



nelson mandela bay  
MUNICIPALITY



**2022/23-2026/27**

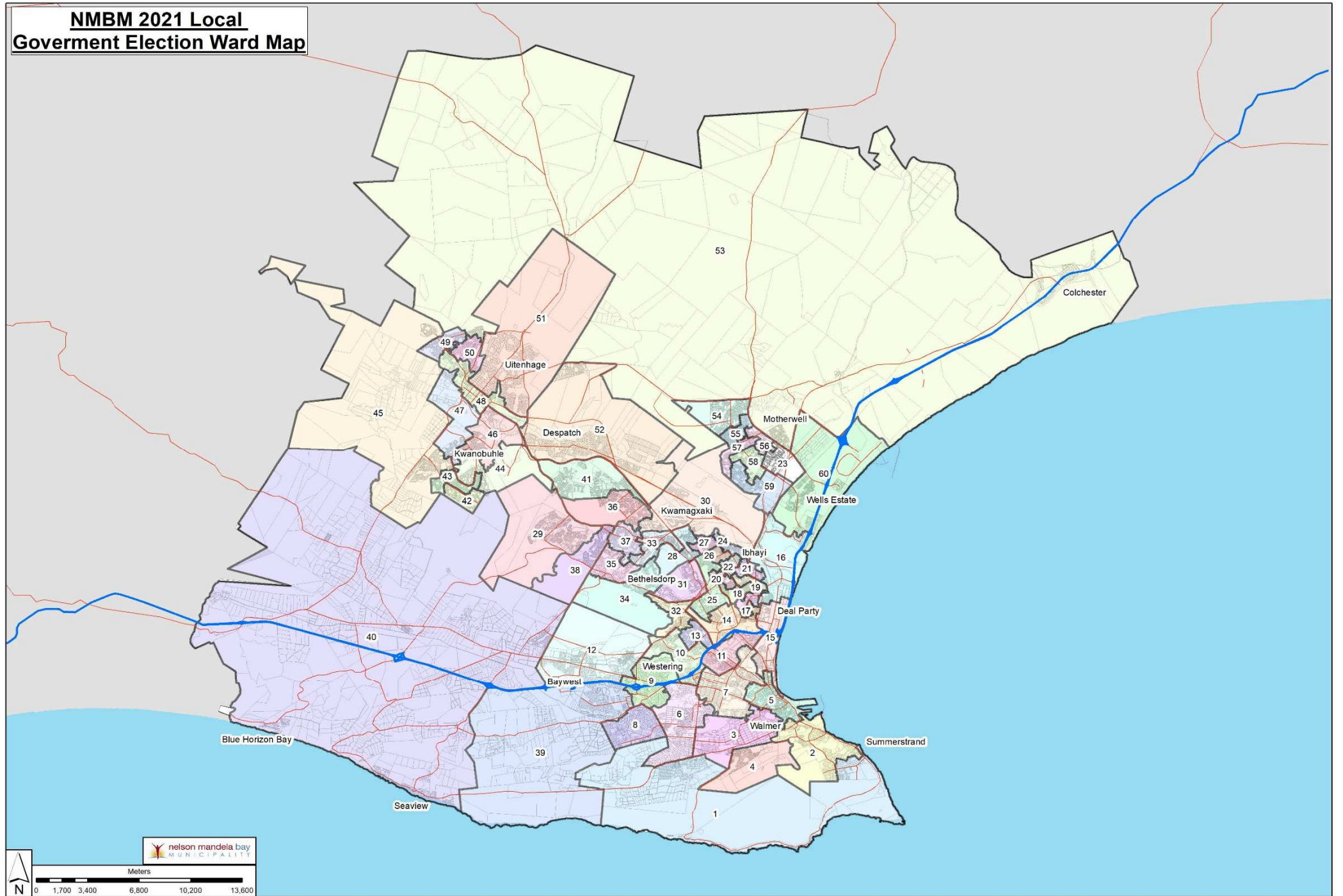
**INTEGRATED  
DEVELOPMENT  
PLAN**

**IDP**

**FIRST EDITION**

*Executive  
Summary*

**NMBM 2021 Local  
Government Election Ward Map**



# 1

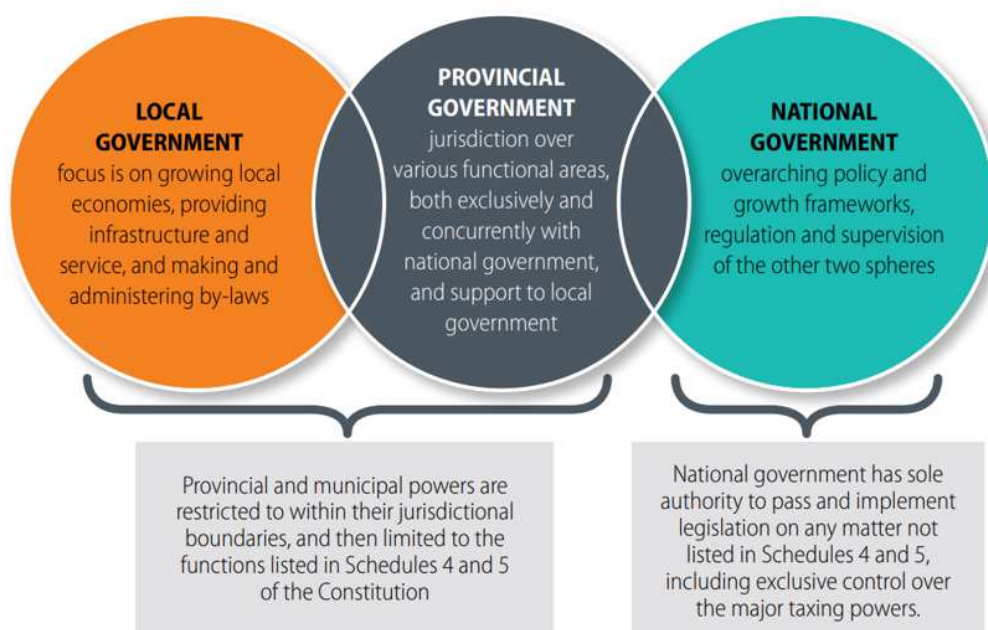
## CHAPTER 1: INTRODUCTION

In order to understand how the Municipality functions as a sphere of government, one must understand the relationship between the local government sphere and the provincial and national sphere. Each sphere has different functions and powers, however, all three spheres are required to operate together and in so doing, ensure the well-being of the people of South Africa. The cooperation between these three spheres of government is what makes South Africa a constitutional democracy.

The role of the Department of Cooperative Governance and Traditional Affairs is to enhance the working of the three spheres of government together.

The South African Cities Network in its 2016 State of the Cities Report – People’s Guide, illustrates the role of the three spheres of government as follows:

**FIGURE: Three spheres of government**



*Source: 2016 State of Cities Report - People’s Guide*

The Constitution of South Africa requires local government to be developmental. The Nelson Mandela Bay Municipality therefore has a responsibility to structure and manage its administration, budgeting and planning processes to give priority to the basic needs of local communities and to promote residents' social and economic development.

The methodology we will adopt for the formulation of this IDP and the participation mechanisms will be adapted to respond to the Cabinet decision of the 31 January 2022, to ease restrictions related to the Covid 19 Regulations. Notwithstanding this, the IDP development and its review processes will be conducted in a manner which makes it possible to manage the further spread of COVID-19 in the NMBM and also, create a platform for recovery into the future.

## **1.1 CONTEXT AND OVERVIEW**

In fulfilling their developmental mandate, municipalities are required by the Constitution of the Republic of South Africa to prepare five-year Integrated Development Plans (IDPs). These serve as strategic plans that indicate where and how Cities should allocate their resources in line with their vision and mission, which are embodied in their long-term plans inclusive of provincial and national government strategies.

Following on from the Local Government Elections held on 1 November 2021, this IDP is the new five-year term of Office IDP for Nelson Mandela Bay Municipality covering the period 2022/23 to 2026/27.

The Department of Cooperative Governance and Traditional Affairs published an IDP Guideline in 2021, which clarifies the role and purpose of an IDP as follows:

## What is an IDP?

The IDP is the five-year strategy for the term of office of a Metropolitan Council. The context for the IDP is provided in a longer-term vision for the City, currently embodied in the Long-term Growth and Development Plan (LTGDP) for Nelson Mandela Bay approved by Council in 2018.

## PHASES OF THE IDP

The IDP planning process has five phases, the phases are as follows:

|                   |   |
|-------------------|---|
| 1. ANALYSIS PHASE | <ul style="list-style-type: none"><li>• Assessment of existing level of development</li><li>• Priority issues or problems</li><li>• Information on causes of priority issues / problems</li><li>• Information on available resources</li></ul>  |
| 2. STRATEGIES     | <ul style="list-style-type: none"><li>• The Vision</li><li>• Objectives</li><li>• Strategies</li><li>• Identified projects</li></ul>  |
| 3. PROJECTS       | <ul style="list-style-type: none"><li>• Performance indicators</li><li>• Project outputs, targets, location</li><li>• Project related activities and time schedule</li><li>• Cost and budget estimates</li></ul>  |
| 4. INTEGRATION    | <ul style="list-style-type: none"><li>• 5-year financial plan</li><li>• 5-year capital investment programme (CIP)</li><li>• Integrated Spatial Development Framework</li><li>• Integrated sectoral programme (LED, HIV, Poverty Alleviation, Gender Equality etc.)</li><li>• Consolidated monitoring / performance management system</li><li>• Disaster Management Plan</li><li>• Institutional Plan</li><li>• Reference to sector plan</li></ul> |
| 5. APPROVAL       | <ul style="list-style-type: none"><li>• The output of this phase is an approved IDP for the municipality</li></ul>  |

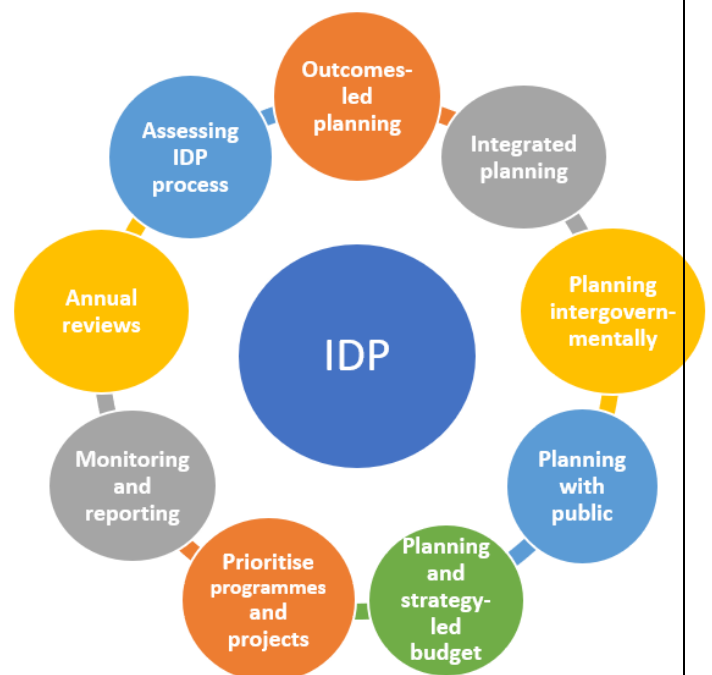
The vision contained in the IDP is a brief articulation of the more comprehensive vision outlined in the LTGDP.

The Municipal Systems Act (32 of 2000), requires the following in relation to IDPs:

- A Council must adopt a single inclusive document for the development of the Municipality, which:
  - (a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
  - (b) aligns the resources and capacity of the municipality with the implementation of the plan;
  - (c) forms the policy framework and general basis on which annual budgets must be based;
  - (d) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

The CoGTA framework for the development of IDPs, requires an IDP to address the following nine priority areas:

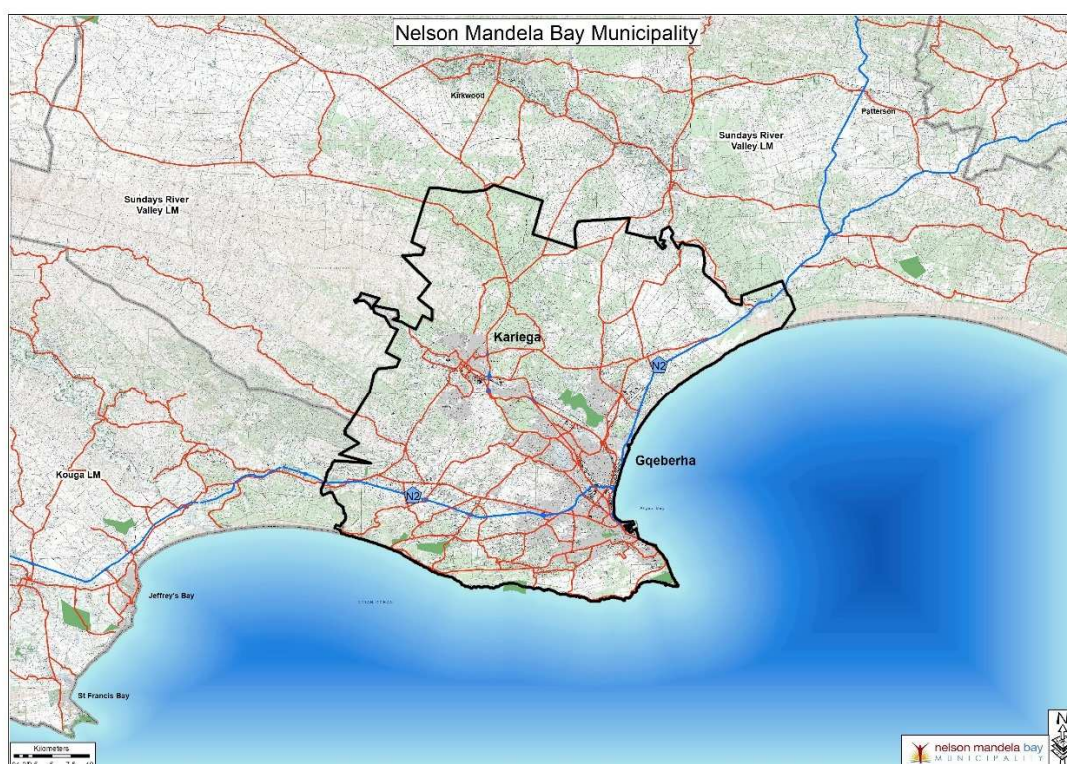
1. Outcomes-led planning
2. Integrated planning
3. Planning inter-governmentally
4. Planning with the public
5. Planning and strategy-led budgeting
6. Prioritising programmes and projects in integrated development planning
7. Monitoring and reporting on implementation
8. Annual reviews of integrated development planning
9. Assessing the integrated development planning process



The IDP responds to each of the nine priority areas in more detail.

## 1.2 ABOUT NELSON MANDELA BAY

Nelson Mandela Bay Municipality (NMBM) is the largest of two Category A Metropolitan Municipalities located on the Southern coast of the Eastern Cape Province with 60 wards



With a population of 1,251,575 (STATS SA GHS 2020), the NMBM has approximately 19% of the population of the Eastern Cape Province and is a major economic role player in the Province with two ports – the Port of Port Elizabeth and the Port of Ngqura located in the Coega Special Economic Zone (SEZ).

The pre-COVID-19 growth rate of the City was 1.36%. The 2019 to 2020 growth rate was 0.009% attributable to COVID-19 (STATS SA GHS 2020).

Nelson Mandela Bay has the lowest proportion of informal households among South African Metropolitan Municipalities, having significantly reduced the

numbers since 2001 (SACN, 2016). In addition, the average number of people per household declined from 4,25 in 1996 to 3,55 in 2011 (STATS SA, 2011) and slightly increased to 3,6 in 2016 according to STATS SA Community Survey (2016). According to the STATSA SA General Households Survey (2019), the average household size for the country was estimated at 3,31 persons per household with estimates ranging from 3,11 in urban areas and 3,73 in rural areas.

The national average of households receiving at least one social grant is 52,4%. 48% of households in Nelson Mandela Bay receive at least one social grant. By comparison, the average for Metro's is 40,5% and 54,2% of households in Buffalo City receive at least one social grant (STATS SA GHS 2020).

The Municipality has an Assistance to the Poor Programme in place and as at February 2022, 57 038 account holders received a subsidy for basic services in terms of the Programme.

With a GDP of R 148 billion in 2020 (up from R 88.4 billion in 2010), the Nelson Mandela Bay Municipality contributed 34.90% to the Eastern Cape Province GDP of R 423 billion in 2020 increasing in the share of the Eastern Cape from 36.67% in 2010. The Nelson Mandela Bay Municipality contributes 2.68% to the GDP of South Africa which had a total GDP of R 5.52 trillion in 2020 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2010 when it contributed 2.89% to South Africa, but it is lower than the peak of 2.89% in 2010 (IHS Markit Regional eXplorer, 2022).

Pre-COVID-19, the unemployment rate during March 2020 in Nelson Mandela Bay was 35% (ECSECC, 2020) which increased to 42,3% in December 2020 (SARS). Currently the unemployment rate is 40,7% (Source: STATS SA Quarterly Labour Force Survey, Q3, 2021).

The largest economic sectors in Nelson Mandela Bay have been manufacturing, finance, community services and transport. Community services, trade and manufacturing sectors have traditionally created most



employment. The City offers a wealth of tourism and recreation opportunity due to its biodiversity, beaches and open spaces.

In a spatial sense, the City is relatively low density with an average density of 20 residential units per hectare of developed land. The spatial pattern of the city is one of segregation with lower incomes and higher densities characterising the northern parts of the city and higher incomes and lower densities to the south and west.

### **1.3 STRATEGIC OBJECTIVES**

The strategic objectives of the Municipality for the five-year IDP relate directly to the major risks and opportunities facing the Council within the next five years. The following strategic objectives respond to the risks and opportunities:

- a) Prioritise a drought response and recovery in order to mitigate against the impacts of the drought and ensure water security in the future.
- b) Prioritise climate change and resilience in order to secure the long-term sustainability of the City.
- c) Continue to mitigate the impacts of COVID-19 including the economic recovery associated with the pandemic.
- d) Prioritise the growth of the local economy and increase employment.
- e) Accelerate the provision of basic services for all communities.
- f) Ensure that the municipality is staffed with a motivated, committed and capable workforce within available resources.
- g) Ensure financial prudence and transparent governance and work towards eradicating corruption.
- h) Ensure financial stability and fiscal management and control in order to stabilise the financial situation of the Municipality.
- i) Develop an effective and integrated public transport system that promotes access to opportunity through mobility.

- j) Deliver well-resourced and capacitated disaster management, policing and emergency services to ensure the safety of communities and visitors.
- k) Improve public confidence and trust in the leadership of the City through institutional accessibility, stability and effective communication channels.
- l) Provide a built environment that promotes integration, inclusivity and accessibility.
- m) Deliver on transformation objectives, promote redress and foster social cohesion.
- n) Provide for the health, well-being and social needs of communities and empowerment of vulnerable people through provision of access to social services, social development and indigent support.
- o) Provide dignified housing and sanitation and accelerate access to improved services to indigent households in order to create safe and decent living conditions for all residents.
- p) Ensure proactive planning for sustainable city development, conservation of resources and natural and built environment.
- q) Ensure implementation of a spatial transformation agenda which addresses the spatial disparities of the past.
- r) Drive human development and socio-economic transformation and well-being of sport, recreation, arts and cultural services through the provision of world-class sport, recreation, arts and cultural infrastructure.
- s) Ensure that planning, budgeting and development, both internal and external to the Municipality is done by taking into consideration all dimensions of sustainability.
- t) Promote the SMART City initiative and prioritise an effective and responsive Information Communication Technology (ICT) environment to cater for the internal and external needs of the Municipality.

# 2

## CHAPTER 2: SITUATIONAL ANALYSIS

In order to identify projects and programmes that will improve the circumstance of Nelson Mandela Bay in terms of its IDP, it is important to understand and perform a situational analysis which will give the status of important service delivery, economic, human settlements and other statistical information relevant to the Municipality.

This section identifies important information for decision-making.

### 2.1 DEMOGRAPHIC BACKGROUND

#### 2.1.1 Current situation

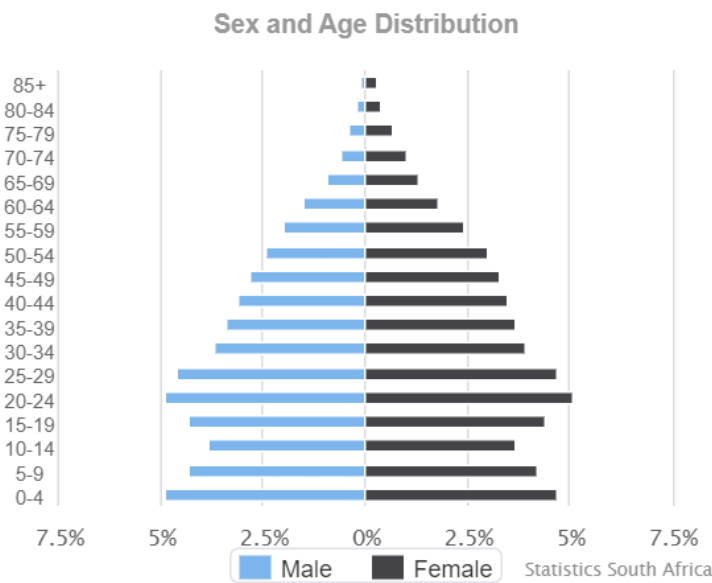
The following statistics are relevant:

|                                    |  |
|------------------------------------|--|
| Population                         | 1,251,575 (STATS SA GHS 2020)                                |
| Households (total)                 | 359 412 (STATS SA GHS 2020)                                  |
| Households (formal)                | 335 380 (STATS SA GHS 2020)                                  |
| Households (informal)              | 24 032 (STATS SA GHS 2020)                                   |
| Number of informal settlements     | 124 (NMBM, 2022)   |
| Area covered                       | 1 959 km <sup>2</sup>  |
| Unemployment rate                  | 40,7% (Source: STATS SA Qtrly Labour Force Survey, Q3, 2021) |
| Capital Budget – 2022/23 (Draft)   | R1,376,099,610   |
| Operating Budget – 2022/23 (Draft) | R13,812,888,000  |

## 2.1.2 Population and demographics

The following population pyramid shows the gender and age distribution of the population in Nelson Mandela Bay in 2011 when the last Census was undertaken:

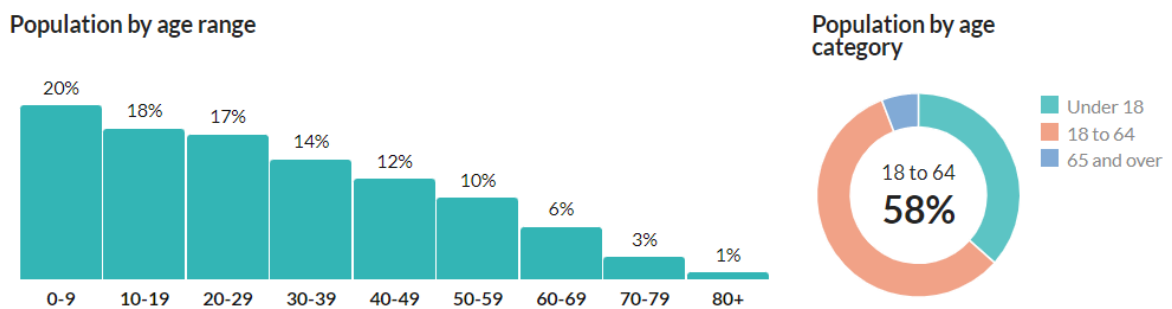
**FIGURE: Population pyramid**



Source: Census, 2011

Since 2011, the Community Survey has permitted an update to figures at Metro level to 2016 and the following diagram shows the population by age range:

**FIGURE: Population by age range**



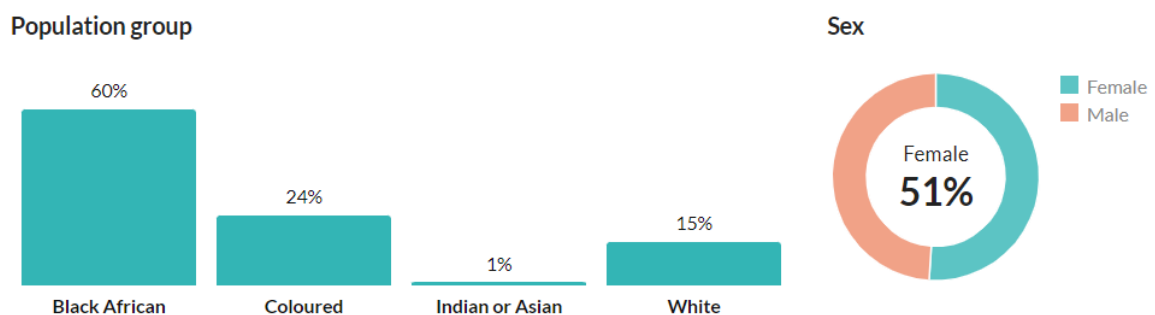
Source: Wazimap.co.za (using Community Survey 2016)

The 0-9 age category represented 18,10% in 2011 and 20% in 2016. The age 20-39 category has decreased from 34% in 2011 to 31% in 2016.

The age group 0-49 category represented 80,50% in 2011 and 81% in 2016.

The following represents the race and gender profiles of Nelson Mandela Bay population in 2016.

**FIGURE: Population by race and gender**



Source: Wazimap.co.za (using Community Survey 2016)

A national government census is being undertaken in 2022 and this will update the available statistics to enable a more accurate understanding of the current situation, particularly at ward level.

### 2.1.3 Poverty and income

According to STATS SA General Household Survey (2020), 27,2% of households in Nelson Mandela Bay listed grants as their main source of income. Salaries and wages as the main source of income were most prominent in Tshwane (63,7%), Johannesburg (63,5%), Ekurhuleni (63,5%) and Cape Town (61,2%). Nelson Mandela Bay at 55,6% and Buffalo City at 47% are amongst those Metros with the least source of income from salaries and wages. The average for Metros is 61,8%.

#### **2.1.4 Education**

In Nelson Mandela Bay, 3.5% of persons older than 20 years with less than Grade 7 education are literate. In Buffalo City, this figure is 9,4% being the highest in South Africa. The Metro average figure is 5.5%.

The enrolment ratio for appropriate at all school types in Nelson Mandela Bay is 99,5% with the Metro average standing at 96,2% (STATS SA, GHS, 2020).

#### **2.1.5 Health**

In respect of health, 26% of persons have medical aid cover against a Metro average of 22,4%. 60,6% of households have their usual place of consultation as a public facility in Nelson Mandela Bay compared to a Metro average of 63,3% (STATS SA GHS, 2020).

#### **2.1.6 Crime**

When considering crime statistics for the last year, it is important to recognise that the state of disaster and the lockdown regulations had a very large impact on the capacity of Police to investigate, monitor and uncover crimes as well as community reporting of crimes. In addition, the various levels of lockdown would have had a direct implication on the type of crimes and number of crimes committed and reported.

According to the SACN State of Safety in South African Cities Draft Report (2021/22), it is within this context that the following information should be interpreted:

“Nelson Mandela Bay has the highest murder rate in the country, standing at 71 murders per 100 000. The national average is 33,5 murders per 100 000. Buffalo City, eThekweni and Msunduzi are the Metros that join Nelson Mandela Bay in recording above average murder rates.

Assault with intent to inflict grievous bodily harm as recorded by the Police have declined steadily in all cities since 2005/06. Nelson Mandela Bay has had the greatest decline (-68%) of the Metros. The average Metro rate of assault with GBH is 208 per 100 000 population. Nelson Mandela Bay is second to Buffalo City with 327 incidents per 100 000. Buffalo City stands at 447 incidents per 100 000.

With regard to robberies at non-residential premises, Nelson Mandela Bay has recorded the largest decrease (-46%) since 2011/12. Msunduzi increased by 191% and Buffalo City by 73%.

In respect of robberies at residential premises, Nelson Mandela Bay increased from 2015/16 to 2019/20 by 50%. Cape Town and Msunduzi recorded higher increases at 78% and 95% respectively. However, in the 2020/21, Nelson Mandela Bay Municipality and five other Metros recorded decreases. Nelson Mandela Bay decreased by 19%.

As opposed to robbery, burglary is a non-violent crime and residential burglaries have decreased in all cities since 2005/06.

Crime statistics and the monitoring of shifts in crime is important when roleplayers attempt to introduce measures to create a safer city for businesses, residents and visitors.

## **2.2 ACCESS TO SERVICES AND AMENITIES**

### **2.2.1 SERVICES**

#### **(a) Water**

According to STATS SA General Household Survey (2020), 98,1% of households in all Metros have access to piped or tap water in dwellings, off-site or on-site. Nelson Mandela Bay has 100% whilst Cape Town has 99,8% of households with access to tap water followed by Johannesburg with 99,5%.

The Municipality is assessing the extent of water provision backlog in recently established informal settlements and standpipes are installed in such areas on an on-going basis.

#### **(b) Sanitation**

Nelson Mandela Bay has the highest household access to improved sanitation of all Metros in the country (99,9%). Buffalo City has 93,7% and Ekurhuleni has 93,6%. Improved sanitation is defined as flush toilets connected to a public sewerage system or a septic tank, or a pit toilet with a ventilation pipe (STATS SA GHS, 2020).

The Municipality rolled out basic sanitation in some historic informal settlements and relocated other households to formal sites with waterborne sanitation.

During the 2020/21 financial year, the Municipality connected 1 222 new sewer connections with an additional 1 280 connections up to 31 December 2021 (2021/22). Approximately 5 800 buckets are in circulation in informal settlements as a means of sanitation.



The Municipality is assessing the extent of sanitation provision backlog in recently established informal settlements. Sanitation challenges in such areas will be addressed as part of the NMBM Bucket Eradication Programme.

**(c) Waste management (refuse removal)**

According to STATS SA General Household Survey (2020), refuse is removed at least once per week or less often for 85,8% of all households in metropolitan areas, notably higher than the national figure of 62,6%. Refuse removal was most common in Ekurhuleni 93,7%) and Nelson Mandela Bay (90,8%) and least common in Buffalo City (67,3%), Tshwane (76,3%) and Mangaung (79,0%).

Those not receiving weekly refuse removal in Nelson Mandela Bay, take their refuse to the nearest drop-off sites. The Municipality continues to face the challenge of illegal dumping and refuse collection in informal settlements without proper access roads.

**(d) Electricity and energy**

According to STATS SA General Household Survey (2020), households that used conventional electricity meters were slightly more common in metros (19%) than nationally (12,3%). The use of conventional meters was most widespread in eThekweni (30,6%) and Ekurhuleni (25,9%) and least common in Nelson Mandela Bay (1,1%) and Buffalo City (4,1%). Pre-paid meters were, by contrast, most common in Nelson Mandela Bay (96,9%) and Mangaung (93,5%).

The Municipality continues to explore sustainable approaches towards addressing illegal electricity connections in informal areas on non-proclaimed sites (i.e. sites not serviced or surveyed/pegged, under power lines and on flood plains, and invaded municipal land).

With effect from 1 February 2022, the Municipality introduced an Electricity Tampering Amnesty Project. The intention of the project is to create a platform

that allows all customers to voluntarily declare any type of tampering with municipal electricity meters or equipment. Those that declare tampering will not have associated fees and charges raised for the specified period.

**(e) Housing**

Nelson Mandela Bay has the lowest level of informal houses of all Metros in the Country standing at 9,5% in 2020. Other Metros informal dwellings are Buffalo city (27,2%), Johannesburg (19) and Cape Town (18,6%) (STATS SA, GHS, 2020).

The 2020 demand for subsidised housing as captured in the Housing Needs Database is calculated at 124 342 shown below. This is significantly higher than the STATS SA estimates.

**TABLE: Estimated Housing Demand**

|        |         |
|--------|---------|
| Female | 74 690  |
| Male   | 49 652  |
| TOTAL  | 124 342 |

*Source: NMBM, 2020*

# 3

## CHAPTER 3: INSTITUTIONAL OVERVIEW

The municipal structure is made up of both political and administrative structures. These are discussed in detail below.

### 3.1 POLITICAL STRUCTURE

Since the Local Government Elections held on 1 November 2021, the following political parties are represented in the Council of Nelson Mandela Bay Municipality:

- Abantu Integrity Movement
- African Christian Democratic Party
- African Independent Congress
- African National Congress
- Defenders of the People
- Democratic Alliance
- Economic Freedom Fighters
- Good
- Northern Alliance
- Pan Africanist Congress of Azania
- Patriotic Alliance
- United Democratic Movement
- Vryheidsfront Plus

The political structure of the Nelson Mandela Bay Municipal Council comprises the Executive Mayoral Committee, the Portfolio Committees, the Municipal Public Accounts Committee (MPAC) and the Rules and Ethics Committee.

The NMBM is run by a coalition government comprising the following parties:

Abantu Integrity Movement, African Independent Congress, African National Congress, Defenders of the People, Good, Northern Alliance, Pan Africanist Congress of Azania and the United Democratic Movement.

### 3.1.1 Council

The Council of the Nelson Mandela Bay Municipality governs the local government affairs of the Municipality. The Council performs this core function through exercising both legislative and executive authority over the Municipality's administrative processes. The Council of the Nelson Mandela Bay Municipality is headed by the Speaker.



**CLLR GARY VAN NIEKERK**  
SPEAKER

The Council comprises 120 Councillors, elected through a mixed-member proportional representation system. 60 of the Councillors were elected through a voting process in the 60 wards that make up Nelson Mandela Bay. The remaining 60 Councillors were selected from party lists, on the basis that the total number of party representatives must be proportional to the number of votes received. The Speaker of Council is supported by the Chief Whip.

There are 33 female and 87 male Councillors. The African National Congress (ANC) and the Democratic Alliance (DA) has the largest number of seats (48 seats each); the Economic Freedom Fighters (EFF) (8 seats); the Northern Alliance (NA) (3 seats), the African Christian Democratic Party (ACDP) (2 seats), Defenders of the People (DOP) (2 seats), Patriotic Alliance (PA), (2 seats), Vryheidsfront Plus (VFP) (2 seats), and the Abantu Integrity Movement (AIM), African Independent Congress (AIC), Good (GOOD), Pan Africanist Congress of Azania (PAC), and the United Democratic Movement (UDM) has one seat each. The political party seat allocation and gender distribution of the Nelson Mandela Bay Municipality's Council in the review period is illustrated in the table below.

| <b>TABLE: Political party seat allocation and gender distribution</b> |                            |                            |               |
|---|----------------------------|----------------------------|---------------|
| <b>POLITICAL PARTY</b>  | <b>ALLOCATION OF SEATS</b> | <b>GENDER DISTRIBUTION</b> |               |
|   |                            | <b>MALE</b>                | <b>FEMALE</b> |
| Abantu Integrity Movement   | 1                          | 1                          |               |
| African Christian Democratic Party                                    | 2                          | 1                          | 1             |
| African Independent Congress  | 1                          | 1                          |               |
| African National Congress   | 48                         | 35                         | 13            |
| Defenders of the People   | 2                          | 1                          | 1             |
| Democratic Alliance   | 48                         | 33                         | 15            |
| Economic Freedom Fighters   | 8                          | 4                          | 4             |
| Good  | 1                          | 1                          |               |
| Northern Alliance   | 3                          | 3                          |               |
| Pan Africanist Congress of Azania                                     | 1                          | 1                          |               |
| Patriotic Alliance  | 2                          | 1                          | 1             |
| United Democratic Movement  | 1                          | 1                          |               |
| Vryheidsfront Plus  | 2                          | 2                          |               |
| <b>TOTAL</b>  | <b>120</b>                 | <b>87</b>                  | <b>33</b>     |

Subsequent to the above seat allocation in the 2021 Local Government Elections, one vacancy has arisen due to the death of a Ward Councillor.

The Nelson Mandela Bay Municipality has a functional Municipal Public Accounts Committee (MPAC) which provides the appropriate mechanism through which Council can fulfil its oversight responsibilities.

The Municipality further has a functional Audit Committee and Risk Management Committee in place. In addition, the Council appointed a Disciplinary Board in March 2021.

### **3.1.2 The Executive Mayoral System**

The Executive Mayor oversees the delivery of services by the administrative structure of the Municipality. The Executive Mayor is supported by the Deputy Executive Mayor and the Mayoral Committee, comprising ten members, each chairing a portfolio committee. The political seat (Office of the Executive Mayor) of the Nelson Mandela Bay Municipality is located on the first floor of the City Hall, Vuyisili Mini Square, Central, Gqeberha.

**MEMBERS OF THE MAYORAL COMMITTEE**



**CLLR EUGENE JOHNSON**  
EXECUTIVE MAYOR



**CLLR BUYELWA MAFAYA**  
DEPUTY  
EXECUTIVE MAYOR

## Members of the Mayoral Committee (cont.):



**CLLR TUKELA ZUMANI**  
MMC: BUDGET AND  
TREASURY



**CLLR BONGANI MANI**  
MMC: CORPORATE  
SERVICES



**CLLR MKHUSELI JACK**  
MMC: ECONOMIC  
DEVELOPMENT, TOURISM  
AND AGRICULTURE



**CLLR LUXOLO NAMETTE**  
MMC: ELECTRICITY AND  
ENERGY



**CLLR SHULING LINDOOR**  
MMC: HUMAN SETTLEMENTS



**CLLR JOHN MITCHELL**  
MMC: INFRASTRUCTURE AND  
ENGINEERING



**CLLR TSHONONO BUYEYE**  
MMC: PUBLIC HEALTH



**CLLR ITUMELENG RANYELE**  
MMC: ROADS AND  
TRANSPORT



**CLLR LAWRENCE TROON**  
MMC: SAFETY AND  
SECURITY



**CLLR MCEBISI KAMANA**  
MMC: SPORTS, RECREATION,  
ARTS AND CULTURE

### 3.1.3 Office of the Chief Whip



**CLLR WANDISILE JIKEKA**  
CHIEF WHIP

The primary role of the Chief Whip of Council is to maintain discipline amongst Councillors. The Office of the Chief Whip serves as the contact point between the executive and legislative spheres of the Municipality.

Other focus areas of the Office of the Chief Whip include the following:

- Building better relations between the various political parties represented in Council.
- Political management of Council meetings.
- Management of the majority and Coalition caucuses.

The Office of the Chief Whip is also responsible for recommending to the Executive Mayor which Councillors should serve on committees and represent the Municipality on external bodies. The Office of the Chief Whip also deals with addressing and resolving complaints that come directly from communities or through the Municipality's Petitions Office.



Bi-monthly internal meetings, as well as multi-party whippy meetings are held to enhance the relationship between political parties. In addition, there is a multi-party whippy forum where all parties represented in Council discuss the order of business in Council and determine which items serving before it will require debate.

### Council Decision-making Process

Draft Council resolutions are usually tabled in Council by directorates/offices through the following structures:

- Executive Mayor's reports to Council
- City Manager's reports to Council
- Speaker's reports to Council
- MPAC reports to Council
- Audit Committee reports to Council
- Those outlined in Council's Rules of Order

Council resolutions are captured by Secretariat, and their implementation by the administration is monitored.

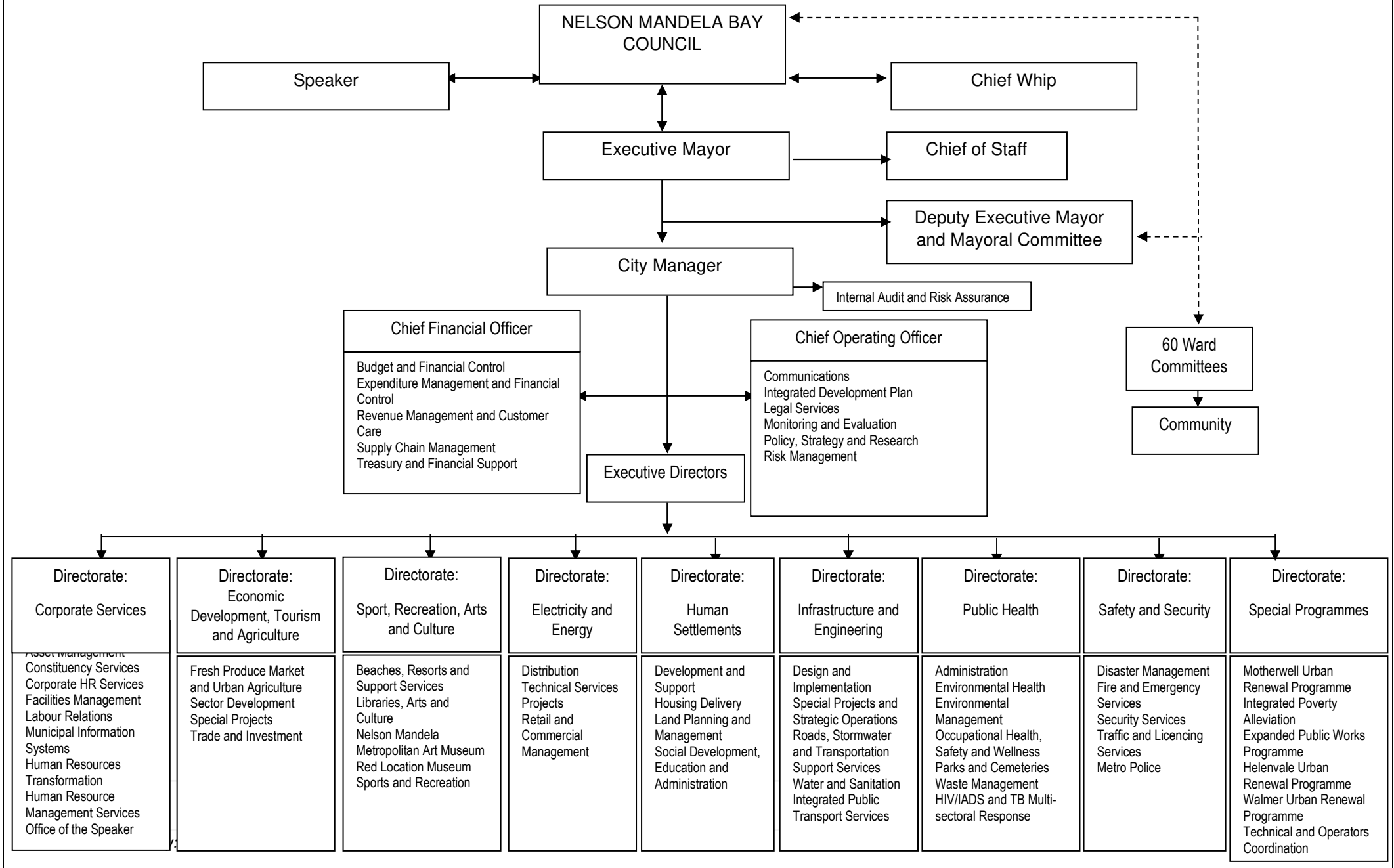
## **3.2 ADMINISTRATION**

The City Manager (appointed by Council) is the Accounting Officer and the administrative head of the Municipality. The position of the City Manager was vacant since 1 August 2020, however, a new City Manager was appointed in March 2022. There is an Executive Management Team to assist the City Manager in running the administration. The Executive Management Team comprises 10 senior managers as follows:

- Chief Operating Officer (Vacant)
- Chief Financial Officer
- Executive Director: Corporate Services
- Executive Director: Economic Development, Tourism and Agriculture
- Executive Director: Electricity and Energy
- Executive Director: Human Settlements
- Executive Director: Infrastructure and Engineering (Vacant)
- Executive Director: Public Health
- Executive Director: Sport, Recreation, Arts and Culture
- Executive Director: Safety and Security

The administrative seat (Office of the City Manager) of the Nelson Mandela Bay Municipality is located on the first floor of the City Hall, Vuyisile Mini Square, Central, Gqeberha. The current organisational structure of the Municipality is reflected in the figure below.

**FIGURE: ORGANISATIONAL STRUCTURE OF NELSON MANDELA BAY MUNICIPALITY**



# 6

## **CHAPTER 6: METHODOLOGY AND STAKEHOLDER ENGAGEMENTS**

The IDP Strategy aims to ensure that the people of Nelson Mandela Bay are at the centre of planning and development in the City. The IDP recognises that the Administration and its systems need to be effective in order to achieve optimal service delivery and grow the economy.

In preparing an IDP, it is important that the voice of all stakeholders is taken into account. This Chapter aims to deal with the issues and priorities that have arisen as a result of consultation with communities and other stakeholders within Nelson Mandela Bay.

The Special Sectors including women, youth, people with disabilities and others are also highlighted in this Chapter. Decisions to prioritise projects or programmes are based on the prioritisation of the available budget and conditional funding received from other spheres of government.

The following legislation compels municipalities to engage communities in the formulation of its strategic plans including the IDP:

- Chapter Seven (7) of the Constitution of the Republic of South Africa, Act 108 of 1996
- Chapter Four (4) and Five (5) of Local Government Municipal Systems Act, 32 of 2000
- Chapter Four (4) of the Municipal Finance Management Act Number 56 of 2003 and the Government Gazette Regulations, Act Number 205 of 1993.

Furthermore, Section 17 (2) of the Municipal Systems Act 32 of 2000, requires municipalities to establish appropriate mechanisms, processes and procedures to enable the local communities to participate in the affairs of the municipality. Hence, an IDP and Budget Process Plan was advertised in various print media and the municipal website.

## REVISED IDP AND BUDGET PROCESS PLAN

The revised Process Plan related to the 2022/23 – 2026/27 IDP is reflected below:

| No. | Action  | Legislative requirement                                  | Timeline   |
|-----|---|--|--|
| 1   | Publish the Draft IDP on the municipal website  | MSA sec 21(a)  | 28 April 2022  |
| 2   | Advertisement of Draft IDP in local newspapers - <i>A municipality must afford the local community at least 21 days to comment on the final draft of its integrated development plan before the plan is submitted to the Council for adoption</i> | LG: Municipal Planning and Performance Regulations 15(3) | 29 April 2022<br>(due date for comments – 28 May 2022) |
| 3   | Submission of Draft IDP to relevant stakeholders (National Treasury, Provincial Treasury and CoGTA)   | MFMA - Sec 22(b)<br>MSA - Sec 32(1)<br>MBRR - Reg 20     | 29 April 2022  |
| 4   | Circulate draft IDP to internal stakeholders (Mayoral Committee and Executive Directors) for final comments/inputs  | Multi-year Strategic Time Schedule                       | 29 April 2022<br>(due date for comment: 12 May 2022)   |
| 5   | Tabling of item on public participation to Special EXCO (with request for deployment of officials)  | Multi-year Strategic Time Schedule                       | 3 May 2022   |
| 6   | Circulate public participation pack (including Speaker's notes) to Office of the Speaker for circulation to Councillors   | Multi-year Strategic Time Schedule                       | 3 May 2022<br>(immediately after EXCO approval)        |
| 7   | Advertisement of public participation programme in local newspapers   | Multi-year Strategic Time Schedule                       | 7 and 9 May 2022<br>respectively                       |
| 8   | Undertaking public participation meetings   | Multi-year Strategic Time Schedule                       | 16 - 27 May 2022<br>(cluster approach)                 |
| 9   | Updating the Draft IDP with consolidated inputs from public participation   | Multi-year Strategic Time Schedule                       | 28 May 2022  |
| 10  | Submission of final Draft IDP to City Manager, Deputy Executive Mayor and Executive Mayor   | N/A  | 6 June 2022  |

| No. | Action  | Legislative requirement            | Timeline     |
|-----|---|------------------------------------|--------------|
| 11  | Tabling of final draft IDP to Special joint Budget and Treasury and Mayoral Committee | Multi-year Strategic Time Schedule | 8 June 2022  |
| 12  | Adoption of final IDP by Special Council  | MFA sec 24<br>MSA sec 25           | 21 June 2022 |

The Municipality engages with stakeholders not only for compliance purposes but also to ensure that communities and interest groups have a voice with regard to the manner in which municipal plans and programmes are implemented.

By communities and stakeholders registering their issues and priorities, the Municipality can take these into consideration in the allocation of budgets.

The Council approved a Multi-Year Strategic Planning Time Schedule for the IDP, BEPP and Budget on 28 August of 2018. This Multi-Year Schedule identifies critical dates and legislative timeframes for the achievement of milestones related to the IDP and Budget.

The Multi-Year Strategic Planning Time Schedule covers the period 2018/19 to 2022/23 and a new Time Schedule will be submitted to Council for approval for the next five year period in the near future.

## 6.1 STAKEHOLDERS

The COVID-19 pandemic has caused the Municipality to re-evaluate its approach to stakeholder consultation and public participation. In this regard, the Municipality introduced a number of alternative mechanisms for stakeholders and community members to register their input.

The Municipality's approach now includes the following additional mechanisms for participation:

- The use of an IDP APP for contributions and comments from the public and organisations.
- The use of live interactive radio broadcasting (KQ FM, PE FM, Kingfisher FM, and Bay FM) for politicians to engage communities regarding the IDP and Budget development and review processes.
- 30 Seconds live reads in these community Radio Stations
- Use of a number of Print Media
- Live on Municipal Facebook Page.
- Live on YouTube.
- The use of social media platforms as well as a WhatsApp number (084 800 4335) to receive contributions and comments and for responses from the Municipality.
- Daily Twitter uploads promoting the IDP meetings using social media infographics
- Daily updates on GroupWise for internal stakeholders
- The use of the Interactive Voice Response (IVR) account holder database for communication on the IDP via SMS and email.
- Press releases.
- Explanatory video clips on IDP processes posted on social media platforms.
- Use of zero rated MBDA Website in which communities could make an input in the IDP/Budget review processes without use of airtime or data
- Municipal Website.

There are six participation Clusters in the Metro with different levels of development. They are as follows:

- Molly Blackburn (Suburbs including Walmer Township and Kuyga)
- Lilian Diedericks (Northern Areas)
- Champion Galela (Zwide Area including Soweto on Sea)
- Govan Mbeki (New Brighton and KwaZakhele Areas)
- Alex Matikinca (Motherwell and Wells Estate Areas)
- Zola Nqini (Kariega and Despatch Area)

The annual IDP and Budget processes aim to empower the clusters in order to fully realise their potential to create meaningful input into the IDP and Budget. This process is incremental and requires partnerships with all relevant stakeholders. In addition, the service delivery that is possible in each cluster will vary from time-to-time according to available budget and readiness for plans. Furthermore, the level of development in the different clusters varies. With some clusters such as the former Ibhayi area requiring more delivery of basic services. It can therefore not be expected that in any given period, expenditure in each cluster will be equal.

The following organisations are consulted as stakeholders in the IDP and Budget processes of the Municipality:

- Communities of Nelson Mandela Bay
- IDP Representative Forum
- Intergovernmental Relations Forum
- Economic Sector Leaders
- Organised stakeholder groupings, e.g. NMB Business Chamber, NAFCOC, NGOs, civic groupings, unions and ratepayers' associations
- Tertiary institutions including Nelson Mandela University and the East Cape Midlands TVET Collage
- Government sector departments (Provincial and National)
- State-owned enterprises
- Special sectors (youth, women, elderly people, traditional leaders, children and people with disabilities)
- Sports Sector
- South African Property Owners Association (SAPOA) Gqeberha Region
- Creative arts and heritage organisations
- Municipal Councillors
- Municipal Directors
- Ward Committees
- Community Development Workers (CDWs)

Other avenues explored to obtain inputs from communities are the two surveys undertaken by the municipality, namely a household satisfaction survey (2017/2018) where 9 932 (5%) households participated and a business satisfaction and interest survey (2019/2020) where 403 businesses within the formal economy participated.



## **6.2 SPECIAL SECTORS**

The Municipality mainstreams special sectors including children, people with disabilities, the elderly, women and youth through the Special Programmes Unit within Constituency Services Sub-directorate.

Special Sectors are consulted as part of the IDP consultation sessions. A Sign Language Interpreter is made available at some of the meetings

Issues raised by the special sectors include facilities and opportunities specifically for those with special needs. People with disabilities require equal access to public facilities including transport.

In an effort to ensure integration and synergy of special needs groups, all Directorates are required to consider special sectors development in their planning, budgeting and implementation. The Special Programmes Unit of the Municipality focuses on mainstreaming special needs considerations in municipal work.

## **6.3 WARD PRIORITIES**

In the previous public participation sessions held with Ward Committees and Communities, processes were undertaken to determine the priorities within wards. The following top 10 priorities have emerged:

1. Provision of houses and attending to backyard dwellers.
2. Provision and maintenance of streetlights and high mast lights.
3. Tarring of roads, construction of speed humps and potholes.
4. Provision of security and visibility of SAPS and Metro Police
5. Attend to water leaks.
6. Upgrade and maintenance of sewerage and drain water systems
7. Construction and upgrade of Sport fields, Parks and Playgrounds.
8. Provision of sidewalks
9. Electrification of informal settlements and
10. Creation of job opportunities for the youth

An integrated approach is required to address issues raised by the communities. Those that do not fall within the mandate of Local Government are elevated to the relevant provincial departments for their attention.

It is critical for the NMBM to establish, enhance and strengthen Intergovernmental Relations platforms to ensure greater cooperation between the three spheres of government for development within Nelson Mandela Bay. This can also be achieved through the DDM process.

## **6.4 SPECIFIC INPUT FROM STAKEHOLDERS**

This Chapter reflects the input received from Government Departments and State Owned Enterprises.

In line with Intergovernmental Relations and Cooperation between various spheres of government, a number of Government Departments and State-Owned Enterprises submitted their inputs for inclusion in this IDP.

### **6.4.1 Transnet**

Transnet is an important stakeholder and development partner to Nelson Mandela Bay Municipality. Through the Strategic Interface Forum (SIF) and its Sub-Committee, the Strategic Development Committee, the Municipality has formed a formal working relationship with all State-Owned Enterprises (SOE'S) in the City through a Memorandum of Understanding. Transnet is responsible for a number of large projects in Nelson Mandela Bay that could positively change the development trajectory of the City once they are implemented. These projects include the Nelson Mandela Bay Steam Train (Apple Express), the Port of Port Elizabeth Waterfront development and the relocation of the Oil Tank Farm and Manganese Export Facility.

#### **6.4.1.1 Nelson Mandela Bay Steam Train**

The Municipality in partnership with Transnet embarked on a process to re-establish and operate the Nelson Mandela Bay Steam Train formerly known as the Apple Express. The implementation of the project has focussed on phase one which was from the harbour to Kings Beach during December 2017 and January 2018.

A pilot run of the 2017 tourism route was done in March 2020 after certain rehabilitation of the line took place. Delays were experienced due to COVID-19 and engagements will take place between Transnet and the Municipality on how to take the project forward sustainably.

#### **6.4.1.2 The Port of Port Elizabeth Waterfront Development**

The Port Elizabeth Waterfront has been conceptualised around transforming the Port of Port Elizabeth into a "people-centric port". The project has the ability to be a catalyst for economic growth and inner-city rejuvenation. The project will promote social inclusivity, alleviate poverty and facilitate economic transformation. It will facilitate sustainable economic growth by providing possibilities for new business and the expansion of existing businesses.

The proposed development will cater for tourism, sport, leisure and recreation facilities. It is intended that it will incorporate a maritime museum, facilitate cruise liner tourism, light boat/yacht building and repair facilities, bunkering facilities for small operations, maritime education training as well as retail, residential and office space.

The proposed Waterfront is uniquely positioned to become part of the "heart" of Nelson Mandela Bay together with the Baakens Valley Development.

It is envisaged that the full development could be undertaken in a period of 10-20 years; however, this will be highly dependent on demand. The project is planned to be rolled out through a competitive process which will culminate in a development

contract. In addition, Transnet is considering partnerships in the project to ensure that throughout its lifecycle, the economic interests of the City are considered.

In the interim, Transnet has begun a process of developing non-port related activities which form an integral part of the Waterfront Project. The Municipality is interacting with Transnet to ensure a common development vision for the entire area and a synergy between related projects.

A constructive partnership needs to be formed for the planning and implementation of the programmes for this area and processes are under way to ensure that this happens.

#### **6.4.1.3 Oil Tank Farm and Manganese Export Facility**

When the Port of Ngqura was conceptualised in 1990, it was envisaged to be a heavy industrial port which would allow the transformation of the Port of Port Elizabeth into a “clean” port. This physical transformation thus necessitated plans to ensure the cessation of operations for certain commodities which include liquid bulk and manganese. The cessation of these operations would open up commercial opportunities for the Waterfront development and well as establishment of a potential new terminal for the handling of “clean” cargo.

The Port of Port Elizabeth liquid bulk facility (tank farm) was constructed in 1938 and extended in 1954. The facility has reached the end of its design life. In addition, the facility is seen as undesirably close to the City centre and there has been mounting pressure to remove the facility and establish a similar facility elsewhere.

The construction of the new facility at Ngqura begun in April 2019. This includes the construction of the Entrance Plaza and Firefighting System. The storage tank platform has been completed and work will now proceed on the construction of the storage tanks and pipelines.

The new Ngqura Bulk Manganese Export Terminal is being established in Zone 9 in the Special Economic Zone (SEZ) on land owned by Transnet through a commercial transaction with Coega Development Corporation (CDC). It will have a target capacity to export 16-22 Million Tonnes Per Annum (Mtpa) of manganese. The existing Port Elizabeth Manganese Terminal facilities have a capacity of 5.1 Mtpa (with an operating license of 6Mtpa) but cannot meet the increased global demand for this commodity.

The completion of Phase 1 of the project was scheduled for 2024. This includes the cessation of the operations current facility in the Port of Port Elizabeth to the establishment of a newly constructed facility at Ngqura. The Municipality has called upon Transnet to fast-track the relocation process from the centre of Gqeberha (formerly known as Port Elizabeth).

Transnet is implementing COVID-19 safety regulations in their operations. During the lockdown period, seaports in South Africa were not totally closed and commercial cargo operations continued. As production slowed down during the lockdown, exports and imports dropped considerably. All sea cruises undertaken by cruise liner vessels into and out of any seaport within South Africa have been terminated until further notice.

#### **6.4.2 Airports Company South Africa (ACSA)**

ACSA has the following key strategic objectives in Nelson Mandela Bay:

- Cooperation between the Municipality on development planning and Airport master plan and precinct planning to ensure alignment.
- Manage and align developments to ensure maximum economic and social beneficiation for the region.
- Collaboration and agreement on land-use planning to ensure airport impacts on surrounding communities are managed.
- Leverage the Airport as an economic and connectivity node through the Airlift Project.

- Positioning Nelson Mandela Bay as an important Airport City to leverage economic growth.
- Collaboration with the Municipality on Safety, Security and Environmental compliance.
- Cooperation with the Municipality on water and electricity security.

Current ACSA projects include the following:

- Terminal refurbishment
- Storm Water project

The COVID-19 pandemic impacted ACSA countrywide, due to the termination of commercial flights during the National Lockdown period. This has resulted in projects for 2021/22 financial year either being cancelled or deferred. Projects that have been deferred will be revisited once air traffic returns to normal.

#### 6.4.3 Passenger Rail Association of South Africa (PRASA)

Investment by PRASA in Nelson Mandela Bay will be distributed over a number of PRASA run projects as follows:

**TABLE: PRASA Planned Projects until 2025**

| Project Name                       | Estimated Total Cost | 2022/2023  | 2023/2024   | 2024/2025   |
|------------------------------------|----------------------|------------|-------------|-------------|
| Port Elizabeth Station Improvement | R53 000 000          | R4 994 740 | R26 852 300 | R21 203 960 |
| Uitenhage Station                  | R17 700 000          | R1 423 310 | R16 276 690 |             |
| Mariska Residence Alterations      | R8 390 000           | R1 785 540 | R6 604 460  |             |
| New Brighton Station Improvement   | R15 000 000          | R206 786   | R9 172 855  | R5 620 359  |
| De Mist                            | R7 500 000           | R5 173 638 | R2 326 362  |             |
| Sydenham Station                   | R6 000 000           | R4 464 591 | R1 535 409  |             |
| North End Station                  | R6 000 000           | R206 786   | R5 793 214  |             |
| Perseverance Station               | R6 000 000           | R206 786   | R5 793 214  |             |

| <b>Project Name</b> | <b>Estimated Total Cost</b> | <b>2022/2023</b>   | <b>2023/2024</b>   | <b>2024/2025</b>   |
|---------------------|-----------------------------|--------------------|--------------------|--------------------|
| Redhouse Station    | R5 000 000                  |                    | R413 572           | R4 586 428         |
| Swartkops Station   | R5 000 000                  | R206 786           | R4 793 214         |                    |
| Aloes Station       | R4 000 000                  |                    | R3 669 142         | R330 858           |
| Despatch Station    | R5 000 000                  |                    | R500 000           | R4 500 000         |
| <b>Total</b>        | <b>R138 590 000</b>         | <b>R18 668 963</b> | <b>R83 730 432</b> | <b>R36 190 605</b> |

*Source: PRASA CRES (Corporate Real Estate Solutions) 2022*

In addition to the above projects, the PRASA Motherwell Passenger Rail Corridor includes an R8 million budget for the next financial year. Budget allocation beyond 2021/22 will be amended once the Memorandum of Agreement has been signed, and PRASA and Nelson Mandela Bay Municipality have agreed and aligned the project implementation timelines with all project dependencies.

As with other State-owned Enterprises, the COVID-19 pandemic has caused delays in the projects, however, engagements to finalise the Memorandum of Agreement are ongoing.

#### **6.4.4 Coega SEZ**

The Municipality and the Coega Development Corporation have agreements in place that outline the operational relationships between the organisations in order to meet the developmental objectives of government within the framework of the municipally approved Development Framework Plan and associated Development Management Plan.

The agreements make provision for development facilitation whilst complying with the respective legislative mandates of the two organisations. In so doing, the CDC is able to meet the expedited time frames for meeting the requirements of industry investing within the Coega SEZ. To date, the CDC has accessed funding from national and provincial government to construct the necessary infrastructure for providing bulk services to the Coega SEZ. Bulk infrastructure includes roads, water, electricity, sewage and stormwater related services.

The Municipality and the CDC have identified water and sanitation for the Coega SEZ as areas of concern. The availability of water and sanitation imposes limits to the growth of the Coega SEZ, having the implication that high water users cannot invest in the SEZ until utility requirements have been addressed. A Water, Sewer and Return Effluent Master Plan has been developed for the Coega SEZ which provides projections for use under different scenarios associated with the intensity of land use.

To date, the Municipality in collaboration with the CDC, has commenced with planning the following projects, which are critically required for the further development of the Coega SEZ:

- Nooitgedacht Low Level Scheme (NLLS) – which supplies water from the Gariiep dam to Nelson Mandela Bay.
- Coega Waste Water Treatment Works and Sea Outfall.
- Coega Return Effluent Scheme.

#### **6.4.5 Nelson Mandela University (NMU)**

NMU welcomed the opportunity to comment on the Draft IDP as the only University to carry the name of Nelson Mandela, the institution sees itself as an anchor in the Metro and places a strong emphasis on service to society.

The University is an important development partner within Nelson Mandela Bay. This is because of the range of university properties (campuses) situated throughout the Metro, with a student enrolment of over 30 000 students. In addition, as one of the largest employers in the Metro, the University is able to offer various forms of expertise aimed at the successful implementation of the IDP. In line with the University's Vision 2030 and related strategic plans, the critical issues and priorities of the University that speak directly to the functionalities of the NMBM, and would benefit from consideration and inclusion within the framework of the IDP are listed as University Priority Issues below.



These are the issues that the University would like to highlight for ongoing engagement with NMBM during implementation of the IDP.

### **University Priority Issues**

**Infrastructure and ward-based development** – particularly in areas adjacent to campus sites (notably Missionvale and Bird Street). Consideration should be given to an urban development node adjacent to the Missionvale campus, with a health and education focus.

**Economic revitalisation of the inner city** - with a focus on student/youth centric activities; with levers being student accommodation; youth entrepreneurship and the student economy.

**Public Transport** – availability for students and staff, and service provider participant management such as bus and taxi services.

**Bulk Services Provision** – in support of campus infra-structure development, including water and electricity and collaboration on renewable energy generation projects.

**Development of the Oceans Economy** – collaboration and research services.

**Expansion of Public Libraries** – as sites for off-campus student study activities.

**Expansion of City E-services and Connectivity** – in areas of off-campus student concentrations such as the Inner City, and township hubs.

**Collaboration on Enhanced Public Safety** – notably around the Campuses of the University and on transport access routes.

**Collaboration on Urban Settlements, and Land Use Planning and Management.**

**Collaboration and partnering with the University on food security initiatives within the Metro.**

**Youth Unemployment and Development** – exchanging of knowledge and cooperation to promote youth development through the provision of opportunities to students for work integrated learning and internships, to enable the NMBM to achieve the growth and development related to social, economic, and environmental goals within the Metro.

**Human Resource Development and Capacitation** – aimed at the successful implementation of the IDP. Collaboration in terms of capacity building, education and training, research requirements, information exchange and access to resources.

**Public Health, inclusive of the Medical School**

**Sports, Arts and Culture, Heritage and Tourism** – building a vibrant City through excellent facilities to promote participation; partnering with the University on joint initiatives; contributing to the research programme of the South African Cultural Observatory [SACO] run by the University, as an economic development and research hub.

**IDP Implementation Rollout** – There is a range of University expertise that can be called upon with specific expertise in a range of areas that include the following areas:

- Business and Management Development
- Economic Development
- Business and Management Development
- Public Management and Leadership
- Human Settlements
- Development Studies
- AEON – Africa Earth Stewardship Observatory Network including marine deep ocean geo-physics
- Ocean Sciences

- Institutional Strategy
- SAIMI -Maritime
- South African Cultural Observatory (SACO)

The University also hosts a number of Research Chairs which focus on in-depth research on Ocean Governance; Food Security; Ocean Heritage and Cultures; African Feminisms; Nano-medicine to name a few; as well as Centres and Institutes such as the Raymond Mhlaba Centre of Public Management and Leadership; and the Centre for Women and Gender Studies.

Nelson Mandela Bay Municipality and the Nelson Mandela University have concluded a Memorandum of Understanding (MoU), which mainly revolves around the ocean sciences.

There are a number of programmes that are being run simultaneously between the two institutions and various stakeholders that contribute to the environmental and ocean sciences programmes.

Furthermore, the MoU makes provision for the two institutions to continue to work on any mutually agreed projects and programmes in the future.

#### **6.4.6 Institutions of higher learning**

The NMBM recognised that for the City to reach its goals, serious consideration should be given to initiating, building and maintaining relationships with citizens, communities, other spheres of government, organs of state, and institutions of higher and further learning which include Nelson Mandela University (NMU) and the Technical and Vocational Educational and Training Colleges (TVETs).

Consequently, an agreement was drafted to permit mutually beneficial collaboration with the NMU and the TVET Colleges. This agreement is based on proposals and inputs canvassed with the directorates within Nelson Mandela Bay Municipality.

An agreement has been concluded that facilitates the exchange of knowledge, promotes youth development and provides opportunities for work-integrated experiential learning to students.

This will in turn enable NMBM to achieve the growth and development related to social, economic and environmental goals within the City.

The NMBM and institutions of further and higher learning have committed to:

- Further the growth and development goals of the City in a sustainable manner.
- Collaborate to identify areas where students are able to receive work-integrated experiential learning / training
- Consult one another on ways of advancing social, environmental and economic improvement through spatial, infrastructural and macro- and micro-planning.
- Advance cutting-edge research and transferring NMU and the TVETs innovation into NMBM communities, supporting social and economic needs through research projects required and proposed by NMBM.

The value-added to the NMBM through the collaboration includes:

- Capacity building
- Education and training
- Research possibilities
- Information exchange
- Access to resources

The value-added to the institutions of further and higher learning through the collaboration includes:

- Research possibilities and student participation to assist students with gaining valuable skills while simultaneously contributing to the growth, improvement and development of the NMBM.

- Practical application with respect to projects identified by the NMBM which will count towards students' thesis or dissertations.
- Work-integrated experiential learning opportunities for students.
- An opportunity for the higher learning institutions to collaborate with NMBM when placement is required for potential students who need work exposure in local government in order to complement their qualifications.

#### **6.4.7 The Built Environment Practitioners Forum**

This forum has a broad membership made up of various Built Environment Professionals including architects, architectural draughtspersons, engineers, town planners and land surveyors.

The forum includes municipal officials and meets quarterly to address various issues related to land use planning and construction.

These include issues related to the zoning scheme, SPLUMA and other municipal policies.

It is further to be noted that the BEPF also serves on the e-MAMS working group responsible for the development of an online land use and building plan application system. It is envisaged that the relationship between the Municipality and the forum will be enhanced where the forum can occupy the position of being a platform for participation and consultation on a wide range of built environment related matters.

#### **6.4.8 The South African Property Owners Association (SAPOA) Port Elizabeth Region**

SAPOA represents several large-scale property development companies and owners in Nelson Mandela Bay. As an organisation, they have *inter alia* highlighted the following issues for attention and noting:

- (a) Political instability has never been conducive to economic growth and development. It has a direct impact on the internal operations of the Municipality, which in turn has a direct impact on service delivery. This is exacerbated during a pandemic.
- (b) The following measures are proposed to rebuild the economy and assist business and citizens:
- Short-term relief to businesses, property owners and developers in terms of rates and taxes.
  - A reduction in the proposed water and electricity increases for the next financial year and beyond.
  - Maintenance of property valuations to reduce property rates increases.
  - Flexibility of zoning rights to increase work from home opportunities.
  - Finalisation of a SPLUMA compliant Land Use Management Scheme.
  - Regular review of municipal policy to ensure relevance.
  - Regular feedback on key service delivery projects.

#### **6.4.9 Cultural and Creative Industries Federation of South Africa (CCIFSA) Nelson Mandela Bay,**

NMBM Council must, as a matter of urgency pass a Council resolution that recognizes CCIFSA-NMB as the overall coordinating structure of the NMB Cultural and Creative Industries. This is in line with the resolutions of the Mandela Bay Arts Indaba held at Mendi Art Centre on 09 and 10 March 2022 where creatives reached an agreement on the excruciating need of such a representative body that will protect, promote and champion the interests of the sector.

Other relevant critical actions that the NMBM needs to consider in the 2022/2023 IDP are amongst others; transformation of NMBM organogram to cater for arts, culture and heritage, establishment of an arts centre in the Zola Nqini Cluster (Kariega), finalize the remuneration framework for the creative grading Policy and establishment of Creative Arts database for the NMB, establish a sustainable relationship with the Mandela Bay Theatre Complex, hosting of cluster and sector- based festivals, identification of a building in the city centre that will be used by artists for various

relevant activities, completion of the Mendi Arts Centre, revival of the Motherwell Arts Centre and the Red Location Museum to mention but a few.

#### **6.4.10 Special Sector**

Some of the challenges needing urgent attention to the NMBM to cater for the needs of the people with disability sector are listed below:

- Provision of a special transportation requirements for PWDs employees of the municipality
- Provide employment opportunities for the sector in line with legislation.
- Provision of toilets accessible to PWDs in all the municipal buildings
- Set aside a number of parking bays for PWDs.
- Address accessibility challenges to a number of municipal buildings
- Provision of relevant tools of trade for PWDs at the workplace)
- Provision of stipend to PWD Carers

#### **6.4.11 Engagements with Government Departments**

The responsibility for delivery and maintenance of social infrastructure such as education, health and welfare and library services fall within the ambit of provincial government. As such, continuous dialogue and engagements are necessary with the relevant provincial departments in order to ensure integrated planning and use of resources for the delivery of services.

The Municipality strives to communicate through various fora with other government departments and state-owned enterprises. These fora includes the Strategic Interface Forum as well as the Intergovernmental Relations Forum and other engagements from time to time.

It should be noted that Provincial Government financial years runs from 1 March to 28 February of the next year whilst Local Government's financial years run from 1 July to 30 June of the next year.

COVID-19 has impacted on both the delivery and budgets of projects performed by other spheres of government and state-owned enterprises in Nelson Mandela Bay. The impact has largely been in the delay of timelines for the completion of projects.

Engagements are continuing for delivery of programmes and projects now that the COVID-19 pandemic has eased. The DDM One Plan process will enhance collaboration between NMBM and other government departments for projects within the municipal area.



# 7

## **CHAPTER 7: SECTOR PRIORITIES**

The Municipality is comprised of a number of directorates / sectors that perform specific functions within the Municipality.

These include the following:

### **7.1 DISASTER MANAGEMENT**

The importance of disaster management is often only appreciated in times of crisis. Current crises impacting the Municipality are the severe drought and the COVID-19 pandemic and its after affects. It must be appreciated that it is the disaster management response of the Municipality that will determine the ability of the City to limit the severity of a disaster.

The Municipality is required to prepare a Disaster Management Plan for the City according to the prevailing circumstances and within the ambit of its Municipal Disaster Management Framework. The Disaster Management Plan of the City must meet the criteria set out in Act. A municipality must submit a copy of its Disaster Management Plan, to the Disaster Management Centre. Disaster Management Plans are core components of an IDP.

The Municipality's Disaster Management Plan was adopted by Council in 2010 and is available on the municipal website: [www.nelsonmandelabay.gov.za](http://www.nelsonmandelabay.gov.za).

The Disaster Management Plan will be updated in order to be compliant. A tender has been advertised for the preparation of the Disaster Management Plan and supply chain management issues are being resolved.

## 7.2 BUDGET AND TREASURY

The Budget that is approved with this IDP reflects the financial situation prevalent in the Municipality. The process of developing the Budget is impacted by a number of influences. This section highlights some of the main influences on the Budget.

- Due to the severity of the drought, the budget is oriented towards drought mitigation projects as a priority. Climate change mitigation will be an ongoing requirement.
- The average collection rate has decreased from 94% pre-COVID 19 to 71,88% in 2021/22 financial year against a target of 85% (as at 31 December 2021). Consequently, there is less funding available and prioritisation is important.
- COVID-19 destabilised operations across all municipal directorates due to decreased working days and the impacts of staff rotation and work from home. The City is only just emerging from this period.
- There has been a recent increase in unemployment. This directly affects the ability of households to pay municipal accounts. It also creates greater pressure on the Assistance to the Poor Programme of the Municipality, which subsidises poorer households with basic services.
- National Treasury did not approve any roll-overs for the 2020/21 financial year and the Municipality's own funds have been required to complete projects or alternatively projects have been delayed.
- Certain commitments against the budget result from prior year decisions that may not be reversed and these will influence the Budget going forward.
- There are external factors that affect the Budget and these include the escalating cost of bulk purchases for electricity and water. The Municipality has no influence on these costs.
- Revenue from electricity sales are reducing while electricity bulk purchases are increasing and this leads to significant shrinking of the revenue generated by the Municipality.

## **7.3 INFRASTRUCTURE AND ENGINEERING**

This section deals with water and sanitation, roads, stormwater and transportation, which includes the design and implementation component. Since the exacerbation of the drought and the impacts of COVID-19, water and sanitation has come into sharp focus due to the need to ensure adequate water supply and sanitation.

The growth of informal settlements has complicated the provision of basic services to informal settlements. The water and sanitation situation is exacerbated by the impact of the drought that the City is experiencing. Currently dam levels are below 16% and a sustainable water supply is needed not only for present purposes but into the future.

### **7.3.1 Water and Sanitation**

The responsible delivery of water and sanitation services to residents of Nelson Mandela Bay is a key mandate of the institution. These services are provided through managing the supply of water, treatment of water, bulk supply of water, distribution of water, wastewater collection and treatment of wastewater. These include the following:

- the storage of water in 10 dams
- treatment of water at 8 water treatment works
- bulk supply of treated water through 650 km of large diameter pipelines to Metro boundaries into distribution reservoirs
- water distribution reticulation to all customers through 4 800 km of water pipelines
- 71 reservoirs
- 33 water pump stations
- collection of wastewater through a 3 600 km pipe network and pump stations
- 93 sewage pump stations
- treatment of sewage at 7 wastewater treatment plants for both domestic and industrial use and 1 sewage pre-treatment works
- monitoring trade effluent discharges
- the relevant electrical and mechanical maintenance of plant / equipment

The infrastructure described above is required to fulfill the key institutional mandate, namely to provide services to citizens and businesses located within Nelson Mandela Bay. In order to achieve this, the infrastructure must be maintained, rehabilitated and expanded to keep up with the developmental needs of the City. In doing so, appropriate technologies are constantly researched, as part of the upgrade and rehabilitation plans and integrated into the water and sanitation delivery plans.

The provision of water and sanitation services, connectivity to services, the discharge of sewage into sewers, as well as water conservation measures, are governed by both national legislation (Acts) and local legislation (By-laws). In support of these, the NMBM has approved a Waster Services Development Plan (WSDP), a Water Master Plan and a Sanitation Master Plan that ensure the provision of infrastructure to meet the future needs of the metropolitan area.

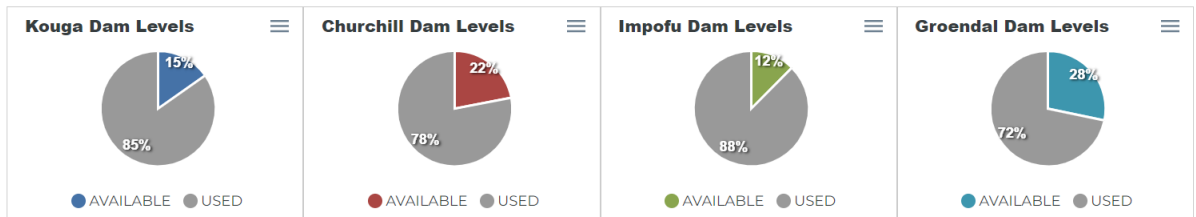
Within the mandate of delivering water and sanitation services, three main areas need special mention:

- The ongoing water / drought disaster

COVID-19 and the drought which started in 2015 have impacted on the demand for water.

Current dam levels are below 16% and the outlook for rainfall in the catchment areas is not positive.

**FIGURE: Dam levels**



Last updated: March 04, 2022

| Dam       | Capacity (when full) | Available (MI)    | Available (%) |
|-----------|----------------------|-------------------|---------------|
| Kouga     | 125 910 Megalitres   | 19 176 Megalitres | 15.23 %       |
| Churchill | 35 240 Megalitres    | 7 741 Megalitres  | 21.97 %       |
| Impofu    | 105 757 Megalitres   | 13 147 Megalitres | 12.43 %       |
| Groendal  | 11 638 Megalitres    | 3 289 Megalitres  | 28.26 %       |
| Loerie    | 3 026 Megalitres     | 1 569 Megalitres  | 51.85 %       |
| Combined  | 281 571 Megalitres   | 44 922 Megalitres | 15.95 %       |

- The following intervention projects, their timing and capacity for water delivery are being implemented:

|                      |                |               |
|----------------------|----------------|---------------|
| – Boreholes          | 15 MI/d        | July 2022     |
| – Coegakop WTW       | 15 MI/d        | Sept 2022     |
| – Nooitgedagt        | 40 MI/d        | June 2022     |
| – Coega Desalination | 15 MI/d        | December 2022 |
| – NMBM Desalination  | <u>30 MI/d</u> | 2025          |

TOTAL = 115 MI/d

- Currently there is insufficient funding for the following supplementary water projects amounting to R530 million:

|   |              |
|---|--------------|
| – Motherwell/Bethelsdorp Pipeline:      | R215M        |
| – Mel Brooks Water Pipeline:            | R 12M        |
| – Chelsea Reservoir Capacity Upgrade:   | R 120M       |
| – Gelvandale Reservoir Capacity Upgrade | R110M        |
| – Nooitgedagt Pump Stations Upgrade:    | <u>R 85M</u> |

TOTAL: R530M

- Water Losses

Reducing water losses remains key to the provision of an effective and efficient service. Losses contribute negatively to the drought situation and affect the income of the Municipality. In this regard, a Business Plan has been developed that governs efforts to reduce water losses. In reducing losses, key interventions include:

| No. | WORKSTREAM                                       |
|-----|--|
| 1   | Bulk Water Supply and Bulk Water Meters          |
| 2   | GMA's and DMA's                                  |
| 3   | Remote Meter Reading, ICI & DMA Monitoring       |
| 4   | Pressure Management                              |
| 5   | Non-Revenue Water                                |
| 6   | Billing Management and CDA statistics            |
| 7   | Water and Sanitation Tariffs                     |
| 8   | Leak Repairs                                     |
| 9   | Operations & Maintenance Resources               |
| 10  | Domestic Meter Audits                            |
| 11  | Valve and Hydrant Audit                          |
| 12  | Water Meter Replacement                          |
| 13  | Pipe Replacement Programme                       |
| 14  | Reservoir Rehabilitation                         |
| 15  | Communications, Publicity, Awareness & Marketing |

The total funding required for the above interventions is R1,6 billion.

- Bucket Eradication

The Municipality has reduced the number of sanitation buckets being serviced in the City from approximately 16 000 in 2016 to 5 800 in February 2022. The Council's Bucket Eradication Programme as was approved on 1 December 2016 is being implemented. The Bucket Eradication Programme makes provision for interim services which include combined ablution facilities and chemical toilets. A challenge remains with a number of communities that prefer to stay on the bucket system until houses are provided.

With the slowdown of the housing programme, a greater opportunity exists for the further eradication of buckets, but much public participation will be required.

### **7.3.1.1 Impact of Drought**

Dam levels have receded to below 16% and severe water restrictions are in place. Although 67% of the water for the City comes from the Gariep Dam via the Nooitgedacht pipeline, this water cannot be distributed to all areas of Nelson Mandela Bay. Water consumption remains too high for the supply.

In light of the above, should current consumption patterns continue with no rain fall, the following scenarios are relevant:

- KwaNobuhle could run out of water by July 2022 when the Kouga dam runs dry. The dam is at 15.19% capacity in March 2022.
- Kariega areas that are fed from Groendal Dam may run out of water by November 2022. The dam is at 28.62% capacity in March 2022.

Dedicated plans are being implemented to address these individual areas with specific needs, however, the key action remains for all customers to reduce water consumption.

The Nelson Mandela Bay Municipality is considering collaboration with the Coega Development Corporation (CDC) for the development of a desalination plant. It is intended that should the desalination plant be found to be viable from the perspective of the Municipality, CDC will act as the implementing agent. The plant is anticipated to provide 30 ML/d.

### **7.3.2 Roads, Stormwater and Transportation**

The Municipality must provide safe, affordable, sustainable and accessible multi-modal transport services and infrastructure that promote integrated land use development and ensure optimal mobility for the residents and users of the transport

system in the municipal area. Roads, Stormwater, Transportation, Design and Implementation are not trading services. This means that project funding is largely dependent on internal funding such as the Urban Settlements Development Grant (USDG), the Fuel Levy and any other grant funding. The provision of these essential services provides access to all developments in the City including residential, retail, industrial and commerce. These services are essential for the growth of the City.

Key strategies for this section include the following:

- Provision of adequate roads to give access to all developed areas.
- Upgrading of existing roads to ensure an acceptable level of service.
- Provision of facilities for non-motorised transport users.
- Implementation of stormwater infrastructure.
- Design and Implementation of municipal civil services.

The Municipality's Comprehensive Integrated Transportation Plan (CITP) has been reviewed to comply with the National Land Transport Act (5 of 2009). The CITP includes projects that need to be implemented within the five year validity period of the CITP.

The Municipality's Road and Bridge Management Systems are currently up for review. The Road Management System is updated every 2 to 3 years and the Bridge Management System every 5 years.

### **8.3.2.1 Roads Backlogs**

The following backlogs are experienced with regard to the provision of roads and sidewalks:

- (a) Roads backlogs amount to approximately R7 billion for 750 km.
- (b) Roads and non-motorized transport projects are required for safety efficiency and accessibility.



## 8.4 INTEGRATED PUBLIC TRANSPORT SYSTEM

An integrated Public Transport System is, as the name implies, a Public Transport System that can comprise of multiple modes, (e.g. train, bus, taxi) and is integrated into the development fabric of the City in such a way that it supports and is supported by other land uses/facilities.

The objectives of an Integrated Public Transport System are thus:

- To provide an efficient, safe, affordable, sustainable and accessible multi-modal public transport system.
- To support social and economic development through optimal mobility thus improving the quality of life for residents and users of the transport system.
- To reduce commuting costs for the residents.

A Vehicle Operating Company Agreement (VOCA) was signed in November 2017 between NMBM and the Vehicle Operating Company that was set up by the two mini-bus taxi associations operating on the Cleary Park route. The Agreement was signed in terms of Section 41 of the NLTA no. 5 of 2009. Actual operations commenced on 16 May 2018 with a system that is based on hybrid operations using both minibuses and articulated buses. The minibuses are used on feeder routes and articulated buses on the trunk route (Cleary Park – Gqeberha CBD). The total number of passengers that have been carried by the system since the commencement of operations is over 6,05 million as at March 2022.

The system is currently using a paper ticket system: M-challenger. Plans are ongoing around the upgrading of the system to an Automated Fare Collection system. It is envisaged that the installation of the Automated Fare Collection (AFC) system will commence in the 2022/23 financial year. An Operating Monitoring System (Advanced Public Transport Management Systems - APTMS lite) has been installed on the buses and minibuses with the following functions: scheduling, fleet management, business intelligence, basic data management, CCTV monitoring on the bus and minibus and system management.

Monitoring of the operations is done at the Integrated Public Transport Operations Centre (TOC). Reports on complaints by the commuters are generated at the TOC and escalated to management for attention.

Due to financial constraints, basic Infrastructure development has been implemented and it entails:

- Roadway Infrastructure
- Public Transport Facilities i.e. Depots, Termini, Stations and Stops
- Construction of Sidewalks
- Routine Road Maintenance
- Improvements and Enhancements related to Universal Access

The following progress has been made towards marketing the system:

- A Draft Marketing Strategy for the Starter Service has been developed and will be presented to Council for adoption.
- Timetables and Bus information are available at bus shelters and buses.
- Libhongolethu Webpage is operational.
- The Libhongolethu mobile app has been launched as part of the NMBM's mobile app.
- Radio adverts and newspaper articles are done as and when required.
- All information is available on social media i.e. Facebook, Twitter and queries are being responded to.

The draft Comprehensive Integrated Transport Plan (CITP) is to be presented to Council in preparation for public participation prior to adoption by Council early in the 2022/23 financial year. The four revised operational plans are also being prepared for submission into the Council approval processes.

Due to the challenges that have been faced in the period of operations, the National Department of Transport has advised the Municipality to scale down its implementation and only focus on turning around the Phase 1A operations and the implementation of operations in the Summerstrand / Nelson Mandela University corridor.

## Strategy Alignment

The Phase 1A IPTS routes are aligned with the strategic development corridor extending from the CBD, along the Stanford Road Corridor to Kariega. It has nodes associated with the main development areas along the corridor, such as Korsten and Cleary Park. Future extensions to the routes are planned in the areas where new housing developments, such as Jaghtvlakte, are being implemented and planned.

### 7.5 ELECTRICITY AND ENERGY

The Municipality has to provide a safe, reliable, environmentally friendly, sustainable and cost-effective electricity supply to its users. In line with this national mandate, the Municipality aims to develop a resilient infrastructure that will accommodate growth and create sustainable opportunities whilst providing effective and efficient services to the residents of Nelson Mandela Bay.

The Municipality is an energy distribution utility and is licensed by the National Energy Regulator of South Africa (NERSA), the Regulatory Authority, to distribute and trade in energy to end customers within the defined licensed area. NERSA derives its authority in terms of Section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004).

The strategic focus in respect of the provision of electricity and energy in Nelson Mandela Bay is as follows:

- To ensure universal access to safe and reliable electricity supply to all residents.
- To provide public lighting to all the areas in order to improve the overall safety of the City.
- To implement new lighting technologies and improve the public lighting network through enhancing light output, whilst reducing operating and maintenance costs.
- To provide support to social and economic activities through capable and reliable electricity infrastructure.
- To focus on becoming a conduit to stimulate business investment and job creation in the energy sector.

- To implement and investigate renewable energy and alternative energy technologies in order to ensure future sustainability.
- To support and implement the Smart City programmes to enable universal digital connectivity between all devices and communities, smart metering, measuring and monitoring of all municipal infrastructure.
- To lead by example in implementing demand side management and energy efficient measures in an attempt to prevent and lessen the impact of national load shedding requirements.
- To implement decisive, innovative and smart solutions aimed at the systematic reduction of electricity revenue losses and to ensure that the service becomes self-sustained and ultimately profit yielding once again.
- To eradicate the impact and effect of illegal connections and other forms of electricity theft on the electricity infrastructure.

With declining revenue from electricity and a decreasing budget for electricity operations, the City has had to relook at the entire business of electricity and energy. Considerations include the following:

### **7.5.1 Electricity and Energy Operations**

The operations with regard to Electricity and Energy in the Municipality include:

- Connecting dwellings to the main electricity supply within the Nelson Mandela Bay Municipality's jurisdiction through electrification programmes – the roll out of formal and informal cost-effective electrification programmes.
- Revenue management – management of losses, upgrading of commercial customers to Automatic Meter Reading (AMR) facilities, migration of domestic customers to smart metering systems, as well as the installation of smart infrastructure in order to monitor and reduce losses by approximately 1% per annum.
- Revenue realisation programs within the energy sector – introducing cost reflective wheeling tariffs and feed-in tariffs for renewable energy pro-consumers.
- Systems reliability improvement – Supervisory Control and Data Acquisition (SCADA) monitoring networks, protection of the network and improving network

links. Currently the Municipality has 75% SCADA penetration on the high voltage and medium voltage networks. The plan is to increase SCADA penetration to 85% and thus improve the network monitoring and reliability.

- Reinforcement – to strengthen the weak links within the network, to meet the needs of the customers and expectations through enabling infrastructure developments.

## **7.6 HUMAN SETTLEMENTS**

Inequality and poverty are most harshly felt at a community level. The Human Settlements function is dedicated to address inequality experienced *inter alia* through housing delivery, informal settlements management and upgrading, social housing facilitation and the release of land.

### **7.6.1 Housing as a basic need and Human Settlements**

The Constitution of South Africa Act 108 of 1996 and the Bill of Rights contained therein, affirm the democratic values of human dignity, equality and freedom for all citizens. This informs the work of the Municipality in human settlements provision, while it must also give effect to the following associated rights:

- Equality
- Human dignity
- Freedom and security
- Privacy
- Freedom of movement and residence
- Property
- Environment
- Healthcare, food, water and security
- Access to information
- Administrative justice

The City's mandate in respect of human settlements is derived from the National Housing Act 107 of 1997, which provides for "the establishment and maintenance of habitable, stable and sustainable public and private residential environments, to

ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis have access to permanent residential structures with secure tenure, ensuring internal and external privacy, and providing adequate protection against the elements, potable water, adequate sanitary facilities and domestic energy supply”.

The delivery of housing provides an opportunity to transform settlements and the development trajectory of the City whilst at the same time reducing segregation and inequality.

In fulfilling its mandate, the following challenges have been experienced by the Municipality. These challenges are not unique to Nelson Mandela Bay.

- A housing market in which poor households cannot participate.
- An ongoing housing affordability problem across various sub-markets, particularly the gap market.
- Weak spatial planning and governance capabilities.
- The high cost of well-located land for development.
- The inability to adequately respond to the diverse needs of low-middle income households.
- The absence of a range of typologies and tenure types to support the needs of poor households.
- The limited success of social housing to provide rental accommodation at scale.
- The escalating cost of development for government, resulting in a reduced number of housing units delivered.

Notwithstanding the above, in pursuing sustainable and integrated human settlements projects, the following objectives are pursued for all communities:

- Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable.
- Access to basic services such as water, sanitation, refuse removal and electricity.

- Security of tenure, irrespective of ownership or rental, formal or informal structures.
- Access to social services and economic opportunities within a reasonable distance.

### **7.6.2 Diversity in Housing**

It is recognised that the Provincial Department of Human Settlements is responsible for the allocation of funding for housing development in the Nelson Mandela Bay area. This influences what can be achieved by the Municipality.

The reality that faces the Municipality in providing adequate housing is that not every citizen in need of a formal home, in a sustainable and integrated human settlement, will receive one in the short or even medium term. To mitigate this, the approach adopted to dealing with informal settlements is to focus on upgrading, de-densification and *in situ* development.

In addition, not every citizen is in need of a subsidised house. There are those who can benefit from other initiatives, such as social housing and the Finance Linked Individual Subsidy Program (FLISP). The role of the Municipality is therefore to match citizens in need of homes to the appropriate available housing instruments, in collaboration with other role-players.

### **7.6.3 Diverse Functions in Human Settlements**

An important aspect in the provision of human settlements is the resolution of community conflicts, disputes and civil disturbances. The relocation of communities from emergency areas or after land invasions, or any highly emotive situations, requires particular facilitation, consensus building, and conflict resolution and problem-solving skills. In meeting the human settlements mandate, the Municipality deals with the most vulnerable citizens and it is therefore important that the approaches are appropriate.

Functions within the Human Settlements Directorate include:

- Land survey
- Building control
- Land use management and spatial planning
- Development and support for human settlements delivery
- Property and planning administration
- Housing consumer education

#### **7.6.4 Human Settlement Sector Plan**

A Human Settlement Sector Plan was adopted by Council in December 2012 in order to comply with the requirements for Level 2 accreditation at that stage and also to increase integration between the Integrated Development Plan (IDP), Spatial Development Framework (SDF), Land Use Management Strategy (LUMS) and infrastructure development planning.

The Human Settlement Plan review will:

- align to and express current legislation and policy prescripts
- align to and express current goals and objectives in terms of the National Development Plan and the municipal IDP and strategic plans
- address local conditions
- align available funding to identified priorities

The strategic goals as contained in the Implementation Plan of the 2012 Human Settlement Plan remain relevant. These are:

- Goal 1: Adoption of framework for new Housing Delivery Model
- Goal 2: Understand Demand
- Goal 3: Land Assembly
- Goal 4: Innovative and humane in-situ upgrading
- Goal 5: In-situ formalisation of backyard shacks



Goal 6: Partnerships for broader housing delivery

Goal 7: Progressive and flexible development policy

Some progress has been made in the achievement of some of the goals.

### **7.6.5 Informal Settlements Strategy and the Upgrading of Informal Settlements Plan (UISP)**

In 2009 the Government adopted a medium-term strategic framework that focuses on 12 outcomes, with emphasis on attainable outcomes as opposed to simply pursuing outputs on the basis of available resources and other inputs towards development. Specifically, Outcome 8 focuses on the development of sustainable human settlements and the improvement of household quality of life. Subsequently Sub-output 2 of Outcome 8 formally establishes the National Upgrading Support Programme (NUSP) to:

- Promote incremental upgrading as a major complementary housing programme (in-situ where possible).
- Support the NDoHS targets and the National Development Plan directives on incremental informal settlements upgrading.
- Improve the programmatic approach to upgrading, strengthening co-ordination with other sectors and partners.
- Strengthen the capacity of government and professional practitioners to implement community based incremental upgrading.

It is within this context that the Municipality has developed its Informal Settlements Upgrading Strategy.

The aim of the Strategy is to facilitate effective, uniform and fair processes in upgrading, managing and formalising the existing informal settlements that have resulted from historic illegal occupation. These include recently invaded land areas within the jurisdiction of the Municipality. The strategy further aims to ensure that all needs of residents within the City are considered, as is regulated by prevailing policies and the South African Constitution of 1994.

The National Upgrading of Informal Settlements Programme (UISP) is funded through the National Upgrading of Informal Settlements Programme Grant (UISPG).

The UISP Grant is required by the National Department of Human Settlements to be used for the upgrading of informal settlements. This upgrading is to take place on a holistic basis and focuses not only on housing but also community participation and other services and amenities which are delivered by all spheres of government and the private sector.

In the NMBM there are currently 156 informal settlements with about 45 000 households. These settlements have seen a steady rise since 2017 from 76 informal settlements.

A register of informal settlements exists which indicates the location, ward and date of inclusion in the register. This register is also plotted on the GIS.

## **INFORMAL SETTLEMENTS UPGRADING OUTCOMES**

The upgrading policy and strategy seeks to achieve the following outcomes:

- Proactive and flexible policy for re-blocking of informal settlements.
- Promote the socio-economic integration of informal settlements into the local urban fabric.
- Improve control and management of the informal settlement.
- Promote partnerships with a range of stakeholders.

## **IN SITU UPGRADING**

The Informal Settlements Upgrading Policy (ISUP) places specific emphasis on in-situ upgrading (with relocation as a measure of last resort), tenure security, access to basic services and ultimately creating opportunity for long-term shelter development and

settlement consolidation through a combination of public and private investments and efforts.

Since 2008, 55 informal settlements have been in-situ upgraded and 18 green field sites have been developed for relocation on an incremental basis with full water and sanitation and basic roads. Altogether 38 098 serviced sites have been developed.

In general, in-situ upgrading programmes are premised on the relocation of some households in order to de-densify the areas, with approximately 42% of households being targeted for relocation.

Relocations are applied in the following types of informal settlements:

- Shacks in stressed areas (e.g. floodplains, drainage channels, storm water routes, detention ponds, refuse tip sites, underneath powerlines and servitudes).
- Shacks on proposed development areas (including shacks on public open spaces, undeveloped school and other community facility sites, utilities reserves).
- Unserviceable areas (cannot be efficiently provided with conventional waterborne sewerage).
- Private land (unless land is acquired for temporary or permanent settlement).

## **LONG TERM PRIORITIES**

In understanding the national policy priorities for human settlements as well as the stated vision for human settlements in Nelson Mandela Bay, the implementation plan focuses on the following priorities:

- Upgrade informal settlements primarily in situ
- Ensure access to household basic services
- Planning for transformation and resilience
- Urban renewal in priority precincts
- Organisational gearing up and fitness

## **MAJOR DEVELOPMENTAL PRIORITIES**

The following are the major priorities for the next five years and beyond for the upgrading and management of informal settlements:

- Provide improved housing opportunities for backyard dwellers
- Dispose sites to non-qualifying beneficiaries and contribute to economic recovery
- Formalise invaded settlements
- Prevent the invasions of municipal land
- Upgrade informal settlements incrementally
- Fully automate the housing waiting list and link it to allocation of housing opportunities
- Capturing of real time data on informal settlements
- Housing consumer education

Alternatives should be explored in terms of providing tenure and services for residents. The proposed alternatives seek to effectively use available resources to meet the unlimited need for houses throughout the City. Furthermore, the communities should be encouraged to engage in self-sustained economic activities which includes building their own houses.

The aim is to provide serviced sites as mandated by the UISP as an initiative to maximise the impact of the programme by reaching as many households as possible.

The UISP Strategy considers a broader spectrum of upgrading informal settlements by considering all aspects which are pre-requisite to any formal development thereof until the ultimate provision of serviced sites. It cannot be overlooked that the inclusive costs for the provision of bulk services and other social amenities for sustainable human settlements add a huge impact on the entire plan and the budget therefore should be looked into in line with such provisions.

## **RELOCATIONS**

It is intended to relocate 5 500 households from stressed informal settlements in the next five years.

## 7.7 PUBLIC HEALTH

The Public Health services of the Municipality include the following:

- Municipal Health Services
- Waste Management
- Environmental Management
- Parks and Cemeteries
- Occupational Health Services for Employees

It is to be noted that the responsibility for medically related public health services rests with the Provincial Government. This includes public hospitals, clinics, ambulance services and vaccination centres. The Municipality provides the above mentioned services to its residents and within the institution occupation health, safety and wellness services are provided to employees.

Public Health is the science of disease prevention, prolonging life (life expectancy) and improving quality of life through organised efforts and informed choices of society. It is important to understand and analyse the local determinants of health of a population and the health threats. Disease surveillance is an epidemiological practice of monitoring diseases at long range, their spread, the drivers and progression in human populations and form a key part of a Public Health Strategy.

The role of Public Health was placed in the hands of Local Government by Schedule 4 Part B and Schedule 5 Part B of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The National Health Act, 2003 (Act 61 of 2003) prescribes the role of local government in executing this mandate.

The main role of disease surveillance can be summarised as follows:

- To predict diseases at long range
- To estimate their impact
- To put measures in place to minimise their impact

The World Health Organization defines human health as not merely the absence of disease or infirmity but the completeness of physical, social and mental wellness of communities and more recently, as a resource for everyday living. The World Health Organization puts the South African life expectancy at 60.2 years for males and 67 years for females with an average life expectancy of 63.6 years. Compared to the developed countries, the South African life expectancy may be considered very low.

### **Public Health challenges**

The Municipality is faced with a crisis of continuing multiplicity of diseases worsened by:

- The absence of a coherent Public Health Plan and Strategy.
- A shortage of critical health skills.
- Environmental impact challenges and effects of climate change such as droughts, heat waves and food security.
- Unhygienic public spaces due to illegal dumping of refuse.
- Institutional Occupational Health and Safety Act legal compliance challenges.
- A shortage of suitable land for burial.

## **7.8 SPORTS, RECREATION, ARTS AND CULTURE**

The Sport, Recreation, Arts and Culture (SRAC) mission within the Municipality is to drive the social cohesion, economic development, sustainable social infrastructure, and wellness of Nelson Mandela Bay's citizens through the strategic, well-aligned management of the City's sport, arts, culture, heritage, libraries, beaches, resorts and recreational infrastructure.

SRAC also ensures that its facilities conform to the universal access code whereby facilities are usable by all including those with disabilities. Some selected beaches have amphibious wheelchairs e.g. Kings beach and Hobie beach.

An enabling environment for sport development is provided through provision of sports facilities and grant funding for professional and semi-professional sports. In addition, the objectives of the function include:

- Provision of sport equipment, sport attire and financial assistance to local athletes to participate in national and international competitions.
- Job creation through events and programmes and EPWP opportunities.
- Athletics Legacy Project which creates opportunity for local athletes to develop and obtain national and international exposure.
- The promotion of positive lifestyle campaigns such as those against vandalism and drug and alcohol abuse.
- Through libraries the Municipality purchases books from the literacy sector to ensure availability of reading content to the community.
- The local artists' sector is supported through the purchase of their artworks and presenting art workshops.

The Sports, Recreation, Arts and Culture function includes the following:

- Arts, Culture, Heritage and Libraries
- Beaches, Resorts and Events Management
- Sports and Recreation

## **FOCUS FOR THE FIVE-YEAR IDP PERIOD**

The following activities will be focused upon in respect of Arts, Culture, Heritage and Libraries:

### **Libraries**

- Completion of Main library
- Fixing the 5 vandalised libraries
- Fencing of Walmer Library, Booyens Park, Algoa Park, KwaDwesi
- Replacement of detection gates
- Replacement of existing library fleet

- Procure 2 mobile libraries
- Upgrade of ICT infrastructure
- Ensure the establishment of digitisation project
- Procurement of digital equipment and training

### **Arts and Culture and Heritage**

- Completion of Mendi
- Increase on the Arts Grants
- Establishment of the Mandela Bay Festival and funding thereof
- More funds for Artists development
- Increase the budget for maintenance of the existing of heritage sites
- Upgrade ICT infrastructure so that heritage can be done electronically
- Digitalisation of the Nelson Mandela Bay Heritage

### **Red Location**

- Refurbishment of Red Location
- Strengthening of Red location without walls programmes

### **Art Museums**

- Ensuring the security of the museum buildings and collections, 24-hour security at the Art Museum.
- Developing plans for a new/bigger premises.
- Replacement of air conditioners with climate-controlled conditions for the art collection.
- Ensuring the safekeeping of the collection and acquiring more storage space for the collection.
- Upgrading the alarm system.
- Upgrade of ICT infrastructure.
- Provide WIFI access to learners, visitors.
- Ensure the establishment of digitisation project.
- Training of staff.
- Filling of critical vacancies in order to provide a better service to the community.
- Upgrade CCTV system.



- Creation of platforms for local artists to exhibit and promote their work.
- Identifying funding to purchase local artworks.

The following activities will be focused upon in respect of Beaches, Resorts and Events Management:

- Development of the NMBM Blue Flag Strategy.
- Undertaking of structural assessment studies for all coastal recreational facilities (northern beaches, southern beaches and wild side beaches).
- Capital budget projects for the next five years will be focused on the following:
  - Wells Estate Beach – infrastructure development and upgrade
  - Blue Water Bay Beach – infrastructure development and upgrade
  - Happy Valley Precinct – infrastructure development and upgrade
  - Maitlands Beach – infrastructure development and upgrade
  - Kings Beach – infrastructure development and upgrade
  - Construction of new lifeguard house at Sardinia Bay Beach
  - Brighton Beach – infrastructure development and upgrade
  - Springs Resort
  - Fencing at Driftsands Depot
  - Lifesaving Clubs - infrastructure development and upgrade
- Provide Resort facilities that are safe, well maintained and well managed
  - Advertising of Request for Proposals for Maitlands Resorts
- Promote flagship and strategic events that will promote cohesion, create a sense of belonging and pride.
  - Annual NMBM Summer Season
  - Annual NMBM Splash Festival
  - Annual Eubeleni Festival
  - Golf Classic Tour
  - Sundays River Mile
  - Richmond Hill event
  - Hosting of the NMBM Events Indaba
  - International and benchmarking partnerships visit to Jacksonville as per NMBM partnership agreement with the City

- Development/review of policies and by-laws.
  - Review of the NMBM Events Policy
  - Review of the NMBM Events By-Law
  - Review of the NMBM Resorts Development and Management Policy
  - Development of the Beaches By-Law

The past five years have seen the Municipality positioning itself as a preferred destination to host national and international sport and recreation events. In pursuance of this vision it is therefore important to prioritise the following issues in the next five years of our Integrated Planning processes:

- Establish the Nelson Mandela Bay as a preferred destination to host national, international sport and recreation events.
- Invest in the planning, provision, maintenance and management of sport and recreation infrastructure. This must be done in a manner that is sustainable, equitable and complies with the national legislation, norms and standards.
- The revitalisation and rehabilitation of vandalised sport and recreation infrastructure to ensure it is fit for purpose.
- Ensure all strategic sport infrastructure assets comply with SASREA Regulations. Some facilities have been constructed as far back as 1930 and are not structurally sound and do not meet the requirements of the Occupational Health and Safety Act of 1993, the Safety at Sport and Recreation Events Act (SASREA no.2 of 2010) and its Regulations promulgated in Gazette number 40661. The regulations require that each municipal sport facility that is utilised for sport events should have a Venue Safety Certificate.
- Ensure equitable access to well maintained, well managed, safe and secure sport and recreation Infrastructure.
- Prioritise the development of sporting precincts within the geographical boundaries of the Molly Blackburn, Lillian Diedericks, Champion Galela , Govan Mbeki, Alex Matikinca and Zola Nqini clusters.
- Development of synthetic surfaces/pitch for football in each cluster.

- Development of master plans for each sport precinct that is costed for short, medium and long term implementation.
- Explore meaningful partnerships with sport stakeholders that will contribute towards joint ownership, management and pride in the sport and recreation infrastructure delivered by the Municipality.
- A long-term, investment in sport infrastructure will change the outlook of the communities and contributes towards job creation and local economic development through sports tourism.
- It is important for the institution to maintain an accurate Geographical Information System (GIS) based network of all facilities within Nelson Mandela Bay.
- Development of a master plan for Sport and Recreation Infrastructure.
- Establishment of an Organizational Structure for the Sub-Directorate of Sport and Recreation that will ensure we meet the Human Resource Requirements that is congruent to deliver on our service delivery imperatives.

## **7.9 ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE**

The Economic Development, Tourism and Agriculture function of Nelson Mandela Bay Municipality ensures that Local Economic Development helps communities to realise a lively, resilient and sustainable local economy to improve the quality of life of residents. This will be achieved by growing and diversifying the local economy through the attraction of new investment, skills development and the facilitation of an enabling environment for small business growth and job creation.

Apart from the impact on human life and health, the biggest concern with regard to COVID-19 has been the impact on the economy of South Africa and the long-term implications for South African society.

### **7.9.1 Current global economic climate and its impact on Nelson Mandela Bay**

The world economy has entered 2022 in a weaker position than previously anticipated. As the Omicron COVID-19 variant spread, countries reimposed mobility restrictions.

In addition, rising energy prices and supply disruptions, as a result of COVID-19 and the invasion of Ukraine, have resulted in higher and more broad-based inflation than anticipated. The ongoing retrenchment in China's real estate sector has also limited global growth prospects. According to the International Monetary Fund (IMF), global GDP growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022 – half a percentage point lower for 2022 than the IMF had previously predicted (in October 2021). Global GDP growth is expected to slow to 3.8 percent in 2023.

While relatively high global oil prices have inflationary consequences in South Africa, the current economic climate has boosted the price of some of South Africa's key export commodities (such as coal, palladium and gold). However, an indirect, but potentially larger, impact on the South African economy can occur if a dragged-out conflict in Europe results in a production slowdown in the economies of western Europe (especially Germany) which are some of South Africa's major trading partners.

At a national level, the South African Reserve Bank currently estimates that the economy of South Africa grew by 4.8% in 2021 (following -6.4% growth in 2020) and expects the economy to grow by 1.7% in 2022.

### **7.9.2 Performance of the national and regional economy in relation to the local economy**

The GDP of the South African economy shrank by -6.4% in 2020, while the GDP of Nelson Mandela Bay and the Eastern Cape declined by -7.9% and -6.5% respectively. The impact of COVID-19 was overtly far more disruptive on commercial, industrial, and tertiary sector activity than on the agricultural/rural sector.

IHS Markit had predicted during the course of the year that the economy of South Africa would grow by 5.3% in 2021 and that, by comparison, Nelson Mandela Bay would grow (and recover) at a slower rate of 4.2% growth year-on-year.

### **7.9.3 Economic interventions in Nelson Mandela Bay**

The Nelson Mandela Bay Municipality's Council approved the City's Economic Recovery Framework linked to the National Economic Recovery Framework which responds to the devastating effects of the COVID-19 pandemic. The Economic Recovery Framework's central outcomes for Nelson Mandela Bay are as follows:

- Support for the ongoing survival of existing businesses.
- Creation of an enabling environment for businesses and investors to generate meaningful and sustainable profits that contribute to enhanced economic performance.
- Provision of support to grow key economic sectors.
- Development and support of SMMEs and informal businesses.
- Strategic\catalytic projects stimulating economic development, attracting investors, creating jobs and alleviating poverty

To support the implementation of the key interventions, the Municipality is engaged in the process of securing private sector investment through the Public Private Partnership (PPP) framework. In collaboration with National Treasury and the Government Technical Advisory Centre (GTAC), economic development projects will be repackaged to ensure viability and readiness for effective implementation. The envisaged investment will assist in ensuring the effective management of the City's assets to produce much needed jobs and work for SMMEs.

The following interventions further can enhance economic growth:

- Improving the ease of doing business in the City by accelerating and prioritising land transaction and land use applications (site development plans, rezoning, electricity connections, rates clearance, etc.) through inter alia an Investor One-stop Shop.
- Providing financial and non-financial incentives to strategic economic projects.
- Improving service delivery to enable business growth and investment attraction.
- Industry and cluster development/support which improves the competitiveness of local industry players internationally.

- Optimise the creation of new economic and business opportunities in townships that will translate into meaningful economic growth, job creation and poverty alleviation
- Area based economic development linked to the NMBM's economic nodes linked to spatial planning.
- Effective implementation of the Emerging Micro Enterprise (EME)/ SMME policy and supporting Enterprise Development Program.
- Implementation of the Township Economic Development Programme and various initiatives in collaboration with private sector and National Treasury.

#### 7.9.4 Employment and job creation context for Nelson Mandela Bay

The number of employed persons in Nelson Mandela Bay has now recovered to pre-pandemic levels of employment, however, the number of unemployed persons actively seeking work has also increased to an unprecedented level. Hence, a greater proportion of the working age population of Nelson Mandela Bay than ever before is now included and participating in the City's labour force.

The year-on-year increase in Nelson Mandela Bay's unemployment rate (from third quarter of 2020 to third quarter of 2021) is 0.2 percentage points.

The performance of Nelson Mandela Bay's labour market since the commencement of the national lockdown (which started on 27 March 2020), is as follows:

|                         | <b>April-June<br/>2020</b> | <b>Jul-Sep<br/>2021</b> | <b>Change</b>           |
|-------------------------|----------------------------|-------------------------|-------------------------|
| Employed labour force   | 291 000                    | 338 000                 | + 47 000                |
| Unemployed labour force | 197 000                    | 232 000                 | + 34 000                |
|                         |                            |                         |                         |
| Unemployment Rate       | 40.4%                      | 40.7%                   | + 0.3 percentage points |

This section identifies measures that the Municipality is taking to reduce the impact of COVID-19 on the economy of the City and to assist the City to recover. This is in addition to the major normal programmes of the Economic Development, Tourism and Agriculture function of the Municipality. These are described below.

#### **7.9.5 Support and Development of Small Micro Medium Enterprises (SMMEs) and the Informal economy**

Support and development of SMMEs remains key in delivering much needed jobs in NMBM. The contribution of SMMEs to the growth of NMBM's economy is important and this includes the contribution made by the Informal economy. To this end, Economic Development, Tourism and Agriculture implements specific programs to: support and develop Cooperatives, support and develop SMMEs operating in key sectors of the economy (Automotive, ICT, Construction/Built Environment amongst other sectors), support and develop small scale farmers and entrepreneurs located in the Agribusiness industry as well as informal traders and entrepreneurs operating in the informal economy. Specific support is provided through the enterprise development programme which provides equipment and facilities, training and mentorship, business linkages to markets and finance.

#### **7.9.6 Mandela Bay Development Agency (MBDA)**

The Mandela Bay Development Agency (MBDA) is a wholly owned municipal entity of Nelson Mandela Bay Municipality and it implements a number of programmes and projects designed to stimulate socio-economic growth and prosperity. The objectives of the MBDA include:

- Enabling social, spatial and economic transformation, the MBDA Way, which puts people first. Implementing projects, programmes and events which are aligned with plans of the Municipality to:
  - Leverage existing or newly acquired resources such as assets, property and also providing for skills development to ensure the successful implementation.
  - Deliver catalytic programmes, specially defined projects and events with reference to:

- Physical Infrastructure.
- Social Capital Infrastructure (i.e. services, social, psycho-social, creativity, heritage, sport and tourism).
- Economic Transformation of the City.
- Pioneering new development models and approaches.
- Identification of stakeholders and partners to undertake work.
- Undertaking relevant research as required.
- Ensuring compliance with all relevant legislation.

The MBDA's projects and programmes are therefore governed by the following key documents:

- Mandate Document
- NMBM IDP
- 5-Year Strategic Plan
- Annual Business Plan and 3-year budget

The MBDA is implementing several programmes across its mandated areas in order to achieve its strategic objectives. A rigorous process to identify which projects would be implemented within each programme has taken place and the basic premise of the process is to take each planned project through MBDA's strategic planning document in order to "filter" through key aspects of the project, chief of which is the IDP.

## **7.10 SAFETY AND SECURITY**

The Safety and Security function of Nelson Mandela Bay Municipality is responsible for rendering safety and security to all residents, business community, tourists and municipal properties of the Municipality. The services provided include:

- Metro Police Services
- Traffic and Licencing Services
- Security Services



- Fire and emergency services
- Disaster Risk Management Services

In fulfilling the abovementioned responsibilities, the Municipality must comply with applicable legislation that ensures the maintenance of a secure and safe environment.

Over and above the legislative requirements, the Municipality has developed various policies and plans to enhance the function, which include:

- Annual Metro Police Plan
- Disaster Management Plan
- Security Master Plan – Integrated Security Systems – under review
- Firearm Policy and Operational Implementation Strategies
- Executive Protection Policy – under review
- Non-Ferrous Metal Theft Strategy – under review
- Access Control Policy – under review
- Surveillance Plan
- CCTV Policy

To create a safe and secure environment in Nelson Mandela Bay, the full participation of all stakeholders, including residents and business is required.

The following objectives are pursued:

- Reducing the likelihood of major incidents that could potentially lead/give rise to the risk of disasters.
- Reducing the risk of fire and other emergency-related risks.
- Enhancing the safe and free flow of traffic.
- Maintaining acceptable standards of response to emergencies.
- Initiating active by-law enforcement.
- Protecting municipal employees and assets.
- Facilitating partnerships with other role-players to ensure an integrated approach towards building a safer City.

Improving safety and security plays an important role in economic growth, tourism development and investment. Fulfilling the safety and security requirements is paramount and demands continuous development to address the ever developing strategies by perpetrators, hence the need to always review the integrated approach in an attempt to curb crime. In addition, safety and security are a prerequisite for the sustainable growth of communities.

## **7.11 CORPORATE SERVICES**

Corporate Services could be considered to be a supporting and enabling function to all municipal directorates. This is achieved by:

- Labour Relations
- Human Resources Management Services
- Corporate HR
- Facilities Management
- Asset Management
- Administration and Records Management
- Skills Development and Employment Equity
- MIS

An important aspect that the Corporate Services function is dealing with is the new organisational structure for the Municipality. The structure needs to comply with the Municipal Staff Regulations promulgated by the Minister of CoGTA on 20 September 2021. It is anticipated that the process of approval of the macro structure will be finalised early in the 2022/23 financial year. Thereafter the micro structure will be attended to. Approval of the structure will allow municipal functions to be streamlined and respond directly to the needs of the institution.

It is important that the macro and micro structures are finalised as currently a risk to the institution is that a bloated structure exists with positions that are no longer relevant.

In addition, there are a number of outdated human resources policies that need to be reviewed along with a Human Resources Plan that needs to be developed.

## **7.12 OFFICE OF THE CHIEF OPERATING OFFICER**

The Office of the Chief Operating Officer is an extension of the Office of the City Manager. It is responsible for providing strategic support services to ensure that the Municipality delivers on its mandate in an integrated and coordinated manner.

It strives to achieve good governance by promoting responsiveness to community needs, accountability, transparency and compliance with legal and regulatory prescripts. In this regard, it manages the strategic, transversal and integrated planning processes of the Municipality, ensures that the focus remains on the customer by continuously engaging in planning, implementation and review processes.

The Office ensures good corporate governance through its various Sub-directorates, namely Integrated Development Planning; Strategic Planning and Coordination, Legal Services; Monitoring and Evaluation; Policy, Strategy and Research; Risk Management, International and Intergovernmental Relations and Expanded Public Works Programme.

The following functions are performed within the Office of the Chief Operating Officer:

### **Strategic**

- Manage the development, implementation and review of the Municipality's vision, long-term strategy and the Integrated Development Plan (IDP).
- Ensure that all institutional strategies are aligned to the IDP and long-term strategy.
- Manage the development, implementation and review of corporate strategies and policies.

- Develop and manage the implementation of institutional customer care initiatives.
- Provide for the prioritisation and coordination of planning, budgeting and implementation efforts in line with strategic planning.
- Provide for the coordination of sectoral activities within the Metro.
- Monitor, evaluate and report to internal municipal structures, other spheres of government and the public on the implementation of the Integrated Development Plan, other strategies and the Budget.
- Manage the development and implementation of external relations between the Municipality, stakeholders, other spheres of government and international partners to achieve alignment with the Council's priorities, as expressed in its IDP.
- Identify potential and/or existing control weaknesses and assess the adequacy of the control governance processes in the institution and recommend remedial actions.
- Manage the development and implementation of the Corporate Risk Management Strategy.

### **Operational**

- Manage the development and implementation of the institutional Performance Management System and directorate operational plans (Service Delivery and Budget Implementation Plans).
- Co-ordinate institution-wide projects and programmes.
- Undertake institution-wide research to support the development and implementation of institutional strategies.
- Ensure the design and implementation of operational improvement initiatives.
- Coordinate and report on capital grants on behalf of the institution.
- Develop and monitor the Council Resolutions Monitoring Matrix.
- Ensure that the Municipality complies with all applicable legal and regulatory requirements.
- Provide institution-wide legal support to the Executive and Council, to ensure informed decision-making.
- Coordinate the Expanded Public Works Programme in the institution.

# 8

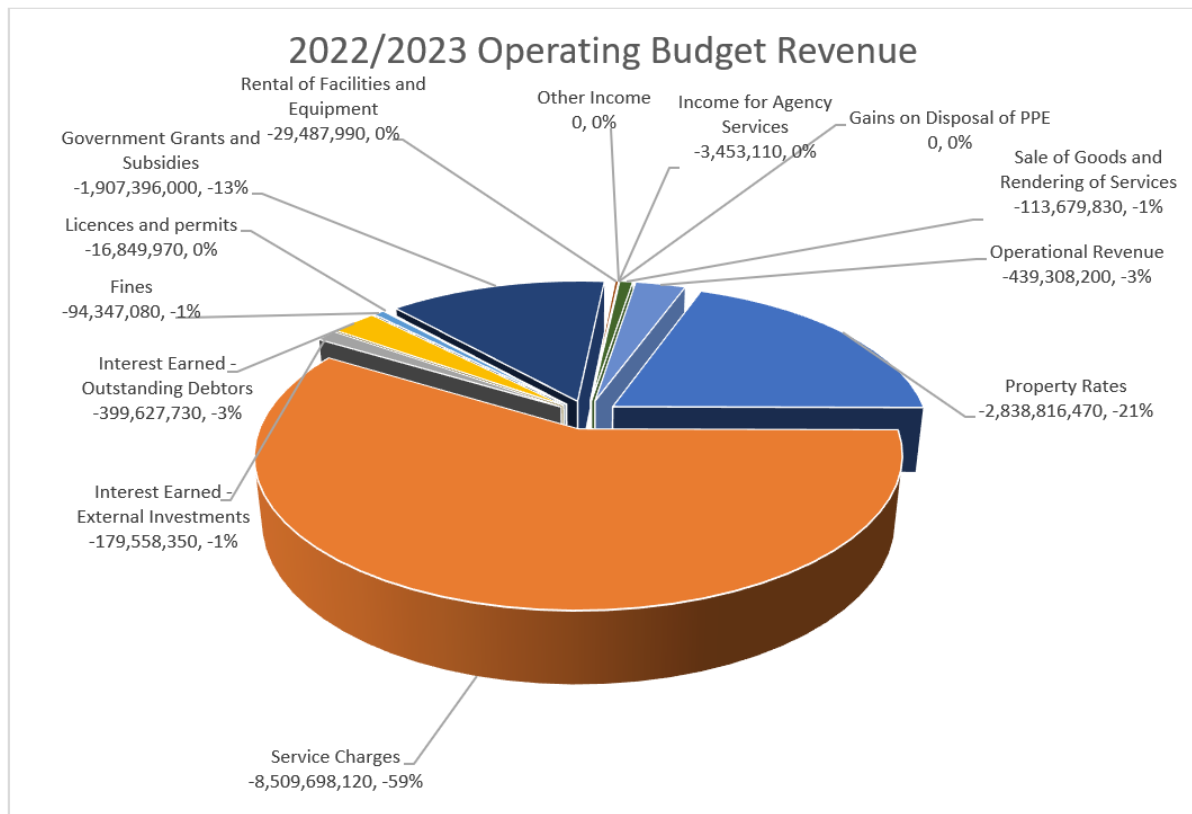
## CHAPTER 8: BUDGET, AUDIT AND PERFORMANCE MANAGEMENT

The Budget for the 2022/23 financial year is reflected below:

Operating Budget R14 532 222 850  
Capital Budget R 1 587 570 315

### 8.1 OPERATING REVENUE

The following graph shows the various revenue sources of the Municipality.



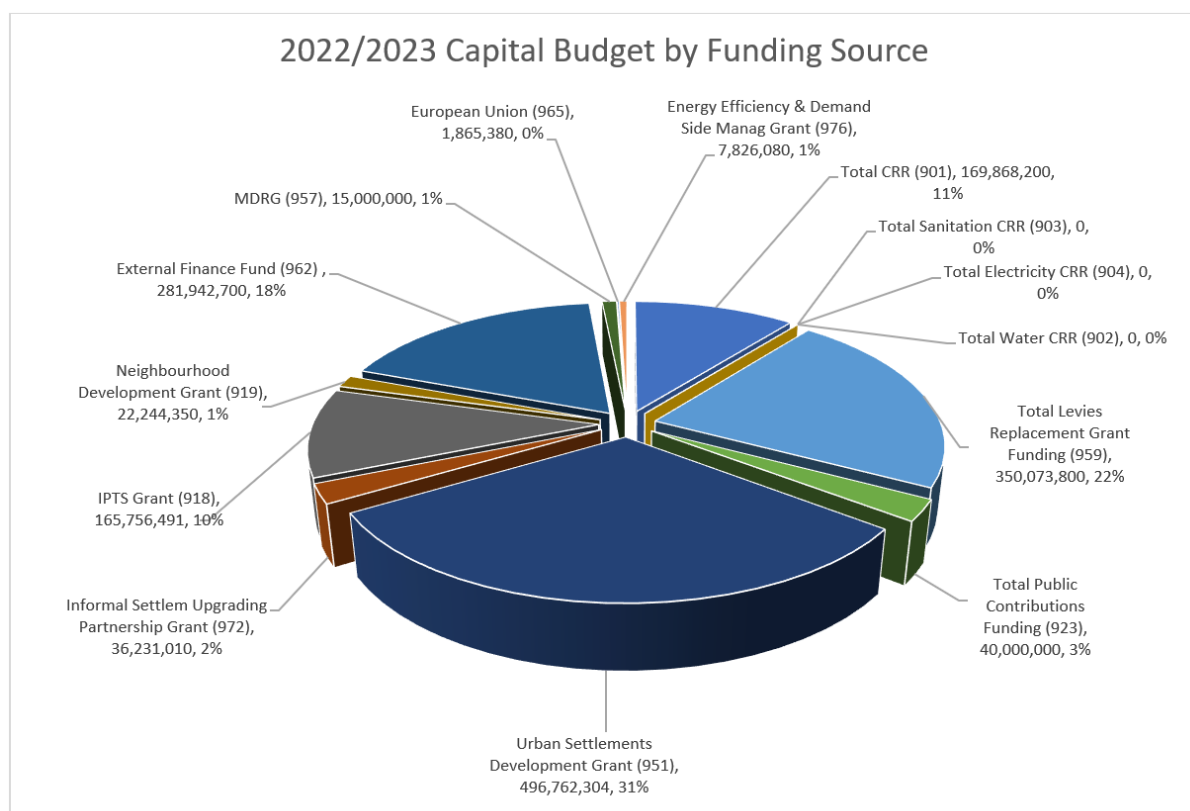
The information in the graph is further reflected in the table below:

| Category                               | 2022/2023 Budget |
|--|------------------|
| Property Rates                         | 2,838,816,470    |
| Service Charges                        | 8,509,698,120    |
| Interest Earned - External Investments | 179,558,350      |
| Interest Earned - Outstanding Debtors  | 399,627,730      |
| Fines                                  | 94,347,080       |
| Licences and permits                   | 16,849,970       |

| Category                                | 2022/2023 Budget      |
|---|-----------------------|
| Government Grants and Subsidies         | 1,907,396,000         |
| Rental of Facilities and Equipment      | 29,487,990            |
| Income for Agency Services              | 3,453,110             |
| Other Income                            | 0                     |
| Gains on Disposal of PPE                | 0                     |
| Sale of Goods and Rendering of Services | 113,679,830           |
| Operational Revenue                     | 439,308,200           |
| <b>TOTAL REVENUE</b>                    | <b>14,532,222,850</b> |

## 8.2 CAPITAL BUDGET

The following graph shows the 2022/23 Capital Budget by funding source.



The information in the graph is further reflected in the table below:

| <b>Funding Source</b>                                  | <b>2022/23 Capital Budget</b> |
|--|-------------------------------|
| Capital Replacement Reserve (CRR) - 901                | 169,868,200                   |
| Fuel Levy Funding - 959                                | 350,073,800                   |
| Public Contributions Funding - 923                     | 40,000,000                    |
| Urban Settlements Development Grant - 951              | 496,762,304                   |
| Informal Settlement Upgrading Partnership Grant - 972  | 36,231,010                    |
| IPTS Grant - 918                                       | 165,756,491                   |
| Neighbourhood Development Grant - 919                  | 22,244,350                    |
| External Finance Fund - 962                            | 281,942,700                   |
| MDRG - 957   | 15,000,000                    |
| European Union - 965                                   | 1,865,380                     |
| Energy Efficiency & Demand Side Management Grant - 976 | 7,826,080                     |
| <b>Total Capital Budget by Funding Source</b>          | <b>1,587,570,315</b>          |

### **8.3 AUDIT REPORT**

The NMBM received its tenth consecutive qualified audit report. The 2020/21 Audit Report reflects an improvement on the prior three financial years.

The basis for the qualification for the past 4 financial years is reflected below:

**TABLE: Basis for audit qualification (2017/18 – 2020/21)**

| 2017/18  | 2018/19  | 2019/20   | 2020/21  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>• <b>Exchange revenue – service charges</b> <ul style="list-style-type: none"> <li>○ The Municipality did not bill for and record all revenue owing to it for services rendered, as required by SA Standard of GRAP 9, Revenue from exchange transactions.</li> </ul> </li> <li>• <b>Property, plant and equipment</b> <ul style="list-style-type: none"> <li>○ The Municipality did not adequately assess whether there were any indications that its expectations on the useful lives of PPE (moveable and immovable assets) had changed as required by the SA Standard of GRAP 17, Property, plant and equipment.</li> <li>○ Insufficient evidence to confirm land registered in the Municipality’s name nor physical verification of moveable assets due to inadequate accounting records.</li> </ul> </li> <li>• <b>Intangible assets</b> <ul style="list-style-type: none"> <li>○ The Municipality did not adequately assess whether there were any indications that its expectations on the useful lives of intangible assets had</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>Trade and other payables</b> <ul style="list-style-type: none"> <li>○ The municipality did not recognise all outstanding accruals meeting the definition of a liability in accordance with GRAP 1.</li> </ul> </li> <li>• <b>Irregular expenditure</b> <ul style="list-style-type: none"> <li>○ The municipality has a lack of adequate systems in place to identify and disclose all irregular expenditure incurred during the year, as required by Section 125 (2)(d)(i) of the MFMA.</li> <li>○ The municipality did not have proper systems in place to identify and record all irregular expenditure incurred in prior years.</li> </ul> </li> <li>• <b>Property, plant and equipment</b> <ul style="list-style-type: none"> <li>○ The municipality did not appropriately account for and disclose property, plant and equipment in accordance with GRAP 17 and furthermore did not adequately disclose work-in-progress in accordance with GRAP 17.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>Property, plant and equipment</b> <ul style="list-style-type: none"> <li>○ Insufficient evidence that the Municipality had appropriately accounted for and disclosed property, plant and equipment due to the status of the accounting records.</li> <li>○ The Municipality did not adequately assess whether there were any indications that the expectations on the useful lives of property, plant and equipment had changed in accordance with GRAP 17. Completed assets were misclassified contrary to GRAP 17.</li> </ul> </li> <li>• <b>Investment property</b> <ul style="list-style-type: none"> <li>○ Insufficient evidence for investment property due to incomplete records to determine ownership.</li> </ul> </li> <li>• <b>Unauthorised expenditure</b> <ul style="list-style-type: none"> <li>○ Insufficient audit evidence for authorised expenditure.</li> </ul> </li> <li>• <b>Exchange revenue – service charges</b> <ul style="list-style-type: none"> <li>○ Insufficient audit evidence that service charges revenue had been properly accounted for</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>Property, plant and equipment</b> <ul style="list-style-type: none"> <li>○ The municipality did not adequately assess each reporting date whether there were any indication that expectations of the useful lives of property, plant and equipment had changed in accordance with GRAP 17. Insufficient evidence to account for infrastructure assets to the value of R12,9 billion disclosed in Note 9 to consolidated and separate financial statements.</li> </ul> </li> <li>• <b>Trade receivables – exchange transactions</b> <ul style="list-style-type: none"> <li>○ The Municipality did not have adequate systems in place for recording and accounting for indigent debtors. Some indigent subsidies were provided to consumers that did not qualify for indigent subsidies and supporting evidence could not be provided for indigent subsidies of some consumers.</li> </ul> </li> </ul> |



| 2017/18  | 2018/19  | 2019/20   | 2020/21 |
|--|--|---|---------|
| <p>changed, as required by the SA Standard of GRAP 31, Intangible assets.</p> <ul style="list-style-type: none"> <li>○ Insufficient audit evidence to physically verify intangible assets due to inadequate accounting records.</li> </ul> <p>• <b>Irregular expenditure</b></p> <ul style="list-style-type: none"> <li>○ No proper systems in place to identify and record all irregular expenditure.</li> <li>○ Expenditure resulted from payments made in contravention of SCM requirements.</li> <li>○ The audit was unable to confirm amount of irregular expenditure and extent of understatement of irregular expenditure.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Intangible assets</b> <ul style="list-style-type: none"> <li>○ The municipality capitalised an application system that was still under development contrary to GRAP 31. The municipality did not adequately assess whether there were any indications that its expectations on the useful lives of intangible assets had changed, as required by this standard.</li> </ul> </li> <li>• <b>Investment property</b> <ul style="list-style-type: none"> <li>○ The municipality did not maintain adequate records to determine ownership for its investment properties.</li> </ul> </li> <li>• <b>Exchange revenue – service charges</b> <ul style="list-style-type: none"> <li>○ The municipality did not have adequate internal controls to maintain records for service charges.</li> </ul> </li> <li>• <b>Unauthorised expenditure</b> <ul style="list-style-type: none"> <li>○ The municipality was unable to provide sufficient appropriate audit evidence that the municipality correctly calculated unauthorised expenditure in the current year.</li> </ul> </li> </ul> | <p>due to inadequate internal controls to maintain records for service charges.</p> |         |

In order to address the 2020/2021 report findings by the Auditor General, the Municipality developed an Audit Improvement Plan aimed at addressing all the findings raised by the Auditor general. This plan clearly outlines all actions that needs to be taken by the municipality in addressing these findings within specific agreed upon timeframes. The Accounting Officer ensures adherence to all actions outlined in the Audit Improvement Plan.

#### **8.4 PERFORMANCE MANAGEMENT**

The implementation of the IDP and Budget is monitored through specific predetermined key performance indicators and targets outlined in the Municipality's SDBIP and cascaded to the performance agreements of senior management and reporting staff.

The impact made by the IDP and allocated budgets over the 5 year electoral term, will be monitored and evaluated through specific predetermined outcome indicators as outlined in Chapter 9 of the IDP.