

2022/23 - 2026/27

IDP

INTEGRATED
PLAN
DEVELOPMENT

EDITION III

EXECUTIVE SUMMARY



nelson mandela bay
MUNICIPALITY



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CHAPTER 1: INTRODUCTION

This chapter is the introductory chapter of the IDP. It contains the foreword of the Executive Mayor, the summary of the City Manager. Furthermore, the chapter contains the municipality's vision, mission and key performance areas. Also included as part of this chapter is the summary of the findings by the MEC of COGTA.

In terms of the MEC findings, on an annual basis COGTA undertakes assessments of IDPs for all municipalities with a view of ensuring that the IDPs are both credible and are prepared in terms of the provisions of the Local Government Municipal Systems Act (MSA).

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.

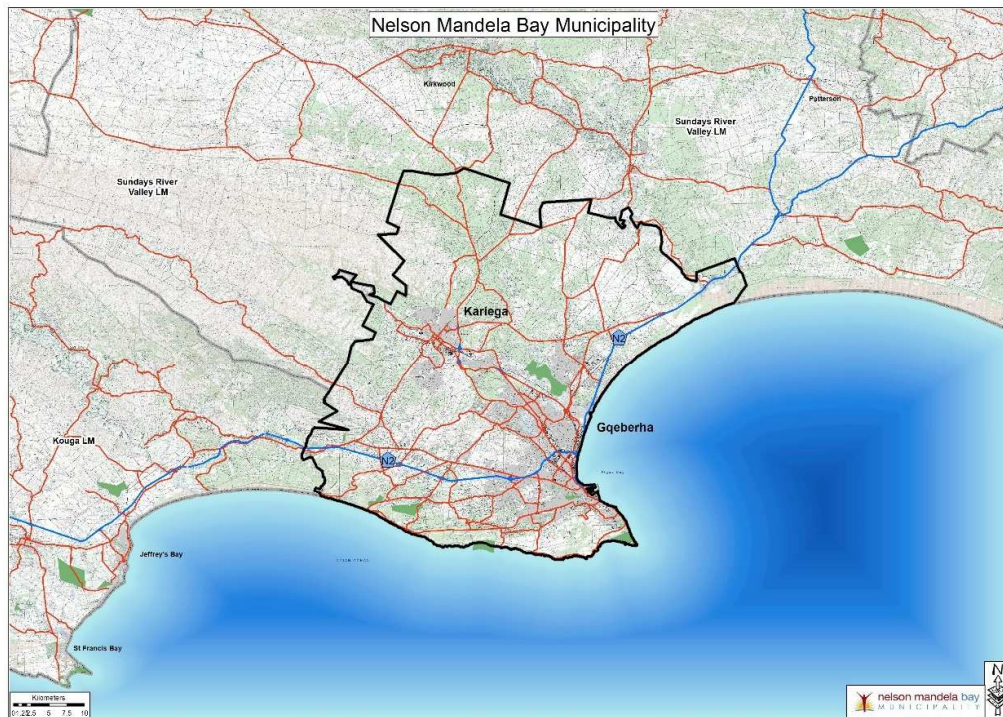
1.1 CONTEXT AND OVERVIEW

Section 25 of the MSA prescribes that after the elected term, a municipality must adopt a single, inclusive and strategic plan for the development of the municipality (IDP). The IDP serves as strategic plan that indicates where and how cities should allocate their scarce resources in line with their vision and mission, which are embodied in their long-term plans inclusive of provincial and national government strategies.

Accordingly, following the Local Government Elections held on 1 November 2021, Council adopted a five-year IDP which covers the elective period of 2021/22 to 2026/27. In line with the provision of Section 34 of the Local Government Municipal Systems Act, this is the 2024/25 review of the IDP.

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 1 272 991 (STATS SA GHS 2023), 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 economy of Nelson Mandela Bay Municipality is diverse and includes industries such as automotive manufacturing, agriculture, tourism, and healthcare. The municipality is home to the largest automotive assembly plant in Africa, which produces cars for several major brands.

There is a vast variety of informal businesses that contribute immensely to job creation, the economy, and rates base of the City.

1.3 STRATEGIC OBJECTIVES, RISKS AND KEY PRIORITIES

The strategic objectives of the Municipality for this 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 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) Sustainable provision of energy and water.
- (i) Ensure financial stability and fiscal management and control to stabilise the financial situation of the Municipality.
- (j) Develop an effective and integrated public transport system that promotes access to opportunity through mobility.

- (k) Deliver well-resourced and capacitated disaster management, policing and emergency services to ensure the safety of communities and visitors.
- (l) Improve public confidence and trust in the leadership of the City through institutional accessibility, stability and effective communication channels.
- (m) Provide a built environment that promotes integration, inclusivity and accessibility.
- (n) Deliver on transformation objectives, promote redress and foster social cohesion.
- (o) 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.
- (p) Provide dignified housing and sanitation and accelerate access to improved services to indigent households to create safe and decent living conditions for all residents.
- (q) Ensure proactive planning for sustainable city development, conservation of resources and natural and built environment.
- (r) Ensure implementation of a spatial transformation agenda which addresses the spatial disparities of the past.
- (s) 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.
- (t) Ensure that planning, budgeting and development, both internal and external to the Municipality is done by taking into consideration all dimensions of sustainability.
- (u) 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.

The following strategic risks inform the review of the IDP:

- Energy crisis, associated load shedding and its impact on the business sector and communities

- Dilapidated sanitation infrastructure
- Supply Chain Management challenges
- Declining revenue and collection rate
- MSCOA compliance
- Financial Instability due to Decline in Revenue Collection Rate
- Drought and water shortages
- Inadequate project management resulting in inability to spend funds from conditional grants
- Possible disruption to services due to ICT failure and IT Security breaches
- Vandalism of municipal assets
- Negative audit outcomes
- Possible theft, fraud and corruption
- Poor service culture resulting in dissatisfied customers
- Fragmented Municipal Planning
- Ease of doing business
- Increase in unauthorized, fruitless, and wasteful expenditure
- Inadequate management of municipal fleet
- Leadership instability
- Delay in the Review of the Municipal Spatial Development Framework (MSDF)

KEY PRIORITIES

The following are the most important priorities which the Municipality will focus on during the remainder of the IDP term to deliver against the strategic objectives, whilst simultaneously mitigating against strategic risks facing the City.

- Electricity supply and mitigating against the impact of load shedding
- Sustainable Energy
- Sanitation infrastructure
- Water supply and mitigating against the impact of the drought

- Eliminating theft & corruption

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CHAPTER 2: SITUATIONAL ANALYSIS

This section identifies important information for decision-making.

2.1 DEMOGRAPHIC BACKGROUND

2.1.1 Current situation

The following statistics are relevant:

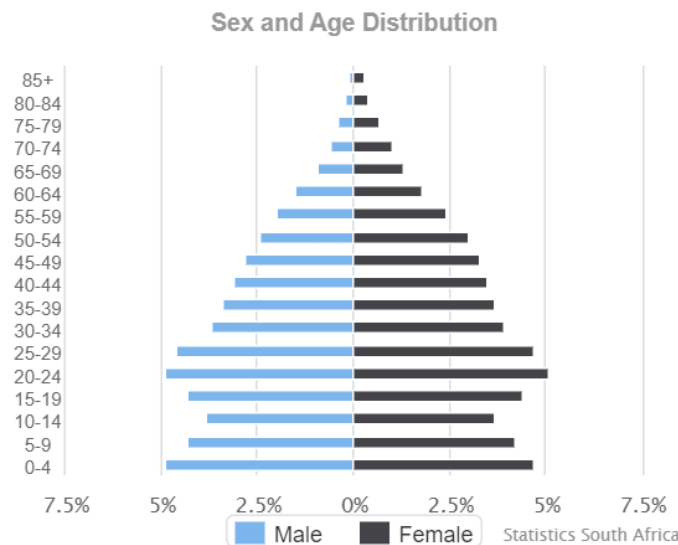
Area covered	1 959 km ²
Population	1 272 991 (StatsSA GHS 2022 published 17 August 2023)
Households (total)	369 663 (StatsSA GHS 2022 published 17 August 2023)
Households (informal)	22 712 (StatsSA GHS 2022 Published 17 August 2023)
Number of informal settlements	156
Indigent households	45% households receive at least one social grant
Unemployment rate	33.9% (Stats SA Quarterly Labour Force Survey - published 20 February 2024)
Access to sanitation	6010 Buckets in circulation
Capital Grant Dependency	67%
Water losses	31,5% (Real water losses) 43,1% (Non-revenue water losses)
Electricity losses	19,9% (Non-technical losses) 6% (Technical Losses)

Capital Budget – 2024/25	R1,97 billion
Operating Budget – 2024/25	R17,08 billion
Total Budget – 2024/25	R19.05 billion

2.1.2 Population and demographics

The following population pyramid shows the gender and age distribution of the population in Nelson Mandela Bay during the 2022 Census:

FIGURE: Population pyramid



Source: Census, 2022

The huge concentration of people within the 15 – 34 years cohort have serious implications for the Metro to ensure that, it caters for this cohort in all its plans. This is the group experiencing highest levels of unemployment and urgent interventions are required to address this potential ticking timebomb.

2.1.3 Poverty and income

According to STATS SA General Household Survey (2023), 27,2% of households in Nelson Mandela Bay listed grants as their main source of income.

2.1.4 Education

In Nelson Mandela Bay, 3.5% of persons older than 20 years with less than Grade 7 education are literate (STATS SA, GHS, 2023).

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, 2023).

2.2 ACCESS TO SERVICES AND AMENITIES

Household access to basic services and a demonstration of development in the city is summarized in the table below. It is evident from the table that, during the period under review, the NMBM largely achieved in the region of 90% in terms of provision of basic services to communities except the 87% recorded for waste management. There is a lot of effort required for the NMBM to improve in terms of provision of basic services to residents. There are definitely plans in place to improve in this area.

Service	2024/25
Electricity	92,7%
Water	91,8%
Sanitation	96,3%
Waste Management Services	87%

(StatsSA GHS 2023)

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CHAPTER 3: INSTITUTIONAL OVERVIEW

This chapter deals with the institutional arrangements including oversight structures. As such, the following is included:

- Political arrangements (coalition arrangements)
- Administrative structure
- Arrangements for the Mayoral Committee

Key highlights in this section deal with the following:

- The number of vacancies at senior management level
- Review of Council policies and bylaws

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

Since May 2023, the NMBM is run by a coalition government comprising the following parties: African Independent Congress, African National Congress, Northern Alliance, Patriotic Alliance and the Pan Africanist Congress of Azania.

3.1.1 Council

The Council comprises 120 Councillors, elected through a mixed-member proportional representation system. The Speaker of Council is supported by the Chief Whip.

POLITICAL PARTY OF SEATS	ALLOCATION GENDER DISTRIBUTION	GENDER DISTRIBUTION	
		MALE	FEMALE
		1	
Abantu Integrity Movement	1	1	1
African Christian Democratic Party	2	1	
African Independent Congress	1	35	13
African National Congress	48	1	1
Defenders of the People	2	33	15
Democratic Alliance	48	4	4
Economic Freedom Fighters	8	1	
Good	1	3	
Northern Alliance	3	1	
Pan Africanist Congress of Azania	1	1	1
Patriotic Alliance	2	1	
United Democratic Movement	1	2	
Vryheidsfront Plus	2	87	33

3.1.2 The Executive Mayoral System

The Executive Mayor is supported by the Deputy Executive Mayor and the Mayoral Committee, comprising ten members, each chairing a portfolio committee.

MEMBERS OF THE MAYORAL COMMITTEE



CLLR GARY VAN NIEKERK
EXECUTIVE MAYOR



CLLR BABALWA LOBISHE
DEPUTY EXECUTIVE MAYOR



Cllr Bassie Kamana
Sport, Recreation
Arts and Culture



Cllr Bradley Murray
Roads and Transport



Cllr Buyelwa Mafaya
Budget and Treasury



Cllr Khanya Ngqisha
Infrastructure and
Engineering



Cllr Shuling Lindoor
Economic Development,
Tourism and Agriculture



Cllr Stag Mitchell
Safety and Security



Cllr Thembinkosi Mafana
Human Settlements



Cllr Thsonono Buyeye
Public Health



Cllr Yoliswa Pali
Corporate Services



Cllr Zanele Sikawuti
Electricity and Energy

3.1.3 Office of the Chief Whip



CLLR WANDISILE JIKEKA
CHIEF WHIP

3.2 ADMINISTRATION

The City Manager (appointed by Council) is the Accounting Officer and the administrative head of the Municipality. 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
- Chief Financial Officer (Vacant)
- Executive Director: Corporate Services
- Executive Director: Economic Development, Tourism and Agriculture (Vacant)
- 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 (Vacant)
- Executive Director: Safety and Security (Vacant)

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CHAPTER 4: METHODOLOGY AND STAKEHOLDER ENGAGEMENTS

This chapter deals with the public participation processes that were followed in the preparation of the IDP. An IDP/Budget Multi Year Process Plan was approved by Council on the 22 September 2022.

The last IDP/Budget public participation programme hosted by the NMBM during the review of the Draft IDP and Budget was held during 18 September – 24 October 2023 and the last round will be during the month April of 2024. This resulted in the metro compiling a consolidated document with all the priorities raised by the various stakeholders consulted. Participation of Councillors in IDP/Budget public meetings is crucial especially when some of the meetings were cancelled due to non-attendance by the MMCs.

Other than physical meetings held, there were a number of other methods of participation that were created (Live interactive radio slots, WhatsApp and YouTube and Facebook) etc. The following top frequently raised priorities have emerged and are presented in the order of frequency:

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

Inputs received from Sector departments and other key stakeholders like the Business Chamber and the AfriForum are included in this IDP.

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CHAPTER 5: SECTOR PRIORITIES

This chapter deals largely with the sector plans for the municipality. This includes the following amongst others:

- Disaster Management Plan
- Water and Sanitation Master Plan and
- Water Management Plan

Key highlights / concerns are a lack of the housing sector plan which guides the process for human settlements planning in the city. Support has been requested from Province and National and the municipality is in the process of developing the plan. Secondly, lack of community safety fora which has been a finding during the IDP assessment process. This means there is a need to establish these urgently.

5.2 BUDGET AND TREASURY

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 decline on the average collection rate. Consequently, there is less funding available and prioritisation is important.
- 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.
- 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.

5.3 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.

5.3.1 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.

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

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.

Bucket Eradication

Approximately 6010 buckets are in circulation in informal settlements as a means of sanitation as well as approximately 1500 chemical toilets. 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.

5.3.3 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.

5.4 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.

5.5 INTEGRATED PUBLIC TRANSPORT SYSTEM

An integrated Public Transport System is a Public Transport System that comprises 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.

5.6 ELECTRICITY AND ENERGY

The Municipality has to provide a safe, reliable, environmentally friendly, sustainable and cost-effective electricity supply to its users.

5.7 HUMAN SETTLEMENTS

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.

5.8 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
- HIV/AIDS Response

5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

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, Expanded Public Works Programme and Mandela Bay development Agency (MBDA).

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CHAPTER 6: BUDGET, AUDIT AND PERFORMANCE MANAGEMENT

The Budget for the 2024/25 financial year is reflected below:

Operating Budget	R17,08 billion
Capital Budget	R1,97 billion
Total Budget	R19.05 billion

6.1 AUDIT REPORT

During the 2022/23 financial year, the NMBM received an unqualified audit outcome. The Metro will put all reasonable controls in place to ensure that, the NMBM continues to get good audit opinions and ultimately a clean audit outcome in the foreseeable future.

The table below reflect on our road to the achievement of 2022/23 audit outcome results:

TABLE: Basis for audit qualification (2018/19 – 2022/23)

2018/19	2019/20	2020/21	2022/23
<ul style="list-style-type: none"> • Trade and other payables <ul style="list-style-type: none"> ○ The municipality did not recognise all outstanding accruals meeting the definition of a liability in accordance with GRAP 1. • Irregular expenditure <ul style="list-style-type: none"> ○ 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. ○ The municipality did not have proper systems in place to identify and record all irregular expenditure incurred in prior years. • Property, plant and equipment <ul style="list-style-type: none"> ○ 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. 	<ul style="list-style-type: none"> • Property, plant and equipment <ul style="list-style-type: none"> ○ Insufficient evidence that the Municipality had appropriately accounted for and disclosed property, plant and equipment due to the status of the accounting records. ○ 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. • Investment property <ul style="list-style-type: none"> ○ Insufficient evidence for investment property due to incomplete records to determine ownership. • Unauthorised expenditure <ul style="list-style-type: none"> ○ Insufficient audit evidence for authorised expenditure. • Exchange revenue – service charges <ul style="list-style-type: none"> ○ Insufficient audit evidence that service charges revenue had 	<ul style="list-style-type: none"> • Property, plant and equipment <ul style="list-style-type: none"> ○ 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. • Trade receivables – exchange transactions <ul style="list-style-type: none"> ○ 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 quality for indigent subsidies and supporting evidence could not be provided for indigent subsidies of some consumers. 	<ul style="list-style-type: none"> • Unqualified audit opinion <ul style="list-style-type: none"> • The Municipality compiled and submitted all the required legislated financial reports in terms of Sections 71, 52 (d) 72 and 121 of the MFMA. The NMBM received an un-qualified audit opinion for the 2022/23 financial year.

2018/19	2019/20	2020/21	2022/23
<ul style="list-style-type: none"> • Intangible assets <ul style="list-style-type: none"> ○ 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. • Investment property <ul style="list-style-type: none"> ○ The municipality did not maintain adequate records to determine ownership for its investment properties. • Exchange revenue – service charges <ul style="list-style-type: none"> ○ The municipality did not have adequate internal controls to maintain records for service charges. • Unauthorised expenditure <ul style="list-style-type: none"> ○ The municipality was unable to provide sufficient appropriate audit evidence that the municipality correctly calculated unauthorised expenditure in the current year. 	<p>been properly accounted for due to inadequate internal controls to maintain records for service charges.</p>		

6.2 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.