Chapter 3

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

INTRODUCTION

The BCMM is quite advanced in providing the prescribed basic service per household, as it relates to water, sanitation and electricity. This has included making the necessary provision for informal settlements in the interest of increasing access for all citizens of the Metro. The rapid growth of urban centres is putting pressure on the municipality to increase its capacity in order to respond to the service calls timeously. Provision of water, sanitation and electricity services is dispensed by using internal capacity within the Metro, as well as contractors which are procured through the supply-chain management process. Bulk treated water and electricity is largely sourced from Amatola Water and Eskom, respectively. There are no contracts with state entities for execution of powers and functions assigned to the Metro at this stage, for the above mentioned services. All indigent consumers are provided free basic services through this model of operations and service provision.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of the free basic services provided.

INTRODUCTION TO BASIC SERVICES

T 3.1.0

BCMM provides basic services according to the acceptable standards for settlements within the urban edge and those outside the urban edge. The following provisions are made:

WATER SERVICES

Outside the Urban Edge

Outside of the Urban Edge, the basic level of service (i.e. communal standpipes to RDP standards) is provided.

Within the Urban Edge

The level of service for households within the Urban Edge is as follows:

Target level: erf connection and water borne sanitation; and

Minimum level: yard connection

SANITATION SERVICES

Within the Urban Edge

Informal settlements:

Essential sanitation services are provided by BCMM's Community Services Department to existing informal settlements in the form of chemical toilets (planned to be replaced with waterborne sanitation).

The Sanitation Department provided movable ablution blocks in Duncan Village. The programme is being implemented throughout BCMM.

The provision of internal services to new RDP and social housing is undertaken by the Housing Branch as part of the housing programme. The Engineering Department is, however, responsible for the provision of the bulk support services to these developments.

"Rural" settlements (no formal planning):

The sanitation unit is rolling out VIPs and urine diversion toilets to meet the national target of providing basic sanitation services to all.

Outside Urban Edge

No essential services are provided;

The provision of basic services is undertaken by the Engineering Department; and

The Sanitation Department is in the process of investigating various options with regards to the servicing of Ducats. The current installations were maintained and training was provided to the community on the use thereof.

ELECTRICITY

BCMM only provides electrical connections to settlement areas within the urban edge. Eskom is responsible for the provision of electrical connections outside of the urban edge.

The BCMM provided a 40 amp RDP service connection which is higher than the normal 20 amps RDP service connection. Access to this supply for low income consumers is through the INEP funding, BCMM counter funding and an approved subsidized connection fee. The

council has approved that indigent consumers be provided with a service connection free of any charges.

SOLID WASTE MANAGEMENT

Solid Waste Management has included, to date:

Street sweeping;

Refuse removal;

Landfills;

Waste minimization; and

Public conveniences

Street sweeping occurs across the Metro, with a specific focus on the high volume areas.

During the year under review, 46% of all households were provided with waste removal services in line with national standards. In some cases, road- infrastructure limits the accessibility of residential (usually informal) areas. In some instances, waste reception areas are provided to enable waste collection.

BCMM has two permitted landfill sites, although these are experiencing airspace challenges. A third cell at the Roundhill landfill site is in the process of being established. In addition, BCMM operates three garden refuse stations and has initiated the establishment of garden refuse transfer containers across the Metro.

Public conveniences are in the process of being transferred to the Engineering Department as they are best defined in this Department in terms of the legislation and delegation framework.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION
Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

WATER SERVICES

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BCMM is both the Water Services Authority (WSA) for its entire area of jurisdiction and the Water Services Provider (WSP) for a large percentage of the area. BCMM has an established WSA in place, which has the ability and resources to undertake the WSA functions in its current format.

As the WSP, BCMM is the retail WSP for its entire area of jurisdiction and the bulk WSP for three of the six, surface water supply areas servicing BCMM, and all the groundwater sources. Amatola Water is an external bulk WSP contracted to BCMM to provide bulk portable water to the remaining three surface water supply areas, delivering 40% of the total volumes of potable water consumed within BCMM. In addition, Amatola Water also delivers raw water in bulk to both the BCMM (supply to the KWT water treatment plant) and Da Gama Textiles in the KWT area. A service level agreement exists between BCMM and Amatola Water in terms of the provision of bulk potable water, by the latter, to BCMM.

The Department of Water Affairs (DWA) has shown interest in, and is giving support to, WSA and WSP functions in municipalities. Representatives from DWA have visited the BCMM Water Services Department with the view to guiding and assisting this process going forward. The Department is busy rationalizing its structures in terms of this. Pertinent factors to take into account are the compliances with Blue and Green Drop Certification, DWA initiatives to reduce the number of Water Boards across the country, and the probability of Regional Water Authorities.

Key areas requiring attention in BCMM include the following:

✓ Ability/mechanisms to ensure compliance with the by -laws;

✓ Development and implementation of a WC/WDM strategy;

✓ Development of a mechanism to manage and monitor the implementation of the WSDP; and

✓ Establishment of WSA staff capacity and systems.

BCMM has recently completed the preparation of a WSA capacity building business plan, based on which, funding has been made available to address some of the identified capacity building requirements.

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WATER RESOURCES PROFILE

Water Supply Schemes

BCMM is currently serviced by 4 regional surface water supply schemes located primarily within BCMM; 2 surface regional water supply schemes located primarily outside of BCMM but feeding portions of BCMM; 1 regional groundwater scheme and a number of smaller local groundwater schemes.

The Amatole Bulk Water Supply System (ABWSS), which comprises the dams and associated infrastructure on the Upper Kubusi, Nahoon and Buffalo Rivers, is the main raw water supply system servicing the BCMM, serving some 82% of the population via the following regional water supply schemes (RWSS):

Upper Buffalo RWSS;

Middle Buffalo RWSS; and

Lower Buffalo RWSS (includes extensions namely; Newlands RWSS and Ncera Coastal RWSS).

The Sandile and the Peddie RWSS's, service around 14% of the BCMM population (located in the Dimbaza and Chalumna areas respectively). The groundwater supply schemes service the balance of the population, located in rural villages to the north of KWT and several of the coastal resorts to the west of East London.

The ABWSS, which also services consumers in the Amahlati and Ngqushwa municipal areas, has a system yield of 100.1 million m^3/a, when operated in accordance with the approved operating rules.

Upper Buffalo RWSS:

The Upper Buffalo RWSS is stressed from a water resource perspective, with supplies to the KWT area already being augmented from the Middle Buffalo RWSS.

The KWT-WTP is operating at capacity, as is the raw water conveyance main between Maden/Rooikrantz Dams and the WTP.

BCMM are in the initial phases of addressing the above constraints by establishing a regional water treatment plant in the Kei Road area (which will feed into the KWT area via Bhisho).

Middle Buffalo RWSS:

The Laing Dam WTP is operating near capacity, with the conveyance infrastructure between the Laing Dam WTP and the Bhisho Reservoirs, as well as the Berlin Reservoirs, currently at capacity.

Lower Buffalo RWSS:

The following are the key infrastructure constraints:

The conveyance capacity of the Buffalo River pumping system;

The Umzonyana WTP is operating at or near capacity;

The absence of a dedicated bulk supply system for large parts of East London between the Buffalo and Nahoon Rivers;

High water loses in certain areas;

Conveyance capacity between the Umzonyana WTP and the Dawn Reservoirs, as well as the lack of a dedicated bulk supply system between the Dawn and Cambridge Reservoirs;

The Nahoon WTP is operating at or near capacity; and

Conveyance constraints between the Cuttings and Damspot Reservoirs

BCMM have, as a result, initiated projects to:

Upgrade the capacity of the Buffalo River pumping system;

Upgrade the capacity of the Umzonyana WTP;

Engaged Amatola Water to investigate the viability of a new dedicated bulk main between the Nahoon WTP and the Quenera area; and

Reduce water losses within the network.

Amatola Water is also in the process of upgrading the capacity of the Nahoon WTP.

Sandile and Peddie RWSS:

The Keiskamama System services some 15% of the BCMM population via the Sandile and Peddie RWSS, which predominantly service consumers in the Nkonkobe and Ngqushwa municipal areas.

The Sandile WTP is currently operating at capacity. There are however significant leaks on the scheme, in particular leaks beyond the meter in the Dimbaza area. BCMM have as a result initiated several WC/WDM projects within the area.

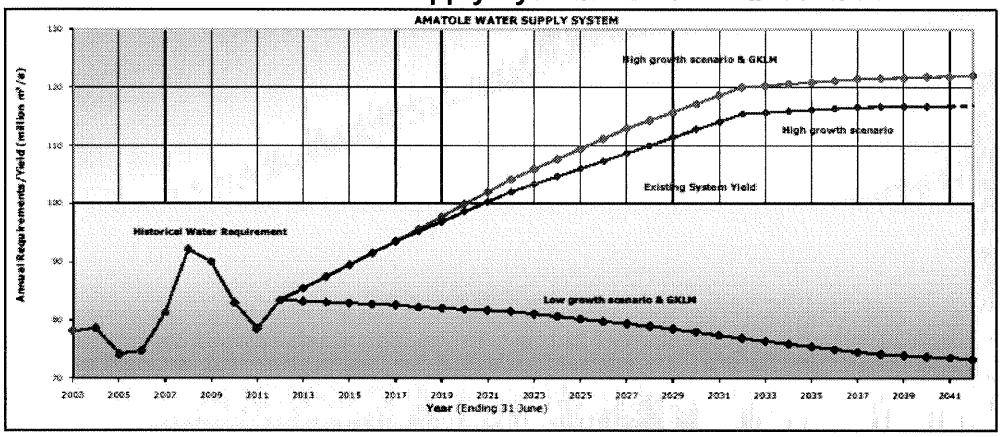
Although certain parts of the Peddie scheme are at or close to capacity, no supply constraints are experienced at present.

Water Balance:

DWA have initiated the Amatole Reconciliation Strategy (ARS) to ensure a reconciliation of predicted water requirement with supply available, from the ABWSS over a 30-year planning horizon. A committee of relevant stakeholders including BCMM and led by DWA: National Water Resource Planning, is now established to ensure that the strategies are implemented and periodically reviewed.

The water balance for the ABWSS as at 2012 is as presented below:

Amatole Bulk Water Supply System: Water Balance 2012



The groundwater potential of the area is generally poor with boreholes having low yields and poor water quality, therefore groundwater is not suitable for large scale use.

BCMM is reliant on bulk raw water (for KWT water treatment plant), as well as bulk potable water purchases from Amatola Water, to service its supply area. Current (2012/13) usage is as follows:

	2011/12	2012/13
Raw water purchases	4,133 million m^3/a	3,752 million m^3/a
Potable water purchases		
Urban	21,026 million m^3/a	21,356 million m^3/a
Rural	2,400 million m^3/a	2,729 million m^3/a
TOTAL	**27,559 million m^3/a**	**27,837 million m^3/a**

Return Flows

Point source return flows emanate from 7 waste water treatment works (WWTW) and 2 facultative ponds systems. Return flows are currently as follows:

Upstream of Laing Dam	6,053 million m^3/a
Upstream of Bridledrift Dam	0,000 million m^3/a
Downstream of Bridledrift Dam	8,186 million m^3/a (to waste)
Upstream of Nahoon Dam	0,291 million m^3/a

The Gonubie, East Bank and West Bank works discharge some 20,584 million m^3/annum of effluent into the sea.

Return flows into dams are not expected to increase significantly in the short- to medium-term, despite the anticipated housing growth and high levels of service to be provided, as the bulk of the areas identified for development fall within the catchment areas of the Mdantsane, Reeston, Central, East Bank, Gonubie and West Bank works (all discharge downstream of dams). Furthermore, water efficiency and water reuse initiatives are anticipated to increase in the short to medium-term.

The effluent discharged downstream of dams or directly into the sea is targeted in terms of the Amatole Reconciliation Strategy to augment system yield.

Water Quality

The waters in the Buffalo and Nahoon Rivers are subject to eutrophication and water hyacinth has established in the non-tidal reach of the Nahoon River below the Nahoon Dam. This is primarily as a result of high nutrient levels in these rivers due to industrial (point source) and domestic (point and diffuse source) effluent discharge into the rivers, as well as run-off from agricultural lands (diffuse source). This is by- and- large a result of the following:

Wastewater treatment works generally operating at or beyond capacity (often as a result of water wastage and inefficient use in their respective catchments); and

Inadequate sanitation facilities (rural and informal settlements).

The above trends are likely to remain in the short- to-medium-term, unless significant investment is made in WC/WCM; wastewater infrastructure upgrade; provision of rural sanitation, and the delivery of RDP housing.

There is also significant pollution emanating from the stormwater networks and run-off from the informal settlement areas.

BLUE DROP STATUS

Buffalo City Metropolitan Municipality is the best performing municipality in Eastern Cape Province with support from Amatole Water Board as Water Services Provider. The Municipal Blue Drop Score of 92.55% was achieved.

WATER CONSERVATION AND DEMAND MANAGEMENT

BCMM adopted a Water Conservation and Water Demand Management (WC/WDM) Strategy in 2012, which targets a raw water saving of 1.61 million m^3/a and a potable water savings of 4,67 million m^3/a over a 5 year period, at a cost of R131,121 million. The Strategy focuses on:

Reduction of non-revenue water volumes

Mains replacement (old AC pipes) and leaks repair

Universal metering, billing, credit control and debt collection

Increasing the volume of billed/metered consumption

Universal metering

Meter maintenance and repair

Reduction of raw water losses at dams and water treatment plants

Metering, operational control and waste water recovery

Promotion of water use efficiency

Community awareness programmes

By-laws (water efficient fittings for new houses)

Enhance institution capacity

Election of a political Champion

Enhanced staffing and budgets

Routine water balances

WC/WDM is identified as the key intervention in terms of the Amatole Reconciliation Strategy to enable BCMM to meet its short- to- medium-term development objectives from a water resource perspective.

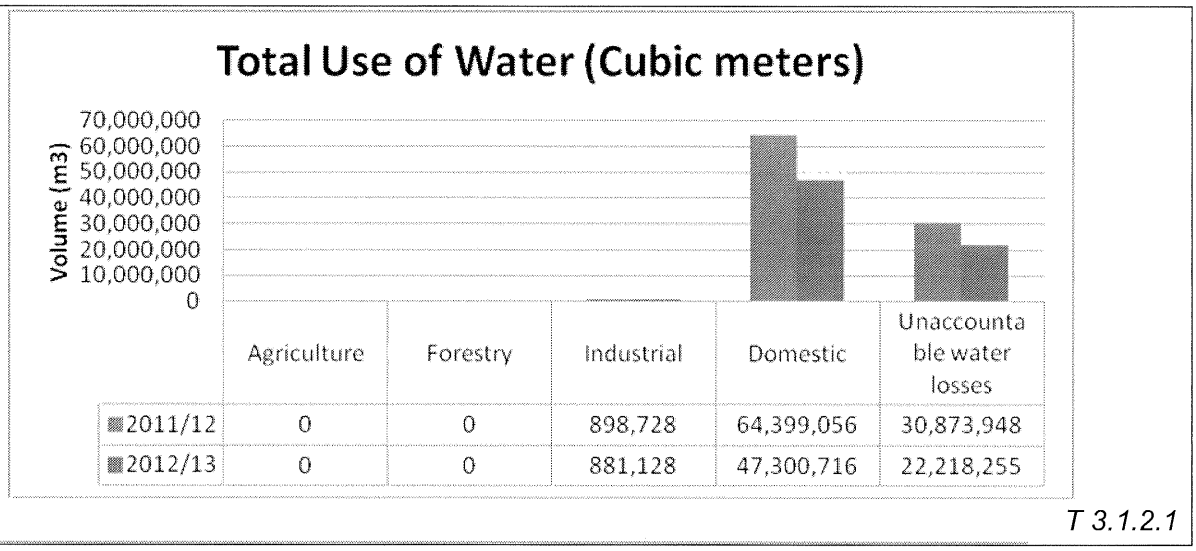
DWA have advised that no new surface water supplies would be considered for the region, unless BCMM achieve 100% of the savings targeted in terms of the WC/WDM Strategy.

Given the existing infrastructure and financial constraints facing BCMM, WC/WDM is key to BCMM delivering on its short- to medium-term development objectives.

WATER USE PROFILE

Total Use of Water by Sector (cubic meters)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2011/12	0	0	898 728	64 399 056	30 873 948
2012/13	0	0	881 128	47 300 716	22 218 255

T 3.1.2



T 3.1.2.1

COMMENT ON WATER USE BY SECTOR:

As part of the ongoing Amatole Reconciliation Strategy, a wide variety of water requirement scenarios were determined for domestic, industrial and agricultural consumers within the ABWSS supply area. However the function of water provision to agriculture and forestry is not the function of the BCMM, as it is provided by the DWA. These scenarios take the following into consideration:

The Census and Dwelling Count population figures;

Various future population growth projections;

Low, intermediate and high domestic water unit demands to represent a variety of levels of service options for low income households; and

Low, intermediate and high industrial water requirements based on various levels of developments and accepted unit demands.

The historical and projected water requirements are reviewed on an annual basis as part of the Amatole Reconciliation Strategy to ensure that the requisite planning is adequately advanced, so that the projected water requirements can be met from supplies available over a 30-year planning period.

T 3.1.2.2

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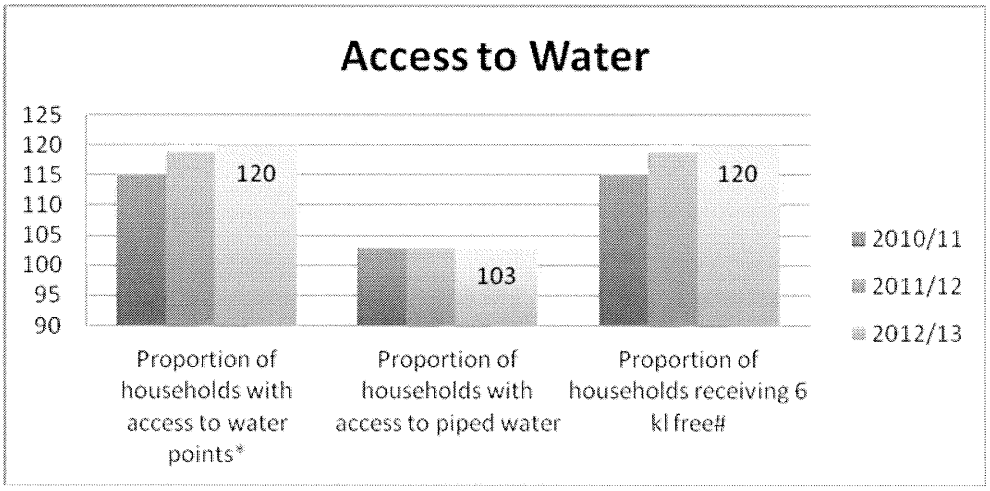
WATER SERVICE DELIVERY LEVELS

Water Service Delivery Levels				
				Households
Description	2009/10	2010/11	2011/12	2012/13
	Actual No.(000)	Actual No.(000)	Actual No.(000)	Actual No.(000)
Water: **(above min level)**				
Piped water inside dwelling	103	103	103	103
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (within 200m from dwelling)	114	115	119	120
Other water supply (within 200m)	5	5	5	5
Minimum Service Level and Above sub-total	222	223	227	228
Minimum Service Level and Above Percentage	97%	97%	98%	98%
Water: **(below min level)**				
Using public tap (more than 200m from dwelling)	1	1	1	1
Other water supply (more than 200m from dwelling				
No water supply	6	5	3	3
Below Minimum Service Level sub-total	7	6	4	4
Below Minimum Service Level Percentage	3%	3%	2%	2%
Total number of households*	**229**	**229**	**231**	**232**
* - *To include informal settlements*				*T 3.1.3*

Households - Water Service Delivery Levels below the minimum						
						Households
Description	2009/10	2010/11	2011/12	2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	103	203	103	103	103	103
Households below minimum service level	5	5	5	5	5	5
Proportion of households below minimum service level	5%	2%	5%	5%	5%	5%
Informal Settlements						
Total households	114	115	119	120	120	120
Households below minimum service level	7	6	4	4	4	4
Proportion of households below minimum service level	6%	5%	3%	3%	3%	3%
						T 3.1.4



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

Access to Water			
	Proportion of households with access to water points*	**Proportion of households with access to piped water**	**Proportion of households receiving 6 kl free#**
2010/11	115	103	115
2011/12	119	103	119
2012/13	120	103	120
			T 3.1.5

Water Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/12**		**2012/13**			**2013/14**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective: To ensure that BCMM remains financially viable									
Reduce unaccounted for water in terms of water losses	% reduction in unaccounted for water in terms of systems losses	40	47	47	40%	45%	35	30	25
Number of municipal unplanned water interruptions (exceeding 24 hours)		-	-	-	4	1			
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning									
Reduction in the water backlog and increase in the number of consumer units with access to basic water and sanitation services	Number of households in receipt of at least a potable water supply				226,012	226,026	219 332	220 832	223 568
Access to potable water	Percentage compliance with drinking water quality standards				95%	100%	98	99	100
	Number of water services points installed for informal settlements dwellers within a 200m radius				30	97	-	-	-

Water Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/12**		**2012/13**			**2013/14**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
	Number of new households (RDP) provided with water connections				1105	1543	-	-	-
To ensure a seamless and coordinated provision of municipal services									
Retain four(4) Blue Drop Status treatment works	Umzonyana, Laing, Nahoon and KWT Water treatment works	2	2	2	4	4	4	4	4

T 3.1.6

Chapter 3

Employees: Water Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		172	156	16	9%
4 - 6		61	55	7	11%
7 - 9		42	30	12	29%
10 - 12		77	60	17	22%
13 - 15		9	6	3	33%
16 - 18		3			0%
19 - 20		0			#DIV/0!
Total		364	307	55	15%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.1.7*

Financial Performance Year 0: Water Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	327,477	317,902	323,393	401,252	21%
Expenditure:					
Employees	63,685	71,511	71,169	70,807	-1%
Repairs and Maintenance	37,178	25,546	25,561	27,135	6%
Other	289,968	262,256	269,693	289,540	9%
Total Operational Expenditure	390,832	359,313	366,422	387,482	7%
Net Operational Expenditure	63,355	41,411	43,029	(13,770)	401%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.1.8*

Capital Expenditure 2012/2013: Water Services					R' 000
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	30,800,000	93,721,851	97,633,279	0.68	175,938,000
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	12,000,000	12,000,000	11,391,248	0.05	56,000,000
Upgrade Water Networks (In terms of densification and augmentation)	6,000,000	6,000,000	6,807,782	-0.13	38,000,000
Bulk Water Supply Newlands and Other Areas	1,000,000	946,660	1,079,192	-0.08	1,000,000
Ward 33 Bulk Water Supply Scheme	3,000,000	2,027,978	2,311,894	0.23	3,000,000
Bulk Water Supply Coastal Areas	5,000,000	4,598,247	5,242,001	-0.05	6,276,293
Winterstrand Water Supply	1,000,000	986,960	1,125,134	-0.13	1,000,000
Nord Avenue Pump station	-	3,369,712	3,257,465	1.00	3,369,712
Quinera Treatment Works	-	31,719,000	33,577,000	1.00	31,719,428
Winterstrand Water Supply	-	115,305	131,448	1.00	115,305
Bulk Water Supply Newlands and other areas	-	52,052	59,339	1.00	52,052
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	-	13,407	15,284	1.00	13,407
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	-	51,863	59,124	1.00	51,863
Ward 33 Bulk Water Supply Scheme	-	25,010,953	28,512,486	1.00	25,010,953
Bulk Water Supply Coastal Areas	-	224,267	255,664	1.00	224,267
KWT & Bisho Infrastructure (Water)	-	2,500,000	2,850,000	1.00	2,500,000
Amahleke Water Supply	-	131,947	150,420	1.00	131,947
Coastal & Midlands Infrastructure	-	3,500	3,889	1.00	3,500
Insurance vehicle replacement -	-	500,000	445,359	1.00	500,000
V442 : BZM945EC - M11/90	-	95,000	-	1.00	95,000
STIHL Cutter & Water Pump - A11/104	2,800,000	2,800,000	344,134	0.88	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.1.9*

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

T 3.1.10

The total required funding to address the issue of bulk water conveyance and treatment works to deal with Blue Drop compliance, housing delivery and economic development is detailed in the table below:

PROJECT	SHORT TERM (0-5YRS)	MEDIUM-TERM (5-10YRS)	LONG-TERM (10+YRS)
West Bank Bulk	R 56 317 648	R 118 221 668	R 66 596 618
Umzonyana Gravity	R 134 276 430	R 162 676 759	R 13 898 756
Mdantsane and Dawn Bulk	R 32 601 720	R 119 278 294	R 45 871 321
KWT- Bulk	R 186 503 916	R 64 786 403	R 112 558 255
Nahoon Dam supply augmentation	R 120 000 000	-	R 220 000 000
TOTAL	R 529 699 714	R 464 963 124	R 458 924 950

To alleviate some of the current constraints within the system the Municipality has allocated funding as shown on the table T3.1.9.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

T 3.2.1

Buffalo City Metropolitan Municipality is a designated Water Services Authority. BCMM is also the main Water Service Provider (WSP) within its area of jurisdiction, undertaking all retail functions throughout BCMM and the bulk functions for wastewater.

Access to waterborne sanitation, with either off or on-site disposal, is limited to the formal and certain larger peri-urban settlements within the Urban Edge of BCMM (some 45% of the BCMM population). These settlements are serviced by 9 wastewater treatment works (WWTW), 6 facultative ponds and 1 sea outfall, each with their own catchment area.

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

Due to the topology of the region, there are a large number of sewage pump stations and pipe bridges within the respective drainage regions, which place additional operation and maintenance burden on the service branch.

The following waste water treatment works (WWTW) are operating close to or at capacity.

Dimbaza

King Williams Town (Schornville)

Bhisho

Breidbach

Central

The lack of an adequate/appropriate treatment facility on the West Bank, is said to be a factor limiting the development of the East London IDZ.

Apart from the above treatment constraints, various infrastructure conveyance constraints have been identified in the recent master planning. The following have been identified as having significant impacts on the capacity and functioning of the infrastructure:

High levels of water wastage;

Vandalism, theft and abuse of infrastructure (including alternative materials used for sanitary purposes);

Stormwater and root ingress and siltation;

The collapsing pitch fibre sewers in Mdantsane; and

Sewers installed with backfalls in certain areas.

As a result of the above, BCMM have initiated the projects in:

Zwelitsha WWTW, to:

Establish a regional WWTW in Zwelitsha;

Divert all flows from the surrounding WWTW's to these works; and

Decommission the smaller works.

Reeston WWTW, to:

Establish a regional WWTW in Reeston;

Divert flow from the Central WWTW catchment, as well as from the Wilsonia area to these works; and

De-commission the Central WWTW.

GREEN DROP STATUS

The Green Drop regulation programme seeks to identify and develop the core competencies required to strengthen wastewater management in South Africa. The Green Drop process measures and compares the results of the Water Service Authorities and their Providers, and subsequently rewards (or penalises) the municipality upon evidence of their excellence (of failures) according to the minimum standards or requirements that has been defined.

The Green Drop Criteria is made up of the following 11 components; 1) Process Control, Maintenance and Management Skill, 2) Wastewater Quality Monitoring Programme, 3) Wastewater Sample Analysis, 4) Submission of Water Quality Results, 5) Wastewater Quality Compliance, 6) Wastewater Quality Failures Response Management, 7) Stormwater and Water Demand Management, 8) Bylaws, 9) Wastewater Treatment Facility Capacity, 10) Publication of Wastewater Management Performance, 11) Wastewater Asset Management. Green Drop Accreditation is obtained for Wastewater Treatment Works obtaining a score in excess of 90% for the criteria as detailed.

The Green Drop Certification programme of 2010/11 verified the status of wastewater service delivery by 156 municipalities via an infrastructure network comprising of 821 wastewater collector and treatment systems. Only 40 treatment plants were certified Green Drop Systems for 2010/11.

The BCMM had 13 of wastewater collector and treatment systems audited. The BCMM Sanitation Department was the best performing municipality in the Eastern Province:

86.7% Municipal Green Drop Score (Eastern Cape - provincial score 67.2% - 4TH Nationally in terms of all Provinces)

100% improvement on 2009 Green Drop Status

100% of plants in low and medium risk positions

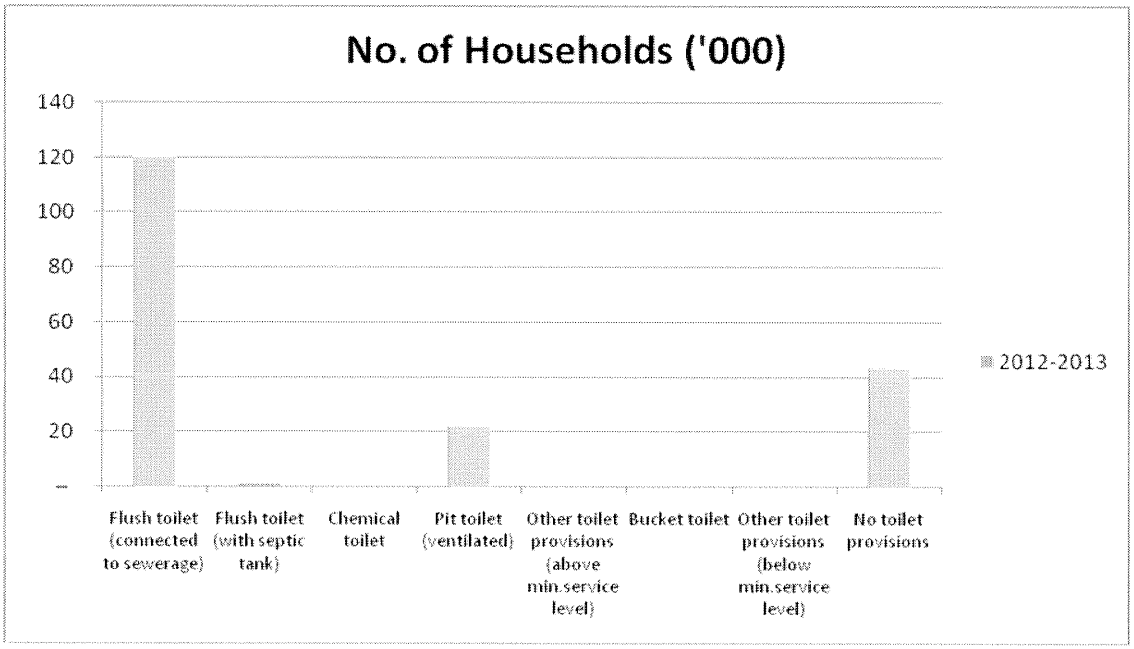
79, 87, and 92% Site Inspection Scores

2 Green Drop Awards for 2010/11 (East Bank and West Bank)

Green Drop Comparisons between the larger Municipalities are as detailed:-

eThekwini	:	90.6%
City of Johannesburg	:	90.5%
City of Cape Town	:	86.8%
Buffalo City	**:**	**86.7%**
Nelson Mandela	:	80.8%
Ekurhuleni	:	78.8%
Tshwane	:	63.8%
Manguang	:	38%

T 3.2.2

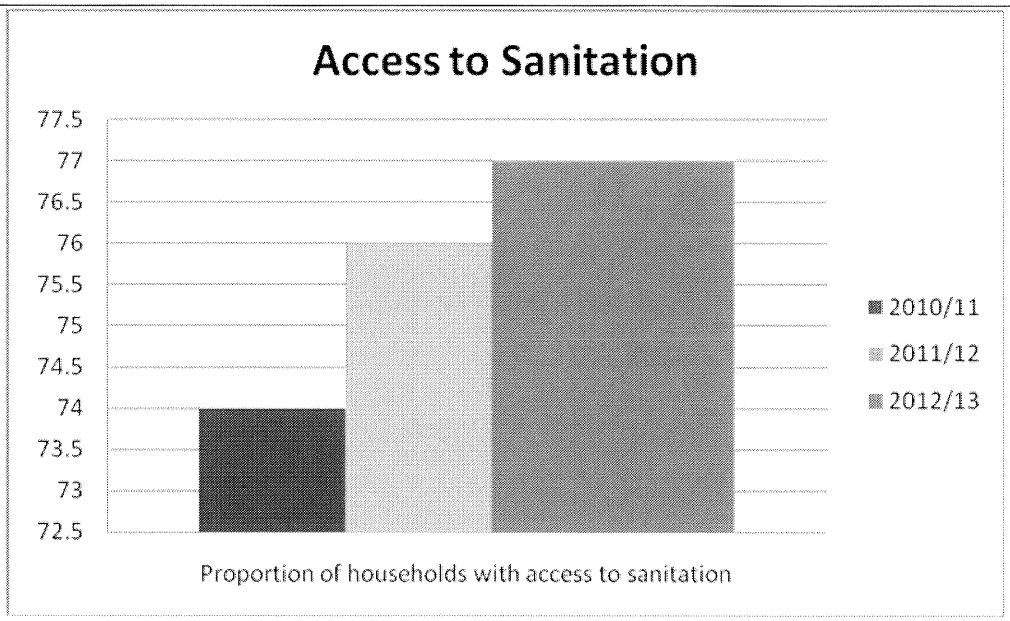


Note: the above figures are based on the realtime statistics available to BCMM and may differ from official Statistics SA data.

Sanitation Service Delivery Levels *Households				
Description	2009_2010	2010_2011	2011_2012	2012_2013
	Outcome No. (000)	Outcome No. (000)	Outcome No. (000)	Actual No. (000)
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	120	120	120	120
Flush toilet (with septic tank)	1	1	1	1
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	12	18	22	22
Other toilet provisions (above min. service level)	–	–	–	0
Minimum Service Level and Above sub-total	134	139	143	144
Minimum Service Level and Above Percentage	71.3%	74.3%	76.4%	76.7%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	0	–	–	–
Other toilet provisions (below min. service level)	–	–	–	–
No toilet provisions	54	48	44	44
Below Minimum Service Level sub-total	54	48	44	44
Below Minimum Service Level Percentage	28.7%	25.7%	23.6%	23.3%
Total households	187	187	187	187
**Total number of households including informal settlements*				*T 3.2.3*

Households - Sanitation Service Delivery Levels below the minimum						Households
Description	2009/10	2010/11	2011/12	2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	122	122	122	121	121	121
Households below minimum service level	–	–	–	–	–	–
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	66	66	66	66	66	66
Households below minimum service level	54	48	44	44	44	44
Proportion of households below minimum service level	82%	73%	67%	67%	67%	67%

T 3.2.4



T 3.2.5

Access to Sanitation	
	Proportion of households with access to sanitation (%)
2010/11	74
2011/12	76
2012/13	77

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**11/12**		**2012/13**			**2013/14**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	**Previous Year (iii)**	**(iv)**	***Previous Year (v)**	***Current Year (vi)**	**(vii)**	***Current Year (viii)**	***Current Year (ix)**	***Following Year (x)**
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning									
Reduction in the water backlog and increase in the number of consumer units with access to basic water and sanitation services	Number of households in receipt of at least a basic level of sanitation	147869	146141	146141	147991	146336	201598	203598	205598
Access to formal sanitation	Percentage compliance with effluent quality standards	-	-	79%	80.5%	85%	-	-	-
	Number of formal domestic customers receiving sewerage services	-	-	121696	121736	121734	-	-	-
	Number of sanitation service points (toilets) installed for informal settlement dwellers	-	-	255	405	601	-	-	-
	Number of new households (RDP) provided with sewer connections	-	-	23576	25426	23653	-	-	-
	Backlog in the provision of basic sanitation services (above RDP standards)	43,980		46020	43980	45825	-	-	-

T 3.1.6

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		275	239	36	13%
4 - 6		32	22	10	31%
7 - 9		48	44	4	8%
10 - 12		27	25	2	7%
13 - 15		9	6	3	33%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		392	337	55	14%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.2.7*

Financial Performance Year 0: Sanitation Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	302,258	260,618	260,618	388,639	33%
Expenditure:					
Employees	59,139	66,020	65,921	63,441	-4%
Repairs and Maintenance	19,208	19,609	21,544	19,486	-1%
Other	175,390	187,730	190,805	197,363	5%
Total Operational Expenditure	253,738	273,358	278,271	280,290	2%
Net Operational Expenditure	(48,520)	12,740	17,653	(108,349)	112%

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

Capital Expenditure Year 0: Sanitation Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	167,608	236,973	136,225	-23%	
Laptop - A. Skwebu - A12/51	–	8	7	100%	8
Bulk Sanitation Provision	152,608	–	–	0%	255,708
Bufferstrip Sanitation	–	5,400	5,012	100%	5,400
Eastern Beach Sewers	–	5,000	4,897	100%	5,000
E.L Sewer Diversion Centre	–	26,500	18,754	100%	26,500
Inland Rural Sanitation Dimbaza	–	28,636	6,565	100%	28,636
Nord Avenue Pump Station	–	4,000	–	0%	4,000
Quinera Treatment Works	–	7,500	–	0%	10,000
Quinera Treatment Works	–	31,719	29,453	100%	
Reeston Phase 3 Bulk Service Sewer	–	26,500	7,096	100%	26,500
Berlin Sewer	–	1,000	510	100%	1,000
Sludge Handling Facility	–	472	472	100%	472
Waste Water Treatment Capacity Zwelitsha	–	26,500	–	0%	26,500
Ablution Block / Chemical toilets	–	10,500	8,181	100%	5,000
KWT, Dimbaza and Bhisho Infrastructure(Water)	7,000	7,000	6,072	-15%	64,000
Relocation of Midblocks in Mdantsane	5,000	5,000	4,721	-6%	15,000
Amahleke Water Supply	3,000	3,000	2,561	-17%	9,000
E.L Sewer Diversion Centre	–	1,526	1,526	100%	1,526
West Bank Restitution - Water & Sanitation	–	4,853	4,853	100%	4,853
Waste Water Treatment Capacity (Zwelitsha)	–	22,595	17,114	100%	22,595
Reeston Phase 3 Bulk Services Sewer	–	6,346	6,346	100%	6,346
Bufferstrip Sanitation - Mdantsane	–	562	562	100%	562
Diversion of Amalinda and Wilsonia effluent to Reeston	–	202	202	100%	202
Inland Rural Sanitation (Dimbaza Villages,Ngxwalane and Kwalini)	–	10,048	10,048	100%	10,048
Eastern Beach Sewers	–	89	89	100%	89
Mdantsane Sewers Refurbishment	–	2,000	1,185	100%	2,000
Leiden Twinning -Sanitation	–	17	–	0%	17

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

T 3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

T 3.2.10

To address the issue of Green Drop compliance, housing delivery and economic development BCMM have initiated the projects below:

Zwelitsha WWTW

Establish a regional WWTW in Zwelitsha;

Divert all flows from the surrounding WWTW's to these works; and

Decommission the smaller works.

Reeston WWTW

Establish a regional WWTW in Reeston;

Divert flow from the Central WWTW catchment, as well as from the Wilsonia area to these works; and

De-commission the Central WWTW.

Budget allocation is provided in the table T 3.1.9 for the implementation of the above projects.

ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The purpose of the Electricity Department is to provide an effective and efficient electrical supply service in accordance with legal and statutory requirements to all Buffalo City Consumers within the BCMM electrical network. The BCMM electricity department purchases bulk electricity from Eskom via 15 intake points of distribution in the BCMM supply area. This is re-distributed to all consumers within the urban edge.

To achieve the above mandate the electricity services department concentrates on the following priorities:

Network Stability: Re capitalizing, refurbishment and upgrading of the network. Without a reliable network and increased capacity the Electricity Department cannot provide services or install additional connections onto the network. The electricity network in Buffalo City is currently in a poor condition. This is the result of budget constraints, which force the Electricity Department to cut down on capital upgrading and replacement of the electrical network. The consequences are frequent power outages and a poor quality of supply to electricity consumers. Without a significant capital reinvestment plan, with commensurate funding made available, Buffalo City could experience a number of electrical failures which would have a negative impact on the city's economic growth and the municipality's income, as electricity sales account for the largest portion of Buffalo City's yearly income.

New service connections: In terms of electricity service connections for RDP housing, the Electricity Department, in conjunction with the Department of Energy (DoE), provides electricity to formal houses. Annually, Buffalo City's Electricity Department is invited to request funding from the DoE's Integrated National Electrification Program (INEP). The INEP program is part of the Governments Universal Access policy. The deadline for universal access to electricity has been extended to 2020. Every project that is proposed to the DoE is visited by the DoE to ensure that it meets the criteria set by the DoE and if approved, funding is made available. The funding that is provided by the DoE is only partial funding, as the Municipality is required to provide counter funding. Therefore the number of houses that can be connected is dependent on the funding from DoE, the counter funding provided by Buffalo City Metropolitan Municipality and the number of housing projects that are completed.

Revenue protection: The Electricity Department cannot remain viable unless revenue for all electricity used is collected and vandalism and theft of the network is curtailed. Illegal electricity connections have escalated at a dramatic rate as no significant legal action is taken against illegal electrical users.

One of the strategized solutions is the formulation of a new electricity fines system. This approach has already been approved by Council and will mean that in the near future, electricity fines will be issued to illegal electricity users in much the same manner as a traffic speeding fine is currently issued. The role out process is almost complete and it is envisaged that this approach will assist the department in limiting the number of illegal connections. The revenue protection team work in close contact with the SAPS.

The long term solution is to electrify all informal dwellings that meet the DoE's electrification guidelines.

In addition, the Electricity Department is at high risk of non – compliance to the license issued by the National Electricity Regulator (NER) and to non – compliance of occupational health and safety regulations.

Chapter 3

RURAL SUPPLY BY ESKOM

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

Different tariffs to communities within the same area

Different service levels to communities within the same area. BCMM provide a supply of 40 amps , ESKOM Supply 20 amps or less

It should also be noted that street lighting is provided to consumers supplied by the BCMM network as the electricity tariff allows for this service. As BCMM does not receive income from electricity sales from consumers within the ESKOM area of supply street lighting is not provided in these areas.

Through SALGA, municipalities are negotiating a distribution service level agreement with ESKOM.

ACHIEVEMENTS 2012-2013

During the 2012/13 financial year the following has been achieved.

NETWORK ENHANCEMENT TO ALLOW FOR RDP SERVICE CONNECTIONS

The Queens-park Zoo Sub-station is a multiyear project funded by the DoE, which will improve the electrical network by providing additional capacity, to allow for numerous RDP developments within the boundaries of the Metro. The substation is 95% complete and is proceeding in terms of the program and available funds. The substation will be supplied via a 2 km long 132 kV overhead line supported on steel lattice pole structures to be constructed between Buffalo City's Woodbrook and Zoo substations.

RDP SERVICE CONNECTIONS

The following projects were implemented during this period:

Reeston: 200 service connections completed

Sweet water: 500 service connections completed

Haven Hills and Mekeni Street: 54 service connections. The full extent of this project was not achieved due to the housing project not being completed.

Potsdam Unit P:750 services connections completed

3.3.3 Network Enhancement:

The Electricity Department received R27.9 million in the 2012/2013 financial year for capital projects. This enabled equipment to be ordered for capital projects which will be completed in the 2013/14 financial year. These items have a long lead time so are ordered in advance to ensure completion of the projects:

Frere Hospital Switch House 6 Panel Board

Power Station KWT Switch House 14 Panel board

Brooklyn Road Switch House 9 Panel board

Bhisho Fourways Switch House 12 Panel board

Network Reinforcements and upgrades were completed, including:

Direct feeder from Grey Hospital to Beatrice Street RMU

Upgrade incoming feeders to Power Station KWT tertiary substation

Upgrade incoming feeders to Bhisho Fourways tertiary substation

Savoy Substation upgrade to 500 kVA mini substation

Paley Street Substation upgrade to 500 kVA mini substation

Upgrade and refurbish overhead mains in Gonubie

Upgraded and replaced switchgear in Fort Jackson tertiary substation including new main feeder cables

Upgraded and replaced switchgear in Mount Ruth tertiary substation including new main feeder cables

Chiselhurst to Frere Hospital cable

Re-route overhead line link house to Berlin sewer works

Arcadia Substation to Dyer St substation – cable

North End new feeder cable and RMU

Dunes Rd replace bundle

Nord Ave replace MV line with cable

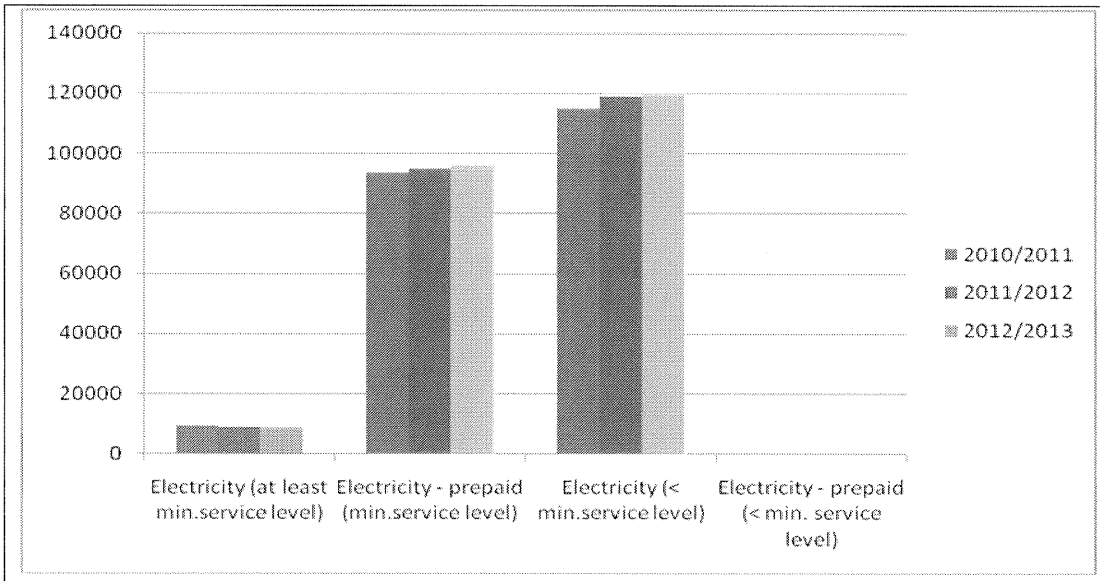
Grace Crescent installation of mini Substation and RMU

Maluti T-Unit and Chicken Farm KWT Link

3.3.2 DSM Street Lighting

BCMM is implementing the Electricity Demand Side Management street lighting project, which is funded through the DoE to the value of some R10m. This constitutes 5200 new energy saving installations. The new lights installed will save an estimated 1281Megawatt hours.

T 3.3.1



T 3.3.2

Electricity Service Delivery Levels

Households

Description	2009/2010	2010/2011	2011/2012	2012/2013
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: **(above minimum level)**				
Electricity (at least min. service level)	10000	9500	9000	8755
Electricity - prepaid (min. service level)	93000	93920	95245	96000
Minimum Service Level and Above sub-total	103000	103420	104245	104755
Minimum Service Level and Above Percentage	47%	47%	47%	47%
Energy: **(below minimum level)**				
Electricity (< min. service level)	114000	115000	119000	120000
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
Below Minimum Service Level sub-total	114000	115000	119000	120000
Below Minimum Service Level Percentage	53%	53%	53%	53%

Total number of households	217000	218420	223245	224755
				T 3.3.3

The only backlogs in the formal housing sector are new developments which remain un-electrified for a short period between the completion of the building and the electrification thereof, depending on funding being made available.

Households - Electricity Service Delivery Levels below the minimum Households						
Description	**2009/10**	**2010/11**	**2011/12**	**2012/13**		
	Actual No.	**Actual No.**	**Actual No.**	**Original Budget No.**	**Adjusted Budget No.**	**Actual No.**
Formal Settlements						
Total households	103	103	104	105	105	105
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	114	115	119	120	120	120
Households below minimum service level	114	115	119	120	120	120
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%
						T 3.3.4

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**		**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		**Target**
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
To ensure a seamless and coordinated provision of municipal services									
Provision of minimum supply of electricity	Number of new RDP household supplied with Electricity	1500	1325	1500	1500 new RDP electrical service connections	1473	495 new RDP electrical service connections	1000 new RDP electrical service connections	1000 new RDP electrical service connections
To ensure that BCMM remains financially viable	Reduction in number of meter tempering	N/A	N/A	N/A	8000 with a variance of positive 500 - 2000	11 000	8000 with a variance of positive 500 - 2000	8000 with a variance of positive 500 - 2000	8000 with a variance of positive 500 - 2000
Provision of electrical services	Number of formal households with access to basic electricity 20 Amp Supply	N/A	N/A	N/A	825	2431			

T 3.3.5

Chapter 3

MAJOR CHALLENGES IN ELECTRICITY SERVICES AND REMEDIAL ACTIONS

The Electricity Department has completed a master plan which provides a tool to identify the areas requiring immediate action. The Master plan has identified that the network has an estimated R650 million backlog in upgrading, refurbishment and replacement. The budget provided to the electricity department is less than 3% of the required budget in terms of the backlog. In order for the network to remain stable into the future, a substantial investment into the network needs to be provided.

The Electricity Department has a shortage of skilled labour such as engineers, technicians and electricians. At present the department has a shortage of 10 to 15 electricians for the areas maintained within the electricity supply area. These positions have been advertised on numerous occasions over the last few years, however vacancies still exist. Government as a whole has acknowledged the shortage of skilled personnel in various sectors of the engineering field. It has been proposed that, in order to meet the need for skilled labour, the electricity department open an internal training school which would cater for apprentices as well as engineers and technicians.

The NERSA license, under which the Electricity Department operates, requires BCMM to meet certain conditions and to implement a number of monitoring systems. With the existing staff this is not possible. With the shortage of staff in the department the implementation and updating of the asset register is a major burden and additional staff and computer programming is required to ensure full compliance. The electricity department have aligned a staff structure in line with the needs of a Metropolitan Municipality to ensure compliance with license conditions.

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	121	102	19	16%
4 - 6	3	24	20	4	17%
7 - 9	6	52	33	19	37%
10 - 12	7	56	46	10	18%
13 - 15	9	7	5	2	29%
16 - 18	11	2	2	0	0%
19 - 20	18	0	0	0	#DIV/0!
Total	55	262	208	54	21%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.3.6*

Financial Performance Year 0: Electricity Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,199,586	1,342,186	1,340,702	1,345,572	0%
Expenditure:					
Employees	54,914	70,344	69,560	61,942	-14%
Repairs and Maintenance	78,974	125,170	125,170	100,424	-25%
Other	950,652	1,079,735	1,081,137	1,081,297	0%
Total Operational Expenditure	1,084,540	1,275,250	1,275,867	1,243,662	-3%
Net Operational Expenditure	(115,047)	(66,936)	(64,835)	(101,909)	34%

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

Capital Expenditure Year 0: Electricity Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	77,851	84,732	76,432	-2%	
Electrification - Energy Efficient Street Lighting	10,000	10,000	10,000	0%	10,000
Replacement of Street lights	–	71	71	100%	71
Bulk Electricity Infrastructure Upgrade	5,000	5,000	4,745	-5%	105,000
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	30,000	30,000	27,024	-11%	80,000
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	–	6,254	6,254	100%	6,254
Electricity Infrastructure Network(2.47% Tarriff Increase - Ring Fenced)	27,851	10,212	10,191	-173%	10,212
Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)	–	18,195	18,146	100%	18,195
Electrification of Informal Dwelling in Duncan Village Areas	5,000	5,000	–	-	45,000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.3.8*

The electricity services department implemented a number of projects to ensure a safe, reliable and efficient electrical network. 91% of the capital funds provided to the department were spent. The unspent funding of 9% was for the following projects:

Haven Hills and Mekeni Street House service connections: the project was stalled due to housing project being incomplete.

Informal dwellings within Duncan Village due to internal discussions and investigation into areas meeting the required guideline for informal area electrification this project was only implemented in June 2013 and will continue into the 2013/14 financial year.

To ensure that the electrical network become fully reliable and functional additional funding is required to replace all old equipment which is past its normal engineering life span.

T 3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTERVENTIONS

In line with the National Environmental Management Act, Buffalo City Metropolitan Municipality is in the process of reviewing its Integrated Waste Management Plan (IWMP) which was adopted by Council in 2003.

In addition, BCMM undertakes the following programmes on a regular basis:

Street Sweeping and Refuse Removal

Street sweeping is performed during the day and also at night with specific focus on the Central Business District (CBD) and strategic areas of Buffalo City Metropolitan Municipality.

Refuse removal is executed once a week in all serviced areas of BCMM as per the National Domestic Collection Standards, whilst business waste is collected from various business establishments according to the owner's request. In areas where infrastructure is challenged, the Department has constructed drop- off points for storage purposes and ease of collection. This programme has been extended to other areas faced with similar challenges namely, Duncan Village, Cambridge Location and Orange Grove.

BCMM has an estimated 248 844 households which need to be serviced. (Source: BCMM household survey conducted in 2008). At the close of the financial year under review, some 114 512 households were being serviced.

Landfills and Waste Minimization

The refuse collected from different areas of BCMM is disposed of in the two permitted landfill sites (King Williams Town and Roundhill in Berlin). These sites are experiencing airspace challenges and the "Polokwane declaration" which states: "zero waste to landfills sites by 2020" seems to be a farfetched realization. The Department is in the process of the construction of a 3rd cell at the Roundhill landfill site; with the process now at the Bid Adjudication Stage. Implementation will commence once the tender has been awarded.

Buffalo City Metropolitan Municipality has three (3) garden transfer stations namely, IDZ, Beacon Bay and Stoney Drift in Amalinda. The majority of BCMM residents are unable to access these facilities. As a result they end up dumping their garden waste illegally. The Department is in the process of procuring shipping containers that will serve as garden

transfer stations in order to overcome the challenge of illegal dumping. Parallel to this, the department has trained Peace Officers who will enforce waste management by-laws to those who contravene the laws.

Public Conveniences

Public conveniences are in the process of being transferred to the Engineering Department as they are best defined in this Department in terms of the legislation and delegation framework.

CHALLENGES

The following issues are challenges which impede waste management services in and around the Metro:

Community mindset and behaviours, which lead to issues such as illegal dumping

Insufficient refuse compactor trucks

Suitable land for the Central Transfer Station has yet to be secured

In addition, the policy framework has experienced some challenges, including:

Challenges in aligning the Waste Management Plan with NEMWA (National Environmental Management Waste Act) and the IDP.

The Polokwane declaration: zero waste to landfill site by 2020 – is seen to be an unrealistic goal for BCMM

Waste Management By-laws

REMEDIAL ACTION

In order to address the above challenges, the Department:

Is in the process of procuring shipping containers that will serve as garden transfer stations. These will be placed where garden transfer stations are not in existence;

Will engage the Integrated Environmental Management Planning (IEMP) Unit to assist with the Environmental Impact Assessment (EIA)

Has engaged the Land Administration Department to facilitate the land acquisition process;

Together with the Provincial Department of Social Development, has implemented a ***Separation at Source*** project in Quigney. This is a pilot project that will influence other similar projects to follow;

Is in the process of procuring 10 x Refuse Compactor Trucks for the Midlands Region;

Has conducted clean-up campaigns and radio awareness campaigns with the aim to educate residents on ways of looking after their environment and surroundings

In line with NEMWA, is in the process of reviewing these by-laws to be enforced by the Peace Officers.

In addition, the Waste Minimisation, Planning and Education Unit has achieved the following:

Development of a fines list and the enforcement thereof (fines to the value of R21 000 have been issued)

Recycling Drop Off points have been established

20 Adopted Spots which were illegal dumps

Conducted a Recycling Seminar for all BCMM communities

Training of Peace Officers

Establishment of a composting plant in Mdantsane (DEA funding)

T 3.4.1

Solid Waste Service Delivery Levels

Households

Description	**2009/2010**	**2010/2011**	**2011/2012**	**2012/2013**
	Actual No.	**Actual No.**	**Actual No.**	**Actual No.**
Solid Waste Removal: (Minimum level)				
Removed at least once a week	2 895	2 685	2 846	2 235
Minimum Service Level and Above sub-total	2 895	2 685	2 846	2 235
Minimum Service Level and Above percentage	50.9%	47.1%	51.5%	44.8%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124

Below Minimum Service Level sub-total	2 790	3 015	2 678	2 755
Below Minimum Service Level percentage	49.1%	52.9%	48.5%	55.2%
Total number of households	5 685	5 699	5 523	4 991
			T 3.4.2	

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators				**2011/2012**					
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To provide an efficient and effective, collection and disposal of Solid Waste									
Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	3 areas per week	3 areas per week	2 areas per week	4 areas per week	3 areas per week	3 areas per week	3 areas per week	3 areas per week
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	38 years @ Roundhill Site	38 years @ Roundhill Site	38 years @ Roundhill Site	37 years @ Roundhill Site	37 years @ Roundhill Site	T2 years of unused landfill capacity available	25 years life span	18 years

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators				**2011/2012**					
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.			No recycling initiatives yet – the Unit is sill initiating programmes	No recycling initiatives yet – the Unit is sill initiating programmes	No recycling initiatives yet – the Unit is sill initiating programmes			
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site

T 3.4.4

Employees: Solid Waste Magement Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3		472	444	28	6%
4 - 6		45	41	4	9%
7 - 9		74	59	15	20%
10 - 12		16	14	2	13%
13 - 15		3	2	1	33%
16 - 18		0	0	0	#DIV/0!
19 - 20		0	0	0	#DIV/0!
Total		610	560	50	8%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.4.5*

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.4.6*

Financial Performance Year 0: Solid Waste Management Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	247,983	277,583	279,067	277,030	0%
Expenditure:					
Employees	81,253	83,062	84,583	87,012	5%
Repairs and Maintenance	7,112	11,454	12,204	11,948	4%
Other	100,794	171,815	173,969	112,536	-53%
Total Operational Expenditure	189,159	266,330	270,756	211,496	-26%
Net Operational Expenditure	(58,824)	(11,253)	(8,311)	(65,534)	83%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.4.7*

Financial Performance Year 0: Waste Disposal and Other Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	247,919	277,582	279,066	277,030	0%
Expenditure:					
Employees	72,238	75,560	77,177	78,525	4%
Repairs and Maintenance	3,369	7,626	7,626	7,406	-3%
Other	87,829	161,625	163,780	93,392	-73%
Total Operational Expenditure	163,436	244,812	248,583	179,323	-37%
Net Operational Expenditure	(84,483)	(32,770)	(30,483)	(97,707)	66%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.4.8*

Capital Expenditure Year 0: Waste Management Services					R' 000
	Year 0				
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	23,000	84,436	16,479	-40%	
Purchase of 7 Refuse Compactor Trucks - Mdantsane	–	10,497	8,669	100%	10,497
Purchase of 3 Refuse Compactor Trucks - Mdantsane	–	4,500	2,890	100%	4,500
Purchase of 2 x LDV Bakkies	–	460	–	-	460
Purchase of 1 x Load Lugger	–	800	652	100%	800
Refuse 5 Compactor Trucks - Coastal Region	–	1,987	1,445	100%	1,986
V245 : DVM483EC - M09/198	–	1,700	1,168	100%	1,700
V256 : DYP009EC - M10/227	–	1,700	–	-	1,700
V446: BRK201EC with Canopy - M11/02	–	27	–	-	27
Vehicles for Solid Waste Supervisors, Safety Officers, District Cleansing Officers and Superintendants - 9 x Sedans, 8 LDV's, 3 x Double Cabs, 2 x 3 Ton Trucks (Inland, Midlands and Coastal Areas)	–	1,646	1,557	100%	1,646
Designs of the Central Transfer Station	3,000	–	–	-	–
Mdantsane N.U.2 site	–	2,500	–	-	2,500
KWT (Tannery Site)	–	2,500	–	-	2,500
Construction of Third Cell	15,000	15,000	–	-	
Grass cutting equipment	–	1,129	98	100%	1,129
Rehabilitation of Landfill sites	5,000	–	–	-	
Solid waste management Prog- Weigh Bridge KWT	–	1,015	–	-	1,015
Solid waste management- Secondary Road Berlin Land Fill Site	–	1,000	–	-	1,000
Solid Waste Management	–	36,000	–	-	36,000
Leiden Twinning -Floodpain	–	488	–	-	488
Leiden Twinning -Solid waste drop- Off points	–	975	–	-	975
Leiden Twinning -Solid waste	–	513	–	-	513

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

T 3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Waste Minimization Projects Initiated – including the Quigney Separation at Source project and the installation of recycling bins, supported by a Recycling Seminar held for the BCMM community.

Milestone towards the construction of central waste transfer station and related infrastructure

The Department is in the process of construction a 3rd cell at the Roundhill landfill site, with the process now at the Bid Adjudication Stage. Implementation will commence once the tender has been awarded.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

In terms of the Housing Act of 1997 and also with reference to the housing accreditation framework, the Municipality undertakes to set housing delivery goals, identify and designate land for housing development, initiate, co-ordinate facilitate, promote and enable appropriate housing development. As part of the IDP, to take steps to ensure that the inhabitants of its area have access to adequate housing on a progressive basis and conditions which are not conducive to health and safety are removed.

As a contribution to the Housing Sector Plan (HSP), the City is in the process of developing an Integrated Sustainable Human Settlement Plan (ISHSP) that will define what is required to unlock housing delivery in a particular area of BCMM, identify what other social and infrastructural services would be required to do so in a holistic and integrated way. A housing allocation and relocation policy is being processed by Council structures towards final adoption.

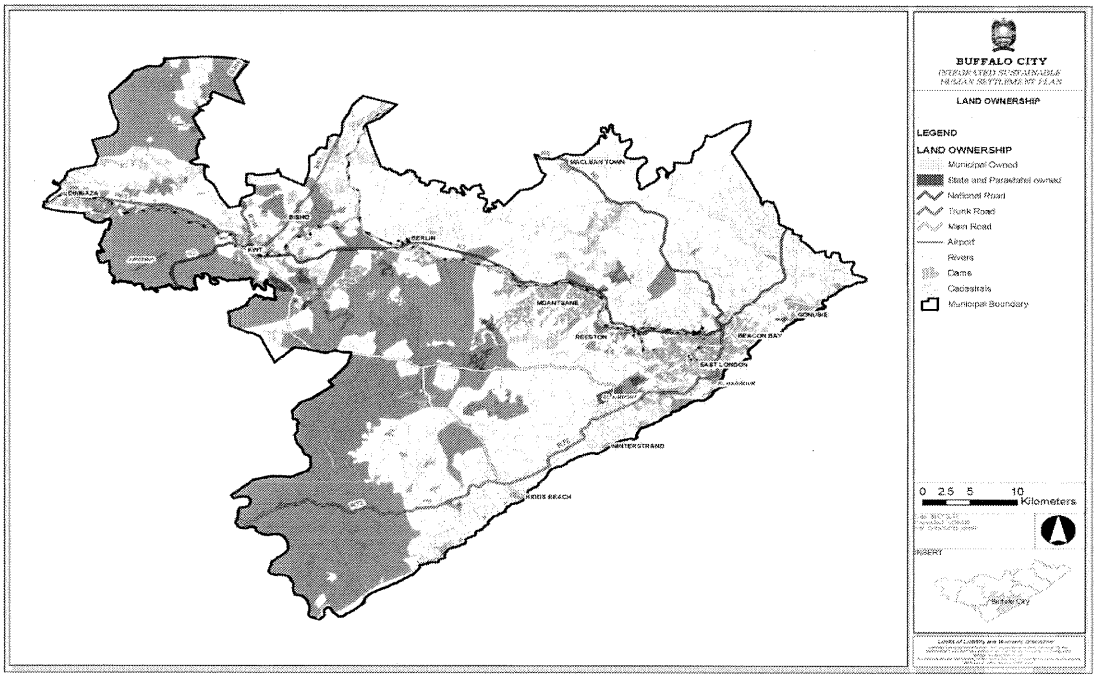
The creation of affordable and well-located rental stock for rapidly growing, mobile (migrant) and urban population within inner city and other locations close to economic opportunities is a priority. However, a major challenge for the Metro has been the shortage of well-located and affordable land for housing provision.

In addition, the Metro has lacked a coherent strategy for land acquisition apart from the fact that public land is 'vested' in the State. In addition, there is simply no land available for housing development in the Metro. Thus a need for further land acquisition. Land release is further hampered by the various pieces of legislation and the legal procedures related to the

alienation of land, the difficulties in accessing state owned land and the constitutional imperatives impacting on the acquisition of private land.

In response to this challenge, in 2012/2013 financial year, the Metro started engagements with the Housing Development Agency (HDA) with the view of signing a protocol agreement that will allow for land release and acquisition.

The Map below indicates the amount of land that is vested in State and other Parastatels (red) and that which is owned by BCMM (yellow).



There are approximately 698 Municipal owned erven accounting for 6 661 hectares;

2 940 State or parastatal erven accounting for 109 644 hectares.

The majority of the undeveloped arable land is along the coast. Although Mdantsane and areas around KWT reflect arable land, settlements already occupy the land.

HOUSING BACKLOG

According to Census 2011, BCMM has 223,468 households, with a population density of 400 people per hectare. The Eastern Cape as a whole has a much lower population density, at only 38.

Chapter 3

There are approximately 50,386 informal settlement structures located in 154 informal settlements within the BCMM Urban Edge (Census 2011). The highest density and number of informal settlement structures are located in Duncan Village. There are a further 28,000 backyard shacks located in BCMM, with the highest numbers being in the greater East London area and the Mdantsane and Potsdam area.

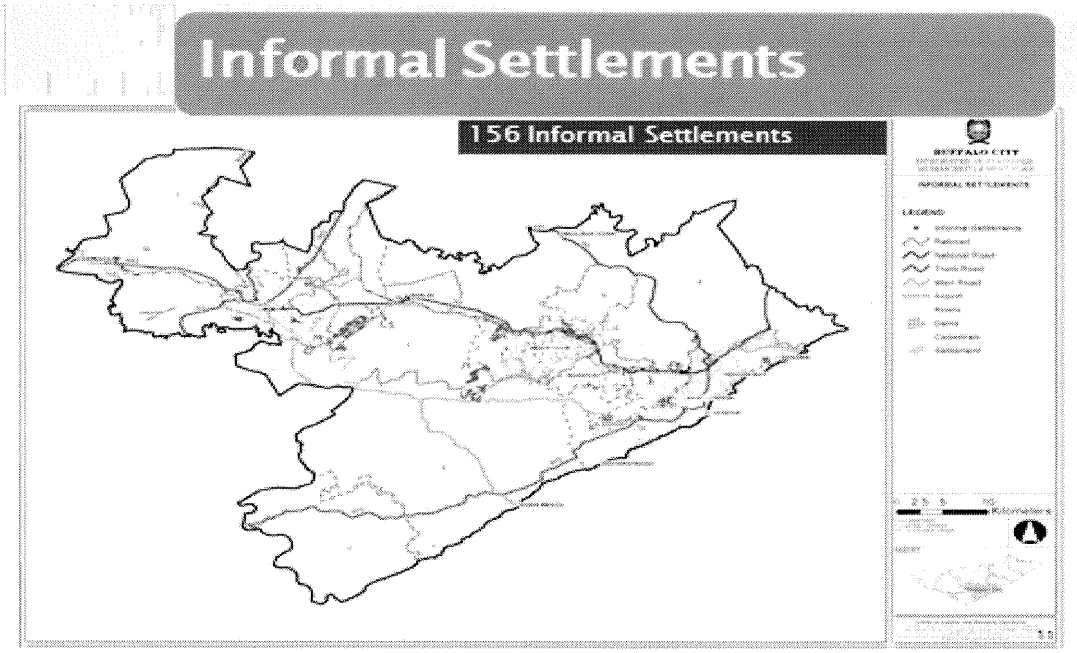
The Housing Sector Plan records a total housing need of 121,000 units. This represents 75,000 units, including all levels of income and housing types, within the urban edge; and 46,000 units in rural areas.

The Housing Needs Register of BCMM is underway. This register includes everyone who is in need of housing assistance and reports on matters like income groups, special needs, housing tenure requirements etc.

In terms of the Housing Needs Register, there are currently 31 000 people captured onto the system with a further 9 000 who have already been registered, but not captured onto the system. There are 156 informal settlements in Buffalo City Metropolitan Municipality urban area, of which 120 of have been registered.

It is envisaged that the registration process for all the informal settlements, as well as beneficiaries, will be concluded in the 2014 / 2015 financial year. This registration process is however on-going and the offices will always be open to those that have not yet registered.

The map below reflects all the informal settlements within BCMM



Chapter 3

HOUSING INTERVENTIONS

The municipality is currently involved in the following priority housing programmes:

Emergency housing programme;

Upgrading of informal settlement programme;

Rural housing subsidy programme;

Project linked subsidy programme;

Disposal of municipal housing stock (discount benefit scheme);

Social Housing support programme; and

Consumer education.

Beneficiary Administration

Public funded housing (BNG Housing)

The objective of BCMM is to accommodate all residents, presently residing in informal settlements, in formal housing through an incremental process. This will result in those currently receiving a sub-economic RDP level of services, receiving full level of RDP or higher level of services.

However, due to the extent of the housing to be delivered and the income levels of the beneficiaries, the impact of this housing programme will be significant both in terms of land acquisition, state land transfer, water/sanitation services provision (extent of infrastructure required to support such development) and the sustainability of the Municipality to maintain such services (most beneficiaries of the housing programme will more than likely not be able to afford the higher levels of service).

In the 2012 / 2013 financial year various housing projects were implemented within the City **by the Municipality and the Provincial Department of Human Settlements.** These projects are located within East London, Reeston, Duncan Village, Mdantsane / Potsdam, King William's Town and rural areas.

In terms of low cost housing developments undertaken by the Municipality, it was anticipated that approximately 709 low cost units (BNG Units) in various related projects within the City would be built by BCMM. However, by the end of the financial year, only 432 low cost houses

(BNG Units) had been handed over by BCMM. The following projects were underway during 2012/2013:

Ilitha South (BCMM),

Tyutyu Phase 2 (BCMM),

Dimbaza Wooden Houses (PDoHS),

Tshabo (PDoHS), Cambridge (PDoHS),

Sweet Waters (PDoHS)

Potsdam Unit P (BCMM & PDoHS)

Airport 2A (BCMM),

DVRI Pilot Project (BCMM),

Dimbaza 110 (BCMM),

Storm Damage (BCMM)

Second Creek (BCMM)

Manyano & Thembelihle (BCMM),

Reeston 3 Stage 2 (BCMM),

Mzamomhle (PDoHS)

Currently 1670 sites are at excavation level; 1377 at roof level and 1327 sites are practically completed but not handed over as yet. This should be done in the 2012 / 2013 Financial Year.

The delays in proceeding with projects and handing over of practical completed units were mainly attributed to:

Completion of minor technical remedial works;

Illegal occupation of the units / sites approved to beneficiaries;

Finalisation of Environmental Impact Assessment (EIA's);

Delays with procurement as well as delays with the infrastructure designs;

Appointed Consultant being liquidated;

Unapproved beneficiaries;

No subsidy agreement has been concluded between the PDoHS and BCMM regarding the top structure funding for various projects;

Challenges of poor performance by the contractor due to labour disputes;

Contracts being challenged by non-successful bidders;

The deviation from the target of providing 709 low cost units was due to a poorly performing contractor. BCMM instigated numerous attempts to enforce the contractor to increase the delivery outputs in order to bring the projects to completion. Poor performing contracts have also been terminated. The appointment of the contractor was also contested in court for review. The matter was settled and the second bidder considered.

All new low cost housing projects will follow a clustered approach with projects of similar scale / numbers and location grouped and tendered as one collective project. In 2012/2013 there were three clusters. The following summarises the action to date:

Cluster 1 = recently gone out on tender inviting bidders for the construction of internals services and top structure.

Cluster 2 = Appointed services provider (professional team) is finalizing detailed designs.

Cluster 3 = Appointed services provider is finalizing preliminary designs.

In addition to the above, there are currently 3 active Social Housing Institutions (SHI's) in BCMM and with projects within the Municipal Boundaries. During this financial year, SOHCO has acquired funding for an additional phase to the Emerald Sky project in Amalinda, which is currently underway. They have also expressed their interest in a land parcel situated in West Bank, adjacent to the IDZ, that is within the area which BCMM has identified as part of the social housing restructuring zones.

Mdantsane Urban Renewal Programme (MURP)

In 2001, the then State President initiated eight Urban Renewal Programmes across the country, including the Mdantsane Urban Renewal Programme (MURP), which is still a significant programme within BCMM. To this end, the following projects were implemented by BCMM, which are reported on elsewhere in this report:

Redevelopment of Mdantsane NU 2 Swimming Pool

Mdantsane Eco-Park

Learners Licence Centre

Closed-Circuit Television (CCTV) Cameras

Upgrade of the Mdantsane Fire Station

Guidance Signage

Mdantsane Local Spatial Development Framework (LSDF)

Upgrading and Rehabilitation of Mdantsane Roads

Bufferstrip Sanitation

In addition, a number of municipal- wide and/or ongoing projects were implemented with a positive benefit for Mdantsane, including:

Maintenance and Upgrading of Mdantsane Cemeteries

Integrated Waste Management Plan

Integrated Rapid Public Transport Network

BCMM Bursary Fund

Electrification Programme

European Union (EU) Funding Coordination

The following housing projects have been implemented in Mdantsane, as detailed below:

Cluster 1 (Masibulele-161 units, Masibambane-156 units, Ilinge- 561 units, Velwano- 420 units & Dacawa- 161 units) - The project is at detail design stage, consultant is finalizing tender document and submitted the document on the 28/06/2013. The tender for the appointment of the contractor for internal services and top structures was advertised in July 2013

Cluster 2 (Chris Hani-304 units, Winnie Mandela-300 units, Gwentshe-25 units, Mathemba Vuso-59 units, Daluxolo Village-88 units, Sisulu Village-15 units, Francies Meli-70 units & Mahlangu Village-91 units) - The project is at detail design stage. The tender for the appointment of the contractor for internal services and top structures will be advertised in August 2013

Potsdam Unit P - Stage 2 -900 units - The contractor is on site busy constructing the last 17 units, the project will be completed End July 2013.

Z. Soga - Project is complete.

Manyano & Thembelihle 850 units - 250 sites serviced. The contract was terminated due to poor performance. Annual contractors will be contracted to complete non serviced sites.

Potsdam East Kayelitsha 246 units - Assessment of defective units was done by NHBRC. PDoHS is in the process of procuring the service provider for contracts management.

Chris Hani - 304 units – rectification - Contractor was appointed in September 2012. Contract period is 6 month. The contractor performed poorly on site. A letter of default was issued to the contractor in April 2013. Non-performance report was forwarded to legal to start the process of terminating the contract. Awaiting a response.

Mdantsane Zone 18cc - Phase 1 - 427 units - House plans were presented to the beneficiaries. Tender document is almost ready. Regional Department is awaiting finalization of the contract between PDoHS and the appointed Engineer.

Mdantsane Zone 18cc - Phase 2 - 1500 units - Tender document for 500 internal services is almost ready for advertisement. Tender for the appointment of 500 internal services contractor will be advertised in July 2013. For the balance of 1000 units, tender for the appointment of professional team to design and project management services of internal services and top structures was advertised on the 28/06/2013.

Ikwezi Block 1-689 units - Tender for the appointment of professional team to design and project management services of internal services and top structures was advertised on the 28/06/2013.

Ikwezi Block 2-842 units - Tender for the appointment of professional team to design, and project management services of internal services and top structures was advertised on the 28/06/2013.

Potsdam North Kanana-928 units - Tender for the appointment of professional team to design, and project management services of internal services and top structures was advertised on the 28/06/2013.

Potsdam Village-800 units - Tender for the appointment of professional team to design, and project management services of internal services and top structures was advertised on the 28/06/2013.

Land Identification for the Relocation of Mdantsane Infill Areas (Informal Settlements) - The project is still in progress and entails - data collection on developable land in Mdantsane, site verification, database of state, private and unregistered land in Mdantsane.

Duncan Village Redevelopment Initiative (DVRI)

Chapter 3

Buffalo City Metropolitan Municipality embarked on the long term project known as the Duncan Village Redevelopment Initiative (DVRI). During this financial year, DVRI coordinated the following projects across Duncan Village:

Sanitation -

Diversion of Wilsonia Sewage Phase 1

Sewage Diversion (Drilling)

Reeston WWTW upgrade-civil works:

Supply and Delivery of 17 Movable Ablutions Blocks

Reeston Multi-purpose Community Centre

Duncan Village Business Plan

Duncan Village Eco-Park

Duncan Village Business Hives

In addition, the DVRI Housing Pilot project, which consists of 323 housing units (made up of 131 units in Competition site, 44 units in Mekeni and 148 units in Haven Hills) was underway during the year under review.

To assist the future development of housing, the Land Administration department has developed a DVRI Land Acquisition Programme which identified various parcels of land for development around the City. Some erven have been donated to Buffalo City Metropolitan Municipality by Provincial Department of Local Government and Traditional Affairs.

ALLOCATION & RELOCATION POLICY

Previously housing allocation was done in accordance with the housing policy and implementation plan that was approved in October 2004.

The new Allocation & Relocation Policy has been drafted in terms of National / Provincial guidelines. These policies set out guidelines in terms of housing allocation to beneficiaries, quota allocation, and the establishment of allocation committees with clear roles and responsibilities. This will ensure fairness, transparency and accountability which will eliminate fraud and corruption. The policies are expected to be approved by Council within the 2013 / 2014 financial year.

HOUSING ACCREDITATION (LEVEL 1 & LEVEL 2)

Chapter 3

The National Accreditation Assessment Team has assessed Buffalo City Metropolitan Municipality and a recommendation has been made for BCMM to receive level 2 Accreditation.

Although the level 2 accreditation certificate has not yet been issued to Buffalo City Metropolitan Municipality, the Provincial Department of Human Settlements has agreed to provide funding to Buffalo City Metropolitan Municipality in the form of a Capacity Enhancement Grant.

This funding will assist Buffalo City Municipality to become sufficiently capacitated to undertake all the task of level 2 accreditation.

T 3.5.1

Percentage of households with access to basic housing			
Year end	**Total households (including in formal and informal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements**
2009/10	191731	142110	74.12
2010/11	206731	143672	69.50
2011/12	221731	145235	65.50
2012/13	236731	161235	68.11
			T 3.5.2

Housing Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/20116**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators									
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To improve living conditions in BCMM Townships									
Improve mechanisms identified for Township Regeneration	Develop a DVRI business plan				Submission of DVRI business plan to Council	Situation analysis report completed	Approved Impact Assessment Study - MURP	Sustainability Plan	Implementation of the Sustainability Plan
	Procurement of a service provider to conduct the Mdantsane Quality of life survey.				Procurement of a service provider to conduct the impact of the programme in the node	Not achieved	Implementation of Phase 1 and 2 of the Business Plan	Phase 3 of the Business Plan implementation (implementation of the next set of priorities)	Review the Implementation Plan
Service Objective: To improve the quality of life through provision of formal houses									
Educate beneficiaries about home ownership	Number of beneficiaries educated about home ownership	Not reported on in this FY	Not reported on in this FY	Not reported on in this FY	4000	4039	4400	500 as per draft 2013 – 2014 IDP	600 as per draft 2013 – 2014 IDP
Provide housing opportunities	Number of housing opportunities provided (Top Structure)	680	833	833	709	432	1081	150 as per draft 2013 – 2014 IDP	350 as per draft 2013 – 2014 IDP

Housing Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/20116**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators									
	Number of housing opportunities provided (Internal Services)	218	0	0	900	77	2396	300 as per draft 2013 – 2014 IDP	600 as per draft 2013 – 2014 IDP
	Number of households allocated affordable social housing units	230	344	344	160	528	120	0	0
	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan				80% with a variance of 5% negative	0.65			

T3.5.3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		3	3	0	0%
4 - 6		4	4	0	0%
7 - 9		19	18	1	5%
10 - 12		6	6	0	0%
13 - 15		1	1	0	0%
16 - 18		1	0	1	100%
19 - 20		0	0	0	#DIV/0!
Total		34	32	2	6%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.5.4*

Financial Performance Year 0: Housing Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	46,027	109,591	69,899	90,654	-21%
Expenditure:					
Employees	9,064	15,741	15,359	8,709	-81%
Repairs and Maintenance	26	41	41	40	-2%
Other	44,939	119,132	80,269	82,807	-44%
Total Operational Expenditure	54,029	134,913	95,669	91,556	-47%
Net Operational Expenditure	8,002	25,323	25,770	902	-2707%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.5.5*

Capital Expenditure Year 0: Housing Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	62,989	56,391	36,705	-72%	
Reeston Phase 3 Stage 2 -P1 & P3	10,000	10,000	10,000	0%	31,500
Mdantsane Zone 18 CC Phase 2 - P1 & P3	2,000	2,000	22	-8911%	27,343
Manyano & Thembelihle Phase 2 - P1 & P3	8,000	4,642	2,218	-261%	4,842
Second Creek (Turn Key) - P1 & P3	8,000	4,000	1,345	-495%	4,100
Block Yard TRA - P 1& P3	1,000	1,000	–	-	1,000
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	2,500	2,500	1,377	-82%	2,500
Cluster 1 (Chris Hani, Ilinge, Mahlangu Village, Sisulu Village,Winnie Mandela,Deluxolo Village & Francis Mei) P1 & P3	3,706	339	–	-	21,334
Cluster 2 (Masibambane, Masibulele, Velwano, Gwentshe Village, Mathemba Vuso) P1 & P3	600	474	407	-47%	15,298
Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	7,412	1,077	–	-	26,557
Sunny South - P1 & P3	600	600	578	-4%	3,600
Reeston Phase 3: Stage 2 - P1 & P3	15,000	–	–	-	25,000
Reeston Phase3 Stage 3 - P1 & P3	1,000	1,000	1,000	0%	12,119
Braelyn ext 10 - P1 & P3	300	300	–	-	5,347
C Section and Triangular Site - P1 & P3	270	270	–	-	7,365
D Hostel - P1 & P3	100	100	–	-	3,555
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	2,500	–	–	-	100
Asset Replacement:2X Desktop Computer	–	17	14	100%	17
DVRI Pilot Project 323 units (Mekeni, Competition site, Haven Hills)	–	2,687	–	-	2,687
Block Yard TRA - P3	–	669	–	-	669
Reeston Phase 3 Stage 2 -P3	–	5,500	5,220	100%	5,500
Ilitha - Eradication of Wooden housese to Formal Houses	–	622	–	-	622
Manyano & Thembelihle Phase 2-P3	–	2,000	2,000	100%	2,000
Second Creek (Turn Key)-P3	–	8,000	8,000	100%	8,000
Masibambane-P3	–	225	225	100%	225
Masibulele-P3	–	149	149	100%	149
Velwano	–	425	425	100%	425
Gwentshe Village- P3	–	25	25	100%	25
Fynbos Informal 1-P3	–	423	355	100%	423
Fynbos Informal 2-P3	–	500	–	-	500
Mathemba Vuso-P3	–	275	275	100%	275
Deluxolo Village-P3	–	200	200	100%	200
Francis Mei-P3	–	100	40	100%	100
Mahlangu Village-P3	–	200	126	100%	200
Sisulu Village-P3	–	300	–	-	300
Sunny South-P3	–	517	517	100%	517
Block Yard TRA-P3	–	1,500	–	-	1,500
Westbank Restitution-P1	–	1,860	1,358	100%	1,860
Fynbos Informal 2-P2	–	250	–	-	250
Ndacama-P2	–	187	–	-	187
Ilitha - Eradication of Wooden Houses to Formal Houses	–	578	297	100%	578
Dimbaza Blind 27 Units - P1 & P3	–	100	–	-	100
Dimbaza 110 Units P1 & P3	–	290	175	100%	290
Tyutyu Phase 2 100 Units P1 & P3	–	290	155	100%	290
Airport Phase 2A Remaining 81 Units P1 & P3	–	200	200	100%	200

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

T 3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Over the last financial year the Metro has had to grapple with the following inherent challenges, which lead to only 65% of its housing budget being spent:

The limited capacity of bulk services to meet the demands of new developments (roads, water, sewerage, electricity and storm-water) has been addressed by committing adequate funding over the next three years to provide the required capacity for the residential and economic growth of the city;

Adequate funding for the replacement of ageing infrastructure is required

Limited BCMM owned land in close proximity to the city centre;

Land invasions and uncontrolled growth of informal settlements on state owned land

Under performing service providers have a negative impact on the implementation of projects and expenditure.

In addition, since the restructuring at CoGTA and the Department of Local Government and Traditional Affairs (DLGTA), the Provincial URP unit has been closed and as such no support has been provided to the MURP ever since.

Other challenges which faced MURP included:

- A lack of inter-sphere platform for inputs;
- A lack of visible impact of the programme;
- A limited understanding of the new coordination role of the unit, as per a management decision, by service delivery departments;
- An over-reliance on donor funding for project implementation with no seed funding provided by the institution;
- Non-compliance with donor funding requirements;
- A high staff turnover within the MURP office.

T 3.5.7

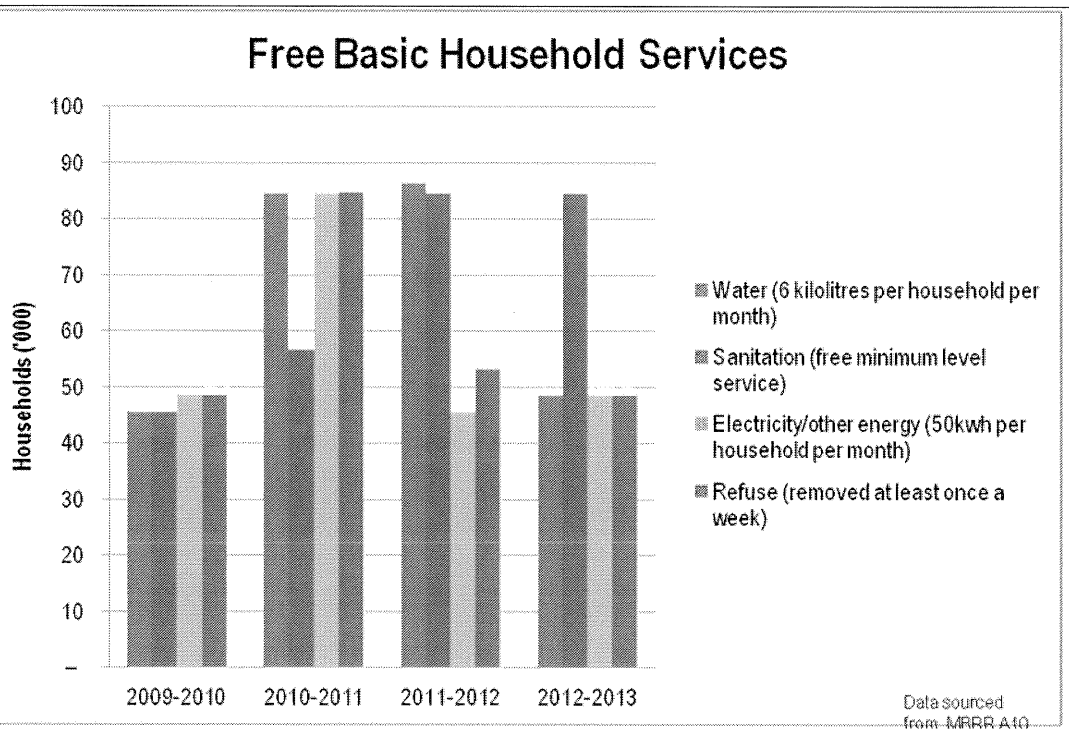
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Chapter 3

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Council adopted a separate Indigent Support Policy in June 2010. This policy prescribes the qualifying criteria for a domestic household based on the Gross Household income equal to two social pension grants per month. Council currently requires all prospective indigents to apply in prescribed forms and to renew their status annually.

T 3.6.1



T 3.6.2

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
Year -1	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
Year 0	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%

T 3.6.3

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	N/A	26,991	26,991	N/A	N/A
Waste Water (Sanitation)	28,960	43,447	43,447	30,370	-43%
Electricity	N/A	25,656	25,656	N/A	N/A
Waste Management (Solid Waste)	35,906	73,942	73,942	28,282	-161%
Total	64,866	170,036	170,036	58,652	-190%
					T 3.6.4

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**					
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year (2010/11)**	**2011/2012**	**2011/2012 *Previous Year**	***Current Year**	***Current Year**	**2013/14**	**2014/15**	**2015/16**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To ensure a seamless and coordinated provision of municipal services									
Provision of alternative support to low income households that do not receive all Free Basic Services	Low income households (**LIHs**) who do not receive all the free basic services but do receive alternative support	70,000 LIHs receiving support	54,240 LIHs receiving support	70,000 LIHs receiving support	59,240 LIHs receiving support	60,000 LIHs receiving support	59,240 LIHs receiving support	59,240 LIHs receiving support	64,240 LIHs receiving support

T 3.6.5