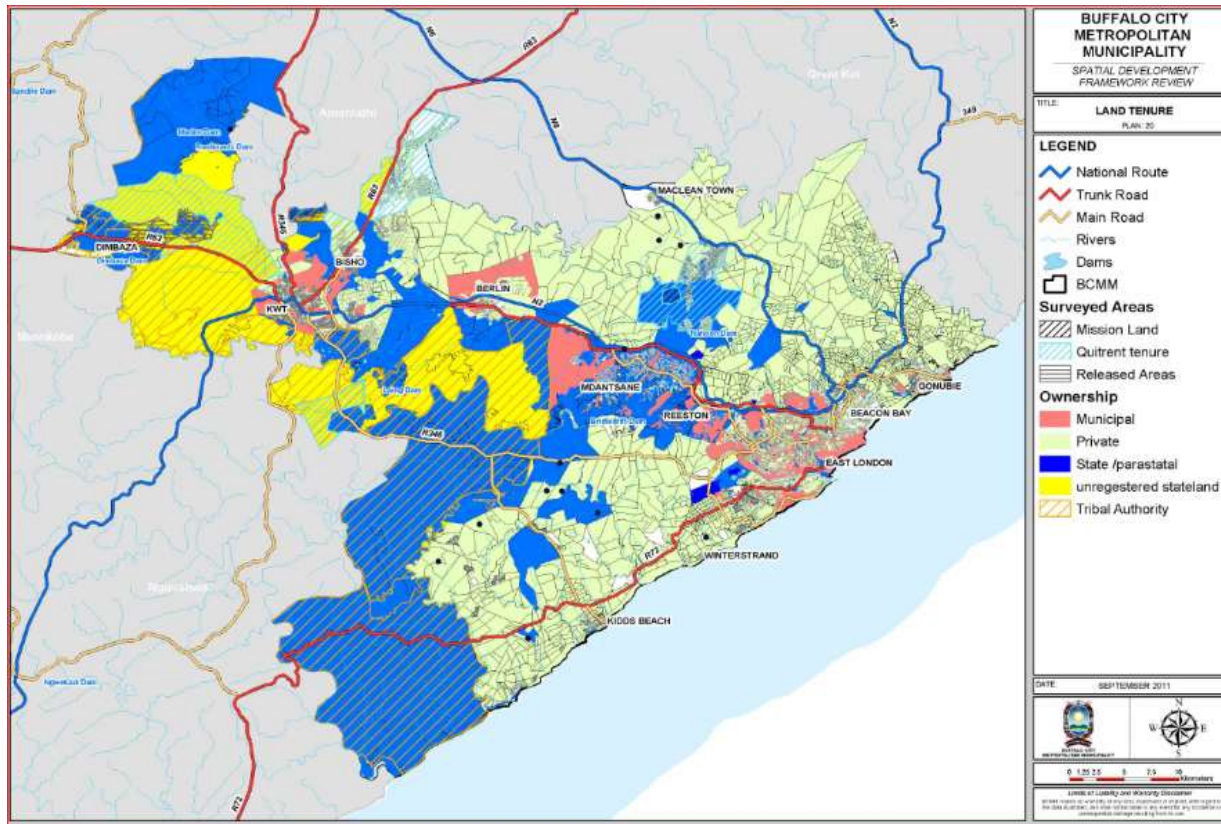


Figure 98: Plan E.4 BCMM land tenure and ownership patterns

Movement Patterns within the Region

The current lines of travel in BCMM, illustrated in the figure below, show a concentration along the corridor between East London and Mdantsane, as well as in the Qonce area, where Qonce serves as a hub for the surrounding rural hinterland. Additionally, many people travel from outside of BCMM for work and education purposes. Minibus taxis convey 350 000 passengers per day within the BCMM functional transport area.

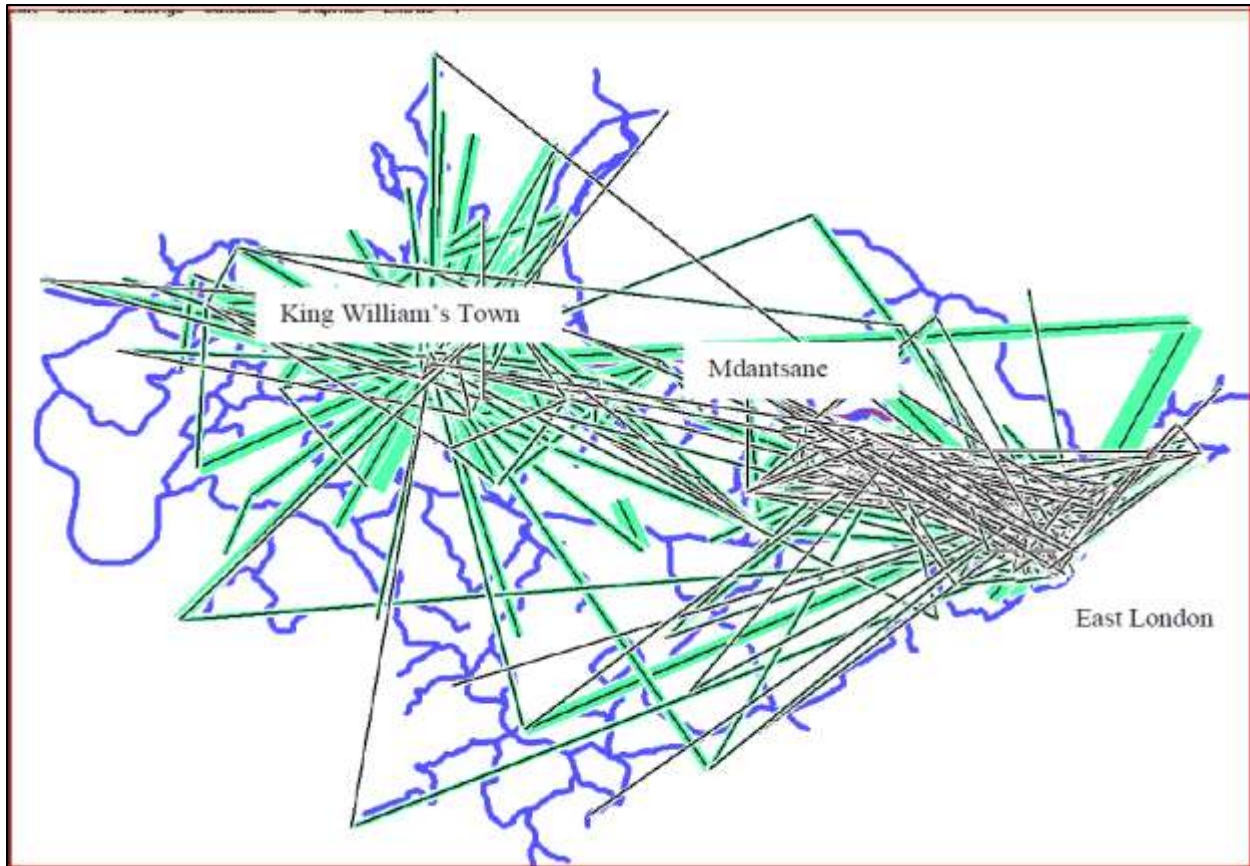


Figure 99: Plan E.6 BCMM transport movement patterns

The BCMM transport register, completed in February 2018, identified the following trends in transport modal splits for work-related trips.

- The predominant transport mode for work-related trips in the BCMM area during a typical weekday morning peak period in 2013 was taxi (43%), followed by private car/truck (29%), walking (21%), train (5%), and bus (2%).
- In comparison to the 2003 data, there has been an overall 5% decline in work trips via public transport, while there has been a 4% increase in work trips via private transport and walking, respectively.
- Nearly a third of all work trips in 2013 were made via private transport, which aligns well with the provincial average of 33%.
- Considering the decline in work trips via public transport, there appears to be a modal shift from public transport to private transport and walking in the BCMM area.

The 2013 National Household Travel Survey (NHTS) indicated 65 000 more work-related trips compared to the 2003 NHTS.

The plan below shows the major transport/mobility corridors within BCMM:

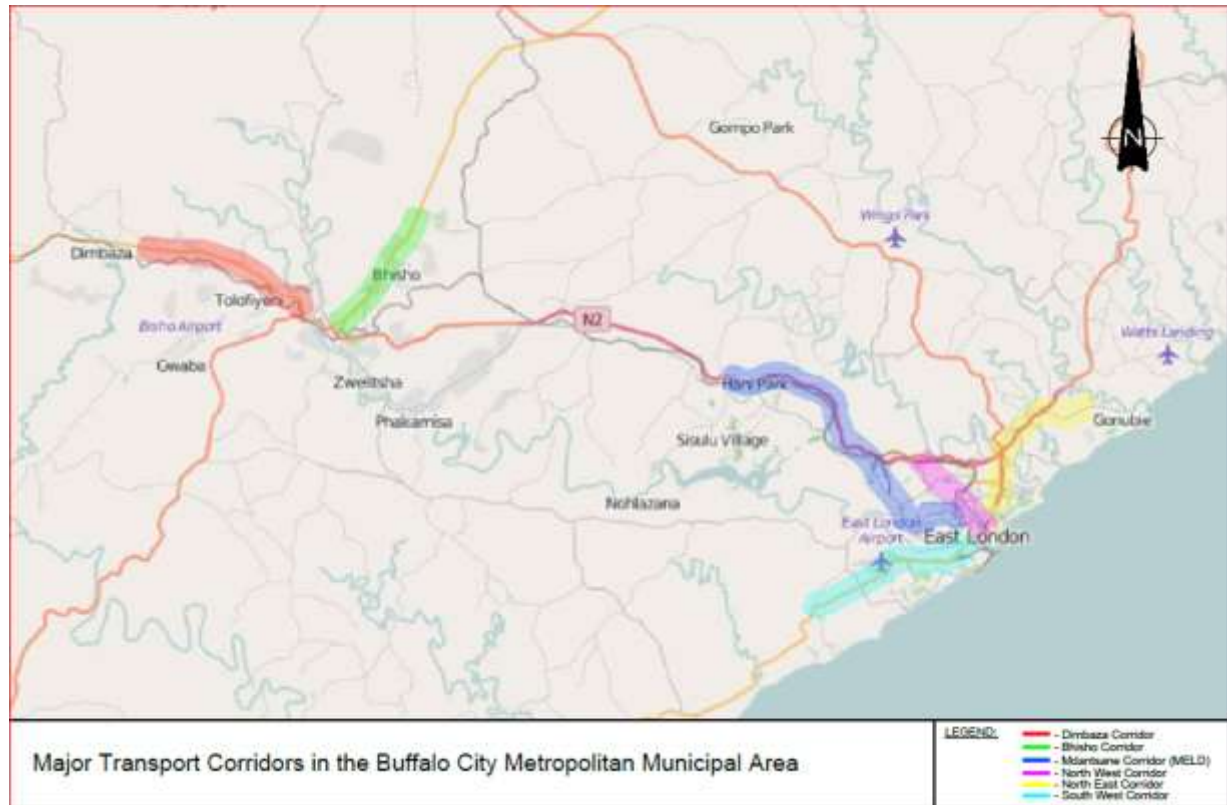


Figure 100: Plan E.7 BCMM transport corridors

Changes in Spaces over Time and the Implications for Service Delivery

The development focus has evolved over time as the local authority amalgamated various urban and rural areas. With each amalgamation, service delivery priorities have been refocused. Since the creation of BCMM in 2001, the first SDF of 2003 proposed that the emphasis for infrastructure development and service delivery should be on the urban core area – Mdantsane and East London – as this contained the majority of the population. The BCMM SDF has since identified that the new West Bank should be the focal point for infrastructure development due to the anticipated increase in economic activity in the area. Additionally, as the number of informal areas has grown on the fringes of the city, this has impacted the prioritisation of service delivery.

SITUATIONAL ANALYSIS PER BCMM STRATEGIC OUTCOME AND KEY FOCUS AREA



Strategic Outcome

1

AN INNOVATIVE
AND
PRODUCTIVE
CITY



SITUATIONAL ANALYSIS

1. STRATEGIC OBJECTIVE

To enhance the quality of life for the BCMM community through rapid and inclusive economic growth and decreasing unemployment.

2. MUNICIPAL STRATEGIC ALIGNMENT MATRIX

The alignment between the SOs, Strategic Objectives, and KFAs is illustrated as follows:

Table 86: Alignment between SO 1, Objectives, and KFAs

Strategic Outcomes	Strategic Objectives	Key Focus Areas
SO 1: An Innovative and Productive City	To enhance the quality of life of the BCMM community with rapid and inclusive economic growth and falling unemployment	KFA 1: Enterprise Development
		KFA 2: Trade and Investment Promotion
		KFA 3: Innovation and Knowledge Management
		KFA 4: Tourism Marketing
		KFA 5: Job Readiness and Training (External)
		KFA 6: Rural Development and Agrarian Reform
		KFA 7: Arts, Culture and Heritage Resource Management
		KFA 8: Sport Development (Programmes)
		KFA 9: Sport and Recreation Facilities
		KFA 10: Libraries and Halls
		KFA 11: Emergency and Disaster Management
		KFA 12: Safety and Security

3. STRATEGIC PRIORITIES

The following strategic priorities relevant to SO 1 were identified during the 2023/24 IDP Review process:

Table 87: SO 1 – An Innovative and Productive City (KFA 1 – 7)

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

KFA 1: Enterprise Development

Table 1.2 provides an overview of the criteria used in South Africa to determine whether a business qualifies as a micro, small, or medium enterprise (MSME) and, if so, the specific MSME category it falls into. Understanding which businesses are classified as MSMEs is essential for framing the Strategy and ensuring it is tailored to meet the needs of these entities. In addition to the formal definitions, there is also an important distinction within the MSME sector between formal and informal enterprises..

Formal versus Informal MSMEs

Racially driven spatial and economic policy throughout the twentieth century has resulted in a fragmented national economy. This is illustrated, in part, by the dichotomy in the structure of the MSME segment of the economy. Within this segment, it is evident that both an informal sector and a formal sector exist within the South African economy (Organisation for Economic Co-operation and Development [OECD], 2020).

Defining the difference between the formal and informal sectors can be oversimplified, but for the sake of clarity, it can be deemed the lack or presence of formal registration of a business or business operation (Ligthelm, 2013). Thus, informal MSMEs are those that are not formally registered, while formal MSMEs are those that are.

There has been some misconception regarding informal MSMEs, particularly concerning their operation, credibility, and profitability (Ligthelm, 2013). Any such stigmas should be dismissed in light of increasing evidence that informal MSMEs perform as well as their formal counterparts; indeed, there are indications that they may perform better across several metrics, given that they are not required to adhere to the regulations or tax provisions of their formal counterparts (Bureau for Economic Research, 2016).

Research indicates that there are more informal MSMEs than formal MSMEs within the EC, as well as in the general sectors of the economy in which they tend to be engaged. This is presented below in Table 1.3.

Table 1.3: Key MSME indicators for the EC

Key Indicators	2020: Quarter 3
Number of MSMEs	231 011
Number of formal MSMEs	51 041
% Formal	22%
Number of informal MSMEs	160 861
% Informal	70%

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

Percent in Trade	39%
Percent in Construction	19%
Percent in Community Service	16%
Percent in Agriculture	7%
Percent in Finance	7%
Percent in Manufacturing	6%
Percent in Transport	5%
Percent registered for VAT	20%
Percent registered for income tax	30%

Source: (Kavese, 2021).

If the structure and relative size of the MSME sector can be assumed to have remained the same, then the structure provided below is likely to reflect the current situation across SA. With the recent economic fallout associated with the COVID-19 pandemic, it is reasonable to make this assumption.

Given Table 1.3, it is evident that:

- a) **More informal MSMEs:** the ratio of informal to formal MSMEs is above 3:1, indicating that for every formal MSME, there are close to three additional informal MSMEs.
- b) **Many are in Trade & Accommodation:** a significant portion of the MSMEs operate in the trade and accommodation sector.
- c) **A third or less are registered for tax purposes:** between 20% and 30% of the MSMEs are registered in the public tax system. This is problematic not only in terms of tax revenue generation but also from a monitoring and evaluation, as well as research, perspective.

The structure of the national MSME sector has implications for both the provincial and local MSME sectors.

In light of this, the City is committed to ensuring that small businesses progressively enhance their growth and contribute to the performance of the South African economy in critical areas such as job creation, equity, and access to markets. The City's business development programme focuses on supporting the informal trade sector, cooperatives, and MSMEs, as well as township economic development across all areas of BCMM, including those demarcated from Amahlathi, Ngqushwa, and Great Kei. Unemployment is a challenge nationwide, and the BCMM area is no exception; hence, an enterprise development programme has been identified, as MSME development serves as a vehicle for job creation.

Equally, businesses that are performing well need to be recognised and supported for further growth and expansion, as well as access to national and international markets. It has also been shown that individuals introduced to entrepreneurship at an early age have better chances of success; therefore, the City plans to continue rolling out the Teen entrepreneurship programme in partnership with schools.

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The South African government has identified SMMEs as a vital vehicle for addressing the challenges of job creation, sustainable economic growth, equitable income distribution, and the overall stimulation of economic development in the country.

There can be no doubt that, compared to large businesses, small enterprises face a wider range of constraints and problems and are less able to address these issues independently, even in effectively functioning market economies. The constraints relate, among others, to the legal and regulatory environment confronting SMMEs, access to markets, finance, and affordable business premises, the acquisition of skills and managerial expertise, access to appropriate technology, the quality of business infrastructure in impoverished areas, and, in some cases, the tax burden. In the SA context, for example, these constraints have been particularly challenging for entrepreneurs in rural areas and for women. In addition to sector-specific differences in constraints, the legacy of apartheid plays a significant role in the difficulties faced by black-owned or controlled small enterprises in overcoming business development challenges.

The BCMM has implemented a number of interventions aimed at supporting MSMEs to foster business growth. MSMEs include cooperatives, the informal trade sector, and individual businesses in the form of CCs and Pty Ltd companies. The support provided ranges from capacity building (training interventions) to access to markets, and the provision of infrastructure and equipment. It is the City's responsibility to create a conducive environment for businesses to thrive by developing the regulatory framework.

The City is in the process of developing an MSME Strategy that will clearly outline how the sector will be supported in alignment with the Provincial MSME Strategy.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
▪ Constitution of the Republic of South Africa, 1996 ▪ Municipal Systems Act ▪ Provincial Growth and Development Strategy ▪ National Small Business Act of 1996 – provides guidelines for organs of state to promote the development of small businesses ▪ Construction Development Board Act, No. 38 of 2000 ▪ Cooperatives Act, No. 14 of 2005, as amended – provides for the registration and formation of cooperatives, the Advisory Board, and the winding up of cooperatives ▪ Broad-Based Black Economic Empowerment (BBBEE) Strategy ▪ Eastern Cape MSME Strategy 2022–2025	▪ The MGDS commits to “achieving inclusive and sustainable economic growth, targeting this growth in the core productive sectors of manufacturing, tourism, creative industries, agro-processing, communications technology, construction, and forestry as priority industries, along with new areas of economic growth such as the oceans’ economy”. ▪ The MGDS also addresses the support and promotion of SMME development. This support will expand opportunities for small businesses and co-operatives, achieved through expanded access to coaching, incubation, and financing to sustain these enterprises. ▪ The draft Business Development Strategy builds on this mandate, aiming to create a growing, inclusive, and equitable economy through sustainable support for small businesses.

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	The draft Cooperative Development Strategy.
Progress & Achievements 2023 to date	Challenges
- Roll-out of infrastructure for informal traders in Wards 49, 45, and 21: Construction of hawkers' stalls for informal traders to the value of R8 000 000. - Upgrading of Sekunjalo Skills Centre in Mount Coke to equip youth with various skills. The centre features mixed incubation hubs for businesses in production and manufacturing. - Development of the Car Wash by-law in all wards: Creation of the Car Wash by-law to regulate the sector. - Equipment procurement support for SMMEs within BCMM wards, to the value of R500 000, was offered to the following SMMEs. - Idyllic Treats Eatery - Glam Goddess Salon - Rest and Be Remembered Funeral Home - Gcawa Holdings - Ukhanyo Youth Development - TK Cabinet Works - Lathitha Trading and Projects - Akahlulwa Trading	- Access to Markets for SMMEs and Cooperatives (domestic & foreign, public procurement – localisation) - Access to Finance for SMMEs and Cooperatives is hindered by stringent criteria, despite the availability of numerous financial resources within the DFI's (bridging finance/working capital, etc., high cost of capital - high interest rates). - Regulatory Environment (red tape or over-regulation) - High Cost of Doing Business due to excessive red tape and over-regulation that hinder business operations. - Lack of supportive economic infrastructure (street traders/informal sector, manufacturing, etc.) - Poor business acumen and management skills (e.g., financial management) - Lack of access to appropriate technology - Lack of support for Intellectual Property (IP) Development (product development – aloe, traditional medicines, local recipes, etc.) - Poor business acumen and management skills.
Current State	Action Plans
- The focus of the city is to support MSMEs in implementing the full recovery plan. - This includes the Debt Restructuring Facility (for Small Enterprise Finance Agency [SEFA]-funded MSMEs), the Business Growth Facility (working capital for COVID-related businesses), the Spaza Support Scheme (for permit-holding spaza shops), the Agriculture Disaster Support Fund, the Tourism Relief Fund, tax relief measures for employers, the Loan Guarantee Scheme (soft loans from private banks), Unemployment Insurance Fund (UIF) Relief Benefits (for lost income during lockdown), and the Social Relief Grant (R350 for unemployed persons not receiving grants or UIF benefits). - BCMM and the province need to pool resources to ensure that local businesses and citizens benefit from these measures. Although support	- Training / Capacity building - Teen entrepreneur programme - Coca-Cola partnership programme - Equipment and machinery for SMMEs/ Cooperatives - Roll out of infrastructure for informal trading - Youth Work Readiness Programme - Supplier Development Programme - Women in Business Programme - Buffalo City Fashion Show - Incubation Hub / Ihub - Seminars - MSME Fund

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was made available to assist businesses, a limited number managed to access these funds due to stringent criteria or because the application process was somewhat cumbersome.

- Spaza Shop Development Programme
- Access to markets

KFA 2: Trade and Investment Promotion

The Trade and Investment Unit promotes BCMM as an investment destination, collaborating with stakeholders such as the BKCOB and the Eastern Cape Development Corporation (ECDC). It is the responsibility and aim of the Unit to enhance sector and industrial development through trade, investment, and exports to support sustainable growth in BCMM for the benefit of all its citizens.

The Unit facilitates trade by assisting local companies in accessing international markets; identifying, developing, and packaging investment opportunities within the City; retaining and expanding trade and export activities; and supporting emerging exporters through awareness and training programmes to prepare them for exploring export opportunities.

In partnership with the BKCOB, the City has developed a campaign called Invest Buffalo City, an initiative designed to showcase Buffalo City as an investment destination with much to offer investors. This online campaign allows investors to easily find out what is happening in Buffalo City regarding investment.

The benefits of this initiative for businesses, especially MSMEs, include the opportunity to display their products digitally. This kind of exposure will be significant for the following reasons:

- Businesses to conduct business online
- Networking opportunities will increase
- This platform will provide strengthening of brands and marketing
- Digital business dealings have the potential to increase productivity due to product demand
- It is a platform to enhance competitiveness by reaching out to wider markets and customers through digital means

Alignment with the National and Provincial Plans and Policies

Integrated National Export Strategy – The strategy aims to increase SA's capacity for exporting diversified and value-added goods and services to various global markets. It also seeks to strengthen the country's export performance by enhancing the trade and business environment, as well as the competitiveness of companies.

Link to BCMM Strategies, Sector Plan(s) and Policies

The City is still in the process of developing the Trade and Investment Strategy with the assistance of the Government Technical Advisory Council (GTAC).

Progress & Achievements 2023 to date

- Revitalisation of industrial parks (Dimbaza) in Ward 36: Both Phase 2 of the upgrading of the roads and services and Phase 3 refurbishment of electrical infrastructure are complete. Phase 4 involves Wastewater Treatment Works (WWTW), and the contractor is on site. The budget for the project is R2 500 000.
- BCMM Export Help Desk initiative, in partnership with ECDC, implements exporter development programmes and has been funded with R1 000 000.
- Trade and investment promotion programmes have a budget of R500 000.
- Export Symposium: The City, in partnership with ECDC, Nelson Mandela Bay Metro Municipality (NMBMM), and the Department of Trade and Industry (DTI), hosted the first export symposium aimed at unlocking barriers to the exporting of goods. The cost relates to the Export Development Programme.

Challenges

- De-investment or capital flight
- Slow turnaround times for municipal or government approvals
- Skills shortage (artisans)
- Poor image of the city as an investment destination
- Limited diversification of the Buffalo City economy
- High cost of doing business
- Energy security negatively impacts the attraction of new investors (unreliable supply)

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- Invest Buffalo City Initiative: In partnership with the BKCOB, this initiative drives the campaign to attract investors to the city. The budget for this was R500 000.

Current State

- Massive logistics constraints are predicted with 400 interlinks moving between ELIDZ and MBSA when new W206 production comes on stream in mid-2021.
- One of the country's key structural constraints is its weak export performance, caused in part by inefficient logistics.
- SA remains a small, open economy, meaning exports will be crucial to the country's industrialisation and future competitiveness.
- Buffalo City is home to the country's best-performing exporter – MBSA.
- MBSA is investing R12 billion in W206 plant and machinery, much of which has already been invested.
- Linked to the SA Automotive Masterplan, the new focus is on local content, with around 30 new suppliers locating in ELIDZ and other industrial parks in the city, creating 7 500 jobs within the OEM and suppliers, and almost 25 000 with multipliers.
- ELIDZ has gone from 30% capacity to 70% capacity utilisation over the past three years.
- This is huge for the country, province, and city, but there has been very little reciprocal investment in supporting infrastructure.
- Massive logistics constraints are predicted, with 400 interlinks moving between ELIDZ and MBSA when new W206 production comes on stream in mid-2021.
- The city has had to secure funding for the first phase of the Settlers Way Expansion, which will address immediate concerns, but there are still significant constraints regarding port capacity (no container terminal and inadequate depth), no air freight, and no industrial land for expansion on the West Bank due to the substantial, wasted footprint of the prison, military base, government fleet, etc.
- Buffalo City, together with ELIDZ, has packaged a concept for a West Bank Logistics Hub that needs to be nationally championed.

Huge opportunities to deepen the auto supply chain (2nd and 3rd tier suppliers) – East London supplier park is highly successful but needs an incubator for 2nd and 3rd tier suppliers (proposal developed by ELIDZ with DTI committing 50%, additional 50% funds required).

Action Plans

- Engagement with stakeholders, including ELIDZ and MBSA, to position BCMM as an Automotive City. Development of Automotive Strategy is underway.
- Invest Buffalo City - Call to Action
- Export Development
- Revitalisation of Industrial Areas - Dimbaza
- Investment Centre

KFA 3: Innovation and Knowledge Management

Innovation Management is the discipline of managing processes in innovation. It can be used to develop product, process, and organisational innovation. The role of this unit is critical in ensuring that a common understanding of goals and processes is developed, updated, maintained,

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and effectively communicated throughout BCMM's administration. The management of information and knowledge in all their respective complexities is key to the management of innovation. Information and knowledge are used to steer strategic planning and play a critical role in the selection of projects, programmes, and key initiatives that support and propel efforts to achieve the MGDS and IDP objectives.

Alignment with the National and Provincial Plans and Policies

- Local government: MSA, No. 32 of 2000
- National Integrated ICT Policy White Paper – The National Integrated ICT Policy White Paper outlines the overarching policy framework for transforming SA into an inclusive and innovative digital and knowledge society.

Progress & Achievements 2023 to date

- Memorandum of Understanding (MoU) with universities (University of Fort Hare and Walter Sisulu University).
- The Information Knowledge Management (IKM) Unit is currently a member of the Walter Sisulu University (WSU) Advisory Board on Curriculum Transformation.
- Member of the BCMM Interdepartmental Disaster Risk Management Team.
- Placement of in-service training and learnership for students from WSU through the unsigned MoU (2023–2024).
- A customer satisfaction survey will be conducted through StatsSA via an MoU (agreed in principle) and subject to budget availability.
- The 2023/24 Policy Register is in place, including an action plan for improvement.
- SharePoint and the Electronic Document Management System are operational, forming the Information Knowledge Management System.
- Research topic lists are available for directorates to benchmark (2022/23).
- A functional BCMM research process and procedure is in place.

Challenges

Knowledge Management Forum and Policy:

- BCMM does not have a functional Knowledge Management forum where meaningful engagement can occur, except for an Internal Task Team forum established in February 2020, which collapsed due to COVID-19.
- The IKM policy is available but has not been adopted by the Council and will be presented to Top Management for discussion and input.
- There is a lack of response and cooperation from BCMM Directorates regarding the review of policies.
- There is a risk that policies will not be reviewed annually as a norm.

KFA 4: Tourism & Marketing

BCMM is endowed with natural resources such as fauna and flora, rivers, dams, beautiful beaches, and a rich struggle history, alongside sports legends in key sporting codes like rugby, boxing, cricket, and swimming, making it ideally positioned as a premium tourist destination. Furthermore, the built environment, characterised by rich architecture and indigenous knowledge systems, coupled with cultural diversity, presents new dimensions and a unique selling proposition for Buffalo City compared to other coastal cities in the country. The beaches are among the main attractions of Buffalo City, with an estimated 50 000 visitors flocking to them over the festive season. Additionally, over 200 000 revellers attend the City's Summer Season events annually, which include music, film, fashion, dance, arts, and major sporting events such as horse-racing, rowing, surfing, golf, and swimming.

Tourist numbers

The tourism industry is showing signs of recovery. There has been an increase in the number of tourists visiting Buffalo City. The total number of tourists rose from 847 000 in 2021 to 988 000. Of the 988 000 tourists, 952 000 are domestic tourists, while 35 600 are international tourists. Most visitors to Buffalo City are visiting friends and relatives, accounting for 62,8%, followed by leisure at 18,8%, business at 7,25%, and other at 10,9%.

Tourism spending

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The total tourism spending in Buffalo City accounts for R 4,7 billion, an increase from R 4,1 billion in the previous year. The total spending as a percentage of GDP is 4,8%, showing an increase compared to 4.1% in the previous year.

Accommodation supply

The emergence of COVID-19 in 2020 has had a devastating impact on the tourism industry, leaving many businesses struggling to operate. Approximately 65 accommodation establishments closed in Buffalo City, reducing the number from 320 to 255 and the number of beds from 7 940 to 6 985. However, post-COVID, several new tourism establishments have opened their doors, including two boutique hotels, four bed & breakfasts, and three restaurants. As the situation improves, more businesses are likely to open.

The suburbs with the highest contribution to the municipality's total number of tourism accommodation establishments were Beacon Bay, Gonubie, and Quigney. The highest concentration of beds in the municipality is in Quigney.

Most accommodation establishments are TGCSA graded, predominantly with a three-star grading (66%). In terms of black ownership, 19 accommodation establishments indicated that they were 75–100% black-owned, equating to 36% of surveyed businesses. The largest percentage of businesses surveyed were not black-owned (58%).

Source of market for Buffalo City

The number of trips made by tourists visiting BCMM from other regions in SA increased from 831 000 in 2021 to 952 000 in 2022. The number of tourists arriving from other countries rose from 15 700 in 2021 to 35 600 in 2022. International tourists account for 3,61% of the total number of trips, while domestic tourism represents the remaining 96,39%.

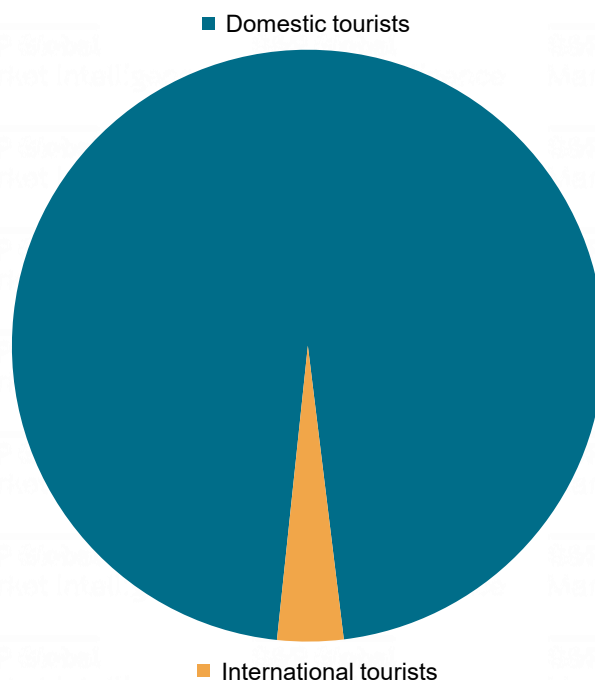


CHART 1. Tourists by origin – BCMM, 2022 [Percentage]

Source: South Africa Regional eXplorer v2443.

Data compiled on 15 Jan 2024

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Purpose of visit

The main purposes for an overnight trip are grouped into the following categories:

- Leisure / Holiday
- Business
- Visits to friends and relatives
- Other (Medical, Religious, etc.)

In BCMM, the Business sector, relative to other tourism categories, recorded the highest growth, increasing from 46 700 in 2021 to 71 600 in 2022. Visits to friends and relatives accounted for the highest number of visits in 2022, totalling 621 000. Leisure trips also saw growth, rising from 123 000 in 2021 to 187 000 in 2022. The 'Other' category experienced the lowest growth, increasing from 94 200 in 2021 to 109 000 in 2022.

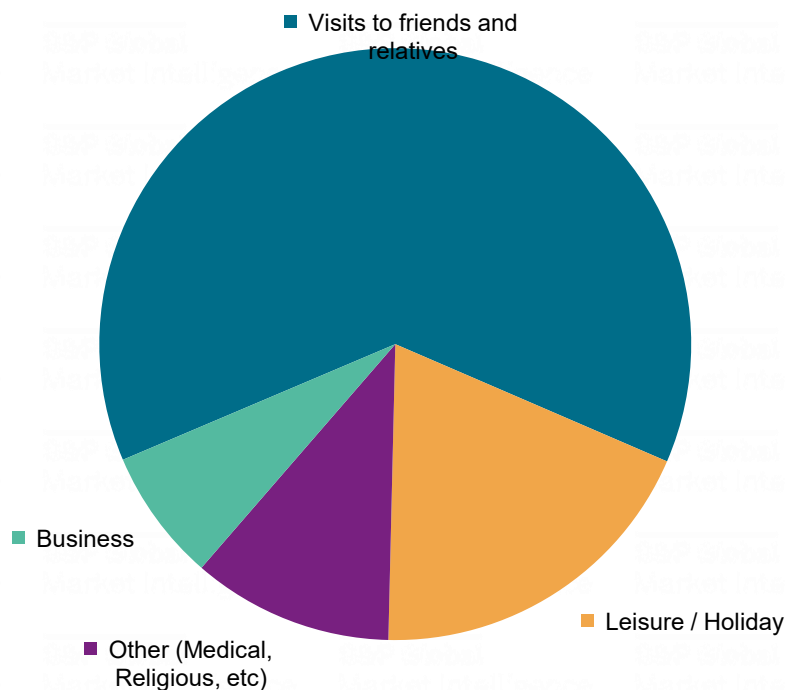


CHART 2. Trips by purpose of trip - BCMM, 2022 [Percentage]

Source: South Africa Regional eXplorer v2443.

Data compiled on 15 Jan 2024.

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The Visits to friends and relatives category, at 62,87%, has the largest share of total tourism within BCMM. Leisure/Holiday tourism had the second highest share at 18,89%, followed by Other (Medical, Religious, etc.) tourism at 10,99%, and Business tourism with the smallest share of 7,25% of the total tourism within BCMM.

The Visits to friends and relatives category accounts for the largest share of total tourism within BCMM, at 71,85%. This is followed by Other tourism (including medical, religious, and similar purposes) at 13,13%, Leisure/holiday tourism at 10,84%, and Business tourism, which holds the smallest share at 4,18% of total tourism in BCMM.

The declaration of the national state of disaster has had a major impact on the tourism industry. The tourism industry was estimated to start recovering in the last quarter of 2023; however, the tourism sector demonstrated its resilience and began recovery as early as 2022. This growth is expected to continue into the coming years.

Recommended catalytic interventions and nodes of development

A number of catalytic interventions and nodes of development have been identified since 2018, though their progress has been delayed due to the COVID-19 pandemic. Key recommendations arising from this include:

- Maintain and improve existing sites for recreation – a number of sites have been identified for development and upgrading. These include, among others, the following: Court Crescent, which has been completed and launched; Latimers Landing, which is currently undergoing upgrading; Water World, which is also currently undergoing upgrading; and Joan Harrison Swimming Pool, which has been refurbished and continues to be maintained and upgraded to attract major aquatic events.
- Undertake a feasibility study on potential uses for Marina Glen/Ebuhlanti.
- East London Zoo revitalisation.
- Nahoon Estuary.
- Create a 'must-see attraction'.
- Aquarium/Marine Discovery Centre.
- Automotive manufacturing museum.
- Grand Prix circuit.
- Develop an Adventure Centre on the beachfront.
- Urban design and improvements.
- Beachfront redevelopment with an outdoor event space.
- Sports node – Jan Smuts, ABSA Stadium, and Buffalo Park.
- CBD improvement zone or Urban Development Zone.

Routes and zones

- East London as a gateway to the rural hinterland: "Gateway to Xhosa heartland" – with signage, route, and itinerary development.
- Heritage route for struggle history and colonial/military history connecting Qonce, Ginsberg, Dimbaza, East London, and rural attractions.
- Coastal tourism and environmentally sensitive development.
- Create tourism opportunities.
- Mdantsane with an event space to promote local and national sports such as boxing.
- Maritime commercial space opening up in the port.
- Signal Hill maritime commercial development opportunities.
- Mobility corridor improvements.
- Buffalo Pass Road.
- Qonce (previously known as KWT) bypass/traffic redirection.
- Quenera Road.

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- N2 bypass through Haven Hills.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
▪ Constitution of the Republic of South Africa, 1996 ▪ White Paper on Tourism Development and Promotion, 1996 ▪ EC Tourism Act, 2003 ▪ Tourism Act 3, 2014 ▪ MSA ▪ National Tourism Sector Strategy, 2014 ▪ Provincial Growth and Development Strategy ▪ Provincial Tourism Master Plan 2015–2020	▪ Buffalo City Metro Tourism Sector Growth Strategy ▪ Buffalo City Bed & Breakfast, Guest House and Hotel Policy ▪ Metro Growth & Development Strategy (vision 2030) ▪ Buffalo City Tourism Master Plan, 2006 ▪ EC Tourism Master Plan
Progress & Achievements to date	Challenges
▪ Development of the Tourism Sector Growth Strategy, which was adopted by Council in 2018. ▪ Increase in the number of visitors to Buffalo City from 847 000 to 988 000. ▪ Increase in total tourism spending in the city from 4,1 billion to 4,8 billion. ▪ Achieved the City of Literature designation by UNESCO. ▪ Supported several tourism businesses with operational equipment. ▪ Continued to provide in-kind support to event organisers hosting events in the city, e.g. assisting with compliance issues and marketing these events on the municipality's online platforms. ▪ Strengthened relationships with the tourism industry. ▪ Developed a MICE (Meetings, Incentives, Conference and Events) bidding document and standard operating procedure.	▪ Lack of funding to implement programmes that will support the growth of the tourism sector, including the tourism business support programme, destination marketing programme, tourism events sponsorship programme, and tourism infrastructure programme. ▪ The COVID-19 pandemic has affected the tourism industry globally; as such, many tourism businesses have had to shut down. ▪ Brand recognition has been significantly impacted. ▪ There is a global absence of marketing platforms to promote the city's tourism products. ▪ Partnership agreements were negatively affected due to targeted objectives not being fully met. ▪ Closure of entry points (borders) to the destination. ▪ Limited ability to reach potential tourists through digital marketing platforms. ▪ Implementation of tourism routes. ▪ Limited resources to support tourism products. ▪ Drastic retrenchment, short-time working, and total closures in the tourism industry. ▪ Lack of competence, non-compliance, and knowledge of available resources to revive the industry through tourism products. ▪ Potential for growth in cruise liner tourism. ▪ Concerns regarding safety and security. ▪ Lack of cleanliness in the City.

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Current State	Action Plans
• The tourism sector is showing signs of recovery; however, more work needs to be done to promote Buffalo City as a tourism destination. • The number of events that have been resuscitated and hosted in the city is lower than the number of events that were held pre-COVID. • While the number of international visitors has increased compared to the previous year, there is a need to revive all partnerships established in key source markets pre-COVID to improve visitor numbers. • Buffalo City has a significant competitive advantage in tourism assets, including beaches, unspoilt nature, and cultural heritage. These should be packaged and promoted. • There has been a decline in the service level standards provided by some tourism businesses. Training needs to be conducted to improve skills in the tourism sector. • Fewer cruise liners have docked at the East London Port. • There has been a significant decline in the budget allocated for tourism programmes and projects, due to fiscal constraints. • There are delays in the implementation or completion of high-impact projects, such as Marina Glen B and Water World, due to COVID-19. • The look and feel of the beachfront has improved following the completion of the Court Crescent development.	▪ Implement campaigns to address seasonality. ▪ Enhance brand exposure to align programmes with those of our partners. ▪ Improve the use of digital marketing platforms (social media, website, etc.) to enhance awareness and brand exposure. ▪ Focus on reviving the tourism industry through regular engagement with tourism industry stakeholders. ▪ Implement support programmes targeting tourism operators, accommodation establishments, event organisers, etc. ▪ Ensure visibility across all tourism marketing platforms created by the tourism industry at local, provincial, national, and international levels. ▪ Implement tourism sector-specific training programmes, workshops, and awareness initiatives to support tourism SMMEs in complying with tourism protocols and regulations. ▪ Develop and promote tourism routes. ▪ Develop key tourism infrastructure and attractions. ▪ Host major business tourism events (MICE): ▪ Market and promote Buffalo City as a cruise liner tourism destination to attract more cruise liners. ▪ Continue identifying new high-impact tourism projects and package them for investment.

KFA 5: Job Readiness & Training (External)

Challenges

- High unemployment levels, particularly among youth (including graduates)
- Limited skills offerings (low artisan skills)
- Skills mismatch (excess supply in certain areas with low demand) – re-training
- Lack of experiential training
- 55% of the population (20 years and older) have less than a matric qualification, while 4% have no formal schooling

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Current State	Action Plans
- Learning Interventions (Graduates) - Artisans Training - Community Works Programme - A total of 150 learners have been enrolled in partnership with BCC College, focusing on funeral service, end-user computing, generic management, and OHS.	- Roll out additional learning interventions in partnership with key stakeholders, including Sector Education and Training Authorities (SETAs), through programmes such as learnerships, internships, and apprenticeships. - Expand reach and facilitate partnerships. - Upskilling Re-orientation Towards Entrepreneurship - MBSA Skills Development Programme - Facilitate the placement of COGTA (CWP) learners at BCFPM Food Hub and local farms for upskilling and improvement of local production.

KFA 6: Rural Development & Agrarian Reform

Buffalo City is often referred to as a rural metropolitan municipality, characterised by large tracts of rural communities with 38,9% unemployment, resulting in poverty and inequality. Youth and women comprise a larger percentage of the population in these rural areas of Buffalo City Metropolitan Municipality. The inclusion of certain rural areas from Great Kei, Ngqushwa, and Amahlathi local municipalities, through demarcation, has exacerbated the situation. The challenge is to revive or transform rural economies (village economy) to create opportunities; hence the Comprehensive Rural Development Programme (CRDP) was formulated by the government.

BCMM is rich in natural resources, including land, water, grassland, and forests, making it suitable for farming and agro-processing. This means agriculture is one of the major vehicles for improving village economies and transforming rural areas. However, only 32% of the population in the BCMM practice farming, and most do so for self-sufficiency rather than on a commercial scale. Major agricultural activities in the BCMM area focus on commodities such as beef, dairy, pineapple, macadamia, maize, vegetables, poultry, and piggery.

The agricultural sector contributes about 2% to the economy of BCMM and is growing at a very slow pace of approximately 1% after COVID-19. Jobs are being lost as more commercial farmers exit the industry due to various reasons, including crime and global warming. Additionally, more agro-processing industries are either closing down or relocating from BCMM to other cities. Major employers in BCMM are the automotive and manufacturing industries.

BCMM has developed an Integrated Agriculture and Rural Development Strategy to address agriculture and rural development. The strategy is expected to be reviewed in the 2018/19 financial year. It emphasises an integrated approach to agriculture and rural development, promoting coordination among various role players to avoid duplication. Strategies to involve youth and women in agriculture and rural development have been formulated, highlighting the need for accredited training and collaboration with relevant SETAs.

BCMM has supported farmers by providing farming infrastructure to promote a conducive agricultural environment. This includes fencing for two vegetable gardens and the construction of two piggery infrastructures. Nineteen communal areas have been assisted with cropping inputs. BCMM, in partnership with the Department of Rural Development and Agrarian Reform, hosted a successful agricultural show in Bhisho, aimed at promoting competition among farmers while marketing their produce.

BCMM was funded by the National Treasury and initiated the Public Employment Programme (PEP) through the Neighbourhood Development Partnership Grant (NDPG). The programme seeks to alleviate the impact of COVID-19 on disadvantaged communities

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and is part of the economic recovery plan. The PEP is implemented through Urban Food Systems, Call to Action, and Integrated Environment Management in BCMM. The Directorate of Economic Development and Agencies is championing the implementation of Urban Food Systems through the appointed service provider, Ruliv. The intended outcome of the PEP concept is to contribute to food security and nutrition in the Metro by focusing on food gardens while imparting skills.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
▪ Agricultural Extension Act, No. 87 of 1996 – the objective is to ensure that farmers adopt new farming technical innovations to improve production. ▪ Livestock Improvement Act, No. 62 of 1998 – aims for the genetic improvement of livestock. ▪ Marketing of Agricultural Products Act, No. 47 of 1996 – the objective is to enforce regulatory measures that intervene in the marketing of agricultural products, including the introduction of levies on agricultural products.	▪ MGDS (Vision 2030): States that agriculture is an important sector with the potential to contribute both commercially, including job creation and food security sustenance. ▪ Integrated Agriculture and Rural Development Strategy ▪ Increase market access opportunities for smallholder farmers (Market Farmer Outreach Programme) through the BCFPM Food Hub supply concept. This initiative will contribute to the achievement of the above BCMM strategies respectively.
Progress & Achievements 2023 to date	Challenges
▪ Support youth through the PEP while imparting skills in vegetable production (food gardens). ▪ Hydroponics project in Ward 24: Construction of a hydroponics tunnel for vegetable production valued at R5 000 000. ▪ Support farmers and rural communities from various wards with production inputs (seedlings, fertiliser, farming equipment, animal feed, and farming chemicals). ▪ Creation of an Agri-village Farmer Support Centre in Ward 33. ▪ Cropping: Support farmers with maize production inputs valued at R4 000 000. ▪ Piggery and poultry infrastructure in Wards 31 and 36: Support for emerging farmers with poultry and piggery infrastructure valued at R 600 000. ▪ Fencing of vegetable gardens in Wards 23 and 40 valued at R500 000.	▪ Agriculture is for subsistence farming, not for commercialisation. ▪ Shrinking of agricultural contribution to the economy. ▪ Outdated Integrated Agricultural Strategy. ▪ High crime rate in the agricultural sector. ▪ Lack of agro-processing industries. ▪ Vast tracts of unused land in rural areas. ▪ Lack of interest among youth. ▪ Lack of commitment among various agricultural stakeholders. ▪ Lack of infrastructure. ▪ Outdated technology. ▪ Only 32% of the Buffalo City population practices farming, largely on a subsistence basis. ▪ Limited commercial agricultural production (low volumes of production, limited agro-processing, limited agricultural exports). ▪ Lack of diversification in commodities produced.

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	- Climate change (global warming) affecting the agricultural sector (mitigation measures) [dry-land production]. - Limited youth involvement in agriculture. - Fragmentation in the provision of support to communities and emerging farmers (low impact) – need for an agricultural revolution. - Lack of incentives (new developments). - Lack of basic infrastructure (irrigation, dipping tanks, fencing of arable and grazing lands, semi-processing facilities, testing facilities, etc.).
Current State	Action Plans
- Low agricultural base - East London-based agro-processors (Nestlé and Sundale) both have expansion plans. - The food industry is potentially a beneficiary from COVID (import replacement and disruption of global food chains). - The industry has huge development potential with strong livelihood linkages into the rural economy if necessary support is provided (both Sundale and Nestlé import milk from the Western Cape, which should be localised). - Food insecurity and hunger from COVID impacts (estimated 10%–20% increase) necessitate a new focus on urban agriculture and food security - this urban agriculture could be linked to PEPs. - BCMM has competitiveness in high-value horticulture, dairy, livestock, nuts, and sub-tropical fruits, and potential in new commodities such as cannabis and hemp. - The development of agriculture is hamstrung by poor infrastructure – grain imports and exports through East London Port are undermined by differential import tariffs (which benefitted Durban and disadvantaged East London Port), although there are new plans to rejuvenate the grain elevator through private partnership. - Plans for agricultural support infrastructure - Berlin agro-park, cold storage at EL Airport, Dimbaza, etc. - remain at concept and require activation and project preparation support. - There is huge potential for African markets under the African Continental Free Trade Area (AfCFTA), following the success of SA retailers.	- Review of Agricultural Master Plan to accommodate issues raised in the Economic Recovery Plan - Supporting Primary Sector - Support Agro-processing - Support Access to Local and International Markets - Import Replacement - Facilitating Partnerships between Emerging and Commercial Farmers
KFA 7: Arts, Culture and Heritage Resource Management	
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: - Development/Upgrading of Heritage Infrastructure - Commemoration of National Days	

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

- Artist Support Programme
- Geographical Name Change
- Exhumation, Repatriation and Reburial Programme
- Hosting of Cultural Festivals

Development/Upgrading of Heritage Infrastructure

Buffalo City has many sites of historical importance located throughout the City. Some of these sites are developed but lack maintenance, while others are not developed at all. The municipality aims to develop, manage, and promote its rich heritage. This can only be achieved if the heritage sites are maintained and well conserved.

Commemoration of National Days

As the sphere of government closest to the people, it is the municipality's role to educate and empower citizens on issues of importance. SA has a number of significant days.

Artist Support Programme

Buffalo City has many young people involved in the creative arts, whether as visual artists or performing artists. The majority of them struggle because they either lack knowledge of available opportunities or do not have access to the market. The Artist Support Programme aims to provide training and capacity building for artists, create awareness of opportunities in the industry, and support artists in participating in platforms that will give them market access.

Through the Market Access Programme, the Department of Tourism, Arts, Culture and Heritage assists local artists in attending platforms such as the Grahamstown National Arts Festival. These platforms provide artists with opportunities to showcase their talent.

In the last two years, there have not been many platforms created for artists to showcase their work. Limited support has been provided to artists due to the lack of a budget allocated for the programme.

Exhumation, Repatriation and Reburial Programme

The Exhumation, Repatriation and Reburial Programme aims to support families with members who were victims of conflict and whose mortal remains are buried away from them. This programme helps these families find closure and heal their wounds. It is implemented in partnership with the Department of Sports, Recreation, Arts and Culture. In the 2018/19 financial year, the mortal remains of Mzuvukile Bata and the spirit of Patrick Magxala will be repatriated and reburied.

Geographical Name Change Programme

In SA, the new democratic dispensation established a law under the South African Geographical Names Change Council Act, 118 of 1998, mandating the change of colonisers' names and the rectification of misspelt names.

The Eastern Cape Geographical Names Committee (ECGNC) was established in 2003. The Provincial Geographical Names Committee has been delegated the following functions:

- Facilitate the transformation of provincial geographical names in the district by reviewing and standardising incorrectly spelt, corrupted, offensive, unrecorded, and duplicated names.
- Take the lead in generating public interest in geographical names through briefings and the provision of relevant information.
- ECGNC also has the responsibility of establishing local geographic name change committees in both district and metropolitan municipalities.

Council has approved the establishment of the Buffalo City Metro Geographical Name Change Committee (BCGNCC). The Committee is a sub-committee of the Eastern Cape Provincial Geographical Name Change Committee (ECPGNC). Annually, the BCGNCC submits its plan to the ECPGNC detailing the work it will implement in that financial year. The ECPGNC then approves the BCGNCC's plan.

During the period under review, the geographical name change committee successfully obtained approval to change three names in Buffalo City: King William's Town was changed to eQonce, East London Airport was changed to King Phalo Airport, and Berlin was changed to Ntabozuko. The pandemic has delayed the name change process, as it requires consultation with stakeholders.

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

Hosting of cultural festivals

Since 2020, Buffalo City has not been able to host any events due to lockdown regulations prohibiting such gatherings. Prior to COVID, BCMM partnered with various stakeholders, including Traditional Leadership, the Department of Sports, Recreation, Arts and Culture, and artists, to host two annual arts and cultural festivals: the Ubuntu Bethu Cultural Festival and the Umtiza Arts Festival. Both events aim to showcase the rich arts, culture, and heritage of Buffalo City, while also providing a platform for local artists to display their talent.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
- Constitution of the Republic of South Africa, 1996 - White Paper on Arts, Culture and Heritage, 1996 - National Heritage Council Act, No. 11 of 1999 - Municipal Finance Management Act, No. 56 of 2003 - Service Delivery Budget Implementation Plan 2020/2021 - Provincial Policy on Exhumation, Repatriation and Reburial of Victims of Conflicts, 2013 - National Heritage Resources Act (No. 25 of 1999)	- Metro Growth & Development Strategy (Vision 2030) - Buffalo City Metropolitan Policy on Exhumation, Repatriation, and Reburial of Victims of Spirit and Mortal Remains Conflicts, 2016
Progress & Achievements 2023 to date	Challenges
- Restoration of Ann Bryant Art Gallery and Coach House in Ward 3: The project involved renovations and upgrades to the art gallery to enhance its competitiveness and overall appearance, with a budget of R1 900 000. - Dr W.B. Rubusana Statue in Ward 47: The project involved the construction of a life-size statue in front of the City to commemorate the life of Dr Rubusana, with a budget of R945 000. - Heritage site preservation and protection in Wards 34 and 38: The project included the installation of fences at the following sites: Rharhabe Kingdom Burial Site, Dimbaza Children's Grave, and German Settler Monument, with a budget of R1 000 000. - In the last five years, artists benefited from the artists' support and capacity building programme, which had a budget of R7 000 000 and was intended to benefit all wards. The project involved providing support to local artists, which included the following: - Supporting artists to participate in both national and international platforms to showcase their talent; and - Hosting skills development programmes.	- Lack of market access for artists due to the total shutdown of the entertainment industry. - Lack of access to the digital market. - Growth in the film sector (increasing numbers of filmmakers). - Increased opportunities for digital presence. - Poor maintenance of heritage sites. - Vandalism of heritage sites and resources. - Safety and security issues that negatively impact. - Lack of cleanliness at the heritage sites. - Limited proper signage to heritage sites. - No budget for artist support programmes. - No budget available to host art, culture, and heritage events. - Formation of tourism heritage routes. - Non-grading of heritage sites by grading institutions or entities.
Current State	Action Plans
- Total loss of income to artists due to the complete shutdown of economic activities. - Lack of knowledge and compliance in accessing funding that was available in other spheres of government. - Lack of structured relationships and cooperation between intergovernmental departments.	- Hosting of virtual programmes (virtual art exhibition) - Increased partnerships for ease of access - Develop a formal policy for filmmaking - Partner with relevant stakeholders to achieve targeted goals

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

- Non-availability of Standard Operating Procedures for the film industry in the City.
- Non-availability of grant funding to support arts initiatives.
- Lack of a coherent Arts, Culture and Heritage Strategy for the City.

Table 88: SO 1: An Innovative And Productive City (KFA 8–12)

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

KFA 8: Sport Development (Programmes)

As articulated in the Preamble to the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) “there is a need to set out the core principles, mechanisms, and processes that give meaning to developmental local government and to empower municipalities to move progressively towards the social and economic upliftment of communities and the provision of basic services to all our people, and specifically the poor and the disadvantaged” .

Alignment with the National and Provincial Plans and Policies

Constitution of the Republic of South Africa, 1996: The Preamble of the Constitution of the Republic of South Africa, as well as Schedule 5 Part A and Part B, provides the fundamental obligation on government to facilitate sport and recreation.

Section 153 of the Constitution maintains that municipalities, in keeping with their development duties must: Structure and manage its administration and budgeting processes to give priority to the basic needs of the community and to provide the social and economic development of the community: and participate in national and provincial development programmes.

Progress & Achievements 2024 to date

- Sport Development Coaching Courses for All wards: In 2024/25, 4 coaching courses - first aid accredited Rugby course, Netball course, KFC Mini cricket coaching course and Basketball coaching course were hosted in different areas of BCMM. Cost - R 600 000.00
- Chippa United Football Club for All wards: Talent identification in the Buffalo City Metropolitan Municipality and in the province at large. The programme gives the players exposure at high level and to play at all the top stadiums in the country and to interact with PSL players from other clubs in SA. Cost 2024-2025: R 11 900 000.00
- Steve Vukile Tshwete Games for All wards: Serve as platform to develop the sport in the entire province. It provides opportunities for sporting scouts in respective sport codes. Sport career development to represent the Metro and Province at National Games. Three netball players from BCMM were scouted and represented BCMM to top level netball competition (Telkom).
- Mayoral Cup for All wards: To curb youth crime and to encourage youth to be involved in sport, the Metro hosts an annual Mayor’s Cup Tournament. Games are a way of promoting the role of sport within the developmental local government agenda. As a tool of building social cohesion, this does not only act as a deterrent to criminal activities. The Buffalo City Metro Mayor’s Cup Commemorated Youth Month in an effort to remember the contribution made by the youth in the struggle for liberation. The best players from the metro’s 50 wards being selected to participate at the Steve Vukile Tshwete (SVT) Games.

Challenges

- Prevalent inconsistencies amongst BCMM sport federations make it difficult for the Metro to work together with all of them.
- Sport Development Unit is understaffed.

Current State

Action Plans

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

The demand in sport development is growing very strong.

BCMM sport development office is now trying to work very close to the Sport confederations, sport federation and local sport councils to achieve a mandate of development of sport with in the Metro.

- The demand for sports and recreation facilities seems to be growing from communities (Youthful population and exacerbated by the number of students at UFH, WSU, TVETS and other Learning Academies in the Metro).
- However there needs to be a scientific study into the provision of sports and recreation facilities based on the norms and standards of human settlements and consider factors such as the low collection rate of municipal revenue, and the need to levy tariffs for the use of facilities versus the rising unemployment in communities.
- The impact of vandalism and theft on these facilities is very high, and the cost of repairs is rising as a result of this.
- Draft Sport Development Policy.
- Draft Sport Sponsorship Policy.
- Coaching/Umpiring courses for Soccer, Netball and Rugby

KFA 9: Sport and Recreation Facilities

The Sport & Recreation Facilities Department comprises of the following

- Sports Facilities
- Recreation.

Sport facilities

The Sports Facilities Division:

The Sports Facilities Division manages Sports Stadia and sports fields for the entire BCMM Coastal, Midlands and Inland Region. There are 74 tariff levied sports facilities, complexes and Stadia in the Buffalo City Metropolitan (BCMM) and informal sports fields which are non-tariff levying. The Sports Development Division manages sport development for the entire BCMM Coastal, Midlands and Inland Region. Sports Development provides an opportunity for mental and physical development that people can benefit from.

Sport Facilities

Sports stadiums and Sportfields are used by local, regional, national associations for their league programs, Major sports events are also hosted at the stadia, such as PSL matches at Sisa Dukashe Stadium, National Rugby matches etc. Provincial cricket is also played at facilities managed by staff, for example Amacalegusha Oval. Informal sports fields are also maintained by the staff by doing grass cutting, supplying goalposts and nets, and marking fields where possible. Informal sports fields are not tariff levying fields. Therefore, no hard infrastructure is invested in these fields. However, wherever a need is identified to upgrade the playing surface, and it is feasible, then this is considered. In

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

the current financial year, the Sisa Dukashe Stadium grandstand project is not completed due to the contractor abandoning site. Should funding be made available, the project will be completed in the 2025/26 financial year

The Gompo Stadium floodlights were upgraded, and portable stands were constructed.

Safety issues at facilities:

Currently there are no accredited professional security guards for all the sports facilities, which has resulted in vandalism and theft. This situation has a negative impact on the functionality of the sports facilities, and as a result these facilities cannot be used for sports bookings. The current state of disrepair at these sports facilities is not a consequence of poor maintenance and management, but due to a lack of security. If the root cause of lack of security at these facilities is not addressed, the sports facilities will continue to be in a state of disrepair. If sports facilities are repaired or refurbished, within a short space of time these sports facilities are vandalized or experience theft. Unfortunately, there is no endless supply of funds to continuously repair these sports facilities.

Lack of vehicles and grass cutting equipment and machines:

Currently there is 1 tractor to service the 74 tariff levied sports facilities, complexes and informal sports fields which are non-tariff levying in the entire BCMM. This resulting in backlogs in grass cutting. Further to this there is a lack of LDVs to transport staff and equipment. Currently there are only 3 LDVs for the entire BCMM sports facilities and some of these vehicles are not large enough to transport staff.

Swimming Pools

There are 6 swimming pools within the BCMM boundaries, namely, Joan Harrison, Orient Swimming Pool, and Ruth Belonsky (Coastal region), Mdantsane swimming pool (midlands) currently under redevelopment and Qonce (previously known as KWT) and Zwelitsha pools and King Williams Town swimming pool (Inland region). Waterworld complexes also have swimming pools but currently under upgrading. The above pools have been refurbished as part of the program me for upgrading and refurbishment of pools.

The Mdantsane NU2 Swimming Pool is currently being upgraded. The contractor was terminated prior finishing the job due to some challenges. The institution is busy with the termination of the Professional Service Provider that was working with the previous consultant. Some of the rehabilitation works has been done, such as the fencing, demolishing of old walls, and drainage etc. Major events such as National Swimming galas are hosted at our swimming pools. The institution assigned the technical team within the BCMM to assist with the completion of the project. A new consultant and contractor will be appointed to take the project to the completion.

Resorts

- Gonubie 20 Chalets and 86 camp sites.
- Nahoon 52 camp sites.

Gonubie Resort has been awarded a 3-star grading by Tourism Grading Council.

Progress & Achievements 2024/25

- The services of the contractor that was appointed to complete the refurbishment of the Sisa Dukashe Stadium was terminated due to poor performance. The process to appoint a new service provider has been initiated. However, the budget to appoint new Service Provider to complete the refurbishment of the Sisa Dukashe Stadium Grandstand is not sufficient.

Challenges

- Lack of ownership of the community sports and recreation facilities, and the lack of security places the facilities at risk of vandalism and theft, and the low collection rate of municipal revenue is negatively affecting the repairs and maintenance program.

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- Upgrade of the Gompo Stadium (Upgrading of Floodlights and Portable Stands: 100% completed) R2 500 000 - Upgrading and refurbishment of the Joan Harrison, Parkside, Zwelitsha and King William's Town Swimming Pools - Upgrading of swimming pools (Joan Harrison, Parkside, KWT & Zwelitsha) in Wards 04, 19, 37, 41 respectively: Upgrading of males and females ablutions and changerooms at a cost of R2 854 000.00 - Upgrading and refurbishment of the Joan Harrison, Parkside, Zwelitsha and King William's Town Swimming Pools and Orient swimming pool. - Upgrading of swimming pools (Joan Harrison, Parkside, KWT & Zwelitsha) in Wards 04, 19, 37, 41 respectively: Upgrading of coastal swimming pools ie Ruth Belonsky pool (coastal) with a budget of R 250 000 only. Upgrading of chlorinator system at KWT swimming Pool with a budget of R 250 000.00 that was allocated to the Inland pools. - Upgrading of Resorts: Gonubie Resort and Nahoon Caravan Park: The Resort was allocated with a budget of R 1 000 000 in the 2024/25 financial year to upgrade floodlights with a budget of R 250 000, Refurbishment of Ablution @ R 250 000 budget allocated, Refurbishment of chalet @ R 250 000 budget allocated.	- Vandalism and theft at sports facilities - Lack of vehicles, grass cutting equipment, plant and equipment to do maintenance of sports fields - Insufficient capital budget to address the backlog in the provision and upgrade of sports facilities - Posts not been funded or being frozen which leads to lack of operational and supervisory staff which affects the operations. - In sufficient budget to upgrade the swimming pools. The condition of the pools is very poor need more upgrading especially JH pool that was built in 1974 without changing the swimming pools tiles. The colours of the tiles are no longer white due to life span. - Paving around the pool need to be changed. It is not safe at all for the children to walk around them. - In sufficient budget to upgrade the Orient swimming pool that also need a lot of budgets =/- R 3 000 000 to upgrade the super tube only. Budget to refurbish the staff change rooms and the ablutions. - The budget allocated to the Resort was not enough to refurbish the chalets bearing in mind that the structure is wooden. Therefore, it is imperative for the Resort to be allocated with the budget that accommodate all chalets.

Current State

- The demand for sports and recreation facilities seems to be growing from communities.
- However there needs to conduct a scientific study into the provision of sports and recreation facilities based on the norms and standards of human settlements and consider factors such as the low collection rate of municipal revenue, and the need to levy tariffs for the use of facilities versus the rising unemployment in communities.
- The impact of vandalism and theft on these facilities is very high, and the cost of repairs is rising as a result of this.
- There is a big challenge regarding the maintenance of Resorts and Swimming pools due to shortage of budget. The budget has been cut without considering the maintenance of these sections needs more

Action Plans

- Upgrading of Sports Facilities
- Appointment of private security service providers. Budget to be allocated for this.
- Allocation of vehicles, plant and equipment in order to ensure a good maintenance program
- Allocation of additional capital budget over the MTREF period
- All vacant funded post to be advertised immediately and frozen posts to be released for filling.
- Upgrading of Swimming Pools

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

budget to run them smoothly and efficiently. Chemicals are very expensive. These two sections accommodate tourist and generate revenue for the institution. Fencing at Gonubie and Nahoon caravan park need to be changed is corroded.

- Upgrading of Holiday Resort & Caravan Park

KFA 10: Libraries and Halls

Libraries

Buffalo City Metropolitan Municipality manages 18 libraries, 2 mobile libraries, 3 Prison Depots and 3 Old Age Home Depots, with 96 318 Subscribers on behalf of the Provincial Government.

There is a need to extend the library service to Rural communities where the service is in high demand. Upgrading the existing Libraries by means of electronic media such as the Overdrive Press Reader, will make the services accessible to all community members without the patrons having to commute to a library, as well as Mobile Services.

Halls

BCMM manages 36 tariff-levying halls. After a survey conducted more than 90 facilities within the City's jurisdiction it was determined that these facilities fall into two categories, namely:

- Tariff-levying halls which are managed by BCMM of which there are 36 which were inherited from the erstwhile East London and Qonce (previously known as KWT) Transitional Local Councils. These halls have an operating budget and staff.
- 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.

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 Qonce (previously known as KWT) Transitional Local Councils or from the Amathole District Municipality.

Progress & Achievements 2024/25

Libraries

- The purchase of Library material for all libraries in Buffalo City Metropolitan Municipality – approximately 16 327 new books were purchased since 2016, covering most genres from non-fiction, fiction, African literature, political books, etc. There is currently a book tender in progress (147 books).
- Book donations were received in the approximate value of R280 000,00.
- The launch of the Mayoral Library Legacy Project on 11 November 2016 at the NU 10 Hall in Mdantsane.
- The partnership agreement with Harambee Youth Employment Accelerator Project at Central Library in order to bring work readiness programmes and to deal with many social issues affecting the youth of Buffalo City.

Challenges

Libraries

- 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.
- Crucial posts remain unfilled.
- Theft & vandalism have increased at Libraries due to lack of security guards & alarm systems.

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Halls

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

▪ The partnership with Takalani Sesame and Lego Foundation for the introduction and promotion of Early Childhood Development programmes and initiatives. ▪ 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 with each Learning Lab consisting of ten computer stations, with internet connectivity completely independent of BCMM network. The Learning Hub enabled the youth to have access to facilities to reduce their cost in looking for employment and make them more employable. ▪ The South African Library for the Blind in conjunction with the Provincial Department of Sport, Recreation, Arts & Culture have donated a Mini-Library for the Blind to service the Visually impaired community of Buffalo City. ▪ The Provincial Department of Sport, Recreation, Arts & Culture has made uncapped Wi-fi available to all BCMM Libraries over a period of three years. This will make a difference to the public i.e. job seekers, students and those doing research for work purposes and information ▪ Mini-Libraries (Mini-Libs) for the blind which have been established at Central and Gompo Libraries through collaboration between the Eastern Cape Office of the Premier DSRAC, BCMM and the South African Library for the Blind, continue to provide services to blind citizens of Buffalo City. ▪ A new library was opened by the MEC: Sport Recreation Arts and Culture in Dimbaza in February 2023. This library also houses a Mini library for the Blind established in collaboration with the South African Library for the Blind (SALB). ▪ Beacon Bay Library obtained sponsorship from locally based corporation Nestle and their BarOne brand. Nestle installed an inverter and solar panels. They followed this with Wi-Fi supply (Vumatel). Beacon Bay library is now loadshedding-proofed and capable of supplying constant and technologically up to date services to their public. ▪ 4 libraries were upgraded & refurbished as at June 2023.	▪ Many community halls need refurbishment, estimated to exceed R90 million in value. ▪ Lack of security guards and alarm systems increases Council's risk. Councils' insurers may and have declined claims on the basis that no reasonable steps to secure its properties and lack of security has also led to an increase in vandalism and theft. ▪ Insufficient funding has been allocated in the budget for the maintenance, upgrade, and refurbishment of halls. ▪ No policy in place to govern the granting of free use at halls.

Halls

- The Upgrade and Refurbishment of 4 Community Halls was completed as at June 2023.

Current State

Libraries

Action Plans

Libraries

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

- Buffalo City Metropolitan Municipality manages 18 libraries, 2 mobile libraries, 3 Prison Depots and 3 Old Age Home Depots, with 96 318 Subscribers on behalf of the Provincial Government.
- There is a need to extend the library service to Rural communities where the service is in high demand. Upgrading the existing Libraries by means of electronic media such as the Overdrive Press Reader, will make the services accessible to all community members without the patrons having to commute to a library, as well as Mobile Services.

Halls

- BCMM manages 36 tariff-levying halls. After a survey conducted more than 90 facilities within the City's jurisdiction it was determined that these facilities fall into two categories, namely:
- Tariff-levying halls which are managed by BCMM of which there are 36 which were inherited from the erstwhile East London and Qonce (previously known as KWT) Transitional Local Councils. These halls have an operating budget and staff. 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.

- Container Library Project – Greenfields Library – Completion and is ongoing to include ablution facilities

Anticipated further projects within the libraries are:

- 2 X Container Libraries (Inland Region)
- Refurbishment of Public Libraries (East London Central Library & Berlin Library)
- Procurement of Mobile Libraries (4x Mobile Buses)
- Upgrade and refurbishment of libraries - the annual target is to complete at least 5 projects per financial year, pending the availability of budget as set out in the IDP.
- The proposed establishment of additional Mini libraries for the Blind.
- eBooks will soon be available to the community who want to access digital books.

Halls

- The Development of Community Halls - Nompumelelo Hall is Completed
- Development of Gesini Hall is in progress.
- Development of NU3 Community Halls is in progress.
- Upgrade and Refurbishment of Community Halls is ongoing on an annual basis, the number of Upgrade and Refurbishment projects of halls is dependent on the availability of funds, in line with the IDP
- Implementation of security systems i.e., monitored alarms and security personnel.
- The development of a policy to govern the granting of free use of halls

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

KFA 11: Emergency and Disaster Management

Emergency Services:

The Emergency Services Department consists of the Fire & Rescue Services and Disaster Management Services.

Fire and Rescue Services

Functional areas of Fire and Rescue Services are:

1. Suppression of fires (firefighting)
2. Fire safety (including prevention)
3. Fire training
4. Fire Inspections
5. Fire investigations
6. Rescue and Recovery

The Metro for years did not have a comprehensive Fire Safety By-Law which covered the whole of the Metro. Currently, the process of adopting a Fire-Safety By-Law is underway.

Disaster Management Services

Disaster Management is defined in legislation as a continuous and integrated multi-sectoral, multi-disciplinary process that plans and implements:

1. Establishment of multi sectoral disaster risk management structures
1. Assessment of disaster risk
2. Prevention of disaster risk
3. Mitigation of the severity and consequences of disasters
4. Emergency preparedness
5. Rapid and effective response
6. Post disaster recovery and response

The current Disaster Risk Management Framework was adopted by Council in 2012, and it is outdated. An updated framework would serve as an enabler for the Metro to have an integrated and uniform approach to disaster risk management. The review of the Disaster Risk Management Policy Framework will be commenced in 2024/25 and should be finalized in 2025/26.

Sector departments are obligated by the Disaster Management Amendment Act, 16 of 2015 to plan and budget for any disaster in the areas of their responsibility. These plans form part of a Disaster Management Plan. Currently BCMM does not have a Disaster Management Plan, however, a Comprehensive Risk Assessment to inform the development of a Level 1 Disaster Management Plan for Buffalo City Metropolitan Municipality will also be commenced in the financial year 2024/25 and should be finalized in 2025/26. A Level 2 Disaster Management Plan will subsequently be developed.

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

Fire & Rescue Services

1. Constitution of the Republic of South Africa, 1996
2. Municipal Structures Act, 117 of 1998
3. Fire Brigade Services Act 99 of 1987
4. South African National Standards (Various)
5. National Veld and Forest Fire Act 101 of 1998
6. Fire brigade Act 99 of 1987,
7. SANS 10090: 2003 Community Protection against Fire,
8. SANS Codes :10087, 10089,
9. SANS 10040 National Building Regulations Act 103 of 1977
10. National Veld and Forest Fire Act 122 of 1998,
11. Explosives Act 15 of 2003

Disaster Management Services

12. Constitution of the Republic of South Africa Act, 1996
13. Municipal Structures Act, 117 of 1998
14. Disaster Management Act 57 of 2002
15. BCMM Disaster Risk Management Policy Framework, Budget & Implementation Plan
16. Safety at Sports and Recreational Events Act 2 of 2010
17. Intergovernmental Relations Framework Act 13 of 2003 and Regulations

Fire & Rescue Services

There are no Sector Plans under Fire & Rescue Services, however, operations are executed in terms of the various South African National Standards Codes applicable to Fire Departments, fire detection, firefighting equipment, liquified petroleum gas, petroleum products, fire detection, dangerous goods and National Building Regulations.

Disaster Management Services

Disaster Management By-law, 2021
Disaster Management Response, Recovery and Rehabilitation Protocol, 2024

Progress & Achievements 2024 to date

Emergency Services: Fire & Rescue Services

1. Procurement of Fire Engines:
 - A budget of R7,600,000.00 was budgeted by the Municipality for the Supply and Delivery of one 9000 L Water Tanker with fitted pump for firefighting, initiated in the 2023/24 Financial Year, to the value of R5,368,688 which was delivered in April 2024. The procurement of a Hazmat Vehicle to assist the Department to manage spillages is underway through the RT-57 contract.
2. Refurbishment of Fire Stations Completed:
 - Supply, Deliver and Install Galvanised Palisade Fencing including electrical gate and motor at Vincent Fire Station at a cost of R257,400,00 initiated from the (2023/2024 Financial Year budget of R2,000,000)
 - Supply, Deliver and Install Galvanised Palisade Fencing including electrical gate and motor at Dimbaza Fire Station at a cost of R1,042,000,00 00 initiated from the (2023/2024 Financial Year budget of R2,000,000)
 - The Refurbishment of Vincent Fire Station is currently underway. The contractor is on site and is expected to complete the scope of works by the end of April 2025. The value of the refurbishments is R349, 229.00 Incl. VAT.
 - The Refurbishment of Mdantsane Fire Station was awarded on 21 January 2025 at the amount of R379,000.00 inclusive of vat, initiated from the R1,000,000 budget of 2024/2025 financial year. Contractor is on site and is expected to complete the scope of works by the end of April 2025.
 - The Refurbishment of Gompo Fire Station contract is at evaluation stages and the scope of works should be completed by June 2025.
3. Fire Equipment Purchased and Delivered:

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- Supply and Deliver TNT Power Unit and TNT Spreader (2023/2024 Financial Year) at a cost of R257,319,65 was delivered on June 2024.
-
- 4. New Berlin Fire Station Ward 45:
 - New Fire Station Berlin for Wards 22, 25, 40, 44, 45, 49: Tender for the Construction Phase was awarded on 6 May 2024, and the contractor is on site as from November 2024. The project is in progress and is expected to be completed by June 2025.
- 5. Emergency Services System:
 - Contract No. CE577: The Supply, Delivery, Installation and Configuration of an Emergency Services Call Out & Response System that has advanced technological capabilities in order to improve among others, the response time, is awaiting Bid Evaluation.

Emergency Services: Disaster Management

1. TACTICAL RADIO NETWORK

An amount of R7 081 950.70 (inclusive of VAT) was set aside by the Municipality for the Tactical Radio Network project and the project was completed in April 2024 and is fully operational. The network is used by Traffic Services, Fire Services, Law Enforcement as well as Disaster Management.

2. REVIEWAL OF THE DISASTER RISK MANAGEMENT POLICY FRAMEWORK

An award to the value of the quoted price (R492 257. 50 (inc. VAT)) was made on 11/02/2025 for the reviewal the Disaster Management Policy Framework. In line with the requirements and provisions of the National Disaster Management Policy Framework of 2005, the DMC developed a Service Level Agreement (SLA) and now awaits the Service Provider to submit the signed SLA.

3. CONSTRUCTION OF A NEW DISASTER MANAGEMENT CENTRE

The DMC has identified land for the construction of a compliant DMC. The land/site identified is Erf 14890 and is owned by BCMM. While following due process to get authorisation to use the site, it emerged that, there was a Council resolution taken *vide* Minute No. BCMM 82/12, dated 28 March 2012 to lease Erf 14890 via Public Tender for an office block and parking. Council approved the utilization of the land measuring approximately 3380m2 in extent, for the construction of the DM Centre on 26 March 2024. The project is managed internally by the Architectural Department and are currently drafting specifications for the Professional Consultants to oversee this project and provide drawings.

4. DISASTER MANAGEMENT PLAN

- A Service Provider (SP) was appointed on 11/02/2025 to Conduct a Comprehensive Disaster Risk Assessment to inform the development of a Level 1 Disaster Management Plan to the value of the quoted price (R499 049. 40 (inc. VAT)). The Department now awaits the signed SLA from the Service Provider. The project is expected to commence in May 2025.
-

5. DISASTER MANAGEMENT VEHICLES

- A total budget of R1 800 000 was allocated for the 2024/2025 financial year to procure specialised Disaster Management Vehicles. The procurement of the specialised vehicles making use of the RT57 Government Transversal Tender is underway. The department is currently awaiting the completion of procurement processes by the respective department.

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

Challenges

Fire & Rescue Services

1. Extensive upgrading of fire station buildings is required, including ICT infrastructure.
2. Additional personnel are required to cover the vast BCMM jurisdiction as well as the New Fire Station in Berlin, once completed.
3. Additional funding is required for diesel and petrol for the day-to-day operations and standby generators during loadshedding.
4. Budget allocation for the purchase of foam concentrate to control, manage, and extinguish flammable liquid fires.
5. Budget allocation for the purchase of pitzorb and hydro carb fix to control and manage spillages and prevent accidents.
6. Additional budget is required for the protective clothing and uniform for the existing personnel and the new Berlin Fire Station personnel once Berlin fire station has been completed.
7. Additional budget is required to purchase new Major Pumpers fully equipped and Aerial Appliances as the existing fleet is ageing.
8. Additional budget is required to build fire stations on strategic points e.g. at Chalumna/Kidds Beach, Gonubie.

Disaster Management Services

1. Disaster Management Framework not updated, was approved in 2012.
2. Municipal Disaster Management Centre not sufficient to cover the Three Regions of the Metro.
 - A six-year period 10-point report was prepared and submitted to the Public Safety and Emergency Services Portfolio Committee meeting which was held on 3 April 2025. The item will be presented at the next Metropolitan Mayoral Committee and then proceed to the next Council meeting.
3. Infrastructural Minimum Requirements for a Disaster Management Centre not met.

The DMC has identified land for the construction of a compliant DMC. The land/site identified is Erf 14890 and is owned by BCMM. Council approved the utilization of the land for the Disaster Management Centre on 26 March 2025.
4. Disaster Management Plan not in place.
5. Lack of Volunteers for Disaster Management in the Municipality.

The DMC has developed a draft Disaster Management Volunteer Policy, for consideration. The draft policy aims to outline how a Disaster Management Volunteer Unit is to be administered and resourced. The draft policy also highlights the need for alignment and compliance with the National Disaster Management Volunteer Regulations with emphasis on the provision of volunteer insurance. A memorandum has been submitted to the HR department to request guidance and support with the provision and administration of budget for volunteers' insurance. It must be noted that, budget provision is dependent on the financial viability of the municipality.

Current State

Fire & Rescue Services

Buffalo City Metropolitan Municipality Fire and Rescue Services operates a 24/7/365 fire and rescue service. Included in this is a Hazardous Materials Unit and a Water Rescue Unit. The section services the eastern region of the Eastern Cape area when dealing with hazardous incidents and water rescue.

Incidents responded to by the Fire and Rescue Services are:

1. Fire incidents
2. Serious motor vehicle accidents
3. Hazardous materials incidents
4. Water rescue and/or recovery, and
5. Rescue incidents, e.g. high angle rescues

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OPERATIONAL STATISTICS: FIRE & RESCUE SERVICES:

Fire and Rescue Services responded to incidents over the 2022/23 to 2024/25 (as at 31 March 2025) financial years as listed below.

Fire Incidents: -

	2022/2023	2023/2024	07/2024-03/ 2025
Residential dwellings	262	228	187
Vegetation/grass fires	1381	1370	866
Commercial fires	57	25	15
Informal dwellings	744	724	481
Refuse/illegal fires	133	215	278

Other incidents attended to were: -

	2022/2023	2023/2024	07/2024-03/ 2025
Motor vehicle accidents	63	76	55
Special services, e.g. pumping water from flooded houses	14	64	19

Fire Safety: -

	2022/2023	2023/2024	07/2024-03/ 2025
Building plans inspected	208	208	197
Trade licence applications processed	864	681	968
Fire safety and flammable installations inspected	1124	1677	1484
Lectures/demonstrations to the public	324	43	29
Number of internal and external persons that received training in respect of various fire related aspects	551	406	527

Disaster Management Services

STRUCTURAL FIRE DAMAGE

During the period 1 July 2022 to 31 March 2025 Disaster Management distributed disaster relief packages to 4 612 people affected by 833 fires destroyed or damaged 1 459 formal and informal structures.

STRONG WINDS 31 JULY 2023

1. Infrastructure such as houses, electricity, roads, bridges were severely damaged.
2. Two (2) fatalities and one (1) injury were reported at Stoney Drift and Potsdam (Wards 9 and 22).
3. 5 333 damaged structures were assessed 2 157 were found to be severely affected and 3 175 suffered minor damages.

FLOODING 2 JUNE 2024

1. Infrastructure such as houses, electricity, roads, bridges were severely damaged.
2. No fatalities reported.
3. 2 799 damaged structures were assessed 208 were found to be severely affected and 2 591 suffered minor damages.
4. Disaster Management stakeholders were requested to provide assistance to the affected families.
5. Those affected were provided with disaster relief in the form of food parcels, mattresses, blankets, hygiene packs and food vouchers.

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FIRE JULY-AUGUST 2024

1. Nine (9) fatalities reported from different wards due to fire incidences.

SAFETY AT SPORTS AND RECREATIONAL EVENTS

1. Disaster Management participates in planning sessions in respect of safety at events in terms of the Safety at Sports and Recreational Events Act and is part of the venue operations centre.

COMMUNITY BASED RISK REDUCTION

1. From April 2023 to date the Centre, together with its stakeholders are conducting school and community awareness campaigns for the purpose of capacitating them on how to deal with disasters.
2. The target is to conduct three awareness campaigns in each quarter.
3. The challenge is the lack of resources such as promotional material to conduct these campaigns.

Action Plans

Fire & Rescue Services

1. Purchase of one specialised Major Pumper fully equipped.
2. Delivery of specialised Hazmat Vehicle fully equipped
3. Refurbishment of Fleet Street, and Qonce (previously known as KWT) Fire Stations
4. Planning of the Construction of the Chalumna/Kidds Beach Fire Stations
5. Procurement of office furniture for Berlin Fire Station

Disaster Management Services

1. Commencement of the construction of a new Disaster Management Centre.
2. Procurement of Specialised Disaster Management Vehicles.
3. Development of Disaster Management Plan.
4. Development of Disaster Relief Policy.
5. Provision of emergency relief packages and ongoing assessment of damages/losses to property because of floods, fires and/or severe storms.
6. The Municipal Interdepartmental Disaster Risk Management committee and the BCMM Disaster Management Advisory Forum sit on a quarterly basis and must be strengthened.

KFA 12: Safety and Security

The Safety & Security Services Department is made up of Traffic, Law and Security Services Divisions.

TRAFFIC SERVICES

The primary function of the Traffic Department is the enforcement of traffic laws, regulations and by- laws. Areas covered by Traffic Services in terms of operation extends over the BCMM area of jurisdiction. In addition to the primary function of Traffic Services Auxiliary Services plays a vital role in the day-to-day services rendered to the Public such as, drivers / learners/PRDPs issuing, applications and renewals. Additionally, Traffic Services is responsible for the testing of roadworthiness of vehicles as well as the registration and licencing of vehicles.

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Collaboration between Traffic Services, Law Enforcement, SAPS, the community, and other external agencies is vital as they keep the community, drivers, cyclists, and pedestrians safe at the same time it addresses the key focal indicator of traffic enforcement which is the safety of all road users alike.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
1. Constitution of the Republic of South Africa 2. National Road Traffic Act, 1996, No. 93 of 1996 3. National Road Safety Act, No. 9 of 1972 4. Criminal Procedure Act 51 of 1977 5. National Land Transportation Act 5 of 2009 6. Municipal Systems Act 117 of 1998 7. The Protection of Personal Information Act (PoPI Act) 8. Intergovernmental Relations Framework Act 13 of 2003 and Regulations	1. Traffic Safety Plan 2. Roads Master Plan 3. Parking Meters By-Law 4. SAPS Strategic Plan 5. Memorandum of Agreement between BCMM & ECLB 6. Execution of Directives issued by National Department of Transport 7. SLA between BCMM & NDOT 8. Crime Prevention Strategy

Challenges

1. Finalisation rate of infringement notices
2. Extension of full services to all areas within the regions of BCMM
3. Road Infrastructure due to damage of the roads, accidents may common.
4. Shortage of human resources due to resignations, deaths and terminations.
5. Shortage of logistical resources eg vehicles
6. Skills Development due to budgetary constraints
7. Parking Management System not yet implemented.
8. Lack of interdepartmental collaboration
9. Unconducive buildings and facilities due to inadequate budget for repairs and maintenance
10. Lack of proper CCTV & security leave the buildings vulnerable to break-ins which has resulted in theft/loss of property and damage to infrastructure.
11. Lack of proper infrastructure to cater to the increased public that frequent Traffic Services for assistance.

Progress & Achievements: Public Safety & Protection Service (2023- 2025)

Traffic Services:

1. Traffic fatalities in BCMM were reduced by 3.35% at the end of the 2023/2024 financial year. Target was set at 5% reduction.
2. Traffic fatalities in the current 2024/2025 financial year, for the three quarters ending 31 March 2025 recorded a reduction of 2.35% as compared to the target set of 3.75% for the three quarters.
3. The revenue received for outstanding traffic fines for the 2023/2024 FY was R 10 642 144.00
4. Revenue received in terms of outstanding traffic fines for the 2024/2025 FY to date is currently at R 9 776 302.
5. The launch of the additional Automatic Number Plate Recognition (ANPR) unit on the 24th of November 2023 for the detection of outstanding fines and traffic enforcement operations for the Mdantsane (Midland) region further improved the capabilities of the Traffic Department. This unit will join the ANPR units currently operating in the Coastal and Inland region. These units will be used

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

not only for the awareness of paying outstanding fines, but also as an enforcement tool for various traffic violations such as vehicle roadworthiness, driver fitness, spot checks, vehicle licenses, driver licenses, etc.

6. The launch of the additional fully equipped Automatic Number Plate Recognition (ANPR) vehicle on the 24th of November 2023 will also be an added deterrent and will be over and above other services, be used for spot checks.
7. The launch of School Road Safety Trailer on the 24 November 2023 which is fully stocked with road safety tools (little traffic lights, light traffic signs, little traffic cones, safety posters and one wheel push bikes, etc.) will be utilized during school safety campaigns.
8. Installation of back-up generators for Coastal & Inland Traffic Services on the 11th of February 2025 and on the 9th of April 2025- this assists the departments during loadshedding & power interruptions.
9. Procurement of (fifty) 50 body cameras for evidentiary purposes for Traffic & Law Enforcement officers on the 24th of January 2025.

Current State	Action Plans				
1. BCMM Traffic Services is responsible for the control, management, and guidance, of stationary and moving traffic namely, trucks, vehicles, bicyclists, pedestrians, etc. Traffic services have offices in the following areas in BCMM viz Qonce, Gonubie and Mdantsane areas, with the main central office which is situated in East London (Braelyn). The services rendered to the community are meant to create an environment that will further the social and economic development of the community and enforcement or /deter unlawful behaviour in non-accident violations. 2. These authorities include but are not limited to are Law Enforcement services, Road Traffic Management Corporation, Provincial Traffic, SAPS. 3. Traffic Services promotes Traffic/ Road safety education at schools whereby learners are engaged and taught of road safety with the aid of the two mascots Traffic Doggy and Danny Cat. 4. At its core, Traffic Services seeks to achieve its mandates set out, such as the enforcement of all traffic laws with the primary function of decreasing the number of road accidents. Traffic provides necessary auxiliary services to the metro services such as testing of driver, learner, PDP' s, registration of vehicles, renewals of vehicle registrations, Drivers, PRPD' s, testing of vehicle roadworthiness, road markings and management of traffic infringements. 5. Its main office is situated at Eziphunzana Bypass Braelyn, East London. With satellite stations in Gonubie, Mdantsane and Qonce (previously known as KWT). The approved structure for Traffic Services is composed of a ranking structure including the head who is some Commander, Regional Commander, Senior Superintendents, Assistant Superintendents, Traffic Wardens, Drivers Licence Examiners, Vehicle Examiners, Technical staff and administrative personnel that provide an array of services to the entire BCMM.	1. Establishment and Implementation of a 24hour shift. Thus, enabling Traffic Services to operate 24/7. 2. Providing officers with additional equipment, namely bullet-proof vests, breathalysers, additional vehicles. 3. Implementation of the Evidentiary Breath Alcohol Testing (EBAT). 4. Procurement of an additional EBAT unit and provide training. 5. The Qonce (previously known as KWT) Traffic Centre has already benefited the communities in the Inland Region and surrounding areas whereby as a more comprehensive package of services is available which has alleviated the financial burden of communities having to commute to East London for services. It is envisaged that a phase two be considered and renovations to the driver's licence section and additional office space to accommodate the Traffic Officers be expanded along with the testing yard and additional public parking be considered as services in the region have increased. 6. The appointment a service provider for the finalisation of traffic offences which will enable Traffic Services to collect on outstanding fines as well as serve proxies held by companies within the				
SERVICE STATISTICS FOR TRAFFIC SERVICES- Axillary Services: <table border="1" data-bbox="66 1801 795 1873"> <thead> <tr> <th>2023/2024</th><th>Statistics</th></tr> </thead> <tbody> <tr> <td>Testing of Roadworthiness</td><td>170</td></tr> </tbody> </table>	2023/2024	Statistics	Testing of Roadworthiness	170	
2023/2024	Statistics				
Testing of Roadworthiness	170				

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Testing of Learners	14608
Passes	5234
Failed	3498
Testing of Drivers	3382
Passes	1674
Fails	1708
Registered and renewal of Vehicles	36555
Drivers licence card issued	117986
	12425

Traffic Law Enforcement 2023/2024

Infringements	Statistics
Section 56 Notices	31646
Section 341 Notices	18013
Warrants of arrests executed	3133
DIC arrests	167
Other arrests	14
Section 54 summons	63
Section 44 vehicles	1317
Warrants operations	38
Speeding operations	45
Special operations	298
Safety awareness campaigns	185

SERVICE STATISTICS FOR TRAFFIC SERVICES

Axillary Services: to date

2024/2025	Statistics
Testing of Roadworthiness	10
Testing of Learners	3979
Passes	1578
Failed	2401
Testing of Drivers	937
Passes	570
Fails	366
Registered and renewal of Vehicles	16037
Drivers licence card issued	23413
	2626

Current Traffic Law Enforcement 2024/2025- to date

Infringements	Statistics
Section 56 Notices	7835
Section 341 Notices	3487
Warrants of arrests executed	798
DIC arrests	51
Other arrests	5
Section 54 summons	24

metro. Thus, increasing the metros revenue collection which 23/24 was R 10 642 144.41 million revenue collected, currently in the 24/25 the current collection is R 9 776 302.00 with the remainder of the financial year still to be collected.

7. Implementation of Parking Management System (PMS): The primary goal of a Municipal Parking Management System is to ensure there is a turnover of parking bays in the city, Central Business District and surrounding suburban business hubs. This important aspect of parking management ensures that a parking bay can be used by several motorists in one day thereby increasing the number of residents who can access the CBD and other business hubs conveniently. This directly increases the commercial activity within the City and promotes long term growth for the Municipality, the community and all city stakeholders. The process to consider a parking management solution for the city is underway.
8. The refurbishment of the traffic stations is underway.
9. The training of 4 Traffic Wardens and 1 Law Enforcement officers to be trained as traffic officers was successfully completed In December 2024.
10. Procurement of (fifty) 50 Body cameras for Traffic & Law Enforcement Services, the main objective of the body cameras is to ensure that BCMM traffic and law enforcement officers are acting within the scope of their duties and to prevent/deter bribery and corruption. This will effectively enhance accountability and transparency within the Public Safety Department and

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

Section 44 vehicles	71
Warrants operations	40
Speeding operations	59
Special operations	110
Safety awareness campaigns	71

1. **In the financial year 2023/2024** the Traffic Department has three (3) Capital projects which were undertaken, however due to internal challenges the projects could not be finalised.
2. Installation of backup power sources
3. Purchase of Traffic & Law Enforcement equipment
4. Refurbishment of Traffic & Law enforcement offices
5. **In the current financial year 2024/2025 the Traffic Department has three (3) Capital projects which are currently being undertaken.**
6. **Installation of backup power sources**- The installations of two (2) backup power units was finalised and were commissioned for the Braelyn on the 11th of February 2025 and Qoune (KWT) on the 4th of April 2025 traffic stations. Traffic Services have procured additional x3- 6.5kva mini generators which will be utilised to operate the drill and jack hammer when replacing the road signs that have been damaged, vandalised or stolen in the BCMM area.
7. **Traffic & Law Enforcement equipment**- The Supply and delivery of fifty (50) Body cameras for Traffic & Law enforcement was finalised on the 24 January 2025.
8. **Traffic & Law Enforcement equipment** -Traffic & Law Enforcement services have in addition procured x eight (8) storage containers and commissioned into use on the 27 November 2024 for both Traffic & Law enforcement Services.
9. **Traffic & Law Enforcement equipment** -In addition, the Traffic Services are in the process of securing (four) 4 desktops in order to download and store evidentiary footage from the body cams.
10. **Traffic & Law Enforcement equipment** -Traffic services have in addition prioritized the urgent procurement of two (2) road line paint machines as the older machines are becoming obsolete, the paint machines which will be used for the resurfacing of road markings in the BCMM area.
11. **Refurbishment of Traffic & Law enforcement offices**-The Structural Remedial Work Report for the structural integrity of the King Williams Town Stone Heritage Building was completed and submitted to the Directorate on the 13 March 2025. The project can only continue once costing for the revamp and repairs has been concluded and funding for the project has been approved by Council. The refurbished building will be utilised by both Traffic & Law Enforcement Services.

In the current 2024/2025 Traffic Services had (three) 3 Capital projects which are currently being finalised

1. Traffic & Law Enforcement Equipment

11. encourage adherence to BCMM policies and procedures.
Procurement of five (5) desktops for the download of evidentiary footage: In the event of the Institution being faced with public lawsuits arising from interactions/altercations between the traffic and law enforcement officers and members of the public, the footage from the cameras will be able to provide evidentiary context to the matter. Footage from the body cameras will be stored safely and securely in a control room to prevent unauthorised access and potential tampering.
12. Increase of staff compliment by filing critical vacant funded posts- failing which will impede daily operations and place a strain on the limited overtime budget and existing staff.
13. Increase of logistical resources such as fleet & operating budget.

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2. Refurbishment of traffic & Law enforcement stations
3. Installation of Back- up generators
4. For the 2025/2026 - **Traffic Services Capital projects which are**
5. Traffic & Law Enforcement Equipment- procurement of additional body cameras
6. Back-up generators- installations for the Traffic Departments in the Midland and Gonubie area
7. Refurbishment of Traffic Services- refurbishments of Gonubie, Mdantsane and Braelyn traffic offices

Law Enforcement, CCTV and Security Services:

Law Enforcement Services, together with the Security Services Section is tasked with ensuring and providing a safe, secure and relatively crime free environment to all its residents and visitors to the City as well as ensuring adherence to the Batho Pele principles.

In doing so, Law Enforcement Services primary functions are the enforcement of Municipal by-laws, safeguarding of Municipal assets, BCMM employees and crime prevention. (Security Services is in the process of being established) Included are the following duties:

- Traffic Law Enforcement
- Enforcement in respect of all offences
- Attending to complaints from the public
- Processing the applications in respect of the Gatherings Act, 205 of 1993
- Law Enforcement operations in conjunction with SAPS and various internal and external stakeholders
- Visible patrols and crowd control at special events
- Safety of municipal installations and plant as and when required
- Monitoring of informal trading
- Assisting the Electrical Department with illegal electricity connections
- Land occupation
- Liquor Establishment Inspections
- VIP Protection duties for Political Principles and Senior Staff

The Law Enforcement Department is also mandated with upholding and enforcing the Metro's by-laws including Hawker trading, beaches, illegal dumping which occurs all over the City. Law Enforcement officers regularly patrol identified problematic areas within the Metro's many suburbs in marked Law Enforcement vehicles serving as a visible presence to deter criminals and offenders. Systematic inspections are conducted at many Municipal installations and amenities to ensure public services are rendered efficiently. Law Enforcement Services, in conjunction with the South African Police Services and other Stakeholders assists in the safe planning and structuring of all events, concerts, races, roadshows, public elections etc to ensure such events are successful and complaint in terms of the public order and crowd management.

Law Enforcement officers also undergo training through the Eastern Cape Liquor board as Liquor Inspectors. Regular inspections are carried out at Liquor Outlets and establishments to ensure compliance in the abuse of alcohol by enforcing strict trading hours in which alcohol may or may not be sold.

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Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
The Constitution of the Republic of South Africa, 1996 The Municipal Finance Management Act, Act 58 of 2003 Municipal Supply Chain Management Regulations BCMM Supply Chain Management Policy Private Security Industry Regulatory Authority Act National Road Traffic Act, 1996, No. 93 of 1996 National Road Safety Act, No. 9 of 1972 Criminal Procedure Act 51 of 1977 National Land Transportation Act 5 of 2009 Municipal Systems Act 117 of 1998 The Protection of Personal Information Act (PoPI Act) South African Police Act, Act 68 of 1995 Prevention of Illegal Eviction from and Unlawful Eviction and Unlawful Occupation Act 19 of 1998 Intergovernmental Relations Framework Act 13 of 2003 and Regulations	Crime Prevention Strategy BCMM Land Management Policy BCMM By-Laws

Challenges

- 1 Lack of adequate budget to fill vacant funded posts and to fund vacant unfunded posts
- 2 Lack of adequate budget for logistical resources such as vehicles, tools of trade and uniform & protective clothing
- 3 Lack of resources to implement of a 24/7 shift system
- 4 Creation of a fully-fledged Law Enforcement Services for Inland Region with a proper management structure
- 5 No clear guidelines on the enforcement of by-laws
- 6 Outdated and fragmented by-laws require review
- 7 Collaboration with external stakeholders and other governmental departments require a more concerted and proactive approach to ensure that safety and security is addressed in a more holistic approach

Progress & Achievements: Public Safety & Protection Service (2023- 2025)

Law Enforcement Services:

Capital Projects:

-
- **Traffic and law Enforcement Equipment** – x Six (6) Rifle firearms were procured successfully with an amount of **R129 391.30** (Including VAT) from the roll over budget (2023-24) the department is anticipating delivery as soon as the SAPS processes concluded.
-
- **Roll-out of CCTV** – The Department was allocated R2,000,000 in the 2023/2024 financial year for the rollout of CCTV cameras. The Department attempted to secure a service provider through a transversal tender with SITA, only a repair and maintenance of CCTV cameras contract could be finalized. The project has since been subjected to internal procurement processes. The project will be rolled out in 2024/25.
-

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

-
- **Procurement of specialized vehicles** – the Department successfully procured seven (7) high performance vehicles to the value of R5,424,062 incl VAT. The vehicles were successfully launched by the Executive Mayor on the 26 October 2023.
-

In the Current FY 2024/2025 Law Enforcement Services is implementing the following capital & operating projects:

- **Security Risk Analysis of the Institution**- The department is waiting for award letter.
- **Reviewal of Crime prevention Strategy** - The Tender was cancelled due to non-submission of Bidders and is due to be re-advertised.
- **BCMM Community Safety Forum** - an order of R 9 955.00 was generated through E- Procurement in preparation of training and workshop for the following wards:19, 27, 28 and 29 which have already launched their Crime Sector Forum, CPF and Safety forum. The proposed date for Training and workshop for four (4) wards is the 28th of April 2025.
- **Procurement of specialised vehicles** - Transversal Contract (RT57) is being undertaken by Fleet Management Services to procure the Supply, Fitment and Delivery of specialized vehicles for Law Enforcement Services.
- **Roll out of CCTV Cameras** - Contract No. CE 573 - Final BSC convened on the 4th of November 2024. for a (3 Year Contract). Tender advertised on the 19th of November 2024 for the Supply, Installation, Support & Maintenance of a Digital Macro CCTV Surveillance System for BCM Areas Viz. Coastal, Midlands and Inland Regions for a period of (3) Three Years. Bid Evaluation Committee (BEC) considered the bid on 7th April 2025 and it has progressed to Bid Adjudication Committee (BAC).
- **Fencing of Public Safety and Emergency Services** - an amount of R699 600.00 (Including Vat) was utilised for Supply and installation of Palisade fencing for Law Enforcement Services in Braelyn

Upcoming Projects:

Establishment of BCMM Sector Forum Structures in all wards.

Operational duties conducted by Law Enforcement Services 2024/2025

1. **Bowls Roads Operation conducted**: Law Enforcement Services and Legal Services conducted a joint multi-stakeholder operation on the 24th of July 2024 with various internal and external stakeholders with the aim to remove an unlawful street trader and his outdoor furniture factory from the open space at Bowls Road in Arcadia in East London area. On the day mentioned, eighteen (18) truck loads were confiscated and stored in a secured premises which totalled to an amount of 554 goods, 1 x Section 56 notice fine for a Traffic offence was issued to the owner of the business. The owner of the business was arrested for contravening the conditions of his permit and owner also paid a fine for employing the two (2) illegal immigrants with no documentation to conduct work. The area thereafter was cleaned by Solid waste department.
-
2. **Spaza shop Operation and Warrants**: A Total of two hundred and forty-seven (247) fines were issued to the Spaza Shops within the Metro. Each fine amounted to one thousand rand (R1000). Multi Stakeholder operations were conducted during 2024/2025 period, and it are still ongoing. Law Enforcement officers monitor the Spaza shops that were closed and ensure that shops remain

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closed until they become compliant. It is the responsibility of the Spaza Shop owners to ensure that their Spaza shops are compliant with the Municipalities requirements before it can operate or trade.

3. **Liquor Establishment operation:** A total of 284 liquor establishments were inspected for compliance within the Metro. Liquor Establishments must comply with the liquor trading hours to not be fined. Liquor licences must be always kept displayed, and noise levels must be kept within the establishments and not beyond its boundaries.
4. **Multi-stakeholder Joint Operations:** IN 2023/2024 a total of 119 joint operations were conducted. In 2024/2025 a total of 444 Law Enforcement and Multi-stakeholder joint operations were conducted in 2024/2025. This includes all BCMM Departments and external stakeholders. The operations range from Municipal By-law Enforcement operations, Liquor Establishment operations, Escorting and safeguarding of electricity department during the illegal electricity raids, Removing Illegal electricity operations Spaza Shop Operation, Drunk driving (DIC) operations, daily operations, SAPS Joint Combat operations, Municipal Health operations, Events, Scrap Metal Operations which takes place in all three regions.
5. **Illegal Electricity Disconnections:** Law Enforcement officers daily escort, safeguard and protect the Electricity department whilst removing the illegal electricity connections from the informal settlements and residential areas. At times the South African Police Service Public Order Police are required to also assist in the safety and security when the Electricity department must conduct their duties in volatile areas.
6. **Enforcement of Municipal By – Laws:** The Enforcement of Municipal by-laws is conducted daily and enforced when necessary. In the year 2023/2024, seven hundred and ninety-one (791) fines were issued for by-laws infringements, and three hundred and eighty-seven (387) fines were issued for various traffic offences. In the 2023/2024, three hundred and forty-five by-law infringement fines were issued, and three hundred and twenty-four (324) fines were issued for various traffic offences.
7. **Second-Hand Goods and Non-Ferrous Disruptive Goods Joint Operation:** A planned joint operation was conducted to inspect scrapyards and Second-hand goods dealing businesses in Buffalo City from the 25th to 27th of February 2025. Law Enforcement Services participated in a Second-Hand Goods and Non-Ferrous Disruptive Goods Joint Operation led by Provincial South African Police Services. There were three (3) scrap metal operations that were undertaken in 2023/2024 as well as three (3) in 2024/2025 financial year.
8. **Arrests:** Gambling, Housebreaking and Theft, Illegal Immigrants, Theft of Municipal infrastructure, Electricity Tampering arrests, Drunk Driving Arrests, Possession of Stolen Property, Failure to comply, Public Violence and Resisting arrest, Fraud are the arrests that were affected in 2024/2025. Total of seventy-one (71) Suspects were arrested in 2024/2025. A total number of twenty-seven (27) suspects were arrested in 2023/2024.
9. **Land Invasion:** Land Invasion complaints were received through the year and operations were conducted with the assistance of BCMM Solid Waste Services and BCMM Human Settlement department from informal structures (Plastic and wooden structures). A total number of one hundred and seventy-four (174) informal structures (plastic and half-built structures) were demolished in the year 2023/2024. A total of seventy-eight (78) informal structures (plastic and half-built structures) were demolished in the Metro from 2024/2025.
10. **Recruitment and Training:** Six (6) Constables were employed at Law Enforcement Services in October 2023 and One (1) Constable was sent to Port Elizabeth Traffic College for a one-year training course from January 2024 to December 2024 and the officer obtained his Traffic Officers Diploma in middle of December 2024.

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

11. **Launch of New Specialised Fleet:** Law Enforcement Services received three (3) new Volkswagen GTI's in October 2023. This was the last fleet that was received in the Law Enforcement Services department. There were no new fleet that was received in 2024/2025.

Current State

Law Enforcement Services currently operates throughout all three regions in the Metro with a total staff complement of eighty – seven (87) law enforcement officers. The post of the Commander: Law Enforcement Services remains vacant and unfunded. Also the post of Senior Superintendent for Logistics is also vacant and unfunded and this places a lot of burden on the existing officials. The Inland Region does not have senior officials eg Superintendent, Regional Commander.

The Section is severely under resourced and currently operates with a total of not more than eleven (11) vehicles throughout the Metro

Action Plans

Request has been made for additional budget to fund vacant unfunded posts, to fill vacant funded posts and to procure additional vehicles.

The Infrastructure Services Directorate has been tasked with developing a Fleet Management Solution.

Security Services:

Safety is often considered to be primarily the responsibility of national authorities, yet crime hampers all essential city services – obstructing their effectiveness, raising their costs and slowing overall socioeconomic upliftment.

In the past fiscal year, from 1 July 2023 to 30 June 2024, the Buffalo City Metropolitan Municipality faced a threat to its essential infrastructure critical for public services. The rise in crimes targeting both ferrous and non-ferrous metals has posed significant risks to municipal assets and undermined the reliability of vital services such as electricity, water sanitation, communication, and rail transportation. These criminal activities not only jeopardize community welfare but also negatively impact on the local economy, as organized groups, often armed and dangerous, increasingly perpetrate these offenses.

Buffalo City Metropolitan Municipality has also made commendable progress in enhancing security and safety across its communities, with a particular focus on safeguarding municipal assets. Moving forward, the City will undertake a process to review the Integrated Crime Prevention Strategy and conduct a Security Risk Analysis in the upcoming fiscal year (2024/2025). Technology is now the hallmark of enhancing policing efforts and the City will continue with the roll out of CCTV cameras in high crime areas. These strategic documents and strategies will address crime and violence through a multi-faceted approach, emphasizing that safety is a comprehensive concern. The thematic pillars of these plans will include an effective criminal justice system, early intervention, victim support services, and addressing key issues such as crime reduction, emergency preparedness, and public safety awareness.

BCMM is in the process of establishing a fully-fledged Security & VIP Protection Services Section under the Department of Public Safety & Protection Services.

Currently, Security Services are provided by in-house Security Officers and private security providers. Some sites have contracted security on site and this will be rolled out to all vulnerable and strategic sites going forward.

Current State

- Security services are currently being managed under Law Enforcement. There are 15 supervisors managing a guard force of 370 guards. All are

Action Plans

- Staff appointments. Startup structure has been approved by Council 22 Aug 2024.

STRATEGIC OUTCOME (SO1): AN INNOVATIVE AND PRODUCTIVE CITY

BCMM officials. Council approved a stand-alone establishment of a Security Services Division in August 2024.

- Chief: Security and Protection Services has been appointed and commenced on 1 April 2025
- Job descriptions are being drafted for:
- Deputy Chief: Security Services
- Deputy Chief: VIP Protection Services

- Job Descriptions are being developed for the Deputy Chief Security Services and Deputy Chief: VIP Protection Services.
- The Security Risk Analysis of all BCMM sites – a tender for this project has been finalised and the SLA will be compiled once the tender is awarded. The service provider will have 60 days to submit a comprehensive report on security risk analysis of all BCMM sites. Security services will then compile an action plan to address all shortcomings.
- Panel of service providers – a specification has been compiled for this panel to be appointed for a period of 3 years. The plan is to roll out contracted security at all sites in a phased process. This will assist with risk transference especially regarding sites with high vandalism rates.
- VIP Protection – this newly established unit is currently being developed. VIP Protection services will be managed under Security Services. The VIP Policy and startup structure has already been approved. Current protectors have been seconded from Traffic and Law Enforcement Services.
- Safe city strategy – OPECS has been appointed and Chief: Security & Protection Services has been seconded to assist with this project. He will assist with drafting of security specifications for all projects going forward. The priority now is to assist Infrastructure Services with existing and upcoming projects to curb vandalism at their sites.
- Budget – budget for security operations will be managed by PS & ES going forward. All directorates that intend on procuring any security item will be required to obtain the specification from Security Services prior to any financial commitment.
- Deputy Chiefs have been compiled, HR will be engaged for job grading then application will be submitted for funding of the posts

Strategic Outcome

2

A GREEN CITY



SITUATIONAL ANALYSIS

1. STRATEGIC OBJECTIVE

To promote an environmentally sustainable City with optimal benefits from our natural assets.

2. MUNICIPAL STRATEGIC ALIGNMENT MATRIX

The alignment between the SOs, Strategic Objectives, and KFAs is depicted as follows:

Table 89: Alignment between SO 2, Strategic Objective, and KFAs

Strategic Outcomes	Strategic Objectives	Key Focus Areas
SO2: A Green City	To promote an environmentally sustainable City that optimises benefits from our natural assets.	KFA 13: Environmental Management and Climate Change
		KFA 14: Air Quality
		KFA 15: Beaches
		KFA 16: Parks and Open Spaces.
		KFA 17: Vegetation Control and Biodiversity
		KFA 18: Municipal and Environmental Health
		KFA 19: Solid Waste Management

3. STRATEGIC PRIORITIES

The following strategic priorities applicable to this Strategic Outcome have been identified during the 2023/2024 IDP Review Process:

Table 90: SO2: A Green City (KFA 13 – 19)

STRATEGIC OUTCOME (SO2): A GREEN CITY

KFA 13: Environmental Management and Climate Change

Section 24 of the Constitution of the Republic of South Africa outlines the fundamental legislative framework for environmental management by affirming the right of every individual to:

- An environment that is not detrimental to their health or well-being.
- The protection of the environment for the benefit of both present and future generations through reasonable legislative measures aimed at preventing pollution, promoting conservation, and ensuring the ecologically sustainable development and use of natural resources, while facilitating justifiable economic and social development.
- Environmental management functions within the municipality are guided by relevant environmental legislation and policies. The Environmental Management Department (EMD) has aligned its core activities with the principles outlined in the National Environmental Management Act (NEMA), No. 107 of 1998, and the Sustainable Development Goals (SDGs) of 2015, which together support the objectives of Section 24 of the Constitution.

These laws and regulations serve as a foundation for the municipality's environmental planning, development, and compliance processes.

In addition, the City has assigned responsibility for overall environmental compliance and climate change to the Integrated Environmental Management Planning Unit (IEMP) within the Environmental Management Department. The IEMP Unit is guided by the Integrated Environmental Management Plan, which serves as the strategic framework for Buffalo City Metropolitan Municipality (BCMM) to fulfil its responsibilities related to environmental management and the protection of the natural environment. These efforts are implemented through various environmental planning tools, systems, and actions designed to mitigate human activities that negatively impact the environment. Several environmental challenges and trends affect BCMM, some of which are direct consequences of the municipality's development patterns and others arising from broader regional and global environmental shifts:

BCMM experiences significant pollution levels due to industrial activities, vehicular emissions, improper waste disposal, and untreated sewage in some areas. Coastal pollution, including plastic waste and chemical contamination, poses risks to marine ecosystems and human health.

There is a high infestation of Invasive Alien Species (IAS) within the municipality, particularly in natural reserves and urban green spaces. These species threaten biodiversity, livelihoods, and economic development, agricultural productivity, and ecosystem services. In 2019, BCMM prioritized the development of an Invasive Alien Species Control, Monitoring, and Rehabilitation Plan to mitigate the negative impacts of IAS. BCMM's rich biodiversity is under threat from habitat destruction due to urban expansion, agriculture, and informal settlements. The municipality faces challenges related to land use changes, including overexploitation of natural resources such as illegal sand mining, deforestation, and wetland degradation.

BCMM faces challenges in ensuring sufficient access to clean water and effective wastewater management. The municipality struggles with ageing infrastructure, water scarcity, and pollution of freshwater sources. The need for improved water conservation and efficient wastewater treatment systems is critical. Wetlands in BCMM are critical for ecosystem services, including water purification, flood control, and biodiversity support. However, many of these wetlands are under pressure from urbanization, agriculture, wetland drainage, forestry, and sand mining and industrial activities. Additionally, coastal zones are vulnerable to climate impacts such as rising sea levels, which threaten both the built environment and natural resources. These pressures are often compounded by societal misconceptions that wetlands are undesirable or dangerous. The completion of the Wetland Identification and Database Report in 2020 has provided the city with a deeper understanding of these vital ecosystems. When protected and conserved, wetlands can also serve critical functions such as flood attenuation, and sediment removal, while also providing recreational and aesthetic value.

The effects of climate change are becoming increasingly evident in City, particularly in the form of rising temperatures, more frequent and severe heatwaves, and unpredictable rainfall patterns. Coastal areas are particularly vulnerable to sea-level rise and erosion, threatening infrastructure, livelihoods, and ecosystems. Due to the unpredictable nature of future climate conditions, it is essential for all departments within

regulations list activities that require environmental authorizations, including major projects such as township developments and infrastructure upgrades. BCMM prioritizes the EIA process for projects such as the Beacon Bay Garden Transfer Station and the Cambridge Cemeteries' environmental compliance, with an Environmental Control Officer stationed on-site to ensure adherence to permit conditions.

The management of protected areas within the BCMM jurisdiction is under the responsibility of the Eastern Cape Parks and Tourism Agency (ECPTA), in accordance with the National Environmental Management: Protected Areas Act (No. 57 of 2003). The ECPTA manages several protected areas, including the East London Coast Nature Reserve, the Amathole Marine Protected Area, and the Kwelera National Botanical Garden. Management plans for all these protected areas have been developed to ensure their conservation and sustainable use. The Kwelera National Botanical Garden is co-managed by ECPTA and the South African National Biodiversity Institute.

In summary, Buffalo City is committed to advancing sustainable environmental management practices that align with constitutional mandates and national objectives. BCMM has the opportunity to leverage its natural assets, including its protected areas, to foster sustainable development and improve resilience to climate change. Investing in environmental education, compliance, and integrated planning, BCMM can mitigate its environmental risks while promoting long-term ecological and socio-economic sustainability for its residents.

Buffalo City Estuaries: Estuaries are vital coastal ecosystems that act as buffers between land and sea, providing essential services such as water purification, flood attenuation, biodiversity support, and carbon sequestration. Buffalo City Metropolitan Municipality (BCMM) in the Eastern Cape, South Africa, encompasses several significant estuaries, which are critical to the region's ecological health, economy, and social well-being. However, these estuaries face numerous challenges, including pollution, habitat degradation, invasive species, and the effects of climate change. Collaborative efforts with local communities, government agencies, and environmental organizations will be key to addressing these challenges and ensuring that these valuable ecosystems continue to provide vital services for future generations. The National Estuarine Management Protocol that is established under the National Environmental Management guides South Africa's estuarine management: Integrated Coastal Management Act (ICMA) of 2008. This Protocol provides a framework for the sustainable management of the country's estuaries, aiming to balance ecological integrity with socio-economic development. The Metro consists of 22 river estuaries within its boundaries of which range from large open systems to small closed systems. These estuaries are crucial for maintaining biodiversity and providing ecosystem services to both the natural environment and local communities. Buffalo City's coastal zone, with its estuaries, serves as a hotspot for tourism, recreation, fisheries, and other economic activities.

The Protocol makes provision for the development of an Estuarine Management Plan (EMP), which is an adaptive document that evolves over time according to the changing requirements of the estuary and its users.

The City in conjunction with the Department of Economic Development, Environmental Affairs and Tourism- (DEDEAT), Department of Forestry, Fisheries and the Environment (DFFE) and other relevant stakeholders developed the following Estuary Management Plans (EMP).

- **Nahoon Estuarine Management Plan** (Notice 41 of 2016) has been gazetted and approved by Council (BMC: 702/19).
The Nahoon Estuary is considered to have the highest conservation significance within the municipal area. The Nahoon Estuary is the only estuary that has been afforded formal protection through the proclamation of the East London Coast Nature Reserve, which extends from the coast inland and encompasses most of the estuary.
- **The Buffalo River Estuary Management Plan** was developed and approved by the Department of Forestry, Fisheries and the Environment (previously known as the Department of Environmental Affairs) with Transnet National Ports Authority and Nelson Mandela Metropolitan University. The EMP was then adopted by BCMM Council in 2018. The Buffalo River Estuary known as Port of East London is located at the mouth of Buffalo River and it is the only river port in South Africa. The Buffalo River falls within the R20 tertiary catchment of the Mzimvubu to Tsitsikana Waster Management Area (WMA). The plan outlines ten management objectives and they have been assigned with proposed activities and a description of the ecological impact or socio-economic consequence. The Buffalo River Estuary Management Plan is implemented through an established project steering committee which sits annually.

- **The Qinirha Estuary Management Plan** was developed and adopted by BCMM Council in December 2022 (BCMC 731/22). According to the South African Environmental Observation Network (SAEON, 2021) the Qinirha Estuary is subject to low, anthropogenic impact. The level of both fishing effort and pollution is considered moderate, while habitat loss is classified as low. However, based on current observations, human impacts are ever increasing due to expanded residential and commercial development within the catchment. While there is limited industrial activity, agriculture (including commercial annual crop farming and old fallow land and fields) is widespread throughout the middle and upper reaches of the Qinirha River. Numerous artificial dams are situated along the length of the River. The lower reaches of the river, particularly along the western side of the Qinirha Estuary, is largely built up and consists mainly of high density residential housing developments. The eastern side of the estuary is less developed with limited low-density residential development. There are approximately sixty-five (65) non-perennial (drainage) streams that enter the Qinirha River and Estuary.
- **The Tyolomnqa Estuary Management Plan** which is funded by Tyolomnqa East Bank Ratepayers' Association (TEBRA) has been approved by the MEC responsible for the Department of Economic Development, Environmental Affairs and Tourism and will proceed to Council for adoption. To help implement all these management plans with the exception of Buffalo River EMP, an advisory management institution or Estuary Advisory Forum (EAF) comprising of representatives from all stakeholder groups has been formed and sits Quarterly.

The Integrated Coastal Management Act (ICMA) of South Africa (Act No. 24 of 2008) provides a framework for the sustainable management and protection of the country's coastal and marine environments. A key component of the ICMA is the establishment of Coastal Committees, which play a pivotal role in promoting effective governance and stakeholder engagement in coastal management at both the local and regional levels. The Eastern Cape Provincial Coastal Committee (PCC) and the BCMM Municipal Coastal Committee (MCC) monitors the implementation of the Estuarine management plans, helping to coordinate management efforts and ensuring that the government departments and individuals responsible for various management functions related to the estuary undertake their responsibilities. A task team for implementation of these EMP's was established and reports on progress on a quarterly basis to the BCM MCC.

Buffalo City rivers and dams: The City's water sources consist of seven main river catchments: Kwelerha, Gqunube, Nahoon, Buffalo, Gxulu, Tyolomnqa and Keiskamma. All water sources in the City's environment are rich in biodiversity, and effective management of these natural resources will assist in their cleanliness and general usefulness.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
• The National Climate Change Response (NCCR) White Paper (2011) outlines priority impact and response categories identified as part of a lengthy specialist input and consultation process that began with the National Climate Change Summit in March 2009. The White Paper outlines impacts to key sectors and systems. The possible climate change impacts on sectors and systems within BCMM are diverse. • The Climate Change Bill is South Africa's first attempt at a comprehensive piece of legislation intending to encourage the development of an effective climate change response for South Africa. The Bill is expected to catalyse South Africa's transition towards a greener and more resilient economy and, as echoed globally, the Bill aligns South Africa's position with ongoing global efforts to reduce greenhouse gas ("GHG") emissions and	• BCMM Integrated Environmental Management Plan (IEMP), 2004 amended 2015 which provides an overarching framework for environmental management. The review of the IEMP was completed in the 2024/2025 financial year, awaiting adoption by Council. • BCMM Integrated Coastal Zone Management Plan (ICZMP), 2004 amended in 2015 to Coastal Management Programme (CMP) aimed at identifying and prioritising existing coastal environmental pressures and provide recommendations as well as the appropriate framework to manage the BCMM coastline. The review of BCMM Coastal Management Programme (CMP), 2015 was completed in the 2024/2025 financial year, awaiting adoption by Council.

to adapt the economy to the impacts of climate change. Accordingly, the Bill serves as the roadmap for South Africa's transition to a low-carbon and climate-resilient economy.	• The development of the BCMM Sand Dune Management and Rehabilitation Plan is currently underway within the 2024/2025, awaiting approval by Council. • State of Environment Report 2004 was amended in 2015 and the review process of the Integrated Environmental Management Plan (IEMP), 2024 has included a component of the State of the Environment Report. The State of the Environment report will be extracted from the IEMP and consolidated as a separate Report prior tabling to Council for adoption. • BCMM Climate Change Strategy, 2015 and is currently under review in the 2024/2025 financial year, it is anticipated that the review will be completed by 30 June 2025. • Air Quality Management Plan is currently under review in the 2024/2025 financial year. • Invasive Alien Species Control, Monitoring & Eradication Plan, 2019. • Buffalo City Metropolitan Wetlands Report, 2017 • Mapping of Coastal Vulnerable Areas, 2019. • BCMM Wetland identification report, 2020. • Nahoon Estuarine Management Plan (Gazetted in 2016) and approved by council in October 2019 (BCMC 702/19) • Buffalo River Estuarine Management Plan (Approved in 2018) • Environmental Education and Awareness Strategy, 2010 was reviewed in 2023 and awaiting Council adoption. • Municipal Open Space System, 2010 • Climate Risk and Vulnerability Assessment, 2021 (VBCMC 199/21) • Qinirha Estuarine Management Plan December 2022 (BCMC 731/22).
Progress & Achievements 2024 to date	
Implementation of the Annual Green Forum resolutions The actions that emanate from the forum are as follows: • Strengthen Buffalo city Commitment of Climate change Awareness and Environmental Education • Upscaling the level of awareness on climate change in communities and encourage active citizenry through community workshops • Strengthen recycling programmes & explore waste reduction alternatives. • Adoption of Climate Risk and Vulnerability Assessment to intensify City's endeavours towards the implementation of climate change mitigation and adaptation measures. • Development of the BCMM heatwave campaign report, which entails community heat mapping data collection, provides the City with updated data on heat distribution to guide Directorates in planning. Environmental Education and Awareness • Environmental education and awareness-raising programmes with focus on environmental management broadly, biodiversity conservation, climate change and ecosystem protection form one of the critical functions of the City. The City is committed to promoting behavioural change and imparting knowledge towards environmental issues on an ongoing basis. The city conducts on a quarterly basis educational programme which seek to enhance an understanding of climate change effects and global environmental issues including biodiversity. These programmes mainly focus on the youth as a target group and school learners as	

they are conducted in school campaigns, school excursions and communities. The youth has been afforded an opportunity to embark on ongoing visits in the municipal owned Nature Reserves (Nahoon Estuary Nature Reserve and Nahoon Point Nature Reserve). Both reserves are designated as Environmental Education Centres. The aim of the excursions in these Nature Reserves is to raise awareness on the importance of wildlife found within BCMM as well as the importance of the different indigenous flora and fauna found within the metro.

- Environmental education programmes in 2024/2025 financial year were as follows:
- Coastal Region - Aqua Vista Primary School, Mzamomhle Primary School, Gcobani Intermediate Primary School, Unathi High School Kidds Beach Primary School, Gcobani Intermediate Primary School
- Midland Region - Simnikiwe High School, Nontsikelelo Junior Primary School, S.E.K Mqhayi High School, Isibane Junior Primary School, Mfundo Senior Primary School
- Inland Region - St Thomas Special School, Nkosinathi Primary School, Phakamisa Junior Primary School,
- Indigenous trees were planted in St Thomas Primary and Simnikiwe High School for the 2024/2025 financial year names 3x Olea Africana, 2x Harpephyllum Caffrum, 2x Olea Africana and 3x Harpephyllum Caffrum.

Integrated Coastal Management:

- Municipal Coastal Committee which serves as an advisory body to the City Manager on matters that affect the Coastal areas within Buffalo City was established and it sits on a quarterly basis.
- The Committee constitutes the following stakeholders:
 - Internal BCMM stakeholders
 - Department of Forestry Fisheries and the Environment (DFFE)
 - BCMDA,
 - ELIDZ,
 - DEDEAT,
 - Wildlife Environment Society in Southern Africa (WESSA)
 - Eastern Cape Parks and Tourism Agency (ECPTA)
 - Nahoon Estuary Management Forum,
 - Nahoon Point Monitoring Committee, etc.
- Refurbishment of Boardwalks at Nahoon Point Nature Reserve and Nahoon Estuary Nature Reserve
- The proclamation of the nature reserve to obtain a Provincial status, this process is currently underway as a service provider has commenced with the project deliverables.
- Fencing of Nahoon Point and Nahoon Estuary Nature Reserve to be conducted in 2024/2025 financial year

Environmental Management and Climate Change

- The City established an Environment and Climate Change Forum. Its first sitting was on the 27 November 2024 and the frequency of sittings will be on a quarterly basis. The aim of the forum is to coordinate environment and climate change response actions for those activities that are within the operational control of the departments and provide a report on such actions to the Provincial Forum. The forum also serves as the primary mechanism for coordination of climate resilience activities and project development. Furthermore, this forum acts as a platform for government departments, NGOs, scientists, and industry leaders to discuss and shape climate and environmental policies.

The forum consists of the following key stakeholders:

- Internal BCMM stakeholders
- Department of Forestry Fisheries and the Environment (DFFE)
- Buffalo City Metropolitan Development Agency BCMDA,
- East London Industrial Development Zone (ELIDZ),
- Department of Economic Development, Environmental Affairs and Tourism (DEDEAT),

- Transnet
- Wildlife Environment Society in Southern Africa (WESSA)
- Eastern Cape Parks and Tourism Agency (ECPTA)
- South African Local Government Association (SALGA)
- SA Weather Services

- The ongoing implementation of Environmental Management Plans namely, the Buffalo River, Nahoon Tyomlonga and Qinira Estuarine Integrated Environmental Management Program and Coastal Management Program are priority in the city
- Ecosystem based programme (wetlands restoration and stream/river management programme that will be finalised in June 2025.
- Review of the existing climate change strategy has commenced in February 2025 and anticipated to be finalised in June 2025.
- **Environmental Impact Assessment projects for the 2024/2025 financial year** were screened and assessed to ensure that there are no contraventions that triggers the Environmental Impact Assessment (EIA) Regulations listed activities and amongst the projects are the following:
 - Air quality Monitoring station in Berlin and surroundings
 - Section A application for East London Beach Front,
 - Development of new cemeteries in Ducats and Ilitha
 - Revitalization and upgrading of Beach Infrastructure.

Challenges

- Inadequate stakeholder engagements (internal and external) pose a major threat to service delivery issues.
- Illegal structures and encroachments along BCMM coastline have resulted to habitat destruction and loss of biodiversity.
- Illegal Sand Mining and encroachments on the Critical Biodiversity Areas.
- Ecosystem and habitat destruction due to contamination by pollutants.
- Compliance issues within the city: Pre- Compliance Notice from DEDEAT in relation to the commencement of listed activities in terms of NEMA EIA regulations are problematic and strides towards addressing such non-compliance by Internal Directorates will be addressed through conducting Environmental Compliance Workshops including screening of capital projects that may triggers regulations.

Current State

- The City is directed by its Strategic Integrated Environmental Management Plan which gives guidance and determines how Buffalo City Metropolitan Municipality fulfils its responsibility with regards to the environmental management and protection of the natural environment. The City has a functional Integrated Environmental Planning Unit which facilitates the coordination and implementation of environmental programme, plans, projects and policies. The Unit further champions adherence to environmental legislative prescripts and promotes environmental compliance within the city.
- The environmental management and protection involve development of a set of tools, systems and actions to influence human activities that might negatively impact on the natural environment.
- The City is located within a special biodiversity hotspot known as the Albany Thicket Biome which is commonly referred as the Valley Bushveld. It comprises of various number of endemic plant species that are rare to find elsewhere. These may include Euphorbias, aloes, cycads, and many succulents abound. This area also consists of unique animals, birds and fish like the Golden Mole, Orange Breasted Sunbird and the Giant Earthworm. Such animals and plants that are found only within the Buffalo City region making it more significant.
- The City consists of a range of ecosystems which include: its 82 km of coastline, the Albany Thicket Biome, the Savannah Biome, indigenous forests, grassland, wetlands and estuaries.
- Rivers and dams: The city area consist of seven main river catchments: Kwelerha, Gqunube (Gonubie), Nahoon, Buffalo, Gxulu, Tyolomnqa and Keiskamma. All water sources in the environment depend on biodiversity for cleanliness and general usefulness.
- Estuaries: The city consists of 22 river estuaries within its boundaries of which range from large open system to small closed systems. The Nahoon Estuary is considered to have the highest conservation significance within the municipal area. The Nahoon Estuary is the only estuary that has been afforded formal protection through the proclamation of the East London Coast Nature Reserve, which extends from the coast inland and encompasses most of the estuary. An Estuary Management Plan has been compiled for this estuary. Other estuaries within the Buffalo City are not protected, except for some extreme coastal extents that fall within the coastal Nature Reserves.

- Nature Reserves are as follows:
 - Umtiza Nature Reserve - 806,48ha
 - The Nahoon Estuary Nature Reserve- 44,66ha
 - Bridle Dam Nature Reserve- 503,47ha
 - Quenera Nature Reserve- 57,84ha
 - Qonce (previously known as KWT) Nature Reserve- 126,62ha.
 - Fort Pato Nature Reserve- 696,78ha
 - Gulu Nature Reserve- 514ha
 - Kwelera Nature Reserve-204,61ha
 - The Nahoon Point Nature Reserve- 161ha.
 - Potters Pass Nature Reserve- 77,18ha
 - Cove Rock Nature Reserve- 262,08ha
 - Grey Dell and Fort Grey Forest Nature Reserve- 2425,78ha
 - Gonubie Bird Sanctuary- 8.65ha
 - Blue band Nature Reserve- 58.91ha
- Environmental education and awareness are necessary processes that allow all individuals to address environmental issues, concerns and to act in a correct manner to improve the status of the environment and look after it.
- Implementation of Estuary Management Plans through the established committees include having a Communication, Education and Awareness raising to create a supportive environment.
- The developed Coastal Management Programme (CMP), Integrated Environmental Management Plan (IEMP) and State of the Environment Report (SoER) are waiting for council approval.
- The DEFF presidential street cleaning and greening programme which is implemented in partnership with the city has embraced community based environmental education and awareness initiative which aims to educate communities about Environmental Management issues.
- The Annual Green Forum: The green forum is one of the city's key climate change responses and in response to the city's climate change strategy, and the city committed to host an annual Green forum which is done during the month of June and is aligned with the World Environment Day celebrations. The green forum serves as a platform for the private sector, government departments and the public to come together to address climate change adaptation and mitigation actions as well as an environmental issue. It provides practical green solutions to communities and business, enabling them to harness their green consciousness in a fun and sustainable manner. The forum has different themes every year which coincides with the World Environment Day and one of its objectives is to upscale the level of awareness on climate change in communities and encourage active citizens.
- To prevent land degradation and erosion of coastal assets the city is developing sand dune and beach management plans for the maintenance of the city's beaches and coastal nature reserves. These management plans will be utilised as a guiding tool during maintenance of the city's beaches and the Dunes. The maintenance of the beaches and the dunes triggers EIA in the form of Basic Assessment Process, in terms of the NEMA EIA Regulation as promulgated in terms of the National Environmental Management Act, 107 of 1998. The city is also implementing an Ecosystem Restoration project in the coastal region in the 2024/2025 financial year, the project is intended to address issues of erosion, protect biodiversity from invasion by alien plants and address land degradation.

NAME OF PROJECT (S)	CUSTODIAN /DEPARTMENT (S)	PROJECT LOCATION	SCREENING OF PROJECT CONDUCTED YES/NO	COMMENTS
Development of new cemeteries in Ducats and Ilitha	Mr. B. Jezile / Sport Recreation and Community Development (Parks and Cemeteries)	Ducats and Ilitha location	Yes	The project triggers listing notice 1

Revitalization and upgrading of Beach Infrastructure	Mr. A. Zealand / Solid Waste and Environmental Management (Beaches)	All coastal wards	Yes	Operational activities does not trigger any listed activities. Some operational activities are catered under sand dune and rehabilitation plan
Environmental Impact Assessment Studies (feasibility study for air monitoring station in Berlin and surroundings)	Mr. L. Madikizela / Solid Waste and Environmental Management (Environmental Health)	Berlin and surroundings	Yes	Procurement processes for feasibility study are underway
Section 30A application to DEDEAT on road maintenance at Esplanade beach front	Mr. S. Sojini / Infrastructure (Roads and Storm Water)	Esplanade (Beach Front)	Yes	Procurement for Section 30A application are underway

Action Plans

- Development of Management Plans for Nahoon Estuary and Nahoon Point Nature Reserves
- Implement Environmental Education Programmes
- Coordination and mainstreaming of Climate Change Adaptation and Mitigation Programmes i.e. Cool Cities Living Lab initiative as part of the city's collaboration with the World Bank (WB) through the Cities Support Programme (CSP) of National Treasury, the City is engaging in an initiative which seeks to highlight the effects of extreme heat in South African cities.
- Clearance of Invasive Alien Plants and Review of Invasive Alien Species Control, Monitoring & Eradication Plan.
- Wetlands rehabilitation
- Implementation of Estuary Management Plans i.e Buffalo River, Nahoon. Qinira and Tyolomnqa
- Review of By-Laws to address illegal activities along the Coastline.
- Refurbishment of the Boardwalk and fencing of the Nahoon Point and Nahoon Estuary Nature Reserves
- Implementation of Ecosystem restoration and land degradation projects & programmes.
- Screening of Capital Projects for 2025/2026 financial year that may trigger EIA Regulations,2014.

KFA 14: Air quality

In terms of the Air Quality Act no.39 of 2004, Buffalo City Metropolitan Municipality is mandated to manage and implement Environmental Pollution and Air Quality Management activities within its area of jurisdiction.

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

- National Environmental Management Act, 1998 (Act No. 107 of 1998). - Air Quality Act, 2004 (Act No.39 of 2004). - National Framework for Air Quality Management in the Republic of South Africa, 2012. - National Water Act, 1998 (Act No. 36 of 1998). - National Ambient Air Quality Standards No. 1210 of 2009. - National Dust Control Regulations No. R827 of 1 November 2013.	- BCMM Air Quality Management Plan - BCMM Air Quality By-Laws - BCMM Air Quality Assurance and Quality Control System

Progress & Achievements 2024 to date

- 2024/2025 – Air Quality Monitoring Stations for All Wards: Upgrading of BCMM's three Air Quality Monitoring Stations.
- 2024/2025 - Review of the Air Quality Management Plan (AQMP): Phase 1 (Assessment) completed during 2024/25. Phase 2 (to be done during 2025/26). The budget for the project is spread across all three (3) financial years 2024/25, 2025/26 & 2026/26.
- 2024/2025 - Development of Air Quality Management By-law: Public Participation Processes (digital & physical) completed. Outstanding: Presentation of a By-Law at the Councillors & Traditional Leaders Workshop by 30 May 2025. Submission of the Final Adoption Report to Council by June 2025 & Promulgation Process to be finalised by June 2025.
- 2024/2025 – Maintenance of Air Quality Monitoring Equipment & Maintenance: RT37-2024 National Transversal Contract to be utilized for all Air Quality Monitoring Equipment procurement for a period of three (3) years (2024/25, 2025/26 & 2026/27).

Atmospheric Emission Licence (AEL)

- Achieved 100% of Atmospheric Emission Licences issued for each year.
- During 2024/25 financial year, Atmospheric Emission Licence tariffs for new applications; renewal applications; transfer applications; provisional licence applications; application fee and section 22A administrative fine in terms of Section 21 of the Air Quality Act No 39 of 2004 were implemented by the department.
- 2024/25 – 02 Atmospheric Emissions License applications were received and processed the first two quarters of the financial year.

Implementation of the Air Quality Management Plan (AQMP)

- The AQMP will be reviewed during the 2024/25, 2025/26 & 2026/27 financial years. Budget has been made available and spread across all three (3) financial years.
- The designated BCMM Air Quality officer is currently operational during the 2024/25 financial year.
- During the financial year of 2024/25, the Air Quality Officials are using the National Emission Information System (NAEIS) and South African Atmospheric Emission Licence Portal (SAAELIP) to process applications and issue Atmospheric Emission Licences.
- The Senior Air Quality Officer is currently operational during the 2024/25 financial year.

Challenges

- Inadequate capacity of staff to implement compliance and enforcement of environmental crimes, which requires training as Environmental Management Inspectors (EMI).

Current State

- Chapter 3 of the National Environmental Management: Air Quality Act 39 of 2004 (NEM: AQA) tasks all South African Municipalities with the development and implementation of an AQMP as part their Integrated Development Plan (IDP). Where applicable, the AQMP must:
 - Improve air quality;
 - Identify and reduce the negative impact on human health and the environment of poor air quality;
 - Address the effects of emissions from the use of fossil fuels in residential applications;
 - Address the effects of emissions from industrial sources; and
 - Address the effects of emissions from any point or non-point source of air pollution.

Action Plans

- Implementation of the Ambient Air Quality goals as recommended and adopted by BCMM.
- Upgrading of Air Quality Monitoring Stations equipment.

KFA 16: Parks and Open Spaces

The Parks Department is responsible for the enhancement of the natural environment through the development, maintenance and management of Community Parks, Picnic sites, Nurseries and Horticultural activities.

Alignment with the National and Provincial Plans and Policies

- NEMA (National Environmental Management Act)
- NEMBA (National Environmental Management Biodiversity Act)

Link to BCMM Strategies, Sector Plan(s) and Policies

- Municipal Open Spaces System (under review)
- Development of Metro Wide City Beautification and Landscaping Plan/Strategy at final stage

Progress & Achievements 2024 to date

- From 2023 to date, a total of seven (7) Community/Recreation Parks were developed, and some upgraded across the Three (3) Regions (Coastal, Midlands, and Inland) of the Metro.
- Seven (7) new Outdoor Gyms and fencing were Installed at (St Georges, 2x Duncan Village, Berlin, Cambridge Location & NU10 Sportsfield)

Challenges

- Vandalism and theft
- Increased levels of illegal dumping

- Continuous grass cutting of Parks and Picnic sites done - Development and upgrading of parks in Wards 1, 3,4,8 45, & 48. The cost for the Outdoor Gym Equipment and Fencing) to the value of R4 600 000.00	
Current State	Action Plans
The target for development of new parks this financial year (2023/24) is 6. The areas are Pefferville, Braelyn, NU3, NU17, Breidbach and Cambridge Rd – KWT. Our parks are divided into 3 categories i.e., Children’s playgrounds, Community parks and Regional or Eco parks. The budget for this financial year is R 3 000 000	- Upgrading and Development of Six (6) New Community Parks - Procurement of Grass Cutting Equipment - Development of Metro Wide City Beautification and Landscaping Plan/Strategy

KFA 17: Vegetation Control and Biodiversity

Environmental management and protection entail development of a set of tools, systems and procedures to influence human activities that might negatively impact on the natural environment. The City has been impacted by landscape change (habitat destruction and degradation), invasive alien species, pollution and over exploitation for example illegal sand mining practices. Given the current threats to biodiversity, and the projected impacts of climate change, the municipality has committed to protecting, and managing the city’ s ecological infrastructure to enhance ecosystem resilience and the ability of our citizens to adopt to persistent change and short-term disasters.

Invasive alien species pose significant threats to human livelihoods, economic development and biodiversity and these threats are likely to be exacerbated by climate change. Controlling invasive alien species, rehabilitating degraded ecosystems, and reducing the rate of land transformation are increasing priorities in ensuring the overall sustainability of the city’ s ecological infrastructure. The National Environmental Management: Biodiversity Act (NEMBA, Act 10 of 2004) provides a framework for the management and conservation of South Africa’ s biodiversity and outlines the requirements for sustainable use of biological resources and the protection of species and ecosystems. Chapter 5 of the Act deals with the management of invasive alien species. In August of 2014, the NEMBA regulations for invasive species were promulgated and published. These regulations list four different categories of invasive alien species and provide instructions on how these species should be managed, controlled and eradicated from areas where they may cause harm to the environment. In terms of NEMBA, all state entities (including Municipalities) must develop a strategy and management plan for the monitoring, control and eradication of IAS on land they own.

Climate Change is already having a direct impact on the ability of many South African municipalities to meet their developmental objectives. Extended dry seasons, increasing temperatures, extreme storms and sea level rise result in drought, crop failure, livestock death, damage to infrastructure, runaway fires and will further entrench poverty with the increase of vector-borne disease, disabling of existing livelihood and damage to household assets. The NCCS White Paper places an obligation on BCMM to formally include climate change response in planning.it is therefore important that BCMM proactively takes steps to consider and deal with climate change risks of high significance. In response to this the city developed climate change strategy which was adopted by council in 2015.

The key threats to the wetlands located within Buffalo City Metropolitan Municipality includes, Invasive alien plants (IAPs), Erosion, Development within and around wetlands, Pollution and excess nutrients, Draining of water, over grazing/trampling, Lack of buffer zones next to wetlands and Lack of buffer zones next to wetlands. To streamline and improve the management of wetlands, the city is implementing the Local Action for Biodiversity: Wetlands South Africa (LAB: Wetlands SA) programme with support from ICLEI Africa Secretariat (ICLEI AS). The LAB: Wetlands SA project aims to ensure the protection of priority natural wetland resources, thus enabling the supply of ecosystem services, and promoting resilient communities and sustainable local economies under a changing climate within South Africa local governments. Through the development of the Wetland Report, ICLEI AS will assist the Buffalo City in identifying the gaps in management and assist with devising new and better wetlands management strategies going forward.

Protected areas- The Eastern Cape Parks and Tourism Agency (ECPTA) is the management authority as per the National Environmental Management: Protected Areas Act (No 57 of 2003) of various provincial protected areas. Protected areas under the management of the ECPTA within the BCMM jurisdiction is the East London Coast Nature Reserve, the Amathole Marine Protected Area and the Kwelera National Botanical Garden. East London Coast Nature Reserve and Amathole Marine Protected Area are solely managed by the ECPTA, whereas the

Kwelera National Botanical Garden is co-managed with the South African National Biodiversity Institute. Management Plans have been developed for all protected areas managed by the ECPTA within jurisdiction of BCMM.

East London Coast Nature Reserve

East London Coast Nature Reserve (ELCNR) is a name coined to refer to a series of nature reserves and state forests situated primarily on the coastline between Great Fish River and the Great Kei River. The coastal Nature Reserves/State Forests include inter alia (from north-east to south-west) Cape Morgan, Double Mouth, Cape Henderson, Cintsa West & East, Blue Bend, Cove Rock, Gulu, Kidd's Beach, Kayser's Beach, Chalumna, Kiwane and Hamburg (including Forest 224). The remaining two nature reserves (Umtiza Forest and Fort Pato) are located inland, approximately 14km and 25km north of East London on the south-western banks of the Buffalo River. The ELCNR is approximately 3 424ha in size and represents approximately 60% of the 300km coastline between these two rivers.

The ELCNR comprises of a mosaic of coastal forests, thicket, bushveld and grassland vegetation. It consists of five main vegetation types, including: Transitional Coastal Forest, Valley Thicket, Eastern Thorn Bushveld, Eastern Dune Thicket and Coastal grassland.

Several species of conservation importance are found within the boundaries of ELCNR, including *Ptaeroxylon obliquum*, *Buxus macowanii*, *Umtiza listerana*, *Encephalartos altensteinii* and *E. villosus*. Agricultural practices, rural and urban development have virtually established the two inland reserves as islands of original Mesic Kaffrarian Thicket and its associated fauna, which includes several endangered species.

While the majority of the large mammals have become locally extinct over the last century many animals still occur in ELCNR – including the Samango Monkey at Umtiza. Rare fauna found in the ELCNR as a whole include the Leopard, Blue Duiker, Giant Golden Mole, and Tree Dassies. Cape Parrots used to be observed at Umtiza but have not been seen for many years. Other species of interest include Crowned Eagles, Knysna Lourie and Narina Trogon. The African Black Oystercatcher also occurs along the coast and is regarded as the second most threatened bird on the South African Coast.

Kwelera National Botanical Garden

Situated about 18km northeast of East London within the municipal boundaries of Buffalo City Metropolitan Municipality between the Gonubie and Kwelera Rivers, the Kwelera National Botanical Garden (KwNBG) is the first National Botanical Garden to be established in the Eastern Cape.

The declaration of the KwNBG in 2014 marked a significant step towards delivering on the National Department of Environmental Affairs Outcome 10 commitments. The Kwelera Nature Reserve (KNR), which is already declared and managed by the Eastern Cape Parks and Tourism Agency (ECPTA) as a Protected Area, is the anchor site for the KwNBG. The South African National Biodiversity Institute (SANBI) only added about 10ha of landscape garden to the anchor site. Under the signed Memorandum of Agreement, the Nature Reserve will remain under ECPTA but be co-managed with SANBI as the natural portion of the new Kwelera National Botanical Garden. The KwNBG is an important biodiversity corridor in the region and comprises 160ha of pristine coastal dune forest, marine frontage and coastal grasslands. Currently, the KwNBG is not fully operational. An Environmental Impact Assessment process is currently in process for proposed infrastructure developments within the KwNBG.

Amathole Marine Protected Area

The Amathole Marine Protected Area (MPA) lies in the Eastern Cape Province between the Kei Mouth, Gonubie and the Gxulu Rivers at East London and extends three nautical miles to the sea (Refer to map). The Amathole MPA located within the jurisdiction of three municipalities, namely Buffalo City Municipality, Great Kei Municipality under Amathole District Municipality.

Two Sections of the three sections of the Amathole MPA fall within the jurisdiction of BCMM. The area of the two sections within the BCMM is as follows:

- ❑ The Gonubie area encompasses the sea area (excluding any estuary) between the high-water mark and a distance of three nautical miles seaward, and between, as southern-western boundary, a line drawn 145° from Nahoon Point ($32^{\circ} 59' .778$ S; $027^{\circ} 57' .096$ E), and, as north-eastern boundary, a line drawn 145° from Gonubie Point ($32^{\circ} 56' .485$ S; $028^{\circ} 02' .120$ E). The south-eastern offshore boundary is a straight line running 045° , which joins the southern corner ($33^{\circ} 02' .213$ S, $027^{\circ} 59' .119$ E) and the eastern corner ($32^{\circ} 58' .955$ S; $028^{\circ} 04' .125$ E) of the area.

- The Gxulu area encompasses the sea area (excluding the estuary) between the high-water mark, and a distance of three nautical miles seaward, and between, as southern-western boundary, a line drawn 149° from Christmas Rock (33° 11' .560 S; 027° 38' .626 E), and, as north-eastern boundary, a line drawn 144° from the Gxulu River Mouth (33° 07' .145 S; 027° 43' .893 E). The south-eastern offshore boundary is a straight line running 045°, which joins the southern corner (33° 14' .018 S; 027° 40' .422 E) and the eastern corner (33° 09' .513 S; 027° 45' .913 E) of the area.

Alignment with the National and Provincial Plans and Policies

- The National Climate Change Response (NCCR) White Paper (2011) outlines priority impact and response categories identified as part of a lengthy specialist input and consultation process that began with the National Climate Change Summit in March 2009. The White Paper outlines impacts to key sectors and systems. The possible climate change impacts on sectors and systems within BCMM are diverse.
- The National Environmental Act 1998 as amended
- Draft climate change bill, 2018
- Sustainable Development Goals
- National Development Plan

Link to BCMM Strategies, Sector Plan(s) and Policies

- BCMM Integrated Environmental Management Plan (IEMP), 2004 amended 2015 (Adoption Date)
- BCMM Integrated Coastal Zone Management Plan (ICZMP), 2004 amended 2015 (Adoption Date)
- BCMM Climate Change Strategy, 2015 (Adoption Date)
- State of Environment Report 2004 amended in 2015
- Municipal Open Space Systems, 2010
- Environmental Education and Awareness Strategy, 2010
- Buffalo River Estuarine Management Plan, (Gazetted in 2018)
- Nahoon Estuarine Management Plan, (Gazetted in 2016)
- Air Quality Management Plan (AQMP), (Adopted in 2018)

Challenges

- Limited resources to deal with high demand of vegetation control (bush clearing)
- Increased levels of illegal dumping

Current State

- There's currently a very high demand for bush clearing as it contributes to the increase of crime and illegal dumping
- A total of 62 100 m² of vegetation control (bush clearing and noxious weed eradication) was done across the 3 regions of BCMM during the last financial.

Action Plans

- Wetland Rehabilitation Phase 2: Clearing of Alien Invasive plants in John Dube Wetland and NU 1.

KFA 18: Municipal and Environmental Health

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).

Alignment with the National and Provincial Plans and Policies

- National Health Act (NHA), 2003 (Act 61 of 2003).
- Foodstuffs, Cosmetics and Disinfectants, 1972 (Act No. 54 of 1972) & various Regulations made under the Act.

Link to BCMM Strategies, Sector Plan(s) and Policies

- Municipal Health Services Plan.
- Municipal Health By-laws.

Progress & Achievements 2024 to date

- Number of water samples taken and analysed in all 50 BCMM Wards: 837 water samples were taken, tested, and analysed during Q1, Q2 & Q3 of 2024/25 financial year. Re-sampling for failures is conducted to ensure compliance with SANS 241-1 2015 (Standard for Drinking Water). Budget – R391 363 (the amount caters for both water & food sampling due to a shared vote).
- Number of food samples taken and analysed in all 50 BCMM Wards: 76 food samples were taken, tested and analysed at the laboratories during Q1, Q2 & Q3 of 2024/25. Food premises that did not comply were issued with non-compliance notices and were re-inspected to ensure compliance with food control regulations. Budget – R391 363 (the amount caters for both water & food sampling due to a shared vote).
- Enforcement of By-Laws – Food Premises (formal & informal) in terms of compliance & enforcement joint operations in all 50 BCMM Wards successfully conducted during Q1, Q1 & Q3 of 2024/25: 577 Food Premises Inspected. 459 issued with Prohibition Orders/ Closed. 118 were Compliant. R357.708.10 - value of Food Products removed & disposed (expired, damaged, counterfeit). R93.173.92 – value of Pesticides (illegal or unregistered traders) removed and detained for disposal.
- Health and Hygiene awareness campaigns in all 50 BCMM Wards: 10 Health & Hygiene Education & Awareness Campaigns/ Events were arranged and conducted at venues across the three regions during Q1, Q2 & Q3 of 2024/25.

Current State

- 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.
- 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.

Action Plans

- Taking of Drinking Water Samples to measure compliance with SANS 241 (Drinking Water Quality Standards).
- Taking of Food Samples to measure compliance with FCD's Act & its Regulations.
- Inspection of Food Premises for Compliance with Regulations, GN No. R638 (Regulation Governing Hygiene of Food Premises, Transport of Food & Related Matters.
- Inspection of solid waste landfill sites; Panel beaters; Spray-painting; Laundromat & Dry Cleaners; and Industrial premises for Compliance with the National Environmental Norms & Standards for Premises and Acceptable Monitoring Standards for EHP's, Notice 1229 of 2015.
- Conduct Health & Hygiene Education and Awareness events to improved health status and knowledge on health and hygiene amongst target groups.
- Surveillance of Premises.
- Vector Control.

KFA 19: Solid Waste Management

Solid Waste Management Services Department is at the centre of environmental sustainability and cover all waste services within the Metro. The department has aligned its core functions to the National Environmental Management Waste Act (NEMWA) guidelines which are refuse collections, landfills and recycling. Solid Waste Management Services are also guided by the Integrated Waste Management Plan that was

endorsed by the MEC for Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). These strategic sectoral plans provide guidance and determine how Buffalo City Metropolitan Municipality fulfils its responsibility with regards to Solid Waste Management perspective.

The Constitution of the Republic of South Africa Schedule 5 Part B mandates the Buffalo City Metropolitan Municipality to render the following services in a clean, healthy and safe manner.

- Street Cleaning
- Refuse Removal
- Disposal of Waste/ Landfills & Garden Transfer Stations Operations and Management
- Waste Minimization & Clearing of Illegal Dumps
- Public Convenience

Street Cleaning

Street Cleaning encompasses litter picking, gutter cleaning, street sweeping, focusing mainly on main roads, CBD, entrances and exits of the City inclusive of high visibility areas such as the beach front and other beaches. This division is also responsible for refuse bag distribution in both formal and informal areas. BCMM has budgeted for the Steel Street Litter (Disposal) Bins which have been installed in all BCMM CBD's and areas with high concentration of people.

Refuse Removal

Solid Waste Management Services conducts refuse removal for domestic and businesses together with clearing of drop-off points as per the refuse collection schedule. Domestic refuse is supposed to be collected once a week from each household as per the National Domestic Collection Standards, whilst businesses are serviced according to the owner's request. Refuse removal service is currently provided in fifteen (15) areas in the Coastal region, seven (7) in the Midland region and twelve (12) in the Inland region respectively. This function is undertaken in line with the recognised refuse collection schedule that is annually communicated with the BCMM residents. The services ensure that the citizens within the City live in an environment that is not harmful to their health and that the aesthetics of the City are improved.

Disposal of Waste/ Landfills Operations and Management

The Department is responsible for implementing environmentally sound disposal of waste through operations and management of the Landfill sites and Transfer Stations. This involves ensuring that the daily operations and management of these waste management facilities are compliant with the legal requirements of the legislation governing waste with management of the leachate plant. This includes covering and compaction of general waste from all households (formal/informal), businesses and pre-treated medical waste from health institutions. BCMM has two permitted landfill sites viz: Roundhill and King Williams Town Landfill sites, three (3) Transfer Stations viz: Kaysers Beach, Kidds Beach and Beacon Bay Garden Transfer Stations and one privately owned Gonubie Garden Transfer station.

Waste minimization

The Waste Minimisation, Education & Planning Unit is responsible for developing programmes and initiatives which seek to promote waste minimization including clearance of illegal dumps, recycling, recovery, reuse and diversion of waste from disposal to landfill sites. The unit is also responsible for the development of an Integrated Waste Management Plan (IWMP) and development of waste management by-laws.

The City's Integrated Waste Management Plan (IWMP) for 2022- 2027 was developed according to the guideline document provided by Department of Forestry, Fisheries and the Environment (DFFE) and was adopted by the BCMM Council in a council meeting that was held on the 31st March 2023.

The adopted IWMP was then endorsed by the MEC for the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) on 31 August 2023. The adopted and endorsed IWMP ensured that the IDP, the new national and global waste management approach that encourages sustainability, efficiency, and waste economy is taken into consideration in the waste management planning for the City.

The Integrated Waste Management Plan (IWMP) goals seek to implement the waste management hierarchy through the diversion of waste from landfill disposal towards waste beneficiation programmes such as recycling. BCMM in partnership with Border Kei Chamber of Business (BKCOB) established eight (8) Buy-Back Centres in the following areas:

- a) Qonce (KWT) Buy- Back Centre (Operational)
- b) Mdantsane, NU 2 Buy – Back Centre (Operational)
- c) Nompumelelo Buy – Back Centre (Operational)
- d) Southernwood Buy- Back Centre (Operational)
- e) East London CBD Buy- Back Centre (Operational)
- f) Settlers-way Buy-Back Centre (Operational)
- g) Mzamomhle Buy-Back Centre (Operational)
- h) Gompo Buy-Back Centre (Operational)

Solid Waste Management Services Department has reviewed the existing Waste Management Bylaws in line with the IWMP to ensure alignment with the objectives of the National Environmental Management Waste Act 59 of 2008 for the diversion of waste from landfill disposal. The consultation with various community stakeholders has been conducted through digital consultation process from 06 June 2023 to 04 August 2023 as well as a physical consultation that was conducted from 01 September 2023 to 30 September 2023. The Councillor's workshop on the Integrated Waste Management By-Law Councillors was held on the 14th November 2024 and was adopted by Council on 24 March 2025. These consultations were necessary procedural processes that needed to be undertaken in order for the Integrated Waste Management Bylaw to be gazetted. The department is currently at the initial stages for gazetting of the by-law.

Alignment with the National and Provincial Plans and Policies

National Environmental Management Waste Act (NEMWA)

Link to BCMM Strategies, Sector Plan(s) and Policies

- Integrated Waste Management Plan
- Disaster Risk Management Policy Framework
- BCMM Integrated Environmental Management Plan (IEMP) which provides an overarching framework for environmental management
- BCMM Integrated Coastal Zone Management Plan (ICZMP) aimed at identifying and prioritising existing environmental pressures, provide the recommendation pressures, as well as the appropriate framework to manage the BCMM coastline
- BCMM Climate Change Strategy for managing energy and mitigating climate change effects
- Municipal Open Spaces System
- Air Quality Management Plan

■ Progress & Achievements 2024 to date

- The City's Integrated Waste Management Plan (IWMP) for 2022 - 2027 was adopted by Council and subsequently endorsed by MEC for the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT).
- Successful implementation of Public Employment Programme (PEP) in partnership with Border Kei Chamber of Business (BKCOB) and Buffalo City Metropolitan Development Agency (BCMDA).

■ Challenges

- Increasing rate of littering and illegal dumping of waste.
- Insufficient number of Waste Transfer Stations to service communities of the BCMM to meet the demand of the entire City.
- Long distance to Roundhill Landfill Site for the Coastal and Midland regions, which leads to wear and tear as well as lifespan of trucks.
-

■ PEP entails activities such as creation of temporary jobs for street cleaning, gutter clearance, clearing of illegal dumps, beautification of the City and establishment of buy back centres. ■ PEP is a National Treasury funded programme and has enhanced the efforts of the City in ensuring a cleaner and greener BCMM. ■ Development of community-based models for the provision of waste management services in CBD's, tourist attraction areas, student villages as well as formal and informal residential areas also form part of PEP. ■ The successful establishment and implementation of a three-shift system, thereby reducing of overtime. ■ Enhanced collection of recyclables, thereby reducing the volumes of waste disposed at the landfill site. ■ Servicing diverse types of household patterns in a satisfactory manner. ■ Upgrading of Kidds Beach and Kaysers Beach Garden Transfer Stations through installation of guard rails for the safe entrance to the station acquisition of Bulk containers have been achieved. ■ Council has adopted the reviewed Waste Management by-law on 24 March 2025. ■ Adopt a Spot policy was approved by Council on 24 March 2025. ■ Street Litter bins delivery and installation in the City in 3 Regions ■ Fleet was procured, delivered and distributed based on the needs of the three departments within the Directorate in the 2023/2024 financial year. ■ Rapid Response Team established and operational.	
■ Current State ■ There is a need for additional specialised fleet for solid waste management activities. ■ BCMM has two permitted landfill sites viz: Roundhill and King Williams Town Landfill sites. ■ The Street Litter Bins were installed in strategic points across the Metro. ■ Solid Waste Management Services Department established a programme of clearing illegal dumps which are occurring in open spaces and along the pavements at a very alarming rate. The programme is mainly informed by supervisor inspections and community complaints in all three regions of the City. ■ Eight (8) Mini Buy- Back Centres were established and they are all operational. ■ Implementation of a 2 shift system for refuse removal and street sweeping by Supervisors, Drivers & General Workers	■ Action Plans ■ Acquisition of solid waste fleet for all the three (3) regions for improvement in the provision of Solid waste services is underway. ■ Establishment of Garden Transfer Stations in the Inland and Midland regions is planned for the 2024/2025 financial year. ■ To facilitate purchase Of Bulk Containers With Removal Vehicles ■ To facilitate Acquisition Of Ldv's And 4 Ton Truck ■ To facilitate Refurbishment Of Waste Management Facilities ■ To facilitate Waste Minimisation, Recycling, Awareness, Separation & Waste Programmes ■ To facilitate Community Based Solid Waste Co-Operatives Coastal

▪ Landfill sites were refurbished in order to address the non-compliances. The refurbishments included fencing of the facilities, refurbishing the Material Recovery Facility, upgrading access control and access roads, fixing the weighbridges and the leachate treatment facility. ▪ Presidential Acceleration of Service Delivery created 2000 temporary employment opportunities for participants to improve waste service provision in the City while alleviating unemployment rate through the implementation of the Cleaning, Greening and Beautification project. ▪ The General Manager for Solid Waste Management Services has been designated as the Waste Management Officer pending approval by the City Manager. ▪ The Integrated waste management by-law was reviewed with all consultations undertaken and has been adopted by Council. The department is currently at the initial stages for gazetting of the by-law. The by-law addresses the illegal dumping in line with the City's tariff structure. ▪ The department has developed an Environmental Management Plan that catering for leachate monitoring. The consultation process has been initiated with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) for comments. Upon conclusion of the process, the plans will be endorsed by DEDEAT.	▪ To facilitate Implementation Of A 2 Shift System For Refuse Removal And Street Sweeping (Supervisors, Drivers & General Workers) ▪ Establishment of the Waste Management Forum.

Strategic Outcome

3

**A CONNECTED
CITY**



SITUATIONAL ANALYSIS

1. STRATEGIC OBJECTIVE

To maintain a world-class logistics network.

2. MUNICIPAL STRATEGIC ALIGNMENT MATRIX

The alignment between the SO, Strategic Objective, and KFAs is depicted as follows:

Table 91: Alignment between Strategic Outcome Three, Strategic Objective and Key Focus Areas

Strategic Outcomes	Strategic Objectives	Key Focus Areas
SO3: A connected City	To maintain a world class logistics network	KFA 20: Roads and Stormwater Infrastructure
		KFA 21: ICT
		KFA 22: Transport Planning and Operations
		KFA 23: Energy Supply Efficiency

3. STRATEGIC PRIORITIES

The following strategic priorities applicable to this Strategic Outcome have been identified during the 2021/2026 IDP Process:

Table 92: SO 3: A Connected City (KFA 20–23)

STRATEGIC OUTCOME (SO3): A CONNECTED CITY	
KFA 20: Roads and Storm water Infrastructure	
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. The Roads branches core mandate is to provide a safe all-weather roads network for the use of all road users. Roads and Stormwater services are responsible for management of the road and infrastructure network in the built-up area. Which includes surfaced and gravelled roads with associated storm water. BCMM also has a dedicated major storm water channelling that protects the city from major flooding. Major and minor bridges and culvert also form part of the network. The service contributes towards the Connected City Pillar of the Metro Growth and development strategy with priority being to ensure seamless movement of vehicles and people within and through the city through a reliable and well-kept road network.	
Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
▪ The South African National Roads Agency and National Roads Act, 1998 (Act No. 7 of 1998) ▪ National Land Transport Transition Act, 2000 (Act No. 22 of 2000) ▪ National Road Traffic Act, 1996 (Act No. 93 of 1996) as amended	▪ (Draft) Roads Master Plan 2018/19 ▪ Stormwater master plan 2009/10 ▪ Pavement Management System 2012/2013 FY
Progress & Achievements 2024 to date	Challenges
• Upgrading of Mdantsane gravel roads to surfaced standards - cluster 3 – phase 4B in Wards 21,22,23: Upgrading of a 15 km gravel road to surfaced standard with associated stormwater. Start date: 14 July 2022 End Date: 14 October 2024 Cost: R 193 911 436.11 (Incl. Vat) • Upgrading of Mdantsane gravel roads to surfaced standards - cluster 1 – phase 4B in Wards 12,14, 17: Upgrading of a 1.77 km gravel road to surfaced standard with associated stormwater. Start date: 12 October 2022 End Date: 30 June 2022 Cost: R 16 104 357.90 • Upgrading of Mdantsane gravel roads to surfaced standards - cluster 2 – Phase 4A in Wards 11,17, 20,30,48: Upgrading of	ROADS PROBLEM STATEMENT Generally, it is acceptable to have a backlog of between 5% to 10% of the roads network in a Poor to Very Poor condition at any given time. At the current levels of Capital budget allocation, there is a shortfall between the required budget, and the available budget to achieve this target. Therefore, resulting in an ever-increasing backlog in roads renewals. The erratic weather patterns have a great impact on the condition of the roads network as the periods of wet weather followed by periods of drought accelerates the rate of deterioration of an aging roads infrastructure network. STORM WATER PROBLEM STATEMENT There is more than 615km of storm water pipes and culverts within the Metro, many of which are very old, and corroded and in need of

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

a 3,7 km gravel road to surfaced standard with associated stormwater and specially designed driveway.

Start date: 23 June 2020

End Date: 13 May 2022

Cost: R 39 501 216.48

- Upgrading of Mdantsane gravel roads to surfaced standards - cluster 2 – Phase 4B in Wards 11, 20,30,48: Upgrading of a 10 km gravel road to surfaced standard with associated stormwater.

Start date: 03 January 2023

Anticipated Completion Date: 30 April 2025

Cost: R 105 213 984.94 (Inc. Vat)

- Upgrading of Mdantsane gravel roads to surfaced standards - cluster 3 – phase 4A in Wards 21,22,23: Upgrading of a 1.3 km gravel road to surfaced standard with associated stormwater

Start date: 23 June 2020

End Date: 13 August 2021

Cost: R 14 824 033.68

- Upgrading of Mdantsane gravel roads to surfaced standards - cluster 3 – phase 4B in Wards 21,22,23: Upgrading of a 15 km gravel road to surfaced standard with associated stormwater

Start date: 14 July 2022

End Date: 14 October 2024

Cost: R 193 911 436.11 (Incl. Vat)

- Urban renewal Toyana roads in Mdantsane – Construction of sidewalks, Street lights and associated road furniture.

Start Date: 02 December 2024

End Date: 30 June 2024

Cost: R 19 655 000.00

- Rehabilitation of Settlers Way- The project is at construction stage with the addition of a 3rd lane in each direction, with total length of 7,8 km and 2.2km of Military Road to be constructed.

Start Date: 01 May 2021

End Date: 21 June 2024

Cost: R 416 832 000.00

replacement. There is a significant backlog in the maintenance and upgrade of the existing stormwater drainage systems in the city. There is an urgent need to make additional funding available to replace/rehabilitate and upgrade the stormwater network. The need for improved stormwater drainage systems is increasingly important due to changing climatic conditions due to Global Warming (Severe Drought and Severe Flooding).

The ingress of solid waste into the stormwater system is also a cause of many system constraints, due to the frequent blockages and increased maintenance required to keep the system clear.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

Current State

Roads

The Buffalo City Metropolitan Municipality roads network is one of the city's most valuable assets and is a key component to the functioning of the city by providing access and mobility for the provision of services and the movement of goods and people for economic and recreational activities. A large percentage of Buffalo City Metropolitan Municipality's (BCMM's) road infrastructure is old, rapidly deteriorating and has passed its design life of 20 years.

(BCMM) roads branch is responsible for the rehabilitation, upgrade and maintenance of all existing BCMM owned roads, sidewalks, guard rails and street name signs within the BCMM area. The roads network is made up of ± 3321 km of surfaced and gravel roads network. The surfaced roads network which includes Asphalt, Concrete and Block Paved Roads consists of ± 1692km of roads and a Gravel roads network of ± 1629km.

- Buffalo City Metropolitan Municipality was severely affected by heavy rainfall and widespread flooding in June 2024. Many areas of the metro experienced damage to property and municipal infrastructure in the areas of King Williams Town, Mdantsane and East London. The areas most affected were low lying areas, and informal settlements. Much of the damage was to roads and stormwater infrastructure with large quantities of debris being deposited in the stormwater system, damage to drainage infrastructure and erosion of large culverts.

Valazonke Programme

The Buffalo City Metropolitan Municipality launched the Valazonke Pothole Patching Programme to address the scourge of potholes throughout the Metro. The programme was launched by the Executive Mayor on the 29th of August 2023 with the aim of addressing the issue of deteriorating roads and the increase in number of complaints from the public and ratepayers regarding proliferation of potholes in and around the City.

The roads network is in poor condition with much of the road surfacing in the city being past its design lifetime, hence the frequency and increase in number of potholes. There is a need for extensive reinvestment in the existing road network in order to improve the overall condition and significantly reduce maintenance needs.

Valazonke programme actively tackles the pothole problem by ensuring our dedicated patching teams are continuously engaged in all the districts by patching potholes and promptly attending to related complaints.

The occurrence of potholes has a direct impact on road safety, and the operating and maintenance costs of vehicles. Regular pothole patching is of critical importance on extending the life span and maintenance of a safe riding surface of our road network.

Over the past few months, the department has encountered several challenges concerning the availability of asphalt material and plant the said hindered the operation of the Valazonke programme. Despite these obstacles, Buffalo City Metropolitan Municipality (BCMM) patching teams have patched approximately 17 576 potholes throughout the city in 23/24 financial year.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

In-house Roads Maintenance

Roads and stormwater department has a dedicated in-house team responsible for the regravelling and blading of roads in all three (Coastal, Midland and Inland) regions in ensuring that the roads are well maintained to provide a safe road for all residents and business community. In addition to regular maintenance work, our teams also attend to special requests like funerals, using our own plant and machinery.

Roads and Stormwater Master Plan

- Roads Master Plan (RMP) for the Buffalo City Metropolitan Municipality (BCMM) is required to ensure that future roads planning, gives due consideration for population growth and urban sprawl caused by previous developmental strategies. This RMP will incorporate population growth, economic development and spatial planning initiatives to develop a plan which gives due consideration to all these factors.
- The Roads Branch has a draft Roads & Stormwater Master Plan that was compiled in the 2018/2019 financial year. The draft roads and stormwater management plan is currently being reviewed and will be submitted to council for approval.

Pavement Management System (PMS)

- The Pavement Management System (PMS) which talks to all existing roads infrastructure, inventory, condition, remaining useful life, maintenance and rehabilitation needs was last undertaken in the 2012/2013 financial year. The contract for the updating of the BCMM roads and stormwater PMS was advertised in 2021, and the tender closed on the 29th of October 2021. The tender was subsequently evaluated and presented to the Bid Committees for approval. However, the tender was cancelled at the bid Adjudication Stage. The review of the PMS is currently at tender development stage. This system is critical for the effective planning and management of the roads network.

Roads Stakeholder interface

There is a need for the municipality to establish a functioning roads and transport planning forum within the municipality. Currently, we lack a dedicated platform that facilitates meaningful engagement with key stakeholders such as SANRAL and the Provincial Roads and Transport. The main purpose of the forum is to provide a structured environment where all relevant parties come together to discuss and align roads programmes within the Metro to ensure effective coordination of efforts towards improving our roads network infrastructure.

Although BCMM is responsible for all municipal proclaimed roads within the Municipal boundaries, there is other road authorities that operate within the BCMM boundaries namely:

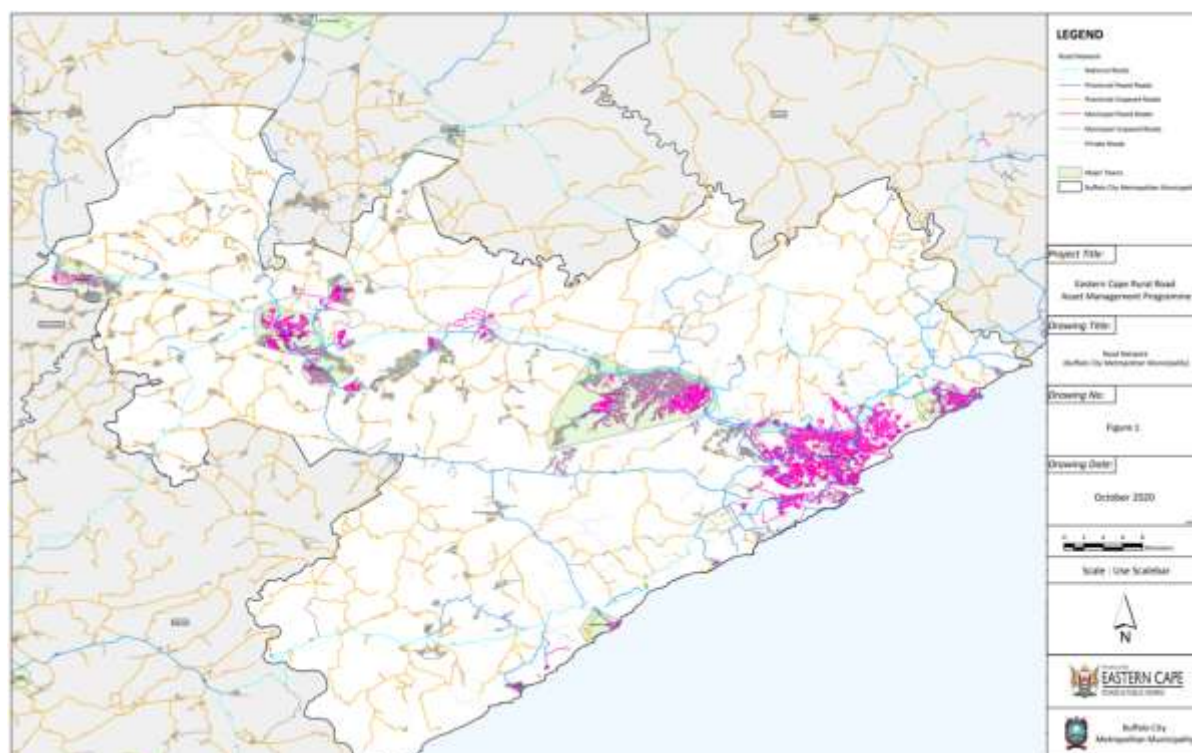
- Provincial Department of Roads and Transport which is responsible for 472km of surfaced roads and 1083km of gravel roads within the BCMM area.

There is ongoing engagement between the Provincial Department of Roads and Transport, and the Municipality regarding the maintenance of provincial roads within the metro. Many of these roads have a significant impact on the municipality as they are main roads that provide access to the residents of the Metro.

The Map on the below shows:

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

National Roads (Lite Blue)
 Provincial Surfaced Roads (Dark Blue)
 Provincial Unpaved Roads (Orange)
 Municipal Surfaced Roads (Pink)
 Municipal Unpaved Roads (Grey)



Critical Provincial roads that require urgent attention are listed below:

Road Name	Description	Challenge
Quenera Lagoon Rd: DR02721	The road is a gravel road approximately 4km in length.	The road takes a significant amount of traffic, especially from all the residential developments along the road. Province is unable to maintain the road to an acceptable level, and unable to upgrade the road to surfaced standard, and the residents are demanding a decent road. This has been reported to various government departments and the media by the residents.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

Buffalo Pass MR00504	The Road is a surfaced road, and is approximately 10 km in length from Woolwash Rd to the R72	The road is the only alternative link from the R72 through to Scenery Park and Amalinda. Without having to go through the CBD. The road is in a very poor condition and is in need of constant maintenance. This Makes the road dangerous to use and motorists are constantly logging complaints about the condition of the road.
Old Gonubie Rd: MR00686	The road is a surfaced road, and is approximately 3km in length.	The road takes a significant amount of traffic, as it is the only link between the Suburbs of Beacon Bay and Gonubie. An alternative for this would be to construct and onramp onto the N2 which will be very costly. The road Requires upgrading due to traffic and development in the area.
MR00216	The Road is a surfaced road, and is approximately 7 km in length from Gonubie Main Rd to the N2 interchange	This road is and access from Gonubie and beacon Bay through to the east Coast resorts area. It takes significant traffic volumes and goes through a light industrial area. The road requires localised upgrade and rehabilitation
Voortrekker Rd / Old King Rd (R102)	The road is a surfaced road, and is approximately 50km in length.	The road takes a significant amount of traffic, and is an alternative rdto the N2 linking Mdantsane, Berlin, and Qonce as well as a number of Villiages to the City. The Road requires resurfacing and major repairs.
Mount Coke Rd (MR00520)	The Road is a surfaced road. It links Qonce to the City center	The road requires localised rehab and resurfacing.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

Sunrise On Sea Rd and Kwelera Rd (DR02728 and DR02730)	The road is a surfaced road, and is approximately 2.6 km and 5.6km in length.	The road takes a significant amount of traffic, especially from all the residential developments along the road. Province is unable to maintain the road to an acceptable level, and unable to upgrade the road to surfaced standard, and the residents are demanding a descent road. This has been reported to various government departments and the media by the residents.
Schafli Rd (DR02730)	The Road is a surfaced road, which serves the areas of Cintsa, Glen Eden, Glen Gariff, Queensberry Bay Sunrise On Sea, Kwelera, Yellow Sands and is approximately 25 km in length from Gonubie Main Rd to the N2 interchange	The road is the only alternative link from the R72 through to Scenery Park and Amalinda. Without having to go through the CBD. The road is in a very poor condition and is in need of constant maintenance. This Makes the road dangerous to use and motorists are constantly logging complaints about the condition of the road.

SANRAL is responsible to manage and control the national road network and take charge of the development, maintenance and rehabilitation of national roads within the framework of governmental key policy.

- South African National Roads Agency Limited (SANRAL) which is responsible for all the National roads within BCMM such as the N2, N6 and R72.

There ongoing collaboration between SANRAL and BCMM in implementing various roads projects within BCMM. Some of the Projects currently underway within the BCMM region:

- N2 Green River to Buffalo River Qonce (King William's Town)
- N2 Breidbach and Belstone Interchanges
- N6 East London Aliwal North RRM R64,2 million

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

These projects are crucial for our communities as they involve the development and maintenance of National roads within the region of Buffalo City.

Storm Water

- The Stormwater unit is responsible for the rehabilitation, maintenance and upgrade of all existing BCMM owned Stormwater drainage and Bridges within the BCMM area. The existing infrastructure consists of ±70 Bridge Structures, ±21 000 manholes, kerb inlets, headwalls and ±615 km of pipe within BCMM.
- Heavy rainfall events experienced in December 2021, January 2022 and June 2024, and subsequent persistent rainfall events have highlighted the importance of an efficient well-maintained stormwater drainage system. It is during these events where a good drainage system ensures that emergency and essential services remain operational.
- The damage that can be caused by these flooding events can be catastrophic resulting in large scale damage to existing infrastructure, loss of essential services such as power, water and sanitation, and even the loss of life. It is essential that major and minor stormwater drainage infrastructure received adequate attention to ensure that it is functioning optimally even during periods of drought.
- Shifting weather patterns has made it very difficult to try and predict future weather events as historical weather data less reliable. This has been demonstrated by a notable increase in extreme weather events such as heavy rainfall and storms. Typically dry periods can become periods of flooding, while the seasonal rainy periods can become a period of drought. The flooding in KZN, the Drought in Gqeberha, and the Flooding in Mdantsane and East London bear witness to that.
- It has become increasingly evident that the current capacity of our stormwater drainage system is insufficient to accommodate water during heavy rainfall, which in turn poses a significant risk of causing damage to our roads and surrounding infrastructure. Therefore, it is important that more funding be allocated towards rehabilitation and upgrade of our stormwater drainage network, by investing in the improvement of our stormwater drainage system, the municipality can mitigate the potential risks and damages that may arise in our stormwater drainage. These were also recommendation from National Disaster Management for serious consideration in our stormwater water drainage infrastructure, also as part of disaster risk reduction measures.
- The Roads and Stormwater Branch currently has an operating budget of
- R 9 502 373.00 in the 2024/2025 financial year for the maintenance of stormwater infrastructure, and a capital budget of R 2 500 000 for bridges and stormwater.
- The department currently undertakes the clearing of stormwater systems on a continual basis, through the jetting of pipes and clearing of inlet and outlet structures

Action Plans

- Roads Provision Program: This is an ongoing program aimed at addressing surfaced roads renewals and resurfacing within the metro whereby there is annual resurfacing and rehabilitation projects undertaken by the Roads Branch.
- Rural Roads Program: This program is an annual rural roads regraveling program to improve the condition of the rural roads network.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

- Bridges and Stormwater Rehabilitation program whereby there is renewals and rehabilitation of existing stormwater and bridge infrastructure as well as limited upgrades.

BCMM MAJOR ROADS REQUIRE ATTENTION

PROJECT NAME	DESCRIPTION	ESTIMATED CONSTRUCTION COST	CURRENT STATUS
Amalinda Main Rd Resurfacing	Localised Rehabilitation and resurfacing of Amalinda Main road.	R 30 000 000.00	Funding Required
Wool wash Road resurfacing and intersection upgrade	Resurfacing and Intersection upgrade at the Mdantsane Access Rd intersection	R 25 000 000.00	Funding Required
Union and Western Ave	Localised rehabilitation and resurfacing of portions of Union and Western Avenues.	R 15 000 000.00	Funding Required
Fitchet Road Resurfacing	Localised resurfacing of Fitchette Rd	R 3 000 000.00	Funding Required
Gately Street Resurfacing	Resurfacing of Gately St	R 8 000 000.00	Funding Required
Frere Road and Donald Resurfacing	Localised Rehabilitation and Resurfacing of Frere Road and Donald Rd	R 6 000 000.00	Funding Required
Jan Smuts Ave Resurfacing	Localised Repairs and Resurfacing of Jan Smuts Avenue	R 6 000 000.00	Funding Required
Strand Steet and Bank St Resurfacing	Rehabilitation and resurfacing of Strand Street including Stormwater Upgrade and resurfacing a portion of Bank St	R 10 000 000.00	Funding Required
Billie Road Rehabilitation	Rehabilitation and resurfacing and upgrade of Stormwater	R 20 000 000.00	Funding Required

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

Postdam Unit P Main Roads	Road Rehabilitation and stormwater upgrade Potsdam	R 7 000 000.00	Funding Required
Beaconsfield Rd Rehabilitation and Resurfacing	Localised road rehabilitation and drainage repairs and resurfacing	R 6 000 000.00	Funding Required
Gonubie Internal Roads	Upgrade of roads and Stormwater drainage in Gonubie	R 350 000 000.00	Funding Required
Chamberlain Rd Resurfacing	Rehabilitation and resurfacing	R 10 000 000.00	Funding Required
Beach Rd Resurfacing	Road Resurfacing	R 8 000 000,00	Funding Required
Bonza Bay Rd intersection upgrades and resurfacing	Localised road rehabilitation Intersection Upgrades and drainage repairs.	R 35 000 000.00	Funding Required
Olympic Ave Resurfacing	Road Repairs and Resurfacing	R 6 000 000.00	Funding Required
PROJECT NAME	DESCRIPTION	ESTIMATED CONSTRUCTION COST	CURRENT STATUS

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

Rehabilitation and resurfacing of Kingsway and Queens Street	Rehabilitation and resurfacing of the roads and intersection upgrade	R 20 000 000.00	Funding Required
Resurfacing of Rosedale Rd	Road Resurfacing	R 12 000 000,00	Funding Required
Resurfacing of Bauhinia Drive	Road Resurfacing and Drainage repairs and rehabilitation	R 10 000 000.00	Funding Required
Resurfacing of Colley Ave	Road Repairs and resurfacing	R 7 000 000.00	Funding Required
Resurfacing of Osmond and Dick King Rd Wilsonia	Rehabilitation and resurfacing and upgrade of Stormwater	R 20 000 000.00	Funding Required
Resurfacing of Greenpoint Rd	Road Rehabilitation and stormwater upgrade Potsdam	R 10 000 000.00	Funding Required
Resurfacing of Falkland Rd	Localised road rehabilitation and drainage repairs and resurfacing	R 8 000 000.00	Funding Required
Resurfacing of Alphen Rd	Road Rehabilitation and Resurfacing	R 12 000 000.00	Funding Required
Resurfacing of Windyridge and Parkridge Rds	Rehabilitation and resurfacing and upgrade of Stormwater	R 20 000 000.00	Funding Required

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

PROJECT NAME	DESCRIPTION	ESTIMATED CONSTRUCTION COST	CURRENT STATUS
Resurfacing of Wodehouse Str	Road Repairs and resurfacing	R 8 000 000.00	Funding Required
Resurfacing of Joubert St	Road Repairs and resurfacing	R 10 000 000.00	Funding Required
Resurfacing of Queens Rd and Albert Rd	Road Repairs , drainage repairs and resurfacing	R 20 000 000.00	Funding Required
Road Resurfacing and Drainage Zwelitsha Main Rds	Road resurfacing and stormwater upgrade	R 25 000 000.00	Funding Required
Resurfacing of Rharhabe Rd and Ngqika Ave Bhisho	Road repairs and resurfacing	R 12 000 000.00	Funding Required
Rehabilitation and Resurfacing of Mdantsane Main Rds	Localised road rehabilitation and drainage repairs and resurfacing	R 35 000 000.00	Funding Required
Resurfacing of Scenery Park Main Rd	Road Resurfacing and Drainage upgrade	R 15 000 000.00	Funding Required

KFA 23: Energy Supply Efficiency

Buffalo City Electricity Department with an Asset base in excess of R 5,7 billion supplies more than 140 000 customers in an area covering approximately 2 500 square kilometres. Electricity for the main supply to the Metro Region is purchased at mainly 132 000, 66 000 and 11 000 volts from 13 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 within the BCMM NERSA licensed area of supply. 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

The municipality must reflect on National Energy Regulator of South Africa (NERSA) licensing.??

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

The 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 to date in this financial year 328 household received electricity for the first time, improving their living standard. The continued electrification of RDP houses to ensure that the backlog in terms of universal access refers to electrification of new formal RDP dwellings sits around 1 to 2 %, with only recently built dwellings been unelectrified. These dwellings are usually electrified within in one or two years of the housing project being completed.

Electrification of Informal Dwellings

Informal settlements are an urban reality and will be the only form of housing available to many residents. To improve the quality for residents of these settlements, Council took a decision that settlements meeting specific requirements in line with an approved Standard Operating Procedure (SOP) will be provided with interim electricity services. The approved SOP process proceeds through Spatial Planning and Development / Human Settlement Phase, thereafter electricity will be in a position to commence with the electrical Planning Phase in line with the OHS Act. Since 2012 BCMM have implemented electrification projects in informal settlements the original backlog of informal dwellings was estimated at 45 000 over the years this has been reduced to 37000. Note: Due to land invasion and expansion of informal settlements this is a very low estimate as the number grows daily

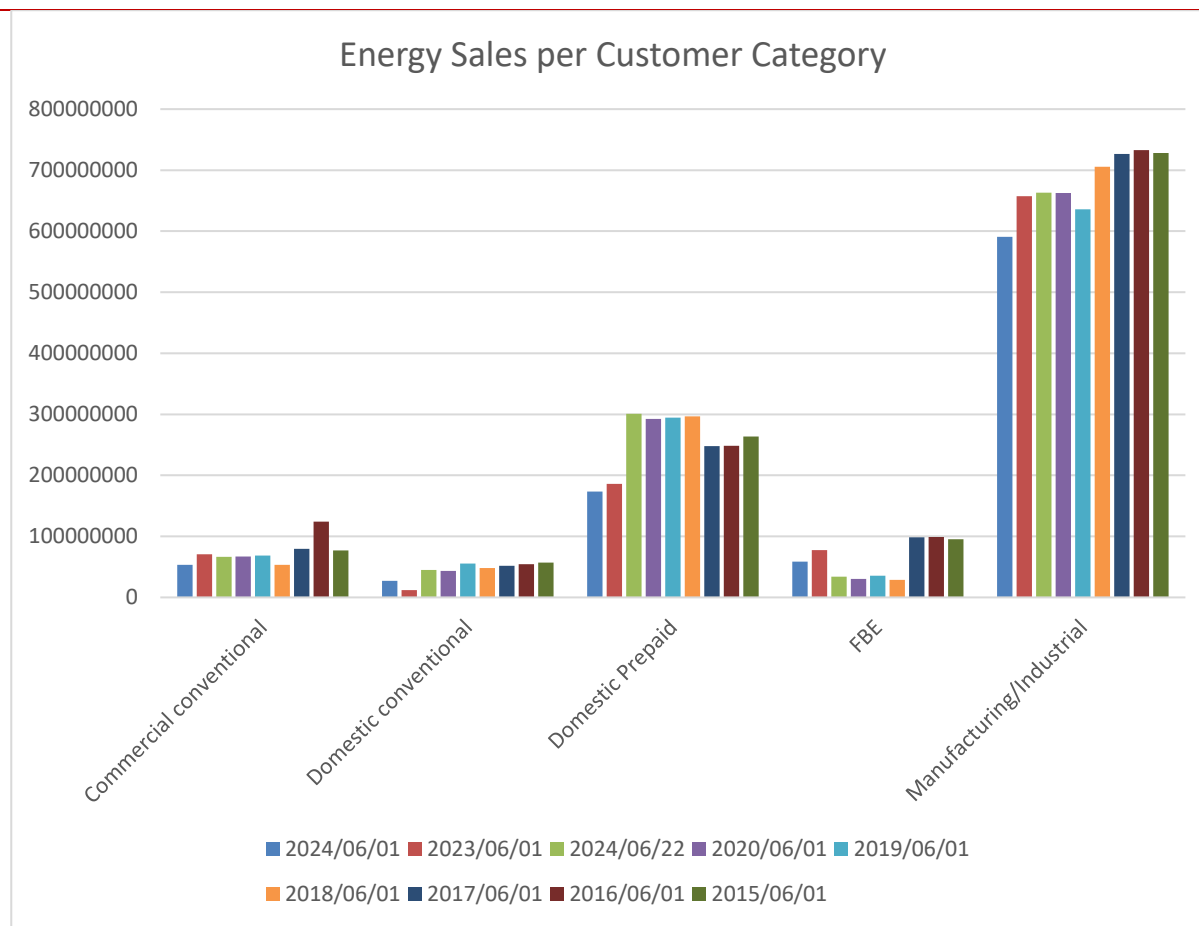
Upgrading, refurbishment and replacement of the electrical equipment:

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. This program is being affected by the excessive vandalism, theft and illegal connections taking place in the network, as restoring the network to safe working condition always take precedent over normal programs

Industrial Customers

Changes are taking place in the electricity generation landscape, primarily due to Eskom's inability to provide adequate bulk generation capacity. The outcome has been the introduction of Demand Side Management, loading shedding and the rising costs of electricity. In response to this market failure, businesses, have installed, small scale embedded generation (SSEG) resulting in reduced revenue. This can be seen in the reduced overall Kilowatt hours sold.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY



BCMM should look at other option to secure supply to industrial consumers as they as the lifeline of the electricity business, the electricity industry in changing to ensure customer satisfaction a secure electrical supply is required.

BCMM has seen a loss of a number of industrial consumers, with very few new industrial connections.

BCMM will need to become energy sufficient to attract and keep its industrial consumers

Customer Care

The electricity department is required to have a 24-hour customer Service centre for reporting loss of service. In terms of license conditions all fault should be resolved within 24 hours. While every effort is made to ensure this timeline is met several issues affect the department ability to achieve this timeline

- Availability of vehicles
- Inadequate staff
- Material availability
- Continuous vandalism and theft.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

Consumers have a number of ways they can contact the call centre:

- Via telephone
- street light app
- What's app

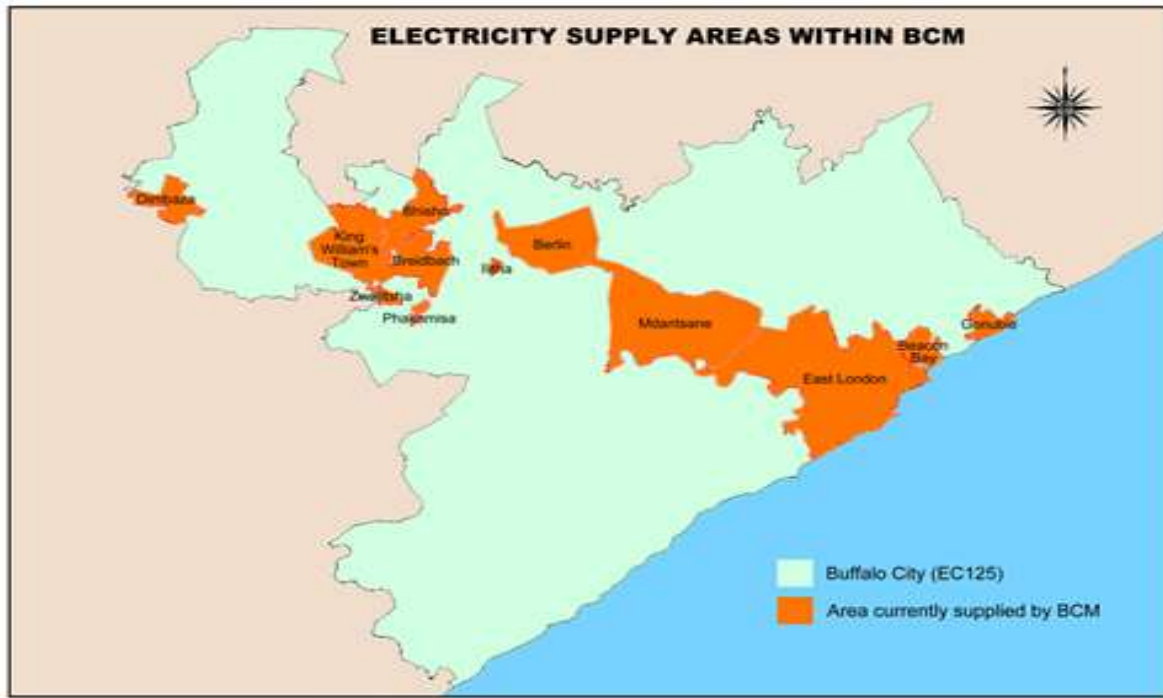


Figure 101: Electrical Supply Areas within BCM

Having an electrical Asset base in excess of R5,7 Billion, BUFFALO CITY METROPOLITAN MUNICIPALITY is an implementing agent for the Department of Energy's (DoE) Integrated National Electrification Program (INEP) which seeks to provide universal access to energy to all citizens. Currently the energy mix is depicted as follows:

- Private solar usage on roof tops: BCMM require all private consumers to register their roof top installation with BCMM Electricity Department, as BCMM must report all embedded generation to NERSA, as well as for network safety purposes. BCMM allow infeed onto the network and are piloting the infeed tariff and the accounting of the energy.
- BCMM is in the process of appointing a transactional advisor for the installation of 2 x 15 MW battery units on the West Bank
- Other sources of energy such as Hydropower, Wind energy, Large scale Solar generation, gas and any other potential sources, will be considered either through an extension of scope of work for the transactional advisor or a new tender

To meet its mandate in terms of its issued licences, the department has three distinct business unit, with the mandate to ensure that the electrical network is well maintained and provides an acceptable electrical service to all paying consumers.

- Development, Contracts and Asset Management,
- Operation and Maintenance

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

- Customer and Revenue Protection Services The divisions' 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, protection 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.

- Development, Contracts and Asset Management:
 - Investigate, design and upgrade existing electrical network
 - Replacement of capital equipment when required.
 - Provide a project management service on installation done by Developers
 - Inspect work completed on the maintenance schedule
 - Update and maintain electricity department Asset register.
 - Electrification of formal and Informal dwellings to meet Governments policy of access to all.

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, investigating any illegal act which may affect the municipal electrical network, developing and design of electricity tariffs and both fraud and non-ferrous investigations .

- Installation of new service connections
- Repairs and replacement of non-functioning meters
- Inspection of meters
- The financial recovery of lost or stolen revenue
- Removal of illegal connections
- Investigation of internal fraud matters, electricity theft, non-ferrous metals crimes and associated vandalism and illegal connections
- Provide advice and information to consumers for the provision of electricity service,
- Implementation of cost reflective electricity tariffs
- Improve the cash flow income of the city

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 planned and preventative maintenance
- Provide a 24-hour standby service is provided to consumers

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

- Electricity Regulation Act, (Act No. 4 Nof 2006)
- Municipal Finance Management Act No.56 of 2003
- Occupational Health and Safety Act

- Electricity master has been reviewed outstanding information is the electrification plan based on HS input.
- Energy audit / Alternative energy strategy: this will be included in the Master Plan
- Electricity Turn Around Strategy preparation for introduction of trading services
- Risk Assessment

Progress & Achievements 2024 to date

- Electrification (Infills and extensions) in various wards throughout the City R15, 715, 786
- Installation of 6 x High Mast lighting structures in various areas at a cost of R4, 464,087
- Further upgrade in a phased approach of the 132 kV Electrical Network of Stafford, Stoneydrift, Woodbrooke and Progress, this includes the ordering of 6 x 40 Mva transformers, SCADA (4IR) in throughout the City. Installation of monitoring equipment for control and network visibility, MV & LV Network in throughout the City in numerous Wards, Replacement, refurbishment of Medium Voltage & Low Voltage lines. Cost – R89, 915,740

Challenges

The major issues impacting on the electricity and Energy Services Department are listed below

- Theft and Vandalism of equipment
- Illegal connections, which damage the electrical equipment due to overload
- Funding
- Work Force

The above trend has impacted significantly on Buffalo City Metropolitan Municipality's revenue and will affect the continued electrical service to legal consumers, as essentially the service will be running at a loss unless extreme action is taken to reduce the non-technical losses.

VANDALISM AND THEFT

Vandalism and theft cause unnecessary budget to be spent on replacing equipment that was in good working order, this is necessary to ensure service is maintained to consumers. This work therefore takes priority over maintenance and capital work to ensure service delivery leading to deferred capital and maintenance projects

Vandalized Network

TAMPERING AND ILLEGAL CONNECTIONS

The actions of the illegal connectors have an effect not only on BCMM ability to provide an electrical service to legal consumers but leads too loss of revenue, damage to equipment and the electrical network.

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

If serious and decisive action is not taken by the Buffalo City Metropolitan Municipality council to halt the unchecked proliferation of illegal connections and illegal electrical networks unto the Buffalo City Metropolitan Municipality electrical network, the number of legal claims faced by BCMM will increase

ELECTRICITY BUDGETS:

Due to illegal connections, vandalism, and theft at least 90% or more of the budget is spent on this non-essential maintenance.

Deferred maintenance means the equipment is not maintained as it should be to avoid catastrophic failure.

Deferred maintenance puts stress on the capital funding, as these catastrophic failures require immediate replacement, which leads to deferred capital projects unless funding is made available.

Capital funding should be used to replace existing equipment which has passed its normal working life span or to upgrade the electrical network to allow for additional load for new consumers, as shown above funding is used to replace equipment if maintained would not need to be replaced.

Additional funding would assist in ensuring that the quality of supply and service of electricity network will remain at the required levels.

Work Force

In the preparation of the turnaround strategy it has been established that Electricity and Energy Department is estimated to be 60% understaffed which has led to excessive overtime.

Current State

- Electricity and Energy services mandate is to provide sustainable electricity and energy to all BCMM authorized electricity consumers in a reliable and safe manner.
- The license issued to BCMM requires the electricity department to comply with NRS 047 Quality of service and NRS 048 Quality of supply.
- To date all formal households in the BCMM license area have electricity connection. This includes more than 8000 informal dwellings which have been provided a basic supply of electricity.
- This service contributes to the achievement of the globally Connected City pillar of the Metro Growth and Development Strategy by ensuring adequate energy capacity for socio-economic growth.
- Buffalo City Electricity Department supplies more than 140 000 customers in an area covering approximately 2 500 square kilometres. Electricity for the main supply to the Metro Region is purchased at mainly 132 000, 66 000 and 11 000 volts from 13

STRATEGIC OUTCOME (SO3): A CONNECTED CITY

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 Metro had a total number of 6340 (2.33%) households with electricity for lighting only, a total of 235 000 (86.48%) households with electricity for lighting and other purposes and a total number of 30 400 (11.9%) households did not use electricity.
- The region within Buffalo City with the highest number of households with electricity for lighting and other purposes is East London Sub-metro Region with 83 800 or a share of 35.69% of the households with electricity for lighting and other purposes.
- The region with the lowest number of households with electricity for lighting and other purposes is Macleantown, Sandisiwe Sub-Metro Region with a total of 15 500 or 6.59% of the total households with electricity for lighting and other purposes.
- BCMM Electricity and Energy Services are preparing the Business Unit Turnaround Strategy in line with e National Treasury requirements.
- The Business Unit Turnaround Strategy must cover five conditions which need to be met to achieve and sustain service business.
 - Single point of management accountability
 - Turnaround in cash revenue
 - A financial surplus
 - Clearly defined relationship between the service and the city
 - Full financial transparency for the Electricity & Energy Service.
 - A clearly defined financial relationship between city and service.
 - Stronger financial incentives are needed to support the turnaround in trading services businesses

Action Plans

Implement electricity turnaround strategy.
 Appointment of a transactional advisor for Battery storage
 Implement mixed generation projects
 Implement asset and maintenance program

Strategic Outcome

4

**A SPATIALLY
TRANSFORMED
CITY**



SITUATIONAL ANALYSIS

1. STRATEGIC OBJECTIVE

To develop and maintain world-class infrastructure and utilities.

2. MUNICIPAL STRATEGIC ALIGNMENT MATRIX

The alignment between the SO, Strategic Objective, and KFAs is depicted as follows:

Table 93: Alignment between Strategic Outcome Four, Strategic Objective and Key Focus Areas

Strategic Outcomes	Strategic Objectives	Key Focus Areas
SO4: A Spatially Transformed City.	To develop and maintain world-class infrastructure and utilities.	KFA 24: Water and Wastewater
		KFA 25: Spatial and Urban Planning
		KFA 26: Sustainable Human Settlements
		KFA 27: Built Environment Management
		KFA 28: Urban, Rural, and Township Regeneration
		KFA 29: Property Management and Land Use
		KFA 30: Cemeteries and Crematoria

3. STRATEGIC PRIORITIES

The following strategic priorities applicable to this SO were identified during the 2023/24 IDP Review:

Table 94: SO4: A Spatially Transformed City (KFA 24–30)

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

KFA 24: Water and wastewater

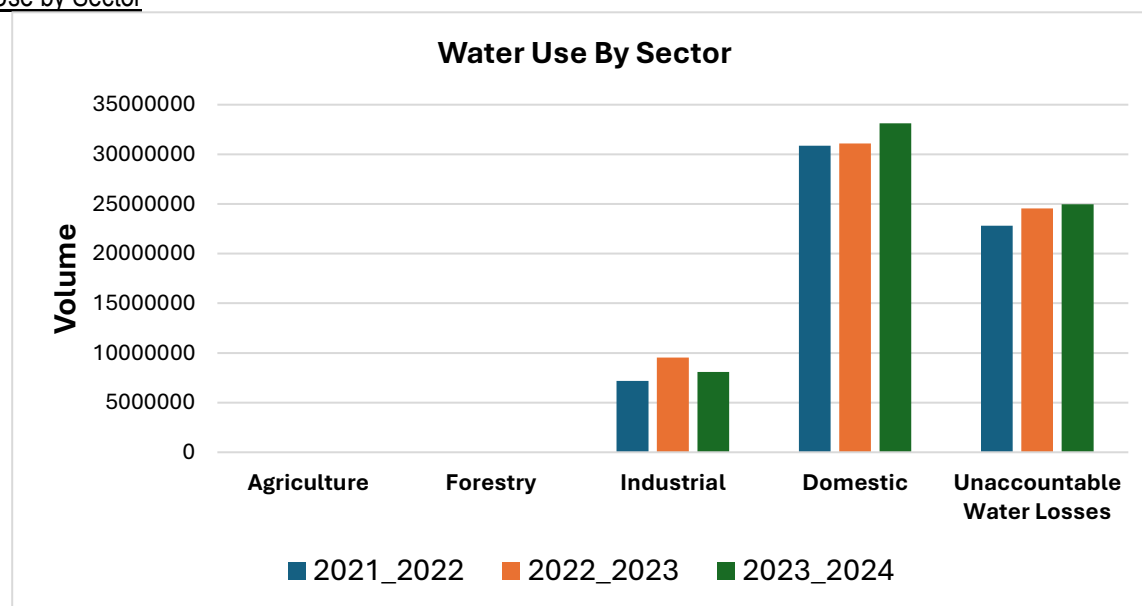
The Water Services Authority is responsible for the planning, design, construction, operations and maintenance of all water and sanitation services.

It performs a comprehensive function of directing the various divisions to plan their business, so they meet BCMMs overall goal of fully integrated development and with clear outputs that satisfy the Metro’s Strategic pillar “Spatially Transformed City” and objectives as espoused in the Council’s Integrated Development Plan which is directed by the long-term strategy in the Metro Growth and Development Strategy. BCMM is responsible for the treatment and reticulation of water to residents of City, while National Government, through the Department of Water and Sanitation, is responsible for bulk water supply and infrastructure. The City is part of the Amatola Water Supply Reconciliation Strategy (AWSRS), which is mainly getting its water from five major rainfall-fed dams. BCMM accounts for approximately 65% of water use in the AWSRS, with the remaining is used by other users such as agriculture and other nearby municipalities.

In doing so the unit has achieved progress to serve up to 95% of BCMM citizens with adequate sanitation, the 5% is currently serviced with communal ablutions at strategic locations in the informal settlements.

It is a legal requirement that a Municipality prepares a Water Services Development Master Plan (WSDP) to progressively ensure efficient affordable, economical and sustainable access to water and sanitation services that promote sustainable livelihoods and economic development. A new plan must be developed at least once every five years and updated as necessary and appropriate in the interim years. This is the document that guides/directs the overall planning of Water and Sanitation.

Water Use by Sector



The Amatola Water Supply 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 with the hope to delay it through the intense implementation of effective Water Conservation and Demand Management (WCWDM) and Effluent Re-use scheme. The metro has reliably provided 98.13% water supply assurance to communities. A total volume supplied in the 2023/2024 financial year is still within the average of about 5 million cubic meters. The municipality has prioritized water losses and Non-Revenue Water through implementation of a pipe and water meter replacement

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

programs which is also used as a infrastructure maintenance plan while treatment works & pump station uses Plant man tool. The programme is yielding positive results as we managed to maintain the non-revenue water at 37%.

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.

During the Blue Drop Certification last audit, with results published in 2024, BCMM received a score of 83% which is less than what is required to get certificate. This achieved score does not mean that the municipality water that is below the standard in terms of water quality. The quality of the water supplied to our consumers is above 95% compliance, and the municipality has achieved 99% water quality compliance with national standards (SANS 241) in the past four financial years consecutively.

The levels of service (LOS) for water services have been broken into two categories, with rural areas or households outside the urban edge and informal settlements supplied with communal standpipes based on RDP standard of access to water within 200-meter radius. Households situated within the urban edge are supplied with full pressurised water supply with erf connection. The municipality has also identified a few illegal water connections, particularly in the rural supply schemes to communities, and infrastructure vandalism is a major challenge. The municipality has installed water service points to informal settlements to ensure access to water services. Communities together with the Ward Councillors identify needs within informal settlements to which the municipality 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 households beyond the water metre. The municipality operates a 24-hour call centre every 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 service centres.

The municipality provides sanitation services to all its households in urban, peri-urban, and rural areas. The municipality maintains a waterborne system as a minimum level of sanitation services to urban areas and peri-urban areas, either through a reticulation system, or through septic/conservancy tanks as on-site sanitation in some areas not yet reticulated. Rural areas are serviced through Ventilated Improved Pit Latrines.

Currently, the reticulated wastewater network is served by 15 wastewater treatment works (WWTW), which include 5 Activated Sludge Systems, 5 Biological Trickling Filter Systems, 4 Ponds Systems, and a Marine Discharge System in Hood Point in the West Bank area. It is the municipal plan to decommission 3 wastewater plants due to their functionality and divert all the sewage to the upgraded Zwelitsha Regional Wastewater treatment plant. The status of the WWTW is assessed as fair with major upgrades required in few WWTW.

The municipality has a reticulation network of various pipe sizes, totally approximately 2442 km, with 97 sewerage pump stations and rising mains in some areas.

Progress & Achievements to date

- Water

- Eradication of Water Backlogs Programme in Wards 26,31,32,33,36, 40, 34, 36, 38, 35, 45: Water backlogs have been reduced to 5 032 households covering Ncera, Amahleke, Siyathemba, Newlands, Kidds Beach water supply schemes. Cost – 59.6 million
- Augmentation of Umzonyana Water Treatment Works for All Coastal and Midland Wards though located in ward 13 excluding West Coast rural areas and farms. Refurbishment of UWTW Eight (8) filter Units, associated pipework, completion of Electromechanical works to Buffalo River Pumpstation: Supply & Installation of 3 no New Pump motors, Refurbishment of cLarifier Set 1 , 3 4 mixers & VSD , refurbishment of Clarifier Set 2 & 5 , construction of a New Guard House, Refurbishment of Chlorine Building room, UWTW Plant Offices. Replacement of pipes between the Filters, Reservoir 1 , BRPS valve manifold, UWTW head of works , delivery cross connection valves on the pumping main and associated Pipework, Cost - 106.9 million Multiyear Project. (22/23 – 23/24 FY).
- Replacement of existing ageing Water Infrastructure for All Wards: On going multiyear programme. Cost - R170.1 million
- Eradication of Water Backlogs Programme: Bulk Water Supply to Coastal Areas, Phase 2H2,2 Bulk Pipeline Replacement Ncerha Village 7 Res to Ncerha Village 6/ Tsholomnqa take off, Cost – 19 000 000.00 Multi Year Programme. (22/23 – 23/24 FY).

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- Eradication of Water Backlogs Programme: Mdantsane Bulk Water Supply to Bufferstrip/ Needs Camp/ Ncera Villages: Remainder of Phase 5 Part 1A Construction of Approximately of 7.7 KM of 355 mm DIA in Ward 33. Cost – 48 352 770.03. Multi Year Programme. (22/23 – 23/24 FY).
- Water Conservation and Demand Management: Refurbishment of Bulk Meter & Pressure Reducing Valves at Various Sites throughout the City. Cost – R13 792 184.00. (22/23 – 23/24 FY).
- Pipeline & Water Meter Replacement in Bisho, KWT: Replacement of approx 5km of existing AC to various sizes of uPVC in College Street, Ginsberg, Alfred Symons, Midland Road, Beatrice Street, Alexandra Road, Chwayi Street & McLyntyre. Cost – R9 564 516.27. (22/23 – 23/24 FY).
- Bulk pipe & Water meter in Bisho, KWT: Relocation of Water meters in Polar Park & Phakamisa Valley, KWT. Cost – R579 195.40. (22/23 – 23/24 FY).
- Bulk-pipe and water meter replacement IN EL: Relocation of 300mm diameter watermain at King Phalo airport phase1 ,pipe replacement at Strand Street, Westbank, Queen Street & Robery street in Cambridge ,Cost – R8 300 000.00 (22/23 – 23/24 FY).
- Reservoirs, Pipe & W/Meter Repl Mdantsane: Change over leadings and meter relocation NU 8,12, 13. Cost – R3 000 000.00.
- Distribution Amahleke Water Supply: - Gravity water main from Reservoir 2 (Located in Nomgwadla village) to the delivery reservoir in Mdingi village. Cost – R9 250 000.00 Project commenced in October 2022.
- Dams AND Weirs - KWT & BISHO Infrastructure: Refurbishment of KWT Treatment works - sludge, holding Dam & drainage. Cost - R1 205 327.29. (22/23 – 23/24 FY).
- Upgrade Water Networks: Upgrading of bulk infrastructure to Newlands water supply scheme - consists of Construction of about 1,5km of 25mmUpvc & 315mm Upvc Pipeline with associated fittings in Newlands Phase 2A - Kwetyana Booster Pumpstation to Kwetyana Reservoir, Cost – R13 792 184.00. Multiyear Project. (22/23 – 23/24 FY).
- East Coast Reservoir: Design, Manufacture, Installation, Supply & Delivery of 2ML Steel Tank at Homeleigh Halt Reservoir In Nompumelelo, Cost – R6 100 000.00. Multiyear Project completed in June 2024.
- Alternative Water Supply: Continuation of Mdingi Bulk Water Supply Pipeline Replacement Amahleke Phase 1A, Cost – R6 000 000.00. Multiyear Programme. (22/23 – 23/24 FY).
- WATER SUPPLY -INFORMAL SETTLEMENTS COASTAL: installation of Infrastructure Phantsi Komthunzi Welanga, Westbank, Khayelitsha, Mzamomhle, Nompumelelo, Ducats, Fynbos informal Settlements, Completion of 3km length of cc class -sen bulk watermain from fort grey reservoir to bhompini village Cost 18 39 373.00, (22/23 – 23/24 FY).
- WATER MAINS-INFORMAL SETTLEMENTS INLAND: Installation of Standpipes, Inland ward 25, 37,38, 40, 41, 43 & 44,49, Cost 3 000 000.00, (22/23 – 23/24 FY).
- DISTRIBUTION MAINS- INFORMAL SETTLEMENTS MIDLANDS: Pipe replacement at Queen Street & Robery street in Cambridge, Strand Street, Westbank Cost 4 476 384.00 (22/23 – 23/24 FY).
- Wastewater
- Berlin sewer upgrade in Ward 45: Provision of conveyancing capacity to connect area serviced by conservancy tanks in the Berlin CBD to include capacity for future expansion of CBD to the value of R 25 million
- Bhisho, diversion of effluent from Schornville, Bhisho and Breidbach treatment works to the value of R 450 million
- Upgrading of Reeston Wastewater Treatment Works in Ward 13: Upgrading of Reeston Wastewater Treatment Works to 12ML/d to accommodate diversion of effluent from Central WWTW to the value of R 220 million
- Ablution Facilities to Informal Settlement in Wards 1,2,6,7,9,10,12,13, 14, 15, 16,17, 19,21, 23, 24, 28,29, 25: Provision of communal Ablution Facilities to Informal Settlements which include seats and associated water points to the value of R 25 million
- Rural Sanitation in Wards 17,22,24,25,26,27,31,32,33,35,36,37,38,40,43,44,45,49,50: Provision of Ventilated Improved Pit-latrines (VIPs) to rural communities in eradicating sanitation backlogs to the value of R 260 million
- Hoodpoint Outfall sewer in Wards 19,46, 31: Provision of the outfall sewer to the west bank wastewater treatment facility in compliance with NEMA. This includes refurbishment of the existing Hoodpoint WWTW. Cost - R25 Million
- KWT and Zwelitsha Phase 2 in Wards 25, 35, 37, 41, 44: Upgrading of Zwelitsha Wastewater Treatment Work to 15ML/d to accommodate

Challenges

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- Most informal settlements provided with water and toilets but the continued mushrooming of more informal structures in the urban core is putting pressure on the capacity of infrastructure to provide a reliable service.
- KWT no development due to bulk sewer challenges, Zwelitsha regional WWTW upgrade is underway
- Water capacity challenges in midlands rural, some inland urban areas and areas supplied via groundwater.
- Frequent water supply interruptions due to ageing infrastructure
- Inadequate water treatment capacity in Umzinyana Water treatment works - Umzinyana WTW currently operating at maximum capacity. Any maintenance activity results in production loss and water shortages, limiting development approvals and extension of water supply to some rural villages due to capacity constraints
- 95% of rural households have on-site VIP toilets but perpetual occupation of unregistered state or communal land in rural areas makes this a moving target.
- Limited operational budget to meet growing needs to keep infrastructure in high working order causing deferred maintenance and unwanted emergencies.
- Insufficient budgets for infrastructure recapitalisation and replacement.

Current State

Wastewater

- BCMM had a total number of 194 000 flush toilets (71.61% of total households), 43 000 Ventilation Improved Pit (VIP) (15.83% of total households) and 19 900 (7.32%) of total household's pit toilets.
- The region with Buffalo City with the highest number of flush toilets is East London Sub-metro Region with 71 100 or a share of 36.55% of the flush toilets within Buffalo City.
- The region with the lowest number of flush toilets is Macleantown, Sandisiwe Sub-Metro Region with a total of 12 100 or a share of 6.24% of the total flush toilets within BCMM.
- When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2008 the number of Households without any hygienic toilets in Buffalo City Metropolitan Municipality was 73 400, this decreased annually at a rate of -7.38% to 34 100 in 2018.

Water

- The regions within BCMM with the highest number of households with piped water inside the dwelling is East London Sub-metro Region with 47 100 or a share of 36.59% of the households with piped water inside the dwelling within BCMM.
- The region with the lowest number of households with piped water inside the dwelling is Macleantown, Sandisiwe Sub-metro Region with a total of 7 910 or a share of 6.15% of the total households with piped water inside the dwelling within BCMM.

Action Plans

- Augmentation of Water Treatment capacity
- Completion of Bulk Water Supply to Coastal areas
- Amahleke water Supply
- Bulk Water Provision- Replacement of existing infrastructure
- Bulk Sanitation Provision
- Diversion of Sewage from Central WWTW to Reeston WWTW
- Sanitation Backlog Eradication (Provision of VIPs to eliminate rural sanitation backlogs.)
- Undertaking further Phases of KWT WWTW
- Implementation of the WW Tunnel for Sewer Diversion
- Complete all water projects and provide connections
- Implementation of recommendations as per the feasibility study reports on alternative sources of water
- Implementation of Water Conservation & Demand Management Strategies.
- Addressing vandalism/theft & Illegal water connections in rural & Informal areas.

●

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

KFA 25: Spatial and Urban Planning

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

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

- **Millenium Development Goal 11** – Target 11.3 -Inclusive and sustainable urbanisation -
- **National Development Plan's** vision for spatial transformation – creating liveable, inclusive and resilient towns and cities while reversing the apartheid city
- **Integrated Urban Development Framework**- steering urban growth towards a sustainable model of compact, connected and coordinated towns and cities.
- **Spatial Planning and Land Use Management Act, 2013 (Act No.16 of 2013)** - Development Principles i.e
 - Spatial Justice
 - Spatial sustainability – promoting development in locations that are sustainable and limiting urban sprawl.
 - Efficiency
 - Spatial resilience
- **Eastern Cape Provincial Development Plan (2030): Goal 2** - An enabling infrastructure network

- Buffalo City Metropolitan Municipality Spatial Development Framework (SDF serves to guide and inform the Municipal Sector plans.
- Supports the development vision, objectives and strategies identified in the Buffalo City Municipality's Integrated Development Plan (IDP).

Progress & Achievements 2024 to date

- The BCMM SDF Review was approved by Council on 11 December 2020.
- Approval of Land Use Applications for All wards: A total of 1709 land use applications have been approved by the HOD: Spatial Planning and Development under delegated authority
- Approval of Township Establishments for All wards: A total of 439 sites were planned and created.
- A total of three (3) general plans were created which translate to 160 number of residential erven (freehold sites) to ensure secure tenure and facilitate the provision of infra- and top-structures. These numbers can be broken-down to each of the relevant wards as follows:
 - Ward 11: 54 residential erven for Ekuphumleni Informal Settlement
 - Ward 42: 54 residential erven for Ekuphumleni Informal Settlement
 - Ward 48: 52 residential erven for Z Soga Overspill
- Replacement of old lifts in various Municipal owned buildings with new lifts. Cost - R 8 000 000. Lifts have been installed to the City hall, Electricity House, Central Library, Old Mutual Building, Munifin Centre, Planning and Engineering Centre.

Challenges

- Departments do not implement or consider the information and proposals in the Spatial Development Framework (SDF) or the Local SDF's approved by Council.
- Pressure from developers, property owners and politicians to develop in areas which are not in line with spatial policies and which contribute to urban sprawl and fragmentation
- The challenge regarding the turnover time for land-use applications is being addressed by a weekly meeting with line departments to speed up the comments on applications circulated.
- Unauthorised land uses are problematic due to staff constraints and lack of a dedicated unit to deal with such. Although provision has been made on the Metropolitan organogram, the positions are still vacant and unfunded.

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- The constant increase in Informal Settlements and the pressure to formalize them. The numbers are too large to deal with and not sufficient capacity in Settlement Planning
- Illegal land invasions occur on the land when the Township Establishment process is underway. This delays the projects as the cadastral survey and installation of services cannot happen.
- Non-Implementation of Approved Township Establishments and/or General Plans means that projects have to be redone and this leads to fruitless and wasteful expenditure.
-

Action Plan

- Service Providers have been appointed in the 2024/2025 Financial Year for the Conceptual Framework Plans for the Quenera and the West Bank Mass Integrated Human Settlement Area as approved in the SDF Review for Council
-

Duncan Village Redevelopment Initiative

- Housing development in Duncan Village has started but progress is very slow.
- There is a challenge of mushrooming of informal structures and land unavailability in Duncan Village.

Subsidised housing units

- The provision of housing units is steadily making progress even though there are challenges caused by various factors such as delayed procurement processes due to budget shortfall as a result of responsive bidder's tender's offers being lower than the subsidy amount per unit.
- Housing Development Agency has awarded on major projects for the implementation of housings units and assassinated infrastructure services.

Formal sites serviced.

- Human Settlements Directorate is doing well in terms of providing services like roads, water and sanitation to individual sites.
- Since 90 % of the human settlements projects include/combine internal services provision to individual sites, the invasion of sites by non-project beneficiaries' results in delays in terms of continuation of work on site.

Beneficiary Registration

- The Human Settlement Directorate is providing and doing Beneficiary Administration as per accreditation level 1, the section is doing beneficiary registration in all housing projects implemented by the metro. People who are looking for housing opportunities are encouraged to register on the National Housing Needs Register (NHNR)/Waiting list.
- Currently, BCMM has ±114 500 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. Once they are registered and captured on the system they will wait on the

- Verification and Installation of Bulk Services at D-Hostel and Gompo Site
- Conclusion of the accredited Service Providers reservation process in terms of Municipal Finance Management Act Regulation section 14 .
- The upgrading of informal settlements through provision of incremental services is amongst our top priorities.
- Register all people looking for housing opportunities on National Housing Needs Register (NHNR).
- The section will register potential beneficiaries on the HSS system depending that funding/budget for the project is approved by Province and the project is loaded on HSS as for the beneficiaries to be approved and relocated to their completed houses.
- Review Allocation and Relocation Policy.
- Review of performance indicators for Housing Development Agency on existing MoU.

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

system until strategic well-located land and budget is available from National and Provincial Department of Human Settlement. Once land and budget are available the section will start to do informal structure and population survey, community engagement/mobilization beneficiary verification, formulation of master lists, registration of potential beneficiaries up until the beneficiaries are approved through HSS system and then after that they can be relocated to their completed houses.

KFA 26: Sustainable Human Settlements

In June 2024, Buffalo City Metropolitan Municipality was accredited to level 02, which implies that BCMM will now be allocated their HSDG direct instead of being compensated for value created by Province. The key role of the Human Settlements Directorate is the creation of Integrated Sustainable Human Settlements which do not only include the provision of housing and services, but rather ensuring that housing is within proximity to necessary social facilities such as health care, community centers, parks or sporting activities, a police station, etc. This ensures that residents have easy access to necessary services and would minimize the need to travel distances to reach these activities. Also, 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.

The Directorate is also involved in the following priority housing programmes:

- Emergency housing programme - Provision of the temporal relocation units (TRU's) and materials in urban and rural areas to the indigents and for dedensification and interventions in disaster affected informal settlements. Ziphunzana Bypass and Mtsotso Temporary Relocation (TRA) Projects and others.
- Upgrading of informal settlement programme (UISP)- This is an ongoing programme wherein currently there about 4 Informal Settlements being upgraded in BCMM in terms of providing Engineering Services prior the final upgrade and construction of top structures.
- Rural housing subsidy programme through (Provincial Department of Human Settlements (PDoHS) - This is jointly being undertaken by BCMM and Provincial Department of Human Settlements.
- Project Linked Subsidy Programme - Provide assistance with registration and screening exercise for the potential beneficiaries.
- Disposal of municipal housing stock - On-going disposal of municipal housing stock to previously disadvantaged incumbent in terms of issuing them title deeds.
- Social Housing Support Programme - Assist with provision of support and beneficiary list for projects though this is a provincial executed function.
- Consumer Education and Social Facilitation - Consumer Education is undertaken in informal areas and established settlements so as to outline different subsidy quantum and to outline subsidy qualification criterion.
- Beneficiary Administration - Undertaken after pre-screening exercise that is undertaken by Housing Practitioners.
- Relocation of approved beneficiaries to completed houses - One of the Job creation Activity as it undertaken by Local Labour and the beneficiaries
- Duncan Village Re-development Initiative (DVRI) - This is the Presidential Catalytic Programme which has the backing of the Inter-spherical Support of National and Provincial Departments of Human Settlements and BCMM
- First Home Finance and Subsidy Assistance (previously known as FLISP). This is the programme which offers down payment assistance in the form of a grant to qualifying beneficiaries, who are in a financial position to secure a home loan(mortgage loan) from a lender(bank) to acquire a home.

Alignment with the National and Provincial Plans and Policies

The Housing Act, 1997 (Act No. 107 of 1997)

- The National Housing Act of 1997 defines the roles of different spheres of government in relation to the delivery of housing in South Africa. In terms of the responsibilities of Local Government in relation to housing delivery it states (Part 4 Sec 9.1).

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- The Act defines the functions of national, provincial and local governments in respect to housing development and provides for financial arrangements for housing development. Furthermore, every municipality must as part of the municipality's process of integrated development planning take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to: -
Ensure that: -
 - The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis;
 - Conditions not conducive to the health and safety of the inhabitants of its area of jurisdiction are prevented or removed; and
 - Services in respect of water, sanitation, electricity, roads, stormwater drainage and transport are provided in a manner which is economically efficient.
- Set housing delivery goals in respect of its area of jurisdiction.
Identify and designate land for housing development.
This Act further creates the provision for all spheres of government to give priority to the needs of the poor in respect of housing development.

National Housing Code, 2009

- The purpose of the National Housing Code is to set out clearly, in one comprehensive document, the National Housing Policy of South Africa. National Housing Policy comprises an overall vision for housing of South Africa and the way in which this vision should be implemented. The requirements for the establishment of the National Housing Code are set out in Section 4 of the Housing Act, 1997 (Act No. 107 of 1997). This act requires the Minister of Housing to publish a code to be called the National Housing Code. The code must contain National Housing Policy and administrative guidelines, in order to facilitate the effective implementation of the National Housing Policy.

Breaking New Ground 'BNG', 2004

- This document suggests a number of progressive changes to the delivery of housing in South Africa. Since the documents approval in September 2004 a number of these suggested changes have been incorporated, the following is a summary of the major relevant shifts in housing delivery strategy currently being incorporated into policy based on this document.
- The new human settlements plan reinforces the vision of the Department of Housing, to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing.

Spatial Planning & Land Use Management Act (Act 16 of 2013)

- The Spatial Planning & Land Use Management Act (Act No. 16 of 2013) was signed into law by the President on 5 August 2013.

Whilst the Act is yet to be operationalised and much work needs to be done to prepare the different spheres of government for its use, the Act is to become the framework legislation guiding the practice of Spatial Planning and Land Use Management in South Africa in the future. As such, the Act is to be noted at this juncture.

Link to BCMM Strategies, Sector Plan(s) and Policies

- Buffalo City Metropolitan Municipality Spatial Development Framework (SDF)

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

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

Policies

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

Housing Allocation and Relocation Policy was approved by Council in November 2014 to address:

- Interference with Beneficiary Master list
- National Housing Needs Register
- Accommodate backyarders
- People with Special Needs
- Integrated Residential Development Programme (IRDP)

The Directorate will review the policy in 2025/2026 financial year in order to address the following amongst other issues:

- Housing Allocation gaps
- Clear qualification criteria
- Application of Housing Needs Register which promotes first come and first served basis in the context existing informal settlement upgrade
- Inclusion of destitute programme
- Enforcement of relocation upon approval of the beneficiary
- Relocation processes and procedures
- Relocation structures

Progress & Achievements 2024 to date

- The commencement of West Bank Restitution Project of about 950 erven/sites that are serviced with basic services such as water & sanitation, roads & stormwater at contract value estimated at R 77 million aimed to be completed before the end of 2025/26 financial year
- Reeston Stage 3, Phase 2 in Ward 13: 2500 Units and Associated Engineering Services. An amount of R89,6m spent to date, for provision of Engineering Services project implemented jointly with Province is still progressing whilst invasion of houses that were under construction is being attended to.
- Peelton Cluster in Ward 43: Construction of 598 housing units is progressing very well with about 155 completed housing units handed over to the rightful beneficiaries and 188 housing units construction to commence in Tyutyu before end of 2024/25 financial year, the total project value is estimated at R 123 million, the entire project to be completed before end of 2025/26 financial year.
- Mdantsane Zone 18cc in Ward 22: Provision of 1500 Top Structures and associated infrastructure basis services such as water & sanitation, roads & stormwater is progressing very about 125 houses are completed& handed over to the rightful beneficiaries, project contract value estimated at R267 million.
- Mdantsane Cluster two construction of Top-structures and associated infrastructure services such water & sanitation, roads & stormwater to 366 erven/sites ,is progressing while submission for home enrolment to National Builders Registration Council being attended , the project is estimated

Challenges

- Unutilised NHNR/Waiting list during project implementation.
- Allocation and Relocation policy not being implemented.
- The Directorate only focuses on upgrading of Informal Settlement rather than focus to also people staying on backyard dwellers, disabled people (special needs), senior citizens (Elderly) and child headed homes.
- A major challenge for the Metro has been the shortage of well-located and affordable land for housing provision.
- Illegal invasion of houses during construction phase
- Allocation of houses for non-qualifiers
- Bulk Infrastructure non availability further cause delays in developing land earmarked for housing development.
- BCMM's current budget allocation is not coping with major construction project on site spending on capital & operating budget grants. This is affecting the pace of housing delivery & associated infrastructure services on site badly to the extent of contractors having to suspend operation on site waiting to payment. There is an urgent need to adjust the budget allocation up especial given level 02 housing accreditation status of the Metro.

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

at R 57 million, both Mdantsane zone 18 cc & Cluster 2 projects are running in parallel and are planned to be completed in May 2027 subject to funding availability.

- Postdam Village Phase1 completed with 500 top structures fitted with water tanks. Phase2 of 300 top-structures is going to tender before end of this financial year with expected commencement period around Nov 2025.
- Cambridge West CNIP Victims construction of 275 top-structures and associated infrastructure services such as water & sanitation, roads & stormwater projects is progress well on site, with estimated contract value of R 110 million aimed to be completed before end of the 2025/26 financial year.

Current State

Duncan Village Redevelopment Initiative

- Housing development in Duncan Village has started but progress is very slow due to some form of resistance.
- There is a challenge of mushrooming of informal structures and land unavailability in Duncan Village.

Subsidised housing units

- The provision of housing units is steadily making progress even though there are challenges caused by various factors such as delayed procurement processes due to budget shortfall as a result of responsive bidder's tender's offers being lower than the subsidy amount per unit.
- Housing Development Agency has awarded on major projects for the implementation of housings units and assassinated infrastructure services.

Formal sites serviced.

- Human Settlements Directorate is doing well in terms of providing services like roads, water and sanitation to individual sites.
- Since 90 % of the human settlements projects include/combine internal services provision to individual sites, the invasion of sites by non-project beneficiaries' results in delays in terms of continuation of work on site.

Beneficiary Registration

- The Human Settlement Directorate is providing and doing Beneficiary Administration as per accreditation level 1, the section is doing beneficiary registration in all housing projects implemented by the metro. People who are looking for housing opportunities are encouraged to register on the National Housing Needs Register (NHNR)/Waiting list.
- Currently, BCMM has $\pm 116\ 000$ prospective beneficiaries contained in the National Housing Needs Register (NHNR). In respect of informal settlements, the BCMM has $\pm 80\ 000$ households who are residing in informal settlements. Once

Action Plans

- Verification and Installation of Bulk Services at D-Hostel and Gompo Site
- Conclusion of the accredited Service Providers reservation process in terms of Municipal Finance Management Act Regulation section 14.
- The upgrading of informal settlements through provision of incremental services is amongst our top priorities.
- Register all people looking for housing opportunities on National Housing Needs Register (NHNR).
- The section will register potential beneficiaries on the HSS system depending that funding/budget for the project is approved by Province and the project is loaded on HSS as for the beneficiaries to be approved and relocated to their completed houses.
- Review of performance indicators for Housing Development Agency on existing MoU.
- Allocation and Relocation Policy will be reviewed during 2024/25 financial year as to consider people who are captured on the National Housing Needs Register (NHNR)/waiting list.
- People that are contained on the NHNR are also encouraged through Consumer Education sessions/ Social facilitation exercise to consider other housing opportunities e.g. FLISP, Social housing and rental, Integrated Residential Development Programme (IRDP), Individual Subsidy.
- Implementation Plan of Integrated Sustainable Human Settlements Plan (ISHP) will be developed during 2024/25 financial year as to address the issue of land and housing delivery.

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

they are registered and captured on the system they will wait on the system until strategic well-located land and budget is available from National and Provincial Department of Human Settlement. Once land and budget are available the section will start to do informal structure and population survey, community engagement/mobilization beneficiary verification, formulation of master lists, registration of potential beneficiaries up until the beneficiaries are approved through HSS system and then after that they can be relocated to their completed houses.

KFA 27: Built Environment Performance and Management

Enhancing the performance and management of the built environment of the city seeks to ensure that existing resources and assets are managed, maintained and further developed in ways that seek urban dividends. Optimising existing opportunities and nodes in the city is ensured through a strategic focus on investment within catalytic areas through the Catalytic Land Development Programmes (CLDP) highlighted in the IDP.

A renewed national focus on strategic infrastructure planning and delivery has promoted the Portfolio and Programme Management Approach introduced by National Treasury through the Cities Support Programme. The Cities Infrastructure Delivery Management System (CIDMS) and Catalytic Land Development Programmes (CLDPs) serve as guidelines and tools to augment and co-ordinate targeted infrastructure investment and service delivery within the BCMM. Planning, budgeting, and reporting reforms over the last couple of years have sought to implement spatial transformation through Grant Reform. In addition to the Urban Settlement Development Grant (USDG) and the Neighbourhood Development Partnership Development Grant (NDPG), the newly formulated Project and Programme Preparation Support Grant (PPPSG) assists the city to plan and prepare for improved infrastructure investment and delivery through investment in preparation of high impact and innovative infrastructure projects.

These investments seek to transform the Metro's built environment into a more compact, liveable, integrated, inclusive, productive and climate-resilient city. The ultimate impact of spatial transformation is anticipated to be; a reduction in poverty and inequality enabling more inclusive urban economic growth and improved quality of life.

The city is also exploring new models of collaboration through partnerships with national government and the private sector that will share the responsibility of managing and operating public infrastructure through the vehicle of Public Private Partnerships and Special Purpose Vehicles designed to more effectively manage revenue linked to projects initiated through innovative and blended financing models. An example includes feasibility studies currently being undertaken to develop Energy Battery Storage Facilities which will reduce imbalances between energy demand and energy production.

As the city focusses on implementation of its Catalytic Land Development Programmes and Projects, the Portfolio and Programme based Management approaches to implementation ensures strategic transversal coordination, planning and budgeting towards transformative interventions in the built environment. The City's Catalytic Land Development Programmes include the East London CBD and Inner-City Programme, the Mdantsane East London Corridor (MELD) Programme, the Mdantsane Urban Hub Programme, the West Bank Logistics Hub Programme and the Bhisho- Qonce (King Williams Town) - Zwelitsha Corridor Programme. In strengthening its economic outlook, the Metro has consciously and strategically pulled its economic nodes (Ntabozuko Economic Node, formally known as Berlin and Dimbaza Economic Node) which fell outside its integration zones though within strategic transport corridors and integrated them to its broader built environment development goals, future growth perspective and trajectory of the city.

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

National Development Plan (NDP)

Investment within catalytic nodes aligns to the NDP in terms of its national spatial transformation goals. A focus on investment within existing strategic areas close to jobs, housing and transport ensures the following:

- Reduced travel costs and distances,
- Prevention of further development of housing in marginal places,
- Increasing urban densities and reducing sprawl,
- Improved public transport and coordination between transport modes, and
- Shift of jobs and investment towards dense peripheral townships.

Integrated Urban Development Framework (IUDF)

The IUDF is a response to and builds on various chapters in the National Development Plan (NDP), more specifically Chapter 8 which deals with “Transforming human settlements and the national space economy” .

BCMM given its jurisdiction within a predominantly rural development context, the IUDF’ s emphasis on the rural-urban continuum and the ability of urban areas to respond to in-migration in a manner that optimises the urban dividend stresses the need to focus on poverty alleviation, job creation and the creation of more liveable settlements especially for marginalised and informal settlements within the metropolitan area. The spatial transformation focus of the BEPP through the principles of spatial targeting and related budgeting aligns with the four strategic goals and emerging none policy levers of the IUDF. The overall objective of the IUDF is to create efficient urban spaces by:

- Reducing travel costs and distances;
- Aligning land use, transport planning and housing;
- Preventing development of housing in marginal areas;
- Increasing urban densities and reducing sprawl;
- Shifting jobs and investment towards dense peripheral townships; and
- Improving public transport and the coordination between transport modes.
- Performance Outcomes of Government
- The New Growth Path
- Eastern Cape Provincial Development Plan (2030)
- Eastern Cape Provincial Spatial Development Strategy
- Eastern Cape Provincial Economic Development Strategy

A focus on the catalytic nodes within the existing built environment of the city is complementary to goals and objectives of the metro's other strategic documents, including the Metro Growth and Development Strategy which provides the strategic frame and vision for the city, the Municipal Spatial Development Framework, the Integrated Public Transport Network Plan, the Integrated Human Settlements Plan all of which align with and feed into the Integrated Development Plan and Budget.



Relationship with strategic documents (Source: BCMM Built Environment Performance Plan 2024-2025)

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

Progress & Achievements 2024 to date <i>Established Catalytic Programmes that form part of the strategic interventions of the city over the past few years include:</i> ▪ The East London CBD & Inner-City Catalytic Programme ▪ The MELD Corridor (Central) Programme ▪ Mdantsane Urban Hub Programme ▪ West Bank Economic Corridor (Port - MBSA - ELIDZ - Airport). ▪ Bhisho-Qonce-Zwelitsha Corridor ▪ Ntabozuko Node ▪ Dimbaza Node Phase 1 of the CLDP process which includes spatial targeting and planning have been successfully achieved through integration of CLD programmes into the SDF and IDP.	Challenges The current institutional arrangement in regard to CLDPs does not support the overall requirement and functionality of CLDPs as envisaged in the Catalytic Land Development Guideline of National Treasury. Although there are efforts to manage and to lead the identified Catalytic Land Development Programmes in BCMM. There is a lack of formal organisational and governance structures to manage the second phase or Phase 2 of the CLDP process. These include CLD Programme level feasibility and pre-feasibility studies and approved baseline documents which can be used to unlock funding and support for implementation of a wide range of implementation projects to enhance the performance of Catalytic Nodes. Key staff with the minimum and necessary experience and knowledge in the fields of built environment strategic thinking and portfolio, programme and project management need to be identified, trained and given the accountability and responsibility to manage the strategic part of CLD portfolio of programmes and projects as well as managing the programme preparation part of CLD programmes. This expertise stretches over the range of spatial planning, financial and budgetary determinations, knowledge of portfolio planning (identification of programmes and projects, evaluation thereof, selection, prioritisation and resourcing), multi sector multi-disciplinary programme management (which includes a multi-year approach and the target to achieve the planned outcomes and ensure benefit realisation) and understanding of project management as described in National Treasury' Framework for Infrastructure delivery and Procurement Delivery (FIDPM) and the Cities Infrastructure Delivery Management System (CIDMS). The institutionalisation of the above CLD project preparation through approved governance structures will result in a seamless interface between the strategic planning and implementation of catalytic projects on the ground.

KFA 28: Urban, Rural and Township Regeneration

The implementation of Urban, Rural and Township Regeneration should be guided by the Council approved Spatial Development Framework. The SDF serves to guide and inform all decisions made by the Municipal Council on spatial development and land use management in the area to which it applies.

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- National Development Plan: building a capable and developmental state: Improve relations between national, provincial and local government
- Integrated Urban Development Framework: The overall objective of the IUDF is to create efficient urban spaces by:
 - Reducing travel costs and distances;
 - Aligning land use, transport planning and housing;
 - Preventing development of housing in marginal areas;
 - Increasing urban densities and reducing sprawl;
 - Shifting jobs and investment towards dense peripheral townships; and
 - Improving public transport and the coordination between transport modes.
- Performance Outcomes of Government
- The New Growth Path
- Eastern Cape Provincial Development Plan (2030)
- Eastern Cape Provincial Spatial Development Strategy
- Eastern Cape Provincial Economic Development Strategy

- **Buffalo City Metropolitan Municipality SDF, 2013:** within the context of Buffalo City Metropolitan, urban renewal represents an opportunity to use existing infrastructure and, in places, existing buildings, to achieve strategic spatial development objectives such as densification of well-located areas; prioritisation of stagnating areas in strategic localities; and the regeneration of local social and economic opportunities by the upgrade of existing roads and infrastructure.

Progress & Achievements 2023 to date

- The Urban and Rural Nodes Regeneration Strategy is set to be developed during the 2019/2010 Financial Year. Not only will the strategy guide development proposals for the urban and rural nodes but will facilitate a needs-based provision of essential and quality services in the identified areas to benefit all citizens.
- The strategy will also provide a framework by which communities will be encouraged to actively participate in the development of their respective areas and ensure implementation of priority projects to respond to peoples' needs.
- Moreover, focus will be on provision of quality services to the people with a view to generally improving their welfare and quality of life. It is hoped the implementation of the strategy will also facilitate integration of urban and rural development programmes to create synergy and to bring about redress in especially the previously disadvantaged areas.

Challenges

- Development programmes have so far mostly focused on urban nodes thus neglecting rural nodal areas. The Buffalo City Metropolitan Municipality also acquired some new rural areas because of demarcation.
- This situation thus extended not only the boundaries but also placed extra financial burden in terms of service provision in general. Hence the metropolitan organogram incorporated the Urban and Rural Regeneration Department to integrate provision of quality services in the entire Metropolitan Municipal area.
- The Urban and Rural Nodes Regeneration Strategy will then incorporate the two components, that is Urban and Rural Nodes.

Current State

- Where the people of Buffalo City Metropolitan Municipality (BCMM) do not have the means to use private cars or public transport for daily transport to gain access to work, education and other activities the various forms of Non - Motorised Transport (NMT) become their only mode of transport. Non-motorised Transport facilities are currently being provided in Buffalo City. Rural areas and low-income areas, where pedestrian facilities are needed the most, are generally currently being rolled out.

Action Plans

- To develop an all-inclusive Township Regeneration Strategy to harness development and deliver quality services to improve the quality of life in the townships.
- The Buffalo City Metropolitan Municipality (BCMM) is working towards regenerating the CBD of East London & KWT by making movement by vehicle and pedestrianization a friendly priority.
- Ongoing coordination and pipelining of multi-sector and multi-funding projects (BCMM, Province, SOE's and Other) within Catalytic Programme Areas of the city.

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- Ongoing development of urban management initiatives within Catalytic Programme Areas of the city.
- Preparation of an Integrated Design Framework for Public Realm Upgrades in the East London CBD and Inner City. The above framework will identify and coordinate various interventions within the public realm of the East London CBD.

KFA 29: Property Management and Land Use

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

Alignment with the National and Provincial Plans and Policies

- Government Immovable Asset Management Act 97 of 2007
- Deeds Registries Act No. 47 Of 1937
- Expropriation Act No. 63 of 1975
- Upgrading of Land Tenure Rights Act No. 112 of 1991
- Restitution of Land Rights Act No. 22 of 1994
- Constitution of The Republic of South Africa No. 108 of 1996
- Housing Act No. 107 of 1997
- Prevention of Illegal Eviction from Unlawful Occupation Of Land Act No. 19 of 1998
- Municipal Finance Management Act No. 56 Of 2003
- Construction Industry Development Board Act No. 38 of 2000)
- Occupational Health and Safety Act No. 85 of 1993)
- National Building Regulations and Building Standards Act No. 103 of 1977
- National Heritage Resources Act No. 25 of 1999

Link to BCMM Strategies, Sector Plan(s) and Policies

- Land Restitution: The goal of the restitution policy is to restore land and provide other restitutionary remedies to people dispossessed by racially discriminatory legislation and price, 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: The purpose of the Land Redistribution Programme is to provide the poor with access to land for residential and productive uses, in order to improve their income and quality of life.
- Land Tenure Upgrading: Its purpose is to make 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 its authority in Section 25(6) of 1996 Constitution.
- Extended State Discount Benefit Scheme: The Extended State Discount Benefit Scheme is specifically dealing with all the beneficiaries prior to 1994 who were allocated houses by the previous regime. All the land rights are now being upgraded to full title.
- Land Management Policy for Buffalo City 2007
- Land Disposal and Acquisition Policy
- Supply Chain Management Policy and regulations

Challenges

1. **Lack of Repairs, Maintenance, Refurbishment, and Renewal for BCMM Buildings and Facilities Management assessment resulting in no Upgrading of Municipal buildings and Refurbishment of municipal buildings due to a lack of budget on CAPEX and Operating Budgets for both.**

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- a. Inadequate maintenance and repairs to the BCMM buildings will result in property damages leading to financial losses (repair costs). There is insufficient budget for maintenance of buildings in Council annual plans and Budgets.
- b. This is definitely very critical. BCMM is non complainant with
 - i. **Occupational Health and Safety Act 85 of 1993** Buffalo City Metropolitan Municipality is obliged to comply with Occupational Health and Safety Act 85 of 1993. Section 8 as per the Occupational Health and Safety Act 85 of 1993 states that “every employer shall provide and maintain, as far as is reasonable practicable a working environment that is safe and without risk to the health of his employees”.
 - ii. **MFMA Act of 56 of 2003**, Section 63 (1) (a): The accounting officer of a municipality is responsible for management of the assets of the municipality, including the safeguarding and the **maintenance** of those assets. The assets of a Municipality form part of the resources it requires to pursue its service delivery and/or business objectives. The accounting officer is also specifically tasked with the management, including the safeguarding and maintenance of all its assets.

2. **MANAGING AND CURBING LAND INVASION AND ILLEGAL OCCUPATIONS OF LAND WITHIN BUFFALO CITY METROPOLITAN MUNICIPAL AREA OF JURISDICTION**
 - Land Invasion refers, inter alia, to an illegal occupation of land by an individual or groups, whether to establish a settlement, business or both and any other land use which would be deemed illegal within municipal owned land or other privately-owned properties without the consent of the owner.
 - There are large tracks of land which have been invaded and in some areas such an act impact on municipal plans. In response to such illegal activities, steps have been taken by the BCMM to deal with any kind of invasion either proactively or reactively, these included but not limited to application of Land Management Policy, Interdicts and Court Orders, and as such these are documented.

PIE ACT

Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE Act) –Act 19 / 1998:

- Urgent amendment required if municipalities are to succeed in curbing land invasions.
- The City and other metros provided a comprehensive amendment bill to National Government on this matter.
- Places unnecessary burden on municipalities to provide alternative accommodation.
- Lack of a clear time period in which shacks can be demolished without a court order.

CATALYST OF UNLAWFUL LAND OCCUPATIONS (ULO)

1. Service delivery protest
2. Need for space
3. Opportunistic entrepreneurship
4. Proximity to alternative services
5. Political maneuvering
6. Economic Impacts of COVID 19 (Eviction from backyards)
7. “Gaming the system” (Awaiting temporary basic services)

BROAD CHALLENGES

- Judiciary systems and outcomes which favors land invaders due to current PIE Act.

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

- Lack of intelligence at a local level that would assist in identifying perpetrators.
- Delays in obtaining eviction/ court orders leads to uncontrolled land invasion.
- Difficulty in monitoring informal settlements which are not easily accessible.
- Mushrooming of shacks after hours or during weekends.
- Safety of staff when confronted by invaders who are often very violent.
- Burden on City to provide alternative accommodation as per current legislation when evicting from both State and private land.
- Unlawful sale of Council land
- Lack of intergovernmental intervention between the city and other state landowners within the municipal jurisdiction

Progress & Achievements July 2024 to date

LAND ACQUISITION OF VARIOUS ERVEN WITHIN BCMM WHICH ARE PRIVATELY OWNED

2023/2024

NO	OWNERSHIP	PROPERTY DESCRIPTION	PROGRESS
1	Chippa Training Academy	Portion 23 Farm 807 East London	Property has been duly registered in favour of BCMM on the 29 th November 2023. Purchase price: R12 500 000,00
2	Phumelele and Thobeka Motolwana	Remainder of Portion 3 of Farm 270(Msobomvu)	Property has been duly registered in favour of BCMM on the 7 th December 2023 .Held by Deed of Transfer No. T30997/2023. Purchase price: R1 800 000,00
3	Xoliswa Tabita Skhwebu	Erf 93 Mdantsane Unit 4 (JF Mati)	Property has been duly registered on 26 February 2024 in favour of BCMM. Held by Deed of Transfer No. T 3591/2024. Purchase price: R1 000 000,00

2024/2025

NO	OWNERSHIP	PROPERTY DESCRIPTION	PROGRESS

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

4	ADM	- Remainder of Farm 270 East London (Msobomvu)- - Remainder Portion 1 of Farm 270 East London - Remainder Portion 2 of Farm 270 East London - Remainder Portion 7 of Farm 270 East London - Remainder of Portion 8 of Farm 270 East London - Erf 406 (Cuba/ Eluxolweni) - Remainder of 412 (Cuba/ Eluxolweni) - Remainder of 414 (Cuba/ Eluxolweni)	BCMM appointed Makhanya Attorneys to facilitate transfer in favour of BCMM Letter requesting consent to install services sent to ADM in September 2024 .
5	Leo Trust	Ptn 4 Farm 303 (Newlands) now known as Erf 413	Awaiting valuation so as to negotiate with landowner. Meeting with landowner was held on 16 September 2024. Awaiting valuation report from valuations department. Owner to send coordinates of land is willing to send so as to incorporate in the valuation report.
6	Claremont Farming Pty Ltd	Remainder of Farm 302 Newlands	BCMM consulted the property owner. The property owner does not wish to sell the entire properties. The owner wishes to dispose the encroached property. The owner will submit to BCMM the co-ordinates of the portions to be disposed to BCMM whereafter BCMM is to conduct a market valuation.
7	Claremont Farming Pty Ltd	Remainder of Portion 2 Farm 302	
8	Cornelius Johannes Du Rand and Jeanette Catharina Rand	Erf 1236 East London (Amalinda Forest)	Meeting with land owner to negotiate was held on 30 Sept 2024. Owner confirmed that they have conducted valuation but the owner is not happy with the value and the owner requires BCMM to come up with a better offer than the valuation report received. <u>Solution:</u> BCMM to sought alternative land parcel for acquisition.
9	McClelland Centre for the Handicapped	Erf 24754 East London (Amalinda Forest)	Meeting with land owner representative (Mr G. Dreyer) on the 4 December 2024. BCMM await board meeting resolution for McClelland Centre which is scheduled for February 2025 whereafter negotiations will proceed.

STRATEGIC OUTCOME (SO4): A SPATIALLY TRANSFORMED CITY

10	Darren Roy Hanner, Jeanette Cathrina Du Rand and Cornelius Du randt	Erf 1238 East London (Amalinda Forest)	Meeting with landowner to negotiate was held on 30 Sept 2024. Owner confirmed that they have conducted valuation but the owner is not happy with the value and the owner requires BCMM to come up with a better offer than the valuation report received. <u>Solution:</u> BCMM to sought alternative land parcel for acquisition.
11	Slipknot Inv 74 PTY LTD	Farm 925/11	Council resolution in place. Await deed of sale from property owner.
12	ADM(Ward 50)	Farm 754(Tikinini)	An item was prepared for BCMM Council to accept donation from ADM.
13	Provincial Department of Public Works and Infrastructure	Erf 650 (Amalinda Forest)	A letter was submitted to the property owner requesting donation.

Action Plans

- Land Audit: Audit of municipal land and buildings - Project completed.

Strategic Outcome

5

**A WELL-
GOVERNED
CITY**



SITUATIONAL ANALYSIS

1. STRATEGIC OBJECTIVE

Promote sound financial and administrative capabilities.

2. MUNICIPAL STRATEGIC ALIGNMENT MATRIX

The alignment between the Strategic Outcome, Strategic Objective, and Key Focus Areas is depicted as follows:

Table 95: Alignment between Strategic Outcome Five, Strategic Objective, and Key Focus Areas

Strategic Outcomes	Strategic Objectives	Key Focus Areas
STRATEGIC OUTCOME 5 (SO5): A Well-Governed City	Promote sound financial and administrative capabilities	KFA 31: Risk Management
		KFA 32: Stakeholder Participation and Customer Relations
		KFA 33: Intergovernmental Relations (IGR) and International Relations (IR)
		KFA 34: Communications (Internal and External)
		KFA 35: Corporate Marketing (Branding)
		KFA 36: Revenue Management
		KFA 37: Expenditure and Supply Chain Management
		KFA 38: Budget and Treasury
		KFA 39: Corporate Asset Management

Strategic Outcomes	Strategic Objectives	Key Focus Areas
		KFA 40: Internal Human Capital and Skills Development
		KFA 41: Gender, Elderly, Youth and Disabled (Vulnerable Groups)
		KFA 42: Performance Management and Monitoring and Evaluation
		KFA 43: Fleet Management
		KFA 44: Employee Performance Management
		KFA 45: Human Resources Management
		KFA 46: Internal Audit

3. STRATEGIC PRIORITIES

The following strategic priorities applicable to this Strategic Outcome have been identified during the 2023/2024 IDP Review Process:

Table 96: SO5: A Well-Governed City (KFA 31–45)

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

KFA 33: Intergovernmental Relations (IGR) and International Relations (IR)

The primary goals of both international and intergovernmental relations revolve around fostering collaboration and cooperation. In international relations, this involves promoting peace, stability, and mutual understanding between nations, while in intergovernmental relations, it focuses on effective communication and coordination between different levels of government within a country. Development Cooperation, International Relations and Intergovernmental Relations focus on the implementation of development cooperation, international relations and intergovernmental, strategies and programs that creates awareness, improves organizational, social, cultural and developmental objectives and goals of the Metro through partnerships, agreements and engagements with local, national and international partners, donors and stakeholders. The aim is to leverage off strategic national, regional and international partnerships to improve municipal services and functions, attract resources, and improve skills. The attention should be directed into the world development agendas which shall include globalization and its impacts to the society, to the sustainable development goals, human security, gender equality, environmental conservations, human rights, etc.

International Relations

International Relations is a national function delegated to local government. Therefore, Buffalo City Metro is guided by South Africa's Foreign policy, government's apex strategy, the National Development Plan (NDP), which sets out a long-term vision that seeks to address the triple challenge of unemployment, poverty and inequality, and put South Africa on a path towards long-term development and prosperity.

In this regard, Chapter 7 of the NDP envisions an active role for South Africa in the region, the continent and the world. The country seeks to build strategic partnerships for development to advance its national interests and promote the enduring values that define the nation, namely democracy, human rights and good governance.

The country continues to pursue regional political and economic integration and promote Africa's development through sustained South-South solidarity and mutually beneficial relations with the North. The adoption of the strategy for the BRICS economic partnership is expected

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

to facilitate trade and investment, enhance market access opportunities and facilitate market interlinkages between the countries. The BRICS ' New Development Bank is expected serve as an instrument for financing infrastructure investment and sustainable development projects in the BRICS and other developing countries and emerging market economies

On a local level BCMM is also guided by the International Relations Framework. The framework which is aligned to the SA Foreign Policy looks at city to city partnerships and twinning with partner cities abroad. This Framework promotes partnerships across the world in ways which will ensure maximum learning, synergy and promotion of our national interest, including investment promotion.

The role of local government in IR has moved significantly from the symbolism of the past to meaningful interaction of mutual benefit with far reaching implications for the image of South Africa and the development agenda at a local government level i.e attainable economic benefits. In this regard it has been determined that the growing demands and complexity of South African municipal service delivery imperatives has impacted significantly on the range and depth of skills and competencies required from within the municipal economy thereby necessitating serious consideration of municipal international relations as an increasingly viable conduit for scarce skills and resources. BCMM in line with its developmental trajectory embraces its metro status however the demands on capacity and resources are still a challenge.

The aim of BCMM's partnerships with international cities and donors is to:

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

The outbreak of the Covid-19 pandemic in March 2020, found a vulnerable South African economy. In fact, at the time pandemic reached our shores, the South African economy had experienced two consecutive quarters of a recession. As a result, the Covid-19 pandemic deepened the economic crisis.

Since 2020, BCMM International Relations has taken its cue from the South African Economic Reconstruction and Recovery Plan and South African Foreign Policy by focusing on expanding its partnership network with not only sister cities or partners cities but with donor organizations, funding agencies and other international partners. The focus has been on:

- I. Water, Sanitation and Energy Security and Stability
- II. Digitalization
- III. Green economy interventions
- IV. Youth Interventions
- V. Upskilling of Employees
- VI. Localization of the Sustainable Development Goals
- VII. United Nations City of Literature Programme

Therefore, the Metro maintains its current partnership agreements and aims to seek out new partnerships to strengthen institutional capacity and obtain support for human resource and technical skills development and access to international aid and as well as funding for community development projects and programmes. A key focus of some of the current partnerships are on issues affecting not only Buffalo City but other cities in the world. These issues include matters of youth, human rights, climate change, service delivery and other development challenges facing municipalities.

Intergovernmental Relations

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The South African Constitution, 1996, puts emphasis on fact that, the three spheres of government are distinctive, interdependent and interrelated. In May 2014 the Buffalo City Metropolitan Municipality Intergovernmental Relations (IGR) Forum was launched. The IGR Forum was launched in terms of the Intergovernmental Relations Framework Act, 2005 (Act No.13 of 2005) which is located in Chapter 3 of the South African Constitution, 1996 which sets out the basic principles and values of co-operative government and intergovernmental relations.

Section 41 of the Constitution requires an Act of Parliament to:

- a. Establish and provide for structures and institutions to promote and
- b. facilitate intergovernmental relations; and
- c. Provide for appropriate mechanisms and procedures to facilitate the settlement of intergovernmental relations disputes.

The Forum's focus is:

- Unlocking of bottlenecks in government programmes and projects which hinder services to the community.
- Sharing information on government programmes for support, joint participation or sharing with communities; and
- Discussion on resources available to the Metro and the process of the accessing of the resources.

Therefore, IGR seeks to improve integrated planning with other spheres and agencies of government; engage Sector departments on issues and projects that are cross-cutting with BCMM; and jointly resolve challenges faced within wards on functions that are not part of BCMM responsibilities.

The IGR Forums hosted by BCMM takes its cue from the Intergovernmental Relations Framework Act, 2005 (Act No.13 of 2005) located in Chapter 3 of the South African Constitution, 1996, the basic principles and values of co-operative government and intergovernmental relations requires integrated planning across all spheres of governments. IGR Forum meetings are held at least 4 times a year with Sector Departments, State-Owned Enterprises and municipal departments. At the IGR Forum meetings, programmes of government are shared with all stakeholders; projects and funds for projects in BCMM from Sector and National Departments are reported on; challenges with service delivery or key assets e.g. the Port are discussed, IDP outreaches and timelines are provided so sector departments can participate, feedback from the Imbizos is shared for input, introduction of government models for implementation are communicated and general government information and concerns are raised and shared. In addition, BCMM also holds IGR Roundtable Sessions with Sector Departments and relevant BCMM departments to resolve issues raised in the IGR Forum meetings. Furthermore, BCMM also holds the IGR Core Group comprised of the OTP, COGTA and BCMM departments to discuss the agenda for the IGR Forums and also to look at approaches to resolve challenges that could be hindering the smooth coordination of IGR amongst all spheres of government.

The municipality is engaged in inter-municipal planning; however, this occurs across the municipality and there is no formal reporting by departments on these planning sessions. This needs more strengthening as the Buffalo City Metro is regarded as a regional hub and has a huge impact on its neighbouring municipalities and vice versa and more strategic sessions need to be held with neighbouring municipalities especially in the Amathole region, therefore the Metro aims to explore the establishment of a Regional IGR Forum.

Alignment with the National and Provincial Plans and Policies

- Section 152 and 153 of the Constitution of the Republic of South Africa (Act 108 Of 1996) legislates the developmental mandate of local government and outlines the need for cooperative governance.
- The Local Government: Municipal Systems Act (Act No. 32 of 2000) refers to the need for municipal planning, through the integrated development plans developed by municipalities, to be developmentally oriented in line with Sections 152 and 153 of the Constitution. Municipal Systems Act provides greater clarification regarding the legal nature, and the rights and duties, functions and powers, of municipalities. Particularly relevant for this Policy is Chapter 5 which concerns integrated development planning, which

Link to BCMM Strategies, Sector Plan(s) and Policies

- Metro Growth & Development Strategy (vision 2030): Which states that BCMM must continue to serve on IGR structures to enhance the flow of information and encourage participation with the City. This will be implemented, through identified systems for regular interaction (between BCMM and all its' publics/stakeholders
- The Buffalo City International Relations Framework/ Draft Policy (2008/2013): the document align BCMM's international relations and international development cooperation activities closely to the South African

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this Policy gives effect to in the sphere of external and international relations.

- The Local Government Municipal Finance Management Act 56 of 2003
- The White Paper on Local Government of March 1998
- Intergovernmental Framework Act 13 of 2005: The IRFA was passed in order to give effect to the principle of cooperative governance as enshrined in the Constitution. It is relevant for the purposes of the policy to the extent that it informs the manner in which high-level inter-governmental agreements are concluded.
- The South African Foreign Policy: The essence of South Africa's foreign policy is to promote and protect the interests and values of its citizens. The Foreign policy belongs to South Africa's people and;
 - It mirrors their long relationship with the international community
 - It reflects the rich tapestry of their international heritage
 - It demonstrates their desire to live in harmony with their neighbours
 - It signals their intent to contribute creatively to Africa's future
 - It beckons them to international service so that their country may fulfill its calling as a responsible global player
 - It summons all South Africans to think beyond the immediate, to reach towards the challenges of the approaching century.
- The National Development Plan: Vision 2030: Chapter 7 of the Plan specifically outlines South Africa's positioning in the world in terms of a global and regional context. The Plan highlights the need for promoting regional integration for a more competitive and fast-growing Southern Africa, trade integration, Tripartite Free Trade negotiations, strengthening economic diplomacy and building effective partnerships with private sector and state-owned enterprises.
- Operation Masiphathisane, an integrated service delivery model ie war rooms which sees to promote working together as government to ensure responses on the ground at ward and municipal levels take place.
- The District Development Model: The District Development Model (DDM) in South Africa is an integrated and collaborative approach designed to promote local economic development and improve service delivery across districts. The key elements and objectives of the DDM is Integrated Development and Local Economic Development. The DDM aims to break down silos between various government departments and levels of governance, fostering a more integrated approach to development. It focuses on driving economic growth at the district level by leveraging local resources, talents, and opportunities. The model encourages collaboration among local municipalities, provincial governments, and national departments, ensuring that development initiatives are aligned and coordinated. Engaging local communities in the planning and implementation process is essential to ensure that development initiatives meet the needs and priorities of residents. The DDM

foreign policy; Positions BCMM in the ongoing national discussion about the role of local government – and specifically municipalities – in the conduct of international relations, and actively engage with key stakeholders (eg DIRCO, SALGA, COGTA) in this regard; Ensure prioritization of BCMM's strategic priorities as outlined in the, IDP/Budget and LED strategy; Promote BCMM as an attractive location for investment and tourism.

- Draft BCMM International Relations Policy
- BCMM's Draft Intergovernmental Relations Framework (2024 – 2028)

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emphasizes the use of data and evidence to inform planning and decision-making, allowing for targeted interventions based on the specific needs of each district. Each district is required to develop a comprehensive development plan that outlines strategic priorities, projects, and resources needed for implementation. The model promotes strong intergovernmental relations, facilitating better communication and cooperation between different levels of government. The focus areas of the DDM includes Infrastructure Development, Social Development and Economic Diversification. The aim is to improve infrastructure, such as roads, water supply, and electricity, support economic activity and enhance service delivery, as well as address social issues such as education, healthcare, and housing. It further encourages diverse economic activities, including agriculture, tourism, and small business development, to create sustainable jobs and enhance local economies to improve the overall quality of life for residents.

Progress & Achievements 2024 to date

- **Cooperation on Water, Sanitation and Energy Security and Stability, in Germany**
- The partnership between the Province of Eastern Cape in South Africa and the state of Lower Saxony since 1995. Cooperation between the City of Oldenburg and Buffalo City Metro began in 2012. As part of a municipal climate partnership, the focus has been on renewable energies, environmental education and water management. The municipal climate partnership between the City of Oldenburg and Buffalo City Metro forms the basis for an innovative utility partnership between the Oldenburgisch-Ostfriesischer Wasserverband (OOWV), the Wupperverband and BCMM. This co-operation sets new standards in sustainable adaptation to climate change. The utility partnership has been in place since 2022. The partnership between the three water suppliers has a common goal, and that is to be better prepared for extreme weather events and implement sustainable adaptation projects to climate change. Some of the Projects from 2020 to 2025 have and will be implementing through the partnerships include the following:
 - **'Model project for the development of an energy-efficient wastewater treatment plant in East London which is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) through its funding programme for municipal climate change mitigation and adaptation projects (FKKP) from November 2023 to December 2026 to the value of R3 million. Technical support is provided by the Jade University of Applied Sciences and the German Aerospace Centre (DLR**
- BCMM is heavily dependent on the country's centralized power supply. Power cuts, which can last up to four hours a day, mean that the East Bank sewage treatment plant is also temporarily taken

Challenges

International Relations

- Donor Resources across the world is becoming scarcer. BCMM will need to make more deliberate efforts to access donor funding through its international partnerships. It would also need to ensure that all international projects are successfully coordinated, project led and completed to be seen as a credible recipient of donor aid. This will assist BCMM to seek out new partners to access donor funding.

Intergovernmental Relations

- There is still a need to bridge the gap in the planning process by having more data and information from Sector departments to ensure a more informed IDP. BCMM departments are all engaged in IGR processes with other spheres of government, parastatals, agencies however this is not reported on and therefore needs more mainstreaming. The IGR forum which is held four times a year to unlock bottlenecks and provide a platform for integrated planning still faces a major challenge which is non-attendance and poor participation of sector departments and internal departments in these Forums. This results in fragmented information shared and non-credible data and less synergy between government spheres.
- District Development Model:
 - Capacity Building: Ensuring that local municipalities have the necessary skills and resources to implement the DDM effectively.

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off the grid. As a result, untreated wastewater is released into nearby sea during the load shedding periods. The project aims:

- To reduce emissions and energy consumption at the East Bank sewage treatment plant by using energy-efficient and renewable technologies and to supply the plant with additional decentralized energy.
- **Water Operators Partnerships funded by German Federal Ministry for Economic Cooperation and Development (BMZ) implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to value of R6 million from May 2022 – June 2024.** Cooperation between the partners is based on an intensive bilateral exchange to jointly develop innovative solutions to the challenges of water management. Jointly since May 2022 four working groups have been established focusing on identified areas of cooperation, namely:
 - Drinking water treatment
 - Wastewater treatment
 - Environmental Education, as well as
 - Digitalisation and Data management
- **ecReUse – Enhancing Resource Utilization Efficiency in South Africa through Water Reuse and Sustainable Energy Production at Wastewater Treatment Plants Project** is funded by the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety, and Consumer Protection (BMUV) as part of the “Environmental Protection Made in Germany” program and is managed by “Zukunft – Umwelt – Gesellschaft” gGmbH to the value of R30 million and has a timeline from June 2024 to June 2026. The project which is located at the the East Bank wastewater treatment plant in the Eastern Cape, a region which prone to drought, focuses on improving water quality and sustainability by addressing aging infrastructure. Part of the solution to water scarcity is utilizing alternative water resources, such as municipal wastewater, which is largely independent of rainfall. Innovative treatment technologies can produce water of varying quality standards, conserving natural resources and reducing wastewater discharge, improving water quality. The ecReUse project in the Eastern Cape aims to improve water and energy security by reducing energy consumption in wastewater treatment, generating biogas, and purifying wastewater for safe industrial or agricultural use.
- **The Sister City relationship between BCMM and the City of Jinhua is regarded as one of the longest standing partnerships as it established in 1997. The partnership agreement was renewed in April 2024, agreed to focus on the following areas:**
 - Economic and Trade: To exchange information and collaborate in sectors such as textiles, automotive,

- Funding and Resources: Securing adequate funding and resources to support development initiatives is crucial for the success of the model.
- Monitoring and Evaluation: Establishing robust mechanisms for monitoring progress and evaluating the impact of development initiatives to ensure accountability and continuous improvement.

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agriculture, and other vital industries to strengthen trade relations and economic development.

- Cultural Cooperation: Engage in cultural exchanges, including delegations, performing troupes, and exhibitions, to promote mutual understanding and appreciation of our diverse cultural heritages.
- Educational Cooperation: We will facilitate exchanges in vocational education and training, fostering skills development and educational growth in both cities.
- Tourism Cooperation: Joint efforts will be made to promote tourism, including initiatives like Home-Stay programs in Jinhua's historical villages, which will enhance the tourism appeal of both cities. BCMM successfully paved the way for at least 20 students to participate in this programme since 2018.
- BCMM has participated in the 2024 China-Africa Forum on Economy and Culture in Jinhua and Zhejiang International Friendship Cities Exchange Exhibition in Yiwu. The Metro promoted and showcased the city at the event by having a stand at the event. The stand will be open to small business owners in the future to have access to international buyers and markets. City of Daqing

▪ **Renewing of Partnership with City of Daqing, China**

- In September 2000 the former East London Transitional Local Council signed an agreement with the City Daqing to cooperate in:
 - Economic and Trade Exchanges
 - Science and Technology Collaboration
 - Cultural and Educational Cooperation
 - Sports and Health Initiatives
 - Personnel Exchanges
-
- The partnership, however, was dormant until discussions were taken up between both cities in a digital meeting in May 2023 to renew the partnership agreement. In the discussions held between the Executive Mayor of Buffalo City and Deputy Mayor of Daqing, in August 2024 during the Premiers working visit to China, both cities agreed on the areas of cooperation and discussed including Tourism Cooperation, Agriculture and Agro-processing, and Youth Development as new focus areas.
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- BCMM also expressed interest in Cooperation of the Grand Prix Track in BCMM with Daqing Grand Prix Track. Both cities have racetracks, however Daqing City is successfully utilising this asset to grow the motor sport tourism sector. This expertise

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could assist BCMM benefit BCMM in growing its own motor sport industry.

▪ **Local Economic Development Skills Programme in China**

March 2024 the Local Government Sector Education and Training Authority Local Government (LGSETA) approached BCMM regarding a Skills development Programme with its counterpart the Chinese Cultural International Education Centre. The LGSETA provides an environment to facilitate the training and up skilling of various employees and people involved in local government structures, as well as unemployed South Africans. This entails creating and implementing a variety of skills development interventions such as, the Sector Skills Plan (SSP) and learning programmes aimed at local government employees and others working within the sphere such as traditional leaders and ward councillors.

The programme offered requires BCMM to select candidates for three skills development programmes for:

- Unemployed Young Graduates (TVET or Higher Education)
- Small Business Owners
- Municipal Management

The programme is for a period of 6 months in a Chinese City as selected by the Chinese Culture International Centre, commencing September 2024 to May 2025. BCMM has selected 21 participants in total to participate in the programme. The Project Outcomes include:

- At least 30% of the unemployed youth candidates to be employed in South Africa from the Chinese enterprises with roles in e-commerce and online business etc.
- At least 10% of the unemployed youth candidates become entrepreneurs and start their own businesses in the e-commerce sector.
- Incubate and grow all small businesses of the small business owner candidates.
- Dramatically improve the skills of South African municipal management and personnel.
- Invite investment from Chinese cities - at least one investment per South African city.

▪ **Localization of the Sustainable Development Goals through the Voluntary Local Reviews in Buffalo City Metro**

- In September 2023, BCMM was chosen as one of the five metropolitan municipalities by SALGA tasked with localising the Sustainable Development Goals (SDGs) through the Voluntary Local Reviews (VLRs). Through an active process of training, collecting data and drafting the report, the BCMM VLR report which was completed in mid-June 2024 and submitted on 25 June 2024 to the Department of Planning, Monitoring and Implementation for

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submission to the United Nations. The VL Report offers a comprehensive overview of BCMM's implementation of the SDGs. It serves as a localised counterpart to the National SDG Review produced by the Republic of South Africa (SA). The 17 SDGs are integrated and indivisible, balancing the three dimensions of sustainable development: economic, social, and environmental. From the perspective of the Municipality, the SDGs present an opportunity to approach development in a more conscious and deliberate manner, taking into consideration the needs, challenges, growth path, and expectations of the people living in the Municipality. This enables a focus on setting a long-term trajectory for sustainable development and making a meaningful impact on people's lives, ensuring that no one or place is left behind. The promotion of VLRs in South Africa is seen as a powerful tool to advance the localisation of the SDGs, stimulating and driving local action for their implementation. This process also strengthens coordination, cooperation, and institutional interaction between different levels of government, as encouraged by the DDM and One Plan processes. Through collaboration between national government and local authorities, the exchange of data, practices, and techniques on the implementation of the SDGs should be encouraged. BCMM is poised to review the 2024 submission and submit an updated report for 2025.

■ **UNESCO City of Literature**

- The UNESCO's City of Literature programme is part of the wider Creative Cities Network. The Network was launched in 2004 and now has member cities in seven creative fields. The other creative fields are Crafts and Folk Art, Design, Film, Gastronomy, Media Arts, and Music. On Tuesday, 31st October, Buffalo City Metropolitan Municipality was designated as a UNESCO Creative City of Literature. The announcement was made by the UNESCO Director-General, Ms Audrey Azoulay, on World Cities Day in Paris. In the country, Buffalo City is preceded by eThekweni Municipality, City of Cape Town, and Hermanus, designated in 2017 and 2019 for Literature, Design, and Gastronomy respectively. The Cities of Literature sub-network boasts a combined population of over 26 million, 1250 libraries, 130 literary festivals, and over 1200 bookshops. The bid was motivated by various international studies on literacy and language proficiency, consistently finding that children in the Eastern Cape province cannot read for meaning and rural boys are the most vulnerable out of 55 countries observed, with South Africa coming last; the bid is also recognition that

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Literature is often one of the underserved sectors in policy, infrastructure, and resource allocation in the city, and thus this becomes part of the City's post-pandemic economic recovery strategy in the literary arts. UNESCO has already called the first meeting with the Metro to discuss the use of the UNESCO logo and the development of a logo for the City of Literature for BCMM. In a bid for internal and external stakeholders to embrace the City of Literature concept and contribute to discussions and participate in opportunities offered by the award, Buffalo City Metro held meetings with internal departments and members of the literary, creative, and cultural industries in 2024 to come together to discuss and actively contribute to making the City of Literature a reality not only with the Metro but all citizens involvement. The programme is currently driven by the Local Economic Development Department and Libraries section by supporting Mtiza Arts Festival, programmes at the BCMM Libraries and supporting book launches of local writers.

Current State

- IR has taken on a new significance because of an increasingly interconnected world, allowing nations to cooperate with one another, pool resources, and share information as a way to face global issues that go beyond any particular country or region.
- The Covid-Pandemic saw sister cities providing support to Buffalo City Metro through the donation of masks and offering medical advice and support.
- The Provincial Government was also assisted during the crisis by its foreign counterparts. Contemporary global issues include disasters/ pandemics, terrorism, human rights, economy/trade/investment and the environment/climate change effects are of global interest and need to form an integral part of our international partnerships.
- Provincial Government has approximately 8 international partnerships across the globe.
- BCMM has 4 international partnerships in Germany, China and Sweden. Partnership with the City of Oldenburg, Germany is current and BCMM is pursuing a partnership with the City of Stuttgart due to the links between Mercedes Benz plant in Stuttgart and BCMM. In China, the partnership is with 4 cities including City of Jinhua, City of Qinhungdao, City of Daqing and Yubei District in City of Chongqing). In Sweden BCMM had a partnership with the City of Gavle which ended in 2019, however pursuing a new partnership. BCMM is currently in discussion with the City of Tampa, Florida in the United States to explore a partnership. Tampa Florida approached the Metro due to its sister city partnership with Milwaukee County in Wisconsin which focussed on the Health Sector.

Action Plans

- International Relations:
 - SDGs Voluntary Local Review for BCMM 2027
 - Strengthening Partnership with the United Nations and other funding agencies.
 - Partnership with Stuttgart, German
 - Reviewing any current international agreements or partnerships that the municipality has and their impact on local development.
 - Identifying potential new partnerships that could support initiatives in areas like infrastructure, health, education, and technology.
- Intergovernmental Relations:
 - Strategic Implementation of the DDM to support an integrated and responsive IDP.
 - Government Calendar
 - Establishing a Regional IGR Forum
 - Initiating an IGR Services on Wheels Programme
 - Strengthening Three Sphere Planning

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- BCMM participates in a number of international platforms, conferences, exhibitions, shows etc.

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KFA 36: Revenue Management

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

- Efficient revenue management, which aims to ensure not less than '77% annual collection rate over the medium term for property rates and other key service charges.
- Achievement of full cost recovery of specific user charges especially in relation to trading services.
- The City is striving to ensure that all its trading services are financially self-sustainable.
- Move from a flat-rate billing system to all consumers billed according to consumption.
- Implementation of an automated billing system as opposed to a manual meter reading process.
- Update of the valuation roll through implementation of monthly supplementary valuations until the implementation of the next General Valuation on 1 July 2027 and every four years thereafter in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.
- BCMM bills the consumers on a monthly basis as per the norms and standards of revenue management.

Alignment with the National and Provincial Plans and Policies

- Municipal Finance Management Act 56 of 2003

Link to BCMM Strategies, Sector Plan(s) and Policies

- Metro Growth & Development Strategy (vision 2030) – Strategic Outcome 5: A well-governed city
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Progress & Achievements 2024 to date

- General Valuations Roll for all wards: Compilation of the General Valuation Roll every 4 years in terms of Section 32 of the Municipal Property Rates Act. The fourth General valuation Roll to was successfully implemented in 2023.
 - GV2022 – valid July 2023 to June 2027
 - The valuation roll is updated monthly with the implementation of monthly valuation rolls.
- Billing of municipal services monthly to raise revenue
- Electricity and Water Smart metering solution for all wards: maintenance of electricity and water meters.
- Slight improvement of the collection rate compared to previous year

Challenges

- Non-achievement of the targeted collection rate ; which is affected by the implementation of the punitive water tariff, which increases the debt book and affects the collection rate.
- The suspension of full credit control action during COVID-19 pandemic has contributed to the increase in the debt book.
- Dishonoured debt settlement arrangements by debtors.
- There are areas where BCM charges rates and applicable services, however disconnection and

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•	blocking of electricity meters cannot be done because these areas are supplied by Eskom. • Child headed households due to deceased property owners is a challenge because of delays in transfer of the property and challenges in obtaining letters of authority. • Tampering of electricity also contributed to the slow growth in collection rate. • BCMM has a stagnant revenue base which makes it challenging to unlock billable land parcels for growth. • • • • • • • •

Current State

- Not all indigent debtors have registered to be able to benefit from free basic electricity services.
- BCMM raises interims on non-smart meters due to none-access on the property.
- BCMM utilises current meter readers to read meters manually, to improve the accuracy and completeness of readings for non-smart meters
- Continuous improvement in the collection rate and increase in the debtors book.
- The resolution of queries has been improving steadily however further improvement is still required and action steps have been implemented to improve the turnaround of all queries.

Action Plans

- Indigent registration is ongoing on a daily basis in the regional offices. Furthermore, the department will be conducting Indigent Registration Campaigns in order to register potential Indigent Consumers.
- Implementation of the Meter Reading System is in place to ensure that manual reading is reduced.
- Furthermore, the implementation of Smart Meter Reading System is continuing which will reduce the human interaction with the reading.
- Both systems are to ensure that interims are reduced.
- Blockings/disconnections of non-paying consumers in terms of the Credit Control Policy is in place and continued to be enforced.
- Implementation of Revenue Enhancement Strategy in order to improve the revenue generation.
- Enhancement of the query management system to include internal escalations of unattended queries. This has been implemented and is planned to include queries where inputs are required from service departments.

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KFA 37: Expenditure and Supply Chain Management

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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 2017/2018 financial year 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

Alignment with the National and Provincial Plans and Policies

- Municipal Finance Management Act 56 of 2003

Link to BCMM Strategies, Sector Plan(s) and Policies

- Supply Chain Management Policy

Progress & Achievements 2023 to date

- Reviewal of the SCM Policy by Council in January 2024.
- Continuous identification and reporting of Irregular Expenditure
- Rolling out the E-Procurement System to improve procurement of goods and services – Acquisition module fully implemented
- Implementation of the Electronic Document Management System (EDMS) to access bid documents and contracts through the EDMS system SCM scans and captures all awarded contracts onto SharePoint on a regular basis.
-
- Implementation of Internal Controls on Formal Written Quotations (Informal Tenders) to improve turnaround times on the Quotation System. RFQ threshold increased from R 200 000 – R 750 000
- 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 dealt with progressively- SCM captures and reports on implementation progress of all AIP to on the National Treasury Audit Action Plan Portal
- Implemented host to host for both payment of supplier and salaries
- Timeous submission of annual financial statements to the Office of the Auditor General.
- SCM is responsible to declare the below listed categories for the Annual Financial Statements:
 - Irregular Expenditure
 - Deviations
 - Commitments
 - Declarations for service of the state
 - Inventory
 -

Challenges

- Weak institutional demand planning: Late or non-submission of demand procurement plans from user department resulting in poor planning and late implementation of projects leading to low and non-spending of the budget.
- Weak institutional contracts management (role clarification between unit and departments) exacerbated by lack of automated system - resulting in irregular and unauthorized expenditure.
- No centralised storage place or facility for SCM documents resulting in potential risk of loss of information
- Lack of the necessary skills set with SCM Unit increase risk of Procurement Related Litigations against the City- No funding available for critical posts – SCM requires a Compliance Officer.
- There are no controls or mechanisms to demonstrate Supplier rotation on the Manual System.
- Manual processes still being used for example Contract register are not automated which was another Audit General finding.
- Difficulty to maintain the 30 days payment period at year end due to late submission of invoices
- The e-procurement system is driven by the system owner and many users still have to be registered
- There is no automated system that tracks expiry of contracts to inform user departments that their contracts have expired – Contracts management module is operational system must still be aligned to relevant end users
- Non-compliance with processes and procedures by departments resulting in delays to processing payments (e.g.: creditors not paid within 30 days)

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	- No expenditure management policy
Current State	Action Plans
- Implementation of the Electronic Document Management System (EDMS) back-scanning is done. Contract CE 198 complete - E- Procurement system has been implemented and is running. - Implementation of automated contract management module in progress and at an advance stage of completion and full utilisation. - Tender management module is in progress and user training and supplier roadshows are being conducted – Automation of Informal tenders.	- Continuous training of officials informed by the skills gap analysis. - Funding and filling critical vacant posts. - Policy Development. - Complete elimination of adhoc manual requisitions - Full implementation of contract module and no manual preparation of contract register. - Continuous training of officials informed by the skills gap analysis. - Eliminate manual submissions of Informal Tender processes

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KFA 38: Budget and Treasury

Budget needs to reflect the targets priorities reflected and stated in the Integrated Development Plan (IDP). The IDP is broken down by Service Delivery Budget Implementation Plan onto quarterly service delivery targets. Annual performance agreements also reflect these targets and managers are responsible in meeting these targets.

The aim is to manage and apply resources to meet public needs with limited resources which need to be allocated according to priority. The budget reflects municipality's strategic direction and delivery potential to include:

- Implications of new infrastructure and programmes
- Maintenance of existing infrastructure
- Sustaining existing service levels
- Ring fencing – specific projects and programmes
- Balance between social and economic infrastructure investment

The delivery of services is dependent on the compilation of budget to identify resources and applying them to meet the objectives of an organisation. The budget is used as a management tool to control spending (Actual vs. Budget) within the allocated budget, maximise potential of available resources, basis for performance assessment, linkage to non-financial targets / objectives and support accountability and financial management. Administration is aware of the targets that need to be met and how they have been determined so that they can report accordingly during review process.

The Budget and Treasury department is responsible for:

- Ensure the strategic objectives of their organisation are achieved.
- Contribute to the Efficient Allocation of Resources within the municipality.
- Funding is available to meet daily operational and capital expenditure requirements by effectively managing cash resources.
- Source loan funding for capital expenditure projects which will generate favourable return on investment.
- Cash and Cash Equivalent resources are managed in order to remain financially viable and sustainable.
- Basis of determining fees and charges which are implemented in order to generate funding for the budget.
- Implement cost reflective tariffs for specific user charges especially in relation to trading services where this is feasible.
- Impact assessment of changes in policies, responsibilities, priorities and events.

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

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• Municipal Finance Management Act no. 56 of 2003 ▪ Budget Preparation - S68 ▪ Budget Implementation - S69 ▪ Impending Shortfalls, Overspending and Overdraft - S70 ▪ Long term Debt Management - S46 ▪ Cash Management and Investment - S13 ▪ Monthly Budget Statement - S71, S52 and 72 • Municipal Budget and Reporting Regulations, 2009 • Municipal Finance Management Act Regulations on Standard Chart of Accounts issued under Government Gazette No. 37577 dated 22 April 2014 Division of Revenue Act (DORA)	• Metro Growth & Development Strategy (vision 2030) - Strategic Outcome 5: A well-governed city • Tariff Policy • Budget Virement Policy • Budget Policy • Long-term Borrowings • Investment and Cash Management Policy

Progress & Achievements 2023 to date

- Automation of supply chain management process to eliminate risk and interferences including payment and receipting: Supply Chain has relaunched the Acquisition Management Module of the Electronic Procurement System (E-Procurement).
- The purchase requisitions for goods and/or services between the value of R0 - R30 000, out of contract, none-stock items are processed online using the E-Procurement System only
- The contract module has been activated in the solar financial system to enable automation of the process of capturing contracts.
- The linking of CSD Codes onto solar financial system under the contracts management module is being undertaken in order to upload contracts.

Challenges

- Shortfall in funding the City's capital programme as well as operating budget
- Cash and Cash Equivalent is reflecting a declining trend.
- Non-achievement of the targeted collection rate

Current State

- Develop a Long-Term Financial Strategy (LTFS) and Long-Term Financial Model (LTFM):
- National Treasury appointed a service provider to support BCMM with the implementation of the LTFM. Through engagements with key directorates and using the City's strategic documents, the service provider has developed a draft LTFS.
- Difficulty in maintaining affordable tariffs and achieving cost reflective tariffs
- Alternate sources of revenue to supplement the existing revenue streams: The City is in discussion with SALGA to develop proposal for raising PPP agreements, loans, Grants, Land Financing and Collaborative Financing
- Programme/ Project Evidence Based Prioritization (Capital Prioritisation)

Action Plans

- Development of the long-term financial strategy and training of staff on the use of the LTFM
- Implementation of automated full Cost Reflective Tariffs Model
- Initiate alternative financing options for Capital Infrastructure
- Approval of policy and development of Capital Prioritisation Model for Budgeting

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KFA 39: Corporate Asset Management

The institution has approved a Corporate Asset Management unit as part of the institutional structure. The unit is still in the initial stages of creation with historical and current processes being performed with the assistance of a service provider that is hosting the current GRAP compliant Asset Management System. The processes performed were the creation of Asset Management Plans for each user department as

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well as the identification of the risk profiles of each asset portfolio. This information is to be used to identify funding needs for the replacement and refurbishment of infrastructure assets.

The institution has an approved Infrastructure Asset Management Policy in place and is being implemented to manage and update all the Infrastructure Assets. The accounting policy adopted by the institution is the revaluation method on all infrastructure assets which is done at each reporting date, this method is considered appropriate for the institution to ensure sustainability and future financial viability. This method allows for the accumulation of funds that can be invested back into the replacement and refurbishment of existing infrastructure assets. This approach is achieving positive results as our investment of own funds in infrastructure replacement is improving.

The expansion of the infrastructure asset base is funded through grant funding, loan funding and own funding. There are no infrastructure assets that are funded through PPP funding and none of the Institution's assets are held as a collateral.

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 engaged a service provider to assist with asset management and reporting, including the review and updating of the Infrastructure Asset Management Policy.

In deciding which projects to implement and also which assets to maintain, the relevant Buffalo City Metropolitan Municipality user departments undertake needs analyses to establish the communities' priority needs and individual asset maintenance needs. This information is then fed into the IDP and Budget and used to make informed decisions with regard to which assets require prioritization.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
• MFMA, Act no. 56 of 2003 • GRAP framework • mSCOA regulations	• Metro Growth & Development Strategy (vision 2030) - Strategic Outcome 5: A well-governed city • Movable Asset Management Policy • Immovable Asset Management Policy • Disposal of immovable capital assets by the municipality and its entities •
Progress & Achievements 2023 to date	Challenges
• Acquire ERP system (Asset Management System, Procurement System, Etc) for all wards: Full cycle asset management system and E-Procurement. First phase of the project (financial information) has been completed. Started with the Second phase - integrating user Departments. Cost - R37 699 608 •	• Contract terminated due to non-performance by the service provider • System still under development, • System not fully functional •
Current State	Action Plans
• System still under development •	• To complete the development of the system together with Corporate services • Corporate services to assess the current system and advise of the way forward • Appoint a new service provider to complete the system

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KFA 33: Intergovernmental Relations (IGR) and International Relations (IR)

The primary goals of both international and intergovernmental relations revolve around fostering collaboration and cooperation. In international relations, this involves promoting peace, stability, and mutual understanding between nations, while in intergovernmental relations, it focuses on effective communication and coordination between different levels of government within a country. Development Cooperation, International Relations and Intergovernmental Relations focus on the implementation of development cooperation, international relations and intergovernmental, strategies and programs that creates awareness, improves organizational, social, cultural and developmental objectives and goals of the Metro through partnerships, agreements and engagements with local, national and international partners, donors and stakeholders. The aim is to leverage off strategic national, regional and international partnerships to improve municipal services and functions, attract resources, and improve skills. The attention should be directed into the world development agendas which shall include globalization and its impacts to the society, to the sustainable development goals, human security, gender equality, environmental conservations, human rights, etc.

International Relations

International Relations is a national function delegated to local government. Therefore, Buffalo City Metro is guided by South Africa's Foreign policy, government's apex strategy, the National Development Plan (NDP), which sets out a long-term vision that seeks to address the triple challenge of unemployment, poverty and inequality, and put South Africa on a path towards long-term development and prosperity.

In this regard, Chapter 7 of the NDP envisions an active role for South Africa in the region, the continent and the world. The country seeks to build strategic partnerships for development to advance its national interests and promote the enduring values that define the nation, namely democracy, human rights and good governance.

The country continues to pursue regional political and economic integration and promote Africa's development through sustained South-South solidarity and mutually beneficial relations with the North. The adoption of the strategy for the BRICS economic partnership is expected to facilitate trade and investment, enhance market access opportunities and facilitate market interlinkages between the countries. The BRICS' New Development Bank is expected serve as an instrument for financing infrastructure investment and sustainable development projects in the BRICS and other developing countries and emerging market economies

On a local level BCMM is also guided by the International Relations Framework. The framework which is aligned to the SA Foreign Policy looks at city to city partnerships and twinning with partner cities abroad. This Framework promotes partnerships across the world in ways which will ensure maximum learning, synergy and promotion of our national interest, including investment promotion.

The role of local government in IR has moved significantly from the symbolism of the past to meaningful interaction of mutual benefit with far reaching implications for the image of South Africa and the development agenda at a local government level i.e attainable economic benefits. In this regard it has been determined that the growing demands and complexity of South African municipal service delivery imperatives has impacted significantly on the range and depth of skills and competencies required from within the municipal economy thereby necessitating serious consideration of municipal international relations as an increasingly viable conduit for scarce skills and resources. BCMM in line with its developmental trajectory embraces its metro status however the demands on capacity and resources are still a challenge.

The aim of BCMM's partnerships with international cities and donors is to:

- i. Facilitate information and knowledge sharing.
- j. Equip councillors and officials with additional skills and capacity.
- k. Build managerial and technical capacity.
- l. Promote Buffalo City Municipality as an attractive location for investment and tourism.
- m. Develop project partnerships for mutual benefits.
- n. Explore new ways of performing its core business of service delivery.
- o. Address regional and global challenges that have local impact which need to be tackled on a broad basis like climate change; and
- p. Contribute to global understanding, solidarity and peace.

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The outbreak of the Covid-19 pandemic in March 2020, found a vulnerable South African economy. In fact, at the time pandemic reached our shores, the South African economy had experienced two consecutive quarters of a recession. As a result, the Covid-19 pandemic deepened the economic crisis.

Since 2020, BCMM International Relations has taken its cue from the South African Economic Reconstruction and Recovery Plan and South African Foreign Policy by focusing on expanding its partnership network with not only sister cities or partners cities but with donor organizations, funding agencies and other international partners. The focus has been on:

- I. Water, Sanitation and Energy Security and Stability
- II. Digitalization
- III. Green economy interventions
- IV. Youth Interventions
- V. Upskilling of Employees
- VI. Localization of the Sustainable Development Goals
- VII. United Nations City of Literature Programme

Therefore, the Metro maintains its current partnership agreements and aims to seek out new partnerships to strengthen institutional capacity and obtain support for human resource and technical skills development and access to international aid and as well as funding for community development projects and programmes. A key focus of some of the current partnerships are on issues affecting not only Buffalo City but other cities in the world. These issues include matters of youth, human rights, climate change, service delivery and other development challenges facing municipalities.

Intergovernmental Relations

The South African Constitution, 1996, puts emphasis on fact that, the three spheres of government are distinctive, interdependent and interrelated. In May 2014 the Buffalo City Metropolitan Municipality Intergovernmental Relations (IGR) Forum was launched. The IGR Forum was launched in terms of the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005) which is located in Chapter 3 of the South African Constitution, 1996 which sets out the basic principles and values of co-operative government and intergovernmental relations.

Section 41 of the Constitution requires an Act of Parliament to:

- d. Establish and provide for structures and institutions to promote and
- e. facilitate intergovernmental relations; and
- f. Provide for appropriate mechanisms and procedures to facilitate the settlement of intergovernmental relations disputes.

The Forum's focus is:

- Unlocking of bottlenecks in government programmes and projects which hinder services to the community.
- Sharing information on government programmes for support, joint participation or sharing with communities; and
- Discussion on resources available to the Metro and the process of the accessing of the resources.

Therefore, IGR seeks to improve integrated planning with other spheres and agencies of government; engage Sector departments on issues and projects that are cross-cutting with BCMM; and jointly resolve challenges faced within wards on functions that are not part of BCMM responsibilities.

The IGR Forums hosted by BCMM takes its cue from the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005) located in Chapter 3 of the South African Constitution, 1996, the basic principles and values of co-operative government and intergovernmental relations requires integrated planning across all spheres of governments. IGR Forum meetings are held at least 4 times a year with Sector Departments, State-Owned Enterprises and municipal departments. At the IGR Forum meetings, programmes of government are shared with all stakeholders; projects and funds for projects in BCMM from Sector and National Departments are reported on; challenges with service delivery or key assets e.g. the Port are discussed, IDP outreaches and timelines are provided so sector departments can participate, feedback from

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the Imbizos is shared for input, introduction of government models for implementation are communicated and general government information and concerns are raised and shared. In addition, BCMM also holds IGR Roundtable Sessions with Sector Departments and relevant BCMM departments to resolve issues raised in the IGR Forum meetings. Furthermore, BCMM also holds the IGR Core Group comprised of the OTP, COGTA and BCMM departments to discuss the agenda for the IGR Forums and also to look at approaches to resolve challenges that could be hindering the smooth coordination of IGR amongst all spheres of government.

The municipality is engaged in inter-municipal planning; however, this occurs across the municipality and there is no formal reporting by departments on these planning sessions. This needs more strengthening as the Buffalo City Metro is regarded as a regional hub and has a huge impact on its neighbouring municipalities and vice versa and more strategic sessions need to be held with neighbouring municipalities especially in the Amathole region, therefore the Metro aims to explore the establishment of a Regional IGR Forum.

Alignment with the National and Provincial Plans and Policies	Link to BCMM Strategies, Sector Plan(s) and Policies
▪ Section 152 and 153 of the Constitution of the Republic of South Africa (Act 108 Of 1996) legislates the developmental mandate of local government and outlines the need for cooperative governance. ▪ The Local Government: Municipal Systems Act (Act No. 32 of 2000) refers to the need for municipal planning, through the integrated development plans developed by municipalities, to be developmentally oriented in line with Sections 152 and 153 of the Constitution. Municipal Systems Act provides greater clarification regarding the legal nature, and the rights and duties, functions and powers, of municipalities. Particularly relevant for this Policy is Chapter 5 which concerns integrated development planning, which this Policy gives effect to in the sphere of external and international relations. ▪ The Local Government Municipal Finance Management Act 56 of 2003 ▪ The White Paper on Local Government of March 1998 ▪ Intergovernmental Framework Act 13 of 2005: The IRFA was passed in order to give effect to the principle of cooperative governance as enshrined in the Constitution. It is relevant for the purposes of the policy to the extent that it informs the manner in which high-level inter-governmental agreements are concluded. ▪ The South African Foreign Policy: The essence of South Africa's foreign policy is to promote and protect the interests and values of its citizens. The Foreign policy belongs to South Africa's people and; - It mirrors their long relationship with the international community - It reflects the rich tapestry of their international heritage - It demonstrates their desire to live in harmony with their neighbours - It signals their intent to contribute creatively to Africa's future - It beckons them to international service so that their country may fulfill its calling as a responsible global player - It summons all South Africans to think beyond the immediate, to reach towards the challenges of the approaching century. • The National Development Plan: Vision 2030: Chapter 7 of the Plan specifically outlines South Africa's positioning in the world in terms of a global and regional context. The Plan highlights the need for promoting regional integration for a more competitive and fast-	• Metro Growth & Development Strategy (vision 2030): Which states that BCMM must continue to serve on IGR structures to enhance the flow of information and encourage participation with the City. This will be implemented, through identified systems for regular interaction (between BCMM and all its' publics/stakeholders • The Buffalo City International Relations Framework/ Draft Policy (2008/2013): the document align BCMM's international relations and international development cooperation activities closely to the South African foreign policy; Positions BCMM in the ongoing national discussion about the role of local government – and specifically municipalities – in the conduct of international relations, and actively engage with key stakeholders (eg DIRCO, SALGA, COGTA) in this regard; Ensure prioritization of BCMM's strategic priorities as outlined in the, IDP/Budget and LED strategy; Promote BCMM as an attractive location for investment and tourism. • Draft BCMM International Relations Policy • BCMM's Draft Intergovernmental Relations Framework (2024 – 2028)

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growing Southern Africa, trade integration, Tripartite Free Trade negotiations, strengthening economic diplomacy and building effective partnerships with private sector and state-owned enterprises.

- Operation Masiphathisane, an integrated service delivery model ie war rooms which sees to promote working together as government to ensure responses on the ground at ward and municipal levels take place.
- The District Development Model: The District Development Model (DDM) in South Africa is an integrated and collaborative approach designed to promote local economic development and improve service delivery across districts. The key elements and objectives of the DDM is Integrated Development and Local Economic Development. The DDM aims to break down silos between various government departments and levels of governance, fostering a more integrated approach to development. It focuses on driving economic growth at the district level by leveraging local resources, talents, and opportunities. The model encourages collaboration among local municipalities, provincial governments, and national departments, ensuring that development initiatives are aligned and coordinated. Engaging local communities in the planning and implementation process is essential to ensure that development initiatives meet the needs and priorities of residents. The DDM emphasizes the use of data and evidence to inform planning and decision-making, allowing for targeted interventions based on the specific needs of each district. Each district is required to develop a comprehensive development plan that outlines strategic priorities, projects, and resources needed for implementation. The model promotes strong intergovernmental relations, facilitating better communication and cooperation between different levels of government. The focus areas of the DDM includes Infrastructure Development, Social Development and Economic Diversification. The aim is to improve infrastructure, such as roads, water supply, and electricity, support economic activity and enhance service delivery, as well as address social issues such as education, healthcare, and housing. It further encourages diverse economic activities, including agriculture, tourism, and small business development, to create sustainable jobs and enhance local economies to improve the overall quality of life for residents.

Progress & Achievements 2024 to date

- **Cooperation on Water, Sanitation and Energy Security and Stability, in Germany**
- The partnership between the Province of Eastern Cape in South Africa and the state of Lower Saxony since 1995. Cooperation between the City of Oldenburg and Buffalo City Metro began in 2012. As part of a municipal climate partnership, the focus has been on renewable energies, environmental education and water management. The municipal climate partnership between the City

Challenges

International Relations

- Donor Resources across the world is becoming scarcer. BCMM will need to make more deliberate efforts to access donor funding through its international partnerships. It would also need to ensure that all international projects are successfully coordinated, project led and completed to be seen as

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of Oldenburg and Buffalo City Metro forms the basis for an innovative utility partnership between the Oldenburgisch-Ostfriesischer Wasserverband (OOWV), the Wupperverband and BCMM. This co-operation sets new standards in sustainable adaptation to climate change. The utility partnership has been in place since 2022. The partnership between the three water suppliers has a common goal, and that is to be better prepared for extreme weather events and implement sustainable adaptation projects to climate change. Some of the Projects from 2020 to 2025 have and will be implementing through the partnerships include the following:

- **'Model project for the development of an energy-efficient wastewater treatment plant in East London which is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) through its funding programme for municipal climate change mitigation and adaptation projects (FKKP) from November 2023 to December 2026 to the value of R3 million. Technical support is provided by the Jade University of Applied Sciences and the German Aerospace Centre (DLR**
- BCMM is heavily dependent on the country's centralized power supply. Power cuts, which can last up to four hours a day, mean that the East Bank sewage treatment plant is also temporarily taken off the grid. As a result, untreated wastewater is released into nearby sea during the load shedding periods. The project aims:
 - To reduce emissions and energy consumption at the East Bank sewage treatment plant by using energy-efficient and renewable technologies and to supply the plant with additional decentralized energy.
- **Water Operators Partnerships funded by German Federal Ministry for Economic Cooperation and Development (BMZ) implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to value of R6 million from May 2022 – June 2024.** Cooperation between the partners is based on an intensive bilateral exchange to jointly develop innovative solutions to the challenges of water management. Jointly since May 2022 four working groups have been established focusing on identified areas of cooperation, namely:
 - Drinking water treatment
 - Wastewater treatment
 - Environmental Education, as well as
 - Digitalisation and Data management
- **ecReUse – Enhancing Resource Utilization Efficiency in South Africa through Water Reuse and Sustainable Energy Production at Wastewater Treatment Plants Project is funded by the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety, and Consumer Protection (BMUV) as part of the “Environmental Protection Made in**

a credible recipient of donor aid. This will assist BCMM to seek out new partners to access donor funding.

Intergovernmental Relations

- There is still a need to bridge the gap in the planning process by having more data and information from Sector departments to ensure a more informed IDP. BCMM departments are all engaged in IGR processes with other spheres of government, parastatals, agencies however this is not reported on and therefore needs more mainstreaming. The IGR forum which is held four times a year to unlock bottlenecks and provide a platform for integrated planning still faces a major challenge which is non-attendance and poor participation of sector departments and internal departments in these Forums. This results in fragmented information shared and non-credible data and less synergy between government spheres.
- District Development Model:
 - Capacity Building: Ensuring that local municipalities have the necessary skills and resources to implement the DDM effectively.
 - Funding and Resources: Securing adequate funding and resources to support development initiatives is crucial for the success of the model.
 - Monitoring and Evaluation: Establishing robust mechanisms for monitoring progress and evaluating the impact of development initiatives to ensure accountability and continuous improvement.

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Germany” program and is managed by “Zukunft – Umwelt – Gesellschaft” gGmbH” to the value of R30 million and has a timeline from June 2024 to June 2026.The project which is located at the the East Bank wastewater treatment plant in the Eastern Cape, a region which prone to drought, focuses on improving water quality and sustainability by addressing aging infrastructure. Part of the solution to water scarcity is utilizing alternative water resources, such as municipal wastewater, which is largely independent of rainfall. Innovative treatment technologies can produce water of varying quality standards, conserving natural resources and reducing wastewater discharge, improving water quality. The ecReUse project in the Eastern Cape aims to improve water and energy security by reducing energy consumption in wastewater treatment, generating biogas, and purifying wastewater for safe industrial or agricultural use.

- **The Sister City relationship between BCMM and the City of Jinhua is regarded as one of the longest standing partnerships as it established in 1997. The partnership agreement was renewed in April 2024, agreed to focus on the following areas:**

- Economic and Trade: To exchange information and collaborate in sectors such as textiles, automotive, agriculture, and other vital industries to strengthen trade relations and economic development.
- Cultural Cooperation: Engage in cultural exchanges, including delegations, performing troupes, and exhibitions, to promote mutual understanding and appreciation of our diverse cultural heritages.
- Educational Cooperation: We will facilitate exchanges in vocational education and training, fostering skills development and educational growth in both cities.
- Tourism Cooperation: Joint efforts will be made to promote tourism, including initiatives like Home-Stay programs in Jinhua’s historical villages, which will enhance the tourism appeal of both cities. BCMM successfully paved the way for at least 20 students to participate in this programme since 2018.
- BCMM has participated in the 2024 China-Africa Forum on Economy and Culture in Jinhua and Zhejiang International Friendship Cities Exchange Exhibition in Yiwu. The Metro promoted and showcased the city at the event by having a stand at the event. The stand will be open to small business owners in the future to have access to international buyers and markets. City of Daqing

- **Renewing of Partnership with City of Daqing, China**

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- In September 2000 the former East London Transitional Local Council signed an agreement with the City Daqing to cooperate in:
 - Economic and Trade Exchanges
 - Science and Technology Collaboration
 - Cultural and Educational Cooperation
 - Sports and Health Initiatives
 - Personnel Exchanges

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- The partnership, however, was dormant until discussions were taken up between both cities in a digital meeting in May 2023 to renew the partnership agreement. In the discussions held between the Executive Mayor of Buffalo City and Deputy Mayor of Daqing, in August 2024 during the Premiers working visit to China, both cities agreed on the areas of cooperation and discussed including Tourism Cooperation, Agriculture and Agro-processing, and Youth Development as new focus areas.

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- BCMM also expressed interest in Cooperation of the Grand Prix Track in BCMM with Daqing Grand Prix Track. Both cities have racetracks, however Daqing City is successfully utilising this asset to grow the motor sport tourism sector. This expertise could assist BCMM benefit BCMM in growing its own motor sport industry.

▪ **Local Economic Development Skills Programme in China**
 March 2024 the Local Government Sector Education and Training Authority Local Government (LGSETA) approached BCMM regarding a Skills development Programme with its counterpart the Chinese Cultural International Education Centre. The LGSETA provides an environment to facilitate the training and up skilling of various employees and people involved in local government structures, as well as unemployed South Africans. This entails creating and implementing a variety of skills development interventions such as, the Sector Skills Plan (SSP) and learning programmes aimed at local government employees and others working within the sphere such as traditional leaders and ward councillors.

The programme offered requires BCMM to select candidates for three skills development programmes for:

- Unemployed Young Graduates (TVET or Higher Education)
- Small Business Owners
- Municipal Management

The programme is for a period of 6 months in a Chinese City as selected by the Chinese Culture International Centre, commencing September 2024 to May 2025. BCMM has selected 21 participants

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in total to participate in the programme. The Project Outcomes include:

- At least 30% of the unemployed youth candidates to be employed in South Africa from the Chinese enterprises with roles in e-commerce and online business etc.
- At least 10% of the unemployed youth candidates become entrepreneurs and start their own businesses in the e-commerce sector.
- Incubate and grow all small businesses of the small business owner candidates.
- Dramatically improve the skills of South African municipal management and personnel.
- Invite investment from Chinese cities - at least one investment per South African city.

■ **Localization of the Sustainable Development Goals through the Voluntary Local Reviews in Buffalo City Metro**

- In September 2023, BCMM was chosen as one of the five metropolitan municipalities by SALGA tasked with localising the Sustainable Development Goals (SDGs) through the Voluntary Local Reviews (VLRs). Through an active process of training, collecting data and drafting the report, the BCMM VLR report which was completed in mid-June 2024 and submitted on 25 June 2024 to the Department of Planning, Monitoring and Implementation for submission to the United Nations. The VL Report offers a comprehensive overview of BCMM's implementation of the SDGs. It serves as a localised counterpart to the National SDG Review produced by the Republic of South Africa (SA). The 17 SDGs are integrated and indivisible, balancing the three dimensions of sustainable development: economic, social, and environmental. From the perspective of the Municipality, the SDGs present an opportunity to approach development in a more conscious and deliberate manner, taking into consideration the needs, challenges, growth path, and expectations of the people living in the Municipality. This enables a focus on setting a long-term trajectory for sustainable development and making a meaningful impact on people's lives, ensuring that no one or place is left behind. The promotion of VLRs in South Africa is seen as a powerful tool to advance the localisation of the SDGs, stimulating and driving local action for their implementation. This process also strengthens coordination, cooperation, and institutional interaction between different levels of government, as encouraged by the DDM and One Plan processes. Through collaboration between national government and local authorities, the exchange of data, practices, and techniques on the implementation of the SDGs should be

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encouraged. BCMM is poised to review the 2024 submission and submit an updated report for 2025.

- **UNESCO City of Literature**
- The UNESCO's City of Literature programme is part of the wider Creative Cities Network. The Network was launched in 2004 and now has member cities in seven creative fields. The other creative fields are Crafts and Folk Art, Design, Film, Gastronomy, Media Arts, and Music. On Tuesday, 31st October, Buffalo City Metropolitan Municipality was designated as a UNESCO Creative City of Literature. The announcement was made by the UNESCO Director-General, Ms Audrey Azoulay, on World Cities Day in Paris. In the country, Buffalo City is preceded by eThekweni Municipality, City of Cape Town, and Hermanus, designated in 2017 and 2019 for Literature, Design, and Gastronomy respectively. The Cities of Literature sub-network boasts a combined population of over 26 million, 1250 libraries, 130 literary festivals, and over 1200 bookshops. The bid was motivated by various international studies on literacy and language proficiency, consistently finding that children in the Eastern Cape province cannot read for meaning and rural boys are the most vulnerable out of 55 countries observed, with South Africa coming last; the bid is also recognition that Literature is often one of the underserved sectors in policy, infrastructure, and resource allocation in the city, and thus this becomes part of the City's post-pandemic economic recovery strategy in the literary arts. UNESCO has already called the first meeting with the Metro to discuss the use of the UNESCO logo and the development of a logo for the City of Literature for BCMM. In a bid for internal and external stakeholders to embrace the City of Literature concept and contribute to discussions and participate in opportunities offered by the award, Buffalo City Metro held meetings with internal departments and members of the literary, creative, and cultural industries in 2024 to come together to discuss and actively contribute to making the City of Literature a reality not only with the Metro but all citizens involvement. The programme is currently driven by the Local Economic Development Department and Libraries section by supporting Mtiza Arts Festival, programmes at the BCMM Libraries and supporting book launches of local writers.

Current State

- IR has taken on a new significance because of an increasingly interconnected world, allowing nations to cooperate with one

Action Plans

- International Relations:
 - SDGs Voluntary Local Review for BCMM 2027

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another, pool resources, and share information as a way to face global issues that go beyond any particular country or region.

- The Covid-Pandemic saw sister cities providing support to Buffalo City Metro through the donation of masks and offering medical advice and support.
- The Provincial Government was also assisted during the crisis by its foreign counterparts. Contemporary global issues include disasters/ pandemics, terrorism, human rights, economy/trade/investment and the environment/climate change effects are of global interest and need to form an integral part of our international partnerships.
- Provincial Government has approximately 8 international partnerships across the globe.
- BCMM has 4 international partnerships in Germany, China and Sweden. Partnership with the City of Oldenburg, Germany is current and BCMM is pursuing a partnership with the City of Stuttgart due to the links between Mercedes Benz plant in Stuttgart and BCMM. In China, the partnership is with 4 cities including City of Jinhua, City of Qinhungdao, City of Daqing and Yubei District in City of Chongqing). In Sweden BCMM had a partnership with the City of Gavle which ended in 2019, however pursuing a new partnership. BCMM is currently in discussion with the City of Tampa, Florida in the United States to explore a partnership. Tampa Florida approached the Metro due to its sister city partnership with Milwaukee County in Wisconsin which focussed on the Health Sector.
- BCMM participates in a number of international platforms, conferences, exhibitions, shows etc.

- Strengthening Partnership with the United Nations and other funding agencies.
- Partnership with Stuttgart, German
- Reviewing any current international agreements or partnerships that the municipality has and their impact on local development.
- Identifying potential new partnerships that could support initiatives in areas like infrastructure, health, education, and technology.

- Intergovernmental Relations:
 - Strategic Implementation of the DDM to support an integrated and responsive IDP.
 - Government Calendar
 - Establishing a Regional IGR Forum
 - Initiating an IGR Services on Wheels Programme
 - Strengthening Three Sphere Planning

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KFA 36: Revenue Management

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

- Efficient revenue management, which aims to ensure not less than '77% annual collection rate over the medium term for property rates and other key service charges.
- Achievement of full cost recovery of specific user charges especially in relation to trading services.

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- The City is striving to ensure that all its trading services are financially self-sustainable.
- Move from a flat-rate billing system to all consumers billed according to consumption.
- Implementation of an automated billing system as opposed to a manual meter reading process.
- Update of the valuation roll through implementation of monthly supplementary valuations until the implementation of the next General Valuation on 1 July 2027 and every four years thereafter in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.
- BCMM bills the consumers on a monthly basis as per the norms and standards of revenue management.

Alignment with the National and Provincial Plans and Policies

- Municipal Finance Management Act 56 of 2003

Link to BCMM Strategies, Sector Plan(s) and Policies

- Metro Growth & Development Strategy (vision 2030) – Strategic Outcome 5: A well-governed city
-

Progress & Achievements 2024 to date

- General Valuations Roll for all wards: Compilation of the General Valuation Roll every 4 years in terms of Section 32 of the Municipal Property Rates Act. The fourth General valuation Roll to was successfully implemented in 2023.
 - GV2022 - valid July 2023 to June 2027
 - The valuation roll is updated monthly with the implementation of monthly valuation rolls.
- Billing of municipal services monthly to raise revenue
- Electricity and Water Smart metering solution for all wards: maintenance of electricity and water meters.
- Slight improvement of the collection rate compared to previous year
-

Challenges

- Non-achievement of the targeted collection rate ; which is affected by the implementation of the punitive water tariff, which increases the debt book and affects the collection rate.
- The suspension of full credit control action during COVID-19 pandemic has contributed to the increase in the debt book.
- Dishonoured debt settlement arrangements by debtors.
- There are areas where BCM charges rates and applicable services, however disconnection and blocking of electricity meters cannot be done because these areas are supplied by Eskom.
- Child headed households due to deceased property owners is a challenge because of delays in transfer of the property and challenges in obtaining letters of authority.
- Tampering of electricity also contributed to the slow growth in collection rate.
- BCMM has a stagnant revenue base which makes it challenging to unlock billable land parcels for growth.
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Current State

Action Plans

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

• Not all indigent debtors have registered to be able to benefit from free basic electricity services. • BCMM raises interims on non-smart meters due to none-access on the property. • BCMM utilises current meter readers to read meters manually, to improve the accuracy and completeness of readings for non-smart meters • Continuous improvement in the collection rate and increase in the debtors book. • The resolution of queries has been improving steadily however further improvement is still required and action steps have been implemented to improve the turnaround of all queries.	• Indigent registration is ongoing on a daily basis in the regional offices. Furthermore, the department will be conducting Indigent Registration Campaigns in order to register potential Indigent Consumers. • Implementation of the Meter Reading System is in place to ensure that manual reading is reduced. • Furthermore, the implementation of Smart Meter Reading System is continuing which will reduce the human interaction with the reading. • Both systems are to ensure that interims are reduced. • Blockings/disconnections of non-paying consumers in terms of the Credit Control Policy is in place and continued to be enforced. • Implementation of Revenue Enhancement Strategy in order to improve the revenue generation. • Enhancement of the query management system to include internal escalations of unattended queries. This has been implemented and is planned to include queries where inputs are required from service departments.

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

KFA 37: Expenditure and 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 2017/2018 financial year 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: -

- f. Demand Management and Supplier Development Section
- g. Acquisitions Section (Buying and contracts)
- h. Logistics, Warehouse and Disposal Sections
- i. Risk and Compliance Management Section and
- j. Contracts Performance Management Section

Alignment with the National and Provincial Plans and Policies

- Municipal Finance Management Act 56 of 2003

Link to BCMM Strategies, Sector Plan(s) and Policies

- Supply Chain Management Policy

Progress & Achievements 2023 to date

- Reviewal of the SCM Policy by Council in January 2024.
- Continuous identification and reporting of Irregular Expenditure
- Rolling out the E-Procurement System to improve procurement of goods and services – Acquisition module fully implemented
- Implementation of the Electronic Document Management System (EDMS) to access bid documents and contracts through the EDMS system SCM scans and captures all awarded contracts onto SharePoint on a regular basis.

Challenges

- Weak institutional demand planning: Late or non-submission of demand procurement plans from user department resulting in poor planning and late implementation of projects leading to low and non-spending of the budget.
- Weak institutional contracts management (role clarification between unit and departments)

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

• Implementation of Internal Controls on Formal Written Quotations (Informal Tenders) to improve turnaround times on the Quotation System. RFQ threshold increased from R 200 000 – R 750 000 • 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 dealt with progressively-SCM captures and reports on implementation progress of all AIP to on the National Treasury Audit Action Plan Portal • Implemented host to host for both payment of supplier and salaries • Timeous submission of annual financial statements to the Office of the Auditor General. • SCM is responsible to declare the below listed categories for the Annual Financial Statements: • Irregular Expenditure • Deviations • Commitments • Declarations for service of the state • Inventory •	exacerbated by lack of automated system - resulting in irregular and unauthorized expenditure. • No centralised storage place or facility for SCM documents resulting in potential risk of loss of information • Lack of the necessary skills set with SCM Unit increase risk of Procurement Related Litigations against the City- No funding available for critical posts – SCM requires a Compliance Officer. • There are no controls or mechanisms to demonstrate Supplier rotation on the Manual System. • Manual processes still being used for example Contract register are not automated which was another Audit General finding. • Difficulty to maintain the 30 days payment period at year end due to late submission of invoices • The e-procurement system is driven by the system owner and many users still have to be registered • There is no automated system that tracks expiry of contracts to inform user departments that their contracts have expired – Contracts management module is operational system must still be aligned to relevant end users • Non-compliance with processes and procedures by departments resulting in delays to processing payments (e.g.: creditors not paid within 30 days) • No expenditure management policy •

Current State

- Implementation of the Electronic Document Management System (EDMS) back-scanning is done. Contract CE 198 complete
- E- Procurement system has been implemented and is running.
- Implementation of automated contract management module in progress and at an advance stage of completion and full utilisation.
- Tender management module is in progress and user training and supplier roadshows are being conducted – Automation of Informal tenders.
-

Action Plans

- Continuous training of officials informed by the skills gap analysis.
- Funding and filling critical vacant posts.
- Policy Development.
- Complete elimination of adhoc manual requisitions
- Full implementation of contract module and no manual preparation of contract register.
- Continuous training of officials informed by the skills gap analysis.
- Eliminate manual submissions of Informal Tender processes
-

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

KFA 38: Budget and Treasury

Budget needs to reflect the targets priorities reflected and stated in the Integrated Development Plan (IDP). The IDP is broken down by Service Delivery Budget Implementation Plan onto quarterly service delivery targets. Annual performance agreements also reflect these targets and managers are responsible in meeting these targets.

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

The aim is to manage and apply resources to meet public needs with limited resources which need to be allocated according to priority. The budget reflects municipality's strategic direction and delivery potential to include:

- Implications of new infrastructure and programmes
- Maintenance of existing infrastructure
- Sustaining existing service levels
- Ring fencing – specific projects and programmes
- Balance between social and economic infrastructure investment

The delivery of services is dependent on the compilation of budget to identify resources and applying them to meet the objectives of an organisation. The budget is used as a management tool to control spending (Actual vs. Budget) within the allocated budget, maximise potential of available resources, basis for performance assessment, linkage to non-financial targets / objectives and support accountability and financial management. Administration is aware of the targets that need to be met and how they have been determined so that they can report accordingly during review process.

The Budget and Treasury department is responsible for:

- Ensure the strategic objectives of their organisation are achieved.
- Contribute to the Efficient Allocation of Resources within the municipality.
- Funding is available to meet daily operational and capital expenditure requirements by effectively managing cash resources.
- Source loan funding for capital expenditure projects which will generate favourable return on investment.
- Cash and Cash Equivalent resources are managed in order to remain financially viable and sustainable.
- Basis of determining fees and charges which are implemented in order to generate funding for the budget.
- Implement cost reflective tariffs for specific user charges especially in relation to trading services where this is feasible.
- Impact assessment of changes in policies, responsibilities, priorities and events.

Alignment with the National and Provincial Plans and Policies

- Municipal Finance Management Act no. 56 of 2003
 - Budget Preparation - S68
 - Budget Implementation - S69
 - Impending Shortfalls, Overspending and Overdraft - S70
 - Long term Debt Management - S46
 - Cash Management and Investment - S13
 - Monthly Budget Statement - S71, S52 and 72
- Municipal Budget and Reporting Regulations, 2009
- Municipal Finance Management Act Regulations on Standard Chart of Accounts issued under Government Gazette No. 37577 dated 22 April 2014 Division of Revenue Act (DORA)

Link to BCMM Strategies, Sector Plan(s) and Policies

- Metro Growth & Development Strategy (vision 2030) - Strategic Outcome 5: A well-governed city
- Tariff Policy
- Budget Virement Policy
- Budget Policy
- Long-term Borrowings
- Investment and Cash Management Policy

Progress & Achievements 2023 to date

- Automation of supply chain management process to eliminate risk and interferences including payment and receipting: Supply Chain has relaunched the Acquisition Management Module of the Electronic Procurement System (E-Procurement).
- The purchase requisitions for goods and/or services between the value of R0 - R30 000, out of contract, non-stock items are processed online using the E-Procurement System only
- The contract module has been activated in the solar financial system to enable automation of the process of capturing contracts.

Challenges

- Shortfall in funding the City's capital programme as well as operating budget
- Cash and Cash Equivalent is reflecting a declining trend.
- Non-achievement of the targeted collection rate

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

- The linking of CSD Codes onto solar financial system under the contracts management module is being undertaken in order to upload contracts.
-

Current State

- Develop a Long-Term Financial Strategy (LTFS) and Long-Term Financial Model (LTFM):
- National Treasury appointed a service provider to support BCMM with the implementation of the LTFM. Through engagements with key directorates and using the City's strategic documents, the service provider has developed a draft LTFS.
- Difficulty in maintaining affordable tariffs and achieving cost reflective tariffs
- Alternate sources of revenue to supplement the existing revenue streams: The City is in discussion with SALGA to develop proposal for raising PPP agreements, loans, Grants, Land Financing and Collaborative Financing
- Programme/ Project Evidence Based Prioritization (Capital Prioritisation)
-

Action Plans

- Development of the long-term financial strategy and training of staff on the use of the LTFM
- Implementation of automated full Cost Reflective Tariffs Model
- Initiate alternative financing options for Capital Infrastructure
- Approval of policy and development of Capital Prioritisation Model for Budgeting

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

KFA 39: Corporate Asset Management

The institution has approved a Corporate Asset Management unit as part of the institutional structure. The unit is still in the initial stages of creation with historical and current processes being performed with the assistance of a service provider that is hosting the current GRAP compliant Asset Management System. The processes performed were the creation of Asset Management Plans for each user department as well as the identification of the risk profiles of each asset portfolio. This information is to be used to identify funding needs for the replacement and refurbishment of infrastructure assets.

The institution has an approved Infrastructure Asset Management Policy in place and is being implemented to manage and update all the Infrastructure Assets. The accounting policy adopted by the institution is the revaluation method on all infrastructure assets which is done at each reporting date, this method is considered appropriate for the institution to ensure sustainability and future financial viability. This method allows for the accumulation of funds that can be invested back into the replacement and refurbishment of existing infrastructure assets. This approach is achieving positive results as our investment of own funds in infrastructure replacement is improving.

The expansion of the infrastructure asset base is funded through grant funding, loan funding and own funding. There are no infrastructure assets that are funded through PPP funding and none of the Institution's assets are held as a collateral.

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 engaged a service provider to assist with asset management and reporting, including the review and updating of the Infrastructure Asset Management Policy.

In deciding which projects to implement and also which assets to maintain, the relevant Buffalo City Metropolitan Municipality user departments undertake needs analyses to establish the communities' priority needs and individual asset maintenance needs. This information is then fed into the IDP and Budget and used to make informed decisions with regard to which assets require prioritization.

Alignment with the National and Provincial Plans and Policies

Link to BCMM Strategies, Sector Plan(s) and Policies

STRATEGIC OUTCOME (SO5): A WELL GOVERNED CITY

• MFMA, Act no. 56 of 2003 • GRAP framework • mSCOA regulations	• Metro Growth & Development Strategy (vision 2030) - Strategic Outcome 5: A well-governed city • Movable Asset Management Policy • Immovable Asset Management Policy • Disposal of immovable capital assets by the municipality and its entities •
Progress & Achievements 2023 to date • Acquire ERP system (Asset Management System, Procurement System, Etc) for all wards: Full cycle asset management system and E-Procurement. First phase of the project (financial information) has been completed. Started with the Second phase - integrating user Departments. Cost - R37 699 608 •	Challenges • Contract terminated due to non-performance by the service provider • System still under development, • System not fully functional •
Current State • System still under development •	Action Plans • To complete the development of the system together with Corporate services • Corporate services to assess the current system and advise of the way forward • Appoint a new service provider to complete the system

SECTION C: SPATIAL DEVELOPMENT FRAMEWORK

1. INTRODUCTION

BCMM compiled its first-generation SDF in 2003 to align with the development vision, objectives, and strategies outlined in the Municipality's IDP. The second review of the SDF was conducted in 2019–2020 and was approved by Council on 11 December 2020. Below is an executive summary of the SDF; further details are available in the full SDF document.

2. THE SPATIAL DEVELOPMENT FRAMEWORK AND THE IDP

The Buffalo City SDF is an integral component of the Municipality's IDP. Essentially, the SDF serves as the “visual representation” of the IDP, illustrating the desired form and extent of development that BCMM aims to promote within the strategic framework established by the IDP.

BCMM has undertaken a new five-year review of the SDF for the Buffalo City municipal area, in accordance with Sections 25(1) and 26(e) of the Local Government: MSA, No. 32 of 2000, read together with Sections 12 and 20 of SPLUMA, No. 16 of 2013, and Chapter 2 of BCMM's Spatial Planning and Land Use Management By-Law (published under Local Authority Notice 62 in the Eastern Cape Provincial Gazette on 18 July 2016).

In line with the new system of spatial planning introduced in 2013 by SPLUMA, government policies increasingly emphasise the need to pursue strategic outcomes that would lead to a change in the entrenched but unsustainable apartheid-based segregated spatial patterns of development prevailing in almost all South African municipalities, including BCMM. For this reason, a key focus of the new Buffalo City Municipal SDF during this review has been to enable and promote spatial transformation, so that a more spatially just, efficient, resilient, and sustainable spatial pattern of development can be achieved to underpin economic growth and social progress over time.

The SDF Review is guided and informed by the overall Development Vision contained in the IDP and aims to propose how best to use available land for development in a way that is both practical and sustainable (i.e., will not deplete land or resources necessary for the future well-being of the BCMM area).

The Consultative Process Followed

In compiling the SDF for Buffalo City, BCMM engaged in a process of consultation within the municipal organisation, as well as with external stakeholders representing various organisations and civil society in general. The SDF was advertised for 60 days for comment, as required by SPLUMA.

3. CURRENT REALITY AND A NEW VISION FOR SPATIAL DEVELOPMENT

A brief summary of the status of land development in BCMM since 2003 highlights that the challenges of implementing complex projects and upgrading infrastructure networks have resulted in significant issues regarding the management and formalisation of informal settlements in Buffalo City. These issues include the improvement of the range, type, and

quality of state-assisted housing opportunities in the area; the development of appropriate forms of land use at suitable levels of density and intensity in key strategic land areas; and the establishment of enabling infrastructure and social services to support the spatial transformation of Buffalo City.

A 10-Year MSDF Spatial Development Vision: What BCMM Seeks to Achieve by 2030

To begin with, the Municipal SDF takes its lead from the Long-Term Vision set out in the BCMM MGDS and IDP:

‘Buffalo City: well-governed, connected, green and innovative’

In response to this IDP Vision, the MSDF review presents a 10-Year Spatial Development Vision. This outlines the objectives of the Municipal SDF for the next 10 years and serves to guide BCMM’s ongoing efforts to enhance local and regional economic opportunities and, ultimately, to facilitate sustainable growth in the Metropolitan Area.

- ❑ Buffalo City has reinvented itself through its transformation from a spatially and socially divided past to consolidate its position as a City-in-a-Region that anchors socio-economic development in the EC province.
- ❑ It has put in place the necessary enabling infrastructure, transportation, and Information and Communication Technology systems to underpin an innovative Knowledge-Based Economy that embraces the 4IR and Digital Transformation.
- ❑ In so doing, it has advanced its progress to create a successful, prosperous, and dynamic modern city that is enterprising, green, open and connected, spatially integrated, and well-governed.
- ❑ Its citizens are proud of their beautiful coastal lifestyle City, which is the capital of the EC province, home to a globally competitive auto industry, and boasts excellent social, educational, and medical services, as well as a diverse housing market that meets their varying needs.
- ❑ They continue to strive to achieve a compact, sustainable, and resilient City.

4. GUIDING POLICY

The Draft National Spatial Development Framework (NSDF)

The NSDF aims to detail the spatial development vision for SA. The objective of the National Spatial Development Perspective is to promote informed economic investment profiling to guide regional growth and development planning within a socio-economic framework.

The NSDF ultimately aims to serve as an overarching spatial framework for the country, informing spatial planning at the lower spheres of government. The principles and spatial proposals contained in the NSDP also inform the SDF of the Municipality.

NSDF Principles

In order to contribute to the broader growth and development policy objectives of government, the NSDP presents a set of five normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a prerequisite for achieving other policy objectives, among which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g., water, energy, health, and educational facilities) wherever they reside.

Principle 3: Beyond the constitutional obligation identified in Principle 2, government spending on fixed investment should focus on localities of economic growth and/or potential to stimulate private-sector investment, promote sustainable economic activities, and create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In areas with high levels of poverty and demonstrated economic potential, government should consider fixed capital investment beyond basic services to exploit that potential. In localities with low demonstrated economic potential, government should, in addition to providing basic services, concentrate primarily on human capital development by offering education and training, as well as social transfers such as grants and poverty-relief programmes. It should also reduce migration costs by providing labour market intelligence, equipping people with better information, opportunities, and capabilities to enable them to gravitate – if they choose – to localities more likely to provide sustainable employment and economic opportunities.

Principle 5: To overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes adjacent to or linking the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in SA and the SADC region, creating regional gateways to the global economy.

The NSDP principles aim specifically to focus government action and investment, avoiding the so-called ‘watering can’ approach and enabling the Developmental State to achieve maximum social and economic impact within the context of limited resources.

The key NSDF Regions for the BCMM are:

Buffalo City is identified as one of five Key Urban Regions. These urban regions play a vital role as global gateways, acting as catalysts for transformation, fostering inclusive economic growth, and promoting well-being. Consequently, a number of game-changing interventions are required from each urban region:

1. Consolidate urban growth in a network of more compact, densified, and diversified urban core regions.
2. Enable a generation of young people to reap the benefits of urbanisation through:
 - a. Human capital development.
 - b. The opening up of urban economies to enable and support a multiplicity of livelihood options.
3. Maintain and strengthen international trade, ports, transport, through-routes, and related infrastructure.
4. Support the diversification of economies, tourism, the knowledge economy, the entertainment industry, the green economy, and alternative energy-related enterprise development.
5. Utilise effective land administration and urban land reform to guide and manage the interface between settlement, land use, and infrastructure planning in fast-growing cities.

Specifically, the NSDF has proposed a national **Coastal Spatial Development Corridor** that affects the EC and Buffalo City.



Figure 102: The Coastal Transformation Corridor

As a result, the ELIDZ and other industries on the West Bank have an important economic role to play within the Coastal Transformation Corridor.

As a designated Urban Region, the NSDF requires BCMM to focus on the economy of tourism and the knowledge economy, as well as to upgrade the port and airport.

The emphasis on young people guides BCMM to concentrate on the economic opportunities associated with having universities in our City.

The NSDF also notes that the EC will likely be impacted by climate change, due to increasing arid conditions, and should therefore adopt mitigating measures that protect local water bodies.

5. SPATIAL DEVELOPMENT OBJECTIVES AND STRATEGIES

The focus of the 2020 Municipal SDF is to make spatial development and land use management proposals that:

- a) **Comply with the legal and policy guidance** provided by global treaty and governance agreements, national and provincial policy and legislation, and the strategic objectives set by the Buffalo City IDP;
- b) **Ensure that the biophysical environment is protected and wisely managed** to maintain biodiversity and ecosystem goods and services such as water, fertile soils and clean air, so that the essential conditions for sustainable human development endure over the long term;
- c) **Facilitate the creation of more efficient and compact towns and cities** by enabling the densification and intensification of prevailing and new land uses in localities that are well connected to existing developed areas and infrastructure;
- d) **Promote higher-density residential uses as well as mixed residential and economic land uses** within inner-city areas and at identified nodes or strategic localities along identified public transport corridors;
- e) **Prioritise the development of improved linkages** between places of residence and places of employment, and to strengthen connectivity between settlements and communities across Buffalo City;
- f) **Build on and facilitate key economic development initiatives** that are being driven by national, provincial and local government in partnership with the private sector and civil society by ensuring that spatial proposals support the requirements of these initiatives for strategic connections to workforces and markets; and
- g) **Promote the implementation of a Land Reform and Settlement Programme** in the rural areas of Buffalo City by identifying zones of opportunity for integrated human settlement development.

Table 97: Themes

The Municipal SDF sets out its proposals, arranged into nine Themes. Each Theme contains a set of Directive Principles that underpin the proposals for that thematic area.

- Spatial
- Economic
- Sustainable Human Settlement
- Infrastructure
- Transport
- Environment
- Rural Development
- ‘Smart City’
- Information Technology, and Governance

6. BCMM CONCEPTUAL SPATIAL DEVELOPMENT FRAMEWORK

6.1 Strategic Approach to Spatial Targeting of Investment

As BCMM must plan to achieve its goals and objectives within the limits set by available financial and human resources, it has adopted a strategic approach to focus key investment by identifying five broadly defined spatial areas where such investment should be prioritised. These are described as Spatial Focus Areas (SFAs) and are listed in order of relative priority as:

Table 98: SFA 1–5

Spatial Focus Area 1 – West Bank
Key Development Proposals • West Bank Economic Development Corridor – Catalytic Programme Area • West Bank Mass Housing Development Area – approximately 71 340 residential units Key Projects and Enabling Infrastructure • Expansion of the MBSA production plant • High-speed internet cable and associated development opportunities • Harbour expansion and deepening • Airport expansion • Water services – especially wastewater treatment to serve the West Bank and ELIDZ • Roads and bridges (N2/R72) linking
Spatial Focus Area 2 – Urban Core – East London to Mdantsane
Key Development Proposals • The MELD and North West Development Corridors (2 000 residential units) – Catalytic Programme Area • Mdantsane CBD/Hub Revitalisation – Catalytic Programme Area • East London Inner City Revitalisation – Catalytic Programme Area • Duncan Village Revitalisation • Mdantsane Revitalisation and informal settlement upgrading • Inner City Innovation District • Amalinda Junction mass housing development area – approximately 6 009 residential units • Arnoldton mass housing development area – approximately 25 695 residential units • Urban densification to create a better live/work/play environment Key Projects and Enabling Infrastructure • The Sleeper Site redevelopment (mixed land use development and Knowledge Economy node) • Roads and bridges (N2/R72) linking West Bank to the Urban Core

- Realignment of R72 through the Sleeper Site to facilitate development
- The Central-Reeston Wastewater Transfer System
- North West Expressway Extension linking the CBD to Amalinda Junction and N2

Spatial Focus Area 3 – Bhisho

Key Development Proposals

- Qonce-Bhisho Development Corridor – Catalytic Programme Area – approximately 6 144 residential units
- Ginsberg mass housing development area – approximately 14 190 residential units
- Township revitalisation – Zwelitsha, Ndevana, Illita, Dimbaza
- The Bhisho Revitalisation Mixed-Use Precinct
- ‘Green Energy’ Hub located at Berlin
- Revitalisation of Dimbaza as an agro-processing hub linked to Bulembu Airport

Key Projects and Enabling Infrastructure

- Bulk water and sewerage upgrade

Spatial Focus Area 4 - Quenera

Key Development Proposals

- Quenera Mass housing development area – approximately 26 595 residential units
- Beacon Bay to Gonubie Development Corridor
- Gonubie Main Road Development Corridor

Key Projects and Enabling Infrastructure

- The Beacon Bay-Gonubie Link Road and intersections

Spatial Focus Area 5 – Rural areas

Key Development Proposals

- Finalise development of the identified Rural Land Reform and Settlement Zones
- Upgrade designated rural economic nodes
- Formulate a rural land release programme
- Update the rural housing programme
- Promote cultural and ecotourism, agriculture, and agro-processing

Key Projects and Structure

- Rural Electrification Programme
- Provision of a basic level of services, road linkages, and social amenities

SFA 5 covers the rural areas and has its own thematic chapter. REFER to THEME 7: RURAL DEVELOPMENT

6.2 Key Spatial Development Proposals in the Municipal SDF include the following:

6.2.1 Promoting Spatial Transformation

The NDP, NSDF, IUDF, National Treasury's Circular 88, and SPLUMA have clearly defined the Spatial Transformation Agenda as an imperative that the Council must adhere to. The SDF is therefore bound by policy and law to comply with the Spatial Transformation Agenda. Key components of the BCMM SDF's Spatial Transformation initiative are:

- A. Four Development Corridors as Catalytic Programme areas
 - i. MELD Corridor
 - ii. Northwest Corridor – capacity for approximately 2 000 residential units
 - iii. Bhisho Corridor
 - iv. West Bank Economic Corridor (as part of the National Coastal Transformation Corridor)
- B. Two Key Development Nodes as Catalytic Programme areas
 - i. Mdantsane CBD/Hub
 - ii. East London CBD and Inner City

Development of six well-located Mass Housing areas with a capacity of 140 000 residential units within the BCMM Urban Edge, which is sufficient to cater for the entire housing backlog and future growth for more than 10 years. These areas are specifically located adjacent to zones of economic opportunity and in conjunction with identified Development Corridors/Catalytic Programme Areas:

- iii. West Bank – capacity for approximately 71 340 residential units
 - iv. Bhisho Corridor Precinct – capacity for approximately 6 144 residential units
 - v. Ginsberg Extension – capacity for approximately 14 190 residential units
 - vi. Quenera – capacity for approximately 26 595 residential units
 - vii. Amalinda Junction – capacity for approximately 6 009 residential units
 - viii. Arnoldton/Reeston North – capacity for approximately 25 695 residential units
- a. All new housing areas are to be developed based on the principles underpinning integrated and sustainable communities:
 - i. Densities should be increased at strategic localities wherever feasible and environmentally acceptable; and
 - ii. Developments should be programmed to coincide with the provision of infrastructure and the required social facilities.
 - b. Innovative residential development projects will be favoured, including the application of cross-subsidising financial models to develop a range of housing types that cater to varying market requirements and enable inclusionary housing in strategic localities.

- C. Revitalisation of six townships
 - a. Mdantsane
 - b. Duncan Village
 - c. Zwelitsha
 - d. Ilitha
 - e. Phakamisa
 - f. Dimbaza
- D. Focusing on the improvement or creation of road links between the West Bank Economic Corridor and the Greater Mdantsane-East London area, with key priorities including:
 - i. Development of a new N2/R72 bridge over the Buffalo River, linking the West Bank to the central East London area and the hinterlands served by the N2;
 - ii. Strengthening the MELD Corridor through infill development and enhancing the available transportation modes;
 - iii. Developing the North-West Freeway Corridor.
- E. Broadening the policy of intensifying and densifying land uses in existing commercial/retail areas and incentivising mixed land use developments in appropriate localities throughout the City;
- F. Following a strategic **land release** programme to facilitate development in a transparent manner that complies with legislative requirements;
- G. Incremental upgrade programme of informal settlements in terms of the NUSP.
- H. Informal settlements upgraded and redeveloped in accordance with assessments and prioritisation.
- I.

6.2.2 Facilitating Economic Growth and Development

- A. Supporting the development of a multifaceted **New Digital Economy** by:
 - i. Promoting the creation of a West Bank Logistics and Manufacturing Hub centred on the ELIDZ;
 - ii. Leveraging **high-speed broadband internet connectivity** to facilitate the 5G technologies that will expand the BCMM economy into **4IR** and promote **Digital transformation**;
 - iii. Supporting the transition to a knowledge-based economy by promoting the University Town concept to facilitate this shift. It seeks to enable the tertiary institutions in the City to strengthen and complement each other, linking their educational offerings to the needs of the regional and national economy; and
 - iv. Related to the University Town concept, proposing the creation of the East London 'Inner City Knowledge and Innovation District', centred on the East London CBD and the surrounding suburbs of Southernwood and Belgravia, with strong linkages to the ELIDZ and West Bank Logistics Hub.
- B. Repurposing existing industrial areas and establishing new industrial areas that are fit for purpose:
 - i. Positioning the West Bank as a motor manufacturing and logistics hub;
 - ii. Repurposing Dimbaza's industrial area for agro-processing industries based on the potential of logistical linkages to Bulembu Airport;

- iii. Repurposing industrial areas in Wilsonia, Mdantsane and Fort Jackson as logistics centres linked to the West Bank Logistics Hub; and
- iv. Repositioning the Berlin Industrial area as a 'Green Energy Hub'.

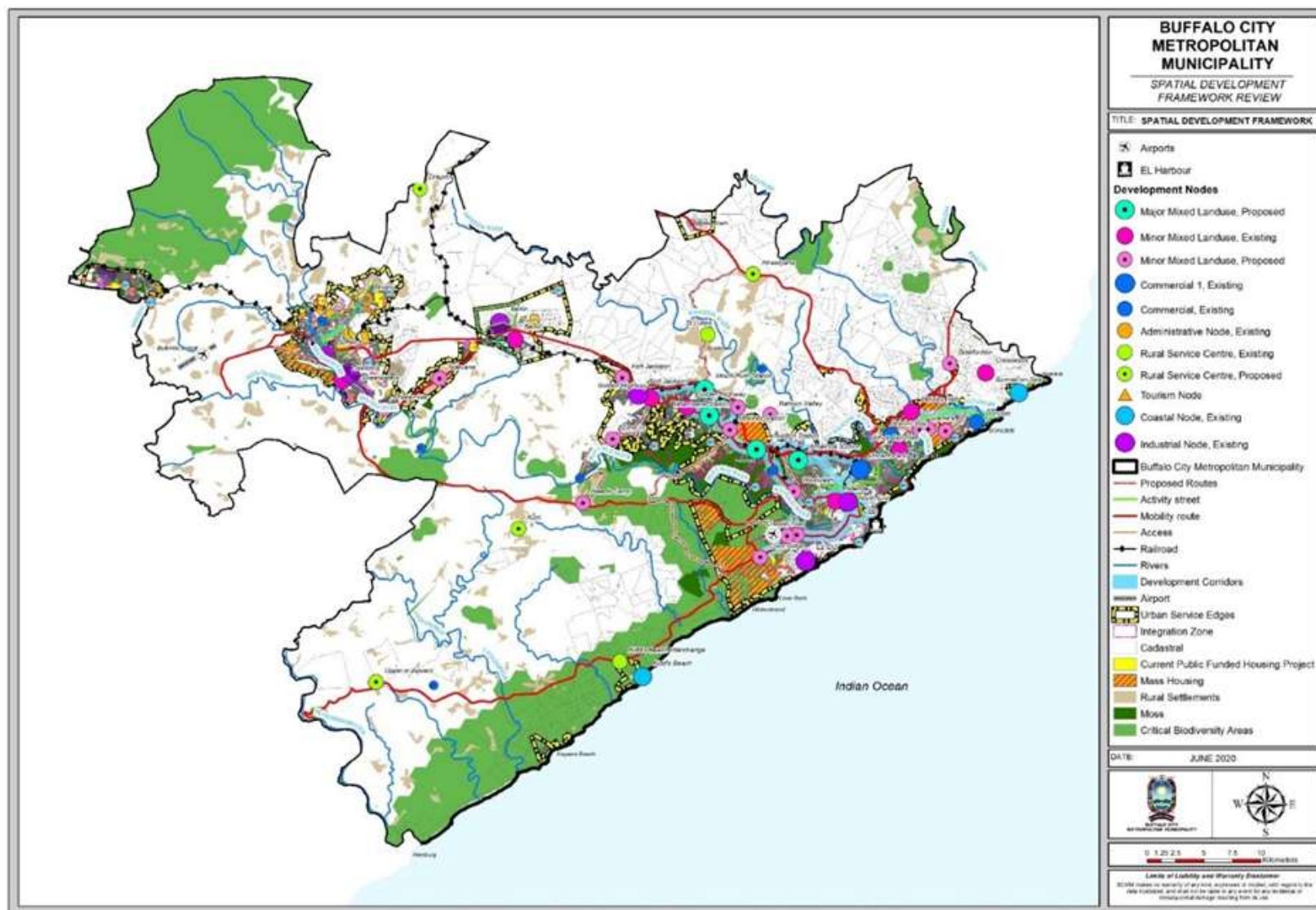


Figure 103: Development nodes (SDF Review)

SECTION D – ONE PLAN: Three Spheres

Service Delivery Budget, Programmes and Projects

1 INTRODUCTION

The DDM is an operational model designed to enhance cooperative governance, aiming to build a capable and ethical developmental state. It is a method in which the three different spheres of government – local, provincial, and national – work in unison, ensuring higher performance and accountability for service delivery and developmental outcomes that are not only coherent but also effective: in other words, an ‘All of Government and Society Approach’. The DDM influences the spatialisation and reprioritisation of government planning, budgeting, implementation, and reporting. It articulates outcomes and commitments agreed upon as ‘One Plan’ or Intergovernmental Plan, relating to each space or sphere over the short, medium, and long term.

The two interrelated processes, spatialisation and reprioritisation, implement the DDM. Spatialisation refers to the process of translating development priorities and objectives into spatial locations, i.e., metropolitan areas. Reprioritisation involves reviewing and changing plans and budgets to achieve desired integrated impacts. The DDM will be implemented through these two processes and affixed to the One Plan. The One Plan is an intergovernmental plan that outlines a common vision and desired future outcomes for each of the 44 districts and 8 metro spaces. The BCMM One Plan vision is ‘A well-governed, connected, green and smart metropolitan port city region built on sustainable physical infrastructure, cohesive partnerships, and a diverse people who are safe’.

1.1 District/Metro Development Model Intent

The motivation for selecting the scale of district/Metro spaces is clear: it serves as a practical working scale for the whole of government. District and local municipality Metro plans (Growth and Development Strategies, IDPs, SDFs, etc.), developed with the involvement of communities, stakeholders, and local institutions, are key informants for the DDM. District and metropolitan areas are sufficiently close to the ground to ensure that the whole of government is responsive to the needs of communities, as well as to the varying local economic potentials and opportunities across different areas. Converging at this level is both practical and economical, allowing national and provincial departments and entities to concentrate their efforts effectively. This scale also facilitates a more strategic regional development approach for government, extending beyond the administrative boundaries of district or local municipalities to focus on functional economic areas, environmental resource areas and catchments, regional spatial structuring and connectivity, and regional bulk infrastructure investment.

1.2 One Plan

The primary tool to realise the strategic objectives of the DDM outlines a rationale for moving from the current situation of operating in silos towards a desired future of three-sphere joint long-, medium-, and short-term strategising, planning, and budgeting. The One Plan provides a justification for identified interventions and commitments. It challenges, synthesises, aligns, infuses, and brings different priorities together in a single Strategic Framework. It offers a clearer perspective in one place on what needs to be achieved and how each role player contributes. It is strategic rather than comprehensive. The One Plan enables a rationale and justification for projects/actions/interventions, budgeting, and spending according to spatial and place-making logic and outcomes. The One Plan Theory of Change outcomes-led approach is embedded in the logical rationale expressed in accordance with commonly agreed priorities in the Metro. The DDM Theory of Change uses six transformative strategies to help transition from a less desirable and overtly problematic situation to one that is more functional within the context of the district/Metro. The Theory of Change includes the following: 1. Current Situation; 2. Desired Future; 3. Strategies/Interventions; and 4. Implementation Commitments.

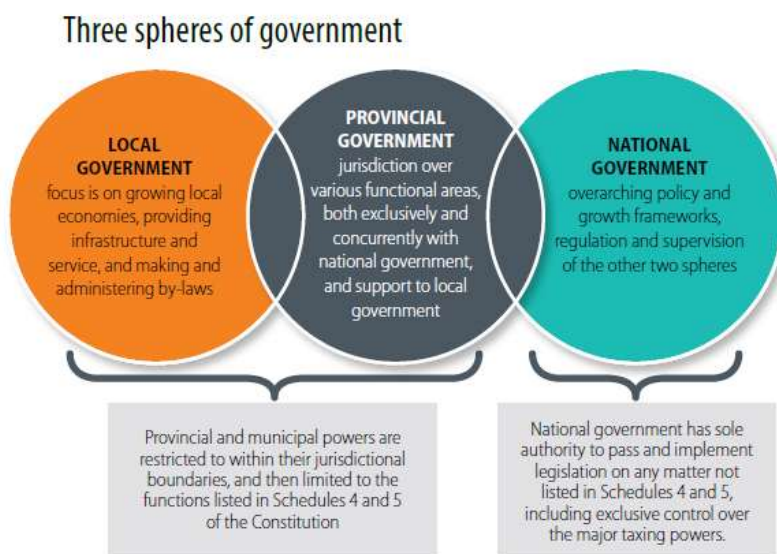


Figure 104: Three spheres of government (The People's Guide (SA Cities Network, 2016)

1.3 Metro Growth and Development Strategy (MGDS: Vision 2030)

BCMM adopted the MGDS, which outlines the vision towards 2030. The MGDS serves as the primary foundation for BCMM's future, fostering partnerships to achieve goals, implement programmes, and encourage business and investment in a common direction. The strategic outcomes for the long-term development of the City are detailed in the MGDS. The implementation of the MGDS will span a 15-year timeframe across three IDPs (five years each) leading to 2030. A significant component of the identified programmes and projects necessitates partnerships between the City and its stakeholders to realise Vision 2030. The implementation plans for MGDS Vision 2030 are encapsulated within five strategic outcome areas and are aligned with the IDP process.

1.4 Integrated Development Plan

Section 25 of the MSA states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality. Section 35(1)(a) of the MSA defines an IDP as:

- a) *the principal strategic planning instrument that guides and informs all planning and development, as well as all decisions regarding planning, management, and development in the municipality*
- b) *binds the municipality in the exercise of its executive authority*

Sections 28 and 34 of the MSA stipulate the need for the annual review of the IDP and the development of a process plan to guide the review.

1.5 Relationship between the One Plan, MGDS, and IDP

The One Plan does not replace municipal IDPs as the ‘single, inclusive and strategic plan for the development of the municipality’. Instead, it is designed to strengthen and enhance IDPs and other municipal plans, providing greater clarity and direction. While the IDP has informed the development of the One Plan, once the One Plan is approved, the IDP will be guided by the strategies and priorities it sets out. In this way, the IDP will serve as the vehicle for implementing the One Plan at the local government level.

The table below outlines a comparative analysis of the MGDS, IDP, and One Plan:

Table 99: Comparative analysis of the MGDS, IDP and One Plan

One Plan (Long Term – 30 Years)	IDP (Medium Term – 5 Years)
Long-term vision for the district's area of impact and a common understanding of goals and objectives among stakeholders in the district.	Determines how the long-term vision, goals and objectives contribute to addressing challenges at a local level by directing actions and interventions towards the vision.
Long-term vision expressed in policy and long-range plans across all spheres of government, i.e., NDP, PGDS, NSDF, PSDF, MSDF, etc.	Implementation of short- to medium-term service delivery programmes and projects informed by the MTSP, municipal SDFs, sectoral/master plans, and long-term financial strategies.
Determines government-wide key development strategies and priorities to address.	Elaborates on municipal strategies, Council development priorities/objectives, and community needs.
Conceptualisation of the desired future and results (outcomes and impact) to be achieved by the Metro in the long term.	Plans implemented by municipalities respond directly to the desired outcomes and impacts.
Spatially referenced plans and budgets at district and metro level, with an emphasis on long-term catalytic programmes and interventions to unlock developmental potential.	Focus on implementation of immediate service delivery interventions and priority projects in the One Plan.

2 ARTICULATION OF THE OVERALL STRATEGIC FOCUS OF THE ONE PLAN

2.1 Vision Statement

The BCMM One Plan is guided by the following long-term vision for 2050, which was jointly developed by all relevant stakeholders:

'A smart, green and inclusive coastal metro that is spatially integrated, climate-resilient and globally competitive, providing equitable access to opportunities, efficient high-quality services, sustainable human settlements and integrated mobility systems, while fostering vibrant economic nodes that drive innovation, investment, productivity and improved human development outcomes for all residents.'

2.2 High Impact Transformational Areas of the One Plan

Our collective vision is guided by SIX High Impact Transformational Focus Areas:



Figure 105: Six High Impact Transformational Areas

- **People Development and Demographics:** The process of understanding the current population profile and development dynamics, through which a desired demographic profile and radical improvement in the quality of life of the people are achieved via skills development and the five transformations discussed below: economic positioning, spatial restructuring and environmental sustainability, infrastructure engineering, housing and services provisioning, and governance and management.
- **Economic Positioning:** The process by which a competitive edge is created to attract domestic and foreign investment and facilitate job creation based on an inclusive and transformed economy. Economic positioning informs spatial restructuring and must be sustained by protecting, nurturing, and harnessing the natural environment and resources.
- **Spatial Restructuring and Environmental Sustainability:** The process of creating a transformed, efficient, and environmentally sustainable spatial development pattern and form to support a competitive local economy and integrated sustainable human settlements. Spatial restructuring informs infrastructure investment in terms of both the quantum and the location and layout of infrastructure networks.
- **Infrastructure Engineering:** The process by which infrastructure planning and investment, particularly in bulk infrastructure installation, occurs to support the transforming spatial pattern and form, meet the needs of a competitive and inclusive local economy and integrated human settlements, and ensure that demand for housing and services is met sustainably over the long term.
- **Integrated Services Provisioning:** The process of delivering integrated human settlement, municipal, and community services in partnership with communities to transform spatial patterns and development for planned integrated sustainable human settlements with an integrated infrastructure network. This also necessitates holistic household-level service delivery in the context of a social wage and improved jobs and livelihoods.
- **Governance and Financial Management:** The process by which leadership and management are exercised to ensure that planning, budgeting, procurement, delivery, financial, and performance management occur effectively, efficiently, accountably, and transparently. It also encompasses spatial governance, which involves assessing and directing land development, as well as undertaking effective land use management and the release of municipal/public land, to achieve spatial transformation goals.

PROCESS OF FORMULATING THE ONE PLAN

With the introduction of the DDM, the Metro has had to reflect on the participation of national and provincial government in the planning processes. The Revised IDP Guidelines for municipalities, 2020, clearly indicate that the main purpose of national and provincial participation is to ensure that sector priorities are reflected, and that development actions are aligned with and contribute to the achievement of national development objectives.

In adjusting to the changing policy environment regarding intergovernmental relations and transversal planning, some of the most relevant proposed amendments to the BCMM IGR Review Framework relate to changes in the institutional arrangements to facilitate and coordinate between and among the three spheres of government. The Metro's IDP Process Plan conforms to the refined approach to joint intergovernmental planning, budgeting, and implementation.

The One Plan is BCMM's strategic framework for integrated development, service delivery, and spatial planning, designed to align municipal priorities with national and provincial development objectives. The Third Generation One Plan represents the latest evolution of this municipal planning tool, building on lessons learned from previous versions.

I. Early Foundations

BCMM's first and second-generation One Plans were aimed at:

- a) Providing a unified strategic direction for municipal operations.
- b) Aligning Integrated Development Plans (IDPs), departmental plans, and municipal service delivery programmes.
- c) Supporting socio-economic transformation, poverty alleviation, and sustainable urban development.

Through these iterations, BCMM sought to:

- a) Enhance community participation in planning.
- b) Strengthen performance monitoring and accountability.
- c) Ensure compliance with national legislation, including the Municipal Systems Act (2000) and the Municipal Finance Management Act (2003).

II. Drivers for the Third Generation Plan

The development of the Third Generation One Plan was motivated by:

- a) **Changing socio-economic conditions:** Rapid urbanization, high unemployment, and persistent service delivery gaps highlighted the need for more responsive planning.
- b) **Lessons from previous plans:** Feedback from stakeholders revealed areas needing improvement, particularly in aligning sectoral priorities and improving interdepartmental coordination.
- c) **Integration of national and provincial priorities:** The plan ensures BCMM contributes effectively to National Development Plan (NDP) 2030 objectives, Provincial Growth and Development Strategies, and Sustainable Development Goals (SDGs).
- d) **Enhanced monitoring and evaluation:** Incorporating clear performance indicators and outcome-based planning for more accountable service delivery.

III. Key Features of the Third Generation One Plan

- a) **Integrated and multi-sectoral:** Brings together all municipal directorates and external stakeholders under one cohesive plan.
- b) **Community-centered:** Strengthens participatory planning, ensuring citizens' needs and priorities are reflected in municipal programming.
- c) **Programmatic approach:** Focuses on strategic programmes such as "One Household, One Garden", Back-to-School campaigns, Skills & Internship Programme, Environmental and Waste Management Initiative, Youth and Sports Development, International Cooperation and Exchanges, and Inclusive Governance and Community Participation.
- d) **Data-driven:** Uses evidence from social, economic, and environmental analyses to guide interventions.
- e) **Alignment with Metro growth strategies:** Supports sustainable urban development, economic inclusion, and service delivery efficiency.

IV. Implementation and Institutional Custodianship

- a) While BCMM, under the leadership of the City Manager, drives the drafting of the One Plan, final custodianship of its implementation and monitoring is designated to ensure accountability, therefore it requires
- b) The plan is intended as a living document, with periodic reviews to adapt to emerging challenges and opportunities in Buffalo City Metro.

V. Directorates: Long-Term Action Planning

As part of BCMM's Third Generation One Plan, all Heads of Directorates are required to develop comprehensive Plans of Action covering the next 25 years. These plans should:

- a) Align with the strategic objectives of the Third Generation One Plan, including social, economic, environmental, and infrastructural priorities.
- b) Incorporate programmatic approaches, as advised above.
- c) Identify long-term goals and milestones, with measurable outcomes to track progress over decades.
- d) Demonstrate integration across sectors, ensuring that all municipal services and programmes are coordinated to maximize impact.
- e) Include monitoring and evaluation frameworks, highlighting key performance indicators to ensure accountability and adaptive planning.
- f) Address emerging trends and risks, such as urbanization, climate change, and socio-economic shifts, ensuring resilience and sustainability.

These action plans will serve as ward- and directorate-specific roadmaps to ensure Buffalo City Metro remains responsive, inclusive, and strategically aligned with national, provincial, and municipal development objectives over the next 25 years.

VI. Strategic Importance

The Third Generation One Plan positions BCMM to:

- a) Deliver integrated services efficiently across all 50 wards.
- b) Foster inclusive growth and social cohesion.
- c) Strengthen institutional capacity and intergovernmental collaboration.
- d) Measure progress against clearly defined outcomes and indicators.

In short, the Third Generation One Plan represents BCMM's strategic evolution from planning in silos to holistic, integrated, and community-focused development planning, ensuring the Metro meets the current and future needs of its residents.

BUFFALO CITY

DDM / ONE PLAN REPORT

Building a Better, Inclusive and Sustainable City
2025 - 2050



ONE CITY • ONE PLAN • ONE FUTURE

Executive Summary

Buffalo City Metropolitan Municipality – Third Generation One Plan

The Third Generation One Plan (G3 One Plan) of Buffalo City Metropolitan Municipality (BCMM) sets out a bold, integrated and long-term development framework to guide the Metro's growth, transformation and service delivery over the next five years and beyond. Anchored in national and provincial policy directives, including the National Development Plan, District Development Model, and the Eastern Cape Provincial Growth and Development Plan, the One Plan provides a single, coherent vision that aligns spatial planning, infrastructure investment, economic development, social transformation, governance reform, and climate resilience.

The Plan articulates a clear spatial vision to reposition Buffalo City as a competitive, inclusive coastal metro, leveraging its strategic assets such as the Port of East London, the East London Industrial Development Zone (ELIDZ), urban and township economies, and a diverse natural environment. Development is focused on compact, connected and integrated human settlements, prioritising catalytic nodes, transport corridors, and underdeveloped township and rural areas to reverse spatial inequality and unlock inclusive growth.

Economic development is a central pillar of the One Plan. BCM aims to strengthen and diversify its economic base by consolidating the automotive and manufacturing cluster, expanding logistics and port-related industries, growing agro-processing, tourism, creative industries, and advancing the green and digital economies. Targeted support for SMMEs, township and informal enterprises, and investment facilitation will drive job creation and broaden participation, with a deliberate focus on women, youth and persons with disabilities.

Infrastructure investment underpins the achievement of the Metro's development objectives. The One Plan prioritises the renewal and expansion of bulk water, sanitation, electricity, roads, stormwater, solid waste and ICT infrastructure to ensure reliability, resilience and compliance. Emphasis is placed on reducing service backlogs, improving asset management, lowering non-revenue water, diversifying energy sources, and climate-proofing infrastructure against floods, droughts and coastal risks.

Social development and human capital formation are integral to the Plan. BCM commits to improving access to quality basic services, housing, healthcare, education, safety, sports, arts and culture. Inclusive programmes aimed at empowering women, youth and persons with disabilities are mainstreamed across all sectors, promoting equity, skills development, entrepreneurship and leadership opportunities.

Environmental sustainability and climate resilience are embedded throughout the One Plan. The Metro adopts a transition towards a low-carbon, resource-efficient and circular economy, while protecting biodiversity, coastal systems and critical ecosystems. Climate adaptation and mitigation measures are integrated into spatial planning, infrastructure design and disaster risk management.

Effective governance, institutional capability and financial sustainability form the foundation for successful implementation. The One Plan strengthens intergovernmental coordination, community participation, performance management and transparent governance. It is supported by a clear implementation framework, catalytic project pipeline, monitoring and evaluation mechanisms, and alignment with the municipal budget and Medium-Term Revenue and Expenditure Framework.

Overall, the Third Generation One Plan presents a unified, forward-looking roadmap to transform Buffalo City into a resilient, inclusive and prosperous metropolitan economy that delivers improved quality of life for all residents.

The Buffalo City Metro One Plan is a unified long-term framework directing spatial, economic, social, infrastructure, environmental and governance development to 2050. It aligns sector priorities and coordinates investment across government spheres to drive inclusive growth, strengthen resilience, improve service delivery, and create sustainable, well-planned human settlements for a thriving metro.

Introduction

BCMM enters the next three decades facing a complex development context shaped by persistent socio-spatial inequality, uneven economic performance, infrastructure strain and escalating environmental pressures. The metro's dual economy—anchored by a modern industrial and logistics base alongside widespread poverty, unemployment and informality—reflects deep structural divides that continue to influence settlement patterns, service delivery outcomes and access to economic opportunity. Spatial fragmentation remains a defining challenge, with distant dormitory townships, under-serviced rural settlements and pockets of entrenched deprivation limiting inclusive access to jobs, services and mobility.

Diagnostic indicators highlight critical trends informing the One Plan:

- Population growth is modest but increasingly urbanised and youth-dominated, placing sustained pressure on infrastructure, social services and employment creation.
- Unemployment, particularly among young people, remains well above national urban averages, while high poverty levels, income inequality and dependency ratios reinforce socio-economic vulnerability.
- Although basic service coverage is relatively high, reliability is undermined by ageing infrastructure, historical backlogs, inadequate maintenance and growing climate-related shocks affecting water, sanitation, electricity, roads and stormwater systems.
- Institutional constraints—including fiscal pressures, administrative instability and operational inefficiencies—further limit the metro's responsiveness.

At the same time, BCMM possesses nationally significant assets, including the Port of East London, the East London Industrial Development Zone, a strong automotive manufacturing base, expanding tourism precincts, productive agricultural zones and a growing post-secondary education cluster. Unlocking these advantages requires decisive shifts towards:

- Spatial integration
- Infrastructure modernisation
- Climate resilience
- Economic diversification, and
- Improved human development outcomes.

The One Plan provides an integrated, long-term pathway to guide BCMM's transition to a greener, more connected, inclusive and competitive metro by 2050.

Diagnostic Profile

BCMM's development context is characterised by a dual economy, persistent spatial fragmentation, infrastructure backlogs, climate vulnerability and entrenched socio-economic inequality. The metro has an estimated population of approximately 975 255, with a large youth cohort, concentrated poverty in Mdantsane, Duncan Village and peri-urban settlements, and growing demand for informal housing.

Unemployment remains structurally high, reflecting long-term shifts away from traditional manufacturing, while economic activity is concentrated in the automotive sector, the Port of East London, the ELIDZ, logistics, retail, construction and public services.

Infrastructure challenges persist across water, sanitation, electricity reliability, roads, stormwater and waste management. Ageing bulk assets, high non-revenue water and episodic wastewater spills point to weaknesses in asset management and maintenance. The spatial form remains highly fragmented, with apartheid-era dormitory townships disconnected from major employment nodes. Climate risks—including coastal erosion, flooding, drought cycles and storm surge exposure—further compound development pressures.

Governance constraints include audit pressures, capacity limitations, procurement delays and financial strain, particularly declining cost recovery. Despite these challenges, BCMM retains strong catalytic potential anchored in the ELIDZ, Port precinct, MELD corridor, West Bank industrial belt, tourism coastline and agro-processing zones.

Buffalo City Metro Vision 2050

A smart, green and inclusive coastal metro that is spatially integrated, climate-resilient and globally competitive, providing equitable access to opportunities, efficient high-quality services, sustainable human settlements and integrated mobility systems, while fostering vibrant economic nodes that drive innovation, investment, productivity and improved human development outcomes for all residents.

Buffalo City Metro Strategic Goal

To build a resilient, socially cohesive and investment-attractive metro through integrated planning, catalytic infrastructure, diversified economic growth, modernised governance, spatial transformation and people-centred development, enabled by strong intergovernmental partnerships and data-driven decision-making.

People Development- Desired Future

The desired future for Buffalo City is one in which all residents live healthy, educated, safe and productive lives, supported by strong social systems and inclusive opportunities for advancement. The metro aims to eradicate multidimensional poverty through expanded early childhood development, improved school readiness, strengthened foundational learning, and broader access to post-school education and training. A diversified and future-ready skills pipeline—aligned with key growth sectors including automotive manufacturing, ICT, logistics, tourism, agro-processing, the green economy, creative industries, and the emerging ocean economy—will enable meaningful and sustained participation in the economy. Skills in maritime logistics, aquaculture, coastal tourism, marine technology, and offshore renewable energy will be prioritised to harness coastal and ocean-based opportunities.

Communities will enjoy equitable access to quality healthcare, supported by strengthened primary care systems and responsive public health programmes. Social cohesion will be fostered through safer neighbourhoods, active citizenship, community development initiatives, arts, culture and sports programmes, and integrated settlement planning. Youth development will be strengthened through targeted employment pathways, digital skills expansion, entrepreneurship support, and reduced barriers to labour market entry.

Buffalo City envisions a society where vulnerable groups—including women, youth, older persons, children, and persons with disabilities—benefit from tailored interventions ensuring dignity, empowerment and equal opportunity. This people-centred approach will create an inclusive, resilient, and thriving metro where every resident can contribute to and share in its long-term social and economic prosperity.

People Development – Strategic Goal

The strategic goal for People Development in BCMM is to advance human capability, social wellbeing and inclusive participation by ensuring that all residents have equitable access to quality education, healthcare, skills development, safety and social protection. Achieving this requires strengthening early learning and foundational education, addressing youth unemployment, improving household resilience, expanding digital inclusion, and enhancing health outcomes across all communities.

The metro will cultivate a skilled, adaptable and future-ready workforce aligned with evolving labour market demands in key growth sectors, including automotive manufacturing, logistics, ICT, tourism, agro-processing, the green economy, creative industries, and the emerging ocean economy. Integrated youth development pathways will support transitions from education to employment through apprenticeships, internships, workplace-based learning, entrepreneurship support, innovation hubs, and digital skills programmes, including specialised training in ocean economy sectors such as maritime logistics, aquaculture, marine technology, coastal tourism, and renewable offshore energy.

Public health outcomes will be improved through strengthened primary healthcare systems, preventative and promotive health services, expanded community-based health outreach and improved access to social services. Targeted interventions will address non-communicable diseases, maternal and child health, mental wellbeing and substance abuse. Social cohesion and community wellbeing will be promoted through safer neighbourhoods, active citizenship, arts, culture and sports initiatives, inclusive public spaces, and focused support for vulnerable groups, including women, youth, children, older persons and persons with disabilities.

Collectively, these strategic goals aim to build a socially just, healthy and empowered metro where residents can participate meaningfully in economic, social and civic life and share in long-term prosperity.

People Development – Key Strategies & Outcomes

BCMM's People Development strategies focus on education, skills, health, social protection, and youth empowerment. In education, initiatives will strengthen early childhood development, improve literacy and numeracy, enhance teacher support, and expand vocational and digital skills aligned with labour market needs. Partnerships with schools, SETAs, industry and civic actors will build a comprehensive skills pipeline supporting key sectors, including automotive manufacturing, ICT, logistics, tourism, agro-processing, the green economy, creative industries, and the emerging ocean economy. Target outcomes include a 10% increase in literacy rates and 50% of youth enrolled in skills or apprenticeship programmes by 2030.

Health strategies will expand primary healthcare access, strengthen emergency response, environmental health programmes, and preventative care. Outcomes include 90% of residents having access to primary healthcare within 5 km and a 15% reduction in communicable disease incidence. Social development strategies focus on poverty reduction, food security, household support, and community wellbeing, targeting a 15% reduction in households experiencing food insecurity.

Youth-focused initiatives will provide internships, apprenticeships, digital training, entrepreneurship support, and enhanced recreational and cultural infrastructure. These interventions aim to reduce youth unemployment from 28% to 20% by 2030, increase participation in skills programmes—including maritime and ocean economy skills—and strengthen social cohesion.

Overall, BCMM's integrated approach seeks measurable improvements in education, employment, health, and social inclusion, creating a resilient, skilled, and empowered population capable of driving long-term metropolitan development.

People Development – Quality of Living Standards

BCMM envisions high-quality living standards characterised by safe, serviced, connected and inclusive communities. Residents will have stable access to clean water, dignified sanitation, reliable electricity, efficient waste management, quality public transport and climate-resilient housing. Neighbourhoods will be walkable, green, socially cohesive and supportive of health, recreation and overall wellbeing.

Living standards will be underpinned by accessible social services, including quality education, health facilities, libraries, sports centres and recreational spaces. The metro aims to reduce overcrowding, upgrade informal settlements, expand affordable housing and improve community safety. Enhanced public spaces, arts and cultural precincts will foster a sense of identity, inclusion and belonging.

Quality living also requires robust social protection systems, food security programmes, active community engagement and targeted support for vulnerable and marginalised households. Special attention will be given to ensuring access to education and skills development that align with key economic growth sectors, including the emerging ocean economy, to enable residents to participate meaningfully in the local economy.

By 2050, BCM seeks to ensure that all communities enjoy equitable access to services, improved wellbeing, and safe, dignified living conditions, creating resilient, empowered, and inclusive communities across the metro.

People Development - WYPD Responsiveness

BCMM envisions high-quality living standards characterised by safe, serviced, connected and inclusive communities. Currently, 85% of households have reliable access to clean water, 78% have formal sanitation, and 70% have stable electricity connections. By 2050, BCMM aims to achieve universal access to basic services, including water, sanitation, electricity, waste collection and climate-resilient housing. The metro targets a 30% reduction in informal settlement overcrowding and 50% of low-income households accessing affordable housing.

Neighbourhoods will be walkable, green, socially cohesive and supportive of community wellbeing. Accessible social services—including schools, health facilities, libraries, sports centres and recreational spaces—will reinforce quality living. BCMM aims to improve the matric pass rate from 87% to 95% and ensure 90% of residents live within 5 km of primary healthcare facilities. Strengthened public spaces, arts and cultural precincts will foster identity, inclusion and belonging.

To advance equity and inclusion, BCMM will implement gender-responsive budgeting, universal design standards and disability-inclusive infrastructure, ensuring women, youth, children, older persons and persons with disabilities fully benefit from development initiatives. Social protection systems, food security programmes, and active community partnerships will safeguard vulnerable households. By 2050, the metro aims to ensure all residents experience dignified, safe and resilient living conditions, with measurable improvements in service access, household wellbeing and community safety, fostering an empowered and inclusive metropolitan population.

Economic Positioning – Competitive and Comparative Advantages

BCMM is strategically positioned as a coastal economic hub, anchored by the Port of East London and the East London Industrial Development Zone (ELIDZ). The metro contributes approximately R120 billion to GDP and supports around 450,000 jobs, with key sectors including automotive manufacturing, logistics, and diversified services. Competitive advantages include the Mercedes-Benz-led automotive cluster, high-quality logistics and transport infrastructure, a skilled labour force, and strong post-secondary education institutions. Comparative advantages include tourism, agro-processing potential, renewable energy resources, rich cultural heritage, coastal amenities, and a growing creative industries ecosystem.

BCM's value proposition is enhanced by access to national road and rail networks, affordable industrial land, and emerging sectors such as the green economy, ICT, digital services, and the untapped ocean economy, offering opportunities in maritime logistics, aquaculture, coastal tourism, marine technology, and offshore renewable energy. These assets position the metro as an attractive destination for domestic and regional investment.

However, binding constraints affect economic performance, including electricity reliability challenges, port inefficiencies, ageing infrastructure, skills mismatches, slow land release, and limited institutional capacity. Addressing these constraints is essential to unlocking the metro's growth potential and improving competitiveness relative to other national metros.

Strategic interventions focusing on infrastructure upgrades, skills development, regulatory reform, and investment facilitation will enable BCM to increase exports, attract R15 billion in new investment by 2030, expand SMME participation to 35%, and create 30,000 new jobs, strengthening its position as a diversified, resilient, and globally connected economic hub.

Economic Positioning – Desired Future

By 2050, Buffalo City Metropolitan Municipality (BCM) aims to have a diversified, competitive, and export-oriented economy driven by innovation, high-value manufacturing, green industries, and the emerging ocean economy. Building on a current GDP contribution of R120 billion and employment of approximately 450,000, the metro targets inclusive growth that expands opportunities for SMMEs, youth, and women-owned enterprises, aiming for 35% SMME participation and the creation of 30,000 new jobs by 2030.

BCM seeks to be a leading hub for automotive manufacturing, logistics, agro-processing, and marine-based industries while growing tourism, digital services, creative industries, and aquaculture. High-growth nodes—including the ELIDZ, West Bank industrial belt, MELD corridor, CBD precincts, and the coastal tourism belt—will anchor economic activity and stimulate regional development.

The desired future economy will be supported by a modern skills ecosystem producing industry-ready graduates aligned with priority sectors, including maritime and ocean economy skills. Efficient and climate-resilient infrastructure, digitised operations, clean energy adoption, and green transport systems will underpin economic growth. A stable business environment and investment-friendly policies will attract R15 billion in domestic and regional investment by 2030, enhancing competitiveness relative to other national metros.

By leveraging strategic assets, addressing binding constraints, and fostering innovation, BCM envisions a globally connected, inclusive, and job-rich metropolitan economy. Residents will benefit from expanded economic opportunities, higher incomes, and resilient growth across multiple sectors, positioning the metro as a leading driver of national and regional economic transformation.

Economic Positioning – Key Strategies & Outcomes

BCMM will implement targeted economic strategies to drive sustainable growth, diversify the industrial base, and enhance competitiveness. Key initiatives include strengthening the automotive value chain, expanding logistics and port-related industries, promoting investment in green energy, scaling agro-processing, and developing the emerging ocean economy. Industrial diversification will be supported through ELIDZ expansion, SMME incubation, digital economy platforms, tourism development, coastal regeneration, and marine-based industries such as aquaculture, coastal tourism, and maritime technology.

Critical infrastructure upgrades—including roads, electricity reliability, ICT connectivity, bulk water, and sanitation—will underpin economic competitiveness and support industrial growth. BCM will improve the business environment through red-tape reduction, streamlined permitting, proactive land release, and alignment of skills development with labour market needs, including specialised ocean economy skills.

Strategic partnerships with the private sector, higher education institutions, state-owned enterprises, international partners, and development finance institutions will accelerate innovation, technology adoption, and enterprise growth. Baseline diagnostics indicate current SMME participation at approximately 20%, export contributions of R25 billion, and unemployment at 28%. By 2030, BCM targets 35% SMME participation, R40 billion in exports, creation of 30,000 new jobs, and R15 billion in new investment inflows.

These interventions are designed to enhance economic resilience, attract domestic and regional investment, expand employment opportunities, and ensure inclusive participation in growth sectors. BCM's integrated approach aligns industrial development, infrastructure provision, and skills development to strengthen its position as a diversified, competitive, and investment-ready metropolitan economy.

Economic Positioning – Job Opportunities

BCMM aims to create diverse, high-quality, and sustainable job opportunities across manufacturing, logistics, ICT, agro-processing, tourism, construction, renewable energy, healthcare, the creative industries, and the emerging ocean economy.

Current employment stands at approximately 450,000, with youth unemployment at 28%.

By 2030, BCM targets the creation of 30,000 new jobs, with a focus on high-growth and high-value sectors, including advanced automotive manufacturing, port operations, warehousing, digital services, green technologies, aquaculture, coastal tourism, and offshore renewable energy projects.

Youth employment pathways will be strengthened through apprenticeships, technical training, digital skills development, entrepreneurship support, and innovation hubs. These initiatives aim to reduce youth unemployment from 28% to 20% by 2030. Informal sector livelihoods will be supported through infrastructure upgrades, streamlined trading permits, microfinance access, and safer trading spaces, ensuring inclusive economic participation.

Public employment programmes will expand opportunities in community services, environmental protection, and urban maintenance, improving local service delivery while generating income. Strategic partnerships with industry, higher education institutions, and development agencies will ensure alignment between skills development and labour market needs, including specialised ocean economy competencies.

Overall, BCM seeks to drive job-rich, inclusive growth that raises household incomes, reduces inequality, and broadens participation across all communities. By integrating skills development, enterprise support, and infrastructure investment, the metro will position itself as a competitive, future-ready economy capable of sustaining employment growth across multiple sectors while fostering resilience and social inclusion.

Economic Positioning – Entrepreneurship

BCMM envisions a vibrant, inclusive entrepreneurship ecosystem with robust SMME participation across priority sectors. Currently, SMMEs contribute approximately 20% to the local economy, and BCM targets 35% participation by 2030, focusing on sectors such as manufacturing, logistics, ICT, agro-processing, tourism, creative industries, green technologies, and the emerging ocean economy.

Key interventions include enterprise development hubs, digital innovation centres, incubators, access to finance, market linkages, and supplier development programmes. Targeted support for youth and women-owned enterprises will be provided through preferential procurement, mentorship, skills training, and streamlined regulatory processes, fostering equitable participation in economic growth.

Entrepreneurship in township and rural areas will be expanded through programmes supporting agro-processing, tourism, creative industries, retail, repair services, green economy micro-enterprises, and ocean economy ventures such as aquaculture, coastal tourism, and maritime services. Infrastructure upgrades, safer trading spaces, and improved access to microfinance will strengthen informal sector livelihoods and enable small-scale enterprises to scale sustainably.

By 2050, BCMM aims to establish a competitive, inclusive, and innovation-driven entrepreneurship ecosystem that stimulates job creation, enhances local economic resilience, and drives diversification across the metro's economy. Through coordinated partnerships with industry, development finance institutions, and higher education, the metro will ensure that emerging enterprises—including those in the ocean economy—are integrated into priority growth sectors, contributing to a more resilient, job-rich, and technologically advanced metropolitan economy.

Economic Positioning – Role of Technology

Technology will be a key catalyst for BCMM's economic development, driving digital transformation across manufacturing, logistics, public services, tourism, the creative industries, and the emerging ocean economy. Currently, broadband coverage reaches approximately 70% of households, and the metro aims to achieve 95% coverage by 2030, ensuring universal access to high-speed internet and digital services.

BCM will promote ICT and digital skills development, support tech start-ups, and integrate technology into port operations, advanced manufacturing, municipal service delivery, and ocean economy sectors such as aquaculture, maritime logistics, and coastal tourism. Automation, data-driven management, AI-enhanced logistics, e-commerce, renewable energy technologies, and smart-city applications will improve productivity, reduce operational costs, and stimulate innovation across sectors.

Strategic partnerships with universities, TVET institutions, technology firms, and innovation hubs will accelerate research commercialisation, enterprise development, and digital inclusion. Key targets include training 10,000 youth and adults in ICT and digital skills by 2030, establishing 50 technology-enabled enterprise hubs, and achieving measurable improvements in municipal efficiency and service delivery through smart solutions.

By leveraging technology, BCMM will create a digitally enabled, future-ready economy that enhances competitiveness, strengthens high-value sectors, and expands opportunities for innovation-driven enterprises. Residents and businesses will benefit from improved connectivity, efficient services, and access to emerging digital economy opportunities. By 2050, BCMM aims to be a digitally empowered, innovation-driven metro, recognised as a regional leader in technology-enabled economic growth and a hub for sustainable, inclusive, and knowledge-based development.

Economic Positioning – National & Global Contribution

BCMM will play a pivotal role in national and global economic development by expanding exports, strengthening the automotive and manufacturing value chains, supporting renewable energy adoption, promoting tourism, enhancing logistics competitiveness, and developing the emerging ocean economy.

Currently, BCM contributes approximately R120 billion to GDP and facilitates trade flows valued at R25 billion annually. By 2030, the metro aims to increase export volumes to R40 billion, attract R15 billion in new investment, and create 30,000 new jobs, reinforcing its position as a key national economic hub.

Through the East London Industrial Development Zone (ELIDZ) and the Port of East London, BCMM will attract domestic and foreign investment, serve as a gateway for regional commerce, and enhance integration into continental value chains under the African Continental Free Trade Area (AfCFTA). Strategic partnerships with global investors, development finance institutions, and industry leaders will drive innovation, technology adoption, and enterprise development, including maritime and marine-based sectors.

Skills development, digital transformation, and climate-resilient infrastructure will underpin BCMM's competitiveness in the global economy. Initiatives such as advanced manufacturing, ICT-enabled logistics, renewable energy projects, coastal tourism, and aquaculture will strengthen the metro's global economic footprint.

By 2050, BCMM aims to be a globally connected, trade-oriented, and innovation-driven metro, contributing significantly to national GDP, regional economic integration, and sustainable development. Residents, businesses, and investors will benefit from expanded market access, job creation, and participation in high-value, knowledge-based, and ocean economy opportunities.

Economic Positioning – Local Products

BCMM aims to develop and promote competitive local products across key sectors, including automotive components, agro-processed goods, coastal tourism services, cultural and creative industry outputs, renewable energy components, marine products, and green technologies.

Currently, local manufacturing and agro-processing contribute approximately R30 billion to the metro's GDP, with priority value chains including dairy, poultry, vegetables, timber, fisheries, aquaculture, and niche tourism experiences. By 2030, BCM targets a 20% increase in local product output, expanded market access for small-scale producers, and the creation of 15,000 additional jobs across value chains.

Support for small-scale producers will include infrastructure development, incubation programmes, market linkages, and access to finance. Initiatives will focus on building enterprise capacity, strengthening supplier networks, and facilitating entry into regional, national, and export markets, including ocean economy-related products and services.

Local manufacturing and industrial competitiveness will be enhanced through the expansion of the East London Industrial Development Zone (ELIDZ) and promotion of green industrialisation, including renewable energy component production, environmentally sustainable processes, and sustainable fisheries and aquaculture. Integration with tourism and creative industries will create cross-sector opportunities, enabling cultural, artisanal, and marine-based products to reach broader markets.

By 2050, BCMM envisions a diversified, resilient, and innovation-driven local production ecosystem, where high-value goods and services—including ocean economy products—contribute significantly to the metro's economic growth, job creation, and competitiveness. Residents, entrepreneurs, and investors will benefit from strengthened local value chains, enhanced enterprise opportunities, and inclusive, sustainable economic development.

Economic Positioning – Brand Positioning

BCMM positions itself as a smart, resilient, green, culturally vibrant, and investment-friendly coastal metro. The brand highlights automotive manufacturing excellence, logistics capability, tourism appeal, innovation potential, rich cultural heritage, and opportunities in the emerging ocean economy.

Currently, BCMM attracts approximately R5 billion in tourism revenue annually and hosts over 50 major investment projects, with the goal of increasing both tourism and investment inflows by 50% by 2030.

Strategic marketing initiatives will target investors, tourists, students, and skilled professionals to enhance the metro's visibility nationally and globally. Place-branding campaigns, precinct upgrades, waterfront development, and signature events will showcase BCMM's arts, culture, innovation, lifestyle offerings, and ocean-based opportunities, reinforcing its identity as a competitive, attractive, and forward-looking city.

Brand positioning will also be strengthened through integrated communications, digital platforms, and stakeholder engagement to promote local products, creative industries, marine-based enterprises, and sustainable urban development. Priority precincts such as the CBD, ELIDZ, waterfront, and coastal tourism belt will serve as hubs for branding, attracting investment, and fostering innovation-driven activities.

By 2050, BCMM aims to be recognised as a globally connected, smart, and inclusive coastal metro where residents, businesses, and visitors enjoy a high quality of life. The metro's brand will reflect its status as a hub for economic opportunity, sustainable development, cultural vibrancy, innovation, and ocean economy growth, reinforcing confidence among investors, talent, and the broader national and international community.

Economic Positioning – WYPD Response

BCMM prioritises WYPD across all economic development initiatives to ensure inclusive and equitable growth.

Currently, women-owned and youth-led enterprises account for approximately 20% of SMMEs, and BCMM aims to increase this to 35% participation by 2030. Persons with disabilities represent roughly 6% of the labour force, with targeted interventions planned to improve economic inclusion.

Key strategies include targeted procurement, enterprise development support, digital and ocean economy skills training, business incubation, green economy pathways, and formalisation of informal enterprises. Women-owned and youth-led businesses will receive dedicated assistance in sectors such as automotive supplier development, tourism, creative industries, agro-processing, ICT, and marine-based enterprises, ensuring equitable access to market opportunities, financing, and mentorship.

Persons with disabilities will benefit from accessible business infrastructure, inclusive entrepreneurship programmes, tailored financing mechanisms, and specialised skills development initiatives, enabling active participation in high-value and emerging sectors. Strategic partnerships with industry, financial institutions, and higher education will enhance capacity building, innovation adoption, and enterprise sustainability for WYPD groups.

By 2050, BCMM aims to establish an inclusive, opportunity-rich, and equitable economic environment where WYPD groups are fully integrated into priority sectors, benefit from sustainable livelihoods, and contribute meaningfully to local, regional, and global economic growth. These interventions will foster a resilient, diversified, and socially inclusive economy, reflecting BCMM's commitment to leaving no one behind.

Spatial Restructuring – Desired Spatial Form

BCMM envisions a compact, integrated, and connected urban system that unifies historically fragmented settlements into a cohesive metropolitan structure. By 2050, the metro aims for well-planned, densified corridors linking Mdantsane, King William's Town–Bhisho, the MELD corridor, and the coastal urban belt. Growth will be concentrated along priority transit-oriented development (TOD) corridors, supporting higher densities, mixed-use development, and efficient, multi-modal mobility.

Coastal, inland, and rural settlements will be integrated through enhanced transport networks, digital connectivity, and nodal development, promoting equitable access to jobs, services, and economic opportunities. The spatial form will prioritise climate-resilient land use, green infrastructure, high-quality public spaces, and universal access standards, ensuring inclusivity, environmental sustainability, and resilience to climate risks.

Baseline indicators show urban sprawl at approximately 18% of developed land, average corridor densities of 1,200 persons/km², and limited transport integration in peri-urban and rural areas (~55% coverage). By 2050, targets include densities of 75 units/ha along TOD corridors, universal access to basic services across all settlements, and full integration of key nodes with economic, social, and mobility functions.

The desired spatial form will reduce spatial inequality, optimise land use, strengthen economic competitiveness, and improve quality of life. Through coordinated planning, BCMM will create a sustainable, resilient, and inclusive metropolitan structure that supports equitable growth, efficient service delivery, and climate-resilient urban development.

Spatial Transformation Strategies & Outcomes

BCMM will implement strategic spatial transformation to achieve a compact, integrated, and economically vibrant metropolitan form. Key strategies include densifying and revitalising priority corridors, integrating township areas into economic nodes, upgrading informal settlements, and strengthening rural-urban linkages to manage rural-urban migration effectively. Transit-oriented development (TOD) will be pursued along the MELD corridor, KWT–Bhisho capital complex, Mdantsane Central, CBD, Reeston, and West Bank precincts, promoting mixed-use, higher-density development, and enhanced mobility.

Settlement restructuring will emphasise mixed-income housing, improved public transport, non-motorised mobility networks, and precinct-based urban management aligned with catalytic economic nodes. Urban regeneration initiatives will target decaying centres, waterfront precincts, and industrial zones, combining land-use optimisation, public space enhancements, and investment facilitation. Land reform and efficient land use will be accelerated through streamlined permitting, digital land management systems, and coordinated land assembly.

Baseline diagnostics indicate informal settlement coverage at ~18%, urban density at ~1,200 persons/km², and limited access to integrated transport (~55% coverage in townships). Targets include reducing informal settlement coverage to below 5% by 2040, achieving minimum densities of 75 units/ha in TOD corridors by 2035, and ensuring 100% integrated public transport coverage along key corridors by 2035.

Expected outcomes include reduced spatial inequality, improved access to jobs and services, enhanced mobility, increased economic participation, and a balanced, resilient urban structure. By 2050, BCM will have a sustainable, inclusive, and spatially efficient metropolitan form that supports equitable growth, service delivery, climate resilience, and managed rural-urban migration.

Sustainability & Climate Change Strategies

BCMM prioritises climate adaptation, mitigation, and resilience-building to safeguard communities, infrastructure, and economic growth. Coastal management interventions will address erosion, flooding, and storm surge risks through shoreline protection, dune rehabilitation, and climate-resilient infrastructure. Water security will be enhanced via demand management, reduced non-revenue water, wastewater reuse, and bulk supply upgrades, ensuring sustainable access for all communities. Renewable energy adoption—including solar PV, embedded generation, and green industry partnerships—will drive BCMM's low-carbon transition.

Climate-smart land-use planning will integrate ecosystem restoration, wetland protection, and sustainable urban drainage systems (SuDS) to reduce vulnerability. Urban design measures such as heat-resilient buildings, green roofs, urban greening, and climate-responsive construction standards will improve liveability and environmental sustainability. Disaster risk reduction strategies will include early-warning systems, community preparedness programmes, and enhanced emergency response to safeguard lives and property.

Baseline conditions indicate approximately 35% of coastal infrastructure at high climate risk, non-revenue water at 38%, and renewable energy contributing 7% of municipal supply. Targets include climate-proofing 100% of critical coastal infrastructure by 2040, reducing non-revenue water to below 20% by 2035, and increasing renewable energy contribution to 50% by 2050.

By implementing these strategies, BCMM aims to become a leading climate-resilient coastal metro, where integrated mitigation, adaptation, and sustainability measures reduce environmental risk, strengthen urban resilience, support inclusive development, and enhance quality of life for all residents by 2050.

Desired Settlement Patterns

BCMM seeks a balanced and integrated settlement pattern that supports inclusive, efficient, and sustainable urban and rural growth. The vision prioritises compact cities, well-connected corridors, vibrant economic nodes, strengthened rural service centres, and climate-resilient coastal settlements. Urban sprawl will be managed through higher-density development, mixed land uses, and infill projects that optimise existing infrastructure and reduce service delivery costs.

Township integration will be enhanced through improved public transport networks, upgraded amenities, economic infrastructure, and revitalised public spaces, creating connected and inclusive communities. Peri-urban areas will evolve into structured, serviced neighbourhoods with flexible zoning, accessible utilities, and enhanced mobility infrastructure. Rural settlements will benefit from clustered service points, agricultural value-chain facilities, and improved transport linkages, supporting rural-urban connectivity, economic participation, and managed rural-urban migration.

Coastal settlements will adhere to climate-safe development regulations, resilient building standards, and nature-based solutions to mitigate flooding, erosion, and storm surge risks. Baseline metrics indicate current urban density at ~1,200 persons/km², informal settlement coverage at ~18%, and limited service access in peri-urban and rural areas (~55% serviced). Targets include achieving minimum 75 units/ha density in TOD corridors by 2035, full basic service coverage in peri-urban and rural settlements by 2040, and 100% climate-compliant development in coastal nodes by 2050.

Expected outcomes include reduced spatial inequality, improved accessibility, strengthened economic integration, and resilient, sustainable settlement systems that enhance quality of life across the metro, supporting inclusive growth and environmental sustainability.

Key Economic Nodes

BCMM has identified strategic economic nodes that anchor employment, trade, industry, and tourism, driving spatial integration and economic competitiveness. Primary nodes include the ELIDZ and West Bank industrial area, the Port of East London, the MELD logistics corridor, Mdantsane Central, the CBD, the Vincent-Bereaville commercial belt, the King William's Town-Bhisho complex, and coastal tourism hubs such as Nahoon, Gonubie, and Kidd's Beach. These nodes serve as focal points for industrial growth, commercial activity, high-value services, and tourism development.

Supporting nodes include Dimbaza, Fort Jackson, Berlin, Zwelitsha, and key rural service centres, which provide complementary economic, social, and logistical functions, facilitating rural-urban linkages and inclusive growth. Targeted infrastructure upgrades—encompassing roads, digital connectivity, utilities, and precinct management—will strengthen node functionality, reduce bottlenecks, and enable integrated transport and intermodal connectivity.

Baseline conditions indicate underutilised industrial land (~30% vacancy at ELIDZ), limited digital infrastructure in supporting nodes (~40% coverage), and gaps in transport connectivity along key corridors. Targets include full occupancy of ELIDZ and West Bank industrial land by 2040, 100% digital network coverage in primary and supporting nodes by 2035, and enhanced road and public transport integration along MELD and TOD corridors by 2035.

Expected outcomes include increased investment, job creation, enhanced service access, and catalytic economic growth. Prioritised development of these nodes will strengthen BCMM's position as a competitive, inclusive, and regionally connected metro, supporting long-term spatial and economic transformation by 2050.

Spatial Competitive Advantages

BCMM possesses significant spatial competitive advantages that underpin its economic, social, and environmental potential. Its coastal location along the Indian Ocean provides strategic access to maritime trade and logistics networks, anchored by the Port of East London and connectivity to national freight corridors. The ELIDZ and major industrial land parcels support high-value manufacturing, logistics, and green economy activities.

BCMM's natural landscapes—including rivers, wetlands, forests, and productive agricultural land—offer strong potential for eco-tourism, recreation, and agro-economic development. Cultural heritage, historic towns, and a vibrant arts and creative industries sector further enhance the metro's appeal for tourism, investment, and talent attraction. Growth corridors such as MELD, West Bank, CBD, KWT–Bhisho, and coastal nodes leverage these spatial assets to create integrated economic and residential hubs.

Educational institutions, technical colleges, and research centres strengthen innovation capacity and produce a skilled workforce aligned with priority sectors. Baseline metrics include Port throughput of ~5 million tons/year, ELIDZ occupancy at 70%, and eco-tourism visitation growth of ~3% per year. Targets include full utilisation of strategic industrial land by 2040, a 30% increase in tourism's contribution to GDP by 2050, and integrated development along key growth corridors.

These competitive advantages position BCMM as a resilient, inclusive, and globally connected coastal metro, capable of supporting climate-resilient urban growth, economic diversification, and investment attraction.

BCMM's precinct concept is a strategic framework for integrated, targeted development aimed at spatial restructuring, economic stimulation, and service improvement. Key precincts include the CBD, Mdantsane Central, MELD corridor, West Bank, Reeston, Sleeper-Site, KWT–Bhisho, and selected coastal nodes. Each precinct will feature mixed-use development, public space upgrades, enhanced mobility, safety interventions, digital infrastructure, and green systems to promote sustainability, inclusivity, and resilience.

Precinct Concepts

Precinct plans integrate land-use planning, infrastructure investment, urban management, and economic activation, creating catalytic nodes that stimulate private sector investment and local economic activity. TOD corridors and precinct clusters will optimise resource allocation, reduce urban sprawl, and strengthen connectivity between residential, commercial, and industrial areas. Digital infrastructure and smart-city applications will enhance municipal efficiency, service delivery, and citizen engagement.

Baseline conditions indicate limited mixed-use development, fragmented urban management, and underutilised public spaces in key precincts. Targets include 100% of precincts with integrated land-use and infrastructure plans by 2035, upgraded public spaces in all catalytic nodes by 2040, and full implementation of digital and green systems across priority precincts by 2045.

Expected outcomes include revitalised urban centres, improved public amenity provision, enhanced economic activity, safer and more accessible precincts, and strengthened governance coordination. By implementing the precinct concept, BCMM will create high-quality, inclusive, and productive urban spaces that serve as catalysts for spatial integration, economic growth, and improved quality of life by 2050.

Land Development Targets

BCMM aims to achieve sustainable, inclusive, and economically integrated land development by 2050. Key objectives include delivering mixed-income housing, densifying priority corridors, expanding affordable rental stock, and upgrading informal settlements to improve living conditions and support spatial transformation.

Annual land development targets focus on increasing rezoning throughput, accelerating land release for housing and industrial purposes, and implementing precinct-based housing pipelines. Priority development areas include Reeston, West Bank, CBD, Mdantsane, MELD corridor, KWT–Bhisho, and selected coastal settlements. These areas are strategically aligned with economic nodes, transit-oriented development (TOD) corridors, and catalytic precinct projects. Specific targets include achieving higher residential densities in TOD corridors (minimum 75 units/ha by 2035), ensuring 100% serviced land availability in priority precincts by 2040, and streamlining development approvals to reduce processing times by 50% by 2035. Integrated human settlements will be linked to employment hubs, social services, and transport networks, promoting accessibility, inclusion, and spatial equity.

Baseline metrics indicate a current housing backlog of ~35,000 units, informal settlement coverage of ~18%, and limited serviced land for mixed-income development. By meeting these land development targets, BCMM aims to reduce spatial inequality, improve access to jobs and services, support economic growth, and create inclusive, climate-resilient communities. Expected outcomes include increased housing delivery, higher corridor densities, expanded rental options, and revitalised precincts that underpin the metro's long-term spatial and economic objectives by 2050.

Spatial WYPD Responsiveness

BCMM is committed to advancing spatial equity for Women, Youth, and Persons with Disabilities (WYPD) by embedding inclusive design, universal access standards, and targeted interventions in all settlement and transport planning. Key strategies include upgrading public spaces with adequate lighting, surveillance, walkability, accessible infrastructure, and recreational amenities that meet the needs of vulnerable groups.

Land release and housing programmes will prioritise women and youth developers, enabling equitable participation in the property and construction sectors. Housing, transport, and precinct planning will integrate safety, affordability, and accessibility considerations, including safe pedestrian routes, barrier-free public facilities, and accessible public transport. TOD corridors, catalytic precincts, and rural-urban linkages will be designed with universal access principles to ensure inclusive connectivity across the metro.

Climate resilience and disaster-risk planning will target vulnerable settlements, incorporating flood-protection measures, early-warning systems, heat-resilient infrastructure, and emergency response enhancements to safeguard WYPD populations.

Baseline metrics indicate less than 50% of public spaces are fully accessible, ~30% of transport nodes have universal access, and WYPD participation in land development projects is limited. Targets include 100% of new public spaces accessible by 2035, all TOD and precinct upgrades incorporating WYPD-friendly design by 2040, and ≥30% of land release projects led by women and youth by 2035.

Expected outcomes include improved mobility, safety, and equitable access to services, enhanced participation in development initiatives, and the creation of inclusive, resilient, and opportunity-rich urban and rural environments that benefit all WYPD groups by 2050.

Infrastructure – Desired Future State

By 2050, BCMM aims for a reliable, resilient, digitally enabled, and well-maintained infrastructure system that supports inclusive growth, economic competitiveness, and high-quality living standards. The metro will ensure uninterrupted water supply, safe sanitation services, sustainable electricity, efficient roads, modern stormwater systems, climate-resilient coastal defences, expanded ICT networks, and circular waste management systems. Infrastructure investment will be aligned with spatial priorities, unlocking catalytic nodes such as the ELIDZ, West Bank, Mdantsane, MELD corridor, CBD, and KWT–Bhisho.

BCMM will coordinate municipal, provincial, and national infrastructure programmes, including bulk water and electricity networks, arterial and national roads, public transport systems, health and education facilities, social housing, ICT networks, and energy projects. Asset management maturity will be strengthened through predictive maintenance, lifecycle planning, and digital monitoring, ensuring infrastructure is greener, smarter, and cost-effective for communities and businesses.

Key targets include 100% of priority precincts with serviced bulk infrastructure by 2035, 95% water supply reliability, 90% electricity network reliability, 80% of roads in good or fair condition, 95% fibre coverage, and 50 public Wi-Fi hotspots in strategic nodes. Climate-resilient designs, renewable energy integration, and smart technologies will reduce environmental risk, enhance service delivery, and support economic competitiveness.

By integrating all government infrastructure layers, BCM will strengthen spatial integration, unlock economic potential, ensure equitable service access, and deliver a future-ready, inclusive, and sustainable metropolitan region capable of supporting long-term social and economic transformation.

Infrastructure – Key Strategies & Outcomes

BCMM will develop a reliable, resilient, and future-ready infrastructure network that supports inclusive growth, spatial integration, and high-quality living standards. Key strategies include upgrading bulk water and electricity networks, reducing non-revenue water (currently ~35%), improving wastewater treatment compliance, rehabilitating roads, enhancing stormwater systems, expanding solid waste infrastructure, diversifying energy supply, and strengthening ICT fibre and broadband networks.

BCMM will coordinate municipal, provincial, and national infrastructure programmes—including national and regional roads, social housing, health and education facilities, and energy projects—to optimise service delivery and capital investment. A comprehensive asset management programme incorporating lifecycle planning, predictive maintenance, and digital monitoring systems will underpin efficiency and longevity. Infrastructure upgrades will prioritise catalytic precincts and TOD corridors, ensuring alignment with spatial restructuring, economic growth, and climate resilience objectives. Renewable energy integration, climate-proofing, and smart technologies will reduce environmental risks and improve operational efficiency.

Expected outcomes include water and electricity reliability exceeding 98%, improved wastewater compliance (>90% Green/Blue Drop standards), expanded road and drainage capacity, waste collection coverage above 95%, enhanced digital connectivity, and optimised infrastructure management. These interventions will support economic competitiveness, attract investment, and reduce community vulnerability to service disruptions and climate impacts.

By 2050, BCMM aims to deliver a fully integrated, climate-resilient, and digitally enabled infrastructure system that underpins safe, sustainable, and inclusive urban development, ensuring equitable access to essential services for all residents while promoting long-term social, economic, and environmental sustainability.

Roads & Stormwater

BCMM aims to deliver a safe, efficient, and climate-resilient road and stormwater network that enhances mobility, economic activity, and community wellbeing. Key strategies include rehabilitating arterial, collector, and feeder roads, upgrading intersections, and implementing sustainable urban drainage systems (SuDS) to reduce flood risks and protect communities. Priority corridors—such as MELD, West Bank, Mdantsane, and KWT–Bhisho—will link employment nodes, economic hubs, and residential areas, supporting spatial integration and access to services.

Stormwater management interventions will incorporate climate-resilient designs, upgraded culverts and channels, flood mitigation measures, erosion control, and wetland integration. Maintenance backlogs—currently affecting ~30% of arterial roads and ~40% of drainage networks—will be addressed through routine grading, resurfacing, preventative maintenance, and digital fault-reporting platforms to improve responsiveness and efficiency.

By 2035, BCMM targets rehabilitating 80% of critical arterial and collector roads, upgrading 70% of drainage infrastructure in high-risk flood zones, and implementing SuDS in all new precinct developments. Integrated monitoring and early-warning systems will enhance preparedness for extreme weather events.

Expected outcomes include safer, more reliable mobility, reduced flood-related disruptions, strengthened economic connectivity, and improved resilience to climate impacts. By 2050, BCMM envisions a fully rehabilitated, high-quality, and climate-smart road and stormwater network that underpins economic competitiveness, sustainable urban growth, and equitable access to services across the metropolitan area.

Water & Sanitation

BCMM aims to provide a reliable, safe, and sustainable water and sanitation system that supports public health, economic growth, and climate resilience. Key water strategies include bulk supply upgrades, groundwater development, reservoir expansion, network rehabilitation, pressure management, leak detection, smart metering, and strengthened demand management. Reducing non-revenue water (NRW) is a major priority to improve efficiency and sustainability.

Sanitation strategies focus on upgrading wastewater treatment works, rehabilitating sewer networks, modernising pump stations, eliminating sewer spills, and integrating interim and permanent solutions in informal settlements. BCMM will also implement sludge beneficiation, effluent reuse projects, catchment protection, and stormwater–sewer separation to enhance system sustainability. Baseline diagnostics indicate NRW at ~35%, ageing sewer networks in Mdantsane and West Bank, and limited sanitation coverage in informal settlements.

Addressing these water and sanitation challenges will require approximately R10 billion in investment over the medium term to rehabilitate infrastructure, expand coverage, and implement climate-resilient solutions.

By 2035, BCMM targets reducing NRW to 20%, achieving 100% compliance with effluent standards, upgrading 80% of critical sewer infrastructure, and providing interim or permanent sanitation solutions to all informal settlements. Expected outcomes include improved water reliability, safer sanitation, enhanced public health, reduced environmental pollution, and strengthened climate resilience. By 2050, BCMM envisions a fully integrated, climate-smart water and sanitation system delivering universal access, supporting inclusive human settlements, and underpinning economic, spatial, and social transformation across the metro.

Electricity & Energy Transition

BCMM aims to establish a reliable, diversified, and low-carbon energy system that supports economic growth, industrial expansion, and climate resilience. Key strategies include upgrading substations, reinforcing electricity networks, reducing outages, expanding capacity in industrial growth nodes, and enabling embedded generation.

Energy diversification will be pursued through solar PV farms, rooftop solar installations, battery storage, wheeling frameworks, and demand-side management programmes. Operational efficiency will be strengthened via smart metering, grid automation, load balancing, energy efficiency interventions, and revenue protection mechanisms. Baseline diagnostics indicate frequent outages in certain industrial corridors, limited embedded generation, and reliance on the national grid for approximately 95% of municipal electricity demand.

By 2035, BCMM targets a 40% reduction in outage frequency, installation of 100 MW of embedded solar capacity, rollout of smart meters to 80% of households, and integration of battery storage in priority industrial nodes. These measures will improve network reliability, reduce energy losses, enhance cost recovery, and support sustainable industrialisation.

Expected outcomes include a resilient, low-carbon energy system, greater renewable energy integration, increased access to affordable electricity, and reduced environmental impact. By 2050, BCMM envisions a climate-resilient, technologically advanced, and energy-secure metro that supports green industries, drives economic competitiveness, and enables a sustainable, inclusive energy transition aligned with the city's broader infrastructure and climate objectives.

Waste Management

BCMM aims to establish a comprehensive, sustainable, and climate-resilient waste management system that protects public health, safeguards the environment, and supports circular economy principles. Key strategies include expanding waste collection coverage, rehabilitating existing landfill sites, upgrading transfer stations, improving fleet availability, and enhancing recycling and composting programmes.

Circular economy approaches will be prioritised through community-based recycling initiatives, material recovery facilities, composting, and waste-to-energy solutions. Illegal dumping will be addressed via enforcement, public education, CCTV monitoring, and community-led clean-up campaigns. BCMM will actively cooperate with the private sector and the Border Kei Chamber of Business to establish and operate Buy-Back Centres, providing local entrepreneurs with opportunities to participate in waste collection, material recovery, and recycling value chains. Baseline diagnostics indicate ~75% household waste collection coverage, limited recycling infrastructure, and numerous unlicensed dumping sites in peri-urban and informal settlements.

By 2035, BCMM targets 100% waste collection coverage, establishment of 10 material recovery facilities, diversion of 40% of waste from landfills, and full rehabilitation of priority landfill sites. Community engagement, private-sector partnerships, and education programmes will ensure behavioural change, increased participation in recycling, and promotion of sustainable consumption practices.

Expected outcomes include cleaner, healthier communities, reduced landfill pressure, improved compliance with national environmental standards, increased resource recovery, and strengthened support for a green economy. By 2050, BCMM envisions a leading metropolitan waste management system integrating modern infrastructure, community participation, and private-sector collaboration to achieve sustainability, climate resilience, and inclusive economic opportunities.

ICT & Digital Infrastructure

BCMM aims to develop a modern, high-speed digital infrastructure network that underpins economic competitiveness, efficient service delivery, and inclusive connectivity. Key strategies include expanding fibre-optic networks, deploying public Wi-Fi hotspots, digitising municipal services, integrating smart-city platforms, enhancing data governance, and enabling secure digital payment systems.

ICT infrastructure will support real-time public transport information, traffic management, utilities monitoring, emergency response, and enterprise innovation, fostering a digitally empowered metro. BCM will collaborate with the private sector and local technology firms to support digital-enabled initiatives and ICT-enabled enterprise development hubs. Baseline diagnostics indicate ~70% household broadband coverage, limited municipal digital service integration, and low public Wi-Fi access in underserved areas.

Targets by 2035 include 95% broadband coverage for households, establishment of 50 digital service hubs, full digitisation of municipal service interfaces, and integration of smart-city solutions across transport, utilities, and urban management systems. Initiatives will prioritise digital inclusion for Women, Youth, and Persons with Disabilities (WYPD) through accessible interfaces, ICT training, and support for tech-enabled enterprises.

Expected outcomes include improved connectivity for residents and businesses, enhanced municipal service efficiency, increased access to the digital economy, and strengthened innovation capacity. By 2050, BCM aims to be a fully digitally enabled, smart metro, leveraging ICT and private-sector partnerships to drive economic growth, social inclusion, and operational excellence while supporting climate resilience and future-ready infrastructure systems.

Climate-Resilient Infrastructure

BCMM will implement climate-resilient infrastructure strategies to safeguard communities, critical assets, and economic activities from climate-related risks. Priority interventions include coastal protection works, flood defence upgrades, climate-smart road design, enhanced stormwater systems, drought mitigation measures, and strengthened emergency response capacity.

Nature-based solutions will be integrated, including wetland and dune restoration, green corridors, permeable surfaces, and urban tree planting, reducing vulnerability and enhancing ecosystem services. Infrastructure planning and asset management will incorporate climate vulnerability assessments, resilience metrics, and scenario-based risk modelling to guide investment prioritisation and long-term planning.

Early-warning systems, disaster response equipment, and community preparedness programmes will strengthen adaptive capacity and risk reduction. Baseline metrics include ~12 km of high-risk coastal shoreline, ~65% stormwater system adequacy, and ~18% of road segments vulnerable to extreme weather. By 2035, BCMM targets 100% of new critical infrastructure meeting climate-resilient design standards, full integration of nature-based solutions in priority corridors, and all high-risk communities equipped with early-warning and disaster response systems.

Expected outcomes include reduced climate-related damages, enhanced public safety, improved infrastructure reliability, and long-term sustainability of municipal assets. By 2050, BCMM aims to be a leading climate-resilient coastal metro, demonstrating robust adaptation and mitigation across infrastructure sectors while supporting economic growth, social wellbeing, and environmental stewardship.

Infrastructure – WYPD Response

BCMM will mainstream (WYPD) inclusion across all infrastructure planning, delivery, and operations. All infrastructure projects will adopt universal design principles, ensuring accessible public facilities, safe transport networks, and equitable access to services. Key interventions include enhanced street lighting, safe pedestrian walkways, accessible public buildings, gender-sensitive sanitation facilities, and inclusive digital connectivity, prioritising the needs of vulnerable groups.

Employment and enterprise participation will actively target WYPD groups through dedicated recruitment, skills development, and support for women-, youth-, and disability-owned contractors and service providers. Infrastructure programmes will provide training, mentorship, and capacity-building opportunities to enhance long-term economic empowerment and sectoral participation.

Baseline diagnostics indicate limited WYPD-accessible infrastructure (~45% of public facilities) and low participation in municipal construction projects (<20%). Targets include 100% of new and upgraded infrastructure meeting universal access standards by 2035, 50% of municipal construction contracts awarded to WYPD-owned enterprises by 2035, and all mobility and public space projects incorporating safety and accessibility measures.

By embedding inclusivity into design, construction, and operation, BCMM aims to create an enabling, equitable built environment where WYPD groups fully benefit from infrastructure investment, experience safer and more accessible urban spaces, and actively participate in the metro's economic, social, and spatial transformation by 2050.

Integrated Service Provisioning – Desired State

By 2050, BCMM aims to provide reliable, efficient, affordable, and equitable services across water, sanitation, electricity, waste management, housing, transport, and digital connectivity. The goal is universal access, high service reliability, compliance with national standards (SANS, Blue/Green Drop, MSCOA), and digitally enabled customer interfaces. Integrated service provisioning will support spatial restructuring, economic growth, and improved quality of life for all residents.

Currently, ~92% of households have potable water, 85% formal sanitation, 88% electricity, and 85% refuse collection, with service interruptions averaging 6–8 hours per month. BCMM will enhance reliability through coordinated planning, infrastructure rehabilitation, proactive operations and maintenance, and digital monitoring systems. Human settlements will be fully serviced and aligned with transit-oriented development (TOD) and catalytic corridors, while public transport will be safe, integrated, efficient, and intermodal.

Digital platforms will enable data-driven decision-making, real-time monitoring, automated fault reporting, and enhanced customer engagement. Integrated departmental planning will optimise service delivery, expand alternative energy solutions, improve water security, and strengthen infrastructure resilience.

Expected outcomes include reduced service interruptions, improved compliance with regulatory standards, higher customer satisfaction, equitable access for all communities, and increased resilience to climate change and demand pressures. BCMM will achieve a future-ready, inclusive, and responsive service system that ensures all residents, particularly vulnerable groups, benefit from dependable and high-quality municipal services.

Integrated Service Provisioning – Key Strategies & Outcomes

BCMM aims to provide reliable, efficient, equitable, and digitally enabled service delivery across water, sanitation, electricity, waste management, housing, and transport. Key strategies include modernising service delivery systems, improving operations and maintenance, reducing service interruptions, and implementing digital reporting and monitoring platforms. Service upgrades will be aligned with spatial priorities, catalytic projects, and transit-oriented development corridors to maximise impact.

BCMM will institutionalise integrated planning across all service functions, ensuring coordination between departments, provincial agencies, and national partners. Customer service will be enhanced through online reporting, automated fault logging, real-time notifications, multilingual communication, and transparent turnaround times. Mobile service points will complement digital platforms to ensure accessibility for all communities.

Performance will be strengthened through infrastructure rehabilitation, predictive maintenance, asset monitoring, and expanded funding mechanisms. Partnerships with provincial and national departments, development agencies, international partners and the private sector will accelerate service improvements and innovation.

Baseline metrics include water access at 92%, sanitation coverage at 70%, household electrification at 88%, and non-revenue water at 36%. Targets include universal access to water, sanitation, and electricity by 2040, reducing outages by 50% by 2035, and achieving >85% customer satisfaction by 2035.

Outcomes include improved reliability, higher compliance with national standards, equitable service access, enhanced customer satisfaction, and integrated service delivery that supports spatial transformation, economic growth, and quality of life for all residents.

Water Service Delivery

BCMM prioritises reliable, safe, and sustainable water service delivery to ensure equitable access, support economic growth, and protect public health. Key objectives include uninterrupted water supply, improved water quality, reduced non-revenue water (NRW), and expanded network capacity across urban, peri-urban, and rural settlements.

Key interventions include upgrading bulk water infrastructure, expanding reservoirs, replacing ageing pipelines, implementing pressure management, installing smart meters, and deploying leak detection systems. Informal settlements will receive interim and permanent water solutions, supported by improved tanker management and strategically placed community water points.

Sustainability measures focus on water conservation, catchment protection, climate-resilient abstraction strategies, and treated-effluent reuse to reduce demand on potable water resources. Customer communication channels, rapid response teams, and proactive maintenance scheduling will minimise service interruptions and enhance customer satisfaction.

Baseline metrics indicate ~92% of households with reliable water supply, NRW at 36%, and 8% of households experiencing intermittent supply monthly. Targets include universal household water access by 2040, reducing NRW to 20% by 2035, and achieving continuous supply for 95% of connections by 2035.

Expected outcomes include improved service reliability, reduced water losses, enhanced public health, strengthened community trust, and long-term resource sustainability. BCM's integrated water strategy aligns with spatial priorities, TOD corridors, and catalytic precincts, supporting broader service delivery, economic development, and climate resilience. By 2050, all residents will benefit from consistent, safe, and efficient water services, contributing to a resilient and inclusive metropolitan region.

Sanitation Service Delivery

BCMM prioritises reliable, safe, and sustainable sanitation services to support public health, environmental protection, and equitable access to essential services. Key priorities include upgrading wastewater treatment works, rehabilitating sewer networks, modernising pump stations, and eliminating sewer overflows.

BCMM will strengthen compliance with Green Drop standards, reduce blockages, and address ageing infrastructure through targeted rehabilitation and preventative maintenance programmes. Informal settlement upgrades will integrate interim and permanent sanitation solutions tailored to local conditions, including communal ablution facilities and household toilets where feasible.

Strategies also include expanding sludge management systems, implementing effluent reuse projects, upgrading stormwater–sewer separation, and enhancing emergency response protocols to mitigate pollution risks and service disruptions. Digital monitoring and predictive maintenance tools will be deployed to improve operational efficiency and reduce service failures.

Baseline metrics indicate ~70% of households with formal sewer connections, an average of 15 sewer blockages per 1,000 connections per year, and effluent non-compliance at 25% of treatment works. Targets include achieving 100% Green Drop compliance by 2040, reducing sewer blockages by 50% by 2035, and providing full interim or permanent sanitation in all informal settlements by 2040.

Expected outcomes include improved public health, reduced pollution incidents, enhanced service reliability, and strengthened community confidence in sanitation infrastructure. BCMM's sanitation programme supports broader integrated service delivery, spatial transformation, and environmental sustainability, ensuring all residents have access to safe, equitable, and climate-resilient sanitation services by 2050.

Electricity Service Delivery

BCMM prioritises reliable, resilient, and affordable electricity services to support inclusive growth, economic development, and quality of life. Key objectives include improving network reliability, reducing outages, expanding capacity, and increasing access across urban, peri-urban, and rural areas.

Strategies include upgrading substations, replacing transformers, reinforcing networks, and optimising maintenance schedules. Electrification programmes will target underserved areas, ensuring universal access to electricity. BCM will integrate embedded generation, rooftop solar, wheeling frameworks, and battery storage to diversify supply, reduce dependence on the national grid, and support renewable energy adoption.

Operational efficiency will be enhanced through smart metering, grid automation, load balancing, revenue protection, and predictive maintenance. Digital monitoring systems will improve response times and reduce outage impacts.

Baseline metrics indicate 88% household electrification, with intermittent outages averaging 6–8 hours per month in certain areas. Targets include achieving 95% reliable supply by 2035, full electrification of underserved areas by 2040, and 20 MW of embedded renewable energy capacity integrated by 2035.

Expected outcomes include improved network stability, reduced frequency and duration of outages, lower technical and commercial losses, and expanded renewable energy integration. These interventions will support industrial growth nodes, residential communities, and public facilities, positioning BCM as a climate-resilient, energy-secure, and sustainable metro by 2050.

Human Settlements Integration

BCMM aims to deliver mixed-income, well-located, and fully serviced neighbourhoods that support spatial integration, economic access, and improved quality of life. Human settlements integration focuses on transforming historically fragmented areas into inclusive, connected, and sustainable communities.

Key strategies include accelerating informal settlement upgrading, expanding affordable rental housing, promoting mixed-use precincts, and strengthening urban management. Housing development will be strategically aligned with transit-oriented development (TOD) corridors, employment nodes, and catalytic projects such as the MELD corridor, West Bank, CBD, Mdantsane, and KWT–Bhisho.

BCMM will streamline land release processes, enhance bulk services planning (water, sanitation, electricity, roads), integrate social services, and foster active community participation in settlement planning and management. Climate-resilient and environmentally sustainable building standards will be enforced, incorporating energy-efficient designs, flood-resilient construction, and green public spaces.

Baseline metrics indicate ~25,000 households living in informal settlements, with overcrowding rates averaging 35% in high-density areas. Targets include upgrading 100% of informal settlements by 2040, delivering 5,000 new mixed-income housing units annually, and reducing overcrowding to <15% by 2035.

Expected outcomes include improved living conditions, enhanced access to jobs, services, and transport, strengthened social cohesion, and climate-resilient communities. This integrated approach ensures that human settlements underpin BCM's broader spatial, economic, and social transformation objectives, creating inclusive, equitable, and well-managed urban and peri-urban neighbourhoods by 2050.

Public Transport & Mobility

BCMM aims to establish an efficient, affordable, safe, and integrated public transport system linking townships, urban centres, growth corridors, and rural settlements. The system will support spatial transformation, economic development, and equitable access to employment, education, and services.

Key strategies include upgrading taxi ranks, bus terminals, and multimodal transport hubs; improving road-based public transport infrastructure; and promoting non-motorised transport (NMT) such as walking and cycling. Pedestrian and cycling networks will be expanded along key corridors to enhance safety, accessibility, and sustainable mobility. Transport safety will be strengthened through street lighting, traffic management systems, road signage, and commuter awareness programmes.

Intermodal integration will connect Mdantsane, CBD, MELD corridor, West Bank, and KWT–Bhisho nodes, ensuring seamless transfers between buses, taxis, and NMT. Digital mobility platforms will provide real-time route planning, passenger information, and cashless fare systems, improving convenience and operational efficiency.

Baseline metrics indicate average travel times of 45–60 minutes along major corridors, ~65% of public transport users experiencing delays, and ~30% coverage of cycling and pedestrian infrastructure. Targets include reducing travel times by 25% by 2035, achieving 95% punctuality in public transport services, and expanding pedestrian/cycling coverage to 80% of primary corridors.

Expected outcomes include enhanced mobility, improved commuter safety, reduced congestion, increased transport efficiency, and strengthened spatial integration. BCMM's integrated approach will deliver sustainable, inclusive, and resilient public transport that meets the needs of all residents, particularly vulnerable and underserved populations.

Customer Service & Digital Platforms

BCMM will modernise customer service through integrated digital platforms that enable real-time reporting, automated fault logging, online billing, service requests, and performance tracking. These platforms will empower residents to monitor service delivery, report interruptions, receive notifications, and track issue resolution, fostering transparency and accountability between the municipality and its communities.

Mobile service points will complement digital platforms, ensuring accessibility for residents with limited internet access or digital literacy. Multilingual communication and user-friendly interfaces will accommodate diverse communities, while performance dashboards monitor key indicators such as response times, outage duration, complaint resolution rates, and citizen satisfaction.

Digital tools will be linked to asset management and operational systems, enabling predictive maintenance, prioritisation of high-risk areas, and data-driven decision-making. Integration across service departments—including water, sanitation, electricity, waste management, transport, and housing—will ensure coordinated responses and improved operational efficiency.

Targets include a 50% reduction in average service response times by 2035, real-time tracking of 100% of service requests, citizen satisfaction exceeding 85%, and full digital integration of municipal service dashboards by 2030.

Expected outcomes include a responsive, efficient, and user-centric service environment, strengthened trust and accountability, and equitable access to services across all communities. BCMM's digital strategy positions the metro as a forward-looking, technology-enabled, and citizen-focused municipality, supporting inclusive service delivery, operational excellence, and long-term urban resilience.

Service Delivery – WYPD Response

BCMM will prioritise Women, Youth, and Persons with Disabilities (WYPD) in all aspects of service delivery through inclusive planning, equitable access, and targeted interventions. Infrastructure, public facilities, and service points will adopt universal design standards, ensuring accessibility for persons with disabilities. Enhanced street lighting, safe walkways, accessible public buildings, and gender-sensitive sanitation facilities will improve safety, usability, and inclusivity across the metro.

Digital inclusion initiatives will expand access to municipal services through online platforms, mobile applications, and public digital kiosks, with multilingual support to reach diverse communities. WYPD groups will be empowered to actively participate in service delivery via targeted employment, skills development, and enterprise opportunities. Women- and youth-owned enterprises will be prioritised in service contracts, procurement, and local economic initiatives, fostering entrepreneurship and inclusive economic participation.

Key targets include 100% of new public infrastructure meeting universal access standards by 2035, 50% of municipal service contracts awarded to WYPD enterprises by 2030, and digital inclusion programmes reaching 80% of underserved WYPD households by 2035.

Expected outcomes encompass improved accessibility, strengthened participation in municipal governance, safer public spaces, and equitable access to essential services. By integrating WYPD considerations into planning, operations, and service monitoring, BCMM will establish an inclusive, empowering, and accountable service environment, ensuring all residents—particularly vulnerable groups—benefit fully from infrastructure, technology, and municipal service delivery initiatives.

Governance – Desired State

The desired state of governance in BCMM is a stable, ethical, accountable, and performance-driven municipal institution that effectively delivers services while fostering public trust. By 2050, BCMM aims to institutionalise clean governance through strengthened oversight, professionalised administration, robust risk management, and data-driven planning supported by fully operational performance management systems.

Decision-making will be transparent, participatory, and informed by real-time data. Clear delegations, streamlined processes, and digitised workflows will enhance efficiency, reduce bureaucratic delays, and improve responsiveness. Strong intergovernmental coordination will ensure alignment between municipal, provincial, and national programmes, enabling integrated service delivery and development outcomes.

Community engagement will be institutionalised via accessible feedback platforms, participatory budgeting, and regular reporting on service performance, financial management, and strategic priorities. Anti-corruption measures, internal audits, and adherence to regulatory frameworks will reinforce accountability, integrity, and ethical conduct across all administrative levels.

By combining professional competence, technological enablement, and citizen-centric approaches, BCMM envisions a trusted, development-oriented municipality that promotes sustainable growth, equitable service delivery, and inclusive participation. The goal is a resilient, adaptive institution capable of delivering long-term socio-economic transformation, maintaining fiscal discipline, and strengthening public confidence in municipal leadership.

Governance – Key Strategies & Outcomes

BCMM will implement key governance strategies to strengthen institutional capacity, enhance transparency, improve accountability, and foster citizen trust. Strategies include targeted capacity-building programmes, professionalisation of human resources, enforcement of consequence management, audit improvement initiatives, and digitisation of governance processes to streamline decision-making, procurement, and performance monitoring.

Administrative efficiency will be enhanced through modern HR practices, integrated performance management frameworks, strengthened internal controls, and expanded digital platforms for financial, operational, and strategic management. Intergovernmental coordination will be reinforced via functional IGR structures, joint planning, integrated budgeting, and shared monitoring systems, ensuring municipal priorities are aligned with provincial and national programmes.

Public participation will be deepened through active ward committees, digital engagement platforms, participatory budgeting, and citizen feedback mechanisms. Financial and governance risks—including political instability, procurement inefficiencies, vacancies, irregular expenditure, and limited institutional capacity—will be proactively addressed through risk management, targeted reforms, and strengthened oversight.

Measurable outcomes include improved audit performance, reduced irregular expenditure, higher staff productivity, enhanced service responsiveness, and increased public confidence in municipal leadership. By leveraging governance diagnostics—audit results, vacancy rates, debtor days, cash coverage, and institutional capacity indices—BCMM will track progress, prioritise reforms, and ensure accountability.

By 2050, the metro aims to be a stable, transparent, development-oriented institution capable of delivering high-quality services, maintaining financial sustainability, and fostering inclusive, participatory governance.

Institutional Capacity

BCMM will strengthen institutional capacity to ensure a high-performing, resilient, and service-oriented municipality. Key strategies include filling critical vacancies, professionalising administration, enhancing human resource planning, expanding targeted training programmes, and strengthening leadership development. Priority functional areas include engineering, finance, planning, ICT, supply chain management, and project management, aligned to support catalytic projects, precinct development, and integrated service delivery.

Organisational structures will be realigned to optimise efficiency, accountability, and responsiveness across departments. Capacity-building partnerships with higher education institutions, SETAs, professional bodies, and development partners will enhance skills pipelines, provide mentorship, and facilitate continuous professional development. Digital transformation initiatives—including e-governance platforms, workflow automation, performance dashboards, and data-driven decision-making systems—will further improve operational efficiency and service outcomes.

Institutional capacity outcomes will be monitored through measurable indicators such as reduced vacancy rates, improved staff retention, training completion rates, project delivery performance, and adoption of digital tools.

By 2050, BCMM aims to be a fully staffed, professionally competent, and agile institution capable of implementing long-term development plans, achieving high audit performance, and sustaining integrated service delivery. Strengthened institutional capacity will underpin effective governance, support economic growth, advance spatial transformation, and ensure inclusive, accountable, and responsive municipal operations.

Intergovernmental Relations (IGR)

BCMM will strengthen Intergovernmental Relations (IGR) to ensure coordinated, efficient, and aligned service delivery across all spheres of government. Structured coordination mechanisms with national and provincial departments, State-Owned Entities (SOEs), and neighbouring municipalities will support integrated planning, budgeting, monitoring, and implementation of catalytic projects under the One Plan framework. Functional District Development Model (DDM) hubs will facilitate data integration, reporting, problem-solving, and alignment of programmes across sectors and geographies.

Key actions include strengthening metro and district IGR forums, enhancing sectoral coordination, establishing joint technical task teams for priority catalytic projects, and improving information sharing through digital platforms. BCM will institutionalise joint planning and review cycles to harmonise infrastructure investments, human settlements programmes, and service delivery initiatives across government spheres.

Expected outcomes include improved alignment of municipal, provincial, and national investments, reduced duplication of programmes, more efficient project implementation, and strengthened collaborative governance. Enhanced IGR will also enable better resource mobilisation, risk management, and evidence-based decision-making. By fostering robust intergovernmental coordination, BCM will increase the impact of municipal initiatives, support national and provincial development priorities, and ensure integrated, development-oriented metropolitan governance. This approach will contribute to sustainable growth, inclusive service delivery, and improved socio-economic outcomes for all communities across the metro.

Financial Sustainability

BCMM will strengthen financial sustainability to secure long-term service delivery, infrastructure development, and economic growth. Key strategies include improving revenue collection, enhancing billing systems to increase collection rates, reducing non-revenue water and electricity losses, enforcing stringent expenditure controls, enhancing debt management, and expanding alternative funding sources. Financial planning will be strengthened through cost-reflective tariffs, accurate billing systems, digital revenue platforms, and robust accountability frameworks.

Efficient utilisation of grants, improved capital budget execution, and strategic asset management financing will underpin fiscal stability. BCMM will pursue innovative funding mechanisms, including public-private partnerships (PPPs), blended finance solutions, and climate finance opportunities, to mobilise resources for catalytic precincts, infrastructure upgrades, and human settlements projects. Strengthened procurement, budget monitoring, and performance-based financial reporting will enhance transparency, reduce wastage, and improve public confidence in municipal financial management.

Expected outcomes include improved liquidity, strengthened budget credibility, higher billing and collection rates, increased availability of funds for priority investments, and a more resilient municipal financial position. Enhanced financial management will support operational efficiency, mitigate fiscal risk, and enable BCMM to deliver on its developmental mandate while maintaining affordability and equity in service provision. By 2050, the metro aims to achieve a financially sustainable, investment-ready governance framework that underpins inclusive growth, enables strategic infrastructure development, and ensures long-term economic resilience and service delivery sustainability.

Revenue & Cost Recovery

BCMM will strengthen revenue generation and cost recovery to ensure financial sustainability and support reliable service delivery. Key strategies include modernising billing systems, deploying smart metering across water and electricity networks, maintaining an accurate indigent register, addressing illegal connections, and enforcing robust credit control mechanisms. Enhanced customer engagement through automated reminders, digital platforms, and efficient collection processes will increase payment compliance and reduce arrears.

Cost recovery will be supported by minimising technical and commercial losses, optimising asset maintenance, and implementing operational efficiency measures. Infrastructure rehabilitation, preventative maintenance, and reduced service interruptions will safeguard revenue streams while lowering unnecessary expenditure. Smart management of municipal assets and improved service reliability will further protect income and ensure sustainability.

Revenue diversification is a priority to reduce dependency on traditional sources, including optimising land leases, development charges, service fees, and leveraging investment opportunities. Public-private partnerships and collaborative initiatives will provide alternative revenue streams and contribute to long-term fiscal stability.

Expected outcomes include higher revenue collection rates, reduced operational losses, increased funds for capital projects and maintenance programmes, and a more resilient municipal financial position. By 2050, BCMM aims to establish a sustainable, self-reliant finance framework that underpins inclusive service delivery, drives economic growth, and enables strategic investment in infrastructure, human settlements, and catalytic precincts across the metro.

Governance Reforms

BCMM will implement comprehensive governance reforms to strengthen transparency, accountability, and institutional efficiency. Key measures include enhancing internal controls, professionalising supply chain management, and expanding digital workflows to reduce manual processes and improve operational efficiency. Risk management frameworks will be reinforced, audit action plans closely monitored, and consequence management rigorously applied to address non-compliance and cultivate a culture of accountability across all municipal departments.

Clean-governance initiatives will promote ethical standards through ethics training, whistleblower protection, and ongoing monitoring of professional conduct. These interventions aim to instil integrity, reduce irregular expenditure, and enhance public confidence in municipal administration. Regulatory and procedural reforms will streamline development approvals, modernise land management systems, and simplify permitting processes to encourage private sector participation and reduce bureaucratic delays.

Improved transparency in decision-making, systematic reporting, and adherence to national and municipal regulatory standards will ensure that administrative actions are predictable, auditable, and aligned with good governance principles.

Expected outcomes include faster and more reliable service delivery, strengthened institutional credibility, reduced governance-related risks, and higher stakeholder confidence. By 2050, BCMM aims to be a professionally managed, ethical, and accountable municipality capable of delivering high-quality services, fostering economic growth, and maintaining public trust through consistent and transparent governance practices that support sustainable development and inclusive municipal leadership.

Accountability & Transparency

BCMM will enhance accountability and transparency across all municipal functions to promote responsible governance and build public trust. Performance reporting will be accessible through digital dashboards, online platforms, and publicly available annual reports, offering real-time insights into service delivery, financial management, and project implementation. Audit committees will be strengthened to rigorously review compliance, internal controls, and risk management practices, while supply chain management (SCM) processes will be fully transparent, ensuring ethical, fair, and auditable procurement.

Citizen participation will underpin accountability, facilitated through active ward committees, public consultations, surveys, and digital engagement tools. These mechanisms allow residents to provide feedback, monitor municipal performance, and engage meaningfully in decision-making. Open budget platforms and participatory budgeting initiatives will further empower communities to understand and influence resource allocation.

Transparency will be reinforced through proactive information sharing, including the publication of policies, project updates, contracts, and governance outcomes. Regular community feedback loops will track responsiveness, identify service delivery gaps, and foster collaborative governance practices.

Through these measures, BCMM aims to cultivate a culture of openness, strengthen institutional credibility, reduce governance risks, and enhance citizen confidence. By 2050, the metro envisions a highly accountable and transparent administration in which community oversight, informed participation, and ethical governance underpin sustainable development, efficient service delivery, and inclusive municipal leadership.

Governance WYPD Response

BCMM will mainstream the inclusion of WYPD across all governance structures, decision-making platforms, and municipal processes. Targeted recruitment, leadership development, and mentorship programmes will ensure equitable representation of WYPD groups in management, technical, and political roles. Skills development and capacity-building initiatives will empower women, youth, and persons with disabilities to actively contribute to municipal administration, advisory forums, and strategic planning.

Public participation mechanisms will be inclusive, accessible, and designed to enable meaningful engagement by WYPD groups in policy formulation, budgeting, planning, and service delivery oversight. Municipal contracting and procurement will prioritise WYPD-owned enterprises through preferential procurement, targeted enterprise development, and mentoring support.

Accessibility will be embedded in all governance infrastructure, including public buildings, digital platforms, communication channels, and citizen engagement tools, ensuring equitable opportunity to participate in municipal processes. Staff training and awareness programmes will promote sensitivity to WYPD needs, fostering a culture of inclusion, equity, and responsive governance.

By embedding WYPD inclusion across governance structures and processes, BCMM aims to create a fair, representative, and accountable municipal administration. Expected outcomes include increased WYPD participation in decision-making, improved access to governance services, enhanced empowerment, and strengthened trust between the municipality and its communities, contributing to inclusive, equitable, and sustainable development by 2050.

The BCMM Third Generation One Plan is a strategic, long-term framework spanning 25 to 30 years, designed to integrate planning, budgeting, and implementation across all three spheres of government. At its core, the One Plan articulates a shared vision to fundamentally transform Buffalo City into a resilient, inclusive, and competitive metropolitan area that delivers improved quality of life for all residents.

The Plan promotes integrated development by consolidating spatial planning and directing public and private investment towards areas of greatest opportunity. It prioritises compact growth, the development of land close to existing services, and improved access to public transport, thereby advancing spatial justice and reducing historical inequalities. Through this approach, BCMM seeks to create more connected, efficient, and sustainable urban and rural settlements.

A strong emphasis is placed on efficient and effective service delivery, with the municipality committing to the sustainable provision of core services such as water, electricity, sanitation, roads, and waste management. These efforts support the transition towards a more self-reliant society, underpinned by sound infrastructure management and institutional capability.

Economic development is a central pillar of the One Plan. Targeted initiatives, including partnerships with agencies such as the National Youth Development Agency (NYDA), aim to provide skills development, funding, and support for young entrepreneurs, SMMEs, and local businesses, fostering inclusive growth and job creation.

The Plan also strengthens resilience and risk management by learning from past challenges, identifying vulnerabilities, and enhancing disaster preparedness to safeguard service delivery. Underpinning all interventions is a commitment to strong partnerships across regional, provincial, national, and international stakeholders, as well as civil society, business, and communities. Collectively, these elements position the One Plan as both a strategic compass and a social compact to drive Buffalo City's long-term transformation.

Conclusion

The One Plan advances integrated development by consolidating spatial planning and directing investment to areas of greatest opportunity. It prioritises the development of land near existing services and public transport, promoting compact growth, improved accessibility, and the correction of historic spatial inequalities. This approach ensures efficient settlement patterns and equitable access to jobs, services, and social amenities.

Service delivery remains a core focus. BCMM commits to sustainably providing essential services such as water, electricity, sanitation, roads, and waste management, supported by strong institutional capacity and infrastructure maintenance. These interventions aim to foster a self-reliant society and reliable service provision.

Economic development is central to transformation. Through partnerships with agencies such as the National Youth Development Agency (NYDA), the municipality supports skills development, entrepreneurship, and funding for youth, SMMEs, and local businesses, promoting inclusive growth and job creation.

The Plan also strengthens resilience and risk management, learning from past challenges, addressing vulnerabilities, and improving disaster preparedness. By fostering partnerships across government, civil society, business, and international stakeholders, the One Plan provides a strategic roadmap and shared social compact for Buffalo City's long-term transformation.

STRATEGY FORMULATION & IMPLEMENTATION

COMMITMENTS: PROPOSED CATALYTIC PROJECTS FROM ALL THREE SPHERES OF GOVERNMENT, CIVIL SOCIETY AND BUSINESS

This section outlines the metro's pathway from its current state to its desired future. Its primary function is to identify catalytic projects and demonstrate their strategic alignment with the outcomes or indicators of key national and global plans, including: the National Development Plan (NDP); Sustainable Development Goals (SDGs 2030); and Africa Agenda 2063.

King Phalo Airport



East London IDZ



Mercedes Benz SA



Port of East London



East London Beachfront



Buffalo River



AIRPORT COMPANY OF SOUTH AFRICA (ACSA) – KING PHALO AIRPORT, EAST LONDON

KING PHALO AIRPORT IN A SNAPSHOT

<i>Distance from city centre</i>	8,7km via R72
<i>Operators</i>	FA, SA8, Cemair
<i>Annual passenger throughput capacity</i>	1 200 000
<i>Annual Passenger Throughput FY24/25</i>	830 000
<i>Annual Aircraft landings FY24/25)</i>	13789
<i>Runway</i>	11/29 - 1 939 (Main) 06/24 - 1 585
<i>(Ultimate Phase) Annual throughput Capacity</i>	5 000 000

ACSA Overview

- Airports Company South Africa's Capital projects, including the Code C Aircraft Stand, Departure Lounge Expansion, Multi-Storey Parkade and Precinct Plan were deferred due to the impact of Covid-19 on the business. However, King Phalo Airport has seen significant recovery and Traffic forecast has been concluded with which business has now re-assessed demand and re-activated the projects.
- Airports Company South Africa (ACSA) is developing the departure lounge at the King Phalo airport. This is considered a catalytic infrastructure project.
- The close monitoring of the growing traffic at King Phalo Airport, will determine the trigger of a runway extension and an additional Code C stand.
- King Phalo airport has initiated landside upgrades, which will improve surface access, parking capacity staging areas to support ground transportation integration within the Airport and local region
- The ELIDZ is planning to establish cold and fresh produce storage facilities alongside the airport, which will stimulate agricultural demand which will benefit the entire east of the province. Automotive suppliers are also making a strong case for air-borne freight
- South Africa has experienced stagnant growth since 2012 because the country has failed to diversify towards enhanced export competitiveness based on productivity and innovation. As is happening elsewhere in the world, especially the Indian Ocean Rim countries, a major contributor to future growth will be coastal cities with SEZs. This is the reason why the NDP (chapter 7) identifies Buffalo City as one of the country's 5 growth nodes.

- The East London Port management team working with local stakeholders has developed a plan for port widening and deepening to allow larger new age vessels to dock. Also included is the development of a multipurpose container terminal on the west bank of the port. The essence of the Buffalo City case is that the country and Transnet need to shift from commodities exports as their core source of growth.
- Also, part of the proposition is the upgrade of the rail link to Johannesburg which will be a key ingredient to the business case for the container terminal.
- Transnet National Port Authority's (TNPA) will inject R9.1-billion into its three Eastern Cape ports over the next seven years; East London port will receive R4.3-billion
- At the start of the previous term of Council (2016/2021), BCMM was actively rolling out a fibre network, which does require to generate revenue to pay for the investment (recognized as a utility). At the same time, BCMM experienced serious internal ICT challenges, which in the main have started to stabilise. BCMM offices are now all connected to the fibre network. However, the city is not utilizing integrated systems and data and is still highly manual compromising data integrity.
- There are a number of innovative ICT and digitization initiatives happening in the Buffalo City space, however these public and private initiatives are happening outside of a coherent Smart City strategy and require to be better integrated to promote synergies and unlock further potential.
- Recently the city has entered into a partnership with the World Bank to develop a Smart City Strategy. The objectives of the Smart City Strategy are to:
 - ✓ Address Buffalo City Metropolitan Municipality's service delivery challenges, inefficiencies and lack of integration through digitizing government in order to achieve outcomes such as cheaper and cleaner energy, improved safety and security, improved management of assets, improved delivery of basic services, reduced wastage and corruption, improved infrastructure longevity, improved customer satisfaction, reduced costs of doing business, improved revenue management and ultimately improved long-term city sustainability;
 - ✓ Improving regional economic competitiveness and firm level productivity through innovation and enhanced capabilities in ICT infrastructure and services. Currently there are several public sector and private sector initiatives underway, or at an advanced planning stage, to develop these capabilities. These include the development of stable, high speed data platforms (such as the undersea cable, fibre and 5G networks), data centres, data recovery facilities, digital skills facilities, Artificial Intelligence and other 4IR capabilities, and dedicated purpose-built facilities for research and innovation (such as the ELIDZ Science and Technology Park). The BCMM, the ELIDZ and the dtic are also working on a proposal for a Digital Hub. In a number of cases, synergies and linkages need to be facilitated to optimize value. There also needs to be a more deliberate and coordinated effort to apply these new capabilities to strengthen regional and industry competitiveness in support of jobs and growth. This would include the more obvious industries such as global business services (GBS), film, and the like, but should also include other industries like automotive, agro-industry and tourism to see how digital applications, AI, and related capabilities can improve competitiveness and ultimately the investment value proposition of the city.
 - ✓ Promoting digital access, closing the digital divide, and ensuring 4IR benefits flow to entrepreneurs and citizens in townships and other marginalized residential spaces. This includes the roll-out of broadband and wifi infrastructure, and enabling free connectivity for poor residents, initially focusing on hotspots in the city. Already

this has started with BCMM and private firms such as Think wifi installing free wifi hotspots. Already a proposal for a digital skills hub has been developed (together with Harambee), which requires to be better linked to demand-side plans (around digitizing government, digital ambassadors linked to free-wifi roll-out etc). With the right enablers, this initiative can be put to scale with real impact.

- Running alongside – feeding in and feeding off - the Smart City Strategy is the proposal to develop a Digital Hub. This is a partnership between the BCMM, the ELIDZ, and the dtic, and which also includes key role-players such as MBSA. It is envisaged that the Digital Hub will provide a destination for both global companies and local start-ups to provide a range of IOT, AI, Big Data and other 4IR innovations and services in support of (1) making local and provincial government smarter and more efficient; (2) enabling key industries in the local economy to become more competitive; and (3) making the local economy more inclusive through ensuring youth have access to digital skills, access to ICT products and services, and opportunities to develop their own ICT products and services. In this sense, the Digital Hub will enable both the transition of the ELIDZ into a Smart IDZ, and the transition of Buffalo City into a Smart City.
- The West Bank is now conceptualized as a smart logistics hub, built around the export-oriented automotive sector, and which integrates the port, the airport, the ELIDZ and MBSA. This is critically important because currently national government focuses primarily on Gqeberha/NMB as an automotive hub. Failure to realize the strategic intent of the smart logistics hub could place the city at risk of losing MBSA and ELIDZ investment. Success could see this investment double or triple by 2035. The challenge going forward is to convince national government and key SOCS like Transnet of the potential of East London as an export manufacturing hub anchored around the automotive sector.

CATALYTIC PROJECT LEVELS: DEFINITIONS

PROJECT LEVEL	PROJECT TYPE	DESCRIPTION
Level 1: Game Changers	Government Mega Projects	Level 1 Catalytic Projects (Game Changers) are government funded mega infrastructure projects. By nature, these are projects of multi-sectoral significance. They serve as a foundation for the implementation of Major (Social and/or Economic) Enabler Projects (see Level 2 Projects). Level 1 Catalytic Projects (Game Changers) may cover more than just one district or province. Game Changer Projects are significantly catalytic, unlocking potential across several sectors.
Level 2: Major Enablers	Private Sector and Public Private Partnerships	Level 2 Catalytic Projects (Major Enablers) are private sector led partnership projects, such as PPPs and joint ventures, that have the capacity to be major enablers in a particular sector or sectors. Level 2 Catalytic Projects (Major Enablers) leverage a combination of private and public sector investment, or purely private sector investment.
Level 3: Major Needs Projects	Community Projects	Level 3 Catalytic Projects (Community Projects) are community or civil society-led initiatives that improve the quality of life of a particular community within a district. These projects address pressing needs - such as basic services, social cohesion, gender-based violence, reproductive rights, HIV/AIDS, or food security - and reflect partnerships between government and communities. While Level 3 Catalytic Projects (Community Projects) are often smaller in financial scale, they have meaningful socio-economic impact and are typically funded through grants or corporate social investment. They promote participation and co-governance, with benefits visible in the short, medium, and long term. Projects may be single-sector or multi-sectoral.

LEVEL 1: GAME CHANGERS

PROJECT

King Phalo Departure Lounge Expansion

Level	Level 1: Game Changers
Proposed Budget	R400,000,000.00
Project Owners / Implementing Entity	Airports Company South Africa (ACSA)
Estimated Start Date	01 Apr 2023
Estimated End Date	29 Feb 2028
Project sector / industry	Infrastructure

Project overview

The project entails the expansion of the departure lounge facilities to capacitate the departures processors and holding facilities to accommodate current and future traffic demand including supporting passenger amenities and facilities (vertical circulation, ablutions, ambience, commercial and wayfinding).

PROJECT

The Development of a Landside Precinct Plan

Level	Level 1: Game Changers
Project Owners / Implementing Entity	Airports Company South Africa (ACSA)
Estimated Start Date	01 Aug 2025
Project sector / industry	Economy

Project overview

The East London Airport (King Phalo) Landside Precinct Plan is a strategic initiative by Airports Company South Africa (ACSA), prepared by Royal HaskoningDHV (RHDHV) in association with GWI Group (GWI). The project aims to develop a sustainable, mixed-use landside terminal precinct that supports ACSA's goal of increasing non-aeronautical revenue beyond 50% of total airport income. The plan promotes Transit-Oriented Development (TOD) and airport urbanism principles, integrating economic, social, and environmental sustainability. It seeks to unlock the commercial potential of non-aviation land, establish an attractive gateway to Buffalo City, and position ELS as a regional growth catalyst.

PROJECT

Amatola Bulk Water Augmentation Programme Catalytic Projects: – Upgrade of the Nahoon Water Supply System (Nahoon Dam, East Coast bulk pipeline project)

Level	Level 1: Game Changers
Proposed Budget	R1,642,349,442.60
Project Owners / Implementing Entity	Amatola Water
Estimated Start Date	01 Jul 2026
Estimated End Date	30 Jun 2036
Project sector / industry	Infrastructure

Project overview

Amatola Water's historical infrastructure is underutilized, and lack regional bulk water supply infrastructure for local government. Reconfiguring to a regional approach requires national funding as commercial banks find the long payback periods for large investments unsatisfactory. The following projects will address BCMM areas.

- Nahoon Water Supply System (Nahoon Dam, East Coast bulk pipeline project): Focuses on improving water services in the East London node and extending supply to areas like Chintsa. Areas: Mdantsane, Reeston, Newlands, Beacon Bay and the east coast of East London (Eastern New Areas) which have not been previously supplied by the scheme.
- Laing Water Supply System: Aims to meet urban and rural population growth by enhancing infrastructure including pipelines, pump stations, and filter plants. The project will address constant water outages, disrupted supplies and water losses. Key catalytic projects in the Bhisho node cannot proceed because this scheme cannot adequately supply required water quantities to support development: Phakamisa, Zwelitsha, Bhisho, Ndevana & Ilitha, Berlin, Potsdam, Tshatshu Areas, Sweetwaters, Nqonqweni Villages, Bhisho Rural, Mount Coke area.
- Sandile Water Supply System: Supplies the urban Dimbaza residential node and surrounding periurban and rural settlements, and the majority of ADM rural schemes. Requires funding and implementation of planned infrastructure

PROJECT

Amatola Bulk Water Augmentation Programme Catalytic Projects: – Laing Water Supply System

Level	Level 1: Game Changers
Proposed Budget	R1,277,921,640.82
Project Owners / Implementing Entity	Amatola Water
Estimated Start Date	01 Jul 2027
Estimated End Date	30 Jun 2037
Project sector / industry	Infrastructure

Project overview

Amatola Water's historical infrastructure is underutilized, and lack regional bulk water supply infrastructure for local government. Reconfiguring to a regional approach requires national funding as commercial banks find the long payback periods for large investments unsatisfactory. The following projects will address BCMM areas.

- Nahoon Water Supply System (Nahoon Dam, East Coast bulk pipeline project): Focuses on improving water services in the East London node and extending supply to areas like Chintsa. Areas: Mdantsane, Reeston, Newlands, Beacon Bay and the east coast of East London (Eastern New Areas) which have not been previously supplied by the scheme.
- Laing Water Supply System: Aims to meet urban and rural population growth by enhancing infrastructure including pipelines, pump stations, and filter plants. The project will address constant water outages, disrupted supplies and water losses. Key catalytic projects in the Bhisho node cannot proceed because this scheme cannot adequately supply required water quantities to support development: Phakamisa, Zwelitsha, Bhisho, Ndevana & Ilitha, Berlin, Potsdam, Tshatshu Areas, Sweetwaters, Nqonqweni Villages, Bhisho Rural, Mount Coke area.
- Sandile Water Supply System: Supplies the urban Dimbaza residential node and surrounding periurban and rural settlements, and the majority of ADM rural schemes. Requires funding and implementation of planned infrastructure

PROJECT

Amatola Bulk Water Augmentation Programme Catalytic Projects: – Sandile Water Supply System

Level	Level 1: Game Changers
Proposed Budget	R697,781,286.90
Project Owners / Implementing Entity	Amatola Water
Estimated Start Date	01 Jul 2027
Estimated End Date	30 Jun 2037
Project sector / industry	Infrastructure

Project overview

Amatola Water's historical infrastructure is underutilized, and lack regional bulk water supply infrastructure for local government. Reconfiguring to a regional approach requires national funding as commercial banks find the long payback periods for large investments unsatisfactory. The following projects will address BCMM areas:

- Nahoon Water Supply System (Nahoon Dam, East Coast bulk pipeline project): Focuses on improving water services in the East London node and extending supply to areas like Chintsa. Areas: Mdantsane, Reeston, Newlands, Beacon Bay and the east coast of East London (Eastern New Areas) which have not been previously supplied by the scheme.
- Laing Water Supply System: Aims to meet urban and rural population growth by enhancing infrastructure including pipelines, pump stations, and filter plants. The project will address constant water outages, disrupted supplies and water losses. Key catalytic projects in the Bhisho node cannot proceed because this scheme cannot adequately supply required water quantities to support development: Phakamisa, Zwelitsha, Bhisho, Ndevana & Ilitha, Berlin, Potsdam, Tshatshu Areas, Sweetwaters, Nqonqweni Villages, Bhisho Rural, Mount Coke area.

- Sandile Water Supply System: Supplies the urban Dimbaza residential node and surrounding periurban and rural settlements, and the majority of ADM rural schemes. Requires funding and implementation of planned infrastructure

PROJECT

Seaview Terrace Development Project

Level	Level 1: Game Changers
Proposed Budget	R4,300,000.00
Project Owners / Implementing Entity	Buffalo City Metropolitan Development Agency
Estimated Start Date	03 Jan 2028
Estimated End Date	31 Dec 2030
Project sector / industry	Economy

Project overview

- The Seaview Hotel Development is a catalytic hospitality project located on a 1.05-hectare, business-zoned beachfront property along the East London Esplanade. The site, valued at R12.6 million, forms part of the city's primary tourism and leisure corridor and offers high visibility, strong pedestrian activity, and direct access to beachfront amenities.
- BCMDA was mandated by BCMM to secure a private investor for the property, a process which has been successfully completed. The project will deliver a modern hotel and complementary mixed-use facilities, strengthening accommodation capacity, improving the visitor experience, and supporting the city's tourism competitiveness.
- The development is expected to enhance the beachfront investment climate, catalyse additional private-sector projects, and contribute substantially to the urban renewal of the Esplanade precinct. Through construction and ongoing hospitality operations, the project will stimulate job creation, expand SMME opportunities, and activate the beachfront as a vibrant, safe, economically dynamic urban destination.

PROJECT

Sleeper Site Development Project

Level	Level 1: Game Changers
Proposed Budget	R4,600,000,000.00
Project Owners / Implementing Entity	Buffalo City Metropolitan Development Agency
Estimated Start Date	01 Jun 2027
Estimated End Date	30 Jun 2030

Project sector / industry	Infrastructure

Project overview

The Sleeper Site is a 13.6-hectare strategic redevelopment precinct located in the heart of the East London CBD. Its scale, combined with prime urban positioning, makes it suitable for a diversified portfolio of land uses including retail, business services, office accommodation, hospitality, and mixed-use residential development. The total development potential is estimated at approximately R6.3 billion.

PROJECT

Victoria Grounds

Level	Level 1: Game Changers
Proposed Budget	R500,000,000.00
Project Owners / Implementing Entity	Buffalo City Metropolitan Development Agency
Estimated Start Date	01 Oct 2027
Estimated End Date	30 Apr 2029
Project sector / industry	Social sector

Project overview

The primary objective of the Victoria Grounds redevelopment in Qonce (formerly King William's Town) is to stimulate urban renewal and economic revitalisation within the town's historic centre by converting the ageing sports precinct into a modern mixed-use commercial and community hub.

The project seeks to deliver a R500 million retail development that expands access to quality shopping amenities, creates substantial employment opportunities, and strengthens the overall economic activity of the Qonce CBD. The project ensures that public sports access is preserved and enhanced through the investor-funded development of new, upgraded sporting fields and recreational facilities.

PROJECT

Development of Waterworld Fun Park Project

Level	Level 1: Game Changers
Proposed Budget	R54,000,000.00
Project Owners / Implementing Entity	Buffalo City Metropolitan Development Agency

Estimated Start Date	01 Jun 2026
Estimated End Date	31 Dec 2027
Project sector / industry	Infrastructure

Project overview

Water world fun park is a project that is aimed at boosting tourism and economic growth at Buffalo City Metropolitan Municipality (BCMM) by serving as a major entertainment attraction, diversify recreational options for residents, and revitalise property development. The project is also aimed at attracting visitors, job creation and provide a unique amenity that improves municipal quality of life and marketability. The project is located on a prime 7-hectare stretch along East London's scenic Westbank, which is between the popular Orient Beach and Igoda Beach. This site is poised to be a go-to family and events destination in the locality. It is in a proximity with the East London Harbour and King Phalo Airport. It is perfectly positioned to attract both local and international visitors.

It is planned have the following features:

- Multiple swimming pools and a tidal pool
- Braai / barbecue facilities
- Changing areas
- Mini climbing wall
- A mini skateboarding park
- Open-air theatre,
- Event spaces for music festivals, team building events and private celebrations
- Hawkers' stalls
- On-site maintenance and repair facility

PROJECT

NAHOON BULK SEWER OUTFALL PROJECT

Level	Level 1: Game Changers
Proposed Budget	R550,000,000.00
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality (project submitted by Border Kei Chamber of Business)
Estimated Start Date	01 Jul 2026
Estimated End Date	31 Jul 2027
Project sector / industry	Infrastructure

Project overview

The greater East London urban areas, in BCMM have been affected by years of infrastructure decay due to age , coastal climate, urbanisation and inadequate funding for maintenance and operations. Various environmental hazards occurred in the last few years which effected the Nahoon River water quality, Nahoon Estuary and Nahoon

beach. The Nahoon Outfall Sewer and Ihlanza line and pumpstation Project is a main catalyst to improve municipal infrastructure.

The replacement and upgrading of various components of the Nahoon Outfall Sewer is long overdue and has reached critical breaking point.

PROJECT

Construction of a New Clinic in Greenfields, Buffalo City Metropolitan Municipality

Level	Level 1: Game Changers
Proposed Budget	R100,000,000.00
Project Owners / Implementing Entity	Eastern Cape Department of Health
Estimated Start Date	28 Feb 2027
Estimated End Date	31 Mar 2030
Beneficiary Size	30,000
Project sector / industry	Social sector

Project overview

The current Greenfields Clinic is situated on the site of the municipal hall in Greenfields, Buffalo City Metropolitan Municipality (BCMM). Since the healthcare service was allocated to the provincial Eastern Cape Department of Health (ECDoH), the clinic was moved into temporary structures on the same site. The temporary structures are now in a dilapidated state and the ECDoH is in the process of implementing a project to construct a new clinic building. A site for the new clinic has been identified. The transfer of ownership of the identified new site from BCMM to Eastern Cape Department of Public Works and Infrastructure (ECDPW&I) has not yet been finalised. Once this process has been finalised, the project will proceed with detailed planning in the 2026/27 financial year. It is expected that procurement of a contractor will commence in the 2027/28 financial year.

In the interim, the ECDoH is embarking on a short term project in which new temporary structures will be installed at the existing site to provide a suitable space in which to deliver the primary healthcare service. It is expected that the procurement of these structures will commence early in the 2026/27 financial year.

PROJECT

Construction of a New Clinic in Newlands, Buffalo City Metropolitan Municipality

Level	Level 1: Game Changers
Proposed Budget	R100,000,000.00

Project Owners / Implementing Entity	Eastern Cape Department of Health
Estimated Start Date	01 Mar 2028
Estimated End Date	28 Feb 2030
Beneficiary Size	30,000
Project sector / industry	Infrastructure

Project Overview

The current Greenfields Clinic is situated on the site of the municipal hall in Greenfields, Buffalo City Metropolitan Municipality (BCMM). Since the healthcare service was allocated to the provincial Eastern Cape Department of Health (ECDoH), the clinic was moved into temporary structures on the same site. The temporary structures are now in a dilapidated state and the ECDoH is in the process of implementing a project to construct a new clinic building. A site for the new clinic has been identified. The transfer of ownership of the identified new site from BCMM to Eastern Cape Department of Public Works and Infrastructure (ECDPW&I) has not yet been finalised. Once this process has been finalised, the project will proceed with detailed planning in the 2026/27 financial year. It is expected that procurement of a contractor will commence in the 2027/28 financial year.

In the interim, the ECDoH is embarking on a short term project in which new temporary structures will be installed at the existing site to provide a suitable space in which to deliver the primary healthcare service. It is expected that the procurement of these structures will commence early in the 2026/27 financial year.

PROJECT

Construction of a New Clinic in Newlands, Buffalo City Metropolitan Municipality

Level	Level 1: Game Changers
Proposed Budget	R100,000,000.00
Project Owners / Implementing Entity	Eastern Cape Department of Health
Estimated Start Date	01 Mar 2028
Estimated End Date	28 Feb 2030
Beneficiary Size	20,000
Project sector / industry	Infrastructure

Project Overview

The existing Newlands Clinic is in a dilapidated state and a condition assessment conducted indicated that a new structure should be constructed. The current clinic is undersized for the population it serves. A new site has been identified and donated by a private donor and is in the process of being formally transferred to Eastern Cape Department of Public Works and Infrastructure (ECDPW&I).

PROJECT

Construction of a New Community Health Centre in NU14, Buffalo City Metropolitan Municipality

Level	Level 1: Game Changers
Proposed Budget	R200,000,000.00
Project Owners / Implementing Entity	Eastern Cape Department of Health
Estimated Start Date	01 Mar 2028
Estimated End Date	28 Feb 2032
Beneficiary Size	155,000
Project sector / industry	Infrastructure

Project Overview

There is currently a gap in the provision of healthcare services for a community health centre level of care for the population of Mdantsane. To this end, the Eastern Cape Department of Health (ECDoH) embarked on a process to identify a suitable site to build a future primary healthcare facility for this area. A site was identified and allocated by Buffalo City Metropolitan Municipality (BCMM) to Eastern Cape Department of Public Works and Infrastructure (ECDPW&I). The ECDoH have conducted a GIS analysis and are busy with a clinical brief to determine the size of the facility / level of care required. The project has received budget over the 2026/27 MTEF to allow for the appointment of built environment professionals to embark on the designs when the clinical brief has been approved.

PROJECT

Construction of a New Clinic in Unit P, Buffalo City Metropolitan Municipality

Level	Level 1: Game Changers
Proposed Budget	R50,000,000.00
Project Owners / Implementing Entity	Eastern Cape Department of Health
Estimated Start Date	01 Mar 2028
Estimated End Date	28 Feb 2031
Beneficiary Size	9,000
Project sector / industry	Infrastructure

Project Overview

There is currently a gap in the provision of healthcare services for the population at Unit P, Mdantsane. To this end, the Eastern Cape Department of Health (ECDoH) embarked on a process to identify a suitable site to build a future primary healthcare facility for this area. A site was identified and allocated by Buffalo City Metropolitan Municipality (BCMM) to Eastern Cape Department of Public Works and Infrastructure (ECDPW&I). The ECDoH have conducted a GIS analysis and are busy with a clinical brief to determine the size of the facility / level of care required. The project has received budget over the 2026/27 MTEF to allow for the appointment of built environment professionals to embark on the designs when the clinical brief has been approved.

PROJECT**Building of new school – Khayaletu Special School**

Level	Level 1: Game Changers
Proposed Budget	R175 374 847.00
Project Owners / Implementing Entity	Eastern Cape Department of Education
Estimated Start Date	April 2016
Estimated End Date	31 March 2026
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

Building of a new special school in Amalinda – Khayaletu Special School

New grade R classrooms, admin block, hall, therapy block, autism/junior unit, dining & kitchen area, workshop, bus garage, gate house, waiting area, sports facilities, refuse room.

PROJECT**Providing Additional Classrooms and new ablution facilities – Ulwazi High School - Mdantsane**

Level	Level 1: Game Changers
Proposed Budget	R23 244 427.00
Project Owners / Implementing Entity	Eastern Cape Department of Education
Estimated Start Date	May 2024
Estimated End Date	30 June 2026
Beneficiary Size	2000 learners
Project sector / industry	Infrastructure

Project Overview

Providing additional classrooms for decanting while the new school buildings will be constructed.

Building of a new ablution facility

PROJECT**Building of new school Hector Petersen High School - Zwelitsha**

Level	Level 1: Game Changers
Proposed Budget	R141 294 905.77
Project Owners / Implementing Entity	Eastern Cape Department of Education
Estimated Start Date	March 2025

Estimated End Date	March 2027
Beneficiary Size	2500
Project sector / industry	Infrastructure

Project Overview

New Administration Space(s); New Electrical Infrastructure; Furniture; 26 New classrooms; Multipurpose; Library & Computer Room; Science Lab; DNC; 7 Rainwater tanks plus 1 elevated tank; Bulk Infrastructure; Demolitions of inappropriate structures; Decanting structures.

PROJECT

Ablution facilities at Xolani High School - Zwelitsha

Level	Level 1: Game Changers
Proposed Budget	R2 017 195.00
Project Owners / Implementing Entity	Eastern Cape Department of Education
Estimated Start Date	April 2025
Estimated End Date	March 2026
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

5 Prefabs classrooms, 24 Prefab ablution facilities & upgrade to existing ablution facilities.

PROJECT

Renovations at Vulamazibuko High School

Level	Level 1: Game Changers
Proposed Budget	R3 402 058.00
Project Owners / Implementing Entity	Eastern Cape Department of Education
Estimated Start Date	August 2025
Estimated End Date	31 March 2026
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

Maintenance, repairs and renovations of existing infrastructure which includes admin block, 3 burned classrooms and roof.

PROJECT**Renovate existing ablutions and building new ablutions for males and females at Nobantu Primary School**

Level	Level 1: Game Changers
Proposed Budget	R11 466 609.00
Project Owners / Implementing Entity	Eastern Cape Department of Education
Estimated Start Date	April 2024
Estimated End Date	March 2026
Beneficiary Size	1000
Project sector / industry	Infrastructure

Project Overview

Renovate Existing Ablutions for temporary use, Provide New Female Learner Ablutions- 6 seats and 4 basins; Male Learners - 2 seats and 4 urinals; Female Educator - 2 Seats and 2 basins; Male Educator - 1 seat; 1 urinal and 1 basin; 1 x Disabled toilet Separate Grade R ablution with 4 Seats, 2 basins and 1 x Disabled, FULL Renovate 5 Classroom Block to Foundation Phase , Renovate 2 x 4 classroom blocks complete, New Nutrition Centre (Prefab) Renovate Admin Block, New Prefabricated Kitchen and Dining/ Container; External Works, Ramps and Walkways , parking ; and stormwater and rain water harvesting, drinking fountain; Electrical upgrade Grade R Fencing and Playground

Demolish dilapidated 3 x prefabricated classroom and rehabilitate area to play area; Existing unsafe ablutions to be converted to storage

Class c low security fencing at around grade R Play Ground and Playground equipment

PROJECT**Disaster at Ebernezer Majombozi High School**

Level	Level 1: Game Changers
Proposed Budget	R3 179 171.00
Project Owners / Implementing Entity	Eastern Cape Department of Education
Estimated Start Date	April 2025
Estimated End Date	March 2026
Beneficiary Size	2500
Project sector / industry	Infrastructure

Project Overview

Repairs and renovation of the disaster

PROJECT

THE DUALLING OF NATIONAL ROUTE 2 FROM BRAKFORTEIN (KM 27.4) TO KEI MOUTH (KM 50.2)

Level	Level 1: Game Changers
Proposed Budget	Not provided
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

The proposed works comprise of dualling of National Route N2 Section 16 from from Brakfontein (km 27.4) to Kei Mouth (km 50.2).

PROJECT

Upgrade and dualling of National Route N6, Section 1 from Nahoon (km 0) to Ducats North (km 5.6).

Level	Level 1: Game Changers
Proposed Budget	R490 million
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)
Estimated Start Date	2026
Estimated End Date	2028
Beneficiary Size	850 000
Project sector / industry	Infrastructure

Project Overview

The project involves the upgrade and dualling of the National Route N6, Section 1, between Nahoon (km 0) and Ducats North (km 5.6) within Buffalo City Metropolitan Municipality. This is a strategic corridor that forms the primary northern gateway into East London, supporting freight mobility, commuter movement, and regional connectivity to the N1 inland network. The upgrade will introduce a dual carriageway, improved intersections, safer non-motorised transport facilities, and strengthened pavement layers to accommodate increasing traffic volumes and heavy-vehicle loading.

PROJECT

CONSTRUCTION OF THE NEW BELSTONE (KM 8.2) AND BREIDBACH (KM 9.8) INTERCHANGES

Level	Level 1: Game Changers
Proposed Budget	Not provided
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

Construction of a new interchange at Breidbach, which includes a reinforced concrete structure with the necessary road works. New interchange at Belstone, which includes a reinforced concrete structure with the necessary road works. Upgrade of roads as community development works at Tshatshu and KwaRhayi.

PROJECT

CONSTRUCTION ON THE IMPROVEMENT ON NATIONAL ROUTE N2 SECTION 14 AND 15 FROM GREEN RIVER (KM 60,0) TO BUFFALO RIVER BRIDGE (KM 3.2)

Level	Level 1: Game Changers
Proposed Budget	Not provided
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

N2 roadway re-aligned both vertically and horizontally throughout as well as upgraded to Class 1 standard with two new traffic roundabouts at N2/R63 and N2/Engen access way. Three new bridges: Tshoxa River Bridge No. 1 which comprises 5 continuous spans and is 140m in length, Tshoxa River Bridge No. 2 which comprises 3 continuous spans and is 65m in length and the replacement of a new bridge at Buffalo River which comprises 5 continuous spans and is 115m in length.

PROJECT

Consulting Engineering Services for the Strengthening of N6 Section 1 from St Luke (km 25) to R63 Intersection (km 51)

Level	Level 1: Game Changers
Proposed Budget	Not provided
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)
Estimated Start Date	January 2025
Estimated End Date	June 2031
Beneficiary Size	± 32 000 – 45 000
Project sector / industry	Infrastructure

Project Overview

The project involves the strengthening and rehabilitation of National Route N6 Section 1, covering the 26-km stretch from St Luke (km 25) to the R63 intersection (km 51). The primary objective is to restore pavement structural capacity, improve ride quality, and enhance overall road safety along this strategic inter-provincial corridor. SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)'s Asset Management System (AMS) has identified the full route length as requiring strengthening/rehabilitation and additional pavement layers, followed by an appropriate surfacing treatment.

PROJECT

CONCEPT AND PRELIM DESIGN OF EAST LONDON BYPASS LINKING R72 AND N2 ON NATIONAL ROUTE R72 SECTION 4 AND N2 SECTION 15

Level	Level 1: Game Changers
Proposed Budget	Design : R14m Construction Est. R1.2b
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)
Estimated Start Date	October 2024
Estimated End Date	September 2026
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

The East London Bypass project is a new greenfield mobility corridor linking the R72 south of East London to the N2 north of the city. Its purpose is to divert regional traffic away from the congested CBD, reducing current travel times of 21–50 minutes to approximately 6 minutes via a high-speed western bypass. The project includes concept and preliminary design of multiple alignment alternatives across varied terrain, integrating geometric, pavement, traffic,

environmental, and structural considerations. Once implemented, the bypass will improve regional connectivity, support freight movement, enhance economic activity, and provide long-term mobility benefits for the Buffalo City Metropolitan region.

PROJECT

The Dualling of National Route R72 Section 4 (Km 46.00 To Km 61.78)

Level	Level 1: Game Changers
Proposed Budget	Not provided
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD (SANRAL)
Estimated Start Date	January 2027
Estimated End Date	February 2030
Beneficiary Size	250 000 – 300 000
Project sector / industry	Infrastructure

Project Overview

The project entails the upgrading and dualling of National Route R72 Section 4 between km 46.00 and km 61.78 within Buffalo City Metropolitan Municipality. This 15 km strategic corridor connects peri-urban settlements, economic nodes, and King Phalo Airport, making it a critical mobility and development route. The intervention includes geometric improvements, pavement rehabilitation, dual carriageway expansion, upgraded drainage, access management, and safety enhancements. These improvements aim to increase capacity, reduce congestion, support planned Spatial Development Framework growth, enhance public transport and NMT facilities, and improve regional connectivity. Overall, the project acts as a catalyst for socio-economic development and infrastructure resilience.

PROJECT

Kwelerha Node (Botanical Garden and the Nature Reserve)

Level	Level 1: Game Changers
Proposed Budget	To be determined – current investment is R30m on the Botanical Garden Development
Project Owners / Implementing Entity	SOUTH AFRICAN NATIONAL PARKS (SANParks)
Estimated Start Date	2026
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

Currently at conceptualisation phase

PROJECT**Buffalo City Ward 26**

Level	Level 1: Game Changers
Proposed Budget	R3 350 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Mathanga, Mzonkeshe, Zikhwaba
Project sector / industry	Services

Project Overview

TOTAL Planned Connections: 69

PROJECT**East London Ward Extensions**

Level	Level 1: Game Changers
Proposed Budget	R18 116 667
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Mpongo (khayelitsha), Mpintsho, New Rest, KwaDouw, Dyamdyam, Tyhusha, Pozi, Luvuyo, Gxala and Xhamini
Project sector / industry	Services

Project Overview

TOTAL Planned Connections: 421

PROJECT**KWT Ward Extensions**

Level	Level 1: Game Changers
Proposed Budget	R11 350 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Eluxolweni (Boucher) and Motel Park

Project sector / industry	Services

Project Overview

TOTAL Planned Connections: 267

PROJECT

East London Ward Extensions. Pre-eng (2027/28 Plan)

Level	Level 1: Game Changers
Proposed Budget	R525 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	2027
Estimated End Date	2028
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Pre-Engineering

PROJECT

East London Ward Link line Sewer Upgrade

Level	Level 1: Game Changers
Proposed Budget	R13 750 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure – Line.

TOTAL Planned Kilometres: 12

PROJECT

KWT Ward Extensions Pre-eng (2027/28 Plan)

Level	Level 1: Game Changers
Proposed Budget	R525 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure – Pre-engineering.

PROJECT

ECOU ALL Municipality Pre-eng 2028-29

Level	Level 1: Game Changers
Proposed Budget	R3 544 833
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	2028
Estimated End Date	2029
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure – Pre-engineering.

PROJECT

BCMM Infills

Level	Level 1: Game Changers
Proposed Budget	R1 300 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure – Infills.

TOTAL Planned Connections: 130

PROJECT

New Technology Projects - Pre Engineering

Level	Level 1: Game Changers
Proposed Budget	R500 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure – Pre-engineering.

PROJECT

Prospect Substation 132/22KV 2X20MVA S/S

Level	Level 1: Game Changers
Proposed Budget	R1 220 168
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure – Pre-engineering.

PROJECT

Buffalo City Infills Types 1

Level	Level 1: Game Changers
Proposed Budget	R1 800 000
Project Owners / Implementing Entity	ESKOM

Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure – Infills.

TOTAL Planned Connections: 150

PROJECT

East London Ward Extension Pre-eng (2028/29 Plan)

Level	Level 1: Game Changers
Proposed Budget	R1 535 500
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Pre-engineering.

PROJECT

East London Ward Extensions Link Line

Level	Level 1: Game Changers
Proposed Budget	R4 950 500
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Infrastructure - Line.

PROJECT**ECOU ALL Municipality Pre-eng 2029-30**

Level	Level 1: Game Changers
Proposed Budget	R3 544 833
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Pre-Engineering.

PROJECT**KWT ward ext. Pre-eng (2028/29 Plan)**

Level	Level 1: Game Changers
Proposed Budget	R892 500
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Pre-Engineering.

PROJECT**East London Ward Link line Sewer Upgrade**

Level	Level 1: Game Changers
Proposed Budget	R3 800 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided

Project sector / industry	Services

Project Overview

Project Type: Infrastructure-Line.

PROJECT

East London Ward Extentions

Level	Level 1: Game Changers
Proposed Budget	R8 900 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Households.

PROJECT

KWT Ward Extentions

Level	Level 1: Game Changers
Proposed Budget	R12 000 000
Project Owners / Implementing Entity	ESKOM
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Project Type: Households. TOTAL Planned Connections: 250

PROJECT

MDANTSANE and BERLIN 132kV OVERHEAD LINES AND SUBSTATIONS UPGRADE

Level	Level 1: Game Changers

Proposed Budget	R500,000,000.00
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2027
Estimated End Date	2029
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

The 66kV electricity network is reaching its capacity and needs to be upgraded to accommodate load growth in Mdanstane. The 66kV feeders from the Eskom Buffalo S/S, Potsdam S/S and Pembroke S/S need to be upgraded to 132kV and extended to be fed from the BCMM Stafford S/S, and extended to the Berlin Kemba S/S to be able to evacuate all the renewable energy generated in Berlin via BCMM's overhead lines and not having to pay Eskom monthly wheeling charges. All five substations in Mdantsane will need to be upgraded to 132kV, as well as Kemba S/S in Berlin.

PROJECT

Establishment of new Disaster Management Centre

Level	Level 1: Game Changers
Proposed Budget	R79,550,000
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2026/2027
Estimated End Date	2028/2029
Beneficiary Size	268,000 households
Project sector / industry	Infrastructure

Project Overview

Design and construction of a complaint disaster management centre for increased capacity, strengthening its ability to prevent, prepare for, respond to, and recover from disasters in a coordinated and efficient manner. Compliance with national legislation and policy frameworks will ensure that the municipality has clear disaster risk reduction strategies, well-defined roles, trained personnel, and up-to-date early warning and communication systems.

PROJECT

Smart City Strategy: Management and Implementation of the Strategy

Level	Level 1: Game Changers
Proposed Budget	R17,000,000
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	March 2025

Estimated End Date	February 2028
Beneficiary Size	Not provided
Project sector / industry	Infrastructure

Project Overview

The city developed and approved a smart city strategy. The city has recently established a Project Management Office for the management and implementation of the strategy following its approval by council. The strategy seeks to improve efficiencies through establishment of smart business processes, systems and innovation across the municipality and creating partnerships with both internal and external stakeholders. Information and Communication Technology is at the centre of this initiative. This is an endeavour to transform the Buffalo City Metropolitan Municipality into a smart city.

PROJECT

Mdantsane Access Road

Level	Level 1: Game Changers
Proposed Budget	R1.1BN
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	July 2026
Estimated End Date	June 2035
Beneficiary Size	650 900
Project sector / industry	Infrastructure

Project Overview

The project entails the upgrade Mdantsane Access Road (MAR) as part of the Mdantsane – East London Development (MELD) corridor with intersection capacity improvements. The section of road is approximately 15.5 km long, starting at Mazaule Street and ends at Plumbago Street. The primary reason for the project is to upgrade the MAR includes rehabilitation and widening (i.e. additional outer/slow lane) of the existing road to a uniform dual carriageway (two lanes in each direction).

PROJECT

Mount Ruth Interchange

Level	Level 1: Game Changers
Proposed Budget	R75 000 000
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	July 2027
Estimated End Date	June 2028
Beneficiary Size	398 000

Project sector / industry	Infrastructure

Project Overview

The municipality highlighted the importance of the interchange at the Mount Ruth Area (National Route 2, Section 15 at approximately km 41.8) as it would provide connectivity to Cecilia Makiwane hospital, N6 and provide a third connection into Mdantsane. After deliberations, SANRAL supported the construction of the interchange at the expense of the municipality. The land between the N2 and the R102 is currently undeveloped and vegetated with grass and light brush. The land is intended for future industrial, commercial and residential development as per the Mount Ruth Development scheme.

PROJECT

Northwest Expressway (NWX)

Level	Level 1: Game Changers
Proposed Budget	R1.3BN
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	300 000
Project sector / industry	Infrastructure

Project Overview

The project entails the complete construction of a dual carriageway road with two traffic lanes in either direction and all the necessary universal access and pedestrian facilities required. The intention is improve access for commuters from the National Route two (N2) and surrounding areas of Amalinda, Cambridge as well as open up access to dormant land for development by providing strategic access to land parcels.

PROJECT

MELD Corridor Integrated Development Programme

Level	Level 1: Game Changer
Proposed Budget	R12–15 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2040
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

The MELD Corridor (Mdantsane–East London–Dorchester Heights) is a metropolitan game changer linking the largest township, major employment nodes and coastal centres. It integrates transport, mixed-use precincts, industrial expansion, housing and logistics. The project will transform mobility, unlock land for development, improve access to jobs and strengthen the urban spine of BCM.

Key Outputs: Integrated corridors; Transit infrastructure; Mixed-use precincts; Industrial expansion zones; Public transport hubs.

Key Outcomes: Spatial integration; Increased investment; Reduced travel times; Job creation; Improved accessibility.

PROJECT

West Bank / ELIDZ Expansion & Port Integration Programme

Level	Level 1: Game Changer
Proposed Budget	R20–30 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2045
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A major catalytic initiative strengthening manufacturing, logistics and export capacity. The programme expands industrial land, upgrades port logistics, enables green energy adoption and integrates SEZ development with adjacent housing and transport systems. It positions BCM as a globally competitive manufacturing and logistics hub.

Key Outputs: Industrial platforms; Logistics facilities; Energy zones; Bulk services; Port-linked infrastructure.

Key Outcomes: Export growth; Investment attraction; Green industrialisation; Job creation.

PROJECT

West Bank / ELIDZ Expansion & Port Integration Programme

Level	Level 1: Game Changer
Proposed Budget	R20–30 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2045
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Narrative Summary: A major catalytic initiative strengthening manufacturing, logistics and export capacity. The programme expands industrial land, upgrades port logistics, enables green energy adoption and integrates SEZ development with adjacent housing and transport systems. It positions BCM as a globally competitive manufacturing and logistics hub.

Key Outputs: Industrial platforms; Logistics facilities; Energy zones; Bulk services; Port-linked infrastructure.

Key Outcomes: Export growth; Investment attraction; Green industrialisation; Job creation.

PROJECT

KWT–Bhisho Capital Precinct Renewal Programme

Level	Level 1: Game Changer
Proposed Budget	R5–8 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2035
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A transformation programme revitalising the King William’s Town–Bhisho complex as the provincial administrative capital. Focus areas include government precinct upgrades, transport integration, heritage restoration, mixed-use development and digitised service delivery hubs. The project strengthens governance, stimulates investment and supports a vibrant administrative centre.

Key Outputs: Precinct upgrades; Government complexes; Heritage nodes; Transport integration.

Key Outcomes: Efficient government services; Urban renewal; Increased footfall; Improved mobility.

PROJECT

Mdantsane Central Urban Renewal & Mobility Programme

Level	Level 1: Game Changer
Proposed Budget	R3–5 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2035
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

This project upgrades Mdantsane Central into a vibrant township CBD. It includes public transport interchanges, market facilities, social amenities, housing redevelopment and urban safety measures. It enhances township economies, improves livelihoods and reduces travel costs for residents.

Key Outputs: Transport interchange; Market facilities; Public spaces; Housing upgrades.

Key Outcomes: Township revitalisation; Livelihood support; Safer public spaces.

PROJECT

Coastal Belt Development & Tourism Regeneration Programme

Level	Level 1: Game Changer
Proposed Budget	R4–7 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2040
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A catalytic programme unlocking tourism, coastal infrastructure, climate-resilient development and mixed-use investment along the Gonubie–Nahoon–West Coast belt. It strengthens the tourism economy, supports SMEs and enhances coastal environmental management.

Key Outputs: Tourism nodes; Boardwalks; Coastal defences; Mixed-use developments.

Key Outcomes: Tourism growth; Job creation; Climate resilience; Coastal protection.

PROJECT

Water Security & Drought Resilience Programme

Level	Level 1: Game Changer
Proposed Budget	R8–12 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2040
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A metropolitan-scale initiative addressing drought, supply reliability and long-term water security. Includes bulk upgrades, alternative sources, reuse schemes, dam optimisation, groundwater development and NRW reduction. This enables economic expansion and improves service reliability.

Key Outputs: Bulk upgrades; Reuse infrastructure; NRW reduction; Groundwater systems.

Key Outcomes: Reliable supply; Reduced drought impact; Improved public health.

PROJECT

Energy Transition & Embedded Generation Programme

Level	Level 1: Game Changer
Proposed Budget	R5–9 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2035
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A citywide green energy programme integrating solar farms, municipal embedded generation, rooftop solar incentives, battery storage, EV charging and grid modernisation. It supports energy security, cost reduction and green industrialisation for BCM.

Key Outputs: Solar farms; Embedded generation; Grid upgrades; Battery storage.

Key Outcomes: Reduced outages; Lower emissions; Industrial competitiveness.

PROJECT

Bulk Water & Wastewater Treatment Upgrade Programme

Level	Level 1: Game Changer
Proposed Budget	R4–6 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2038
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A metro-wide bulk infrastructure upgrade initiative to increase capacity, improve effluent compliance, modernise pump stations and rehabilitate reticulation networks.

Key Outputs: Upgraded WWTWs; pump stations; rehabilitated mains; compliance systems.

Key Outcomes: Improved reliability; environmental protection; service expansion.

PROJECT**Citywide Roads Rehabilitation & Mobility Enhancement**

Level	Level 1: Game Changer
Proposed Budget	R3–5 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2035
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Rehabilitation of arterial, collector and township roads supporting MELD, West Bank and KWT–Bhisho corridors.

Key Outputs: Rehabilitated roads; NMT routes; safer intersections.

Key Outcomes: Mobility; safety; township access.

PROJECT**Electricity Strengthening & Grid Modernisation Programme**

Level	Level 1: Game Changer
Proposed Budget	R2–4 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2035
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A metro-wide programme to strengthen substations, replace aging infrastructure, modernise the grid and support embedded generation. It increases reliability for residential, commercial and industrial users and enables green energy integration.

Key Outputs: Upgraded substations; reinforced feeders; SCADA integration; embedded generation capacity.

Key Outcomes: Improved reliability; reduced outages; green energy readiness.

PROJECT**Port–Metro Freight Corridor Upgrade**

Level	Level 1: Game Changer
Proposed Budget	R3–6 billion

Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2026
Estimated End Date	2038
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Upgrades to freight roads, logistics routes and intermodal connections between the West Bank, CBD and Port. Supports export competitiveness and reduces congestion.

Key Outputs: Logistics roads; freight loops; upgraded interchanges.

Key Outcomes: Export efficiency; reduced delays; logistics growth.

PROJECT

Human Settlements Bulk Services Programme

Level	Level 1: Game Changer
Proposed Budget	R3–5 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2038
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Provision of bulk water, sanitation, electricity and roads for priority housing developments across BCM, including Reeston, KWT–Bhisho and Mdantsane.

Key Outputs: Bulk connectors; reservoirs; road access.

Key Outcomes: Housing delivery; spatial integration.

PROJECT

Public Transport Interchanges Modernisation Programm

Level	Level 1: Game Changer
Proposed Budget	R700 million–1.2 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/DoT
Estimated Start Date	2025
Estimated End Date	2032
Beneficiary Size	Not provided

Project sector / industry	Services

Project Overview

Upgrading taxi and bus ranks in Mdantsane, CBD, KWT, Bhisho and West Bank to improve safety, traffic flow and commuter services.

Key Outputs: Modern interchanges; shelters; ICT signage.

Key Outcomes: Improved commuter safety; efficiency.

PROJECT

Township Enterprise Nodes & Market Precincts

Level	Level 1: Game Changer
Proposed Budget	R300–600 million
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2032
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Development of township enterprise hubs in Mdantsane, Zwelitsha, Dimbaza and Duncan Village including trading spaces, logistics support, storage and digital centres.

Key Outputs: Enterprise hubs; markets; ICT zones.

Key Outcomes: Local economic growth; SMME support.

PROJECT

Urban Management Precincts (CBD, Quigney, West Bank)

Level	Level 1: Game Changer
Proposed Budget	R500–800 million
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2030
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Precinct management zones enhancing cleanliness, safety, lighting, CCTV, by-law enforcement and public-space upgrades to support investment and tourism.

Key Outputs: CCTV; lighting; maintenance; public spaces.

Key Outcomes: Urban safety; investment readiness.

PROJECT

Informal Settlement Upgrading – Duncan Village

Level	Level 1: Game Changer
Proposed Budget	R800–1.2 billion
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/DHS
Estimated Start Date	2025
Estimated End Date	2032
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Upgrading of informal areas through serviced sites, basic infrastructure, tenure support and community facilities.

Key Outputs: Serviced sites; basic services; community facilities.

Key Outcomes: Improved living conditions; safer communities.

LEVEL 2: MAJOR ENABLERS

PROJECT

Regional Landfill Expansion & Circular Economy Infrastructure

Level	Level 2: Major Enablers		
Proposed Budget	R1–2 billion		
Project Owners / Implementing Entity	DFFE/Buffalo Municipality/Private Sector	City	Metropolitan
Estimated Start Date	2025		
Estimated End Date	2035		
Beneficiary Size	Not provided		
Project sector / industry	Services		

Project Overview

Development of a compliant regional landfill, material recovery facilities, composting plants and waste-to-energy pilots to support modern waste management.

Key Outputs: Regional landfill; MRFs; composting; recycling hubs.

Key Outcomes: Reduced landfill pressure; recycling growth; job creation.

PROJECT

Stormwater Priority Catchment Upgrades

Level	Level 2: Major Enablers		
Proposed Budget	R1–2.5 billion		
Project Owners / Implementing Entity	Buffalo Municipality/DPWI/DHS	City	Metropolitan
Estimated Start Date	2025		
Estimated End Date	2035		
Beneficiary Size	Not provided		
Project sector / industry	Services		

Project Overview

Stormwater upgrades in flood-prone areas including Mdantsane, Quigney, CBD, Reeston and coastal valleys. Includes culverts, channels, attenuation ponds and SuDS.

Key Outputs: Culvert upgrades; SuDS; flood defences.

Key Outcomes: Flood reduction; resilience; infrastructure protection.

PROJECT

Boxwood Housing Project

Level	Level 2: Major Enablers
Proposed Budget	N/A
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/DHS
Estimated Start Date	N/A
Estimated End Date	N/A
Beneficiary Size	8,424
Project sector / industry	Services

Project Overview

The project aims to provide essential bulk and reticulation water and sewer infrastructure, road access, supporting services and construct 1404 housing units for the Orange Grove and Boxwood communities. The project is implemented in a greenfield perimeter, which comprises of an approved general plan.

PROJECT

IDZ Euro Spec Plastics wash plant (submitted by Green Ripple / Tidy Towns / Private sector role players PETCO)

Level	Level 2: Major Enablers
Proposed Budget	Not provided
Project Owners / Implementing Entity	EL-IDZ
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Social

Project Overview

The concept is to develop a circular economy by catalysing a euro spec wash plant , roughly R80 m investment into the IDZ . Preferably link to previous desalination project at the harbour if possible to be water wise and use green energy to power as far as possible . The concept would be to be the one source for plastic circular economy to feed the Eastern Cape recycling efforts and even beyond. Role players could be Leader Packaging (Claude Miles and team are instrumental in spec and also a big user of recycled content)

Currently plastic manufacturers need to road ship the required content for the manufacture as required by law and closest reliable logistic source is Gauteng.

Investing in such a PPP could both stimulate jobs , increase the number of collection points already a great success recycling and packaging hundreds of tons of plastic and recycled PET products . Stimulate jobs , save the environment and improve Metro cleanliness and appeal.

PROJECT**East London Grand Prix Circuit Redevelopment**

Level	Level 2: Major Enablers
Proposed Budget	R45,000,000.00
Project Owners / Implementing Entity	Buffalo City Metropolitan Development Agency
Estimated Start Date	01 Jun 2027
Estimated End Date	30 Jun 2031
Project sector / industry	Economy

Project overview

The BCMDA is seeking a strategic private-sector partner to modernise and elevate the historic East London Racetrack into a world-class motorsport facility capable of hosting high-calibre national and international events. The investment focus is on upgrading the circuit to meet international safety and technical specifications, enhancing pit and paddock infrastructure, improving spectator facilities, and developing premium hospitality and event experiences that align with global motorsport standards.

An upgraded East London Racetrack would unlock year-round revenue streams, attract international teams and events, stimulate local supply chains, and serve as a flagship sports tourism asset for Buffalo City.

The BCMDA aims to co-develop a bankable investment model that leverages the track's heritage, coastal location, and precinct development potential to deliver long-term returns while transforming the venue into a premier motorsport destination for Africa.

PROJECT**Coastal Management & Erosion Protection System**

Level	Level 2: Major Enablers
Proposed Budget	R1–3 billion
Project Owners / Implementing Entity	DFFE/Buffalo City Metropolitan Municipality/CoGTA
Estimated Start Date	2025
Estimated End Date	2040
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

A coastal protection programme implementing dune rehabilitation, embankments, boardwalks and early-warning systems in erosion hotspots along the metro's coastline.

Key Outputs: Coastal defences; dune systems; boardwalks.

Key Outcomes: Climate resilience; reduced erosion; safer settlements.

LEVEL 3: MAJOR NEEDS PROJECTS

PROJECT

Golf Course Integrated Housing Precinct

Level	Level 3: Major Needs Projects
Proposed Budget	N/A
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/DSAC
Estimated Start Date	2022
Estimated End Date	2029
Beneficiary Size	2500
Project sector / industry	Services

Project Overview

The development comprises of combination of land uses such as Residential, Recreational, Civic and associated Land Uses, accessible open space and pedestrian friendly streets on the underdeveloped portion of Land. The parcels of Land are ERF 1716 King Williams Town, measuring 11.885 Hectares and ERF 9814 King Williams Town, measuring 10.15 Hectares and collectively are 22.8098 Hectares in extent and is owned and held in Title by King William's Town Housing Association NPC.

PROJECT

Mdantsane Zone 18cc – 1500 units

Level	Level 3: Major Needs Projects
Proposed Budget	R420 668 220.89
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/
Estimated Start Date	2023
Estimated End Date	2027
Beneficiary Size	1500
Project sector / industry	Services

Project Overview

The project is part of the Buffalo City Metropolitan Municipality Human Settlement Development programme aimed at providing 1500 serviced housing units to approved beneficiaries of Buffalo City Metropolitan Municipality. To speed up the delivery of the said housing units service delivery, BCMM entered into funding agreement with Housing Development Agent (HDA) who procured the services of the contractor on site by the name of Temi- Construction.

PROJECT**Duncan Village Redevelopment Initiatives: Human Settlements**

Level	Level 3: Major Needs Projects
Proposed Budget	N/A
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/DHS
Estimated Start Date	N/A
Estimated End Date	N/A
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Duncan Village (DV) is an area with historical significance within East London and currently it is estimated that plus 21 000 households reside in mostly informal dwellings and a population of between 70 000 to 100 000.

There is a challenge to address the housing backlog within, DV for decades, and as such Buffalo City Metropolitan Municipality (BCMM) decided to appoint a turnkey Implementing Agent -ASLA to speed up the redevelopment of Duncan Village and Agreement Interspherical Agreement has been signed between BCMM, HDA, National and Provincial Departments of Human Settlements.

PROJECT**Reeston Phase 3 Stage 2 – 2500 units**

Level	Level 3: Major Needs Projects
Proposed Budget	N/A
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/DSAC
Estimated Start Date	N/A
Estimated End Date	N/A
Beneficiary Size	6000
Project sector / industry	Services

Project Overview

The Reeston Phase 3 Stage 2 Housing project is situated at the Rainbow Chicken farm in ward 13 of Buffalo City Metropolitan Municipality's jurisdiction. The development of Reeston Area emerged as a result of the Duncan Village flood disaster that affected a number of families. Through a Memorandum of Understanding concluded between the former Provincial Department of Housing, Local Government and Traditional Affairs and the Buffalo City Metropolitan Municipality, the project was to accommodate the affected flood disaster families and the de-densification of C and D sections in Duncan Village.

In total the Reeston Phase 3 Project will consist of approximately 6000 units, which is to be developed over a number of years. The second stage of 2500 units is under implementation for the construction of 840 top structures, and 450

internal engineering services and the construction of top structures targeting at de–densification of Duncan Village through the block-movement of informal settlement strategy.

PROJECT

Community Recreation Parks – Mdantsane Units

Level	Level 3: Major Needs Projects
Proposed Budget	R50–100 million
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality/DSAC
Estimated Start Date	2025
Estimated End Date	2028
Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Development of safe, accessible parks with recreation equipment, lighting and landscaping.

Key Outputs: Parks; lighting; recreation facilities.

Key Outcomes: Youth development; social cohesion.

PROJECT

Children and Families

Level	Level 3: Major Needs Projects
Proposed Budget	N/A
Project Owners / Implementing Entity	Eastern Cape Department of Social Development
Estimated Start Date	01 April 2025
Estimated End Date	31 March 2026
Beneficiary Size	150 000
Project sector / industry	Social

Project Overview

Provision of comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organisations.

PROJECT

Development and Research

Level	Level 3: Major Needs Projects

Proposed Budget	R2 480 625
Project Owners / Implementing Entity	Eastern Cape Department of Social Development
Estimated Start Date	01 April 2025
Estimated End Date	31 March 2026
Beneficiary Size	21 000
Project sector / industry	Social

Project Overview

Provision of sustainable development programme which facilitate empowerment of communities based on demographic and evidence-based information through awareness, skills development and funding of community initiatives.

PROJECT

Restorative Services

Level	Level 3: Major Needs Projects
Proposed Budget	R5 959 683
Project Owners / Implementing Entity	Eastern Cape Department of Social Development
Estimated Start Date	01 April 2025
Estimated End Date	31 March 2026
Beneficiary Size	32408
Project sector / industry	Social

Project Overview

Provision of integrated developmental social crime prevention , anti-substance abuse services and victim empowerment and support services to the most vulnerable in partnership with stakeholders, government departments and civil society organisations.

PROJECT

Social Welfare Services

Level	Level 3: Major Needs Projects
Proposed Budget	R21 795 000
Project Owners / Implementing Entity	Eastern Cape Department of Social Development
Estimated Start Date	01 April 2025
Estimated End Date	31 March 2026
Beneficiary Size	32 190
Project sector / industry	Social

Project Overview

The programme provide an integrated Developmental Social Services to the poor and the vulnerable in partnership with civil society organisation through care and support services to older persons, services to persons with disabilities, HIV & AIDS and social relief of distress.

This project should remain scalable , and twinning with the Netherlands success as a global leader in plastic circular economy could see it scale to similar levels as a country leader through Buffalo City Port.

PROJECT

After school activities in rural communities (submitted by Ripples for Change)

Level	Level 3: Major Needs Projects
Proposed Budget	Not provided
Project Owners / Implementing Entity	Ripples for Change
Estimated Start Date	Not provided
Estimated End Date	Not provided
Beneficiary Size	Not provided
Project sector / industry	Social

Project Overview

The project aims to establish a network Hub (Drop-In Centre) and Satellites (safe parks) across rural villages in BCM as a pilot, with plans to expand to additional rural villages in the Eastern Cape. The initiative will increase access to essential child and youth services, improve school outcomes, strengthen positive leadership in rural communities and foster constructive time use among children and youth, which reduces the likelihood of substance abuse and crime. The centres will provide daily meals, homework support, leadership development, psychosocial guidance, and recreational activities, using existing community infrastructure such as schools, churches and community halls. The programme will recruit and train local youth careworkers to deliver activities, supported by a digital monitoring system to track attendance and progress. The pilot will begin in rural villages in BCM and is designed for long term scalability.

PROJECT

Integration vulnerable groups within DDM One Plan Catalytic Projects

Level	Level 3: Major Needs Projects
Proposed Budget	R0
Project Owners / Implementing Entity	Buffalo City Metropolitan Municipality
Estimated Start Date	2025
Estimated End Date	2030

Beneficiary Size	Not provided
Project sector / industry	Services

Project Overview

Deliberate and mindful documented inclusion of vulnerable groups participation and beneficiation within the DDM One Plan Catalytic Projects. Vulnerable groups are defined as those sectors of society who are particularly susceptible to poverty and inequality in all its forms including children, youth , women, people with disabilities and the elderly

SECTION E: DEVELOPMENT OBJECTIVES, STRATEGIES, KEY PERFORMANCE INDICATORS AND TARGETS 2021 – 2026 (revised for 2024/2025)

1. INTRODUCTION

An IDP, adopted by the Council of a municipality, is the key strategic planning tool for the municipality. Section 35 (1) of the MSA describes it as:

- (a) the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality
- (b) binds the municipality in the exercise of its executive authority
- (c) binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law.

As the principal planning instrument that guides and informs the municipal budget, the planning process must provide a platform for identifying, unpacking, and resolving the real issues faced by the residents of the City. This opportunity lies in the process of compiling Section E, as prescribed by Section 26(c) of the MSA and the Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001). Reg 2(1)(c) contains IDP objectives, KPIs, and targets for 2024–2025.

The SDBIP is an implementation plan of the approved IDP and MTREF. Therefore, only projects that are budgeted for are implemented. The SDBIP addresses the development objectives derived from the approved IDP.

The SDBIP serves as a ‘contract’ between the administration, Council, and community, expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. It provides the vital link between the Mayor, Council (executive), and the administration, facilitating the process for holding management accountable for its performance. The SDBIP is a management, implementation, and monitoring tool that will assist the Mayor, councillors, MM, senior managers, and the community.

Quarterly projections of service delivery targets and performance indicators for each vote are one of the five components of the top-layer SDBIP that must be made public, as detailed in MFMA Circular 13. The top level of the SDBIP includes measurable performance objectives in the form of service delivery targets and performance indicators provided to the community, specifically outlining the impacts it seeks to achieve. These are drawn from the IDP programmes, services, and activities relevant to each specific directorate, as well as the statutory plans for which the directorates are responsible. The SDBIPs are, therefore, the key mechanisms for monitoring the different responsibilities and targets that each directorate must fulfil in meeting the service delivery needs of the community.

2. FRAMEWORK FOR THE PERFORMANCE MANAGEMENT SYSTEM

Performance management is a process that measures the implementation of the organisation's strategy. It is also a management tool used to plan, monitor, measure, and review performance indicators to ensure efficiency, effectiveness, and the impact of service delivery by the municipality.

At the local government level, performance management is institutionalised through the legislative requirements for the performance management process. It provides the mechanism to assess whether targets set by the organisation and its employees, aimed at achieving strategic goals, are met.

The Constitution of South Africa (1996), Section 152, which outlines the objectives of local government, paves the way for performance management by establishing the need for an 'accountable government'. The democratic values and principles outlined in Section 195(1) are also linked to the concept of performance management, referencing principles such as:

- The promotion of efficient, economic, and effective use of resources;
- Accountable public administration;
- To be transparent by providing information;
- To be responsive to the needs of the community;
- And to facilitate a culture of public service and accountability among staff.

The MSA 2000 requires municipalities to establish a PMS. Furthermore, the MSA and the MFMA require the IDP to be monitored for the performance of the budget against the IDP via the SDBIP.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001, states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players".

Section 57 makes the employment of the MM, and the managers directly accountable to him, subject to a separate performance agreement concluded annually before the end of July each year. Section 67 regards the monitoring, measuring and evaluating of staff performance as a platform to develop human resources and to hold municipal staff accountable for serving the public efficiently and effectively. Performance Management, therefore, is not only relevant to the organisation as a whole but also to the individuals employed within the organisation, as well as to external service providers and municipal entities.

This framework, therefore, describes how the Municipality's performance process, for the organisation as a whole, will be conducted, organised and managed. It also has the following objectives:

- Clarify the processes of implementation.
- Ensure compliance with legislation.
- Demonstrate how the system will be conducted.
- Define roles and responsibilities.

- Promote accountability and transparency.
- Reflect the link between the IDP, Budget, SDBIP, and individual and service provider performance.

2.1 Objectives of Performance Management System

Beyond fulfilling legislative requirements, the BCMM PMS serves as the primary mechanism to plan, monitor, review, and improve the implementation of the objectives outlined in the Municipality's IDP. The PMS process also includes the following additional objectives that the system should fulfil.

2.1.1. Facilitate increased accountability

The PMS provides a mechanism for ensuring increased accountability between:

- The communities and the municipal council,
- The political and administrative components of the municipality,
- Each Head of Department and the Accounting Officer.

2.1.2. Facilitate learning and improvement

The PMS provides a mechanism for learning and improvement by assisting the municipality in determining which strategies and plans are having the desired impact, ensuring that services are delivered in the most efficient and effective manner.

It forms the basis for monitoring, evaluating, and improving the implementation of the IDP.

2.1.3. Provide early warning signals

The PMS provides managers, the Accounting Officer, Portfolio Committees, the Mayoral Committee, and Council with timely diagnostic signals when the implementation of the IDP is at risk, allowing for the implementation of intervention strategies.

2.1.4. Facilitate decision-making

The PMS provides appropriate management information to facilitate efficient, effective and informed decision-making.

2.2 Benefits of Performance Management

- Implementing the IDP by making it accessible to all employees, clarifying objectives and strategies, and promoting accountability among groups and individuals.
- Implementing focused management linked to an early warning system.
- Continuously reassessing structural functionality and enabling effective organisational alignment with objectives and strategies.
- Evaluating job analysis information and rectifying any faulty aspects.
- Understanding the roles, duties, and responsibilities of employees.
- Delegating clear and realistic responsibilities to employees.
- Assessing the adequacy or inadequacy of resources available to employees.

- Identifying and addressing training and development needs in a focused and structured manner to leverage the opportunities provided by the Skills Development Act.
- Developing the human resources of the Municipality; and
- Providing services in an efficient, effective, and economical manner.

Performance management will benefit the community through:

- The establishment of a system that translates the IDP into measurable objectives and targets.
- The institutionalisation of sound management principles, embedded in effective and efficient governance of service delivery.
- Adequate provision for community consultation, offering a clearer insight into the performance of the Municipality; and
- The promotion of an accountable Municipality.

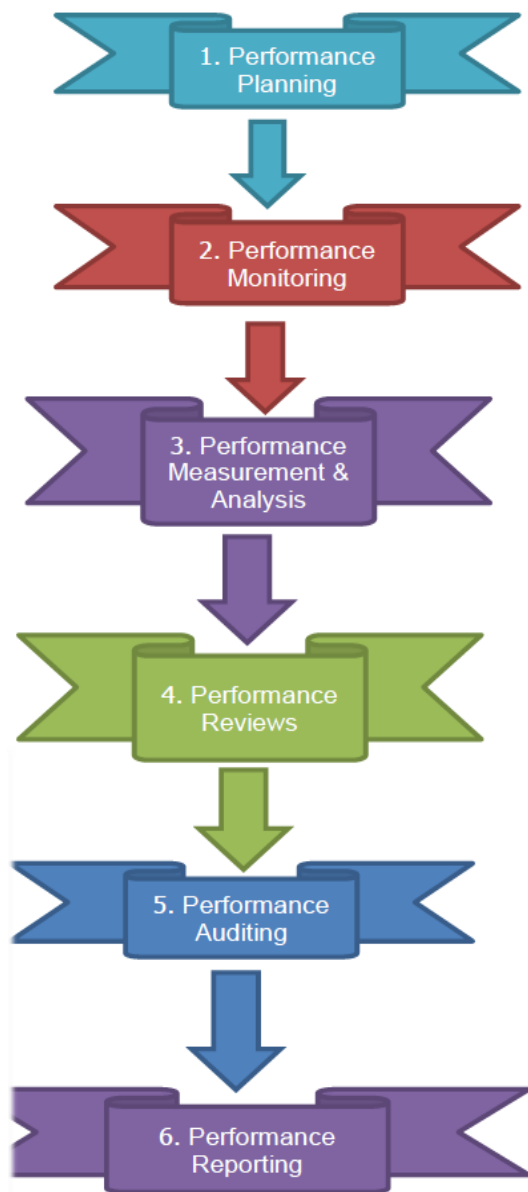
2.3 Performance Cycles

The overall planning, budgeting, and reporting cycle can be summarised as follows.



Figure 106: Performance cycles

The Performance Cycle can be summarised in the following diagram, and each cycle will be addressed in the remainder of this framework:



Each of the above cycles can be explained as follows:

- **Performance Planning** ensures that the strategic direction of the Municipality more explicitly informs and aligns the IDP with all planning activities and resource decisions. This stage involves designing KPAs and KPIs to address the IDP objectives, along with the establishment of national policy and targets.
- **Performance Measuring and Monitoring** is an ongoing process to determine whether performance targets have been met, exceeded, or not met. Projections can also be made during a process, for example, on a quarterly and annual basis.
- **Performance evaluation** analyses the reasons for under-performance or identifies the factors that contributed to good performance in a particular area. When targets have not been met, the reasons must be examined, and corrective actions recommended. Evidence to support the status is also reviewed at this stage. An additional component involves reviewing the indicators to determine if they are feasible and if they appropriately measure the key areas.
- **Performance Reporting** entails regular reporting to management, the Performance Audit Committee, Council, and the public.
- **Performance review/auditing** is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to assess and enhance performance.

Figure 107: Performance management cycle

According to section 45 of the MSA, the results of the performance measurement must be audited annually as part of the municipality's internal auditing process by the Auditor General. The Municipality has therefore established frameworks and structures to evaluate the effectiveness of its internal performance measurement control systems. Areas of weak performance identified at year-end must be addressed during the planning phase for the following year-end.

2.4 Key Steps in Performance Management

The key steps in implementing the Performance Cycle are as follows:

1. IDP consultation and strategic processes to determine.
 - a) Strategic objectives aligned with the national agenda and local needs.
 - b) Establish the municipal strategic outcomes.
 - c) Design strategic focus areas.
2. Prioritise capital projects for budgeting purposes, aligned with municipal strategy and approved methodology.
3. Begin with budget processes.
4. Determine organisational KPIs in relation to strategy, budget, and other key strategic plans.
5. Obtain baseline figures and previous year's performance.
6. Set multi-year performance target dates.
7. Determine steps and plans to achieve the budget and KPIs.
8. Assign strategically focused KPIs to senior management (top layer SDBIP).
9. Assign organisational KPIs to directorates and members of management (departmental SDBIP).
10. Prepare individual performance agreements aligned with the budget and SDBIP (S57 and management).
11. Prepare performance plans for staff and align the workplace skills plan with development plans.
12. Provide monthly and quarterly status reports on progress with KPI implementation.
13. Evaluate performance at both individual (1/2 yearly) and organisational levels (monthly and quarterly).
14. Compile various performance reports.
15. Audit reported performance and the portfolio of evidence (POE).
16. Appoint an oversight committee to analyse and prepare a report on performance improvement.
17. Submit the year-end report to various stakeholders.

The steps outlined above will be explained in more detail below.

2.5 Roles and Responsibilities

The roles and responsibilities during the IDP process, which differs from standard PMS practices, can be summarised as follows:

Table 100: Roles and responsibilities during the IDP process

Role Player	Roles and Responsibilities
Council	• Evaluate, amend, and adopt a process plan to develop/review the IDP. • Undertake the overall management and coordination of the planning process, which includes ensuring that: ○ All relevant stakeholders are appropriately involved. ○ Appropriate mechanisms and procedures for public consultation and participation are implemented. • The planning process is linked to the real burning issues in the Municipality and is a strategic, implementation-oriented process. • Adopt and approve the IDP/Review.

Role Player	Roles and Responsibilities
	• Final decision-making. • Approval of the reviewed IDP documentation. • Adjust the IDP in accordance with the MEC for Local Government's proposals. • Ensure that the annual business plans and municipal budgets are linked to, and based on, the IDP.
Mayor	• Decide on the process plan. • Overall management, coordination, and monitoring of the process, as well as the drafting of the IDP/review documentation, or delegation of this function. • Consider, adopt, and approve the process plan. • Provide strategic input for the IDP/review.
Councillors	• Link the planning process to their constituencies and/or wards. • Be responsible for organising public consultation and participation. • Monitor the implementation of the IDP in relation to the specific wards. • Ensure that the annual business plans and municipal budget are linked to and based on the IDP.
Speaker	• Overall monitoring of the public participation process.
IDP Manager	• Preparations and finalisation of the process plan. • Be responsible for the overall management, coordination, and monitoring of the process and drafting the IDP/Review. • Be responsible for the day-to-day management of the planning process, ensuring that all relevant actors are appropriately involved. • Ensure that the process is participatory, strategic, and implementation-orientated, and that it aligns with sector planning requirements. • Ensure that amendments and proper documentation of the draft IDP/Review are aligned with the IDP proposal.
Directors and Officials	• Prepare selected sector plans. • Provide relevant technical, sector, and financial information for analysis and the determination of priority issues. • Contribute technical expertise to the consideration and finalisation of strategies and the identification of projects. • Provide departmental, operational, and capital budgetary information. • Be responsible for the preparation of project proposals and the integration of projects and sector programmes following a strategic review in areas of expertise.

Role Player	Roles and Responsibilities
Local Communities, Residents and Stakeholders	• Represent interests and contribute knowledge and ideas in the IDP process by participating in and through the ward committees to: ○ Analyse issues, determine priorities, and provide input. ○ Keep constituencies informed about IDP activities and their outcomes. ○ Discuss and comment on the draft IDP. ○ Ensure that annual business plans and budgets are based on and linked to the IDP. ○ Monitor performance in the implementation of the IDP.
District Municipality	• Some roles and responsibilities relate to the preparation of a district IDP. The District Municipality must also prepare a District Framework (Section 27 of the MSA). • Fulfil a coordination and facilitation role by: ○ Ensuring alignment of the IDPs of the municipalities within the District Council area. ○ Ensuring alignment between district and local planning. ○ Facilitating alignment of IDPs with other spheres of government and sector departments. ○ Preparing joint strategy workshops with local municipalities, provincial and national stakeholders, and other subject matter specialists.
Provincial Government: Department of Local Government	• Ensure horizontal alignment of the IDP of the District Municipalities within the province. • Ensure vertical/sector alignment between provincial sector departments, provincial strategic plans, and the IDP process at local/district level by: ○ Guiding the provincial sector departments' participation in and their required contribution to the municipal IDP process; and ○ guiding them in assessing draft IDPs and aligning their sector programmes and budgets with the IDPs. • Efficient financial management of provincial IDP grants. • Monitor the progress of IDP processes. • Facilitate the resolution of disputes related to the IDP. • Assist municipalities in the IDP drafting process as required. • Coordinate and manage the MEC's assessment of IDPs.
Sector Departments	• Contribute relevant information on the provincial sector departments' plans, programmes, budgets, objectives, strategies, and projects in a concise and accessible manner. • Provide sector expertise and technical knowledge for the formulation of municipal strategies and projects. • Engage in a process of alignment with District Municipalities. • Participate in the provincial management system of coordination.

The relationship between IDP and Performance Management is therefore legislated and regulated. The PMS measures the Municipality's performance in meeting its IDP.

2.6 Alignment of IDP and SDBIP to BCMM's MGDS

The PMS measures the performance of the municipality in achieving its long, medium, and short-term plans, specifically the MGDS, IDP, and SDBIP. The MGDS is 'BCMM's Vision 2030', the IDP is BCMM's five-year plan, and the SDBIP is an annual plan.

Council resolved that the planning and performance management model for the City will align the IDP and SDBIP with the MGDS and measure the implementation of five strategic outcomes. This performance management model will ensure that the MGDS and IDP are translated into operational and practical performance-related plans that will be monitored and reviewed, such as the SDBIP and the performance plans of managers.

This encompasses five SOs, which are outlined below:

2.6.1. Strategic Outcome 1: Innovative and Productive City:

- a) To enhance the quality of life for the BCMM community:
 - Promote arts and culture and preserve heritage;
 - Promote participation in sports and recreation;
 - Promote a well maintained, vibrant and liveable City;
 - Promote equal opportunities, inclusion, and redress; and
 - Improve community safety.
- b) To maintain inclusive and sustainable economic growth:
 - Increase government-led job creation initiatives;
 - Promote a more diversified export trade;
 - Support SMME development;
 - Promote industry-focused skills development;
 - Promote innovation and the knowledge economy;
 - Promote business competitiveness; and
 - Enhance BCMM-led institutional mechanisms.

2.6.2. Strategic Outcome 2: A Green City

To promote an environmentally sustainable City:

- Reduce waste generation;
- Implement climate change mitigation strategies;
- Enhance biodiversity management;
- Reduce air pollution;
- Increase land productivity;
- Improve disaster management preparedness; and
- Promote an enhanced governance system for environmental compliance issues.

2.6.3. Strategic Outcome 3: A Connected City

To maintain world-class logistics:

- Develop and maintain road infrastructure and reduce congestion;
- Develop the port of East London;
- Refurbish the slipway and surrounding areas;
- Develop East London Airport;
- Enhance the rail infrastructure;
- Promote integrated transport connectivity; and
- Develop the ICT infrastructure.

2.6.4. Strategic Outcome 4: A Spatially Transformed City

To maintain world-class infrastructure and utilities:

- Provide efficient energy resources;
- Maintain water conservation and quality;
- Promote an integrated spatial form;
- Provide sustainable human settlements;
- Promote resource-efficient land use;
- Promote sustainable rural development; and
- Revitalise the township economy.

2.6.5. Strategic Outcome 5: A Well-Governed City

To promote sound financial and administrative management:

- Build institutional and administrative capabilities;
- Improve the accountability of political office bearers and the administration;
- Increase community participation;
- Enhance corporate governance;
- Strengthen BCMM's sustainability;
- Promote alignment between corporate planning and implementation; and
- Deliver through effective partnerships.

2.7 Levels of BCMM Performance Management

The BCMM implements the PMS at the following levels:

2.7.1 Top Layer Service Delivery and Budget Implementation Plan (SDBIP).

- 1 Directorate SDBIP, which also reflects the performance of the HODs (Section 56 Managers).
- 2 Performance against the targets set in BCMM's BEPP.
- 3 Performance of individual staff (excluding those appointed under Section 56 of the Local Government: MSA) through the Employee Performance Plan.
- 4 Performance of service providers delivering municipal services in accordance with a Service Provider Performance Plan.
- 5 Performance of the municipal entity, BCMDA.

2.7.2 Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require the municipal council to ensure that an Audit Committee is established. The committee will be constituted as follows:

- The majority of Audit Committee members will be individuals who are neither councillors nor employees of the Municipality.
- The chairperson of the Audit Committee will also be neither a councillor nor a municipal employee.
- Audit Committee members possess will have credibility across all BCMM communities and civil society organisations.
- The composition of the Audit Committee sufficiently reflects the following competencies:
 - An understanding of performance management;
 - An understanding of municipal finances;
 - An understanding of development, including rural development;
 - Insight into the Municipality's IDP objectives.

The operation of this Audit Committee, when dealing with performance management, is governed by Section 14 (2-3) of the Regulations, which require that the Audit Committee must:

- Review the quarterly reports submitted to it by the IA Unit;
- Review the Municipality's PMS and make recommendations to the Municipal Council;
- Submit an audit report to the Municipal Council at least twice during each financial year.

In order to fulfil its function, an Audit Committee may, according to the MFMA and the Regulations,

- Communicate directly with the council, city manager, or the internal and external auditors of the municipality concerned;
- Access any municipal records containing information needed to perform its duties or exercise its powers;
- Request any relevant person to attend its meetings and, if necessary, to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

BCMM has appointed an Audit Committee as required by legislation. The committee reviews quarterly reports and the BCMM PMS and provides recommendations to the Council.

2.7.3 Performance reporting

Performance reporting serves as a platform through which the Municipality accounts to the Council, the community, and external stakeholders. Within BCMM, it takes place at three levels, as outlined below:

[1] Quarterly performance reporting (section 52, MFMA)

Section 52(d) of the MFMA requires that the municipality, within 30 days after the end of each quarter, submit a report to the Council on the implementation of the budget and the municipality's financial state of affairs. Accordingly, the BCMM Accounting Officer, as delegated by the Executive Mayor, is responsible for ensuring compliance with this legislative requirement. At the end of each quarter, the Accounting Officer prepares and submits a quarterly institutional performance report to the Council.

[2] Mid-year performance assessment reporting (section 72, MFMA)

The performance report in January will coincide with the mid-year performance assessment report, as per Section 72 of the MFMA. This section stipulates that the Accounting Officer must, by 25 January of each year, assess the performance of the Municipality and report to the Council on its service delivery performance during the first half of the financial year, along with the service delivery targets and performance indicators as set out in its SDBIP. The BCMM Accounting Officer conducts a mid-year performance assessment and submits a report to the Council.

[3] Annual performance reporting (section 46, MSA)

On an annual basis, a comprehensive report on the performance of BCMM is compiled as required by Section 46 of the MSA. This report also forms part of the Annual Report, as set out in Chapter 12 of the MFMA.

2.8 General Issues Relating to Performance Management

The following are key general issues to consider when implementing the Municipality's PMS:

2.8.1. Excellent or Good Organisational Performance

Directorates with excellent or good performance will be encouraged and motivated to maintain these standards. When necessary, they will be asked to share best practice with other directorates.

2.8.2. Managing Poor Organisational Performance

Poorly performing directorates will be requested to provide an explanation and analysis of their poor performance. If this is insufficient, an investigation will be conducted to deepen the understanding of the underlying problems, whether they are policy-related, systemic, structural, capacity-related, shared responsibility, or attributed to the poor performance of individuals.

2.8.3. Review of PMS Framework

In order to ensure that the PMS is useful and effective, it is important to review the PMS framework as necessary. This is also required by the MSA. Management must initiate the review of the PMS framework, taking into account all inputs provided by the Directorates. The reviewed framework must then be presented to the Council via BCMM Council structures for adoption.

2.9 Conclusion

Performance management is a process that extends throughout the organisation, from its vision and mission statement to its objectives and ultimately its staff. It applies to the performance of the organisation as well as to all individuals associated with it. The White Paper on Local Government (1998) states that key mechanisms for ensuring service excellence in municipalities include integrated development planning, performance management, and community participation.

Appropriate KPIs must be established to serve as a yardstick for measuring individual and organisational performance. These KPIs should encompass outcomes and the impact of a performance area concerning a municipality's development priorities and objectives as outlined in its IDP.

The performance management framework aims to guide BCMM in developing a PMS that will contribute to improving municipal performance and enhancing service delivery. The framework is designed to provide details that describe and represent how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting, and improvement will be conducted, organised, and managed, including determining the roles of the various stakeholders.

The process of implementing a PMS must be viewed as a learning process, where we continuously improve the way the system operates to fulfil its objectives and address the emerging challenges from a constantly changing environment.

3. BCMM MUNICIPAL SCORECARD (2021/2026) AS REVISED FOR 2026/2027

Table 101: BCMM Municipal Scorecard

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)												
BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
STRATEGIC OUTCOME 1: INNOVATIVE AND PRODUCTIVE CITY												
NATIONAL PRESCRIBED INDICATORS												
Safety	To ensure safety of BCMM communities	Number of fire related deaths per 100 000 population	KFA 11	FD 1.11	Percentage compliance with the required attendance time for structural firefighting incidents (formal and informal areas)	44%	35,36%	46%	45,11%	76,25%	65%	65%
Economic Development	Maintain Inclusive and sustainable economic Growth	Average cost to a business to apply for a construction permit with a municipality	KFA 2	LED3.11	Average time taken to finalise business license applications	New indicator	8 working days	Q1 – 8 working days Q2 – 6.5 working days Q3 – 5.94 working days Q4 – 5.4 working days	5,7 working days	3,37 working days	12 working days	12 working days
Economic Development	Maintain Inclusive and sustainable economic Growth	Average cost to a business to apply for a	KFA 2	LED3.12	Average time taken to finalise informal trading permits	New indicator	New indicator	New indicator	6,3 working days	4 working days	12 working days	12 working days

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
		construction permit with a municipality										
Economic Development	Maintain Inclusive and sustainable economic Growth	N/A	KFA 5	LED1.21	Number of work opportunities created by the municipality through Public Employment Programmes (Incl. EPWP, CWP and other related employment programmes)	6164	6006	2588	3927	4450	3370	3370
BCMM INDICATORS												
Safety	To develop and maintain world class infrastructure and utilities	N/A	KFA 11	FE 1.1/IPC 2	Number of fire stations refurbished	1	1	1	1	1	1	1
Economic Development	Maintain Inclusive and sustainable economic Growth	N/A	KFA 1	IPC 3	Number of infrastructure projects for informal traders implemented	2	1	4	0	0	5	5

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Economic Development	Maintain Inclusive and sustainable economic Growth	N/A	KFA 1	IPC 4	Number of interventions implemented to support SMME's and Cooperatives	3	5	5	5	4	11	11
Economic Development	Maintain Inclusive and sustainable economic Growth	N/A	KFA 5	IPC 5	Number of direct and indirect job opportunities created through Economic Development Projects, initiatives and partnerships	1166	857	741	738	840	600	600
					Number of work opportunities created by the municipality through Human Settlements Programmes employment programmes)					950	900	900
Economic Development	Maintain Inclusive and sustainable economic Growth	N/A	KFA 7	IPC 6	Number of Creative industries support projects / programmes implemented	2	9	8	4	4	10	10

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Economic Development	Maintain Inclusive and sustainable economic Growth	N/A	KFA 7	IPC 30	Number of Arts, Culture and Heritage projects implemented.	8	2	6	3	0	6	6
Economic Development	Maintain Inclusive and sustainable economic Growth	N/A	KFA 4	IPC 7	Number of initiatives (programmes) implemented to develop, market and promote Buffalo City as a tourist destination of choice	6	13	11	16	13	14	14
Economic Development	Maintain Inclusive and sustainable economic growth	N/A	KFA 2	IPC 8	Number of interventions supported to retain existing investors and promote attraction of new investment into Buffalo City	3	3	3	2	3	4	4
Economic Development	Maintain Inclusive and sustainable economic growth	N/A	KFA 2	IPC 9	Number of interventions implemented on export development and promotion for	12	12	14	14	8	21	21

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
					emerging exporters on a quarterly basis							
Economic Development			KFA 6	IPC 11 (a)	Number of Agricultural farmer support programmes implemented	7	6	8	7	6	11	11
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	Percentage utilization rate of sports fields	KFA 9	HS 3.4/IPC 12	Number of sports facilities upgraded	4	3	0	1	1	2	2
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	N/A	KFA 4	IPC 13	Number of Aquarium facilities upgraded	0	0	0	0	1	2	2
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	Square meters of municipal owned or maintained public outdoor recreation space per capita	KFA 9	HS 3.1/IPC 14	Number of Zoo facilities upgraded	1	1	1	2	N/A	2	2
Operations & Maintenance of Revenue	To Promote an environmentally friendly city	Recreational water quality	KFA 9	HS 3.1/IPC 15	Number of beach facilities upgraded	3	2	N/A	N/A	N/A	N/A	N/A

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Generating Assets												
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	Square meters of municipal owned or maintained public outdoor recreation space per capita	KFA 9	HS 3.1/IPC 16	Number of Swimming Pools upgraded	0	1	3	2	2	4	4
Infrastructure	To promote an integrated spatial form	Number of community halls per 100 000 population	KFA 10	HS 3.2/IPC 17	Number of community halls constructed (Phase 3)	0	1	N/A	N/A	1	1	1
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	Square meters of municipal owned or maintained public outdoor recreation space per capita	KFA 28	IPC 50	Number of Resorts Upgraded	New Indicator	New Indicator	2	N/A	2	2	2
Infrastructure	To promote an integrated spatial form	Percentage utilisation of community halls	KFA 10	HS 3.2/IPC 18	Number of Community Halls Upgraded	0	4	1	2	0	10	10
Institutional Service Delivery &	To ensure safety of BCMM communities	N/A	KFA 11	IPC 19	Number of Areas covered by	11	0	0	0	0	2	2

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Operating Model					surveillance cameras							
Institutional Service Delivery & Operating Model	To ensure safety of BCMM communities	N/A	KFA 11	IPC 61	Milestones towards the Review of Crime Prevention Strategy	Existing Crime Prevention Strategy	New indicator	New indicator	New indicator	Service Provider appointed	Draft Reviewed Crime Prevention Strategy submitted to Council	Draft Reviewed Crime Prevention Strategy submitted to Council
Institutional Service Delivery & Operating Model	To ensure safety of BCMM communities	N/A	KFA 11	IPC 62	Development of BCMM Security Risk Analysis	New indicator	New indicator	New indicator	New indicator	Service Provider appointed	Daft BCMM Security Risk Analysis submitted to Council	Daft BCMM Security Risk Analysis submitted to Council
Institutional Service Delivery & Operating Model	To ensure safety of BCMM communities	N/A	KFA 11	IPC 63	Review of the Disaster Management Policy Framework	Existing Disaster Management Policy Framework	New indicator	New indicator	New indicator	0	Final Draft Reviewed Disaster Management Policy Framework submitted to Council	Final Draft Reviewed Disaster Management Policy Framework submitted to Council
Institutional Service	Promote sound financial and	Road traffic fatalities per		IPC 20		2,64%	2,85%	3,19%	3,35%	2,90%	5%	5%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Delivery & Operating Model	administrative capabilities	100 000 population	KFA 12		% reduction in road traffic fatalities on BCMM roads							
		Average number of fatalities per fatal crash										
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 8	IPC 21	Number of sport development programmes supported	3	3	4	4	4	4	4
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 5	IPC 22	Number of Bursaries Awarded	50	50	67	67	81	70	70
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 5	IPC 60	Number of Youth Development Programs supported	New Indicator	4	4	4	4	5	5
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 5	IPC 64	Number of Libraries upgraded	New Indicator	New Indicator	New Indicator	New Indicator	6	10	10

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Operating Model												
STRATEGIC OUTCOME 2: A GREEN CITY												
NATIONAL PRESCRIBED INDICATORS												
Environment	To Promote an environmentally friendly city	Annual number of days with good air quality	KFA 14	ENV1.12	Percentage of Air Quality (AQ) monitoring stations providing adequate data over a reporting year	81,3%	42%	26,67%	0%	0%	75%	75%
Waste Economy	To Promote an environmentally friendly city	Percentage of households with basic refuse removal services or better	KFA 18	ENV 3.11	Percentage of known informal settlements receiving integrated waste handling services	100%	100%	100%	100%	100%	100%	100%
Environment	To Promote an environmentally friendly city	Ecosystem/Vegetation type protection level	KFA 16	ENV 4.21	Percentage of biodiversity priority areas protected	48.85%	69%	51,57%	69,0%	69,97%	69,97%	69,97%
Environment	To Promote an environmentally friendly city	Ecosystem/Vegetation type threat status	KFA 16	ENV4.11	Percentage of biodiversity priority area within the metro	2.6 %	3.8 %	3,8%	5,1%	5,17%	5,17%	5,17%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Environment	To Promote an environmentally friendly city	Ecosystem/Vegetation type protection level	KFA 18	ENV 5.11	Percentage of coastline with protection measures in place	72%	73.2%	73,1%	73,2%	73,2%	73,2%	73,2%
Environment	To Promote an environmentally friendly city	Recreational water quality (coastal)	KFA 18	ENV 5.12	Number of coastal water samples taken for monitoring purposes	New Indicator	817	716	669	567	400	400
Environment	To Promote an environmentally friendly city	Recreational water quality (inland)	KFA 18	ENV 5.21	Number of inland water samples tested for monitoring purposes	New Indicator	469	438	461	404	400	400
BCMM INDICATORS												
Environment	To Promote an environmentally friendly city	N/A	KFA 18	ENV 5.21a	Number of Midland water samples taken for monitoring purposes	New Indicator	New Indicator	259	220	200	200	200
Waste Economy	To Promote an environmentally friendly city	Tonnes of municipal waste diverted from landfill per capita	KFA 18	GC 102	Number of Waste Diversion Garden transfer stations Established	3	2	New Indicator	1	N/A	N/A	N/A

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Waste Economy	To Promote an environmentally friendly city	Tonnes of municipal waste diverted from landfill per capita	KFA 18	GC 11	Upgrading of Beacon Bay Transfer station	0	Signage, Fencing and Access control	N/A	N/A	N/A	N/A	N/A
Waste Economy	To Promote an environmentally friendly city	Tonnes of municipal waste diverted from landfill per capita	KFA 18	GC 101	Number of kilograms of recyclables diverted from Landfills to Buy-Back Centres	New Indicator	61171,15 tons	467,5 tons (467500 kg)	838011,30 kg	869 964,40 kg	600 000 kg	600 000 kg
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	N/A	KFA 15	GC 10	Number of Community Parks Upgraded	0	2	2	1	2	3	3
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	N/A	KFA 15	GC12	Milestones achieved towards the establishment of recreational parks	New Indicator	New Indicator	New Indicator	New Indicator	3	4	4
STRATEGIC OUTCOME 3: A CONNECTED CITY												

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
NATIONAL PRESCRIBED INDICATORS												
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of households with access to electricity	KFA 22	EE1.11	Number of dwellings provided with connections to the mains electricity supply by the municipality	1560	643	342	328	341	426	426
Infrastructure	Develop and maintain world class logistics infrastructure	System Average Interruption Duration Index	KFA 22	EE3.11	Percentage of unplanned outages that are restored to supply within industry standard timeframes	100%	100%	86%	91,67%	82,4%	75%	75%
		Customer Average Interruption Duration Index										
Infrastructure	Develop and maintain world class logistics infrastructure	System Average Interruption Frequency Index	KFA 22	EE3.21	Percentage of Planned Maintenance Performed	83.3%	84.8%	70%	79,96%	73,8%	70%	70%
		Customer Average Interruption Duration Index										
Infrastructure	Develop and maintain world	Percentage of fatal crashes attributed to road and	KFA 19	TR6.11	Percentage of unsurfaced road graded	6,701% (89,8km)	5.925% (79.99KM)	5,33% (69,3km)	4.48% (62,7 km)	4.48% (62 km)	4.48% (62 km)	4.48% (62 km)

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
	class logistics infrastructure	environmental factors										
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of fatal crashes attributed to road and environmental factors	KFA 19	TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	1.439%	1.439%	1,325% (21,199km)	0.5325% (8,052km)	0.451% (7,215km)	0.5% (8km)	0.5% (8km)
Infrastructure	Develop and maintain world class logistics infrastructure	Renewable energy capacity available within the municipal jurisdiction as a percentage of Eskom supply capacity to the municipality	KFA 22	EE4.12	Installed capacity of approved embedded generators on the municipal distribution network	29,5kw	1750.56kW	4,7MW	9,566mw	9,77mw	0	0
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of households with access to electricity	KFA 22	EE1.13	Percentage of valid customer application for new electricity connections processed in terms of municipal service standards	New Indicator	93%	100%	100%	100%	90%	90%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of fatal crashes attributed to road and environmental factors	KFA 22	TR6.13	KMs of new municipal road network	New Indicator	15 km	19,138 km	0 km	0 km	7 km	7 km
BCMM INDICATORS												
Infrastructure	Develop and maintain world class logistics infrastructure	N/A	KFA 20	CC 1	Number of Backup Power for High Sites installed.	1	2	3	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	N/A	KFA 20	CC 6	Number of Business processes automated	7	1	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	N/A	KFA 20	CC 7	Number of BCMM Halls and Offices with Fibre Network installed.	2	1	1	2	0	1	1
Infrastructure	Develop and maintain world class logistics infrastructure	N/A	KFA 20	CC 4	Number of Municipal Offices and Halls with WiFi hotspots installed.	2	3	1	0	1	3	3

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Infrastructure	Develop and maintain world class logistics infrastructure	N/A	KFA 20	CC 200	Digitilise SCM Documentation -	New Indicator	New Indicator	Q3- 20% Q4 – 30%	41,25%	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	N/A	KFA 20	CC 201	Number of servers procured for disaster recovery	New Indicator	New Indicator	2	1	1	1	1
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of fatal crashes attributed to road and environmental factors	KFA 19	TR 6.1/CC 6	Km of gravel Roads upgraded to Surfaced Standard	13,24km	10.363km	5,938km	11,616km	4,7km	3km	3km
Infrastructure	Develop and maintain world class logistics infrastructure		KFA 19	CC115	Milestones towards the construction of the Harbour Arterial Road (Detail Design)	New indicator	New indicator	New indicator	New indicator	New indicator	Approved Detailed Design and environmental authorisation / approval (1)	Approved Detailed Design and environmental authorisation / approval (1)
Infrastructure	Develop and maintain world		KFA 19	CC116	Number of Kilometers	New indicator	New indicator	New indicator	New indicator	New indicator	0,8Km	0,8Km

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
	class logistics infrastructure				constructed for the Quenera Road							
Infrastructure	Develop and maintain world class logistics infrastructure		KFA 19	CC117	Milestones achieved towards the Construction of the Gonubie Link Road Phase 3	New indicator	New indicator	New indicator	New indicator	New indicator	Approved designs for the construction of the Gonubie Link Road Phase 3	Approved designs for the construction of the Gonubie Link Road Phase 3
Infrastructure	Develop and maintain world class logistics infrastructure	NMT paths and lanes as a percentage of total municipal road network length	KFA 21	TR 1.2/CC 7	Number of pedestrian bridges constructed	0	3	N/A	N/A	0	2	2
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of Dwelling units within 500m of scheduled public transport service	KFA 21	TR 1.1/CC 14	Number of Taxi Embayments constructed	3	3	2	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of Dwelling units within 500m of scheduled public transport service	KFA 21	TR1.1/CC15	Number of public transport facilities rehabilitated	0	0	1	1	0	1	1

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Infrastructure	Develop and maintain world class logistics infrastructure	N/A	KFA 19	CC19	Number of bridges rehabilitated	1	2	3	1	0	4	4
Infrastructure	Develop and maintain world class logistics infrastructure	Road traffic fatalities per 100 000 population	KFA 21	TR 7.1/CC 11	Number of speed humps constructed	46	43	74	30	17	80	80
Infrastructure	To promote an integrated spatial form	Percentage of households with access to electricity	KFA 22	EE 1.1/CC 20	Number of new high mast lights installed	12	9	6	6	16	10	10

STRATEGIC OUTCOME 4: A SPATIALLY TRANSFORMED CITY

NATIONAL PRESCRIBED INDICATORS

Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of households with access to basic sanitation	KFA 23	WS1.11	Number of new sewer connections meeting minimum standards.	334	312	364	233	747	250	1850
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of households with access to basic water supply	KFA 23	WS2.11	Number of new water connections meeting minimum standards.	308	347	398	234	338	300	300

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Infrastructure	Develop and maintain world class logistics infrastructure	Total per capita consumption of water	KFA 23	WS5.31	Percentage of total water connections metered	89%	92%	91%	92%	91%	92%	92%
Infrastructure	To promote an integrated spatial form	Rateable residential properties as a percentage of total households in the municipality	KFA 28	LED3.13	Average Number of days taken to process Building applications of 500 square meters or more	173.33	177.55	177,55	218	244,64	60	60
Infrastructure	To promote an integrated spatial form	N/A	KFA 28	HS2.22	Average Number of days taken to process residential Building applications of 500 square meters	140.65	122.34	128,11	149	132,65	30	30
Housing	To promote an integrated spatial form	Percentage of households living in adequate housing	KFA 25	HS1.11	Number of subsidised housing units constructed using various Human Settlements Programmes	137	213	213	363	439	600	600
Housing	To promote an integrated spatial form	Percentage of households living in adequate housing	KFA 25	HS1.12	Number of serviced sites	671	322	378	197	713	500	500

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Land	To promote an integrated spatial form	Percentage of households living in adequate housing	KFA2 8	HS1.13	Hectares of land acquired for human settlements in priority housing development areas	New Indicator	New Indicator	21,4632 hectares	76,3984 hectares	8,5653 hectares	0	0
BCMM INDICATORS												
Land	To promote an integrated spatial form	N/A	KFA 28	STC 1	Number of land parcels acquired by Council for Mixed Use Integration Zone and Densification (public and privately owned).	1	2	1	5	N/A	N/A	N/A
Infrastructure	To promote an integrated spatial form	Percentage of households with access to basic sanitation	KFA 23	WS 1.1/STC 2	Number of ablution facilities constructed (seats)	107	97	127	100	107	120	120
Infrastructure	To promote an integrated spatial form	N/A	KFA 29	STC 3	Number of cemeteries upgraded	5	5	5	2	1	4	4
Operations & Maintenance of Revenue Generating Assets	To promote an integrated spatial form	N/A	KFA 28	STC 9	Number of BCMM owned buildings upgraded	12	12	16	16	16	16	16

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BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 25	STC 15	Number of beneficiaries registered on the NHNR	2 285	2024	2125	2030	2016	2040	2040
Operations & Maintenance of Revenue Generating Assets	To promote an integrated spatial form	N/A	KFA2 8	STC13	Number of Parks Depots upgraded	3	2	2	N/A	0	2	2

STRATEGIC OUTCOME 5: A WELL GOVERNED CITY

NATIONAL PRESCRIBED INDICATORS

Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Top Management Stability	KFA 46	GG 1.21	Staff vacancy rate	6.2%	10%	12,69%	13%	13%	10%	10%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Number of alleged fraud and corruption cases reported per 100 000 population	KFA 46	GG 5.12	Quarterly salary bill of suspended officials	Q1 - R 1 074 731 .49 Q2 - R 4,095,060.94 Q3- R 6,070,559.41	R6.589,842.88	Q1= R6,676.324.29 Q2=R6 919 236,04 Q3= R5 327,982.08 Q4= R278,371.73	R51771,74	N/A	N/A	N/A

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
						Q4-R4, 317, 535.46						
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Number of alleged fraud and corruption cases reported per 100 000 population	KFA 46	GG 5.11	Number of active suspensions longer than three months	36	20	Q1 = 20 Q2 = 20 Q3 = 10 Q4 = 0	0	18	18	18
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of all qualifying households in the municipal area classified as indigent	KFA 39	LED2.12	Percentage of the municipality's operating budget spent on free basic services to indigent households	6.69%	5%	Q1 = 6,81% Q2 = 6,825% Q3 = 6,82% Q4 = 7,15%	5,61%	5%	5%	5%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 37	HS2.21	Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll	382	360	200	429	400	600	600
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of households with electricity connections receiving Free	KFA 37	EE2.11	Percentage of total residential electricity provision allocated	11.20%	10%	Q1 = 19,10% Q2 = 15,635% Q3 = 13,25% Q4 = 12,51%	11,44%	10%	10%	10%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Operating Model		Basic Electricity (FBE)			as Free Basic Electricity (FBE)							
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Frequency of sewer blockages per 100kms of pipeline	KFA 32	WS3.11	Percentage of Complaints/Callouts responded to within 24 hours (sanitation/waste water)	100%	100%	100%	95%	95%	95%	95%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Frequency of mains failures per 100kms of pipeline	KFA 32	WS3.21	Percentage of Complaints/Callouts responded to within 24 hours (water)	100%	100%	100%	100%	92%	92%	92%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of wastewater samples compliant o water use licence conditions	KFA 23	WS 4.21	Percentage of industries with trade effluent inspected for compliance	26.30%	20%	20%	20%	20%	20%	20%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	KFA 30	GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding ward councillors)	100%	94%	100%	100%	100%	100%	100%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	KFA 30	GG2.12	Percentage of wards that have held at least one councillor-convened community meeting	4 Public Meetings Convened per Ward = 200 public meetings for 50 Wards.	0.5%	Q1=22% Q2=15% Q3=42% Q4=28%	22%	100%	100%	100%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 30	GG3.12	Percentage of councillors who have declared their financial interests	100%	80%	100%	100%	100%	100%	100%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of informal settlements upgraded to phase 3	KFA 25	HS1.31	Number of informal settlements assessed (enumerated and classified)	20	44	46	2	4	4	4
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of informal settlements upgraded to phase 3	KFA 25	HS1.32	Number of informal settlements upgraded to phase 2	19	47	22	22	4	4	4
Institutional Service Delivery &	Promote sound financial and	Number of potholes reported per 10kms of	KFA2 5	TR6.21	Percentage of reported pothole complaints resolved within standard	New indicator	New Indicator	61%	62%	60%	60%	60%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Operating Model	administrative capabilities	municipal road network			municipal response time							
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of drinking water samples complying to SANS 241	KFA2 5	WS4.11	Percentage of water treatment capacity unused	New indicator	17%	12%	9%	7%	7%	7%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA2 5	W4.31	Percentage of waste water treatment capacity unused	New indicator	49%	37%	23%	40%	40%	40%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Total water losses	KFA2 5	WS5.21	Infrastructure leakage index	New indicator	6%	7,2	7.7	<9,1	<9,1	<9,1
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 41	LED 1.31	Number of individuals connected to apprenticeships and learnerships through municipal interventions	18	36	65	34	40	40	40

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 46	GG 1.22	Percentage of vacant posts filled within 3 months	New indicator	48,5%	87,76%	30%	30%	30%	30%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Protest incidents reported per 10 000 population	KFA 30	GG2.31	Percentage of official complaints responded to through the municipal complaint management system	New indicator	100%	100%	100%	100%	100%	100%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7	LED 1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	80%	80%	Q1 = 97% Q2 = 96% Q3 = 95% Q4 = 87%	91,75%	95%	95%	95%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7	LED 3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	270 days	180 days	266,66 days	298,38 days	160 days	160 days	160 days

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7	LED 3.21	Percentage of revenue clearance certificates issued within 10 working days from the time of completed application received.	93%	95%	Q1 = 92% Q2 = 94% Q3 = 95% Q4 = 95%	98,43%	95%	95%	95%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7	LED 2.11	Percentage of budgeted rates revenue collected	85%	83,5%	Q1 = 61,85% Q2 = 87,25% Q3 = 81,8% Q4 = 151%	74%	78%	85%	85%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7	LED 3.32	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission.	90%	100%	Q1 = 100% Q2 = 100% Q3 = 100% Q4 = 64%	100%	100%	100%	100%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of expenditure against total budget	KFA3 7/39	FM1.11	Total Capital Expenditure as a percentage of Total Capital Budget	New Indicator	New Indicator	105%	100% (Indicator exempted for reporting, please see National Treasury	100% (Indicator exempted for reporting, please see National	100% (Indicator exempted for reporting, please see	100% (Indicator exempted for reporting, please see

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
									exemption letter))	Treasury exemption letter))	National Treasury exemption letter))	National Treasury exemption letter))
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of expenditure against total budget	KFA3 7/39	FM1.12	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	New Indicator	96%	92%	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of expenditure against total budget	KFA3 7/39	FM1.13	Total Operating Revenue as a percentage of Total Operating Revenue Budget	New Indicator	98%	92%	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of expenditure against total budget	KFA3 7/39	FM1.14	Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget	New Indicator	104%	91%	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))	100% (Indicator exempted for reporting, please see National Treasury exemption letter))
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Municipal budget assessed as funded (Y/N) (National)	KFA3 7/39	FM1.21	Funded budget (Y/N) (Municipal)	New Indicator	New Indicator	Funded budget (Yes)	Funded budget (Yes)	Funded budget (Yes)	Funded budget (Yes)	Funded budget (Yes)
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change in cash backed reserves reconciliation	KFA3 7/39	FM2.21	Cash backed reserves reconciliation at year end	New Indicator	New Indicator	Yes	Reconciliation report	Reconciliation report	Reconciliation report	Reconciliation report
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change in cash and cash equivalent (short term)	KFA3 7/39	FM3.11	Cash/Cost coverage ratio	New Indicator	New Indicator	0,77	1-2x fixed operating expenditure	1-2x fixed operating expenditure	1-2x fixed operating expenditure	1-2x fixed operating expenditure

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change in cash and cash equivalent (short term)	KFA3 7/39	FM3.12	Current ratio (current asset/current liabilities)	New Indicator	New Indicator	1.36:1	1.58:1	1.5:1	1.5:1	1.5:1
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change in cash and cash equivalent (short term)	KFA3 7/39	FM3.13	Trade payables to cash ratio	New Indicator	New Indicator	<0.35:1	0.39:1	<0.5:1	<0.5:1	<0.5:1
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change in cash and cash equivalent (short term)	KFA3 7/39	FM3.14	Liquidity ratio	New Indicator	New Indicator	1.34	0.26:1	>1.6:1	>1.6:1	>1.6:1
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	KFA3 7/39	FM4.11	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	New Indicator	New Indicator	81,63%	68%	0%	0%	0%
Institutional Service Delivery &	Promote sound financial and administrative capabilities	Percentage of total operating expenditure on	KFA3 7/39	FM4.31	Creditors payment period	New Indicator	New Indicator	134 days	52 days	30 days	30 days	30 days

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Operating Model		contracted services										
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	KFA3 7/39	FM5.11	Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)	New Indicator	56%	-6%	29%	47%	47%	47%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	KFA3 7/39	FM5.12	Percentage of total capital expenditure funded from capital conditional grants	New Indicator	44%	50%	72%	53%	53%	53%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change of renewal/ upgrading of existing Assets	KFA3 7/39	FM5.21	Percentage of total capital expenditure on renewal/upgrading of existing assets	New Indicator	59%	57%	64%	61%	61%	61%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7/39	FM5.22	Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairment	New Indicator	60%	45%	24%	47%	47%	47%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change of repairs and maintenance of existing infrastructure	KFA3 7/39	FM5.31	Repairs and Maintenance as a percentage of property, plant, equipment and investment property	New Indicator	2%	2%	2%	2%	2%	2%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7/39	FM6.12	Percentage of awarded tenders [over R200k], published on the municipality's website	New Indicator	New Indicator	100%	100%	100%	100%	100%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA3 7/39	FM6.13	Percentage of tender cancellations	New Indicator	New Indicator	9%	10%	15%	15%	15%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change in Gross Consumer Debtors' (Current and non-current)	KFA3 7/39	FM7.11	Debtors payment period	New Indicator	New Indicator	302 days	316 days	680 days	680 days	680 days
Institutional Service Delivery &	Promote sound financial and administrative capabilities	Percentage change in Gross Consumer	KFA3 7/39	FM7.12	Collection rate ratio	New Indicator	83,5%	82.05%	74%	78%	85%	85%

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Operating Model		Debtors' (Current and non-current)										
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of net operating surplus margin	KFA3 7/39	FM7.31	Net Surplus/Deficit Margin for Electricity	New Indicator	New Indicator	10%	-45%	-20%	-20%	-20%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of net operating surplus margin	KFA3 7/39	FM7.32	Net Surplus/Deficit Margin for Water	New Indicator	New Indicator	79%	11%	31%	31%	31%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of net operating surplus margin	KFA3 7/39	FM7.33	Net Surplus/Deficit Margin for Wastewater	New Indicator	New Indicator	94%	29%	46%	46%	46%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of net operating surplus margin	KFA3 7/39	FM7.34	Net Surplus/Deficit Margin for Refuse	New Indicator	New Indicator	98%	21%	37%	37%	37%
Institutional Service Delivery &	Promote sound financial and administrative capabilities	Audit Opinion	KFA3 7/39	GG3.11	Number of repeat audit findings	New Indicator	New Indicator	43 (2022/2023 financial year)	43	0	0	0

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Operating Model												
BCMM INDICATORS												
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 46	WGC 1	Number of people from employment equity target groups (females) employed in the 3 highest levels of management	5	2	1	1	2	3	3
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Number of municipal officials completed training this quarter	KFA 41	C9/WGC 27	% of the municipality's budget actually spent on implementing its workplace skills plan (LGSETA grant only)	82%	99%	87%	102%	100%	100%	100%
		Percentage of municipal skills development levy recovered										
ICT	Promote sound financial and administrative capabilities	N/A	KFA 37	WGC 9 (a)	Number of Electricity Smart Meters Installed (Business Debtors)	3 464	272	250	N/A	N/A	N/A	N/A
ICT	Promote sound financial and	N/A	KFA 37	WGC 9 (b)	Number of Electricity and Water Smart Meters	86 938	30454	1000	N/A	N/A	N/A	N/A

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
	administrative capabilities				installed (Residential)							
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 39	WGC14	Credit Rating Maintained at A	A	A	A	A	A	A	A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA37	WGC 31	Percentage of registered billing queries	New Indicator (Mayoral Lekgotla)	Less than 2.5 percent of the total billing	Q1 = 0,583% Q2 = 0,521% Q3 =0,45% Q4 = 0,4%	0,92%	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 37	WGC22	Total increase in the amount of revenue collected for traffic fines	R 504 168.92	R 12530796.35	R11 507 630.21	R 10642144,41	R 5 500 000	R 5 500 000	R 5 500 000
Operations & maintenance	Promote sound financial and administrative capabilities	Total water losses	KFA 37	WGC24	Number of kilolitres reduced (physical water losses in terms of system losses)	4 881 016kl	850 000 KI	1 091 067,84kl	881280 kl	850 000 KI	850 000 KI	850 000 KI
		Percentage of non-revenue water										

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
		Total per capita consumption of water										
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA39	WGC16	Debt to revenue percentage (the extent of the total borrowings in relation to total operating revenue).	New indicator	2.64%	2.03%	1,23%	Less than 45%	Less than 45%	Less than 45%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 41	WGC 150	% of grant spent on implementing ISDG Program	N/A	85%	91%	108%	100%	100%	100%
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	N/A	KFA 20	WGC 205	Milestones towards implementation of Employee Performance Management System (Phase 1)	Manual System - Performance Management System	Manual System - Performance Management System	Manual System - Performance Management System	1. Appointment of Service provider 2. Design and customise electronic employee performance management system 3. Installation of the Designed and	1. Implement electronic Performance Management System for City Manager and	1. Implement electronic Performance Management System	1. Implement electronic Performance Management System

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BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
									customised electronic employee performance management system software into the city systems 4. Completion of designing and customisation of electronic Performance Planning Module for City Manager & HODs.	all HODs 2. Implement electronic Performance Management System for Task grade Levels 18-20 3. Implement electronic Performance Management System for Task grade Levels	for City Manager and all HODs 2. Implement electronic Performance Management System for Task grade Levels 18-20 3. Implement electronic Performance Management System for Task grade Levels	for City Manager and all HODs 2. Implement electronic Performance Management System for Task grade Levels 18-20 3. Implement electronic Performance Management System for Task grade Levels

Development Priorities and Objectives in terms of Section 26 (c) of the Municipal Systems Act and Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) Reg 2(1)(c)

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 (Actual Performance)	2021/22 (Actual Performance)	2022/23 (Actual Performance)	2023/24 (Actual Performance)	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
										16-17 4. Implement electronic Performance Management System	for Task grade Levels 16-17 4. Implement electronic Performance Management System	for Task grade Levels 16-17 4. Implement electronic Performance Management System

NATIONAL TREASURY CIRCULAR 88 OUTCOME INDICATORS THAT DO NOT HAVE OUTPUT INDICATOR [THEY ARE REQUIRED TO BE REPORTED ON THE ANNUAL REPORT, OTHER COUNCIL STRUCTURES AND SOME OF THEM TO CIRCULAR 88 PLANNING AND ANNUAL REPORTING PLATFORMS AT THE END OF THE FINANCIAL YEAR]											
BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 Actual Performance	2021/22 Baseline	2022/23 Actual Performance	2023/24 Actual Performance	2024/25 Actual Performance	2025/26 Actual Performance
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	Percentage of dwellings with access to public open spaces	KFA 15	HS3.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Operations & Maintenance of Revenue Generating Assets	To Promote an environmentally friendly city	Percentage utilization rate of sports fields	KFA 9	HS3.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	Maintain Inclusive and sustainable economic Growth	Employment rate in the municipal area	KFA 1	LED1.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	Maintain Inclusive and sustainable economic Growth	Percentage of the labour force classified as unskilled or low-skilled	KFA 1	LED1.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	Maintain Inclusive and sustainable	Income per capita within the municipal area	KFA 1	LED1.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

NATIONAL TREASURY CIRCULAR 88 OUTCOME INDICATORS THAT DO NOT HAVE OUTPUT INDICATOR [THEY ARE REQUIRED TO BE REPORTED ON THE ANNUAL REPORT, OTHER COUNCIL STRUCTURES AND SOME OF THEM TO CIRCULAR 88 PLANNING AND ANNUAL REPORTING PLATFORMS AT THE END OF THE FINANCIAL YEAR]

BCMM Council Key Focus Areas	Strategic Objective	Outcome Indicator	KFA	National Treasury Reference / BCMM Code	Key Performance Indicator	2020/21 Actual Performance	2021/22 Baseline	2022/23 Actual Performance	2023/24 Actual Performance	2024/25 Actual Performance	2025/26 Actual Performance
	economic Growth										
Economic Development	Maintain Inclusive and sustainable economic Growth	Average cost to a business to apply for construction permit with a municipality	KFA 1	LED3.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	Maintain Inclusive and sustainable economic Growth	Percentage of economic nodes in the municipality experiencing year on year growth	KFA 1	LED 2.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	Maintain Inclusive and sustainable economic Growth	Percentage of fatal crashes attributed to road and environmental factors	KFA 1	TR6.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	Maintain Inclusive and sustainable	Road traffic fatalities per 100 000 population	KFA 1	TR7.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

NATIONAL TREASURY CIRCULAR 88 OUTCOME INDICATORS THAT DO NOT HAVE OUTPUT INDICATOR [THEY ARE REQUIRED TO BE REPORTED ON THE ANNUAL REPORT, OTHER COUNCIL STRUCTURES AND SOME OF THEM TO CIRCULAR 88 PLANNING AND ANNUAL REPORTING PLATFORMS AT THE END OF THE FINANCIAL YEAR]

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	economic Growth										
Safety	To ensure safety of BCMM communities	Average number of fatalities per fatal crash	KFA 11	TR7.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Safety	To ensure safety of BCMM communities	Number of disaster and extreme weather-related deaths per 100 000 population	KFA 11	FD1.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Total collected municipal solid waste per capita	KFA 14	ENV2.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Ecosystem/vegetation type threat status	KFA 14	ENV 4.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Ecosystem/vegetation type protection level	KFA 14	ENV 4.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Environment	To Promote an environmentally friendly city	Wetland condition index	KFA 14	ENV 4.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Incidence of gastroenteritis in an institution per 100 000 of the population	KFA 14	ENV7.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Percentage of atmospheric emission licenses (AELs) processed within guideline timeframes	KFA 14	ENV1.11	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Percentage of households experiencing a problem with noise pollution	KFA 14	ENV1.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Tonnes of municipal solid waste diverted from landfill per capita	KFA 14	ENV2.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Environment	To Promote an environmentally friendly city	Tonnes of municipal solid waste sent to landfill per capita	KFA 14	ENV2.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Environment	To Promote an environmentally friendly city	Percentage of schedule waste service users reporting non-collection	KFA 14	ENV3.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Customer Average Interruption Duration Index	KFA 22	EE3.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Customer Average Interruption Frequency Index	KFA 22	EE3.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Renewable energy capacity available within the municipal jurisdiction as a percentage of Eskom supply	KFA 22	EE4.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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		capacity to the municipality									
Infrastructure	Develop and maintain world class logistics infrastructure	Electricity usage per capita	KFA 22	EE4.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Road Transport fuel usage per capita	KFA 19	EE4.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage share of monthly income spent on public transport, for households using public transport	KFA 19	TR2.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of respondents indicating that they believe public transport to be "safe"	KFA 19	TR4.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of respondents indicating that they believe public transport to be "reliable"	KFA 19	TR4.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of households less than 10 minutes walk from scheduled public transport	KFA 19	TR5.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of dwelling units within 500m of scheduled public transport service	KFA 19	TR5.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of persons with disability where access to public transport is problematic	KFA 19	TR5.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world	NMT paths as a percentage of the total	KFA 19	TR5.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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	class logistics infrastructure	municipal road network length									
Infrastructure	Develop and maintain world class logistics infrastructure	Length of NMT paths built	KFA 19	TR5.41	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage share of monthly income spent on public transport, for households using public transport	KFA 19	TR2.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	A percentage of Non - revenue Water	KFA37	WS.5.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure	Develop and maintain world class logistics infrastructure	Percentage of respondents indicating that they believe public transport to be "safe"	KFA 19	TR4.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of households with electricity connections receiving Free Basic Electricity	KFA 36/37	EE2.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of low income households that spend more than 10% of their monthly income on electricity	KFA 36/37	EE2.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Average electricity subsidy per residential municipal customer	KFA 36/37	EE2.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage change in the amount of irregular expenditure as a result of SCM transgressions	KFA 36/37	FM6.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Number of residential properties in the billing system as a percentage of residential properties in the valuation roll	KFA 36/37	FM7.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Number of non-residential properties in the billing system as a percentage of non-residential properties in the valuation roll	KFA 36/37	FM7.5	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Functionality of the Municipal Public Accounts Committee (MPAC)	KFA 36/37	GG4.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Number of convictions for fraud and corruption by city officials per	KFA 36/37	GG5.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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		100 000 population									
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Title deed backlog ratio	KFA 36/37	HS1.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of property market transactions in the gap and affordable housing market range	KFA 36/37	HS2.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Gross Value Added (GVA) by the municipality per capita	KFA 36/37		No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of all qualifying households in the municipal area classified as indigent	KFA 36/37	LED1.5	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Average cost to transfer a property as a percentage of total property value	KFA 36/37	LED3.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	R-value of investment inflows	KFA 36/37	LED3.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Average change in the R-value of commercial property within the municipality	KFA 36/37	LED3.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of customers satisfied with water and sanitation services	KFA 36/37	WS3.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of wastewater safely treated	KFA 25	WS4.22	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of wastewater effluent volume complying with license conditions (weighted by flows by plant)	KFA 25	WS4.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Frequency of unplanned water service interruptions	KFA 25	WS3.3.	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of water re-used	KFA 25	WS5.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Green drop score	KFA25	WS4.4	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Blue drop score	KFA25	WS4.5	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of households with electricity connections receiving Free Basic Electricity	KFA22	EE2.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of low income households that spend more than 10% of their monthly income on electricity	KFA22	EE2.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Average electricity subsidy per residential municipal customer	KFA22	EE2.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage total electricity losses	KFA22	EE4.4	No output indicator	19,13%	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery	Promote sound financial and	Systems Average IDI	KFA22	EE3.3.	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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& Operating Model	administrative capabilities										
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Average System IDI	KFA22	EE3.5	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Average System IFI	KFA22	EE3.6	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of municipality skill development levy recovered	KFA36/37	GG1.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Attendance rate of municipality council meetings by participating leaders (recognised traditional / Khoisan leaders)	KFA36/37	GG2.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery	Promote sound financial and	Percentage of Councillors	KFA36/37	GG4.1	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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& Operating Model	administrative capabilities	attending council meetings									
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Number of dismissals for fraud and corruption per 100 000 population	KFA36/37	GG5.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of residential properties in the subsidy market	KFA36/37	HS2.2	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of municipal cemetery plots available	KFA36/37	HS3.7	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Percentage of households living in formal dwellings who rent	KFA36/37	HS2.3	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A
Institutional Service Delivery	Promote sound financial and	Percentage utilization rate of community halls	KFA36/37	HS3.5	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

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& Operating Model	administrative capabilities										
Institutional Service Delivery & Operating Model	Promote sound financial and administrative capabilities	Average number of library visits per library	KFA36/37	HS3.6	No output indicator	N/A	N/A	N/A	N/A	N/A	N/A

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027

Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
INNOVATIVE AND PRODUCTIVE CITY - The City plans to create 600 job opportunities through Economic Development Projects, initiatives and partnership in 2025/26 FY; and a further 600 in the 2026/27 FY. - The Public Employment Programmes (incl. EPWP, CWP and other related employment programmes) will create 4450 work opportunities in 2025/26 and 3370 in 2026/27. - Through the Human Settlements Employment Programmes 900 work opportunities will be created in 2025/26 and a further 900 in 2026/27. - Eleven (11) interventions to support SMME's are planned for 2025/26 and a target of 11 has been set for 2026/27. - A total number of ten (10) creative industries support projects / programmes will be implemented in 2025/26 and ten (10) in 2026/27. - Six (6) Arts, Culture and Heritage projects are budgeted for in 2025/26, and the city plans to implement another six (6) of these projects in the 2026/27 FY. - Six (6) Agricultural Farmer Support Programmes will be implemented in 2025/26 and seven (7) in the 2026/27 FY. - Two (2) beach facilities will be upgraded in 2026/27 FY. - Two (2) resorts will be upgraded in 2026/27 FY. - Four (4) swimming pools will be upgraded in both 2025/26 and 2026/27 Financial Years. - The city plans to cover two additional areas with CCTV cameras during 2026/27. - It is planned to submit a Draft Reviewed Crime Prevention Strategy to Council during the 2025/26 FY. - A Final Draft Reviewed Disaster Management Policy Framework will be submitted to Council in 2025/26.			
Average time taken to finalise business license applications	3,37 working days	12 working days	12 working days
Average time taken to finalise informal trading permits	4 working days	12 working days	12 working days
Number of Resorts Upgraded	2	2	2

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027			
Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Development of BCMM Security Risk Analysis	Service Provider appointed	Daft BCMM Security Risk Analysis submitted to Council	Daft BCMM Security Risk Analysis submitted to Council
Number of Youth Development Programs supported	4	5	5
Number of Libraries upgraded	6	10	10
GREEN CITY ▪ Upgrade 3 community parks ▪ Establish 4 recreational park ▪ Provide basic refuse removal services to 100% of known informal settlements ▪ Divert 600 000kg of recyclables from Landfills to Buy-Back Centres ▪ Put protection measures in place for 73,2% of the coastline ▪ Protect 69,97% of biodiversity priority areas ▪ Take 1000 water samples for monitoring purposes.			
Percentage of coastline with protection measures in place	73.2% of coastline with protection measures in place	73.2% of coastline with protection measures in place	73.2% of coastline with protection measures in platce
Percentage of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected	69.97% of biodiversity priority areas protected
Percentage of biodiversity priority area within the municipality	5,17% of biodiversity priority area within the municipality	5,17% of biodiversity priority area within the municipality	5,17% of biodiversity priority area within the municipality

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027			
Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Percentage of Air Quality (AQ) monitoring stations providing adequate data over a reporting year	0% of Air Quality (AQ) monitoring stations providing adequate data over a reporting year	75% of Air Quality (AQ) monitoring stations providing adequate data over a reporting year	75% of Air Quality (AQ) monitoring stations providing adequate data over a reporting year
Number of coastal water samples taken for monitoring purposes (Coastal, Inland and Midland)	1172 water samples taken for monitoring purposes 567 (Coastal) 404 (Inland) 200 (Midland)	1000 water samples taken for monitoring purposes 400 (Coastal) 400 (Inland) 200 (Midland)	1000 water samples taken for monitoring purposes 400 (Coastal) 400 (Inland) 200 (Midland)
Number of Community Parks upgraded	3 Community Parks upgraded	3 Community Parks upgraded	3 Community Parks upgraded
Milestones achieved towards the establishment of recreational parks	3 Recreational parks established	4 Recreational parks established	4 Recreational parks established
Percentage of known informal settlements receiving basic refuse removal services	100% of known informal settlements receiving basic refuse removal services	100% of known informal settlements receiving basic refuse removal services	To be covered under Trading Services
Number of kilograms (kgs) of recyclables diverted from Landfills to Buy-Back Centres	869 694,80 kilograms of recyclables diverted from Landfills to Buy-Back Centres	600 000kg of recyclables diverted from Landfills to Buy-Back Centres	To be covered under Trading Services
CONNECTED CITY			

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027

Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
- By 2026 ICT will have implemented 5 of the 13 elements of the approved ICT Strategy: 1. Upgrade of the existing Microwave links; 2. Data Cleansing Plan; 3. Server Management and Virtualisation; 4. ICT Skills Training; and 5. Integrated Customer Care System. - The Smart City Plan will be incorporated into the Broader Approved BCMM ICT Strategy in 2026/27 after developing the Smart City Plan with a Funding Model during 2025/26. - It is targeted to reduce electricity losses to 32% by 2026/27. - The city plans to perform 70% of planned maintenance in 2025/26 and 2026/27 financial years. - In respect of the KPI on the Km of gravel roads upgraded to surfaced standards, the city plans to have completed 3 projects and have one funded within a 2-year horizon. - It is envisaged to resolve 60% of received complaints on reported potholes within 48 hours in both 2025/26 and 2026/27.			
No (13) of implemented elements of approved ICT Strategy (NEW) <u>RMO (Proposed):</u> - Review current ICT portfolio and recommend on desired improvements. - Data Cleansing Plan. - Key ICT Systems gap analysis and ICT Training.	0	Implemented 2 of the 13 elements of the approved ICT strategy: - WI-FI Hotspot installed. - Fibre network installed.	Implement 5 of the 13 elements of the approved ICT strategy: - Upgrade of the existing Microwave links - Data Cleansing Plan - Server Management and Virtualisation - ICT Skills Training Integrated Customer Care System
Establish mechanisms to support the smart city implementation plan.	0	Developed Smart City Plan with Funding Model	Incorporate Smart City Plan into Broader Approved BCMM ICT Strategy Implementation of Smart City Plan
Reduce electricity losses	32,19% electricity losses	32%	32%

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027

Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
(% of planned maintenance performed): <u>RMO (Proposed)</u> Accelerate Infrastructure maintenance (Electricity) Infrastructure protection (Water, Sanitation and Electricity)	70%	70%	70%
Km of gravel roads upgraded to surfaced standards <u>RMO (Proposed)</u> Unlock stalled and delayed projects	Zero prioritised project list	All 25 (3 roads) projects prioritised based on agreed criteria	Upgrade of Mdantsane roads (2026-27) Beacon bay link Gonubie road (outer years) Harbourl arterial road (outer years)
SPATIALLY TRANSFORMED CITY ▪ Reduce water losses to 30% Non-Revenue Water losses over 2 years. ▪ Achieve 99% institutional compliance to Blue-Drop requirements. ▪ Fix Wastewater Treatment Works as follows: Year 1: 4 permitted; Year 2: 3 licenced, 1 shut down and 8 permitted; Year 3: 5 licensed, 3 shut down and 4 permitted; Year 4: All licensed or shutdown. ▪ Reduce the maintenance budget spent on vandalised asset replacement by 10%. ▪ Unblock 4 human settlement projects. ▪ Explore the regularisation of peri-urban & rural settlements.			
Reduce water losses	41% NRW losses	30% NRW losses over 2 years	
Number of kilolitres reduced (physical water losses in terms of system losses)	850 000 KI	850 000 KI	850 000 KI

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027			
Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Fix Water Treatment Plants (Achieve Blue Drop Compliance)	Institutional Blue Drop achievement is 97,6%	99% institutional achievement	
Percentage of water treatment capacity unused	New indicator	7%	7%
Percentage of waste water treatment capacity unused	New indicator	40%	40%
Fix Wastewater Treatment Works (WWTW)	Boreholes established and action plans completed for all 12 unlicensed WWTWs	Year 1: 4 permitted Year 2: 3 licenced, 1 shut down and 8 permitted. Year 3: 5 licensed, 3 shut down and 4 permitted Year 4: All licensed or shutdown	
Achieve Green Drop Compliance			
Accelerate Infrastructure maintenance (Water and Wastewater)	IAMPS outdated.	Link to re-blocking targets to Spatial Development targets All assets	
Infrastructure protection (Water, Sanitation and Electricity)	90% of maintenance budget spent on replacement of vandalised electricity equipment	Reduce maintenance budget spent on vandalised asset replacement 10%.	
Unlock stalled and delayed projects	Zero prioritised project list 4 stalled projects	All 25 projects prioritised based on agreed criteria	

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027			
Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
		3 completed and one funded within 2 year horizon.	
Land audit, land acquisition and packaging	0	Reviewal of outdated land audit and new land audit completed.	
Develop mass housing strategy	0	2 Feasibility Studies completed for mass housing projects	
Unblock stalled housing projects	2	4 Human settlement projects unblocked	
Unauthorised Land Occupation (Land Invasion)			
Regularising peri-urban & rural settlements	0	1 Report completed for levying tariffs in semi-rural areas	▪ SDF Amendment process needs to take into consideration the uncontrolled semi-rural residential development / urban edge phenomenon ▪ Studies – Illegal water connections; semi-rural settlements study ▪ Bulk water infrastructure roll-out strategy Consider test area for levy readiness
Informal settlements upgrading programme	15	25 Informal Settlements upgraded in terms of the Housing Code	
Number of new sewer connections meeting minimum standards.	747		

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027			
Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Number of new sewer connections meeting minimum standards.	747	250	1850
Number of new water connections meeting minimum standards.	338	300	300
Percentage of total water connections metered	91%	92%	92%
Average Number of days taken to process Building applications of 500 square meters or more	244,64	60	60
Average Number of days taken to process residential Building applications of 500 square meters	132,65	30	30
Number of subsidised housing units constructed using various Human Settlements Programmes	439	600	600
Number of serviced sites	713	500	500
Hectares of land acquired for human settlements in priority housing development areas	8,5653 hectares	0	0

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027

Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Number of land parcels acquired by Council for Mixed Use Integration Zone and Densification (public and privately owned).	N/A	N/A	N/A
Number of ablution facilities constructed (seats)	107	120	120
Number of cemeteries upgraded	1	4	4
Number of BCMM owned buildings upgraded	16	16	16
Number of beneficiaries registered on the NHNR	2016	2040	2040
Number of Parks Depots upgraded	0	2	2
Unauthorised Land Occupation (Land Invasion)			
Unlocking Strategic Land Parcels			

WELL-GOVERNED CITY

- Fixing the billing system and establishing a multi-disciplinary Task Team by 31 March 2026, increasing the revenue collection rate to 75% by end of 2025/26 and 78% by end of 2026/27.
- Review the current revenue enhancement strategy during 2026/27.
- Review the Customer Relationship Strategy.
- Embark on an awareness campaign regarding billing.
- Develop a self-service customer care portal.

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027

Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
▪ Lobby for partnerships in funding capital projects & maintenance of infrastructure ▪ Review the cost containment strategy to engage on unfunded mandate. ▪ Review the cost containment strategy to engage on unfunded mandate. ▪ Compliance with Risk Adjusted Strategy. ▪ Establish an electronic library tender specification. ▪ Maintain and monitor a contract management register. ▪ Develop an Integrity Management Strategy. ▪ Obtain an unqualified audit opinion. ▪ Review the fleet management policy.			
Fix the billing system Revenue collection rate	No of properties audited in 2024/5 or current % of water losses.	Establish a multi-disciplinary Task Team – 31 March 2026: Mid Year 71% (Baseline)	: 78%
No.of queries registered	Metres recalibrated in 2024/5	Establish a multi-disciplinary /Collaborative Team by 31 March 2026 (4% baseline)	3%
Review Customer relationship Strategy	No of smart metres assessed in 2024/5 Current strategy	Task assigned to the same team as above by 31 March 2026	Review Customer Relationship Strategy

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027			
Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
	37.7%		
No. of awareness campaigns on billing	Baseline to be established with management.	New indicator	(2)
Develop a self-service portal		New indicator	1
Revenue Management Review the current revenue enhancement strategy	67%	At least 75% by June 2026 Proposal to MAYCO – 31 March 2026	Reduce debt book balance as of July 2026 by 20% Review the current revenue enhancement strategy
Lobbying for partnerships in funding capital projects & maintenance of infrastructure No of partnership established	Zero Zero	2 MOUs by 30 June 2026 2 MOUs by 30 June 2026 (2 BASELINE)	2
Improve operational efficiencies through cost management	Zero	Set up a Task Team to focus of these 4 areas by 31 March 2026	- Review the cost containment measure strategy (CFO) - IGR to engage on unfunded mandate (4)

DRAFT CONVERGED IDP AND SECTION 154 PERFORMANCE FRAMEWORK – 2025/2026 TO 2026/2027			
Key Performance Indicator	2024/25 (Actual Performance)	2025/26 Target	2026/27 Target
Centralised library of Specifications Establish an electronic library tender specification	New Indicator	100% by June 2026 (0) New indicator	Establish an electronic library tender specification
Demand and Procurement Planning Compliance with RAS Finalise the development of procurement monitoring dashboard aligned to Risk Adjusted Strategy (RAS)	The baseline will be cocreated with management	See comment on the baseline New indicator	Compliance with RAS Finalise the development of procurement monitoring dashboard aligned to Risk Adjusted Strategy (RAS)
Contract Management	30% contract management in place	80% (New indicator)	Maintain and monitor a contract management register
Develop Integrity Management Strategy		New Indicator	Ethical Behavior Develop Integrity Management Strategy
No. of sops development for management Performance Information by Directorates		1 (ESS)	9 Directorates
Unqualified Audit		Qualified	Unqualified Audit
Review the fleet management policy			Review the fleet management policy

SECTION F – FINANCIAL PLAN

1. INTRODUCTION

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

To ensure that BCMM achieves a funded, credible, and sustainable budget, consideration of budget trade-offs must be undertaken, guided by the following financial strategies:

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

1.1 Long-Term Financial Planning That Responds to Strategic Objectives and Financial Sustainability

The 2026/27 Consolidated MTREF budget of BCMM is guided by the City's strategic objectives, which include:

- a) IDP,
- b) MGDS 2030,
- c) SDF, and
- d) BEPP: CLDP.

The City continues to strive for surplus budgets beyond the MTREF period to finance both existing infrastructure replacement and new infrastructure expansion. This capital financing is informed by the consistent monitoring of the municipal asset management plans. In doing so, the City aims to strike a balance between social and economic infrastructure investment, thereby promoting economic growth and employment.

Historically, the institution has undertaken capital projects with the aim of expanding the City using its own funding. However, it is recognised that capital expansion through own funds cannot occur indefinitely without corresponding economic growth. Therefore, a revision of the City's long-term financial planning is necessary to sustain the cost of infrastructure replacement, reduce depreciation in the operational budget, and subsequently lower tariffs for services in the City. This approach increases consumer affordability, creates employment, boosts economic growth, enhances business confidence, and promotes investment in the City.

The City has adopted a strategy to diversify its capital financing mix, enabling the rapid replacement and development of infrastructure. This approach supports a more rigorous focus on maintaining trading services infrastructure and ensures a balanced approach to promoting economic growth and social transformation over the long term. The Trading Services Reforms introduced by National Treasury are welcomed by BCMM, water, and sanitation identified for reform as trading services in line with the guidance and criteria set out by National Treasury under the regulatory framework of the MFMA. Further details on the financial strategy are provided below.

1.2 Revenue Optimisation

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

- i. Efficient revenue management aims to ensure an annual collection rate of no less than 78% over the medium term for property rates and other key service charges.
- ii. Achieving full cost recovery of specific user charges, particularly in relation to trading services.
- iii. The City is striving to ensure that all its trading services are financially self-sustainable.
- iv. Creating a conducive environment to attract potential investors.
- v. Reviewing the SDF to bring human capital resources closer to economic and job opportunities.
- vi. Full compliance with MFMA Budget Circulars No. 132 and 134, as well as the Municipal Revenue Enhancement Strategy.

1.3 Operational Expenditure Optimisation

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

- i. Re-prioritisation of expenditure to eliminate inefficiencies in an effort to contain costs.
- ii. Review of the organogram, governance structure, and service delivery model in line with the City's objectives and funding affordability.
- iii. The exercise of scrutinising cost drivers within our value chain to identify areas for efficiency improvement is still ongoing.
- iv. Funding for self-funded operating projects is depressed, encouraging in-house implementation of projects through the normal operating budget.
- v. Enforcement of Cost Containment Regulations by reducing other expenditure line items and prioritising repairs and maintenance.

1.4 Capital Budget and Funding Mix

The City's expenditure strategy is centred on the following key components:

- i. The funding mix of the Capital budget must be optimised.
- ii. Invest in grant funding for the eradication of backlogs and social infrastructure.
- iii. Utilise internally generated funds primarily for the renewal of existing assets.
- iv. Consider the BFI funding and donor funds for economic infrastructure.

1.5 Financial Sustainability and Asset Management

- i. It is imperative to have proper Asset Management Plans that inform capital investment, the asset renewal programme, and the asset maintenance programme.
- ii. Alignment of funding methods with asset types.
- iii. Utilisation of asset values to determine future capital requirements for maintaining service level standards while being cognisant of growth needs.
- iv. Utilisation of infrastructure assets to stimulate growth.

2. 2026/2027 MTREF CAPITAL & OPERATING BUDGET ESTIMATES

The total consolidated budget (capital and operating) for the draft 2026/2027 MTREF period is increasing from R12,47 billion in 2025/2026 to R12,90 billion in 2026/2027. It further rises to R13,43 billion and R14,18 billion in the 2027/2028 and 2028/2029 financial years, respectively.

The financial plan includes an Operating Budget (table 139 & table 140 below) and the Capital Investment Programme, categorised by directorate, source of funding, and function (table 142, 143 & table 144 below), for the three financial years ending June 2029.

2.1 Budget Assumptions

The following assumptions apply to the draft 2026/2027 MTREF, and additional details on programme allocations and budget assumptions are provided in the budget document:

Table 102: 2026/2027 to 2028/29 Budget Assumptions

DESCRIPTION	2025/2026	2026/2027	2027/2028	2028/2029
National Treasury Headline Inflation Forecasts	4,30%	3.70%	3.30%	3.20%
Salaries	5,01%	4.75%	4.55%	4.45%
Electricity Purchases	12,74%	8.76%	8.83%	8.83%
Water Purchases	7,26%	5.33%	3.30%	3.20%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.	6 kl p.m.
Basic Welfare Package	R1 189,57	R1,249.72	R1,286.87	R1,336.92
Equitable Share Allocation	R1 296 018 000	R1,363,341,000	R1,432,070,000	R1,462,480,000
Bad Debt Provision	24,00%	22.75%	21.75%	20.75%
Property Rates	2,00%	2.00%	0.00%	3.20%
Refuse Tariff	4,80%	4.70%	3.30%	3.20%
Sewerage Tariff	4,80%	4.70%	3.30%	3.20%
Electricity Tariff	12,74%	11.10%	8.83%	8.83%
Water Tariff	9,80%	8.33%	3.30%	3.20%
Fire Levy	4,30%	3.70%	3.30%	3.20%
Sundry Income	4,30%	3.70%	3.30%	3.20%

2.2 Conditional Grants Allocation

BCMM has been allocated the following conditional grants for the 2026/2027 MTREF.

Table 103: Conditional Grants Allocation for 2026/2027 MTREF

GRANT ALLOCATION	2025/2026 ADJUSTED ALLOCATION	2026/2027 ALLOCATION	2027/2028 ALLOCATION	2028/2029 ALLOCATION
Finance Management Grant	1 000 000	1 200 000	1 400 000	1 600 000
Infrastructure Skills Development Grant	9 000 000	9 500 000	10 000 000	10 000 000
Urban Settlement Development Grant	585 430 108	197 397 000	175 227 000	144 509 000
Informal Settlement Upgrading Partnership Grant	318 358 000	298 101 000	344 442 000	355 147 000
Expanded Public Works Programme Grant	2 434 000	4 024 000	0	0
Urban Development Financing Grant:	231 098 000	588 569 000	664 883 000	862 541 000
Neighbourhood Partnership Development Grant (PEP)	22 500 000	0	0	0
Neighbourhood Partnership Development Grant (Capital)	10 000 000	31 185 000	0	0
Programme and Project Preparation Support Grant	16 000 000	10 971 000	0	0
Metro Trading Services	182 598 000	546 413 000	664 883 000	862 541 000
Municipal Disaster Response Grant	27 996 396	0	0	0
Municipal Disaster Recovery Grant	71 343 637	0	0	0
TOTAL GRANT ALLOCATION	1 246 660 141	1 098 791 000	1 195 952 000	1 373 797 000

In the 2024/2025 financial year, BCMM spent 88% (R0,924 billion) of its conditional grants budget of R1,05 billion.

Table 104: Spending per Conditional Grant Allocation

GRANT ALLOCATION	2024/2025 ADJUSTED ALLOCATION	2024/2025 AUDITED ACTUALS	2024/2025 UNSPENT ALLOCATION	2024/2025 % SPENT
Finance Management Grant	1 000 000	981 407	18 593	98%
Infrastructure Skills Development Grant	11 000 000	10 635 907	364 093	97%
Urban Settlement Development Grant	625 365 000	599 178 893	26 186 107	96%
Neighbourhood Development Partnership Grant	2 000 000	1 610 778	389 222	81%
Neighbourhood Development Partnership Grant (PEP)	35 655 000	35 654 946	54	100%
Informal Settlement Upgrading Partnership Grant	235 622 000	235 621 525	475	100%
Expanded Public Works Programme Grant	2 314 000	2 313 792	208	100%
Programme and Project Preparation Support Grant (PPPSG)	15 000 000	15 000 000	0	100%
Municipal Disaster Response Grant	44 600 000	16 603 604	27 996 396	37%
Municipal Disaster Recovery Grant	78 000 000	6 656 364	71 343 636	9%
TOTAL GRANT ALLOCATION SPENT	1 050 556 000	924 257 215	126 298 785	88%

2.3 Operating Budget Estimates

2.3.1 Operating Revenue Framework

In the 2026/2027 financial year, the City's own revenue generated from property rates and service charges constitutes 71% of the total revenue, amounting to R8,21 billion. This figure increases over the MTREF to R8,59 billion in 2027/2028 and to R9,08 billion in 2028/2029.

The electricity service remains the largest contributor to the total revenue mix (including operational conditional and unconditional grants), accounting for 31% in the 2026/2027 financial year. Electricity revenue is projected to increase from R3,16 billion to R3,51 billion in 2026/2027, and further to R3,82 billion and R4,16 billion, respectively, in the two outer years of the 2026/2027 MTREF period.

Property rates remain the second-largest source of own revenue, contributing 21% in the 2026/2027 financial year. Revenue from property rates is projected to remain stable at R2,38 billion in 2027/2028 before increasing to R2,46 billion in 2028/2029 over the MTREF period.

Revenue from the water services contributes 9% to the operating revenue in the 2026/2027 financial year. Water services revenue rises from R1,08 billion in 2026/2027 to R1,11 billion in 2027/2028, and further increases to R1,15 billion in the 2028/2029 financial year.

Transfers and subsidies (transfers recognised – operational) contribute 15% to the operating revenue in the 2026/2027 financial year. Transfers and subsidies total R1,72 billion in the 2026/2027 financial year and increase to R1,75 billion by 2028/2029. This revenue component reflects a slight increase over the MTREF due to a reduction in allocations by Provincial and National Government.

The following graph provides a breakdown of the main revenue categories for the 2026/2027 financial year:

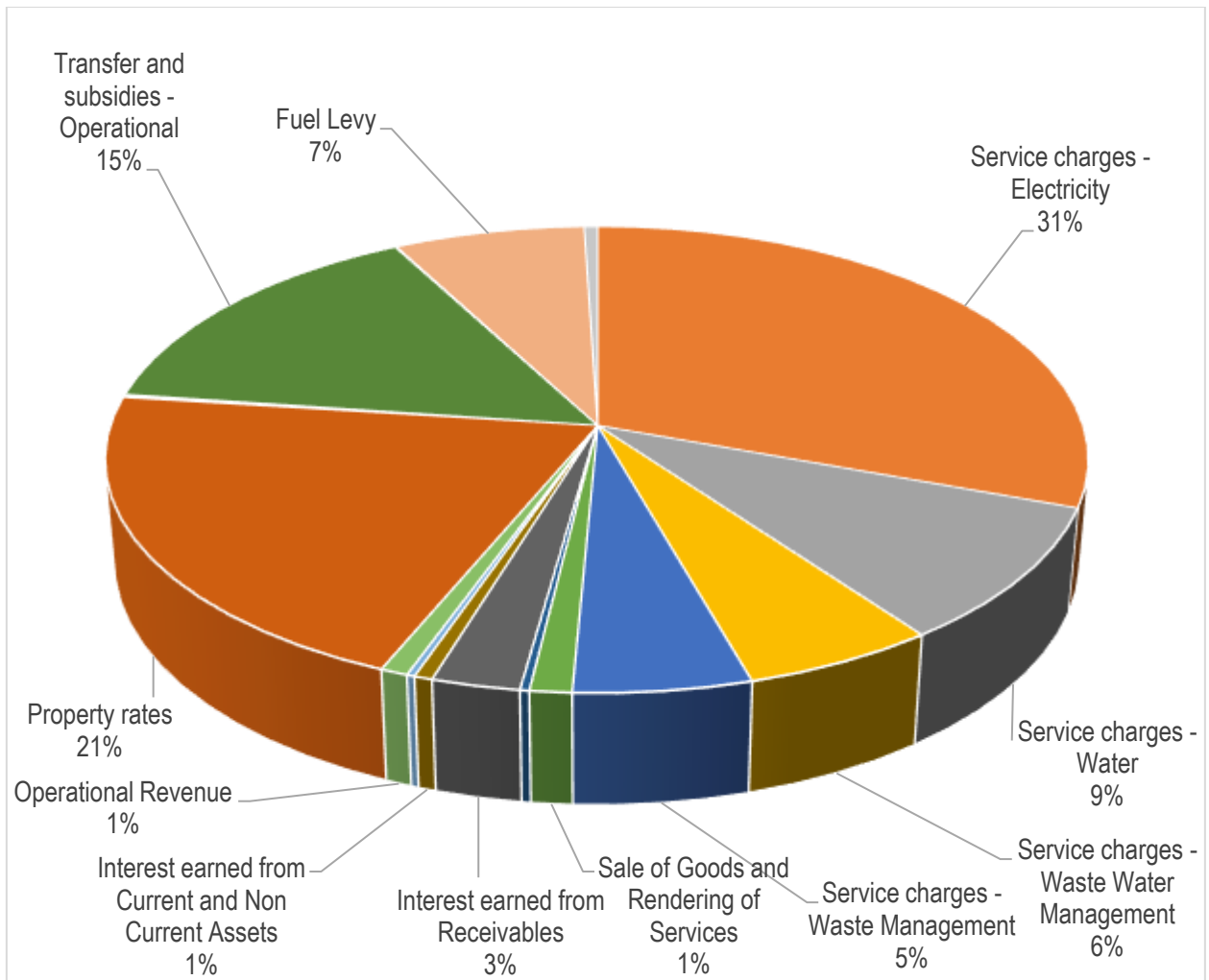


Figure 108: Main Operating Revenue categories for the 2026/2027 financial year

The following table is a summary of the 2026/2027 MTREF (classified by main revenue source):

Table 105: Operating Revenue by Revenue Source

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue									
Exchange Revenue									
Service charges - Electricity	2,147,071	2,385,332	3,019,887	3,197,096	3,162,327	3,162,327	3,513,346	3,823,574	4,161,196
Service charges - Water	738,617	918,430	913,969	1,000,901	996,670	996,670	1,079,693	1,115,323	1,151,013
Service charges - Waste Water Management	482,231	559,118	580,716	632,342	614,842	614,842	643,739	664,983	686,262
Service charges - Waste Management	398,396	470,948	479,584	561,494	561,494	561,494	587,884	607,284	626,717
Sale of Goods and Rendering of Services	109,051	123,512	122,557	159,693	133,271	133,271	138,203	142,763	147,332
Agency services	23,879	19,547	21,002	29,389	29,389	29,389	30,476	31,482	32,489
Interest earned from Receivables	300,755	389,110	375,564	231,858	281,578	281,578	291,996	301,632	311,284
Interest earned from Current and Non Current Assets	47,660	51,630	72,215	71,134	71,134	71,134	60,460	62,892	65,388
Rental from Fixed Assets	24,501	23,226	31,261	25,306	25,306	25,306	26,242	27,108	27,976
Operational Revenue	48,442	57,206	66,398	92,056	63,931	63,931	90,890	95,538	100,434
Non-Exchange Revenue									
Property rates	1,791,370	2,127,634	2,169,015	2,328,401	2,328,401	2,328,401	2,382,109	2,382,109	2,458,336
Fines, penalties and forfeits	6,974	65,438	56,647	10,108	10,108	10,108	10,482	10,828	11,174
Licences or permits	12,216	13,698	16,427	14,625	12,953	12,953	13,432	13,876	14,320
Transfer and subsidies - Operational	1,192,815	1,382,876	1,483,807	1,801,124	1,771,062	1,771,062	1,723,351	1,753,281	1,752,745
Interest	-	-	6,327	-	6,500	6,500	6,741	6,963	7,186
Fuel Levy	719,203	741,926	777,132	798,042	798,042	798,042	827,976	870,695	907,733
Operational Revenue	-	-	54,818	-	56,500	56,500	58,591	60,524	62,461
Gains on disposal of Fixed and Intangible Assets	409	113	1,211	-	-	-	-	-	-
Other Gains	9,131	23,419	29,012	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)	8,052,721	9,353,164	10,277,547	10,953,569	10,923,507	10,923,507	11,485,611	11,970,854	12,524,046

The 2026/2027 MTREF has been directly informed by the IDP revision process, and the table below provides a reconciliation between the IDP strategic objectives and operating revenue.

Table 106: Operating Revenue is indicated below into the five (5) IDP Strategic Objectives:

Strategic Objective	MTDP Service Outcome	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
A GREEN CITY	To promote an environmental sustainable city with optimal benefits from our natural assets	523,133	603,091	727,476	765,232	760,232	760,232	832,905	863,968	889,351
A CONNECTED CITY	To maintain a world class logistics network	2,242,415	2,493,497	2,994,418	3,286,763	3,279,201	3,279,201	3,662,162	3,963,650	4,299,201
AN INNOVATIVE AND PRODUCTIVE CITY	To Enhance the Quality of life of the BCMM community with rapid and inclusive economic growth and falling unemployment	277,512	365,576	363,567	355,232	350,232	350,232	373,646	386,526	393,002
A SPATIALLY INTEGRATED /TRANSFORMED CITY	To develop and maintain world class infrastructure and utilities	1,621,686	1,995,856	2,159,618	2,411,465	2,403,965	2,403,965	2,562,689	2,624,740	2,671,193
A WELL GOVERNED CITY	Promote Sound financial and administrative capabilities	3,387,974	3,895,403	4,056,680	4,134,877	4,129,877	4,129,877	4,054,209	4,131,971	4,271,300
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		8,052,720	9,353,423	10,301,759	10,953,569	10,923,507	10,923,507	11,485,611	11,970,854	12,524,046

2.3.2 Operating Expenditure Framework

- a) **The employee-related costs** equate to 27,4% of the total operating costs; this percentage is within the norm of 25% to 40% as per MFMA Circular 71 guidelines. The Salary and Wage Collective Agreement has been followed in projecting employee costs increases of 4,75% in 2026/2027, increase of 4,55% (CPI+1,25%) in 2027/2028 and an increase of 4,45% (CPI+1,25%) in 2028/2029 financial year.
- b) **Remuneration of councillors** is determined accordance with by the Minister of COGTA in the Remuneration of Public Office Bearers Act (No. 20 of 1998). The most recent proclamation has been taken into account in compiling the City's 2026/2027 budget. A new gazette for the remuneration of Public Office Bearers has not been issued to date; therefore, an increase of 4,75% has been utilised to determine the 2026/2027 budget for the remuneration of councillors.
- c) **The provision for debt impairment** has been determined based on an annual collection rate of 77,25% for 2026/2027. The annual collection rate is expected to be 78,25% in 2027/2028 and 79,25% in 2028/2029. For the 2026/2027 financial year, this amounts to R1,90 billion; it increases slightly to R1,91 billion in 2027/2028 and slightly increases to R1,92 billion in the 2028/2029 financial year. While this expenditure is considered a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.
- d) **Provision for depreciation, amortisation and impairment** is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R596,70 million for the 2026/2027 financial year and equate to 5% of the total operating expenditure budget. Infrastructure assets represent the most significant value on the institution's Statement of Financial Position and account for the largest share of its resource expenditure. In recognition of this, the institution has made a strategic decision to actively manage its infrastructure assets, ensuring that all new infrastructure commitments align with the MGDS. It is important to note that the institution has adopted the revaluation accounting approach for all infrastructure assets. This decision is primarily aimed at safeguarding the institution's long-term viability by enabling the future replacement of these critical long-term assets.
- e) **Interest, Dividends and Rent on Land** consist primarily of the repayment of interest on long-term borrowing (cost of capital) and accrued interest relating to the Landfill Provision. Interest makes up 0,4% (R44,67 million) of operating expenditure in 2026/2027.
- f) **Bulk purchases – electricity in 2026/2027** equate to 29% of total operating expenditure. This item is directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.
- g) **Inventory consumed** equates to 3% of total operating expenditure; this includes water inventory consumed.
- h) **Contracted services** equate to 10% of the total operating budget; this includes provisions for repairs and maintenance.

- i) **Transfers and subsidies** equate to 1% of the total operating budget.
- j) **Operational costs** comprise various line items relating to the daily operations of the municipality. In order to comply with the provisions of MFMA Circulars 132 and 134 guiding principles as issued by NT, the institution undertook a line-by-line analysis of expenditure in an attempt to improve efficiencies and cut non-essential expenditure by implementing cost containment measures:
- k) **Repairs and Maintenance** budget is 4% of the total operating budget in 2026/2027. The City is striving towards a 10% repairs and maintenance budget owing to the ageing of the City's infrastructure and historic deferred maintenance. The City has embarked on a programme to replace existing infrastructure assets that have almost reached and/or exceeded their useful lives, which will be funded from its own funds. The institution has identified a historical funding shortfall associated with the replacement of existing infrastructure assets, and in an attempt to alleviate the shortfall, some of the USDG funding will be utilised to replace existing infrastructure.

The following figure provides a breakdown of the main expenditure categories for the 2026/2027 financial year.

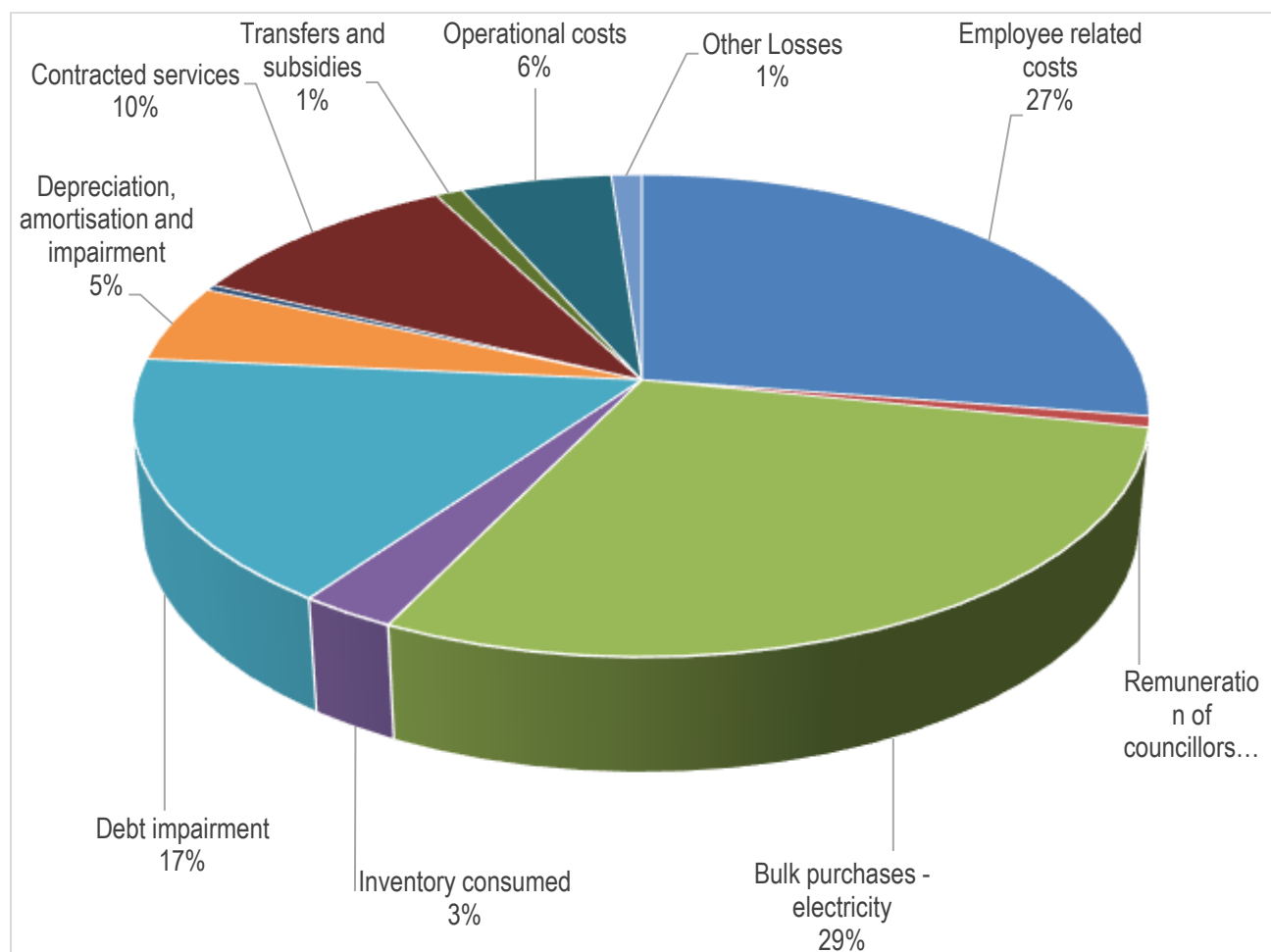


Figure 109: Main operational expenditure categories for the 2026/2027 financial year

The following table is a high-level summary of the operating expenditure budget for the 2026/2027 MTREF, classified by the main types of operating expenditure.

Table 107: Operating Expenditure by Type

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
Expenditure									
Employee related costs	2,582,055	2,663,860	2,727,232	2,932,056	2,899,791	2,899,791	3,146,708	3,290,222	3,436,190
Remuneration of councillors	66,749	68,967	70,373	81,578	81,578	81,578	85,453	89,341	93,317
Bulk purchases - electricity	1,936,963	2,252,355	2,631,543	3,193,457	3,065,657	3,065,657	3,334,209	3,628,620	3,949,027
Inventory consumed	319,242	336,963	353,025	289,608	294,229	294,229	306,845	316,971	327,114
Debt impairment	677,053	1,067,904	1,549,270	1,891,898	1,891,898	1,891,898	1,904,134	1,906,068	1,921,059
Depreciation, amortisation and impairment	1,846,054	1,944,481	2,362,079	595,663	599,663	599,663	596,698	675,379	697,390
Interest, Dividends and Rent on Land	16,075	46,211	44,468	6,551	21,551	21,551	44,672	43,289	42,310
Contracted services	698,631	850,970	854,597	1,165,425	1,153,463	1,153,463	1,186,567	1,113,495	1,146,478
Transfers and subsidies	137,495	131,531	102,451	117,729	129,479	129,479	115,637	118,425	103,791
Operational costs	627,936	651,640	671,089	556,263	662,858	662,858	634,752	654,990	669,317
Disposal of Fixed and Intangible Assets	26	299,177	11,817	-	-	-	-	-	-
Other Losses	86,326	148,483	212,622	121,371	121,371	121,371	127,841	132,059	136,285
Total Expenditure	8,994,605	10,462,543	11,590,566	10,951,601	10,921,539	10,921,539	11,483,515	11,968,860	12,522,278

The 2026/2027 MTREF has been directly informed by the IDP revision process, and the table below provides a reconciliation between the IDP strategic objectives and operating expenditure.

Table 108: The Operating Expenditure is indicated below into the five (5) IDP Strategic Objectives:

Strategic Objective	MTDP Service Outcome	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
A GREEN CITY	To promote an environmental sustainable city with optimal benefits from our natural assets	13,459	34,454	31,774	697,012	747,272	747,272	488,093	497,409	502,704
A CONNECTED CITY	To maintain a world class logistics network	263,453	296,850	260,913	4,949,668	4,794,317	4,794,317	5,272,995	5,628,070	6,009,377
AN INNOVATIVE AND PRODUCTIVE CITY	To Enhance the Quality of life of the BCMM community with rapid and inclusive economic growth and falling unemployment	147,701	108,625	127,434	1,084,579	1,131,384	1,131,384	582,548	552,811	639,870
A SPATIALLY INTEGRATED /TRANSFORMED CITY	To develop and maintain world class infrastructure and utilities	157,969	287,740	189,883	2,122,788	2,015,489	2,015,489	2,215,965	2,269,561	2,292,868
A WELL GOVERNED CITY	Promote Sound financial and administrative capabilities	8,412,024	9,734,874	10,980,562	2,097,554	2,233,077	2,233,077	2,923,915	3,021,008	3,077,458
Allocations to other priorities										
Total Expenditure		8,994,605	10,462,543	11,590,566	10,951,601	10,921,539	10,921,539	11,483,515	11,968,860	12,522,278

2.4 Cash Flow Projections

The budgeted cash flow statement is the primary measure used to determine whether the budget is adequately funded. It reflects the expected cash inflows and outflows resulting from the implementation of the budget. Cash and cash equivalents are projected to increase from R843 million in the 2026/2027 period to R879 million in 2027/2028, with a further increase expected to R917 million by the 2028/2029 financial year.

Table 109: Budgeted Cash Flow Statement

Description R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	1,502,577	1,472,173	1,549,289	1,769,585	1,769,585	1,769,585	1,864,794	1,889,012	1,974,454
Service charges	3,223,821	3,132,451	3,911,764	4,097,793	4,054,853	4,054,853	4,484,990	4,844,708	5,233,899
Other revenue	5,034,864	4,118,134	6,059,152	1,213,438	1,314,064	1,314,064	985,967	873,585	754,257
Transfers and Subsidies - Operational	1,154,816	1,268,383	1,418,257	1,741,520	1,710,437	1,710,437	1,715,290	1,712,299	1,710,432
Transfers and Subsidies - Capital	752,565	852,001	901,199	808,685	904,925	904,925	958,126	1,107,507	1,324,740
Interest	52,353	66,783	132,108	257,153	285,133	285,133	259,901	262,333	274,801
Dividends							-	-	-
Payments									
Suppliers and employees	(6,667,396)	(7,350,539)	(8,085,631)	(8,599,507)	(8,294,047)	(8,294,047)	(8,650,373)	(9,075,334)	(9,459,206)
Finance charges	(16,581)	(12,107)	(9,577)	(6,551)	(21,551)	(21,551)	(44,672)	(43,289)	(42,310)
Transfers and Subsidies	(127,370)	(124,911)	(85,253)	(86,389)	(96,189)	(96,189)	(104,556)	(75,738)	(77,681)
NET CASH FROM/(USED) OPERATING ACTIVITIES	4,909,651	3,422,366	5,791,310	1,195,726	1,627,210	1,627,210	1,469,467	1,495,083	1,693,387
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	2	116	16,586	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	-	-	-	-	-	-	4,036	4,169	4,303
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(1,425,946)	(1,110,164)	(1,230,341)	(1,159,709)	(1,549,220)	(1,549,220)	(1,415,598)	(1,458,140)	(1,653,889)
Retention (Capital)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,425,944)	(1,110,048)	(1,213,755)	(1,159,709)	(1,549,220)	(1,549,220)	(1,411,562)	(1,453,971)	(1,649,586)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	(6,686)	(1,358)	3,340	3,340	3,340	3,507	3,507	3,682
Payments									
Repayment of borrowing	(49,141)	(30,246)	(6,347)	(25,086)	(25,086)	(25,086)	(20,829)	(8,417)	(9,375)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(49,141)	(36,933)	(7,704)	(21,746)	(21,746)	(21,746)	(17,323)	(4,910)	(5,693)
NET INCREASE/ (DECREASE) IN CASH HELD	3,434,567	2,275,385	4,569,850	14,272	56,244	56,244	40,582	36,202	38,107
Cash/cash equivalents at the year begin:	697,457	679,975	720,987	856,795	731,029	731,029	802,185	842,767	878,969
Cash/cash equivalents at the year end:	4,132,024	2,955,360	5,290,837	871,066	787,272	787,272	842,767	878,969	917,076

2.5 Capital Budget Estimates

The tables below reflect that the consolidated capital budget for the capital programme is R1,42 billion in the 2026/2027 financial year, R1,46 billion in the 2027/2028 financial year, and R1,65 billion in the 2028/2029 financial year, respectively.

The City's capital budget has decreased by 8,63% when compared to the 2025/2026 adjusted budget. It then increases by 3,01% from the 2026/2027 to the 2027/2028 financial year, followed by a further increase of 13,42% in the 2028/2029 financial year. A further breakdown of the capital budget by function is detailed in Table 144 below. It shows that for the 2026/2027 financial year, an amount of R147,90 million has been appropriated for Waste Water infrastructure, R152,41 million for Roads Transport, R228,11 million for Water, R61,44 million for Planning & Development, R96,73 million for Waste Management, R224,77 million for Human Settlements, and R179,27 million for Energy Services. These functions represent 77% of the total capital budget for the 2026/2027 financial year.

Although these functions are not all revenue-generating, the budgeted expenditure aligns with the City's socio-economic development mandate. They are also crucial for unlocking the economic growth of the City. There is, however, a drive to channel more funding towards economic infrastructure in order to stimulate economic growth in the City.

The following table provides a breakdown of budgeted capital expenditure per directorate.

Table 110: Capital Investment Programme Per Directorate

CAPITAL BUDGET PER DIRECTORATE	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET
EXECUTIVE SUPPORT SERVICES	2,500,000	2,500,000	2,500,000
CITY MANAGER'S OFFICE	11,800,000	500,000	500,000
CORPORATE SERVICES	20,150,000	17,700,000	15,700,000
SPATIAL PLANNING & DEVELOPMENT	66,563,917	50,959,361	17,600,000
ECONOMIC DEVELOPMENT & AGENCIES	51,108,000	58,335,040	12,500,000
FINANCE SERVICES	78,515,000	51,615,000	48,600,000
PUBLIC SAFETY & EMERGENCY SERVICES	44,335,693	15,000,000	43,000,000
HUMAN SETTLEMENTS	224,769,726	214,182,892	222,352,596
ELECTRICITY & ENERGY TRADING SERVICE	178,774,064	214,474,004	275,527,308
INFRASTRUCTURE SERVICES	157,909,565	128,550,887	121,600,000
WATER & SANITATION TRADING SERVICE	376,008,559	506,082,585	684,848,206
SPORTS, RECREATION & COMMUNITY DEVELOPMENT	89,518,383	71,838,360	58,700,000
SOLID WASTE TRADING SERVICE	88,683,190	100,290,542	116,711,939
HEALTH & ENVIRONMENTAL MANAGEMENT	24,262,000	25,385,000	33,000,000
TOTAL DRAFT CAPITAL BUDGET: BCMM	1,414,898,097	1,457,413,671	1,653,140,049
BCMDA	700,000	726,400	749,005
TOTAL DRAFT CAPITAL: CONSOLIDATED	1,415,598,097	1,458,140,071	1,653,889,054

The following table provides a breakdown of budgeted capital expenditure per funding source.

Table 111: Capital Investment Programme Per Funding Source

CAPITAL BUDGET PER FUNDING	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET
OWN FUNDING	426,172,561	350,518,117	337,049,005
TOTAL OWN FUNDING	426,172,561	350,518,117	337,049,005
URBAN SETTLEMENT DEVELOPMENT GRANT	180,735,091	160,800,190	137,173,730
FINANCE MANAGEMENT GRANT	115,000	115,000	100,000
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	282,601,000	328,942,000	339,647,000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	31,185,000	0	0
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	200,000	200,000	200,000
URBAN DEVELOPMENT FINANCING GRANT	494,589,445	617,564,763	839,719,319
TOTAL GRANTS	989,425,536	1,107,621,954	1,316,840,049
TOTAL DRAFT CAPITAL BUDGET	1,415,598,097	1,458,140,071	1,653,889,054

The following table provides a breakdown of budgeted capital expenditure per function:

Table 112: Capital Investment Programme Per Function

CAPITAL BUDGET PER FUNCTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET
<i>Governance and administration</i>	123,787,049	91,988,169	67,300,000
Executive and council	14,300,000	3,000,000	3,000,000
Finance and administration	109,487,049	88,988,169	64,300,000
<i>Community and public safety</i>	374,835,818	318,406,256	345,052,596
Community and social services	39,818,383	20,370,000	42,000,000
Sport and recreation	82,612,000	64,753,360	61,700,000
Public safety	22,035,693	13,000,000	13,000,000
Human Settlements	224,769,742	214,182,896	222,352,596
Health	5,600,000	6,100,000	6,000,000
<i>Economic and environmental services</i>	213,851,433	160,063,479	139,449,005
Planning and development	61,441,868	39,012,592	18,349,005
Road transport	152,409,565	121,050,887	121,100,000
<i>Trading services</i>	652,015,813	829,347,130	1,089,587,453
Energy sources	179,274,064	214,974,004	276,027,308
Water management	228,112,463	263,771,305	299,086,250
Waste water management	147,896,096	242,311,279	385,761,956
Waste management	96,733,190	108,290,542	128,711,939
<i>Other</i>	51,108,000	58,335,040	12,500,000
Total Capital Expenditure - Functional	1,415,598,097	1,458,140,071	1,653,889,054

3. FINANCIAL STRATEGY

BCMM is currently implementing the Revenue Enhancement Strategy, and for the Municipality to achieve its primary objective of service delivery to its citizens, the Metro must ensure effective and efficient financial sustainability that encompasses national norms and standards.

Buffalo City can be categorised as a developing and growing municipality; as a result, the City requires significant additional resources and funding to manage the anticipated growth. The challenge faced by most municipalities is maintaining existing infrastructure. The financial plan and related strategies will need to address several key areas to achieve this goal. The identified areas are detailed below.

3.1 The Financial Framework

The table below provides details of commonly used financial ratios and benchmarks. The information in Table 145 below relates to the proposed 2026/2027 MTREF.

Table 113: Performance indicators and benchmarks

Description of financial Indicator	Basis of calculation	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<u>Borrowing Management</u>										
Credit Rating		0	0		A1-/A	A1-/A	A1-/A			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.7%	0.7%	0.4%	0.3%	0.4%	0.4%	0.6%	0.4%	0.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.8%	0.8%	0.5%	0.3%	0.4%	0.4%	0.6%	0.4%	0.4%
Borrowed funding of 'own n' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	2.5%	2.5%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.1	1.1	0.8	1.6	1.5	1.5	1.6	1.7	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	1.1	0.8	1.6	1.5	1.5	1.6	1.7	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.3	0.4	1.0	0.8	0.8	0.9	1.0	1.1
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	122.0%	103.3%	106.7%	105.7%	106.5%	108.6%	106.5%	106.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		122.0%	103.3%	106.7%	105.7%	106.5%	106.5%	106.5%	106.0%	106.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	109.2%	105.6%	32.8%	25.0%	30.9%	30.9%	29.9%	29.0%	28.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	22.0%	22.0%	22.0%	23.1%	25.5%	28.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		43.7%	57.9%	94.4%	148.9%	218.8%	218.8%	195.6%	173.6%	153.3%
<u>Other Indicators</u>										
	Total Volume Losses (kW) technical	0	0	0	128,258	128,258	128,258	128,258	128,258	0
	Total Volume Losses (kW) non technical	0	0	0	338,134	338,134	338,134	338,134	338,134	0
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	–	–	–	709,000	709,000	709,000	794	794	–
	% Volume (units purchased and generated less units sold)/units purchased and generated	19.21%	20.4%	32.2%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%
	Bulk Purchase	0	0	0	26,025	26,025	26,025	27,236	27,236	27,236
Water Volumes :System input	Water treatment works	0	0	0	41,513	41,513	41,513	45,265	45,265	45,265
	Natural sources	0	0	0	–	–	–	–	–	–
	Total Volume Losses (kℓ)	–	–	–	23,638	23,638	23,638	25,375	25,375	25,375
	Total Cost of Losses (Rand '000)	0	0	0	149	149	149	162	162	162
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	–	0.0%	0.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.1%	28.5%	26.5%	26.8%	26.5%	26.5%	27.4%	27.5%	27.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.9%	29.2%	27.2%	27.5%	27.3%	27.3%	28.1%	28.2%	28.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.5%	5.3%	3.7%	4.6%	4.1%	4.1%	4.0%	4.0%	4.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	23.1%	21.3%	23.4%	5.5%	5.7%	5.7%	5.6%	6.0%	5.9%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	83.0	67.6	36.4	35.3	35.2	120.1	42.4	42.1	44.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	213.6%	209.9%	50.3%	40.1%	47.0%	47.0%	43.9%	41.7%	39.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.1	3.1	5.6	0.9	1.2	0.8	0.8	–	–

3.1.1 Borrowing management

The City's credit rating has been downgraded from A-(ZA) to BBB+(ZA) on the long-term scale, while the short-term rating remains unchanged at A2(ZA). The outlook has improved from Negative to Stable, reflecting the positive impact of the ongoing Voluntary Financial Plan. This plan is expected to support the stabilisation of the City's financial position and prevent further deterioration of its liquidity profile.

The Municipality has the capacity to take on additional financing through borrowing to invest in infrastructure projects. However, due to weak economic performance and a low collection rate, the process for securing additional loans will be costly for the City.

The following financial performance indicators have been included in the compilation of the proposed 2026/2027 MTREF budget:

Capital charges to operating expenditure is a measure of the cost of borrowing in relation to operating expenditure. It can be seen that the cost of borrowing is decreasing from 0,6% in 2026/2027 to 0,4% over the MTREF.

Borrowing funding of own capital expenditure measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by borrowing.

3.1.2 Liquidity

Current ratio for the 2026/2027 financial year is 1,6:1 and is projected to slightly increase to 1,8:1 by 2028/2029 financial year. Included in the current assets is the City's debt book, which has a projected collection ratio of 77,25% for 2026/2027, and the recoverability of this is considered to be attainable.

The liquid ratio is 1,0:1 over the 2026/2027 MTREF. The City aims to maintain a consistent stock level over the MTREF period to adequately respond to emergency situations relating to service delivery considerations.

3.1.3 Revenue Management

The City has adopted an aggressive Revenue Enhancement Strategy that includes, but is not limited to, the following:

- revenue generation,
- accuracy of meter reading,
- reduction of the backlog of queries and improved turnaround time for resolving new queries,
- regular supplementary valuations, and
- ensuring all residents receive a correct bill that the City has rendered, thereby contributing to consumer confidence.

The current collection rate of 70.83% as at 28 February 2026 has declined compared to the projected collection rate of 76%.

3.1.4 Creditors Management

The City has ensured that creditors are settled within the legislated 30 days of the statement, as stipulated by section 65 (e) of the MFMA, except for those that are under dispute.

3.1.5 Other Indicators

- i. Employee costs as a percentage of operating revenue are 27,4% in the 2026/2027 financial year and slightly increases to 27,5% over the MTREF. Though this rate is still within the norm, the increasing trend is a concern that requires close monitoring.
- ii. Electricity distribution losses are anticipated to be 27,5% in 2026/2027. This continues to be an area of focus for reducing electricity losses. There is a programme undertaken by the City to electrify informal dwellings, which would also assist in reducing illegal connections.
- iii. The City has established a Revenue Protection Unit. The main aim of this unit is to reduce the losses; however, there is a limit to what can be done with limited resources in the short term and the extent to which losses can be minimised.
- iv. The overall average of non-revenue water is anticipated to be 35% in 2026/2027 financial year.
- v. BCMM has developed a WC/WDM Strategy, which focuses primarily on reducing the level of non-revenue water to enhance both the financial viability and water supply sustainability of BCMM.
- vi. The goals set in terms of this strategy are as follows:
 - a. Reduction of non-revenue water
 - b. Installation of movable ablution blocks, including water meters, so that the non-revenue water supplied can be accounted for and be part of equitable share allocation.
 - c. Water balance monitoring: Installation of bulk water meters and replacement of commercial meters in Coastal, Midlands, and Inland.
 - d. Reduction of raw water treatment losses
 - e. Community awareness campaign and education on the abuse of communal facilities without due care and the consequences of such actions in a drought environment.
 - f. Refurbishment and installation of Pressure Reducing Valves (PRVs) in areas where isolation can be achieved with ease to limit abuse and mitigate bursts.
- vii. Repairs and maintenance, as a percentage of total operating revenue, are at 4% in the 2026/2027 financial year.

3.2 Strategies and Programmes

With the above framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the desired objective – the financial viability and sustainability of the City. Time frames have been set for each of the identified projects.

3.2.1 Revenue Raising Strategies and Programmes

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

- i. Efficient revenue management aims to ensure a minimum annual collection rate of 78% over the medium term for property rates and other key service charges.
- ii. Achieving full cost recovery for specific user charges, particularly in relation to trading services, is a priority.
- iii. The City is striving to ensure that all its trading services are financially self-sustainable.
- iv. The City will move from a flat-rate billing method to a system where all consumers are billed according to their consumption.
- v. The continued rollout of the SMART metering system will enhance and partially automate the existing manual meter reading process, improving efficiency and accuracy.

- vi. The implementation of a General Valuation on 1 July 2027, followed by updates every four years and supplementary valuations annually, will be conducted in accordance with the Municipal Property Rates Act (MPRA).
- vii. We aim to create a conducive environment to attract potential investors to the City.
- viii. A review of the Spatial Development Plan will be undertaken to position human capital resources closer to economic and job opportunities.

Initiatives in progress to ensure the “completeness of revenue” (all properties are billed for all services at the correct tariffs):

- i. The reconciliation between the General Valuation and all trading services is performed to identify unbilled services.
- ii. The verification of all accounts is ongoing to ensure that all services are invoiced.
- iii. The verification process of the Indigent Register is ongoing.
- iv. The number of metered interim charges has been reduced by obtaining actual readings.
- v. Large power users' accounts have been reviewed for completeness of billing (KVA), and results are being implemented.
- vi. BCMM bills consumers on a monthly basis in accordance with the norms and standards of revenue management.

3.2.2 Asset Management Strategies and Programmes

The City has Asset Management Plans for each asset classification, along with the identification of the risk profiles for each asset portfolio. Different Sector Asset Management Plans are critical for informing the repairs of assets and the asset renewal programme, which is funded through repairs and maintenance as well as the capital budget. The Sector Asset Management Plans of the City also inform it about infrastructure backlogs and failure rates. Although the City's infrastructure repairs and maintenance programme is still below the norm, it is complemented by the renewal and upgrading of existing infrastructure programmes funded through the City's own revenue.

The City has assessed its infrastructure asset categories and has noted with concern a continuing trend that suggests a declining remaining useful life for its infrastructure assets. The City's infrastructure is aging and requires significant capital investment from all stakeholders. Therefore, the institution must focus its resources on replacing existing infrastructure to increase the average remaining useful life of asset categories and, in doing so, improve efficiencies within the system. By considering this strategy, additional resources will be prioritised for replacing infrastructure in specific areas using a targeted approach. This approach directs funding towards areas that provide economic benefits for the City or to those with the oldest infrastructure assets most in need of replacement. It is expected that this strategy will yield benefits through reduced water losses, decreased electricity losses, and improved economic connectivity to the City.

The municipality safeguards and maintains its assets, enforces a system of internal control over them, and maintains a GRAP-compliant Asset Register for all its assets. All assets owned and controlled by the Municipality are included in this Asset Register.

3.2.3 Financial Reforms on Municipal Financial Reporting

Municipal Standard Chart of Accounts (mSCOA):

Chapter 3 of the Municipal Regulations on a Standard Chart of Accounts provides that the Minister of Finance may determine minimum business processes and system requirements through a gazette. MFMA Circular No. 80, issued on 8 March 2016, provides guidance relating to these requirements as envisaged in Chapter 3 of the Regulations. The guidance contained in the Circular aims to provide a basis for determining the minimum business and system requirements that will be gazetted at a future date in line with the Regulations.

National Treasury is currently in the process of developing the minimum business and system functionality requirements for gazetting in accordance with the Regulations. As part of this process, National Treasury is reviewing and updating the minimum business processes and system specifications for mSCOA, as currently outlined in MFMA Circular No. 80. The review seeks to incorporate new legislative requirements issued since the publication of the Circular and to develop standard operating procedures aligned to budgeting, transaction processing, and reporting processes.

Buffalo City Metropolitan Municipality (BCMM) is actively participating in this process in collaboration with National Treasury. The Municipality forms part of various national working groups established to review Circular 80 and to contribute towards regulating these processes. Through this participation, BCMM continues to provide input and align its internal processes with the evolving regulatory framework. The working groups in which BCMM participates include the following:

Table 1146: mSCOA working groups:

  Accounts Payable	  Asset Management	  Budgeting and Financial Planning	  Cash Management	  Contract and Project Management
  Financial Liability Management	  Financial Management	  Governance	  Human Resource and Payroll Management	  Industry Specific Management
  Inventory Management	  Management Information	  Property Management	  Revenue and Debt Management	  Risk and Audit Management
  Strategic Planning and IDP Management	  Supply Chain Management			

In line with the governance requirements of mSCOA, BCMM has established a fully functional Steering Committee comprising six workstreams, sponsored by the Chief Financial Officer. The workstreams convene monthly, while the Steering Committee meets quarterly and reports to the Finance Portfolio Committee. These governance structures ensure effective oversight, coordination, and quality financial reporting to all stakeholders.

The City continues to demonstrate strong progress in mSCOA compliance and has been recognised by National Treasury analyses as one of the leading municipalities in the country in this regard. During the 2023/24 financial year, the City introduced AFLA modules aimed at improving the ease of doing business and enhancing digital service delivery. Through this initiative, building plan applications, wayleave applications, rezoning requests, and citizen engagements have been digitised. This system enables both end users and management to track the status of applications in real time. The required system integrations have been designed and are scheduled to be launched to the public by 1 July 2026.

The rollout of mSCOA has not been without challenges. However, through the continued commitment of internal staff and the migration towards technology-driven initiatives, the City has made significant progress in strengthening compliance and improving financial management processes. The implementation of the Enterprise Resource Planning (ERP) system remains an ongoing project aimed at integrating municipal systems and expanding functionality through additional modules. Currently, approximately 60 per cent of the identified modules have been integrated, as detailed below. As additional modules are completed and incorporated into the system, further modules may be introduced and the level of integration will be recalculated accordingly until the Municipality achieves a fully integrated ERP environment.

Table 1157: Systems that are on test / staging environment:

NO.	SYSTEM	STATUS	INTEGRATION REQUIRED	% INTEGRATION
1	SOLAR Budget Management Module (BMM)	UAT (User Acceptance Testing)	Payday and Payroll	90%
2	SOLAR Investments and loans Module	UAT	None	90%
3	SOLAR IDP	Training Phase	PMS	0%
4	SOLAR Corporate Dashboard	UAT	All (ERP)	95%
5	SOLAR Petty Cash	UAT	None	90%
6	SOLAR BMM Policies	UAT	None	85%
7	Payday Time and Attendance	Implementation phase	Payday and Payroll	90%
8	PMS	UAT	Sync of employees	100%
			Payday for task grades	20%
			Solar for budget and expenditure	25%
			eProcurement for contract management	10%
			GIS (Propviewer) for project location	0%

In summary, there are eight (8) integrations that are under development with the financial management system. The municipal Standard Chart of Accounts (mSCOA) remains a major priority for the City, in compliance with national government requirements.

Challenges with mSCOA implementation

The implementation of mSCOA has presented a number of challenges across municipalities. Some of the key challenges experienced include the following:

- **Different interpretations of requirements:** Municipalities and system vendors often interpret communicated requirements differently. While National Treasury regulates these requirements, the availability of minimum or limited implementation guidelines in certain areas (for example, the implementation of automated Balance Sheet Budgeting) can result in varying approaches to compliance.
- **Frequent regulatory changes:** Changes in regulations and reporting requirements can disrupt established business processes and compliance status. Municipalities require sufficient time to adjust to new processes before additional changes are introduced. In some instances, the timelines provided to implement new National Treasury requirements are challenging.
- **Increased operational costs:** Frequent changes to requirements may increase operational costs as municipalities and service providers attempt to remain compliant. Standard functionalities rolled out by National Treasury may not always fully consider the operational needs or system configurations of all municipalities.
- **Time required to implement changes:** Adequate time is required for municipalities to understand, unpack, and implement new requirements to ensure proper alignment with existing systems and processes.
- **Limited access to National Treasury Q&A database:** Not all role-players within municipalities or service providers have access to the National Treasury Question and Answer (Q&A) database, which can make it difficult to obtain timely clarification on implementation-related queries.
- **Organisational alignment challenges:** Municipalities may face challenges in reviewing and aligning organisational structures (organograms) to support the regulated processes and system requirements associated with mSCOA implementation.

Municipal Financial Management Act Prescripts:

- **Monthly Reports:**

MFMA Section 71 – monthly budget statements are submitted to the Executive Mayor of BCMM by no later than 10 working days into the new month. Copies of the reports are also submitted to the transferring national and provincial officers, National Treasury and Provincial Treasury.

In line with National Treasury reporting reforms, these reports are now submitted through the GoMuni reporting platform. The GoMuni platform enables municipalities to upload and validate financial and non-financial reporting information in a centralised system accessible to National Treasury and Provincial Treasury for monitoring and oversight purposes.

- **Quarterly Reports**

MFMA Section 52d – the Executive Mayor submits quarterly reports on the financial affairs and budget implementation of the Municipality to the BCMM Council within 30 days after the end of each quarter. Copies of the reports are also

submitted to the transferring national and provincial officers, National Treasury and Provincial Treasury. In line with National Treasury reporting reforms, these reports are now submitted through the GoMuni reporting platform.

- **Half yearly Reports**

MFMA Section 72 – the City Manager submits the Mid-year Budget and Performance Assessment Report on the financial affairs and budget implementation of the Municipality to the Executive Mayor by 25 January of each year. The report provides an assessment of the Municipality's financial performance and service delivery progress during the first half of the financial year and identifies any necessary adjustments to the budget and implementation plans.

Copies of the reports are also submitted to the transferring national and provincial officers, National Treasury and Provincial Treasury. In line with National Treasury reporting reforms, these reports are now submitted through the GoMuni reporting platform.

- **Yearly Reports**

BCMM's Annual Report provides a comprehensive account of the Municipality's performance achievements and challenges during the financial year. The report covers operational considerations, organisational performance, governance matters, service delivery outcomes, and financial performance.

The preparation and publication of the Annual Report is both a governance and legislative requirement in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The purpose of the Annual Report is to provide feedback to local communities and stakeholders in line with the principles of transparency and accountability. It serves as an important tool for the Municipality to report on the effectiveness of its programmes, projects, and activities, as well as the efficiency of its operations, business processes, and administration in managing human, material, and financial resources.

3.3 Budget Related Policies

BCMM's budgeting process is guided and governed by relevant legislation, frameworks, strategies, and related policies. Legislation requires that amendments to all budget-related policies must form part of the tabled budget.

Amendments have been made to the following budget-related policies:

- i. Tariff Policy
- ii. Budget Virements Policy
- iii. Credit Control Policy
- iv. Indigent Support Policy
- v. Receipting Policy

No amendments were made to the following existing BCMM budget-related policies during this financial year's annual review:

- i. Property Rates Policy
- ii. Supply Chain Management Policy
- iii. Immovable Asset Policy
- iv. Movable Asset Policy
- v. Funding and Reserves Policy
- vi. Long-Term Borrowing Policy
- vii. Capital Infrastructure Investment Policy
- viii. Long-Term Financial Planning Policy
- ix. Budget Management & Oversight
- x. Investment and Cash Management Policy
- xi. Cost Containment Policy

3.4 Revenue Enhancement Strategy

The City has adopted an aggressive Revenue Enhancement Strategy, which includes revenue generation, accurate meter reading, reduction of the backlog of queries, improved turnaround time for resolving new queries, regular supplementary valuations, and ensuring all residents receive a correct bill that the City has rendered, thereby contributing to consumer confidence. The Revenue Management Department is engaged with SPD to explore available opportunities on sellable or leasable land as Revenue Management strategy.

The current collection rate of 70.83% as at 28 February 2026 is expected to improve to 76% in the 2025/26 financial year. In order to achieve the targeted 77,25% annual collection rate, the City through Revenue Management Division has embarked on the following strategies:

- i. strengthened billing accuracy,
- ii. improved system integration,
- iii. effective credit control and debt recovery measures,
- iv. enhanced customer engagement, and
- v. continuous monitoring of revenue performance to ensure accountability and sustainable revenue growth.

3.4.1 Debt Collection

- i. BCMM implements in-house debt collection up to 120-day debt.
- ii. The in-house debt collection includes the following actions:
 - a. SMS reminders
 - b. Pre-Termination notices
 - c. Ad hoc telephonic debt collection
 - d. Blocking and Disconnection of electricity supply.
 - e. The City has implemented a Debt Incentive Scheme in which it offers its consumers an opportunity to settle their debt with a 60% discount provision on consumers who owe debt in 120 days as at 30 November 2025. The Debt Incentive Scheme encourages settlement of old debt to reduce the debt book.

3.4.2 Indigent Management

The social package assists households that are poor or face other circumstances limiting their ability to pay for services.

To receive these free services, households are required to register in accordance with the City's Indigent Policy.

However, it should be noted that while this is a goal from a social perspective, it indicates that the overall strategic direction of the institution is not being achieved. The institution is attempting to steer towards economic growth and job creation, which contrasts with this focus area. The cost of the social package for registered indigent households is largely financed by national government through the local government equitable share received in accordance with the annual Division of Revenue Act.

The Indigent Management Unit consists of dedicated employees who manage and administer the indigent register to ensure the provision of free basic services to qualifying consumers.

The Indigent Steering Committee will be established with the support of COGTA, the Members of Mayoral Committee (MMC), and the Public Participation Unit within BCMM, who serve as key stakeholders for this initiative. The committee will be composed of ward committee members, Public Participation Facilitators, representatives of the elderly community, and a finance official.

Table 148: Basic social services package per indigent household

SOCIAL WELFARE PACKAGE								
	Total Per Household 2024/2025	Total Per Household 2025/2026	Tariff % Increase	Total Per Household 2026/2027	Tariff % Increase	Total Per Household 2027/2028	Tariff % Increase	Total Per Household 2028/2029
Rates	352.10	359.14	2.00%	366.32	0.00%	366.32	3.20%	378.05
Refuse	333.04	349.03	4.70%	365.43	3.30%	377.49	3.20%	389.57
Sewerage	118.48	124.17	4.70%	130.00	3.30%	134.29	3.20%	138.59
Fire Levy	69.57	72.56	4.70%	75.97	3.30%	78.48	3.20%	80.99
Total Monthly Subsidy	873.19	904.90		937.73		956.59		987.20
Electricity - 50kwh p.m	115.50	130.21	11.10%	144.67	8.83%	157.44	8.83%	171.34
Water - 6kl p.m.	140.67	154.46	8.33%	167.32	3.30%	172.84	3.20%	178.37
Total Poor Relief	1,129.36	1,189.57	5.06%	1,249.72	2.97%	1,286.87	3.89%	1,336.92

3.4.3 Property Rates

The property rates tariffs are projected to increase by 2% in the 2026/2027 financial year. A 0% increase is set for the 2027/2028 financial year, followed by an increase of 3.2% in the 2028/2029 financial year.

According to Section 32(1) b of the Local Government: MPRA, No. 6 of 2004, as amended, a valuation roll remains valid for a maximum period of four financial years. BCMM's current valuation roll was implemented on 1 July 2023, and its validity period expires on 30 June 2027. The next valuation roll will be implemented on 1 July 2027. Supplementary valuations are undertaken regularly. The property valuation roll is currently published on the BCMM website at www.buffalocity.gov.za.

4. BCMM'S AUDIT OPINION IN THE 2024/2025 FINANCIAL YEAR

The Auditor-General issued a qualified audit opinion with findings on the Annual Financial Statements for the year ended 30 June 2025.

The qualification arose due to Property, Plant and Equipment (PPE), namely:

- i. Work in Progress (WIP) projects showing signs of impairment were not assessed for impairment.
- ii. Intangible assets recognised incorrectly as WIP.
- iii. Land classified incorrectly as other classes of infrastructure assets.
- iv. Assets recorded as a single entry in the fixed asset register, creating limitations in verifying the existence of certain assets and in assessing valuation for all.
- v. Differences in impairment calculation arose from incorrect inputs and the impairment of assets that should not have been impaired.
- vi. Impact on the current year as a result of the limitations in the opening balance of PPE.
- vii. Differences identified in the depreciation calculations.
- viii. Differences identified in the condition of assets physically verified and the impact on remaining useful life.
- ix. Incorrect application of residual values to road assets resulting in depreciation differences.
- x. Management did not provide adequate evidence to support prior years cost adjustments.
- xi. Adequate evidence was not provided to support the restated opening balance of the revaluation reserve; and
- xii. Misstatements from the prior year were not adequately addressed in the current year. This relates to a limitation on verifying a pumpstation and motor vehicles for impairment assessments.

Buffalo City Metropolitan Municipality is committed to continuous improvement and the implementation of different strategies in order to achieve a clean administration as per one of the MGDS pillars, a 'Well Governed City'.

Action plans to achieve an unqualified audit:

The 2024/2025 Audit Report and Management Report was analysed to develop the Audit Action Plan (AAP) which has been prepared detailing the audit findings together with the required corrective action to be taken.

The AAP contains actions to be undertaken which are grouped by Directorates with the responsible person against each action as well as the timeline for implementation. The action to be undertaken and progress updates are reported on a monthly basis to update the AAP by the relevant departments affected. The AAP is also submitted to Internal Audit for quality assurance on its completeness, accuracy and validity. The KPI's addressing audit findings have been incorporated across all HOD's performance plans for 2025/2026 financial year.

In the development of the AAP, management focussed more on improving controls in the operations of the relevant processes and functions rather than just focusing on clearing audit findings. Short, medium to long term interventions

are required to completely address the findings and control weaknesses. Based on the reviews conducted by Internal Audit to date, management does have a system of internal controls, however, internal audit observations reveal that such system is not yet fully effective.

The AAP is currently reviewed by Internal Audit twice a year with reporting to Top Management and the Audit Committee on the outcomes of such review thereafter. The Audit Committee reports to Council on a quarterly basis on their oversight and advisory role which include comments on Management's AAP as reviewed and reported by Internal Audit.

Below is a timetable of processes that includes contributions from all departments towards the preparation of AFS. In line with the approved AFS timetable, sufficient time is provided for Top Management, IA, the Audit Committee, and NT to conduct reviews before the final submission of the AFS to the Auditor-General.

TIMETABLE FOR THE COMPLETION OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

Table 149: Timetable for the completion of the AFS for the year ended 30 June 2026

NO.	TASK DESCRIPTION	RESPONSIBLE PERSONS	COMMENCE DATE	ESTIMATED COMPLETION DATE
1.	Capture all orders on the Solar system and match orders with GRN's. Process invoices for payment and finalize price adjustments and cancelled orders	GMS/PMS	01/07/2025	22/06/2026
2.	Analyse and clear HS010 – Orders and GRN's not invoiced per order	GMS/PMS	01/07/2025	22/06/2026
3.	Clear suspense votes and balance control accounts / votes	ALL	01/07/2025	10/07/2026
4.	Perform stock count and process adjustments	GMS/PML	04/05/2026	10/07/2026
5.	Run June 2026 month end and year end on votes ledger	GME/PMM/CAF/SAF	30/06/2026	06/07/2026
6.	Submit all year-end payment invoices to the Finance Payments and Creditors Sections in respect of all goods and services received on or before 30 June 2026	ALL	01/07/2026	06/07/2026
7.	Process Creditors i.r.o. 2025/2026 Financial Year	GME/PMC/MAC/PMV	01/07/2026	10/07/2026
8.	Clear all outstanding job commitments by running report JB060 (reset jobbing commitments)	GME/PMM/CAF	01/07/2026	10/07/2026
9.	Process journals for COID, Insurance, Leave Accrual and Debt Impairment Allowance	GMA/PMA/MAI/GME/PMP/GMR/PMR	01/07/2026	10/07/2026
10.	Process journals for external loans and balance loans register to GL	GMB/PMT/PAT	01/07/2026	10/07/2026
11.	Finalize and process all other year end journals	ALL	01/07/2026	10/07/2026
12.	Investigate income and expenditure for misallocations	ALL	01/07/2026	10/07/2026
13.	Balance Conditional Grants and Receipts to GL/BS	GMB/PMB/MBM	01/07/2026	15/07/2026
14.	Balance investment register to GL/BS	GMB/PMT/PAT	01/07/2026	15/07/2026
15.	Finalize and submit all control votes reconciliations	ALL	01/07/2026	15/07/2026

NO.	TASK DESCRIPTION	RESPONSIBLE PERSONS	COMMENCE DATE	ESTIMATED COMPLETION DATE
16.	Prepare summary of debtors and creditors control accounts	GME/PMM/CAF	01/07/2026	17/07/2026
17.	Submit all information to Financial Management as per memo's circulated i.r.o. the preparation of the Annual Financial Statements	ALL	01/07/2026	24/07/2026
18.	Obtain and verify all information as required by the AG – Refer to the attached National Treasury Guide on Audit File. All information applicable must be readily accessible by the AG	ALL – Information applicable to each Department/Section	01/07/2026	24/07/2026
19.	Obtain financial statements from IDZ	GME/PMM/CAF	01/07/2026	03/08/2026
20.	Prepare capital work in progress schedule	GMA/PMA/CAA	01/07/2026	31/07/2026
21.	Process all PPE and capitalization journals	GMA/PMA/CAA	01/07/2026	31/07/2026
22.	Process all grant journals i.r.o. PPE funded ex grants	GMB/PMB/MBM	01/07/2026	31/07/2026
23.	Produce the Fixed Asset Register including all schedules, tables and appendices in respect of the AFS	GMA/PMA/CAA	01/07/2026	31/07/2026
24.	Run final general ledger trial balance	GME/PMM/CAF	01/08/2026	01/08/2026
25.	Compile Annual Financial Statements / (Review of AFS)	GME/PMF	02/08/2026	16/08/2026
26.	Present AFS to City Manager and Top Management	CFO/GME/PMF	17/08/2026	17/08/2026
27.	Submit AFS to Internal Audit and Audit Committee for review	CFO/GME/PMF	18/08/2026	21/08/2026
28.	Present AFS to Audit Committee	CFO/GME/PMF	25/08/2026	25/08/2026
29.	Update Annual Financial Statements	GME/PMF	25/08/2026	27/08/2026
30.	Submit and present final AFS to Audit Committee for approval	CFO/GME/PMF	27/08/2026	27/08/2026
31.	Submit Annual Financial Statements and Audit File to Auditor General	GME/PMF	31/08/2026	31/08/2026
32.	Submit AFS and BUF BSA 2026 and BUF CAAA(PPE) 2026 forms to National and Provincial Treasury	GME/PMF	31/08/2026	31/08/2026
33.	Obtain AFS from BCMDA & prepare Consolidated AFS for BCMM	GME/PMF	01/09/2026	17/09/2026
34.	Present Consolidated AFS to City Manager for signature	CFO/GME/PMF	18/09/2026	18/09/2026
35.	Submit Consolidated AFS to Auditor-General	GME/PMF	30/09/2026	30/09/2026

5. INTERNAL CONTROLS

BCMM has an internal control system in place. BCMM's management has designed, developed, and implemented controls to increase the likelihood that the Municipality's strategic and operational objectives will be achieved. These controls are aligned with sound governance principles and are intended to ensure accountability, safeguard municipal assets, promote reliable financial reporting, and ensure compliance with the Municipal Finance Management Act (MFMA) and other applicable legislation. In terms of section 62 of the MFMA, the Accounting Officer (City Manager) is responsible for maintaining effective, efficient, and transparent systems of financial and risk management and internal control within the municipality.

The Risk Management Department identifies risks at both strategic and operational levels to assess any emerging risks and available opportunities that could bring the City closer to the realisation of its strategic objectives. Each year, a strategic risk assessment workshop is held to review the strategic risk register, considering internal and external factors that may impact the City's risk profile. Further risks are assessed at the business/operational level to improve, among other things, the internal control environment, and reports are tabled quarterly to both the Risk Management Committee and the Audit Committee, which are charged with oversight responsibilities. The Risk Management Committee meets quarterly and is chaired by an external chairperson with internal members. This governance structure strengthens oversight and ensures that risk management practices support effective decision-making and strategic planning. Risk management practices are aligned with the National Treasury Risk Management Framework and are integrated with the municipality's strategic planning and performance management processes.

BCMM's Internal Audit (IA) Unit conducts an assessment of the effectiveness of the municipality's internal controls and reports administratively to the City Manager and functionally to the Audit Committee. The Audit Committee is fully operational and responsible for overseeing internal controls through the work performed by the IA Unit. In this capacity, Internal Audit provides independent assurance on the adequacy and effectiveness of risk management, governance, and internal control processes. IA plans are based on continuous risk assessments conducted by the City. These plans are not static and are updated whenever there is a change in the risk environment. This risk-based internal audit approach ensures that key risk areas and control weaknesses are identified and addressed proactively. The Internal Audit Unit also monitors the implementation of audit action plans arising from both internal and Auditor-General South Africa (AGSA) audit findings to ensure that identified control deficiencies are addressed and that repeat audit findings are minimised.

Budgetary controls are being enforced to curb unauthorised expenditure. The City is in the process of re-evaluating the current revaluation model used to value its assets. The process of disposing of redundant assets is being reviewed to improve turnaround time. More internal controls are being introduced for the year-end accrual process, as most unauthorised expenditure is incurred during that period. These measures are aimed at strengthening financial discipline, improving asset management practices, and reducing occurrences of unauthorised, irregular, fruitless, and wasteful expenditure. Additional preventative and detective controls are being implemented, including improved compliance monitoring, strengthening of supply chain management controls, and enhanced review processes for financial reporting and year-end procedures.

An effective system of internal controls has the five essential elements:

- i. Segregation of duties
- ii. Varying levels of authority/approval
- iii. Documentation of decisions
- iv. A system of verification
- v. A trail for audit purposes

These elements collectively promote accountability, transparency, and effective monitoring of municipal operations by ensuring that transactions are properly authorised, recorded, verified, and supported by a clear audit trail. Effective information systems controls, regular management reviews, and continuous monitoring processes support the sustainability of the internal control environment and assist the municipality in improving audit outcomes and strengthening service delivery.

6. SUPPLY CHAIN MANAGEMENT

BCMM's current SCM Unit comprises:

- i. Demand Management and Supplier Development
- ii. Acquisition Management
- iii. SCM Risk and Compliance
- iv. Contracts and Performance Management; and
- v. Logistics, Disposal and Warehousing

The above is to ensure the following:

- a) A Supply Chain System that assists in job creation in the region.
- b) Beneficiation of vulnerable groups (women, youth, disabled, and historically disadvantaged groups).
- c) Promotion of skills and capacity building for small businesses.
- d) Circulation of the rand spent within the municipal area to boost and encourage economic growth in the region.
- e) Contracts management and monitoring to ensure proper use of the contracts and reduce irregular expenditure.

The SCM open bid tender processes operate as per the MFMA, with three committees clustered into:

- i. Four (4) Bid Specification Committees (BSC)
- ii. Five (5) Bid Evaluation Committee (BEC)
- iii. One (1) Bid Adjudication Committee (BAC)

There's ongoing training of Bid Committee members in an effort to:

- i. Improve the turnaround in the processing of bids at committees.
- ii. Enhance the quality of bid specifications, which in turn makes evaluation swifter and reduces the rate of withdrawn tenders due to incorrect specifications.
- iii. Reduce the rate of litigations resulting from incorrect evaluation and awards caused by poor specifications.
- iv. Achieve a reduction in irregular expenditure.
- v. Ensure focused attention and faster service delivery, Trading Services have specific BSC and BEC to ensure focused attention and speed of delivery.

7. BUDGET, PROGRAMMES AND PROJECTS

7.1 The Consolidated Capital Budget

The Consolidated Capital Budget

The reviewed objectives and strategies formed the basis for identifying and selecting projects within each of the IDP SOs. The consolidated budget for the capital programme is R1,42 billion in the 2026/2027 financial year, R1,46 billion in the 2027/2028 financial year, and R1,65 billion in the 2028/2029 financial year, respectively. The capital budget is guided by community priorities, and the City is also striving to achieve a good balance between social and economic infrastructure investment. The Capital Programmes for the 2026/2027 MTREF are indicated below:

Table 150: Capital budget – per programme project

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
EXECUTIVE SUPPORT SERVICES						
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PURCHASE OF FURNITURE FOR COUNCILLORS	2,000,000	2,000,000	2,000,000	OWN FUNDS		
TOTAL CAPITAL BUDGET: EXECUTIVE SUPPORT SERVICES	2,500,000	2,500,000	2,500,000			
CITY MANAGER'S OFFICE						
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
SENTIMENT ANALYSIS INTELLIGENCE SOFTWARE SERVICES	11,300,000	0	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL CAPITAL BUDGET: CITY MANAGER'S OFFICE	11,800,000	500,000	500,000			
CORPORATE SERVICES						
OFFICE FURN AND EQUIPMENT (DIRECTORATE)	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM	1,050,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PAY DAY ELECTRONIC ATTENDANCE SYSTEM FOR BCM	1,400,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
FIBRE NETWORK	2,100,000	1,500,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
LTE INFRASTRUCTURE	1,400,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DISASTER RECOVERY ENHANCEMENT	1,400,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PROCUREMENT OF ICT EQUIPMENT	1,400,000	1,500,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
OFFICE FURNITURE AND EQUIPMENT FOR INTERNS	200,000	200,000	200,000	ISDG	ALL WARDS	WHOLE OF METRO
MASTER DATA MANAGEMENT	10,000,000	9,000,000	6,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
WI-FI	700,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL CAPITAL BUDGET: CORPORATE SERVICES	20,150,000	17,700,000	15,700,000			
SPATIAL PLANNING & DEVELOPMENT						
AERIAL PHOTOGRAPHY AND MAPPING	5,000,000	770,000	0	OWN FUNDS	47	COASTAL
PLOTTERS	0	660,000	0	OWN FUNDS	47	COASTAL
SURVEY EQUIPMENT	350,000	550,000	0	OWN FUNDS	47	COASTAL
ORIENT THEATRE REFURBISHMENT	0	550,000	0	OWN FUNDS	47	COASTAL
SLEEPER SITE REFURBISHMENT	0	550,000	0	OWN FUNDS	47	COASTAL
UPGRADING OF KWT PAYMENTS HALL	490,000	1,500,000	0	OWN FUNDS	37	INLAND
LAND ACQUISITION	5,822,049	12,123,169	0	ISUPG	ALL WARDS	WHOLE OF METRO
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500,000	550,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
GUARDRAILS	520,000	520,000	0	USDG	48,23,20,42,34,36	ALL REGIONS
SLEEPER SITE ROAD	6,420,000	1,965,000	0	USDG	47	COASTAL
SIDEWALKS	2,000,000	0	3,000,000	USDG	8,30,34	ALL REGIONS
TRAFFIC CALMING	1,200,000	786,000	1,600,000	USDG	1,4,7,11,13,21,23,30,34,36,37,41,46	ALL REGIONS
TRAFFIC SIGNALS AND MANAGEMENT	3,580,000	3,275,000	2,500,000	USDG	15	COASTAL
QUMZA HIGHWAY PHASE 7 - PHASE 1 & 2	1,000,000	0	0	USDG	21	MIDLAND
TAXI RANK INFRASTR (ROADS & ABLUTION FAC) (Coastal)	2,148,000	0	0	USDG	27	COASTAL
MDANTSANE ACCESS ROADS - MIDLAND	16,647,000	21,938,475	10,000,000	USDG	21	MIDLAND
CONSTRUCTION OF OFFICE ACCOMODATION-CUSTOMER CARE CENTRE (MIDLAND)	20,886,868	5,221,717	0	OWN FUNDS		
TOTAL CAPITAL BUDGET: SPATIAL PLANNING & DEVELOPMENT	66,563,917	50,959,361	17,600,000			

CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
ECONOMIC DEVELOPMENT & AGENCIES						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	1,000,000	1,000,000	500,000	OWN FUNDS	47	COASTAL
UPGRADING OF BUILDINGS	1,400,000	1,000,000	1,000,000	OWN FUNDS	ALL WARDS	COASTAL
UPGRADING OF MARKET HALL	2,148,000	3,275,000	1,000,000	USDG	4	COASTAL
KIWANE RESORT MAINTENANCE & UPGRADE	1,000,000	1,000,000	0	OWN FUNDS	32	WHOLE OF METRO
TOURISM HUB	2,100,000	1,500,000	0	OWN FUNDS	41	COASTAL
CONSTRUCTION OF CABIN ACCOMMODATION	1,400,000	1,000,000	0	OWN FUNDS	32	COASTAL
INSTALLATION OF RECREATIONAL FACILITIES	1,050,000	1,000,000	0	OWN FUNDS	32	COASTAL
FILM STUDIO DEVELOPMENT	700,000	1,000,000	0	OWN FUNDS	ALL WARDS	INLAND
EXTENSION OF MDANTSANE ART CENTRE	700,000	1,000,000	0	OWN FUNDS	42	MIDLAND
ART CENTRE	2,100,000	1,500,000	0	OWN FUNDS	37	WHOLE OF METRO
MDANTSANE ART CENTRE	3,580,000	3,275,000	1,000,000	USDG	42	COASTAL
FORT JACKSON JUNCTION HUB	10,000,000	12,000,000	0	ISUPG	24	WHOLE OF METRO
SMME INCUBATOR: SEKUNJALO TRAINING CENTRE	3,580,000	3,930,000	1,000,000	USDG	33	COASTAL
SMME INCUBATOR	350,000	500,000	0	OWN FUNDS	ALL WARDS	COASTAL
INFORMAL TRADE INFRASTRUCTURE (Hawker Stalls)	10,000,000	14,000,000	0	ISUPG	ALL WARDS	WHOLE OF METRO
AGRI-VILLAGE	10,000,000	11,355,040	8,000,000	ISUPG	ALL WARDS	WHOLE OF METRO
TOTAL CAPITAL BUDGET: ECONOMIC DEVELOPMENT & AGENCIES	51,108,000	58,335,040	12,500,000			
FINANCE SERVICES						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	1,500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
OFFICE FURN & EQUIPMENT (DIRECTORATE)	115,000	115,000	100,000	FMG	ALL WARDS	WHOLE OF METRO
SMART METERING SOLUTIONS (ELECTRICITY)	15,000,000	15,000,000	15,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
SMART METERING WATER SOLUTIONS	46,000,000	23,000,000	23,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ASSET REPLACEMENTS - INSURANCE	8,000,000	8,000,000	8,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REFURBISHMENT OF FINANCE BUILDINGS (MUNIFIN, OLD MUTUAL AND RESERVE BANK BUILDINGS)	2,000,000	2,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
FENCING OF MUNIFIN BUILDING PHASE 2	1,500,000	0	0	OWN FUNDS		
ACQUIRE ERP SYSTEM (ASSET MANAGEMENT SYSTEM,PROCUREMENT SYSTEM, etc)	3,500,000	3,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PROCUREMENT OF KOMBI	900,000	0	0	OWN FUNDS		
TOTAL CAPITAL BUDGET: FINANCE SERVICES	78,515,000	51,615,000	48,600,000			
PUBLIC SAFETY AND EMERGENCY SERVICES						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ESTABLISHMENT OF NEW DISASTER MANAGEMENT CENTRE	11,550,000	0	1,500,000	OWN FUNDS	47	COASTAL
ESTABLISHMENT OF NEW DISASTER MANAGEMENT CENTRE	9,000,000	0	25,000,000	USDG	47	
DISASTER MANAGEMENT VEHICLES	1,050,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EARLY WARNING SYSTEMS (AUTOMATED WEATHER STATIONS)	700,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
FIRE ENGINES PROCURED	10,385,693	2,000,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
FURNITURE & EQUIPMENT BERLIN FIRE STATION	1,800,000	0	0	OWN FUNDS	45	INLAND
PUBLIC SAFETY SPECIALISED VEHICLES	3,450,000	2,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CLOSED CIRCUIT TELEVISION NETWORK - CCTV	4,000,000	2,000,000	1,500,000	OWN FUNDS	43,37,25,41,44,34,36, 39	WHOLE OF METRO
REFURBISHMENT OF TRAFFIC SERVICES / LAW ENFORCEMENT BUILDINGS	1,200,000	0	1,000,000	OWN FUNDS	47	COASTAL
DRONES FOR PUBLIC SAFETY DEPARTMENT	0	1,000,000	1,500,000	OWN FUNDS	47	COASTAL
MOBLIE INCIDENT COMMAND VEHICLE	0	1,000,000	2,000,000	OWN FUNDS	47	WHOLE OF METRO
FENCING OF PUBLIC SAFETY & EMERGENCY SERVICES BUILDINGS	700,000	1,000,000	1,000,000	OWN FUNDS	47	COASTAL
JETSKI & TRAILER FOR FIRE & RESCUE SERVICES	0	3,500,000	1,000,000	OWN FUNDS		
TOTAL CAPITAL BUDGET:PUBLIC SAFETY & EMERGENCY SERVICES	44,335,693	15,000,000	43,000,000			

PROPOSED DRAFT 2026/2027 MTREF BUDGET

CAPITAL BUDGET - PER PROJECT/PROGRAMME

ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
HUMAN SETTLEMENTS						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
AMALINDA 179 MILITARY VETERANS	1,688,612	4,399,500	4,236,796	USDG	9, 16	COASTAL
POTSDAM IKHWEZI BL 1	6,000,000	1,615,960	1,000,000	ISUPG	24	MIDLAND
POTSDAM IKHWEZI BL 2	3,134,393	3,134,393	3,134,394	ISUPG	24	MIDLAND
POTSDAM NORTH KANANA	4,988,529	4,988,529	12,898,934	ISUPG	24	MIDLAND
DUNCAN VILLAGE PROPER	522,399	522,399	522,400	ISUPG	1, 7	COASTAL
MDANTSANE Z 18 CC PH 2	3,740,383	3,275,000	0	USDG	23	MIDLAND
CLUSTER 1	1,044,797	0	0	ISUPG	12,14,18	MIDLAND
CLUSTER 2	9,000,000	1,000,000	17,000,000	ISUPG	11,17,20,21,30,49	MIDLAND
CLUSTER 3	11,000,000	1,000,000	1,000,000	ISUPG	11,17,20,21,30,49	MIDLAND
DUNCAN VILL COMP/SITE	1,044,798	8,000,000	8,000,000	ISUPG	1, 7	COASTAL
BRAELYN EXT 10	1,044,797	1,123,520	7,000,000	ISUPG	9,10	COASTAL
TYUTYU PHASE 3	4,272,593	3,200,000	6,223,138	ISUPG	43	INLAND
WESTBANK RESTITUTION	8,538,727	8,102,828	4,100,729	USDG	19	COASTAL
C SECTION AND TRIANGULAR SITE	2,089,595	1,000,000	6,000,000	ISUPG	7	COASTAL
D HOSTEL	3,872,396	3,872,396	8,600,000	ISUPG	2	COASTAL
FORD MSIMANGO - WATER	522,399	2,000,000	4,000,000	ISUPG	6	COASTAL
N2 ROAD RESERVE - WATER	5,821,877	1,000,000	4,000,000	ISUPG	8	COASTAL
HANI PARK - WATER	50,000	0	0	ISUPG	11	MIDLAND
HLALANI - WATER	50,000	0	0	ISUPG	11	MIDLAND
PHOLA PARK - WATER	50,000	0	0	ISUPG	34	INLAND
BERLIN LINGELITSHA - PHASE 1 - WATER	6,223,988	5,000,000	5,000,000	ISUPG	45	INLAND
ILITHA NORTH	7,000,000	0	0	USDG		
ILITHA SPORTSFIELD - WATER	6,223,988	5,000,000	2,000,000	ISUPG	45	INLAND
EMPILISWENI - WATER	2,000,000	1,000,000	2,000,000	ISUPG	20	MIDLAND
MATSHENI PARK - WATER	9,000,000	1,000,000	3,000,000	ISUPG	29	COASTAL
KHAYELITSHA - WATER	8,000,000	1,000,000	3,000,000	ISUPG	24	MIDLAND
XHWITINJA - WATER	757,813	0	0	USDG	36	INLAND
XHWITINJA - WATER	0	5,000,000	5,000,000	ISUPG		
KWATSHATUSHU - WATER	223,988	1,000,000	5,000,000	ISUPG	44	INLAND
GINSBERG - WATER	5,223,988	5,000,000	5,000,000	ISUPG	39	INLAND
SLOVO PARK - WATER	1,000,000	2,000,000	2,000,000	ISUPG	42	MIDLAND
EKUPHUMLENI - WATER	7,000,000	5,000,000	5,000,000	ISUPG	42	MIDLAND
ETHEMBENI - WATER	50,000	0	0	ISUPG	11	MIDLAND
EAST BANK RESTITUTION - WATER	5,000,000	6,000,000	5,000,000	ISUPG	10	COASTAL

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
HUMAN SETTLEMENTS						
NONDULA-WATER	1,048,307	0	0	USDG	12	MIDLAND
NONDULA-WATER	0	9,500,000	8,000,000	ISUPG	12	MIDLAND
BOXWOOD PROJECT	4,354,995	4,447,500	3,236,205	USDG	31	COASTAL
CNIP VICTIMS PROJECT: CAMBRIDGE WEST	3,101,083	400,000	400,000	ISUPG	4	COASTAL
MZAMOMHLE: PEOPLES HOUSING PROCESS	1,044,800	10,000,000	8,000,000	ISUPG		
PARKHOMES FOR DESTITUTES & GBV VICTIMS	1,044,800	1,310,000	1,000,000	ISUPG	27	COASTAL
ZIPHUNZANA BYPASS RELOCATION SITE (TRAs)	1,522,400	1,310,000	10,000,000	ISUPG	1	COASTAL
MDANTSANE ERF 81,87 &88 RELOCATION SITE UNITS	748,077	327,500	0	USDG	23	MIDLAND
FYNBOSS RELOCATION SITE UNITS	374,038	327,500	2,000,000	USDG	8	COASTAL
HEMINGWAYS INFORMAL SETTLEMENTS	2,044,798	3,000,000	1,000,000	ISUPG	1	COASTAL
SILVERTOWN	2,544,798	3,000,000	1,000,000	ISUPG	1	COASTAL
KWT GOLF CLUB/ SWEETWATERS (NEW)	2,924,192	0	0	USDG	44	INLAND
KWT GOLF CLUB/ SWEETWATERS (NEW)	0	22,000,000	0	ISUPG	44	INLAND
DIMBAZA SHUTER HOUSES: DETAILED INFRASTRUCTURE INVESTIGATION	2,500,000	3,500,000	5,000,000	USDG	34	INLAND
PHAKAMISA SOUTH	3,000,000	4,000,000	4,000,000	USDG	25	INLAND
REESTON PHSASE 3 STAGE 2	7,000,000	10,000,000	10,000,000	USDG	13	COASTAL
REESTON PHSASE 3 STAGE 2	15,000,000	0	10,000,000	ISUPG	13	COASTAL
GQOZO VILLAGE	2,148,000	7,000,000	0	USDG	12	MIDLAND
GQOZO VILLAGE	20,000,000	0	7,000,000	ISUPG	12	MIDLAND
D HOSTEL - FENCING	716,000	1,310,000	1,500,000	USDG	2	COASTAL
SUNNY SOUTH ROADS	1,000,000	5,000,000	4,000,000	ISUPG	31	COASTAL
REESTON PHASE 2 STAGE 3 -(KHAYELITSHA INTERNAL ROADS	4,000,000	6,000,000	5,000,000	ISUPG	13	COASTAL
KAISERS BEACH INTERNAL ROADS	4,000,000	5,000,000	4,000,000	ISUPG	32	COASTAL
BREIDBACH SERVICES PROJECT	2,000,000	0	0	USDG	44	INLAND
MANYANO THEMBELIHLE RD & STORMWATER	8,393,385	8,000,000	0	ISUPG	30	MIDLAND
AMALINDA JUNCTION TRA PHASE 1 - ISUPG	2,000,000	3,000,000	1,000,000	ISUPG	16	COASTAL
SCENARY PARK	1,000,000	4,000,000	3,500,000	ISUPG	5	COASTAL
FARM 924	0	4,120,867	500,000	ISUPG	46	COASTAL
STONEY DRIFT	716,000	1,310,000	500,000	ISUPG	9	COASTAL
NOMPUMELELO	716,000	1,310,000	500,000	ISUPG	15	COASTAL
PIKINIKINI	716,000	1,310,000	500,000	ISUPG	50	COASTAL
MZAMOMHLE ROADS	716,000	1,310,000	500,000	ISUPG	27	COASTAL
NELSON MANDELA 102	716,000	655,000	0	ISUPG	2	COASTAL
MORNINGSIDE INDEGENT SITE - OLD AGE (MTSOTSO)	1,000,000	6,000,000	0	ISUPG	16	COASTAL
TOTAL CAPITAL BUDGET: HUMAN SETTLEMENTS	224,769,726	214,182,892	222,352,596			
ELECTRICITY & ENERGY TRADING SERVICES						
BULK ELEC INFRAS UPGR(RING-FENCED 4%)	61,137,190	90,000,000	115,675,352	UDFG	7,9,8,10,13,1415,17,22,27,37,42,45,45	WHOLE OF METRO
ELECTRIFICATION PROGRAMME	76,536,874	82,442,100	96,351,956	UDFG	ALL WARDS	WHOLE OF METRO
ELECTRIFICATION - INFORMAL DWELLING AREAS - BCM	20,000,000	20,531,904	40,000,000	UDFG	ALL WARDS	WHOLE OF METRO
STREET LIGHT & HIGHASTS - BCM AREAS OF SUPPLY	9,000,000	9,000,000	11,000,000	ISUPG	ALL WARDS	WHOLE OF METRO
TOOLS AND EQUIPMENT (SPECIALISED VEHICLES)	1,400,000	1,500,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
BUILDING ALTERATIONS -BEACON BAY CIVIC CENTRE & OPERATIONS DEPOT	700,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ASSET REPLACEMENTS	10,000,000	10,000,000	10,000,000	OWN FUNDS		
TOTAL CAPITAL BUDGET: ELECTRICITY & ENERGY TRADING SERVICE	178,774,064	214,474,004	275,527,308			

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
INFRASTRUCTURE SERVICES						
OFFICE OF THE DIRECTOR						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
	500,000	500,000	500,000			
ROADS						
BOWLS ROAD REHABILITATIONN - WARD 3	0	1,500,000	2,000,000	OWN FUNDS	3	COASTAL
CONSTRUCTION OF ROAD INFRASTRUCTURE - TOYANA ROAD	31,185,000	0	0	NDPG	14	MIDLAND
REHABILIT OF BCMM BRIDGES AND STORMWATER	2,000,000	2,186,666	1,500,000	USDG	ALL WARDS	WHOLE OF METRO
REHABILITATION OF BEACONHURST DRIVE	0	1,000,000	1,500,000	OWN FUNDS	28	COASTAL
ROADS PROVISION	30,050,000	29,800,000	29,800,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ROADS PROVISION	5,935,230	6,185,246	6,000,000	USDG	ALL WARDS	WHOLE OF METRO
RURAL ROADS - WARD 37	850,000	400,000	1,500,000	OWN FUNDS	37	INLAND
RURAL ROADS	11,183,920	10,231,100	17,000,000	USDG	17,22,24,25,26,31,32,33,34,35,36,37,38,40,43,49,50	WHOLE OF METRO
UPGR OF MDANTSANE RDS - CLUST 1	0	9,432,000	0	USDG	11,12,14,17,42	MIDLAND
UPGR OF MDANTSANE RDS - CLUST 2	9,905,415	0	0	USDG	11,17,20,30,48	MIDLAND
UPGRADE OF NORTH EAST EXPRESSWAY	0	0	1,500,000	OWN FUNDS	18	COASTAL
URBAN ROADS	2,500,000	1,915,875	2,000,000	USDG	37,39	INLAND
GONUBIE INTERNAL ROADS REHABILITATION	2,000,000	800,000	1,500,000	OWN FUNDS	18	COASTAL
HARBOUR ARTERIAL ROAD	0	800,000	0	OWN FUNDS		
ROADS RESURFACING	21,800,000	21,800,000	21,800,000	OWN FUNDS		
ROADS REHABILITATION	10,000,000	10,000,000	10,000,000	OWN FUNDS		
ROADS REGRAVELLING	25,000,000	25,000,000	25,000,000	OWN FUNDS		
	152,409,565	121,050,887	121,100,000			
FLEET						
BCM FLEET PLANT	5,000,000	7,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL CAPITAL BUDGET: INFRASTRUCTURE SERVICES	157,909,565	128,550,887	121,600,000			
WATER & SANITATION TRADING SERVICE						
WASTEWATER						
BERLIN SEWERS	0	0	25,000,000	UDFG	45	MIDLAND
BISHO KWT & ZWELITSHA BULK REG SEWER SCHEME	15,530,095	40,509,754	50,021,920	UDFG	25, 35, 37, 41, 44	INLAND
EAST BEACH GRAVITY SEWER UPGRADE	0	5,800,000	6,000,000	OWN FUNDS	1, 2, 3, 4, 6, 7, 8, 9, 16, 18, 19, 28, 47	COASTAL
RENEWAL OF INFRASTRUCTURE - RETICULATION	7,000,000	6,200,000	6,000,000	UDFG	ALL WARDS	WHOLE OF METRO
RENEWAL OF INFRASTRUCTURE - PUMP STATIONS	2,407,519	6,000,000	6,000,000	UDFG	ALL WARDS	WHOLE OF METRO
RENEWAL OF INFRASTRUCTURE - TREATMENT WORKS	4,359,148	5,053,333	5,500,000	UDFG	ALL WARDS	WHOLE OF METRO
HOOD POINT MARINE OUTF SEWER & AUXILIARY WORKS	12,733,333	0	2,500,000	UDFG	19, 31, 46	COASTAL
MDANTSANE WASTEWATER TREATMENT WORKS	14,000,000	12,746,667	0	UDFG	11, 12, 14, 20, 21, 22, 23, 24, 30	MIDLAND
UPGRADING OF POTSDAM WASTEWATER TREATMENT WORKS	14,500,000	0	30,618,116	UDFG	23	MIDLAND
REFURBISHMENT OF MDANTSANE NETWORK	6,000,000	9,485,000	15,000,000	ISUPG		
UPGRADING OF DIMBAZA WASTEWATER TREATMENT WORKS	0	0	20,600,000	UDFG	34, 36	INLAND
DUCATS SANITATION	0	0	10,000,000	UDFG	15	COASTAL
UPGRADING OF FIRST CREEK OUTFALL SEWER	0	8,000,000	10,000,000	ISUPG	11, 12, 14, 20, 21, 22, 23, 24, 30	COASTAL
UPGRADING OF SECOND CREEK OUTFALL SEWER	5,966,001	0	10,000,000	ISUPG	11, 12, 14, 20, 21, 22, 23, 24, 30	COASTAL

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
WATER & SANITATION TRADING SERVICE						
WASTEWATER						
INSTALLATION OF NETWORK FLOW MONITORING INFRASTRUCTURE	0	20,500,000	5,000,000	UDFG	ALL WARDS	WHOLE OF METRO
INSTALLATION OF GROUNDWATER MONITORING BOREHOLES FOR WASTEWATER TREATMENT WORKS	700,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
NEW KIDS BEACH WASTEWATER TREATMENT WORKS	10,000,000	30,000,000	20,000,000	UDFG	31	COASTAL
NAHOON BULK OUTFALL SEWER	25,000,000	14,824,894	30,000,000	UDFG	18	COASTAL
RENEWAL OF WESTBANK INVERTED SYPHON VALVES AND AUXILIARY WORKS	700,000	1,000,000	0	OWN FUNDS	19	COASTAL
DECOMMISSIONING OF SLUDGE LAGOONS IN QUINERA WWTW	0	1,000,000	1,000,000	OWN FUNDS	29	COASTAL
UPGRADING OF BUFFALO RIVER OUTFALL SEWER IN QONCE	0	0	20,000,000	ISUPG	39	INLAND
UPGRADING OF DIMBAZA OUTFALL SEWER	0	10,000,000	16,000,000	ISUPG	34	INLAND
UPGRADING OF MZONYANA OUTFALL SEWER	700,000	1,000,000	1,500,000	OWN FUNDS	1-10,15,16,18,27,28,29,31,32,33,46,47,50	COASTAL
SECURITY UPGRADES TO WASTEWATER TREATMENT WORKS						
BERLIN WASTEWATER TREATMENT WORKS	0	6,000,000	6,000,000	UDFG	45	INLAND
KAYZERS BEACH OXIDATION PONDS	2,000,000	6,172,960	10,000,000	UDFG	32	COASTAL
SECURITY UPGRADES TO SEWERAGE PUMP STATION						
CITY PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IHLANZA PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
T4 PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
T8 PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REESTON PUMP STATION	15,000,000	15,000,000	20,000,000	UDFG	13	COASTAL
ZONE 10 PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	48	MIDLAND
ZONE 15 PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	24	MIDLAND
ZONE 16 PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	23	MIDLAND
QUINERA CATCHMENT PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EAST BANK CATCHMENT PUMP STATION	5,000,000	10,000,000	10,000,000	ISUPG	10	COASTAL
BHISHO CATCHMENT PUMP STATION	700,000	800,000	1,000,000	OWN FUNDS	43	INLAND
	147,896,096	217,492,608	345,740,036			
SCIENTIFIC SERVICES						
PURCHASE OF CRITICAL LABORATORY EQUIPMENT	0	1,500,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
	0	1,500,000	3,000,000			
WATER DEPT						
OFFICE FURNITURE & EQUIPMENT	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
NEW WATER CONNECTIONS	1,500,000	1,500,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PURCHASING & INSTALLATION OF NEW WATER TANKS	1,500,000	2,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PURCHASE OF VEHICLES, PLANT & EQUIPMENT	10,000,000	5,000,000	5,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PROVISION OF SECURITY INFRASTRUCTURE AT RESERVOIRS, PUMP STATIONS & WATER TREATMENT WORKS	1,000,000	1,000,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
KWT & BHISHO INFRASTRUCTURE	14,528,951	15,028,951	0	UDFG	35, 37	INLAND
KEI ROAD WATER TREATMENT WORKS & CONVEYANCE PROJECT	0	24,818,671	40,021,920	UDFG	35,37,38,43,44,45	INLAND
UPGRADE WATER NETWORKS	10,880,797	40,880,797	41,968,797	UDFG	26	MIDLAND
WATER BACKLOGS	26,164,791	36,164,791	57,249,319	UDFG	26,31,32,33,36,37,38,40,49	WHOLE OF METRO

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
WATER & SANITATION TRADING SERVICE						
WATER DEPT						
PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	11,000,000	12,000,000	10,000,000	OWN FUNDS	34,35,36,37,38,39,40,41,43,44,48	INLAND
PIPE AND WATER METER REPLACEMENT IN BISHO,KWT & DIMBAZA	14,180,000	14,180,000	21,000,000	UDFG	34,35,36,37,38,39,40,41,43,44,49	INLAND
PIPE AND WATER METER REPLACEMENT IN EL	15,000,000	22,000,000	21,000,000	OWN FUNDS	1-10, 15, 16,18,27,28,29,31,32,33,46,47,49	COASTAL
PIPE AND WATER METER REPLACEMENT IN EL	4,300,000	4,300,000	7,000,000	UDFG	1-10, 15, 16,18,27,28,29,31,32,33,46,47,50	COASTAL
PIPE AND WATER METER REPLACEMENT IN MDANTSANE	16,066,667	22,053,333	28,000,000	UDFG	11,12,13,14,42,48,50,17,20,23	MIDLAND
AMAHLEKE WATER SUPPLY	0	5,000,000	20,000,000	UDFG	36,37,38	INLAND
BULK WATER SUPPLY TO COASTAL AREAS - TSHOLOMNQA	5,656,791	10,656,791	0	ISUPG	32	COASTAL
BULK WATER SUPPLY TO COASTAL AREAS - TSHOLOMNQA	10,000,000	0	0	UDFG	32	
AUGMENTATION OF KWELERA VILLAGES WATER SUPPLY SCHEME	9,000,000	5,000,000	16,000,000	UDFG	50	COASTAL
UMZONYANA DAM AND EAST COAST WATER SUPPLY UPGRADE	47,841,158	15,000,000	10,000,000	UDFG	1-10,15,16,18,27,28,29,31,32,33,46,47,50	COASTAL
WATER CONSERVATION /WATER DEMAND MANAGEMENT PROGRAMME	9,567,732	15,581,066	16,000,000	UDFG	ALL WARDS	WHOLE OF METRO
INFORMAL SETTLEMENTS	19,425,576	34,425,576	37,868,134	ISUPG	1-10, 11,12,13,14, 15,16,17, 18,20,23,27,28,29,31,32,33,34,35,36,37,38,39,40,41,42,43,44,4, 6,47,50,48,49,50	INLAND
	228,112,463	287,089,976	336,108,170			
TOTAL CAPITAL BUDGET: WATER & SANITATION TRADING SERVICE	376,008,559	506,082,585	684,848,206			
DIRECTORATE OF SPORTS , RECREATION & COMMUNITY DEVELOPMENT						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	1,000,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
INSTALLATION OF ALTERNATIVE ENERGY SYSTEM	0	0	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PURCHASE OF FLEET PLANT & EQUIPMENT	1,400,000	1,600,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
UPGRADING OF BEACONSFIELD OFFICES	0	0	0	OWN FUNDS		
DEVELOPMENT, UPGRADE & REFURBISHMENT OF COMMUNITY HALLS & LIBRARIES	2,100,000	2,400,000	4,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOPMENT UPGRADE AND REFURBISHMENT OF COMMUNITY HALLS	4,814,383	4,585,000	3,000,000	USDG	ALL WARDS	WHOLE OF METRO
DEVELOPMENT UPGRADE AND REFURBISHMENT OF LIBRARIES	4,654,000	4,585,000	3,000,000	USDG	ALL WARDS	WHOLE OF METRO
DEVELOPMENT UPGRADE AND REFURBISHMENT OF LIBRARIES	700,000	800,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
UPGRADING & REFURBISHMENT OF ORIENT THEATRE	700,000	800,000	1,000,000	OWN FUNDS	47	COASTAL
UPGRADING OF RESORTS	5,460,000	6,240,000	5,600,000	OWN FUNDS	18,28,29, 30	COASTAL
FENCING OF RESORTS	3,580,000	3,275,000	2,500,000	USDG	18, 29	COASTAL
DEVELOPMENT, UPGRADE & REFURBISHMENT OF SPORTSFIELDS	1,400,000	1,600,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOPMENT, UPGRADE AND REFURBISHMENT OF SPORTS FIELDS AND STADIUMS	3,580,000	3,275,000	2,500,000	USDG	ALL WARDS	WHOLE OF METRO
UPGRADING OF TENNIS COURTS	700,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
UPGRADING OF SPORTSFIELDS	5,000,000	5,000,000	10,000,000	ISUPG	ALL WARDS	WHOLE OF METRO
UPGRADE OF BUFFALO CITY STADIUM	20,000,000	0	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
GRAVELLING AND TARRING OF HERITAGE SITES	700,000	800,000	2,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
BUILDING OF MEMORIAL STONES	700,000	800,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
UPGRADING OF HERITAGE SITES	700,000	800,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
DIRECTORATE OF SPORTS , RECREATION & COMMUNITY DEVELOPMENT						
UPGRADING OF ZOO	700,000	800,000	2,000,000	OWN FUNDS	47	COASTAL
REFURBISMENT OF AQUARIUM	700,000	800,000	0	OWN FUNDS	47	COASTAL
UGRADING & REFURBISHMENT OF SWIMMING POOLS	2,800,000	3,200,000	3,600,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CONSTRUCTION OF EDIPINI SWIMMING POOL (DUNCAN VILLAGE)	5,000,000	5,903,360	4,000,000	ISUPG	8	COASTAL
REFURBISHMENT OF NU2 SWIMMING POOLS	3,580,000	3,275,000	4,000,000	USDG	42	MIDLAND
UPGRADING OF PARKS DEPOT	700,000	800,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
GRASS CUTTING EQUIPMENT	700,000	800,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOPMENT OF CEMETRIES	5,250,000	6,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
UPGRADING OF COMMUNITY PARKS	1,050,000	1,200,000	0	OWN FUNDS	15,18,27,1,5,6	ALL REGIONS
ESTABLISHMENT OF RECREATIONAL PARKS	10,000,000	10,000,000	0	ISUPG	1,5,6	COASTAL
BOTANICAL GARDENS	350,000	500,000	0	OWN FUNDS	37	INLAND
INSTALLATION OF LITTER BINS (EBUHLANTI)	1,500,000	0	0	OWN FUNDS		
TOTAL CAPITAL BUDGET: DIRECTORATE OF SPORTS , RECREATION & COMMUNITY DEVELOPMENT	89,518,383	71,838,360	58,700,000			
SOLID WASTE TRADING SERVICE						
PURCHASE OF BULK CONTAINERS WITH REMOVAL VEHICLES	700,000	1,000,000	2,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ACQUISITION OF REFUSE COMPACTOR TRUCKS	700,000	1,000,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ACQUISITION OF REFUSE COMPACTOR TRUCKS	21,480,000	19,650,000	10,000,000	USDG	ALL WARDS	WHOLE OF METRO
TRANSFER STATION						
REFURBISHMENT OF TRANSFER STATIONS	1,400,000	1,600,000	2,000,000	OWN FUNDS	27 & 28	COASTAL
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	19,055,190	20,019,508	25,043,840	UDFG	35	INLAND
CONSTRUCT CELL 5 & 6 AT ROUNDHILL LANDFILL SITE	2,100,000	2,000,000	2,000,000	OWN FUNDS	45	INLAND
ESTABLISHMENT OF CELL 5 AND 6 AT ROUNDHILL LANDFILL SITE	8,200,000	10,886,034	16,000,000	UDFG	45	INLAND
ESTABLISHMENT OF GARDEN TRANSFER STATIONS	24,600,000	32,670,000	42,168,099	UDFG	37,14,27 & 28	ALL REGIONS
CONSTRUCTION OF TRANSFER STATIONS/ESTABLISHMENT OF BUY BACK CENTRES	2,100,000	2,000,000	2,000,000	OWN FUNDS	45	INLAND
PURCHASE OF CAMBRIDGE DEPOT	700,000	1,500,000	2,000,000	OWN FUNDS	4	COASTAL
ACQUISITION OF SKIPS & LITTER BINS	600,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOP WASTE TO ENERGY PROJECTS	1,400,000	1,500,000	2,000,000	OWN FUNDS	45	INLAND
REFURBISHMENT OF WASTE MANAGEMENT FACILITIES	1,400,000	1,500,000	1,500,000	OWN FUNDS	45	INLAND
ACQUISITION OF CHIPPING MACHINES FOR GARDEN TRANSFER STATION	1,400,000	1,500,000	1,500,000	OWN FUNDS	45	INLAND
ACQUISITION OF PLANT & MACHINERY FOR LANDFILL SITES AND GARDEN TRANSFER STATIONS	700,000	1,000,000	1,500,000	OWN FUNDS	45	INLAND
TOTAL CAPITAL BUDGET: SOLID WASTE TRADING SERVICE	86,535,190	98,325,542	113,711,939			

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
CAPITAL BUDGET - PER PROJECT/PROGRAMME						
ACCOUNT DESCRIPTION	2026/2027 DRAFT CAPITAL BUDGET	2027/2028 DRAFT CAPITAL BUDGET	2028/2029 DRAFT CAPITAL BUDGET	PROGRAM FUND	WARD NUMBER	REGION
<u>DIRECTORATE OF HEALTH & ENVIRONMENTAL MANAGEMENT</u>						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	2,000,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
INSTALLATION OF ALTERNATIVE ENERGY SYSTEM	1,050,000	1,000,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
BEACHES	2,800,000	3,200,000	6,500,000	OWN FUNDS	47	COASTAL
REVITALISATION OF BEACH INFRASTRUCTURE	5,012,000	4,585,000	3,500,000	USDG	18,19,28,29,31,32, 46,50	COASTAL
BCM FLEET AND PLANT - FOR ENVIRONMENTAL MANAGEMENT & MUNICIPAL HEALTH SERVICES"	1,400,000	2,000,000	2,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ACQUISITION OF LDV'S AND 4 TON TRUCK -ENVIRONMENTAL MANAGEMENT	700,000	1,000,000	3,000,000	OWN FUNDS	ALL WARDS 18,19,28,29,31,32, 46,50	WHOLE OF METRO
DEVELOPMENT OF BEACH AND NATURE RESERVES INFRASTRUCTURE	2,148,000	1,965,000	3,000,000	USDG		COASTAL
ACQUISITION OF SKIPS & LITTER BINS	800,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	
FENCING OF EM & MHS OFFICE COMPLEX AND CONSTRUCTION OF GUARD HOUSE"	1,400,000	1,500,000	1,500,000	OWN FUNDS	47	COASTAL
REFURBISHMENT OF EM & HS OFFICES"	700,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
GRASS CUTTING EQUIPMENT	1,400,000	1,500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REFURBISMENT OF NATURE RESERVES	1,400,000	2,000,000	3,000,000	OWN FUNDS	47	COASTAL
PURCHASE OF TOOLS AND EQUIPMENT FOR MHS	1,400,000	1,500,000	1,000,000	OWN FUNDS	47	COASTAL
ACQUISITION OF PARKHOMES FOR NU6 DEPOT (CHANGE ROOMS)	1,400,000	1,600,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
AIR MONITORING STATION	1,400,000	1,500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ACQUISITION OF FLEET (CHERRY PICKER TRUCKS, CREW CAGE TRUCK, TIPPER TRUCK, TRACTORS, BUSH CUTTERS, TRAILERS FOR RITE ON ETC)	1,400,000	1,500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL CAPITAL BUDGET: DIRECTORATE OF HEALTH & ENVIRONMENTAL MANAGEMENT	26,410,000	27,350,000	36,000,000			
<u>BCMDA</u>						
OFFICE FURN & EQUIPMENT (DIRECTORATE)	660,000	686,400	708,005	OWN FUNDS	ALL WARDS	WHOLE OF METRO
COMPUTER SOFTWARE	40,000	40,000	41,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL CAPITAL PROJECTS	1,415,598,097	1,458,140,071	1,653,889,054			

The 2026/2027 MTREF has been directly informed by the IDP revision process, and the table below provides a reconciliation between the IDP strategic objectives and capital expenditure.

Table 151: The Capital Expenditure is indicated below into the five (5) IDP Strategic Objectives:

Strategic Objective	MTDP Service Outcome	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
A GREEN CITY	To promote an environmental sustainable city with optimal benefits from our natural assets	27,902	43,636	8,545	54,174	28,785	28,785	77,203	90,241	115,212
A CONNECTED CITY	To maintain a world class logistics network	713,280	497,981	616,743	374,814	617,819	617,819	446,913	434,047	490,885
AN INNOVATIVE AND PRODUCTIVE CITY	To Enhance the Quality of life of the BCMM community with rapid and inclusive economic growth and falling unemployment	76,193	81,798	59,546	158,824	156,930	156,930	159,412	119,973	107,200
A SPATIALLY INTEGRATED /TRANSFORMED CITY	To develop and maintain world class infrastructure and utilities	329,070	339,221	418,659	432,212	517,814	517,814	545,748	682,716	826,043
A WELL GOVERNED CITY	Promote Sound financial and administrative capabilities	315,836	222,604	197,400	139,685	227,873	227,873	186,322	131,163	114,549
Allocations to other priorities										
Total Capital Expenditure		1,462,280	1,185,240	1,300,894	1,159,709	1,549,220	1,549,220	1,415,598	1,458,140	1,653,889

Table 152: The Operating Budget

The operating projects are R559,83 million in the 2026/2027 financial year, R461,94 million in the 2027/2028 financial year, and R447,58 million in the 2028/2029 financial year, respectively.

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
OPERATING PROJECTS BUDGET - PER PROGRAMME/PROJECT						
ANNEXURE A						
ACCOUNT DESCRIPTION	2026/2027 DRAFT OPEX BUDGET	2027/2028 DRAFT OPEX BUDGET	2028/2029 DRAFT OPEX BUDGET	PROGRAM FUND	WARD NO.	REGION
EXECUTIVE SUPPORT SERVICES						
WARD ALLOCATIONS	25,000,000	25,000,000	25,000,000	OWN FUNDS	ALL WARDS	
EXPANDED PUBLIC WORKS PROGRAMME (EPWP COUNTERFUNDING)	6,000,000	0	0	OWN FUNDS		
TOTAL OPERATING PROJECTS : EXECUTIVE SUPPORT SERVICES	31,000,000	25,000,000	25,000,000			
CITY MANAGER						
PROJ MANAG FUND EMPO -PROFESSIONAL STAFF	5,921,910	5,256,810	4,335,270	USDG	ALL WARDS	WHOLE OF METRO
PROJ MANAG FUND EMPO -PROFESSIONAL STAFF	15,000,000	15,000,000	15,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
MANAGEMENT AND IMPLEMENTATION OF THE SMART CITY STRATEGY	6,096,122	5,667,673	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EXPANDED PUBLIC WORKS PROGRAMME	4,024,000	0	0	EPWP	ALL WARDS	WHOLE OF METRO
EXPANDED PUBLIC WORKS PROGRAMME (COUNTERFUNDING)	5,500,000	6,000,000	7,650,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL OPERATING PROJECTS: CITY MANAGER'S OFFICE	36,542,032	31,924,483	26,985,270			
CORPORATE SERVICES						
INFRASTRUCTURE SKILLS DEVELOPMENT PROGRAMME	9,300,000	9,800,000	9,800,000	ISDG	ALL WARDS	WHOLE OF METRO
CHANGE & CULTURE MANAGEMENT	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM-MARKETING & COMMUNICATION	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CYBER SECURITY	10,000,000	10,000,000	10,000,000	OWN FUNDS		
TOTAL OPERATING PROJECTS : CORPORATE SERVICES	20,800,000	21,300,000	20,300,000			
SPATIAL PLANNING & DEVELOPMENT						
CADASTRAL SURVEY	400,000	440,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CADASTRAL SURVEY	2,000,000	2,000,000	2,000,000	ISUPG	ALL WARDS	WHOLE OF METRO
SURVEY & PLANNING	500,000	550,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
OPENING OF TOWNSHIP REGISTER: OTHER TOWNSHIPS	500,000	500,000	500,000	ISUPG	ALL WARDS	WHOLE OF METRO
FEASIBILITIES STUDIES/TOWNSHIP ESTABLISHMENT	800,000	880,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TRANSPORT PLANS	0	0	2,000,000	OWN FUNDS	ALL WARDS	MIDLAND
TOTAL OPERATING PROJECTS: SPATIAL PLANNING & DEVELOPMENT	4,200,000	4,370,000	4,500,000			
ECONOMIC DEVELOPMENT & AGENCIES						
AGRICULTURE & RURAL DEVELOPMENT SUPPORT PROGRAMME)	3,000,000	3,000,000	0	OWN FUNDS	22,26,31,32,33,36,39,40,51	WHOLE OF METRO
AQUAPONICS	1,000,000	1,000,000	0	OWN FUNDS	7	COASTAL
ART CENTRES OPERATIONS	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CREATIVE INDUSTRY RECOVERY SUPPORT PROGRAMMES	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DIPPING TANKS	3,000,000	3,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
FENCING ARABLE LANDS	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
FOOD SECURITY PROGRAMME	1,000,000	1,000,000	0	OWN FUNDS	22,26,31,32,33,36,39,40,50	WHOLE OF METRO
INVESTMENT PROMOTION	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
LEISURE TOURISM DEVELOPMENT - INLAND	500,000	500,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOURISM ROUTES DEVELOPMENT	1,000,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EQUIPMENT FOR LIVESTOCK	1,000,000	1,000,000	0	OWN FUNDS	40,38	INLAND
PIGGERY & POULTRY	1,000,000	1,000,000	0	OWN FUNDS	37	INLAND
PROCURE OF SMME AND CO-OP EQUIP & MACH	500,000	500,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PRODUCTION INPUTS (VEGETABLES & POULTRY)	500,000	500,000	0	OWN FUNDS	31,33,35,38,50	WHOLE OF METRO
URBAN AGRICULTURE	1,000,000	1,000,000	0	OWN FUNDS	31,33,35,38,50	WHOLE OF METRO
PRODUCTION INPUTS (VEGETABLES & POULTRY) -PROCUREMENT OF BROILERS	1,000,000	1,000,000	0	OWN FUNDS	31,33,35,38,50	WHOLE OF METRO

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
OPERATING PROJECTS BUDGET- PER PROGRAMME/PROJECT						
ANNEXURE A						
ACCOUNT DESCRIPTION	2026/2027 DRAFT OPEX BUDGET	2027/2028 DRAFT OPEX BUDGET	2028/2029 DRAFT OPEX BUDGET	PROGRAM FUND	WARD NO.	REGION
ECONOMIC DEVELOPMENT & AGENCIES						
YOUTH WORK READINESS & SKILLS DEVELOPMENT SUPPORT - TRAINING FOR YOUTH	500,000	500,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOURISM RECOVERY SUPPORT PROGRAMME	1,000,000	1,000,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
COMMUNITY TOURISM INFRASTRUCTURE SUPPORT PROGRAMME	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOURISM INFORMATION CENTRES OPERATIONS	1,000,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
SMME & CO-OPERATIVES	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOURISM DESTINATION MARKETING	1,000,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TRADE & INVESTMENT PROGRAMMES -EXPORT DEVELOPMENT	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CROPPING MACHINE	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ECONOMIC DEVELOPMENT STRATEGIES AND STRATEGIC PLANS	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
INVEST BUFFALO CITY	500,000	500,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
SPAZA SHOP TOWNSHIP DEVELOPMENT	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TEEN ENTREPRENEUR	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CIRCULAR ECONOMY (WASTE ECONOMY)	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
SCOOPING DAMS	1,500,000	1,500,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IRRIGATION SCHEMES	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
BUSINESS CENTRE OPERATIONS (3 CENTRES)	1,000,000	1,000,000	0	OWN FUNDS	42, 2, 35	WHOLE OF METRO
TRADE & INVESTMENT PROGRAMMES - INVEST BUFFALO CITY	1,500,000	1,500,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IHUB	1,000,000	1,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
						WHOLE OF METRO
REVITALISATION OF INDUSTRIAL AREAS	5,012,000	4,585,000	1,500,000	USDG	ALL WARDS	WHOLE OF METRO
HYDROPONICS AND PACKHOUSE PROJECT	5,728,000	4,585,000	1,500,000	USDG	ALL WARDS	
SERVICES SETA DISCRETIONARY GRANT-LEARNING PROGRAMMES	3,000,000	0	0	SETA		
TOTAL OPERATING PROJECTS: ECONOMIC DEVELOPMENT & AGENCIES	50,240,000	45,670,000	10,000,000			
DIRECTORATE OF FINANCE						
FINANCE MANAGEMENT GRANT PROGRAMME	1,085,000	1,285,000	1,500,000	FMG	ALL WARDS	WHOLE OF METRO
IMPLEMENT COST EFFECTIVE TARIFF STRUCTURE	1,500,000	0	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
INTERGRATED VOICE RESPONSE SYSTEM	4,800,000	5,300,000	5,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
GENERAL VALUATION	30,000,000	8,000,000	0	OWN FUNDS		
SOLAR DATA CLEANSING	5,000,000	5,000,000	5,000,000	OWN FUNDS		
OPERATIONS AND MAINTENANCE OF ENTERPRISE RESOURCE PLANNING SYSTEM						
ASSET MANAGEMENT	4,000,000	4,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL OPERATING PROJECTS: DIRECTORATE OF FINANCE	46,385,000	23,585,000	12,000,000			
PUBLIC SAFETY & EMERGENCY SERVICES						
REVIEWAL OF THE DM POLICY FRAMEWORK	200,000	0	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOPMENT OF DISASTER MANAGEMENT PLAN	200,000	1,000,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOPMENT OF DISASTER RELIEF POLICY	200,000	500,000	500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REVIEWAL OF FIRE BYLAWS	500,000	500,000	500,000	OWN FUNDS	ALL WARDS	
REVIEWAL OF PUBLIC SAFETY BY LAWS	0	500,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
INTERGRATED SAFETY PLAN	500,000	0	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EXPANDED PUBLIC WORKS PROGRAMME (EPWP COUNTERFUNDING)	1,000,000	2,500,000	3,000,000	OWN FUNDS		
TOTAL OPERATING PROJECTS: DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES	2,600,000	5,000,000	7,000,000			

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
OPERATING PROJECTS BUDGET - PER PROGRAMME/PROJECT						
ANNEXURE A						
ACCOUNT DESCRIPTION	2026/2027 DRAFT OPEX BUDGET	2027/2028 DRAFT OPEX BUDGET	2028/2029 DRAFT OPEX BUDGET	PROGRAM FUND	WARD NO.	REGION
HUMAN SETTLEMENTS						
C SECTION AND TRIANGULAR SITE	1,500,000	2,000,000	2,000,000	HSDG	2	COASTAL
CAMBRIDGE WEST - CNIP VICTIMS 275 UNITS	7,000,000	2,000,000	2,000,000	HSDG	4	COASTAL
GOOZO VILLAGE	5,000,000	10,000,000	10,000,000	HSDG	12	MIDLAND
CLUSTER 1 P5	2,000,000	0	0	HSDG	12,14,17	MIDLAND
CLUSTER 2 (CHRIS HANI 3; WINNIE MANDELA; DELUXOLO VILLAGE ; SISULU VILLAGE; FRANCIS MEI; MAHLANGU VILLAGE, MATHEMBA VUSO, GWENTSHE) P5 - 647 UNITS	5,000,000	10,000,000	10,000,000	HSDG	11,17,20,21,30,48	MIDLAND
CLUSTER 3	5,000,000	10,000,000	5,000,000	HSDG	11,17,20,21,30,48	MIDLAND
MDANTSANE ZONE 18CC - P5	20,000,000	8,000,000	11,000,000	HSDG	23	MIDLAND
PEELTON PHASE 2 800 UNITS	10,000,000	8,000,000	8,000,000	HSDG	43	INLAND
POTSDAM IKHWEZI BLOCK 1- P5	22,000,000	8,000,000	8,000,000	HSDG	22	MIDLAND
POTSDAM NORTH KANANA - P5	5,000,000	5,000,000	5,000,000	HSDG	24	MIDLAND
POTSDAM VILLAGE PHASE 1 & 2 - P5	34,000,000	8,000,000	8,000,000	HSDG	24	MIDLAND
REESTON PHASE 3 STAGE 2 P5	17,889,000	10,000,000	10,000,000	HSDG	13	COASTAL
REESTON PHASE 3 STAGE 3 P5	5,000,000	8,889,000	5,000,000	HSDG	13	COASTAL
HAVEN HILLS AND MEKENI DEFECTIVE UNITS	3,200,000	500,000	500,000	HSDG	10:1	COASTAL
PHASE 2 STORM DAMAGED HOUSES IN RURAL AREAS	3,000,000	5,000,000	5,000,000	HSDG	ALL RURAL AREAS	WHOLE OF METRO
ILITHA NORTH HOUSING PROJECT	11,000,000	2,000,000	2,000,000	HSDG	45	INLAND
HANOVER HOUSING PROJECT	5,000,000	10,000,000	10,000,000	HSDG	45	INLAND
SOCIAL FACILITATION	7,000,000	7,000,000	7,000,000	ISUPG	ALL WARDS	WHOLE OF METRO
BENEFICIARY VERIFICATION	1,500,000	1,500,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
MDANTSANE SHARING HOUSES	1,000,000	1,500,000	1,500,000	OWN FUNDS	11:12:13:14:17:20:21:22:23:24:30:42:48	MIDLAND
OPSCAP (OPERATIONAL CAPACITY)	4,500,000	4,500,000	4,500,000	ISUPG	ALL WARDS	WHOLE OF METRO
INFORMAL SETTLEMENTS STUDY REVIEW	1,500,000	1,500,000	1,500,000	ISUPG	ALL WARDS	WHOLE OF METRO
BENEFICIARY VERIFICATION	1,500,000	1,500,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REVIEWAL OF ISHSP (INTERGRATED SUSTAINABLE HUMAN SETTLEMENT PLAN)	1,000,000	1,000,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
SILVERTOWN	2,000,000	10,000,000	15,000,000	HSDG	11	MIDLAND
PIKINIKINI	2,300,000	10,000,000	10,000,000	HSDG	50	COASTAL
HS ACCREDITATION - (CAPACITY ENHANCEMENT)	8,000,000	1,000,000	1,000,000	HSDG	ALL WARDS	WHOLE OF METRO
HANI PARK - WATER	2,000,000	6,000,000	6,000,000	HSDG	11	MIDLAND
HLALANI - WATER	2,000,000	6,000,000	6,000,000	HSDG	11	MIDLAND
PHOLA PARK - WATER	2,000,000	6,000,000	6,000,000	HSDG	34	INLAND
EMPILSWENI - WATER	2,000,000	6,000,000	6,000,000	HSDG	20	MIDLAND
MATSHENI PARK - WATER	2,000,000	8,000,000	8,000,000	HSDG	29	COASTAL
KHAYELITSHA - WATER	3,000,000	6,000,000	6,000,000	HSDG	36	INLAND
EKUPHUMLENI - WATER	2,000,000	6,000,000	6,000,000	HSDG	42	MIDLAND
TOTAL OPERATING PROJECTS : HUMAN SETTLEMENTS	206,889,000	190,889,000	190,000,000			
INFRASTRUCTURE SERVICES						
DETAILED FEASIBILITY STUDY: WEST BANK AND WOODBROOK BATTERY STORAGE	4,800,000	0	0	PPPSG	ALL WARDS	
FEASIBILITY STUDY INCLUDING SIGNING OF A POWER PURCHASE AGREEMENT AND PPP FOR BCMM	6,171,000	0	0	PPPSG	ALL WARDS	
FEASIBILITY STUDY INCLUDING SIGNING OF A POWER PURCHASE AGREEMENT AND PPP FOR BCMM (PPPSG COUNTERFUNDING)	3,000,000	4,000,000	0	OWN FUNDS	ALL WARDS	
RURAL SANITATION BACKLOG	40,000,000	35,000,000	10,000,000	UDFG	31,32,33,35,36,37,38,39,40,43,49,50	WHOLE OF METRO
DEVELOPMENT OF WATER STUDIES	5,000,000	5,000,000	8,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
BCMM FLEET MANAGEMENT SYSTEM - LEASE	3,000,000	6,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
QUENERA	25,000,000	0	0	OWN FUNDS		
TOTAL OPERATING PROJECTS : INFRASTRUCTURE SERVICES	86,971,000	50,000,000	18,000,000			

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
OPERATING PROJECTS BUDGET- PER PROGRAMME/PROJECT						
ANNEXURE A						
ACCOUNT DESCRIPTION	2026/2027 DRAFT OPEX BUDGET	2027/2028 DRAFT OPEX BUDGET	2028/2029 DRAFT OPEX BUDGET	PROGRAM FUND	WARD NO.	REGION
SOLID WASTE TRADING SERVICES						
OPERATIONS & MAINTENANCE OF WASTE CELLS	3,000,000	2,000,000	5,000,000	OWN FUNDS	11,12,14,17,20,21,22,23,25,30,42,48	WHOLE OF METRO
WASTE MINIMISATION, RECYCLING, AWARENESS, SEPARATION & WASTE PROGRAMMES	1,000,000	1,000,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
WASTE CO-OPERATIVES PROGRAMM	6,000,000	6,000,000	18,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
OPERATION AND MANAGEMENT OF ROUNDHILL LANDFILL SITE	1,500,000	1,000,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ENVIRONMENTAL AND MONITORING OF ALL WASTE FACILITIES	1,000,000	1,000,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
MANAGEMENT AND OPERATIONS OF THE WEIGHBRIDGE SYSTEM FOR ALL WASTE FACILITIES	1,000,000	1,000,000	4,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IMPLEMENT SEPARATION OF WASTE AT SOURCE PROGRAMME	2,000,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IMPLEMENTATION OF A 2 SHIFT SYSTEM FOR REFUSE REMOVAL AND STREET SWEEPING (SUPERVISORS, DRIVERS & GENERAL WORKERS)	2,000,000	1,500,000	5,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IMPLEMENT RECYCLING PROJECTS INCLUDING THE ESTABLISHMENT OF BUY-BACK CENTRES, DROP OFF POINTS, TRANSFER STATIONS AND FORMALISATION OF WASTE PICKERS	2,000,000	1,500,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PRESIDENTIAL CLEANING AND GREENING PROJECT (COUNTERFUNDING PEP)	25,000,000	22,000,000	0	OWN FUNDS	ALL WARDS	WHOLE OF METRO
TOTAL OPERATING PROJECTS : SOLID WASTE TRADING SERVICES	44,500,000	38,000,000	46,000,000			
DIRECTORATE OF HEALTH & ENVIRONMENTAL MANAGEMENT						
CONDUCT BATHING WATER QUALITY SAMPLING AND TESTING PROGRAMME	1,500,000	1,500,000	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REVIEW EXISTING CLIMATE CHANGE STRATEGY	1,500,000	1,500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REVIEW COASTAL MANAGEMENT PLAN	1,000,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IMPLEMENT ESTUARY MANAGEMENT PLANS	1,000,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CO-ORDINATE ECO SYSTEM BASED PROGRAMME (WETLANDS RESTORATION & STREAM/RIVER MANAGEMENT PROGRAMME)	1,000,000	1,000,000	5,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REVIEW THE EXISTING INTEGRATED ENVIRONMENTAL MANAGEMENT PLAN (IEMP)	500,000	500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOPMENT OF A SAND DUNE AND BEACH MANAGEMENT PLAN	600,000	600,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ENVIRONMENTAL MANAGEMENT PROGRAMME	1,000,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
IMPLEMENT COASTAL PROTECTION AND WASTE MANAGEMENT PROJECTS	500,000	500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
LICENCING AND MONITORING OF EXISTING AND NEW BOAT LAUNCH SITES	1,000,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CLEARING OF INVASIVE PLANTS	500,000	500,000	5,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ENVIRONMENTAL IMPACT ASSESSMENT STUDIES	500,000	500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REVIEW OF AIR QUALITY MANAGEMENT PLAN	500,000	500,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOPMENT OF AIR QUALITY BY-LAWS	500,000	500,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
DEVELOP AND REVIEW ENVIRONMENTAL BYLAWS	1,000,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
VECTOR AND WEED CONTROL EQUIPMENT AND CHEMICALS	700,000	700,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
HEALTH AND HYGIENE EDUCATION AND AWARENESS	500,000	500,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EXPANDED PUBLIC WORKS PROGRAMME	2,000,000	2,000,000	5,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EXPANDED PUBLIC WORKS PROGRAMME(GRASS CUTTING AND VEGETATION	2,000,000	2,000,000	5,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
REVIEW OF MUNICIPAL HEALTH SERVICE PLAN	700,000	700,000	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
COAST PROGRAMME	700,000	700,000	2,000,000	OWN FUNDS	28,29,18,46,31,31	COASTAL WARDS
TOTAL OPERATING PROJECTS : DIRECTORATE OFHEALTH & ENVIRONMENTAL MANAGEMENT	19,200,000	19,200,000	50,500,000			

PROPOSED DRAFT 2026/2027 MTREF BUDGET						
OPERATING PROJECTS BUDGET- PER PROGRAMME/PROJECT						
ANNEXURE A						
ACCOUNT DESCRIPTION	2026/2027 DRAFT OPEX BUDGET	2027/2028 DRAFT OPEX BUDGET	2028/2029 DRAFT OPEX BUDGET	PROGRAM FUND	WARD NO.	REGION
DIRECTORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT						
CITY BEAUTIFICATION AND LANDSCAPING	5,000,000	3,000,000	10,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
FEASIBILITY STUDIES FOR DIRECTORATE	3,000,000	1,500,000	7,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
COMMEMORATION OF NATIONAL DAYS	1,000,000	1,000,000	1,500,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
GEOGRAPHICAL NAME CHANGE PROGRAM	500,000	500,000	800,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
EXHUMATION,REPATRIACHION AND REBURIAL	1,000,000	1,000,000	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
PROJECT PARTICIPANTS	0	0	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
CLEARING INVASIVE PLANT	0	0	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
COMMUNITY DEVELOPMENT PROJECT	0	0	3,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
RECREATIONAL FACILITIES PROGRAMMES	0	0	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
BEAUTIFICATION OF HERITAGE SITES	0	0	1,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
OPERATIONS MAINTENANCE OF RESORTS	0	0	2,000,000	OWN FUNDS	ALL WARDS	WHOLE OF METRO
ZOO COLLECTION PLAN-PURCHASE OF ANIMALS	0	0	4,000,000	OWN FUNDS	47	WHOLE OF METRO
TOTAL OPERATING PROJECTS : SPORT , RECREATION & COMMUNITY DEVELOPMENT	10,500,000	7,000,000	37,300,000			
TOTAL OPERATING PROJECTS	559,827,031	461,938,483	447,585,270			

SECTION G: BCMM TRADING SERVICES REFORM PROGRAMME (MTSRP)

BUFFALO CITY METROPOLITAN MUNICIPALITY

TRADING SERVICES REFORM PROGRAMME

STATUS REPORT ON COUNCIL COMMITMENTS

Minimum Commitments M1 – M8

Council Report

March 2026

Reporting Period: July 2025 – March 2026

Deadline for Compliance: 30 June 2026

1. Introduction

This report presents the status of implementation against the eight minimum commitments (M1–M8) adopted by the Council of Buffalo City Metropolitan Municipality as a condition of participation in the National Treasury Trading Services Reform Incentive Programme under the Urban Settlements Development Grant.

The Council resolution, approved in the previous financial year, committed BCMM to achieving full implementation of all eight minimum commitments by 30 June 2026. This report covers the period July 2025 to March 2026, with approximately three months remaining before the compliance deadline.

Each commitment is assessed using a RAG (Red–Amber–Green) status rating and includes a detailed deliverable tracker showing the status of each evidence item required by the National Treasury programme. The Year 0 (Y0) commitments, comprising Council resolutions, have all been completed. The focus of this report is on the Year 1 (Y1) implementation deliverables.

2. Executive Summary

With three months remaining before the 30 June 2026 deadline, the overall status of the Trading Services Reform Programme requires urgent attention from Council. All Year 0 Council commitment resolutions have been completed. The summary position on Year 1 implementation is as follows:

Ref	Commitment	Overall Status	Target for Council Approval	Due Date
M1	Service Compact	On Track	Apr 2026	30 Jun 2026
M2	SPoMA Appointment	Behind Schedule	May 2026	30 Jun 2026
M3	Organisational Structure	At Risk	May 2026	30 Jun 2026
M4	Delegations	At Risk	May 2026	30 Jun 2026
M5	Financial Model and Business & Investment Plan	On Track	May 2026	30 Jun 2026
M6	Budget Support of Trading Service Business & Investment Plan	Behind Schedule	May 2026	30 Jun 2026
M7	Financial Transparency (Separate AFS)	On Track	Aug 2026	30 Sep 2026
M8	Change Management and Capacity Building	At Risk	May 2026	30 Jun 2026

Legend: **Green** = On Track | **Amber** = At Risk | **Red** = Behind Schedule

Overall Assessment: Two commitments (M2, M6) are Behind Schedule, three (M3, M4, M8) are At Risk, and three (M1, M5, M7) remain On Track. SPoMA appointment (M2) pose a cascading risk to meeting the June 2026 deadline and continued access to the incentive grant.

Council is advised that immediate intervention is required, particularly in respect of the SPoMA recruitment process (M2) where approval of the Macro Structure is required before the position can be advertised.

3. Detailed Status per Commitment

• 3.1. M1: Service Compact

Overall Status:	On Track

Council Commitment: *Develop and implement a Service Compact between the Municipality and the W&S and E&E Business Units, clarifying roles, responsibilities, and accountabilities.*

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
1	Council Commitment to Service Compact	Council resolution commitment	Completed	Jun 2025
2	Council approval of Service Compact	Copy of Council approved Service Compact	In Progress	Apr 2026
3	Council approval of Service Compact	Evidence of Council approval	In Progress	Apr 2026

Progress to Date:

Development of the Service Compact for both W&S and E&E trading services is in progress, with the target for Council approval set for April 2026. Draft Service Compacts have been developed with National Treasury guidance, submitted for comment and stakeholder engagements are ongoing.

Key Issues and Risks:

Any delay in tabling the item for Council approval will require special intervention to obtain approval.

Required Actions:

1. Finalise the draft Service Compacts for both W&S and E&E.
2. Complete remaining stakeholder engagements within March 2026.

3. Table the Service Compact for Council approval at the April 2026 Council sitting.
4. Process any required policy amendments in parallel.

- **3.2. M2: SPoMA Appointment**

Overall Status:	Behind Schedule

Council Commitment: *Appoint Heads of the W&S and E&E Business Units through a formal recruitment process, with performance contracts focused on reform targets.*

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
1	Commitment to appointment as outlined	Council commitment resolution	Completed	Jun 2025
2	New appointee in place	SPoMA Job Description	In Progress	May 2026
3	New appointee in place	SPoMA appointee profile and qualifications	In Progress	May 2026
4	New appointee in place	SPoMA performance contract	Not Started	May 2026
5	New appointee in place	Letter of appointment	Not Started	Jun 2026

Progress to Date:

The Year 0 Council commitment was completed in June 2025. Draft SPoMA job specifications and the recruitment advertisement have been prepared for both the W&S and E&E Business Units. The macro-organisational structure — a prerequisite for placement of the advertisement — has been developed and consultation in progress. Subject to approval of the macro structure, the recruitment process can proceed to advertisement, shortlisting, interviews, and appointment. The performance contract and formal letter of appointment have not yet been developed.

Key Issues and Risks:

This commitment is at high risk of not being met, and the sequential nature of this commitment leaves very little margin for delay. The recruitment process alone typically requires 2–3 months, placing the June 2026 letter of appointment deadline at significant risk.

Required Actions:

1. Finalise SPoMA job descriptions by end of March 2026.

2. Initiate formal open recruitment process immediately.
3. Develop performance contract templates in parallel with recruitment.

- **3.3. M3: Organisational Structure**

Overall Status:	At Risk

Council Commitment: *Approve a organisational structure incorporating all value chain components and support services for both Business Units.*

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
1	Council Commitment to revising and approving org structure	Council commitment resolution	Completed	Jun 2025
2	Council approves org structure as required	Copy of approved Organisational Structure	In Progress	Apr 2026
3	Council approves org structure as required	Evidence of approval by Council or City Manager	In Progress	May 2026

Progress to Date:

The draft organisational structure document is being prepared for Council submission, with the target for Council approval being April 2026.

Key Issues and Risks:

The organisational structure approval target of April 2026 is one month away, with the design still in progress.

Required Actions:

1. Complete stakeholder engagements within March 2026.
2. Finalise internal approval process and prepare the Council submission for organisational structure approval at the April 2026 Council sitting.

- **3.4. M4: Delegations**

Overall Status:	At Risk

Council Commitment: Finalise delegations of operational, financial, and management authority to the Business Unit Heads.

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
15	Council commitment to delegations	Council commitment resolution	Completed	Jun 2025
16	Delegations in place	Copy of approved Delegations Document	In Progress	Apr 2026
17	Delegations in place	Evidence of approval by Council delegation	Not Started	Apr 2026

Progress to Date:

A draft delegations document is in progress with a target of April 2026.

Key Issues and Risks:

The draft delegations document is currently under internal review. The complexity of disaggregating supply chain, HR, revenue, IT, fleet, and safety delegations from centralised municipal control poses significant design challenges that may not be resolved within the remaining timeframe. There may also be need to review and update the delegations post-June 2026.

Required Actions:

1. Complete the delegations document internal approval as a priority.
2. Prepare the Council approval submission in parallel.
3. Engage with affected departments on the delegation framework.

• **3.5. M5: Financial Model and Business & Investment Plan**

Overall Status:	On Track

Council Commitment: Develop a multi-year utility financial model and use it to generate Business & Investment Plans for both trading services.

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
19	Council commitment to production and approval of BIP	Council commitment resolution	Completed	Jun 2025

#	Deliverable	Evidence Required	Status	Target Date
20	Council approves turnaround and reform business plan and budget	Copy of council approved BIP	In Progress	Mar 2026
21	Council approves turnaround and reform business plan and budget	Evidence of Council approval	Not Started	May 2026
22	Council approves turnaround and reform business plan and budget	CSP advisory letter to CM	Not Started	Jun 2026

Progress to Date:

The Business & Investment Plan development is in progress with a target for Council-approved BIP by March 2026. Multi-year financial models for both W&S and E&E have been developed and are undergoing validation. However, the formal Council approval process and the CSP advisory letter to the City Manager have not yet been initiated.

Key Issues and Risks:

The alignment of the MTREF budget with the draft Business & Investment Plan is still in progress and remains dependent on the finalisation and Council approval of the BIP. Identified funding gaps across certain reform and investment strategies may delay both finalisation and Council approval. The CSP advisory letter, targeted for June 2026, is contingent on completion of the full BIP approval and budget-alignment process.

Required Actions:

1. Table the BIP for Council approval at the March 2026 sitting.
2. Initiate the CSP advisory letter process in parallel.
3. Ensure alignment with the 2026/27 MTREF budget process (M6).

• 3.6. M6: Budget Support of Trading Service Business & Investment Plan

Overall Status:	Behind Schedule

Council Commitment: Ensure the 2026/27 MTREF budget accommodates, supports, and funds the Business & Investment Plans of both trading services.

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
1	Council commitment to budget and funding implications	Council commitment resolution	Completed	Jun 2025
2	Council budget for trading services in place	Report approved by City Manager in support of BIP	Not Started	Jun 2026
3	Council budget for trading services in place	LGBA advisory letter to CM	Not Started	Jun 2026

Progress to Date:

Budget alignment activities remain dependent on the finalisation and Council approval of the Business & Investment Plan under M5.

Key Issues and Risks:

Due to municipal funding shortfalls, the MTREF budget may not align with the BIP, especially as losses in electricity and energy and performance improvement spending are unfunded for years 1–3. The municipality faces revenue pressure from high indigent ratios, electricity losses, and non-revenue water, which could hinder full budget support for Business & Investment Plans.

Required Actions:

1. Convene a dedicated budget workshop to begin aligning the MTREF with the draft BIP.
2. Prepare the City Manager's report framework in advance.
3. Engage LGBA on the advisory letter requirements.
4. Identify and secure additional funding sources (grants, loans, operational surpluses).

• 3.7. M7: Financial Transparency (Separate AFS)

Overall Status:	On Track

Council Commitment: Produce fully separate Annual Financial Statements per trading service aligned to the NT MFMA Circular template.

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
31	Council Commitment to preparation of Trading Services AFS separately	Council commitment resolution	Completed	Jun 2025
32	Separate TS AFS, flows and balances statement, and annual report	Annual Financial Statements	Not Started	Sep 2026
33	Separate TS AFS, flows and balances statement, and annual report	Flows & Balances Statement	Not Started	Sep 2026
34	Separate TS AFS, flows and balances statement, and annual report	Annual Report	Not Started	Sep 2026

Progress to Date:

The target date is September 2026, which provides a longer runway than other commitments. Significant progress has been made to date including the preparation of draft interim financial statements for all three trading services based on the National Treasury specimen financial statements.

Key Issues and Risks:

While the September 2026 target date allows more time, accounting of all transactions at a ringfenced business unit level remain complex, requiring preparatory work to start well in advance. Establishing mSCOA-compliant accounts for each Business Unit is a prerequisite. The municipality will need to build capacity or secure external support to sustain separate AFS preparation annually.

Required Actions:

1. Commence the trial balance separation and cost allocation exercise immediately.
2. Begin populating the specimen AFS templates from the MFMA Circular of July 2024.
3. Identify capacity requirements for separate AFS preparation and secure necessary support.
4. Set interim milestones for June 2026 to ensure September deadline is achievable.

- 3.8. M8: Change Management and Capacity Building

Overall Status:	At Risk

Council Commitment: *Establish additional capacity to support organisational transformation and increased infrastructure investment delivery.*

Deliverable Tracker:

#	Deliverable	Evidence Required	Status	Target Date
38	Council Commitment to additional capacity in place	Council commitment resolution	Completed	Jun 2026
39	Effective change management and implementation support	Change Management Plan approved by CM & SPoMA	In Progress	May 2026
40	Effective change management and implementation support	CSP advisory letter to CM	In Progress	—

Progress to Date:

Development of the Change Management Plan is in progress, targeting approval by the City Manager and SPoMA by May 2026. The submission process for the CSP advisory letter to National Treasury has been initiated.

Key Issues and Risks:

The SPoMA appointment remains a critical dependency, as approval of the Change Management Plan requires joint sign-off by the City Manager and SPoMA.

Required Actions:

1. Confirm secondment requirements and finalise draft SLAs with service departments.
2. Design and resource targeted change management and implementation support interventions to support the reform programme and expanded capex delivery.

4. Recommendations to Council

In light of the status assessment and the limited remaining timeframe, the following recommendations are submitted for Council consideration:

- That Council notes the status of implementation against the eight minimum commitments as set out in this report, including that all Year 0 Council resolutions have been completed, while several Year 1 implementation deliverables remain at risk.

- That Council notes with concern that two commitments (M2: SPoMA Appointment and M6: Budget Support) are Behind Schedule, and three commitments (M3: Organisational Structure, M4: Delegations, and M8: Change Management and Capacity Building) are At Risk, with three months remaining before the June 2026 compliance deadline.
- That Council directs the City Manager to prioritise the SPoMA recruitment process (M2) as a matter of urgency, including securing approval of the macro-organisational structure, placing the recruitment advertisement without delay, and progressing the recruitment process in parallel with the development of performance contract templates.
- That Council directs the City Manager to ensure that the Service Compact (M1), Organisational Structure (M3), and Delegations (M4) submissions are finalised and tabled for consideration at the April 2026 Council sitting.
- That Council approves the convening of a dedicated budget workshop to initiate alignment of the 2026/27 MTREF with the Business & Investment Plans (M6), using the draft BIP where necessary, in order to mitigate further delay.
- That Council notes that failure to achieve all minimum commitments by the specified deadlines will result in exclusion from the National Treasury performance-based incentive grant programme under the Urban Settlements Development Grant.
- That Council directs the establishment of a weekly progress-monitoring mechanism, reporting to the Executive Mayor and City Manager, to track delivery against remaining milestones and National Treasury evidence requirements.

5. Conclusion

All Year 0 Council resolutions have been completed; however, Year 1 implementation remains uneven, placing the municipality at risk of missing the June 2026 compliance deadline. Delays in SPoMA appointment, Service Compact, and Organisational Structure approvals have cascading impacts across the programme. April 2026 Council approvals are critical to secure compliance and continued access to the incentive grant.

SECTION H: BCMM OPERATIONAL PLAN

1. BUFFALO CITY METRO: POLITICAL STRUCTURE

The Section 12 Notice published by the Member of the Executive Council for Local Government & Traditional Affairs determined that BCMM, in terms of Section 9(d) of the MSA (1998), would adopt an Executive Mayoral System combined with a Ward Participatory System.

BCMM has 100 Councillors: 50 elected under the system of proportional representation and 50 representing wards. A total of 51 Councillors is required to constitute a quorum for meetings. The first Council Meeting elected the Executive Mayor, Deputy Mayor, Council Speaker, and Chief Whip. The Executive Mayor leads a nine-member Mayoral Committee.

BCMM 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 comprises two distinct functions: the Legislative function and the Executive function. These are supported by an administration that focuses on governance and service delivery.

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

1.1 Ward Committees

Local Government elections were held on 1 November 2021, establishing new ward boundaries and ushering in new Ward Councillors. Ward Committees are established in terms of Sections 72-78 of the Municipal Structures Act for the 50 wards.

Ward Committees are chaired by the Ward Councillors and consist of ten elected members. These committees are consultative community structures aimed at broadening participation in the democratic process of the Council. They assist the Ward Councillor in organising consultations, disseminating information, and encouraging participation from residents in the ward.

1.2 Committees of Council

In pursuit of promoting public accountability and broadening public participation, the City demonstrated a strong commitment to community-centred participatory approaches in municipal management. Extensive involvement of communities in municipal planning, facilitated through established institutional arrangements, highlighted the City's dedication to promoting public accountability. In this regard, significant strides were made in engaging communities through various governance structures at both the Executive and Legislative components of Council.

This fosters active participation from communities in the development of their areas and ensures that the Municipality remains accountable to the public. Among other initiatives, the following outlines the efforts undertaken to express and demonstrate the Municipality's commitment to providing the community with information regarding issues of municipal governance, management, and development.

Table 116: BCMM Council structure

The BCMM Council meets monthly at the East London City Hall, in accordance with the approved Institutional Calendar, and also holds special meetings from time to time. The Council has a total of 100 seats, with 51 Councillors required to constitute a quorum for meetings. The Council is constituted as follows:

- i. The Executive Mayor, Councillor P. Faku
- ii. The Deputy Executive Mayor, Vacant
- iii. The Speaker, Councillor H. M. Maxegwana
The Chief Whip of Council, Councillor S. Matwele

MEMBERS OF THE MAYORAL COMMITTEE

- i. The Executive Mayor – Councillor P. Faku
- ii. Spatial Planning: Cllr Zininzi Mtyingizane
- iii. Human Settlements: Cllr Sakhumzi Caga
- iv. Public Safety and Emergency Services: Cllr Noma-Afrika Maxongo
- v. Local Economic Development Agencies: Cllr Amanda Mnyute
- vi. Sport, Recreation and Community Development: Cllr Amanda Ralasi
- vii. Corporate Services: Cllr Bongiwé Sauli
- viii. Finance: Cllr Yomelela Tyali
- ix. Infrastructure and Energy: Cllr Malibongwe Mfazwe
- x. Water and Sanitation: Cllr Mninawe Nyusile
- xi. Solid Waste and Environment: Cllr Clara Morolong-Yekiso

PORTFOLIO COMMITTEES

- i. Corporate Services Portfolio Committee
- ii. Economic Development & Agencies Portfolio Committee
- iii. Finance Portfolio Committee
- iv. Human Settlements Portfolio Committee
- v. Infrastructure Services Portfolio Committee
- vi. Public Safety and Emergency Services Portfolio Committee
- vii. Solid Waste and Environmental Management Portfolio Committee
- viii. Spatial Planning and Development Portfolio Committee
- ix. Sports, Recreation and Community Development Portfolio Committee
- x. Strategic Development Portfolio Committee

OTHER COUNCIL COMMITTEES

- i. Ethics Committee
- ii. Petitions Committee
- iii. Rules Committee
- iv. Social Facilitation Committee
- v. Women's Caucus Committee

- vi. Municipal Public Accounts Committee (MPAC)
- vii. Multi-Party Committee
- viii. Audit Committee
- ix. Risk Management Committee

The City has several oversight committees in place, which are responsible for ensuring good governance.

The Audit Committee consists of external members who are skilled experts from various fields, including accounting, law, information technology, and performance management. This committee is tasked with providing independent insight into the governance, operations, financial management, risk management, and 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 and policy, along with a fraud-prevention strategy and plan. It also monitors the implementation of these strategies.

The alignment of the political and administrative structure is as follows:

2. BUFFALO CITY METRO: ADMINISTRATIVE STRUCTURE

2.1 The Macro-Structure of Buffalo City Metropolitan Municipality

The BCMM implements its IDP with the approved metro administrative structure, headed by the City Manager.

Top Management of the Municipality consists of the City Manager and 11 HoDs, who are stationed at the Trust Centre Building, located at the corner of North and Oxford Streets in the East London CBD. The City Manager is the Administrative Head and Accounting Officer of the Municipality, reporting directly to the Executive Mayor. The role of the City Manager is defined in legislation, including the Municipal Structures Act, No. 117 of 1998, MSA 32 of 2000, and MFMA 56 of 2003.

Council has recently approved the disestablishment of the Directorate of Municipal Services and the consequent establishment of two new Directorates: Solid Waste & Environmental Management and Sport, Recreation & Community Development. The administrative structure comprises the following Directorates:

- City Manager's Office – (Filled);
- Directorate: Executive Support Services – (Filled);
- Directorate: Corporate Services – (Filled);
- Directorate: Economic Development and Agencies – (Filled);
- Directorate: Infrastructure Services – (Vacant);
- Directorate: Solid Waste and Environmental Management – (Filled);
- Directorate: Sport, Recreation and Community Development – (Filled);
- Directorate: Health, Public Safety and Emergency Services – (Filled);
- Directorate: Finance – (Filled);
- Directorate: Spatial Planning and Development – (Vacant); and
- Directorate: Human Settlements – (Filled).

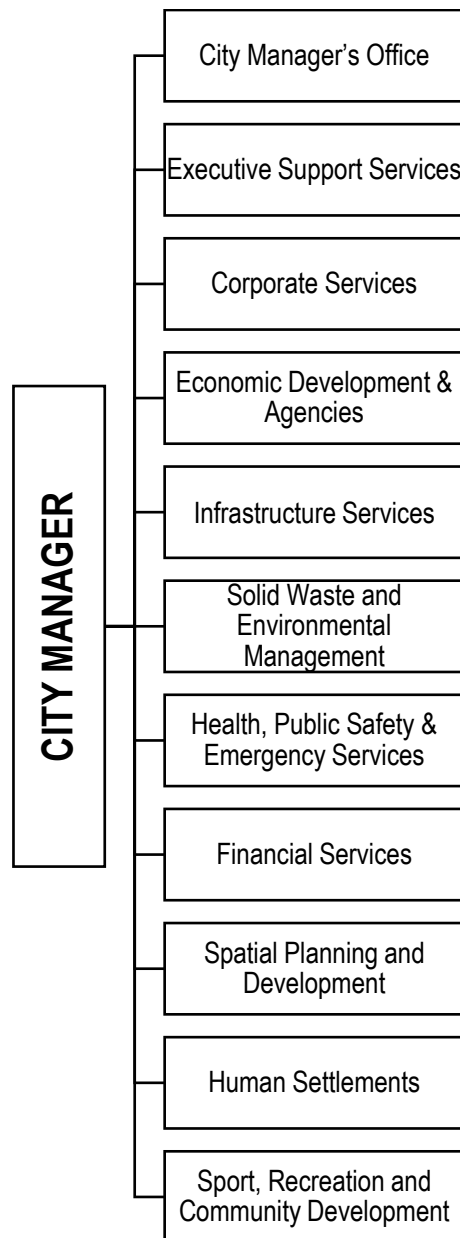


Figure 110: BCMM Administrative Structure

Following the strategic engagements at the Mayoral Lekgotla and the Council Lekgotla held in 2017, along with the Diagnostic Assessment conducted by the GTAC, the City Manager has appointed a Project Team to lead the Institutional Review of BCMM's functions and align the organisational structure accordingly. This initiative supports BCMM in institutionalising and implementing its 2030 MGDS. The strategy outlines the City's economic growth and development path up to 2030, with the vision of becoming "a well-governed, green, connected, innovative and productive city".

2.2 Occupational Health and Safety

BCMM has an OHS Policy that mandates the Municipality to provide and maintain facilities that protect employees from injury and health risks associated with the use or operation of those facilities. The City Council provides oversight to ensure full compliance with the policy, all relevant statutory health and safety requirements, and the maintenance of good relationships with health and safety service providers.

The policy's objectives must be accepted by every Municipal employee, regardless of their capacity or function. Managers and Supervisors, due to their proximity to their subordinates, play a key role in ensuring compliance with the Health and Safety Programme. A Safety Committee is in place, along with Safety Representatives, and they meet once a month to discuss safety issues within the departments of BCMM. Workplace safety inspections are conducted periodically. The institution also offers employee wellness programmes, psychosocial counselling services, healthy living lifestyle campaigns, and sports wellness programmes.

2.3 Strategies/Plans Developed in line with Relevant Legislation

Departmental strategies have been developed with clear time frames that align with planning within the institution. Included in these strategies is the Annual Events Calendar, which addresses specific details pertaining to the IDP process plan, such as the scheduling of Council, Mayoral Committee, and Portfolio Committee meetings to avoid event clashes.

2.4 Scarce Skills

There are no critical or scarce skills reported from the recruitment process. Current scarce skills allowances are paid based on those identified previously and on periodic reviews.

2.5 Vacancy Rate

Table 117: Staff Vacancy Rate per directorate, April 2024

Staff Vacancy Rate per directorate as at April 2024			
Directorate	Staff Complement	Vacant Posts	Vacancy Rate
EXECUTIVE SUPPORT SERVICES	149	55	37%
CITY MANAGER	80	22	28%
CORPORATE SERVICES	193	25	13%
SPATIAL AND DEVELOPMENT PLANNING	158	37	23%
ECONOMIC DEVELOPMENT AND AGENCIES	76	7	9%
CHIEF FINANCIAL OFFICER	619	81	13%
PUBLIC SAFETY & EMERGENCY SERVICES	831	96	12%
HUMAN SETTLEMENTS	64	5	8%
INFRASTRUCTURE SERVICES	1 150	208	18%
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	1 025	193	19%
SPORTS, RECREATION & COMMUNITY DEVELOPMENT	791	144	18%

Table 118: Staff Vacancy Rate per designation, BCMM 2022/23 Annual Report

Staff Vacancy Rate per designation			
Designation	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a portion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	100%
CFO	1	0	0%
S57 - HODs	9	1	11,11%
Other Senior Managers (excl. Finance Posts T16 & above)	104	15	14,42%
Other Senior Managers (Finance posts T16 & above)	18	4	22,22%
Police Officers	185	14	7,57%
Firefighters	131	10	7,63%
Senior management: Levels 13-15 (excluding Finance Posts) ex 3005-3071	143	24	16,78%
Senior management: Levels 13-15 (Finance posts)	22	2	9,09%

Staff Vacancy Rate per designation			
Designation	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a portion of total posts in each category)
	No.	No.	%
Highly skilled supervision: Levels 9-12 (excluding Finance posts)	687	84	12,23%
Highly skilled supervision: Levels 9-12 (Finance posts)	88	5	5,68%
Total	1 389	160	11,51%

The table above presents a more detailed breakdown of the number of filled posts and vacancies across various skill levels.

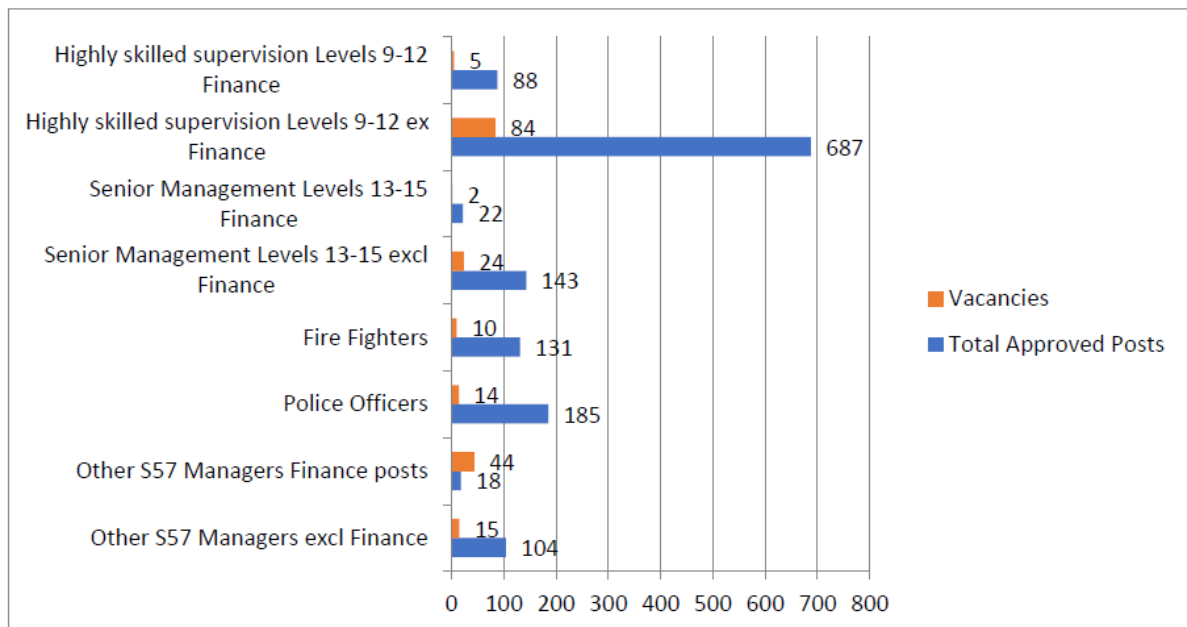


Figure 111: Vacancies, BCMM 2022/23 Annual Report

Table 119: Turnover Rate, BCMM 2022/2023 Annual Report

Details	Staff establishment as at the end of Financial Year	Terminations during the Financial Year	Turn-over Rate*
2020/21	5 552	276	5%
2021/22	5 404	275	5%
2022/23	5 252	243	5%

Comment on Vacancies and Turnover:

BCMM has an approved staff complement of 5 252, with 614 of these positions currently vacant and funded. We are actively advertising these vacancies.

In the fiscal year ending June 2023, a total of 127 posts were filled. Additionally, there were 243 terminations, broken down as follows:

▪ Contract Expiry	– 1
▪ Deceased	– 41
▪ Dismissals	– 15
▪ Medical Boarding	– 9
▪ Resignations	– 52
▪ Retirements	– 125
▪ Appointments	– 127

2.6 Staff Complement per Directorate

The overall BCMM staff complement per directorate, including vacant funded positions, is presented below.

2.6.1 Chief Operations Officer

This office consists of the following departments/divisions, all of which reside under the Chief Operations Officer:

- Governance and Internal Auditing
- Chief Operating Office
- Risk Management
- Information, Technology & Support
- Legal Services and Municipal Court
- Enterprise Project Management Unit
- Enterprise Security Management
- Regional Services
- Compliance
- Strategy & Transformation
- Information, Knowledge Management, Research and Policy
- Expanded Public Works Programme.
- Operations Manager

The figure below details the organogram of the Chief Operations Officer up to Management level.

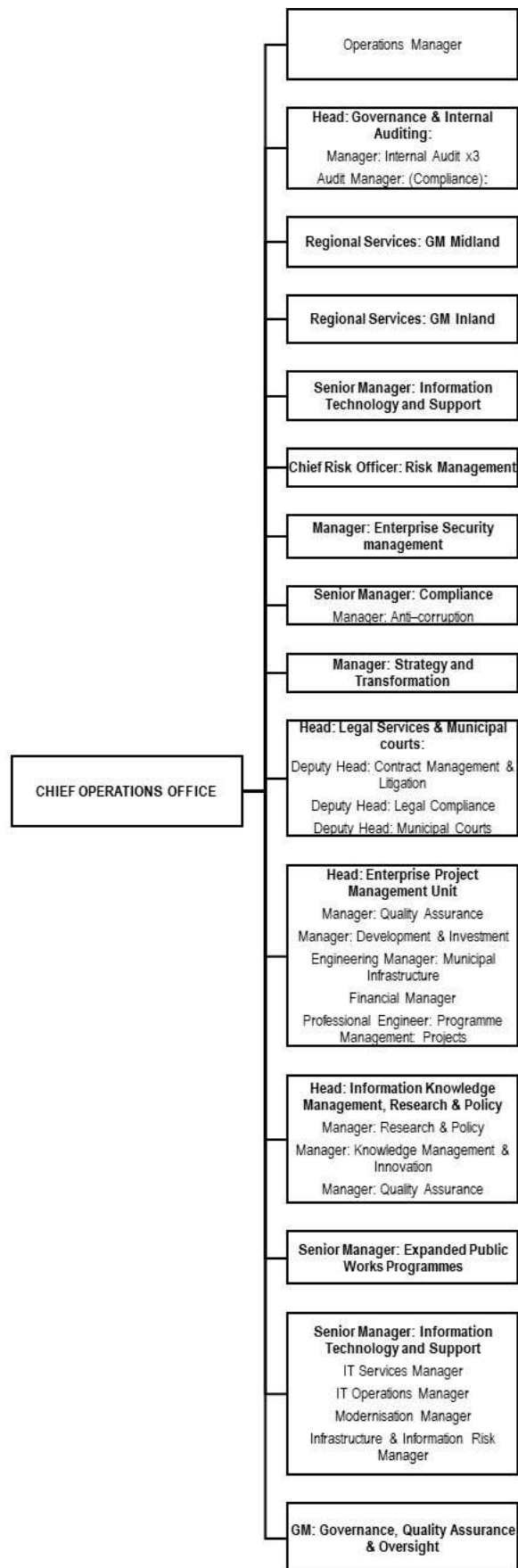


Figure 112: Organogram - Chief Operations Officer

2.6.2 Directorate: Executive Support Services

The Directorate of Executive Support Services consists of the following departments, namely:

- Special Programmes;
- IDP, BI, GIS, Performance Management, and IEMP & Sustainable Development;
- Communication & Marketing, International and Intergovernmental Relations;
- Political Office Administration: Office of Executive Mayor & Deputy Executive Mayor;
- Political Office Administration: Office of Speaker & Chief Whip; and
- Monitoring and Evaluation.

The figure below details the organogram of the Directorate of Executive Support Services up to Management level.

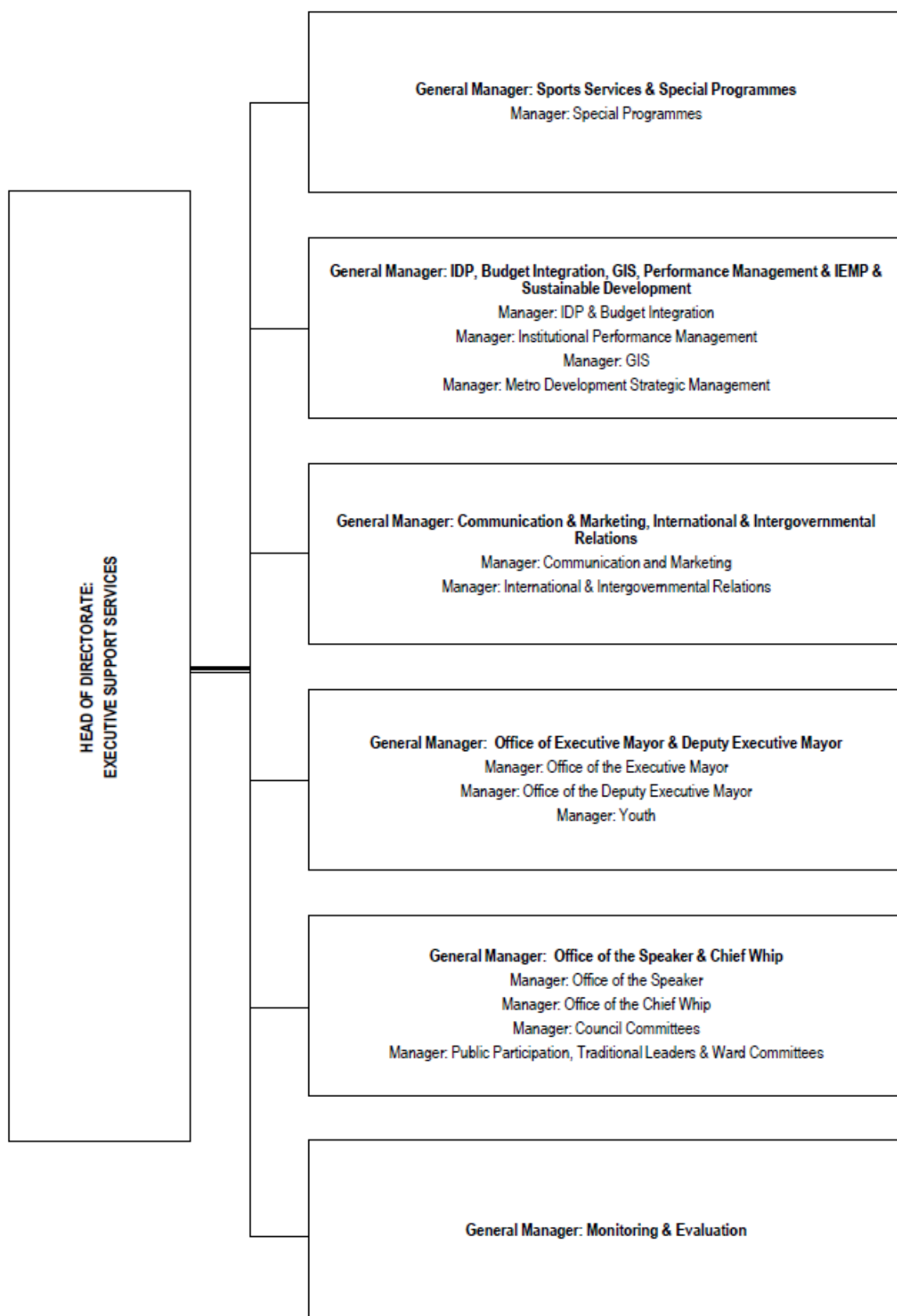


Figure 113: Organogram – Executive Support Services

2.6.3 Directorate: Corporate Services

The Directorate of Corporate Services consists of the following departments, namely:

- Human Resources Management;
- Human Resource Performance and Development; and
- Corporate Support Services.

The figure below details the organogram of the Directorate of Corporate Services up to Management level.

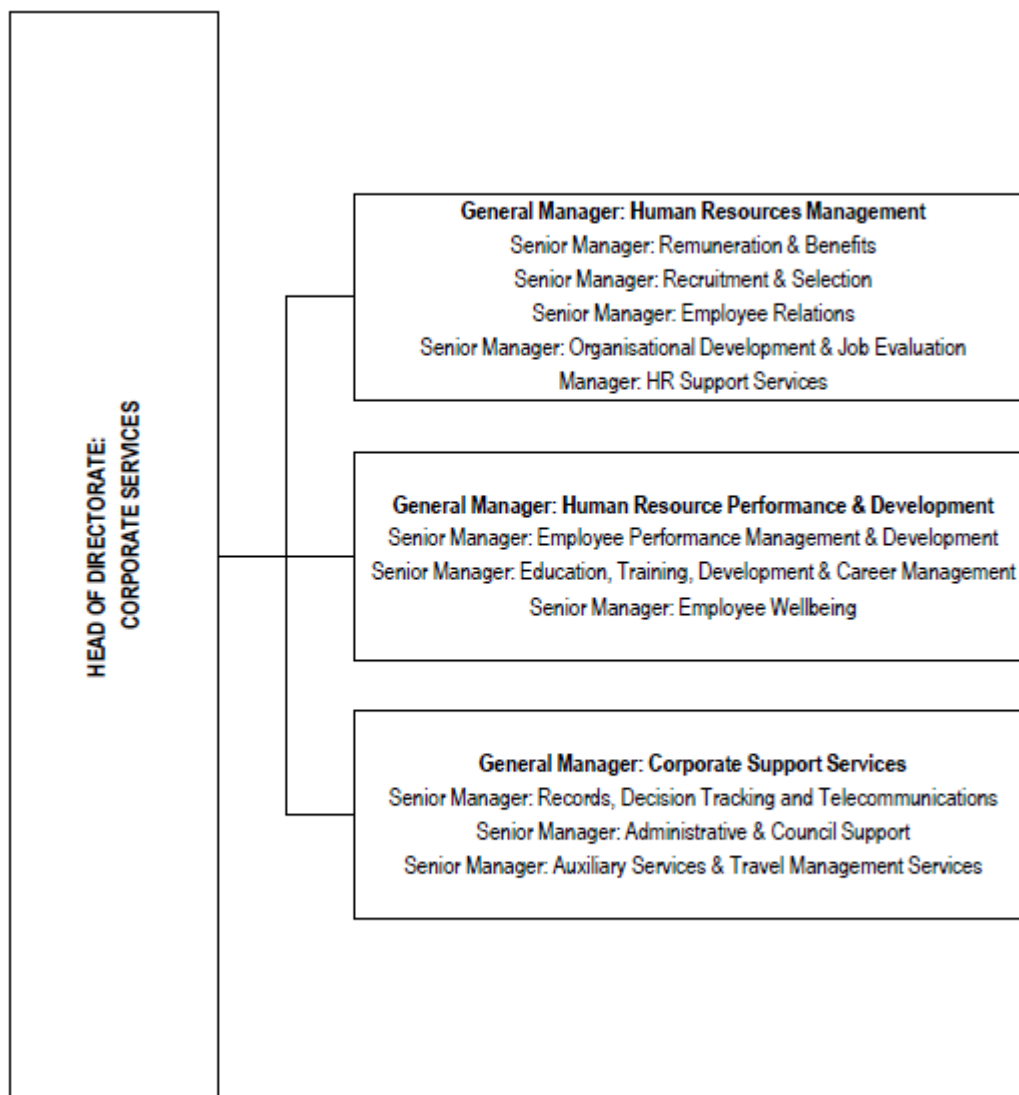


Figure 114: Organogram – Corporate Services

2.6.4 Directorate: Spatial Planning and Development

The Directorate of Spatial Planning and Development consists of the following departments, namely:

- Development Planning;
- Property Management;
- Urban and Rural Regeneration; and
- Transport Planning & Operations.

The figure below details the organogram of the Directorate of Spatial Planning and Development up to Management level.

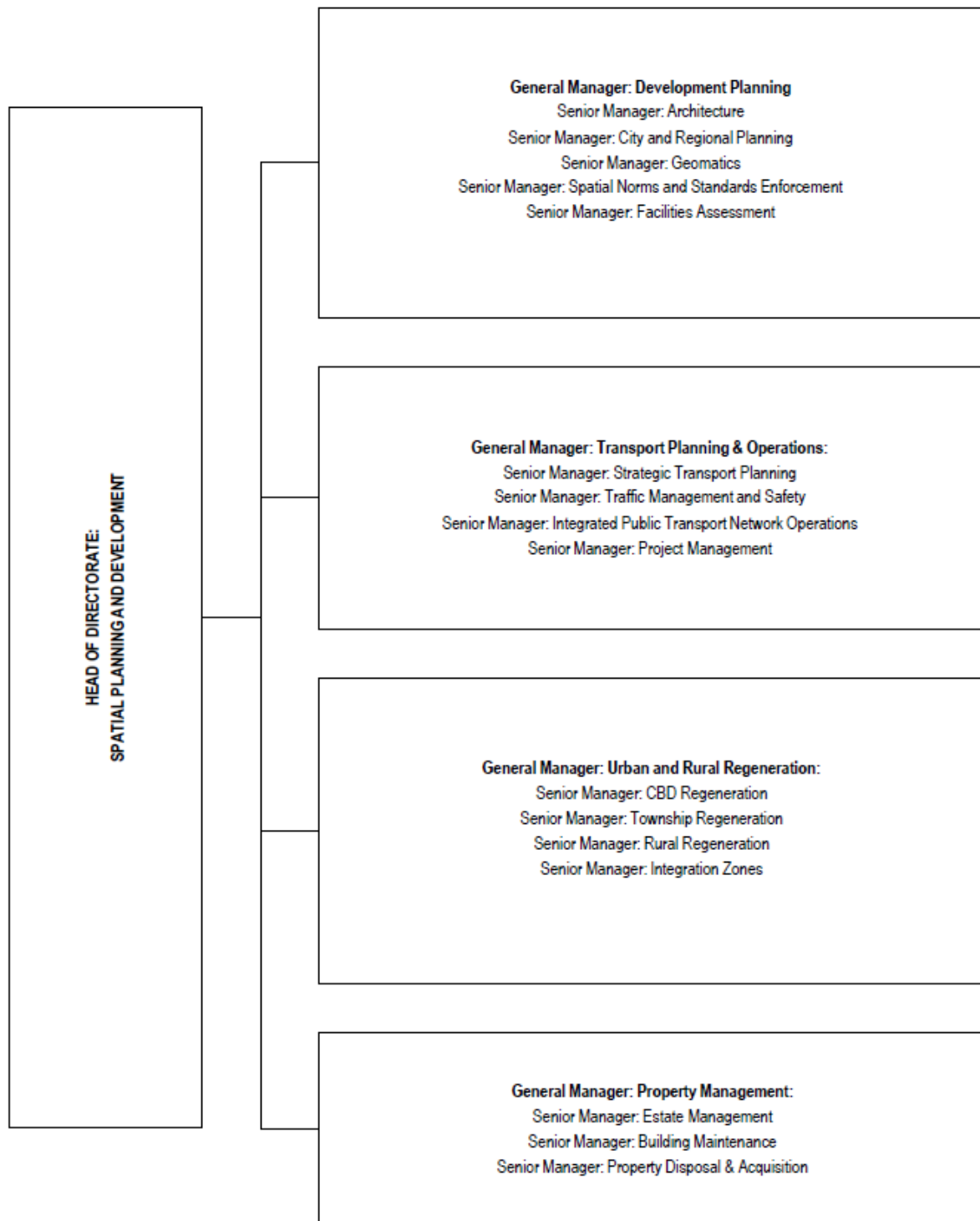


Figure 115: Organogram – Spatial Planning & Development

2.6.5 Directorate: Infrastructure Services

The Directorate of Infrastructure Services consists of the following departments, namely:

- Water, Wastewater & Scientific Services;
- Electrical & Energy Services;
- Workshop, Plant and Fleet Services; and
- Roads, Project Implementation Unit (PIU), and Construction.

The figure below details the organogram of the Directorate of Infrastructure Services up to Management level.

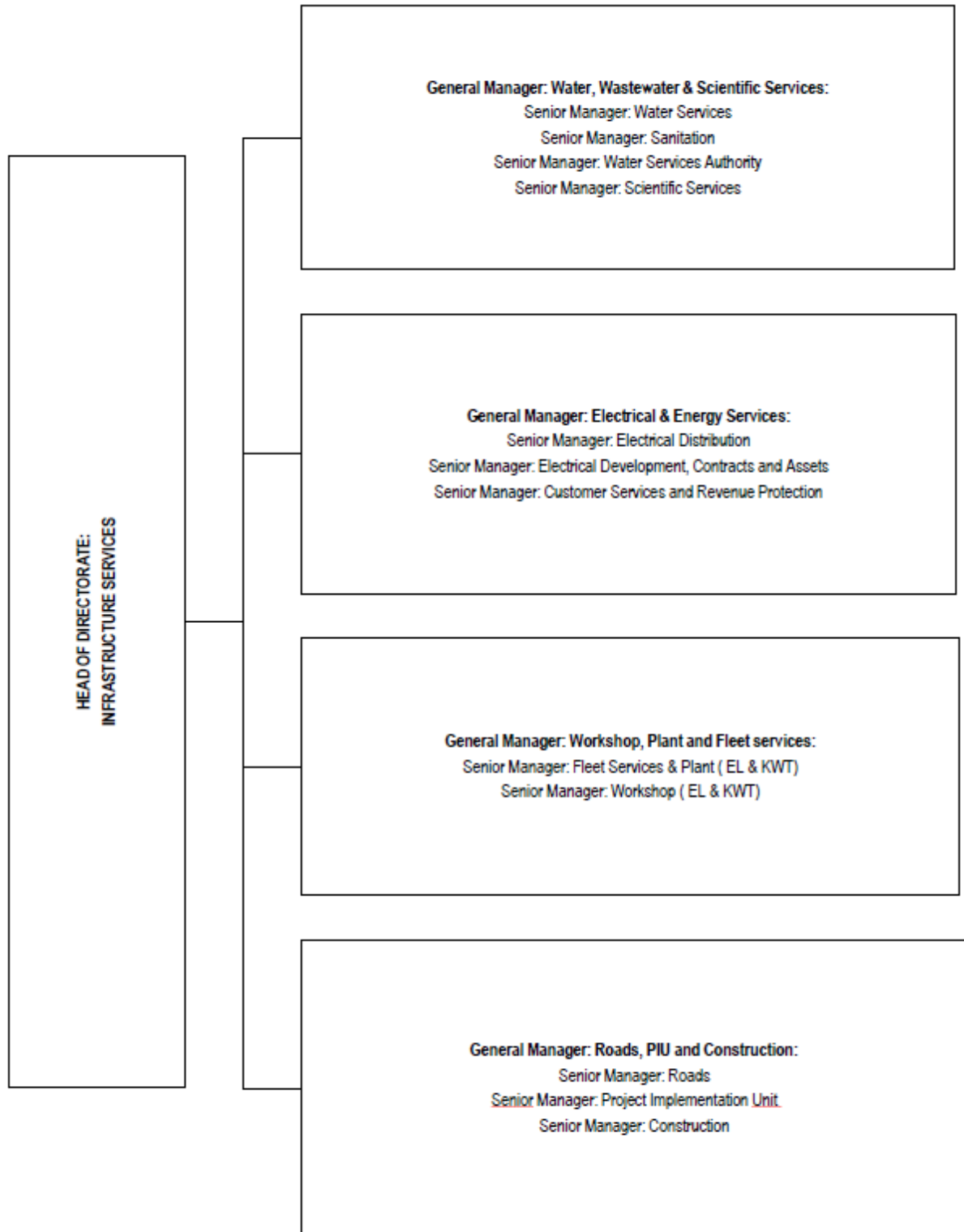


Figure 116: Organogram – Infrastructure Services

2.6.6 Directorate: Solid Waste and Environmental Management

The Directorate of Solid Waste and Environmental Management comprises the following departments:

- Solid Waste Management; and
- Environmental Management.

The figure below illustrates the organogram of the Directorate of Solid Waste and Environmental Management up to management level.

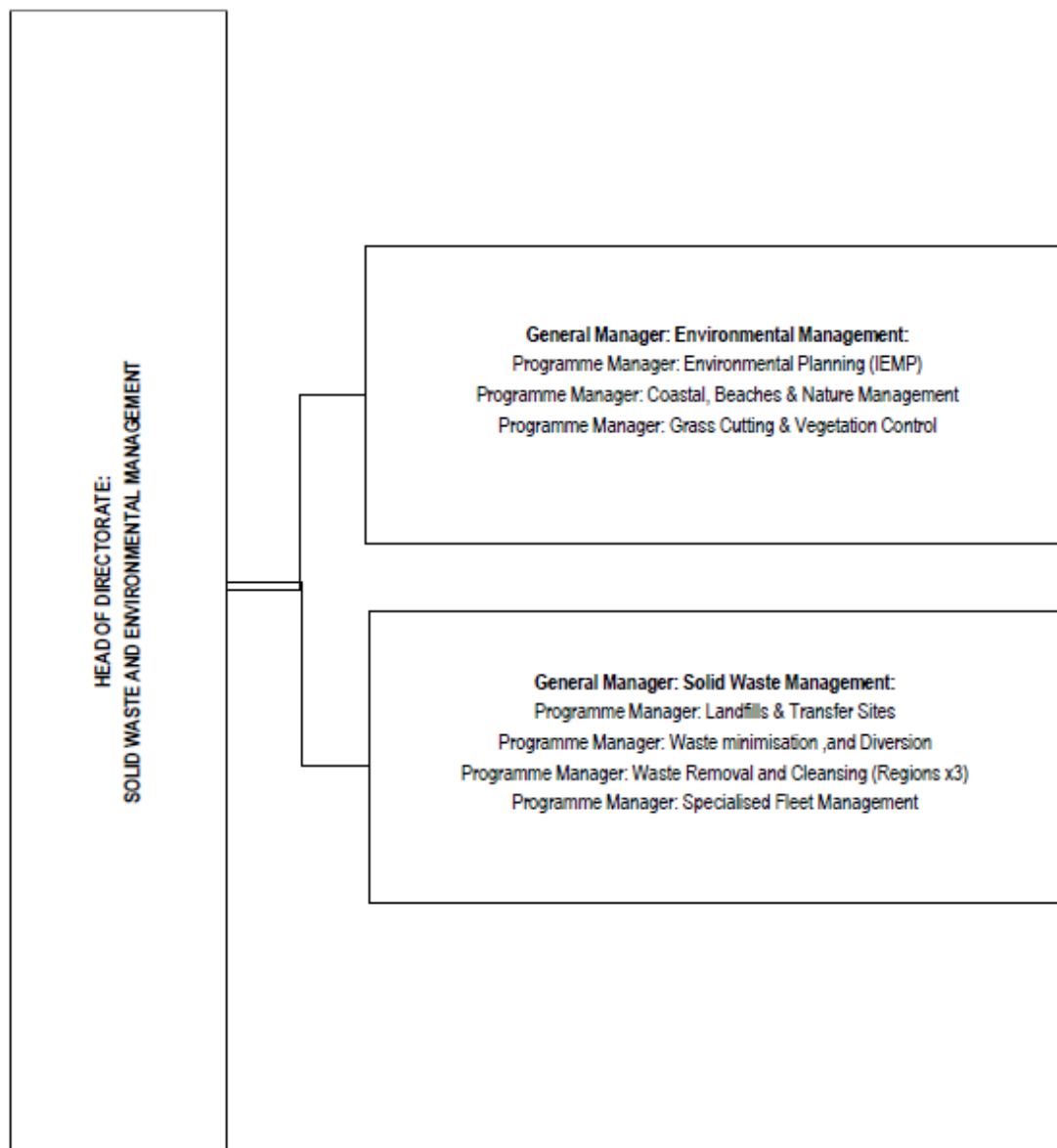


Figure 117: Organogram – Solid Waste & Environmental Management

2.6.7 Directorate: Sport, Recreation and Community Development

The Directorate of Sport, Recreation and Community Development comprises the following departments:

- Sports Development, Facilities and Recreation;
- Community Development (Halls, Libraries, Zoo, and Aquarium); and
- Parks and Cemeteries.

The figure below illustrates the organogram of the Directorate of Sport, Recreation and Community Development up to management level.

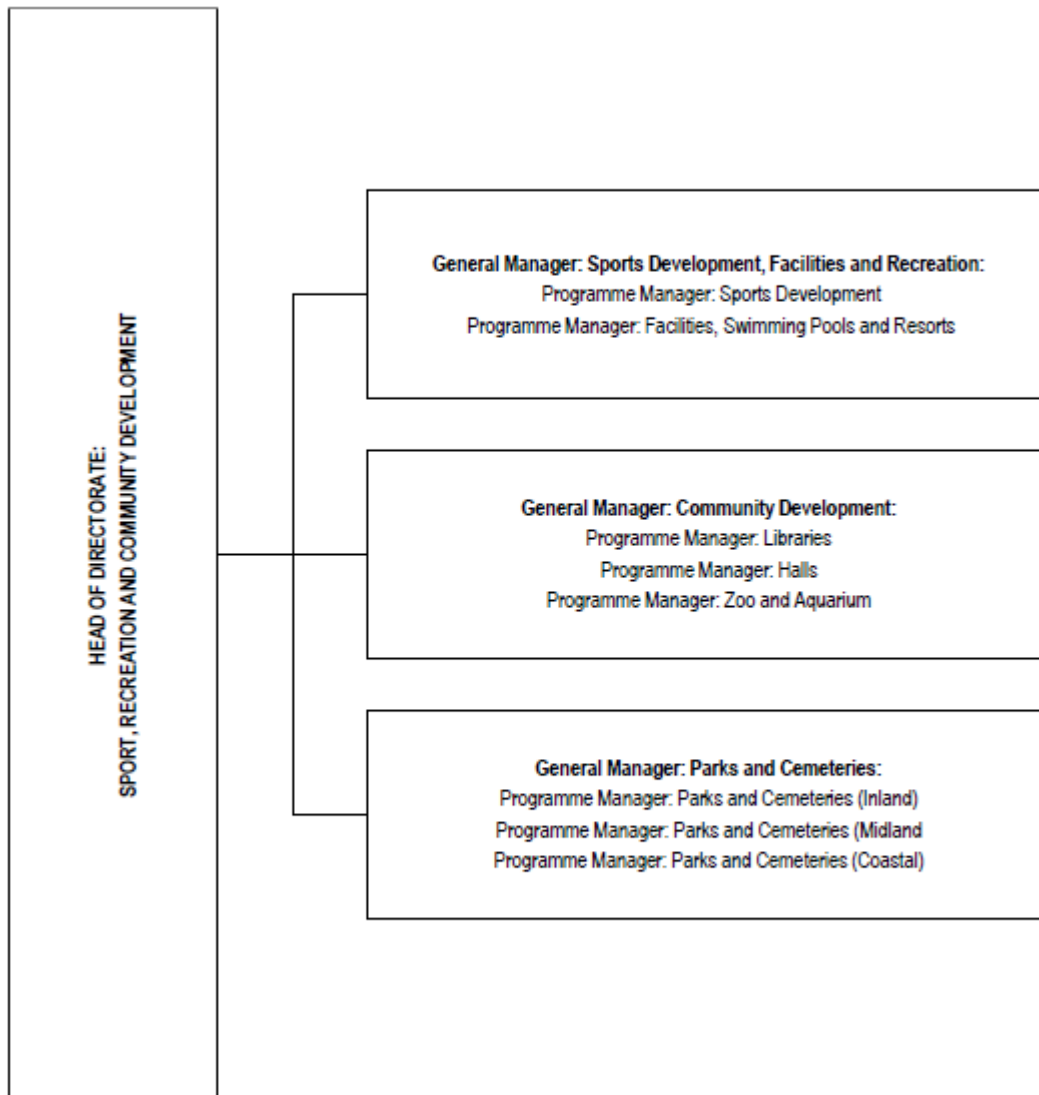


Figure 118: Organogram – Sport, Recreation & Community Development

2.6.8 Directorate: Health, Public Safety and Emergency Services

The Directorate of Health, Public Safety and Emergency Services comprises the following departments:

- Municipal Health Services
- Public Safety and Protection Services; and
- Emergency Services.

The figure below illustrates the organogram of the Directorate of Health, Public Safety and Emergency Services up to management level.

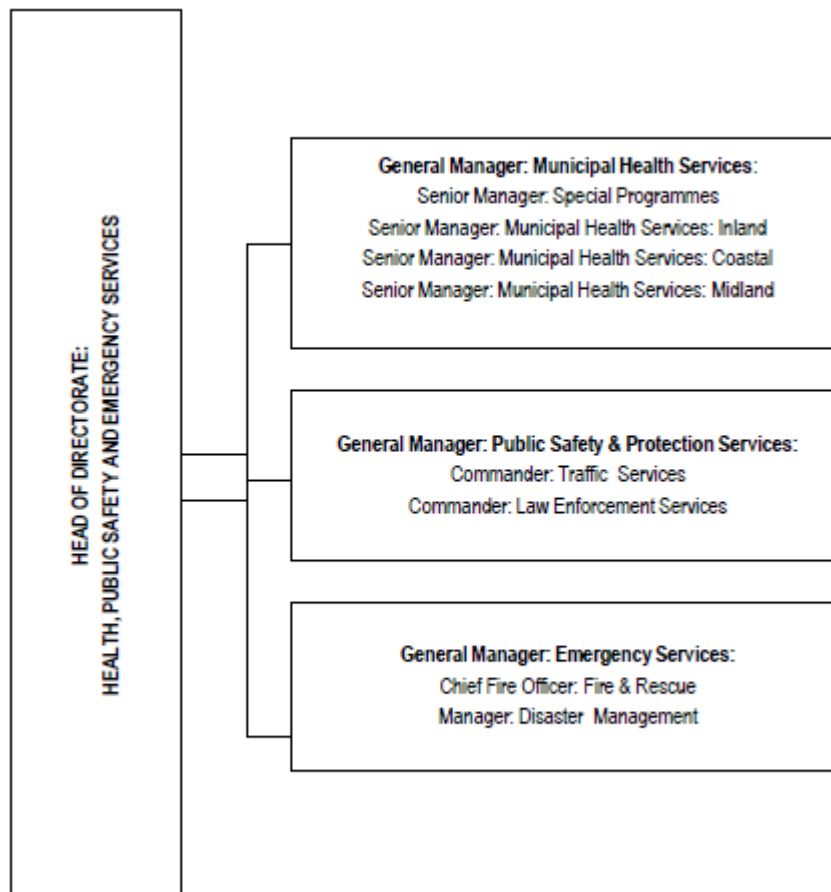


Figure 119: Organogram – Health, Public Safety and Emergency Services

2.6.9 Directorate: Finance

The Directorate of Finance comprises the following departments:

- Corporate Asset Management;
- Revenue Management;
- Budget & Treasury Management;
- Expenditure and Financial Reporting;
- Supply Chain Management; and
- Finance Operations.

The figure below illustrates the organogram of the Directorate of Finance up to management level.

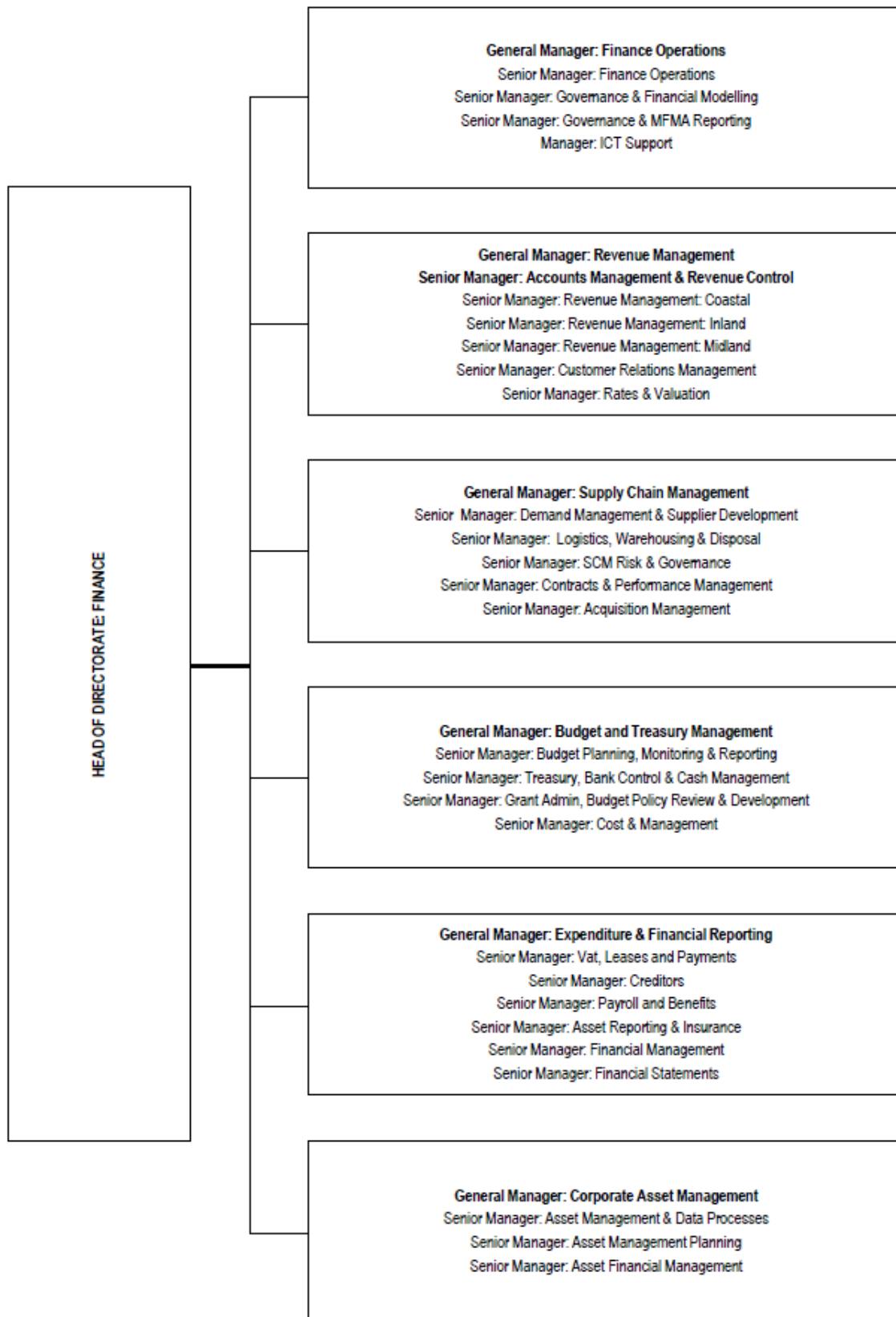


Figure 120: Organogram – Finance

2.6.10 Directorate: Human Settlements

The Directorate of Human Settlements comprises the following departments:

- Housing Planning & Strategy;
- Housing delivery & Implementation; and
- Human Settlement Special Projects.

The figure below illustrates the organogram of the Directorate of Human Settlements up to management level.

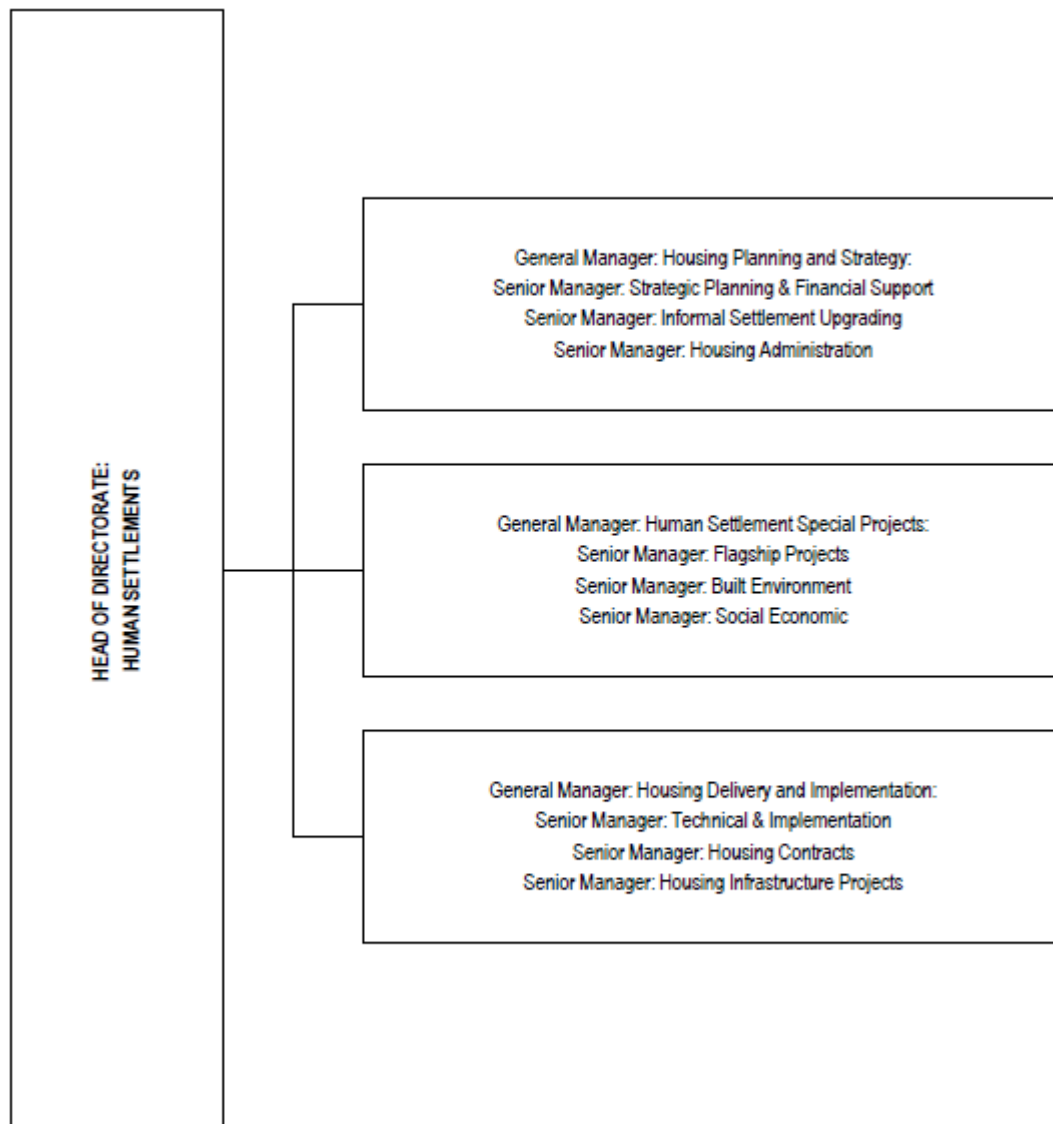


Figure 121: Organogram – Human Settlements

2.6.11 Directorate: Economic Development and Agencies

The Directorate of Economic Development and Agencies comprises the following departments:

- Fresh Produce Market;
- Trade, Industry and Sector Development;
- Tourism, Arts, Culture and Heritage; and
- Agriculture and Rural Development

The figure below illustrates the organogram of the Directorate of Economic Development and Agencies up to management level.

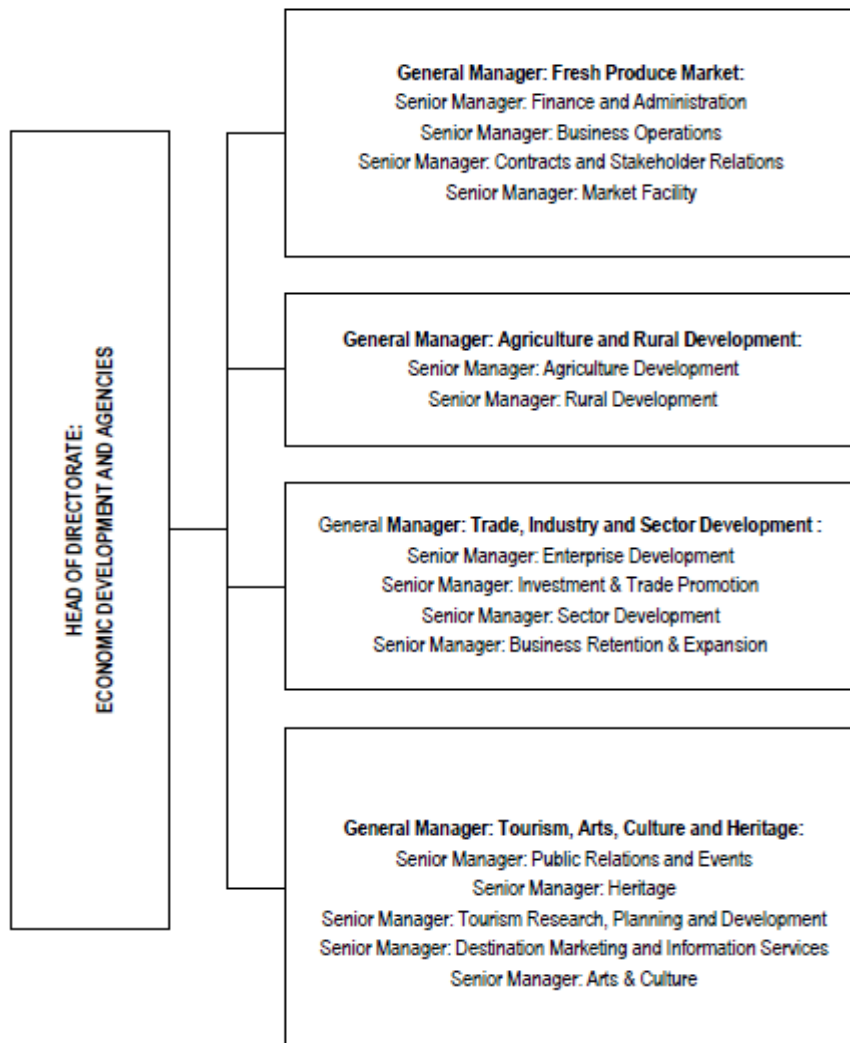


Figure 122: Organogram – Economic Development & Agencies

2.7 Satellite Offices of the Metro

There are Satellite Offices in all three Regions of the metro.

In the Inland Region satellite offices are located in the following areas;

- Bhisho Office
- Ilitha Office
- Phakamisa Office
- Zwelitsha Office *(Acting)
- Dimbaza Office

There are Supervisors appointed in each satellite office to manage the operations, except for the Zwelitsha Office. These Supervisors report to the Satellite and Service Centre Manager, who reports to the Senior Manager. The following services are offered in all Satellite Offices: Payments of Municipal Bills, Enquiries, Indigent applications, Rebate applications, and Credit Control (only arrangements).

The staff complement in each Satellite Office is between 3 and 4, making a total of 15, while the number of posts per organogram is 26.

2.8 Review of the Macro and Micro-Structure

2.8.1. Legislative, developmental and political mandate for review of the Macro-Structure

The Municipal Systems Act specifies in Section 66 that:

"A municipal manager, within a policy framework determined by the municipal council and subject to any applicable legislation, must

- (a) Develop a staff establishment for the municipality and submit the staff establishment to the Municipal Council for approval;
- (b) Provide a job description for each post on the staff establishment, etc.
- (d) Establish a process or mechanism to regularly evaluate the staff establishment."

The change in the official status of the Municipality

Buffalo City has transitioned from a local municipality to a metropolitan municipality. This change requires the strengthening of its institutional arrangements to enhance its capacity to deliver services at a metropolitan scale.

- The spatial coverage of the Municipality has expanded due to recent boundary demarcations.
- As a result, the inclusion of additional wards has led to increased service delivery demands.

The various structures of the Municipality directed as follows:

- During the 2017 Mayoral Lekgotla and Council Lekgotla, it was decided that management must undertake a review of the macro-structure.
- The decisions taken from such Lekgotla's were later adopted as official resolutions, which authorised the macro-structure review process.
- Subsequently, the City Manager established a Steering Committee to lead the review process.

2.8.2. Business Case for the Review of the Macro-Structure

Change in Buffalo City's Strategic Direction

- Buffalo City has adopted its Growth and Development Strategy, titled MGDS 2030, with the vision of becoming a well-governed, green, connected, innovative, and productive City.
- To effectively implement the programmes arising from MGDS 2030, the City must assess and strengthen its institutional capacity and readiness.
- This implementation requires organisational restructuring to attract and retain the necessary skills and competencies.
- In support of this process, Buffalo City requested assistance from the GTAC to institutionalise and operationalise the 2030 MGDS. The diagnostic assessment conducted by GTAC produced the following key findings:

Some of the findings of the Diagnostic Assessment Report:

- The MGDS has not been sufficiently institutionalised and has not led to the identification and acquisition of new capabilities necessary to implement the strategy, nor has it clarified how such capabilities can be integrated into the Macro structure.
- The move to separate the executive and legislative functions of Council to strengthen political oversight of service delivery may have implications for the Macro structure.
- The Macro structure of BCMM lacks a clear Service Delivery Model (SDM) that prioritises the capabilities required for effective service delivery. This raises questions about whether functions and services are appropriately grouped to achieve efficient service delivery.
- Services are not appropriately grouped for effective and efficient service delivery, as evidenced by several examples cited in the report.
- The City has not adequately prepared for new devolved functions such as land-use planning, transport planning, and human settlement planning, and has not established the necessary capabilities to optimise the benefits of these devolved functions.
- The current Macro structure does not enable effective end-to-end accountability, with functions in the delivery chain of several service delivery areas dispersed across Departments.
- Alternative service delivery options such as Outsourcing and Co-sourcing, Commercialisation of services, and Service sharing/Collaboration were never explored.
- The 2016 organogram review process resulted in an approved organogram of almost 13 000 posts, while the City can afford less than 6 000 posts.
- BCMM has weak enterprise-wide project management, risk management, and customer relations.

Principles and Organisation Design Approach for the Review of the Macro-Structure

- The reorganisation process must be guided by end-to-end accountability.
- The reorganised functions must achieve efficiencies in resource allocation.
- The execution of reorganised functions should foster a culture of performance.

- The reorganised functions must promote seamless integration in planning and implementation.
- The reorganised functions must strengthen existing value chains and create self-reinforcing communities.
- The implementation of the macro-structure should provide a framework for attracting professionals with relevant expertise and academic qualifications; thus, it must contribute to the development of related pockets of excellence.
- No employee will be made redundant, but job functions are likely to be reviewed and re-evaluated.
- The proposed restructuring must be undertaken in a manner that does not disrupt critical services currently being provided by the various Directorates.

Design approach for the Review of the Macro-Structure

- Basic analysis of the nature, location and behaviour of the current functional structure.
- The clustering of similar and/or related functions into communities of practice.
- The assessment and regrouping into possible departments and directorates.
- The Matrix method was applied to assess and evaluate the various clusters.

The Steering Committee established by the City Manager has analysed the existing BCMM functions and developed proposed clusters for each Directorate within the proposed MACRO structure. These proposals have been presented and discussed at meetings of Top Management and the Mayoral Lekgotla. The Mayoral Committee resolved that the proposed MACRO structure must be consulted at the Local Labour Forum. Council then approved the implementation of the National Treasury Reforms on the Trading Services Operating Model which has a direct impact on the MACRO structure, and the proposed MACRO structure was therefore withdrawn from further consultative processes and needed to be re-designed to incorporate the Trading Services Operating Model. The re-design of the proposed MACRO structure is currently being addressed at Top Management level, where after it will be consulted with the political leadership, and it is planned to be submitted to Council in April 2026. It is envisaged that the review of the MACRO and MICRO-structure will be concluded by the end of June 2026.

3. BUFFALO CITY METRO POLICIES AND BY-LAWS

In accordance with Section 11 of the MSA, a municipality exercises its legislative or executive authority by passing and implementing policies and by-laws.

The status of municipal policies and by-laws in the BCMM is outlined in this section.

POLICIES

Table 120: Status of Municipal Policies

<i>Directorate and Policy Owner</i>	<i>Policy Name</i>	<i>Council Minute Number</i>	<i>Responsible Person</i>	<i>Policy Progress Comments</i>
Office of the CITY MANAGER Operations Manager: Mr. S. Nkonki	Knowledge Management Policy	2013/08/30 Effective date 2013/09/01	Mr. Gcobani Msindwana	Policy was last reviewed in 2013.
	Expanded Public Works Programme Policy	30 April 2013	Mr. Sam	No Review date set
	Enterprise-wide Risk Management Framework	VBCMC 213/21	Ms. Siyasanga Xoki	Approved in February 2021
	Fraud mitigation Framework	VBCMC 213/21	Ms. Siyasanga Xoki	Approved in February 2021, Refresher Councilors was held on the 23 November 2023
	Whistle Blowing Policy	VBCMC 213/21	Ms. Siyasanga Xoki	Approved in February 2021, Refresher Councilors workshop held on the 23 November 2023
	Compliance policy and Charter	N/A	Ms. Siyasanga Xoki	Approved in May 2021 and uploaded on the Municipal Electronic Document Management System.
EXECUTIVE SUPPORT SERVICES	Petition Management Policy	VBCMC 56/22	Mr. M.Sotshana	Policy was approved by Council in January 2022 No new date has been set for the reviewal.
HoD: Ms. N.Sidukwana	Declaration of financial/benefits of Councilors Policy	2009/07/27 Effective date 2009/09/01	Mr. M. Sotshana	No review date has been set
	Funeral Policy for Councilors Traditional leaders and Freeman Policy	BCMC 801/18	Mr. M.Sotshana	Last reviewed in December 2018
	GIS Operational Policy	BCMC 413/13	Ms. N. Frans	Policy was approved by Council in 2013 No review date has been set.
	Ward Allocation Policy	BCMC 96/25	Mr. M. Sotshana	Policy was last reviewed in 2025
	Sponsorship Policy	BCMC 30/13	Ms. N. Sidukwana	Policy was approved by Council in 2013 No review date has been set as yet
FINANCE DIRECTORATE CFO:	Budget Management and Oversight Policy (Budget Policy)	BCMC 166/25	CFO	Last Reviewed in May 2025

Directorate and Policy Owner	Policy Name	Council Minute Number	Responsible Person	Policy Progress Comments
	Capital Infrastructure Investment Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Service Level Standards Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Funding and Reserves Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Long Term Financial Planning Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Budget Virement Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Indigent Support Policy	BCMC 166/25	Mr. S. Peter: General Manager: Revenue Management	Last Reviewed in May 2025
	Long-Term Borrowing Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Supply Chain Management Policy	BCMC 166/25	Mr. D.Gwabeni	Last Reviewed in May 2025
	Tariff Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Property Rates Policy	BCMC 166/25	MS.V. Maretloane	Last Reviewed in May 2025
	Movable Asset Management Policy	BCMC 166/25	MR. MADIKIZELA	Last Reviewed in May 2025
	Immovable Asset Management Policy	BCMC 166/25	GM: T. Madikizela	Last Reviewed in May 2025
	Investment and Cash Management Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Receipting Policy	BCMC 166/25	CFO	Last Reviewed in May 2025
	Credit Control and Debt Collection Policy	BCMC 166/25	General Manager: Revenue Management – Mr. S. Peter	Last Reviewed in May 2025
HUMAN SETTLEMENTS	Housing Allocation Policy	2014/12/11 Effective date 2014/11/19	Mr T. Mjanqeka	No date has been set for review
HoD: Mr. L. Mbula	Housing Relocation Policy	2014/12/11 Effective date 2014/11/19.	Mr T. Mjanqeka	No date has been set for the reviewal
CORPORATE SERVICES				
	Language Policy	2010/08/31	Mr. M Mene	Review was done in April 2020
HoD: Mr. A.S Naidoo	Grant-In-Aid Policy	BCMC 656/18	Mr. M Mene	Policy was last Reviewed in 2018.

Directorate and Policy Owner	Policy Name	Council Minute Number	Responsible Person	Policy Progress Comments
	Loss, Theft of Municipal Property Policy	BCMC 26/19	Mr. M Mene	Policy was last reviewed in 2019.
	Records Management Policy	BCMC 670/18	Mr. M. Mene	Policy was last reviewed in October 2018. Policy and procedure manual under review.
	Telephone Policy Cellular	BCMC 218/18	Mr. M. Mene	Review was done in May 2018. Policy under review.
	Travel and Subsistence Policy	BCMC 176/16	Mr. M. Mene	Policy was last Reviewed in 2016. Policy under review.
	Section 14 MANUAL OF THE PROMOTION OF ACCESS TO INFORMATION ACT 2 OF 2000 AND REGULATIONS RELATING TO THE PROMOTION OF ACCESS TO INFORMATION, 2021 AND INDEX OF RECORDS HELD BY BUFFALO CITY METROPOLITAN MUNICIPALITY	BCMC 517/24	Mr. M. Mene	Policy was last reviewed in 2024
	Discomfort Levels and Heat Stress Policy	1993/04/05	Mr. Zolani Ndlela	Policy has been reviewed, to be presented to LLF in April 2026 and thereafter presented to council for approval before end of June 2026
	Dress Code Policy	2000/05/10	Mr. Zenzile Shweni	Policy last reviewed in April 2020
	Employee Performance Policy	BCMC 567/23	Mr. Z. Ndlela	Approved by Council IN August 2023
	Employee Wellness Policy	BCMC 567/23	Mr. Z. Ndlela	Approved by Council in August 2023
	Employee/Staff Provisioning Policy	BCMC 573/23	Mr. Zenzile Shweni	Approved by Council in August 2023
	Labour Relations Policy	According to HR Information Not Available	Mr. Zenzile Shweni	Approved by Council in 2023
	Occupational Health and Safety Policy	BCMC 568/13	Mr. Z. Ndlela	Approved by Council in August 2023
	Organizational Design Policy	BCMC 530/13	Mr. Zenzile Shweni	Policy was approved by council in 2013

Directorate and Policy Owner	Policy Name	Council Minute Number	Responsible Person	Policy Progress Comments
	Protective Overall and Footwear (Protective) Policy	VBCMC 566/23	Mr. Z. Ndlela	Policy was last approved by Council in August 2023
	Progression Grade	BCMC 440/12	Mr. Zenzile Shweni	Policy was approved by Council in 2012
	Qualification recognition policy	1994 -Day and Month outstanding	Mr. Z. Ndlela	Council approved in 2023
	Rainy Day Policy	Date Outstanding	Mr. Zenzile Shweni	Council approved in 2023
	Substance Abuse Policy	2005 Day and Month Outstanding	Mr. Zolani Ndlela	Council approved in 2023
	Leave Policy	Main Collective Agreement	Mr. Zenzile Shweni	Main collective agreement extended until 2023
	Sewer Allowance Policy	VBCMC 574/23	Mr. Zenzile Shweni	Approved by Council in August 2023
	Permission to Have Second Employment and/or be involved in any Business Venture other than as an Employee Policy	Effective Date: November 2005	Mr. Zenzile Shweni	Council approved in 2023
	Scarce Skills Policy	VBCMC 570/23	Mr. Zenzile Shweni	Council approved in August 2023.
	Human Resource Development Policy	VBCMC 567/23	Mr. Zolani Ndlela	Council approved in August 2023
	Gifts and Benefits Policy	Date Outstanding	Mr. Zenzile Shweni	Council approved in 2023
	Conflict of Interests Policy	Date Outstanding	Mr. Zenzile Shweni	Council approved in 2023
	Long Service Allowance Policy	01 December 2008	Mr. Z Shweni	Approved by Council in 2023
	Conditional Donation Scheme Procedure	Draft approved On 29-01-2019	Mr. Zolani Ndlela	Council approved in 2023
	Conditional Donation policy - Study assistance	Draft approved On 29-01-2019	Mr. Zolani Ndlela	Council approved in 2023
	ICT Disaster Recovery Plan Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.
	Information and Communication Technology Security Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.

Directorate and Policy Owner	Policy Name	Council Minute Number	Responsible Person	Policy Progress Comments
	User Account Management Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.
	Backup and Restoration Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.
	ICT Change Management Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.
	Application Acquisition and Development Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.
	Application Support Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.
	Information Communication Technology Change Management Policy	BCMC 228/25	Mr. Lwazi Ndzena ICT Manager	Policy was last adopted by Council in May 2025.
INFRASTRUCTURE SERVICES	Provision of Roads in Informal Settlements Policy	2006/06/01		Policy replaced with a by-law in 2023
HoD: Ms. N. Mqoqi-Mondi	Fleet Management Policy	22 February 2005	Mr Zili Gijana	Fleet policy given to Directorate for bench marking and cross referencing,
Health and Public Safety	Carrying of Firearms Policy	1991/01/28	Dr N. Stemele	Reviewed on the 5 September 2023 , Councilors workshop to follow
HoD: ADV B Mzimba	Disaster Relief Policy		Mr. Dom	Bid Committee processes
Solid Waste and Environmental Management	Pauper Burial	26/06/2002	MR. Madikizela	Tabled in Council on the 7 December 2023 awaiting Council resolution
Ms. Sinyanya	Cultural Slaughtering by persons who belong to indigenous religions and the Muslim faith Policy	2003/04/29	MR. Madikizela	Consultation with other stakeholders .
DEVELOPMENT PLANNING	Adopt a Spot Policy	BCMC 109/25	Mr. Madikizela	The policy was adopted in March 2025
	Disposal of Immovable Capital Assets by the municipality and its municipal Entities Policy			No date has been set for review.
	Outdoor Advertising Signage Policy		GM: DEVELOPMENT PLANNING	Reviewed and awaiting Council approval.

Directorate and Policy Owner	Policy Name	Council Minute Number	Responsible Person	Policy Progress Comments
ECONOMIC DEVELOPMENT AND AGENCY HoD: Ms. N. Ncokazi	Shipping Container Policy	1998/ 09/01		Policy was last reviewed in 1998, no date has been set for review and need relevant departments consultation

BY-LAWS

Table 121: Status of By-laws

Directorate	By-law	Comments
SPATIAL PLANNING AND DEVELOPMENT	Advertising Signs and the Disfigurement of the Front or Frontages of Streets By-law	This By-law was last reviewed in 2010
	Dilapidated Buildings and Unsightly Neglected Structures and Property By-law	This By-law was last reviewed in 2019
	Installation of Electronic Facilities	This By-law was last reviewed in 2020
	Spatial Planning and Land Use Management By-law	This By-law was last reviewed in 2016
	Outdoor Advertising By-law	This By-law was last reviewed in 2018
FINANCE	Credit Control and Debt Management By-law	This By-law was last reviewed in 2024
	Property Rates By-law	This By-law was last reviewed in 2014
	Indigent Support Bylaw	This By-law was last reviewed in 2014
	Tariffs By-law, 2017	This By-law was last reviewed in 2017
	Rates By-law	This By-law was last reviewed in 2009
INFRASTRUCTURE	Municipal Water Services By-law	This By-law was last reviewed in 2010
	Roads and Streets Bylaw	This By-law was last reviewed in 2011

SOLID WASTE AND ENVIRONMENTAL SERVICES

Electricity Supply Bylaw	This By-law was last reviewed in 2024.
Environmental Health By-law	This By-law was last reviewed in 2010.
Cemeteries, Crematoria and Undertakers Bylaw	This By-law was last reviewed in 2018.
Municipal Health Bylaw	This By-law was last reviewed in 2019
Municipal Health Bylaw	This By-law was last reviewed in 2019
Municipal Health Nuisances and Nuisances Emanating from Keeping Animals By-law	This By-law was last reviewed in 2019

PUBLIC SAFETY AND EMERGENCY

Liquor Trading Hours By-law	This By-law was last reviewed in 2013.
Noise By-law	This By-law was last reviewed in 2013
Parking Meter By-law	This By-law was last reviewed in 2018
Disaster Management By-law	This By-law was last reviewed in 2019
Events By-law	This By-law was last reviewed in 2013

CORPORATE SERVICES

DATA TRENCHING BY-LAW	This by-law was last reviewed in 2020

EXECUTIVE SUPPORT SERVICES

Standing Rules and Orders for Council Bylaw	This By-law was last reviewed in 2007

ECONOMIC DEVELOPMENT AND AGENCIES

Arts, Culture and Heritage Facilities	This By-law was last reviewed in 2018
Fresh Produce By-law	This By-law was last reviewed in 2018
Informal Trading Bylaw	This By-law was last reviewed in 2018

SPORTS, RECREATION AND COMMUNITY DEVELOPMENT

Municipal Parks, Recreation and Conservancy By-law	This By-law was last reviewed in 2018

ANNEXURE A: List of Sector Plans

1. OVERVIEW OF DEVELOPMENT SECTORS

Sectors are defined as fields of intervention aimed at specific human needs (such as food, housing, water, health, education, transport, and recreation) or as specific ways of satisfying those needs (such as agriculture, trade, mining, and tourism). As fields of intervention, sectors are frequently associated with specific planning and implementation agencies (departments, ministries) that lead such interventions. A key characteristic of sectors in the IDP process is that they may or may not be considered in the planning process, depending on the specific local needs and resources.

2. ROLE OF SECTOR PLANNING IN IDP

Local government powers and functions are outlined in the 1996 Constitution and the MSA. They vary from sector to sector, as well as according to provincial discretion regarding the delegation of functions to municipalities in certain sectors. The principle underlying the role of sector planning in the IDP process can be summarised as follows:

- ❑ Sector planning requirements contained in national sectoral legislation regarding municipal functions, such as water and environment, should be addressed as part of the IDP process where they are relevant to local priority issues.
- ❑ Some sectors that fall outside the ambit of local competencies, such as education, may be directly related to the priority issues identified in a specific municipal area. As the municipality is not the implementation agency, it is important to pay attention to the planning process, from analysis to integration, in order to facilitate alignment and coordination with other spheres of government and institutions during the IDP process. It is proposed that even for sectors without legally prescribed planning requirements, local government can utilise the integrated planning process to leverage national and provincial sectoral contributions (funds and support) for development by ensuring compliance with national and provincial policy principles and sector guidelines. Local government can also use the IDP process to lobby provincial sector departments by involving them in the local planning process at appropriate points.
- ❑ Sector planning and national sector departments have established municipal sector-driven planning requirements to inform their strategic planning, budgetary, and implementation processes. For example, the DWA and Forestry requires municipalities that are Water Services Authorities to formulate Water Services Development Plans, while the Department of Housing requires municipalities to formulate a housing strategy and targets as part of their IDP process. These planning requirements are intended to assist in the process of alignment.

Sector planning requirements vary in nature and status. The following categorisation of requirements can assist municipalities in differentiating between the various kinds of requirements:

- (a) Legal requirements for the formulation of a sector plan;
- (b) A legal compliance requirement;
- (c) A planning requirement to be undertaken as a component of, or part of, the IDP; and
- (d) A recommendation that is deemed to add value to the municipal planning process and product.

Below is a list of BCMM Sector Plans. Full copies of these plans are available upon request.

3. LIST OF BCMM SECTOR PLANS

Table 122: BCMM sector Plans

SECTOR PLAN / STRATEGIES	PURPOSE OF THE SECTOR PLAN / STRATEGY	LEGAL REQUIREMENT	DATE ADOPTED (Council Resolution Ref.)	DATE/S REVIEWED / AMENDED (Council Resolution Ref.)	DUE DATE FOR NEXT REVIEW / AMENDMENT	CURRENT STATUS COMMENTS/DISCUSSION
Metro Growth and Development Strategy (MGDS)	The MGDS is the City's 15-year economic trajectory towards Vision 2030. The implementation of the MGDS will span the 15-year timeframe across three IDPs (five years each) leading up to 2030. The MGDS will be subject to monitoring and evaluation processes.	NDP 2030	BCMC 685/15	N/A	N/A	The review of the MGDS will take place as and when determined by the Council.
Spatial Development Framework (SDF)	The purpose of the SDF is to provide a spatial analysis of the Municipality and to establish spatial development principles/guidelines, accompanied by maps indicating the spatial objectives and strategies of the Municipality. These include the promotion of spatial restructuring, increased densities, a compact urban environment, access to infrastructure services, economic	The SDF is a Sectoral Plan of the IDP, as required in terms of Section 26(e) of the MSA (No. 32 of 2000)	Adopted by Council in 2003 in terms of Minute BCC 7/03 dated 9 Dec 2003.	Review adopted by Council in 2013 in terms of Minute BCMC 500/13 dated 22 November 2013. Review adopted by Council on 11 December 2020 in terms of Minute VBCMC 496/20.	The SDF will be reviewed every five years and will therefore be reviewed in 2026 again.	The BCMM SDF Review has commenced with the appointment of Service Providers in December 2025. The Inception Phase has been completed and the Formulation of the Development Perspective Phase has commenced.

SECTOR PLAN / STRATEGIES	PURPOSE OF THE SECTOR PLAN / STRATEGY	LEGAL REQUIREMENT	DATE ADOPTED (Council Resolution Ref.)	DATE/S REVIEWED / AMENDED (Council Resolution Ref.)	DUE DATE FOR NEXT REVIEW / AMENDMENT	CURRENT STATUS COMMENTS/DISCUSSION
	opportunities, social facilities, and the protection of agricultural land and natural resources.					
Disaster Management Risk Policy Framework	To promote an integrated and coordinated approach with special emphasis on risk reduction and mitigation in Buffalo City Metropolitan Municipality	Section 42 of Disaster Management Act 57 of 2002	2012		Project is on-going, following the appointment of the SP. Service Level Agreement (SLA) signed on 10 th June 2025. A gap analysis has been developed and was presented to Council on 6 th February 2026. Further Ward consultative sessions held from 04-06 March 2026 as per the Council resolution and project implementation plan. The project is expected to be completed in June 2025/26.	Disaster Risk Management Policy Framework.
Development of a Level 1 Disaster Management Plan.	The Development of a Level 1 Disaster Management Plan, is critical for the municipality, as it focusses primarily on establishing foundational institutional arrangements for disaster risk management, putting in	Section 52 and 53 of the Disaster Management Act, 57 of 2002	An amount of R500 000 was made available by the municipality during the 2024/25 financial year to Conduct a		This is a new project plan, hence, there is no Council Resolution, however, the project completion is also expected to be completed in 2025/26, from the date of project	Development of a Level 1 Disaster Management Plan.

SECTOR PLAN / STRATEGIES	PURPOSE OF THE SECTOR PLAN / STRATEGY	LEGAL REQUIREMENT	DATE ADOPTED (Council Resolution Ref.)	DATE/S REVIEWED / AMENDED (Council Resolution Ref.)	DUE DATE FOR NEXT REVIEW / AMENDMENT	CURRENT STATUS COMMENTS/DISCUSSION
	place contingency plans for responding to known priority threats as identified by the municipal disaster risk assessment, identifying key governmental and other stakeholders, and developing the capacity to generate a Level 2 Disaster Management Plan;		Comprehensive Disaster Risk Assessment to inform the development of a Level 1 Disaster Management Plan. A further budget of R950,000 has been allocated during the 2025/26 financial year in order to complete this project.		award and acceptance. Level 1 of the project was awarded on 7 th February 2025 and the SLA concluded on 23 rd May 2025. Level 2 of the project was awarded on 6 th November 2025 and the SLA concluded on 23 rd February 2026. The project runs parallel with the Review of the DRMPF, as the project was also awarded to the same Service Provider. Similarly with the above project, a draft Disaster Risk Assessment (DRA) was developed and presented to Council on 6 February 2026. However, further Ward consultative sessions held from 04-06 March 2026 as per the Council resolution and project implementation plan. The Level 1 project is expected to be	

SECTOR PLAN / STRATEGIES	PURPOSE OF THE SECTOR PLAN / STRATEGY	LEGAL REQUIREMENT	DATE ADOPTED (Council Resolution Ref.)	DATE/S REVIEWED / AMENDED (Council Resolution Ref.)	DUE DATE FOR NEXT REVIEW / AMENDMENT	CURRENT STATUS COMMENTS/DISCUSSION
					completed in June 2025/26.	
Long-Term Financial Plan	The purpose is to outline the comprehensive multi-year financial plan that will ensure long-term financial sustainability for the Municipality.	Section 26(h) of the MSA states that an IDP must include a financial plan, which must encompass a budget projection for at least the next three years.	N/A	N/A	N/A	The NT appointed a service provider to support BCMM with the implementation of the LTFM.
Integrated Sustainable Human Settlements Plan (ISHSP)	Aims to ensure that housing implementation contributes to the creation of vibrant, sustainable and integrated communities in the BCMM.	The Housing Act (No. 107 of 1997)	Adopted by BCMM on May 2024.	N/A	ISHSP is a 5 Year Plan and therefore it is due for review by April 2029	The ISHSP is currently being implemented. More funding is required to implement some of the projects that are expressed in the ISHSP and its implementation plan to address the challenges that were identified during its situation analysis phase. The Department of Human Settlements has appointed a service provider to assist the BCMM by developing an implementation plan for ISHSP.
Informal Settlements Study (ISS) and Informal Settlement Upgrading Strategy and Implementation Programme	Review of the Informal Settlements Study including the strategy and implementation programme	The Housing Act, 1997 (Act No. 107 of 1997) Housing Code 2009	N/A	Last adopted in 2011, 2015	Currently under review wherein the service provider has been appointed in 2025/26 – 2026/27	Service Provider has been appointed to undertake Informal Settlements Upgrading Programme review. An inception report has been finalized.

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Integrated Public Transport Network	This plan assists the City in planning for public transport services and their various systems.	The Public Transport Plan is a component of the CIP. The National Land Transport Act (NLTA) (No. 5 of 2009), Section 36, is the primary governing legislation for this CIP.	The BCMM Public Transport Framework Plan 2005, the Mdantsane Public Transport Framework Plan 2006, and the Public Transport Plan 2006 were approved as part of the 2008 CIP, which was endorsed by Council in 2008, as per Council Minute BCC 90/08.	The revised Integrated Public Transport Network Business and Operational Plan draft was completed in 2019 but has not yet been adopted, as funding for the programme was withdrawn by the National Treasury and the National Department of Transport in 2019.	BCMM Integrated Public Transport Network Plan 2019 Draft will be finalised once funding arrangements have been finalised with NT and the National DoT.	Integrated Public Transport Network
Comprehensive Integrated Transport Plan	Deals with an overall perspective of the BCMM transport planning documents.	The NLTA (No. 5 of 2009), as required in terms of Section 36, is the primary governing legislation of this CIP.	Approved by Council in 2008, as per Council Minute BCC 90/08.	2013 Review (2014 to 2017) Adopted by Council in 2013 as per Minute BCMC 370/13 K dated 28 August 2013.	The latest review was completed in June 2022	Comprehensive Integrated Transport Plan
Non-Motorised Transport Plan	Deals with the plan for the implementation of priority projects regarding non-motorised transport (sidewalks, bicycle lanes, traffic safety plans).	The Non-Motorised Transport Plan is a strategy plan within the CIP, which is a requirement of the NLTA (No. 5 of 2009) Section 36.	25 June 2014 / BCMC 214/14 I	None	N/A	Non-Motorised Transport Plan

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Traffic Safety Plan	To reduce the number and severity of collisions and casualties within its area of operations.	The Traffic Safety Plan is a strategy plan within the CIP, which is a requirement of the NLTA (No. 5 of 2009), as well as being governed by the National Road Traffic Act (No. 93 of 1996).	The 2005 Traffic Safety Plan was approved as part of the 2008 CIP, which was also approved by Council in 2008, as per Council Minute BCC 90/08.	- Was updated in March 2013 by the Traffic Department - Was updated on 25 June 2020 by Traffic Engineering	2025/26 financial year	Traffic Safety Plan
Transport Register	Must provide a description of all the scheduled and unscheduled services operating in, to, or from the Buffalo City area, as well as all public transport facilities and infrastructure in the Buffalo City area. The Transport Register is to include a record of all changes to operating licences and permits in the Buffalo City area, along with any new ones issued.	The Transport Register is a requirement for the CIP, which is a requirement of the NLTA (No. 5 of 2009).	The Current Public Transport Record (CPTR) formed part of the 2008 CIP, which was approved by the Council in 2008, as per Council Minute BCC 90/08.	Report to Top Management, February 2018.	Due for update as and when required, preferably on a five-year basis. For adequate planning information	Transport Register
Freight Plan	To survey the current freight movement and the modes by which such freight is being transported, and which have defined certain strategic freight corridors.	The Freight Plan is a strategy plan within the CIP, which is a requirement of the NLTA (No. 5 of 2009).	25 June 2014 / BCMC 214/14 H	None	Due as and when required on a 5 year basis	Freight Plan

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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.	The Arterial Network Development Plan is a component of the Transport Demand Model Strategy of the CIP, which is a requirement of the NLTA (No. 5 of 2009) Section 36.	2006 – 2023 Arterial Road Network Development Plan was approved as part of the 2008 CIP, which was approved by the Council in 2008 as per Council Minute BCC 90/08.	Was updated in 2015 for the period 2015 to 2035, and a report to Top Management was dated 16 January 2018.	2020	Arterial Road Network Development Plan
Business Plan & Operational Plan	This plan assists the City in identifying whether it can operate a viable public transport system and what the associated costs are.	The NLTA (No. 5 of 2009)	None	The revised Integrated Public Transport Network Business and Operational Plan draft was completed in 2019 but has not been adopted as yet, as funding for the programme was withdrawn by the National Treasury and the National Department of Transport in 2019.	BCMM Integrated Public Transport Network Plan 2019 Draft will be finalised once funding arrangements have been finalised with National Treasury and the National Department of Transport.	Business Plan & Operational Plan
State of the Environment Report	To provide a baseline assessment of the main environmental issues	National Environmental Management Act, 107 of 1998	2015	2025	2030	The State of the Environment Report is incorporated into the Integrated Environmental

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	and challenges facing the BCMM. • Reports on the environmental integrity and sustainability of the BCMM. • Ensures participative Greener Governance as part of the EMP.					Management Plan (IEMP) which has been reviewed in the 2024/2025 financial year. The IEMP review was adopted by Council in December 2025. The state of the environment report will be extracted from the IEMP and published as an independent report in the 2025/2026 financial year. The process has commenced and anticipated to be finalised by 30 June 2026.
Child and Youth Development Strategy	Provides a framework against which the metro can mainstream child and youth development within its core business.	SA Constitution 1996, National Youth Policy 2020, Provincial Youth Strategy 2015, and National Integrated Early Childhood Development Policy 2015	2017	Last reviewed 2017	Document is reviewed as needed in line with the National Youth Policy and Provincial Youth Strategy	Document still relevant
BCMM Disability Strategy	A mainstreaming tool for the inclusion and participation of persons with disabilities within metro processes.	SA Constitution 1996 Promotion Equality & Prevention Unfair Discrimination Act 2000 SALGA Disability Framework for Local Government 2009	2016	Last reviewed 2016	Document is reviewed as needed in line with the National and Provincial legislation and guidelines	Document still relevant
BCMM Metro AIDS Council Implementation Plan HIV, TB and STIs	The Implementation Plan, as devolved from the Provincial Implementation Plan, guides	SA Constitution 1996 National HIV/AIDS/TB Strategic Plan & Provincial	2017	Last reviewed 2017	Document is reviewed as needed in line with the National and	Document still relevant

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	the Metro AIDS Council in its coordination role for the multi-stakeholder response to HIV, TB, and STIs.	HIV/AIDS/TB and STIs Strategic Plan Eastern Cape AIDS Council Implementation Plan 2017-2022,			Provincial HIV/AIDS, TB and STI's Strategic Plans	
BCMM Public Participation Strategy	The Strategy provides mechanisms for public participation in the affairs of the municipality and clarifies the roles and responsibilities of all role players and interested parties.	The South African Constitution of 1996 states: Municipal Structures Act (No. 117 of 1998, as amended in 2000 and 2003) MSA (No. 32 of 2000) National Draft Policy Guideline on Public Participation Municipal Structures Act (No. 117 of 1998) Traditional Leadership and Governance Framework Act (No. 41 of 2003) MFMA (No. 56 of 2003) Municipal Property Rates Act (No. 6 of 2004)	2011			
Coastal Management Programme (previously referred to as the Integrated Coastal Zone Management Plan (ICZMP))	- The plan articulates the BCMM's commitment to coastal protection and management. - To present the Coastal Zone Protection and Management Policy Framework of the BCMM that needs to be adopted and integrated	National Environmental Management: Integrated Coastal Management Act (Act 24 of 2008)	2015	2025	2030	The Coastal Management Programme was reviewed and adopted by Council in December 2025.

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	into the planning and operations of all municipal service sectors. To outline a clear implementation programme for coastal zone management activities and projects, as well as the partnerships that are needed for effective implementation.					
Climate Change Strategy	- Plays a vital role in addressing the Metro's social, economic and environmental needs that are as a result of Climate Change. - To intensify the City's endeavours towards the implementation of Climate Change mitigation and adaptation measures.	National Environmental Management Act, 107 of 1998	2015	2025	2030	The review of the existing climate change strategy is currently underway. Inception meeting was conducted on the 14 February 2025. The review is to be finalised within the 2024/2025 financial year.
Environmental Education and Awareness Strategy	To provide realistic guidance to the effective implementation of the environmental education, training and public awareness	National Environmental Management Act, 107 of 1998	2010	2027	2030	The Environmental Education and Awareness Strategy was tabled before Council and approved in 2021. The programmes outlined in the strategy are

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	programmes and activities within the City					currently being implemented. The review process is scheduled to commence in the 2026/2027 financial year.
Nahoon Estuarine Management Plan	To manage the Nahoon estuary cooperatively and in a coordinated manner. To address the ecological functioning, habitat loss and threats that are facing the estuary.	National Environmental Management Act, 107 of 1998	Gazetted in 2016	2020	2025	The Nahoon Estuarine Management Plan was developed by DEDEAT on behalf of the Municipality and is being implemented through coordinated governance structures. The Buffalo City Estuary Advisory Forum comprising of the Municipality, DEDEAT and external stakeholders oversees implementation of all Estuarine Management Plans while the Municipal Coastal Committee supports Integrated Coastal Management on a quarterly basis. The most recent meetings were held from 2–3 March 2026 (Advisory Forum) and 9 March 2026 (Municipal Coastal Committee).
Integrated Waste Management Plan	To address the challenge of Waste Management by improving waste service	Section 11(4)(a)(ii) NEMA: Waste Act 2008	2014	2022	2027	The IWMP for the period 2022–2027 has been endorsed by the Council and

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	provision through developing suitable waste management models for various settlements of Buffalo City which are formal, informal as well un-serviced areas in line with the National Waste Management Strategy.					approved by the MEC for Economic, Environmental Affairs and Tourism. It is currently implemented throughout the BCMM area of jurisdiction.
Reviewed Communication strategy	- The communication strategy aims to educate and inform people living in the Metro. - It also seeks to reassure the residents of BCMM about the commitment to effective and efficient service delivery. - Additionally, it aims to open platforms for receiving feedback on departmental programmes. - Finally, it intends to change negative perceptions about the Metro.	Promotion of Access to Information Act (No. 2 of 2000) Promotion of Administrative Justice Amendment Act (No. 53 of 2002)	January 2019	Expired in December 2016 Reviewed and approved 2019	2023	Currently implementing the Action Plan.
State of the Environment Report	To provide a baseline assessment of the main environmental issues and challenges facing the BCMM.	National Environmental Management Act, 107 of 1998	2015	2025	2030	The State of the Environment Report is incorporated into the Integrated Environmental Management Plan (IEMP)

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	- Reports on the environmental integrity and sustainability of the BCMM. - Ensures participative Greener Governance as part of the EMP.					which has been reviewed in the 2024/2025 financial year. The IEMP review was adopted by Council in December 2025. The state of the environment report will be extracted from the IEMP and published as an independent report in the 2025/2026 financial year. The process has commenced and anticipated to be finalised by 30 June 2026.
Air Quality Management Plan	The Air Quality Management Plan (AQMP) is a legislative requirement and forms an input to the Environmental Management Plan (EMP) and other plans, policies and developments. It also protects the integrity and sustainability of the Municipality and the environment. Ensures participative Greener Governance.	National Management Act, 107 of 1998 Air Quality Act 39 of 2005	2017/2018	2024/25 & 2025/26	2031	Multi-year project: The department has commenced a reviewal process. A first phase (baseline assessment) was completed in the 2024/25 financial year and the report will form part of the Reviewed AQM plan. Second and last phase of the project commenced in 2025/26. A service provider was awarded in December 2025. Work is in progress. The project is anticipated to

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						be completed on the 30 th of June 2025. A report to Council will be submitted during the first quarter of 2026/27
Coastal Management Programme (previously referred to as the Integrated Coastal Zone Management Plan (ICZMP))	- The plan articulates the BCMM's commitment to coastal protection and management. - To present the Coastal Zone Protection and Management Policy Framework of the BCMM that needs to be adopted and integrated into the planning and operations of all municipal service sectors. - To outline a clear implementation programme for coastal zone management activities and projects, as well as the partnerships that are needed for effective implementation.	National Environmental Management: Integrated Coastal Management Act (Act 24 of 2008)	2015	2025	2030	The Coastal Management Programme was reviewed and adopted by Council in December 2025.
Climate Change Strategy	Plays a vital role in addressing the Metro's social, economic and	National Environmental Management Act, 107 of 1998	2015	2025	2030	The Climate Change Strategy was reviewed and finalised in February 2026,

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	environmental needs that are as a result of Climate Change. To intensify the City's endeavours towards the implementation of Climate Change mitigation and adaptation measures.					with the overall review process scheduled for completion within the 2025/2026 financial year. The City Action Plan is currently under development and is anticipated to be finalised by 30 June 2026
Environmental Education and Awareness Strategy	To provide realistic guidance to the effective implementation of the environmental education, training and public awareness programmes and activities within the City	National Environmental Management Act, 107 of 1998	2010	2027	2030	The Environmental Education and Awareness Strategy was tabled before Council and approved in 2021. The programmes outlined in the strategy are currently being implemented. The review process is scheduled to commence in the 2026/2027 financial year.
Buffalo River Estuarine Management Plan	To ensure that the management of the Buffalo estuarine habitat is executed in a coordinated manner in compliance with necessary legislation is achieved. To address the ecological functioning, habitat loss and threats to the estuary	National Environmental Management Act, 107 of 1998	Gazetted in 2018	2018	2025	The Buffalo River Estuarine Management Plan was developed by DEDEAT on behalf of the Municipality. The Municipality is currently implementing the projects outlined in the Plan. A BCMM Sub-Committee has been established to ensure the effective implementation of actions

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						reflected in the Plan. The Committee convenes on a quarterly basis and comprises both internal and external stakeholders. The most recent sitting of the Committee was held on 3 March 2026.
Electricity Master Plan	The master plan was to include the following sub-plans: • Status of the Electricity Network • Infrastructure Refurbishment Plan • Network Integrity, Strengthening and Development Plan • Electrification Plan • Servitude Plan • Spatial Development Framework Plan • BCM Sector Plans Impact • BCM Local Integrated Resource Plan • Risk Management Plan • Capital Investment Programme • Operational Expenditure Programme • List of Projects The master plan will be presented over the 3, 5, and 20-year planning windows.	Electricity Act (No. 41 of 1987)	2015	None	2020	Document is being prepared for the update to take place in 2022/23

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Local Economic Development Strategy	Outlines how the Council can create an enabling environment for economic growth that will benefit all Citizens, especially those who are poor.	Section 26 of the MSA		2006	A new Economic Growth Strategy to be developed in 2023/24	
Tourism Master Plan		Tourism Act (No. 72 of 1993) / Tourism Act (No. 3 of 2014)	2006	2018	To be reviewed in 2024/25	
Integrated Agriculture and Rural Development Strategy	The strategy emphasises an integrated approach to agriculture and rural development. It seeks to promote coordination among various role players to avoid duplication.	EC Agricultural and Rural Development Plan		2006	Due for review	
SMME Strategy		Small Business Tax Amnesty Act		2014	Due for review	
Cooperative Development Strategy		Cooperatives Act (No. 14 of 2005)		2021	Being monitored on a quarterly basis	
Trade and Investment Strategy		Integrated National Export Strategy		2006	A new Economic Growth Strategy to be developed in 2023/24	
Crime Prevention Strategy	The strategy has formed the basis for the development of an implementation plan towards crime prevention, which is underpinned by a set of measurable objectives, indicators, out puts and activities. The implementation plan, in its	- To enforce Municipal By-Laws and to assist in combating and prevention of crime. - To Protect and secure the inhabitants of the	August 2012	N/A	30 June 2026	The first draft of the Crime Prevention BCMM situational analysis and Crime Prevention Strategy was submitted and was presented on Wednesday 18 March 2026 to the Department The revised documents are due on

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	format, can be used as a monitoring and evaluation tool. Institutionally, Law Enforcement Services Unit as directly accountable to the Public Safety & Protection Services GM must be the single point of responsibility for the implementation of the activities. The strategy must first be communicated with all the departments earmarked to execute the activities and a Memorandum of Understanding (MOU) must be entered into with such departments. The Law Enforcement Services Unit must, as a way of monitoring and evaluating the strategy, have monthly meetings with the responsible departments to record the progress made in the execution of the activities. Such monthly meetings can also be used as vehicles for contingency planning and adjustment of the implementation plan.	metro and their property. To uphold the Constitution and the Law. To consider the needs of the Community.				Friday 27 March 2026, whereafter the draft Crime Prevention Strategy will be presented to Top Management and workshopped to all Councillors.

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Water Services Development Plan	Provides a road map for the provision of sustainable and accessible water services to all in the BCMM area of jurisdiction. It also outlines constraints in the current network and proposes priority interventions in both water and sanitation bulk infrastructure services. In response to the SDF, it further provides forecasts for the growth and development of the City, with clear projections for development upgrades and extensions to the network.	Section 12 of Water Services Act (No. 30 of 2004)	2017	2019 not been to Council yet	2021	WSDP is the primary instrument for planning water services. A new plan must be developed every five years and should be reviewed or updated as necessary and appropriate in the interim. The department is beginning the process of updating the Water Services Master Plan, which will be incorporated into the next review of the WSDP.
Crime Prevention Strategy	The strategy has formed the basis for the development of an implementation plan for crime prevention, which is underpinned by a set of measurable objectives, indicators, outputs, and activities. The implementation plan, in its format, can be used as a monitoring and evaluation tool. Institutionally, the Law Enforcement Services Unit, as directly accountable to the	• To enforce Municipal By-Laws and assist in the combating and prevention of crime. • To protect and secure the inhabitants of the metro and their property. • To uphold the Constitution and the law. • To consider the needs of the Community.	August 2012	N/A	30 June 2024	Currently at BSC 1 - SCM

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	Public Health & Safety Portfolio Head, must be the single point of responsibility for the implementation of the activities. The strategy must first be communicated to all the departments earmarked to execute the activities, and a Memorandum of Understanding (MoU) must be entered into with these departments. The Law Enforcement Services Unit must, as a means of monitoring and evaluating the strategy, hold monthly meetings with the responsible departments to record the progress made in executing the activities. Such monthly meetings can also serve as vehicles for contingency planning and adjustment of the implementation plan.					
Employment Equity Plan	To achieve and maintain representation in the workplace by appointing, empowering, and developing competent members of staff who are equipped to	Employment Equity Act (No. 55 of 1998)	VEE&TS 14/25	01 September 2025 - 30 August 2030	30 August 2030	The current Employment Equity Plan is in line with the new amendments.

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	implement the strategic plans of the Council.					
Workplace Skills Plan	Annually, BCMM develops a Workplace Skills Plan (WSP) for the forthcoming year. This plan encompasses a training needs analysis, a training budget, and an implementation plan for the capacitation of employees throughout the year, as well as an Annual Training Report on the implementation of the current WSP. An Annual Implementation Plan, flowing from the WSP, is then drawn up, containing scheduled interventions.	LRA (No. 66 of 1995) Employment Equity Act (No. 55 of 1998) Skills Development Act (No. 97 of 1998) SAQA Act (No. 58 of 1995) National Skills Development Strategy III			25 April 2022	Draft Workplace Skills Plan has been developed and will be presented to the Employment Equity and Training Steering Committee, scheduled for 28 March 2023, for approval.
Human Resource Management Strategy	To ensure that HR serves and supports the Municipality in achieving its strategic objectives through proper HR practices, such as recruitment, training, performance management, health and safety, personnel administration, and labour relations.	Skills Development Facilitation Act Labour Relations Amendment Act (No. 42 of 1996) Basic Conditions of Employment Act (No. 75 of 1997) Employment Equity Act (No. 55 of 1998) MSA (No. 32 of 2000) MFMA (No. 56 of 2003)	The Draft HR Strategy of 2006 was not approved by Council.	The Draft HR Strategy of 2006 has not been reviewed. The Draft HR Strategy of 2006 was not approved by Council.	The draft Human Resources Management Strategy to be reviewed by 28 February 2021 The Draft HR Strategy will be reviewed in the 2023/24 financial year to ensure alignment with the new Human Resource regulations.	Note: There are two HR Departments, i.e. Human Resources Management and HR Development & Performance. Each department should have its own strategy. Integration and linkages of the two strategies will occur at the operational level.

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Municipal Health Services Plan	To provide a framework for the provision of comprehensive and integrated Municipal Health services in BCMM	Municipal Systems Act 32 of 2000 Municipal Structures Act 117 of 1998 National Health Act, 61 of 2003	2014/2015	2025/26 & 2026/27	2032	Multi-year project: The review process has commenced, and it is underway. A service provider was appointed in February 2026 for the first/ initial phase of the project that must be completed by the 30th of June 2026. Because the project is a multi-year as budgeted for in 2025/26 & 2026/27, it is therefore envisaged that a second and last phase of the project will commence in 2026/27, with the anticipated completion date of 30 June 2027. A report to Council will therefore be submitted during the first quarter of 2027/28 financial year.
Water and Sewerage Master Plans	The water & sewerage master plans identify and prioritise the required bulk water services infrastructure upgrades and extensions. They provide information on current and future needs regarding the necessary	National Water Act (No. 36 of 1998)				

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	upgrading of the water and sewer infrastructure network.					
Storm water Management System	The Storm water Management System addresses priorities in the required maintenance of the system.					
Pavement Management System	The Pavement Management System identifies and prioritises the required maintenance and upgrading of street infrastructure.		2012/13	2019/20		
Community Halls Master Plan	To give guidance on the development of new Community Halls and the identification of Community Halls for Upgrading and/or Refurbishment		2020/21		2026/27 (01 July 2026)	The Review will include guidelines and the criteria for the Construction of New Community Halls
City Beautification and Landscaping Plan / Strategy	To guide the Metro Beautification and Landscaping, especially in the Main Points of Entry, Towns/Townships entrances and Major Roads		2023/24		2027/28	The Plan / Strategy is still being implemented
Cemeteries Master Plan	To give guidance on the development of new Cemeteries and the identification of Land for New Cemeteries and Cemeteries that could be extended		2023/24		2027/28	The Plan is still being implemented

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East London Zoo and Aquarium Master Plans	To guide future development of both the East London Zoo and the East London Aquarium. That include Capital Projects to be implemented in the new MTREF					The presentation will be done for all Councillors in the Councillors and Traditional Leaders Workshop before 30 June 2026 and the Plan will be taken to Council for approval before 30 June 2026 and will be adopted as 2026/27 – 2030/31

ANNEXURE B: IDP/Budget/PMS Process Plan Followed



Introduction & Background

■ Rationale for the Process Plan

The IDP is developed in accordance with requirements set out in the Municipal Systems Act (32 of 2000) and Local Government Municipal Planning and Performance Management Regulations (2001). The MSA further mandates municipalities to review its IDP annually in accordance with an assessment of its performance measurements.

The preparation of a Process Plan, which is in essence the IDP Process set out in writing, requires the adoption by Council. This plan has to include the following:

- *A programme specifying the time frames for the different planning steps;*
- *Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process;*
- *An indication of the organisational arrangements for the IDP process;*
- *Binding plans and planning requirements, i.e. policy and legislation; and*
- *Mechanisms and procedures for vertical and horizontal alignment.*

In order to ensure certain minimum quality standards of the Integrated Development Plan (IDP), and proper coordination between all stakeholders, including the Council, administration, different spheres of government, institutional structures, ward committees and various community-based organisations, the preparation of the Process Plan has been regulated in the Municipal Systems Act (2000).

■ Area of the IDP

The IDP will be applicable to the Buffalo City Metropolitan Municipality Municipal Area which is situated on the east coast of the Eastern Cape Province, South Africa. Buffalo City Metropolitan Municipality is situated relatively centrally in the Eastern Cape Province, and is surrounded by the Great Kei Local Municipality, Amahlati Local Municipality, Nkonkobe Local Municipality and Ngqushwa Local Municipality. It is bounded to the south-east by the long coastline along the Indian Ocean. It includes the towns of East London, Bhisho and King William's Town (Qonce), as well as the large townships of Mdantsane and Zwelitsha.

The municipality was established as a local municipality in 2000 after South Africa's reorganization of municipal areas, and is named after the Buffalo River, at whose mouth lies the only river port in South Africa. On 18 May 2011 it was separated from the Amathole District Municipality and converted into a metropolitan municipality.

The Buffalo City Metropolitan is made up of significant portions of two Magisterial Districts, as follows:

- East London, including the previous Ciskei Magisterial District(s) of Mdantsane.
- King William's Town (Qonce), including the previous Ciskei Magisterial District of Zwelitsha.

In line with the local government dispensation in South Africa, the Buffalo City Metropolitan Municipality is categorized as a Category "A" Municipality.

- Five-year cycle of the IDP

Drafting an IDP requires a comprehensive planning process and the involvement of a wide range of internal and external role players. Such a process must be properly organised and prepared. This preparation is the duty of the Municipal Manager and Senior Management. The preparation process will be referred to as the “Process Plan” and should contribute to the institutional readiness of the municipality to draft or review the IDP.

The IDP drives the strategic development of BCMM. The Municipality’s budget is influenced by the strategic objectives identified in the IDP. The Service Delivery and Budget Implementation Plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is reported in the Quarterly and Mid-yearly Performance Assessment Reports as well as in the Annual Report.

In addition, Risk Management forms an integral part of the internal processes of a municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

- Phases of the annual process

In accordance with the Revised IDP Guidelines issued by the National Minister of Cooperative Governance and Traditional Affairs in 2020 in terms of Section 37 of the Municipal Systems Act, the drafting of the IDP involves five (5) critical phases, namely:

- Phase 1: Research Information Collection and Analysis;
- Phase 2: Vision, Objectives and Strategies;
- Phase 3: Development of Programmes and Projects;
- Phase 4: Integration and Consolidation; and
- Phase 5: Approval, Adoption and Publication.

Taking due consideration of these guidelines, the Buffalo City Metropolitan Municipality’s IDP process goes through the following phases during the course of a year:

Phase	Tasks	Mechanisms
Phase 1: Research Information Collection and Analysis	External analysis:	
	- Spatial - Social - Economic - Environmental - Physical - Sector and Community needs and issues	- Sector plans analysis and reviews - Spatial Development Framework - Stakeholder discussions - IGR work sessions
	Compilation of area plans:	
	- Ward profiles - Services backlogs - Priority issues per ward	- Ward committee/ ward meetings and workshops - Inputs by departments
	Internal analysis:	
	- Governance and Financial Management Critical issues / challenges - Minimum service levels	- In-house exercise by departments and IDP/Budget/PMS Workstreams - Performance assessment

Phase	Tasks	Mechanisms
	Inter-governmental alignment:	
	Align with National and Provincial Policies	In accordance with the 2022 Medium Term Expenditure Framework (MTEF) Guidelines for Provinces, in order to enhance the integration of policy alignment, planning, budgeting and implementation, provincial MTECS should be used as one of the platforms that encourage joint planning between departments, municipalities and public entities.
Phase 2: Vision, Objectives and Strategies	Council and Management discuss strategic issues such as vision and mission, future directions, strategic outcomes, key focus areas, as well as programmes, projects, key initiatives, key performance indicators and targets for each key focus area taking cognizance of the need to align all plans with those of provincial and national government sector departments and entities.	- Strategy workshops (Top Management Technical Strategic Planning Sessions, IDP/Budget/PMS Workstreams) - Mayoral Lekgotla - Council Lekgotla - Stakeholder discussions - Three-Spheres Planning Session - In-house Top Management Team Session
Phase 3: Development of Programmes and Projects	Identify programmes, projects and key initiatives in alignment with Council Priorities and Mayoral Lekgotla and Council Lekgotla outcomes. These should be developed with a constant reference to the requirements of the NDP, IUDF, DDM as well as other sectoral policies. During this phase the metro should strive to get the input of other spheres of government, state entities as well as key sector players, on what the development programmes, projects or intentions are, within the city.	- IDP/Budget Work Sessions for the purpose of Mid-year Budget Adjustments, MTREF Budget Preparation in line with Council Priorities. - Internal Transversal discussions as provided for in the BCMM IGR Framework which also covers the operational system and processes for horizontal planning across the municipality. - Combined IDP/SDBIP/Enterprise Risk Review Work Sessions
Phase 4: Integration and Consolidation	Assess relevancy and interdependence of the programmes and projects to ensure consistency of the identified programmes and projects with IDP Priorities, MTREF Budget, policy and legal requirements.	- Refinement of budget in line with Cabinet approved division of revenue, MTEF - Budget Assessment by National Treasury.
Phase 5: Approval, Adoption and Publication	Approval of draft IDP and draft annual budget: Finalise and approve draft IDP and draft annual budget, SDF amendments	- In house preparation of the relevant documentation and submission to Council - Council Workshop
	Consultation and refinement - Make public the draft IDP and draft annual budget for comments and submissions. - Submit the draft annual budget to National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the budget. - Consult the local community and other stakeholders	- In-house exercise by Chief Financial Officer and Manager: IDP/BI - Public meetings & workshops - IDP Representative Forum meeting
	Final adoption Council approves the final IDP and final annual budget	In-house preparation of the relevant documentation and submission to Council
	Publication Publication and submission of adopted IDP to legislative authority	Statutory publication and submission as per prescripts

Table 123: Phases of the Annual IDP Process

1 Preparation for the Process

The result of the preparation process should not only be a document (the Process Plan), but also a well-prepared council and management, confident about the task ahead.

In the Process Plan -

- *Organisational arrangements are established, and the membership of committees and forums is clarified.*
- *Roles and responsibilities are clarified, and internal human resources allocated accordingly.*
- *The legal requirements, principles and functions of community and stakeholder participation during the IDP process are clarified.*
- *Mechanisms and procedures for alignment with external stakeholders such as other municipalities, districts and other spheres of government are looked at.*
- *Legislation and policy requirements that must be considered in the course of the IDP process are provided. The list contains documents, guidelines, plans and strategies from the provincial and national sphere of government.*

This preparation for the IDP compilation process is a task of municipal management. Individual tasks may be delegated but the process remains the accountability of the Management Team.

With the introduction of the District Development Model, the metro has had to reflect on the participation of national and provincial government in the planning processes. The Revised IDP Guidelines for municipalities, 2020 clearly indicates that the main purpose of national and provincial participation is to ensure that sector priorities are reflected, and development actions are aligned to contribute to the achievement of national development objectives.

The diagram below shows that the participation of all three spheres starts with the Preparation activities for the development or review of the Integrated Development. Given that the IDP and District Development Model Processes are linked and aligned in the Buffalo City planning processes, the roles of all three spheres and the mechanisms they use to interact throughout the IDP process is expanded on in later sections.

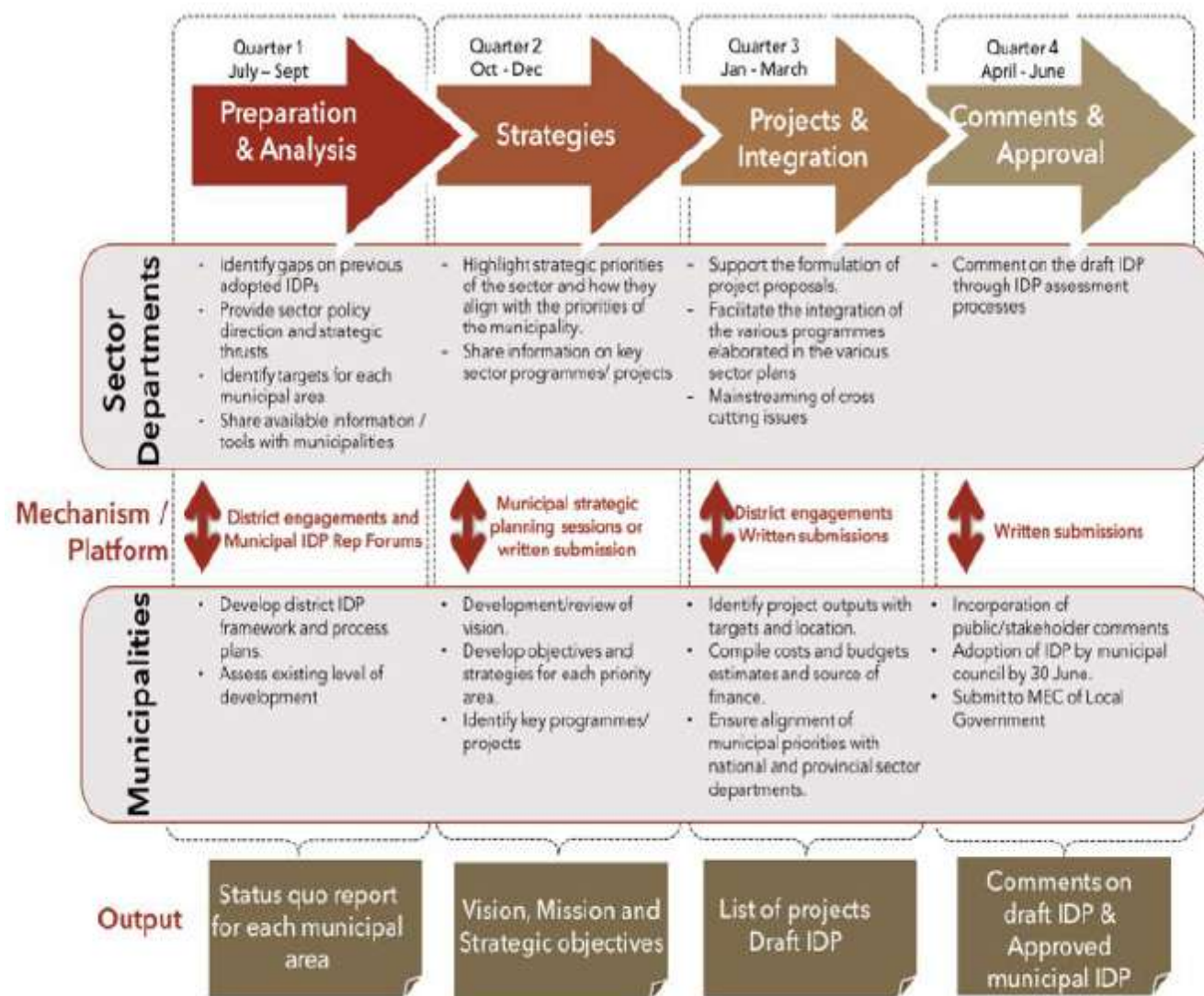


Table 124: Roles and Responsibilities of sector departments by IDP Phase

2 Compiling 5th Generation IDP (2021/26)

MFMA Budget Circular 108 of 2021 guided municipalities on how to proceed with transitional management of the development and adoption of Integrated Development Plans during the 2021 Local Government Elections.

MFMA Circular 108 of 2021 advised Councils of their obligation to ensure that the stipulations in accordance with which the IDP and Budget need to be reviewed and adopted by 30 June 2022, be complied with.

The Council of Buffalo City Metropolitan Municipality, acting in terms of Section 25(3) (a) of the Municipal Systems Act which prescribes that a newly elected council, may adopt the IDP of the previous council, adopted the 2021/2026 Integrated Development Plan and the first review thereof for the 2022/2023 period during a Council meeting held on 31 May 2022.

■ Key Elements addressed in this process

The following is a summary of the main activities undertaken during this IDP Process:

2.1.1 Assessment Issues

- The comments on the last adopted IDP provided by the MEC for Local Government in accordance with Sections 31 and 32 of the Municipal Systems Act;
- Findings contained in the National Treasury Benchmarking Report on their assessment of the metro's Budget during April/May annually;
- Findings contained in the Auditor General's Report of the previous financial year/s; and
- Shortcomings and weaknesses identified through self-assessment.

2.1.2 Review of the Strategic Elements of the IDP in terms of priorities of Council and the objectives of Management

- Review of the Strategic elements of the IDP and Metro Growth and Development Strategy (MGDS) if required; and integrating the strategic intent throughout the budget process, including mSCOA alignment, and finalizing of the Service Delivery and Budget Implementation Plan (SDBIP);
- Review of elements of the Spatial Development Framework;
- Review of the Disaster Management Plan;
- Update of Master Plans and Sector Plans; and
- The update of the Financial Plan.

2.1.3 Inclusion of new information where necessary

- Addressing areas requiring additional attention in terms of legislative requirements not addressed during the compilation of the 2016/17-2021/2022 IDP and all following revisions conducted in accordance with the relevant legislation (i.e. MFMA Regulatory Circulars);
- Update of the Socio-Economic Profile;
- Public Participation Input and revision of Ward Plans; and
- The implication of the National Government led Planning Reforms, with a specific emphasis on the development of Metro-Specific IDP Guidelines, the Guidelines for Transitioning out of BEPP, the District/Metro Development Model and the review of the IDP Assessment Tool, which are all at different stages of development and implementation.

2.1.4 Municipal Accountability Cycle and mSCOA compliance

The Minister of Finance has, in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs gazetted the Municipal Regulations on Standard Chart of Accounts (mSCOA) into effect on 22 April 2014.

Municipal SCOA provides a uniform and standardised financial transaction classification framework. Essentially this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets and liabilities, policy outcomes and legislative reporting. This is done at transactional level and ensures that a municipality and its entities have minimum business processes in place. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions. **mSCOA** is a business reform rather than a mere financial reform and requires multi-dimensional recording and reporting of every transaction across 7 segments:

The municipal financial management and accountability cycle consists of:

- **Integrated development plan (IDP):** Sets out the municipality's goals and development plans. Council adopts the IDP and undertakes an annual review and assessment of performance.
- **Budget:** The IDP informs the budget. The budget sets out the revenue raising and expenditure plan of the municipality for approval by council. It is linked to the service delivery and budget implementation plan (SDBIP). The budget and the SDBIP lay the basis for the performance agreements of the municipal manager and senior management.
- **In-year reports:** Council monitors financial and non-financial performance through quarterly and midyear reports produced by the administration and tabled in Council.
- **Annual financial statements:** These are submitted to the Auditor-General who issues an audit report on financial and non-financial audits undertaken simultaneously.
- **Annual report:** Reports on implementation performance in relation to the budget and the SDBIP.
- **Oversight report:** Council adopts an oversight report based on outcomes highlighted in the annual report and actual performance.
- **Audit committee:** Provides independent specialist advice on financial and non-financial performance and governance.

Figure 2 below illustrates the Municipal Accountability Cycle in South Africa and its linkage to mSCOA.

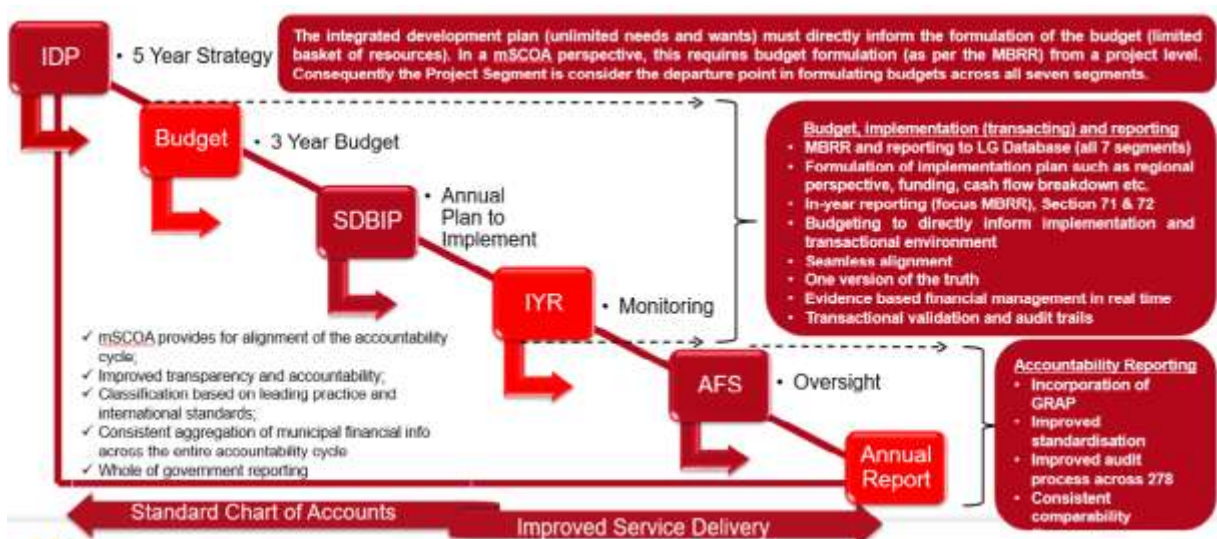


Figure 123: Local Government Financial Management Accountability Cycle and linkage with mSCOA

3 Annual Revision of the IDP

- **Legislative prescripts for annual review of the IDP**

MSA Section 34, Annual review and amendment of integrated development plan determines that-

A municipal council-

- (a) *must review its integrated development plan-*
 - (i) *annually in accordance with an assessment of its performance measurements in terms of section 41; and*
 - (ii) *to the extent that changing circumstances so demand; and*
- (b) *may amend its integrated development plan in accordance with a prescribed process.*

- **Purpose of a review**

The IDP must be reviewed annually in order to:

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

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

If these are minor adjustments, there is no need to formally amend the IDP. However, where significant changes are required with budgetary implications (allocations or projections), this should warrant amendment of the IDP as outlined below.

Ideally a report to Council should be provided each year when the Annual Report is tabled, which should indicate areas in which the IDP needs to be amended to cater for changes in strategy, policy or where unforeseen circumstances have meant that the IDP needs material change. The annual review should not be a major one, but just an update of relevant information.

The following are some of the key questions that should be asked when reviewing the IDP:

- Are there any significant changes in budget availability?
- Are there any significant changes in the spatial layout of the area?
- Are there any significant changes within the specific municipal area that has a reasonable impact on projects, programmes or livelihoods of the community?

- **Amendments**

Within the term of office, a municipal IDP may need to be amended when there have been significant unexpected changes within the municipality that require a reorganisation of the municipal priorities and budgets. IDP amendments should only be required under exceptional circumstances and should not be done without significant justification.

The process for amending a municipal IDP is laid out in section 3 of the Municipal Planning and Performance Management Regulations, 2001, and is similar to that of adopting a new IDP:

Review	
Council to review the IDP based on: ▪ Assessment of performance measures ▪ Demand based on changing circumstances	Annually
Amendment (if required)	
a) A council member or committee introduces a proposal to amend the IDP	If / when required
b) A memo detailing the reasons to amend	
c) Give reasonable notice to members of council	
d) Publish proposed amendment for 21 days	
e) Consultations between the district and locals	
f) Council adopt the IDP	

Table 125: Process to amend IDP (Revised IDP Guidelines for municipalities, 2020)

The annual review must inform the municipality's financial and institutional planning and most importantly, the drafting of the annual budget. It must be completed in time to properly inform the latter.

The purpose of the annual review is therefore to -

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

▪ **What the review is not**

- The Review is not a replacement of the 5-year IDP.
- The Review is not meant to interfere with the long-term strategic orientation of the municipality to accommodate new whims and additional demands.

4 Legal Requirements

Since the release of the 2001 IDP guideline, there have been significant policy and legislative changes guiding development in South Africa. The primary policy developments include the following:

- The National Development Plan (2012)
- The Back to Basics Programme for municipalities (2014)
- The Integrated Urban Development Framework (2016)
- The Development of Built Environment Performance Plans by metropolitan municipalities
- The District Development Model (2019)

Some of the important legislative developments include:

- Spatial Planning and Land Use Management Act, No.16 of 2013 (SPLUMA)
- National Land Transport Act, No.5 of 2009
- Department of Planning Monitoring and Evaluation (DPME's) Draft Planning Framework Bill

On the international front, important development include the following”

- The African Union launched Africa 2063 in 2014
- The Sustainable Development Goals replaced the Millenium Development Goals
- National Urban Agenda
- The Paris Accord Addressing Climate Change

The Revised IDP Guidelines, therefor, advises that:

- All municipalities are expected to develop and implement IDPs in the context of the National Development Plan (NDP), Integrated Urban Development Framework (IUDF) and other policy imperatives.
- For municipalities to develop credible IDP, national and provincial departments must meaningfully engage with the local development planning process.
- Other development agents in municipal spaces such as government entitites, traditional leadership, mining companies and others should participate and enrich the local development planning process.

To ensure certain minimum quality standards of the IDP process and proper coordination between and within the spheres of government, the IDP process is regulated by the following legislation:

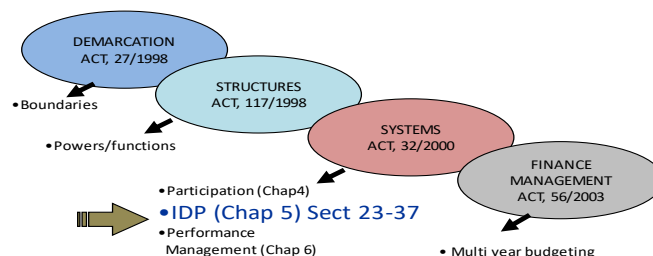


Figure 124: Municipal Legislative Background

■ **The Integrated Development Plan (IDP)**

4.1.1 Chapter 5 and Section 25 (1) of the Municipal Systems Act (2000) indicates that:

Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive and strategic plan for the development of the municipality which-

- (a) Links integrates and coordinates plans and takes into account proposals for the development of the municipality;*
- (b) Aligns the resources and capacity of the municipality with the implementation of the plan;*
- (c) Complies with the provisions of this Chapter; and*
- (d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*

4.1.2 In accordance with the Municipal Systems Act, No 32 of 2000 (MSA) Section 28:

- (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.*
- (2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.*
- (3) A municipality must give notice to the local community of particulars of the process it intends to follow.*

4.1.3 Section 29(1) of the Municipal Systems Act, No. 32 of 2000 (MSA) instructs that:

The process must -

- (a) be in accordance with a predetermined programme specifying timeframes for the different steps;*
- (b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for -*
 - (i) the local community to be consulted on its development needs and priorities;*
 - (ii) the local community to participate in the drafting of the integrated development plan; and*
 - (iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;*
- (c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and*
- (d) be consistent with any other matters that may be prescribed by regulation.*

4.1.4 Section 34 of the Municipal Systems Act, No. 32 of 2000 (MSA) prescribes that:

A municipal council must

- (a) review its Integrated Development Plan*
 - (i) annually in accordance with an assessment of its performance measurements in terms of section 41; and*
 - (ii) to the extent that changing circumstances so demand; and*

- (b) *may amend its integrated development plan in accordance with a prescribed process.*

■ **The Annual Budget**

The Annual Budget and the IDP are inextricably linked to one another, something that has been formalised through the promulgation of the Municipal Finance Management Act (2004).

4.1.5 Chapter 4 and Section 21 (1) of the Municipal Finance Management Act (MFMA) indicates that:

The Mayor of a municipality must-

- (b) *At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-*
- i. The preparation, tabling and approval of the annual budget;*
 - ii. The annual review of-*
 - aa) The integrated development plan in terms of section 34 of the Municipal Systems Act; and*
 - bb) The budget related policies.*
 - iii. The tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and*
 - iv. The consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).*

■ **The Service Delivery and Budget Implementation Plan (SDBIP)**

The Service Delivery and Budget Implementation Plan (SDBIP) is an implementation plan of the approved Integrated Development Plan (IDP) and Medium-Term Revenue and Expenditure Framework. Therefore, only projects that are budgeted for are implemented. The SDBIP serves to address the development objectives as derived from the approved IDP.

4.1.6 Section 1 of the MFMA defines the SDBIP as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

- (a) projections for each month of-*
 - (i) revenue to be collected, by source; and*
 - (ii) operational and capital expenditure, by vote;*
- (b) service delivery targets and performance indicators for each quarter*

4.1.7 The Spatial Planning and Land Use Management Act, 16 of 2013 confirms in Section 20(2):

“that a municipal SDF must be prepared – “as part of” a municipal IDP.”

5 Institutional Arrangements

■ Organisational arrangements

BCMM established a set of organisational arrangements in order to institutionalise the participation process of all stakeholders, effectively manage outputs, and give affected parties access to contribute to the decision-making process. The metro is continuously considering existing arrangements, use and adapt them if necessary, and try to avoid duplication of mechanisms.

This section deals with the organisational structure and the terms of reference for each of the arrangements/structures. It is one of the pre-requisites of a smooth and well organised IDP process that all role players are fully aware of their own and of other role players' responsibilities.

This section deals with:

- The roles which the municipality must play in the IDP process in relation to the roles which external role players are expected to play; and
- The further specification of roles within the Municipality and the responsibilities related to that role in detail.

5.1.1 Roles and responsibilities within Government

Role Player	Roles and Responsibilities
Local Municipality	■ Prepare and adopt the IDP Process Plan and Budget Time Schedule. ■ Undertake the overall management and co-ordination of the IDP process which includes ensuring that: - all relevant role-players are appropriately involved; - appropriate mechanisms and procedures for community participation are applied; - events are undertaken in accordance with the approved time schedule; - the IDP relates to the real burning issues in the municipality; and - the sector planning requirements are satisfied. ■ Prepare and adopt the IDP. ■ Adjust the IDP in accordance with the MEC's proposal. ■ Ensure that the annual business plans, budget and performance management system are linked to and based on the IDP.
Provincial Government	■ Ensure horizontal alignment of the IDPs of the local municipalities within the province. ■ Ensure vertical/sector alignment between provincial sector departments/ provincial strategic plans and the IDP process at metro level by - - guiding the provincial sector departments' participation in and coordinate the required contribution to the municipal IDP process; - guiding them in assessing draft IDPs and aligning their sector programmes and budgets with the IDPs ■ Efficient financial management of provincial IDP grants. ■ Monitor the progress of the IDP processes. ■ Facilitate resolution of disputes related to IDP. ■ Assist municipalities in the IDP drafting process where required. ■ Organise IDP-related training where required. ■ Co-ordinate and manage the MEC's assessment of IDPs.
National Government	■ NT assessment of IDP, Budget, SDBIP and BEPP

Table 126: Roles and Responsibilities within Government



Figure 125: Roles and Responsibilities within Government

5.1.2 Roles and responsibilities – Municipality and Stakeholders

As shown in the table below:

ROLE PLAYERS	LEGISLATED FUNCTIONS
MUNICIPALITY DEFINED	Systems Act Section 2(b) - A municipality consists of - (i) the political structures and administration of the municipality; and (ii) the community of the municipality
POLITICAL STRUCTURES	Structures Act Section 56(2) - Functions and powers of executive mayors The executive mayor must – (a) identify the needs of the municipality; (b) review and evaluate those needs in order of priority; (c) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and (d) recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community. Systems Act Section 30 - Management of drafting process The executive mayor of a municipality must, in accordance with section 29- (a) manage the drafting of the municipality's integrated development plan; (b) assign responsibilities in this regard to the municipal manager; and (c) submit the draft plan to the municipal council for adoption by the council.

ROLE PLAYERS	LEGISLATED FUNCTIONS
ADMINISTRATION	Systems Act Section 55(1) - Municipal managers As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for- (a) the formation and development of an economical, effective, efficient and accountable administration- (i) equipped to carry out the task of implementing the municipality's integrated development plan in accordance with Chapter 5; (ii) operating in accordance with the municipality's performance management system in accordance with Chapter 6; and (iii) responsive to the needs of the local community to participate in the affairs of the municipality; (b) the management of the municipality's administration in accordance with this Act and other legislation applicable to the municipality; (c) the implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan
COMMUNITY	Systems Act Section 29(1) - Process to be followed The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must - (b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for - (i) the local community to be consulted on its development needs and priorities (ii) the local community to participate in the drafting of the integrated development plan.

Figure 126: Roles and responsibilities - Municipality and stakeholders

The table below indicates the roles and responsibilities of the different role players.

STRUCTURE	COMPOSITION AND RESPONSIBILITY
The Executive Mayor of Buffalo City Metropolitan Municipality	The Executive Mayor of Buffalo City Metro has the ultimate responsibility for the preparation and implementation of the IDP, Budget & Performance Management. In his/her executive capacity the Executive Mayor has to: • Be responsible for the overall oversight, development and monitoring of the process or delegate IDP & PMS responsibilities to the City Manager; • Ensure that the budget, IDP & budget related policies are mutually consistent & credible; • Approve nominated persons that will be responsible for different roles and activities within the IDP/Budget process; and • Submit the IDP & the Annual Budget to the municipal Council for adoption.
Buffalo City Municipal Council	The Buffalo City Municipal Council is the ultimate political decision-making body of the municipality and the Council has the responsibility to: • Consider and adopt the IDP Process Plan & time schedule for the preparation, tabling & approval of the annual budget; • Consider and adopt the IDP and annual Budget; • Ensure the municipal budget is coordinated with and based on the IDP; • Adopt a Performance Management System (PMS) • Monitor progress, re. IDP implementation

STRUCTURE	COMPOSITION AND RESPONSIBILITY
Ward Councillors; Ward Committees; Community Development Workers & Traditional Leaders	Ward Councillors/ CDW's & Traditional Leaders are the major link between the municipal government and the residents. Their role and responsibilities are to: • Form a link between municipal governance and the community; • Link the planning process to their constituencies and/or wards; • Ensure communities understand the purpose and the key mechanisms of the IDP, Budget process, Performance Management and are motivated to actively participate; • Facilitate public consultation and participation within their wards. • Provide feedback to their communities on the adopted IDP and Budget and SDBIP
Strategic Development Portfolio Committee	The Strategic Development Portfolio Committee will provide general political guidance over the IDP/Budget & PMS review process. The Portfolio Committee will be chaired by the Political Head of the Executive Support Services Directorate and will be constituted of Councillors and the Executive Mayor as an ex-officio member. Key members will also be the Portfolio Councillor for finance and technical support will be provided by the: • HOD: Executive Support Services • GM: IDP/Budget Integration/PMS & GIS; • Senior Manager IDP/Budget Integration • Other relevant officials.
Budget Steering Committee	The Budget Steering Committee is responsible for recommending the budget document as well as any other budget related issues such as changes in internally funded projects, prior to approval by council. This committee is chaired by the Executive Mayor or his/her delegated representative, with chairpersons of the portfolio committees and all section 57 employees serving as members.
City Manager and HODs	The Municipal Manager has the responsibility to provide guidance and ensure that the administration actively participates and supports the development and review of the IDP and Budget and works towards its implementation. HODs are responsible for championing IDP/Budget processes with their directorates. This is done through: • Ensuring understanding of the importance of integrated planning • Ensuring quality distribution of information related to IDP/Budget processes • Ensuring timeous dissemination of good quality information for all matters related to IDP/Budget processes
IDP Steering Committee / Top Management	The IDP Steering Committee is chaired by the City Manager and the Heads of Directorates who will also be the technical leaders of the different Clusters. The tasks of the steering committee are to: • Provide technical oversight and support to the IDP/ Budget review and its implementation; • Consider and advise on IDP/ Budget content and process; • Ensure inter-directorate co-operation, co-ordination, communication and strategic thinking to address priority issues • Ensure sector and spatial co-ordination and alignment • Ensure IDP & budget linkage • Ensure Performance Management is linked to the IDP • Ensure the organisation is oriented to implement the IDP • Ensure timeframes set for the review are met.
Directorates & Departments	Directorates and Departments are responsible for sector planning and for the implementation of the IDP. The participation of all Departments is thus critical and they: • Provide technical / sector expertise and information, throughout the IDP Budget process; and

STRUCTURE	COMPOSITION AND RESPONSIBILITY
	Ensure that the review process is participatory, integrated, strategic, implementation-oriented, budget linked and aligned with and satisfies sector planning requirements.
IDP/Budget/PMS Work Streams	IDP/Budget Work streams are led politically by Mayoral Committee Councillors and technically by HoDs. All Councillors, all General Managers and identified key officials are members of the different working groups. The Work streams are required to: - Assist with the identification of key issues, the development of objectives, strategies, indicators and programmes, projects & budgets for the relevant themes - Ensure inter-sectoral co-operation, communication and strategic thinking to address priority issues - Consider & incorporate the cross-cutting issues – e.g. HIV/ AIDS, climate change, poverty, gender, youth, elderly and disabled - Monitor progress on the implementation of the IDP
IDP/Budget/PMS Representative Forum and Community Stakeholders	The IDP/ PM/ Budget Representative Forum constitutes the structure that institutionalises sectoral participation in the IDP Process. The members of the IDP Representative Forum include Business, Government & NGO sectors (as well as political and technical leaders of the IDP Clusters). The Executive Mayor or his/her nominee chairs the Forum. The Forum has the following functions and duties: - represents the interests of their constituents in the IDP process; - provide an organisational mechanism for discussion and consensus-building between the different stakeholders and the Municipal Government; - monitor the performance of the planning, implementation and review process; - ensures an efficient flow of information to and from stakeholder groups.
Public Consultation/ Imbizo Preparation Committee	The Public Consultation/ Imbizo Preparation Committee is led by the Mayoral Committee Councillors for IDP, Public Participation and Finance. Members of the technical Committee include: - GM IDP/PMS/GIS & IEMP - GM Public Participation & Special Programmes - GM Development Co-operation and Communication - GM Budget & Treasury - GM Organisational Support - GM Public Safety - GM Community Services The purpose of the Committee is to provide technical guidance and ensure the administrative co-ordination of key public consultations and imbizos.
IDP/PMS/GIS Department	The IDP, Budget Integration, Performance Management and GIS Department reports to the HOD: Executive Support Services and is required to manage and co-ordinate the IDP review process, ensure IDP / budget integration, the roll out of Performance Management System and monitor the implementation of the IDP, including: - preparing the Process Plan for the development of the IDP; - undertaking the overall management and co-ordination of the planning and review process under consideration of time, resources and people; and - ensuring that the review process is participatory, strategic, implementation-oriented, integrated with the budget process, is horizontally and vertically aligned and satisfies sector planning requirements

Table 127: Roles and Responsibilities of role players

6 Transversal Planning

The IDP requires alignment with other spheres of government at different stages during the process. Before starting with the IDP process municipalities need to understand where alignment should take place and through which mechanism this can best be achieved. Alignment is the instrument to synchronize and integrate the IDP process between different spheres of government. The alignment process must reveal how National and Provincial Government and state-owned enterprises (SOEs) could tangibly assist this Municipality in achieving its developmental objectives.

The desired outcome of inter-governmental alignment is –

- *to make government as a whole work together;*
- *to improve the impact of its programmes; and*
- *to work towards achieving common objectives and outcomes, particularly with regards to economic growth for job creation and addressing the needs of the poor.*

Efficient performance of government, integration and alignment across all spheres of government can be realized through focused implementation.

▪ Integrated Planning across departments (intra-municipal), inter-sphere and intersectoral

The Revised IDP Guidelines for Municipalities, 2020 indicates that the sectors that need to be seamlessly integrated include

- housing delivery – The Housing Act, No.107 of 1997, Housing Chapters required to be part of the IDP through the National Housing Code (2009)
- transport – National Land Transport Act, No.5 of 2009
- water services – Water Services Act, No.108 of 1997
- electricity
- waste management
- disaster management
- climate change – Climate Change Bill, 2018
- economic development, etc.- Local Economic Development and Inclusive Economic Development (Integrated Urban Development Framework, 2016)

While legislation makes little specific requirements of how planning across municipal departments should occur, it does deal with what integrated, cohesive planning should cover. This is in part through the Municipal Systems Act, which details what the IDP must address, and partly through sector legislation indicating requirements for sector plans.

▪ Institutionalising of Planning Reforms

BCMM is a keen participant in the Institutionalising of Planning Reforms processes led by National Treasury, Department of Planning, Monitoring and Evaluation, Department of Cooperative Governance and Department of Agriculture, Land Reforms and Rural Development.

6.1.1 District Development Model

The District Development Model (DDM) was approved by Cabinet as a government approach to enhance integrated development planning and delivery across the three spheres of government with district and metro spaces as focal points of

government and private sector investment. The envisaged integrated planning and delivery in the district and metro spaces will be enabled by joint planning, budgeting, and implementation processes.

It is acknowledged that the DDM introduces a new planning instrument in the form of the One Plan. This process comes into a planning environment where there are existing planning instruments at local, provincial, and national levels of government. However, the One Plan is not meant to replace any of the existing prescribed development, departmental strategic and annual performance plans that each sphere, department and state entity is responsible for or required to develop. The One Plan is rather informed by these plans and once in place, it will guide the review of these plans and budgets.

The logic of the District Development Model is illustrated in the following figure:

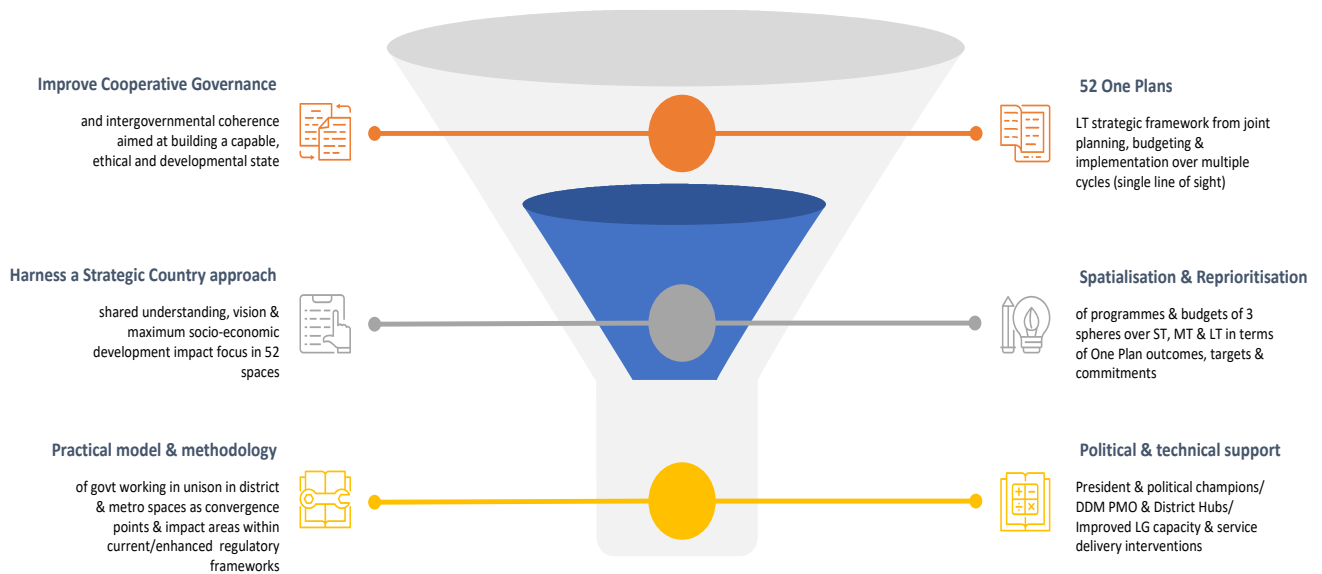


Figure 127: Logic of the DDM

6.1.2 One Plan

The One Plan is an intergovernmental plan that outlines a common vision and desired future outcomes in each of the 44 district and 8 metro spaces. The objectives of the One Plan are to:

- Address the misalignment caused by a “silo” approach at a horizontal and vertical relationship level between all spheres of government.
- Maximise impact and align plans and resources through the development of a One Plan, enabling the vision of One Metro, One Plan and One Budget”.
- Narrow the distance between people and government by strengthening the coordination role and capacities at a district and local level.
- Ensure inclusivity through gender-responsive budgeting based on the needs and aspirations of the people and communities at a local level.
- Build government capacity to support municipalities.
- Strengthen monitoring and evaluation at a district and local level.
- Implement a balanced approach towards development between urban and rural areas, and.
- Ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment, and equality.

The One Plan is the primary tool to realize the strategic objectives of the DDM. The One Plan is a Visionary and Transformative framework in relation to each district and metropolitan space. Which outlines a rationale for moving from the current situation

of operating in silos, toward a desired future of three-sphere joint, long-, medium- and short-term strategizing, planning, and budgeting. The One Plan also provides a justification for identified interventions and commitments, that have a direct correlation to achieving predetermined outcomes.

The development and approval of the One Plan involves a series of collaborative intergovernmental planning sessions by all three spheres of government reflecting on existing plans, profiles, research, evidence and solutions in relation to each of the 52 district and metro spaces. The process of developing the One Plan is incorporated with the IDP Process.

6.1.3 Metro Growth and Development Strategy (MGDS: Vision 2030)

Buffalo City Metropolitan Municipality adopted the Metro Growth and Development Strategy which is the vision towards 2030. The MGDS is the primary foundation for BCMM's future to work in partnership to achieve goals, programmes and encourage business and investment into a common direction. The strategic outcomes for long term development of the city are identified in the MGDS. The implementation of the MGDS will cross throughout the 15-year time- frame over three IDPs (5 years each) to 2030. A large component of the programmes and projects identified require partnerships between the city and its stakeholders in order to achieve vision 2030. The MGDS vision 2030 implementation plans are encapsulated into the five strategic outcome areas and are aligned to the IDP process.

6.1.4 Relationship between the ONE PLAN, MGDS and IDP

Section 25 of the Municipal Systems Act states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality. Section 35(1)(a) of the Systems Act defines an integrated development plan as:

- c) *the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality*
- d) *binds the municipality in the exercise of its executive authority*

6.1.5 Metro-Specific Guidelines

The Metro-Specific Guidelines are used as a guideline for the review of the 5th Generation Integrated Development Plan for Buffalo City Metropolitan Municipality. The Guideline is structured around 9 priority areas key to integrated development planning identified by IDP practitioners in cities:

1. Outcomes-led Planning	2. Integrated Planning
3. Planning Inter-governmentally	4. Planning with the public
5. Planning and strategy-led budgeting	6. Prioritizing programmes and projects in integrated development planning
7. Monitoring and reporting on implementation	8. Annual reviews of integrated development planning
9. Assessing the integrated development planning process	10.

Table 128: Metro-Specific IDP Guidelines - 9 Focus Areas

BCMM uses the Metro-Specific IDP Guidelines and Revised IDP Guidelines for Municipalities, 2020 as complementary guidelines to the District Development Model and One Plan Guidelines in designing the IDP Process Plan.

Integrated planning across departments (intra-municipal), inter-sphere and intersectoral has always been a requirement of the IDP; however, it has been difficult to achieve in practice. The planning of other spheres of government does not factor

into a municipal or spatial perspective, and neither does it factor in impacts of their plans on land use. Within municipalities, working across silos is a challenge.

A reasonable response is in designing an operational system and processes that emphasize and action the horizontal planning, across the municipality.

- **Clarifying IDP timelines in relation to other plans, strategies and framework**

6.1.6 The City Long Term Growth and Development Strategy

The Cities Long-Term Growth and Development Strategy provide the long-term vision on which the IDP is based. It is an institutional and community planning process that contemplates a city's possible futures, resulting in a strategy for the long term (a 10-50-year period), coordinated, cross-sector, multi-issue development of an urban jurisdiction that inform and are informed by shorter-term plans and initiatives (SACN, 2018: 4). The Long-Term Growth and Development Strategy is a means of grounding medium term plans, such as the IDP and Spatial Development Frameworks (SDFs). The IDP, specifically, articulates the next five years towards this vision.

City Long-Term Growth and Development Strategies are not a legal requirement for municipalities to draft in South Africa. The National Development Plan 2030, the IUDF, the Spatial Planning Land Use Management Act 16 of 2013 (SPLUMA), and the Division of Revenue Act 3 of 2017 (DORA) provide a national policy impetus for drafting the City Long-Term Growth and Development Strategy.

6.1.7 "Khawaleza" One Plan Metro Model

The One Plan will incorporate the City Long-Term Growth and Development Strategy, its Municipal Spatial Development Framework and its Sector Strategies. Focusing on the metro space, the intent of the One Plan is to enable and enhance integrated planning and improved coherence of planning and implementation across all spheres of governance. The idea is a spatially Integrated single plan that guides and directs a coordinated and collaborative all-of-government approach to strategic planning, investment expenditure, service delivery, inclusive economic growth and spatial transformation for a metro. The One Plan is not a legal requirement for metros.

6.1.8 The Municipal Spatial Development Framework

The Municipal Spatial Development Framework (MSDF) is the spatial expression of the IDP, it is prepared as part of the IDP, and reviewed every five years alongside the introduction of a new IDP but is located as a longer-term spatial vision. The SDF is a legal requirement for municipalities.

6.1.9 Sector Strategies

The cities' sector strategies take their cue from the IDP and the long-term growth and development strategy. The programmes and projects of sector strategies should find expression in the implementation portion of the IDP.

6.1.10 Infrastructure Plans / CIDMS

City infrastructure plans are longer term plans for sustainable provision of city infrastructure. Some of these are also sectorally legislated. The capital investment aspects of these plans should follow the long-term vision in the long-term strategy. The shorter 5-year timeframes of these plans should integrate with the IDP and MSDF and find expression in the IDP.

In order to address the problems of inadequate capital expenditure and insufficient attention to asset management, a City Infrastructure Delivery and Management System (CIDMS) has been developed, building on the established Infrastructure Delivery Management System (IDMS) for provincial infrastructure. The CIDMS toolkit assists cities to optimise performance right across the urban infrastructure value chain by offering best practice processes, techniques and tools specifically designed to achieve city strategic objectives and desired outcomes related to the built environment. Consultation was held with key stakeholders on all 12 modules and the proposed implementation strategy¹.

6.1.11 Service Delivery and Budget Implementation Plan (SDBIP)

The SDBIP details the implementation of the IDP programme for the budget period. This is where detail on implementation is found, and it deals with planning, budgeting and performance reporting at the output level. These outputs contribute to the achievement of the outcomes inscribed in the IDP that the city aims to achieve.

Development of the SDBIP is a legal requirement for municipalities.

■ **Reconfiguring the mechanisms for transversal planning and service delivery**

Buffalo City Metropolitan Municipality's Intergovernmental Relations Framework Review captures the context and intent of reconfiguring the IGR systems in line with the renewed emphasis on transversal planning as follows:

“To enable a performance orientated and responsive Metro, interdepartmental coordination within the Metro requires strengthening and all municipal employees need a better understanding of municipal responsibilities across functions.

*The **Buffalo City Metropolitan Municipality Intergovernmental Relations Framework Review**, therefore, provides an opportunity for the Metro and its stakeholders to assess and strengthen mechanisms, processes and procedures for cooperation, collaboration and engagement, for improved alignment, coordination and discharging of responsibilities across all spheres, thereby enabling a realistic development of the Integrated Development Plan and One Plan for the Metro. All integrated actions will lead to accelerated socio-economic growth and development, infrastructure planning and expansion, environmental protection and management, improved service delivery and quality of services to local communities and business, thereby enabling a well-functioning and responsive state at the local level.”*

The following diagram illustrates BCMM's logical arrangement of the integrated three spheres delivery logic within the long, medium and short-term planning, implementation, monitoring, evaluation, research and learning instruments.

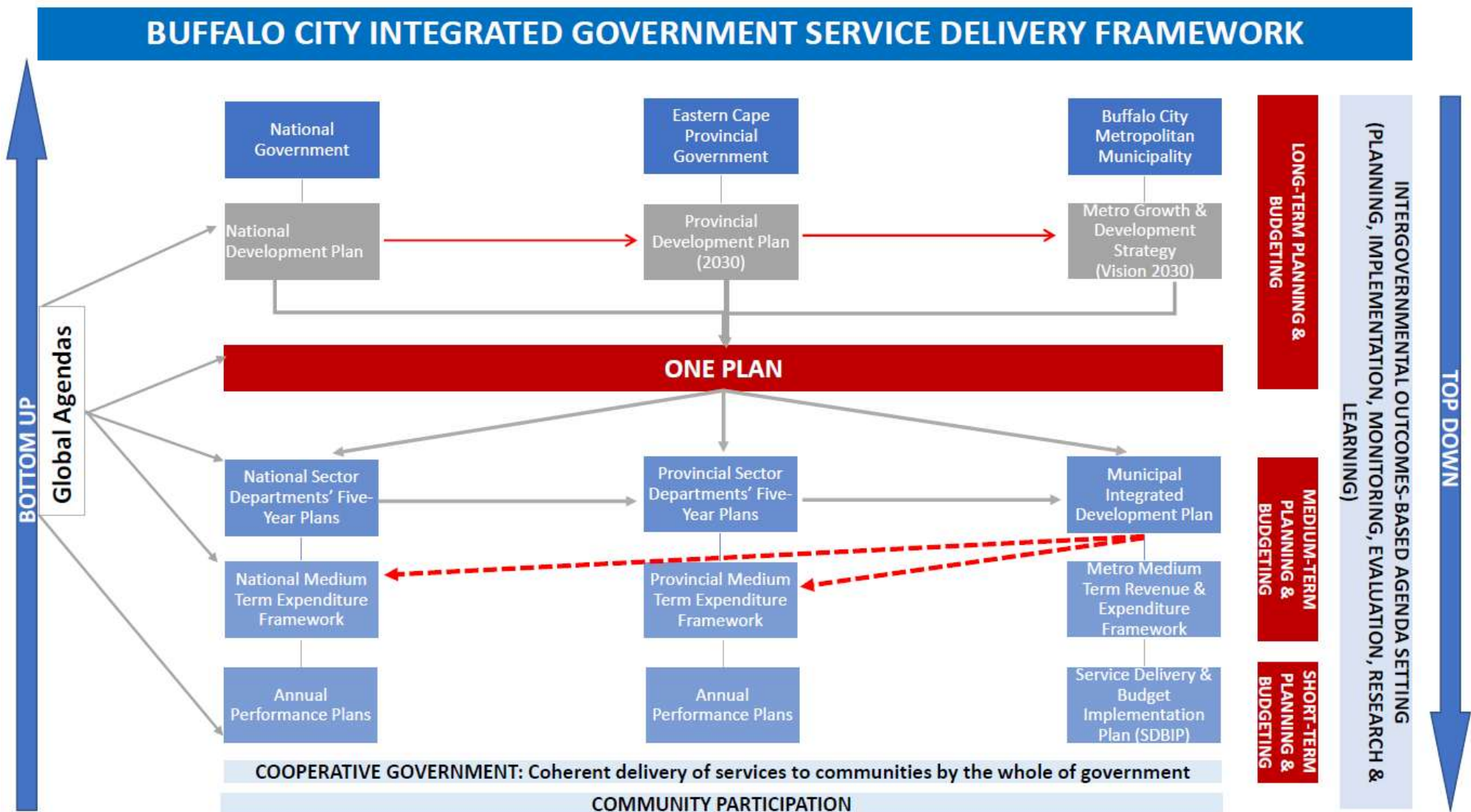


Figure 128: Buffalo City Integrated Government Service Delivery Framework (*draft BCMM IGR Framework Review, 2022*)

■ Provincial Municipal Infrastructure Grants Risk Adjusted Strategy Framework

The **Provincial Municipal Infrastructure Grants Risk Adjusted Strategy Framework (PMIG – RAS –FW)** has been developed acknowledging that government implemented similar initiatives like the Balanced Scorecard Performance Management System. Such programmes have not produced results instead most municipalities remained in a state of decay especially on service delivery.

No clear accountability mechanism for Mayors / Executive Mayors, as an instrument in their hands to oversight. Poor service delivery, community protests and unhappy consumers due to the state of service delivery is the order of the day. Further, the RAS introduces the non-negotiables as an instrument to do those simple things which when done will have major impact and do not require new budget.

The Non-negotiable make service delivery an overarching focal point as a basis for the existence of municipalities. To consolidate all the deliverables in a clear simple and practical way in order to strengthen oversight. As transformation is a form of change in a revolution, but its intention is to be systematic in introducing changes. As a necessary condition in a country faced by the past historical background, it requires a mindset of change agents who understand that we maintain what is working as we change others.

RAS therefore presents that transformative change that requires a deep understanding in governance, economics, risks, planning and development of systems. Municipalities are expected to implement all the aspects of the non-negotiables relevant to their functions without fail. All the tasks outlined in the non-negotiables represents the key performance areas of departments in the municipality and therefore must constitute performance agreements. (BTO, SCM, Tech Services, and the Councils).

The Municipal Manager (MM) is the Chief Implementer of the programme, and this implementation must be cascaded down to the General Worker who must be trained to understand the rationale. No municipality must consistently perform poorly if the Non-negotiable programme is implemented. Any non-compliance with the required standards must be recorded and reasons explained.

The Mayor is the Chief Oversight Manager of the holistic implementation of the Non-negotiable programme in his/her municipality. Implementation reports must be submitted to COGTA monthly and to council quarterly.

Key Aspects of the Risk Adjusted Strategy include the following:

Grant Expenditure:

The RAS aims to expedite the spending of grants allocated to municipalities, including MIG, INEP, WSIG, and RBIG, to accelerate service delivery.

Project Management:

The strategy emphasizes a structured approach to project planning, procurement, and construction phases, with a focus on time-bound processes.

Monitoring and Evaluation:

The provincial PMU (Project Management Unit) office plays a crucial role in monitoring municipal performance through district-based forums.

Compliance:

The RAS operates within the legal and regulatory framework governing finances and procurement, ensuring adherence to budgets and financial reporting requirements.

Municipal Turnaround:

The strategy supports municipalities in distress or those facing challenges, with the goal of achieving clean audit outcomes and improved governance.

Public Participation:

The RAS promotes engagement with communities through public participation initiatives, ensuring that local needs are considered in development plans.

Infrastructure Development:

A core focus is on building municipal capacity for infrastructure development programs to support service delivery.

Disaster Management:

The strategy also includes measures to improve disaster management and fire services, enhancing the province's resilience to emergencies.

Implementation:

The strategy is implemented within the framework of the Disaster Management Act, 2002 (Act no. 57 of 2002).

The Eastern Cape Cooperative Governance and Traditional Affairs (EC CoGTA) plays a leading role in coordinating and overseeing the implementation of the RAS.

The strategy is integrated into broader provincial development plans, including the Eastern Cape Vision 2030 Provincial Development Plan.

RAS – Non-Negotiables

The following activities are to be implemented and incorporated into the IDP/Budget/PMS Process Plan and Time Schedule to ensure effective execution of the Risk Adjusted Strategy:

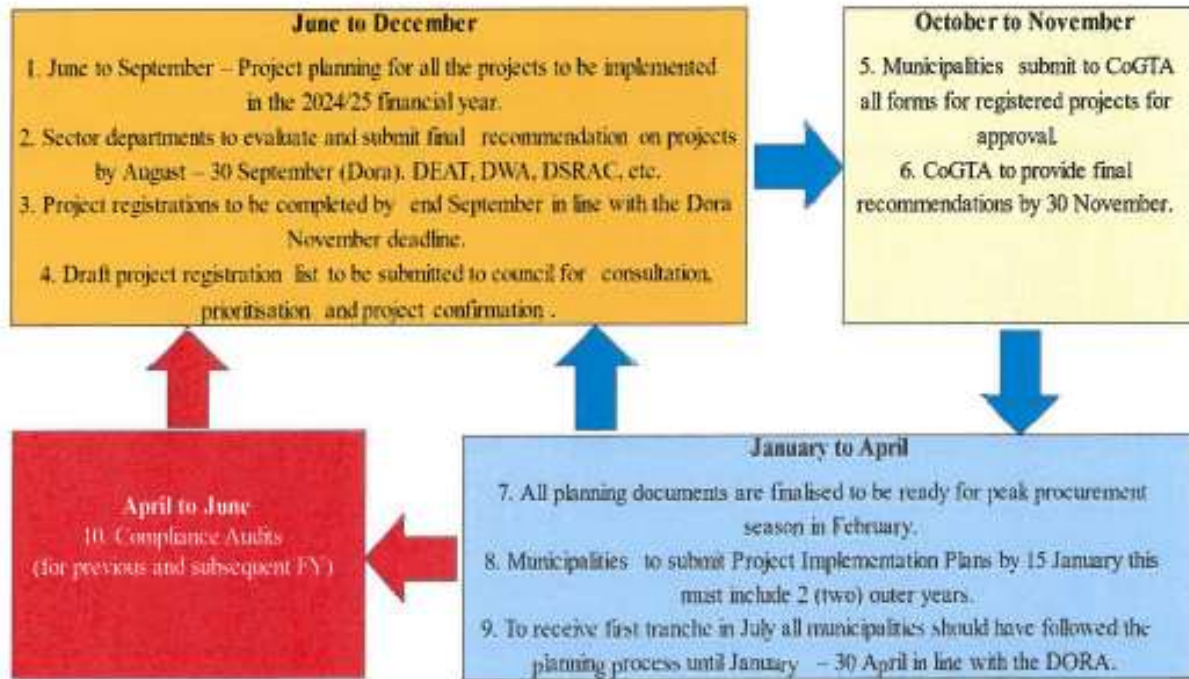


Figure 129: RAS - Non-negotiables
RAS – MIG Project Planning Cycle

“ The figure below presents the practical and desirable forward planning practise, where project planning / preparation takes a minimum of 1 (one) or 2 (two) years before the actual construction takes off beginning of July.”

It is required that engineering Standard Operating Procedures in line with the RAS imperatives be developed and that these be incorporated into the Five (5) IDP Phases. Furthermore, communities must be kept informed of these processes so that they can understand government regulations, assist in project planning and maintain reasonable expectations of what government can provide.

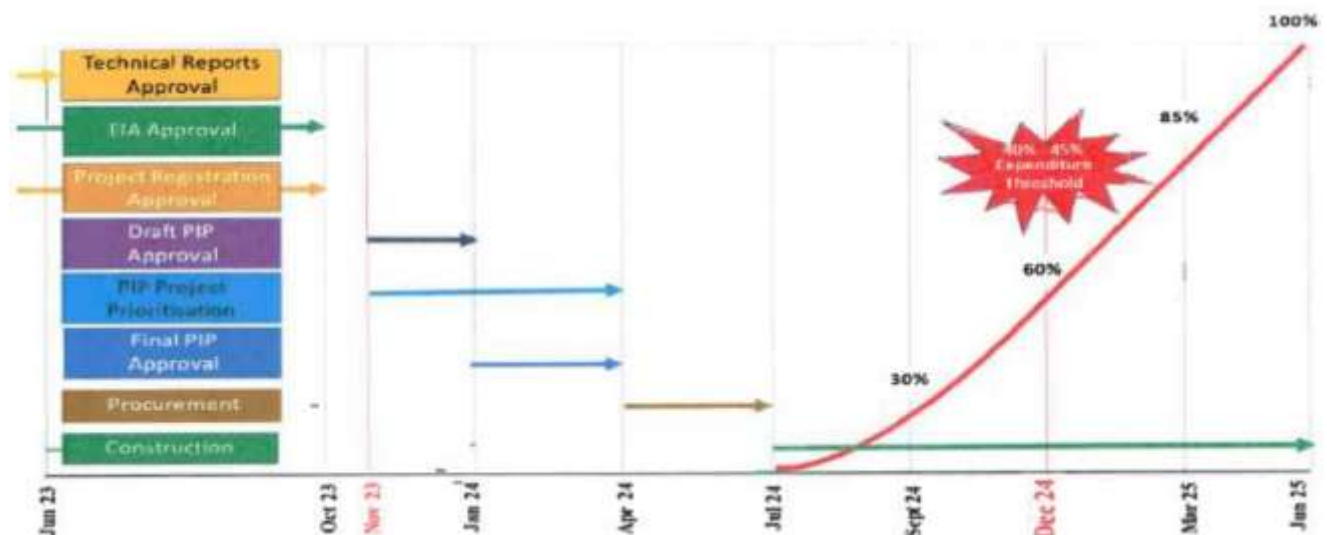


Figure 130: RAS - Two Financial Years' Planning (Inspired Practice)

- **IDP/Budget/PMS Work-streams - an instrument to facilitate intra-municipal alignment**

BCMM has introduced the concept of Work-streams as part of the strategic processes of the city during the crafting of the Metro Growth and Development Strategy and has continued with this practice during all subsequent Integrated Development Planning Processes. It is an instrument to facilitate internal strategic integration between business units and functionaries and assists in focusing the organisation collectively towards achieving shared objectives and goals.

Work-streams are small strategic and operational teams that are, at a technical level, led by Heads of Directorates (HODs) or delegated key officials and they are politically led by Councillors who are Members of the Mayoral Committee. Each of the political work-streams is comprised of representatives from all directorates, officials who are involved in the direct management and implementation of issues linked to themes and BCM Councillors. Technical work-streams consist of officials only and they are chaired by technical work-stream leaders. Political work-streams, on the other hand, comprise of both officials and councillors and they are chaired by political work-stream champions.

The role of the work-streams is to ensure inter-directorate coordination, cooperation and strategic thinking about the achievement of the Metro Growth and Development Strategy, review of the IDP, Budget and Performance Management System.

BCMM INTERNAL TRANSVERSAL GOVERNANCE MODEL: Whole Organisational Planning

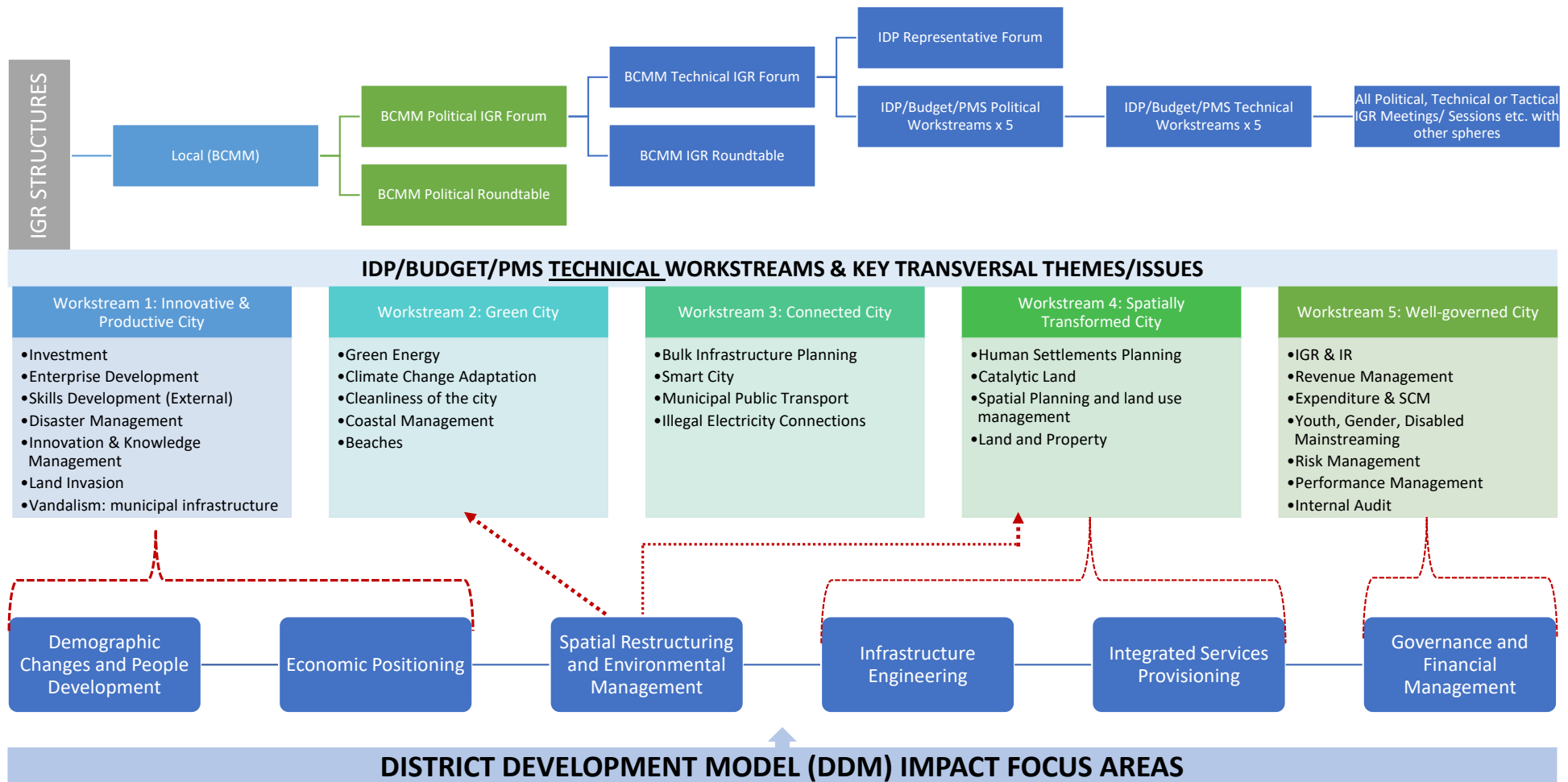


Figure 131: BCMM Internal Transversal Governance Model

7 IDP Content

- Legally required **Section** content of a five-year IDP

26 of the MSA: Core components of integrated development plans

An integrated development plan must reflect-

- (a) *the municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;*
- (b) *an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;*
- (c) *the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;*
- (d) *the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;*
- (e) *a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;*
- (f) *the council's operational strategies;*
- (g) *applicable disaster management plans;*
- (h) *a financial plan, which must include a budget projection for at least the next three years; and*
- (i) *the key performance indicators and performance targets determined in terms of section 41.*

Regulation 2 of the 2001 Municipal Planning and Performance Management Regulations: Detail of integrated development plan

- (1) *A municipality's integrated development plan must at least identify-*
 - (a) *the institutional framework, which must include an organogram, required for-*
 - (i) *the implementation of the integrated development plan; and*
 - (ii) *addressing the municipality's internal transformation needs, as informed by the strategies and programmes set out in the integrated development plan;*
 - (b) *any investment initiatives in the municipality;*
 - (c) *any development initiatives in the municipality, including infrastructure, physical, social, economic and institutional development;*
 - (d) *all known projects, plans and programmes to be implemented within the municipality by any organ of state; and*
 - (e) *the key performance indicators set by the municipality.*
- (2) *An integrated development plan may-*
 - (a) *have attached to it maps, statistics and other appropriate documents; or*
 - (b) *refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the Offices of the municipality in question.*
- (3) *A financial plan reflected in a municipality's integrated development plan must at least-*
 - (a) *include the budget projection required by section 26(h) of the Act;*
 - (b) *indicate the financial resources that are available for capital project developments and operational expenditure; and*

- (c) *include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives, which strategy may address the following:*
 - (i) *Revenue raising strategies;*
 - (ii) *asset management strategies;*
 - (iii) *financial management strategies;*
 - (iv) *capital financing strategies;*
 - (v) *operational financing strategies; and*
 - (vi) *strategies that would enhance cost-effectiveness.*
- (4) *A spatial development framework reflected in a municipality's integrated development plan must-*
 - (a) *give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act No. 67 of 1995);*
 - (b) *set out objectives that reflect the desired spatial form of the municipality;*
 - (c) *contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must-*
 - (i) *indicate desired patterns of land use within the municipality;*
 - (ii) *address the spatial reconstruction of the municipality; and*
 - (iii) *provide strategic guidance in respect of the location and nature of development within the municipality;*
 - (d) *set out basic guidelines for a land use management system in the municipality;*
 - (e) *set out a capital investment framework for the municipality's development programs;*
 - (f) *contain a strategic assessment of the environmental impact of the spatial development framework;*
 - (g) *identify programs and projects for the development of land within the municipality;*
 - (h) *be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and*
 - (i) *provide a visual representation of the desired spatial form of the municipality, which representation -*
 - (i) *must indicate where public and private land development and infrastructure investment should take place;*
 - (ii) *must indicate desired or undesired utilisation of space in a particular area;*
 - (iii) *may delineate the urban edge;*
 - (iv) *must identify areas where strategic intervention is required; and*
 - (v) *must indicate areas where priority spending is required.*

8 IDP Source Documents

The Integrated Development Planning process is guided by a number of legal and policy documents that impose a range of demands and requirements on the Municipality.

National legislation can be distinguished between those that deal specifically with municipalities arising from the Local Government White Paper on the one hand and sector planning legislation on the other.

The Municipal Structures Act, No. 117 of 1998, Municipal Systems Acts, No. 32 of 2000 (as amended), and Municipal Finance Management Act, No. 56 of 2003 are specific to local government. The Municipal Systems Act has a specific chapter dedicated to Integrated Development Plans and it is the overarching piece of legislation with regard to development and review of the IDP. Arising from the Municipal Systems Act, the IDP and PMS Regulations need to be complied with.

National sector legislation contains various kinds of requirements for municipalities to undertake planning. Sector requirements vary in nature in the following way:

- Legal requirements for the formulation of a discrete sector plan (e.g. a water services development plan).
- A requirement that planning be undertaken as a component of, or part of, the IDP (like a housing strategy and targets).
- Links between the IDP and budget process as outlined in the Municipal Finance Management Act, 2003.
- Legal compliance requirement (such as principles required in the Development Facilitation Act – DFA – and the National Environmental Management Act – NEMA).
- More a recommendation than a requirement, which is deemed to add value to the municipal planning process and product (in this case, Local Agenda 21).

These are highlighted in the table below:

CATEGORY OF REQUIREMENT	SECTOR REQUIREMENT	NATIONAL DEPARTMENT	LEGISLATION/POLICY
Legal requirement for a district/local plan	Water Services Development Plan	Department of Water	Water Services Act, No 30 of 2004
	Integrated Transport Plan	Department of Transport	National Land Transport Act, No 5 of 2009
	Waste Management Plan	Department of Environmental Affairs	White Paper on Waste Management in South Africa, 2000
	Spatial planning requirements	Department of Rural Development and Land Reform	Development Facilitation Act, No 67 of 1995
Requirement for sector planning to be incorporated into IDP	Housing strategy and targets	Department of Human Settlements	Housing Act, No 107 of 1997
	Coastal management issues	Department of Environmental Affairs	National Environmental Laws Amendment Act, No 14 of 2009
	LED	Department of Cooperative Governance and Traditional Affairs	Municipal Systems Act, No 32 of 2000
	Spatial framework	Department of Cooperative Governance and Traditional Affairs	Municipal Systems Act, No 32 of 2000
	Integrated Energy Plan	Department of Energy	White Paper on Energy Policy, December 1998

CATEGORY OF REQUIREMENT	SECTOR REQUIREMENT	NATIONAL DEPARTMENT	LEGISLATION/POLICY
Requirement that IDP complies with	National Environmental Management Act (NEMA) Principles	Department of Environmental Affairs	National Environment Management Act, No 107 of 1998
	Development Facilitation Act (DFA) Principles	Department of Rural Development and Land Reform	Development Facilitation Act, No 67 of 1995
	Environmental Implementation Plans (EIPs)	Department of Environmental Affairs	National Environment Management Act, No 107 of 1998
	Environmental Management Plans (EMPs)	Department of Environmental Affairs	National Environment Management Act, No 107 of 1998
	IDB/Budget link	Department of Finance	Municipal Finance Management Act, No 56 of 2003
	Developmental local government	Department of Provincial and Local Government	White Paper on Local Government, 1998
Value adding contribution	Sustainable Development and Environmental Awareness	Department of Environmental Affairs	Local Agenda 21
	Global Partnership responding to world's main development challenges	Department of Social Development	Sustainable Development Goals
	The continent's strategic framework that aims to deliver on its goal for inclusive and sustainable development	Office of the Presidency	Agenda 2063: The Africa we want
Performance Management	Regulations in terms of the Spatial Planning and Land Use Management Act (March 2015)	Department of Planning, Monitoring and Evaluation (DPME)	Municipal Planning and Performance Management Regulations (Aug 2001) Municipal Budget and Reporting Regulations (April 2009)
National policy	National Development Planning Imperatives	Office of the Presidency	National Development Plan (2012) Medium-Term Strategic Framework: 2019 – 2024 Government's 12 Outcomes Back to Basics – Serving our Communities Better Integrated Urban Development Framework (IUDF)
Provincial policy	Provincial Government Development Planning Imperatives	Department of the Premier	Provincial Spatial Development Plan EC Vision 2030 Plan

Table 129: Legal Requirements

9 Amendment of IDP Process Plan

The following procedures and principles will apply to addressing any departure/amendment to the IDP Process Plan and/or the planning process as such: –

- i. The Budget Steering Committee meets after each phase in the IDP process to evaluate progress and to identify where changes, amendments or departures to/from both the Framework and the planning process are required.
- ii. The Budget Steering Committee must request the Municipal Manager's permission to depart from the Action Plan, particularly if the request may delay the implementation of the IDP/Budget/PMS Process Plan.
- iii. Requests to amend the Process Plan must include: –
 - The wording of the proposed amendment;
 - Motivation for the amendment;
 - Expected implications of the amendment.
- iv. The Manager: IDP/Budget Integration deals with the process and ensures that all proposals for departure/amendment are reported to role-players and that their comment is invited.
- v. Where deemed necessary by the City Manager, the HOD: ESS submits a formal request to Council to approve the amendment.
- vi. The Budget and Treasury Office must work closely with the IDP/Budget Integration and Organisational Performance Management Units of the city in planning and executing any technical and public participation tasks related to the compilation of the IDP, Budget and Service Delivery and Budget Implementation Plan.

ANNEXURE A: PROGRAMME WITH TIMEFRAMES IN TERMS OF SECTIONS 29 AND 34 OF THE MSA AND SECTION 21(1)(B) OF THE MFMA

ACRONYMS

MSA	Municipal Systems Act 32 of 2000
MPPMR	Municipal Planning and Performance Management Regulations, 2001
MFMA	Municipal Finance Management Act 56 of 2003
MPR	Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006
MPRA	Municipal Property Rates Act 6 of 2004
MBRR	Municipal Budget and Reporting Regulations, 2009
SPLUMA	Spatial Planning and Land Use Management Act 16 of 2013

***Disclaimer – The Buffalo City Metropolitan Municipality makes no guarantee that the deadlines, (excluding those stipulated in law) set out in the Integrated Development Plan (IDP) / Budget / Performance Management System (PMS) Process Plan and Time Schedule will be met meticulously. Except for those specific instances where no exemption from statutory deadlines had been issued, the target dates herein must be read as a broad framework for compliance.**

KEY

A = Top Management	B = Strategic Development Portfolio Committee	C = Budget Steering Committee	D = Council	E = Provincial COGTA
F = Provincial Legislature	G = MEC for Local Government	H = Provincial Dept. of Human Settlements	I = Auditor General	J = National Treasury

ABBREVIATIONS

AFS	Annual Financial Statements	IGR	Intergovernmental Relations
AR	Annual Report	MEC	Member of the Executive Council
APR	Annual Performance Report	MTREF	Medium Term Revenue and Expenditure Framework
BTO	Budget and Treasury Office	IPMS	Organisational Performance Management System
EPMO	Enterprise Project Management Office	RAS: PMIG-PCMF	Risk Adjusted Strategy: Provincial Municipal Infrastructure Grants Policy Compliance Management Framework
IDP/BI	Integrated Development Plan / Budget Integration	SDBIP	Service Delivery and Budget Implementation Plan

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
JUL – AUG: Preparing for the IDP, Budget and Performance Management Process			
1.	Make public the projections, targets and indicators as set out in the SDBIP (no later than 14 days after the approval of the SDBIP) and submit to National and Provincial Treasuries (no later than 10 working days after the approval of the SDBIP)	MFMA Sec 53(3)(a) MBRR Reg 19	OPM
2.	Make public the performance agreements of City Manager and HODs (no later than 14 days after the approval of the SDBIP)	MFMA Sec 53(3)(b)	OPM
3.	A, B and C consider and recommend that IDP/Budget/PMS Process Plan and Time Schedule be approved by Council (at least 10 months before the start of the budget year)	N/A	IDP/BI
4.	A consider 2025/2026 First Adjustment Budget & the 2024/2025 Fourth Adjustment Budget and recommend these being approved by Council	MBRR - Reg 23(5)	BTO
5.	Budget Steering Committee: Consider 2025/2026 First Adjustment Budget & the 2024/2025 Fourth Adjustment Budget and recommend these being approved by Council	MBRR - Reg 23(5)	BTO
6.	Council: <u>Approve</u> IDP/Budget/PMS Process Plan and Time Schedule (at least 10 months before the start of the budget year), the 2025/2026 First Adjustment Budget (to be tabled before 25 August 2025) and the 2024/2025 Fourth Adjustment Budget. AND <u>Note</u> SDBIP approved by Executive Mayor and performance agreements signed by Municipal Manager and Managers directly accountable to the Municipal Manager to D for notification	MSA - Sec 28 MFMA - Sec 21(1)(b) MFMA - Sec 28(2)(e) MBRR - Reg 23(5)	IDP/BI, BTO
7.	Submit the adopted IDP/Budget/PMS Process Plan and Time Schedule to the MEC for Local Government and Provincial Treasury	MSA - Sec 28 MFMA - Sec 1(1)(b)	IDP/BI
8.	Submit to National & Provincial Treasury as well as to the other transferring officers the 2025/2026 First Adjustment Budget & the 2024/2025 Fourth Adjustment Budget within ten working days	MBRR - Reg 24	BTO
9.	Publicise the 2025/2026 First Adjustment Budget & the 2024/2025 Fourth Adjustment Budget in the Local Newspaper and on the BCMM Website within ten working days	MSA – Sec 21A MBRR - Reg 25	BTO
10.	Submit Draft APR, AR and AFS for previous financial year to I	MSA - Sec 21, 21A, 28(3) MSA – Sec 46	BTO, IPMS

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
		MFMA - Sec 126	
11.	Submit 4 th Quarter Performance Report to D within 30 days of the end of the quarter	MFMA - Sec 52(d)	BTO, IPMS
12.	Submit to National, Provincial Treasury & transferring officers within 5 days of tabling the s52d report to D	MFMA - Sec 52(d)	BTO, IPMS
13.	Submit SDBIP approved by Executive Mayor and performance agreements signed by Municipal Manager and Managers directly accountable to the Municipal Manager to D for notification	MBRR - Reg 31(c)	IPMS
14.	Place on website notice to the public of the approved IDP/Budget/PMS Process Plan and Time Schedule	MFMA - Sec 53(3)(b)	IDP/BI
15.	Publicise in print media notice to the public of the approved IDP/Budget/PMS Process Plan and Time Schedule	MSA - Sec 21, 21A, 28(3)	IDP/BI
16.	RAS: PMIG-PCMF: Develop Project Plans for all the projects to be implemented in the next financial year.	RAS: PMIG-PCMF	All Directorates
SEPT – OCT: PHASE 1: Research Information Collection and Analysis			
Key Outputs: - An assessment of existing levels of development within the municipality, including service backlogs, problem areas, opportunities and strengths as well as key risk areas. - An identification of the priority problem areas to be addressed. This should include information on the causes of priority issues/problems. - Identification of the key projects and programmes of other spheres of government, state entities and the private sector which are currently underway or are planned for the municipality. - Information on available resources. Approach: - Current data is compared to available data of previous years in order to understand different trends. - Stakeholder and community participation is very critical in this phase and will provide vital information on the main problems faced within the municipality. Consultation should begin at a neighbourhood or ward level and in addition, can also be done on a more focused basis around sectors or specific interest groups. - This phase allows for the application of gender planning, which stems from the recognition that different groups of women and men have different needs, different levels of access and control over resources, and different opportunities and constraints. - The metro will use this phase to identify the positive aspects about the municipality, its unique features, areas of potential and opportunity. These are vital in developing strategies to use these for greatest benefit of the municipality and country. - It is also important to determine the priority issues because the municipality will not have sufficient resources to address all the issues identified by different segments of the community.			
17.	Conduct IDP/Budget/PMS Workstreams to: Prepare a draft Situational Analysis Report for the Mayoral and Council Lekgotlas; and	MSA - Sec 21, 21A, 28(3) MSA – Sec 26(b)	IDP/BI, Office of City Manager

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
	Assess and identify information from adopted Sector Plans against the backdrop of the SITUATIONAL ANALYSIS, including the LSDFs for integration into the IDP Review document if possible		
18.	Conduct Top Management meeting to consider Ward Priorities as updated by Senior Management	Chapter 4 MSA	IDP/BI, Office of the City Manager
19.	Conduct Sessions to consult Councillors to verify content for the Ward Priorities Progress Report as reviewed by Top Management	N/A	IDP/BI, Office of Executive Mayor
20.	Public engagements to interact with ward communities, listen to needs and concerns and provide feedback on approved programmes and projects for 2025/2026	MSA – Sec (29)(1)(b)(i) & (ii)	Office of the Executive Mayor
21.	Submit 1 st Quarter Performance Report to D	MFMA - Sec 52(d)	BTO, IPMS
22.	Submit to National, Provincial Treasury & transferring officers within 5 days of tabling the s52d report to D	MFMA - Sec 52(d)	BTO, IPMS
23.	Submit draft Annual Report to A	MBRR - Reg 31(c)	IPMS
24.	RAS: PMIG-PCMF: Sector departments evaluate and submit final recommendations on projects by August – 30 September (DoRA)	RAS: PMIG-PCMF	DEAT, DWA, DSRAC, etc.
25.	RAS: PMIG-PCMF: Complete Project registrations by end September in line with the DoRA November deadline	RAS: PMIG-PCMF	All relevant Directorates
OCT – DEC: PHASE 2: Vision, Objectives and Strategies - This phase is closely linked to Phase 2 above and involves the identification of programmes and projects that the municipality intends to undertake in the five-year period. These should be developed with a constant reference to the requirements of the NDP, IUDF, DDM as well as other sectoral policies. During this phase the municipality should strive to get the input of other spheres of government, state entities, as well as key private sector players on what their development programmes, projects or intentions are, within the municipality. - Once the broad programmes and projects have been identified, they should be articulated into detail such as: the nature of the programme / project, its location, duration, its cost and the source of funding. In addition, this should provide targets and indicators which can be used to measure the impact of the programme or project. - The development of projects should respond to priority issues raised in consultation. They should also take into consideration the projects and initiatives by other organs of state. During Phase 3, Sector Departments must: - Support the formulation of project proposals - Facilitate the integration of the various programmes elaborated in the various sector plans - Mainstreaming of cross cutting issues			
26.	<u>Political</u> IDP/Budget/PMS Workstreams:	N/A	IDP/BI

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
	- Deliberate on Political, Economic, Environmental, Physical, Governance and other considerations influencing Council's strategic direction, including community needs expressed - Provide political perspective to Technical IDP/Budget/PMS Workstreams to aid them in preparing for Mayoral and Council Lekgotlas		
27.	Technical IDP/Budget/PMS Workstreams: Prepare for Mayoral and Council Lekgotla	N/A	IDP/BI
28.	Three Spheres Joint Planning Session: All three spheres reflect on information available at all levels, joint metro spatial analysis, progress on previous commitments, confirm/change strategic direction of development in line with Provincial Growth and Development Strategy and National Spatial Development Plan REF: DISTRICT DEVELOPMENT MODEL- (DDM) / ONE PLAN	MSA - Chapter 5 IGR Framework Act, Sec 30	IDP/BI , IGR
29.	Compile consolidated narrative and data on the planned catalytic investment footprint of other spheres in the metro space	N/A	IDP/BI
30.	Mayoral Lekgotla Session: - Review strategic objectives for service delivery and development - Reflect on progress made with implementation of strategic priorities during preceding financial years - Review SITUATIONAL ANALYSIS of the metro that inform priority choices, including community needs expressed - Reflect on the diagnostic analysis emanating from the Three Spheres Joint Planning Session (REF: DISTRICT DEVELOPMENT MODEL/ONE PLAN)	MSA – Sec 26	IDP/BI, Office of Executive Mayor
31.	Council Lekgotla - Reflect on desired key outcomes over the remainder of Council's 5-year term based on its deep understanding of current and emerging City trends and realities as consolidated during Mayoral Lekgotla - Deliberate and confirm strategic imperatives that should inform the Budget Process based on the shared understanding of the metro's profile and diagnostic analysis	MSA – Sec 26	IDP/BI, Office of Speaker
32.	Budget Preparation sessions with all directorates	N/A	BTO
33.	RAS: PMIG-PCMF: Submit Draft project registration list to council for consultation, prioritisation and project confirmation	RAS: PMIG-PCMF	All relevant directorates

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
34.	Municipalities submit all forms for registered projects to CoGTA for approval	RAS: PMIG-PCMF	All relevant directorates
35.	CoGTA provide final recommendations by 30 November	RAS: PMIG-PCMF	All relevant directorates
JAN – FEB: PHASE 3: Development of Programmes and Projects			
- This phase is closely linked to Phase 2 above and involves the identification of programmes and projects that the municipality intends to undertake in the five-year period. These should be developed with a constant reference to the requirements of the NDP, IUDF, DDM as well as other sectoral policies. During this phase the municipality should strive to get the input of other spheres of government, state entities, as well as key private sector players on what their development programmes, projects or intentions are, within the municipality. - Once the broad programmes and projects have been identified, they should be articulated into detail such as: the nature of the programme / project, its location, duration, its cost and the source of funding. In addition, this should provide targets and indicators which can be used to measure the impact of the programme or project. - The development of projects should respond to priority issues raised in consultation. They should also take into consideration the projects and initiatives by other organs of state. During Phase 3, Sector Departments must: - Support the formulation of project proposals - Facilitate the integration of the various programmes elaborated in the various sector plans - Mainstreaming of cross cutting issues			
36.	B review and update the IDP Vision, Mission and Strategic Objectives for recommendation to D	N/A	IDP/BI
37.	Submit 2 nd Quarter Performance Report to D within 30 days of the end of the quarter	MSA Section 34 MFMA - Sec 52(d) MBRR - Reg 29	
38.	Submit to National, Provincial Treasury & transferring officers within 5 days of tabling the s52d report to D	MBRR - Reg 34	BTO, IPMS
39.	Submit the Mid-year Budget and Performance Assessment Reports by 25 January to the Executive Mayor, National and Provincial Treasury and transferring officers	MBRR - Reg 31(c) MFMA - Sec 72(1)(b), Sec 52(d) MBRR - Reg 35	BTO, IPMS
40.	Draft Initial changes to IDP: Reconcile community, administrative and political priorities within the context of MGDS and IDP and last review (if applicable)	N/A	IDP/BI
41.	Submit to National, Provincial Treasury & transferring officers within 5 days of tabling the Statement of Financial Performance and the Implementation of the 2025/2026 budget for the second quarter & Mid-year budget and Performance assessment report ended 31 December 2025 to Council	MSA - Sec 21, 21A, 28(3) MBRR - Reg 34	BTO, IPMS
42.	Publicise the Mid-Year Budget and Performance Reports in the local newspaper	MSA - Sec 21, 21A, 28(3)	BTO, IPMS

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
43.	Council: - To table and adopt the Statement of Financial Performance and the Implementation of the 2025/2026 budget for the second quarter & Mid-year budget and Performance assessment report ended 31 December 2025 - To consider Municipal entity's proposed budget, priorities and objectives for 2026/2027 and proposed budget adjustments for 2025/2026 - To table the Draft Annual Report within 7 months after the end of the financial year to which the report relates	MFMA - Section 72(1)(b), Section 52(d) MBRR - Reg 35 MFMA - Sec 75 (2) MSA - Sec 21(b) MFMA - Sec 127	BTO, IPMS
44.	Make public the Mid-Year Budget and Performance Reports in the local newspaper and on municipal website	MFMA - Section 75 (2) MSA - Sec 21(b)	BTO, IPMS
45.	Send the Draft AR, within five (5) days via e-mail and hard copy to the National Treasury, the Eastern Cape COGTA, the Eastern Cape Provincial Treasury and the Auditor General	MFMA - Section 127(5)(b)	IPMS
46.	Publicise draft AR and notify the public and other stakeholders to render written comments on the Draft AR	MFMA – Sec 127(5)(b) MFMA – Sec 127 (5)(a) MSA – Sec 21A	IPMS
47.	Work sessions to do costing of prioritised projects and programmes for CAPEX and OPEX 2023/2026 MTREF Budget	N/A	BTO
48.	IDP Technical Work Sessions (per directorate): - Review 2025/2026 service delivery key performance indicators and targets after adjustments budget - Set Key Performance Indicators and Targets for the draft Revised 2025/2026 IDP and SDBIP - Align IDP, Budget, Risk and performance indicators	MSA - Sec 26, Ch 6 MFMA – Sec 53(1)(c)(ii) MFMA - Sec 54	IDP, BTO, IPMS, Risk Management
49.	Three Spheres Joint Planning Session: Align municipal priorities with the plans of national and provincial sector departments and state entities	MSA - Chapter 5	IDP/BI, IGR
50.	Top Management: Consult on Draft Revised SDBIP for 2025/2026	MFMA - Sec 54	IPMS
51.	Council: Submit Draft Revised SDBIP to D for noting	MFMA - Sec 54(1)(c)	IPMS
52.	Publicise the revised SDBIP within 10 working days after adoption in the Local Newspaper and BCMM Website	MFMA - Sec 54(3) MSA - Sec 21A	IPMS

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
53.	Submit the revised SDBIP within 10 working days after the adoption by council to the National & Provincial Treasury as well as to the other transferring officers	N/A	IPMS
54.	RAS: PMIG-PCMF: Municipalities submit Project Implementation Plans by 15 January that include two (2) outer years	RAS: PMIG-PCMF	All relevant directorates
FEB: PHASE 4: Integration and Consolidation - Once the programmes and projects have been articulated, there is a need to step back and assess the relevance and interdependence of the programmes and projects. - During this phase intensive consultations should take place, this includes engaging with communities and organized civil societies through workshops, meeting and other available methods - This phase is an opportunity for the municipality to harmonise the programmes and projects in terms of content, location and timing in order to arrive at consolidated and integrated strategy. Here it is vital for the municipality to ensure that the programmes and projects being implemented by 'external' non-municipal role player are harmonised with the municipality's own programmes, and to ensure that they gain maximum benefit from each other. During Phase 4, Sector Departments must: - Support the formulation of project proposals - Facilitate the integration of the various programmes elaborated in the various sector plans - Mainstreaming of cross cutting issues <u>Mechanism</u>: Metro engagements or written submissions <u>Output</u>: List of Projects, Draft IDP			
55.	Incorporate improvements as recommended by the MEC for Local Government in the IDP document	MSA - Sec 31 and 32	IDP/BI
56.	Integrate and align sector plans with the IDP	N/A	IDP/BI
57.	Integrate and align operational strategies with the IDP	N/A	IDP/BI
58.	Top Management: Consider 2025/2026 Mid-year Adjustment Budget	MFMA - Sec 28 MBRR - Part 4	BTO
59.	Budget Steering Committee: Consider 2025/2026 Mid-year Adjustment Budget for recommendation to Council	MFMA - Sec 28 MBRR - Part 4	BTO
60.	Councillors and Traditional Leaders' Workshop: Deliberate on the proposed 2025/2026 Mid-year Adjustment Budget	MFMA - Sec 28 MBRR - Part 4	BTO
61.	Council: Consider and adopt 2025/2026 Mid-year Adjustment Budget	MFMA - Sec 28 MBRR - Part 4	BTO
62.	Submit the 2025/2026 Mid-year Adjustment Budget within 10 working days after the adoption by council to the National & Provincial Treasury as well as to the other transferring officers	MBRR – Part 4 MSA – Sec 21A	

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
63.	National Treasury Mid-year Budget and Performance Assessment Review	MSA - Chapter 5	BTO, IDP/BI
64.	Integrate Ward Priorities with IDP, MTREF Budget and Performance Management System	N/A	EPMO, IDP/BI
65.	RAS: PMIG-PCMF: All planning documents are finalised to be ready for peak procurement season in February	RAS: PMIG-PCMF	All relevant Directorates
MAR: PHASE 5: Approval, Adoption and Publication			
- Before the approval of the IDP, the municipality must give an opportunity to the public to comment on the draft. The municipality is required to publish the draft IDP for public comments for at least 21 days. - This period provides an opportunity for the municipality to engage key stakeholders including sector departments, traditional leaders and the business sector to solicit inputs on the draft IDP together with the draft budget. - Municipalities are expected to consider all comments and inputs received and to revise the IDP where necessary. During Phase 5 Sector Departments must: - Comment on the draft IDP through IDP assessment processes			
Approval of draft IDP			
66.	IDP/Budget/PMS Workstreams (Political and Technical): - Consider and recommend the draft IDP, MTREF Budget and SDBIP - Deliberate on IDP/Budget Roadshows and other engagements with stakeholders to consult draft IDP, MTREF Budget and SDBIP	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3	IDP/BI, IPMS, BTO
67.	Top Management Technical Planning Session: - Consider and recommend the draft IDP, MTREF Budget and SDBIP - Consult on proposed consultations with councillors on IDP/Budget Roadshows and other engagements with stakeholders	N/A	IDP/BI, Office of the City Manager
68.	Budget Steering Committee: Consider and recommend the draft IDP, MTREF Budget and SDBIP	MFMA - Sec 16 MBRR - Part 3	BTO
69.	Councillors and Traditional Leaders' Workshop: Consult draft IDP, MTREF Budget and budget-related policies with leadership	MFMA - Sec 16(2) MFMA - Sec 21 MSA - Sec 25 MBRR - Part 3	IDP/BI, IPMS, BTO
70.	External IDP/Budget/PMS Representative Forum Consult draft IDP, MTREF Budget and budget-related policies with external stakeholders and other spheres of government	MSA - Sec 29(1)(b)(i) & (ii)	IDP, IPMS, BTO

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
71.	Council: - To approve the draft IDP, MTREF Budget and draft policies (at least 90 days before the start of the budget year) - To consider the proposed budget of the entity and assess the entity's (BCMDA) priorities and objectives and make recommendations. Board of Directors to consider the recommendations and, if necessary, submit a revised budget.	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3 MFMA - Sec 129 MSA - Sec 26(e), 34 SPLUMA Sec 20 (2) MFMA - Sec 127	IDP, BTO, EDA, BCMDA
APR – MAY: PHASE 5: Approval, Adoption and Publication Consultation and refinement			
72.	Publicise the draft IDP, MTREF Budget and draft policies in the Local Newspaper and on the BCMM Website and provide at least 21 days (for the IDP) and 30 days (for the draft Rates Policy) for public comments and submissions	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3 MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3) MPRA – Sec 4(2) DORA Regulations	IDP, BTO
73.	Submit to National & Provincial Treasury, as well as to the other transferring officers' copies of the Draft IDP, Tabled MTREF Budget and draft policies	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3) MPRA – Sec 4(2) DORA Regulations	IDP, BTO
74.	Council: Submit Oversight Report and Annual Report for approval to D	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3) MPRA – Sec 4(2) DORA Regulations	MPAC, IPMS
75.	Place OR and AR on the municipal website within five (5) days after approval by Council	MFMA - Sec 127 MFMA - Sec 129(3)	IPMS
76.	Make available OR and AR at all municipal offices and libraries for information	MFMA - Sec 127 MFMA - Sec 129(3)	IPMS
77.	Submit the Annual Report and Oversight Report to the provincial legislature as per circular	MFMA - Sec 129	IPMS

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
78.	IDP/Budget Roadshow Conduct IDP/Budget Road Show to consult the Draft IDP, Tabled MTREF Budget and draft policies	MFMA - Sec 22(a) MSA - Sec 21A, Sec 29(1)(b)(i) & (ii) MPPMR - Reg 15(3)	IDP/BI, BTO
79.	Council: Submit 3rd Quarter Performance Report to D within 30 days of the end of the quarter	MFMA - Sec 52(d)	IPMS
80.	Submit to National, Provincial Treasury & transferring officers within 5 days of tabling the s52d report to D	MFMA - Sec 52(d)	IPMS
81.	Municipal Budget and Benchmark Engagement by National Treasury: Assess BCMM draft MTREF Budget	MBRR - Reg 31(c)	BTO
APR – MAY: PHASE 5: Approval, Adoption and Publication			
Final Adoption			
82.	A and B to consider and recommend the Final IDP, MTREF Budget and SDBIP, after considering the submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or neighbouring municipalities	MFMA - Sec 23	BTO, IDP/BI, IPMS
83.	Budget Steering Committee Consider and recommend the Final IDP, MTREF Budget and SDBIP, after considering the submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or neighbouring municipalities	MFMA - Sec 24 MBRR - Part 3	BTO
84.	Council Open Day: Inform stakeholders of the issues raised during the consultative meetings held on the Draft IDP, Budget and SDBIP	MFMA - Sec 24	Office of the Speaker
85.	Councillors and Traditional Leaders' Workshop: Interrogate Final IDP, MTREF Budget and budget related policies before formal submission to Council for adoption	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3	IDP/BI, BTO
86.	Council: Submit Final IDP to Council to adopt IDP, Performance Management Measures and Targets, MTREF Budget, and the revised Policies (at least 30 days before the start of the budget year)	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3	IDP/BI, BTO, IPMS
APR – MAY: PHASE 5: Approval, Adoption and Publication			
Publication			

NO	ACTIVITY DESCRIPTION	LEGISLATION	RESPONSIBLE
87.	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website within five (5) days after approval by Council	MFMA - Sec 24 MFMA - Sec 22 and 75 MSA - Sec 21A and 21B	IDP/BI, BTO
88.	Submit a copy of the IDP to the MEC for LG (within 10 days of the adoption of the plan)	MSA - Section 32	IDP/BI
89.	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats) within 10 working days after approval of the annual budget	MFMA - Sec 24(3) MBRR - Reg 20	BTO
90.	Give notice to the public of the adoption of the IDP and Budget (within 14 days of the adoption of the plan) and budget (within 10 working days)	MBRR - Reg 18 MSA - Sec 25(4)(a)(b)	IDP/BI, BTO
91.	RAS: PMIG-PCMF: Compliance Audits (for previous and subsequent financial years) must be done between April and June	RAS: PMIG-PCMF	All relevant Directorates

ANNEXURE C: Community and Stakeholder Issues/Priorities Raised

A. WARD PRIORITIES

Ward Priorities are considered a very significant barometer for gauging how well BCMM integrates and responds to the concerns and needs shared by residents during the IDP/Budget Roadshows and Mayoral Imbizo meetings convened by the Municipality as part of the participatory democracy outreach agenda.

The following table reflects the development priorities identified by communities and stakeholders residing in the 50 wards of the Metro, under the leadership and guidance of the Ward Councillors. Ward Committees played an important role in supporting the Ward Councillors and providing insight into the state of development in the wards. During the October 2025 and March 2026 Ward Councillors embarked on a vigorous public participation campaign to review Ward Priorities together with the residents and stakeholders of their respective wards and members of the Ward Committees.

The table below depicts the Ward Priorities for each of the 50 wards as revised and (in some instances) amended for the 2026/2027 Financial Year.

Table 130: Ward development priorities

No.	Community Need / Issue	Location
1	Roads and Bridges	Braelyn and Duncan Village
1	Community Hall	Pefferville and Duncan Village
1	Recreational Park and Sports field	Braelyn, Stoney Drift, Pefferville and Duncan Village
1	Housing Rectification of houses at Mekeni Site	Mekeni Street Houses in Duncan Village
1	Construction of houses in the Competition Site	Duncan Village Competition Site
2	Registration of Houses	Bebelele, Holomisa, Area 10, Dunga Street, Ndlovini Informal Settlement, Area 7B
2	Changing of Old Infrastructure - Sewer system	Hostel, Dunga, Meki, C Section, Toilet City, Zakhele Informal Settlement, Holomisa Informal Settlement
2	Job creation and Skills Development Programmes	Duncan Village, Ward 2
2	Electrification of Informal Settlements	C Section, Bebelele, Back yard informal settlement, Zakhele Informal Settlement
3	Multi-purpose centre	Open space in St James Road next to Melville Heights Residence

No.	Community Need / Issue	Location
3	Road resurfacing	Halstead Road, Nahoon Valley Road, Nisbet Road, Usher Street, Darlington Road, Berea Terrace, Tyrell Street, Duncan Road, Sherwitz Road
3	Blocked Stormwater Drains	Sherwitz Road, Clarendon Street, Corner of King Street and St Marks Road, St Georges Road, St Davids Road, Usher Street, Corner of King Street and Lukin Road, Nahoon View Road, Nahoon Valley Road
3	Recreational communal park & high mast last	St Georges Park
4	Houses	Cambridge Location . Progress on Phase 1, 2 and 3 . Update on housing issues from 2009
4	Garcia Flats	Cunningham Avenue, Cambridge Grass cutting budget is also needed for Garcia flats
4	Roads/ Speedhumps	All the roads in Cambridge, Cambridge West, Highgate, Chiselhurst, and Cambridge Location needs to be resurfaced: such as in Cambridge, trafilgar Kipling street, Churchlane street, Courtney Street, Willowglen road, King edward, such as in Cambridge west, Colley avenue, Taylor Road, Dutton Road, Scholl Road, Fuller street, Sonop Road, Frontier road, Jasmine place such as in Highgate Heath Road, Butler road, Meier Road, Baden Powell such as in Chiselhurst, Garvin Road, Geoff nettleton, Olympic avenue, Orpen road, Flemmer road and Hart road, such as in Cambridge location, Madolwana street, Mxenge street, Taleni street . Speed humps are needed in the following roads, Dutton Road, Strathmore Avenue, Cunningham avenue, Mayfair Avenue, Taleni street, Voortrekker road, Tapson road, Sprigg street, Morrision road, French street, Hebbes Street , Olympic Avenue and Armist Road, Garcia street. The repair of storm water drains and cleaning in all areas of the wards. Particularly in Smithfield road in Cambridge location by the Abattoir.
4	Electrification/ High mast Lights/ installation of bundle to stop cable theft	Electrification of shacks in the Cambridge Location and the installation of high mast lights in the Cambridge Location. Installation of bundle in all streets in the ward. Highmast light to be given to Amagwengweni phase 3 Cambridge location.
4	Management of public open spaces	Grass cutting on a regular basis on BCMM open spaces, parks and islands in the entire ward. Grass cutting is urgently need in Glenside avenue, Montgomery drive, Belvoir Road, Armist Road, Garvin Road, Geoff Nettleton , Moorshead Road and Horseshoe Valley Road, Butler Road, Chiselhurst and Cambridge Location.
5	Tarring of roads, Paving of side walks	Bush Clearing/Tree felling is needed at Green park, Derwent Avenue , whole of Chiselhurst, Olympic Avenue, Scholl Place, Vian Avenue, Jasmine place, Montgomery drive, Churchill Avenue, Belvoir Road, Whole of Highgate and Cambridge Location. Gutter cleaning in the whole ward is needed. The maintenance of parks in Hebbes street, Wild road, Armist Road, Garcia flats and Madolwana street need to be always maintained.

No.	Community Need / Issue	Location
5	Free quality houses	All sports fields in the ward need to be maintained in the ward.
5	Upgrade of sports field, grandstand, security	
5	Temporary electrification provision	Budget be set aside for green park it needs bush clearing.
6	Housing	All informal settlements in all voting districts and backyard dwellers residing in the ward
6	Community Hall at Eluxolweni	Eluxolweni, CC Loyd Township, eDukashe
6	Electrification of informal settlements	All voting districts in the ward
6	Sewerage/water leaks	All voting districts and specifically CC Lloyd township extensions (Eluxolweni) and Jamaica informal settlement
7	Community Hall	
7	Roads and fixing of potholes	Grass cutting budget is also needed for Garcia flats
7	Housing	
7	Electrification of Bhebhelele	Tree felling budget needs to be set aside, trees are becoming big issue.
7	Skills development and youth graduates employment	
8	Community Hall	More budget must be given for bush clearing in the ward in all open spaces.
8	Electrification of informal settlements	All informal settlements (Moscow, Mzamo, Khayelitsha, Siya, Fynbos area B & A)
8	Community Swimming pool	Within Gompo Stadium
8	Renovation of rundown Sports fields	KwaSoga
8	Renovation of rundown recreational parks	All existing recreational parks
8	Houses Blue cards	Gatvol
8	Roads and drainage system	Road's maintenance: Pagoda Street, Arendse Street, Bhomela Street, Kwinana Street, Siya street and Greenpoint road Drainage system: Fynbos area and D Hostel
9	Community Hall	Open Space at Cicle Road, Amalinda
9	Eco Park - Recreational Park	Braelyn Ext 10 near ERF 45725
9	Taxi Rank	Opposite Erf 45958, Braelyn Ext. 10

No.	Community Need / Issue	Location
9	Job Creation	all areas in the ward
9	Housing - Rectification	Braelyn EXT 10 RDP Houses
10	Bridge	Between East Bank and Muvhango informal settlements on Ziphunzana bypass
10	Community Hall	Old Farmhouse in Egoli
10	Library and Satellite Police station	Old Farmhouse in Egoli
10	High mast lights	Scenery Park just after the bridge
11	Multi-Purpose Centre/ Community Hall	N.U. 2 and NU 5 Rent Office
11	Skills Development	Entire ward
11	Housing	Backyard dwellers ward 11
11	Electrification of Informal settlements	All informal settlements in the ward. i.e. Dumanokwe A, B & C; Ekuphumleni; Nkandla; Elikhanyisweni; Sonwabile A & B; Gugulethu; Daluxolo; Koyoyo City
11	Sports Field	N.U.2 & N.U.5 Rent Office
11	Roads	N.U.5 Zone 5a,5b and 5c
11	Outdoor Gym & Fencing	Installation of Outdoor Gym & Fencing
12	Housing Development	Gqozo Village (Emivundleni & GV Erf 356, Mtsotso East & Mtsotso South), Nkomponi Khayaletu Masizakhe
12	Electrification of Informal Settlements & Smiling Valley	Smiling Valley, Tafalofefe, Masibambane, Marikana, Sisonke/Boss Zonke, Snake Park, Foster Village, GV Emivundleni, Mtsotso East, Mtsotso South, Kapa
13	Tarred Roads and inner Streets	Khayelitsha, Thembaletu, Border, Reenas, Dice, Chicken Farm
13	Electricity	All Reeston areas
13	Rectification of houses with cracks	Reenas, Thembaletu, Khayelitsha, Border, Dice, Chicken Farm, Bhakana
13	Sportsfield	All Reeston Areas
14	Roads	Area N.U.3 (71-72), N.U.1, Front of Nazo Park, Area 77 in N.U.3
14	WATER AND SANITATION Pedestrian Bridge (REPLACED)	All areas around N.U.3, Ilinge
14	Highmast lights (Grass cutting REPLACED)	Around the ward

No.	Community Need / Issue	Location
14	Housing delivery	Duma Nokwe, Potsdam, Unit P
14	Electrification of Informal settlements	Mbekweni, Nazo Park, Barcelona, Ladies Park, Lonwabo, Madolwana
14	Community Hall	Behind Rent Office
15	Housing (Land, Destitute and Temporary shelters)	Ducats and Nompumelelo Quenera
15	Gravel Roads	Ducats Nompumelelo and Northen area
15	Sports Field	Nompumelelo, Ducats
15	High mast lights	Nompumelelo, Ducats
16	Electrification of Informal Settlement	Amalinda Forest
16	Roads maintenance	Pat Kamp Area
16	High mast light	Highway Gardens, Babb Street open space
16	Taxi embayment	Robbie de Lange road entrance from the robots at the black road
16	Maintenance of Amalinda stadium	Amalinda
17	Housing	Cuba, Ramaphosa, Ekuphumleni Informal Settlements, Zola Park 1, 2 & 3, Mavuso Themba
17	Sanitation and fixing of blocked sewer pipes Toilets Project (REPLACED)	Areas 87, 89, 91,95,20 and 21
17	Community Hall	Cuba Freeway
17	Electricity	In Cuba and Eluxolweni, Zola park, Zimele, Ramaphosa and Ekuphumleni
17	Roads	Area 37,91 N.U.3 (area 11, 12, 20,21 N.U.9)
18	Sewerage spills into natural watercourses	Nahoon and Ihlanza River
18	Proclamation of Nahoon point nature reserve	Nahoon Point Nature Reserve
18	Water pressure and sanitation	Whole ward 18, especially bunkers hills, Vincent and Bonnie Doon
18	Stormwater Management	Whole ward 18
18	Signage	Cnr of Gleneagles and Old Transkei Road. Around Nahoon Spar & Drake Road Clinic.

No.	Community Need / Issue	Location
		Around Hudson Park Primary & High school, Stirling Primary & High school & Stirling Lodge Old Age Home.
18	Roads	Bunkers Hill Stirling Vincent Nahoon Woodleigh Bonnie Doon Nahoon Valley LIST OF PRIORITY STREETS IN NEED OF RESURFACING AND POTHoles AVAILABLE
18	Road resurfacing, signs, markings Speed humps	Baaitjies place, Julian place, Narvick Road, Devonshire road, Abbey Road, Gatwick , Cardiff, Pepper, Adderly, Bruce Street, Canterbury, Chadwick, Liverpool Road, from Corner Woodstock Road toward the AW Barnes School, Theunis Avenue, Hampstead Avenue, Solway Ave, Hatfield Ave, Ripple Avenue, Wessels Avenue, Belmont, R J Masters, Nightingale, Trent Ave, Thorncliff Ave, Infront of Westbank school, Hallett str, Dale
18	Road resurfacing, signs, markings Speed humps	Street name signs: Entire ward Road Markings: Entire ward Speedhumps: Greenpoint Road, Devonshire Road, Abbey street, Gatwick, Second Creek, West Bank School, Hallett Str, Dale, Aldred Str
19	Storm water upgrades	20 Charles Avenue Greenfields, Ghost Town, whole Westbank Storm water system Corner observatory place
19	Bush clearing and grass cutting	Corner Allby & Buffalo view, Corner Thorncliff & Nigthingale, Westbank, Library Robbie De Lange Hall, Fire station in Greenfields, From corner Duke Cres & Greenpoint up towards the Buffalo flats police station
19	Upgrading of parks- equipment and fencing	Corner Catto road & Kingsley road, Cnr Bruce Str & Port Rex Rd, Freemantle road, Nightingale Ave & Cnr Hood & Dallas str, monument on Cnr banked and Hood Street
19	High mast lights in parks	erected in all playparks in the ward
20	Upgrading of N.U.8 Bridge	Mvalo Road N.U8
20	Roads	NU 8- Next house no 3651
20	Housing	Endlovini Informal Settlement, Ramaphosa Informal Settlement, Ngidi park and Vukani Informal Settlement
20	Electrification of informal settlements	Endlovini Informal Settlement, Ramaphosa Informal Settlement, Ngidi park and Vukani Informal Settlement
20	Community centre with library	NU 7 Utilized site
20	N.U.7 Sport Ground	N.U.7 next to Philani High School
21	Renovation of NU 15 Rent Office	Adjacent to NU 15 Caltex garage

No.	Community Need / Issue	Location
21	Play Areas	One at NU 13 adjacent to 1040 NU 13. One at Golden Highway and one adjacent
21	Paving of footpaths, leading to Industrial areas	In between Fort Jackson Industrial Zone and NU 15 and between NU 13 and NU 8 and Golden Highway
21	Maintenance of the two existing stadiums at NU 15 and Winter Rose Stadium	Adjacent to Micano Market, NU 15 sportsground and NU 13 Winter Rose stadium
21	Installation of Speedhumps, sidewalks and guard rails	NU 15 (400 area), NU 15 (1700 area), NU 13 (100 area) , NU 15 Thambo Park area
21	Roads	NU13
22	Construction of Community Hall	N.U.17
22	Construction of housing	Potsdam Village
22	Construction of housing	Luxhomo., Mncotsho, Mbholompeni, Mabaleni, Mntlabathi Potsdam and N.U.17
22	Electricity	Stolen cables and streetlights: Luxomo, Ncotsho, Mabaleni, Mbolompeni, Mntlabathi and Potsdam (Entilini, Marikana, Ediphini, Kwelerhana) Streetlights & high mast lights NU 17; High mast light in front of 911 House is not working
22	Roads	Mncotsho village Potsdam village NU 17 next to house No 1500 Challenge is the Main Road from Swekile to Potsdam, Berlin Tip to Mncotsho, from Kwagcina to Dongwe, from Kwagcina to Namqwana – tar road requested Amajoni wants slab road
22	Fixation of water standpipes	Mntlabathi, Mbolompeni Luxomo, Mncotsho, Mabaleni Standpipes have not been in use for more than 15 years. Residents want the water line to be removed from Nkonkwani to curb the problem. Indigent
23	Ablution facilities - Sports field	NU 14 Sports fields
23	Community Hall	
23	Outdoor Gym (REPLACES ROADS)	

No.	Community Need / Issue	Location
23	Housing to backyard dwellers	All areas of the ward
23	Electrification of informal settlements and installation of high mast lights	Sinethemba Village N.U.14, Mandela Village N.U.14, Silver Town N.U.14, Winnie Village N.U.14, New Life N.U.14, Khululekani Village N.U.14, New Rest N.U.16, Cosovo Village N.U.16, New Beginnings N.U.16, Nkanini Village N.U.18, Mpolweni Village N.U.18 and installation of High Mast Poles at Nu14 and Nu18 and Streetlights in dark areas at Nu16
23	N.U14 Rent Office	Rent Office
24	Roads	Tarred roads and streets at Unit P, Kwakanana, Khayelitsha and gravel roads in rural areas
24	Housing	Ikhwezi block 1 and 2, Kanana, Khayelitsha and Nxamnkwana
24	Water and sanitation	Nxamnkwana, Msintsi, Kanana and Khayelitsha
24	Housing	Ikhwezi block 1 and 2, Kanana, Khayelitsha and Nxamnkwana
24	Sportsfield	Unit P, Khayelitsha, Msintsi and Nxamnkwana
24	Electricity	Nxamnkwana, Msintsi, Kanana and Khayelitsha
24	High Mast Lights (2 per village)	All villages
25	Business Centre for the elderly, persons living with disability and Vulnerable Groups	Phakamisa, Tshatshu, Zwelitsha and Cliff
25	Housing	Cliff and Tshatshu for rural housing. Zwelitsha & Phakamisa
25	Sports fields and Recreational Park	Phakamisa & Zwelitsha
25	Roads	Kuwati, Zone 8, Zone 9 and Phakamisa
25	Community Hall	Cliff Location
26	Youth Centre including library	Entire Ward
26	Water	Mpundu, Kwetyane, Macleantown
26	Rural RDP Houses	The entire ward
26	Sports Ground Facilities	All our teams in Mpundu, Zikhwabe
26	High Mast Lights (2 per village)	All villages
27	Housing for Mzamomhle	A-section and H-section in Phase 3

No.	Community Need / Issue	Location
27	Site & service & Church Sites	All Informal areas of Mzamomhle
27	Sport field	Mzamomhle
27	Taxi Rank	
27	Roads and storm water	Mzamomhle
27	New cemetery/graveyard	Reigerton Park
28	Expansion of the capacity and improvement of the sewerage infrastructure in Beacon Bay. Upgrading of all the sewerage pump stations along the Quinera Estuary and Nahoon River	Quinera Estuary
28	Rehabilitation of roads	Parts of Blackburn Street, Elf Street, Cooper Crescent, Pell Street, Rustic Road, Avalon Street, Junction Road, Lagoon view Drive, Beaconhurst drive, Hillcrest Drive, Lower part Bonza Bay Road, below Beaconhurst Drive crossing
28	Replacement of old electrical poles	Beacon Bay North, Beaconhurst and Bluebend
28	Upgrade of water system	Across Beacon Bay
28	Completion of the link road between Gonubie and Beacon Bay at least up to Quenera Mouth Road to serve the development of houses in this area	Gonubie, Beacon Bay up to Quenera Mouth
29	Speedhumps	Gonubie main road, Smith st/Recreation
29	Signage and Markings. Avenues & Streets	Whole of Gonubie. Street Names and painting of stop signs
29	Lighting on the boardwalk - Beachfront	Boardwalk Cement Road, Oceanway
29	Infrastructure - Sewage	Sewage along from the traffic dept to golf course to sea
29	Fencing of bird Sanctuary	Bird Sanctuary
30	Roads	N.U.9, 12 and 11 most affected
30	Survey to be done in informal settlements	Z. Soga, Chris Hani, Holomisa, Winnie Village and JF Mati
30	Sports field	NU P Nkomponi
30	Human Settlements/ Cemeteries	NU !/9 (Ergerton Massacre)

No.	Community Need / Issue	Location
30	Housing Tittle deeds	Buffer strip
31	Electricity	Fort Grey, Mdudura, Bhongweni, Airport Park
31	Community Halls	Jiff, Ntenti, Bhongweni, Airport Park, Ncera Village 9
31	Sport field	Fort Grey, Village 3 and 8
31	Road maintenance	Mdudurha, Magqazeni, Jiff, Fort grey, Bhongweni, Villages 1,2,3,4,6,7,8 & 9
31	Housing	All areas in the ward
31	Rural Sanitation	All villages in the Ward
32	Bridges (walkways/small access)	Mpongo & Tsaba , Zikhova & Ngqinisa, Kampini & Zikhova
32	Electricity	Lilyvale and surrounding areas in the ward
32	Electricity	
32	Roads	PROVINCIAL ROADS Mr 00500 and old Chalumna road Road DR 07511 access route from R72 to Kiwane Resort
32	Housing - internal roads	Housing programme on internal roads at Kaysers Beach ext 5
32	Housing for destitute	Lilyvale
32	Rural Sanitation	All villages in the ward
32	Water	Sandile, Mpongo, Xhama
33	Rural Sanitation	Kalkeni, Twecu Twecwana, Bulurha, Cornfields, Hill, Welcomewood, Gwiligwili, Needs Camp Sections A, B, C 65 Madiba toilets, D, New Rest, Kalkeni toilets for disabled people
33	Municipal and Provincial roads	Needs Camp Sections A BCF, Fusini main street Santini, Zigodweni main Street, New Rest Biza and extension streets, Kuni2 Maweni and Thintela streets, Thembisa main and Ntara Street, Qhukru farms Sakathi, Potsina street, Gwiligwili, Gxethu streets, Twecu connecting route and Cwecweni main route. PROVINCIAL ROADS: Tarred roads that run between Need Camp and Mdantsane through to R347 that leads to KWT. Gravel road between R72 and R347 needs to be regavelled as a matter of urgency. The bridge connecting Gwiligwili and Gxethu villages needs to be repaired

No.	Community Need / Issue	Location
33	Electricity	Zigayi Ext, E section area, Zigodweni, Kalkeni, Khayelitsha, Thembisa ext., Twecwana, Twecu, Qukru farms and Welcomewood
33	Water	Kalkeni, Kuni, Gxethu, Cornfields, Gwiligwili, Bhulurha, Twecwana, Twecu, Moni, and Cwecweni, Khayelitsha, Hill Altile
33	Housing and Infrastructure	Remaining part of wards without housing
34	Roads and Stormwater	Across the Ward
34	Job Creation	Across the ward
34	Water and Ablution facilities	Dimbaza Cemetery
34	Sports fields and Multi-purpose centre	Phola Park
34	Housing	Dimbaza Shutter and Wooden Houses
35	Roads	Across the Ward
35	Water	Balasi Location, Tyutyu Village, Balasi Valley, Amahlathi Areas: 1. Motel 2. Mzontsundu 3. Lukhanyisweni 4. Kuwait Settlement 5. Luytville 6. Ramnyiba 7. Mbashane 8. Silositsha 9. Lumphondweni 10. Cwengcwe 11. Magqobhokeni 12. Zinyoka 13. Nkandla
35	Sanitation	Across the Ward
35	Housing	Across the Ward
35	Electricity	Qayini, Zinyoka, Bhalasi extension Luxolweni, Nkandla, Mafusini, Tyutyu village, Motel Park extension, Mzontsundu, Kuwait settlement, Luytvill, Rhamnyiba, Mbashane, Lumphondweni, and Cwengcwe
35	Electricity	Qayini, Zinyoka, Bhalasi extension Luxolweni, Nkandla, Mafusini, Tyutyu village, Motel Park extension, Mzontsundu, Kuwait settlement, Luytvill, Rhamnyiba, Mbashane, Lumphondweni, and Cwengcwe
35	Youth Skills Development and Employment	Across the Ward
36	Water Supply Storm water, water pipes (aging infrastructure)	All areas of ward 36
36	Fencing of all grave sites	Dimbaza and 20 rural villages of ward 36
36	Dipping tanks	Between Nakani and Nkosiyanne Between Mzintshane and Pirrie Mission

No.	Community Need / Issue	Location
36	Maintenance of all rural villages sports fields	All rural villages in the ward
36	Housing	Dimbaza Shutter and Wooden Houses
37	Roads and Sidewalks	Westbank, West drive Central, Daleview, Forthill and rural areas
37	Community Hall/ Multi-purpose centre	Masingata, Tolofiyeni, Mxaxo, Westbank, West Drive
37	Fencing of Cemeteries, Sports fields and Key points	Civic Centre, Danger boxes
37	Bridge	Masingata, Tolofiyeni, Mxaxo, Westbank, Mdingi
37	Destitute Houses	Rural areas, Masingata, Mdingi, Tolofiyeni
38	Roads	Lievaltd, Tyusha, Dikidikana, Rhythm City, Mxaxo, Kwelerhana, Noncampa
38	Sanitation	Noncampa, Dikidikana, Lievaltd, Lenge, Mantlaneni, Rhythm City, Mngqesha,
38	Electricity	Bulembu, Gwaba, Mamata, Mngqesha, Mxhalanga, Mzantsi, Lievaltd, Mxaxo, Nonkcamba, Mngqusha
38	Water	Kwelerhana
38	Destitute Houses	Mxaxo, Mamata, Lievaltd, Mzantsi, Mngqesha, Mantlaneni
39	RDP Houses	Ginsberg and Schornville
39	Community Halls	Kwalini, Ngxwalane, Rhayi and Bonke
39	Tar Roads	Juliwe and Lipota roads
39	Water Pipes: Pipes are old and leak	Ginsberg
39	RDP Houses for Rural Areas	Kwalini, Ngxwalane, Rhayi and Bonke
40	Water	Extensions
40	Community Halls	Mount Coke, Ndileka, Qonqgotha, Mlakalaka, Godidi, Zimbaba, Mimosa, Tshabo 3, Nonibe, Ezixhotyeni, Fort Murray
41	Installation of Dipping tank	Tshabo
41	Sport Fields	All 17 areas. Renovation of Jubisa
41	Fencing of Graveyards	All 17 areas

No.	Community Need / Issue	Location
41	Destitute Houses	
41	Tar Roads	Zwelitsha Zone 6, Thembalabantu S.S.S, Hector Peterson, Zone 4
41	Cameras in Zone 5 and Zone 7	Zone 5 (Rent Office and Magistrate office)
41	Houses in Zwelitsha	Municipal officials promised to find space to build houses in Zwelitsha
41	Waste management facilities	Zwelitsha
41	Streetlights	All the streetlights around Zwelitsha are old and faulty
41	Renovation of Zone 4 Stadium	Zwelitsha Zone 4 Stadium
42	High mast lighting	Formal and informal settlements areas in the ward
42	Sport Field/Facilities Upgrading	Old tennis court
42	Community hall	
42	Housing development	Ward 42 informal settlements
43	Roads	Peelton, Tyutyu, Bhisho, Kaffarian Heights, Clubview
43	Clinic	Majali
43	Electrification	Ezizeni (Tyutyu)
43	Blockage of draining system	Bhisho, Tyutyu, Kaffarian Heights
44	Tarring and regravelling of Roads	Sweetwaters needs tarring. Tshatshu, Siyathemba and Qalashe needs regravelling, Breidbach, Acorn Valley, Moer-Moer
44	Houses	Tshatshu and Sweetwaters
44	Community Hall	Siyathemba Location
44	Sport Fields	Tshatshu, Sweetwaters and Siyathemba
44	Water	Water for Tshatshu and Siyathemba.
45	New Grave Site	Ilitha
45	Land for houses	Ilitha and Berlin

No.	Community Need / Issue	Location
45	Road surfacing and blading	Blading: Hanover, Tshabo, Dongwe, Nkqonkweni, Skhobeni and some parts of Ilitha
45	Electrification	Kwa Swekile in Berlin, Tshabo new sites and Ezikhobeni
45	Housing	Majarantiya & Wooden houses. Tshabo RDP not finalized
45	Waste Management Facilities	Berlin
46	Roads	Sunset bay, Sunnyridge Park, Sunnyridge extension, Willowpark, Rosemount, Santa, Orange Grove and Leaches Bay
46	Bush clearing	Sunset bay, Sunnyridge Park, Sunnyridge extension, Willowpark, Rosemount, Santa, Orange Grove and Leaches Bay
46	Health facilities	Area between Santa, Orange Grove and Leaches Bay
46	Ailing Infrastructure	All areas
46	Housing for Informal settlements	Orange Grove, Leaches Bay and Santa
47	Fencing of electricity transformers (replacing bush clearing)	
47	Road maintenance	Arcadia, CBD - North End, Baysville, Quigney
47	Toilets in C2 (East bank) and water facilities	East Bank Informal Settlement, Beachfront Quigney
47	Change of sewage lines	Quigney and other affected areas
47	Housing	Quigney (Eastbank)
48	Refurbishment of the N.U.10 sport ground	N.U. 10 Sports field
48	Installation of High Mast Lights	Main roads, access roads throughout the ward
48	Electrification of all informal settlements in the ward	Lilian Ngoyi, Francis Meli, Sihlangene, Gomora, Masibambane, Joe Slovo
48	Road construction	Nobhotwe V.D in the 23 area, Assemblies of Christ V.D 500, 600 area, R62 to 367, Phumelelani V.D 504 area
48	Recreational Parks on identified areas in the ward	400 area, N.U.10, N.U. 8, Rent Office
49	Gravel roads with curves & drainage system.	
49	Sport Complex(sport facilities)	It must be established at Mthombeni
49	Walkway bridge	At Velwano, Highway, Gugulethu, and Bhongweni in those areas.

No.	Community Need / Issue	Location
49	Electrification & High Mast Poles	In all the VD's within the Ward, Ndevana HP, Mpumelelo, Enoch Sontonga, Simzamile & Ekuphumleni
49	Taxi Rank	Ezintenteni
50	Piped water and sanitation plant	All villages and informal settlements Sanitation plant for Coastal area of Sunrise On-Seas and Crossways area
50	Roads	All ward 50 areas (Gwaba, Nokhala, Eluphindweni, Eluqolweni, Jongilanga etc also in need of maintenance are DR0851-Brakfontein road, DR02730 - Schaffli Road and DR02728
50	Land Acquisition	kwaBhota and (Tikinini and emagalini) and any area or individual in need of land
50	Fencing, renovating and security provisions of public facilities	Priority in order will be Kwelerha community hall at Jongilanga location and Mzwakhe Mkokeli community hall at Tuba for community halls. SPORTSFIELD - Imidushane sportsfield at Jongilnaga and Khonziswa sportsfield near Zozo location
50	Rural housing	All villages
13	Library	
44	Sanitation	Toilets for Tshatshu, Qalashe and Siyathemba
9	Job Creation	Ward 9
32	Fencing of agricultural land	
12	Roads Resurfacing	Mazaule Road
12	Speed humps	All around the ward

TOP FIVE COMMUNITY PRIORITIES

On analysis of the data provided it was found that the Top Five Priorities as expressed by communities remain the same as was the case in the 2025/26 IDP Review Period, with a slight shift in the order of priority.

2025/2026	Municipal Roads & Transport Infrastructure	2026/2026	Municipal Roads Infrastructure
	2. Public Amenities		Libraries and Other Facilities
	3. Housing		Electricity Delivery
	4. Electricity		Houses
	5. Parks, Open Spaces, Cemeteries		Parks and Recreational Areas

ANNEXURE D: Programmes by Buffalo City Metro Development Agency

Legislative Mandate

The BCMDA is a municipal entity that is wholly owned by Buffalo City Metropolitan Municipality, established as a for-profit company in 2016, in terms of the Companies Act, 1973 (as amended.) The Agency transacts, generates funds and has a borrowing capacity to carry out its mandate to increase economic growth through tourism, economic and social development as well as property management and commercialisation.

The BCMDA is a juristic person operating as a municipal entity, which has been classified as such in terms of the Municipal Finance Management Act. As an entity of BCMM, BCMDA 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 primary mandate of BCMDA is to:

- Attract investors into Buffalo City,
- Increase economic growth through tourism, economic and social development, as well as property management and commercialisation.

The Agency's mandate was approved by the Council on 11 December, 2015 and is summarised below:

- a. **Property Development** – regeneration of the city through the effective acquisition and management of land and buildings;
- b. **Tourism Development** – act as a tourism agency and promote tourism within Buffalo City;
- c. **Investment Promotion** – promotion and facilitation of investment in the City, and
- d. **Socio-economic Development** – the facilitation of programmes and projects geared towards socio-economic development within the City.

In approving the mandate of BCMDA on 11 December 2015, the Buffalo City Metropolitan Municipality Council also resolved that the Agency should be empowered to take any such actions within its scope of authority to further its mandate, including, but not limited to:

- Conducting regular communications with all stakeholders;
- Launching, managing and/or monitoring any study that may be necessary to further the objectives of the Agency;
- Negotiating, entering into and administering contracts in furtherance of its objectives;
- Collecting income, raising, receiving, and holding funds, or receiving guarantees, from any lawful source, for the purposes of BCMDA and administering and disbursing those funds in pursuance of the objects of the Agency and for administrative purposes in accordance with the terms and conditions determined by BCMDA, and
- Conducting and operating any financial assistance, subsidy, or incentive programme necessary to ensure that the Municipality derives the utmost advantage from development projects.

Strategic Framework

The core ideology of the BCMDA is captured in its **Vision**, **Mission**, and **Core Values**, as detailed below.

Vision

An innovative agency that catalyses investment opportunities for a vibrant, integrated, and inclusive city.

Mission

To build a vibrant, integrated, and inclusive city through promoting investment in property, tourism, and socio-economic development for the benefit of citizens.

Values

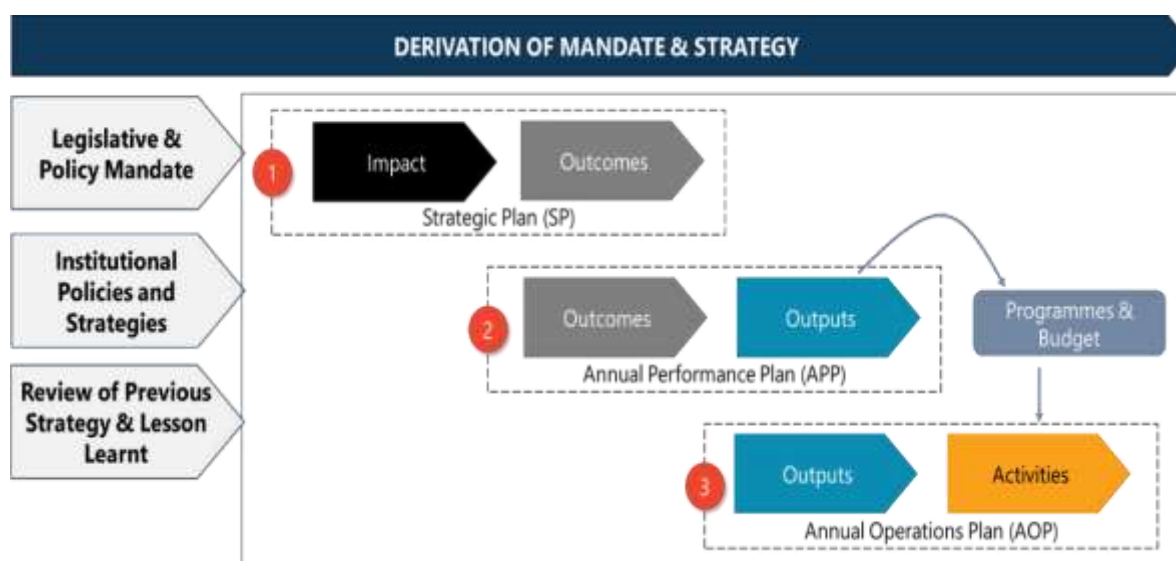
BCMDA values		What it means to us
	Agility	It means that we are able to change and adapt in response to changes in environment.
	Innovation	It means that we are resilient providing cutting edge solutions to meet customer, stakeholders, and workplace challenges
	Integration and alignment	It means we have the same vision, mission, impact statement and values with those we serve.
	Efficiency and effectiveness	It means we are stewards, always prudent yet balanced in our delivery
	Accessible	It means we are always available to fulfil our vision.
	Professional and accountable	It means we have integrity, honesty, open and fair with all our dealings

BCMDA Core Values

Strategic Outcomes

As part of reviewing its 2023/2024 APP, the BCMDA adopted the new strategic framework, which followed a structured approach in developing the present strategy and annual performance plan. This process is highlighted in the image below:

Figure 132: BCMDA Strategic Planning Process Followed, 2024



The legislative and policy mandates of the BCMDA were examined, together with the identification and review of institutional policies and strategies, as well as a review of previous strategies and lessons learnt. Applying the new DPME revised FSAPP framework, these served as inputs into deriving the new impacts, outcomes, outputs, and activities linked to existing programmes of the organisation.

The impact statement sets the direction for the strategic term within which the annual performance plan falls.

The impact statement is a clear long-term objective that an institution seeks to realize through the achievement of its outcomes. The statement thus guides the development of the required outcomes that will be monitored and evaluated. The impact statement is characterized by the following:

- It clarifies what the institution holds itself accountable to in terms of service delivery,
- Is aligned to the vision and mission of the organization, and
- Must be aligned to the BCMDA's legislative and policy mandate.

The BCMDA impact statement for the 5-year strategic period is shown below.

IMPACT STATEMENT

"Economic Development for Sustainable Growth"

Following from the impact statement, the organisation set five strategic outcomes, which will be measured over the five (5) year period, forming part of the 5-year strategy. These five outcomes remain largely unchanged from the previous year, except for outcome 5 which has been updated to reflect the need for a *sustainable* agency. The strategic outcomes for the organisation over the term are:

1. dynamic tourist destination,
2. attractive city for global investments,
3. vibrant and attractive local spaces,
4. inclusive and resilient economy, and
5. an efficient, compliant, well-governed and *viable* agency.

Each of the strategic outcomes have a set of outputs that need to be produced and monitored on a yearly basis. These outputs form the basis for the formulation of the APP. The APP hence gives details on the outputs, a set of output indicators that will be measured on a quarterly as well as annual basis, within the MTEF. A summary of the outputs under each outcome are shown below, with further detail and targets outlined.

Table 131: BCMDA Strategic Outcomes and Outputs, 2024

#	OUTCOMES	OUTPUTS
1	Dynamic tourist destination	Create an enabling environment for tourism product development and hosting events.
		Implementation of TIM
2	Attractive city for global investments	Identify and package land parcels for investment opportunities.
		Investment secured into BCMM
		Facilitate inbound investment
3	Inclusive and resilient economy	Facilitate economic diversification and expansion in the BCMM
4	Vibrant and attractive local spaces	To revitalize local [both urban and rural] spaces within the Metro.
		Number of properties under design
		To implement integrated initiatives to beachfront development.
		To develop acquired land.
		To facilitate the development of strategic projects through partnerships.
5	An efficient, compliant, well governed and viable agency	Financial sustainability
		Effective Corporate Services to support the mandate of the Agency
		Efficient and effective Information on Technology and Knowledge Management capability to support the mandate of the Agency.

Key Risks, Fraud and Ethics Management

Risk, fraud and compliance management underpin the BCMDA operational and governance arrangements. It is an important internal control framework that supports good governance by providing reasonable assurance that a business will meet its objectives without exceeding its ability to accept or tolerate risk which Management aims to achieve.

Table 132: BCMDA BCMDA Strategic Risks (BCMDA 2024-2025 Annual Performance Plan)

Outcome	Risk Name/Description
Dynamic Tourist attraction	1. Inability to implement the Tourism Infrastructure Master Plan (TIM)
Attractive home for global investments and sustainable economic development	2. Failure to create an enabling environment to foster economic development and attract new investment to the City
	3. Withdrawal of investors on Mega Projects
	4. Inability to promote investment
A robust property market	5. Delays in project implementation
	6. Poor quality assurance of newly constructed property
	7. Identification of land parcels for future development
Delivered Socio-Economic development programs	8. Inability to implement projects due to capacity challenges.
A well governed and sustainable agency	9. Lack of financial sustainability
	10. Inability to deliver on the mandate
	11. Cybersecurity attacks
	12. Inability to act in the event of Disputes & Litigation
	13. Non-Compliance with the POPI Act

Key BCMDA projects and project pipeline for 2025/26

The following projects are in the pipeline:

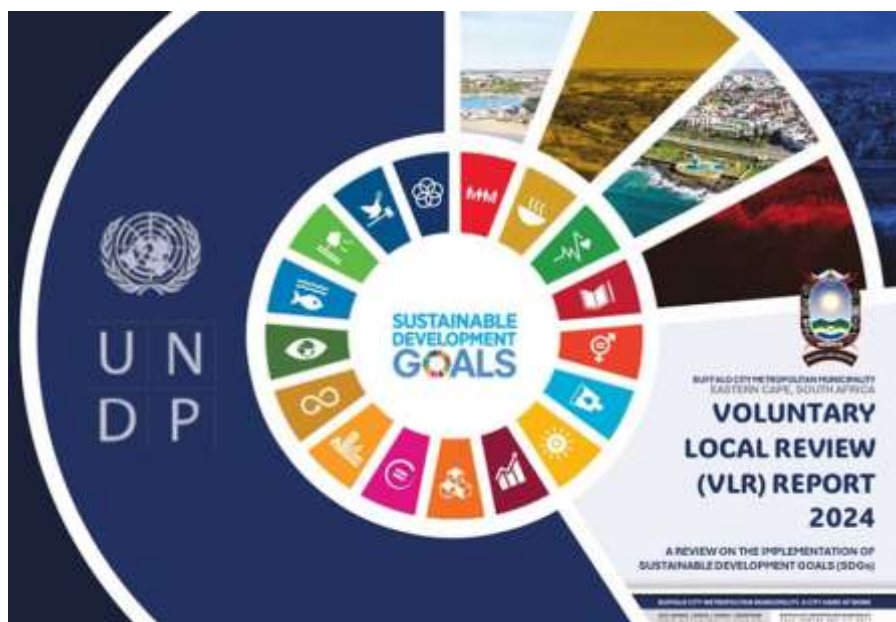
Strategic Objective (SO) and related projects		Type/ sector	Estimated Budget (25/26) requirement	Source of Funding/ funder/ stakeholders	Status
SO 1: Dynamic tourist destination					
1	Create an enabling environment for tourism product development and hosting of events a. Three (3) Tourism routes supported with content development. b. Three (3) Tourism routes supported with interpretive boards	Tourism	R 1 000 000	Buffalo City Metropolitan Municipality	Existing
2	Facilitation, Promotion, Co-ordination, and Support of the Tourism Sector a. Two (2) Tourism sector development interventions initiated	Tourism	R 1 000 000	Buffalo City Metropolitan Municipality	New
SO 2: Attractive City for global investments					

Strategic Objective (SO) and related projects		Type/ sector	Estimated Budget (25/26) requirement	Source of Funding/ funder/ stakeholders	Status
1	Sector Development Programme a. One (1) Economic and Investment Framework planning document developed.	Multi-sectoral	R 1 500 000	Buffalo City Municipality	New
2	Property Development and Investment Programme: a. Construction preparation for : • Sleeper Site • Seaview Terrace • Marina Glen A b. 4 new land parcels identified and packaged for investment.	Multi-sectoral	R 300 000	Property investors	Existing New
SO3: Building an inclusive and resilient economy					
1	Facilitate socio-economic diversification and expansion in the BCMM through the Environmental Management Programme a. Duncan Village Waste Management Programme.	Waste management	R 26 700 000	National Treasury	Existing
SO 4: Vibrant and attractive local spaces					
1	Properties under design a. One (1) Precinct concept developed (Quigney)	Infrastructure	R 2 500 000	Buffalo City Municipality	New
2	To implement integrated initiatives to beachfront development. a. Two (2) beach sites renovation concepts developed	Infrastructure	R 1 500 000	Buffalo City Municipality	New
3	To develop acquired land. a. One (1) project reactivated (Water World)	Infrastructure	R 60 000 000	Buffalo City Municipality	New
Office of the CEO (investment partnership drive)					
1	Strategic Investments and Partnerships Programme: a. Annual investment Conference b. Strategic Investment Partnerships programme	Multi-sectoral	R 1 500 000	SOEs, Private Sector and National and International investors	Existing
2	Strategic Infrastructure projects- Implementing Agent Programme in partnership with, DOE, DOH and BFI.	Multi-sectoral	To be confirmed	National and Provincial Government	New
Estimated budget to implement the above:			R 96 000 000		

ANNEXURE E: Top Layer Service Delivery and Budget Implementation Plan (SDBIP) 2026/2027

Will be included after completion of SDBIP in terms of applicable acts and regulations.

ANNEXURE F: Voluntary Local Review (VLR): A Review on the Implementation of Sustainable Development Goals (Summary)



1. INTRODUCTION

This VLR report offers a comprehensive overview of BCMM's implementation of the SDGs. It serves as a localised counterpart to the National SDG Review produced by the Republic of South Africa (RSA). Readers should approach this report with the understanding that certain global targets may not directly apply to the Municipality.

Against this backdrop, in SA, municipal developmental projects and priorities ideally align with the goals of the National Development Plan, which are designed to be in harmony with the UN's SDGs. This report thus reflects BCMM's efforts to align its programmes with the SDGs, outlining successes, shortcomings, and areas where development assistance and partnerships are needed.

2. PROCESS, INSTITUTIONAL AND STAKEHOLDER PARTICIPATION

- Call to municipalities to localise the SDGs

In March 2023, BCMM participated in a 3-day Capacity Building Workshop with UNDESA, SALGA, and the South African NPC on the localisation of the SDGs and the need to initiate reporting through the VLR process into the VNR for SA. Following the workshop, a report was drafted in May 2023 for the BCMM Council to localise the SDGs, and approval was granted in July 2023.

In August 2023, BCMM responded to a call issued by SALGA to municipalities to apply for support for the "Localisation of the SDGs through the VLRs." In September

2023, BCMM was selected as one of four metropolitan municipalities and one secondary City tasked with localising the SDGs through the VLRs. Following this selection, workshops were conducted from 25 to 27 October 2023 in Gauteng, from 28 to 30 November 2023 in eThekweni, and on 29 March 2024 in Johannesburg. These workshops aimed to aid, support, and guide municipalities in preparing their VLR submissions.

▪ Institutional Arrangements

As of August 2023, BCMM kickstarted several processes to encourage support towards the localisation of the SDGs.

In terms of institutional arrangements, the Executive Mayor serves as the political champion, providing guidance and leadership to the Mayoral Committee and Councillors in their efforts to achieve the SDGs. The City Manager acts as the Technical Champion, supported by the HoD: Executive Support Services, overseeing International Relations, the Integrated Development Planning Unit, and the Strategy and Transformation Unit. Together, they ensure alignment and offer guidance and support to departments and units in their pursuit of the SDGs and the drafting of the VLR Report.

The Municipality established an SDG Core Group consisting of representatives from key departments, including the International Relations Unit, Integrated Planning Unit, and Water and Sanitation Department, all of which had already been involved in some capacity with the SDGs. In September 2023, the SDG Core Group identified additional representatives from various departments who could contribute significantly to the localisation process.

These included Special Programmes, focusing on vulnerable groups; Integrated Environmental Management, addressing Climate Change; Strategy and Transformation, overseeing strategic direction from the Office of the City Manager;

Knowledge Management, responsible for research and data collection; and Spatial Planning, overseeing the Spatial Development Framework of the Municipality. This collective was established as the Technical SDG Working Group.

SDG Core Group members (officials identified for technical responsibilities) will, in future, be assigned to each of the Political and Technical Workstreams to enhance the transversal planning efforts of the Municipality.

The SDG Core Group convened regular meetings from October 2023 to March 2024 to prepare for the VLR. During these sessions, the group identified writers and contributors for each of the SDGs and provided guidance and support to the appointed writers.

▪ Communication and Advocacy

Communication and advocacy for the SDGs were seen as very important for BCMM, as many of the political leaders and officials in the Municipality had not been directly involved with the SDGs. Communication and advocacy were advanced through meetings, workshops, reports, the BCMM electronic newsletter, and promotional material.

Consequently, several small online and in-person meetings were held with managers in the Municipality who were required to contribute to the VLR report. The report was tabled through Council processes in May 2023 to the Strategic Development Portfolio Committee, followed by the Mayoral Committee and the BCMM Council, to approve the SDG localisation in the Municipality. This encouraged political and technical representatives to understand the SDGs and their alignment with the functions of the Municipality. The BCMM Council's approval of the localisation of the SDGs through the VLRs in July 2023 kickstarted a chain reaction within the Municipality, establishing the necessary Core and Steering Committees, initiating communication and advocacy programmes, and conducting

manager meetings. This demonstrated the importance the Municipality placed on participating in the SDG localisation and VLR process.

The two-stakeholder workshop was also used to advocate to internal and external stakeholders to support the localisation process and embrace the SDGs. Furthermore, marketing and communication materials were developed, including SDG boxes, screens, and pins.

3. EXECUTIVE SUMMARY

▪ *SDG Alignment in BCMM*

The MGDS: Vision 2030 outlines BCMM's aspirational vision and strategic intent. Broadly speaking, it aligns with the SDGs through direct reference to them and its alignment with SA's NDP: Vision 2030.

The MGDS adheres to City development best practices by emphasising the importance of inclusive growth, innovation, spatial transformation, densification, environmental sustainability, financial sustainability, and good governance for the city. Moreover, it aligns with the SDGs and the NDP by emphasising multi-agency partnerships with the private sector, universities, and civil society as a central mechanism for implementation. Any development project undertaken in BCMM must demonstrate clear alignment with the MGDS and thus the SDGs.

This report is therefore a VLR of the SDGs, with significant reflection on the implementation of the MGDS in Buffalo City, as the SDG location and mainstreaming in BCMM is actioned through the MGDS. The BCMM One Plan and the IDP serve as planning and implementation documents for all development projects in BCMM in accordance with the SDGs and community aspirations.

▪ *BCMM Overview and Report Contextualisation*

Before delving into the focus of the report, an overview of BCMM is provided, including its geographical location in SA. The Municipality is bordered by a pristine Indian Ocean coastline and by municipalities such as Nkonkobe, Great Kei, Ngqushwa, and Amahlathi. BCMM is the second largest municipality in the EC province, and its central location makes it a crucial City for the entire eastern region, often referred to as the former Transkei, and the central region areas, often referred to as the former Ciskei. The population dynamics and economic performance provide the local context of the city, particularly its approach to sustainable development.

This section also illustrates the Municipality's adherence to various global frameworks governing sustainable development, such as the New Urban Agenda, the Sendai Framework, and the African Agenda. This sets the stage for a detailed outline of how the City has localised and implemented the SDGs.

▪ *The VLR Report Focus*

As the Inaugural VLR Report of BCMM, it was deemed essential for the Municipality to realistically consider time and other factors in delivering a well-documented and credible report. Therefore, instead of addressing all 17 SDGs, six (6) were carefully selected. These six (6) SDGs are applicable to BCMM and demonstrate interlinkages and interconnectedness with the other 11 SDGs. We view this not as a limitation of the report, but rather as its strength, as it allows for a sharp focus on the selected SDGs. Thus, the focus of this VLR Report will be on the following six SDGs:



SDG 1: End poverty in all its forms everywhere

SDG 1 details all measures undertaken by BCMM to combat poverty. A municipality is regarded as a primary facilitator for numerous poverty-alleviation endeavours, one of which involves fostering a conducive environment for businesses to thrive.

This, in turn, facilitates job creation, significantly contributing to poverty alleviation. This section of the report outlines the development projects and initiatives pursued to make Buffalo City conducive to business. Notably, the City allocated land for the construction of ELIDZ, now designated as a special economic zone.

BCMM holds a 26% stake in this special economic zone, which accommodates companies that offer crucial employment opportunities to City residents. Poverty-fighting measures funded through our budget have also been delineated, encompassing initiatives such as the municipal rates indigent subsidy for impoverished consumers, support provided to NGOs through the Grants-in-Aid programme, the Municipal Bursary Programme, and the EPWP.



SDG 5: Achieve gender equality and empower all women and girls.

The assessment presented in this report indicates a lack of sufficient integration of SDG 5 within the Municipality, a challenge also observed in other state entities.

While the leadership and management of the Municipality demonstrate a commitment to women's empowerment and transformation, it is challenging to determine whether this has led to tangible contributions in development budgeting and project implementation that prioritise women and vulnerable groups.

This section concludes by stating that the ongoing VLR and localisation of the SDGs will help institutionalise disaggregated indicators and targets. This will better reflect the inclusion and advancement of vulnerable groups within the Municipality's planning and budgeting processes, as well as improve their access to basic services.

		SDG 6: Ensure availability and sustainable management of water and sanitation for all
BCMM has made significant strides in providing water and sanitation services to all its residents. It is acknowledged that water and sanitation are inherently reflected and/or implied in all the other goals, as this is essential for the sustainable development of cities. BCMM is implementing efforts to achieve SDG 6, recognising its pivotal role in driving progress across all other SDGs, and vice versa. Sustainable management of water and sanitation underpins wider efforts to end poverty, advance sustainable development, and sustain peace and stability. The report shows that at least 97,3% of BCMM's population has access to a clean and safe water supply (StatsSA, 2022a). The City has been applauded for the high quality of water produced and supplied to the community. In compliance with national statutory mandates, the City provided better quality sanitation services to approximately 97,9% of the population (StatsSA, 2022a).		
		SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable

The VLR Report offers further insights into the Municipality's strides towards achieving the targets outlined in SDG 11: 'Sustainable Cities and Communities', which seeks to "Make cities and human settlements inclusive, safe, resilient, and sustainable". The report details progress and challenges related to nine of the ten targets of SDG 11, reflecting the city's performance in institutionalising SDG 11 and its related targets. While SDG 11 has not been entirely realised in Buffalo City, notable efforts are underway to meet its targets, signalling visible progress in this regard.

	SDG 13: Take urgent action to combat climate change and its impacts
Across the globe, numerous extreme weather events have underscored the urgency for municipalities to prioritise SDG 13: Climate Action. Climate change is an undeniable reality, with cities and towns bearing the brunt of its impacts. In BCMM, threats such as rising sea levels, drought, flooding, and extreme heat events have already been observed. To mitigate these effects and bolster resilience, the Municipality recognises the imperative for enhanced planning and preparedness. It has earnestly addressed the issue of climate change through its Climate Change Strategy, which entails an action programme aimed at raising awareness, guiding development, integrating climate change into planning and infrastructure	

cycles, and implementing initiatives for environmental protection and long-term sustainability.

Additionally, the Municipality has introduced the Greenbook MetroView and is actively exploring adaptation projects in alternative energy, water quality enhancement, and waste management, with a focus on collection, recycling, or upcycling.



SDG 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

In this concluding section, the VLR Report acknowledges the pivotal role that local government international relations have played since SA's transition to democracy. These relations have significantly contributed to the increasing interaction between SA and the global community, both bilaterally and multilaterally, guided by the principles of South African Foreign Policy. Municipalities across SA, including BCMM, have actively participated in a wide range of activities with international associations and cities, including twinning agreements, exchange programmes, and conferences. This section serves as a positive reflection on the achievements in international relations activities while also alluding to possible future cooperation and partnerships.

Furthermore, the Municipality's partnerships with businesses, civil society organisations, NGOs, other government departments, and religious

organisations demonstrate its recognition that achieving sustainable development requires a collective effort.

The Municipality understands that it cannot embark on this journey alone; it needs the involvement of all stakeholders, including residents and communities, to align with the developmental trajectory and take ownership of the city's growth and development.

4. CONCLUSION & NEXT STEPS

The 17 SDGs are integrated and indivisible, balancing the three dimensions of sustainable development: economic, social, and environmental. From the perspective of the Municipality, the SDGs present an opportunity to approach development in a more conscious and deliberate manner, taking into consideration the needs, challenges, growth path, and expectations of the people living in the Municipality. This enables a focus on setting a long-term trajectory for sustainable development and making a meaningful impact on people's lives, ensuring that no one or place is left behind.

The promotion of VLRs in SA is seen as a powerful tool to advance the localisation of the SDGs, stimulating and driving local action for their implementation. This process also strengthens coordination, cooperation, and institutional interaction between different levels of government, as encouraged by the DDM and One Plan processes. Through collaboration between national government and local authorities, the exchange of data, practices, and techniques for the implementation of the SDGs is encouraged.

BCMM is fortunate to have high-level political and administrative support for the localisation of the SDGs through VLRs, which will propel the Agenda 2030 forward.

During the report writing process, the core team recognised the importance of data gathering, recording, analysis, and presentation for prioritising and decision-making by political and administrative representatives in the Municipality. However, it was found that local government data was limited from a qualitative perspective. The localisation of the SDGs by the Municipality is viewed as an opportunity to collect and analyse timely, accurate, and disaggregated data on SDG implementation.

Bridging the gap between stakeholders, including those in vulnerable situations, and decision-making processes is a challenge at the local level. Strengthening multilevel governance and informing VNRs are necessary steps. Therefore, it is important to integrate the SDGs into local planning processes, as well as to work with the private sector, especially MBSA, towards a roadmap for sustainability.

In the localisation process, BCMM is exploring the incorporation of SDGs into the PMS and Financial System of the Municipality. This alignment will facilitate planning, implementation, monitoring, and evaluation in line with the SDGs. By institutionalising the SDGs into the mSCOA, the Municipality will be closer to achieving an acceptable level of uniformity and quality in the collection of municipal data, which is the primary objective of mSCOA. Capacitating municipalities to collect, process, and analyse data is vital for the success of SDG localisation, empowering the Municipality with local ownership of the SDGs and the advancement of local priorities.

The VLRs will enhance awareness of the goals and greatly strengthen BCMM's capacity to address urgent local issues, foster partnerships, and advance priorities related to equity and sustainability. Therefore, continuous communication and advocacy of the SDGs are crucial for the Municipality to ensure that no one is left behind and to encourage internal and external stakeholders to embrace an "all of society" approach to sustainability.

In addition, the Municipality is actively engaged in multiple initiatives with international, regional, and local partners that align with the principles of people, planet, prosperity, peace, and partnership.

Moreover, the VLRs will not only bring numerous benefits to BCMM but also complement and contribute to the national VNRs that SA will present at the High-level Political Forum. BCMM considers it essential to join forces with SALGA, the NPC, and the UN to support the localisation of the SDGs. This long-term commitment will enable the Municipality to cultivate a performance-driven culture by establishing a dashboard for key deliverables and setting measurable indicators and targets in collaboration with all BCMM stakeholders. Ultimately, it will contribute to realising the Municipality's vision of becoming innovative and productive, spatially transformed, green, connected, and well-governed.

As the Municipality and the City at large continue to embrace the localisation of the SDGs, this baseline report will serve as a foundational resource, guiding and fortifying the content of all future VLR Reports. More importantly, for a better Buffalo City, **People, Planet, Prosperity, Peace, and Partnership** must become central to the sustainable development agenda of the city.



ANNEXURE G: BCMM TRADING SERVICES REFORM PROGRAMME

- **G1. WATER & SANITATION BUSINESS AND INVESTMENT PLAN (31 March 2026)**
- **G2. ELECTRICITY & ENERGY BUSINESS AND INVESTMENT PLANS (31 March 2026)**
- **G3. SOLID WASTE MANAGEMENT BUSINESS AND INVESTMENT PLANS (31 March 2026)**
- **G4. GUIDING NOTES**



ANNEXURE G1. WATER & SANITATION BUSINESS AND INVESTMENT PLAN (31 March 2026)

BUFFALO CITY METROPOLITAN MUNICIPALITY

WATER & SANITATION DEPARTMENT – BUSINESS AND INVESTMENT PLAN (M5)

31 MARCH 2026

Financial years covered	2026/27 - 2030/31
Version	V1
Date	31 March 2026
Council approval date	TBC
National Treasury submission date	TBC
Annual update date (if applicable)	N/A



[Section 7.1 Asset management text to be inserted here]

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1. INTRODUCTION

1.1. Purpose

This Business and Investment Plan (BIP) sets out the Water and Sanitation Department's turnaround programme and investment pathway to restore and sustain the long-term viability of the service delivery unit. It consolidates the identified challenges into a focused set of strategies, programmes and projects that improve (i) service reliability, quality, compliance and customer experience and (ii) financial sustainability through accurate metering and billing, improved cash collection and debt management, cost-reflective tariffs informed by cost-of-supply work and efficiency improvements.

The BIP is prepared in fulfilment of the Metro Trading Services Reform (MTSR) Minimum Commitment M5 and is designed to support delivery against the approved A3 Performance Improvement Action Plan (A3-PIAP) indicators and targets. It provides a multi-year, funded investment plan (capex and enabling opex) aligned to the department's financial business model, and defines clear implementation arrangements (roles, responsibilities, timelines and dependencies) to enable performance monitoring, early risk escalation and corrective action. The plan further supports the governance and accountability framework to be formalised through the Service Compact (M1), delegations (M4), financial transparency commitments (M7) and budget support processes (M6).

1.2. Terminology

In the context of this document, the following words and phrases are defined as follows:

"A3-PIAP": Performance Improvement Action Plan. The institutional, financial, operational and service delivery KPIs with targets defined, clarified and agreed, and approved by Council.

"Business Investment Plan (BIP)": refers to the "Business and Investment Plan" required under Minimum Commitment M5.

"BCMM": refers to Buffalo City Metropolitan Municipality



1.3. Timeframe and annual update

This BIP covers 2026/27 – 2030/2031 and provides a 10-year strategic outlook to 2034/35. Detailed implementation planning is provided for Year 1, with decreasing detail for Years 2-5. The BIP will be updated annually.

1.4. Alignment statement

The turnaround strategies and related activities presented in this BIP were developed in direct response to the department's key operational and financial challenges. The strategies, and the associated financial business models used to assess feasibility, take into account the Service Compact requirements and are used to inform the SPoMA organisational structure and related delegations necessary to deliver the agreed operating model. These elements are incorporated into the Financial Business Model (FBM), which provides the basis for testing affordability and feasibility, confirming alignment between service outcomes and financial performance and demonstrating the department's pathway to long-term viability and sustainability.



2. CHANGES IN CONTEXT

What has changed or is changing	Implications for the Business Plan
Policy and regulatory environment	
Water Services Amendment Bill (2025) – proposed reforms to the Water Services Act Introduces/strengthens reforms such as licensing of municipal service delivery mechanisms, potential water services licensing authority, and related governance/oversight provisions.	Impact on BIP: may require changes to the service delivery mechanism, compliance planning, governance arrangements, and could influence the Service Compact/SPoMA model and reporting obligations.
National Water Amendment Bill (2026) – changes to the National Water Act framework Amendments affect the national water resources management regime (including institutions and regulatory provisions).	Impact on BIP: could affect water use authorisations/licensing, compliance requirements, bulk water availability assumptions, and risk management for abstraction/supply.
Strengthening of economic regulation / tariff-setting rules for water services	DWS has issued revised norms and standards for tariff setting and related regulatory instruments/gazettes. Impact on BIP: affects tariff path assumptions, affordability analysis, revenue strategy, and the cost-reflective tariff workstream (Cost of Supply Study) and may require tariff-structure changes.



What has changed or is changing	Implications for the Business Plan
Evolving regulatory performance programmes: Blue Drop, Green Drop and No Drop	The national regulatory approach continues to embed Blue/Green/No Drop requirements and benchmarking for drinking water quality, wastewater management, and NRW/water loss. Impact on BIP: drives compliance investments and operating requirements (monitoring, labs, process control, risk management), and influences performance targets and capex prioritisation.
Operation Vulindlela : Phase II Proposes a National Water Action Plan (NWAP) with measures at all levels of government to ensure long-term water security. Emphasises support for private sector participation in the water sector through the Water Partnerships Office and PPP Unit	Initiatives under the NWAP may need to be incorporated into the turnaround strategy and A3: PIAP if not already included. The framework for PPP infrastructure delivery will make it more feasible to shift from grant-funded municipal delivery to blended finance and PPP delivery models
National Treasury’s Metro Trading Services Reform (MTSR) programme requirements (institutional + financial)	The reform framework (including M1–M8 minimum commitments, A3-PIAP indicators, financial transparency, and budget support expectations) is an evolving compliance environment for metros. Impact on BIP: affects required content, governance/accountability (SPoMA), financial reporting transparency, and alignment of budgets to the BIP and FBM.



What has changed or is changing	Implications for the Business Plan
Economic environment and market conditions	
Weak household affordability and rising indigence	High unemployment/low income growth reduces customers' ability to pay, increases reliance on indigent support and can depress collection rates.
Declining payment culture / worsening collections	Non-payment and growing debtor books constrain cash, delay maintenance/capex, and increase the need for aggressive credit control and revenue enhancement.
Municipal fiscal stress and reduced cross-subsidies	Many municipalities are financially distressed, which reduces the ability to cross-subsidise water services from other revenue streams and increases the pressure for water services to be self-funding.
Upward pressure on bulk input costs (especially bulk water)	Bulk water tariff increases and input cost escalation squeeze operating margins, requiring tighter cost control and/or tariff restructuring. Demand management measures will become increasingly important
Electricity price escalation and energy supply risk (load shedding)	Pumping and treatment are energy intensive; higher electricity costs raise unit cost of supply. Load shedding drives operational instability (e.g., pump interruptions, bursts) and increases reliance on backup power and maintenance (this



What has changed or is changing	Implications for the Business Plan
	risk is explicitly noted as affecting assurance of supply in sector operations).
Higher costs of chemicals, spares, and repairs & maintenance materials	Chemicals and maintenance materials experience inflation and supply volatility, increasing opex and forcing reprioritisation of spending.
Rising interest rates / tighter credit markets	Borrowing for infrastructure becomes more expensive, affecting affordability of debt-funded capex and the FBM's financing assumptions.
Infrastructure funding constraints and competition for grants	Limited grant availability and difficult access to commercial funding can constrain capex, leading to deferred renewals and higher lifecycle costs over time (noted as a core constraint in sector financing discussions).
Growing security costs due to vandalism/theft	Increased expenditure on asset protection (security, monitoring, rapid response) competes with maintenance budgets and impacts operating costs (sector examples link vandalism to operational interruptions).
Changes in market structure and market dynamics	
Urban growth, development nodes, and changing demand patterns	Growth in specific nodes (housing, industrial/commercial) can require new bulk capacity earlier than planned; conversely, weak economic growth can flatten demand and reduce revenue projections.



What has changed or is changing	Implications for the Business Plan
	Depopulation in rural municipal areas is making service delivery increasingly challenging, while migration to urban centres is intensifying demand, particularly in informal settlements.
Construction cost inflation and contractor market capacity constraints	Higher construction input prices and limited contractor capacity increase project costs and implementation risk (cost overruns, slower delivery), affecting capex feasibility and scheduling.
Bulk water availability / water resources constraints	
Reliance on Amatola Water.	The Amatola Water system is a major part of the region’s supply platform and is exposed to semi-arid conditions, uneven rainfall, and recurring drought cycles. The ability of the waterboard to meet current and future capacity requirements is a key risk to BCMM.
Water quality in source systems can reduce “available” supply or raise the unit cost of supply	Raw water quality protection links directly to affordability and reliability.
Augmentation options (reuse/desalination) are becoming more relevant but require major capex/opex planning	These should be assessed as medium/long-term options (especially for coastal nodes), with clear triggers and feasibility work.



What has changed or is changing		Implications for the Business Plan	
Climate, environmental and resilience factors			
Climate variability impacts with economic consequences		Drought/flood cycles increase costs (emergency supply, higher treatment costs, infrastructure damage) and can reduce system reliability; this also elevates capex needs for resilience.	
Technology and data systems			
Smart metering / AMI (Advanced Metering Infrastructure)		Rollout of smart water meters, remote reads and tamper alerts to replace estimates and improve billing accuracy, credit control and demand management.	
Automated water balance systems and NRW analytics		Moving from periodic spreadsheet water balances to automated, near-real-time water balance with zonal benchmarking, apparent/real loss separation, and automated reconciliation between operations and billing.	
District Metered Areas (DMAs), pressure zoning, and smart pressure control		Increasing use of DMA architecture, permanent flow logging, and smart pressure management (including transient/surge monitoring) to reduce losses and failures.	
SCADA modernisation and integration		Trend toward integrating treatment works, reservoirs, pump stations and bulk interfaces into	



What has changed or is changing	Implications for the Business Plan
	modern SCADA with reliable telemetry and alarm management.
Telemetry and alarm integration for pump stations and critical assets	More widespread, lower-cost telemetry (including cellular/IoT) enabling faster response and fewer overflows/breakdowns; integration into dispatch/work management systems.
Online / real-time water quality and effluent monitoring and compliance dashboards	Expansion of online analysers, remote monitoring, and compliance dashboards to support Blue Drop/Green Drop and licence compliance.
Digital customer service platforms	Modernising complaints logging and case management (call centre, WhatsApp/web/app), and integrating it with field response and performance dashboards.
GIS-enabled dispatch and mobile workforce management (job cards)	Using GIS-linked dispatch, mobile job cards, and response-time monitoring to improve productivity and complaint resolution within 48 hours.
Hydraulic model updates and decision-support analytics	Using updated hydraulic models for pressure optimisation, investment planning, and scenario testing (including resilience and demand management).



What has changed or is changing	Implications for the Business Plan
Predictive maintenance and failure databases	Adoption of failure databases, condition assessment data, and analytics to prioritise renewals and reduce bursts/blockages.
CCTV inspection technologies and sewer condition assessment tools	Wider use of CCTV, pipe condition scoring, and digital defect coding to target relining/replacement and reduce blockages/overflows.
Data integrity and assurance practices	Increasing use of bulk meter calibration programmes, independent audits, and standardised KPI definitions to improve credibility of PIAP reporting and FBM inputs.



3. LEADERSHIP AND MANAGEMENT

3.1. Strategic Goals

The strategic goals below are aligned to the IDP and A3-PIAP focus areas and set out the 5-year outcomes for water and sanitation.

1. **Communicate effectively** with customers and stakeholders to improve customer satisfaction, responsiveness and trust in water and sanitation services.
2. **Strengthen people, skills, processes and systems** by addressing critical capacity gaps, improving productivity, and implementing fit-for-purpose operational and management systems.
3. **Generate sufficient revenue and improve cash collection** through accurate metering and billing, strengthened revenue management and credit control, and improved collection performance to fund service delivery.
4. **Meet the demand for increased water and sanitation services** and build resilience by investing in new infrastructure to address growth, reduce backlogs and strengthen resilience to droughts, floods and other shocks.
5. **Operate and maintain existing assets to extend service life and improve performance** through sound maintenance, rehabilitation and asset management practices, reducing losses and service failures.

3.2. Organisational change and governance

The successful implementation of the Water & Sanitation BIP is dependent on establishing a fully functional and ring-fenced business unit supported by clear governance arrangements and delegated authority, and supported through structured change management.

In Year 1 (2026/27), the focus will be on institutional establishment and stabilisation, including:

- i. Implementation of the SPoMA organisational structure and the resulting human resource plan,
- ii. Identifying the required operational, financial, accountability and performance management systems to support the transition,



- iii. Implementation of the delegations for governance, operational, financial and commercial functions (M4) and ongoing reviews to ensure they are sufficient for the purpose,
- iv. Embedding the Service Compact and its prescripts on governance, including performance accountability and reporting, and
- v. Mobilising the structured Change Management Programme (M8) to support the transition.

In Years 2–3, the focus will shift to:

- i. Filling in gaps in the SPoMA organisational structure and continued implementation of the human resource plan,
- ii. Embedding operational, financial, accountability and performance management systems,
- iii. Strengthening decision-making authority at business unit level,
- iv. Ongoing reviews of the delegations to ensure they are sufficient for the purpose,
- v. Improving integration between technical, financial and customer functions,
- vi. Institutionalising performance monitoring aligned to A3-PIAP indicators, and
- vii. Implementing the Change Management Programme.

The table below outlines the activities that will implement the above reforms, enabling Water & Sanitation to achieve its financial, operational and customer service performance targets.



Indicator/ Reform Area	Activities - 2026/27	Activities - 2027/28 and 2028/29	Owner	Dependencies	Link to A3-PIAP/ Outcomes
1. M3 SPoMA Structure					
1.1. Finalisation of structure	Review and refine organisational structure to ensure full alignment to W&S service value chain	Review and refine organisational structure to ensure full alignment to W&S service value chain	CS/ W&S SPoMA	A1 Institutional Roadmap, Org. structure	Improves performance on A1, A5 and operational (W1 – W11)
1.2. Skills gap analysis	Carry out a skills gap analysis supported by strategic workforce planning	Update the skills gap analysis with changes in the org structure	HR/ W&S SPoMA	Org. structure	Improves performance in all A, F and W indicators
1.3. Develop the human resource plan	Prioritize critical skills gaps and identify strategy to achieve full capacity (training/ reskilling, recruitment, job redesign, contracting)	Implement the HR plan	HR/ W&S SPoMA	Institutional Roadmap, Org. structure	Improves performance in all A, F and W indicators
1.4. Implementation of the structure	Appoint key leadership roles (Senior Managers and General Managers) and Managers	- Appoint all other roles in the org structure - Carry out onboarding and induction of new staff	HR/ W&S SPoMA	Recruitment plan	Improves performance in all A, F and W indicators
1.5. Functional alignment	Align reporting lines and eliminate duplication/ fragmentation across functions	Align reporting lines and eliminate duplication/ fragmentation across functions	W&S SPoMA, HR Manager	Delegations (M4)	Improves performance in all A, F



					and W indicators
1.6. Governance	- Establish performance reporting processes, confirm reporting structures and design templates and dashboards - Implement monthly reporting and performance review for all indicators	- Monthly reporting and performance review for all indicators - Corrective action and risk management	W&S SPoMA, Business Operations (BO) Senior Manager	Performance reporting plan	Improves performance in all A, F and W indicators
2. M4 SPoMA Delegations					
2.1. Institutionalising delegations	- Issue formal delegation letters to all relevant officials and publish a Delegations Register - Identify gaps and conduct training to ensure delegations are correctly understood and implemented - Amend performance contracts, job descriptions to include delegations	- Annual review of delegations to ensure they positively support trading services reform - Carry out benchmarking with other metros and best practice internationally	W&S SPoMA, BO Senior Manager	Delegations framework, policies	Improves performance in all A, F and W indicators
2.2. Systems and processes to support delegations	- Draft, review or update standard operating procedures (SOPs) to support delegated responsibilities - Configure existing systems to reflect delegations or procure systems where there are no suitable existing systems (e.g., customer service)	- Review efficiency of SOPs, systems in supporting reform transitions and amend where necessary - Configure existing systems to reflect delegations or procure systems where there are no suitable existing systems	W&S SPoMA, HR Manager, BO Senior Manager	Systems review	Improves performance in all A, F and W indicators



2.3. Human resource planning to support delegations	Implement HR plans and org restructuring to achieve objective of or enforce delegations	Implement HR plans and org restructuring to achieve objective of or enforce delegations	W&S SPoMA, HR Manager	HR Plan	Improves performance in all A, F and W indicators
2.4. Implementation of change management plan	Incorporate final delegations into change management plan	Implement, review and update change management plan	Change Management Champion	Change Management Plan	Improves performance in all A, F and W indicators
3. M8 Support for Org Change & Increased Delivery					
3.1. Governance alignment	- Institutionalise the Trading Reform Steering Committee to oversee alignment across BCMM, define responsibilities and provide dispute resolution mechanism - Hold structured stakeholder engagements with staff, senior management and council committees	- Annual performance and governance reviews integrated with A3-PIAP reporting - Trading Reform Steering Committee to report to council oversight	City Manager, Change Management Champion		Improves performance in all A, F and W indicators
3.2. Organisational restructuring	Carry out change impact assessment to identify affected roles and reporting line changes	Refine org structure based on performance, staff workloads, vacancy rates, turnover and absenteeism	HR Manager, Change Management Champion	A1 Roadmap, Org structure	Improves performance in all A, F and W indicators



	- Carry out staff placement using a transparent placement process with appeals process - Establish a change champion for W&S				
3.3. Capacity enhancement and recruitment	- Structured stakeholder engagements with staff, labour and other departments to communicate changes - Phased recruitment roll-out prioritising operations, financial and commercial - Structured onboarding and induction of new staff - Clarify interim capacity measures such as use of consultants, framework contracts	- Introduce organisational culture, employee wellness and staff retention initiatives - Develop specific actions to fill scarce and critical skills, including: bursary and internship programmes, candidate support for professional registration, mentorship, skills development and training programmes - Review and update capacity enhancement activities	HR Manager, Change Management Champion	HR Plan	Improves performance in all A, F and W indicators
3.4. Financial reforms	- Structured stakeholder engagements with council, staff, utilities and communities to communicate changes - Training to embed behavioural change in credit control, revenue management, billing	- Structured stakeholder engagements with council, staff, utilities and communities - Review tariff implementation for cost recovery, affordability and revenue impact	HR Manager, Change Management Champion	A2 B&IP	Improves performance in all A, F and W indicators



	Communicate changes in systems and SOPs to ensure alignment across functions	Introduce systems for revenue analytics and financial decision-making			
3.5. Systems and processes	- Design and develop SOPs in conjunction with operational staff - Identify the impact of changes in systems and SOPs, and resulting training needs - Define and communicate the resolution mechanism for issues	- Review system integration within the TS and across the BCMM, identify and address bottlenecks - Review system performance, update systems for more advanced analytics	BO Senior Manager, ICT Manager	Systems review	Improves performance in all A, F and W indicators



3.3. Leadership and management development

The table below outlines the key programmes and activities that will be undertaken to strengthen leadership capability, management effectiveness, and organisational accountability within the Water and Sanitation Business Unit. The focus is on clarifying roles and responsibilities and building a capable leadership team that can drive performance improvements and sustain the objectives of trading services reform. Emphasis is placed on embedding a culture of accountability and performance.

Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)
1. Leadership development		
1.1. Identify key roles and staffing priorities	- Identify and prioritise managerial vacancies - Develop job descriptions linked to performance outcomes	- Full staffing of approved structure
1.2. Capacity building - Staffing	- Recruit key leadership and managerial positions - Develop interim arrangements to maintain operational continuity during the recruitment period	- Recruit key leadership and managerial positions - Strengthen accountability through review of roles and performance tracking - Interim capacity management plans per vacancy - Develop an advancement programme for middle management to ensure pipeline
1.3. Capacity building – skills development	- Identify critical skills gaps for leadership and management - Implement targeted training programmes - Partner with sector institutions (e.g. DWS, MISA, IMESA, WISA, SALGA, water boards) and organisations such as National School of Government, DBSA for leadership and management skills development programmes - Develop targeted leadership development programme aligned to trading services reform requirements - Implement leadership development programme	- Implement targeted training programmes - Partner with sector institutions (e.g. DWS, MISA, IMESA, WISA, SALGA, water boards) and organisations such as National School of Government, DBSA for leadership and management skills development programmes
2. Performance management alignment	Develop and implement performance agreements for senior management	Develop and implement performance agreements for all staff



	- Align KPIs for management with A3-PIAP indicators - Introduce monthly performance review mechanisms - Implement a structured induction and onboarding programme for new appointees	- Align KPIs for staff with A3-PIAP indicators - Introduce monthly performance review mechanisms and link performance to incentives - Implement a structured induction and onboarding programme for new appointees
3. Change Management		
3.1. Org culture	- Develop approaches to institutionalise performance-based and customer-driven culture - Align leadership behaviours with reform objectives and W&S culture	- Implement programme to institutionalise performance-based management culture - Introduce internal communication campaigns
3.2. Change management programme	- Establish the Change Management Champion (CMC) within the business unit to support colleagues and provide feedback on the transition - Implement change management plan for W&S	- Ongoing change management support to staff - Reinforce adoption of new structures, systems and processes - Monitor change readiness and address resistance
4. Leadership Development		
4.1. Executive and management capability	Conduct leadership capability assessment for W&S management team	Implement ongoing leadership development programme leadership development programmes
4.2. Management and supervisory training	Train supervisors and managers in planning, performance management and financial awareness to strengthen supervision capability	Train supervisors and managers in planning, performance management and financial awareness to strengthen supervision capability
5. Knowledge management		
5.1. Knowledge management and organisational learning	- Develop systems for capturing and sharing business unit knowledge - Document standard operating procedures and best practices - Establish internal learning forums	- Implement knowledge sharing and link to continuous improvement - Use data acquired for decision-making - Document standard operating procedures and best practices - Establish internal learning forums



3.4. Policy amendments

The table below outlines the activities to implement policy changes that support trading services reforms and the smooth operation of business units within the municipal structure.

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Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)	
1. Revenue allocation policy		Review and update policy to ensure transparent, defensible allocation of revenue between services, alignment to the financial model and consistency with internal charges	Monitor and review application of policy to ensure clarity of roles, and compatibility with and support for trading services reform
2. Revenue by-laws		Review and update revenue-related bylaws to support the full revenue value chain including enabling action on non-payment and illegal connections	Monitor and review application of policy to ensure clarity of roles, and compatibility with and support for trading services reform
3. Tariff policy (sanitation focus)		Review tariff policy and tariff structure to ensure cost-reflectiveness, equity and affordability	Monitor and review application of policy to ensure clarity of roles, and compatibility with and support for trading services reform
4. Operational structures: fleet management		Review the operating model and structures for fleet management to ensure availability, controls and accountability	Monitor and review application of policy to ensure clarity of roles, and compatibility with and support for trading services reform
5. Operational structures: asset protection		Review asset protection arrangements to reduce vandalism and theft and improve continuity of service	Monitor and review application of policy to ensure clarity of roles, and compatibility with and support for trading services reform
6. ICT, Budget, Fleet, Immovable Assets, Indigent, HRD and SCM Policies Enterprise Risk Management Framework		Review policies to allow for TS autonomy and control over specific areas e.g., SCADA, data, assets & equipment and municipal	Review SLAs and policies to ensure clarity of roles, and compatibility with and support for trading services reform



	- departmental control over the rest - Incorporate areas of responsibility into SLAs	
7. Contractor Development Policy	Amend policy to include the W&S TS as party to the CDP and allow W&S to set aside projects for the CDP	Implement CDP policy within TS

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3.5. Improving data, measurement and systems

This section outlines the programmes and activities required to data and systems as a key driver of business unit performance. The objective is to enable accurate measurement of performance on A3-PIAP indicators and other measures of service delivery, and support decision-making based on empirical evidence. Key priorities include developing sound systems, improving data quality, integrating core systems and embedding decision-making that is driven by data.

Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)
1. Data Governance and Quality		
1.1. Data governance framework	- Define the data and systems required to support financial and operational performance - If available source system rights, technical capacity to implement systems and manage data - If not available internally, initiate procurement to source systems and hire data staff - Develop and approve a data governance framework for the W&S BU with data standards and protocols	- Source systems and hire sufficient data staff - Institutionalise data governance practices across all functions
1.2. Data quality	Conduct baseline data quality assessment (customer, billing,	Carry out continuous data validation and auditing



Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)
		- asset, operational data) and clean core datasets • Develop data quality improvement plan
1.3. Data analysis capacity		• Implement a Super-User Model for key systems, trained champions in each trading service who provide first-line support and bridge the gap between ICT and operations • Implement a Super-User Model for key systems
2. A3-PIAP Measurement and Reporting		
2.1. Indicator definition and alignment	• Incorporate and align A3-PIAP indicators into data systems	• Maintain alignment with National Treasury reporting requirements
2.2. Performance reporting systems	• Develop integrated performance dashboard for A3-PIAP indicators • Implement monthly reporting cycles	• Measure indicators performance monthly and generate reports for top W&S management
3. Customer database management		
3.1. Customer database management	• Adopt (if existing) or develop a consolidated customer database for the TS including the indigent register	• Maintain and continuously update customer database • Link customer data to GIS and billing systems • Improve customer segmentation and analytics
3.2. Billing and revenue systems	• Identify the gaps in the billing system and ways to improve billing accuracy • Integrate billing system with operational systems	• Implement ways to improve billing accuracy • Integrate billing system with operational systems
3.3. Smart metering	• Pilot automated meter reading systems and develop a rollout plan integrate meter data into billing system	• Roll out automated meter reading systems across the BCMM network
4. Asset Management Systems		
4.1. Asset register	• Develop a comprehensive asset register for the TS from the existing municipal register and adopt electronic asset	• Maintain and continuously update asset register



Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)	
	- registry systems aligned to NT guidelines - Link GIS to the asset register	- Conduct asset verification and condition assessment and update register - Link asset data to financial and operational systems - Improve asset condition monitoring and lifecycle planning	
5. Financial Management Data and Systems			
5.1. Financial system alignment	- Align financial systems with trading services and mSCOA compliance requirements - Align operational and financial data with financial model	- Integrate financial and operational decision-making - Continuous refinement of financial model inputs using real data	



3.6. Improving plans and planning capability

The Water and Sanitation business unit will strengthen planning capability by moving from reactive, incident-driven responses to an integrated, risk-based planning cycle that links service outcomes, budgets and implementation. Planning processes will be standardised and embedded through revised SOPs, clear accountabilities under the SPoMA model and improved coordination with support functions (including Finance, HR and ICT) through defined service level agreements.

Improved data quality and system integration will be used to support proactive planning and data-driven decision making. As SOPs are implemented and operational systems mature, the department will consolidate these datasets into regular performance dashboards and planning inputs.

The strengthened planning approach will be reviewed and updated annually through the BIP update process, ensuring lessons from implementation and performance monitoring are translated into improved plans and corrective actions.

Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)	
1. Integrated Planning Framework			
1.1. Alignment of plans	Review and align all W&S plans (A3-PIAP, IDP, SDBIP, Asset Management Plan, Water Services Development Plan, BIP) and ensure alignment	Maintain full alignment across all planning instruments	
1.2. Planning governance	- Define planning governance framework and roles (IDP planning vs A: Strategic Plan and A3-PIAP,) for the TS BU - Clarify the planning calendar aligned to municipal processes and budget cycle	Implement planning governance framework and roles	



Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)	
2. Capital Investment Planning			
2.1. CAPEX prioritisation framework	- Develop prioritisation framework based on impact on indicator targets, risk, W&S capacity to implement and aligned to IDP - Develop costed priority CAPEX projects annually	- Continuously review and refine prioritisation methodology - Develop annual priority CAPEX projects that are costed	
2.2. Project preparation	- Strengthen project preparation capacity (design, feasibility, costing) - Develop project pipeline with ready-to-implement projects - Develop procurement plan for pipeline projects - Integrate CAPEX planning with maintenance and OPEX implications	- Improve project execution through capacity building - Develop project pipeline with ready-to-implement projects - Develop procurement plan for pipeline projects - Ensure lifecycle costing is embedded in planning decisions	
3. Asset Management Planning			
3.1. Asset management planning	Develop or refine Asset Management Plan aligned to National Immovable Asset Maintenance Management (NIAMM) Standard	Implement asset management using NIAMM standards and practices	
4. Operational Planning			
4.1. Operational plans and targets	Develop annual operational plan aligned to A3-PIAP targets and municipal policies	- Develop annual operational plan aligned to A3-PIAP targets and municipal policies - Review and continuously improve operational planning	
5. Scenario Planning			
5.1. Scenario planning capability	Adopt scenario planning using the financial model to generate scenarios that inform decisions	Institutionalise scenario-based planning	



Indicator / Reform Area	Activities: 2026/27 (Year 1)	Activities: 2027/28 – 2028/29 (Years 2 – 3)	
5.2. Risk management planning		- Integrate risk assessment into all planning processes - Align W&S risk management plan with municipal risk register	Align W&S risk management plan with municipal risk register

3.7. Stakeholder engagement and communications

The table below sets out the key stakeholders, their interests and concerns, and the proposed engagement approach. This plan is a living document, and it will be updated as the trading services reform programme progresses.

A detailed Communication Strategy and Stakeholder Engagement Plan will be developed. The Communication Strategy will define the TS case for change, role-specific packs, a FAQ library, and standing communication engagements.

Stakeholder	Influence	Key Interests and Concerns	Engagement Approach - 2026/27	Engagement Approach – 2027/28 and 2028/29
National Treasury	High	Interests: - PIAP compliance; reform progress; financial sustainability Concerns: - Non-compliance and dropping out - Inadequate reporting - Irregular/ wasteful/ unproductive expenditure of grant	- Quarterly written progress reports - Formal review sessions - CMP and milestone deliverables submitted as required	- Quarterly written progress reports - Formal review sessions - CMP and milestone deliverables submitted as required
BCMM Top Management & City Manager	High	Interests: Grant funding; reform success; customer satisfaction and accountability	- Steering Committee establishment - Monthly progress reporting and reviews	- Monthly Steering Committee progress reporting and reviews - Decision support packs at each phase gate



Stakeholder	Influence	Key Interests and Concerns	Engagement Approach - 2026/27	Engagement Approach – 2027/28 and 2028/29
		improvement; political defensibility. Concern: Implementation failure; unmet expectations, labour disputes, dysfunctional municipality	Decision support packs at each phase gate	
BCMM Council / Mayoral Committee	High	Interests: - Service delivery; political accountability Concerns: - Service disruption; adverse audit outcomes	- Engagements to ensure common understanding of TSRP - Formal committee briefings - Municipal Manager reports per policy - Updates before key milestones.	- Formal committee briefings - Municipal Manager reports per policy - Updates before key milestones.
Organised Labour (SAMWU, IMATU)	High	Interests: - Job security; fair process; no retrenchments Concerns: - Inadequate consultation; unfair placement; job losses	- Local Labour Forum engagement from inception - Regular consultation during restructuring - Issue resolution mechanism with escalation route	- Local Labour Forum engagement from inception <i>Ad hoc</i> consultation during implementation - Issue resolution mechanism with escalation route
Trading Services Staff (W&S; E&E)	Medium–High	Interests: - Clarity of roles, responsibilities; job security; support during transition, achievement of performance indicators Concern: - Uncertainty about new reporting lines and expectations; job losses; uncertainty about performance management	- Manager-led team briefings - Appointment of a CMC from within staff - Regular townhalls and Q&A sessions - Access to HR support throughout - Issue resolution mechanism	- Manager-led team briefings - Appointment of a CMC from within staff - Regular townhalls and Q&A sessions - Access to HR support throughout - Issue resolution mechanism
Trading Services Senior Management	High	Interests: Clear mandates; operational continuity; resource support.	- Leadership workshops - Monthly change management forums	- Leadership workshops - Monthly change management forums



Stakeholder	Influence	Key Interests and Concerns	Engagement Approach - 2026/27	Engagement Approach – 2027/28 and 2028/29
		Concern: Unclear decision rights; capacity constraints.	Direct representation on Steering Committee.	Direct representation on Steering Committee.
Bulk Suppliers (Amathole Water, Eskom)	Medium	Interests: - Continuity of supply arrangements; contractual clarity; legislative/ regulatory compliance Concern: - Interface disruption during transition; unaffordability of tariffs; legislative/ regulatory non-compliance; poor demand management and pressure on supply	- Quarterly liaison meetings - Formal communication on any structural changes affecting contracts & tariffs	- Quarterly liaison meetings - Formal communication on any structural changes affecting contracts & tariffs
Residents and Customers	High	Interests: - Service quality and reliability; fair and affordable tariffs; responsive complaints Concern: - Disruption; poor communication during reform; high/ unaffordable tariffs; poor customer complaint resolution	- Proactive customer communication plan - Website updates - Billing notifications - Clear complaint channels	- Proactive customer communication plan - Website updates - Billing notifications - Clear complaint channels



4. IMPROVING CUSTOMER SERVICES

Customer satisfaction is a core outcome of the reform, not a by-product. A well-executed SPoMA transition will improve service reliability and responsiveness. A poorly managed one risks the disruption of the very services residents depend on. The following activities are in addition to the operational service delivery plans of the trading services.

Activity	Expected Output
Develop and implement a Customer Communication Plan informing customers about the reform, service commitments, and how to escalate concerns during the transition. Use accessible channels including website, billing inserts, community meetings.	Customer Communication Plan; communication records
Establish and publish Customer Service Standards (response times, complaint resolution, outage notice) that apply throughout the reform period.	Customer Service Standards document published
Conduct a Customer Satisfaction Baseline before Phase 1 and repeat at six-monthly intervals to track whether the reform is improving customer experience.	Baseline and periodic customer satisfaction survey results
Track complaint volumes and resolution times monthly. Increases above baseline trigger an immediate investigation and corrective action report to the Steering Committee.	Monthly complaint management report; corrective action log



Customer service indicator (A3-PIAP)	Benchmark	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Water service complaints response % within 48 hours (W8)	90% - 100%	98%	98%	98%	98%	98%	98%
Sewer service complaints response % within 48 hours (W9)	90% – 100%	63%	63%	75%	85%	88%	90%

5. IMPROVING FINANCIAL PERFORMANCE

5.1. Finance-related targets (A3-PIAP)

This business plan has been developed to achieve the following financial performance and finance related targets as agreed in the A3-PIAP.

Finance indicator (A3-PIAP)	Benchmark	Baseline	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
M7 Financial transparency (AFS)	Comply	Comply	Comply	Comply	Comply	Comply	Comply	Comply
A2 mSCOA compliance	Comply	Comply	Comply	Comply	Comply	Comply	Comply	Comply
F1 OCCR ratio	1.5 -2	1.08	1.15	1.35	1.46	1.56	1.67	1.78
F2 Cash collection rate (%)	95%	53%	64%	65%	69%	75%	76%	82%
F3 Operational cash flow (R m)	Performance target: per financial model & business plan.	R468 mil	R370 mil	R721 mil	R889 mil	R1. 235 bil	R1. 420 bil	1.650 bil
F4 Net debtors days	60 Days	270.68	165.50	138.34	116.94	82.62	59.90	34.75
F5 Infrastructure capex (R m)	TS capex x 2, per business plan	R242 mil	R415 mil	R283 mil	R340 mil	R467 mil	R504 mil	R526 mil

Finance indicator (A3-PIAP)	Benchmark	Baseline	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
F6 Self-financing ratio (%)	100%	100%	86%	100%	100%	100%	100%	100%
W10 NRW (%)	<25%	41%	41%	38%	35%	32%	29%	27%
W11 Metering Performance (%)	=>98%	74%	74%	75%	78%	84%	90%	96%

5.2. Financial performance improvement programmes

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
Billing accuracy & revenue integrity (end-to-end billing improvement)	Year 1: stabilise billing by eliminating estimates where possible, correcting account and tariff mapping errors, and implementing a monthly billing quality assurance (QA) cycle (exceptions report, root-cause fixes, write-off control, and sign-off). Years 2 - 3: automate exception handling, expand data integration between meter management / CRM / billing, and introduce routine independent audit	Finance (Revenue) with W&S (Finance) and ICT	Year 1: by end Q4 Years 2 - 3: continuous improvement	Improves billed volume/charges and reduces disputes; supports F2 cash collection rate and F4 debtors days through fewer reversals and corrections. KPI: reduction in estimated bills; reduction in billing complaints and reversals; improved W11 metering performance link.	Requires clean customer master data, tariff table governance, and dedicated QA capacity. Assumes ICT support via SLA and strong coordination with metering workstream.

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
	of billing accuracy and water balance reconciliation.				
Collections, credit control and debt management	Year 1: implement a collections “operating rhythm” (weekly arrears dashboard; age analysis; targeted actions per segment) and strengthen credit control: (i) protect current bill (prevent new arrears) through reminders, early contact and dispute resolution; (ii) standardised payment arrangements with affordability screening; (iii) high-value customer account management (government, commercial/industrial); (iv) enforce credit control for chronic defaulters (restrictors/disconnections where policy allows); (v) improve indigent verification to prevent leakage of free basic services. Years 2–3: expand digital payment channels,	Finance (Revenue) / Credit Control with W&S Finance; Legal; Customer Services	Year 1: by end Q4 for new process Years 2–3: scale and automation	Primary driver for F2 cash collection rate improvement and F4 reduction in net debtors days; secondary impact on bad debts/write-offs. KPI: cash collected as % of billed, arrears movement by age band, payment plan compliance, collection on top 100 debtors.	Dependent on accurate billing and clear, enforceable bylaws/policies. Requires field capacity for restrictors/disconnections and customer communication to manage reputational risk.

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
	automate reminders and payment plan monitoring, increase use of legal recovery for large arrears, and embed performance contracts for collection teams/service providers.				
Metering performance & meter reading recovery (customer + bulk)	Year 1: execute a metering “stabilisation plan” to improve W11 (metering performance) by addressing key failure points: (i) meter audit and register clean-up; (ii) repair/replace non-functional meters and address access issues; (iii) eliminate zero/abnormal reads; (iv) improve meter reading routes, supervision and handheld/data upload controls; (v) bulk meter calibration programme (critical bulk interfaces, reservoir outlets, District Metered Area inlets) to support credible water balance. Years 2 - 3: targeted Advanced Metering	W&S Operations (Metering) with Finance (Revenue) / ICT	Year 1: Stabilisation plan developed and implementation in progress Years 2 - 3: expand AMI and planned replacement	Directly improves W11 metering performance and enables billing accuracy (supports F2 and F4). Also enables NRW (W10/W7) targeting via credible bulk and zonal measurement.	Assumes availability of meter stock/contractors and access to properties. Requires aligned SOPs for meter management and strong linkage to billing QA (exceptions workflow).

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
	Infrastructure/smart metering for high-value and high-risk customers, and routine meter replacement/calibration cycles.				
Revenue protection (illegal connections, tampering, meter bypass & unbilled consumption)	Year 1: establish a joint revenue protection task team (W&S + Revenue + Law Enforcement/Security) to identify, regularise and/or enforce against illegal connections and tampering, focusing on high-loss areas and high-value accounts. Implement: (i) hotspot identification using water balance/complaints/field intelligence; (ii) targeted inspections; (iii) meter sealing and anti-tamper measures; (iv) prosecution/civil recovery where applicable; (v) a pathway to regularise customers with arrears through payment	W&S Operations (Revenue Protection) with Finance (Revenue), Security/Law Enforcement	Year 1: task team live by end Q4 Years 2 - 3: scale programme	Reduces apparent losses (part of NRW W10) and increases billed revenue; supports cash collection (F2) and stabilises demand forecasts. KPI: number of illegal connections removed/regularised; value of recovered revenue; reduction in unexplained losses in target zones.	Depends on updated bylaws and enforcement support. Requires customer communication and a managed approach in vulnerable communities (link to indigent and social policy).

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
	arrangements and meter installation. Years 2 - 3: expand to routine audits, data-driven anomaly detection (consumption drop/tamper alerts), and embed controls through bylaw enforcement.				
Cost-reflective tariffs & tariff governance (linked to cost-of-supply)	Year 1: update cost-of-supply inputs and confirm tariff path/structures required by the selected FBM scenario; strengthen tariff governance (version control, approvals, billing system configuration checks) to ensure tariffs are applied correctly. Ensure sanitation tariff approach is defensible and aligned to policy and regulations. Years 2 - 3: refine tariff structures (inclining blocks, fixed/variable split, large user tariffs) based on consumption data and affordability analysis;	Finance (Tariffs) / W&S Finance with Strategy/FBM support	Year 2: in time for 2026/27 tariff setting cycle (and FY approval) Years 3: annual review	Improves revenue adequacy and sustainability (supports F1 OCCR and F3 operational cash flow). KPI: tariff approval aligned to FBM, reduced tariff-related billing errors, improved affordability targeting through indigent policy alignment.	Assumes availability of updated cost inputs and clarity on allocations/charges. Requires coordinated customer communication to manage affordability and payment culture impacts.

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
	implement routine annual tariff compliance reviews and customer communication on tariff changes.				
Non-Revenue Water (NRW) reduction programme (commercial + physical)	Year 1: implement a targeted NRW “rapid response” plan in priority zones to start shifting W10/W7. Key activities include: (i) establish/refresh District Metered Areas (DMAs) and bulk/zonal metering; (ii) pressure reduction and hydraulic control (pressure management zones, PRVs, surge/transient control where relevant); (iii) telemetry/SCADA and flow/pressure logging for early warning; (iv) active leak detection and early intervention (acoustic surveys, step testing, night flow analysis, rapid repair teams); (v) demand management (customer education, high-use customer audits,	W&S Operations (Water Networks/NRW) with Engineering/Telemetry; Finance (Revenue) for commercial losses	Year 1: priority DMAs and pressure control live by Q4; Years 2 - 3: scale to remaining high-loss zones.	Directly improves W10 NRW (%) and W7 ILL; reduces bulk purchases/production costs and improves operational cash flow (F3). Secondary benefit: improved continuity of supply and fewer bursts.	Requires credible metering (bulk + customer) and fast repair capability. Assumes prioritisation of high-loss zones and availability of telemetry/loggers and leak detection capacity.

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
	restrictions enforcement when required); and (vi) commercial loss reduction (metering and billing integrity, illegal connections/tampering, unbilled authorised consumption control). Years 2 - 3: scale DMA coverage, embed permanent monitoring, expand pressure management and smart controls, and shift from reactive to predictive leakage management (analytics-driven prioritisation).				

5.3. Financial management

The trading service reform requires strengthened financial management practices that enable reliable reporting, audit-ready financial records and improved financial decision making. In line with the Service Compact (M1) and the SPoMA model and delegations (M4), the department will implement the following financial management activities to improve transparency, accountability and performance against the A3-PIAP indicators and the financial business model (FBM).

- **mSCOA compliance (A2) and financial system discipline:** maintain compliant mSCOA posting structures for the trading service, including clear responsibility for cost centre/project coding, routine monthly review of mispostings and journals, and consistent alignment between

operational activities, budgets and mSCOA reporting. This includes strengthening data and reporting touchpoints between operational systems and the financial system (noted in the data, measurement and systems section) to improve the credibility of management reporting and PIAP submissions.

- **Full-cost and transparent accounting for support and shared services:** implement transparent and defensible costing for all support functions and shared services used by Water & Sanitation (including Finance (Revenue), SCM, HR and ICT). Costs will be allocated and reported in a manner consistent with agreed internal charges and the revenue allocation policy, enabling full-cost performance tracking (opex + internal charges) in the FBM and management accounts.
- **SLA-based service delivery and cost governance:** develop and implement the SLAs referenced under policy/operating model reforms, specifying the services provided to Water & Sanitation, service standards, escalation routes, reporting requirements and associated cost allocation. SLA performance (service levels and costs) will be monitored and reviewed routinely to ensure that support services are effective, predictable and affordable, and that the trading service's financial reports reflect the true cost of delivery.
- **Management reporting and decision-support pack:** establish a standard monthly financial management cycle for the trading service that produces a decision-support pack for leadership and governance forums. At minimum this will include actuals versus budget, cash flow performance, drivers of variances, progress against the A3-PIAP finance indicators (including OCCR, cash collection rate and net debtors days), and a reconciliation to operational performance drivers (e.g., metering performance and NRW). Reporting will be used to trigger early corrective action and to support the annual BIP update process.
- **Improved financial decision making (capex/opex integration):** strengthen decision making by linking operational priorities, maintenance requirements and investment plans to affordability and cash impacts in the FBM. This includes using consistent assumptions and reconciliations between the investment plan (capex and enabling opex), tariff strategy (including cost-of-supply inputs) and the financial plan, and using life-cycle and risk-based considerations when prioritising interventions (e.g., NRW reduction, metering reliability, compliance improvements).

- **Annual Financial Statements (AFS) for the department (M7 financial transparency):** implement the financial transparency commitments by ensuring that the department can produce complete, supportable and auditable annual financial information for the trading service, including reconciliations for revenue, debtors, internal charges, provisions and key balances. This will be supported by defined monthly close procedures, evidence packs and clear ownership across Finance (Revenue), W&S Finance and relevant support functions.
- **Governance, roles and cadence:** clarify and enforce the financial governance arrangements (including delegated decision rights under SPoMA) so that financial controls, approvals and accountability for variances are applied consistently. The department will use a predictable calendar of monthly reporting, quarterly performance reviews and annual planning/budget processes to ensure alignment between service delivery, financial performance and compliance obligations.

5.4. Priority cost-efficiency programmes

Programme / activity	Description	Owner	Target date	Expected savings / efficiency
Energy efficiency and pumping optimisation	Year 1: implement immediate operating and maintenance actions to reduce the unit cost of supply in response to electricity price escalation and supply risk. Activities include: (i) energy baseline and identification of highest-cost pump stations and works; (ii) optimised pump scheduling and reservoir operating levels to reduce peak-time pumping; (iii) pressure optimisation (linked to pressure	W&S Operations (Water & Wastewater Works) with Engineering/Telemetry; Finance for monitoring	Year 1: baseline + priority actions Years 2-3: expand to remaining major sites	Reduced electricity spend per ML produced/pumped; fewer failures/overflows and lower reactive maintenance costs. Efficiency measures also support NRW reduction by lowering pressure-related bursts and losses.

Programme activity	Description	Owner	Target date	Expected savings / efficiency
	management zones/PRVs) to reduce system head, bursts and pumping demand; (iv) restore/expand telemetry and alarm integration on critical pump stations to reduce run-to-failure and overflow events; and (v) preventive maintenance on pumps and motors to preserve efficiency. Years 2 - 3: scale telemetry/SCADA modernisation and implement ongoing energy management routines (monthly energy KPI review; targeted upgrades such as VSDs where justified through life-cycle cost analysis).			
Procurement improvements & contract optimisation (chemicals, spares, repairs & maintenance)	Year 1: stabilise availability and pricing of critical inputs (chemicals, spares, pipes/fittings, pumps, electrical components) while reducing avoidable emergency procurement. Activities include: (i) identify “top spend/top risk” categories and suppliers; (ii) implement	W&S Management with SCM; Finance for controls; Operations for specifications	Year 1: Priority frameworks and demand plan Years 2–3: Implementation and expand category management	Lower unit costs and reduced “premium” emergency purchases; reduced downtime and rework through improved quality; improved budget predictability and control environment.

Programme activity	Description	Owner	Target date	Expected savings / efficiency
	demand planning linked to maintenance plans and compliance requirements; (iii) standardise specifications and rationalise product ranges where feasible; (iv) renegotiate/refresh framework contracts and service-level terms to improve unit rates, lead times and quality; and (v) strengthen contract management and invoice verification against deliverables. Years 2 - 3: consolidate strategic sourcing across the trading service, implement performance-based contracts for high-cost maintenance categories, and embed stock and reorder governance to reduce downtime and premium purchases.			
Fleet optimisation & utilisation controls	Year 1: implement fleet management reforms noted in the policy/operating model section to improve availability for service response while controlling costs. Activities	W&S Operations / Fleet Management with Customer Services (dispatch support)	Year 1: controls and scheduling Years 2 - 3: Embed and refine	Reduced fuel and maintenance costs through higher utilisation efficiency; reduced downtime; improved response times with fewer

Programme activity	Description	Owner	Target date	Expected savings / efficiency
	include: (i) baseline fleet availability, utilisation and cost per vehicle category; (ii) route planning and job bundling (linked to GIS-enabled dispatch and mobile job cards) to reduce travel time and fuel; (iii) preventive maintenance scheduling to reduce breakdowns; (iv) tighter controls for fuel, after-hours use and authorisations; and (v) rationalisation of underutilised vehicles and improved allocation of specialised vehicles (e.g., jetting/vacuum units) to priority areas. Years 2 - 3: integrate fleet KPIs into monthly performance reporting and implement longer-term replacement planning informed by life-cycle cost and operational criticality.			repeat trips and better crew productivity.
Overtime management & productivity improvement	Year 1: reduce avoidable overtime while protecting service continuity and emergency response. Activities include: (i) baseline overtime drivers by	W&S Operations (Depots) with HR; Finance for controls	Year 1: baseline and controls Years 2 - 3: Measurable reduction,	Lower overtime expenditure and improved productivity; reduced emergency call-outs and repeat jobs

Programme activity	Description	Owner	Target date	Expected savings / efficiency
	depot/function; (ii) implement roster and standby planning for critical teams; (iii) strengthen job scheduling and supervision (using dispatch/job cards) to reduce rework and repeat visits; (iv) align overtime approvals to delegations and budget controls; and (v) convert recurring overtime drivers into planned work (maintenance scheduling, spares availability, and clearer escalation routes). Years 2 - 3: embed productivity KPIs (jobs closed per crew/day, first-time fix rate) into performance management and refine staffing and shift arrangements based on demand patterns.		optimise rosters and productivity	through better planning and first-time fix performance.
Asset protection and vandalism repair cost reduction	Year 1: implement a targeted asset protection programme focused on vandalism/theft hotspots and critical assets that drive repeat repair costs and service interruptions (e.g., pump stations, valves, meters,	W&S Operations with Security / Law Enforcement; Engineering/Telemetry; SCM for spares	Year 1: hotspot plan and rapid response active Years 2 - 3: Hardening of priority sites,	Reduced cost growth in security and call-outs; fewer vandalism-related breakdown repairs and replacement of stolen/damaged components; improved

Programme activity	Description	Owner	Target date	Expected savings / efficiency
	electrical panels and telemetry equipment). Activities include: (i) incident baseline and hotspot mapping; (ii) risk-based prioritisation of critical sites and protective measures; (iii) physical hardening (locks, cages, covers, access control, standard anti-tamper fittings); (iv) restore/expand telemetry and alarm integration for early warning and faster response; (v) rapid response protocol and coordination with Security and law enforcement; and (vi) improved spares readiness for recurring vandalism items to reduce downtime and avoid premium/emergency procurement. Years 2 - 3: scale protection measures to remaining priority sites, embed routine monitoring and incident review, and strengthen enforcement and community engagement approaches where applicable.		scaling and embedding.	asset uptime and fewer service disruptions.

5.5. Financial plan (summary from the selected FBM scenario)

To be incorporated once aligned with MTREF (In Progress).

5.5.1. Water Services – Financial Business Model (separate)

Insert summary sheets from the Water Services FBM

5.5.2. Sanitation Services – Financial Business Model (separate)

Insert summary sheets from the Sanitation Services FBM

5.5.3. Combined Water & Sanitation – Consolidated model (department view)

Insert summary sheets from the combined Water & Sanitation consolidated model (department view)

5.6. Tariffs

To support the financial business model (FBM) and the trading service reform outcomes, the department will strengthen tariff setting so that tariffs are transparent, defensible and progressively more cost-reflective, while remaining consistent with applicable regulatory requirements and affordability considerations. This will be informed by dedicated cost-of-supply work for both water and sanitation services and strengthened tariff governance (including correct configuration in the billing system and consistent customer communication).

A cost of supply study will be undertaken for **both water and sanitation services** to establish credible and transparent cost-of-service information and to support the required average effective tariffs and tariff structures. Based on the study outcomes and the selected FBM scenario, tariff updates/changes will be implemented in the **2026/27 financial year** as part of the annual tariff setting and approval cycle. This work will also respond to the strengthening of economic regulation and tariff-setting rules noted in the changing context section and will include routine governance controls (approvals, version control, and post-implementation checks) to reduce tariff-related billing errors.

In parallel, an exercise is underway to benchmark sanitation tariff setting models and assess options that improve fairness and the alignment between charges and service use. Subject to the outcomes of this benchmarking exercise and improvements in water meter accuracy (W11), the department will consider linking sanitation tariffs more directly to **measured water consumption**, as this can improve transparency and equity where sanitation service use is strongly correlated with water use. Any move toward consumption-linked sanitation tariffs will be phased and will include customer communication, review of impacts on affordability and indigent support and confirmation of billing system readiness.

The average water and sanitation tariffs on which the FBM is based are as follows:

Water

Tariff Charge	2025/26 R per kℓ or m³
Domestic Indigent - Flat Rate	21.44
Domestic Indigent - Conventional	43.31
Domestic - Flat Rate	29.99
Domestic - Conventional	40.75
Business - Conventional	33.44
Other - Conventional	7.52

Sanitation

Tariff Charge	2025/26 R
Commercial - Annual	350.43
Commercial - Annual - Pan Charge	4 346.96
Commercial - Monthly	29.23
Commercial - Monthly - Pan Charge	362.36
Domestic - Annual	1 792.98
Domestic - Monthly	151.29
Hotels & Accommodation - Annual	144.49
Hotels & Accommodation - Annual - Pan Charge	3 043.48
Hotels & Accommodation - Monthly	12.29
Hotels & Accommodation - Monthly - Pan Charge	233.67
Industrial - Annual	486.88
Industrial - Annual - Pan Charge	4 766.42
Industrial - Monthly	40.23
Industrial - Monthly - Pan Charge	412.86
Internal use - Monthly	14.15
Internal use - Monthly - Pan Charge	400.31
Other - Annual	1 650.78
Other - Monthly	218.56
Schools & Churches - Annual	6 789.28
Schools & Churches - Annual - Pan Charge	1 711.70
Schools & Churches - Monthly	80.95
Schools & Churches - Monthly - Pan Charge	139.42
Trade Effluent - Monthly	405.37

6. OPERATIONS

6.1. Operational performance targets (A3-PIAP)

Operational indicator (A3-PIAP)	Benchmark	Baseline (year)	Year 1 target	Year 2 target	Year 3 target	Year 4 target	Year 5 target
W1 Water security – input volume (% of raw water allocation)	<80%	91%	91%	91%	89%	88%	87%
W2 Drinking water systems (Blue Drop)	95%+	85%	85%	85%	87%	87%	90%
W3 Wastewater treatment systems (Green Drop)	90–100%	50%	50%	60%	65%	70%	75%
W4 Wastewater % of samples compliant with licence	90-100%	76%	76%	79%	82%	85%	88%
W5 Water network – mains failures (frequency/100 km)	<50/100km	50	49	47	45	45	45

Operational indicator (A3- PIAP)	Benchmark	Baseline (year)	Year 1 target	Year 2 target	Year 3 target	Year 4 target	Year 5 target
W6 Sewer network – blockages (frequency/100 km)	<50/100km	1 345	TBC				
W7 Physical water loss – Infrastructure Leakage Index	<2	7	7	6	5	4	3
W8 Water service complaints response % within 48 hours	90–100%	98%	98%	98%	98%	98%	98%
W9 Sewer service complaints response % within 48 hours	90–100%	63%	63%	75%	85%	88%	90%
W10 Non- revenue water (NRW) %	<25%	41%	41%	38%	35%	32%	29%
W11 Metering performance %	>98%	74%	74%	75%	78%	84%	90%

6.2. Improving operational performance

Programme / activity	Description	Owner	Linked indicators
Preventative maintenance optimisation	Strengthen planned and preventative maintenance programmes to extend asset life, reduce emergency breakdowns, and improve service continuity. This includes maintenance planning/scheduling, prioritisation of critical assets and integrating repairs and maintenance with infrastructure protection measures at key sites (reservoirs, pump stations, bulk pipelines, treatment works).	W&S Operations (Maintenance)	W2/W3/W5/W6
Standard operating procedures (SOPs) & process optimisation	Develop, update and implement SOPs across operational and support interfaces to standardise service delivery, improve data capture, and strengthen accountability. SOPs will support consistent incident response, maintenance execution, operational controls and reporting - enabling improved performance management and decision-making.	W&S Operations (Process Owners) / Quality	W5/W6/W8/W9
Mechanical/electrical equipment performance	Improve the reliability of mechanical, electrical and control systems at wastewater pump stations and wastewater treatment works through targeted renewal/upgrades and	W&S Operations (Mechanical & Electrical)	W2/W3

Programme / activity	Description	Owner	Linked indicators
	strengthened maintenance. This will reduce pump station failures, sewer overflows and pollution incidents and support improved regulatory performance.		
Fleet management improvements	Improve fleet availability and utilisation to support delivery of turnaround priorities (e.g., leak detection, pressure management, burst response, sewer blockage response, meter audits/replacements and planned maintenance). Strengthen scheduling, utilisation controls, maintenance planning and accountability for fleet performance.	W&S Operations / Fleet Management	W8/W9
Data and monitoring (SCADA / telemetry)	Strengthen operational monitoring by modernising and expanding SCADA/telemetry coverage and improving alarm management for critical assets. Implement routine performance monitoring through integrated dashboards to enable proactive identification of operational risks (e.g., pressure/flow anomalies, pump station alarms) and support data-driven operational decisions.	W&S Operations (SCADA/Control) / ICT	W1/W7/W10

Programme / activity	Description	Owner	Linked indicators
Procurement improvements for operational responsiveness	Improve procurement and contracting arrangements to reduce turnaround time for repairs and maintenance (spares, pipes, valves, pumps, electrical components and specialist services). Strengthen responsiveness and implementation capacity for renewal, upgrades and operational interventions required to stabilise the system.	SCM / W&S Operations / Contract Management	W5/W6/W8/W9
Metering, Accurate Billing and Cost Reflective Tariffs	The cornerstone of the water services turnaround is restoring accurate measurement, billing and pricing of water services. The department will implement smart water meters to replace estimated and flat rate billing, enabling billing based on actual consumption. In parallel, a Cost of Supply Study will be undertaken to determine cost reflective water tariffs, ensuring that tariffs accurately reflect the true cost of abstraction, treatment, distribution, maintenance and renewal of infrastructure. This approach restores fairness, transparency, and long term financial sustainability while enabling effective credit control and consumption management.	Finance (Revenue) and W&S (Metering and Operations)	W10 and W11

Programme / activity	Description	Owner	Linked indicators
Revenue Enhancement, Meter Integrity and Collection Improvement	To stabilise municipal finances, aggressive revenue collection campaigns will be implemented in collaboration with the Revenue Department. A targeted strategy will be rolled out to address tampered, bypassed, and illegally connected meters, including audits, enforcement actions, meter replacements, and penalties in line with municipal policy. Improved meter integrity, combined with enhanced collection efforts, will reduce revenue leakage, strengthen payment compliance and restore confidence in the billing system.	Finance (Revenue) and W&S (Metering and Operations)	W10 and W11
Reduction of Non-Revenue Water	Reducing non-revenue water is a critical operational and financial priority. This will be achieved through water demand management interventions, pressure management and hydraulic controls, replacement of aging pipes and faulty/bypassed meters, pressure management and active leak detection. Addressing physical and commercial losses will protect scarce water resources, reduce operating costs and improve system	Finance (Revenue) and W&S (Metering and Operations)	W10 and W11

Programme / activity	Description	Owner	Linked indicators
	efficiency, directly supporting the sustainability of water supply		
Sanitation Tariff Reform Linked to Water Consumption	In the longer term, once water metering has been stabilised, sanitation tariffs will be reformed to align with actual water consumption rather than fixed charges based on the number of toilets. This reform will be informed by a Cost of Supply Study, ensuring sanitation tariffs are cost reflective, fair and financially sustainable while incentivising responsible water use.	Finance (Revenue) and W&S (Metering and Operations)	N/A
Addressing Water Infrastructure Backlogs and Asset Renewal	Prioritisation of historical water infrastructure backlogs through focused asset renewal and replacement programmes. Aging and failure prone reticulation networks will be upgraded to reduce frequent bursts, service interruptions and water losses. Stabilising the existing system is essential to improving service reliability and protecting investments in new infrastructure.	W&S (Operations)	W1, W2, W7, W8 and W10
Expansion of Water Supply Capacity and Sanitation Infrastructure to	To enable economic growth and spatial development, the municipality will invest in expanding water supply capacity. This includes upgrades to	W&S (Operations)	W5 and W6

Programme / activity	Description	Owner	Linked indicators
Support Development	water treatment works and the installation of additional bulk water pipelines to unlock strategic development nodes such as Kidds Beach. These investments ensure that water infrastructure supports development rather than constraining it. Sanitation infrastructure will be expanded in line with spatial and economic development priorities. Sewer line extensions will enable new developments and densification while ensuring that sanitation capacity keeps pace with growth and does not compromise environmental compliance.		
Water Quality Improvement, Blue Drop Performance and Environmental Protection	Addressing low Blue Drop scores and protecting raw water sources is a strategic and regulatory compliance priority. The department will invest in bulk and distribution infrastructure upgrades and improved operational controls from source to tap.	W&S (Operations)	W2
Security Upgrades and Protection of Infrastructure	The protection of water infrastructure is fundamental to the success of the turnaround strategy. Enhanced security	W&S (Operations)	W2, W3, W4, W5, W6, W7, W10 and W11

Programme / activity	Description	Owner	Linked indicators
	measures will be implemented at reservoirs, pump stations, bulk pipelines and treatment works to combat vandalism and theft. Security upgrades will be implemented at wastewater treatment works, pump stations and sewer infrastructure to combat vandalism and theft. Protecting sanitation assets is essential to maintaining continuous operation, preventing pollution incidents and reducing costly emergency repairs.		
Reinstating Functionality of Wastewater Treatment Works and Pollution Control	Restoring the full functionality of wastewater treatment works is central to the sanitation strategy to improve regulatory compliance. The department will undertake renewal and upgrade projects to address DWS compliance challenges and restore treatment capacity. Reinstating compliant WWTW operations is critical to protecting ecosystems, public health and downstream water supply systems.	W&S (Operations)	W3, W4
Increasing Capacity and Reliability of Wastewater Pump Stations	Upgrading and increasing the capacity of wastewater pump stations will address frequent failures and sewer overflows. Mechanical, electrical and	W&S (Operations)	W3, W4, W6

Programme / activity	Description	Owner	Linked indicators
	control system upgrades will improve reliability and reduce pollution incidents, directly supporting improved Green Drop performance and environmental compliance.		
Upgrading Outfall Sewers and Sewer Networks	Targeted upgrades to outfall sewers and critical sewer networks will address hydraulic constraints and aging infrastructure. These interventions will reduce blockages, sewer overflows and pollution of rivers and water bodies, which currently threaten environmental integrity and public health.	W&S (Operations)	W3, W4, W6

7. ASSET MANAGEMENT AND INVESTMENT

7.1. Asset management

The department will strengthen asset management over the next three financial years by adopting a full life-cycle approach to infrastructure planning and delivery, operations, maintenance, renewal and disposal. This approach will be aligned with best-practice asset management principles (governance, risk-based prioritisation, fit-for-purpose data, and performance management) and will leverage relevant National Treasury asset management guidelines and tools to improve decision making, value for money, transparency and accountability. The intention is to move from reactive, incident-driven interventions to planned, risk-based maintenance and renewals that extend asset life, reduce service failures, support compliance outcomes (e.g., Blue Drop/Green Drop) and improve financial sustainability through more predictable and efficient lifecycle expenditure.

Programme / activity	FY2026/27	FY2027/28	FY2028/29	Owner (lead)	Key dependencies / notes
Asset management governance & standards (National Treasury guidelines/tools alignment)	Confirm roles, responsibilities and decision rights (aligned to SPoMA delegations); adopt standard AM procedures, templates and reporting aligned to National Treasury asset management guidelines/tools; establish AM governance cadence (monthly/quarterly).	Embed governance in routine management cycles; introduce periodic internal compliance checks against adopted standards/tools.	Institutionalise continuous improvement through periodic audits and annual refresh of AM procedures and templates.	W&S Asset Management / Infrastructure Planning	Requires defined operating model and decision forums; alignment with Finance, SCM, ICT and depots.
Asset register improvement & data governance	Clean and validate asset register (IDs, location, hierarchy, ownership, commissioning dates, key	Expand register completeness for remaining asset classes; improve data quality	Sustain data quality; periodic verification (sample audits) and	W&S Asset Management with Finance	Requires linkage between project close-out, O&M, GIS and financial

Programme / activity	FY2026/27	FY2027/28	FY2028/29	Owner (lead)	Key dependencies / notes
	attributes); implement data governance rules for additions, changes, renewals and disposals; reconcile key assets to financial records where feasible.	metrics and enforce “no project close-out without asset update” controls.	controlled lifecycle updates.	(assets) and ICT/GIS	systems; capacity for field verification.
Asset hierarchy, criticality & risk ranking	Define asset hierarchy (system–subsystem–component); apply criticality ranking for priority assets (works, pump stations, reservoirs, bulk mains, trunk sewers, key process units) based on service/compliance/safet	Extend criticality to broader asset base; update risk rankings using failure/condition evidence.	Optimise risk model and ensure it drives annual budget prioritisation and performance reporting.	W&S Asset Management / Operations	Depends on credible asset data, incident/failure reporting, and compliance risk inputs (Blue Drop/Green Drop).

Programme / activity	FY2026/27	FY2027/28	FY2028/29	Owner (lead)	Key dependencies / notes
	y/environment/financial impact.				
Condition assessment & failure history programme	Initiate structured condition assessments for high-criticality assets (targeted inspections, Electrical and Mechanical assessments, CCTV where feasible); set up failure and repair history dataset (repeat failures, causes, time-to-repair, materials used).	Expand condition assessment coverage; introduce standard condition scoring for key asset classes; improve failure analytics and repeat-failure identification.	Move toward more predictive approaches where data supports it (trend analysis; condition-based triggers for renewal).	W&S Asset Management with Operations	Requires work management discipline (job cards) and access to specialist assessment capability (internal/contracted).
Maintenance planning (preventive and risk-based)	Stabilise preventive maintenance for critical assets and compliance-related equipment; convert recurring reactive	Improve maintenance effectiveness (planned vs reactive ratio, repeat failure reduction); refine PM tasks based on failure	Optimise maintenance strategies (risk/condition-based where feasible) and integrate into annual planning and budgeting.	W&S Operations (Depots/Works) with Asset Management	Depends on spares availability, contractor frameworks, and

Programme / activity	FY2026/27	FY2027/28	FY2028/29	Owner (lead)	Key dependencies / notes
	work into planned work where feasible; align maintenance scheduling to operational constraints (including load shedding risk and spares availability).	trends and condition results.			reliable work planning/scheduling processes.
Work management controls (job cards, closure discipline, cost visibility)	Enforce job card standards: link all work to asset ID/location; capture labour/materials/root cause; improve closure evidence; use data to identify repeat work and cost drivers.	Integrate work management reporting into monthly performance pack; improve productivity metrics (first-time fix, response, backlog).	Use work history and costs to strengthen lifecycle cost visibility and “repair vs replace” decisions.	W&S Operations with ICT	Depends on mobile/GIS-enabled dispatch and system discipline; requires supervision and QA of job closure.
Renewal/rehabilitation pipeline &	Develop initial risk-based renewal/rehab pipeline	Formalise multi-year renewals plan using	Refine renewals forecasting and	W&S Asset Management /	Depends on capex planning

Programme / activity	FY2026/27	FY2027/28	FY2028/29	Owner (lead)	Key dependencies / notes
lifecycle-based prioritisation	aligned to the funded investment plan and annual budget cycle; introduce lifecycle thinking in repair vs replace decisions (e.g., pumps, motors, electrical panels, high-burst pipes).	condition/criticality/failure evidence; strengthen business cases using lifecycle cost and risk.	prioritisation; track renewal outcomes (reduced failures, improved compliance) and update plans annually.	Infrastructure Planning	and procurement readiness; must align to FBM affordability and funded investment plan.
Asset protection integrated into lifecycle planning (vandalism/theft risk)	Include vandalism/theft risk in criticality; prioritise hardening/monitoring for critical hotspots; link telemetry/alarm integration to rapid response; incorporate recurring vandalism repair items into spares strategy to reduce	Scale protection measures to remaining priority sites; embed incident review and prevention actions into governance routines.	Sustain and refine approach; integrate lessons learned into design standards and renewal planning.	W&S Operations with Security / Law Enforcement	Requires coordination with Security, telemetry capability, and consistent incident reporting and analysis.

Programme / activity	FY2026/27	FY2027/28	FY2028/29	Owner (lead)	Key dependencies / notes
	downtime and premium procurement.				
Performance reporting & improvement tracking	Define AM performance measures (register completeness, condition assessments completed, PM execution, repeat failures, downtime, backlog); report monthly/quarterly through governance forums.	Strengthen reporting with trend analysis and corrective action tracking; link to compliance and service outcomes.	Embed continuous improvement with periodic audits and annual plan refresh; demonstrate improved outcomes (reduced failures/interruptions, improved compliance support).	W&S Asset Management with Finance/Performance	Requires reliable data; align with broader PIAP reporting discipline and dashboards

7.2. Investment plan overview (funded 5-year plan)

The funded 5-year investment plan is included below:

Category of investment	2025/26 (R)	2026/27 (R)	2027/28 (R)	2028/29 (R)	2029/30 (R)	2030/31 (R)	Total (R)
Sanitation							
Preventative maintenance optimisation	-	-	19 905 190	4 509 406	-	-	24 414 596
Expansion Sanitation Infrastructure to Support Development	16 000 000	-	-	-	-	-	16 000 000
Security Upgrades and Protection of Infrastructure	-	6 628 618	6 945 641	10 521 948	-	-	24 096 207
Reinstating Functionality of Wastewater Treatment Works and Pollution Control	142 170 000	40 585 277	50 798 857	77 199 622	259 633 672	-	570 387 428
Increasing Capacity and Reliability of Wastewater Pump Stations	24 779 031	26 868 177	32 356 521	41 336 225	-	-	125 339 954
Upgrading Outfall Sewers and Sewer Networks	32 061 000	78 845 928	81 153 792	139 791 598	13 725 128	302 415 120	647 992 566
Other	40 047 389	-	-	-	-	-	40 047 389
Subtotal - Sanitation	255 057 420	152 928 000	191 160 001	273 358 799	273 358 800	302 415 120	1 448 278 140
Water							
Data and monitoring (SCADA / telemetry)	4 269 000	10 653 842	31 894 055	45 608 498	478 140	478 140	93 381 675

Category of investment	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	(R)	(R)	(R)	(R)	(R)	(R)	(R)
Sanitation							
Metering, Accurate Billing and Cost Reflective Tariffs	-	1 025 653	1 087 297	1 554 835	-	-	3 667 785
Reduction of Non-Revenue Water	-	3 418 842	3 624 324	5 182 784	-	-	12 225 950
Addressing Water Infrastructure Backlogs and Asset Renewal	-	24 728 344	-	-	-	-	24 728 344
Expansion of Water Supply Capacity to Support Development	-	10 705 621	14 497 298	20 731 136	-	-	45 934 055
Security Upgrades and Protection of Infrastructure	-	683 768	5 798 919	8 292 454	-	-	14 775 141
Water Quality Improvement, Blue Drop Performance	50 190 000	20 918 361	-	-	-	-	71 108 361
Upgrading Water Networks	114 277 000	44 531 047	108 162 971	154 673 049	302 415 120	324 016 200	1 048 075 387
Pipe and Water Meter Replacement	5 873 000	36 262 522	26 095 136	37 316 044	9 067 994	9 974 793	124 589 489
Subtotal - Water	174 609 000	152 928 000	191 160 000	273 358 800	311 961 254	334 469 133	1 438 486 187
TOTAL	429 666 420	305 856 000	382 320 001	546 717 599	585 320 054	636 884 253	2 886 764 327

7.3. Priority turnaround investments

Category of Investment	Project / investment	Year	Estimated cost (R)	Linked indicators
Upgrading Outfall Sewers and Sewer Networks	Bisho Kwt & Zwelitsha Bulk Reg Sewer Scheme	2026/27 – 2028/29	123 030 095	W3, W4, W6
Upgrading Outfall Sewers and Sewer Networks	Hood Point Marine Outf Sewer & Auxilliary Works	2026/27 – 2028/29	15 233 333	W3, W4, W6
Reinstating Functionality of Wastewater Treatment Works and Pollution Control	Mdantsane Wastewater Treatment Works	2026/27 – 2028/29	26 746 667	W3, W4
Reinstating Functionality of Wastewater Treatment Works and Pollution Control	Upgrading Of Potsdam Wastewater Treatment Works	2026/27 – 2028/29	45 118 116	W3, W4
Reinstating Functionality of Wastewater Treatment Works and Pollution Control/ Expansion Sanitation Infrastructure to Support Development	New Kidds Beach Wastewater Treatment Works	2026/27 – 2028/29	60 000 000	W3, W4
Upgrading Outfall Sewers and Sewer Networks	Nahoon Bulk Outfall Sewer	2026/27 – 2028/29	69 824 894	W3, W4, W6
Increasing Capacity and Reliability of Wastewater Pump Stations	Reeston Pump Station	2026/27 – 2028/29	50 000 000	W3, W4, W6

Category of Investment	Project / investment	Year	Estimated cost (R)	Linked indicators
Increasing Capacity and Reliability of Wastewater Pump Stations	East Bank Catchment Pump Station	2026/27 – 2028/29	25 000 000	W3, W4, W6
Security Upgrades and Protection of Infrastructure	Security Upgrades to Sewerage Pump Station- Coastal	2026/27 – 2028/29	12 500 000	W2, W3, W4, W5, W6, W7, W10 and W11
Security Upgrades and Protection of Infrastructure	Security Upgrades to Sewerage Pump Station- Midlands	2026/27 – 2028/29	7 500 000	W2, W3, W4, W5, W6, W7, W10 and W11
Security Upgrades and Protection of Infrastructure	Security Upgrades to Sewerage Pump Station- Inland	2026/27 – 2028/29	9 200 000	W2, W3, W4, W5, W6, W7, W10 and W11
Upgrading Water Networks	Bulk Mains-Kwt & Bhisho Infrastructure	2026/27 – 2028/29	29 557 902	W2, W5, W7 W8 and W10
Addressing Water Infrastructure Backlogs and Asset Renewal	Bulk Mains-Water Backlogs	2026/27 – 2028/29	24 761 594	W1, W2, W7, W8 and W10
Addressing Water Infrastructure Backlogs and Asset Renewal	Distribution Mains-Water Backlogs	2026/27 – 2028/29	33 761 594	W1, W2, W7, W8 and W10
Addressing Water Infrastructure Backlogs and Asset Renewal	Reservoirs-Water Backlogs	2026/27 – 2028/29	13 806 394	W1, W2, W7, W8 and W10

Category of Investment	Project / investment	Year	Estimated cost (R)	Linked indicators
Expansion of Water Supply Capacity to Support Development	Alternative Water Supply (Bulk Water Supply to Coastal Areas - Tsholomnqa)	2026/27 – 2028/29	26 313 583	W5 and W6
Expansion of Water Supply Capacity to Support Development	Reservoirs East Coast Supply (Augmentation of Kwelera Villages Water Supply Scheme)	2026/27 – 2028/29	30 000 000	W5 and W6
Upgrading Water Networks	Umzonyana Dam and East Coast Water Supply Upgrade	2026/27 – 2028/29	221 868 191	W2, W5, W7, W8 and W10

8. HUMAN RESOURCES

This section sets out the programmes and activities that the Water and Sanitation trading service intends to implement to improve human resource performance, inducing staff effectiveness and productivity, including recruitment/retention, critical skills, training, overtime management, culture and wellness. The focus is on ensuring that the Business Unit is appropriately staffed with the right skills, that critical capacity gaps are addressed, and that staff are supported through targeted training, performance management, and wellness initiatives. These interventions are designed to enhance operational efficiency, reduce reliance on overtime and external contractors, and build a motivated workforce aligned to service delivery objectives.

Programme Area	Activities: 2026/27 (Year 1 – Detailed)	Activities: 2027/28 – 2028/29 (Years 2–3 – Progressive)
1. Recruitment and Retention		
1.1. Critical vacancy filling	- Conduct detailed workforce and vacancy analysis arising from new W&S org structure - Prioritise and fast-track recruitment of priority roles (operations, maintenance, revenue, engineering) - Implement targeted recruitment and contracting strategy for scarce skills - Establish partnerships with professional bodies and DPWI on their skills initiatives	- Maintain optimal staffing levels in all critical functions - Continuous workforce planning aligned to operational needs - Implement targeted recruitment and contracting strategy for scarce skills - Establish partnerships with professional bodies and DPWI on their skills initiatives
1.2. Retention of key staff	- Identify critical and scarce skills gaps, areas of high vacancy rates - Develop retention strategy for scarce skills and critical staff - Introduce professional development and career development pathways	- Implement retention strategy to improve retention rates - Strengthen long-term career development pathways
2. Training and Skills Development		
3. Skills Gap Analysis	Carry out a skills audit and skills gap analysis supported by strategic workforce planning	Update the skills gap analysis with changes in the org structure
3.1. Identify key roles and staffing priorities	Identify and prioritise critical vacancies (managerial, engineering, technical, financial, commercial) based on the skills gap analysis and SPoMA delegations (M4)	- Full staffing of approved structure - Continuous workforce planning and succession management - Reduce reliance on contractors and acting positions

Programme Area	Activities: 2026/27 (Year 1 – Detailed)	Activities: 2027/28 – 2028/29 (Years 2–3 – Progressive)
	- Develop job descriptions linked to performance outcomes - Align roles and processes across the value chain (technical, financial, commercial, customer service)	Communicate the capacity enhancement strategy to existing staff, emphasising development opportunities and the intent to build from within where possible
3.2. Capacity building - Staffing	- Recruit key leadership, technical engineering, financial and commercial positions - Implement SLAs with other departments for interim capacity and for roles that will not be delegated - Identify roles for external service providers together with Corporate Services (CS), initiate procurement processes Develop interim arrangements to maintain operational continuity during the recruitment period	- Recruit other technical engineering, financial and commercial positions - Review and monitor SLAs based on operational performance - Strengthen accountability through review of roles and performance tracking - Review service provider performance, initiate procurement processes for coming year Interim capacity management plans per vacancy category
3.3. Capacity building – skills development	- Identify critical skills gaps (managerial, engineering, technical, financial, commercial) and skills development approach (with CS) - Implement targeted training programmes - Partner with sector institutions (e.g. DWS, MISA, IMESA, WISA, SALGA, water boards) for skills development programmes	- Identify and second staff for continuous professional development programmes - Working with CS and professional bodies, introduce registration, certification and accreditation initiatives and assign mentors - Implement targeted training programmes - Partner with sector institutions for skills development programmes
4. Performance management		
4.1. Performance management systems	- Implement performance management system aligned to A3-PIAP targets - Introduce routine performance reviews and accountability mechanisms	- Institutionalise performance-based culture through change management - Conduct annual performance reviews and accountability mechanisms
5. Organisational Culture		
5.1. Culture transformation programme	- Define desired org culture based on customer service, performance and financial sustainability - Communicate desired org culture to staff regularly through print and electronic media, regular staff engagements - Align performance management with culture reform objectives	- Communicate desired org culture to staff regularly through print and electronic media, staff engagements - Align performance management with culture reform objectives - Institutionalise communication practices

Programme Area	Activities: 2026/27 (Year 1 – Detailed)	Activities: 2027/28 – 2028/29 (Years 2–3 – Progressive)
6. Employee Wellness and Staff Satisfaction		
6.1. Employee wellness programmes	- Assess employee wellness needs - Implement wellness initiatives and appoint service provider for guidance	- Improve employee well-being through wellness initiatives - Sustain safe and supportive working environment
6.2. Staff satisfaction	- Design a staff satisfaction survey for annual implementation - Develop and implement improvement action plan to address key concerns	- Conduct staff satisfaction survey annually - Develop and implement improvement action plan to address key concerns - Maintain ongoing feedback and engagement mechanisms
7. Contracting and External Resources		
7.1. Strategic use of service provider	- Review current use of service providers and develop plan to minimise exposure and risk - Benchmark and define core vs non-core functions, develop contracting strategy aligned to cost and performance objectives	- Review current use of service provider and develop plan to minimise exposure and risk - Reduce reliance on service providers for core services by employing them selectively for specialised skills
7.2. Contract management and skills transfer	- Mandate skills transfer requirements in contracts - Strengthen contract management practices to monitor service provider skills transfer and ensure compliance	- Mandate skills transfer requirements in contracts - Strengthen contract management practices to monitor service provider skills transfer and ensure compliance - Build internal capacity through structured skills transfer

9. SERVICE OUTCOMES AND SOCIAL CONTRIBUTIONS

9.1. Improving services in informal settlements

The Water and Sanitation Department will improve service outcomes in informal settlements through a structured programme that combines (i) targeted community engagement and communication, (ii) practical interim service solutions that protect public health, (iii) clear operations and maintenance (O&M) arrangements with strengthened accountability, and (iv) affordability and indigent support measures. This approach recognises informal settlements as a key “stress” factor affecting service reliability, customer experience, public health and environmental outcomes and will be addressed through coordinated planning and implementation.

Focus Area	Description	Objective	Timeline
Community engagement and communication.	The department will implement a dedicated engagement approach for informal settlements, building on the broader customer service and communication improvements planned for the turnaround. This includes regular two-way engagement with community leadership structures and ward-based platforms; visible outreach (roadshows and local engagements); and improved,	Feedback from communities will be incorporated into prioritisation of interventions and monitoring of service functionality, with clear escalation routes for unresolved issues.	TBC

Focus Area	Description	Objective	Timeline
	accessible communication channels (call centre, WhatsApp/social media updates and localised notices) to provide timely feedback on service disruptions, planned work, and interim service arrangements.		
Interim water and sanitation service solutions.	While long-term solutions will be guided by the updated Water Services Development Plan (WSDP), master plans and integrated Water Services Plan, the department will implement interim measures where reticulation or sewerage solutions are not yet feasible. Interim measures will be planned at settlement level and practical interim sanitation measures that reduce public health risks and	Interim solutions will be implemented with minimum service standards, clear servicing schedules and quality assurance checks, and will be reviewed regularly to inform migration to permanent services as settlements are formalised or upgraded.	

Focus Area	Description	Objective	Timeline
	environmental contamination while permanent infrastructure is planned and funded.		
O&M arrangements, asset protection, and service reliability.	To sustain improvements, the department will establish clear O&M arrangements for informal settlement service points, including routine inspections, cleaning and maintenance schedules, rapid response to breakdowns/overflows and clear accountability for field teams and contractors. These arrangements will be supported by strengthened SOPs, improved incident logging and monitoring and integration with customer complaint systems to ensure that informal settlement complaints are visible,	Given the high risk of vandalism and theft affecting service continuity, the department will strengthen asset protection measures for key infrastructure points (including communal facilities and critical sanitation assets), working closely with security and law enforcement where appropriate.	

Focus Area	Description	Objective	Timeline
	tracked and resolved within agreed standards.		
Affordability and indigent considerations.	The programme will be implemented in a manner consistent with the City's affordability commitments and the need to protect poor households. Where services are provided through communal or interim arrangements, the department will ensure alignment with indigent support mechanisms and grant-funded service obligations.	Improvements in customer engagement, billing credibility and targeted revenue protection will help rebuild trust and strengthen payment compliance where applicable, while safeguarding the constitutional requirement for access to basic services.	

9.2. Anticipated improvements in service outcomes

Service access: Improved access to at least a basic level of water and sanitation services, including in informal settlements, through a combination of (i) accelerated delivery of priority connection/backlog projects where feasible and funded and (ii) structured interim service solutions (with clearer O&M arrangements) where reticulation is not yet possible.

Service quality and reliability: Fewer and shorter service interruptions and improved response to faults and complaints, driven by preventative maintenance optimisation, improved fleet availability, strengthened SOPs and incident management and better operational monitoring (including telemetry/SCADA and dashboards) to support faster, better-coordinated operational response.

Service resilience (incl. climate): Improved system resilience to droughts, floods and operational shocks, supported by risk-based planning, improved water balance/NRW analytics and pressure management, strengthened asset protection and better forward planning and prioritisation of renewals and critical upgrades using improved asset and performance data.

Environmental compliance: Reduced sewer overflows and pollution incidents and improved wastewater treatment performance, enabled by improved mechanical/electrical reliability at pump stations and WWTWs, strengthened preventative maintenance and operational controls and improved compliance monitoring and reporting (supporting improved Green Drop / licence compliance performance).

Affordability: Improved affordability outcomes through greater fairness, transparency and protection for vulnerable households, achieved by (i) improving billing accuracy (reducing incorrect bills), (ii) implementing cost-reflective tariff reforms informed by a Cost of Supply Study (with appropriate phasing and communication), (iii) strengthening revenue enhancement and collections to stabilise finances (reducing reliance on across-the-board tariff increases) and (iv) ensuring alignment with indigent support mechanisms and service standards for basic services.

Customer experience and responsiveness (incl. communication): Improved customer experience and trust through clearer service standards, proactive communication on planned work and disruptions, improved complaint logging/case management and faster resolution of water and sewer service complaints in line with the A3-PIAP response targets.

Institutional capability, governance and financial sustainability: Stronger organisational capability and accountability to deliver and sustain improvements, supported by SPoMA implementation, clearer delegations, strengthened SLAs with Finance (Revenue), HR and ICT, improved data and performance dashboards and improved procurement and contract management. These enablers strengthen

implementation discipline, reduce operational and financial risk and improve the department's ability to fund maintenance and investment over time.

9.3. Other social contributions

Job creation and local livelihoods (EPWP/CWP and labour-intensive works). Where feasible, Water and Sanitation's turnaround and maintenance activities will be designed to maximise labour-intensive work opportunities (e.g., support for leak response and basic maintenance, servicing of communal facilities, and catchment/riverine clean-up activities linked to pollution prevention). These opportunities can be aligned to BCMM's broader public employment programme approach and community-based work opportunities to support local livelihoods while improving the state of water and sanitation infrastructure and public environments.

Skills development and human capital (artisans, operators and technical skills). The department will strengthen human capital development by expanding workplace-based learning and structured skills pathways aligned to priority technical needs (e.g., process controllers, mechanical/electrical artisans, instrumentation/SCADA support, plumbing and reticulation maintenance, and basic asset management skills). Skills development will be integrated with the department's recruitment and capacity-building approach to improve retention, reduce reliance on short-term support, and build a pipeline of scarce skills required for sustained service delivery and compliance.

Local economic development through SMME support and local procurement. The investment and maintenance programme creates opportunities to support local SMMEs and emerging contractors through targeted procurement packaging (e.g., panels/frameworks for small works, minor civil repairs, servicing and maintenance), appropriate contract sizes, and clear performance and quality standards. This supports inclusive local economic development while improving delivery capacity and responsiveness for priority water and sanitation interventions.

Environmental sustainability and resilience co-benefits. In addition to regulatory compliance outcomes, the business plan's programmes (including NRW reduction, preventative maintenance, improved monitoring and response, and wastewater system stabilisation) will contribute to broader environmental sustainability outcomes by reducing losses and wastage, protecting scarce water resources, reducing pollution risks, and strengthening resilience to droughts and floods. These improvements support BCMM's longer-term "green city" aspirations by reducing environmental harm and strengthening the municipality's ability to manage climate-related shocks.

ANNEXURES (PLACEHOLDERS)

1. **Water Services Financial Business Model (FBM)** – selected and agreed scenario summary sheets
2. **Sanitation Services Financial Business Model (FBM)** – selected and agreed scenario summary sheets
3. **Combined Water & Sanitation consolidated financial model** – scenario summary sheets and reconciliation note
4. **10-year investment plan** – summary tables and project pipeline



**ANNEXURE G2. ELECTRICITY & ENERGY BUSINESS AND INVESTMENT
PLANS
(31 March 2026)**

**BUFFALO CITY METROPOLITAN
MUNICIPALITY**

ELECTRICITY AND ENERGY – BUSINESS AND INVESTMENT PLAN (M5)

31 MARCH 2026

Financial years covered	2026/27 – 2028/29
Version	V1
Date	31 March 2026
Council approval date	TBC
National Treasury submission date	TBC
Annual update date (if applicable)	N/A

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1. INTRODUCTION

1.5. Purpose

This Business and Investment Plan (BIP) sets out the **Electricity & Energy Business Unit's (BCE) turnaround programme** and investment pathway to restore and sustain the long-term viability of the service delivery unit. It consolidates the identified challenges into a focused set of strategies, programmes and projects that improve **electricity supply reliability, network stability and safety compliance** and financial sustainability through **smart metering rollout, non-technical loss reduction, improved cash collection, NERSA-approved cost-reflective tariffs and energy efficiency improvements**.

The BIP is prepared in fulfilment of the Metro Trading Services Reform (MTSR) Minimum Commitment M5 and is designed to support delivery against the approved A3 Performance Improvement Action Plan (A3-PIAP) indicators and targets. It provides a multi-year, funded investment plan (capex and enabling opex) aligned to the business unit's financial business model, and defines clear implementation arrangements (roles, responsibilities, timelines and dependencies) to enable performance monitoring, early risk escalation and corrective action. The plan further supports the governance and accountability framework to be formalised through the Service Compact (M1), delegations (M4), financial transparency commitments (M7) and budget support processes (M6).

1.6. Terminology

In the context of this document, the following words and phrases are defined as follows:

"A3-PIAP": Performance Improvement Action Plan. The institutional, financial, operational and service delivery KPIs with targets defined, clarified and agreed, and approved by Council.

"Business Investment Plan (BIP)": refers to the "Business and Investment Plan" required under Minimum Commitment M5.

"BCMM": refers to Buffalo City Metropolitan Municipality

1.7. Minimum Requirements

This report covers the following minimum requirements as outlined in Guidance Note 5, Annexure B (November 2025):

Minimum requirement (Guidance Note 5, Annexure B)	Where addressed (section reference)
Turnaround focus: Practical plan to improve financial, technical and operational performance and service outcomes.	Sections 4, 5, 6, 7
Anchored to a realistic Financial Business Model (FBM) for the service.	Section 5.5
Best practice and benchmarks referenced.	Sections 5.1, 6.1
Changing conditions (policy, economic, market, etc.) addressed.	Section 2
A3-PIAP alignment: Activities designed to meet A3-PIAP performance targets while complying with legislative requirements, standards and Service Compact obligations.	Sections 4, 5.1, 6.1
Timeframe: ≥5-year plan + 10-year view; most detail in Year 1.	Sections 1.4, 5.5, 7.2
Allocation of responsibilities: Named owners and target dates for each programme/activity.	Sections 3.2, 5.2, 6.2, 7.3
Annual update: Plan updated annually; strategy reviewed every 5 years or as required.	Section 1.4

1.8. Timeframe and annual update

This BIP provides a 10-year strategic outlook to 2034/35. Detailed implementation planning is provided for Year 2-4, with decreasing detail for Years 5-10. The BIP will be updated annually.

1.9. Alignment statement

The turnaround strategies and related activities presented in this BIP were developed in direct response to the business unit's key operational and financial challenges. The strategies and the associated financial business models used to assess feasibility, take into account the Service Compact requirements and are used to inform the SPoMA organisational structure and related delegations necessary to deliver the agreed operating model. These elements are incorporated into the Financial Business Model (FBM), which

provides the basis for testing affordability and feasibility, confirming alignment between service outcomes and financial performance and demonstrating the business unit's pathway to long-term viability and sustainability.

2. CHANGES IN CONTEXT

What has changed or is changing	Implications for the Business Plan
Policy and regulatory environment	
Electricity Regulation Act and NERSA regulatory reform	The evolving electricity regulatory framework, including updates to licensing, grid access and regulatory oversight by NERSA, continues to shape municipal electricity distribution operations. Impact on BIP: Requires alignment of BCE's operating model, compliance planning, reporting, and governance arrangements (including SPoMA and Service Compact obligations) with current and emerging NERSA requirements.
Municipal Systems Act, section 74 – cost-reflective tariffs	Section 74 requires municipal tariffs to be cost-reflective, equitable, and affordable while supporting financial sustainability of the service. Impact on BIP: Directly informs the tariff strategy, cost-of-supply workstream, affordability analysis, and the Financial Business Model assumptions underpinning BCE's turnaround and sustainability pathway.
NERSA tariff approval process	Electricity tariffs are subject to annual NERSA approval, with recent approvals constraining or enabling revenue recovery relative to Eskom bulk cost increases.

What has changed or is changing	Implications for the Business Plan
	Impact on BIP: Affects revenue projections, cash-flow sustainability, loss-reduction targets, and the timing and scale of capital and maintenance investments reflected in the FBM.
Energy wheeling frameworks and Independent Power Producer (IPP) policy developments	National and municipal policy developments enable electricity wheeling, embedded generation, and IPP participation in municipal networks. Impact on BIP: Influences future sales volumes, network planning, tariff design, billing systems, and governance arrangements required to accommodate wheeling transactions and third-party energy sources.
Eskom tariff escalation and national load-shedding policy	Eskom tariff increases and ongoing load-shedding continue to place pressure on municipal distributors' cost structures and network performance. Impact on BIP: Drives the need for non-technical loss reduction, network strengthening, energy efficiency initiatives, backup supply planning, and resilience investments to protect service reliability and financial viability.
National Treasury's Metro Trading Services Reform (MTSR) programme requirements (institutional + financial)	The reform framework (including M1–M8 minimum commitments, A3-PIAP indicators, financial transparency, and budget support

What has changed or is changing	Implications for the Business Plan
	expectations) is an evolving compliance environment for metros. Impact on BIP: affects required content, governance/accountability (SPoMA), financial reporting transparency, and alignment of budgets to the BIP and FBM.
Economic environment and market conditions	
Weak household affordability and rising indigence	High unemployment and low income growth reduce customers' ability to pay for electricity services and increase reliance on Free Basic Electricity (FBE). Impact on BIP: Requires balancing affordability and revenue sustainability through targeted indigent support, tariff design, and strengthened credit control for non-indigent customers.
Declining payment culture / worsening collections	Non-payment and illegal connections continue to constrain cash flows and increase electricity losses. Impact on BIP: Reinforces the need for smart metering, non-technical loss reduction programmes, revenue protection enforcement, and BCE-managed credit control.
Municipal fiscal stress and reduced cross-subsidies	Overall municipal financial distress limits the ability to cross-subsidise electricity losses from other revenue streams.

What has changed or is changing	Implications for the Business Plan
	Impact on BIP: Electricity & Energy must move toward greater self-funding through cost-reflective tariffs, loss reduction and operational efficiency, as reflected in the Financial Business Model.
Eskom bulk electricity price escalation	Eskom tariff increases continue to outpace inflation, placing pressure on operating margins. Impact on BIP: Drives tariff review requirements, network efficiency investments, and consolidation of bulk supply points to reduce fixed charges where feasible.
Electricity price escalation and energy supply risk (load shedding)	Pumping and treatment are energy intensive; higher electricity costs raise unit cost of supply. Load shedding drives operational instability (e.g., pump interruptions, bursts) and increases reliance on backup power and maintenance (this risk is explicitly noted as affecting assurance of supply in sector operations).
Rising interest rates / tighter credit markets	Borrowing for infrastructure becomes more expensive, affecting affordability of debt-funded capex and the FBM's financing assumptions.
Infrastructure funding constraints and competition for grants	Limited grant availability and difficult access to commercial funding can constrain capex, leading to deferred implementation and higher lifecycle

What has changed or is changing	Implications for the Business Plan
	costs over time (noted as a core constraint in sector financing discussions).
Theft and vandalism of electricity infrastructure	Cable theft and vandalism increase outages, maintenance costs and safety risks. Impact on BIP: Requires enhanced asset protection, coordination with law enforcement, and prioritisation of critical network investments.
Changes in market structure and market dynamics	
Growth in embedded generation and rooftop solar	Increased self-generation by residential, commercial and industrial customers reduces electricity sales volumes and alters load profiles. Impact on BIP: Requires revised demand forecasting, tariff restructuring, grid-use charges, and preparation for bi-directional energy flows.
Electricity wheeling and third-party energy trading	National policy enables wheeling arrangements through municipal networks. Impact on BIP: Requires network readiness, billing system capability, regulatory compliance, and governance frameworks to support wheeling without undermining BCE revenues.
Load shedding impacts on customer trust and usage patterns	Load shedding has implications for customer satisfaction, operational stability, and electricity consumption patterns. Although Eskom has managed to contain load shedding, it remains a

What has changed or is changing	Implications for the Business Plan
	persistent risk that necessitates ongoing monitoring and strategic planning. Impact on BIP: Strengthens the case for network resilience investments, fault response improvements, customer communication, and energy efficiency initiatives.
Technology and data systems	
Smart electricity metering (AMI / AMR)	Roll-out of smart post-paid and prepayment meters enables improved billing accuracy, tamper detection and remote monitoring. Impact on BIP: Central to non-technical loss reduction, improved collections, and revenue protection programmes.
Prepayment vending system modernisation	Modern vending platforms improve transaction reliability and customer access. Impact on BIP: Supports vending efficiency targets and reduces revenue leakage.
SCADA and network control centre upgrades	Increased use of real-time monitoring and automated fault detection. Impact on BIP: Improves outage response times, network reliability and operational performance indicators (ASIFI/ASIDI).

What has changed or is changing	Implications for the Business Plan
GIS-based electricity network management	Improved spatial data for planning, maintenance and fault response. Impact on BIP: Enables better asset management, targeted capital investment and improved maintenance planning.
Data integration across metering, billing and revenue protection	Increased availability of meter tamper alerts and consumption anomalies. Impact on BIP: Requires stronger integration between systems and operational teams to convert data insights into revenue recovery actions.
Infrastructure capacity and resilience	
66 kV network capacity constraints in high-load areas (e.g. Mdantsane)	Existing network infrastructure is approaching capacity limits. Impact on BIP: Drives the need for network upgrades (e.g. migration to 132 kV and 400 kV supply), reflected in the 10-year capital investment plan.
Ageing electricity distribution infrastructure	Deferred maintenance increases fault frequency and duration. Impact on BIP: Requires increased preventative maintenance and renewal investment to stabilise network performance.

What has changed or is changing	Implications for the Business Plan
Climate-related extreme weather events	Storms and heat events increase outage risks and asset failures. Impact on BIP: Reinforces the need for resilient network design, asset hardening and emergency response planning.
Security and safety	
Illegal connections and unsafe installations	Illegal connections pose significant safety risks to communities and staff. Impact on BIP: Requires coordinated revenue protection, community engagement, amnesty programmes, and enforcement aligned with safety objectives.
Rising costs of security and asset protection	Increased spending required to protect critical electricity infrastructure. Impact on BIP: Competes with maintenance budgets and must be prioritised using a risk-based approach.

3. LEADERSHIP AND MANAGEMENT

3.8. Strategic Goals

The strategic goals below are aligned to the IDP and A3-PIAP focus areas and set out the 5-year outcomes for electricity and energy services (BCE).

- 1) Ensure reliable electricity supply by maintaining, upgrading and expanding network infrastructure to reduce outages and improve service quality.
1. Strengthen revenue and financial sustainability through smart metering, non-technical loss reduction, improved billing accuracy and collections.
2. Improve customer service by ensuring responsive fault management, clear communication and affordable tariff structures.
3. Build institutional capacity through the BCE unit structure with a single point of accountability across the value chain (meter reading, billing, revenue protection, capex delivery).
4. Advance energy transition by facilitating renewable energy integration (IPPs, rooftop solar, battery storage) and reducing dependence on Eskom.

3.9. Organisational change and governance

Describe planned activities (Year 1 with follow-up in Years 2–3) related to: implementing the M3 SPoMA organisational structure; implementing M4 delegations; governance improvements; and mobilising change management capacity (M8).

Programme / activity	Scope deliverable /	Owner	Start	Target completion	Dependencies	Status / notes
M3: BCE SPoMA Organisational Structure	Council resolution approving BCE SPoMA org structure, grading and job profiles; implementation plan; SSAs with support departments	Director: BCE / HR	Q4 2025/26	Q4 2025/26	Council resolution; HR process; DPSA grading	In progress – targeting Q4 2025/26 compliance

M4: Full Delegations and SSAs in Place	Finalise financial and administrative delegations for BCE SPoMA; execute Service Level Agreements with Finance, HR, ICT and Fleet; obtain Council resolution	Director: BCE / CFO	Q4 2025/26	Q4 2025/26	M3 org structure; Council approval; legal review	In progress – targeting Q4 2025/26 compliance
A3/A4/A5: Governance, Procurement Transparency & Capacity	Implement public procurement transparency reporting (A3), improve capital budget execution (A4), and strengthen core technical & management capacity (A5) per A3-PIAP commitments	Director: BCE / CFO	Q1 2026/27	Q4 2026/27	Approved budget; FBM plan	Planned – Year 1 programmes to be detailed
[Change management mobilisation (M8)]	Refer Change Management Plan (GOVERNANCE ALIGNMENT ORGANISATIONAL RESTRUCTURING CAPACITY ENHANCEMENT	Director: BCE	Q4 2025/26	Q2 2026/27	M3 structure; Council commitment	In progress – targeting Q4 2025/26 commitment

	AND RECRUITMENT BUSINESS INVESTMENT PLANNING AND CAPITAL PROGRAMME IMPLEMENTATI ON SYSTEMS AND PROCESSES CUSTOMER SATISFACTION					

3.10. Leadership and management development

BCE will implement a structured management capacity-building programme over Years 1–3: (1) Recruitment of critical technical vacancies (electrical engineers, meter technicians, revenue protection officers) – target vacancy rate below 10% by Year 2; (2) Formal training aligned to WSP/ATR, including NQF 4–6 electrical qualifications, smart metering, SCADA operations and financial management; (3) Performance management framework aligned to A3-PIAP targets with quarterly review cycles; (4) Leadership development for senior officials managing the SPoMA transition; (5) Change management skills and stakeholder engagement capabilities.

3.11. Policy amendments

Item / area	What needs to be reviewed / developed	Responsible owner	Timing	Approvals
Electricity bylaw	Review provisions limiting billing rectification recoveries to a six-month period. Amend the bylaw to enable recovery of under-billing arising from meter failures, tampering and system errors, subject to due process and affordability considerations.	Finance (Revenue) / BCE	Year 1	Council
Electricity tariff policy	Review and update the electricity tariff policy to ensure tariffs are NERSA-approved, cost-reflective and aligned to the cost-of-supply study. Review and update the Homelight 20A	BCE	Annual (aligned to tariff cycle)	Council / NERSA

Item / area	What needs to be reviewed / developed	Responsible owner	Timing	Approvals
	affordability subsidy treatment to ensure equitable support for indigent households while protecting BCE revenue sustainability.			
Revenue allocation policy	Review the cross-subsidisation model between services and update the revenue allocation policy to support the ring-fencing of electricity revenues.	BCE / Metro Finance	Year 1	Council
Prepayment and vending policy	Update policies governing prepayment meter management, including inspection regimes, tamper response, vending rules, reconnection procedures and customer responsibilities. Ensure alignment with smart metering rollout, revenue protection strategies and customer service standards.	BCE Revenue Protection	Year 1	Council
Operational structures: asset protection (outsourced security)	Establish and formalise outsourced security services for the protection of electricity infrastructure to reduce vandalism and theft and improve continuity of supply. This includes defining roles and responsibilities between BCE, contracted security service providers and law-enforcement agencies; setting service standards and performance requirements within security contracts; strengthening coordination and information-sharing protocols; improving incident reporting and response arrangements; and applying a risk-based prioritisation approach for the protection of critical electricity assets (e.g. substations, feeders, bulk supply	BCE Operations / SCM	Year 1	City Manager / Council

Item / area	What needs to be reviewed / developed	Responsible owner	Timing	Approvals
	points and metering infrastructure).			
BCE Service Level Agreements (SLAs)	Develop and implement formal SLAs between BCE and Finance (billing and collections), HR, ICT and Fleet Management, defining service standards, roles and responsibilities, escalation mechanisms, reporting requirements and cost allocation. Enable staff secondment and service delivery accountability in support of BCE operations.	BCE Management / Metro Finance / Corporate Services	Year 1	City Manager / Council

3.12. Improving data, measurement and systems

BCE will implement: (1) VIZ RT29 AMI system for real-time consumption data, AMR, vending reconciliation and tamper detection (directly improving E1, E2, E3, E5 measurement); (2) SCADA upgrade to cover 80%+ of network switching points by Year 2, enabling accurate ASIFI/ASIDI (E6/E7) measurement; (3) mSCOA-compliant monthly management accounts with dedicated BCE cost centre for real-time F1–F6 tracking; (4) A3-PIAP performance dashboard with quarterly reporting to Council oversight; (5) Billing/customer information system upgrade for improved revenue analytics, debt ageing (F4) and bad debt reporting.

Data / system area	Current issues	Improvement action	Owner	Target date
Smart meter data / AMI system	Current smart meter database includes 7 797 smart post-paid and 37 601 prepayment meters . Data quality issues include non-purchasing meters , consumption anomalies, inactive meters, and incomplete linking	Clean and validate the AMI meter database; resolve non purchasing meter exceptions; implement anomaly detection rules and a weekly exception dashboard; strengthen meter to customer to tariff mapping; establish a	BCE Revenue Protection / Finance (Revenue)	Year 2 (core fixes) + ongoing monthly governance

	between meter to premise to customer records.	data governance process (ownership, change control, periodic reconciliation between AMI and billing).		
SCADA / network control	Limited real-time visibility of network faults/outages; inconsistent event logging and outage data quality; insufficient integration between SCADA events and outage management/fault dispatch.	Improve real-time fault and outage visibility; standardise event logging; integrate SCADA alarms with outage / fault management processes; implement control room performance reporting (outage detection time, dispatch time, restoration time) aligned to ASIFI/ASIDI tracking.	BCE Operations / ICT / SCM	Year 2
Revenue protection data (tamper alerts to response)	Tamper alerts and consumption anomalies are not consistently converted into field actions; weak linkage between alerts, work orders, inspections and billing rectifications. Large backlog of suspected tampering cases (54 399 suspected cases).	Implement a closed-loop “alert-to-action” workflow: prioritise tamper alerts by value/risk; auto-generate inspection work orders; track outcomes (confirmed tamper, meter replacement, punitive charge, payment plan); create a weekly tamper resolution dashboard; align with enforcement and legal	BCE Revenue Protection / BCE Operations	Year 2 (workflow + prioritisation) Year 3 (scale & stabilise)

		processes for repeat offenders.		
LPU meter reading and billing	Large Power User (LPU) meter reading and billing accuracy issues; process currently managed by Finance creates accountability gaps, delayed corrections, and weak operational control over high-value customers.	Define and implement a BCE-led LPU metering and billing integrity process (roles, SOPs, validation checks, exception handling); improve AMR/AMI coverage for LPUs where feasible; implement monthly reconciliations between meter reads, billing determinants, and revenue; introduce key account management reporting for LPUs.	Metro Finance (Billing) / BCE Operations	Year 1 (governance + SOPs) Year 2 (system/process integration)
Asset register / CMMS for electricity network	Asset register completeness and condition data gaps for 66kV and distribution infrastructure ; limited linkage between condition assessment, maintenance plans, and capex prioritisation; inconsistent work order history.	Complete condition assessment for 66kV and distribution assets; update asset register and criticality ratings; implement/strengthen CMMS work order discipline; link condition and failure history to preventative maintenance plans and investment prioritisation; report on backlog and renewal needs.	BCE Asset Management / BCE Operations	Year 2-3 (assessment + register uplift)
Financial reporting / mSCOA	Cost allocation and internal charging between BCE and Metro parent not	Improve cost allocation methodology and reporting (shared	BCE Management /	Year 1 (design and implement)

	sufficiently transparent; inconsistent trading service cost visibility; weak alignment of operational performance reporting to financial outcomes.	services, internal charges, SLA-based costing); strengthen mSCOA trading service reporting pack; introduce monthly BCE performance pack linking operational indicators (losses, metering, outages) to financial outcomes (revenue, collections, cost of supply).	Metro Finance	

3.13. Improving plans and planning capability

BCE will strengthen planning through: (1) Updated Electricity Distribution Master Plan aligned to BCMM SDF and Mdantsane 132kV/400kV upgrade, providing a 10-year infrastructure pipeline; (2) Comprehensive Asset Management Plan covering condition assessment, maintenance schedules and renewal/replacement priorities to reduce E4 and E5; (3) Rolling 5-year capital expenditure schedule (Annexure 6) updated annually with project costs, funding sources and procurement timelines; (4) Updated BCE emergency response plan for network faults, major outages and cable theft, with formal escalation protocols and emergency contractor framework; (5) IPP and battery storage procurement plan including NERSA licensing requirements and PPA contract terms.

3.14. Stakeholder engagement and communications

Stakeholder engagement for the Electricity & Energy Business Unit will focus on coordinated engagement with **Eskom** (as bulk electricity supplier and counterpart in tariff negotiations), **NERSA** (as the electricity regulatory authority responsible for tariff approval and regulatory compliance), and **National Treasury** (in relation to Metro Trading Services Reform compliance, A3-PIAP performance reporting and access to grant funding).

Engagement will also be strengthened with **Independent Power Producers (IPPs)** and developers, including initiatives related to renewable energy integration, embedded generation and projects such as the Berlin solar farm, to support the energy transition while protecting BCE's financial sustainability.

Structured engagement with **organised labour** will support BCE restructuring, implementation of the SPoMA operating model, and workforce transitions associated with institutional reform.

Targeted engagement with **large power users and industrial customers** will focus on metering accuracy, billing integrity, service reliability, and credit control arrangements.

At a community level, BCE will engage with **stakeholders in informal settlements** to support illegal connections amnesty programmes, improve safety awareness, and facilitate the transition to legal electricity access in line with Free Basic Electricity and indigent support policies.

4. IMPROVING CUSTOMER SERVICES

Reference the A3-PIAP customer service targets approved by Council and agreed with National Treasury.
Include any additional service standards as relevant.

Customer service indicator (A3-PIAP)	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
E4 Unplanned repairs as % of total repairs	11.71%	9.91%	9.80%	8.77%	8.35%	7.91%
A1 Customer satisfaction	Baseline TBC	TBD	TBD	TBD	TBD	TBD

Programme / activity	Description	Owner	Target date	Link to KPI/standard
Fault management and outage response improvement	Strengthen fault management processes and outage response through improved call-logging, dispatch protocols, integration with SCADA/network control, and standard operating procedures for response and restoration.	BCE Operations (Network Control)	Year 1: Design Year 2: Implementation Ongoing improvement	E4 Repairs efficiency A1 Customer satisfaction
Customer communication during planned and unplanned outages	Implement consistent customer communication protocols for planned and unplanned outages, including advance notifications, real-time updates, restoration estimates and	BCE Operations / Communications	Year 1	A1 Customer satisfaction

	post-incident communication.			
Key Customer Management Department (LPU's)	Establish a dedicated Key Customer Management function for Large Power Users to improve metering accuracy, billing integrity, service reliability, engagement and credit control.	BCE Management	Year 1	A1 Customer satisfaction Collection Rate Reduce losses
Payment assistance and indigent amnesty programme (illegal connections)	Implement targeted payment assistance, amnesty and regularisation programmes for illegal electricity connections, aligned with indigent support policies and Free Basic Electricity, to improve safety, legal access and payment culture.	BCE Revenue Protection	Year 1 – 2	Improve losses

5. IMPROVING FINANCIAL PERFORMANCE

5.7. Finance-related targets (A3-PIAP)

Insert the A3-PIAP finance indicators and targets (actual/forecast/targets) as approved. Add any additional financial targets (e.g., gross/net margin).

Finance indicator (A3-PIAP)				Baseline actual (year)	Forecast (year)	Year 1 target	Year 2 target	Year 3 target	Year 4 target	Year 5 target
M7 Financial transparency (AFS)				In progress	Comply	Comply	Comply	Comply	Comply	Comply
A2 mSCOA compliance				In progress	Comply	Comply	Comply	Comply	Comply	Comply
F1 OCCR ratio				0.97x	1.08x	0.45x	0.69x	1.10x	2.05x	2.27x
F2 Cash collection rate (%)				80.83%	89.47%	93.77 %	94.36 %	97.44 %	98.00 %	98.00 %
F3 Operational cash flow (R m)				-R99m	- R496m	- R117 m	R6m	R298 m	R537 m	R695 m
F4 Net debtors days				118.52	99.98	107.2 1	100.3 2	91.69	81.30	75.88
F5 Infrastructure capex (R m)				R165m	R170m	R165 m	R191 m	R235 m	R294 m	R498 m
F6 Self-financing ratio (%)				-60.0%	- 292.0%	- 70.9 %	3.4%	126.6 %	182.6 %	139.6 %
E&E finance indicator (A3-PIAP)	Baseline actual (year)	Actual (year)	Forecast (year)	Year 1 target	Year 5 target					
E1 Bulk metering	90%	—	98%	98%	98%					

performance %					
E2 Vending efficiency %	71%	—	71%	74%	90%
E3 Automated meter reading coverage %					
E5 Electricity losses % of electricity purchased					

5.8. Financial performance improvement programmes

Describe programmes (Year 1 detailed; Years 2–3 less detail) to improve financial performance, including the full revenue value chain, revenue optimisation and collection, and loss reduction (cost-efficiency is covered in 5.4).

Programme / activity	Description	Owner	Target date	Expected impact (KPI / R)	Assumptions / notes
Non-technical loss reduction – smart meter inspections	Implement a targeted smart meter inspection and anomaly resolution programme focusing on non-purchasing meters, low-consumption anomalies and suspected tampering cases.	BCE Revenue Protection	Year 1–2	E5 Electricity losses % ↓	Based on smart metering programme; improves cash flow and reduces non-technical losses.

LPU billing accuracy and meter reading	Improve billing accuracy and integrity for Large Power Users (LPUs) through enhanced meter inspections, reconciliation of AMR/AMI data, and correction of billing determinants.	Finance (Revenue) / BCE Operations	Year 1–2	Revenue recovery from billing corrections	Focus on high-value customers; depends on BCE assuming greater control over metering and billing processes via SLAs.
Revenue protection raids and legal prosecution	Conduct coordinated revenue protection raids targeting illegal connections and repeat tampering offenders; strengthen legal enforcement and prosecution to deter non-payment and theft.	BCE Revenue Protection / Contracted Specialised Services	Year 2 focus Ongoing	E5 Electricity losses % ↓; improved collections and payment culture	Requires coordination with outsourced security and law-enforcement agencies; complements smart metering inspections.
BCE-managed credit control	Transition credit control and debt management for LPUs to BCE-managed processes , including targeted disconnections, payment arrangements	BCE Management	Full responsibility by 30 June 2027	F2 Cash collection rate % ↑; improved cash flow	Phased transfer from Metro Finance; dependent on SLAs, staff secondment and system access.

	and enforcement.				
Tariff revision and NERSA resubmission	Review and update electricity tariffs to ensure NERSA-approved, cost reflective tariffs aligned to the cost-of-supply study, while maintaining affordability support (e.g. Homelight 20A).	BCE Revenue Protection / Metro Finance	Annual (aligned to tariff cycle)	F1 OCCR % ↑; improved cash flow	Assumes continued NERSA and Council engagement and approval; supports long-term financial viability.

5.9. Financial management

[Describe actions to improve financial management and reporting, including: mSCOA compliance (A2); transparent full-cost accounting for support/shared services consistent with SLAs and the Service Compact (M1); production of trading service AFS (M7); and integrated capex/opex decision-making based on life-cycle costs and returns.]

5.10. Priority cost-efficiency programmes

Programme activity /	Description	Owner	Target date	Expected savings / efficiency
Technical loss reduction (network upgrades and consolidation)	Reduce technical electricity losses through targeted network upgrades, including 66 kV to 132 kV consolidation , bulk supply point rationalisation, and network strengthening. This will reduce Eskom fixed charges associated	BCE Operations / BCE Asset Management	Medium to long term (aligned to 10-year capex plan)	Reduced technical losses; lower Eskom fixed charges; improved ASIFI/ASIDI; improved gross margin

	with multiple points of supply, lower losses, and improve network efficiency and reliability.			
Procurement optimisation and CMU integration	Improve procurement efficiency by bringing the Contract Management Unit (CMU) under direct BCE control . Direct BCE control will streamline procurement, contract management and project delivery.	BCE Management / Metro Finance / SCM	Year 2	Reduced procurement lead times; improved capex delivery; reduced underspending; improved infrastructure rollout
Fleet optimisation (BCE-specific)	Optimise BCE fleet allocation and utilisation to support maintenance, fault response and revenue protection activities. Improve scheduling, reduce downtime and align fleet availability with operational priorities.	BCE Operations / Fleet Management	Year 1–2	Reduced vehicle downtime; improved fault response times; reduced operating costs
Performance-based management contract for non-revenue power reduction	Implement a performance-based management contract focused on non-technical loss reduction, where service providers are incentivised based on verified reductions in electricity losses and revenue recovered.	BCE Management / Finance	Year 1–2 (pilot and scale)	Reduced non-technical losses; improved cash flow; risk-sharing with service providers

5.11. Financial plan (summary from the selected FBM scenario)

This section must provide a high-level summary of the financial performance, financial position and cash flow projections taken directly from the selected and agreed FBM scenario. The investment plan (Section 7.2) and capex values must match the FBM scenario.

5.11.1. Financial Performance

Rand, millions	2026/2 7	2027/2 8	2028/2 9	2029/3 0	2030/3 1
Operating revenue	3,991	4,645	5,175	6,035	6,617
Direct cost of sales	-3,387	-3,898	-4,189	-4,705	-5,057
Gross profit	604	747	986	1,330	1,560
Bad debt expense	-218	-138	-90	-101	-111
Gross profit after bad debt expense	386	609	896	1,229	1,449
Operating costs	-523	-549	-559	-548	-575
EBITDA	-137	61	336	681	875
Capital funding recognised	167	202	264	217	404
Depreciation of plant, property and equipment	-439	-447	-456	-467	-482
Amortisation of intangibles	-	-	-	-	-
EBIT	-409	-185	143	431	797
Non-operating expenses	-	-	-	-	-
Income tax expense	-	-	-	-	-
Net surplus (deficit) for the year	-409	-185	143	431	797

5.11.2. Financial Position

Rand, millions	2026/27	2027/28	2028/29	2029/30	2030/31
Current assets	430	523	875	1,433	2,113
Fixed / long-term assets	8,969	8,736	8,555	8,446	8,596
Total assets	9,399	9,259	9,430	9,879	10,709
Current liabilities	386	431	458	476	510
Long-term liabilities	-	-	-	-	-
Total Liabilities	386	431	458	476	510
Total Net Assets	9,013	8,828	8,972	9,403	10,199

5.11.3. Cash Flow

Rand, millions	2026/27	2027/28	2028/29		
Net cash from operating activities	-127	7	349	655	882
Net cash from investing activities	-12	-12	-12	-141	-228
Net cash from financing activities	-	-	-	-	-
Net cash movement	-138	-5	337	513	655

5.12. Tariffs

The Financial Business Model (FBM) outcomes are achieved through an **average increase in electricity tariffs of 14.0%**, which is closely aligned to the **13.5% average increase required to reach overall cost-reflectivity**. The revised tariff path is informed by the **Cost of Supply Study** and implemented through the **NERSA tariff approval process**, in compliance with **section 74 of the Municipal Systems Act** and the **Electricity Regulation Act**.

Under the revised tariff structure, **100.4% of allowable electricity service costs are recovered**, compared to **88.1% cost recovery under the existing tariff structure**. This represents a shift from structural under-recovery to full recovery of **NERSA-allowable costs**, enabling the Electricity & Energy Business Unit (BCE) to fund operating costs, loss-reduction initiatives and the approved capital investment programme while maintaining affordability support for qualifying households (including the Homelight 20A tariff).

However, it is important to note that **R 547,731,516 in electricity losses could not be included in allowable costs**, as these losses were **disallowed by NERSA** for tariff-setting purposes. As a result, the achievement of overall financial sustainability remains **highly dependent on BCE's ability to reduce technical and non-technical electricity losses** through network upgrades, smart metering, revenue protection and improved billing and collections, as reflected in the turnaround programme and Financial Business Model assumptions.

The tariff reforms therefore restore cost-reflectivity **within the NERSA regulatory framework**, while reinforcing the critical importance of loss-reduction measures to close the gap between allowable revenue and total system costs over the medium to long term.

5.13. Investment Scenario Analysis

To assess the financial viability and sustainability of the Electricity & Energy Business Unit, a range of investment scenarios was modelled through the Financial Business Model (FBM). These scenarios test the impact of individual and combined interventions across the revenue value chain, network infrastructure, security, and bulk supply costs. The analysis demonstrates the relative contribution of each intervention to improving cash flow, reducing losses, strengthening operational resilience and restoring financial sustainability. The scenarios range from a baseline “no intervention” case to a fully compounded reform and investment pathway, providing a clear evidence base for the selected turnaround strategy and investment programme.

S0: Baseline – No Intervention

This scenario assumes no additional investment or reform actions beyond the status quo. The Operating Cash Coverage Ratio (OCCR) remains **below 1.0x on a declining trajectory**, indicating ongoing cash shortfalls. The Electricity & Energy Business Unit remains **financially unsustainable**, unable to fund operations, maintenance or capital investment without external support.

S1: Smart Meter Collection

This is the **single largest revenue-impact intervention**. The scenario focuses on accelerated smart meter conversion and stabilisation of the vending and billing environment. It shifts **credit electricity sales from 66% to 56%**, significantly reducing exposure to non-payment. **Bad debt decreases sharply from 13.2% to 3.2%**, materially improving collections, cash flow and financial resilience.

S2: Revenue Protection

This scenario targets **commercial and non-technical losses** through systematic inspections, tamper detection and enforcement. Electricity losses are reduced from **32% to approximately 12%** over time. While capital-light, it is operationally intensive and delivers strong returns through recovered revenue and improved payment discipline.

S3: Network Security

Focused on reducing infrastructure theft and unplanned outages, this scenario includes **aluminium conductor replacement**, targeted network security upgrades and supporting SCADA improvements. The intervention reduces cable theft, maintenance costs and outage frequency, indirectly supporting loss reduction and service reliability.

S4: IPP Procurement

This scenario introduces **Independent Power Producer (IPP) and battery storage procurement**, reducing reliance on Eskom bulk supply. From **2028/29 onwards**, bulk energy costs are reduced by approximately **1–4%**, improving margins and supporting long-term cost containment. Benefits accrue progressively and are most effective when combined with other interventions.

S5: Mdantsane 132kV / 400kV Network Upgrade

This is the **largest capital investment**, with an estimated cost of **R1.5 billion**. The upgrade enables future load growth, strengthens network resilience and delivers **structural reductions in technical losses**. While essential for long-term sustainability, the financial benefits materialise only when paired with revenue-side reforms.

S6: Compounded Scenario (All Interventions Combined)

The compounded scenario integrates **all six interventions** and represents the **only financially viable pathway**. Under this scenario, the OCCR improves from **0.41x in 2027/28 to 1.80x by 2030/31**, restoring

cash sustainability. The total **five-year investment requirement is R2.116 billion**, comprising **CAPEX of R1.775 billion** and **OPEX of R341 million**.

No single intervention is sufficient on its own. **All six scenarios must be implemented together** to stabilise operations, restore financial viability and place the Electricity & Energy Business Unit on a sustainable long-term footing.

6. OPERATIONS

6.3. Operational performance targets (A3-PIAP)

Operational indicator (A3-PIAP)	Baseline (year)	Year 1 target	Year 2 target	Year 3 target	Year 4 target	Year 5 target
E1 Bulk commercial metering performance %	90%	98%	98%	98%	98%	98%
E2 Vending efficiency %	71%	74%	78%	82%	85%	90%
E3 Automated meter reading coverage %	30%	40%	49%	58%	65%	72%
E4 Repairs efficiency %	11.71%	9.91%	9.80%	8.77%	8.35%	7.91%
E5 Electricity losses % of electricity purchased	32.22%	32.19%	24.05%	20.59%	17.08%	14.91%
E6 Network effectiveness – ASIFI	30.80%	30.80%	TBD	TBD	TBD	TBD
E7 Network effectiveness – ASIDI	917 min	917 min	TBD	TBD	TBD	TBD

6.4. Improving operational performance

Programme / activity	Description	Owner	Target date	Linked indicators
Network maintenance – preventative maintenance optimisation	Optimise preventative maintenance planning and execution to reduce unplanned outages and equipment failures. Activities	BCE Operations / BCE Asset Management	Year 1–3 (ongoing)	E6 ASIFI, E7 ASIDI

	include condition-based maintenance, prioritisation of critical assets, improved work-order discipline and reduction of maintenance backlogs.			
Fault response SOPs and process optimisation	Develop and implement standard operating procedures for fault logging, dispatch, response and restoration, integrated with SCADA/network control and call-centre processes to improve response times and repairs efficiency.	BCE Operations	Year 1	E4 Repairs efficiency %
Smart metering rollout and vending system optimisation	Expand and stabilise smart metering (AMI/AMR) coverage, improve vending system reliability, and strengthen data integration between	BCE Revenue Protection / Finance (Revenue) / ICT	Year 1–2 (ongoing)	E5 Electricity losses %

	metering, billing and revenue protection to improve billing accuracy and customer experience.			
Illegal connection raids and revenue protection operations	Conduct coordinated operations targeting illegal connections and repeat tampering, supported by inspections, enforcement actions and legal processes to reduce non-technical losses and improve network safety.	BCE Revenue Protection / Law Enforcement / Legal Services	Year 1–2 (ongoing)	E5 Electricity losses %
Network upgrades – 66 kV to 132 kV bulk supply	Implement bulk supply and network upgrade projects, including 66 kV to 132 kV consolidation , to improve network resilience, reduce fault frequency and duration, and support future load growth and	BCE Capital Projects / BCE Asset Management	Medium to long term (aligned to 10-year capex plan)	E6 ASIFI, E7 ASIDI

	embedded generation.			
Procurement improvements for capital project delivery	Improve capital project delivery by strengthening procurement planning, reducing approval lead times, and aligning SCM processes to BCE priorities, including the transition of procurement and contract management functions to BCE control where approved.	BCE Management / SCM / Metro Finance	Year 1–2	E6 ASIFI, E7 ASIDI (via accelerated capex delivery)
Fleet management improvements (BCE-specific)	Optimise BCE fleet allocation and utilisation to support maintenance, fault response and revenue protection activities, including scheduling, availability management and reduced downtime.	BCE Operations / Fleet Management	Year 1–2	E4 Repairs efficiency %, E6 ASIFI, E7 ASIDI

7. ASSET MANAGEMENT AND INVESTMENT

7.4. Asset management

BCE will implement a full life-cycle asset management approach aligned to National Treasury Asset Management Guidelines. Key actions: (1) Complete BCE electricity asset register with condition ratings for all HV/MV/LV assets by end Year 1; (2) Implement a risk-based maintenance prioritisation model covering all substations, feeder lines and metering; (3) Develop a 10-year asset renewal/replacement plan based on condition assessments and load growth projections, included in Annexures; (4) Integrate asset management data with SCADA and GIS for real-time condition monitoring; (5) Target: reduce unplanned maintenance proportion (E4) from 11.71% to below 8% by Year 5.

7.5. Investment plan overview (funded 5-year plan)

The investment plan must match the capex projections in the selected FBM scenario and the financial plan in Section 5.5. Provide the funded 5-year plan below and include a 10-year investment plan summary in the annexures.

Category of investment	Year 1 (R m)	Year 2 (R m)	Year 3 (R m)	Year 4 (R m)	Year 5 (R m)	Total (R m)
Network maintenance (OH upgrades, SCADA, repairs)	R30m	R30m	R35m	R40m	R50m	R185m
Network upgrades (Mdantsane 132kV/400kV)	R55m	R65m	R80m	R100m	R180m	R480m
Smart metering programme (AMI/prepayment conversion)	R50m	R60m	R70m	R85m	R115m	R380m
Revenue protection (staff, vehicles, investigations)	R10m	R12m	R15m	R19m	R25m	R81m
IPP / energy projects (PPA, battery storage)	R20m	R24m	R35m	R50m	R128m	R257m
Total CAPEX	R165m	R191m	R235m	R294m	R498m	R1 383m

7.6. Priority turnaround investments

Project / investment	Description	Year	Estimated cost (R m)	Funding source	Rationale / link to outcomes	Linked indicators

Smart Metering (AMI/AMR) Phase 1 Rollout	Phase 1 rollout of 100,000 AMI meters to priority revenue-leak areas. VIZ RT29 integration, vending optimisation and tamper detection. AMR coverage target: 40% by Year 1.	Year 1–2 (2026/27–2027/28)	R115m	MIG / USDG + BCE own revenue	Largest single contributor to revenue recovery. Addresses 32% electricity losses and improves E1, E2, E3, E5.	E1, E2, E3, E5, F2, F3

8. HUMAN RESOURCES

This section sets out the programmes and activities that the Electricity and Energy trading service intends to implement to improve human resource performance, inducing staff effectiveness and productivity, including recruitment/retention, critical skills, training, overtime management, culture and wellness. The focus is on ensuring that the Business Unit is appropriately staffed with the right skills, that critical capacity gaps are addressed, and that staff are supported through targeted training, performance management, and wellness initiatives. These interventions are designed to enhance operational efficiency, reduce reliance on overtime and external contractors, and build a motivated workforce aligned to service delivery objectives.

Programme Area	Activities: 2026/27 (Year 1 – Detailed)	Activities: 2027/28 – 2028/29 (Years 2–3 – Progressive)
Recruitment and Retention		
Critical vacancy filling	Conduct detailed workforce and vacancy analysis arising from new E&E org structure Prioritise and fast-track recruitment of priority roles (operations, maintenance, revenue, engineering) Implement targeted recruitment and contracting strategy for scarce skills Establish partnerships with professional bodies and DPWI on their skills initiatives	Maintain optimal staffing levels in all critical functions Continuous workforce planning aligned to operational needs Implement targeted recruitment and contracting strategy for scarce skills Establish partnerships with professional bodies and DPWI on their skills initiatives
Retention of key staff	Identify critical and scarce skills gaps, areas of high vacancy rates Develop retention strategy for scarce skills and critical staff Introduce professional development and career development pathways	Implement retention strategy to improve retention rates Strengthen long-term career development pathways
Training and Skills Development		

Skills Gap Analysis	Carry out a skills audit and skills gap analysis supported by strategic workforce planning	Update the skills gap analysis with changes in the org structure
Identify key roles and staffing priorities	Identify and prioritise critical vacancies (managerial, engineering, technical, financial, commercial) based on the skills gap analysis and SPoMA delegations (M4) Develop job descriptions linked to performance outcomes Align roles and processes across the value chain (technical, financial, commercial, customer service)	Full staffing of approved structure Continuous workforce planning and succession management Reduce reliance on contractors and acting positions Communicate the capacity enhancement strategy to existing staff, emphasising development opportunities and the intent to build from within where possible
Capacity building - Staffing	Recruit key leadership, technical engineering, financial and commercial positions Implement SLAs with other departments for interim capacity and for roles that will not be delegated Identify roles for external service providers together with Corporate Services (CS), initiate procurement processes Develop interim arrangements to maintain operational continuity during the recruitment period	Recruit other technical engineering, financial and commercial positions Review and monitor SLAs based on operational performance Strengthen accountability through review of roles and performance tracking Review service provider performance, initiate procurement processes for coming year Interim capacity management plans per vacancy category
Capacity building – skills development	Identify critical skills gaps (managerial, engineering, technical, financial, commercial) and skills development approach (with CS) Implement targeted training programmes	Identify and second staff for continuous professional development programmes Working with CS and professional bodies, introduce registration, certification and

	Partner with sector institutions (e.g. DWS, MISA, IMESA, WISA, SALGA, water boards) for skills development programmes	accreditation initiatives and assign mentors Implement targeted training programmes Partner with sector institutions for skills development programmes
Performance management		
Performance management systems	Implement performance management system aligned to A3-PIAP targets Introduce routine performance reviews and accountability mechanisms	Institutionalise performance-based culture through change management Conduct annual performance reviews and accountability mechanisms
Organisational Culture		
Culture transformation programme	Define desired org culture based on customer service, performance and financial sustainability Communicate desired org culture to staff regularly through print and electronic media, regular staff engagements Align performance management with culture reform objectives	Communicate desired org culture to staff regularly through print and electronic media, staff engagements Align performance management with culture reform objectives Institutionalise communication practices
Employee Wellness and Staff Satisfaction		
Employee wellness programmes	Assess employee wellness needs Implement wellness initiatives and appoint service provider for guidance	Improve employee well-being through wellness initiatives Sustain safe and supportive working environment
Staff satisfaction	Design a staff satisfaction survey for annual implementation	Conduct staff satisfaction survey annually

	Develop and implement improvement action plan to address key concerns	Develop and implement improvement action plan to address key concerns Maintain ongoing feedback and engagement mechanisms
Contracting and External Resources		
Strategic use of service provider	Review current use of service providers and develop plan to minimise exposure and risk Benchmark and define core vs non-core functions, develop contracting strategy aligned to cost and performance objectives	Review current use of service provider and develop plan to minimise exposure and risk Reduce reliance on service providers for core services by employing them selectively for specialised skills
Contract management and skills transfer	Mandate skills transfer requirements in contracts Strengthen contract management practices to monitor service provider skills transfer and ensure compliance	Mandate skills transfer requirements in contracts Strengthen contract management practices to monitor service provider skills transfer and ensure compliance Build internal capacity through structured skills transfer

9. SERVICE OUTCOMES AND SOCIAL CONTRIBUTIONS

9.4. Improving services in informal settlements

[Describe programmes and activities to improve services in informal settlements, including community engagement, interim solutions, O&M arrangements, and affordability considerations.]

9.5. Anticipated improvements in service outcomes

- Service access: BCE targets electricity access for all 148,000+ connected households, with electrification of 2,000+ additional households over the 5-year period funded through INEP and USDG grants.
- Service quality and reliability: Smart metering, network upgrades and loss reduction will improve supply reliability. By Year 5, electricity losses target below 15% (from 32.22%) and ASIDI toward NERSA benchmark following establishment of targets by June 2026.
- Service resilience (incl. climate): The Mdantsane 132kV/400kV upgrade and IPP/battery storage programme will improve energy security, reduce Eskom peak demand dependence and build resilience against load-shedding and climate-related supply disruptions.
- Environmental compliance: BCE will maintain NEMA and Climate Change Act compliance. The IPP and battery storage programme reduces carbon intensity of the electricity supply. Scope 2 emissions from Eskom purchases will be tracked and reported annually.
- Affordability: BCE will maintain and expand the Free Basic Electricity (FBE) indigent subsidy programme ensuring all qualifying households receive the 50kWh monthly lifeline allocation. Tariff increases will be cost-reflective and reviewed annually through the NERSA process.

9.6. Other social contributions

- Management and employee diversity: BCE is committed to EE Plan compliance, targeting management and professional workforce that is at least 75% Black, 45% female and 2% disabled by Year 3. Targeted recruitment and development programmes will support under-represented groups.
- Job creation and local economic development: The R2.1B 5-year investment programme will implement 30% local procurement targets, prioritise local labour for construction, and partner with TVET colleges for learnerships. An estimated 500+ job opportunities (direct and indirect) are anticipated.
- Contributions to climate mitigation targets: BCE's IPP/battery storage programme will procure up to 50 MW of renewable energy capacity, reducing dependence on coal-fired generation. Combined with the loss reduction programme, BCE's total distribution carbon footprint will decrease by an estimated 25% by Year 5.



BUFFALO CITY METROPOLITAN MUNICIPALITY
ANNEXURE G3. SOLID WASTE MANAGEMENT BUSINESS AND
INVESTMENT PLAN

(31 March 2026)

SOLID WASTE



A3: PERFORMANCE IMPROVEMENT ACTION PLAN

Buffalo City Metropolitan Municipality

MARCH 2026

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This Solid Waste Business Unit A3: Performance Improvement Action Plan forms part of supporting documents to the overarching Buffalo City Metropolitan Municipality (BCMM) Trading Services Reform Incentive Programme initiated by the National Treasury.

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1.0 EXECUTIVE SUMMARY

1.1 Overview

Buffalo City Metropolitan Municipality (BCMM) has developed a Performance Improvement Action Plan (PIAP) for its Solid Waste Business Unit, in alignment with National Treasury's Trading Services Reform Programme. This plan forms part of a suite of strategic documents required for participation in the Metro Trading Services Incentive Grant, a conditional allocation intended to support sustainable and accountable delivery of trading services.

The PIAP outlines BCMM's commitment to address persistent service delivery and institutional challenges - including aging infrastructure, financial unsustainability, regulatory non-compliance, and customer dissatisfaction - through a structured six-year reform programme. The plan aligns with Treasury's A-Series requirements and is underpinned by the adoption of a **Single Point of Management Accountability (SPoMA)** model to enhance governance, operational control, and performance.

1.2 Strategic Purpose

The PIAP aims to transform BCMM's Solid Waste services into a financially viable business unit which is performance-driven and delivers reliable, compliant and customer-responsive services. To attain this goal, the PIAP sets performance targets for the SPoMA across operational, financial, and governance domains. The verified achievement of these targets is critical to unlock incentive funding linked to the Metro Trading Services Incentive Grant. The PIAP indicators and the targets over the first year and over the six-year duration of the programme are set out in this covering report.

1.3 Expected Outcomes

The implementation of the PIAP will result in:

- Financially sustainable and cost-reflective operations
- Improved solid waste collection service reliability, efficiency and quality
- Higher levels of waste minimisation and diversion from landfills
- Better environmental outcomes and cleaner public spaces within the municipality
- Improved governance, leadership and performance accountability within the Solid Waste trading service,
- Improved customer satisfaction, stakeholder engagement and social outcomes
- Increased participation in the waste value chain by local workers and SMMEs

1.4 Council Approval of Key Commitments

The Buffalo City Metropolitan Council is requested to formally endorse the municipality's commitment to achieving the following minimum reforms by **June 2027**:

1. **Establishment of a SPoMA-aligned Service Compact** that clarifies roles between

- the Municipality and the new Solid Waste Business Unit.
2. **Appointment of an Executive Head as the SPoMA** for the Business Unit with a performance contract aligned to reform goals.
 3. **Approval of an Organisational Structure** that aligns resources and responsibilities across the Solid Waste value chains.
 4. **Formalisation of Delegations** granting full operational and financial authority to the Solid Waste Business Unit.
 5. **Development of a Financial Model and Business & Investment Plan** to guide sustainable operations and capital investment.
 6. **Inclusion of funding for the Solid Waste Business & Investment Plan in the Municipal Budget**, aligned with strategic priorities.
 7. **Preparation of Separate Annual Financial Statements** to enhance transparency and accountability.
 8. **Provision of Delivery Management Capacity and Change Management Support** to ensure successful organisational transformation and capacity building.

1.5 Participation Requirements

Council is also required to note that continued participation in the incentive grant programme is conditional on maintaining the minimum commitments in the PIAP throughout the life of the programme.

Council is further required to note that satisfactory municipal audit performance is also an essential prerequisite for participation in the programme and that an adverse or disclaimed Auditor General audit opinion will preclude further participation by BCMM.

Council approval of this PIAP and its associated commitments is a mandatory condition to access the incentive grant in the 2025/26 fiscal year.

2.0 INTRODUCTION

2.1 Background

Since the promulgation of the Municipal Finance Management Act (MFMA) and subsequent local government reforms, South African municipalities have been under increasing pressure to deliver water, sanitation, electricity, and other trading services efficiently, sustainably, and transparently.

2.1.1 National Treasury's Response

National Treasury has identified persistent challenges faced by municipal Solid Waste services across the country that hinder service delivery. These include:

- Unclear accountability and fragmented governance within the solid waste value chain
- Financial unsustainability driven by non-cost reflective tariffs, high levels of non-payment and poor debt collection
- Ageing and insufficient fleet and infrastructure due to limited capital funding and weak planning
- Poor operational data and weak systems to guide operations
- Poor environmental compliance and lack of enforcement
- Low customer satisfaction and weak customer interfaces

In response mandated the City Support Programme to develop a comprehensive reform programme for metropolitan municipalities. This reform builds on several years of the National Treasury support provided to metropolitan municipalities since 2011. This reform is structured through a systematic development of interrelated strategic documents designed to steer metropolitan municipalities towards the provision of services sustainably following business and management principles. The strategic documents include the following:

- **Trading Services Turnaround Strategies (A-Series):** Metropolitan municipalities are required to develop a structured approach to a turnaround process that:
 - addresses major service delivery challenges, inefficiencies, and resource constraints to improve access to Solid Waste services,
 - ensure compliance with regulatory requirements,
 - restores financial sustainability through cost control and revenue enhancement, and
 - improves customer satisfaction and service reliability.

The Trading Services Turnaround Strategies aim to transform underperforming municipal services into efficient, financially viable, and community-responsive operations.

- **Institutional Road Map (Annexure A1):** Metropolitan municipalities are required to develop a strategic framework that outlines the key stages, actions, and reforms required to build a well-functioning, sustainable, and

accountable trading service. This roadmap defines the steps to restructure trading services into a Single Point of Accountability (SPoMA) business unit. It covers leadership appointment, governance delegations, shared-services integration, and change management capacity essential for effective transformation.

- **Business & Investment Plans (Annexure A2):** Under Annexure A2, each municipality will develop and implement a strategic and financial document that outlines how the newly autonomous Solid Waste business unit will operate sustainably, recover costs, maintain infrastructure and fleet, ensure environmental compliance, promote the circular economy, and fund future investments. Metropolitan municipalities must produce an annual Business & Investment Plan, validated by a robust financial model. These plans detail capital and operational funding requirements, revenue projections, tariff proposals, and external financing strategies, ensuring alignment with the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP).
- **Performance Improvement Action Plans (Annexure A3):** The Performance Improvement Action Plan is a structured framework that identifies performance gaps, sets targets, and outlines actions to improve service delivery, compliance, operational efficiency, and customer satisfaction.

2.1.2 Rationale for Reform

Service Delivery Challenges: Many municipalities struggle with insufficient or aging infrastructure and fleet, high levels of missed collections, low levels of service especially across informal settlements and new developments, poor effluent quality at landfill sites, lack of environmental compliance, low waste diversion rates, and high levels of illegal dumping.

Financial Sustainability: Trading Services often rely on cross-subsidies and grants to operate, with limited own-revenue recovery, resulting in underinvestment and cashflow constraints.

Governance & Transparency: Lack of ring-fenced accounting, weak performance management, and fragmented shared-services delegations hinder clear accountability and strategic oversight.

Regulatory Alignment: The National Environmental Management: Waste (NEM: WA) Act 59 of 2008 sets out to provide reasonable measures regulating waste management in order to protect health and the environment and provides the basis for the National Waste Management Strategy and the resulting BCMM Integrated Waste Management Plan. These regulatory frameworks call for stringent quality and environmental compliance in waste management, which requires improved asset management and operational capacity.

2.1.3 Expected Outcomes

The expected outcomes from implementing the trading services reforms are:

- **Enhanced Service Reliability:** Improved infrastructure maintenance and upgrades and increased investment and maintenance in infrastructure, supported by heightened emphasis on customer service, resulting in improved service quality and reliability.
- **Improved Financial Sustainability of metros:** enhanced revenue collection, reduced losses and diversified income streams leading to improved cost coverage ratios, higher cash-collection rates, and increased self-financing capacity for capital investment.
- **Clear Governance & Accountability:** Well-defined roles, delegations, and performance incentives, leading to faster decision-making and better regulatory compliance.
- **Customer & Stakeholder Confidence:** More responsive and cost-reflective tariffs, consideration of customer needs from annual satisfaction surveys, increased stakeholder engagement in energy decisions, and public reporting of performance indicators.
- **Strengthened Institutional Capacity:** professionalisation of trading services units leading to their capacitation with the right technical, commercial, and managerial skills.

2.2 Purpose of the Performance Improvement Action Plan

The 2025-2026 Division of Revenue Bill introduced a new Urban Development Financing Grant incorporating three windows, namely,

- the existing Neighbourhood Development Partnership Grant,
- the existing Programme and Project Preparation Support Grant, and
- a new Metro Trading Services Incentive Component.

Metropolitan municipalities seeking access to the Metro Trading Services Incentive Component in respect of Solid Waste in the 2026-2027 Financial Year must develop, submit to their Council, discuss and receive Council Approvals for their trading services strategic documents, namely, their:

- i. Trading Services Reform Strategy (A-Series),
- ii. Institutional Reform Road Map (Annexure A1),
- iii. Business and Investment Plans (Annexure A2), and
- iv. Performance Improvement Action Plan (Annexure A3).

National Treasury thereafter issued Guidance Note 4 to provide guidance to municipalities seeking access to the Metro Trading Services Incentive on the

development of a Performance Improvement Action Plan (PIAP). The PIAP provides a template for municipalities to specify their ambitions, activities and targets (in line with their Trading Services Reform Strategies, Institutional Reform Road Map and Business and Investment plans) so that they can achieve the objectives of the incentive programme. The PIAP is thus a performance agreement between the metropolitan municipality and the national government, where the metros set targets against indicators aligned to reform objectives. These are developed for each trading service and approved by the respective Council.

The table below provides the description and objectives of each of the strategic documents and their Compliance Requirements for Treasury approval.

Category	#	Definition	Description	Compliance Requirement
Metro Trading Services Formalization Documents	A	Solid Waste Turnaround Strategy	A structured approach to address major service delivery challenges, inefficiencies, and resource constraints to improve access to Solid Waste services, financial health, compliance, and customer satisfaction.	Council Approval by June 2026
	A1	Solid Waste Institutional Road Map	A strategic framework that outlines the key stages, actions, and reforms required to build a well-functioning, sustainable, and accountable MTS	Council Approval by June 2026
	A2	Solid Waste Business & Investment Plan	A strategic and financial document that outlines how the newly autonomous business unit will operate sustainably, recover costs, maintain infrastructure, and fund future investments.	Council Approval by June 2026
	A3	Solid Waste Performance Improvement Action Plan	A structured framework that identifies performance gaps, sets targets, and outlines actions to improve service delivery, compliance, operational efficiency, and customer satisfaction	Council Approval by June 2026

Table 1: Minimum Requirements to be Achieved by a Municipality to Join the Incentive Programme by July 2026

While progress on the reform strategies will form part of the annual National Treasury oversight engagements, performance against targets - which will determine future incentive allocations - will be independently assessed and will determine the amount of incentive allocations available to the metro.

2.3 Target Performance Areas and Indicators Framework (Annexure A3):

Treasury had defined a suite of performance indicators for the turnaround strategy in four areas: Minimum Commitments (M-series), Accountability (A-series), Financial (F-series), and Operational (W-series) indicators. Each of these indicators has weighted targets, that achievement of which unlocks equitable share allocations.

The Minimum Commitments - which are the focus of this first iteration of the PIAP - emphasise that the municipalities must establish Trading Services Business Units with clear leadership, dedicated shared-services delegations, and ring-fenced governance (a **Single Point of Accountability Model** or **SPoMA**). These indicators are outlined in the table below.

Category	Id	Definition	Description	Compliance Requirement
Minimum Commitment Performance Indicators	M1	SPoMA Service Compact	Defines and structures the service role that the new utility business must execute on behalf of the metro	Council Commitment by June 2026 for achievement by June 2027
	M2	SPoMA Appointment	The appointment of a chief executive of the trading service with an appropriate job description	Council Commitment by June 2026 for achievement by June 2027
	M3	SPoMA Organisational Structure	A single organisational structure with all elements of the infrastructure and commercial value chain	Council Commitment by June 2026 for achievement by June 2027
	M4	SPoMA Delegations	Delegations of authority for financial management, operational and management control for the effective operation of the Trading Services Business	Council Commitment by June 2026 for achievement by June 2027
	M5	Financial Model and Business & Investment Plan	Annual business plan and budget incorporating a long-term strategic perspective, and medium-term capital and operational planning	Council Commitment by June 2026 for achievement by June 2027
	M6	Budget support of Trading Service Business and investment plan	Metro budget allocations need to align with the Financial Model and Business & Investment Plan to ensure financial sustainability in service delivery.	Council Commitment by June 2026 for achievement by June 2027
	M7	Financial Transparency – separate AFS	Full separate Metro Trading Services Annual Financial Statements, published within the aggregated metro AFS	Council Commitment by June 2026 for achievement by June 2027
	M8	Support for Management of organisational change and increased delivery	To create and establish the necessary capacity to support migration to a new organisational structure under the SPoMA	Council Commitment by June 2026 for achievement by June 2027

Table 2: Minimum Commitment Performance Indicators for a Municipality to Join the Incentive Programme by July 2025

2.4 Metro Options for Creation of a Single Point of Management Accountability Model

In this current setup, most metropolitan municipalities have been operating under Model 1 Option, where the Trading Services were located within broader directorates with no ring-fencing of their operations. With these reforms, metros that elect to join the Trading Services Reform Programme should select one of the three model options, namely, Model 2, Model 3, or Model 4.

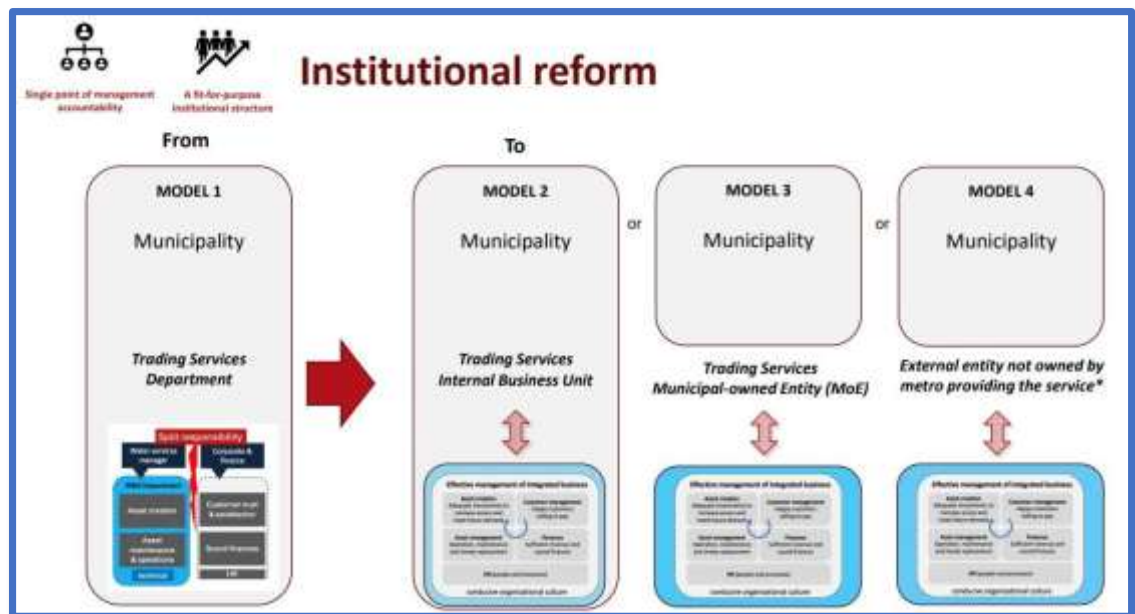


Figure 1: Trading Services Institution Reforms Models for Creation of SPoMA

BCMM has selected to join the incentive programme using the option in Model 2.

2.4.1 Current Macro Organizational Structure

BCMM's organizational structure is arranged into 10 directorates, each with several departments responsible for specific mandates within the functions of the directorate. The following are the current municipal directorates:

- The City Manager's Office;
- Executive Support Services;
- Corporate Services;
- Finance;
- Development and Spatial Planning;
- Public Safety and Emergency Services;
- Infrastructure Services;
- Human Settlements;
- Municipal Services;
- Economic Development and Agencies, and
- Sports, Recreation, and Community Development.

The Solid Waste Department currently falls under the Solid Waste and Environment Directorate, which also includes the Environmental Management department.

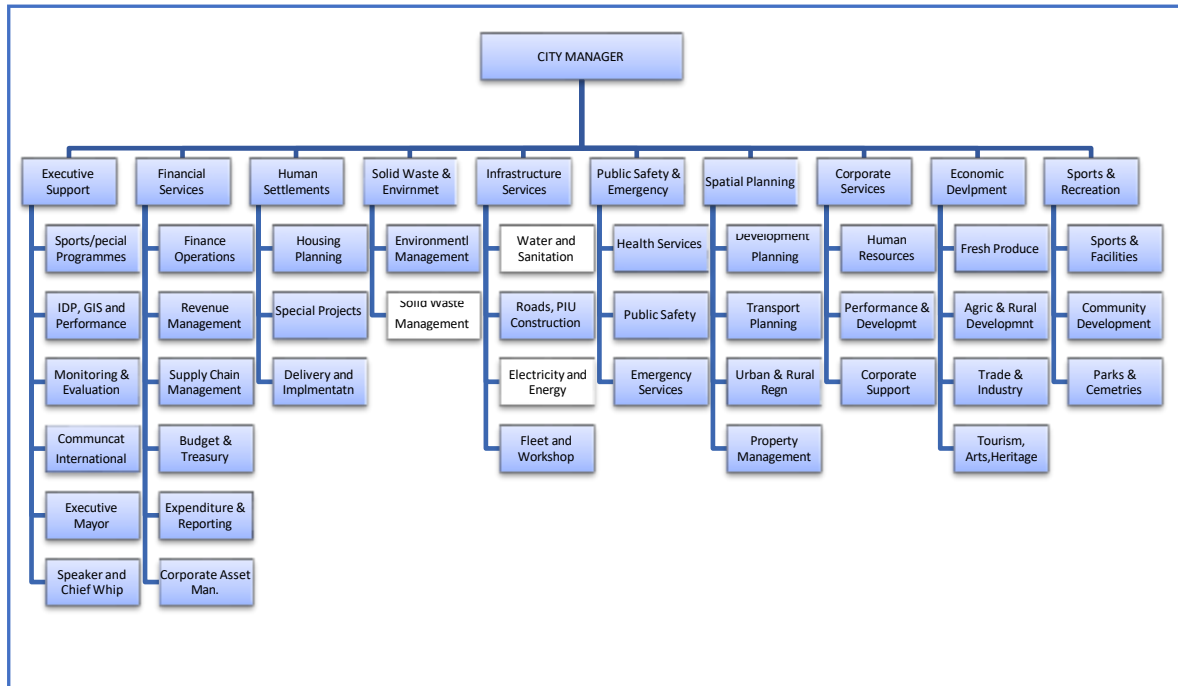


Figure 2: Current BCMM Macro Organizational Structure

2.4.2 Indicative Typical Model 2 Trading Reforms Macro Organizational Structure

Figure 3 shows an indicative typical Model 2 option for consideration in the development of trading services business units. The municipality will follow the necessary development, engagement, and consultation processes in its creation of the organizational structure and organograms for the trading services, in line with municipal policies and legislative framework.

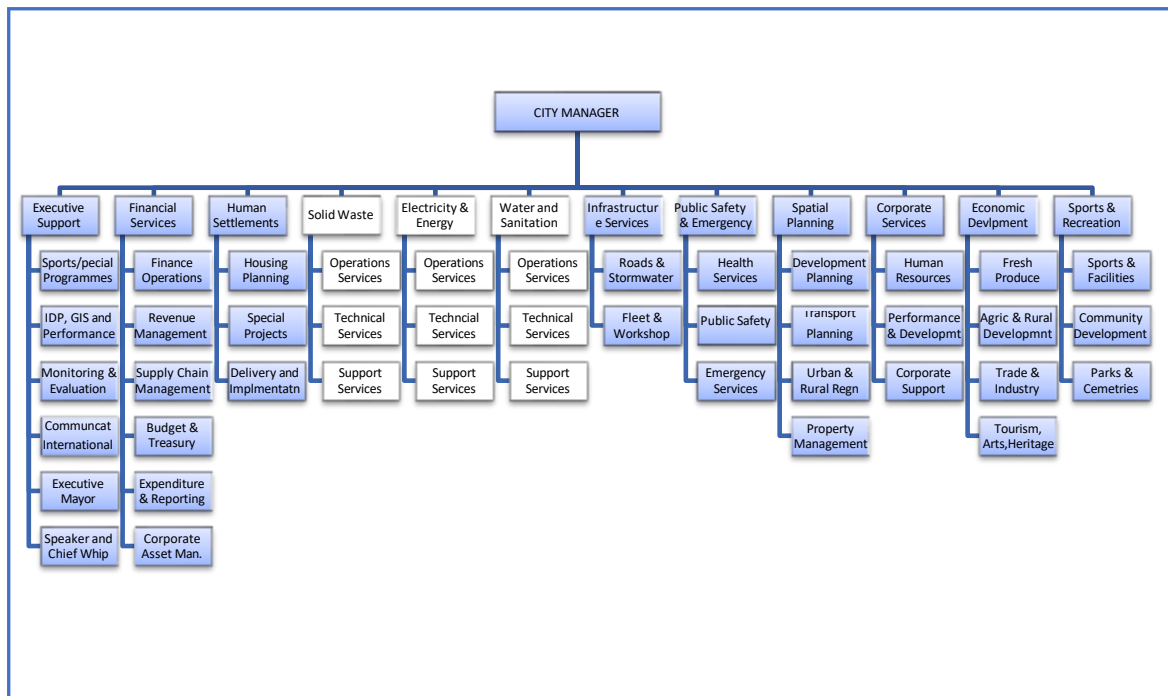


Figure 3: Indicative Typical BCMM SPoMA Compliant Macro Organizational Structure

2.5 Purpose of this Document

The purpose of this document is to outline the proposed commitments in *Annexure A3: Performance Improvement Action Plan* for the Solid Waste Business Unit, for Council to note and approve. The document defines the municipal **Baseline and Status Quo** on prescribed performance targets for the trading services incentive programme, **Municipal Ambitions** and **Timeframes** to achieve the targets, **Required Reform Activity Packages** to achieve targets, and **Target Dates** for attainment of these reform activities.

Therefore, this document is a Buffalo City Metropolitan Municipality commitment to national government to join the incentive programme and setup a fully functional Solid Waste Business Unit with all the minimum resources required for development of a sustainable and financially viable delivery of Solid Waste services to acceptable minimum levels within the next six years of implementation of the trading services reforms.

The document is the first version of the municipal ambition targets - covering the minimum indicators - that will be reviewed during mid-term assessment and end of the first year of the six-year programme. The second version of the Performance Improvement Action Plan targets, which should be in place by June 2027, shall be binding and used for assessment of the municipality's performance in the programme. The municipality shall be entitled to an incentive funding allocation based on performance in these prescribed performance indicators in a weighted point scoring system defined in the Addendum to Guidance Note 4 included herewith

as **Annexure A**. Detailed explanation of the requirements of municipal Performance Improvement Action Plan is included herewith as **Annexure B** as Guidance Note 4 for reference purposes.

The following sections define the targets set by Buffalo City Metropolitan Municipality as a commitment for the establishment of a Single Point of Management Accountability for the Solid Waste Business Unit, to be achieved over the 6-year implementation timeframe defined for the implementation trading services reform incentive programme.

3.0 MINIMUM COMMITMENTS INDICATORS

The Minimum Commitment Performance Indicators that must be achieved and maintained by metropolitan municipalities to remain in the incentive programme are set out in Appendix A, the completed A3: PIAP for the Solid Waste trading services. The sections below outline and summarise these indicators.

3.1 M1: SPoMA Service Compact

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3.1.1 Purpose

The Service Compact, amongst others, will define reporting and other obligations and responsibilities between the parties. The new Solid Waste Business Unit becomes responsible for full financial and managerial operation of the trading service (TS) and shall be accountable to the accounting officer of the metro.

3.1.2 Definition

The Service Compact between the Service Authority (Buffalo City) and the Service Provider (Solid Waste Business Unit):

- specifies internal Business Unit municipal-owned entity decisions.
- provides for the transfer of metro obligations and responsibilities in terms of law (both municipal and sector legislation) to its business unit as agent to execute these services on its behalf and within the scope of applicable municipal legislation. The metro discharges its responsibilities in terms of its Service Compact, including that of the previously shared services.
- defines and structures the service role that the new Solid Waste Business Unit must execute on behalf of the municipality.

3.1.3 Baseline and Status Quo

The municipality has no formal Single Point of Management Accountability (SPoMA) Service Compact in place.

3.1.4 Municipal Target Ambition

With this document, however, the municipality commits to develop a Service Compact between itself and the Solid Waste Business Unit before 30 June 2027, which shall be retained thereafter.

3.1.5 Reform Activities

The following are the identified reform activities and timeframes to achieve the target:

- Approval of the Trading Service reform strategy, business and investment plan, and PIAP
- Drafting of the Service Compact, and identification of any required policy changes
- Stakeholder engagements and workshops
- Submission of the Service Compact to and approval by the Council
- Legal sign-off between City Manager and head of the business unit

3.1.6 Timeframes

In Year 1:

- Approved Service Compact by Council
- Identification of any required policy changes to effect the compact

From Year 2 to Year 6:

- Retention of approved service compact Target Y1
- Performance monitoring and review of service compact based on agreed indicators

3.2 M2: SPoMA Appointment

3.2.1 Purpose

To ensure that the Solid Waste Business Unit is led by properly authorised executive leadership with all delegated powers and responsibilities, and has clear accountability and performance measures.

3.2.2 Definition

Appointment of a chief executive of the trading service with a job description reflecting all delegated powers, responsibilities, and a performance contract aligned to PIAP targets.

3.2.3 Baseline and Status Quo

The current head of department (HOD) role sits under the old departmental structure; no dedicated SPoMA executive or performance contract exists.

3.2.4 Municipal Target Ambition

By the end of the financial year 2026/27, the appointment of a SPoMA Executive with an approved performance contract signed by the City Manager is expected.

3.2.5 Reform Activities

The following are the identified reform activities and timeframes to achieve the target:

- Develop a job description and performance agreement for the SPoMA Appointment
- Council approval of job description and performance agreement
- Initiate a transparent recruitment process and appoint a suitable candidate
- Signing of Performance Contract with City Manager.

3.2.6 Timeframes

In Year 1:

- Approved job description and performance agreement for the SPoMA
- Recruitment process and appointment of SPoMA
- Signed performance agreement between the City Manager and SPoMA
- Identification and provision of identified support to the Solid Waste

Business Unit HoD

From Year 2 to Year 6:

- Performance monitoring of the Business Unit HoD in line with the performance contract and set targets
- Identification and provision of identified support to the Business Unit HoD

3.3 M3: SPoMA Organizational Structure

3.3.1 Purpose

To establish a coherent structure aligning all functions along the utility value chain under a SPoMA.

3.3.2 Definition

Council-approved organogram featuring all infrastructure, technical, commercial and support services grouped under a SPoMA leadership.

3.3.3 Baseline and Status Quo

An Interim Draft Organizational Structure exists; however, not yet Council-approved or fully graded.

3.3.4 Municipal Target Ambition

An approved organisational structure for the Solid Waste Business Unit incorporating the trading service's infrastructure and commercial value chain and supporting services. This organisational structure should be aligned to the 7-box model, which comprises:

- a focus on customer service to create a positive customer experience and satisfied customers;
- sound billing (commercial), collection and operating surpluses;
- motivated staff and efficient systems;
- maintenance, refurbishment and operation of existing assets;
- creation of new assets;
- sound governance and a supportive enabling environment; and
- empowered leadership and management to drive the vision, strategy and execution.

3.3.5 Reform Activities

- Design of an organisational structure for the Solid Waste Business Unit incorporating the infrastructure/ commercial value chain and supporting services
- Design and approval of job descriptions and task grading
- Approval of the organisational structure and staff organogram by the Council
- Signing of service level agreements (SLAs) with service departments to service the unit
- Migration, recruitment and appointment of full-time staff to the business unit,

and provision of training on new roles and reporting lines

3.3.6 Timeframes

In Year 1:

- Council Approved Solid Waste Business Unit Organogram
- Signed agreements with service departments for transfer/ secondment of relevant staff
- Gap analysis and capacity building plan to support the turnaround

From Year 2 to Year 6:

- Retention of the Solid Waste Business Unit organisational structure
- Annual review of the performance of the organisational structure

3.4 M4: SPoMA Delegations

3.4.1 Purpose

To formalize the transfer of shared services (human resources, supply chain management, finance, ICT) to the SPoMA Business Unit.

3.4.2 Definition

MFMA-compliant instrument delegating all relevant authority for trading services operations and support to the SPoMA executive.

3.4.3 Baseline and Status Quo

Delegations remain centralized under the City Manager, and no formal SPoMA delegation instrument exists.

3.4.4 Municipal Target Ambition

Council-approved delegations will be issued transferring all shared services to SPoMA.

3.4.5 Reform Activities

- Mapping existing municipal delegations and recommending changes, if any, to the approved municipal delegation policy
- Designing appropriate delegations aligned with SPoMA needs, relevant legislation and policy
- Stakeholder engagement
- Develop SLAs between shared services and the trading service for approvals for services to be provided or contracted
- Council approval for the delegations and SLAs
- Signing of the delegations and SLAs by the City Manager

3.4.6 Timeframes

In Year 1:

- Council Approval of amended delegation policy (if any), delegations and

SLAs

- Signed delegations from the City Manager to the HOD of Solid Waste Business Unit

From Year 2 to Year 6:

- Retention of signed delegation from the City Manager to the HOD of Solid Waste Business Unit
- Review and approval of the signed delegation, considering the TS operating requirements

3.5 M5: Financial Model & Business & Investment Plan

3.5.1 Purpose

To provide a robust, multi-year financial foundation guiding sustainable service delivery and capital investment.

3.5.2 Definition

An annual business plan and budget underpinned by a comprehensive utility financial model projecting OPEX, CAPEX, tariffs, and funding sources.

3.5.3 Baseline and Status Quo

An outline plan exists; however, there is no validated financial model or detailed phasing.

3.5.4 Municipal Target Ambition

Business unit to have an approved financial model and fully costed, multi-year Business & Investment Plan. An approved separate budget for the Solid Waste Business unit aligned to the Business & Investment Plan and the turnaround strategy.

3.5.5 Reform Activities

- Develop and validate the financial model for the Solid Waste business unit based on up-to-date operating and capital expenditure data
- Develop a multi-year Business & Investment Plan for the business unit
- Approval by Council of the financial model and Business & Investment Plan for every financial year.
- Monitoring performance against the financial model targets and annual revision of the model and business plan
- Development of a programme to ensure that the business unit has access to all necessary financial and operational data for effective utility management

3.5.6 Timeframes

In Year 1:

- Council financial model, Business & Investment Plan and aligned budget
- Development of systems that enable data acquisition and analysis to assist in decision-making of the TS

From Year 2 to Year 6:

- Approved and funded Business and Investment Plan for the TS
- Approved municipal budget incorporating the TS Business Plan
- Monitoring of the implementation of the financial model and Business & Investment Plan
- Review of the financial model and Business & Investment Plan and making necessary adjustments to enable the TS to function optimally

3.6 M6: Budget Support of Plan

3.6.1 Purpose

To align municipal budgets with the approved Business & Investment Plan, ensuring funding availability.

3.6.2 Definition

Inclusion of year-1 OPEX and CAPEX required by the Solid Waste Business Unit in the municipal budget line items.

3.6.3 Baseline and Status Quo

There is an approved SDBIP for the 2025-2028 financial years. There are no dedicated budget lines in the draft FY 2026/27 budget for the Business & Investment Plan.

3.6.4 Municipal Target Ambition

- i. Full funding support in the municipal budget for Solid Waste Business & Investment Plan
- ii. Council's commitment for budget support for the Solid Waste Business & Investment Plan

3.6.5 Reform Activities

- Preparation of the Budget for the Solid Waste Business Unit as an independent unit and incorporating it in the municipal budget
- Annual Budget Workshop and incorporation of IDP projects
- Determining the extent of distributions to the TS from grants, equitable share allocations and other grants and other municipal allocations
- Determining the trading services' contributions to the municipality and shared expenses from operations
- Approval and adoption of the aligned budget

3.6.6 Timeframes

In Year 1:

- Council commitment to supporting the funding implications of the TS business plan and budget
- Council Approved Budget with allocations to the Solid Waste TS

From Year 2 to Year 6:

- Approved and funded Business and Investment Plan for the Solid Waste Business Unit
- Approved municipal budget incorporating the TS Business Plan
- Monitoring of the Budget and Business & Investment Plan implementation

3.7 M7: Separate Annual Financial Statements (AFS)

3.7.1 Purpose

To enhance financial transparency by producing standalone AFS for Trading Services within the municipal consolidated statements.

3.7.2 Definition

Full separate AFS for Solid Waste in accordance with NT specimen templates, integrated into the metro's consolidated AFS.

3.7.3 Baseline and Status Quo

Solid Waste accounting is embedded in consolidated Annual Financial Statements, and no separate statements are published.

3.7.4 Municipal Target Ambition

Publish the FY 2026/27 Solid Waste business unit separately from the municipality's AFS as part of the municipal financial reporting cycle.

Prepare performance reports and monthly financial reports for the trading services

3.7.5 Reform Activities

- Develop a template for the Solid Waste business unit AFS aligned to the NT Circular
- Identify business unit ledger votes, common or shared assets and separate them
- Preparation of a full trial balance of the TS to enable reporting
- Full costing of TS including the costs of shared services in its budgeting
- Creation of mSCOA-compliant accounts for the business unit in the main financial system of the municipality
- Submit and publish separate Solid Waste AFS, including financial performance and position.

3.7.6 Timeframes

In Year 1:

- Council's commitment and approval of the preparation of separate TS AFS and annual report
- Submission of separate Solid Waste AFS and annual report in line with mSCOA requirements by the end of the Financial Year
- Submission of consolidated AFS of the municipality and TS

From Year 2 to Year 6:

- Submission of Separate Solid Waste AFS by end of the Financial Year
- Submission of a separate set of AFS prepared for the TS
- Submission of consolidated AFS of the municipality and TS

3.8 M8: Change Management Support

3.8.1 Purpose

To ensure dedicated capacity for planning and executing the organizational and process changes required by the PIAP.

3.8.2 Definition

Availability of additional fully staffed and effective change management support for the process of managing organisational change, including staff engagements, communications, detailed design, capacity enhancement, key documentation, service compact and other activities, to manage and facilitate planned changes and envisaged capital expenditure for the business unit.

3.8.3 Baseline and Status Quo

Technical and managerial capacity is aligned to the current organisational structure, and there are significant gaps in technical and managerial capacity to support the Solid Waste operations.

3.8.4 Municipal Target Ambition

The municipality shall have sufficient project implementation capacity to support the implementation of the Business & Investment Plans and the business unit operations. The municipality shall also have a fully staffed and financially resourced change management support for implementation of the SPoMA reform with an approved Stakeholder Communication and Engagement Plan for the trading services reforms and during the transition phase. There will be regular reviews of the managerial and technical capacity within the TS to support the turnaround strategy.

3.8.5 Reform Activities

- Skills gap analysis and identification of the required technical, management and change management skills for the business unit
- Identification of required staff from service departments for staff secondment and recruitment needs
- Stakeholder engagement
- Drafting and signing of SLAs with service departments for the secondment of staff
- Council approval for recruitment where there are gaps in skills and resources.
- Provision of change management and wellness support to business unit

staff members during the transition phase.

3.8.6 Timeframes

In Year 1:

- Gap analysis and capacity building plan to support the operations of the TS
- Stakeholder engagement and assignment of shared resources
- Signed SLAs with service departments and the transfer of support service staff members to the TS
- Approved Change Management plan for municipal and TS employees during the transition phase.
- Recruitment of additional staff

From Year 2 to Year 6:

- 'Provision of change management support
- Transfer/recruitment of required staff to support the TS
- Continuous review of TS capacity and change management support needs

4.0 RECOMMENDATIONS TO COUNCIL

4.1 RECOMMENDATION 1

It is recommended that the **Buffalo City Metropolitan Council**, recognising the importance of the eight minimum commitments to service delivery improvement, and as a precondition in order to access and maintain access to the metro trading services incentive grant, undertakes as follows.

1. BCMM will by June 2027 have implemented a service compact between the Municipality as a service authority and the Solid Waste Business Unit as the service provider, clarifying the separation of roles between the service authority and the service provider and defining accountabilities and authorities accordingly, **as per M1 (SPoMA Service Compact)**.
2. BCMM will by June 2027 have implemented a formal recruitment process to appoint the head of the Solid Waste Business Unit with the requisite commercial and engineering skills and experience, formalised by a performance contract with performance targets that prioritise reform imperatives, **as per M2 (SPoMA Appointment)**.
3. BCMM will by June 2027 have approved a macro-organisational structure which gives effect to and supports the mandate, responsibility and accountability of the head of the Solid Waste Business Unit and ensures the Business Unit is adequately resourced with all requisite internal capabilities to discharge its mandate across all operational and support value chains, **as per M3 (SPoMA Organisational Structure)**.
4. BCMM will by June 2027 have finalised delegations which give effect to and support the mandate, responsibility and accountability of the head of the Solid Waste Business Unit for all operational and supporting value chains **as per M4 (SPoMA Delegations)**.
5. BCMM will by June 2027 develop a multi-year utility financial model (i.e. reflecting utility characteristics and requirements) and use this to prioritise and generate a Business & Investment Plan for the Solid Waste Business Unit to achieve long-term strategic objectives starting from 2027/28, according to the requirements **set out in M5 (Financial Model and Business & Investment Plan)**.
6. BCMM will by June 2027 ensure that its overall municipal budget for the 2026/27 MTREF accommodates, supports and funds the business and investment plans of its trading services, to the maximum extent possible, as **set out in M6 (Budget support of Trading Service Business & Investment Plan)**.

7. BCMM will by June 2027 ensure that it is able to provide full separate AFS per trading service (per specimen template provided in an MFMA circular of July 2024) for the 2027/28 financial year and thereafter, and the floEE and balances statement, **as set out in M7 (Financial Transparency)**.
8. BCMM will by June 2027 have in place effective
 - (a) additional capacity to support and manage the planned organisational change; and
 - (b) additional capacity to support the planned increase in trading services capex, as set out in **M8 (Support for the management of organisational change and increased delivery)**.

4.2 RECOMMENDATION 2

It is recommended that the Buffalo City Metropolitan Council **recognise that the minimum commitments must be maintained throughout the life of the programme**, and that any dismantling of these commitments will preclude further participation in the performance-based incentive grant programme of the Urban Settlements Development Grant.

4.3 RECOMMENDATION 3

It is recommended that the Buffalo City Metropolitan Council further acknowledge that **overall municipal audit performance is also an essential prerequisite for participation in the programme**, and that **an adverse or disclaimed Auditor General audit opinion will preclude further participation by the BCMM in the incentive grant programme** until a satisfactory audit result is achieved.

ANNEXURE G4. GUIDING NOTES

Section 1: General Information				Section 2: Financial Performance Indicators						
Project Details				Key Performance Indicators (KPIs)						
Project ID	Project Name	Project Manager	Start Date	Revenue (USD)	Profit (USD)	Cost (USD)	Margin (%)	ROI (%)	NPV (USD)	IRR (%)
001	Project Alpha	John Doe	2023-01-01	1000000	200000	800000	20%	15%	150000	12%
002	Project Beta	Jane Smith	2023-02-01	800000	160000	640000	20%	15%	120000	12%
003	Project Gamma	Mike Johnson	2023-03-01	600000	120000	480000	20%	15%	90000	12%
004	Project Delta	Sarah Brown	2023-04-01	400000	80000	320000	20%	15%	60000	12%
005	Project Epsilon	David Wilson	2023-05-01	200000	40000	160000	20%	15%	30000	12%
006	Project Zeta	Emily Davis	2023-06-01	100000	20000	80000	20%	15%	15000	12%
007	Project Eta	Chris Miller	2023-07-01	50000	10000	40000	20%	15%	7500	12%
008	Project Theta	Alexander Lee	2023-08-01	25000	5000	20000	20%	15%	3750	12%
009	Project Iota	Olivia White	2023-09-01	12500	2500	10000	20%	15%	1875	12%
010	Project Kappa	Benjamin Green	2023-10-01	6250	1250	5000	20%	15%	937	12%
011	Project Lambda	Mia Black	2023-11-01	3125	625	2500	20%	15%	468	12%
012	Project Mu	Ethan Gold	2023-12-01	1562	312	1250	20%	15%	234	12%
013	Project Nu	Ava Silver	2024-01-01	781	156	625	20%	15%	117	12%
014	Project Xi	Noah Bronze	2024-02-01	390	78	312	20%	15%	58	12%
015	Project Omicron	Charlotte Iron	2024-03-01	195	39	156	20%	15%	29	12%
016	Project Pi	Liam Steel	2024-04-01	97	19	78	20%	15%	14	12%
017	Project Rho	Amelia Copper	2024-05-01	48	9	39	20%	15%	7	12%
018	Project Sigma	Lucas Nickel	2024-06-01	24	4	20	20%	15%	3	12%
019	Project Tau	Sophia Zinc	2024-07-01	12	2	10	20%	15%	1	12%
020	Project Upsilon	William Lead	2024-08-01	6	1	5	20%	15%	0	12%
021	Project Phi	Isabella Tin	2024-09-01	3	0	3	20%	15%	0	12%
022	Project Chi	James Platinum	2024-10-01	1	0	1	20%	15%	0	12%
023	Project Psi	Grace Palladium	2024-11-01	0	0	0	20%	15%	0	12%
024	Project Omega	Robert Silver	2024-12-01	0	0	0	20%	15%	0	12%
025	Project Alpha	John Doe	2025-01-01	1000000	200000	800000	20%	15%	150000	12%
026	Project Beta	Jane Smith	2025-02-01	800000	160000	640000	20%	15%	120000	12%
027	Project Gamma	Mike Johnson	2025-03-01	600000	120000	480000	20%	15%	90000	12%
028	Project Delta	Sarah Brown	2025-04-01	400000	80000	320000	20%	15%	60000	12%
029	Project Epsilon	David Wilson	2025-05-01	200000	40000	160000	20%	15%	30000	12%
030	Project Zeta	Emily Davis	2025-06-01	100000	20000	80000	20%	15%	15000	12%
031	Project Eta	Chris Miller	2025-07-01	50000	10000	40000	20%	15%	7500	12%
032	Project Theta	Alexander Lee	2025-08-01	25000	5000	20000	20%	15%	3750	12%
033	Project Iota	Olivia White	2025-09-01	12500	2500	10000	20%	15%	1875	12%
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047	Project Psi	Grace Palladium	2026-11-01	0	0	0	20%	15%	0	12%
048	Project Omega	Robert Silver	2026-12-01	0	0	0	20%	15%	0	12%
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098	Project Beta	Jane Smith	2031-02-01	800000	160000	640000	20%	15%	120000	12%
099	Project Gamma	Mike Johnson	2031-03-01	600000	120000	480000	20%	15%	90000	12%
100	Project Delta	Sarah Brown	2031-04-01	400000	80000	320000	20%	15%	60000	12%

Project Information		Project Details		Project Status		Project Budget		Project Timeline	
Project Name	Project Manager	Project Sponsor	Project Start Date	Project End Date	Project Status	Project Budget	Project Timeline	Project Timeline	Project Timeline
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