



nelson mandela bay
MUNICIPALITY



2022/23-2026/27

**INTEGRATED
DEVELOPMENT
PLAN**

IDP

FIRST EDITION

NMBM 2021 Local Government Election Ward Map

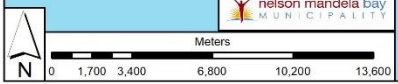
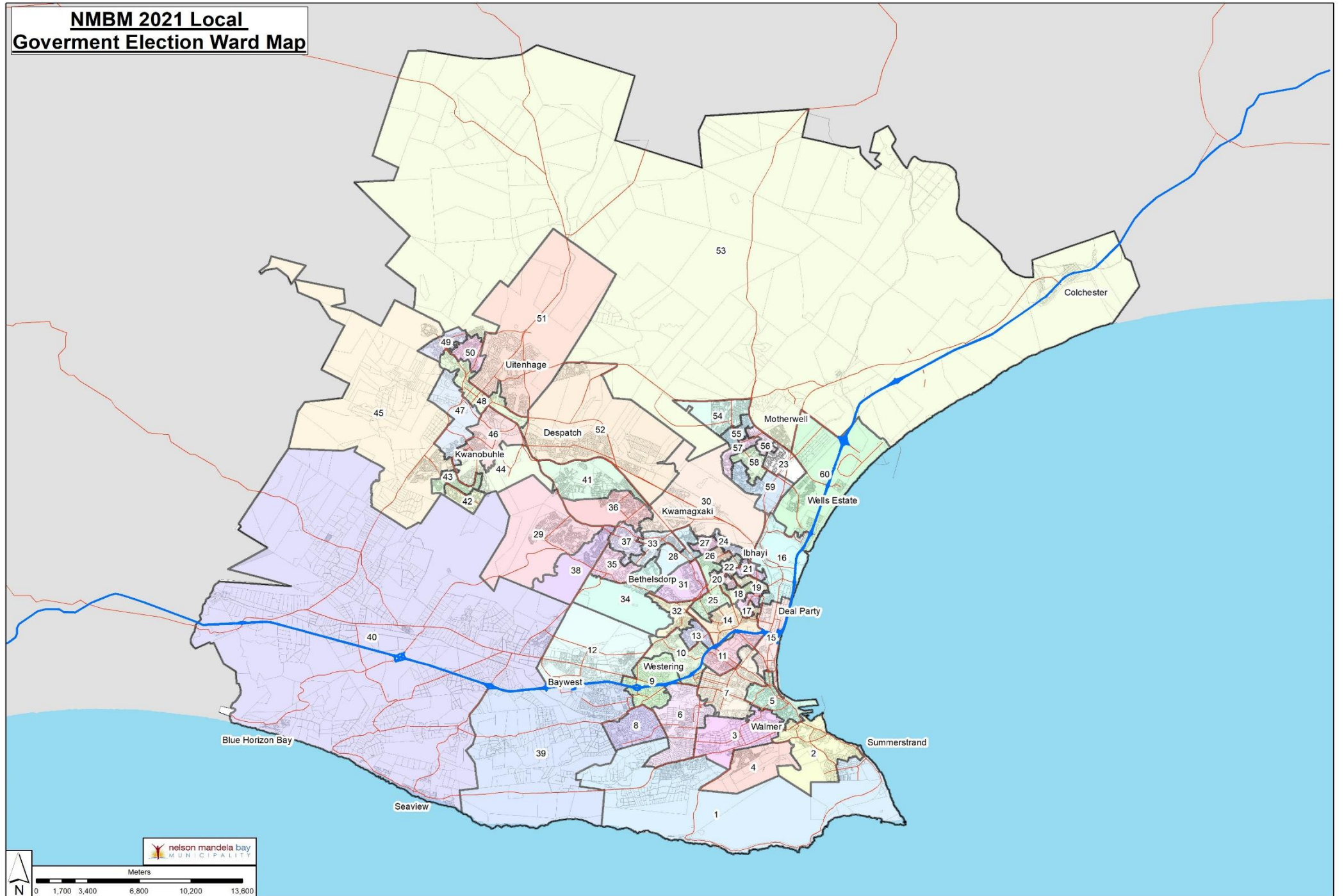


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LIST OF ACRONYMS

| | |
|----------------|---|
| ABC | Algoa Bus Company |
| ABET | Adult Basic Education and Training |
| AC | Audit Committee |
| ACDP | African Christian Democratic Party |
| ACSA | Airports Company South Africa |
| AFC | Automated Fare Collection |
| AG | Auditor-General |
| AGSA | Auditor General South Africa |
| AIC | African Independent Congress |
| AIM | Abantu Integrity Movement |
| AMR | Automatic Meter Reading |
| ANC | African National Congress |
| AO | Accounting Officer |
| APN | Access Point Name |
| APTMS | Advanced Public Transport Management System |
| ART | Anti-Retroviral Treatment |
| ATTP | Assistance to the Poor |
| BEPF | Built Environment Professions Forum |
| BEPP | Built Environment Performance Plan |
| BETT | Built Environment Task Team |
| BFI | Budget Finance for Infrastructure |
| B&T | Budget and Treasury |
| CAPEX | Capital Expenditure |
| CBA | Critical Biodiversity Area |
| CBD | Central Business District |
| CBOs | Community Based Organisations |
| CCTV | Closed Circuit Television |
| CDA | Commercial Data Analysis |
| CDC | Coega Development Corporation |
| CDW | Community Development Worker |

| | |
|---------------|--|
| CGDS | City Growth and Development Strategy |
| CM | City Manager |
| COGTA | Cooperative Governance and Traditional Affairs |
| COO | Chief Operating Officer |
| COPE | Congress of the People |
| COUE | Cost of Unserved Energy |
| COSAFA | Council of Southern African Football Associations |
| CIDZ | Coega Industrial Development Zone |
| CITP | Comprehensive Integrated Transport Plan |
| CPIX | Consumer Price Index |
| CRM | Customer Relationship Management |
| CS | Corporate Services |
| CSIP | Capacity Support Implementation Plan (CSP) |
| CSP | City Support Programme |
| CSIR | Council for Scientific and Industrial Research |
| DA | Democratic Alliance |
| DDM | District Development Model |
| DEA | Department of Environmental Affairs |
| DEDEA | Department of Economic Development and Environmental Affairs |
| DEM | Deputy Executive Mayor |
| DFFE | Department of Forestry, Fisheries and Environment |
| DM | Disaster Management |
| DMA | District Management Area |
| DMAF | Disaster Management Advisory Forum |
| DOC | Disaster Operation Centre |
| DOP | Defenders of the People |
| DORA | Division of Revenue Act |
| DoT | Department of Transport |
| DRP | Disaster Recovery Policy |
| dtic | Department of Trade, Industry and Competition |
| DWS | Department of Water and Sanitation |
| EAP | Employee Assistance Programme |

| | |
|-----------------|---|
| EC | Eastern Cape |
| ECDC | Eastern Cape Development Corporation |
| ECSECC | Eastern Cape Socio-economic Consultative Council |
| EDs | Executive Directors |
| EDTA | Economic Development, Tourism and Agriculture |
| E&E | Electricity and Energy |
| EFF | Economic Freedom Fighters |
| EIA | Environmental Impact Assessment |
| EP | Eastern Province |
| EPRU | Eastern Province Rugby Union |
| EPWP | Expanded Public Works Programme |
| ERP | Enterprise Resource Planning |
| ESP | Environmental Sustainability Policy |
| ETD | Education, Training and Development |
| EVDS | Electronic Vaccination Data System |
| EXCO | Executive Management Committee |
| FBS | Free Basic Services |
| FLISP | Finance Linked Individual Subsidy Programme |
| FMDB | Financial Misconduct Disciplinary Board |
| FWFWWTW | Fish Water Flats Waste Water Treatment Works |
| GDP | Gross Domestic Product |
| GGP | Gross Geographic Product |
| GHS | General Household Survey |
| GIS | Geographic Information Systems |
| GMA | General Management Area |
| GRAP | Generally Recognised Accounting Practices |
| GTAC | Government Technical Advisory Centre |
| GV | General Valuation |
| GVA | Gross Value Added |
| GWh | Gigawatt hours |
| HIV/AIDS | Human Immunodeficiency Virus causing the Acquired Immunodeficiency Syndrome |

| | |
|----------------|---|
| HOVs | High Occupancy Vehicles |
| HR | Human Resources |
| HRMS | Human Resources Management Services |
| HS | Human Settlements |
| HSDG | Human Settlements Development Grant |
| HURP | Helenvale Urban Renewal Programme |
| ICC | International Convention Centre |
| ICDG | Integrated City Development Grant |
| ICI | Industrial Commercial and Institutional |
| ICLEI | International Council for Local environment Initiatives |
| ICMAS | Integrated Contracts Management System |
| ICT | Information and Communication Technology |
| IDP | Integrated Development Plan |
| IDMCC | Inter-departmental Disaster Management Committee |
| IDPTTT | Inter-Departmental Project Technical Task Team |
| IDZ | Industrial Development Zone |
| I&E | Infrastructure and Engineering |
| IGR | Intergovernmental Relations |
| IMF | International Monetary Fund |
| IP | Internet Protocol |
| IPP | Independent Power Producer |
| IPTS | Integrated Public Transport System |
| ISDM | Integrated Service Delivery Model |
| ISP | Integrated Sustainability Plan |
| ISUP | Informal Settlement Upgrading Policy |
| ISUS | Informal Settlement Upgrading Strategy |
| IT | Information Technology |
| IUDF | Integrated Urban Development Framework |
| IVR | Interactive Voice Response |
| IWMP | Integrated Waste Management Plan |
| KPA | Key Performance Area |
| KPE | Key Performance Element |

| | |
|----------------|--|
| KPI | Key Performance Indicator |
| LED | Local Economic Development |
| LEDS | Low Emission Development Strategies |
| LGSETA | Local Government Sector Education and Training Authority |
| LLF | Local Labour Forum |
| LNG | Liquefied Natural Gas |
| LSDF | Local Spatial Development Framework |
| LTGDP | Long-term Growth and Development Plan |
| LTFS | Long-Term Financial Strategy |
| LTFSM | Long-Term Financial Sustainability Model |
| LTFSP | Long-Term Financial Sustainability Plan |
| LUMS | Land Use Management System |
| MBDA | Mandela Bay Development Agency |
| MDRG | Municipal Disaster Relief Grant |
| MDTTT | Multi-Disciplinary Technical Task Team |
| M&E | Monitoring and Evaluation |
| MEC | Member of Executive Committee |
| MFMA | Municipal Finance Management Act |
| MIS | Municipal Information Systems |
| MoA | Memorandum of Agreement |
| MOSS | Metropolitan Open Space System |
| MoU | Memorandum of Understanding |
| MPAC | Municipal Public Accounts Committee |
| MPLS | Multiprotocol Label Switching |
| MPT | Municipal Planning Tribunal |
| MSCOA | Municipal Standard Chart of Accounts |
| MSDF | Metropolitan Spatial Development Framework |
| Mtpa | Million Tonnes Per Annum |
| MTREF | Medium-Term Revenue and Expenditure Framework |
| MUM | Management Union Meeting |
| MURP | Motherwell Urban Renewal Programme |
| MWh | Megawatt hour |

| | |
|--------------------|---|
| NA | Northern Alliance |
| NAFCOC | National African Federated Chamber of Commerce and Industry |
| NDoHS | National department of Human Settlements |
| NDoT | National Department of Transport |
| NDP | National Development Plan |
| NDPG | Neighbourhood Development Partnership Grant |
| NEMA | National Environmental Management Act |
| NERSA | National Energy Regulator of South Africa |
| NGO | Non-governmental Organisation |
| NLLS | Nooitgedacht Low Level Scheme |
| NLTA | National Land Transport Act |
| NMB | Nelson Mandela Bay |
| NMBBC | Nelson Mandela Bay Business Chamber |
| NMBM | Nelson Mandela Bay Municipality |
| NMBM IDP | Nelson Mandela Bay Municipality's Integrated Development Plan |
| NMBMM | Nelson Mandela Bay Metropolitan Municipality |
| NMU | Nelson Mandela University |
| NU | Neighbourhood Unit |
| NUSP | National Upgrading Support Programme |
| NSP | National Strategic Plan (Health) |
| NT | National Treasury |
| OHS & W | Occupational Health, Safety and Wellness |
| OMS | Operating Monitoring System |
| OPEX | Operating Expenditure |
| PA | Patriotic Alliance |
| PAC | Pan Africanist Congress of Azania |
| PDP | Provincial Development Plan |
| PDoHS | Provincial Department of Human Settlements |
| PE | Port Elizabeth |
| PEIA | Port Elizabeth International Airport |
| PH | Public Health |
| PHDA | Priority Housing Development Area |

| | |
|---------------|--|
| PHSHDA | Priority Human Settlement and Housing Development Area |
| PM | Performance Management |
| PMS | Performance Management System |
| POS | Public Open Space |
| PPE | Property, Plant and Equipment |
| PPP | Public-Private Partnership |
| PRASA | Passenger Rail Agency of South Africa |
| PTIG | Public Transport Infrastructure Grant |
| PTNG | Public Transport Network Grant |
| PTOV | Public Transport Operations Verifications |
| PV | Photovoltaics |
| QMS | Quality Management System |
| RDP | Reconstruction and Development Programme |
| SACN | South African Cities Network |
| SACO | South African Cultural Observatory |
| SAEC | South African Events Safety Council |
| SAFA | South African Football Association |
| SAIMI | South African International Maritime Institute |
| SANAS | South African National Accreditation System |
| SANRAL | South African National Roads Agency Limited |
| SAPOA | South African Property Owners Association |
| SAPS | South African Police Services |
| SARU | South African Rugby Union |
| SASREA | Safety at Sports and Recreational Events Act |
| SCADA | Supervisory Control and Data Acquisition |
| SCM | Supply Chain Management |
| SCOA | Standard Chart of Accounts |
| SCU | Sustainable Community Unit |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SDF | Spatial Development Framework |
| SDGs | Sustainable Development Goals |
| SEZ | Special Economic Zone |

| | |
|-----------------|---|
| SIF | Strategic Interface Forum |
| SMMEs | Small, Medium and Micro Enterprises |
| SNDB | Sub-National Doing Business |
| SOEs | State Owned Enterprises |
| SOPs | Standard Operating Procedures |
| SPLUMA | Spatial Planning and Land Use Management Act |
| SRAC | Sports, Recreation, Arts and Culture |
| S&S | Safety and Security |
| SSEG | Small Scale Embedded Generators |
| STATS SA | Statistics South Africa |
| STI | Sexually Transmitted Infections |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |
| TB | Tuberculosis |
| TED | Township Economic Development |
| TNPA | Transnet National Ports Authority |
| TOC | Transport Operations Centre |
| TOD | Transit Oriented Development |
| TVET | Technical and Vocational Educational and Training |
| UDM | United Democratic Movement |
| UFEC | United Front Eastern Cape |
| UIFW | Unauthorised Irregular Fruitless and Wasteful |
| UISP | Upgrading of Informal Settlements Programme/Plan |
| UISPG | Upgrading of Informal Settlements Programme Grant |
| UNS | Urban Network Strategy |
| USDG | Urban Settlements Development Grant |
| VFP | Vryheidsfront Plus |
| VOC | Vehicle Operating Company |
| VOCA | Vehicle Operating Company Agreement |
| WSDP | Water Services Development Plan |
| WTW | Water Treatment Works |
| WWTW | Waste Water Treatment Works |

FOREWORD

by Executive Mayor

I am pleased to present this five-year term of office plan for Nelson Mandela Bay Municipality. As we emerge from the COVID-19 pandemic which has devastated all sectors of society, and as we grapple with the worst drought that this City has known, we need to work together as never before to achieve growth and prosperity for all of our citizens.

This Integrated Development Plan (IDP) is a commitment of our coalition government to partner together to implement our pro-poor policies and improve the lives of all residents of Nelson Mandela Bay especially the neglected and marginalised communities.

In order to fulfil our commitment, all directorates of the Municipality will have an important role to play. This plan demonstrates the commitment of our municipal directorates and will direct us over the next five years towards our vision for the City.

Throughout the term of this IDP, we will be reliant upon our stakeholders and communities to hold us accountable to the commitment that we have made. We are in partnership with our communities, residents, business and other government roleplayers to ensure a safe and sustainable city in which everybody can have the services and opportunities that they deserve.

We will seek and expect our stakeholders to provide us with feedback on a continual basis on how we are doing in fulfilling our mandate. It is only by working together with our administration and our communities, businesses and other stakeholders that we can realise the City we deserve.

COUNCILLOR E JOHNSON
EXECUTIVE MAYOR

STATEMENT

by City Manager

This IDP covers our Municipality's strategic plan for the next five years. Each year until the end of the five-year period, the plan will be reviewed to assess whether there have been significant changes that require an adjustment to the plan.

Importantly, this plan focuses on the commitment and requirements of the Administration to lead the City towards a post-COVID recovery and to mitigate the impacts of the devastating drought we are experiencing, whilst at the same time ensuring service delivery, financial stability and economic opportunities.

The municipality needs to ensure that, the District Development Model, as a tool of government which enhances integration of plans, budget, implementation, monitoring and evaluation of implementation of programmes and projects, is given much attention

In order to achieve this plan, a stable Administration and commitment from all stakeholders will be necessary. This plan articulates each directorate's role in stabilising the institution and bringing us closer to growth, prosperity and sustainability.

Key objectives that have been set for us, and to which we commit, include:

- Prioritisation of recovery from COVID-19 and the drought and achieving water security.
- Resilience in the face of climate change.
- Growing the economy and increasing employment.
- Delivering services optimally.
- Exercising financial prudence, transparent governance and elimination of corruption with consequence management.
- Delivering on transformation, redress and social-cohesion objectives.

It is only through commitment to the achievement of these objectives, in partnership with our political leadership, communities, business and other government roleplayers, that we can create an enabling environment for the future growth and prosperity of Nelson Mandela Bay.

DR N NQWAZI
CITY MANAGER

1

CHAPTER 1

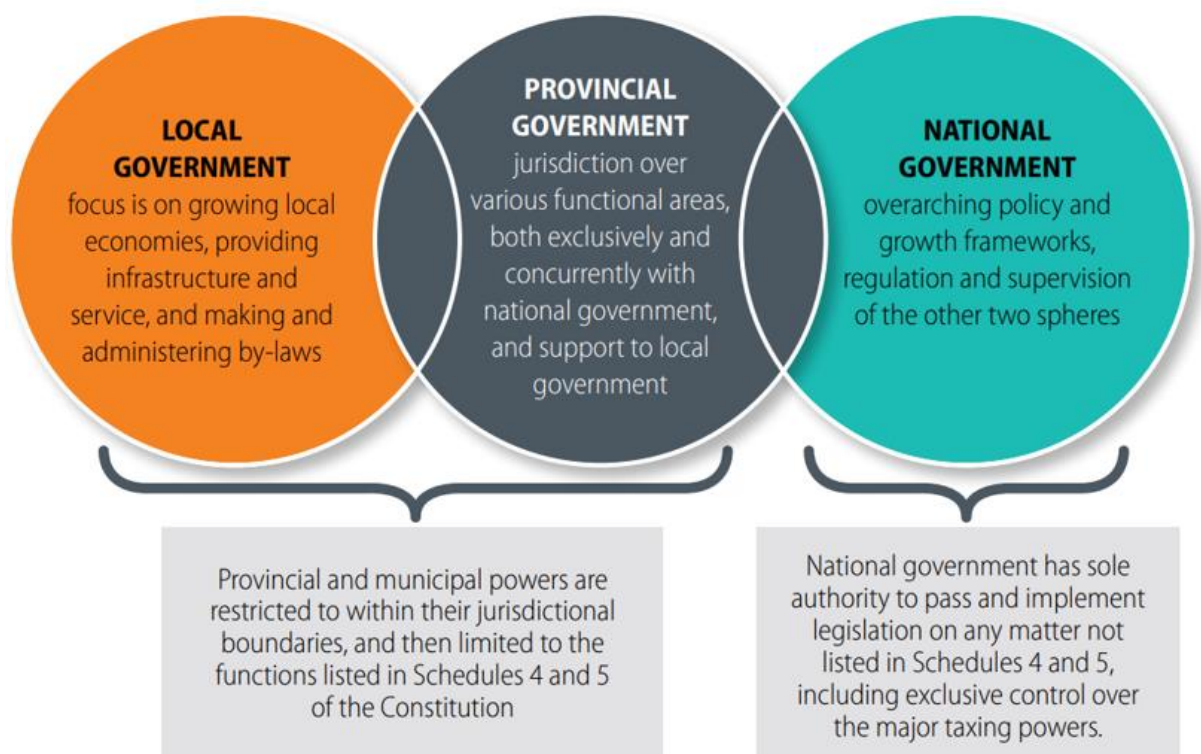
Introduction

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

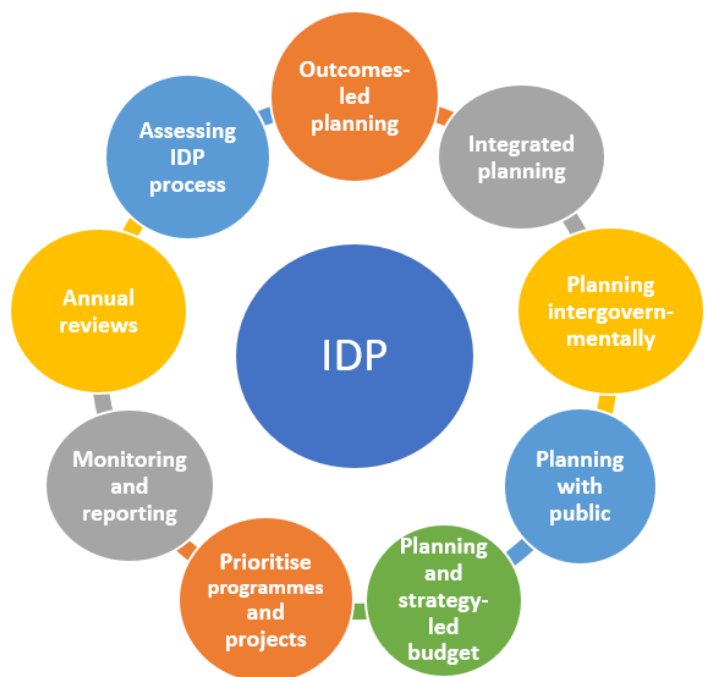
The vision contained in the IDP is a brief articulation of the more comprehensive vision outlined in the LTGDP.

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



This IDP attempts to respond to each of the nine priority areas.

The nine areas are explained in more detail below:

PRIORITY AREA ONE: Outcomes-led Planning

In short, outcomes led planning implies a focus on the intended results. The outcomes which guide the IDP are led by the National Development Plan and other lower order plans. IDPs should specify the outcomes and inform the identification of output areas. SDBIPs involve identifying what outputs are planned to achieve the intended outcome, and which entity will need to implement them with what budget.

The SDBIP of Nelson Mandela Bay Municipality contains all of the required outcome indicators that are specified in the Municipal Finance Management Act: Circular 88 for Municipalities. The SDBIP forms part of this IDP.

PRIORITY AREA TWO: Integrated planning across metro departments

Whilst integrated development planning has been difficult to achieve in the past, more and more emphasis is being placed on transversal planning and cooperation between functions in order to achieve outcomes. The entire conception of integrated development planning requires an integration of different functional plans in a coherent single strategic framework.

The consideration of sector plans and the integration of them is embodied in legislation. The plans included in the IDP are as follows:

- The Housing Sector Plan
- Integrated Transport Plan
- Water Services Master Plan
- Climate Change Strategy
- Economic Development Strategy
- Disaster Management Plan
- Spatial Development Framework which includes Sector Plans such as Rural Management Plan, Services Master Plans, Bioregional Plan, etc.

In order to ensure the integration of plans the following components of the IDP are important:

- The vision for the long-term development of the municipality that emphasises the most important development and internal transformation needs. These should be translated into priorities and objectives.
- An assessment of the existing level of development and areas without basic municipal services.
- The development strategies aligned to national or provincial sectoral plans as required by legislation.
- A Spatial Development Framework including a Land Use Management System.
- The Council's operational strategies.
- Disaster Management Plans.
- A Financial Plan (MTREF).
- Key Performance Indicators and Targets (SDBIP).

Planning for cross-departmental issues

Transversal issues which do not resort in any one department specifically, such as climate resilience and safer cities are required to be coordinated through a central planning process that permits roleplayers from all line departments to be involved in both planning and implementation.

In Nelson Mandela Bay Municipality, this is done in the Office of the Chief Operating Officer through the Built Environment Task Team.

Cross-sectoral plans should be integrated with the IDP by focusing on multiple strategic outcomes. This should be done through the integrated planning process where more role players than those relevant to a specific sector participate.

PRIORITY AREA THREE: Planning intergovernmentally

Although the Municipality is responsible for planning within its boundaries, the implementation is done by a multiplicity of agents. These include the private sector, government departments, state-owned enterprises and communities.

It is important to achieve the objectives of the IDP through intergovernmental planning.

The need for cooperation across spheres of government is embodied in the following legislation:

- Municipal Systems Act, 32 of 2000 requires the IDP be aligned with plans of other municipalities and organs of state that are affected.
- Intergovernmental Relations Framework Act, 13 of 2005, makes provision for an intergovernmental forum of the Premier of the Province and local authorities to consult and coordinate provincial and municipal planning and development.
- Municipal Financial Management Act requires national and provincial governments and state-owned entities to provide information and assistance to municipalities in planning and developing their IDPs.

PRIORITY AREA FOUR: Planning with the public

An IDP process needs to represent the interests of the communities of the City. For this reason, public participation is a critical element in the formulation of the Plan.

The IDP Framework requires the Municipality to consult communities through appropriate mechanisms. In addition, the Municipality must notify communities of the processes it intends to follow for the development of the IDP.

Ward Committees and stakeholder forums are important platforms for the IDP public participation process, however, these need to be complemented by additional public participation mechanisms.

At the beginning of a new five-year IDP process, public participation should focus on the five-year period and desired outcomes. This could inform the vision for the IDP period. The annual IDP reviews that follow the formulation of the initial IDP would have public participation processes that focus more on the progress in implementation of the IDP.

PRIORITY AREA FIVE: Planning and strategy-led budgeting

The MFMA requires that a City's Budget is clearly led by its planning and strategy. Specifically, the MFMA requires that an IDP must be the policy framework upon which the annual budgets are based.

In this regard, the Mayor must drive the policy development process and budget preparation. In Nelson Mandela Bay Municipality, the Strategic Planning Steering Committee has been established to inter alia contribute towards a planning led budget process.

PRIORITY AREA SIX: Prioritising programmes and projects in integrated development planning

Due to the fact that municipal resources both financial and human resources are limited and not everything can be done at once, municipalities need to prioritise the most important programmes and projects. The Urban Network Strategy of the NMBM Built Environment Performance Plan and Spatial Development Framework identifies areas and programmes for prioritisation in order to rectify spatial imbalances.

In addition, identification of ward priorities and the allocation of budgets to specific wards contributes towards prioritisation.

Ultimately, in decision making the selection of priorities for implementation and receipt of scarce resources needs to be done in terms of a long term development strategy and the stated vision and objectives. It is important that the processes of prioritisation are subjected to public participation and are open and transparent.

PRIORITY AREA SEVEN: Monitoring and reporting on implementation

Municipalities are required in terms of the Municipal Systems Act to establish a Performance Management System. The purpose of the Performance Management System is to ensure that the objectives of the IDP are met.

The mechanism through which the performance management system measures achievement of the IDP, is the identification of key performance indicators, outcomes and impact. The Performance Management System is institutionalised through performance agreements of all senior managers and cascaded down to lower levels in the institution.

The Municipal Finance Management Act is used inter alia by National Treasury to establish norms and standards for sound fiscal and financial management of municipalities and their entities. A mechanism that is used is the issuing of circulars and guidelines to municipalities for compliance.

The circulars provide guidance with regard to compliance with regard to the Municipal Finance Management Act. Key circulars for monitoring and reporting are as follows:

- Circular No.13 on the Service Delivery Budget Implementation Plan (SDBIP)
- Circular No. 63 on Annual reports
- Circular No. 71 on Financial Ratios
- Circular 88 on Indicators

Circular 88 and its addenda are important circulars for municipalities in respect of performance. It is jointly issued by National Treasury, the Department of Monitoring and Evaluation and CoGTA. It provides a set of indicators at outcome and output level to be incorporated in IDPs. These form the basis of the Nelson Mandela Bay Municipality's SDBIP and are reported on in the Municipality's Annual Report.

Circular 88 provides a set of indicators that cover the following functional outcomes:

- Water and sanitation.
- Electricity and energy.
- Housing and community facilities.
- Roads and transport.
- Environment and waste management.
- Fire and emergency services.
- Governance.

Reporting on these indicators will show progress towards achieving outcomes.

In addition to the above regulated indicators, the Municipality may also establish its own indicators to measure specific areas of municipal interest/concern.

PRIORITY AREA EIGHT: Annual reviews of integrated development planning

The Municipal Systems Act requires that a Council reviews its Integrated Development Plan annually in order to take account of changing circumstances.

The kind of changes that could lead to a significant review of the IDP are:

- Changes in budget availability.
- Political changes.
- External factors e.g. pandemic.
- Additional information.

PRIORITY AREA NINE: Assessing the integrated development planning process

The legislation requires that a copy of the IDP of a Municipality be submitted to the MEC for Local Government in the Province. The MEC establishes a process whereby the IDP of the City is assessed for compliance with legislative prescripts.

An important component of the assessment is to ensure that an IDP of a Municipality does not conflict with a provincial or any other local authority plans. Should this be the case, the MEC may request an amendment.

The assessment of the first IDP in a five-year cycle differs from the assessment criteria for IDP reviews that are done annually. The following principles apply to a first year IDP:

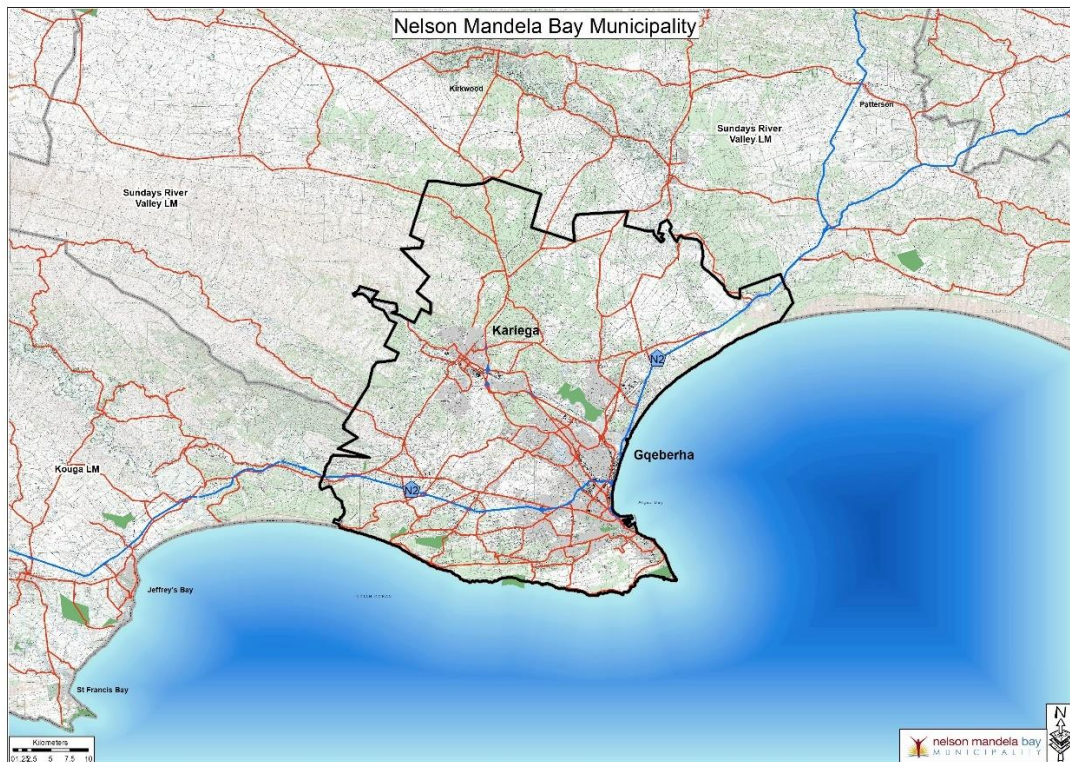
- Focus on assessing the planning process.
- The role played by all stakeholders.
- How the role-players have contributed to the IDP planning process and implementation.
- Supporting arrangements for an IDP, such as, whether the long-term plans, i.e. the long-term growth and development strategy and long-term financial strategy, are in place and credible.
- Whether the IDP's outcomes are drawn from the vision in the long-term growth and development strategy.
- The prioritisation of programmes.
- The public participation process.
- The feedback process to communities and stakeholders.
- Monitoring and reporting framework.

Annual IDPs are assessed according to the following principles:

- Performance towards the outcomes.
- Change in circumstances.

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.

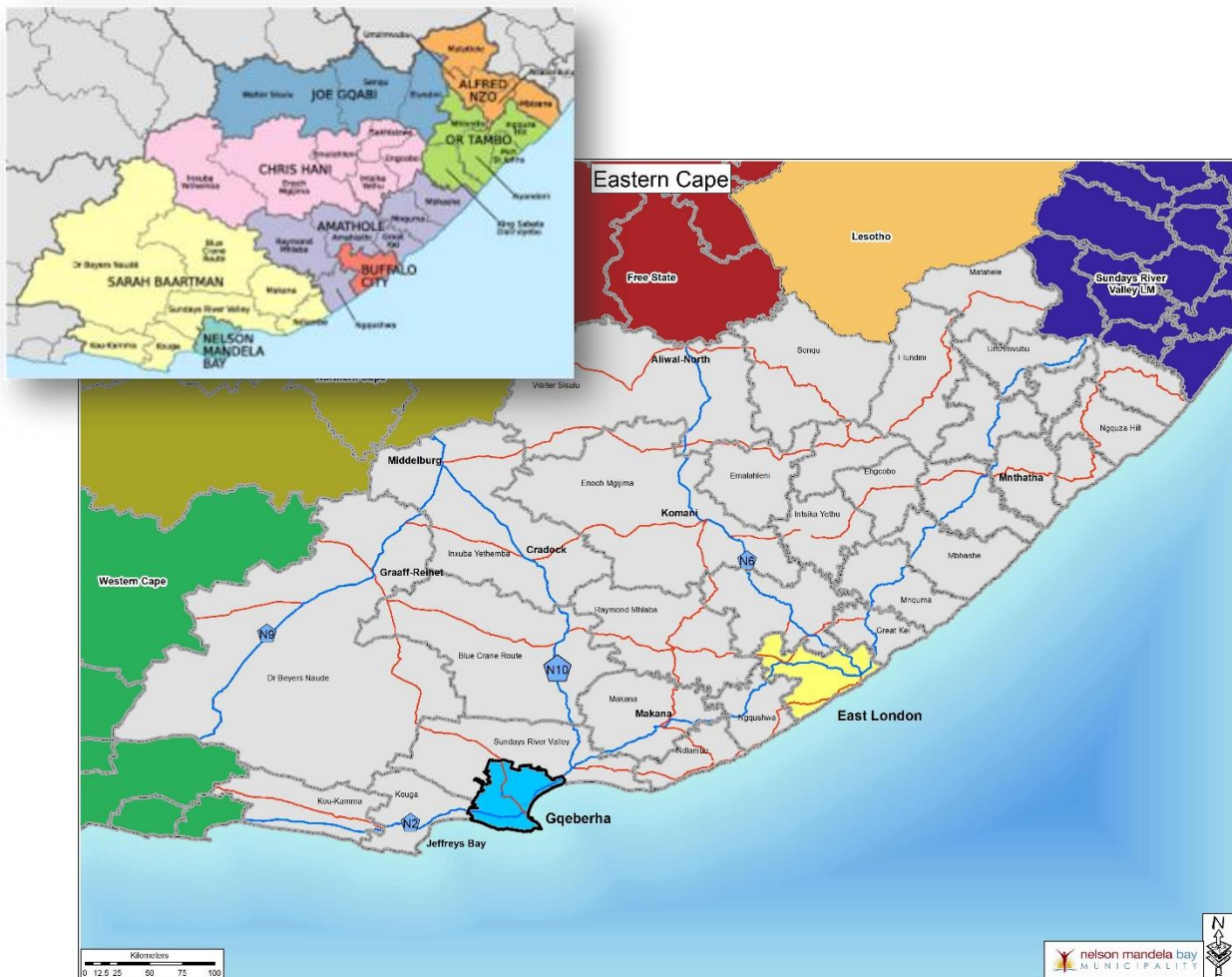
With a GDP of R 148 billion in 2020 (up from R 88.4 billion in 2010), the Nelson Mandela Bay Municipality contributed 34.90% to the Eastern Cape Province GDP of R 423 billion in 2020 increasing in the share of the Eastern Cape from 36.67% in 2010. The Nelson Mandela Bay Municipality contributes 2.68% 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.

1.2.1 The Regional Context



The regional context and the linkages between Nelson Mandela Bay and the hinterland are important. NMBM is the largest city in the Eastern Cape Province and thus plays a large role in the economy of the Eastern Cape. Similarly, the surrounding towns play a role in the growth and development of the city. Taking cognisance of the locational context of the city is important in considering growth and development aspects.

The City has an airport, with international status within five minutes of the City centre. It is well serviced by rail linkages to Gauteng and is connected by good quality roads to the rest of the country.

The location of NMBM in its regional context presents many advantages and economic possibilities. The two ports located within the boundary of the City further enhance its attraction for trade and industry.

1.3 VISION AND MISSION

In its publication, titled Integrated Development Plan Guideline for Metropolitan Municipalities (2021), CoGTA states that the IDP is located in a longer-term vision of the City (NMBM Long-Term Growth and Development Plan) and is a legislative requirement. The vision is briefly expressed in the IDP but would be comprehensively outlined in the Long-term Growth and Development Plan.

The following vision and mission will be reviewed prior to the final adoption of the IDP by 31 May 2022.

VISION

An iconic, friendly, ocean city driven by innovation, service excellence and economic development – a destination of choice

MISSION

To create Freedom, Fairness and Opportunity for all in NMBM; stop corruption; create jobs; and improve service delivery

1.4 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.

1.5 KEY PERFORMANCE AREAS (KPA_s) OF LOCAL GOVERNMENT

Nelson Mandela Bay Municipality subscribes to the following five Key Performance Areas of Local Government, which form the basis of the IDP and SDBIP of the institution:

- (a) Basic Service Delivery and Infrastructure Development
- (b) Municipal Transformation and Organisational Development
- (c) Local Economic Development
- (d) Financial Sustainability and Viability
- (e) Good Governance and Public Participation

1.6 RELATIONSHIP BETWEEN IDP AND RELATED PROCESSES

There is an important relationship between the processes that contribute towards the development of an Integrated Development Plan (IDP).

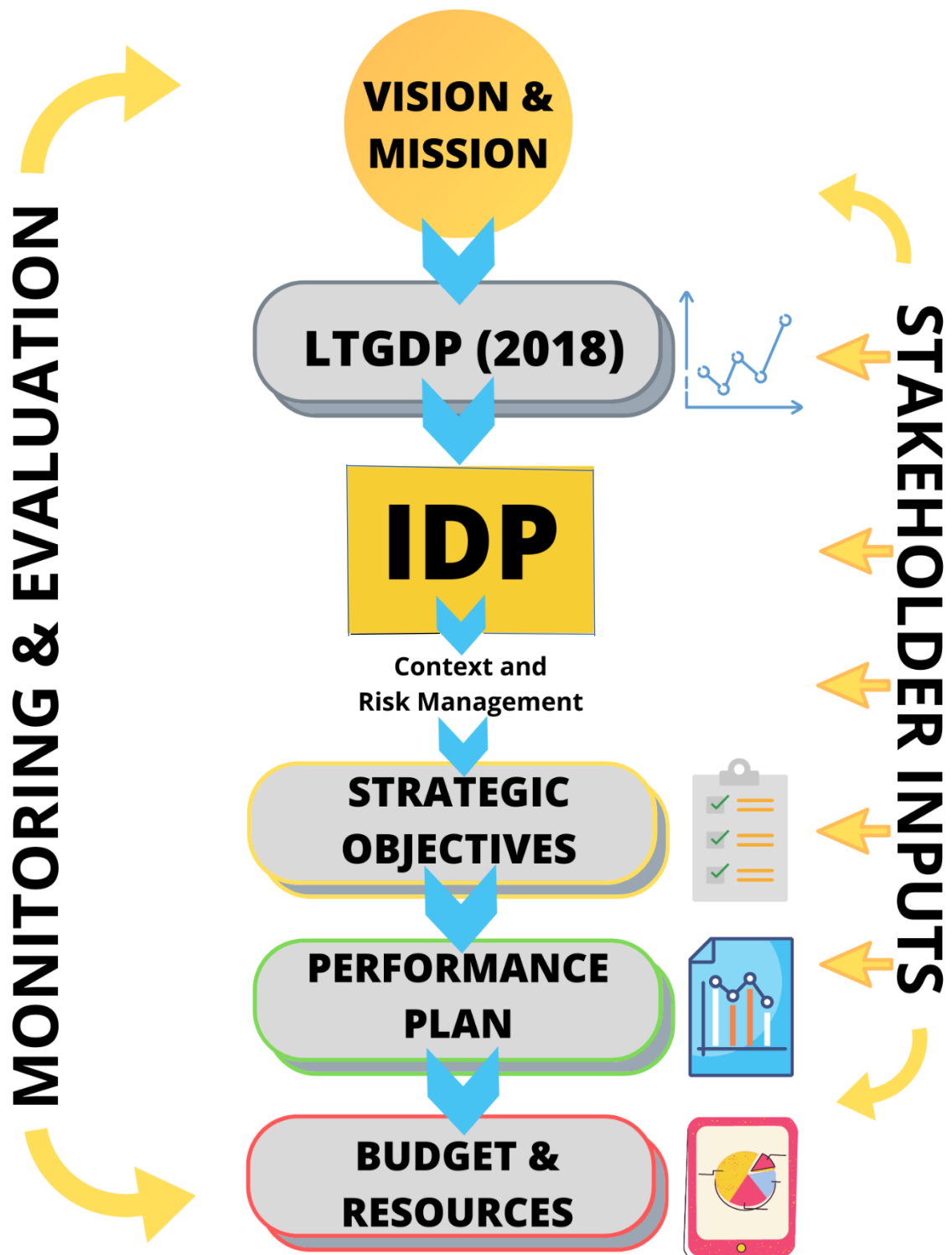
It is important to note that stakeholders comprising of the community, other spheres of government, external sectors and internal municipal roleplayers have a vital role in contributing to the substance of the IDP. In addition, the entire process is subject to monitoring and evaluation processes, which are aimed at identifying shortcomings and ensuring that remedial measures are put in place to have improved and more relevant integrated planning processes going forward.

The determination of the strategic objectives is dependent upon an analysis of the context that the Municipality finds itself in in a particular time and is translated into a risk analysis.

The diagram below indicates that the five-year IDP responds to the Long-term Growth and Development Plan. This Plan approved in 2018 envisaged that the first 5-year IDP term would focus on the stabilisation of the Municipality. Thereafter, the next 5-year IDP term would consolidate the position of the Municipality, allowing for a transition to growth and transparency in the final 5-year IDP term. In this regard, before the Municipality can move from a position of stabilisation to consolidation, the requirements of stabilisation would have to be met. These would be having a stable political and administrative institution as well as key prerequisites such as an organisational structure fit for purpose, good stakeholder relations and an improving financial situation.

Nelson Mandela Bay has not yet reached the level of stabilisation maturity required to progress to a period of consolidation in the current 5-year IDP period. Certain key issues still need to be addressed and have been delayed due to the current context.

FIGURE 2: Relationship between IDP and related processes



Source: NMBM, 2022

1.7 IDP EVALUATION BY COGTA (EASTERN CAPE PROVINCE)

As mentioned earlier in this IDP, the Eastern Cape CoGTA Department annually evaluates all IDPs within the Province. An analysis framework is used and the results serve to guide the preparation of credible IDPs. NMBM, being a Metropolitan Municipality, has performed well. The table shows the ratings of the evaluation criteria from 2017/18 to 2021/22:

TABLE 1: NMBM IDP Ratings

| EVALUATION CRITERIA | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|-------------|-------------|-------------|-------------|-------------|
| Spatial Development Framework | High | High | High | High | High |
| Service Delivery | High | Medium | Medium | High | High |
| Financial Viability | High | High | High | High | High |
| Local Economic Development | High | High | High | High | High |
| Good Governance and Public Participation | Medium | High | High | High | High |
| Institutional Arrangement | Low | Medium | Medium | Medium | High |
| Overall Rating | High | High | High | High | High |

Source: COGTA (2021)

Notwithstanding the ratings above, the MEC for CoGTA made some specific findings on the 2021/22 IDP. The issue raised and the municipal response is reflected below:

| Key Performance Area | Issues Raised | Response |
|--|--|---|
| Spatial Planning, Land Use, Human Settlements and Environmental Management | The Municipality must indicate whether town planning bylaws have been prepared and adopted by Council. | The SPLUMA By-law is in the final stage of preparation and will be submitted to Council for adoption. |

| Key Performance Area | Issues Raised | Response |
|--|---|--|
| Service Delivery and Infrastructure Planning | The Municipality must coordinate an Integrated Community Safety Forum. | The establishment of the Community Safety Forum has not been finalized. The Municipality is liaising with the Provincial Safety and Liaison Department in this regard. The Municipality has sent members on training with the Provincial Department with a view to playing a role in the Forum. |
| Service Delivery and Infrastructure Planning | The Municipality must expedite the revision of Disaster Management Plan. | The tender has been advertised and supply chain management issues are being resolved. |
| Financial Budgets and Planning | The Municipality must spend the entirety of its capital budget and grants to ensure that all planned projects are implemented | A Capital Budget and Project Acceleration Task Team and Steering Committee have been established to expedite spending and overcome obstacles. |
| Financial Budgets and Planning | The Municipality should establish an indigent Steering Committee to oversee the implementation of Indigent Policy. | At this stage, a Steering Committee is not feasible for the Municipality, however, since January 2021, measures are in place to ensure validity criteria are strictly adhered to. A comprehensive verification system is in place to ensure eligibility and a tendering process is being undertaken to implement an instant verification system. This will be completed by December 2022. |
| Good Governance and Public Participation | The Municipality must reflect on the implementation of the Integrated Service Delivery Model (ISDM). | NMBM is involved and committed to the District Development Plan structures that have been established. A draft DDM Plan for NMBM has been submitted to CoGTA. |

| Key Performance Area | Issues Raised | Response |
|--|--|--|
| Good Governance and Public Participation | The Municipality must reflect on the establishment of the Performance Management Committee | <p>A Strategic Planning Steering Committee comprising senior management and the Mayoral Committee has been established. This Committee is chaired by the Deputy Executive Mayor and considers all strategic planning aspects including the IDP, SDBIP and other institutional performance related matters.</p> <p>In respect of non-Section 57 employee performance, a Task Team is in place to monitor the implementation of performance management cascading throughout the institution.</p> |
| Good Governance and Public Participation | The Municipality must reflect on the Legal Management System. | A Legal Services Sub-directorate has been established in the Office of the Chief Operating Officer to deal with all institutional legal matters. The Legal Services function is supported by a panel of external attorneys appointed from time to time depending on the legal matters that arise. This allows the Municipality to select the best representation for a particular matter. Furthermore, an updated Litigation Register is in place |

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

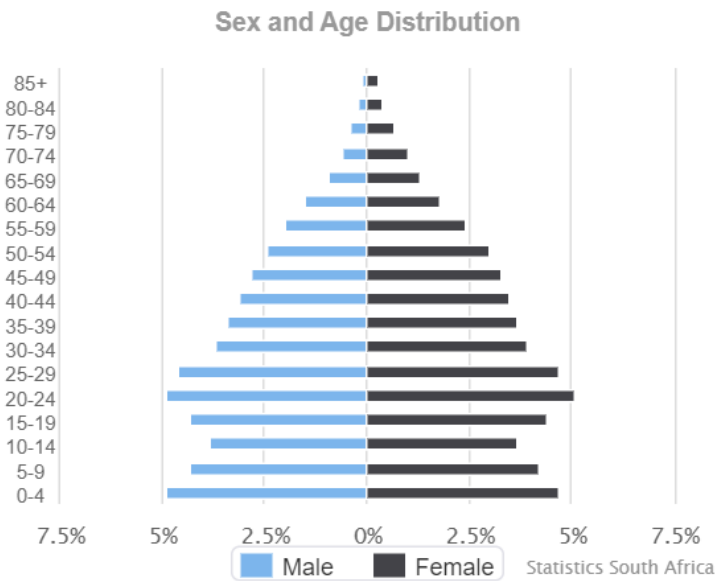
The following statistics are relevant:

| | |
|------------------------------------|--|
| 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 ² |
| 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:

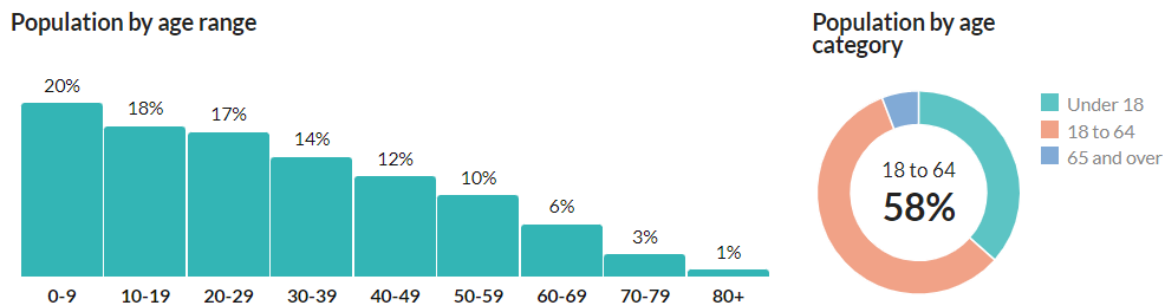
FIGURE 3: Population pyramid



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 4: Population by age range



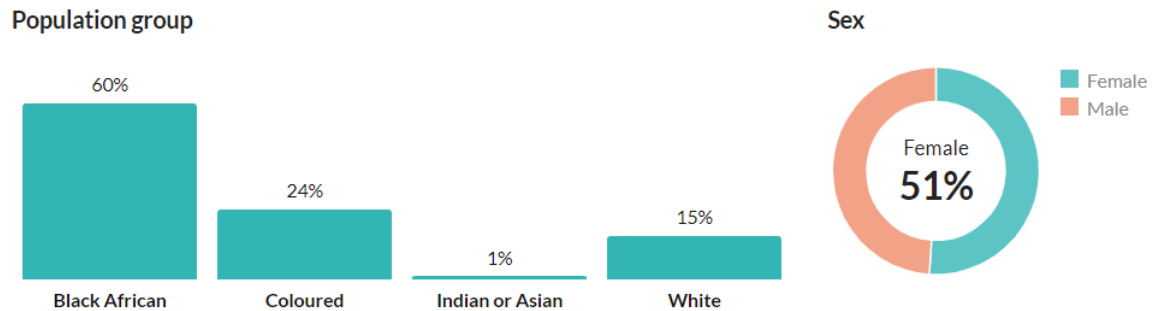
Source: Wazimap.co.za (using Community Survey 2016)

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 5: 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 2: Estimated Housing Demand

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

Source: NMBM, 2020

(f) Infrastructure

The following is experienced in relation to infrastructure:

- The backlog of tarring of gravel roads is approximately 750 km. The cost to eliminate this backlog is approximately R7 billion. This backlog has occurred largely due to the fact that the housing development programme, funded by the government, only includes sufficient funding for gravel roads and the recent increase in the number of developments constructed.
- Stormwater drainage inadequacies are experienced in disadvantaged areas, especially in newly developed areas because of limited funding for roads and stormwater construction. The scour of gravel from unsurfaced roads results in stormwater blockages.
- The backlog of sidewalks (non-motorised transport) is approximately 160 km. The cost to eliminate this backlog is approximately R400 million. This backlog has occurred as the government housing development programme funding only covers gravel roads. Furthermore, recent housing developments have excluded the provision for promotion of safe movement of pedestrians and cyclists.
- Ageing infrastructure, especially electricity, water and sanitation infrastructure results in leakages, pipe bursts, blockages and electricity disruptions, which in turn cause service delivery disruptions.
- The completion of the Nooitgedacht Low Level Scheme remains the most significant project to ensure long-term water sustainability in Nelson Mandela Bay. This project supports both the provision of basic water and water for economic development. Phase 2 is operational and Phase 3 planned for

completion by Amatola Water as the implementing agent funded by the Department of Water and Sanitation (DWS). It is scheduled for completion in July 2022.

- Fishwater Flats Wastewater Treatment Works (FWFWWTW) commenced with the completion of Phase 1 (inlet works). Subsequent contracts have been commenced with as part of Phase 2. This and other Wastewater Treatment Works are critical (socially and economically) for further growth and development in the metro, not to mention the support for the Bucket Eradication Programme. The total funding needed exceeds R1 billion.
- Economic infrastructure for development such as the Coega Wastewater Treatment Works and the Coega Return Effluent Scheme is needed to support the Coega SEZ. An investment of approximately R750 million is required to complete the Coega Return Effluent project, but the viability of the project is also dependent on the FWFWWTW upgrades.
- Planning has commenced on a new wastewater treatment facility to support the housing developments north of Motherwell and the Coega SEZ (Coega Wastewater Treatment Works). This plant is planned for an ultimate capacity of 120 MI/d costing in the region of R2.5 billion. A start up capacity of approximately 40-50 MI/d will be required and is estimated at R750 million (including a sea outfall).
- The Municipality is working on a long-term capital investment plan to support economic growth and socio-economic development.

The Table 3 summarises the critical infrastructure needs of Nelson Mandela Bay.

TABLE 3: Critical Growth and Investment Priorities in NMBM

| No | Description | Cost Est. | Budget | Timing | Project Status |
|----|--|-----------|--------------------------|-------------|--|
| 1 | Nooitgedaght Phase 3 | R350M | DWS | Jul-22 | Construction stage. Contract with Amatola resolved. |
| 2 | Borehole Water Exploration: | R300M | 20/21 – R108M (Non MDRG) | Sept-22 | Construction of the Coega Kop Treatment facilities commenced and scheduled for completion in Sept.'22. |
| 3 | Western Desalination (non-Metro funding) | R1,500M | | 5 yrs + | 60Ml/d: Cost estimate excludes link pipe and pump station network to distribution network. Drought EIA in place. Report Council prepare for CDC to be the implementing agent. |
| 4 | Sundays River Return Flows | R1,000M | R100M pa | 5 yrs | 55Ml/d: Cost estimate includes link pipe & pump station network to distribution network. Subject to EIA processes Subject to Feasibility by DWS based on the Algoa Reconciliation Study outcomes. |
| 5 | Fishwater Flats | R1,300M | R100M pa | 5-10 yrs | Phase 1: 100% complete Dedicated funding to be explored for remainder of project. |
| 6 | Coega Wastewater Treatment Works | R3,000M | | 5 yrs | Preliminary planning phase. CDC received BFI funding for project. |
| 7 | Coega Return Effluent | R650M | | 3 yrs | Project ready for implementation CDC received BFI funding for project. |
| 8 | Non-Revenue Water | R1,631M | R650M for First 5 yrs. | 10 yr. Plan | Project Commenced. 10 Yr Business Plan Approved by Council to reduce losses in the amount of R1631M. Of this a loan of R415M was approved for NRW for 4 years. First ±R145M implemented in 2020/21 financial year. |

Source: NMBM, 2022

(g) Building investment trends

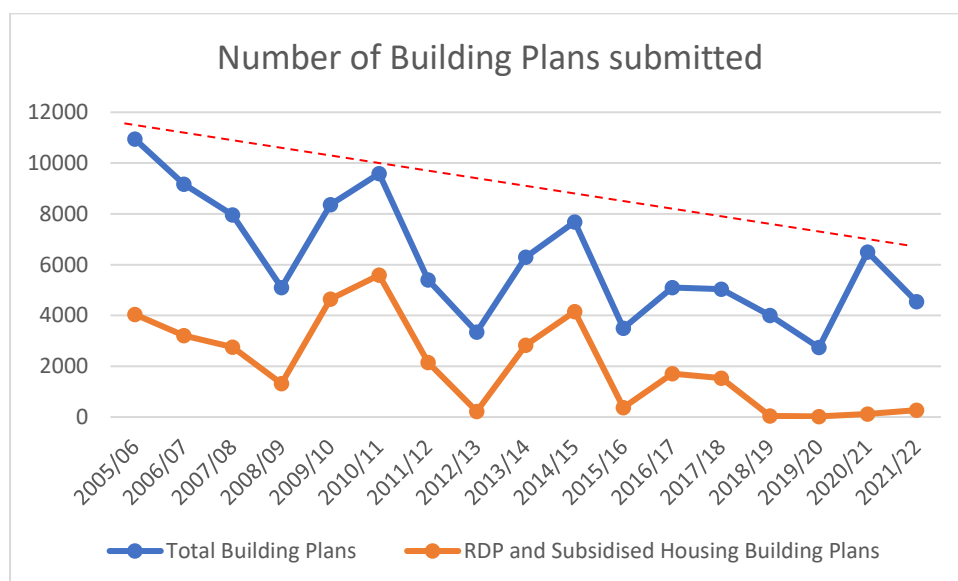
Nelson Mandela Bay recorded steady and rapid growth from 2001 to 2004, followed by a decline in the 2004/2005. The period 2005 to 2007 reflected a recovery but, 2008 saw a dramatic decline in growth, indicating the impact of the global economic crisis.

There was a recovery in 2009/10, almost to the 2007 pre-economic meltdown figures, both in terms of the number and value of plans passed. This dipped in 2011/12. After 2011/12, building plan submission continued to decline reaching an all-time low during the height of the COVID-19 pandemic. With the ease of lockdown restrictions, the markets responded with a significant increase in the number of building plans due to delayed opportunities in the construction industry due to COVID-19. The number of plans in the 2021/22 period appear to be normalising. In general, there has been a steady decline in the number of building plans submitted since 2005/06.

The two graphs below show the number and value of building plans submitted over recent years, as economic indicators. A decline in the number of building plans submitted is reflected with a general increase in the value of building plans. The building plan value increase can be attributed to the increased construction cost rather than economic growth. It is observed that the statistics in relation to the approval of building plans remain indicative of a weak economy.

The figure below reflects the total number of building plans as well as a line showing the number of RDP house plans as a proportion of the total number of building plans. It can be seen that the peaks in the total number of building plans in 2010/11 and 2014/15 are directly attributable to the increased number of RDP house plans and not as a result of any economic growth. RDP and subsidised housing plans have been nominal since the start of the COVID-19 pandemic.

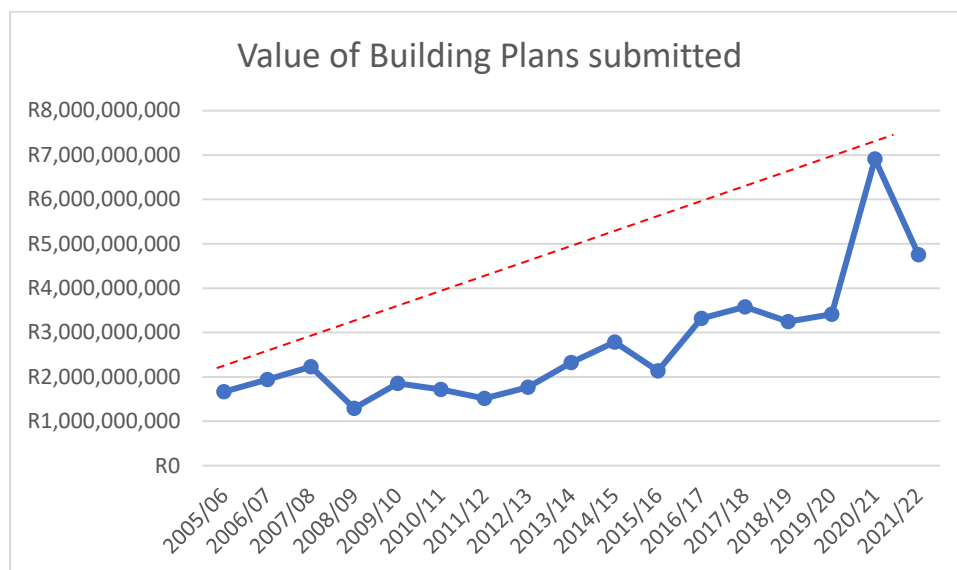
FIGURE 6: Number of Building Plans Submitted 2005 to 2022



Source: NMBM, 2022

Note: 2021/22 figures as at 28 February 2022

FIGURE 7: Value of Building Plans Submitted 2005 to 2022



Source: NMBM, 2022

Note: 2021/22 figures as at 28 February 2022

2.2.2 WARD PROFILES AND AMENITIES

In order to give a greater understanding of the public service amenities that are available within the Municipality, the attached Annexure “A” contains the Ward Profiles and amenities per Ward as well as Ward maps depicting the location of the amenities.

It is important to note that the social amenities information is the most recent information that the Municipality has at its disposal in 2022.

With regard to the Ward Profiles, the information is taken directly from the 2011 Census. It therefore is not up to date. Furthermore, Ward boundaries have changed so the Ward Profile information relating to the area of the Ward may be inaccurate. The information will be updated from the 2022 Census currently being undertaken by STATS SA.

Whilst the information is not up to date it can be used to gain an impression or sense of the situation in the general Ward area. The information will be updated in following annual reviews of the IDP.

2.3 TRENDS AND DEMAND FOR ECONOMIC INFRASTRUCTURE

2.3.1 Background

The Nelson Mandela Bay Municipality does not function in isolation of the rest of the Eastern Cape and South Africa or the rest of the world. The economic performance of Nelson Mandela Bay is put in perspective by comparing it with its neighbouring municipalities, the Eastern Cape, and South Africa.

The following information on the economy of Nelson Mandela Bay is extracted from the *Statistical Overview: Nelson Mandela Bay Metropolitan Municipality* prepared by IHS Markit. The information was published in 2021 and is based on available historical data.

2.3.2 Gross Domestic Product

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states. Gross Domestic Product represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

TABLE 4: Gross Domestic Product (GDP) – Nelson Mandela Bay, Eastern Cape, and National total, 2010-2020 (R billions, current prices)

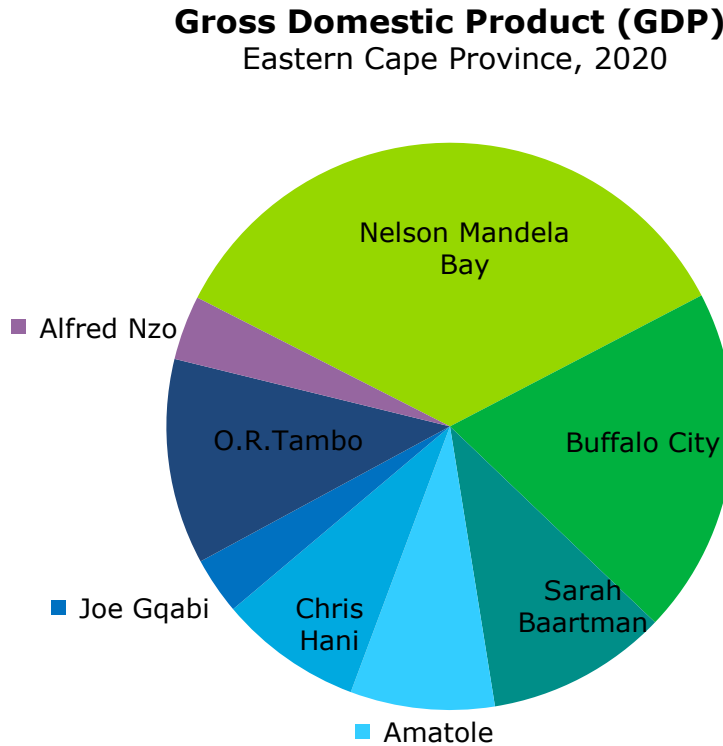
| | Nelson Mandela Bay | Eastern Cape | National Total | Nelson Mandela Bay as % of province | Nelson Mandela Bay as % of national |
|-------------|-----------------------------------|-------------------------|---------------------------|--|--|
| 2010 | 88.4 | 241.1 | 3,055.6 | 36.7% | 2.9% |
| 2011 | 92.8 | 255.4 | 3,327.0 | 36.4% | 2.8% |
| 2012 | 102.5 | 283.4 | 3,566.4 | 36.2% | 2.9% |
| 2013 | 110.5 | 305.7 | 3,868.6 | 36.1% | 2.9% |
| 2014 | 117.0 | 326.3 | 4,133.9 | 35.9% | 2.8% |
| 2015 | 126.0 | 352.9 | 4,420.8 | 35.7% | 2.8% |
| 2016 | 132.5 | 373.2 | 4,759.6 | 35.5% | 2.8% |
| 2017 | 141.6 | 400.4 | 5,078.2 | 35.4% | 2.8% |
| 2018 | 148.7 | 421.2 | 5,357.6 | 35.3% | 2.8% |
| 2019 | 153.5 | 435.6 | 5,605.0 | 35.2% | 2.7% |
| 2020 | 147.6 | 423.4 | 5,521.1 | 34.9% | 2.7% |

Source: IHS Markit Regional eXplorer version 2175

With a GDP of R148 billion in 2020 (up from R 88.4. billion in 2010), Nelson Mandela Bay contributed 34.86% to the GDP of the Eastern Cape in 2020. Nelson Mandela Bay contributed 2.67% to the GDP of South Africa in 2020. Nelson Mandela Bay's contribution to the national economy remains similar in size, but it is smaller than the peak of 2.89% in 2010.

In 2020, Nelson Mandela Bay achieved an annual GDP growth rate of -7.91% which is a significantly lower GDP growth than Eastern Cape (-6.54%), and is lower than that of South Africa, where the 2020 GDP growth rate was -6.43%.

FIGURE 8: Gross Domestic Product (GDP) – Nelson Mandela Bay Metropolitan Municipality and the rest of the Eastern Cape, 2020 (Percentage composition)



Source: IHS Markit Regional eXplorer version 2175

Nelson Mandela Bay had a regional GDP of R148 billion in 2020 and, in terms of total contribution towards the Eastern Cape, Nelson Mandela Bay ranked highest relative to all other metropolitan and district economies in the province. This ranking (i.e. in terms of size compared to other regions) remained the same since 2010. In terms of its share of provincial GDP in 2020, Nelson Mandela Bay (34.9%) is significantly smaller compared to its share in 2010 (36.7%). For the period 2010 to 2020, the average annual growth rate of 0.1% of Nelson Mandela Bay was the lowest relative to its peers in terms of growth in constant 2010 prices.

2.3.3 Economic Growth Forecast

Pre-pandemic, it was expected that Nelson Mandela Bay would grow at an average annual rate of 1.12% from 2018 to 2023. The average annual growth rate of Eastern Cape Province and South Africa was expected to grow at 1.15% and 1.16% respectively.

It is now expected that Nelson Mandela Bay will grow at an average annual rate of 2.11% from 2020 to 2025. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 2.27% and 2.54% respectively.

2.3.4 Gross Value Added by Broad Economic Sector

Nelson Mandela Bay's productive activity is made up of various industries. Nelson Mandela Bay's Gross Value Added (GVA) is a measure of the output (i.e. production) of the metro in terms of the value that was created within this geographic area.

TABLE 5: Gross Value Added (GVA) by Broad Economic Sector – Nelson Mandela Bay, 2020 (R billions, Current Prices)

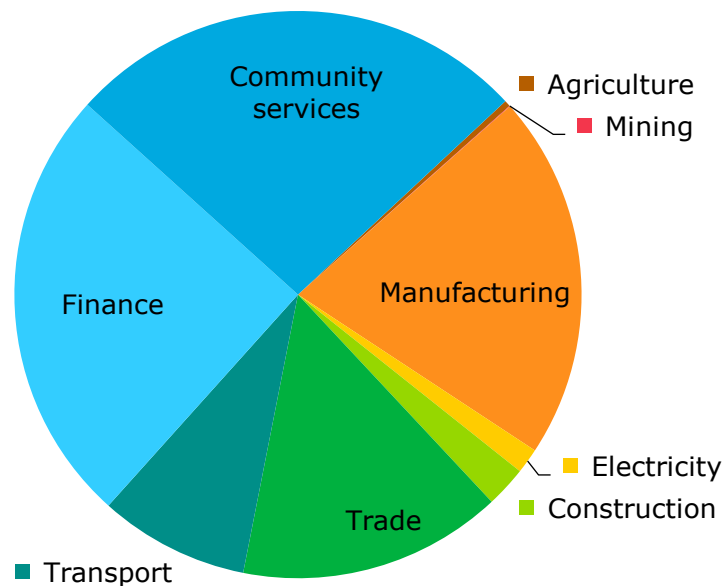
| | Nelson Mandela Bay | Eastern Cape | National Total | Nelson Mandela Bay as % of province | Nelson Mandela Bay as % of national |
|-----------------------------|--------------------------|-----------------|-------------------|--|--|
| Agriculture | 0.5 | 7.4 | 139.5 | 6.2% | 0.33% |
| Mining | 0.0 | 0.5 | 353.2 | 9.4% | 0.01% |
| Manufacturing | 27.1 | 49.1 | 648.4 | 55.1% | 4.18% |
| Electricity | 1.9 | 8.6 | 157.3 | 21.9% | 1.19% |
| Construction | 3.0 | 10.4 | 134.3 | 29.1% | 2.26% |
| Trade | 19.6 | 66.1 | 659.5 | 29.7% | 2.97% |
| Transport | 11.1 | 25.1 | 368.8 | 44.4% | 3.02% |
| Finance | 32.6 | 85.7 | 1,216.0 | 38.0% | 2.68% |
| Community services | 34.3 | 130.1 | 1,320.8 | 26.4% | 2.60% |
| Total Industries | 130.2 | 383.0 | 4,997.9 | 34.0% | 2.60% |

Source: IHS Markit Regional eXplorer version 2175

In 2020, the community services sector was the largest within Nelson Mandela Bay accounting for R34.3 billion or 26.4% of the total GVA in the metropolitan economy. The sector that contributed the second most to the GVA of the Nelson Mandela Bay was the financial sector followed by the manufacturing sector. The sector that contributes the least to the economy was the mining sector with a contribution of R45.2 million or 0.03% of the total GVA.

FIGURE 9: Gross Value Added (GVA) by Broad Economic Sector – Nelson Mandela Bay, 2020 (Percentage Composition)

Gross Value Added (GVA) by broad economic sector
Nelson Mandela Bay, 2020



Source: IHS Markit Regional eXplorer version 2175

2.3.5 Historical Economic Growth

For the period 2010 to 2020, the GVA in the agriculture sector had the highest average annual growth rate in Nelson Mandela Bay at 2.08%. The sector with the second highest average annual growth rate is the finance sector averaging at 1.02% per year. The electricity sector had an average annual growth rate of -2.29%, while the construction sector had the lowest average annual growth of -2.48%. Overall a negative growth existed for all the sectors in 2020 with an annual growth rate -7.72% year-on-year.

TABLE 6: Gross Value Added (GVA) by Broad Economic Sector – Nelson Mandela Bay, 2010, 2015 and 2020 (R billion, 2010 Constant Prices)

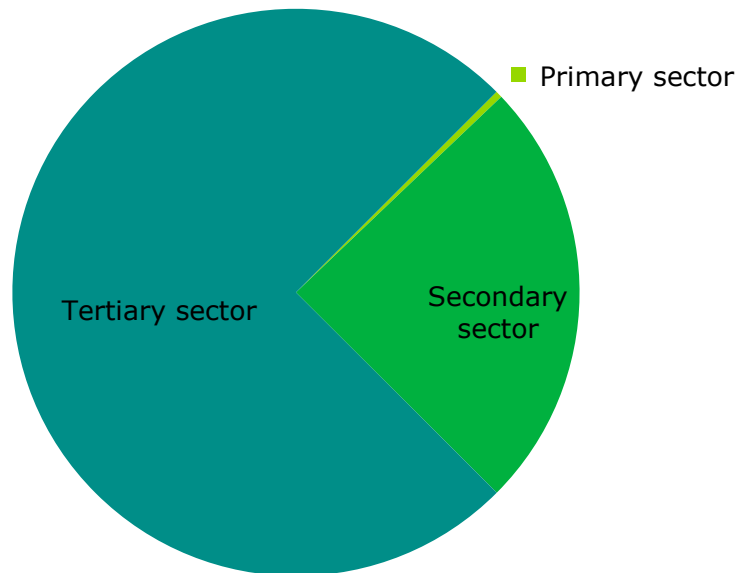
| | 2010 | 2015 | 2020 | Average Annual growth |
|-------------------------|--------------|--------------|--------------|------------------------------|
| Agriculture | 0.2 | 0.3 | 0.3 | 2.08% |
| Mining | 0.1 | 0.1 | 0.1 | -1.01% |
| Manufacturing | 22.0 | 23.5 | 20.1 | -0.89% |
| Electricity | 1.1 | 1.0 | 0.9 | -2.29% |
| Construction | 3.3 | 3.5 | 2.5 | -2.48% |
| Trade | 15.2 | 16.1 | 13.3 | -1.30% |
| Transport | 10.2 | 11.4 | 9.8 | -0.45% |
| Finance | 23.6 | 25.5 | 26.1 | 1.02% |
| Community services | 25.3 | 27.2 | 27.5 | 0.82% |
| Total Industries | 101.0 | 108.5 | 100.5 | -0.04% |

Source: IHS Markit Regional eXplorer version 2175

The tertiary sector contributes the most to the Gross Value Added within Nelson Mandela Bay at 75.0%. This is slightly higher than the national economy (71.3%). The secondary sector contributed a total of 24.6% (ranking second), while the primary sector contributed the least at 0.4%.

FIGURE 10: Gross Value Added (GVA) by Aggregate Economic Sector – Nelson Mandela Bay, 2020 (Percentage)

Gross Value Added (GVA) by aggregate sector
Nelson Mandela Bay, 2020



Source: IHS Markit Regional eXplorer version 2175

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

2.3.6 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. Between 2010 and 2020, the agriculture sector experienced its highest positive growth in 2017 with an average growth rate of 16.5%. The mining sector reached its highest point of growth of 27.6% in 2012. The agricultural sector experienced its lowest growth for the period during 2016 at -10.1%, while the mining sector reaching its lowest point of growth in 2015 at -15.5%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

2.3.7 Secondary Sector

The secondary sector consists of three broad economic sectors, namely the manufacturing, electricity, and the construction sectors. Between 2010 and 2020, the manufacturing sector experienced its highest growth in 2010 with a growth rate of 5.3%. The construction sector reached its highest growth in 2013 at 3.8%. The manufacturing sector experienced its lowest growth in 2020 of -13.6%, while construction sector also had its lowest growth rate in 2020. The electricity sector experienced its highest growth in 2010 at 2.7%, while it recorded the lowest growth of -6.3% in 2013.

2.3.8 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance, and the community services sectors. The trade sector experienced its highest positive growth in 2010 with a growth rate of 6.4%. The transport sector reached its highest point of growth in in 2010 at 3.2%. The finance sector experienced its highest growth rate in 2011 when it grew by 2.7% and recorded its lowest growth rate in 2020 at -0.3%. The trade sector also had the lowest growth rate in 2020 at -13.8%. The community services sector, which largely consists of government, experienced its highest positive growth in 2010 with 3.7% and its lowest growth rate in 2020 with -2.2%.

2.4 ASSET CONDITION

This data is based upon a study (Infrastructure Maintenance Backlog Assessment) that was conducted in 2011 and escalated.

TABLE 7: Water Backlog Maintenance

| Water Backlog | Total Sum of Repair Cost | Total Sum of Estimated Replacement Value | Repairs as % of Replacement Value |
|-------------------------|--------------------------|--|-----------------------------------|
| Dams | R2,564,861 | R818,070,678 | 0.31% |
| Reservoirs | R22,918,450 | R1,284,955,301 | 1.78% |
| Water Treatment Works | R61,019,926 | R699,264,543 | 8.73% |
| Bulk Water Supply Lines | R13,791,218 | R5,396,132,250 | 0.26% |
| Pump Stations | R24,891,957 | R135,658,637 | 18.35% |
| Internal Reticulation | R564,844,397 | R1,481,764,381 | 38.12% |
| Grand Total | R690,030,808 | R9,815,845,790 | |

Source: NMBM, 2022

TABLE 8: Medium-term Replacement / Refurbishment Plan

| Water Backlog | < 2 yrs | < 5 yrs | ASAP | Monitor only | Record only | Routine | Total Sum of Repair Cost |
|-------------------------|--------------------|--------------------|---------------------|-----------------|-----------------|-------------------|--------------------------|
| Dams | R908,978 | R282,012 | R1,309,439 | 0 | 0 | R64,433 | R2,564,862 |
| Reservoirs | R17,885,042 | R314,175 | R4,719,232 | 0 | 0 | R0 | R22,918,449 |
| Water Treatment Works | R23,557,433 | R7,775,831 | R19,720,392 | R382,868 | R604,388 | R8,979,015 | R61,019,927 |
| Bulk Water Supply Lines | R1,102,275 | R2,111,363 | R10,353,930 | R223,650 | 0 | R0 | R13,791,218 |
| Pump Stations | R2,818,949 | R508,005 | R21,070,311 | R127,800 | 0 | R366,893 | R24,891,958 |
| Internal Reticulation | R4,818,354 | R4,303,648 | R555,722,394 | R0 | 0 | R0 | R564,844,396 |
| Grand Total | R51,091,030 | R15,295,034 | R612,895,699 | R734,318 | R604,388 | R9,410,340 | R690,030,809 |

Source: NMBM, 2022

The table above indicates that the total maintenance backlog for water infrastructure for the next five years amounts to R690 030 809.

TABLE 9: Sewer Replacement Cost and Maintenance/ Rehabilitation Plan

| Sewer Backlog | < 2 yrs | < 5 yrs | ASAP | Monitor only | Record only | Routine | Total Sum of Repair Cost | Total Sum of Estimated Replacement Value |
|------------------------------|---------------------|---------------------|---------------------|-------------------|----------------|-------------------|--------------------------|--|
| Pump Stations | R16,536,809 | R1,183,215 | R12,970,742 | R86,265 | R0 | R880,436 | R31,657,466 | R63,314,933 |
| Sewer Reticulation | R170,592,505 | R178,227,363 | R64,899,494 | R224,804 | R0 | R449,609 | R414,393,777 | R828,787,552 |
| Waste Water Treatment | R36,232,966 | R5,374,238 | R109,160,045 | R731,996 | R12,780 | R518,964 | R152,030,991 | R304,061,980 |
| Grand Total | R223,362,280 | R184,784,817 | R187,030,281 | R1,043,065 | R12,780 | R1,849,008 | R598,082,234 | R1,196,164,465 |

Source: NMBM, 2022

The above information forms the basis of the Engineering Design and Management Systems software data management system. This same management system is used to provide the GRAP 17 compliance data on asset management.

2.4.1 Roads / Stormwater / Transport

A draft new Comprehensive Integrated Transportation Plan (CITP) has been prepared as required by the National Land Transport Act (5 of 2009). It is expected that the Plan will be approved in the first quarter of the 2022/23 financial year. The review includes an overhaul of the CITP, which will include new projects which have to be implemented within the next 5 years of the CITP's validity.

TABLE 10: CITP Capital Budget Summary 2021/22 – 2025/26

| Project Category | 2021/22 Capital Budget | 2022/23 Capital Budget | 2023/24 Capital Budget | 2024/25 Capital Budget | 2025/26 Capital Budget | Total |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|
| Roads Required for Additional Capacity | R10,000,000 | R10,000,000 | R17,950,000 | R49,750,000 | R43,800,000 | R131,500,000 |
| Access and Connectivity Improvements | R31,000,000 | R38,000,000 | R81,800,000 | R61,800,000 | R41,000,000 | R253,600,000 |
| Road Maintenance Projects | R11,000,000 | R12,000,000 | R12,000,000 | R7,000,000 | R7,000,000 | R49,000,000 |
| Bridge Maintenance Projects | R5,000,000 | R5,000,000 | R2,500,000 | R2,500,000 | R2,000,000 | R17,000,000 |
| Traffic & Signage Improvements | R11,350,000 | R11,350,000 | R9,350,000 | R9,350,000 | R9,350,000 | R50,750,000 |
| Public Transport | R130,200,000 | R112,838,930 | R275,850,000 | R221,050,000 | R75,050,000 | R814,988,930 |
| Non-Motorised Transport Projects | R11,800,000 | R12,300,000 | R22,500,000 | R12,000,000 | R12,000,000 | R70,600,000 |
| Freight Transport Projects | R0 | R0 | R800,000 | R800,000 | R3,350,000 | R4,950,000 |
| Transport Planning Projects | R36,000,000 | R38,000,000 | R36,000,000 | R36,000,000 | R36,000,000 | R182,000,000 |
| Total | R246,350,000 | R239,488,930 | R458,750,000 | R400,250,000 | R229,550,000 | R1,574,388,930 |

Source: NMBM 2022

The backlog of tarring of gravel roads is approximately 750 km. The cost to eliminate this backlog is approximately R7 billion. This backlog has occurred largely due to the subsidised housing development programme, which only includes sufficient funding for gravel roads. As more RDP houses are built, the backlog for tarring of gravel roads increases. This also applies to the backlog for sidewalks, which currently is approximately 160 km, at a cost of approximately R400 million to eliminate the current backlog.

The table below illustrates the roads, transport and stormwater backlogs and the maintenance budget required to address these backlogs:

TABLE 11: Roads and Stormwater Maintenance Backlog

| No | Maintenance Type | Total Operational Maintenance and Rehabilitation Backlogs | Annual Requirement to Eliminate Backlog | 2018/19 | 2019/2020 | 2020/2021 | 2021/22 | 2022/23 |
|----|---|---|---|--------------------|---------------------|---------------------|---------------------|---------------------|
| 1 | Maintenance / Rehabilitation of Subsidised Roads | R660,000,000 | R50,000,000 | R12,000,000 | R6,000,000 | R6,000,000 | R6,390,000 | R6,805,350 |
| 2 | Maintenance / Rehabilitation of -Non subsidised Roads | R1,890,000,000 | R100,000,000 | R43,015,216 | R43,410,957 | R45,000,000 | R47,925,000 | R51,040,125 |
| 3 | Maintenance / Rehabilitation of Stormwater Facilities | R830,000,000 | R65,000,000 | R21,678,920 | R25,789,410 | R26,500,000 | R28,222,500 | R30,056,963 |
| 4 | Road Signs & Markings | R116,000,000 | R15,000,000 | R3,500,000 | R3,710,000 | R3,932,600 | R4,188,219 | R4,460,453 |
| 5 | Maintenance / Rehabilitation of Bridges | R540,000,000 | R45,000,000 | R896,000 | R4,000,000 | R3,000,000 | R3,195,000 | R3,402,675 |
| 6 | Resurfacing of Roads | R2,000,000,000 | R150,000,000 | R27,000,000 | R28,000,000 | R24,000,000 | R25,560,000 | R27,221,400 |
| | | | | R95,274,271 | R117,787,500 | R194,937,780 | R207,608,736 | R221,103,304 |

Source: NMBM, 2022

The implementation of the projects depends on the availability of funds and is supported by the asset information from the Road Management System, the Stormwater Asset System and the Bridge Management System.

2.4.2 Electricity

Traditionally the profits from the sale of electricity have been used to cross-subsidise the municipal budget. For some time now, the profit from the sale of electricity has been declining as a result of declining sales, increasing purchasing cost and the use of alternative forms of energy.

Consumption growth in terms of GWh purchased from Eskom has been decreasing by an average of 2% over the last five years even though the number of overall consumers has increased by an average of 12% over the same five-year time period.

In 2019/20 commercial customers procured over 71% of the electricity sold by NMBM. The major clients include Volkswagen Group South Africa, AgniSteels South Africa, Goodyear South Africa, BORBET South Africa, Continental Tyre South Africa, Crown Chickens and Mondelez International.

The following table shows the decline in profit made from the sale of electricity since 2006:

TABLE 12: Declining Electricity Sales Profit

| Financial Year | Sales | Bulk Purchases | Gross Profit | % Gross Profit |
|----------------|------------------|----------------|----------------|----------------|
| 2006/2007 | (R1,119,758,699) | R611,923,001 | (R507,835,697) | 45% |
| 2007/2008 | (R1,196,274,998) | R663,170,083 | (R533,104,914) | 45% |
| 2008/2009 | (R1,502,322,088) | R901,060,864 | (R601,261,224) | 40% |
| 2009/2010 | (R1,807,750,905) | R1,184,203,683 | (R623,547,222) | 34% |
| 2010/2011 | (R2,185,993,075) | R1,511,442,011 | (R674,551,064) | 31% |
| 2011/2012 | (R2,711,116,309) | R1,915,652,397 | (R795,463,912) | 29% |
| 2012/2013 | (R2,819,881,230) | R2,109,854,326 | (R710,026,904) | 25% |
| 2013/2014 | (R2,963,172,710) | R216,850,320 | (R794,669,190) | 27% |
| 2014/2015 | (R3,182,151,220) | R2,294,034,910 | (R888,116,310) | 28% |

| Financial Year | Sales | Bulk Purchases | Gross Profit | % Gross Profit |
|-----------------------|--------------------|-----------------------|---------------------|-----------------------|
| 2015/2016 | (3,463,791,052) | R2,720,304,070 | (R743,486,982) | 21% |
| 2016/2017 | (R3,693,703,315) | (R2,892,128,296) | (R801,575,019) | 22 % |
| 2017/2018 | (R3,687,191,074) | (R2,870,435,742) | (R816,755,332) | 22% |
| 2018/2019 | (R3,460,029,222) | (R2,913,823,872) | (R546,205,350) | 16% |
| 2019/2020 | (R3,247,029,022) | (R2,558,625,981) | (R688,396,149) | 21% |
| 2020/2021 | (R3,335, 872 ,490) | (R2,388 031,650) | (R947 842,840) | 28% |

Source: NMBM 2022

As the population grows, it is expected that customer numbers in Nelson Mandela Bay will increase. However, it is to be expected that the increase in energy consumption will partly be offset by the rising unemployment rate, suppressed disposable income and increased poverty, and the move towards sustainable, renewable energy sources.

The price of electricity, tariff increases, alternative energy options and more energy efficient appliances/equipment could suppress future sales growth.

Low economic growth prospects, the political environment in South Africa and the Nelson Mandela Bay Municipality, increased costs of electricity, stability of electricity supply and load shedding are hampering economic activity, depressing economic expansion and causing commercial customers to implement new technologies and renewable energy options in an effort to reduce their reliance on electricity supply from NMBM and Eskom.

The Municipality is a frontrunner in creating an enabling environment and attracting investment in the green economy sector. NMBM has adopted a business model that will address the over dependency on the historic volumes business and pursue a more balanced approach between energy trading and new wires related business opportunities, diversifying its energy portfolio in an effort to improve stability around energy security within the city. This implies a change of focus in respect of the energy mix, pursuing renewable energy

options and creating tariffs and charges that will enhance customer loyalty while recognising the infrastructure contribution to the sustainability and growth of the business. This will be done through facilitation where customers will be given an option to be able to self-generate power through a guided regulation framework.

In order to achieve this, the NMBM has approved, as part of the 2021/2022 Tariff Application, Net-Billing tariffs that will allow customers to generate and export power back into the NMBM grid. Additionally, Wheeling tariffs have been approved and when introduced, will enable Small Scale Embedded Generators (SSEG) to use the NMBM grid to export power to their intended customers.

This financial year the institution had a target of four Megawatts of new PV installations. With Volkswagen adding an additional 1, 4 MWh to the existing one MWh rooftop system, this target is well within reach. NERSA has increased the limit of renewable installations from 5 MWh to 100 MWh during a December 2021 Ministerial pronouncement and the impact of the change as well as the interest level is already very tangible as the institution receives increasingly more and bigger PV systems coming through the application processes. At present two windfarms are operating within Nelson Mandela Bay.

The current condition of the electrical infrastructure requires a major injection of funds and manpower in order to bring it to acceptable conditions in line with national standards and the expectations of electricity users.

NERSA has indicated that electricity tariffs cannot be used as the sole source of income to fund capital and maintenance projects. It is thus vitally important that NMBM finds additional sources of funding for its capital and maintenance projects.

Funding is required to bring the electrical infrastructure back to an acceptable condition, so that it complies with the required national standards. A five-year period is detailed below, however, funding should continue into further years to prevent the network from deteriorating again.

In relation to distribution, the existing municipal electricity network is a mixture of aged and relatively new infrastructure. The majority being older with some equipment older than 40 years. It is therefore urgent that major upgrade, refurbishment and replacement takes place. The following is a reflection of the first five years of work required in order to start making inroads into this backlog.

The total cost for the various categories is as follows:

| | |
|---------------------------|---------------------|
| Major Substations | R134 625 348 |
| Minor Substations | R414 076 666 |
| Overhead Lines | R303 600 000 |
| Power Transformers | R 32 699 700 |
| Total over 5 years | R885 001 714 |

2.4.2.1 Electricity Losses

Losses are an ongoing concern, as it results in a loss of revenue and overall reduced efficiency of the utilisation of the electrical resources. Creative programmes such as the Innovative Undeclared Informal Electrification Programmes have been implemented to assist in the reduction of non-technical electrical losses caused by tampering and socio-economic factors.

One of the key strategies that the Municipality has embarked on to reduce non-technical losses is a strategy that will invite and lure customers to voluntarily present themselves and to report any interference with metering equipment without the threat of possibly being held liable for the cost of a new smart meter or stolen electricity. This initiative is the Electricity Tampering Amnesty and customers are offered the assurance that the cost of replacing the tampered meter as well as the associated estimated unmeasured consumption, which could include usage of up to 36 months, will not be charged.

In addition to the above, the Municipality consistently runs programs within Wards that are aimed at reinforcing the issues around the danger of playing with electrical equipment, safe use of electricity, and the impact of vandalism on electrical infrastructure.

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.

| TABLE 13: Political party seat allocation and gender distribution | | | |
|--|----------------------------|----------------------------|---------------|
| POLITICAL PARTY | ALLOCATION OF SEATS | GENDER DISTRIBUTION | |
| | | MALE | FEMALE |
| 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 | |
| TOTAL | 120 | 87 | 33 |

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.

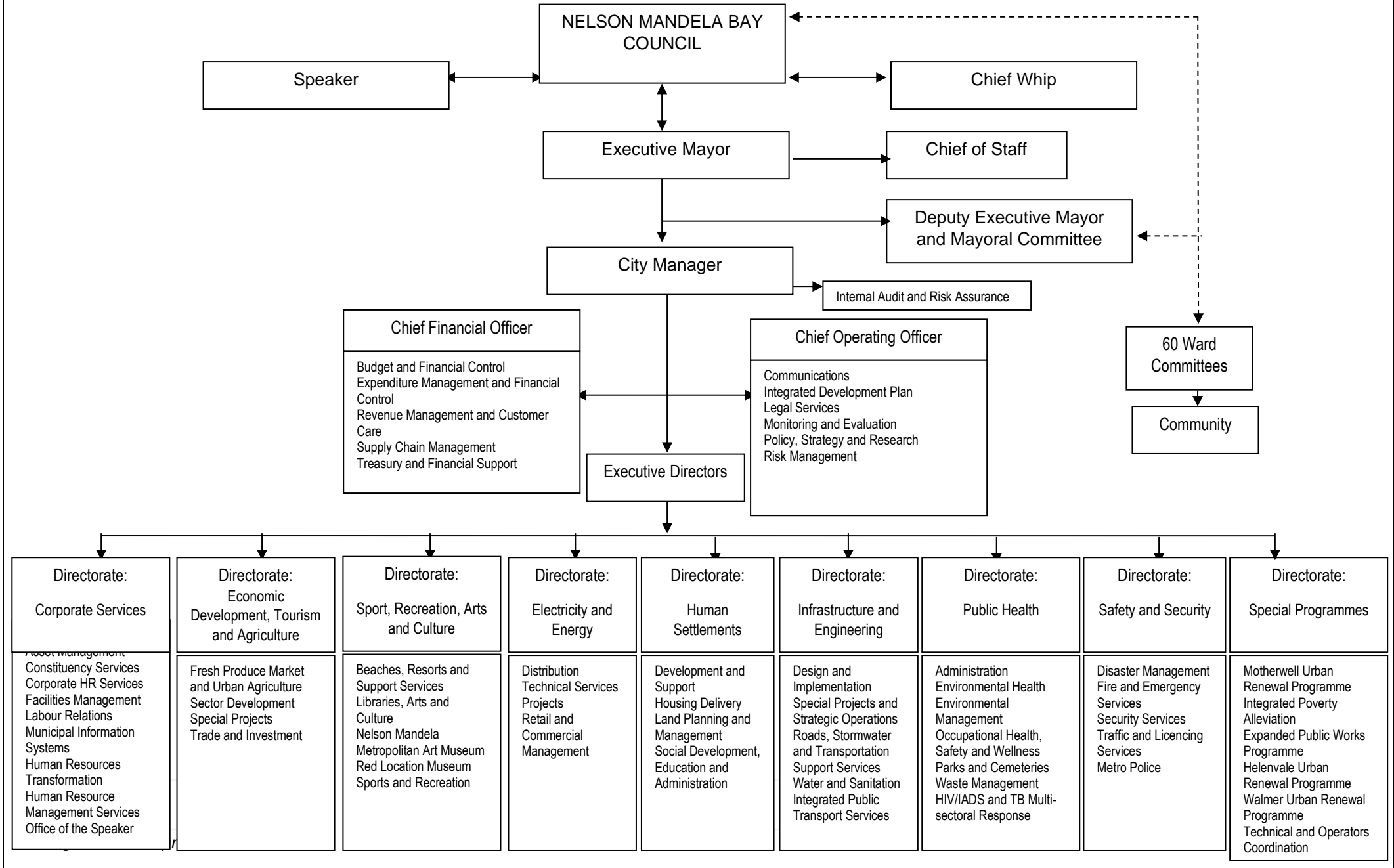
3.2 ADMINISTRATION

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 11: ORGANISATIONAL STRUCTURE OF NELSON MANDELA BAY MUNICIPALITY



3.2.1 Total number of funded posts and vacancies

The table below is a summary of total funded posts in the NMBM against those vacant at 15 March 2022.

TABLE 14: Status quo of vacancies in Nelson Mandela Bay Municipality

| Directorate | Filled Posts | Funded Vacant Posts | Total Funded Posts |
|---|---------------------|----------------------------|---------------------------|
| Office of the Executive Mayor | 64 | 1 | 65 |
| Office of the City Manager | 12 | 4 | 16 |
| Chief of Staff | 2 | 0 | 2 |
| Office of the Chief Operating Officer | 84 | 13 | 97 |
| Human Settlements | 296 | 82 | 378 |
| Safety and Security | 1559 | 132 | 1691 |
| Budget and Treasury | 567 | 72 | 639 |
| Public Health | 885 | 155 | 1040 |
| Economic Development, Tourism and Agriculture | 70 | 16 | 86 |
| Infrastructure and Engineering | 1168 | 157 | 1325 |
| Corporate Services | 520 | 48 | 568 |
| Sport, Recreation, Arts and Culture | 462 | 76 | 538 |
| Electricity and Energy | 490 | 67 | 557 |
| Special Projects | 25 | - | 25 |
| TOTAL | 6204 | 823 | 7027 |

Source: NMBM, 2022

3.2.2 Policies and By-Laws

A cornerstone of ensuring that the Municipality responds to its legislative mandate in an appropriate manner that is suited to the circumstances of the City, is the suite of policies and by-laws. These policies and by-laws are amended from time-to-time as circumstances change. The main policies and by-laws are published on the municipal website.

TABLE 15: Policy Register of the Nelson Mandela Bay Municipality

| Policy Title | Reference Number | Adoption Date | Review Due Date | Policy on Website |
|--|------------------|---------------|-----------------|-------------------|
| Access Control Policy | 4/6/P | 27 02 2014 | Under review | No |
| Acting Policy | 4/6/P | 23 05 2017 | Under review | No |
| Adult Basic Education and Training (ABET) Policy | 4/4/P | 03 09 2003 | Due for review | No |
| Anti-Fraud and Anti-Corruption Strategy and related policies Version 2 | 5/20/P | 31 03 2021 | 31 03 2024 | Yes |
| Arts, Culture, Heritage and Creative Economy Policy | 12/2/P | 16 05 2018 | Under review | Yes |
| Asset Loss Control Policy | 6/1/2/P | 03 04 2007 | Under review | No |
| Asset Management Policy | 6/1/2/P | 20 07 2009 | Under review | No |
| Assistance to the Poor (Free basic services – Indigent) Policy Version 4 | 5/18/5/P | 20 12 2021 | 20 12 2024 | Yes |
| Bay Stars Employee Excellence Programme Policy Procedure Manual | 4/4/P | 19 06 2014 | Under review | Yes |
| Burial of Destitute Persons Policy | 5/21/1/P | 11 09 2002 | Under review | No |
| Career Management Policy | 4/4/P | 26 03 2010 | Under review | No |
| Cash Management and Investment Policy | 5/10/P | 09 04 2019 | 30 04 2022 | No |
| Cellular Telephone and Mobile Data Connectivity Policy | 4/6/P | 30 03 2016 | Due for review | No |
| Code of Conduct | 4/2/P | 26 06 2004 | Under review | No |
| Communications Policy | 6/2/2/P | 23 05 2017 | Under review | No |
| Cost Containment Policy | 5/10/P | 20 12 2021 | 20 12 2024 | No |
| Councillor Support Policy | 3/3/P | 20 12 2021 | 20 12 2024 | No |
| Credit Control Policy | 5/15/P | 31 03 2011 | Under Review | Yes |

| Policy Title | Reference Number | Adoption Date | Review Due Date | Policy on Website |
|--|-------------------------|----------------------|------------------------|--------------------------|
| Disability Policy | 11/1/5/4/P | 03 09 2003 | Under review | No |
| Disaster Management Policy Framework | 19/13/3/P | 02 12 2010 | Under review | No |
| Disaster Relief Management Policy | 19/13/3/P | 17 07 2014 | Under review | No |
| Disposal of Immovable Capital Assets Policy and Procedures | 6/1/2/8/P | 15 09 2016 | Due for review | Yes |
| Education, Training and Development (ETD) Policy | 4/4/P | 23 05 2017 | Due for review | No |
| Emerging Enterprise Development Support Programme and Policy | 17/8/P | 20 06 2018 | Due for review | Yes |
| Employee Bursary Policy | 4/4/P | 19 06 2014 | Due for review | No |
| Employee Assistance Programme Policy (EAP) | 4/5/P | Unknown | Under review | No |
| Employment Equity Policy | 4/3/P | 23 05 2017 | Due for review | No |
| Enterprise Risk Management Policy Version 3 | 2/12/P | 20 12 2021 | 20 12 2024 | Yes |
| Environmental Sustainability Policy | 19/2/P | 20 12 2021 | 20 12 2024 | Yes |
| EPWP Socio-economic Empowerment Policy and Procedure Manual | 17/4/P | 27 10 2011 | Under review | No |
| Events Policy | Unknown | 19/14/P | Under review | No |
| Experiential and Internship Policy | 4/4/P | 05 08 2003 | Under review | No |
| External Bursaries Policy | 4/4/P | 03 09 2003 | Due for review | No |
| Financial Management Policies | 5/8/P | 24 05 2018 | Annually | Yes |
| Gender and Women Empowerment Policy | 11/1/5/3/P | 02 12 2004 | Under review | No |
| Guest House Policy | 5/3/1/P | 16 08 2018 | 16 08 2023 | Yes |
| ICT Disaster Recovery Policy | 6/2/3/P | 23 05 2017 | Under review | No |
| ICT Enterprise Change Management Policy and Procedures | 6/2/3/P | 23 05 2017 | Under review | No |
| ICT Governance Framework | 6/2/3/P | 23 05 2017 | Under review | No |
| ICT Policy | 6/2/3/P | 23 05 2017 | Under review | No |
| Induction Policy | 2/4/P | 03 09 2003 | Under review | No |
| Informal Trading Policy | 17/18/P | 23 05 2017 | Under review | No |
| Information Security Governance Framework | 6/2/3/P | 23 05 2017 | Under review | No |
| Information Security Management Policy and Procedures | 6/2/3/P | 23 05 2017 | Under review | No |

| Policy Title | Reference Number | Adoption Date | Review Due Date | Policy on Website |
|---|-------------------------|----------------------|------------------------|--------------------------|
| Integrated Performance Management Policy | 4/11/P | 27 02 2014 | Under Review | No |
| International Engagements Policy | 7/1/P | 30 11 2017 | Under review | No |
| Investment Incentives Policy & Strategic Framework | 17/8/P | 02 10 2020 | 02 10 2023 | Yes |
| Job Evaluation Policy | 4/3/P | 29 04 2016 | Due for review | No |
| Language Policy | 6/2/5/P | 10 05 2007 | Due for review | No |
| Learnership Programmes Policy | 4/4/P | 19 03 2010 | Under review | No |
| Libhongolethu Fare Policy and Structure | 19/6/P | 28 02 2019 | Under review | No |
| Library Services Policy | 19/9/P | 30 11 2017 | Under review | Yes |
| Liquor Outlet Policy | 5/3/1/P | 27 01 2006 | Under Review | Yes |
| Locomotion Allowance Policy | 4/2/P | 29 03 2018 | Under review | No |
| Long Term Funding Policy (Borrowing Policy) | 5/10/P | 09 04 2019 | 30 04 2022 | No |
| Migration and Placement Policy | 2/2P | 23 05 2017 | Under review | No |
| Nelson Mandela Bay Museums Policies, Code of Ethics and Rules | 19/14/P | 04 12 2008 | Under review | No |
| Occupational Health and Safety Policy | 4/13/P | Unknown | Under review | No |
| Organizational Staff Establishment Policy | 2/2P | 23 05 2017 | Due for review | No |
| Outdoor Dining Policy | 19/11/4/2/P | 16 08 2018 | 16 08 2023 | Yes |
| Overtime Policy | 4/5/P | 23 05 2017 | Under review | No |
| Payroll Management and Administration Policy | 5/13/P | 23 05 2017 | Due for review | No |
| Petitions Policy | 11/1/5/3/P | 11 10 2012 | Under review | Yes |
| Policy and Guideline for Erection of Telecommunications Infrastructure | 19/3/1/P | 19 06 2003 | Under review | No |
| Policy and Procedure for Fleet Management | 6/2/1/P | 20 12 2021 | 20 12 2024 | No |
| Policy and Procedures for the Disposal of Movable Assets Not of High Value | 6/1/2/P | 19 09 2013 | Under review | Yes |
| Policy Development Framework | 2/12/P | 23 02 2017 | Under review | No |
| Policy Governing Funding to External Organisations (previously Grant-in-Aid Policy) | 5/2/1/P | 17 09 2015 | Under review | Yes |
| Policy Governing the Long-Term Financial Plan | 5/8/P | 01 12 2018 | Due for review | No |

| Policy Title | Reference Number | Adoption Date | Review Due Date | Policy on Website |
|---|-------------------------|----------------------|------------------------|--------------------------|
| Policy Guiding The Usage of Spatial Data | 16/1/P | 05 12 2019 | 05 12 2022 | Yes |
| Policy on the Establishment and Functioning of Ward Committees | 3/1/1/P | 23 05 2017 | Under review | Yes |
| Policy Regulating the Transportation of Designated Employees at the Workplace | 4/6/P | 23 05 2017 | Due for review | No |
| Property Rates Policy 2021/2022 | 5/3/1/P | 14 06 2021 | Annually | Yes |
| Public Participation Policy and Procedures Manual | 11/1/5/3/P | 07 08 2014 | Under review | Yes |
| Recognition of Prior Learning | 4/4/P | 23 05 2017 | Due for review | No |
| Records Management Policy | 2/7/P | 19 06 2014 | Under review | No |
| Recruitment, Selection and Retention Policy | 4/3/P | 23 05 2017 | Under review | No |
| Resorts Development and Management Policy | 19/11/4/5/P | 04 12 2018 | Due for review | Yes |
| Scarce Skills Allowance Policy | 4/7/P | 28 01 2016 | Under review | No |
| Self-Insurance Fund Policy | 5/8/P | 04 12 2018 | Under review | No |
| Sexual Harassment Policy | 4/10/P | 23 05 2017 | Due for review | No |
| Smoking Control | 4/13/P | Unknown | Under review | No |
| Sport Policy | 19/11/P | 01 06 2006 | Under Review | No |
| Street Naming | 16/1/5/P | 13 05 2004 | Under review | No |
| Street Naming Policy | 16/1/5/P | 13 05 2004 | Under Review | No |
| Student Accommodation Policy | 16/4/1/17/P | 16 08 2018 | 16 08 2023 | Yes |
| Substance Abuse Policy | 4/13/P | 16 02 2011 | Under review | No |
| Succession Planning Policy | 4/4/P | 03 09 2003 | Due for review | No |
| Supply Chain Management Policy Version 6 | 9/1/P | 20 12 2021 | 20 12 2024 | Yes |
| Tall Building Policy | 16/4/1/17/P | 05 12 2019 | 05 12 2024 | Yes |
| Tariff Policy | 5/5/P | 30 05 2016 | Annually | Yes |
| Travel and Accommodation Policy | 5/13/P | 20 12 2021 | 20 12 2024 | No |
| Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy | 5/20/P | 24 05 2018 | Under review | Yes |
| Ward-Based Grant in Aid Policy | 5/7/P | 30 11 2017 | Under review | No |
| Work Attendance Policy | 4/6/P | 23 05 2017 | Due for review | No |
| Workplace HIV/AIDS Policy | 19/1/2/8/p | 16 02 2011 | Under review | No |
| Youth Development Policy | 11/1/5/4/P | Unknown | Due for review | No |

Source: NMBM, 2022

TABLE 16: Municipality's gazetted By-Laws

| BY-LAW | GAZETTE NO. | DATE OF GAZETTE |
|--|--------------------|------------------------|
| NMBM: Customer Care and Revenue Management By-law | 1087 | 21 October 2003 |
| NMBM: Liquor Selling Hours By-law | 1459 | 12 December 2005 |
| Disaster Management Act (52/2002): NMBM: Disaster Management By-law | 1803 | 30 November 2007 |
| Constitution of the Republic of South Africa, 1996: NMBM: Fire Safety By-law | 1803 | 30 November 2007 |
| Constitution of the Republic of South Africa, 1996: NMBM: Roads, Traffic and Safety By-law | 1803 | 30 November 2007 |
| Constitution of the Republic of South Africa, 1996: NMBM: Street Trading By-law | 1982 | 26 September 2008 |
| Local Government: Municipal Property Rates Act (6/2004): NMBM: Property Rates By-law | 2085 | 10 March 2009 |
| Constitution of the Republic of South Africa, 1996: NMBM: Air Pollution Control By-law | 2322 | 24 March 2010 |
| Constitution of the Republic of South Africa, 1996: NMBM: Cemeteries and Crematoria By-law | 2322 | 24 March 2010 |
| Constitution of the Republic of South Africa, 1996: NMBM: Health By-law for the Operation and Management of Initiation Schools | 2322 | 24 March 2010 |
| Constitution of the Republic of South Africa, 1996 : NMBM : Municipal Health By-law | 2322 | 24 March 2010 |
| Constitution of the Republic of South Africa, 1996: NMBM: Noise Control By-law | 2322 | 24 March 2010 |
| Constitution of the Republic of South Africa, 1996: NMBM: Prevention of Public Nuisances and Public Nuisances Arising from the Keeping of Animals By-law | 2322 | 24 March 2010 |
| Constitution of the Republic of South Africa, 1996: NMBM: Public Amenities By-law | 2322 | 24 March 2010 |

| BY-LAW | GAZETTE NO. | DATE OF GAZETTE |
|---|--------------------|------------------------|
| Constitution of the Republic of South Africa, 1996: NMBM: Waste Management By-law | 2322 | 24 March 2010 |
| Constitution of the Republic of South Africa (108/1996): NMBM: Outdoor Signs (Advertising and Other) By-law | 2361 | 14 May 2010 |
| Water Services Act (108/1997): NMBM: Water and Sanitation Services By-law | 2361 | 14 May 2010 |

Source: NMBM, 2022

4

CHAPTER 4

Policy and Legislative Mandates

4.1 POLICY AND LEGISLATIVE MANDATES AND ALIGNMENT WITH LONG-TERM PLANNING

This Chapter deals with the linkages between Nelson Mandela Bay Municipality's IDP and other important and legislative policy documents. The mandates for Local Government planning come from international, national and provincial policy and legislation. These mandates and influences are important to ensure that there is a direct link between Local Government activities and the broader strategic policy and legislative framework. This is important so that the development of Nelson Mandela Bay is achieved within the context of the South African vision and strategy.

This Chapter further demonstrates the linkages between Nelson Mandela Bay Municipality's IDP and the following legislative and policy directives, whilst acknowledging that there are numerous other mandates that are adhered to:

- Sustainable Development Goals (SDGs)
- National Development Plan (NDP) 2030
- Integrated Urban Development Framework 2016
- Eastern Cape Vision 2030 – Provincial Development Plan (PDP)
- Medium-Term Strategic Framework Outcomes

In addition to this, the major legislation affecting IDPs are also outlined. These include:

- Constitution of the Republic of South Africa Act 108 of 1996
- Local Government: Municipal Systems Act 32 of 2000
- Local Government: Municipal Finance Management Act 56 of 2003
- Local Government: Municipal Planning and Performance Management Regulations (2001)
- Local Government: Municipal Structures Amended Act 117 of 1998
- Municipal Property Rates Act 6 of 2004

4.1.1 Policy

4.1.1.1 Sustainable Development Goals

The Sustainable Development Goals (SDGs) are captured in a set of 17 global goals with 169 targets, for achievement by 2030. The goals were adopted in 2015 by the 194 countries of the United Nations' General Assembly, of which South Africa is a member country.



This IDP responds in some way to all of the Sustainable Development Goals and does not contradict any of them.

4.1.1.2 National Development Plan 2030

The National Planning Commission produced the National Development Plan (NDP) of South Africa in 2011. Among its aims are the elimination of poverty and the reduction of inequality by 2030.



The Plan focuses on a number of thematic areas, which together will transform South African society in combination with capable institutions, a growing economy, increased capacity and leadership, and partnerships.

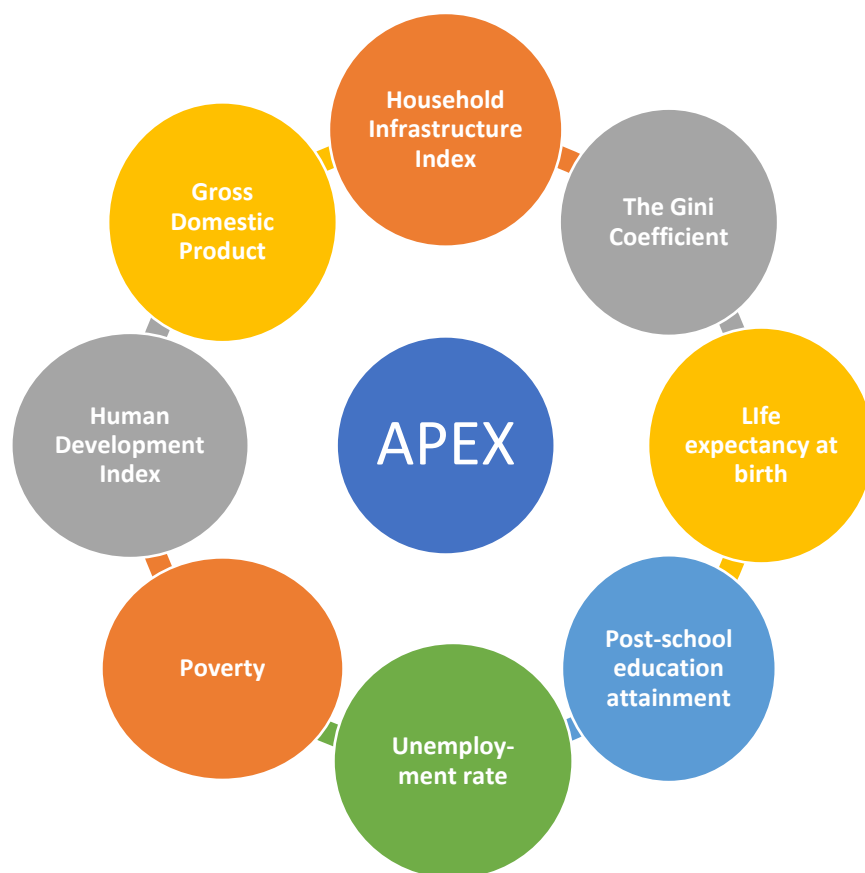
The thematic areas all have identified objectives and a number of actions that will give rise to the transformation of the status quo. Linkages exist between the thematic areas and the strategic objectives of this IDP. The thematic areas are listed below:



4.1.1.3 Provincial Development Plan 2030

In the context of the Provincial Development Plan (PDP), strategic interventions are programmes and projects that are implemented to achieve the targets and objectives set out in the PDP and the Five-year plan. The strategic interventions of the flagship programmes of the PDP are the major programmes that will enable achievement of the goals.

FIGURE 12: PDP APEX Indicators



The Department of Provincial Monitoring and Evaluation is responsible for planning the implementation methodology of the Programme. The Programme of Action involves a number of steps including the identification of provisional strategic interventions, appointment of project leads, identification of stakeholders and political commitment and monitoring and review.

4.1.1.4 Integrated Urban Development Framework (IUDF)

The IUDF responds directly to the vision outlined in the National Development Plan and is a policy framework to guide the future growth and management of urban areas. It is designed to effect spatial transformation through reorganising the urban system in order that cities can become more inclusive, resilient and liveable.



Four overall strategic goals are pursued in the IUDF, namely:

- Spatial Integration – new spatial forms
- Inclusion and access - access to social and economic opportunities
- Growth – inclusive sustainable economic growth and development
- Governance – enhanced state capacity and citizens for collaboration around spatial and social integration.

The above inform the priorities of 9 policy levers, identified as follows:

- (i) Integrated urban planning and management
- (ii) Integrated transport and mobility
- (iii) Integrated sustainable human settlements
- (iv) Integrated urban Infrastructure
- (v) Efficient land governance and management
- (vi) Inclusive economic development
- (vii) Empowered active communities and
- (viii) Efficient urban governance.
- (ix) Sustainable finances

The IUDF can be seen to directly link to the strategic objectives of the IDP.

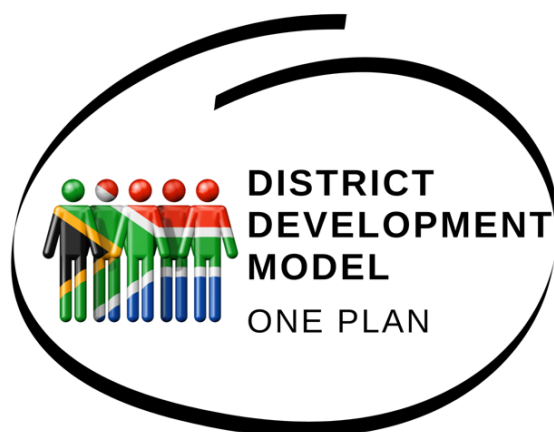
4.1.1.5 Medium-Term Strategic Framework Outcomes

The Medium-Term Strategic Framework is an expression of Government's Programme of Action. In terms of the Programme of Action, ten strategic priority areas were identified. In order to achieve the strategic priorities, twelve Key Outcomes with accompanying Outputs and Activities were identified. This has led to the conclusion of ministerial performance agreements related to the strategic priority areas. As a result of this, various structures are in place to coordinate the implementation of the outcomes, review progress and decide on interventions when needed.

A direct linkage can be drawn from the strategic objectives of this IDP and the Medium-Term Strategic Framework outcomes listed below:

| | | |
|---|---|---|
| 1: Improved basic education | 5: Skilled and Capable Workforce | 9: Responsive, Accountable, Effective and Efficient Local Government |
| 2: Long and Healthy Life for All | 6: Efficient, Competitive and Responsive Economic Infrastructure | 10: Environmental Assets and Natural Resources Protected and Enhanced |
| 3: All People Are and Feel Safe | 7: Vibrant, Equitable and Sustainable Rural Communities with Food Security | 11: Better South Africa and Better and Safer Africa and World |
| 4: Decent Employment Through Inclusive Economic Growth | 8: Sustainable Human Settlements and Improved Quality of Life | 12: Efficient, Effective and Development Orientated Public Service and Empowered, Fair and Inclusive Citizenship |

4.1.1.6 District Development Model



Traditionally all spheres of government have had the criticism of operating in silos. This had led to incoherent planning and implementation of transversal programmes, which has made service delivery sub-optimal and diminished the ability of Government to tackle the challenges of poverty, inequality and unemployment.

The President’s Coordinating Council at a meeting in August 2019 therefore adopted the District Development Model, which envisages “a new integrated district-based approach to addressing service delivery challenges and localised procurement and job creation, that promotes and supports local businesses, and which involves communities.”

The District Development Model has been piloted in three municipalities in South Africa and Nelson Mandela Bay Municipality is one of those that has submitted its City’s Profile to CoGTA. In February 2020, the President’s Coordinating Council identified that consideration would be given to the further implementation of the District Development Model in South Africa. The Model presents a number of opportunities

to ensure coordinated service delivery through all agencies and government spheres, which in turn will lead to efficiencies and better service delivery.

The Department of Cooperative Governance and Traditional Affairs has published Regulations in terms of the Intergovernmental Relations Framework Act titled “Coordinating and aligning development priorities and objectives between the three spheres of government within the context of the District Development Model”.

This is an important step to achieve coordination and synchronising of the development priorities of all three spheres of government. The Regulations assist the creation of intergovernmental structures that will frame the implementation of the One Plan envisaged in the District Development Model.

Nelson Mandela Bay Municipality is participating in these processes within the relevant structures that have been created.

The District Development Model requires that a single plan be developed for Nelson Mandela Bay Metro area. This plan is known as the Nelson Mandela Bay Metro One Plan. It is the plan of the Municipality around which all development roleplayers including other spheres of government, private sector, state-owned enterprises and communities can coalesce in order to achieve the desired development.

4.1.1.7 Batho Pele Principles

The White Paper on Transforming Public Service Delivery was produced in 1998. In that document, the Batho Pele (or People First) initiative was outlined. It aimed to make municipal officials who operate in the service delivery environment more service orientated, strive for excellence, and commit to continuous improvement for the benefit of all citizens. It also aimed to hold officials accountable for the level of services that they deliver.



The following eight principles were identified:

- Consultation – Citizens should be consulted on the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.
- Service standards and targets – Citizens should be told what level and quality of public services they will receive so that they know what to expect.
- Access – All citizens should have equal access to the services to which they are entitled.
- Courtesy – Citizens should be treated with courtesy and consideration. • Information – Citizens should be given full, accurate information about the public services they are entitled to receive.
- Openness and transparency – Citizens should be told how municipalities are run, how much they cost, and who is in charge.
- Best value – Public services should be provided economically and efficiently in order to give citizens the best possible value for money.
- Dealing with complaints – If the promised standards of service are not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy, and when complaints are made, citizens should receive a sympathetic and positive response.

In pursuing the strategic objectives of the IDP, the Administration of Nelson Mandela Bay Municipality will strive to implement the above principles.

4.1.2 Legislation

The following legislation defines the nature of the IDP:

4.1.2.1 *Constitution of the Republic of South Africa Act 108 of 1996*

Sections 152 and 153 of the Constitution stipulate that a municipality must give priority to the basic needs of its communities and promote their social and economic development to achieve a democratic, safe and healthy environment.

4.1.2.2 *Local Government: Municipal Systems Act 32 of 2000*

Sections 28 and 34 of this Act stipulate the need for each municipality to develop and adopt an IDP, which should be reviewed annually. In addition, it outlines the IDP process and components.

4.1.2.3 *Local Government: Municipal Finance Management Act 56 of 2003*

Section 21 of this Act makes provision for alignment between the IDP and the municipal budget. The Service Delivery and Budget Implementation Plan is an annual contract between the Municipality's administration, Council and the community, which ensures that the IDP and the Budget are aligned and implemented.

4.1.2.4 *Local Government: Municipal Planning and Performance Management Regulations (2001)*

These Regulations make provision for the inclusion in the IDP of the following:

- (i) The institutional framework for the implementation of the IDP;
- (ii) Investment and development initiatives in the Municipality;
- (iii) Key Performance Indicators and other important statistical information;
- (iv) A financial plan; and
- (v) A spatial development framework.

4.1.2.5 Local Government: Municipal Structures Amended Act 117 of 1998

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

4.1.2.6 Municipal Property Rates Act 6 of 2004 and Amendment Act 29 of 2014

The objective of this Act is to regulate the powers of municipalities to levy rates on property. Rates represent a critical source of revenue for municipalities in order to achieve their constitutional development objectives

5

CHAPTER 5

Oversight, Reporting, Monitoring and Evaluation

The oversight, reporting and monitoring and evaluation function is important for the ongoing implementation of the IDP and its strategic objectives. It is important because it is through these processes that weaknesses and mitigating measures can be implemented and the overall impact of the plan can be improved. This Chapter outlines the important structures that are in place to enhance accountability and delivery of the Integrated Development Plan and its strategic objectives.

Notwithstanding the above, it is important to recognise that the community plays a role in the overall oversight of the work of Council. In this regard, communities hold Ward Councillors to account when public meetings are addressed. Petitions and protests are another mechanism used, as well as letters from community stakeholders requesting responses in relation to work done by either Councillors or the administration.

The key offices, role-players and structures are discussed below:

- Executive Mayor
- City Manager
- Municipal Public Accounts Committee
- Rules and Ethics Committee
- Office of the Auditor-General
- NMBM Audit Committee
- NMBM Internal Audit and Risk Assurance
- Risk Management Committee
- Performance Management and Monitoring and Evaluation
- Supply Chain Management
- Ward Committees

5.1 EXECUTIVE MAYOR

The Executive Mayor is required to identify and prioritise the needs of the Municipality. These are to be reflected in the IDP and Budget, which also need to take into account applicable national and provincial plans.

The Executive Mayor is required to evaluate the progress of the performance of the institution in the implementation of the IDP and report back to Council. This is done through the institutional performance management process, monitoring and evaluation.

5.2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

A new Municipal Public Accounts Committee was put in place following the 2021 Local Government Elections. Councillor K Ngqisha was elected as the Chairperson of the Municipal Public Accounts Committee (MPAC).

MPAC enables Council to fulfil its obligation to ensure that the spending of Council's funds is done economically, efficiently and effectively.

The objectives of MPAC include:

- making recommendations to Council for corrective, remedial and/or disciplinary purposes that may be sanctioned regarding the mismanagement of funds, unauthorised, irregular, fruitless and wasteful expenditure.
- ensuring that the policies and programmes of the NMBM are implemented in an effective, efficient, and economical manner in accordance with the principle of value for money.
- considering and evaluating the Annual Report of the municipality and its entity, and, as an oversight committee, making recommendations to Council when it adopts its Oversight Report on the Annual Report.

Currently MPAC comprises the following members:

- African Christian Democratic Party (ACDP) – 1 member
- African National Congress (ANC) – 5 members
- Defenders of the People (DOP) – 1 member
- Democratic Alliance (DA) – 6 members
- Economic Freedom Fighters (EFF) – 2 members

5.3 RULES AND ETHICS COMMITTEE

A Rules and Ethics Committee is in place and following the 2021 Local Government Elections, a new Committee has been elected. This Committee monitors and reviews the Rules of Order of Council.

The objectives of this Committee include the following:

- Inculcating a respect for the rule of law in the institution.
- Upholding Council's Rules of Order, thereby promoting stability in Council.
- Putting the people first (Batho Pele principles).
- Ensuring open and constructive debate.
- Respecting divergent views.
- Enhancing the effective management of Council and Standing Committee meetings.
- Fostering a sense of collective responsibility among Councillors in advancing service delivery and deepening democracy.

5.4 CITY MANAGER

The City Manager must provide operational guidance on the annual revision, preparation and timeous approval of the IDP, the annual Budget and the SDBIP and ensure strategic alignment between them and report to Council.

The City Manager has delegated the development of the institution's Performance Management System to the Chief Operating Officer; and the cascading of performance management in respect of non-Section 56 employees to the Executive Director: Corporate Services.

5.5 OFFICE OF THE AUDITOR-GENERAL

The Auditor-General of South Africa has a constitutional mandate to strengthen South Africa's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. The Auditor-General also audits the planning processes and performance information of the Municipality and its municipal entity (MBDA).

An Audit Action Plan to deal with the audit findings as issued by the Office of the Auditor-General is developed by the Municipality. This Audit Action Plan is continuously monitored to assist the Municipality in achieving a clean audit.

5.6 AUDIT COMMITTEE

Council has appointed an Audit Committee that is an independent advisory body. The Audit Committee advises the Council, political office-bearers, the Accounting Officer and the Executive Management Team on matters such as the following:

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting and information.
- Performance management.
- Effective governance.
- Compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation.
- Performance evaluation.
- Any other issues referred to it by the Municipality or its municipal entity.

Furthermore, the Audit Committee reviews the annual financial statements in order to provide an authoritative and credible view of the Municipality's financial position, its efficiency and effectiveness, as well as its overall level of legislative compliance. This Committee is further tasked with the responsibility of monitoring the performance of the Municipality in a number of areas related to the delivery of services.

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

| 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|--|--|---|--|
| <ul style="list-style-type: none"> • Exchange revenue – service charges <ul style="list-style-type: none"> ○ 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. • Property, plant and equipment <ul style="list-style-type: none"> ○ 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. ○ Insufficient evidence to confirm land registered in the Municipality’s name nor physical verification of moveable assets due to inadequate accounting records. • Intangible assets <ul style="list-style-type: none"> ○ The Municipality did not adequately assess whether there were any indications that its expectations on the useful lives of intangible assets had | <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 been properly accounted for | <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 qualify for indigent subsidies and supporting evidence could not be provided for indigent subsidies of some consumers. |

| 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"> ○ Insufficient audit evidence to physically verify intangible assets due to inadequate accounting records. <p>● Irregular expenditure</p> <ul style="list-style-type: none"> ○ No proper systems in place to identify and record all irregular expenditure. ○ Expenditure resulted from payments made in contravention of SCM requirements. ○ The audit was unable to confirm amount of irregular expenditure and extent of understatement of irregular expenditure. | <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>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.

5.7 INTERNAL AUDIT AND RISK ASSURANCE

In terms of Section 165 of the MFMA, the Accounting Officer must establish effective systems of internal control to provide reasonable assurance that the Municipality's financial and non-financial objectives are achieved. Towards the execution of this responsibility and also, to promote ethics, good governance and integrity in the institution, the Internal Audit and Risk Assurance Sub-directorate was established.

The Forensic Audit Services Section complements the broader justice system and forms part of the Internal Audit Sub-directorate of the Municipality. The forensics component derives its mandate from the NMBM Internal Audit Charter, the MFMA, and the Prevention and Combatting of Corrupt Activities Act. An Ethics Hotline is in place and the Internal Audit Sub-directorate investigates all matters reported.

5.8 RISK MANAGEMENT COMMITTEE

The preamble of the Risk Management Committee is taken directly from the legal statute of the Local Government: Municipal Finance Management Act 56 of 2003: Section 62 of the Act requires Accounting Officers to ensure that their institutions have and maintain effective, efficient and transparent systems of financial, risk management and internal control.

The Public Sector Risk Management Framework (Chapter 13 - Risk Management Committee Responsibilities) places an unambiguous duty on the Risk Management Committee through its Chairperson to annually and periodically:

- Review the institution's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the Institution's risks;
- Evaluate the extent and effectiveness of integration of risk management within the Institution;
- Assess the implementation of the Risk Management Policy and Strategy (including plan);
- Evaluate the effectiveness of the mitigating strategies implemented to address the material risks of the Institution;
- Review the material findings and recommendations by assurance providers on the system of risk management and monitor the implementation of such recommendations;
- Develop its own key performance indicators for approval by the Accounting Officer / Authority;
- Interact with the Audit Committee to share information relating to the material risks of the Institution; and
- Provide timely and useful reports to the Accounting Officer / Authority on the state of risk management, together with accompanying recommendations to address any deficiencies identified by the Committee.

The following are the strategic risks identified in the Municipality and classification by risk type:

TABLE 18: Strategic Risks

| Ref | Detailed risk | Current Control / Risk Treatment | Perceived Control Effectiveness | Residual Risk Magnitude | Action to improve management of the risk | Risk Owner (Title) |
|------|---|---|---------------------------------|-------------------------|---|------------------------------------|
| SR01 | Financial Instability due to Decline in Revenue Collection Rate | <ul style="list-style-type: none"> Credit Control Policy (Not updated in more than 3 years) Billing Co-ordination has processes in relation to each billing day to identify any anomalies. Monthly reporting in terms of Section 71 (MFMA) to identify risks continuously. Budget Performance Monitoring Committee Multi-disciplinary (Revenue Enhancement) task team to deal with challenges affecting revenue. Weekly War Room meetings with Political Heads and Administrative Leaders. Each Directorate must be responsible for applying for Rollover funding, bearing in mind the Rollover conditions of National Treasury. | Good | Medium | <ul style="list-style-type: none"> Consider automation of services e.g. Online payments Full implementation of the Credit Control Policy. Continuous interaction internally between Directorates and regular reporting of Intergovernmental Relations matters to EXCO Demand management should include COVID19 requirements Presentation of Draft Revenue Enhancement Strategy with action plan to EXCO Revenue Policies (including by-laws) are undergoing review to ensure alignment. Introduction of a paperless payment method in our payment value chain. Operations of the FMDB | Chief Financial Officer |
| SR02 | Drought and water shortages | <ul style="list-style-type: none"> Non-revenue water reduction strategy Implementation of an emergency water schemes Implementation of water restriction measures. Implementation of water resource infrastructure. Drought Organizing Committee is in place and meets twice a month Regular monitoring of dam levels | Good | High | <ul style="list-style-type: none"> Implementation of the 10-year water conservation strategy. Review of Water Services Development Plan Review of Water Master Plan. Construction of Water Treatment Plant at Nooitgedacht in Addo. Introduce a balanced approach to dealing with demand side management as well as augment our resources both in short and long term Increase the spread of awareness to include schools | ED: Infrastructure and Engineering |

| Ref | Detailed risk | Current Control / Risk Treatment | Perceived Control Effectiveness | Residual Risk Magnitude | Action to improve management of the risk | Risk Owner (Title) |
|------|---|--|---------------------------------|-------------------------|---|--------------------------|
| SR03 | Poor financial management resulting: Inability to spend funds from conditional grants | <ul style="list-style-type: none"> Centralisation of the Grant Funding at the COO's office to ensure proper implementation. Review of SCM processes and structures supporting SCM processes. Intervention of City Manager with monthly meetings on Capital Expenditure even though they were not highly effective (Capital Expenditure Acceleration Programme) implementation of the SCM Policy is in place Consequence management and actions of the Financial Misconduct Disciplinary Board (FMDB). | Satisfactory | Low | <ul style="list-style-type: none"> Implement proactive planning for capital projects Relook at enforcement of the Capital Budget Acceleration Programme Benchmark with other metros on how to accelerate capital expenditure Develop standard toolkit for Project Managers to utilise in management of contracts with clearly defined accountabilities and responsibilities within the toolkit. Manage the custodianship of Municipal Contracts by applying proactive measures to renew them. Contract Management procedures to be put in place for all institutional tenders Review SCM processes to accommodate timelines assigned to the spending of grant funding Decentralize or enter Directorate- specific contracts to guide procurement of items related to capital budget Revision of business processes related to procurement of items under capital budget to include automation of signing of memos Develop a programme of Change Management to institutionalize automation and obtain buy-in | |
| SR05 | Loss of productivity due to high exposure to COVID-19 | <ul style="list-style-type: none"> COVID19 Compliance Response Plan in place SOPs in place regarding implementation of COVID19 Response plan Regular monitoring of compliance with COVID19 Response strategy Audit of compliance with COVID19 regulations | Good | Low | <ul style="list-style-type: none"> Establish Health and Safety Committee for NMBM with Health and Safety Report submitted to EXCO | Institutional Compliance |

| Ref | Detailed risk | Current Control / Risk Treatment | Perceived Control Effectiveness | Residual Risk Magnitude | Action to improve management of the risk | Risk Owner (Title) |
|------|--|---|---------------------------------|-------------------------|--|--|
| SR06 | Possible disruption to services due to ICT failure | <ul style="list-style-type: none"> ICT Strategy in place Automation of some Business Processes to reduce handling of paper Microsoft Teams has been rolled out as a unified communication and collaboration platform that combines persistent workplace chat, video meetings, file storage, and application integration since March 2020. Installation is ongoing. The Work from Home Solution has been rolled out institutionally as requested per Directorate. The installation of the APN (Private network) and the cyber security is completed for securing the Work from Home Solution. ICT Steering Committee in place | Weak | Low | <ul style="list-style-type: none"> Approval and implementation of ICT DRP Develop an Institutional ICT Strategy to deal with automation Develop a strategy to respond to the 4IR Migration from Paper trail to Microsoft SharePoint | Director: Municipal Information Services |
| SR15 | Vandalism of municipal assets | <ul style="list-style-type: none"> Public Awareness Campaigns for communities to take ownership of infrastructure delivered for community benefits(2) Engagement of community forums to sensitize communities about vandalism and to take ownership of the buildings Anti-vandalism in place Procurement of intruder alarm monitoring and response system for all municipal buildings/ infrastructure Mobile response to high-risk buildings/infrastructure Conducting regular visits to buildings by security acts as a deterrent to vandalism | Weak | Low | <ul style="list-style-type: none"> Establish an internal department to deal with minor works Create clusters of municipal facilities and services Develop a Security Plan for categorised municipal assets Develop SOP's related to Security Plan Develop regular monitoring process for the Security Plan Review the minor works SOPs as the current one takes too long | ED: Safety and Security |
| SR25 | Negative audit outcomes | <ul style="list-style-type: none"> Audit Action Plans are included in Performance Plans of EDs Clean Audit Steering Committee Quarterly review of performance of the institution Management is taking full responsibility for audit outcomes by having Audit issues as a standing item in EXCO meetings Regular reporting of Audit Action plan dashboard in Audit and Risk Audit Committee | Satisfactory | Low | <ul style="list-style-type: none"> Develop a Change Management Programme Implementation of Consequence Management Adopt an organizational culture to have a clean audit for all layers from Management level and below Assessing Staff Structures and systems to ensure the desired outcomes are reached. | Chief Audit Executive |

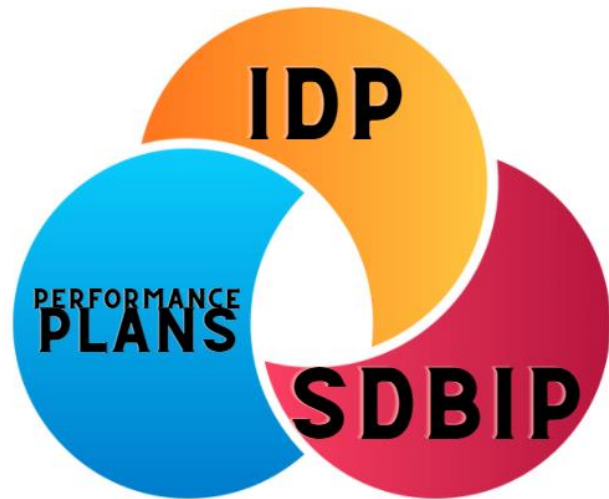
| Ref | Detailed risk | Current Control / Risk Treatment | Perceived Control Effectiveness | Residual Risk Magnitude | Action to improve management of the risk | Risk Owner (Title) |
|------|--|--|---------------------------------|-------------------------|---|---|
| SR26 | Possible fraud and corruption related to procurement in declared Disaster situations | <ul style="list-style-type: none"> Fraud and Corruption Prevention Strategy in place SCM Policy and Procedures in place for procurement of PPE Independent hotline in place for public to report incident of suspected fraud and corruption Regular audit reviews of adherence to procurement procedures | Good | Low | <ul style="list-style-type: none"> Review and update Disaster Management Plan to include procurement under Emergencies | Senior Director: Supply Chain Management |
| SR28 | Poor organisational culture resulting in dissatisfied customers | <ul style="list-style-type: none"> Turnaround Plan in place to address internal defects Customer Satisfaction Surveys conducted at least once every two years Forums in place with Communities and other Directorates (dealing with informal traders) | Satisfactory | Low | <ul style="list-style-type: none"> Develop SOPs and monitor implementation Facilitate the implementation of an Integrated Customer Care and Complaints Management System Appointment of an Ombudsman for NMBM Develop Skills Programme in line with job knowledge | Chief Operating Officer |
| SR29 | Poor service delivery impacting negatively on new investment in the city | <ul style="list-style-type: none"> COVID-19 Economic Recovery Plan in place Multi-disciplinary task team is in place Economic growth and development strategy Investment incentive Policy Trade and Investment plan Strategic Interface Forum | Good | Low | <ul style="list-style-type: none"> Collaborative planning structure including business Undertake City Audit and develop proactive approach to planning Develop an integrated Municipal Planning Framework that includes all service departments in the City Development of sound economic policies that attract external investment Adoption of Service Delivery Charter Increase automation of services through online applications Establish a dedicated helpdesk for Business and explore challenges with existing helpdesk | ED: EDTA |

| Ref | Detailed risk | Current Control / Risk Treatment | Perceived Control Effectiveness | Residual Risk Magnitude | Action to improve management of the risk | Risk Owner (Title) |
|------|---|--|---------------------------------|-------------------------|--|-------------------------|
| SR31 | Non-conductive office working environment | <ul style="list-style-type: none"> COVID19 Compliance Response Plan in place SOPs in place regarding implementation of COVID19 Response plan Regular monitoring of compliance with COVID19 Response strategy Communicating positive / educational messages to staff with regards to COVID-19 via Groupwise and SMS. Virtual sessions with NMBM staff focusing on various aspects related to COVID-19 Audit of compliance with COVID19 regulations | Good | Low | <ul style="list-style-type: none"> Consider rewards and recognition programmes Implementation of mentorship programmes and partnerships with institutions of higher learning Develop Succession Policy and Succession Plan two years before the anticipated date of retirement | ED: Corporate Services |
| SR32 | Leadership instability | <ul style="list-style-type: none"> Policy on filling of vacancies and Acting appointments is in place Standard Operating Procedures for appointment and selection are in place | Weak | Low | <ul style="list-style-type: none"> Create communication channels between management levels and other levels within the institution. Constant communication of EXCO resolutions by EXCO to other layers of the institution Improve turnaround time in filling of all positions Minimize rotations in acting positions Redefinition of management level to include Deputy Director and Assistant Director Review of Delegation of Authority to affirm the responsibilities and accountabilities of the various layers of management in the institution Build leadership cohesion amongst management members. Involve the services of a Strategist to workshop EXCO members | ED: Corporate Services |
| SR33 | Increase in unauthorised, fruitless, and wasteful expenditure | <ul style="list-style-type: none"> Implementation of Section 32 Reports Policy on Fruitless, Wasteful and Irregular Expenditure in place | Weak | Low | <ul style="list-style-type: none"> Identification and analysis of sources of such expenditures Monitor compliance with Consequence/ Compliance Management Policy by COO's office. Benchmark with other metros on how they have implemented Consequence Management(4.2) Develop dashboard structure for Compliance Monitoring (e.g., Policies/ Directives/ Circulars) | Chief Financial Officer |

5.9 PERFORMANCE MANAGEMENT AND MONITORING AND EVALUATION

5.9.1 Performance Management

The municipal performance management function describes, measures and reports on how the Municipality’s processes relating to the implementation of the IDP and Budget will be conducted, organised and managed. Performance management therefore holds the key to the successful implementation of the IDP and Budget.



Integrated development planning enables the achievement of the planning stage of performance management. The Service Delivery and Budget Implementation Plan (SDBIP), performance agreements and plans underpin effective performance management.

The following table is useful in understanding important performance management concepts:

TABLE 19: Performance Management

| Concept | Definition |
|------------------------|--|
| Performance Management | A strategic approach through which performance objectives of the Municipality are identified, defined, translated into business plans and cascaded into individual scorecards. This allows for regular planning, monitoring, evaluating, reviewing and reporting of performance at both organisational and individual levels and permits responses to both inadequate performance and outstanding / excellent performance. |

| Concept | Definition |
|-------------------------------------|--|
| Performance Management System (PMS) | The Municipality's Performance Management System entails a framework that describes and represents how its cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of different role players. The Nelson Mandela Bay Municipality uses the Balanced Scorecard method, which takes into account financial, internal business, customer learning and growth perspectives. and non-financial performance. |
| Key Performance Areas (KPAs) | Critical function / domain that is crucial to the achievement of organisational goals. |
| Objective | Statement about the ultimate and long-term outcomes the organisation wishes to achieve. |
| Key Performance Indicators (KPIs) | Measures (qualitative and quantitative) that indicate whether progress is being made towards achieving set objectives. |
| Input indicators | <p>An indicator that measures equipment, resources, economy and efficiency, for example:</p> <ul style="list-style-type: none"> • Budget projection • % Capital budget spent to provide water. • Unit costs for delivering water to a single household • Amount of time / money/ number of people it took the Municipality to deliver water to a single ward. <p>An indicator that measures all the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.</p> |
| Activity indicators | Activity Indicators measures the processes or actions that produce or achieve desired outputs and ultimately outcomes. In essence, activities describe "what we do" on a daily basis. |

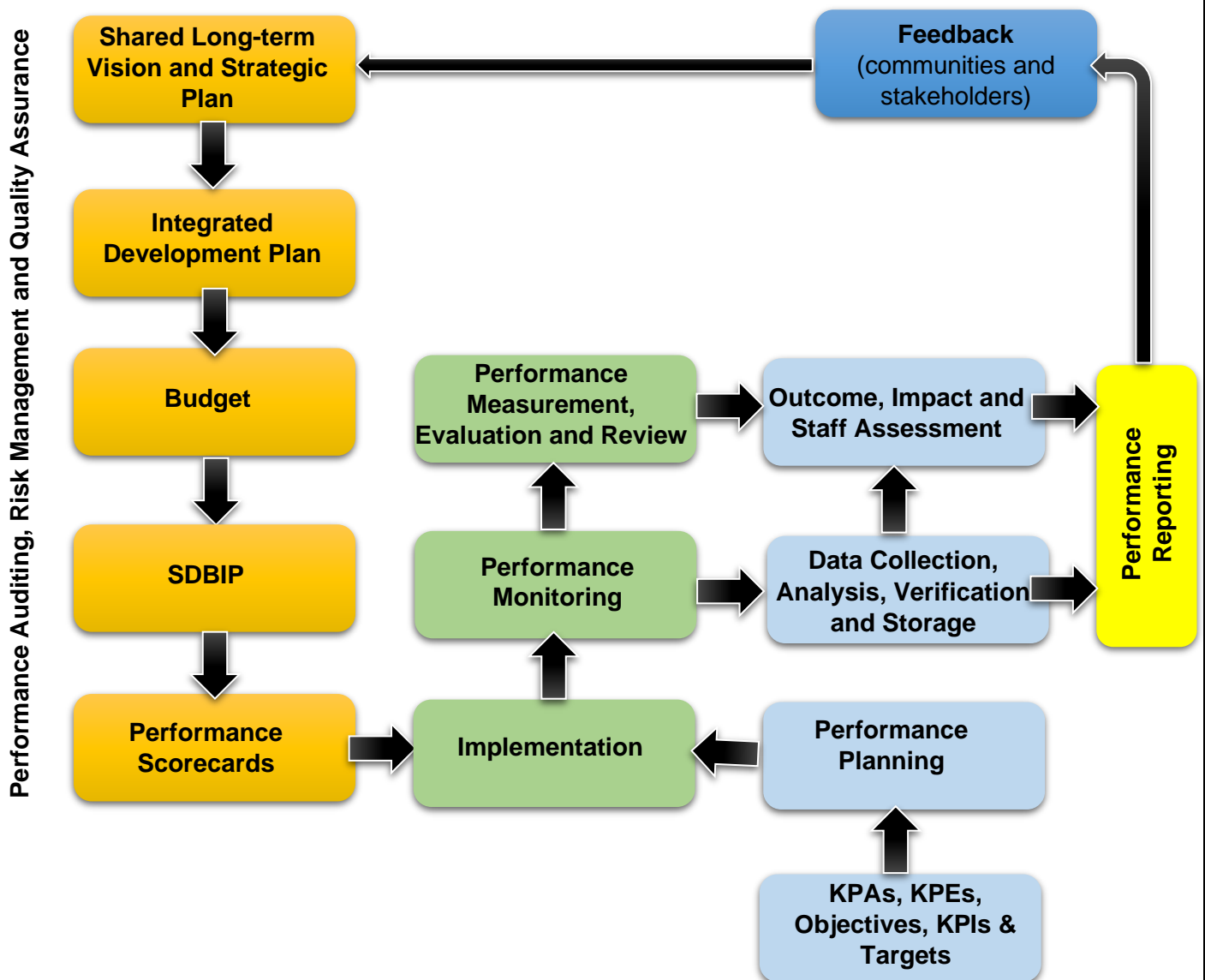
| Concept | Definition |
|--|--|
| Output indicators | <p>Indicators that measure results, usually expressed in quantitative terms (i.e. number/%), e.g. Number of households connected.</p> <p>Output Indicators measure the final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver".</p> |
| Outcome indicators | <p>Indicators that measure the impact of reaching the target, e.g. Percentage of households with access to water.</p> <p>Outcome Indicators measure medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".</p> |
| Impact indicators | <p>Indicators that measure the marked effect or influence of achieving specific outcomes.</p> <p>Impact Indicators measure the results of achieving specific outcomes, such as reducing poverty and creating jobs.</p> |
| Baseline indicators | <p>These provide quantitative and / or qualitative levels of performance at the beginning of the monitoring period in respect of which the institution aims to improve.</p> |
| Performance targets | <p>Quantifiable levels of the indicators that the organisation wants to achieve at a given point in time.</p> |
| Performance plan | <p>Plan of agreed Key Performance Areas, Objectives, Key Performance Indicators and Targets covering a specific financial year.</p> |
| Institutional performance review cycle | <p>12 months' period (continuous), that constitutes the financial year of the Municipality: 1 July to 30 June of the following year.</p> |
| Review | <p>A comprehensive assessment of the economy, efficiency, effectiveness and impact as far as the key performance indicators and performance targets set by the Municipality are concerned.</p> |

Performance management seeks to achieve the following:

- Ensuring accountability, oversight and legal compliance.
- Creating and entrenching a culture of performance amongst employees.

The Integrated Performance Management System used in the Nelson Mandela Bay Municipality is reflected in the diagram below.

FIGURE 13: Integrated Performance Management System



5.9.2 Monitoring and Evaluation

The Nelson Mandela Bay Municipality's Monitoring and Evaluation Framework is an operational tool that provides management with a consistent approach to compare the progress of work against planned activities of the programmes and projects. The framework allows for the identification of deviations and bottlenecks in order that corrective action can be taken while implementation is in progress.

This function enables Councillors and communities to determine whether the Municipality's objectives and priorities are implemented effectively and efficiently. This is achieved by measuring the performance / implementation against the targets and goals, as outlined in the IDP. The organisational objectives and priorities are translated into a Service Delivery and Budget Implementation Plan. The predetermined key performance indicators in the SDBIP are monitored quarterly and periodically evaluated against IDP objectives.

The implementation of the Municipality's Long-Term Growth and Development Plan (LTGDP), Integrated Development Plan (IDP), Spatial Development Framework incorporating the Built Environment Performance Plan (BEPP) and Service Delivery and Budget Implementation Plan (SDBIP) are monitored and evaluated against the Municipality's strategic objectives. The municipal planning process is phased into long-term, medium-term and short-term (annual) objectives.

The monitoring and evaluation function collects data that is used to review, re-assess and revise the IDP where necessary. The effectiveness of the implementation of the short-term plan (SDBIP) will be measured against the medium-term plan (IDP) on an annual basis. Every five years, implementation evaluation of an IDP on the achievement of the objectives of the Long-Term Growth and Development Plan will be undertaken. The spatial impact in terms of the IDP programmes and projects will be evaluated with regard to the SDF.

5.10 SUPPLY CHAIN MANAGEMENT

The Municipality has an approved Supply Chain Management Policy, which is required to be reviewed on an annual basis. The policy *inter alia* provides for a committee system to achieve and ensure competitive procurement. The Committees established in compliance with the National Standards for Bid Committees, are as follows:

- The Bid Specification Committee
- The Bid Evaluation Committee
- The Bid Adjudication Committee

An Integrated Contracts Management System (ICMAS) tracks the award of tenders from the time of approval of the specifications to the time of final award.

In order to promote oversight responsibility of Council as required in terms of the Supply Chain Management Regulations 27636 (dated 30 May 2005) and the municipality's SCM Policy, Budget and Treasury Directorate submits reports on a quarterly basis to the Budget and Treasury Standing Committee on the implementation of Supply Chain. It is through these reports that the Committee will engage and request further clarity or additional reports. Similar reports are submitted to structures such as the Audit Committee (AC) and the Municipal Public Accounts Committee (MPAC).

5.11 WARD COMMITTEES

The main function of a Ward Committee is to improve democracy by promoting greater participation and representation in Council matters. By working with the Ward Councillors, the Ward Committee provides a channel through which communities can most effectively lodge their complaints and concerns. A number of training and capacitation programmes have been undertaken for Ward Committees including programmes on the IDP and Budget related processes.

The roles and responsibilities of Ward Committees include the following:

- Create formal, unbiased communication channels and cooperative partnerships between the Municipality and the community within each ward.
- Promote harmonious relationships between residents of the ward, the Ward Councillor and the Municipality.
- Facilitate participation in IDP processes.
- Act as a reference group / advisory body on Council policies and issues that affect the communities in the ward.
- Serve as an agent for mobilising community action.
- Act as a conduit for community complaints and feedback on Council responses.
- Make recommendations on any matters that may affect the ward or Council.



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 (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) MSA - Sec 32(1) 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 (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 (immediately after EXCO approval) |
| 7 | Advertisement of public participation programme in local newspapers | Multi-year Strategic Time Schedule | 7 and 9 May 2022 respectively |
| 8 | Undertaking public participation meetings | Multi-year Strategic Time Schedule | 16 - 27 May 2022 (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 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, NAFCO, 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 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 20: 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 | |

| Project Name | Estimated Total Cost | 2022/2023 | 2023/2024 | 2024/2025 |
|---------------------|-----------------------------|--------------------|--------------------|--------------------|
| 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 |
| Total | R138 590 000 | R18 668 963 | R83 730 432 | R36 190 605 |

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

Spatial Strategy

7.1 INTRODUCTION

The spatial strategy of the Municipality is embedded in three interrelated strategic documents; these are:

- The Metropolitan Spatial Development Framework (MSDF)
- The Sustainable Community Planning Methodology
- The Built Environment Performance Plan (BEPP)

This Chapter outlines the key features of these three strategic documents, which together form the spatial strategy of the City. The Metropolitan Spatial Development Framework (MSDF) is the primary spatial plan of the City and represents the spatial manifestation of the IDP. All matters of a spatial nature concerning the Municipality are encapsulated in the MSDF. It includes the aforementioned Sustainable Community Planning Methodology and the Built Environment Performance Plan (2020 to 2021).

The initial MSDF was approved by Council in 2009; a second version was approved in December 2015. The Spatial Planning and Land Use Management Act 2013 (SPLUMA) sets the legal framework for the SDFs of South African municipalities. A major review of the MSDF is scheduled to be conducted during 2021/22 and concluded by the end of 2023/24. It is important that this process aligns with the IDP. In addition, a Draft SPLUMA By-law has been developed and is in the process of being finalised.

7.2 NMBM METROPOLITAN SPATIAL DEVELOPMENT FRAMEWORK

The Metropolitan Spatial Development Framework (MSDF) is supplemented by more detailed Local Spatial Development Frameworks (LSDFs) and Precinct Plans for specific areas. These guide the overall spatial form and identify current and future desirable land uses within the Municipality in order to give physical effect to the vision, goals and objectives of the IDP.

The MSDF identifies major transport routes, future transport links, environmentally important areas and key development opportunities and constraints. The MSDF also aims to sequence future development areas in a manner that makes the best use of infrastructure services and limits the leap-frogging of development and the unnecessary expansion of infrastructure networks.

The legal importance of the MSDF is contained, *inter alia*, in the Spatial Planning and Land Use Management Act 2013 (SPLUMA), Chapter 4, which states that:

“a Municipal Planning Tribunal or any other authority required or mandated to make a land development decision in terms of this Act or any other law relating to land development, may not make a decision which is inconsistent with a municipal spatial development framework, unless if site specific circumstances justify a departure from such provisions.”

The Municipality has a dedicated Municipal Planning Tribunal (MPT) that was established by Council on 16 July 2015. The first meeting was held on 5 August 2016. The Municipal Planning Tribunal was then dissolved in October 2016 due to legal reasons and re-established by Council on 24 August 2017. The first meeting took place on 25 June 2018. The Tribunal comprises municipal officials and an external official.

In terms of section 35 (2) of SPLUMA, “the municipality may authorise that certain land use and land development applications may be considered and determined by an official in the employ of the Municipality”. Council resolved that the Executive Director: Human Settlements be the Authorised Official to decide on the relevant land development applications in terms of Council approved categories.

7.2.1 Rationale for Spatial Planning

The MSDF must give effect to the development principles contained in the Spatial Planning and Land Use Management Act, 2013 (SPLUMA). These are:

- Spatial justice.
- Spatial sustainability.
- Efficiency.
- Spatial resilience.
- Good administration.

7.2.2 MSDF processes

The following processes of the MSDF support sustainable development within the Nelson Mandela Bay Municipality:

- Analysis of spatial opportunities, constraints, patterns and trends.
- Identification of the need for spatial restructuring and land reform.
- Provision of spatial solutions to developmental issues.
- Identification of national spatial development principles and their spatial application in the NMBM.
- Understanding of and allowance for the spatial implications of social, economic and environmental sustainability.
- Production of a document to guide decision-making on developable and non-developable areas, including the sequencing of development.
- Creation of a framework for public and private investment decisions to facilitate investor confidence.

The MSDF is supported by a number of sector plans and topic-specific planning documents, which include the following:

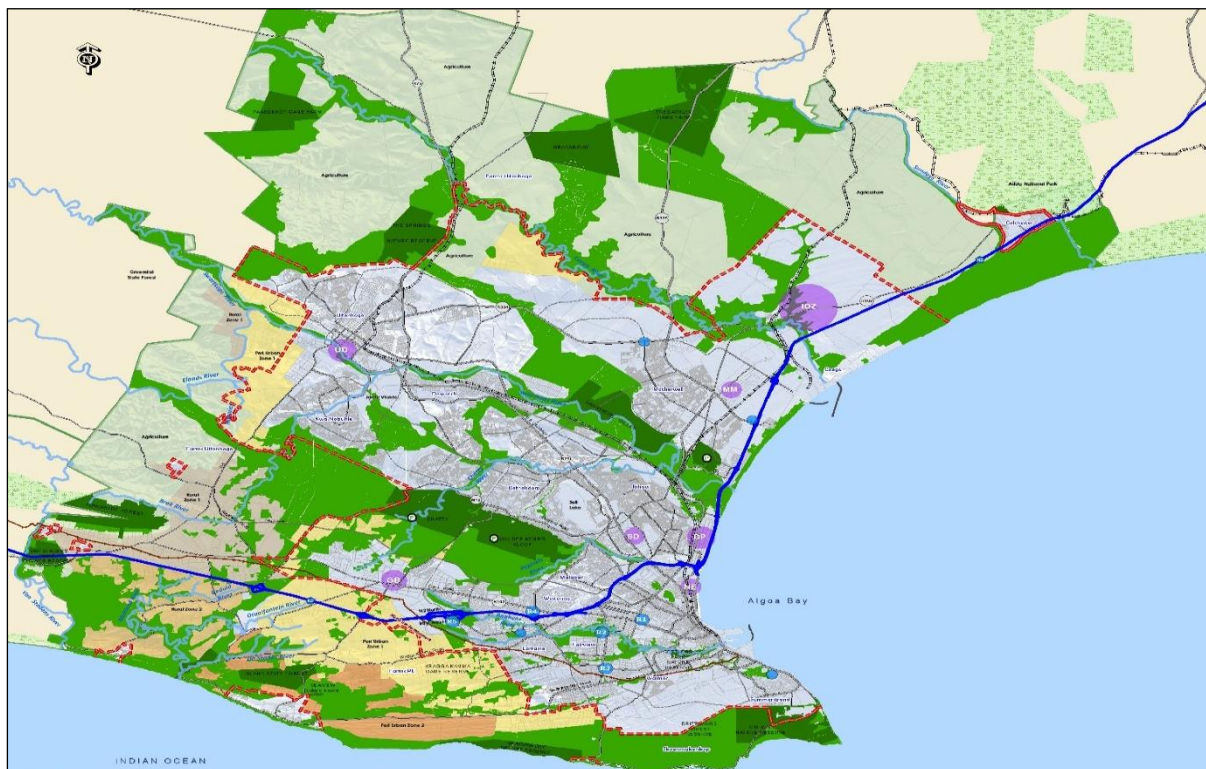
- Strategic Environmental Assessment.
- Urban edge / Rural Management and Urban Densification Policies.
- Demographic Study update.
- Land Use Management System (LUMS).
- Human Settlements Implementation Plan.
- Bioregional Plan.

The review of the Spatial Development Framework will be done in terms of the guidelines issued by the Department of Rural Development and Land Reform for the preparation of Spatial Development Frameworks. Simultaneous with the review of the Spatial Development Framework will be the formulation of the Bioregional Plan as the two plans are closely related.

7.2.3 Spatial Overview of Nelson Mandela Bay

Nelson Mandela Bay Municipality was the first metropolitan municipality in the Eastern Cape Province and is one of eight metropolitan municipalities in South Africa. The Nelson Mandela Bay Municipality covers an area of 1959,02 km² and is bordered by the Sundays River in the north, the Van Stadens River in the south west and the greater Kariega/Despatch areas towards the west of the metropolitan area.

FIGURE 14: Nelson Mandela Bay: Urban and Natural Environment



Source: NMBM, 2020

The demarcation process as provided for in the Demarcation Act (Act 27, 1998) caused the disestablishment of seven separate local authority administrations and the formation of the Nelson Mandela Bay Municipality (NMBM). The most significant

administrations incorporated were Port Elizabeth (now Gqeberha), Uitenhage (now Kariega), Despatch and a portion of the Western District Council.

7.2.4 Proposed Metropolitan Structure

7.2.4.1 Structuring the MSDF

The spatial structuring of the MSDF is based on the following factors:

- Available land and its features.
- Envisaged population growth.
- Economic development.
- Principles guiding integration, efficiency and sustainability.

The following considerations have been used to determine the basic structure of the MSDF:

- Land earmarked for new development, including low income housing, has been selected on the basis that vacant land within and close to the existing built-up areas must be utilised first, while further outlying areas are considered for development only once more centrally located land has been taken up. This will encourage more efficient use of existing infrastructure before network extensions are required. It will also discourage the leap-frogging of development, which is expensive from a bulk services provision perspective.
- Land uses are to be arranged in a manner that promotes the development and use of an efficient public transport system. Densification and a mix of land uses along major transport corridors can achieve this objective.
- Access to green recreational zones from residential areas has been given special attention. Natural, sensitive areas have been identified for protection and additional green spaces have been set aside for recreational use, as well as other uses that are of an ecological nature.
- Certain land uses, such as large industrial areas, are kept away from residential areas, due to the heavy traffic, air pollution and noise generated by industrial operations.
- Existing economic nodes, such as the Coega SEZ, as well as the Kariega and Gqeberha main industrial areas and existing commercial centres as employment nodes.

- Transport links are proposed to promote integration and overall accessibility. Linking major centres and industrial areas with residential areas is important, taking into account the limitations resulting from topography.
- Public transport corridors have been proposed linking economic areas. The future growth direction from Motherwell would thus be to the west, in the direction of Kariega, with the Coega SEZ providing employment opportunities for the adjacent residential areas of Motherwell.
- Main arterial roads and rail links for private and public transport between the different urban areas are most easily arranged in east-west directions.
- Pedestrians, non-motorised transport and public transport are important for access to services and job opportunities.

7.2.4.2 Primary Structuring Elements

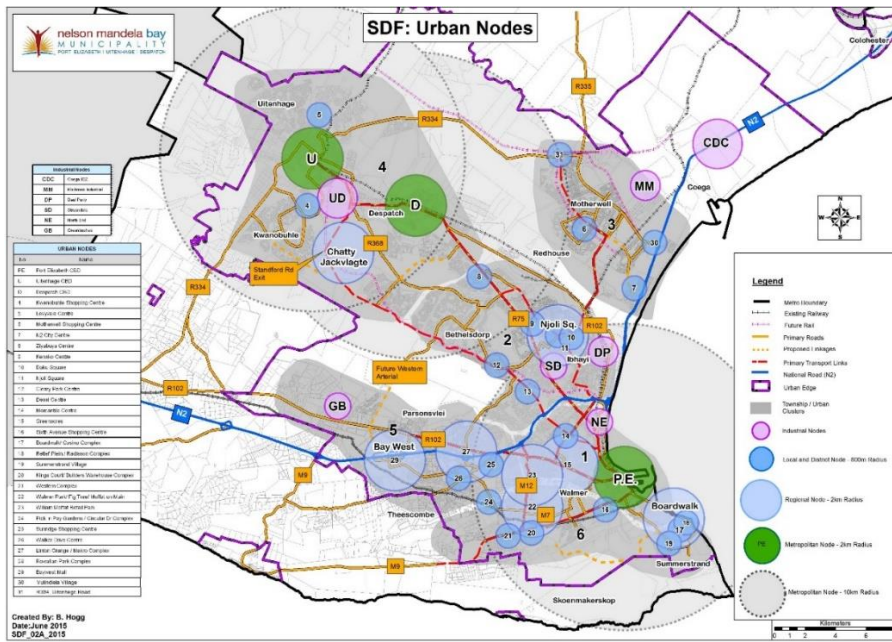
Apartheid planning divided Cities and left places of work and economic opportunities far from the place where the majority of the population live. Measures and strategies need to be put in place to actively restructure Nelson Mandela Bay. The following elements are important to achieve this.

7.2.4.3 Activity Nodes

Nodes are places of high accessibility, characterised by a concentration of mixed use activities, such as retail, office, entertainment, community facilities and residential components. Such places are usually located at strategic transport interchanges.

These Nodes are regarded as priority areas for densification, integration, intensification and the improvement of environmental quality. Nodes are mostly targeted for public and private investment, as they can enhance economic opportunities and enable more efficient service delivery intensifying activities.

FIGURE 15: NMBM Urban Nodes



Source: NMBM, 2020

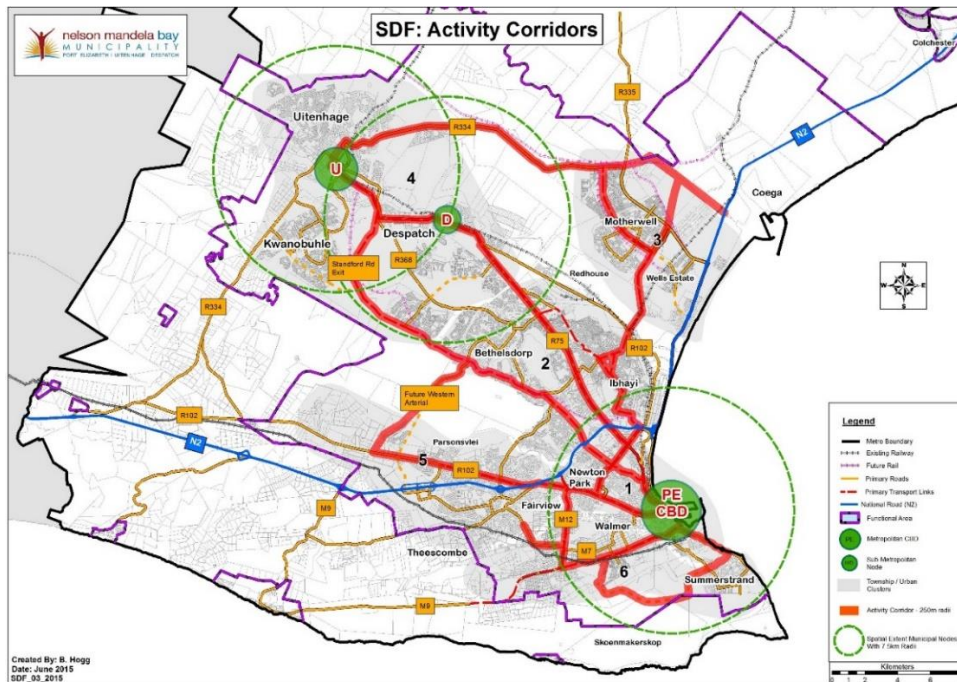
7.2.4.4 Urban Corridors/Activity Spines

Urban corridors are a combination of structuring elements that reinforce a hierarchy of nodes. They have varying development intensities and widths. Mixed used activities should be created and promoted within such corridors/spines to also include different modes of transport. This minimises travelling costs and the costs of transport infrastructure by increasing accessibility to employment opportunities, especially for previously disadvantaged communities.

The city structure needs to be developed in a manner that uses infrastructure more efficiently and minimises the need to extend infrastructure networks unnecessarily. Transportation infrastructure is the most expensive infrastructure in urban development and extensions to road and rail networks therefore need to be kept to a minimum.

Residential and commercial densities along transportation routes need to be increased at strategic locations (i.e. near development nodes) in order to transform major routes into activity or development corridors and create an environment conducive for sustainable human settlements.

FIGURE 16: NMBM Activity Corridors



Source: NMBM, 2020

Activity corridors are where concentrated urban development occurs along movement routes that are typically also major public transport routes. Development can either take the form of continuous linear development or a series of nodes along the activity spine.

7.2.4.5 Natural Open Space and Green System

The Nelson Mandela Bay Municipality’s open space network plays a fundamental role in shaping the city through the conservation of ecological resources, which are amongst the major structuring elements guiding the development of the city. The open space network has spatial, social and technical dimensions.

The open space and green system within the Metro provides a diverse range of environments, characterised by conservation areas, recreational activities, corridor parks, watercourses, ridges, heritages sites, etc. Existing natural environmental resources are economic assets, as they promote liveability and the vitality of communities. The open space and green system should be protected and enhanced to ensure that the benefits of local ecosystems are maximised.

7.2.4.6 Consolidation and Densification

A consolidation and densification approach promotes more compact urban development and maximises the efficiency of areas that are well serviced and centrally located.

This approach contributes to the restructuring of the urban environment and discourages urban sprawl by promoting development that is adjacent to existing urban areas. Furthermore, it promotes the more efficient use of the existing infrastructure, especially at urban centres and along urban corridors.

7.2.4.7 Growth Management/Urban Edge

Most urban areas in South Africa are characterised by urban sprawl. Citizens spend a lot of time and money travelling long distances to work, shops, schools and social facilities. Local authorities are also required to invest large amounts in providing and maintaining excessive infrastructure. A tool of the Spatial Development Framework for growth management is the demarcation of an urban growth boundary or urban edge. The “urban edge” is a conceptual boundary that delineates the urban area in order to contain physical development and sprawl and re-direct growth towards a more integrated, compact and efficient urban form, guided by detailed plans.

The delineation of an urban edge achieves a more efficient and sustainable municipality through the –

- Containment of urban sprawl.
- Intensification of development.
- Integration of urban areas.
- Protection of valuable agricultural, natural and cultural resources.
- Optimum use of existing resources in established urban areas, such as bulk service infrastructure, roads and public facilities.
- Reduced need for commuting, as well as reduced commuting distances.

7.3 SUSTAINABLE COMMUNITY PLANNING AND METHODOLOGY

The existing pattern of development in Nelson Mandela Bay is the result of historical segregation-based planning. The structuring not only separates different racial groupings in geographical terms, but has also resulted in huge disparities in standards of living, as well as access to infrastructural services, employment, and cultural and recreational facilities. As these imbalances serve as constraints for redevelopment, they should be addressed and rectified.

The NMBM developed and introduced this planning methodology to assist the city in dealing with the creation of a more sustainable city. The methodology is an integral part of the MSDF, LSDF and precinct planning that is undertaken.

Sustainable Community Units (SCUs) have been introduced to achieve a more balanced structure in Nelson Mandela Bay, in order to reduce discrepancies in terms of service provision and standards; promote integration in socio-economic and functional terms; and provide for economic activities and employment opportunities.

The urban area of Nelson Mandela Bay has been divided into a number of planning units or entities, known as Sustainable Community Units. These are defined by the distance that an average person can comfortably walk in half an hour, i.e. a 2 km radius. The planning methodology aims to provide the requirements for a minimum standard of planning and living within those areas; in other words, basic amenities, facilities and job opportunities must be within walking distance of all residents. All SCUs in Nelson Mandela Bay are to be linked by a public transport network, which will ensure that all areas are accessible to all communities by means of public transport.

Basic municipal facilities and services should be provided within walking distance of residential areas; higher order facilities can be located further away.

7.3.1 Distance to Facilities

The SCU planning methodology concept identifies the need to make higher levels of sustainability and integration in Nelson Mandela Bay its primary focus. The basis for sustainable community planning lies in the development principles adopted at national, provincial and local government levels, as supported by legislation and government policies.

The Municipality's Sustainable Community Planning methodology covers both existing and future areas of development. A fundamental principle of this plan is to have work opportunities closer to places of residence in order to reduce the need to travel. This is to be achieved through the planning of new areas to accommodate more than just housing developments, but also through a paradigm shift, in location of new settlements closer to rather than further away from places of employment and social and public amenities. Peri-urban areas in which settlements exist, are also planned according to the Sustainable Community Planning methodology, with a view to providing local job opportunities.

The development goals and principles of particular importance for spatial planning in SCUs are:

- (a) Poverty alleviation and the satisfaction of basic needs.
- (b) Focus on special needs groups (HIV and AIDS affected/infected persons, children, the elderly, and persons with disabilities).
- (c) Gender equality and equity.
- (d) The environment (physical, socio-economic).
- (e) Participation and democratic processes.
- (f) Local economic development.
- (g) Accessibility (public transport and pedestrian focus).
- (h) Mixed-use development.
- (i) Corridor development.
- (j) Safety and security.
- (k) Variation and flexibility.

- (l) Appropriate densification.
- (m) Reducing urban sprawl.

To achieve both sustainability and integration, the following functional elements need attention in relation to the above principles:

- (a) Housing
- (b) Work
- (c) Services
- (d) Transport
- (e) Community
- (f) Character and identity

Focusing on these six elements, minimum standards are pursued to achieve an acceptable planning quality, which will result in an improved quality of life for residents in these areas (for more detail on the planning methodology outlined above, refer to the *Sustainable Community Planning Guide*, dated June 2007; also available on the municipal website: www.nelsonmandelabay.gov.za).

7.4 THE BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP)

The development of a Built Environment Performance Plan (BEPP) was, up to the 2020/21 financial year, a requirement of the Division of Revenue Act (DoRA) in respect of the various infrastructure grants related to the built environment of metropolitan municipalities.

From 2021 onwards National Treasury no longer requires the formal submission of a BEPP with the assumption that its plans and methodology would be embedded within the municipality's strategic plans and processes.

It is the intention with the formulation of the new MSDF the BEPP spatial strategy will be completely embedded within the MSDF. This "merging" has yet to take place and it is necessary to use the 2020/21 BEPP.

The BEPP is complementary to the Municipality's key strategic documents, which include the Integrated Development Plan (IDP), the Budget, the Spatial Development Framework (SDF) and the Comprehensive Integrated Transport Plan (CITP). The BEPP directly complements the current MSDF until it forms part of the new MSDF.

The BEPP focuses on three main areas:

- An Urban Network Strategy (UNS), including Integration Zones and catalytic projects.
- Economic/Growth nodes.
- Informal settlements and marginalised areas.

7.4.1 Urban Network Strategy/Integration Zones and Catalytic Projects

Spatial targeting and the elimination of spatial inequalities, as envisaged in the National Development Plan, is an underlying principle of the Urban Network approach, hence the focus on the catalytic development of under-serviced city areas.

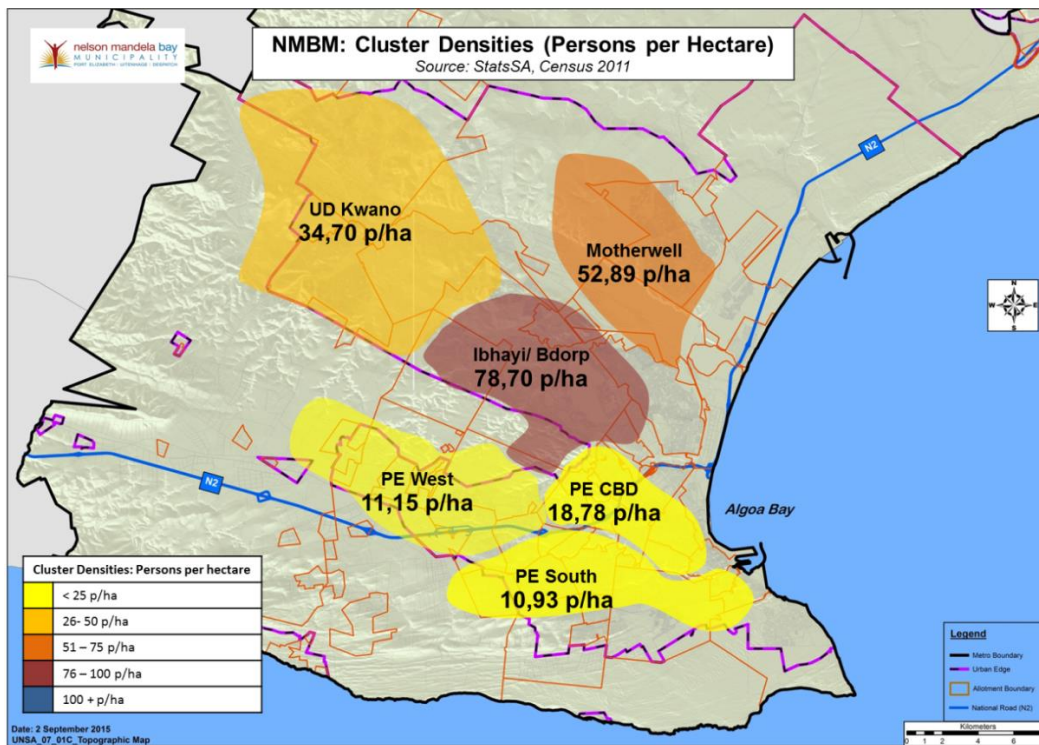
The Urban Network Strategy identifies a number of network elements (CBD, hubs, growth areas) and allows for the identification of Integration Zones that link CBDs and hubs in which catalytic development is encouraged.

7.4.1.1 Township Cluster

For the purposes of the BEPP, the townships of Nelson Mandela Bay have been clustered into six township clusters.

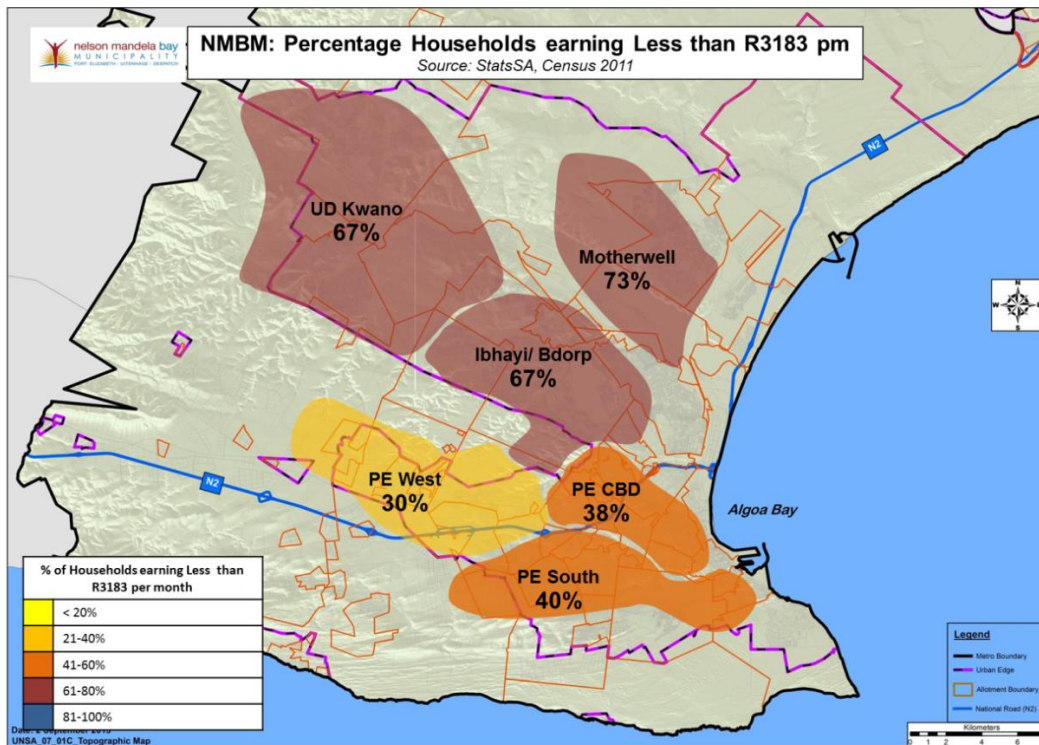
The density and income characteristics of these clusters are illustrated in the figures below, which highlight the higher densities and lower income levels of the Northern Townships (clusters), with Ibhayi displaying the highest density per hectare. Motherwell has the highest percentage of the population earning less than R3 183 per month. The population numbers and densities in the Southern Clusters are noticeably smaller and lower than those of the Northern Clusters.

FIGURE 17: Urban Network Strategy: Cluster Densities (Persons/Ha)



Source: NMBM, 2020

FIGURE 18: Urban Network Strategy - Income Levels per Cluster

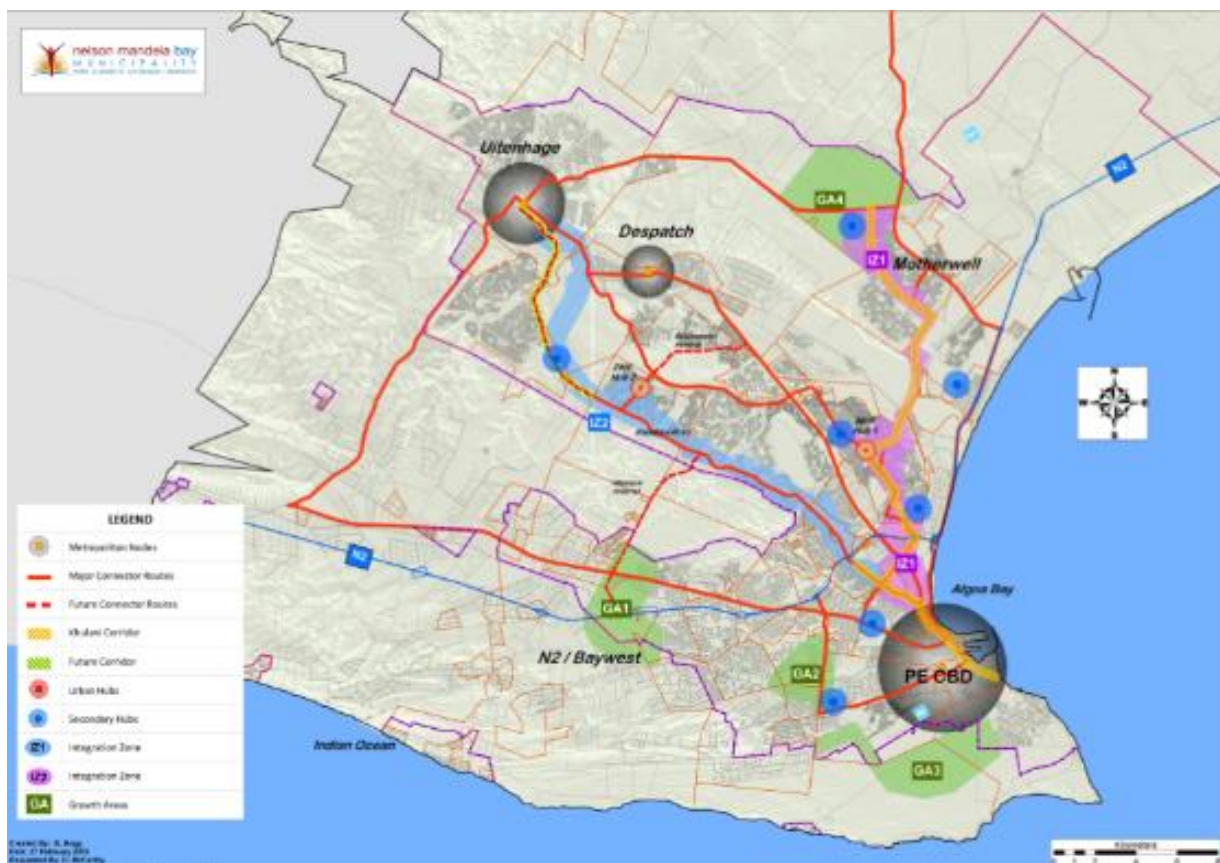


Source: NMBM, 2020

7.4.1.2 Identification of urban network elements of the Urban Network Strategy (UNS)

The major elements of the Urban Network Strategy are illustrated and explained in more detail below.

FIGURE 19: Urban Network Strategy Framework



Source: NMBM, 2020

CENTRAL BUSINESS DISTRICTS (CBDs)

The Urban Network Framework identifies the CBDs of Gqeberha, Kariega and Despatch as important nodes.

PRIMARY NETWORK/TRANSPORT LINKS

MAJOR ARTERIES

The primary transport network includes three of the five major transport arteries, being Harrower/Stanford Road, Provincial Route R75 and the Khulani Corridor.

Other primary arteries are Old Cape Road (R101), Provincial Route R10, Heugh/Buffelsfontein Road, the William Moffat Expressway, and the N2.

ROAD NETWORK

Public transport serves the metropolitan area along the following existing and planned routes:

- North-South linkage between the Gqeberha CBD and Motherwell via Ibhayi; along the Khulani Corridor.
- North-West linkage between the Gqeberha CBD and Bloemendal/Bethelsdorp, along Stanford Road.
- South-West linkage between the Gqeberha CBD and the Western Suburbs, via Old Cape Road.

RAIL NETWORK

There is an existing passenger rail link between the Gqeberha CBD and Kariega.

There is an existing passenger rail link between the Gqeberha CBD and Motherwell/Markman.

A passenger rail link between Gqeberha CBD and Motherwell via a proposed new Motherwell Rail Corridor parallel to Tyinira Street (Motherwell) is planned. There is a long-term possible linkage between Coega and Kariega.

A narrow-gauge rail line exists between Humerail (Gqeberha) and Loerie.

OTHER ACTIVITY CORRIDORS

The Nelson Mandela Bay Urban Network further identifies other existing mixed use activity corridors that are important. These are:

- Walmer Boulevard, Heugh Road and Buffelsfontein Road
- Walmer Main Road
- William Moffat Expressway
- Cape Road

URBAN HUBS

PRIMARY URBAN HUBS

The Primary Hubs are:

- Gqeberha/Kariega/Despatch CBD
- Njoli/Ibhayi Hub
- Zanemvula (Chatty Jachtlakte) Hub.

7.4.1.3 Integration Zones

Two integration zones are identified, linking the CBD and Primary Hubs. The Integration Zones traverse the poorest parts of the city, where catalytic development intervention is prioritised.

These Integration Zones are described below:

Integration Zone 1 Khulani/Njoli/Motherwell:

This Integration Zone includes the Khulani Corridor, as well as the Motherwell Node. It links the Inner City area, the Njoli Hub and Motherwell and incorporates a portion of the Khulani Corridor between Stanford Road and Njoli Square.

Integration Zone 2: Stanford Road to Kariega:

This Integration Zone 2 along Stanford Road is a link between Integration Zone 1 and Chatty Jachtlakte. Environmental and spatial constraints make it a very narrow corridor with limited scope for catalytic and development intervention. These would be limited to modal interchanges along Stanford Road, such as the Cleary Park Modal interchange.

7.4.2 Growth Areas

Four growth areas have been identified:

- Walmer/Summerstrand Growth Area
- Fairview West Growth Area
- Motherwell Growth Area
- Baywest Growth Area

The Urban Network Framework includes the following Secondary Hubs:

- Kenako/Vista
- Red Location
- Jachtlakte/KwaNobuhle
- Wells Estate

Other Nodes Identified, include:

- Greenacres/ Newton Park Node
- Walmer Node
- Great Westway (Makro/ Framesby/Westering) Node

7.4.3 Catalytic Programmes

The Catalytic Programmes of the BEPP reflect interventions that include developments that are:

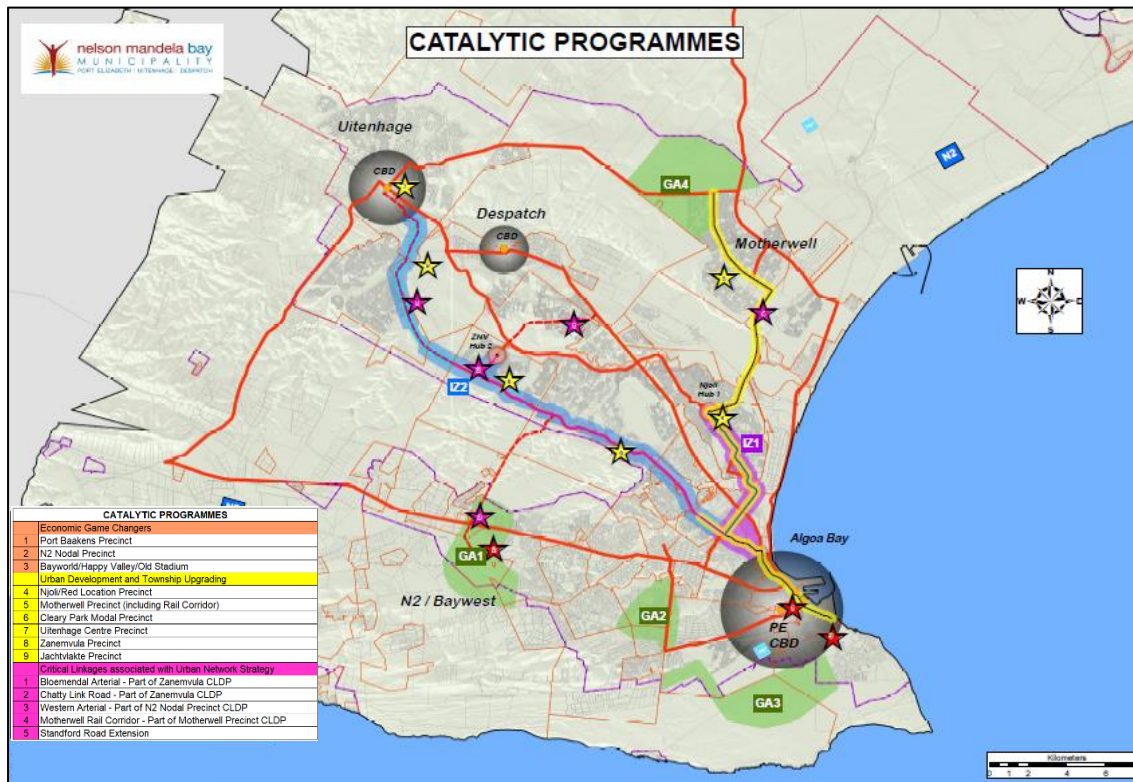
- Within defined Integration Zones.
- Private and public sector initiatives in their implementation.
- Inner city, mixed use, social, commercial and residential development initiatives.
- Informal settlements and marginalised area upgrading.
- Linkage projects, such as critical road infrastructure, to ensure a proper linkage between the Integration Zones and the rest of the city.

The following map shows the location of the selected catalytic programmes in relation to the Integration Zones of the Urban Network Strategy.

Catalytic Programmes

It is the intention to move the catalytic programmes as quickly as possible from the planning to the implementation phases.

FIGURE 20: Catalytic Programmes



Source: NMBM, 2021

The NMBM is characterised by slow economic growth; therefore, it can be concluded that positive change will be slow. In view of this, the City does not have the opportunity for many economic and “game-changing” projects. It is important therefore to focus efforts on a limited number of strategic projects that will have maximum impact. In addition, because of the extreme poverty of the city, poor areas need to be targeted for investment and development. The City is spatially divided, due to its geography and historic patterns of development. Linkage projects to increase access must therefore also be prioritised.

7.5 INTERGOVERNMENTAL PROJECT PIPELINE

7.5.1 Critical Growth and Development Projects for all Sectors

The intergovernmental project pipeline is contained in Annexure “D” attached. This annexure contains not only the BEPP Catalytic Land Development Programmes as discussed above, but also other growth and investment projects that the City needs to undertake.

Projects included in Annexure “D” include major infrastructure projects as well as certain Human Settlements Projects that are receiving specific attention.

7.5.2 Spatial Budgeting Mix

The following table shows the investment required from all sectors of government in relation to the Urban Network Strategy. Alternatively known as the Spatial Budgeting Mix. The Spatial Budgeting Mix is drawn directly from the Intergovernmental Pipeline of Projects attached as Annexure “D”.

TABLE 21: Spatial Budgeting Mix

| SPATIAL BUDGETING MIX | | | | | | | |
|------------------------------|-------------------------------|--|---------------------------------|---------------------------|--|-------------------------|-------------------------|
| Entity | Spatial Targeting Area | | Outside Integration Zone | | | Other | Total |
| | Integration Zones | Prioritized Integration Zone Precincts (Integration Zone 1) | Informal Settlements | Marginalised Areas | Established Economic Nodes (Incl. Growth Areas) | | |
| Metro | R 11,838,189,037 | R 1,204,949,453 | R 601,031,583 | R 766,870,854 | R 4,867,218,410 | R 1,194,202,865 | R 19,267,512,749 |
| Provincial | R 252,802,595 | R - | R - | R 608,822,276 | R - | R 692,519,004 | R 1,554,143,875 |
| National | R - | R - | R - | R - | R 1,319,800 | R 6,850,000,000 | R 6,851,319,800 |
| SOEs | R 8,520,000 | R 8,520,000 | R - | R - | R 1,928,954,433 | R 2,058,500,000 | R 3,995,974,433 |
| PPP | R 8,008,791,822 | R 133,551,000 | R - | R 358,665,281 | R 22,117,255,527 | R 685,659,093 | R 31,170,371,723 |
| TOTAL | R 20,108,303,454 | R 1,347,020,453 | R 601,031,583 | R 1,734,358,411 | R 28,914,748,170 | R 11,480,880,962 | R 62,839,322,580 |

Source: NMBM, 2022

7.6 INFORMAL SETTLEMENTS AND MARGINALISED AREAS

7.6.1 Management and Upgrading of Informal Settlements

The Informal Settlements Upgrading Strategy (ISUS) sets out how the municipality will respond to the current housing needs as well as land invasions. These are then added to the National Housing Needs Database (which contains record of existing and new housing stock) to effectively deal with the current housing circumstances and projected household growth in a manner that meets defined needs and contributes to integrated and sustainable human settlements within available resources (funds, land and management capacity).

The Informal Settlements Upgrading Policy (ISUP) places specific emphasis on in-situ upgrading (with relocation as a last resort/option), 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.

A total of 156 informal settlements exist in the Metro and 76 were assessed and categorized using the National Upgrading Support Programme (NUSP) tools. The assessment and categorisation of each of the informal settlements, lays the basis of the informal settlement upgrading plans, policy, strategy and programme. It was necessary to conduct this assessment and categorisation in order to determine the current status of the informal settlements. This is because it establishes the appropriate development response.

The assessments of the informal settlements involve the following:

- Identification of informal settlements within the municipality.
- The spatial location and extent.
- A survey to conduct shack numbering and counting.

The assessment and categorisation phase in addition involves:

- An accurate count of structures in the settlements together with the households.
- Socio-economic data derived from a 10% sample household survey.
- Basic geotechnical, environment, tenure and bulk services assessment.
- Legal assessment, including cadastral description of land.

The Informal Settlements Upgrading Plan is discussed in more detail in Chapter 8.

8

CHAPTER 8

Sector Priorities

The Municipality is comprised of a number of directorates / sectors that perform specific functions within the Municipality. These sectors need to work together for the ultimate realisation of the IDP objectives. However, within these sectors, various programmes and projects are delivered. These programmes and projects are identified and budgeted for according to the priorities that emerge from technical assessments, participation programmes and risk identification. This Chapter identifies the service sector priorities of the municipal directorates.

As a result of the emergence from the impacts of the COVID-19 pandemic, the need for the Municipality to be more resilient to the impact of future disasters has been highlighted.

The Municipality has realised that in order to deal with catastrophic events, engagements with various sectors of society such as Business Chambers, Tertiary Education Institutions, Provincial and National Government sectors and others are of critical importance.

It is important to be aware of these risks and impacts as they fundamentally affect the ability of the Municipality to deliver services and attend to the needs of communities.

8.1 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.

This section sets out the requirements and legal mandate for managing disaster risk within the municipal boundary as required by the Disaster Management Act, (Act 57 of 2002) as amended by Disaster Management Amendment Act, Act 16 of 2015 – hereafter referred to as “the Act”. To fully understand the Disaster Management function, the term must be clearly defined. The Act defines Disaster Management as “*a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at-*

- (a) preventing or reducing the risk of disasters;*
- (b) mitigating the severity or consequence of disasters;*
- (c) emergency preparedness;*
- (d) a rapid and effective response to disasters; and*
- (e) post-disaster recovery and rehabilitation”*

However, the key objective of the Act is to reduce the risk of disasters and create a disaster resilient society. Furthermore, the Act highlights the responsibilities of all stakeholders including those of municipal organs of state. These responsibilities are directly referred to in section 26(g) of the Local Government Municipal Systems Act, (Act 32 of 2000). Therefore, the success of integrated development planning is closely related to each organ of state complying with its responsibility contained in the Act.

Disaster Management Framework

The Act requires a Metropolitan Municipality to ensure an integrated and uniform approach to disaster management in its area. The Nelson Mandela Bay Municipal Council has adopted the Municipal Disaster Management Framework as a policy within which responsibilities of the Municipality in terms of the Act are to be carried out.

Disaster Management Plan

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.

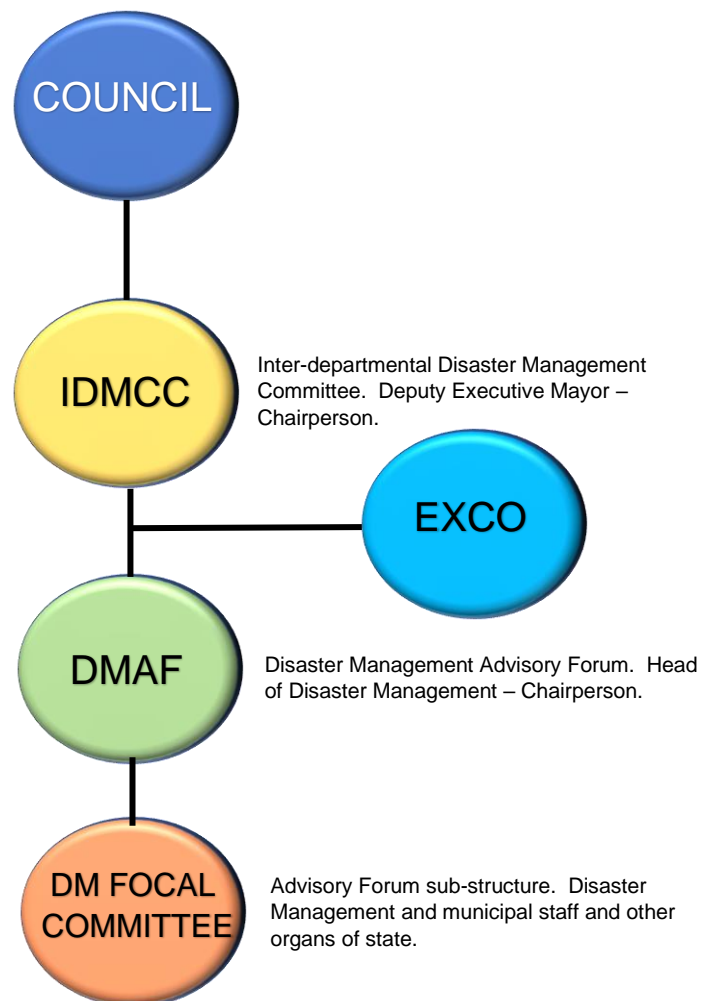
The Disaster Management Plan will be updated in order to be compliant. A comprehensive risk and vulnerability assessment will be conducted and the results must be considered in all development planning. It will also form an important component of the Spatial Development Framework.

A tender has been advertised for the preparation of the Disaster Management Plan and supply chain management issues are being resolved.

Disaster Management Centre

In terms of the Act, the Municipality is required to establish a Disaster Management Centre. A fully established and functioning Municipal Disaster Management Centre is key for the Municipality to achieve its responsibilities in terms of the Act. The Disaster Management Centre consults with and operates in close collaboration with the Eastern Cape Provincial Disaster Management Centre. The Disaster Management Centre established the Disaster Operation Centre (DOC) as the facility to be activated for coordination during disaster response.

FIGURE 21: Disaster Management Structures



Priorities:

- Disaster Risk Assessment to be conducted.
- Disaster Management Plan to be updated.
- Institutionalisation of disaster management through municipal organs of state disaster management sub plans for all directorates of the Municipality to complement an overall Disaster Management Plan.
- Assessment criteria for Disaster Management Plans to be drafted.
- Reconvene Inter-Departmental Disaster Management Committee.
- Institutional Risk Register to include disaster risks, including massive scale pandemics.

- A need to reinforce current Disaster Management capacity with professional Disaster Management Practitioners.
- Investment in the following disaster management elements:
 - Resources within disaster management.
 - Disease Outbreak planning e.g. COVID-19.
 - Budget for Disaster Management Planning for Climate Change as required by the Act.
 - Mitigation and prevention.
 - Upgrade the Disaster Management Centre.

8.2 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.
- The arrear debt is escalating. Total debt owed to the Municipality as at 31 December 2021 is as follows:

| Customer Group | R value |
|--------------------------------|-----------------------|
| Government | 289,591,791 |
| Business | 2,926,222,851 |
| Households | 7,352,537,556 |
| Other (NMBM) | 87,302,515 |
| Total by Customer Group | 10,655,654,713 |

This has a direct implication for the funding available for the implementation of projects and programmes.

8.3 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.

8.3.1 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.

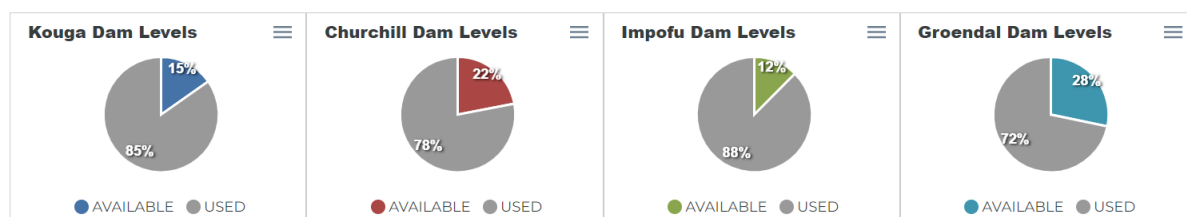
Within the mandate of delivering water and sanitation services, three main areas need special mention:

- 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 22: 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 30 MI/d 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: R 85M

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.

8.3.1.1 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.

8.3.1.2 Community Impacts

Most of the community concerns relate to maintenance that is provided for on the operating budget.

The next area of concern is basic services to informal settlements that need specific attention under the guidance of the upgrading of informal settlements.

One of the biggest areas of service delivery disruptions is the vandalism of water and sanitation facilities. Most of the resources of the water and sanitation maintenance function is spent on dealing with vandalism as opposed to focusing on pure service delivery activities.

8.3.2 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.

The IPTS Sub-directorate implements the Integrated Public Transport System (IPTS) in Nelson Mandela Bay with guidance and funding from the National Department of Transport. The IPTS has been designed, to provide improved public transport to residents, following the principles contained in the National Public Transport Strategy and Action Plan that was approved by Cabinet in March 2007. The NMBM Council

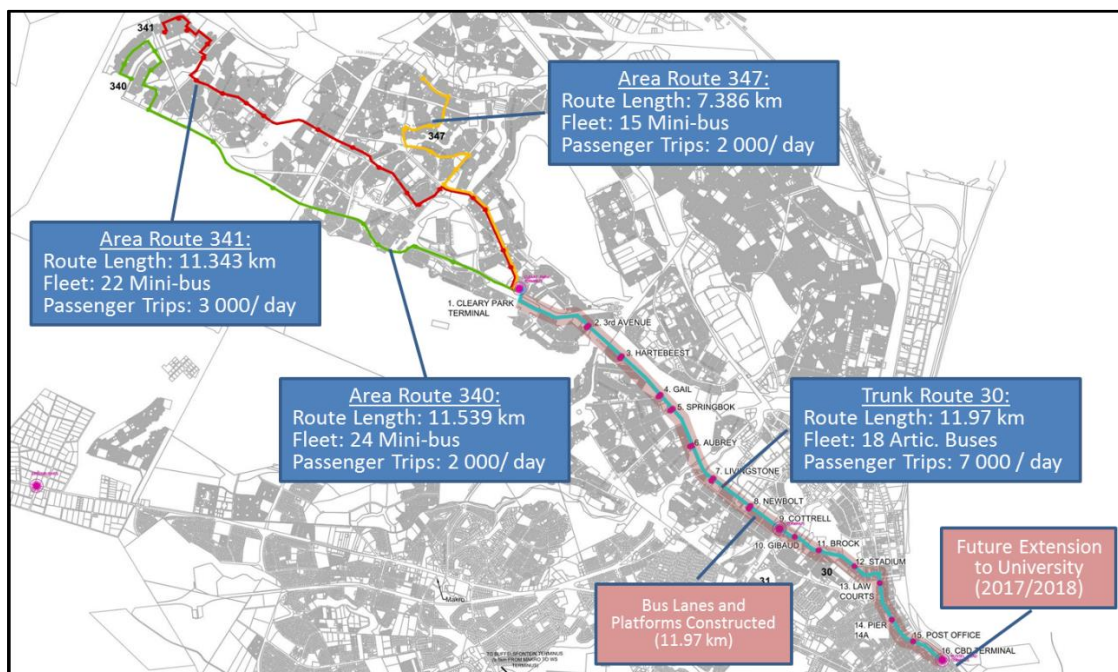
approved the original Public Transport Plan in 2008, which proposed an integrated network of routes that would be serviced by different modes of transport.

The IPTS Strategy is to integrate all public transport operations in the City and the private operators that are currently rendering these services. The public transport operators include the mini-bus taxi industry as well as Algoa Bus Company (ABC). ABC currently holds an interim contract, in terms of Section 42 of the NLTA, with the Eastern Cape Department of Transport for the provision of a bus service in Nelson Mandela Bay. ABC receives a subsidy through this contract for each route it operates.

The aim is to integrate all the public transport operators according to Section 41 of the National Land Transport Act, no.5 of 2009 (NLTA). Memoranda of Agreement (MOA), towards this integration have been signed with all ten taxi associations in the City and the MOA with ABC is in progress.

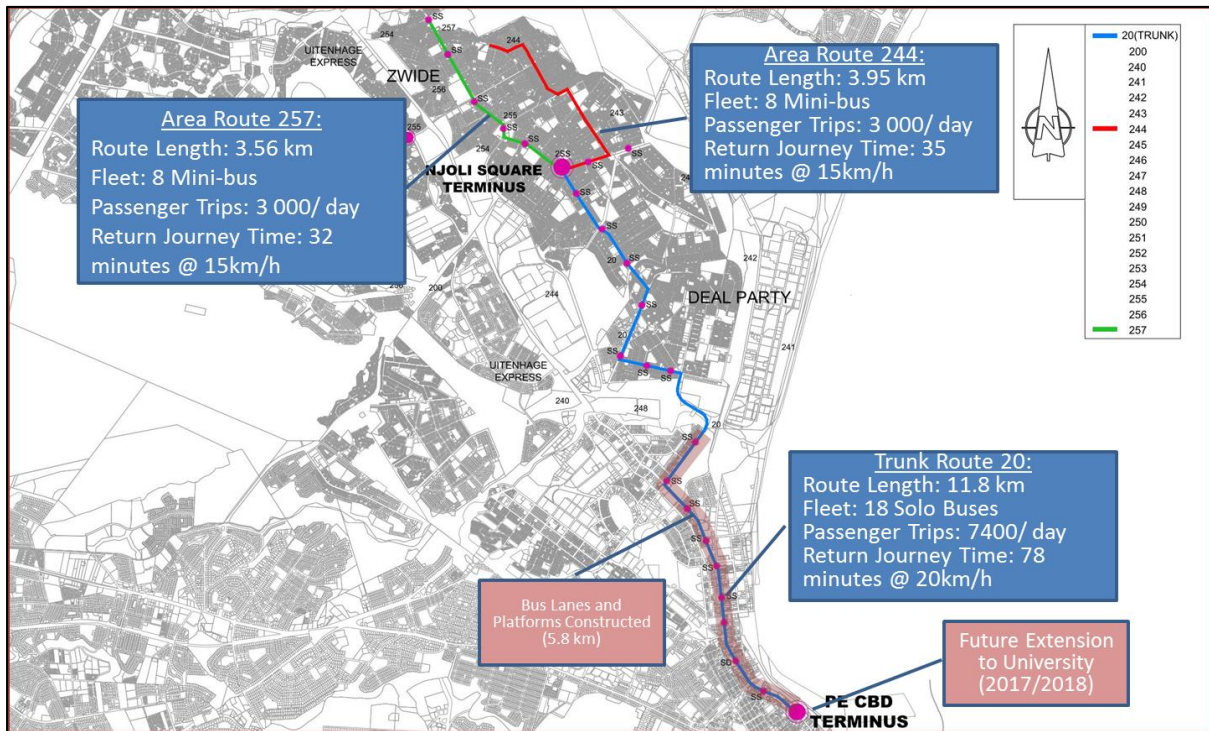
A three-year Starter Service was identified, with guidance from the National Department of Transport, and approved by Council in January 2016. The Starter Service entailed the following routes:

FIGURE 23: IPTS Phase 1A - Cleary Park to CBD



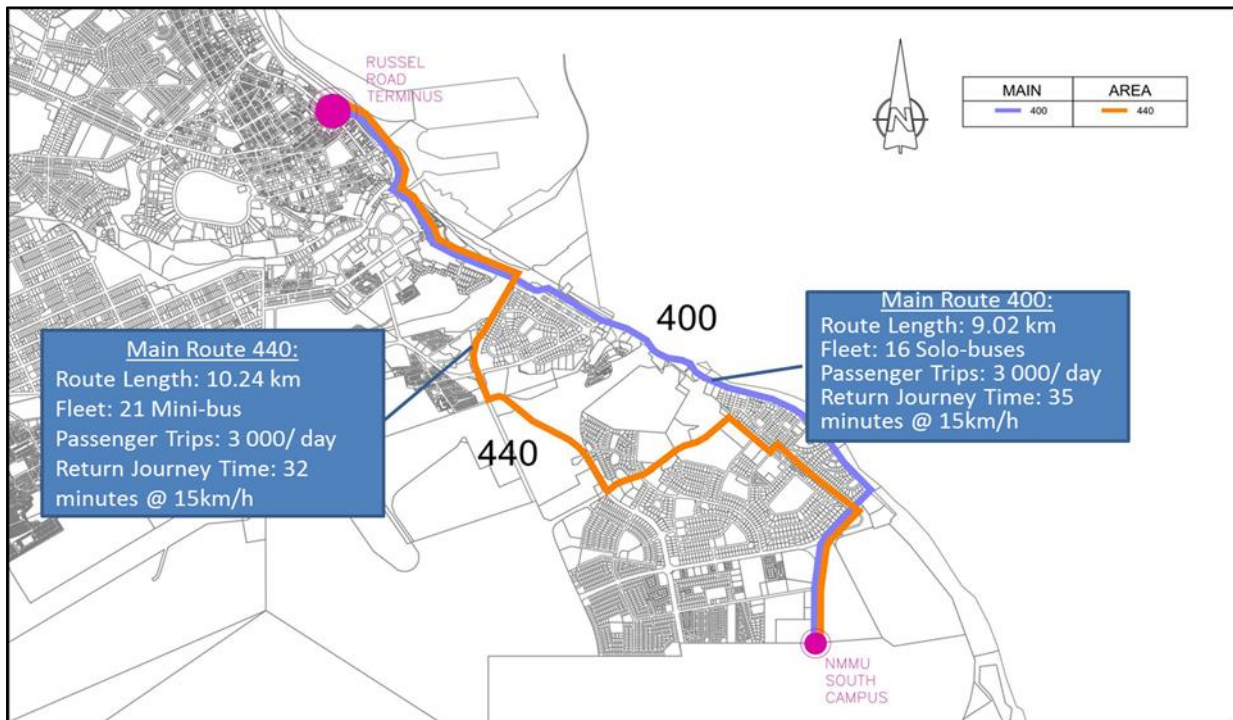
Source: NMBM, 2022

FIGURE 24: IPTS Phase 1B - Njoli to CBD



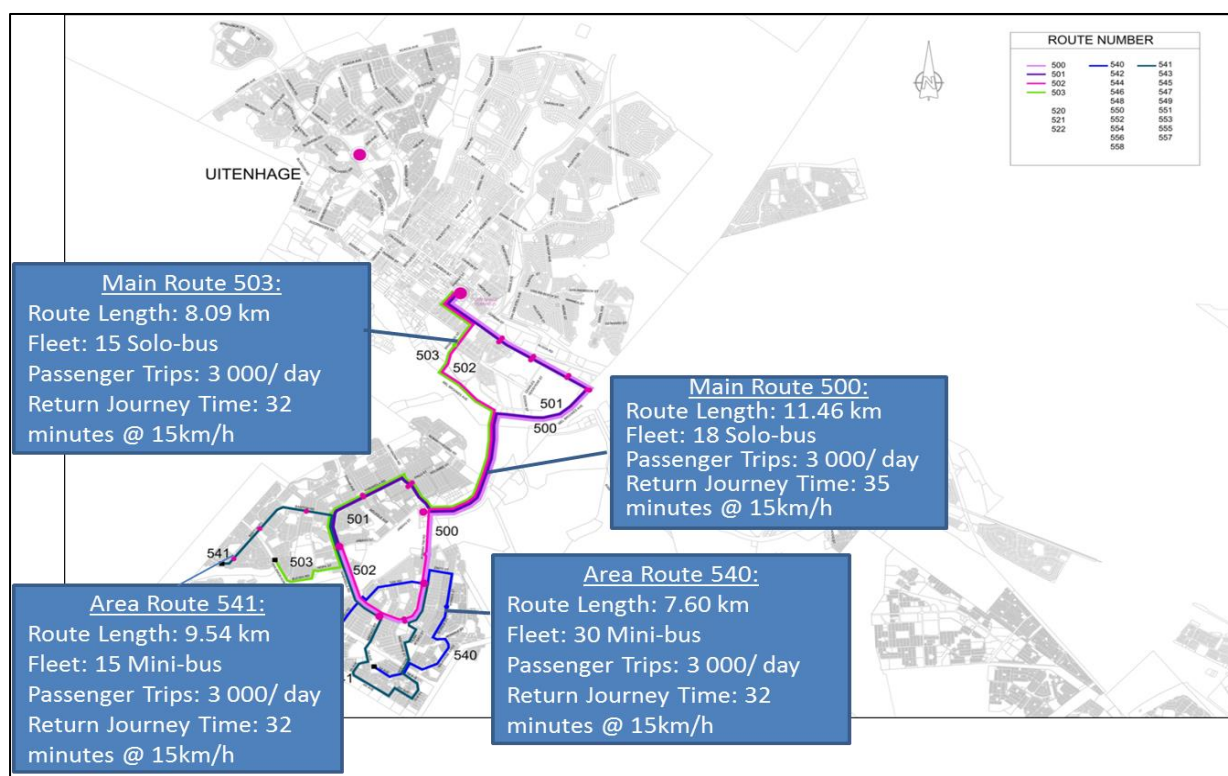
Source: NMBM, 2022

FIGURE 25: IPTS Phase 1C - Summerstrand to CBD



Source: NMBM, 2022

FIGURE 26: IPTS Phase 1D - Kariega



Source: NMBM, 2022

Operations Plans were developed for the four phases and Council, in February 2017, approved Operations Plans for 2 phases of implementation of “Starter Services” and a Business Plan that covered the two phases, namely 1A - Cleary Park and 1B - Njoli.

Phase 1A: Cleary Park was implemented in May 2018. In December 2019, Council approved a revised implementation plan that proposed the following timelines:

- Phase 1B: Kariega 2019/2020
- Phase 1C: Western Suburbs 2020/2021
- Phase 1D: Njoli 2021/2022

After several engagements with the National Department of Transport (NDoT) and having developed a turnaround plan towards the current operations, NDoT has advised the city to expand the services to other areas of the municipality. NMBM had to undergo an assessment exercise to establish the state of readiness for

implementation of other contract areas. However, due to the financial constraints which the city is currently experiencing, a re-phasing, that is based on the easiest, cheapest and most reasonable contract area to implement is proposed.

TABLE 22: Comparison of operational and financial parameters between Western Suburb, Kariega and Njoli Contract areas

| Parameters/contract area | Western Suburb | Kariega | Njoli | |
|---|------------------------------------|---|--|--|
| Number of Routes | 2 | 9 | 3 | |
| Peak period Headway(min) | Express service (Peak Period only) | 15 min | N/A | N/A |
| | Normal service | 10min on main routes, 15min on area route | 5min on main routes, 10mins on area routes | 5min on trunk route, 10 min on area routes |
| Peak Vehicle Requirement (including 10% spare) | Express service (Peak Period only) | 5 Artics | | |
| | Normal service | 11 Solos | 60 | 34 |
| Number of drivers required | 24 | | | |
| Types of vehicles to be used | Artics & Solo | Regular Buses | Solo Buses | |
| Passenger capacity (pphpd) | 990 | 4050 | 1800 | |
| Estimated weekday passengers | 7021 | 15216 | 9079 | |
| Annual kms | 714497 | 3128749 | 1682279 | |
| Estimated Revenue per annum | R 18.6 M | R 43.9 M | R 25.7 M | |
| VOC required staff size | 75 | 193 | 157 | |
| Direct operating cost per annum | R 32.0 M | R 82.2 M | R 55.1 M | |
| Indirect operating cost per annum | R 6.1 M | R 9.5 M | R 8.4 M | |
| Council Contribution per annum | R 15.2 M | R 41.2 M | R 31.9 M | |
| Number of minibus taxis to be withdrawn from the routes and compensated | 73 | 241 | 202 | |

Source: NMBM, 2022

Operational and financial parameters required to implement Western Suburb, Kariega and Njoli Contract areas are detailed in the table above.

Western Suburb appears to be the easiest contract area to implement, as it requires the least initial capital investment in terms of the required fleet to operate, infrastructure, size of the VOC staff and financial implications. It also appears that implementing Western Suburb requires the least contribution towards direct and indirect operating cost of the services from the Council.

For these operational and financial reasons as well as the following additional justifications, it is proposed that the starter service in Western Suburb contract area (Gqeberha CBD to Summerstrand routes) becomes Phase 1B and therefore the next phase to be implemented due to the following:

- Bus platforms have already been constructed on the proposed Main Route between Gqeberha CBD and Summerstrand
- The terminal currently used by the Cleary Park route at the Gqeberha CBD will be utilised
- Current Operations Plans were prepared from data that was collected through the 2016 PTOV as the surveys were carried out successfully in the Gqeberha CBD to Summerstrand route.
- There were negotiations that were already done with the management of Nelson Mandela University on ensuring that all students, those who are currently on shuttles and those who are on bus contracts will make use of the proposed Libhongolethu services.
- The operating costs for this phase are the lowest of all the planned phases.
- The unused articulated buses procured in 2010, where some are being used on the trunk routes of Cleary Park to Gqeberha CBD operations, will be initially used to provide an express service between Gqeberha CBD and NMU.

The IPTS starter service is proposed to be rephased as follows:

- Gqeberha CBD - Summerstrand (Phase 1 B) - to be implemented in 2022/2023
- KwaNobuhle – Kariega CBD (Phase 1C) - to be implemented in 2023/2024
- Njoli – Gqeberha CBD (Phase 1D) - to be implemented in 2025/2026

It must be noted that the main challenge towards the implementation of the next phases of the Starter Service is the availability of buses. A process towards the procurement of buses has commenced.

It must be further noted that the timeline for implementation is totally reliant on the allocation of sufficient funding from internal municipal sources to cover the 100% of the direct operating costs and 50% of the indirect operating costs for these phases. Currently the Municipality is considering options in relation to the budget.

IMPLEMENTATION

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.

In as much as Phase 1A of the IPTS Starter Service has been implemented, the process has not been a smooth one. There are numerous challenges that have been faced since the operations commenced. The challenges faced include:

Appointed Vehicle Operating Company (VOC) challenges:

- Lack of capacity within the VOC.
- Non-compliance aspects relating to the terms set in the agreement signed between NMBM and the VOC.

Financial challenges:

- According to the Division of Revenue Act, 50% of the indirect operating costs of the IPTS as well as 100% of the direct operating costs are not covered by the Public Transport Network Grant (PTNG). These costs must be recovered from the fare revenue collected and the deficit must be covered by a contribution from other funding sources including the municipal property rates income. However, the allocated budget from these sources has thus far been insufficient to cover the current phase's operations.

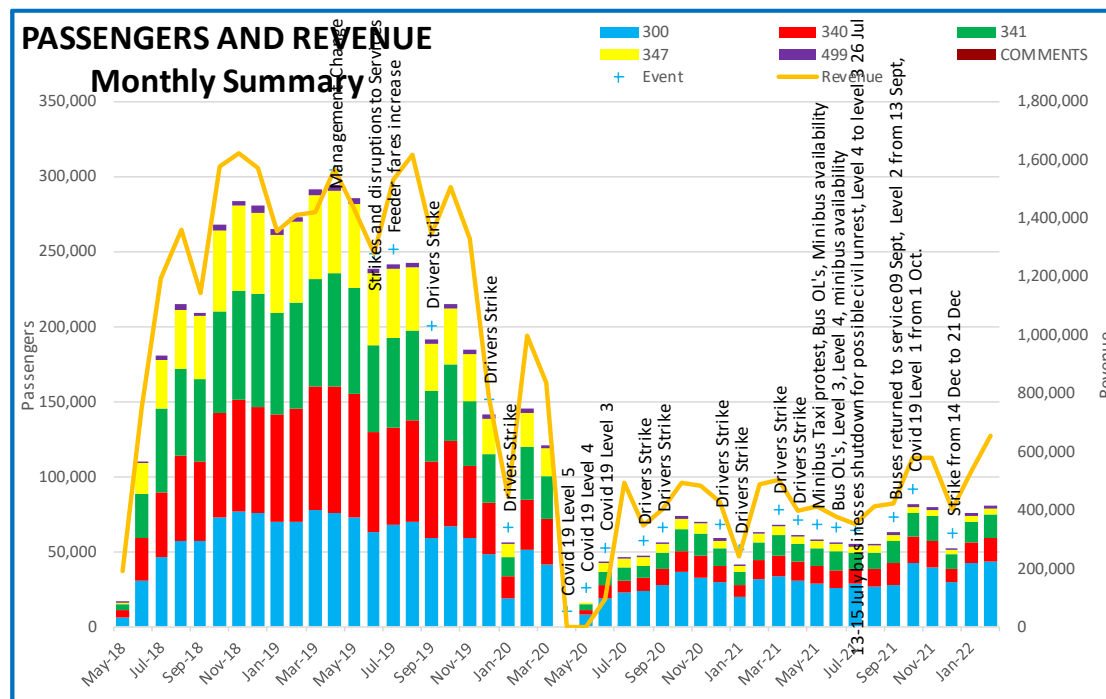
- During mid-2020, a turn-around plan was drafted in-order to cater for this and the other challenges. This plan is in the process of being implemented and obstacles are being resolved.

Extension of the Vehicle Operating Company Agreement (VOCA):

The initial three-year VOCA, intended for the starter service, expired on 17 May 2021, however, a nine year extension of the contract, in terms of Section 41 of the National Land Transport Act, was approved by Council on 30 April 2021, and concluded on 14 May 2021. Further negotiations are underway to finalise the compensation or buy-out of effected minibus-taxi operators. It is expected that these negotiations will be concluded before the commencement of the 2022/23 financial year.

Further to the above, during this process there will be amendments done to some of the clauses contained in the VOCA which will make it easier to manage the contract by changing the payment mechanism and introducing more stringent requirements in areas where challenges are experienced, such as a revised penalty regime.

FIGURE 27: Passenger numbers



Source: NMBM, 2022

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.

Budget implications for future financial years

Capital and Operational Budgets

The annual budget application to National Department of Transport is as follows:

- 2021/2022 = R 285,087,000
- 2022/2023 = R 318,543,000
- 2023/2024 = R 332,128,000
- 2024/2025 = R 344,814,000

The 2022/2023 budget was split into two main spending categories, Capital Expenditure (CAPEX) and Operating Expenditure (OPEX). The budget split for OPEX was R152,787,977 and CAPEX budget amounted to R165,756,491.

The table below contains the 2022/2023 MTREF Capital Expenditure relating to Infrastructure implementation, Information Technologies, Systems and Equipment:

TABLE 23: 2022/2023 IPTS CAPEX Projects

| PROJECT NAME | 2022/23 Budget | 2023/24 Budget | 2024/25 Budget |
|---|-----------------------|-----------------------|-----------------------|
| IPTS -Work Package: Public Transport Facilities | 15,000,000 | - | - |
| IPTS-Rehabilitation /Surfacing of IPTS Routes | 16,200,000 | 13,000,000 | 15,000,000 |
| IPTS- Installation CCTV Equipment and Fibre for IPTS roll-out | 5,000,000 | 15,000,000 | 10,000,000 |
| IPTS-Bus Rapid Transit | 127,400,000 | 90,600,000 | 70,700,000 |
| IPTS-Supply and Installation of traffic loops and signals | - | 500,000 | 500,000 |
| IPTS - Construction of Bus Embayments in IPTS Routes | 10,000,000 | 17,500,000 | 20,000,000 |
| IPTS - Provision of Kerbside Shelters along IPTS Trunk Routes & Feeders | 7,000,000 | 8,000,000 | 10,000,000 |
| IPTS -Construction of Sidewalks along IPTS trunk and feeders | 15,000,000 | 20,000,000 | 25,000,000 |
| IPTS - Improvement of Entrance at Cleary Park Taxi Rank | 3,000,000 | - | - |
| IPTS -Reconstruct Old Uitenhage Road | 5,000,000 | - | - |
| IPTS - Widening of section in William Slammert Drive | 5,000,000 | - | - |
| IPTS-Construction of Western Suburbs Depot | 5,000,000 | 10,000,000 | - |
| IPTS - The Development of Cleary Park Depot and Terminal | 5,000,000 | 10,000,000 | - |
| IPTS - OMS APTMS Lite Phase 2 | 3,400,000 | 5,300,000 | 600,000 |
| IPTS - Interim Ticket System | 872,471 | 924,819 | - |
| IPTS - Automated Fare Collection (AFC) System | 43,300,000 | 11,100,000 | 1,400,000 |
| IPTS - Construction of a Holding Public Depot - Uitenhage | - | 5,000,000 | 20,000,000 |
| IPTS - Standford Rd / N2 Bridge Widening and pedestrian facility construction | 500,000 | - | - |
| IPTS -Widening and Upgrade of Bereng Street | - | 10,000,000 | 10,000,000 |
| IPTS - TOC Systems (Upgrading of equipment) | 500,000 | 500,000 | 500,000 |

| PROJECT NAME | 2022/23 Budget | 2023/24 Budget | 2024/25 Budget |
|---|---------------------------|---------------------------|---------------------------|
| IPTS - Construction and Upgrade of Damascus Rd from Cnr William Slammert Dr to Cnr Arburn St | - | - | 10,000,000 |
| IPTS - Construction and Upgrade of Arburn St from Cnr Dunbar Rd to Cnr William Slammert Dr | 7,500,000 | 7,500,000 | - |
| IPTS - Infrastructure Upgrades: Universal Access | 5,000,000 | 7,000,000 | 10,000,000 |
| IPTS - Extension Booyens Park Drive: Construction of Culvert Crossing, Gabions and associated works | 3,000,000 | - | - |
| IPTS - Upgrading of Njoli Street to a dual Carriageway-North | 540,000 | - | - |
| Total | 165,756,491 | 171,678,429 | 206,700,000 |

Source: NMBM, 2022

The 2022/2023 Operating Expenditure budget is summarised according to National Department of Transport cost categories in the table below.

TABLE 24: 2022/2023 IPTS OPEX Cost Categories

| COST CATEGORY | 2022/23 Budget | 2023/24 Budget | 2024/25 Budget |
|---|---------------------------|---------------------------|---------------------------|
| Employee related costs | 25,550,650 | 25,820,310 | 26,053,122 |
| Contracted Services | | | |
| Industry Transition – Independent Facilitation | 4,015,000 | 4,020,000 | 4,020,800 |
| Industry Transition – NMBM Advisory Services | 3,000,000 | 3,000,000 | 3,000,000 |
| Infrastructure and Planning – Universal Accessibility | 4,000,000 | 3,000,000 | 3,000,000 |
| Infrastructure and Planning – Engineering – Civil | 10,000,000 | 10,000,000 | - |
| Legal Costs – Legal Advice and Litigation | 2,000,000 | 2,000,000 | 2,000,000 |
| Other Contract Services | 5,386,518 | 14,233,492 | 16,065,543 |
| Review of IPTS Operational Plans | 10,000,000 | 5,000,000 | 4,000,000 |
| Stations - Safety and Security | 10,391,201 | 11,074,674 | 12,799,154 |
| Systems Maintenance - AFC | 2,500,000 | 5,000,000 | 9,600,000 |
| Transport Operations – IPTS Industry Compensation | 51,000,000 | 50,858,000 | 41,600,000 |

| COST CATEGORY | 2022/23 Budget | 2023/24 Budget | 2024/25 Budget |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| General expenses | 21,358,031 | 21,358,031 | 21,358,031. |
| Operating leases and inventory | 2,006,000 | 2,126,500 | 2,211,560 |
| Costing charges | 39,100 | 39,400 | 40,976 |
| OPEX - TOTAL | 152,787,977 | 160,450,419 | 150,494,645 |

Source: NMBM, 2022

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.

8.5 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:

Electricity landscape – changes towards more sustainable sources

The electricity landscape has been subjected to vast changes during recent times with the innovation and developments in own-generation facilities. The Eskom tariffs increasing annually at above CPIX rates, is resulting in progressively more electricity consumers branching out into alternative, more affordable power sources. The rising price of conventional electricity when compared to the energy efficient renewal products available in the market has caused many consumers to tap into these options. This is exacerbated by the price of these renewable energy sources decreasing and becoming more affordable year-on-year. It is becoming increasingly more appealing to consumers to install new or replace existing water heaters with those that can be powered through solar power, and to opt for Liquefied Petroleum Gas for cooking and heating purposes instead of conventional grid tied consumption.

The trajectory of electricity consumers becoming more price-sensitive and green-conscious is having detrimental effects on the conventional models used by distributors for electricity revenue projections. In order to prudently accommodate this phenomenon, distributors have to start structuring their revenue projections and tariff setting principles to both consider and facilitate this movement. In as much as the NMBM has as one of its strategic objectives to become an environmentally sustainable

city through proactive planning and conservation of natural resources, it simultaneously has an economic obligation to ensure that services are rendered at sustainable, affordable tariffs. The objective is to incorporate new innovative means of ensuring that consumers who move to alternative supply sources remain accountable for the use and availability of the electricity network in a fair and transparent manner. The institution is presently in the process of moving progressively towards tariff structures that will be able to accommodate the invoicing of alternative energy services in a fair, cost-reflective and attractive manner.

In considering the legal responsibility of the Municipality and its ability to deliver on its mandate, underlying support is necessary. This support is not only the legislative framework in the Constitution, relevant Acts and the By-laws, but also financial ability of the Municipality to support operating and capital budgets. The needs of communities change over time. Electricity and energy services, which are basic services and a conventional utility, remain. However, changes need to occur in the manner in which they are delivered and charged.

The Energy Mix

The current reality within the Electricity and Energy Industry is that there is a migration of customers from conventional energy sources towards renewable energy sources. This migration is made easy and catapulted by technological advancements which are constantly making renewable energy more affordable and attractive. This trend presents an opportunity to the City to consider renewable energy sources to diversify its energy portfolio.

The Ministry of Energy now permits distributors to procure power from Independent Power Producers, this presents opportunities for the Municipality.

The key principles for the diversity of our energy mix are as follows:

Energy Security

Improvement of energy security by decentralising generation capacity for the City may reduce the impact of loadshedding imposed by Eskom. The additional energy capacity will not only improve the energy security, but also improve the quality of supply into the electricity grid.

A Sustainable Business Model

In recent years the electricity business model has seen high rising cost of sales from Eskom, declining sales as a result of decrease in the consumption of electricity and a declining profit margin.

The NMBM will employ the following principles in order to diversity our Energy Portfolio:

- Facilitation

Customers are the driving force of change within the energy sector. The City needs to facilitate the installation of Renewable Energy by customers through the introduction of feed-in-tariffs and net-billing.

- Procurement

The Policy Framework is progressively being liberated to enable distributors to purchase from Independent Power Producers (IPP) and for customers to buy from IPPs. The Metro sees itself procuring from IPPs and will apply for additional capacity by following the legislated processes to allow this. Feasibility studies will be done to ensure that there is sustainability of the business and complete compliance with the policy framework. Power Purchase Agreements will be encouraged and promoted through the appropriate supply chain processes.

The Metro will promote the principle of use-of-system where power can be transferred from IPPs to the end consumer. The principle will be revenue neutral and cost reflective. This will be achieved through entering into use-of-system agreements.

- Installation

The City intends to roll-out PV renewables within the City for own-consumption. This is aimed at reducing the cost associated with self-consumption in the future.

The Municipality continues to experience electricity losses in the form of non-technical losses – 16,25% and technical losses – 6% (31 December 2021).

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.

Electricity losses can be drastically reduced using appropriate technology. In addition, new technologies and plans will be progressively introduced with the intention to reduce the reliance on subsidised funding for the electricity and energy sector. Once the electricity losses are properly controlled, there will be an increased availability of funding. Revenue enhancement models are needed for short-, medium- and long-term financial sustainability of the electricity market.

Eskom's inability to provide constant reliable electricity and the threat of continued load shedding requires innovation to become an important consideration in the day-to-day business of electricity and energy management. Strategies such as the successful geyser switching strategy, which manages demand and saves on the Eskom account, whilst preventing certain load shedding must be implemented. Effort must be put into considering ways of reducing the Eskom account. When considering the topic of load shedding and its potential impact on society, an area to focus on is the Cost of

Unserviced Energy (COUE) as a consequence of the non-availability of electricity supply.

The COUE is used to determine the value of the cost of electricity interruptions to electricity customers and the economy as a whole. It endeavours to place an economic value that gets forfeited every time the utility fails to provide uninterrupted supply to its citizen base. The socio-economic impact of an unreliable supply is thus not limited to the loss in consumption and sales revenue, but additionally opportunity cost lost through the creation of an image of unreliability and unattractiveness to a supporting economic environment.

The amendment to the Electricity Regulations Act, allowing municipalities to purchase electricity from Independent Power Producers (IPPs) must be carefully considered and possibly used to develop the renewable energy economy of the City. Such programmes as Embedding Generation Investment, that have been approved by Council should be implemented.

Council should consider Public-Private Partnerships (PPPs) as a model to obtain outcomes to renewable energy and generation. A way in which Council could obtain value from securing long-term sustainable energy would be to be a co-owner of a generation project. These models should be investigated and pursued.

8.5.1 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.

8.6 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.

8.6.1 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.

8.6.2 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.

8.6.3 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

8.6.4 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.

8.6.5 Priority Human Settlement and Housing Development Areas

The Minister of Human Settlements, Water and Sanitation has promulgated what are known as Priority Human Settlement and Housing Development Areas (PHSHDA's). These areas are identified as priority areas that can advance spatial transformation and housing delivery.

Three PHSDAs have been identified for Nelson Mandela Bay. These are as follows:

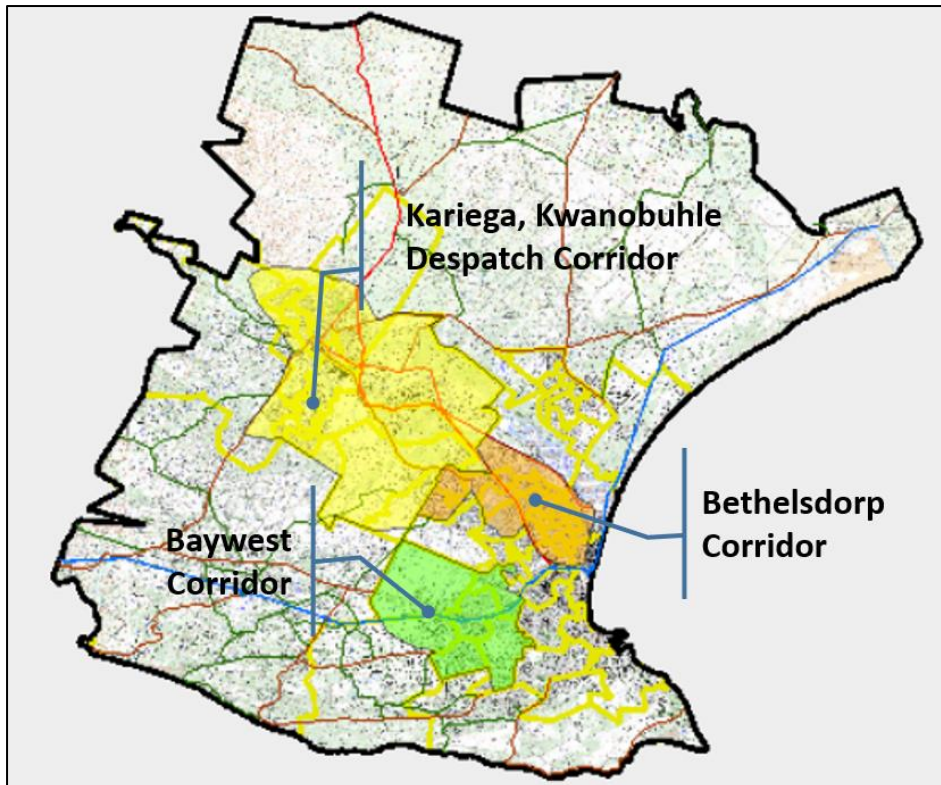
TABLE 25: Priority human settlement and housing development areas

| PHDA Number and Name | Main Places | Ward Numbers |
|--------------------------------------|--|--|
| Baywest Development Corridor | Bay West, Bethelsdorp, Charlo, Cotswold, Fairview, Fernglen, Framesby, Gelvandale, Hunters Retreat, Kabega, Korsten, Lorraine, Malabar, Mangold Park, Mill Park, Mount Pleasant, New Brighton, Newton Park, Parsons Vlei, Sunridge Park, Theescombe, Walmer, Westering | 6, 8, 9, 12, 39 |
| Bethelsdorp Corridor | Algoa Park, Bethelsdorp, Bloemendal, Ibhayi, Korsten, KwaMagxaki, New Brighton, Redhouse, Swartkops | 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 30, 31, 33, 34, 35, 37 |
| Kariega-Despatch-KwaNobuhle Corridor | Bethelsdorp, Bloemendal, Despatch, KwaDwesi, KwaMagxaki, KwaNobuhle, Kariega | 29,36, 38, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53 |

Source: Government Notice 43316-15-05-20

The following map shows the spatial location of the PHDAs:

FIGURE 28: Plan showing NDoHS Proposed Priority Housing Development Areas



Source: NMBM, 2022

In most instances, the planning for these areas is complete. Implementation Plans for the development of these areas are being refined and it is intended that public sector investment will leverage private sector investment.

8.6.6 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.

NUSP CATEGORISATION

Informal settlements in terms of the NUSP Programme are categorised in one of the following categories:

- **Category A Settlements:** informal settlements planned for formal in situ upgrading through the implementation of the national Upgrading of Informal Settlements Programme (UISP) and for which funding has already been approved.
- **Category B Settlements:** informal settlements identified for possible in situ upgrading in the future subject to additional land being identified for de-densification of the settlements.
- **Category C Settlements:** informal settlements identified for future relocation because of their current hazardous locations posing a risk to the lives and livelihoods of inhabitants.

The Municipality has, with support from officials at the National Department of Human Settlements responsible for NUSP, classified its informal settlements into 5 clusters utilizing the NUSP categorisation A, B1, B2 and C. A total of 40 informal settlements with an estimated 19 730 households have been categorised as shown below.

Ibhayi Cluster

The Ibhayi Cluster consists of 11 informal settlements and a total of 3546 households.

Northern Area (Bloemendal) Cluster

The Northern Areas (Bloemendal) Cluster consists of 10 Informal Settlements with an estimated 5322 households.

Kariega Cluster

The Kariega Cluster made up of 5 informal settlements comprising 6800 of approximately households.

Motherwell Cluster

The Motherwell Cluster comprises of 3 informal settlements comprising 922 households.

Citywide Cluster

The remainder of the informal settlements are classified in the Citywide or rest of the City Cluster, comprising of 10 Informal Settlements and approximately 3122 households.

Individual upgrading plans per settlement have been developed including livelihood strategies. Recent informal settlements that have emerged as a result of land invasion have not yet been categorised.

76 of the 156 informal settlements in the City were assessed and categorised using the NUSP tools. The assessment and categorisation of each of the informal settlements, lays the basis for the informal settlement upgrading plans, policy, strategy and programme. This process is also the first step towards developing a more viable strategy and programme. It was necessary to conduct this assessment and categorisation first, in order to determine the current status of the informal settlements. This is because it establishes the appropriate development response.

The Informal Settlements Upgrading Plan is part of the NMBM Human Settlements Plan. The main focus of the Plan is the full technical and social investigation of all the informal settlements as well as the categorisation of each settlement in term of needs and vulnerability.

The prioritisation of projects is based on technical readiness, including town planning layout approvals, general plan layout approvals, environmental approvals, completed geotechnical investigations, and the availability of bulk infrastructure. Greenfield projects are also prioritised as destination projects for relocation purposes.

The rationale for the city-wide upgrading is as follows:

- A realisation of the limitations of the conventional, formalisation approach to upgrading (RDP-type or densified housing delivery) cannot on its own address the informal settlement backlog.
- The majority of settlements remain outside of the housing programme due to factors such as funding constraints, the inherently slow process for formal housing delivery, site constraints, land acquisition difficulties, bulk services deficits, and high informal settlement densities resulting in relocations when formal upgrading is undertaken.
- Provision of essential services and other settlement improvements are far quicker and less costly to deliver the number of households that can be reached with an equivalent budget (more than 10 times the population coverage for an equivalent investment).
- Such an approach would also more effectively support inclusive city-building, it links the City Wide Upgrading Plan to other city plans such as the BEPP, SDF, IDP and City Growth Strategies.
- It builds on stronger and more functional relationships between the state, urban poor and other formations of civil society.

City-wide informal settlements upgrading should be grounded in the following principles:

- Inclusive and City-wide to reach all informal settlements
- Incremental improvements over time
- In-Situ relocations a last resort
- Partnership based with municipality, communities, CBO/NGOs, universities etc.
- Participative with communities as co-drivers

- Programmatic and area-based as opposed to focusing on individual projects/settlements
- Differentiated so that a range of local priorities are addressed and not only basic services
- Flexibility within the statutory and regulatory framework and accepting informality
- Creating norms and standards for dense settlements environments
- Institutionalisation of SPLUMA to designate in situ upgrading settlements
- Planning and funding for settlements on private land

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.

The current priority projects and those to be developed in the 2022/23 financial year are as follows:

TABLE 26: UISP Projects

| PROJECT | PROJECT DESCRIPTION | NUSP CATEGORY |
|--|--|----------------------|
| Ekuphumleni (In-situ) | Single Flushing Toilets | A |
| | Bulk Infrastructure - Upgrading of Matomela Substation | |
| | Refuse Removal | |
| | Community health risk assessment, profiling and vulnerability assessment, Epidemiological analysis, equipment and facilities for social compacts | |
| Walmer (Erf. 1948) TRA (Greenfields) | | B1 |
| Walmer Development | Bucket Eradication | B1 |
| | Community health risk assessment, profiling and vulnerability assessment, Epidemiological analysis, equipment and facilities for social compacts | |
| | Disconnection of electrical services | |
| Inkatha/Enkuthazweni | Bulk infrastructure - Upgrading of Matomela Substation | |
| Mandela Village | Bucket Eradication | A |
| | Refuse Removal | |
| Motherwell NU30 (Erf. 40009 and 40016) | Water: Installation of Standpipes and Associated Water Meter | A |
| | Bulk infrastructure - Power Transformation at Motherwell Main Substation | |
| Motherwell - NU31 | Hygiene Services | B2 |
| | Water: Installation of Standpipes and Associated Water Meter | |
| Vistaruss | Hygiene Services | B1 |
| | Water: Installation of Standpipes and Associated Water Meter | |
| | Permanent Civil Engineering Services for Sewer | |
| | Permanent Civil Engineering Services for water | |
| | Provision of Service Connections and Bulk Infrastructure | |
| | Installation of area lighting and Disconnection of Electrical Services | |
| Westville | Alternative sanitation solutions | A |
| | Water: Installation of Standpipes and Associated Water Meter | |
| Jachtvlakte | Single Flushing Toilets | A |
| | Water: Installation of Standpipes and Associated Water Meter | |
| | Bulk infrastructure establishment (New Substation - Booyens Substation) | |

| PROJECT | PROJECT DESCRIPTION | NUSP CATEGORY |
|-------------------------|--|---------------|
| Joe Slovo Kariega | Single Flushing Toilets | A |
| | Water: Installation of Standpipes and Associated Water Meter | |
| Red Location | Single Flushing Toilets | A |
| | Water: Installation Associated Water Meter | |
| | Development of Drop-Off Site | |
| Rosedale PH2 | Single Flushing Toilets | A |
| | Water: Installation of Associated Water Meter | |
| | Development of Drop-Off Site | |
| Doornhoek | Single Flushing Toilets | A |
| | Water: Installation of Associated Water Meter | |
| Kamesh Erf 3179 | Communal Ablution Facilities | A |
| | Water: Installation of Associated Water Meter | |
| Malabar Phase 2 | Single Flushing Toilets | A |
| | Water: Installation of Associated Water Meter | |
| | Bulk Infrastructure - Upgrading of Malabar Substation | |
| Ebhongweni | Single Flushing Toilets | A |
| | Water: Installation of Associated Water Meter | |
| Qaqawuli/Silvertown | Development of Drop-off Site | |
| Edongweni | Development of Drop-off Site | |
| Moeggesukkel (Uit) | Communal EnvirLoo | C |
| McCarthy | Communal EnviroSan Conservancy | A/C |
| Afganistan | Communal - Single Modular | C |
| 7de Laan | Communal EnviroSan Conservancy | C |
| Fitchet Corner | Communal EnvirLoo | C |
| Zweledinga - SeaView | Communal EnvirLoo | C |
| New Rest - SeaView | Communal EnvirLoo | C |
| Westville | Communal EnvirLoo | A |
| Ericadene | Communal EnvirLoo | C |
| Lorraine | Communal - Single Modular | A |
| Ngxazula | Communal - Single Modular | C |
| Kuyga 4 | Communal - Single Modular | C |
| Kuyga 5 | Communal EnviroLoo | C |
| Kuyga 1 | Communal EnviroLoo | C |
| | Communal EnviroLoo | C |
| (Missionvale Salt Pans) | Communal EnviroLoo | TBC |
| Govan Mbeki | Communal EnviroLoo | C |
| | Stand-pipe and water meter | |
| Vukani | Communal EnviroLoo | TBC |
| Mokaba Street | Communal EnviroLoo | TBC |

| PROJECT | PROJECT DESCRIPTION | NUSP CATEGORY |
|----------------------------|--------------------------------|----------------------|
| Ramaphosa West 2 | Communal EnviroLoo | C |
| Ramaphosa West 2 | Communal EnviroLoo | C |
| Khayalihle (Rhamaphosa) | Communal EnviroSan Conservancy | TBC |
| | Stand-pipe and water meter | |
| New Town | Communal EnviroSan Conservancy | C |
| Nomakanjeni | Communal EnviroLoo | TBC |
| Asinavalo | Communal EnviroLoo | TBC |
| Elephant Park | Communal EnviroLoo | A |
| Lingelethu 1 | Communal EnviroLoo | TBC |
| Lingelethu 2 | Communal EnviroLoo | TBC |
| Emthini Village | Communal EnviroLoo | TBC |
| Tinktinkie | Communal EnviroLoo | TBC |
| Rosedale Ext | Communal EnviroLoo | A |
| Old Lapland | Communal EnviroLoo | TBC |
| St Albans 1 | Communal EnviroLoo | C |
| St Albans 2 | Communal EnviroLoo | C |
| Kuyga 2 | Communal - Single Modular | C |
| | Stand-pipe and water meter | |
| Kuyga 3 | Communal - Single Modular | C |
| | Stand-pipe and water meter | |
| Kuyga 4 | Stand-pipe and water meter | C |
| Kuyga 5 | Stand-pipe and water meter | C |
| Fairview | Communal EnviroLoo | C |
| | Stand-pipe and water meter | |
| Sherwood (Van Rooyen Land) | Communal EnviroLoo | C |
| | Stand-pipe and water meter | |
| Masakhane Village | Communal - Single Modular | A |
| Zwide Cemetery | Communal - Single Modular | C |
| Rolihlala | Communal EnviroLoo | A |
| KwaNoxolo | Communal EnviroLoo | C |
| Goba Str | Communal EnviroLoo | TBC |
| Duka Str | Communal EnviroLoo | TBC |
| Dikiza Street | Communal - Single Modular | A |
| St Albans 3 | Communal EnviroLoo | C |
| | Stand-pipe and water meter | |
| Kuyga 6 | Communal - Single Modular | C |
| | Stand-pipe and water meter | |
| Parsonsvlei | Stand-pipe and water meter | TBC |
| Malibongwe | Stand-pipe and water meter | TBC |
| Federation | Stand-pipe and water meter | TBC |
| Ezigamtriyeni | Stand-pipe and water meter | TBC |
| Shamrock | Stand-pipe and water meter | C |
| Qunu 2 | Stand-pipe and water meter | A |
| Mc Kaizer Missionvale | Stand-pipe and water meter | TBC |

| PROJECT | PROJECT DESCRIPTION | NUSP CATEGORY |
|------------------------------|----------------------------|----------------------|
| Missionvale - Aloes Valley 1 | Stand-pipe and water meter | TBC |
| Missionvale - Aloes Valley 2 | Stand-pipe and water meter | TBC |
| Missionvale - GG's Grounds | Stand-pipe and water meter | TBC |
| Missionvale - Greenfields | Stand-pipe and water meter | TBC |
| Missionvale - Mckays Ground | Stand-pipe and water meter | TBC |
| Missionvale - Muller Ground | Stand-pipe and water meter | TBC |
| Rolihlala/Vista Village | Stand-pipe and water meter | |
| Seadatt Ground | Stand-pipe and water meter | TBC |
| Watervillage | Stand-pipe and water meter | TBC |
| Ext 34 | Stand-pipe and water meter | A |
| Midrand | Stand-pipe and water meter | TBC |
| JS West Invasions 1 | Stand-pipe and water meter | TBC |
| JS West Invasions 2 | Stand-pipe and water meter | TBC |
| JS West Invasions 3 | Stand-pipe and water meter | TBC |
| JS West Invasions 4 | Stand-pipe and water meter | TBC |
| JS West Invasions 5 | Stand-pipe and water meter | TBC |
| JS West Invasions 6 | Stand-pipe and water meter | TBC |
| JS West Invasions 7 | Stand-pipe and water meter | TBC |
| JS West Invasions 8 | Stand-pipe and water meter | TBC |
| JS West Invasions 9 | Stand-pipe and water meter | TBC |
| JS West Invasions 11 | Stand-pipe and water meter | TBC |
| JS West Invasions 10 | Stand-pipe and water meter | TBC |
| Winnie Mandela | Stand-pipe and water meter | TBC |
| Ehupholeni | Stand-pipe and water meter | S |
| Khayamnandi | Stand-pipe and water meter | TBC |
| Lilitha | Stand-pipe and water meter | TBC |
| Ncinane | Stand-pipe and water meter | TBC |
| Mphumelelwueni | Stand-pipe and water meter | TBC |
| Bhaloyi | Stand-pipe and water meter | TBC |
| Khayalihle | Stand-pipe and water meter | TBC |
| Old Hlalani | Stand-pipe and water meter | TBC |
| Mandela B | Stand-pipe and water meter | TBC |
| Mandela C | Stand-pipe and water meter | TBC |
| Mandela A | Stand-pipe and water meter | TBC |
| Green Card | Stand-pipe and water meter | A |
| Rubber Village | Stand-pipe and water meter | TBC |
| Covid 19 | Stand-pipe and water meter | TBC |
| Zinto | Stand-pipe and water meter | A |
| Kwanobuhle Area 11 | Stand-pipe and water meter | TBC |
| Heron Rd | Stand-pipe and water meter | TBC |
| Mtshini Wam | Stand-pipe and water meter | C |
| Colchester Ndlovini | Stand-pipe and water meter | TBC |
| Khayelitsha | Stand-pipe and water meter | TBC |
| Motherwell North | Stand-pipe and water meter | TBC |

| PROJECT | PROJECT DESCRIPTION | NUSP CATEGORY |
|-------------------------|----------------------------|----------------------|
| Unknown - Erf 17682/316 | Stand-pipe and water meter | TBC |
| Area K - Ward 33 | Stand-pipe and water meter | TBC |
| Emijondolo | Stand-pipe and water meter | TBC |
| Ramaphosa | Stand-pipe and water meter | C |
| MK 32 Families | Stand-pipe and water meter | A |
| Buyambo | Stand-pipe and water meter | TBC |

Source: NMBM, 2022

8.7 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.

Health Plan

Section 33 of the National Health Act, 2003 (Act 61 of 2003) places a responsibility on local government, particularly the District and Metropolitan Municipalities to develop a Health Plan which should guide the planning, resourcing and delivery of health services in each health district. The Nelson Mandela Bay Municipality does not have such a plan, however, the urgency of such a Plan to be put in place has been highlighted by COVID-19.

Disease burden

Nelson Mandela Bay faces a crisis of a burden of diseases, which include human immunodeficiency syndrome (HIV), Tuberculosis, communicable diseases, perinatal, maternal and nutritional disorders, non-communicable disease, injuries and more recently the COVID-19 pandemic. The preventative aspects of this burden of diseases rely mainly on resources applied at the local government level. This includes national government, provincial government, NGOs and CBOs as well as the private sector.

8.7.1 Municipal Health Services (Environmental Health)

Public Health Surveillance and disease prevention is a specific mandate of local government, especially district and metropolitan municipalities. Environmentally induced diseases are monitored and managed through the following programs and when properly resourced they are capable of reducing the burden of diseases significantly.

Water monitoring

Water quality and availability is monitored including the mapping of water sources and enforcing laws and regulations related to water quality management. The Municipality also ensures water safety and accessibility in respect of a safe quality (microbiological, physical and chemical) and an adequate quantity for domestic use as well as in respect of the quality for recreational, industrial, food production and any other human or animal use.

Food control

The Municipality ensures food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary raw material or raw products production, up to the point of consumption.

Waste Management and General Hygiene Monitoring (Environmental Health)

Proper refuse storage, collection, transportation, transfer and processing, materials recovery, and final disposal of refuse is ensured by the Municipality. Waste Management including auditing of waste management systems and adherence to the 'cradle-to-grave' approach is performed by the Municipality. This includes proper management of liquid waste including sewage and industrial effluents as well as proper storage, treatment, collection, transportation, handling and disposal of medical waste and hazardous waste.

Health surveillance of premises

The Municipality monitors all buildings and physical structures used for residential, public or institutional purposes (including health care and other care, detainment, work and recreation, travel, tourism, holidaying and camping) and the facilities in connection therewith and the immediate precincts. Health impact assessments of housing projects are also monitored. In addition, environmental health impacts and other assessments are conducted as part of the urban and rural land-use planning and practices.

Surveillance and prevention of communicable diseases

A role of the Municipality is to promote health and hygiene aimed at preventing environmentally induced diseases and related communicable diseases. In addition, the collection, analysing and dissemination of epidemiological data and information is done. In collaboration with the different spheres of government, epidemiological surveillance of diseases and establishing an effective environmental health surveillance and information system is conducted.

Vector control monitoring

Vector control in the interest of public health including control of arthropods, molluscs, rodents and other alternative hosts of diseases is conducted. Where necessary, the removal or remedying conditions resulting in or favouring the prevalence of or increase

in rodents, insects, disease carriers or pests is applied. In some cases, residual spraying of premises and precincts and investigating zoonotic diseases and vector-borne diseases in the working and living environment is necessary. A further function includes surveying imported cargo and livestock for the prevalence of disease vectors and undertaking serological testing of rodents, dogs and other pets or animals.

Environmental pollution control

The Municipality has to ensure hygienic working, living and recreational environments. This is done by identifying the polluting agents and sources of water, air and soil pollution. Environmental health impact assessments of development projects and policies, including assessments of major hazard installations is conducted. Environmental health hazards are identified and risk assessment and mapping thereof is undertaken. The Municipality further approves environmental health impact assessment reports and comments on environmental impact assessment applications. Furthermore, clean and safe air is ensured through emission inventory monitoring, modelling and toxicological reports, reviews and complaint investigations.

Disposal of the dead

The Municipality controls or prohibits the business of an undertaker or embalmer, mortuaries and other places or facilities for the storage of dead bodies. It monitors practices at cemeteries, crematoria and other facilities used for the disposal of dead bodies, manages, controls, and monitors exhumations and reburials or the disposal of human remains.

Chemical safety

All operators, fumigation firms and formal and informal retailers that deal with the manufacture, application, transport and storage of chemicals are monitored. Permits and licenses are issued for these premises e.g. Scheduled Trade Permits. Advice, education and training on pesticides and/or chemical safety is facilitated.

Noise control

Noise is controlled through the assessment of the extent of noise pollution and its effects on human health.

Radiation (ionising and non-ionising) monitoring and control

A function of the Municipality is to ensure the protection against any form or sources of electromagnetic radiation. This is done through ensuring proper disposal of all radiation waste materials from hospitals and other licensed establishments and the safe transportation of radioactive material to ensure compliance.

8.7.2 Environmental Management

In respect of environment management within the Municipality, the following functions are performed:

Delivery of the Environmental Sustainability Policy

The Environmental Sustainability Policy (ESP) for the Nelson Mandela Bay was adopted on 21 December 2021. This is the third iteration of an environmental policy for the institution.

The Policy represents the Municipality's commitment to fulfilling its responsibilities, where practicable, by:

- Preventing pollution and minimising waste.
- Responding to climate change threats and opportunities by either mitigating climate change or adapting to climate change.
- Encouraging the sustainable use of resources and the promotion of sustainable or green procurement.

- Protect the natural biodiversity of the geographical area in order to support ecosystem integrity.
- Provide environmental awareness to all employees of the Municipality thereby promoting custodianship of the environment.

The Policy is integrated, cuts across a range of sectors and functions, and serves as an implementation tool for all directorates in the Municipality. Its key principles are to be cascaded to every category of employee.

The Constitution compels the Municipality to take reasonable steps to prevent pollution and ecological degradation, promote conservation and secure the ecologically sustainable development and use of natural resources. The Municipal Systems Act (Act 32 of 2002) and the National Environmental Management Act (NEMA) (Act 107 of 1998), as well as other specific environmental management Acts such as the Integrated Coastal Management Act (Act 24 of 2008) also place environmental responsibilities on the Municipality.

As an organ of state, the Municipality also has to ensure that all developments are environmentally sensible and takes place in a sustainable manner. This is to comply with the National Environmental Management Act (Act 107 of 1998) and the Environmental Impact Regulations of 2014 (Government Notice Regulation 982).

Environmental and Occupational Health and Safety legislative frameworks that impact significantly on the rolling out of services in the Municipality are:

- The National Environmental Management: Protected Areas Amendment Act.
- The National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004).
- The National Environmental Management: Air Quality Amendment Act (Act No.39 of 2004).
- The National Environmental Management: Integrated Coastal Management Amended Act, 2008 (Act No. 24 of 2008).

- The National Environmental Management: Waste Amended Act, 2008 (Act No. 59 of 2008).
- The Water Services Act, 1997 (Act No. 108 of 1997).
- The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

Climate Change Response and Adaptation Plan

Climate change is broadly defined as the change in climate attributed directly or indirectly to human activity (the emission of greenhouse gases sourced from fossil fuel-based activities) which has altered the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods. This is also true for the Nelson Mandela Bay region where in the past 20 years, weather patterns have demonstrated an increase in floods, more serious droughts and an increase in wind speed and change in direction. Since 2009, Nelson Mandela Bay has tracked climate change issues and broadened the awareness of climate change within the Municipality.

There are two general approaches to combating human-induced climate change:

- Climate mitigation: action taken to reduce or eliminate the source of greenhouse gases or to enhance the absorption of greenhouse gases (“carbon sinks”).
- Climate adaptation: ability of a system or community to adjust to climate variability or extremes.

In order to solve funding and capacity challenges, mutually-beneficial partnerships with the International Council for Local Environmental Initiatives (ICLEI) and other institutions such as the Department of Environmental Affairs (DEA) on Green Economy Projects as well Law Enforcement and Compliance Programs have been established. The ICLEI-led Urban Low Emission Development Strategies (LEDS) project delivered an updated greenhouse gas inventory for the City in 2014. The previous inventory had been done in 2011, using 2007 data.

Inter-departmental cooperation particularly around electricity and energy and disaster management has also contributed to a better understanding of risk, vulnerability and resilience.

In 2015, the Municipality finalised its Climate Change and Green Economy Action Plan. This action-based plan is the first municipal response to climate change.

The Built Environment Performance Plan (BEPP) required climate risk and resilience inputs to be included, to demonstrate how the City is planning for current and future climatic risks and whether adaptive capacity is being built through sustainable spatial planning. Since 2021/22 financial year, due to the work of the Built Environment Performance Plans being absorbed into other strategic plans of the Municipality, the climate change and risk and resilience issues will need to be dealt with in all strategic plans.

Since 2009, Nelson Mandela Bay has hosted workshop, developed campaigns such as the Go Green Campaign and the Go Green Advocacy Campaign to bring awareness to residents and staff of the importance of climate change.

A Greenhouse Gas inventory was prepared in 2014 and a Climate Change Green Economy Action Plan was developed in 2015 which outlined economic opportunities, job creation and local economic development from climate initiatives e.g. renewable energy generation, sustainable tourism and technological interventions.

The responsibility for climate change is not a sectoral responsibility. All activities undertaken by the Municipality need to be conducted in a resilient manner in order to collectively mitigate against the impacts of climate change.

Climate change and resilience for the Municipality is not only a municipal function. It requires an all of society approach. The Municipality will have to partner with provincial and national government, academic institutions, research bodies, NGOs, business and the community in order to develop a proper climate change response.

Consideration has been given to creating a resilience office in a central location in order to coordinate the Municipality's climate change response.

Biodiversity

Nelson Mandela Bay is rich in biodiversity and ecological assets, which are rapidly being compromised due to unsustainable land-use practises, overgrazing, alien vegetation infestation, pollution and other environmental changes.

Five of South Africa's seven biomes converge in the Nelson Mandela Bay area which is regarded as a global biodiversity hotspot with eleven Municipal Nature Reserves and eight Private Nature Reserves. A biome is a geographically distinct community of plants, animals and their interrelationships. This biodiversity value has therefore made it imperative to create positive links between biodiversity management, human well-being and sustainable development. The Municipality's biodiversity is promoted through the planning, development and implementation of the Nelson Mandela Bay Metropolitan Open Space System (NMBMOSS).

The MOSS Conservation Assessment and Plan is a fundamental and key decision-making tool in land-use management processes and it is a critical informant of the Municipal Spatial Development Framework and Local Spatial Development Frameworks. The City was also the first to develop a Bioregional Plan, which was gazetted in December 2014. The Bioregional Plan maps out Critical Biodiversity Areas (CBA's) and gives land use planning guidelines which developments must take into account in the planning process. The Bioregional Plan is being revised along with the Metropolitan Spatial Development Framework.

The management of the 102 kilometre Coastal Zone is undertaken in terms of the Integrated Coastal Management Act, National Environmental Management Act, Marine Living Resources Act, NMBM Public Amenities By-Laws, National Water Act (pollution) and related policies; these include the Estuarine Management Directives, Coastal Access Policy and Off Road Vehicle Policy, management of public and private jetties, and slipways.

In 2014, Council approved the Coastal Management Program, which addresses coastal developmental requirements and highlights constraints relating to areas prone to high coastal sensitivity and associated impacts.

During 2016, the Coastal Development (Set-back) Line Scheme was submitted for gazetting to give effect to the protection of coastal sensitive areas, provide adequate access to people and guide development along the coast.

8.7.3 Waste Management

The objective of Waste Management Services is to provide quality sustainable waste management to the residents of Nelson Mandela Bay to ensure a clean and healthy environment by:

- Compliance with relevant legislation specifically the National Environmental Waste Management Act 59 of 2008.
- Rendering effective cleansing and refuse collection services to all residents.
- Providing a sufficient number of waste disposal facilities and managing disposal capacity by reducing waste volumes through recycling initiatives.
- Drafting and implementing a third-generation Integrated Waste Management Plan (IWMP) 2021 to 2025.

The IWMP sets out the detailed implementation measures that guide the objectives as mentioned above and focuses on the following:

- Planning that includes revision of the organogram and resource allocations to comply with proposed Department of Forestry, Fisheries and Environment (DFFE) requirements and a master plan for future expansion and development.
- Waste minimisation through the Waste Minimisation Strategy and implementing recycling projects at strategic locations.

- Waste Transfer and disposal which involves:
 - Implementing standards to deal with waste management collection services. These include timing of collection services, the provision of waste containers and refuse bags and the operation and maintenance of a fleet of refuse collection vehicles.
 - Operation of a number of waste drop-off sites and transfer stations.
 - Operation of two general waste landfill sites at Koedoeskloof and Arlington.
 - Maintaining the decommissioned sites at Ibhayi and Kwanobuhle whilst ensuring legal compliance.
- The control of illegal dumping through community education and enforcing the updated Waste Management By-laws.
- Implementing a Public Awareness Strategy by conducting pilot programmes and awareness raising activities.

The following is the IWMP Budget requirement for the period 2021 to 2025:

TABLE 27: IWMP Budget requirement (2021 to 2025)

| Targets | Capital | Operational |
|------------------------------------|----------------------|----------------------|
| Planning | R 5,100,000 | R 1,300,000 |
| Waste Minimisation | R 3,965,000 | R 1,300,000 |
| Waste Transfer and Disposal | R 164,075,000 | R 35,700,000 |
| Illegal dumping | R - | R 4,400,000 |
| Public awareness and communication | R - | R 400,000 |
| Legislation and enforcement | R 2,500,000 | R 3,000,000 |
| Staff development | R - | R 3,000,000 |
| Financial | R - | R 1,000,000 |
| Miscellaneous Items | R 45,400,000 | R 51,780,000 |
| TOTALS | R 221,040,000 | R 101,880,000 |

Source: NMBM, 2022

8.7.4 Parks and Cemeteries

Parks and Cemeteries is committed to create and maintain landscaped areas in municipal land, which are zoned as Public Open Spaces and Cemeteries in a sustainable, aesthetic, eco-friendly and safe environment. This enhances the marketability of the City and improve the quality of life for all residents.

The priority areas of focus are:

Safe Public Open Spaces Management

- Ensure well-maintained and secure Public Open Spaces that are beneficial to the health and safety of communities.
- Ensure the enhancement of and beautifying of the City through the development and upgrading of Public Open Spaces.

Cemetery Management

- Ensure provision of well-maintained and secure cemeteries that adhere to prescribed standards for burials.
- Ensure ongoing computerisation of cemetery records including auditing of paper-based burial records.
- Ensure compliance with COVID-19 related issues at Cemeteries.
- Ensure provision of burial space.

Playground Management

- Ensure provision of well-maintained and safe playground equipment for the benefit of communities.

Grass Cutting

- Grass cutting to be done on a bi-monthly basis metro-wide.

Tree Maintenance

- Attending to complaints regarding removal of dead and dangerous trees and trimming of overgrown trees metro-wide.

Vegetation Control

- Rough cutting to be done thrice annually on overgrown municipal property metro-wide.
- Adhering to complaints associated with bush clearing on overgrown municipal properties.
- Spraying of weeds on roads thrice annually metro-wide.

8.7.5 Occupational Health, Safety and Wellness

The Municipality has a legal, social and strategic responsibility to protect, preserve and invest in employees' health, safety and wellness. In this regard, the Municipality provides:

- an integrated, Sustainable Employee Health and Wellness Management System; and
- a sustainable Occupational Health and Safety Management System.

As part of the Occupational Health and Safety Management System, the Municipality is focusing on the following:

- Ongoing medical surveillance (statutory and executive) of employees and serving Councillors. A mobile unit has been procured to bring services closer to employees.
- Sick absenteeism analysis and specialist intervention.
- Financial education and debt management programme.
- Support mechanisms aimed at reducing substance abuse and promoting responsible alcohol use.
- Development and implementation of an Occupational Health and Safety Management System Standard (OHSAS) (18001:2007) for hazard identification, risk assessment and control.
- Construction safety management.
- Emergency preparedness and evaluation in high rise buildings.
- Workplace Occupational health and safety management.

Workplace HIV and AIDS

The Municipality is implementing intervention strategies to respond to the challenges of HIV and AIDS in the workplace. Each intervention is linked to the priority areas, goals and objectives of the current National Strategic Plan (NSP), the four priority areas of which are as follows:

- Prevention
- Treatment, care and support
- Monitoring, research and surveillance
- Human Rights and access to justice

The municipal intervention includes:

- Establish, review and communicate an HIV and AIDS and Wellness and related workplace procedures that express overall direction and demonstrate commitment to implementation.
- Identify and train behaviour change agents that can influence, teach and support positive and health-seeking behaviour.
- Provide onsite care and support services for employee wellness and encourage active participation in wellness support groups and other initiatives.
- Mobilise medical schemes to partner with Occupational Health Services in order to improve on HIV Counselling and Testing and Wellness Screening.

Anti-Retroviral Treatment (ART)

The NMBM Employee Wellness Centre has been accredited by the Eastern Cape Department of Health, to provide ART for municipal employees. This treatment programme is meant for all employees who are in need of treatment. The programme excludes employees who are covered by medical aid, unless they have exhausted the benefits allowed by the medical aid for HIV and AIDS treatment.

In the case of employees who have exhausted their medical benefits, Council will take over treatment only if the standard treatment regime offered through its Workplace Treatment Programme would be adequate and would pose no medical risk to the employee.

Vaccination

Nelson Mandela Bay Municipality at the Employee Wellness Centres (Walmer and Kariega) has been accredited by the National Department of Health to provide vaccination (Pfizer and J&J) to all municipal employees and Councillors. The vaccination programme is meant to stop the transmission of COVID-19 from one employee to another. All employees are expected to be captured in an Electronic Vaccination Data System (EVDS) for self-registration. Vaccinations are voluntary and no payment is required.

8.7.6 Metro-wide HIV and AIDS and TB Multi-Sectoral Response

HIV/AIDS and TB are viewed not only as a health issue, but also as a socio-economic developmental and human rights issue. Hence the framework and handbook for municipalities to respond to HIV/AIDS and TB has been developed as a guiding tool. Local government has to champion the fight against the epidemic, plan an integrated approach that will mitigate the impact of HIV/AIDS, TB and create an enabling environment for economic and social development.

Nationally it is the intention to:

- Reduce HIV incidence in the Eastern Cape by 50%
- Reduce TB incidence by 50% and STI incidence by 50%
- Initiate at least 80 % of eligible clients on antiretroviral therapy (ART) with 70% alive on treatment for more than 5 years after initiation
- Reduce number of new TB infections as well TB deaths by 50%

A multi-sectoral approach is imperative. Partnerships should be established to coordinate, monitor and evaluate the impact made by internal and external stakeholders. Mainstreaming requires all roleplayers to participate and therefore public participation, consultation and engagement is important. This empowers the institution and communities to understand the epidemic and how to respond. The establishment of Ward War Rooms / Social Labs at ward level will assist to mainstream HIV/AIDS and TB socio-economic issues.

The following are the key focus areas of Nelson Mandela Bay for intervention:

- Orphans and vulnerable groups.
- Establishment of ward-based forums/cluster ward forums.
- Improve food security and nutrition.
- Gender transformation.
- Improve universal access to basic services and life sustaining resources.
- Coordination of local level response by external and internal stakeholders.

8.8 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

8.8.1 Arts, Culture, Heritage and Libraries

Arts, Culture, Heritage, and Libraries have the ability to promote literacy, social cohesion and cultural tourism. The development of sustainable infrastructure, as well as the arts collective, provides an environment conducive for the growth and development of the creative sector. For Nelson Mandela Bay to become a city that attracts opportunities for economic growth and with that takes care of the well-being of its citizens, the creative cultural sectors as well as literacy must be active and thriving through incoming investment projects or programs or outward export of excellent talent driven products.

The continued establishment of infrastructure is important for economic development. The development of Arts and Culture Centres will be planned to service six clusters incrementally. In the short term, the Mendi Art Centre will continue to be completed as the first priority, whilst planning will be considered in the mid-term to long-term for Kariega/KwaNobuhle and Motherwell Areas.

Heritage in line with the priorities of social cohesion and nation building must be preserved and activated through the establishment of resources that must be well managed, maintained, used and celebrated. Furthermore, the liberation heritage resources that are established, as well as those that must still be developed, should form part of the National Heritage Liberation Route with the long-term objective to create a heritage register for the City.

This register will enable the City to grade its resources and also the resources to be recognised and to contribute to local cultural tourism opportunities. The creation of a socio-cultural heritage map of Nelson Mandela Bay remains a priority, wherein programmes such as Heritage Month, the renaming of municipal assets, repatriation and reburial of fallen heroes and heroines, advocacy programmes around significant heritage resources will continue to be implemented annually.

The added advantage of being the Nelson Mandela Bay Municipality lends itself to the nurturing of the history of the legends and the legacy of Nelson Mandela through initiatives that will drive social cohesion through arts and culture initiatives.

Nelson Mandela Bay has two museums and an art gallery, namely the Red Location Museum of Struggle and the Nelson Mandela Metropolitan Art Museum and Red Location Art Gallery.

The two Museums are internationally acclaimed and award-winning facilities. The art collections, which are of national significance, will be recorded on the database of the South African Heritage Resources Agency, in preparation for a formal nomination to have the collections declared a National Cultural Treasure. The provision of suitable accommodation for the Art Museum's collections is a matter that needs urgent attention, and provision for the development of a new Art Museum building that will meet the International Council of Museums' professional standards is a priority. In preparation for the upgrading of the Art Museum, it will be necessary to conduct an in-depth study of the Museum's operational requirements over the next five years.

The identification, development, sustainability of cultural precincts contributes to establishing infrastructure and other significant spaces where both creative and cultural industries may find expression. This in turn encourages tourism.

An existing precinct is the Red Location comprising the Museum, Art Gallery and Digital Library. The Red Location Cultural Precinct has faced enormous challenges precipitated by community protests related to the housing rectification process. Processes are being undertaken to resolve the impasse.

Guiding Principles

The following are the guiding principles of the Arts, Culture, Heritage and Libraries function:

- Establish Nelson Mandela Bay as South Africa’s Arts capital for Cultural and creative industries.
- Create a conducive environment for a viable cultural economy through setting up of infrastructure and programming that will sustain development of the Arts and cultural/creative industries.
- Create strategic platform opportunities to showcase local talent to encourage a viable cultural economy.
- Develop sustainable arts and culture precincts:
 - New Brighton - Red Location is to be fully developed (the final two institutions, the Performing Arts Complex and the School for the Arts, being built) and all five institutions operating at an international level.
 - Feather Market Centre/Athenaeum/Mandela Bay Theatre Complex (Opera House)/Nelson Mandela Metropolitan Art Museum/Route 67 and other facilities are to form a cultural precinct in the City Centre and are to be developed to become world class facilities.
- Develop sustainable relationships with cultural institutions (inclusive of sister city agreements):
 - The Mandela Bay Theatre Complex (Opera House) either working in alignment with the Municipality’s strategic program priorities, or becoming part of the Municipality’s cultural profile.
 - South End Museum programs aligned to heritage program of NMBM.
- Develop sustainable heritage through ensuring safe, well maintained and active heritage sites the establishment of:
 - The Nelson Mandela Bay Heritage Liberation route
 - Active, well maintained Heritage sites around the Metro
- Advocacy and awareness programmes.
- Memorialisation of eminent histories through the creation of sites, research and lectures.
- Renaming of municipal assets.
- Develop Community Arts Centres in the Red Location, KwaZakhele/Zwide, Gqeberha’s Northern Areas, Kwa-Nobuhle and Motherwell. These are to be community incubators for the arts, with the best offerings going on to perform in the Red Location and the Opera House.
- Repatriation and reburial of fallen heroes.

Provision of Libraries

Public Library and Information Services provides resources in various formats to the entire population of the metropolitan area and the varied communities that reside therein, to foster a life-long reading culture. The Library and Information Service implements programmes that inculcate a strong sense of pride in and knowledge of all aspects of culture, heritage and the arts, while building mutual respect, tolerance and intercultural exchange, as well as to facilitate the emergence of a shared cultural identity characterised by diversity.

Libraries are centres for reading, learning and information and it is therefore critical to ensure the improvement of infrastructure that will enable the citizens of the Metro to access information with ease.

Whilst the key priority of Library Services within Nelson Mandela Bay remains ensuring access to information for its communities, it is also a significant catalyst in the growth of democracy. As a priority, Libraries promote a culture of reading through programmes targeting all sectors of society in the key local languages; namely English, isiXhosa and Afrikaans, in addition to the provision of library services, which include the circulation of resources to the public.

It is important to recognise that Library Services of the Municipality remains an unfunded mandate, noting that the funding received from the Eastern Cape Department of Arts and Culture is insufficient to meet the needs. There are 26 existing facilities in the Municipality able to provide library services, complemented by outreach and modular library outlets. The Main Library that has been closed to the public will continue rehabilitation for projected completion by 2023.

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, Booyensens 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.

8.8.2 Beaches, Resorts and Events Management

The Nelson Mandela Bay Municipality participates in the International Blue Flag Programme which contributes to the mandate and service delivery objectives of providing world class beach recreational facilities. Beaches that are currently part of the full Blue Flag programme are: Humewood Beach, King's Beach, and Hobie Beach. Beaches that are part of the preparatory phase for the Blue Flag programme or Pilot phase are: Wells Estate Beach and Blue Water Bay Beach. The pilot phase lasts for four years after which the beach is entered in to the full status programme.

A process of renewing a 3-year sponsorship agreement with Lifesaving Nelson Mandela Bay will be approved in the near future. The agreement ensures that all bathing beaches have additional lifeguards on weekends and public holidays in order to deal with the influx of bathers during these times. The City recognises the

importance of coastal recreational spaces and associated infrastructure as key areas that should be upgraded and maintained.

Development, upgrade and management of the City's Resorts

The Resorts Development and Management Policy was approved by Council in 2018. The primary objective of the Policy is to guide development and management of the resorts in Nelson Mandela Bay. The policy proposes various management mechanisms that can be used to manage resorts. A priority is Beachview Resort for which there is a proposal. Other resorts will follow.

Co-ordination, implementation and hosting of key strategic city events

Nelson Mandela Bay is proposed to be an events preferred City. This requires safe and world class facilities. NMBM is affiliated to the South African Events Safety Council (SAEC) which will assist the Municipality in complying with its events requirements.

The following activities inform the events management and implementation of the strategic events:

- Review process of the NMBM Events Policy and Events By-Law which is under way.
- Development of the City's Annual Events Calendar which forms part of the Annual Implementation Programme.
- Events Management compliance with the Safety at Sports and Recreational Events Act (SASREA) which forms part of the Annual Implementation Programme.
- Events compliance is implemented for all events including private events through the Events Planning Committee, which forms part of the Annual Implementation Programme.
- Co-ordination of the City's Strategic Events process which includes proactive and reactive bidding process. The process conforms to the approved NMBM Events Policy which forms part of the Annual Implementation Programme.
- Ensure partnership of NMBM in organisations such as South African Events Council.

FOCUS FOR THE FIVE-YEAR IDP PERIOD

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 Ebubeleni 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

8.8.3 Sport and Recreation

Nelson Mandela Bay Municipality must create an enabling environment for federations to organise sport that contributes to the success of our nation.

In terms of the White Paper on Sport and Recreation, 2011; it is the responsibility of Local Government to:

- Develop Sport and Recreation Policies
- Implement and monitor sport and recreation policies
- Provide funding for its principle agencies, clubs and individuals
- Develop, upgrade, maintain and manage infrastructure for sport and recreation in the Municipality

In addition, Sport and Recreation South Africa through the National Sport and Recreation Plan (2011) identifies Local Government as a delivery partner in 43 key activities outlined in its Implementation Plan.

The demand for sport and recreation infrastructure must be considered in the context of the following key aspects:

- Its role in the development of sustainable human settlements; ensuring social cohesion; nation building; lowering incidents of crime and substance abuse in communities; and the general health and wellbeing of communities.
- The promotion of sport and cultural tourism
- The economic impact of hosting major sport, recreation and cultural events
- The contribution towards profiling the destination

The key responsibility of the Sport and Recreation function is to plan, provide and manage sport and recreation infrastructure. This must be done within the legislation norms and standards.

The norms provide a definition of sport and recreation facilities, a classification system to categorise them, and local examples of such facilities. It goes on to provide the legislative framework that regulates the planning, provision, management, maintenance and protection of the future use of facilities.

It provides an integrated, holistic approach to the problem of facilities planning and provision. It encourages a clustered approach to the planning of new developments, rather than the traditional stand-alone development of sport facilities that have no adjacent economic activities or hubs to make them sustainable.

The provision and maintenance of facilities form the foundation for the entire sport and recreation system. Within this context, facilities encompass the provision of the equipment as well as the provision of basic services required by the facility to be functional. We therefore move from the premise that participation in sport and recreation is a right not a privilege.

Sustainable Sport and Recreation Infrastructure

The impact of vandalism and theft have rendered certain facilities like NU 29 Multi-purpose Centre, Finnis Street Sport Field, Windvogel Sport Field and the Schauderville Pool no longer fit for purpose. Condition assessments and structural assessments of the vandalised facilities will be undertaken. The assessments will be used to develop a Revitalisation Plan. The Revitalisation Plan will also include other strategic sporting assets.

The following sport facilities have been identified as strategic assets for sport development and the promotion of sport tourism and local economic development:

- NMB Stadium
- St. Georges Precinct (cricket stadium and surrounding sport facilities)
- Newton Park pool
- Isaac Wolfson Stadium
- Gelvandale Precinct Facilities (stadium, sport fields and pool)
- Westbourne Oval Precinct
- Kariega Indoor centre
- High Street pool
- Raymond Mhlaba Sport Centre Precinct
- Jabavu Stadium/Precinct
- Dan Qeqe Stadium
- Chevrolet Stadium
- NU2 Stadium
- Young Park Tennis/Netball Facility
- Kwanobuhle Multi-Purpose Sport Facility
- Despatch Rugby Stadium

The following sport infrastructure projects are planned for implementation up to 2023/24 financial year:

- Planning and construction of Multi-Purpose Centres in Wards 17; 21; 34; 42; 45 and 55.
- Completion of Gelvandale Astroturf Sportfield.
- Replacing of cork floor – Uitenhage Indoor Sport Centre.
- Rehabilitation of Uitenhage Central Sport Stadium infrastructure.
- Rehabilitation of the St George’s Pool

Investment in revenue generating sports infrastructure can assist to deliver economic impact into the local economy and social benefits to communities.

For the next few years the emphasis will be on the upgrading and rehabilitation of existing sport and recreation infrastructure in terms of the above-mentioned precincts and the development of new facilities in under-developed areas, new human

settlements and the peri-urban areas like Rocklands, Witteklip, St Albans and Colchester and KwaNobuhle areas.

Strategic Sport and Recreation Projects and Programmes

The Municipality will continue to implement the following strategic sport and recreation events and programmes:

- IRONMAN African Championships
- Lifesaving National Championships
- COSAFA Women's Championships
- NMBM Surf Pro Series
- Eastern Province Athletics Legacy Project
- Herald Cycle Tour
- Annual NMB Sport Summit/Indaba
- National and International Aquatic Championships in partnership with Swimming SA
- Rugby Test Matches in partnership with EPRU and SARU
- Financial support towards professional sport:
 - Chippa United Football Club
 - EP Cricket Warriors
 - Eastern Province Rugby
 - ABC Motsepe League Clubs under SAFA
 - Partnership with NMB Boxing Promoters Association
- Mayoral Cup

Sport for development will also focus on the following programmes:

- Campaigns addressing social issues e.g. drug and alcohol abuse, and gangsterism amongst the youth.
- Programmes focusing on youth, women in sport, the aged, people with disabilities.
- Programmes that promote active and healthy life styles.
- Mass participation in sport and recreation activities.

- Development of Sport and Recreation Hubs around all Indoor Sport Centres or Multi-Purpose Centres.
- Learn to Swim Programmes.
- Capacity building in sport administration.
- Sports equipment support.
- Activity based support.
- Event hosting support.

FOCUS FOR THE FIVE-YEAR IDP PERIOD

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.

8.8.4 partnerships to optimise sports, recreation, arts and culture

The Municipality should explore external funding and strategic partnerships with provincial, local and international structures. The private sector also needs to be brought on board and encouraged to invest in sport, recreation, arts and culture.

Public-Private Partnerships can play a role in optimising service delivery, however, any agreements must comply with the regulatory framework.

The function can also be optimised in outreach programmes and training of staff. The following activities should also be undertaken:

- Increasing the utilisation of digital platform
- Increasing visibility through media
- Applying tariffs
- Conducting outreach art programmes

- Conducting more school art programmes
- Increasing the utilisation of digital platform
- Increasing visibility through media

8.8.5 Social and economic significance of events

Events create not only temporary employment but also has the potential to create long term employment. The event can also be used to expand business sectors and implement much needed structural change to the local economy. The temporary employment created can also assist in providing some form of experience and qualifications for low-skilled workers who can subsequently find better employment which will result in the reduction of poverty and unemployment.

The sectors that would benefit from an event include:

- Local artists form the creative and cultural industries
- Food vendors
- Venue cleaning
- Safety and security companies
- Transport and Logistics sector
- Accommodation and Tourism Industry
- Schools
- Early Development Sectors
- There are opportunities for:
 - Skills development
 - Volunteering opportunities
 - Empowerment through workshops
 - Donations to local schools, community clubs and charities
 - Athletes benefit through prize money and are promoted as a brand from Nelson Mandela Bay

Events include:

- Summer Season Festival
- Splash Festival
- Ebubeleni Music Festival
- Cosafa Woman's Cup
- Ironman 70.3
- Ironman Africa Championships
- NMBM / Athletic South Africa Half Marathon
- Herald Cycle Tour
- Artistic Swimming Olympic Championships

8.9 ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE

8.9 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.

8.9.1 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.

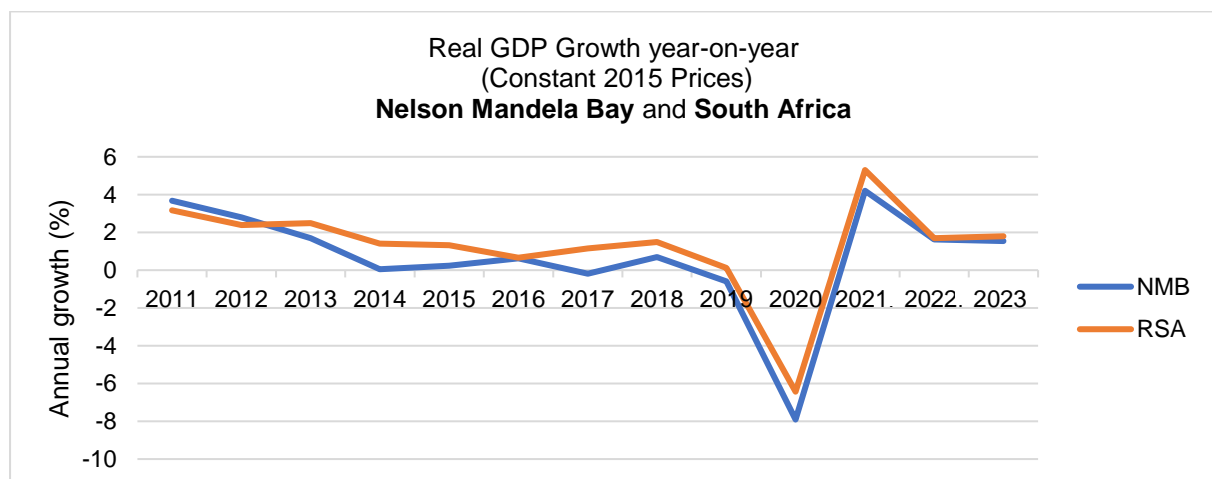
At a national level, the South African Reserve Bank currently estimates that the economy of South Africa grew by 4.8% in 2021 (following -6.4% growth in 2020) and expects the economy to grow by 1.7% in 2022.

8.9.2 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.

FIGURE 32: Real GDP Growth year-on-year



Source: NMBM, 2022 (IHS Markit data)

8.9.3 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.

8.9.4 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:

| | April-June 2020 | Jul-Sep 2021 | Change |
|-------------------------|----------------------------|-------------------------|-------------------------|
| 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.

8.9.5 Creation of a conducive climate for investment

Intensifying efforts of investment promotions and facilitating investments in productive sectors of the economy remain critical for the economic reconstruction and recovery of the Nelson Mandela Bay region post COVID-19 pandemic. As such, in October 2020, the Municipality adopted the City-wide Investment Incentive Policy.

The Policy provides a guide to improve the economic competitiveness of Nelson Mandela Bay in order to attract, secure and grow domestic and foreign investment. The Policy remains a key investment policy instrument to be utilised for attracting and retaining investments in the metro as well as reducing the cost of operations for investors within the first few years of their investment operations in the City.

The municipality in partnership with the private sector, led by the Nelson Mandela Bay Business Chamber is implementing the Adopt-A-Substation concept which is a partnership to protect municipal electrical infrastructure and thereby improve investor confidence. Over the next five years, additional public-private partnerships (formal and informal) to maintain and enhance existing infrastructure and business-focused service delivery (particularly in industrial and tourism precincts) will improve the investment climate in the City.

Key programmes to achieve conducive business environment include:

- Provision of economic infrastructure (water, electricity and ICT).
- Enterprise Development and Support to foster innovation and entrepreneurial activity.
- Skills development and support to ensure industry skills availability and alignment.

- Competitive business support to reduce regulation and red tape and support new businesses, export and productivity.
- Internal coordination of directorates responsible for business related municipal services.

8.9.5.1 Investor One-Stop-Shop

To complement the Municipality's efforts of creating a conducive investment environment, the Municipality is intensifying its efforts of establishing Nelson Mandela Bay Investor one-stop shop. Support for the one-stop shop has been received from numerous economic stakeholders. The Investor One-Stop Shop intrinsically forms part of the soft incentives identified in the Municipality's Investment Incentive Policy. The Investment Incentive policy recognises the importance of the investor One-Stop Shop and the contribution to the attraction, facilitation and retention of investments.

Empirical evidence shows that countries/provinces/cities that have been able to attract, facilitate and retain large amounts of investment for their economies are those that have streamlined their investment related processes through the establishment of one-stop shops. The NMB One-stop Shop will therefore act as link between the investor and the Municipality, and other institutions (such as, CDC, NMBBC, MBDA and ECDC) responsible for investment facilitation.

the One-stop Shop focuses on:

- Integrated marketing and promotion of Nelson Mandela Bay as an investment destination.
- Facilitating the expedient processing of applications submitted by investors to the Municipality, such as:
 - Building plans
 - Clearance certificates
 - Municipal comment on EIAs
 - Rezoning
 - Water and electricity connections
- Provide investment aftercare services.

- Identify constraints and solutions to increase investment.
- Assist investors with:
 - EIA applications to DEDEA
 - Applications for incentives offered by the dtic
 - Applications for investment finance by development finance institutions
 - Identifying local joint venture partners for foreign investors where required
 - Negotiations with other spheres of government

Furthermore, the Municipality will continue to engage organised business in the City in an attempt to boost business confidence and assist with fast-tracking the resolution of some challenges faced by the investors in the municipal area. The investor one-stop shop would serve as a conduit for capturing and addressing challenges faced by investors.

To further create a conducive environment for investment NMBM is actively involved in the Sub-National Doing Business programme.

8.9.5.2 Sub-National Doing Business

A “Doing Business in South Africa” Survey (SNDB) was undertaken by National Treasury in 2015 and 2018 among the nine South African Metropolitan Municipalities. The survey measured the performance of cities in relation to the cost of doing business over three indicators: construction permits, registering property and getting electricity. No updated surveys have been done, but Nelson Mandela Metro’s rating in the two surveys out of the nine Metro are:

| INDICATOR | 2015 | 2018 |
|----------------------|-------------|-------------|
| Construction Permits | 6 | 5 |
| Registering Property | 5 | 5 |
| Getting Electricity | 9 | 9 |

There has been improvement in these indicators, but it is evident from the above figures that there is not sufficient improvement. Hence, progress is being closely monitored within the Office of the City Manager through monthly progress reports and intervention requirements being presented to EXCO.

In order to facilitate the automation processes which is the major requirement to improve the SNDB indicators, relevant Directorates have been requested to make budget provision for the 2022/23 financial year for design of the automation processes as well as procurement of hard and software. Once budget is available, a service provider will be procured. It is anticipated that the design and implementation process will take approximately one year. If this is successful, the roll-out of automation will take place for other municipal functions. Automation will assist with streamlining of processes and ensure faster and more efficient service delivery.

National Treasury tracks the progress of SNDB implementation through quarterly reports and active involvement in forums of support to municipalities in the three identified areas.

8.9.5.3 Business Retention and Expansions

The Municipality will continue to support and promote its traditional industries of manufacturing especially the automotive sector, tourism, pharmaceutical, retail and construction, while making a determined effort to move towards more knowledge-intensive, high-value and internationally competitive economic activities.

Re-investment by existing companies is also encouraged not only to ensure the retention of existing jobs, but also to create new jobs. It is of critical importance that growth strategies for labour intensive sectors such as tourism, construction/property development, business process outsourcing and off-shoring are developed.

The Municipality continues with its plans to retain and encourage re-investment by existing companies in the municipal area through the utilisation of its investment incentive policy which was adopted in October 2020.

8.9.6 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.

8.9.7 Development of Key Growth Sectors

The following sectors have been identified as key sectors to support the economy of Nelson Mandela Bay.

(a) Ocean Economy

National Government's Operation Phakisa identifies six priority growth areas which Nelson Mandela Bay can take advantage of to enhance its role in the ocean economy. These are:

- marine transport and manufacturing
- offshore oil and gas exploration
- aquaculture
- marine protection services and ocean governance
- small harbours work stream
- coastal and marine tourism

Some of the key opportunities that are being explored are shipbuilding and repair facility, aquaculture development (land-based and sea-based), fishing industry development, Maritime Institute for skills development, etc.

Roughly a quarter of the South African coastline is situated in the Eastern Cape, and Nelson Mandela Bay with its two ports – Port Elizabeth and Ngqura – serves a critical role as the trading and infrastructural hub of the Eastern Cape. The PE harbour plays an important role in the movement of clean cargo, automotive parts and vehicles, while the deep-water Port of Ngqura, is located within Coega, South Africa’s largest Special Economic Zone (SEZ).

As part of its Gas-to-Power Programme, the National Department of Energy has identified the Coega Special Economic Zone as the preferred site to build a new 1,000MW liquefied natural gas (LNG) plant.

The city-region has a dedicated formal maritime cluster, the Mandela Bay Maritime Cluster, which has forged stronger partnerships between local government, business, and academia for the benefit of the region.

The establishment of a specialist Ocean Sciences Campus in 2017 at the Nelson Mandela University is another factor supporting the growth of the local maritime sector. The South African International Maritime Institute (SAIMI), also headquartered in Nelson Mandela Bay, plays a much-needed role between industry and educational institutions, with the aim to strengthen maritime education, research and skills development.

(b) Tourism

Tourism is one of the critical sectors that has been identified by the municipality to accelerate socio-economic development with a focus on skills development and creation of entrepreneurial opportunities. There are three fundamental challenges that faces the tourism sector in Nelson Mandela Bay:

- The industry has been severely impacted by COVID-19 resulting in a number of business closures, down-scaling and laying-off of many employees.
- Lack of transformation in the industry remains a key concern with huge disparities across all demographics and tourism sub-sectors.
- Resources to revive and fast-track the development of the tourism industry have shrunk enormously.

In addressing these challenges, the Municipality will implement the following interventions:

- Development and implementation of a five-year tourism strategy that will not only respond to impacts of COVID-19, but also address transformation through investment, facilitate Black-Economic Empowerment, township tourism and skills development.
- Strengthen partnerships with provincial and national government departments and agencies to mobilise resources to stimulate the development and promotion of the tourism industry.
 - Mobilise and extensively engage the business sector with a focus on small and black-owned tourism businesses to participate in the tourism recovery process. In addition, EDTA will provide awareness and support interested tourism SMMEs to tap into the following provincial and national interventions: The Tourism Equity Fund under the auspices of the National Department of Tourism.
 - The Job Stimulus Fund under the administration of Eastern Cape Development Corporation on behalf of the Provincial Department of Economic Development Environmental Affairs and Tourism.
 - The Local and Regional Economic Development Fund under the auspices of the Provincial Department of Economic Development Environmental Affairs and Tourism.

The municipality is leading the development of a Tower of Light which is envisaged to become a catalytic tourism landmark to commemorate the life of Nelson Mandela. In the previous IDP cycle, a business plan was developed, St Georges identified as a site and approved by council. The activities that are anticipated in the current cycle of

the IDP is community and stakeholder engagement, detailed planning and design, heritage and environmental impact assessment and ultimately packaging for investment. Another project that has undergone a preparatory phase in the previous IDP cycle is the transformation of Bekile Building (the old beer hall located opposite Phakama Building in New Brighton) into a community tourism hub based on council resolution. A business plan was completed in partnership with Eastern Cape Parks and Tourism Agency. In the current IDP cycle, detailed planning, community consultation and lobbying of financial resources are among the activities that will take place.

The Municipality will continue, in partnership with MBDA to accelerate the preparation of other significant capital projects intended to unlock the development and growth of the tourism industry. The facilitation of these projects is aimed at securing potential investors. These projects include Baakens Valley, Iconic Landmark Precinct, Bay World, Telkom Park, St. Peters and Fort Fredericks Heritage Site. Narrative on these projects is captured under MBDA.

Furthermore, interdepartmental relationships between Sports, Recreation, Arts and Culture and the Public Health Directorates have been identified as important to develop, maintain, restore and reposition municipal infrastructures such as resorts, heritage buildings and nature reserves to diversify the tourism offerings, increase tourist's arrival and ensure a balanced geographical spread across the city.

(c) Agro-processing

Agro-processing is identified in the National Development Plan as a key vehicle for creating jobs and growth. Strengths of this sector in Nelson Mandela Bay include existing industries, an agricultural hinterland and the SEZ to support industry. Some of the key initiatives include mohair processing and export, processing of dairy products and the export of other agricultural products such as citrus fruit. This sector is, however, constrained by trade policies, lack of skills, loss of productive land and zoning limitations as well as a lack of coordination between stakeholders. Work is underway to ensure meaningful participation of SMMEs in the industry and a program

to develop SMMEs is being designed in collaboration with the Provincial Department of Economic Development, Tourism and Environmental Affairs.

The program considers the existing value chains such as the prominent animal production corridor in Kariega/St Albans as well the animal product value addition facilities in the industrial areas of the City. In addition, the program considers the Fresh Produce Market Facility as a platform to develop value addition and food processing in collaboration with industry and key government departments.

The Agro-processing initiatives are supported by primary agriculture production located in the Sarah Baartman District Municipality which has been hit by drought and water shortages, like many areas of the country. With dam levels decreasing daily, agricultural production faces the serious risk factor of drought. Working with various sector departments, Nelson Mandela Bay Municipality is finding solutions to water preservation and effective catchment.

(c) Trade and Investment

A strong focus is placed on Trade and Investment facilitation through strengthening domestic and international partnerships, increasing the region's export base, and attracting investment. To achieve these objectives, the Trade and Investment function focuses on:

- Promoting Nelson Mandela Bay as a preferred investment destination.
- Facilitating trade through participation on both international and local exhibitions with a view to assisting local companies to access international markets via the Export Helpdesk.
- Training, developing and raising awareness of exports.
- Identifying, developing and packaging investment opportunities.
- Attracting and retaining investments in the municipal area.
- Strengthening collaboration and partnerships with the Nelson Mandela Bay Business Chamber, Eastern Cape Exporters and other clusters in and around Nelson Mandela Bay.

The Municipality will continue to lead targeted investment promotion programmes/activities (outward and inward international investment missions) to and from targeted strategic markets in partnership with the ECDC and the Department of Trade, Industry and Competition.

(d) Township Economy

Nelson Mandela Bay concluded a Capacity Support Implementation Plan with National Treasury for technical support under the Cities Support Programme (CSP) in 2019. In terms of the economic component of this agreement, technical support is provided for the Township Economic Development (TED) Programme. It is a 3-year programme with technical support in the form of a multi-disciplinary professional team to assist the Municipality to conceptualise an economic development strategy for one township with support to mobilise resources for and implement projects. The aim of the programme is to focus TED on a pilot site, and thus develop an approach that could be replicated in other sites.

The project area for the TED programme is New Brighton. The project was approved in February 2020 and the roles and responsibilities within Council and the service provider have been finalised. A transversal Project Steering Team that includes the Build Environment Task Team (BETT), and internal reporting is in place.

In year one, a detailed situational analysis of development opportunities and constraints within the New Brighton pilot area was conducted. The TED programme is aligned with the Njoli Precinct Plan, which Council approved in December 2019. The area includes Kwazakhele.

The situational analysis identified 32 areas of economic opportunity through which the New Brighton township economy could be enhanced. These included opportunities for enterprise development, the spatial development of high potential nodes and improvement to public transport, strengthening the housing and property market, opportunities to enhance social cohesion, and opportunities to support environmental sustainability.

In consultation with the Project Steering Team, it has been agreed to focus the TED technical support on the following eight areas of opportunity:

- Project 1: Daku /Dibanisa Roads – develop and implement a strategy to revitalise the Daku Road into a commercial high street.
- Project 2: Njoli Square - developed and implement the Njoli Square precinct plan as retail and transport hub with affordable accommodation and upgraded trader stands.
- Project 3: Embizweni Square – enhance Embizweni Square as a social and economic precinct by unlocking land.
- Project 4: Mendi Arts Centre – activate the Mendi Arts Centre to enable creative economy business development and marketing.
- Project 5: Tourism Sector – stimulate the tourism sector by building on heritage assets and memorials.
- Project 6: Automotive Sector – improve business development support for micro-enterprises in the after-sales automotive sector.
- Project 7: Creative economy – support creatives to professionalise and generate income from hobbies and activities in the creative economy.
- Project 8: Brighton Beach - revitalised facilities and improve access to Brighton Beach.

The eight projects will advance the Njoli precinct plan, address Metro priorities, and help to amplify existing programmes. These project will be implemented during the duration of this 5-year IDP.

In the current phase of the New Brighton TED Programme, the Technical Support Team of the CSP will collaborate with municipal directorates and the Mandela Bay Development Agency to fine-tune suitable projects to advance these opportunities. The range of project support could include:

- facilitating partnerships with business development support services;
- packaging projects for funding and implementation;
- providing strategic research;

- refining precinct plans and designs;
- supporting the metro to undertake community participation; and
- co-ordinating transversal actions to enable project implementation.

(f) Incubation program and infrastructural development initiatives for SMMEs and Informal Traders

To promote the culture of entrepreneurship and self-reliance, the Municipality offers support to informal traders, cooperatives and young aspiring entrepreneurs through trading facilities, equipment, skills, trading permits, material and production stock/inputs. These SMMEs and entrepreneurs operating in the Informal economy are provided with infrastructural support to ensure that they operate in a conducive environment and are assisted through the incubation programs which ensure that they are compliant and trained to take up economic opportunities. Economic Development, Tourism and Agriculture partners with industry, government institutions and research institutions to link SMMEs to funding opportunities and relevant markets.

Five (5) units under the Enterprise Development Section of Economic Development Tourism and Agriculture, namely, Urban Agriculture, Informal Trading, Automotive Sector and Cooperative Development Help are instrumental in providing solutions to SMMEs and entrepreneurs.

The following are key interventions dedicated towards the development and support of SMMEs and Entrepreneurs:

- i. Small scale farmer development and poverty alleviation (provision of equipment, facilities and production inputs)
- ii. Infrastructural Development and provision of trading equipment as well as trading permits and skills to Informal Traders.
- iii. Infrastructural Development and provision of equipment as well as facilities and to Cooperatives.

- iv. Infrastructural Development and provision of equipment as well as facilities and skills to Entrepreneurs operating in the Automotive sector.
- v. Infrastructural Development and provision of equipment as well as facilities and skills to Entrepreneurs operating in the Automotive sector.
- vi. Overall provision of skills and mentorship through incubation programs to assist Entrepreneurs and SMMEs in the ICT and Construction sectors.
- vii. Overall capacitation of SMMEs and entrepreneurs with tool to ensure that they are compliant, assisted with business development and adhere to legislative prescripts.

The Municipality is collaborating with VWSA BEE Trust in the Kariega area to implement the Township Economic Development Program targeting Entrepreneurs and SMMEs in the waste management, automotive and social entrepreneurship space. Furthermore, the Municipality partners with National Treasury (City Support Program) in implementing the Greater Bay Automotive Development and Support Program targeting the Northern Areas and other townships of NMBM and the area currently being piloted is in New Brighton. The Nelson Mandela University is partnering with the Municipality to implement the sustainable township-based project focused on food security, waste management and alternative renewable energy. The University is currently piloting the project at the KwaZakhele township in partnership with the Municipality.

(a) Identification and promotion of Strategic Projects

NMBM can make adequate use of its existing assets to ignite economic recovery and increase its revenue base. A number of key strategic projects and assets have been identified in the Economic Recovery Framework as fundamental to aid the City's economic development. The identified strategic projects are as follow:

- Tower of Light
- Waterfront Development & Cruise Liner Terminal
- Telkom Park, Happy Valley, Bayworld Precinct Development
- ICC/Multi-Purpose Centre
- Revitalization of Uitenhage/Uitenhage Central Precinct Development

- Development of 2010 Soccer Stadium and Precinct
- Willows, Van Stadens, Beachview, Maitlands, Springs Resorts including Municipal Nature Reserve
- Njoli Square Development
- Municipal Solid Waste Diversion and Beneficiation Opportunities
- Red Location Cultural Museum (and Precinct) Development
- Van der Kemp's Kloof Development
- Korsten\Shauderville Development
- Uitenhage Aerodrome
- North End Coastal Development
- Bluewater Beach\St Georges Strand Beach Development Node
- N2 City Development
- Aerotropolis\development of Walmer Gqeberha Precinct
- The Island Vibe Colchester Tourist Resort & Ingleside Lifestyle Estate
- Florida Heights

A Spatial Planning and Development Committee, which is a Sub-committee of the Strategic Interface Forum (SIF), has been established and its members include the Nelson Mandela Bay Municipality, Transnet, Coega Development Corporation, ACSA, Nelson Mandela University, PRASA and the South African National Roads Agency Limited. This forum works together to fast-track some of the major projects.

These projects include:

- Establishment of Tank Farm and Manganese Exports Facility in the Coega Special Economic Zone (SEZ)
- Waterfront Development/Baakens River Precinct
- Bayworld
- Telkom Park Precinct/Happy Valley
- Combined cycle gas turbine and liquid natural gas facilities at Coega
- Addo Road upgrade
- Bulk water supply including Nooitgedacht Water Treatment Works and a desalination plant at Coega.

In March 2022, a new Port Manager was appointed for the Nelson Mandela Bay Ports. The Manager will be responsible for the Port of Ngqura and the Port of Port Elizabeth as a single port complex with centralised business support services. This focus will allow the expediting of priority projects that have been identified by the Transnet Board and include some of the above.

To further fast track strategic projects, Council has appointed Transactional Advisors to repackage specific projects with the aim of enabling the effective implementation of the Public Private Partnership (PPP) model. These projects are part of the Economic Recovery Framework of the City and include:

Social housing projects

- Erf 2962 and 2963 Summerstrand
- Erf 3495 Summerstrand Redevelopment
- Govan Mbeki-Inner City Social Housing

Beaches and resort projects

- Bluewater Beach/St. Georges Strand Beach Development Node
- NMBM Resorts and Nature Reserves
 - Willows Resort
 - Van Staden Resort
 - Beachview Resort
 - Maitlands Resort
 - Springs Resort
 - Settlers Park Nature Reserve
 - Cape Recife Nature Reserve

The Service Level Agreement was signed on 12 November 2021 and implementation will take place as projects become ready and are prioritised.

(h) Urban Renewal Programmes

The broader objectives of the Urban Renewal Programme are the general renewal of the nodal areas and initiatives to address the economic, social and security needs of

the community in an integrated and sustainable manner. Urban renewal presents an opportunity for the three spheres of government to work together to eradicate poverty and unemployment.

Job creation initiatives, public participation in governance, crime-combating initiatives and the establishment of a healthy environment, as well as the acceleration of service delivery, are the key priorities for Motherwell Urban Renewal Programme (MURP) and Helenvale Urban Renewal Programme (HURP).

The MBDA implemented a number of projects and programmes in Helenvale. The Municipality is solely responsible for the Motherwell Urban Renewal Programme. A number of projects have been implemented and others are at various levels of implementation. These include Phase Two of the Motherwell Peace Park, the Motherwell Traffic Licensing Centre, facilitation and coordinating the Motherwell Rail Precinct (Mixed use development), Skills Development and Youth Empowerment, the SMME Hive and the surfacing of cul-de-sacs in Motherwell and upgrading of the NU2 Stadium.

Ongoing Programmes

| PROGRAMME | FUNDER/ OWNER |
|--|--|
| 1) Expansion of Motherwell shopping centre | Private |
| 2) Transnet container centre (SMME Hive) | Transnet |
| 3) Development of Addo Road | SANRAL |
| 4) Renovations of Uitenhage Magistrate Court | Dept. of Public Works and Infrastructure |
| 5) Completion of Motherwell Traffic Centre | NMBM |

ENVISIONED NODAL DEVELOPMENT MODEL – AREA BASED MANAGEMENT

The **Area Based Management (ABM)** concept as demonstrated in areas like Motherwell (NMBM) and INK (Ethekwini) remains a testament for inclusive economic transformation and people centred development.

National government has in the recent past introduced new development concepts viz BEPP, identification and development of transport corridors, New Growth Areas, Nodal Areas and **District Development Model**.

Internationally, **ABM** has been adopted for a variety of reasons and the form that it takes also varies widely. In general ABM is intended to:

1. Improve coordination between sectoral departments of relevant Spheres of government and also, generally, between government and other agencies, possibly by simplifying bureaucracy and integrating funding streams.
2. Enhanced opportunities for participation in decision making by local stakeholders (democratising local development through social compact).
3. Enable local government to identify local needs, priorities and develop appropriate responses, where necessary adopting service delivery to suit local conditions (*extracted from Collin Pillay, MILE, 07/08/2015*)

NMBM Candidate areas for ABM,

1. Greater Motherwell
2. Uitanhage and Dispatch
3. Northern Areas
4. Kwazakhe, Newbrighton
5. Walmer township

COMMUNITY BASED PROJECTS AS A RESPONSE TO COVID - 19

| Project | Budget 2022/23 | Owner/ Funder |
|---------------------------|----------------|-------------------|
| Presidential Job Stimulus | R 60 mil | National Treasury |
| Peace Park Phase 2 | R 5 mil | NMBM |
| Community Works Progra | R 35 mil | Cogta |

| | | |
|--------------------------------|----------|------------------------------|
| NMBM School water leaks | | Cogta & NMB Business Chamber |
| Community soup/feeding schemes | R 10 mil | NMBM |
| Development of NU2 Car wash | | Private |

(i) Community Work Programme

The primary objectives of the programme are to provide a safety net to the poor, unemployed and under employed people by providing them with regular and predictable work opportunities and to enable them to earn a monthly wage. Workdays are limited to 10 days in a year. The secondary objectives of the programme are to skill (train) participants for purposes of optimising their work output, equipping them with life skills, enhancing their employability and self-employment prospects, to contribute to the development and maintenance of public assets and to strengthen public and community participation in decision making around development.

The targeted participation rate is 2500 and the total budget allocation by National Cogta to NMBM for the 2022-23 financial year is R36,456,750.

8.9.7 Relationship between NMBM and other economic partners/ stakeholders

Strengthening and leveraging partnerships with key economic stakeholders is crucial for advancing the City’s trade and investment strategies and building a resilient economy base that is able to absorb and overcome economic external shocks. The Municipality will continue to ensure coordination and collaboration amongst different economic stakeholders responsible for trade and investment in the municipal area.

The Municipality has to date established the Nelson Mandela Bay Trade and Investment Forum which seek to serve as a strategic interface whereby

initiatives/strategies aimed at improving the trade and investment prospects of Nelson Mandela Bay can be shared/formulated, evaluated, implemented, and supported across relevant economic stakeholders.

NMBM has also established a good working relationship with the organised business sector operating in the Perseverance industrial area of Gqeberha. These businesses were previously loosely connected through an informal industrial forum and have recently established a business owners' association and a property owners' association. In line with national and international best practice, these two associations are working closely in partnership with NMBM to develop a revitalisation programme/framework for the Perseverance industrial area, in order to retain and attract private sector investment into Perseverance and Nelson Mandela Bay.

It is expected that this revitalisation framework will also be implemented in other mixed ownership industrial areas such as Struandale and Deal Party, where industrialists and businesses have also expressed a willingness to formalise their business clusters and to partner with the Municipality on revitalisation.

NMBM is also working closely with National Treasury, through the Cities Support Programme to make technical and legal support, resources and research on industrial park revitalisation and sustainability in South Africa available to the Perseverance Revitalisation Programme.

The following organisations and initiatives are key to ensure a positive impact on the economy of Nelson Mandela Bay by playing a role in the realisation of the abovementioned outcomes.

8.9.7.1 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.

The primary work of the MBDA is allocated and grouped into six distinct nodal areas, which are: The Inner City; Kariega; New Brighton; Korsten and Schauderville; Helenvale and Nelson Mandela Bay Stadium.

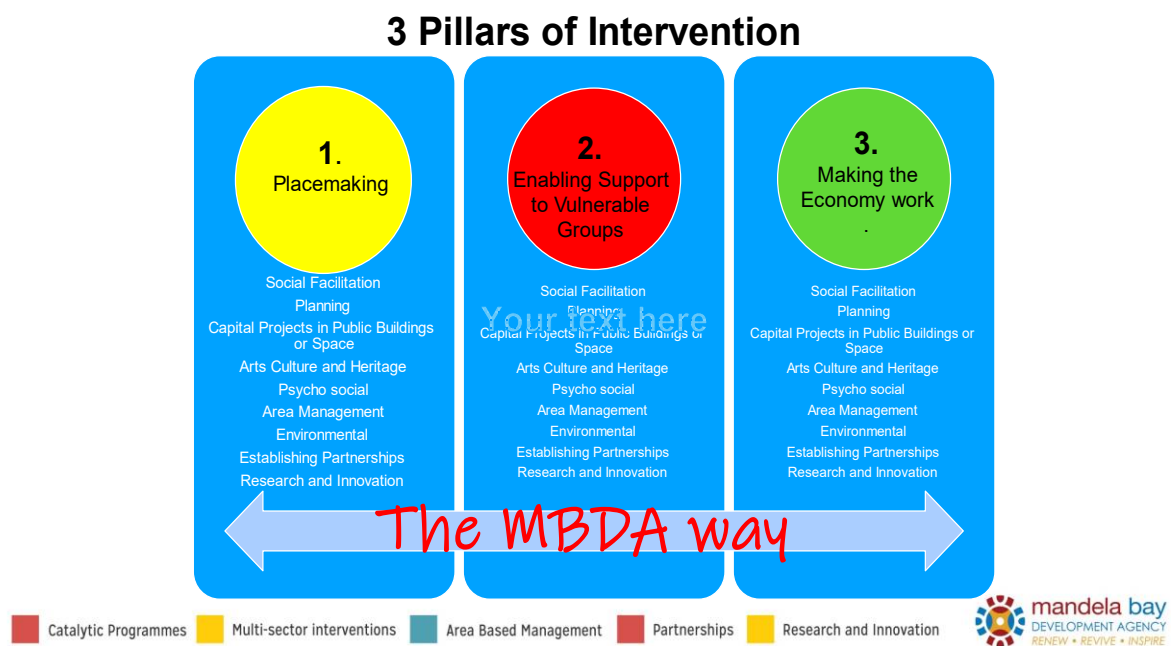
The MBDA is in the process of preparing the 5-year Strategic Plan for the next 5 years. It is proposed that the work will focus on 3 pillars of intervention:

- A Placemaking Programme
- A Programme for Vulnerable Groups
- A Job Creation Programme

Work in each area will be multisectoral and include stakeholder engagement, planning, capital projects, arts, culture and heritage activation, support to vulnerable groups, area management, environmental protection, establishing partnerships for implementation and research and innovation.

It is anticipated that work will expand to other areas and be aligned to the Urban Network Strategy of the NMBM.

FIGURE 29: MBDA 3 pillars of Intervention



Source: MBDA, 2022

The following programmes form part of the portfolio of the Mandela Bay Development Agency being implemented:

Waterfront Programme

The original mandate of the MBDA was various developmental sites, the Gqeberha CBD, Harbour, railway lines and the beach area into a single economic unit. To achieve this, integration and the provision of opportunities for social and spatial transformation is crucial.

The MBDA has recognised that the Bayworld/Happy Valley/Telkom Park precinct development, when linked to the Baakens Valley precinct development and proposed Waterfront, is uniquely positioned to become a new, inclusive heart for Nelson Mandela Bay and has approached the redevelopment with that objective.

The conceptualisation of the proposed Waterfront to include the Transnet owned sea frontage and two NMBM river systems in the Baakens and Happy Valley precinct provides a unique opportunity and a strategic competitive advantage globally.

To reinforce the inclusive and transformational concept of The Waterfront, the repurposing of the old CBD into affordable and social housing, together with all the relevant social amenities, will enable the development of an Old Town Precinct which could provide homes for a large, young workforce required in the waterfront, to live, work and play. The Old Town would become a local attraction for its unique cultural expression and tourism experiences. In this way, an inclusive, post-apartheid heart for Gqeberha will be created in a precinct that enables multi-generational, multi-cultural and mixed income usages. This concept is illustrated spatially in the image below.

FIGURE 30: Spatial conceptualisation of the expanded Waterfront Programme



Source: MBDA, 2022

The Bayworld Programme

The Bayworld Programme aims to transform 55 ha into as a World Class Tourist Attraction and Flagship Heritage/Education Precinct. The R2.4 billion development has been recognised as a mega project for the Eastern Cape. It is made up of 13 Catalytic projects.

Project 1: Museum World: The upgrade and modernising of the current Museum including the digitising of the collection, introducing Virtual Reality and immersive experiences.

Project 2: Conservation World: The construction of an Aquarium to complement the unique Animal Sanctuary and Rehabilitation Centre and Research Facility that currently provides services in dilapidated facilities.

- Project 3: The School Upgrade.** The improvement of facilities and resources of the Unique school at Bayworld that attracts more than 100 000 learners from across the province each year.
- Project 4: The Hologram Circus:** The development of a unique Hologram Circus to replace the once very popular tourism attraction of performing dolphins with virtual performance of dolphins and a host of other species.
- Project 5: The Digital Dome:** The construction of a Digital Dome as a state-of-the-art educational tool.
- Project 6: The Park:** The establishment of a Nature Reserve showcasing uniquely Eastern Cape flora in the environmentally sensitive area and through this facilitating an awareness for the need for conservation and rehabilitation.
- Project 7: Smart Industrial Academy:** The development of a facility to develop technical skills in manufacturing, support the automotive industry innovation, robotics, incubation for industry 4.0, international conferencing, training, eventing and international networking for SMART factories.
- Project 8: An Eco-hotel.**
- Project 9: Affordable Housing:** The provision of 700 affordable housing units to ensure transformation of the precinct
- Project 10: Adventure World:** The development of Happy Valley into an adventure world for leisure, recreational and educational purposes.
- Project 11: Water World:** The development of a themed waterpark for leisure and virtual learning.

Project 12: Mixed use precinct or ICC: The development of an office, retail and clean green industry/Silicon Valley type development that will complement the precinct ideology and enable innovation and green development.

Project 13 Sea World: The upgrade of the McArthur Bath complex into rehabilitation pools and a seaside Exploratorium.

Project 14 Activation of job creation opportunities through **cultural tourism**.

FIGURE 31: Architects impression of a Green Bayworld Development



Source: MBDA, 2022

The Baakens River Valley Programme

The Baakens River Valley programme is a catalytic land development programme of Nelson Mandela Bay Municipality identified in the Built Environment Performance Plan's Urban Network Strategy and is located within the Inner-City mandate area. The spatial area includes Vuyisile Mini Square and surrounds, the Lower Baakens River and St Georges Park. Projects include:

- Stakeholder engagement towards community ownership of the process
- South End mixed housing
- Valley Parkway
- Zip Line
- Fort Frederick
- St Peters
- A programme of support to vulnerable groups
- Activation of job creation opportunities through cultural tourism

Govan Mbeki Avenue / CBD Gqeberha Urban Renewal Programme

The vision for this precinct is aligned to the transformation of the underutilized buildings in the CBD into an “Old Town” vibe that will provide affordable housing and associated social amenities to a potential workforce in the Waterfront Precinct. The unique tangible and intangible heritage in the precinct will be unlocked to add to the vibrancy and potential of tourism experiences, through arts, culture heritage and sport activation in the Inner City. Priority projects include:

- Stakeholder engagement towards community ownership of the process
- A programme of support to vulnerable groups
- Activation of job creation opportunities through cultural tourism
- Govan Mbeki Precinct
- Council Chamber Precinct
- Mermaids Precinct
- Fleming Street Precinct
- Other Municipally owned buildings

Helenvale

The programme in Helenvale will include the following:

- Stakeholder engagement towards community ownership of the process
- A Placemaking programme
- A programme of support to vulnerable groups
- Activation of job creation opportunities through cultural tourism

Korsten Schauderville Programme

The MBDA has been instrumental in the development of a Master Plan for the area for implementation over the next 20 years. Projects are being prioritised for implementation by the MBDA in conjunction with stakeholders. The following are the anticipated projects in the precinct:

- Stakeholder engagement towards community ownership of the process
- A programme of support to vulnerable groups
- Moordyke Sports Precinct
- Pedestrianisation
- Feasibility of urban agriculture

New Brighton Programme

A business plan has been developed to enable economic development in New Brighton through arts, culture, heritage and sport. The following will be prioritised:

- Stakeholder engagement towards community ownership of the process
- The development of a Heritage Route
- A programme of support to vulnerable groups
- Activation of job creation opportunities through cultural tourism

Kariega and Despatch Programme

Current projects in Kariega will continue. These include:

- **Nelson Mandela Bay Science and Technology Centre Programme**

The MBDA is currently managing the Science Centre in Kariega. The MBDA runs various programmes at the Centre designed to build enthusiasm and an affinity for science, technology and mathematics through fun and interactive engagements.

- **The Railway Sheds**

Programmes for interventions in other areas of Kariega and Despatch will be planned and implemented. This will include the following:

- Stakeholder engagement towards community ownership of the process
- A Placemaking Programme
- A programme of support to vulnerable groups
- Activation of job creation opportunities through cultural tourism

NELSON MANDELA BAY STADIUM

Named after an iconic leader Nelson Mandela, The Nelson Mandela Bay Stadium is a catalyst for the regeneration of the surrounding area and a focal point for bringing the people of the Eastern Cape together as one community. It represents good values and promotes a spirit of Ubuntu.

Since 2009, the stadium has evolved into a multi-purpose venue, hosting major sporting/non-sporting events, conferences, exhibitions, concerts, religious festivals, weddings, water-sports festival, classrooms, corporate functions and recently introduced, e-sports.

In 2022/2023, the stadium management will focus on:

- Replacement, refurbishing, upgrading and maintenance of the facility.
- Preparing for digital migration of the business e.g. connectivity, App at the centre of the business, data analytics, cashless stadium and touchless facility.
- Safety requirements in line with government regulations.

There are changes in the stadium industry which the stadium management will accommodate. These changes shift the key focus of the business of the stadium from sports facilities to more versatile facilities that can be utilised to service the market during this digital era. This means preparing for a digital migration.

There are a number of factors internal to the Municipality which affect the stadium, and which require attention in the near future. These include the stadium management contract and the relationship with anchor tenants.

Specific focus in the 2022/23 financial year will be on:

Digitalisation

Digitalisation will clearly offer the stadium many new opportunities, ranging from cost savings and improvements in the administrative area, to improving the fan experience as well development of new business and sales models.

Particularly in the core areas (ticketing, merchandising, catering, member administration), the increasing expectations of younger visitors require a user-friendly front office with simultaneous functionality of the back office. In addition to isolated solutions in the various areas, the stadium must adopt integrated solutions that can map the central business processes.

Moreover, there have been changes in recent years in terms of marketing and communication with followers and fans. Modern Customer Relationship Management (CRM) systems are able to deliver fans individualised content across various channels, thereby increasing fan experience as well as loyalty.

Virtual Events

Although face-to-face meetings are often the preferred option, COVID-19 and other social factors have forced the trend to move towards virtual events that allow attendees to interact, learn from and engage with one another online – events may even rival in-person versions.

Attendees can join and participate from anywhere allowing the stadium to reach a wider audience.

It is possible to measure the success of virtual events easily and use the findings to better inform the overall event strategy.

The intention is to explore a concept of a guest blog and online portal where digital technologies can be explored with input from various suppliers and experts. This will help to build interest in the campaign. In addition to guest blogs, a series of videos (virtual tours) and futuristic graphics will be created to support the campaign branding.

Drive-In Theatre

A drive-in theatre or drive-in cinema is a form of cinema structure consisting of a large outdoor movie screen, a projection booth, a concession stand and a large parking area for cars. Within this enclosed area, customers can view movies from the privacy and comfort of their cars. This promotes the social distancing scenario.

Open Day/Re-Launch

The purpose of the Open Day is to invite corporate stakeholders including event organisers, tourism and tour operators to a launch where they can experience, explore and engage with stadium management regarding offerings and potential services.

Venue 'brand image' enhancement

The venue will be branded to ensure it is adequately branded for strategic sports/areas to further enhance and entrench the brand image into the consumers and stakeholder's minds.

Print Campaign

It is intended to advertise in relevant local and national publications a gallery of the venues available for hire. Press kits will be created with information and details of the packages on offer to key clients as well as national and local media.

Direct marketing

Direct marketing will be undertaken. This will include SMS/E-zines and e-mail campaigns of an e-brochure detailing the various venues available for use as well as the packages on offer to all stakeholders.

Database Creation and Management

It is intended to build solid data metrics (quantifiable measure addressing key audiences) with guest profiles and their preferred activities.

Exhibitions and Conferences

The NMB Stadium will be promoted as a multi-purpose venue at local exhibitions and conferences including Meetings Africa, Tourism Indaba, Global Business of sports summits.

Sponsorship and Advertising

The Nelson Mandela Bay Stadium has various advertising areas available to trade affording stakeholders the opportunity to create a unique name and image in the consumers' minds within the stadium grounds. This revenue stream needs to be maximised. Advertising opportunities available to trade include:

- Tier Boards
- Big Screen Advertising
- LED/Ad scroll
- Y- Columns
- Staircases
- 22 Tunnel (SW and NE)

Relationship Building and Maintenance drive

Trust relationships are a key part of business partnerships, whether those partnerships are between the core business and its suppliers, customers or joint venture partners.

Other projects

To further enhance the NMB Stadium brand and create new revenue streams, the following have been identified as “quick wins” that will yield the desired results:

- LED screen on Tier 3
- East digital events board
- Upgrade and permanent branding of the press conference room
- Custom made containers to serve as outdoor bars and kiosks on the Milner Road entrance – 6 in total (3 bars and 3 kiosks)
- Free Wi-Fi access to visitors and event attendees

Technical and Facilities

The stadium is in its twelve year of operation since it was built and therefore some of the equipment and infrastructure has reached its end of life and needs to be completely replaced or major maintenance would be required. The focus in this financial year is to prioritise high risk equipment and thereafter attend to other equipment and infrastructure.

Safety and Security of the NMB Stadium

Safety and security of the facility and the precinct are divided into two separate areas of operation, the first area is the day-to-day operations and the second is *ad-hoc* security for events and functions.

Day to day operations encompasses a large portion of the statutory requirements about general safety. Security is based on asset protection and access control 24-hours a day 365 days a year.

Ad-hoc operations cater for event specific requirements in addition to the normal day-to-day requirements, these requirements are specific and sometimes different to other events.

The planning in this regard for the 2022/23 financial year is in accordance with annual safety requirements and at specific intervals. New regulations regarding general safety and COVID-19 specific requirements may influence certain aspects of operations and would need to be factored into the yearly plan.

8.9.7.2 Nelson Mandela Bay Business Chamber

The Nelson Mandela Bay Business Chamber is a Not for Profit Company, established by the private sector with representatives from a broad spectrum of businesses across Nelson Mandela Bay. It is one of the largest business associations in the Eastern Cape and its Board of volunteers represent some of the top local business leaders.

The environment we operate in is dramatically changing and demands of us to adapt to the ever-changing landscape and become an agile organisation that responds robustly to issues that impact upon the sustainability of local businesses, the functionality of the operating environment and also leveraging economic growth opportunities.

The Chamber's vision is to retain and attract investment in the Bay through collaboration with key stakeholders, such as the Municipality, to develop solutions in response to challenges in the operating environment.

The key priorities of the Chamber include a resurgence drive in order to get the city working again, leading to unlock the Bay's potential as a world class port city and investment destination, connecting our stakeholders and members, growing membership engagement and value, empowering small businesses and sustaining our environment.

With over 155 years of rich heritage, the Chamber is one of the most trusted, respected and authoritative voices on matters relating to local business and the economy

8.9.7.3 Coega Development Corporation

(a) 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.

The following projects have been identified by the Coega Development Corporation to commence construction and become operational over the next 5-year period, 2022 to 2027:

- 15ML Desalination Plant
- Tank Farm and oil pipelines
- Emergency Centre
- Aquaculture facilities
- Completion of Bulk Sewer line
- Liquid Natural Gas pipeline
- Gas to Power
- Bulk Storage facilities
- Expansion of Pharmaceutical value chain

(b) Nelson Mandela Bay Logistics Park

The Nelson Mandela Bay Logistics Park (NMBLP), which comprises a total area of 216ha with Precinct A occupying 56ha, has been developed as a special manufacturing space offering to the automotive sector. The NMBLP complements and enhances the location solution offered by the Coega SEZ in its provision of infrastructure and services to the automotive sector in the NMBM. The NMBLP is a world-class automotive supplier location based on a logistics concept and design with a significant value proposition that distinguishes it from a normal industrial park. It aims to achieve economies of scale through the centralization of different functions and to reduce costs by shortening and improving the efficiency of the supply chain. The automotive sector is the third largest sector in the South African economy.

The NMBLP aims to provide a total business solution to investors and tenants in a safe and secure environment. The total business solution includes land and buildings for lease with a shared 24-hour security service in an enclosed and fenced area in Uitenhage which is part of the NMBM.

Over the next 5 years the CDC will be focussed on developing the remaining 13 hectares of Precinct A and expanding development into Precinct B.

(c) Vulindlela Accommodation and Conference Centre

The Coega Development Corporation has developed a centrally managed village to service the residential and non-residential needs of construction teams working within the Coega SEZ and local community.

It is envisaged that Phase 2 and 3 of Erf 8709, Wells Estate will be developed comprising a retail shopping centre and approximately 1000 additional accommodation units. The proposed development is in line with the proposals contained in the Greater Motherwell Local Spatial Development Plan which identify the area as being suitable for the development of a Local Node comprising of Retail, Commercial, Offices, SMME Hive, High Density Residential and Institutional Facilities.

8.9.7.4 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 (CSP)
- 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.

8.9.7.5 Nelson Mandela University (NMU)

As the only University in the world to carry the name of Nelson Mandela, it is believed that NMU is positioned as an anchor institution in the Metro and has therefore placed a strong emphasis on being in service of society.

NMU therefore wish to believe it is an important developmental partner within NMBMM. 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, we are 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 NMBMM and would benefit from consideration and inclusion within the framework of the IDP are listed as University Priority Issues below.

8.9.7.6 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 20: 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 | |
| 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 |
| Total | R138 590 000 | R18 668 963 | R83 730 432 | R36 190 605 |

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.

8.9.7.7 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.

(a) 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. It is anticipated this will run regularly in the near future. There are continuous engagements between Transnet and the Municipality on how to take the project forward sustainably. Transnet will go out in the market by mid-year to find a strategic partner for the Apple Express operation.

(b) 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 Region 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.

(c) 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. Transnet National Ports Authority had appointed Oil Tanking Grindrod and Calula to undertake the development of the Tank farm facility at the Port of Ngqura. But OTGC submitted the cessation of the construction due to unforeseen market challenges and reconfiguration of Oil Tanking International.

The OTGC has started construction of the civil works of the new facility at Ngqura but could not continue with the tank farm facility due to market and commercial challenges. Transnet National Ports Authority has completed the Berth facility paving, firefighting, roads and stormwater drains that leads to the Tank Farm facility. The storage tank platform has been completed. CDC as an Implementing Agent is in the process of facilitating the construction of the Orion Carbon Black facility which is envisaged to be completed by December 2022. The clean fuels construction of pipelines is in the process and the appointment of the Berth Operator. Work orders with CDC are being finalised to accelerate the pipeline construction procurement process.

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 Million Tonnes Per Annum (Mtpa) of manganese expandable to 22mtpa. 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 is scheduled for December 2026. CDC as an Implementing Agent has gone out on the Request for Information which closed on the 14th January 2022. Evaluation of Bids has been completed. The Request for Proposal will be sent to the preferred Bidders who have passed the criteria on the RFI by the end of March or early April 2022. The current operations will cease upon the commissioning of the new facility at Ngqura.

Transnet is implementing COVID-19 safety regulations in their operations. During the lockdown period, sea ports in South Africa were not totally closed and commercial

cargo operations continued. As production slowed down during the lockdown, exports and imports dropped considerably. But the operations have picked up during 2021/22 financial year. All sea cruises undertaken by cruise liner vessels into and out of any sea port within South Africa are back in operation.

8.10 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.

Functions of Safety and Security are as follows:

8.10.1 Metro Police

The authority to establish a Metro Police Service was gazetted in January 2012 and an Implementation Team has been established. The process of the implementation of the Metro Police was done in a phased-in approach, taking into account the available resources and legislation.

The Nelson Mandela Bay Municipality's Metro Police Service was established on 12 May 2016.

Objectives for the Metro Police:

To create a safe and secure environment by:

- Enforcing the National Roads Transport Act 93 of 1996.
- Enforcing the Municipality's by-laws.
- The prevention of crime.

These are discussed in more detail below:

Traffic Policing through:

- Officer initiation and vehicle check points to ensure adherence to the National Roads Transport Act (93 of 1996).
- Reducing driving under the influence of alcohol by arresting drunk drivers.

Enforcing the Municipality's By-Laws through:

- Implementing by-law operations concerning water misuse.
- Patrolling hotspot areas to reduce the incidence of illegal dumping.
- Identifying, reporting and enforcing of illegal informal traders.
- Identifying, reporting, educating and enforcing of illegal advertising in line with the Municipality's by law.

The prevention of crime through:

- Joint Operations with SAPS and other role players.
- Supporting SAPS, as the leading Agency, in responding to protest actions.
- Autonomous operations in line with the Crime Pattern - and Crime Threat Analyses.
- Joint Operations to increase liquor compliance inspections.

The demand for Metro Police outweighs the current staff complement, thus additional staff and resources are required. This requirement will make it possible for the Metro

Police to be visible and service all Wards in Nelson Mandela Bay in line with community priorities as identified in the IDP and Budget public participation sessions.

The adoption of the Safer City Concept by the Municipality requires a safe and secure environment for all. In order to achieve this, Metro Police should be expanded.

The Metro Police should be capacitated with increased technology in order to improve their operations and thereby enhance the safety of citizens.

8.10.2 Traffic and Licensing Service

The Traffic and Licensing Service is striving to achieve and maintain a better image by delivering outstanding quality service to the public through a well-trained and motivated staff who serve efficiently, courteously and with integrity, complying with various legislative requirements, including but not limited to the National Road Traffic Act 93 of 1996, as amended.

The following are the objectives of the Traffic Policing Service:

- Promotion of road safety, through integrated and coordinated law enforcement initiatives.
- Provision of an effective licensing function.
- Promotion of internal efficiency and effectiveness.
- Having a dedicated and efficient workforce through sustainable capacity building initiatives.

Central to the achievement of the above objectives is the need to:

- Promote mutual understanding and cooperation between stakeholders.
- Impart knowledge regarding traffic related matters.
- Facilitate access by all stakeholders to all services and facilities offered.

The strategic focus areas of Traffic and Licensing are the following:

- Develop and implement strategies to reduce road accidents in line with the National Road Safety Strategy (2016-2030).
- Increase the number of driver's licence testing centres to provide effective and efficient services to residents.
- Add additional Municipal Courts to improve and maintain services delivery.
- Maintain and improve the accreditation of the Traffic Training College to ensure the provision of quality and relevant qualifications to stakeholders.
- Continuously contribute to corporate social responsibility by providing free, quality traffic safety training programmes to residents.

8.10.3 Security Services

Chapter 7 of the Constitution requires the City to provide a safe and healthy environment within its financial and administrative capacity. The Security Services function provides the framework for this in respect of planning, implementing and monitoring protection measures. The Security function must identify and address priorities to achieve a sustainable response to and recovery from any security incident.

Security mechanisms used to ensure a safe and secure City includes enhanced information gathering, CCTV surveillance, rapid response, protection of infrastructure and people, by-law enforcement, strategic project management, risk assessments and loss control investigations.

Security Services therefore include a holistic service for the provision of a system where the needs for protection and safekeeping of employees, installations, buildings, equipment and other assets are met, in order to ensure secure working conditions and reduce unnecessary costs due to loss.

The Safety and Security function therefore includes the rendering of a safe and secure environment for the personnel and visitors of the Municipality and the safeguarding of municipal assets in line with the following legislation:

- Municipal Systems Act, (Act No 32 of 2000)
- Private Security Industry Regulation Act, (Act No. 56 of 2001).
- Municipal Systems Act, 2000 (Act No 32 of 2000)

The Security Master Plan outlines various critical issues, which will ensure that the integrated security system approach is being addressed in a systematic and comprehensive manner. The ideals contained in the Security Master Plan are by nature a long-term vision, the intention of which is to provide a framework that will inform the operationalisation and implementation of a structured integrated security system workflow. The involvement of all role-players is essential in achieving the integrated objectives. This plan is being reviewed.

8.10.4 Fire and Emergency Services

The Fire and Emergency Services function delivers a service to the community, whilst complying with various legislative requirements, including but not limited to the Fire Brigade Services Act, 1987 (Act 99 of 1987), as amended.

The vision of the Fire and Emergency Service is to substantially reduce the loss of life and the destruction of property by fire through the promotion of fire safety awareness. This service provided to the community and delivered by highly trained personnel who can demonstrate competence in all professional aspects of their work, will result in the elimination of preventable fire fatalities and casualties.

The functions include the following:

- **Fire Safety**
 - The approval of building plans for fire protection and fire requirements.
 - The development, co-ordination and implementation of Fire Safety By-laws and providing detailed knowledge thereof to the public in general.
 - The approval and renewal of licences to store petroleum and liquid petroleum gas.

- Approval of major hazardous installations.
 - The conducting of fire safety lectures/evacuation drills.
 - Fire investigations to establish the causes of fires.
 - Various inspections of commercial and industrial premises, as well as places of public entertainment to determine compliance with fire safety requirements.
 - Issuing of Controlled Burning Permits in liaison with Environmental Health Services.
 - Community fire safety awareness programmes at schools, clinics, old age homes and other institutions, with special attention paid to the previously disadvantaged communities.
- **Operations**
 - Control of emergency operations and functions to ensure the efficient extinguishing of fires, dealing with various other emergencies, including hazardous material incidents, as well as the rescuing of life and property from fire or other danger. This service is delivered on a 24-hour basis, with staff members working 12-hour shifts.
 - Conducting on and off-station demonstrations and lectures to the general public.
 - Conducting tactical pre-planning inspections of commercial and industrial premises, including major hazardous installations.
 - Providing an efficient and effective fire fighting vehicle fleet, equipment and technical planning.
 - Controlling fleet maintenance and the replacement of vehicles and equipment, as well as the preparation of specifications and tenders for the procurement of vehicles and equipment.
 - Repairing and maintaining fire-fighting vehicles and equipment.
 - Motor vehicle accident investigations.
 - Controlling repairs to and maintenance of buildings.

- **Internal Communication Systems and Reporting Centres**

- Providing efficient and effective means of communication to the public with regard to emergency situations.
- Dispatching and managing vehicle and work force resources at emergency incidents and situations.
- Interacting and scene co-ordinating with other emergency services.
- Monitoring private fire alarm systems.
- Keeping accurate records of all emergency services rendered.
- Rendering communication systems development and maintenance services.
- Evaluating and assessing new technologies with regard to all mediums of communication.
- Deploying IT, radio, telephone and various other communication systems.

8.10.5 Safer City

Nelson Mandela Bay Municipality is committed to ensuring a safer city for all its residents and visitors. There are a number of challenges related to transgressions of municipal bylaws by some sectors of society. The criminal element also plays a role particularly in the vandalising of municipal and government property as well as general harassment of communities.

Furthermore, the existing CCTV system is non-functional, outdated and is being replaced with the smart city technology.

Building Safer, Shared and Confident Communities' sets the direction for reducing crime, anti-social behaviour and fear of crime. The emphasis is on the guiding principle that prevention is better than cure. Success in building safer communities requires a partnership approach within and across government.

The Municipality is implementing "the Safer City Concept". This concept is accepted and being implemented nationally and provincially. It incorporates smart technology to make optimal use of all the interconnected information available to better

understand and control operations and to optimize the use of limited resources. In support of this, an Intelligent Operations Centre that enables the optimization of critical information stored in disparate systems across multiple departments for the benefit of the city's population, economy, and greater ecosystem is critical.

A Community Safety Strategy is necessary. Our society remains a divided one and is becoming a more diverse one as a result of migration over the past decade. Community division creates tensions, prejudice, and can lead to criminal behaviour. Each incident increases the risk of many more.

The Community Safety Forum is an important vehicle for facilitating the implementation of a multi-agency crime prevention initiative at local level. It involves participation of roleplayers in planning and implementing safety initiatives as well as coordinated responses by government departments, NGOs, CBOs and the private sector. In this regard, it should be noted that the establishment of the Community Safety Forum for Nelson Mandela Bay has not been finalised, however, the Municipality is liaising with the Provincial Safety and Liaison Department. The Municipality has sent members on training with the Provincial Department with a view to playing a role in the Forum.

8.11 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.

The main Corporate Services sub-functions are as follows:

8.11.1 Facilities Management

The Facilities Management function ensures adequate office accommodation and facilities with connectivity for staff and Councillors.

With reference to increased vandalism to municipal property, the impact on planning for maintenance projects remains a strained process as approved funding for planned projects must be redirected to attend to emergency work in an effort to avoid any further damages taking place at various locations across the municipality. Various anti-vandalism mechanisms are being explored and implemented. This includes for example the Adopt-a-Substation initiative between the Business Chamber and the Municipality.

In relation to Facilities Management, together with relevant stakeholders an integrated Lease Management Strategy is being developed for the managing of leases of office space for Councillors and officials.

8.11.2 Asset Management

The control, maintenance and safeguarding of all movable municipal assets is a responsibility of the various directorates and is monitored by the Corporate Services function.

The main challenge experienced is the high rate of theft and loss of municipal assets and weak internal controls in relation to the management of assets.

In order to ensure that movable municipal assets are properly controlled, managed, maintained and safeguarded, the following is done:

- Monthly reconciliation of assets purchased and bar coded.
- All directorates do annual verification of municipal assets.

- A report on unverified assets is submitted to Council.
- A report on theft and loss of assets is submitted to Council.
- Investigations into theft and the loss of municipal assets by the Safety and Security Directorate are undertaken.

8.11.3 Administration and Records Management

A centralised records management system exists where all documents as well as official Committee meetings' agendas and minutes are archived and readily available. This function provides administrative support to meetings of Council and Portfolio Committees and is responsible for producing minutes and records of attendance at such meetings.

8.11.4 Labour Relations

Labour Relations is responsible for ensuring good relations and trust between the employer and employees, which is done through proactive labour engagement. It is further responsible for disciplinary matters relating to staff. This includes dealing with the administration and implementation of disciplinary cases at all relevant fora.

8.11.5 Corporate HR

Corporate HR facilitates the implementation of performance management of officials below Executive Director level. The function develops, implements and monitors a staff establishment and further develops and implements human resource strategies and plans.

8.11.6 Human Resources Management Services (HRMS)

The recruitment function involves advertising, long listing, short listing, interviews and interview arrangements, reference checks, employment agreement negotiations, appointments and induction of new staff members. In addition, HRMS deals with benefits administration i.e. allowances, termination of service and retirement aspects.

The Payroll Administration office operates independently as a stand-alone office, however it remains dependent on accurate information being submitted from all offices across the institution to capture payroll details prior to monthly payments being made.

Where positions are vacant and funded, it is the intention to finalise the recruitment and selection process within six months of advertisement. Management and Labour need to cooperate in order to cascade the Performance Management System to all levels within the Municipality.

8.11.7 Skills Development and Employment Equity

An important function relates to training and development of support staff, political office-bearers as well as the unemployed graduates with the assistance of LGSETA funding.

The Employment Equity Plan approved in December 2020 will be operational until November 2023.

Each year the Workplace Skills Plan is revised by all directorates, consolidated by the Skills Development and Employment Equity sub-function and submitted to LGSETA by 30 April.

Bursaries have been awarded to employees for the 2022 academic year and this is an important aspect of recruiting qualified staff members in the future.

In addition, partnerships have been formed with tertiary institutions for training and development purposes.

8.11.8 MIS

MIS as an enabler of efficient business processes provides connectivity and communication services to run corporate applications and WEB applications and to allow for batch processing. New developments and system maintenance is ongoing for financial and other critical requirements of all internal stakeholders.

The Municipality's approach to IT and a SMART City is contained in the ICT Strategy which focuses on digitisation. MIS aims to create and boost operational excellence through collaboration and other innovative ideas that promote "citizen-centricity".

The Municipality has invested in the MIS function by building an MPLS and IP network to provide cost effective data, voice and video services to all employees, Councillors and security services.

ICT infrastructure needs to be upgraded to ensure business continuity and disaster recovery. Immediate priorities include sourcing specialised support staff, network administrators and ICT security staff. In addition, tools of trade such as laptops and tablets need to be procured along with the upgrade of the network infrastructure and internet bandwidth.

In the medium-term (over the course of the next five years) MIS will focus on digital transformation or end-to-end business process automation.

Immediate game changers from an MIS perspective will be the deployment of broadband WIFI to municipal buildings and community facilities and the automation of municipal services.

The major risks facing the MIS function include:

- Aged infrastructure
- Vandalism of IT infrastructure
- Budget constraints
- Possible hacking and loss of information

Mitigation plans to address the risks include:

- Upgrading of infrastructure
- Strengthening of security
- Implementation of the wireless systems

8.11.9 Office of the Speaker

The Office of the Speaker is responsible for communication with Councillors, welfare and accommodation of Councillors, processing the administration of Ward Discretionary Funds and scheduling and communication of Council meetings and events relating to Councillors.

8.11.10 Constituency Services

This function is responsible for facilitation and coordination of the mainstreaming of children, people with disabilities, elderly, women and youth in conjunction with line functioning Directorates.

Constituency Services must ensure that the gap between Ward Councillors and their constituencies is minimised. The servicing of municipal residents is essential for local governance and community participation in the affairs that affect their lives and is a prerequisite for the development of the sense of belonging and ownership of decisions taken by the Municipality.

Ward Committees and special sectors play a central role in the building of communities and deepening of local democracy. By virtue of their composition, Ward Committees and special sectors can provide the Municipality with insight into the dynamics of the local community. Whilst the initial focus is on developing capacity to interact on local

government matters, it is foreseen that Ward Committees and special sectors will pay attention to building the local community. Training programmes must be developed and it is crucial that such courses or training programmes be accredited and recognised. Capacity building is to be an ongoing programme and will increase in complexity over time.

The population dynamics of Nelson Mandela Bay illustrate the different needs of various sectors amongst local residents. The youth, women, the aged, the disabled and children are the major responsibility of every sphere of government. Councillors and the City administration have the moral obligation to create a fair and prosperous society to address the competing needs of designated sectors.

The Constituency Services function is responsible for all public participation and consultation that needs to take place in relation to all functions of the Municipality such as the IDP and Budget.

Constituency Services maintains a register of all stakeholders that could be relevant to a particular consultation/participation engagement.

These include:

- 60 Ward Committees
- Special Sectors
- Organised Labour and Business
- Government Departments, parastatals and affected municipalities
- Councillors
- Municipal Shop Stewards Forum
- Executive Management

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

8.12 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.

9

CHAPTER 9

Delivery Plan

The Delivery Plan is an important aspect of the IDP in that it aligns the Performance Management System with the strategic objectives and priorities that are identified. In order to realise any objective, the Municipality has financial and human resource capacity to allocate to the achievement of the objectives. It is through the Performance Management System and the Budget allocation and its performance that one can measure the achievement of the objectives of the IDP.

An important component of this process is the monitoring and evaluation function of the Municipality. Through the monitoring and evaluation function, the Municipality will identify its failures and successes of the IDP. An effective monitoring and evaluation system can act as an early warning system to remedy any shortcomings.

The Annual Report is an important oversight tool for Council to monitor IDP achievements.

The Performance Management System achieves the implementation of the strategic objectives mainly through Circular 88 outcome indicators as well as targets in the performance agreements of senior managers. This IDP identifies Circular 88 and other outcome indicators. A subsequent process after the approval of the IDP is to identify those targets which will be placed in the performance agreements of senior managers to further the achievement of the strategic objectives identified.

The table below identifies the level at which the achievement of the strategic objectives will be monitored, namely at an Outcome level (IDP) and / or Output level (SDBIP and/or subsequent performance scorecard).

TABLE 33: Alignment of strategic objectives, outcome indicators and SDGs

| Objective | Indicator level | SDGs |
|--|---|---------------|
| a) Prioritise a drought response and recovery in order to mitigate against the impacts of the drought and ensure water security in the future. | 13, 14, 30, 50, 51, 53, 54, 55, 56, 57, 58, 59, 60 (also monitored through Output Level Indicators) | 6, 11, 16 |
| b) Prioritise climate change and resilience in order to secure the long-term sustainability of the City. | 6, 7, 8, 9, 10, 11, 13, 14, 30, 40, 50, 51, 55, 56, 57, 58, 59, 60 (also monitored through Output Level Indicators) | 3, 11, 13, 17 |
| c) Continue to mitigate the impacts of COVID-19 including the economic recovery associated with the pandemic. | 47, 48 (also monitored through Output Level Indicators) | 3, 5, 6, 17 |
| d) Prioritise the growth of the local economy and increase employment. | 47, 48 (also monitored through Output Level Indicators) | 1, 2, 8 |
| e) Accelerate the provision of basic services for all communities. | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 29, 30, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60 (also monitored through Output Level Indicators) | 6, 7, 11, 17 |
| f) Ensure that the municipality is staffed with a motivated, committed and capable workforce within available resources. | Monitored through Output Level Indicators | |

| Objective | Indicator level | SDGs |
|---|--|------------------------|
| g) Ensure financial prudence and transparent governance and work towards eradicating corruption. | 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 (also monitored through Output Level Indicators) | |
| h) Ensure financial stability and fiscal management and control in order to stabilise the financial situation of the Municipality. | 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 (also monitored through Output Level Indicators) | |
| i) Develop an effective and integrated public transport system that promotes access to opportunity through mobility. | Monitored through Output Level Indicators | 9, 11, 17 |
| j) Deliver well-resourced and capacitated disaster management, policing and emergency services to ensure the safety of communities and visitors. | 29, 30 (also monitored through Output Level Indicators) | 16 |
| k) Improve public confidence and trust in the leadership of the City through institutional accessibility, stability and effective communication channels. | Monitored through Output Level Indicators | |
| l) Provide a built environment that promotes integration, inclusivity and accessibility. | 40, 41, 42, 43, 44, 45 (also monitored through Output Level Indicators) | 6, 7, 8, 17 |
| m) Deliver on transformation objectives, promote redress and foster social cohesion. | 40, 41, 42, 43, 44, 45 (also monitored through Output Level Indicators) | 5, 6, 7, 8, 10, 11, 17 |
| 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. | 40, 41, 43, 44, 45 (also monitored through Output Level Indicators) | 3, 5, 6, 7, 10, 17 |

| Objective | Indicator level | SDGs |
|--|--|-----------------------------|
| 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. | 40, 41, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60 (also monitored through Output Level Indicators) | 6, 7, 9, 15, 17 |
| p) Ensure proactive planning for sustainable city development, conservation of resources and natural and built environment. | Monitored through Output Level Indicators | 6, 7, 11, 12 |
| q) 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. | 44, 45 (also monitored through Output Level Indicators) | 3, 5, 10, 17 |
| r) Ensure the implementation of a spatial transformation agenda to address the imbalances of the past | 40, 41, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60 (also monitored through Output Level Indicators) | 5, 6, 7, 10, 11, 15, 16, 17 |
| s) Ensuring that planning, budgeting and development, both internal and external to the Municipality is done by taking into consideration all dimensions of sustainability. | 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 (also monitored through Output Level Indicators) | 10, 17 |
| 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. | Monitored through Output Level Indicators | 7, 9, 17 |

9.1 OUTCOME INDICATORS

The use of Outcome Indicators in integrated development planning is aimed at ensuring measurability of development initiatives undertaken by various stakeholders within Nelson Mandela Bay. Furthermore, it ensures accountability of municipal decision-makers.

The following tables mainly include Circular 88 Outcome Indicators. Circular 88 indicators apply to all municipalities in South Africa and have been developed by National Treasury through an inclusive process. In addition to the outcome indicators identified in National Treasury's Circular 88, Nelson Mandela Bay Municipality has identified and will continue to identify indicators to be measured within the institution to ensure achievement of the strategic objectives that have been identified.

Energy and Electricity

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|--|---------------------|---------------------|---|---|--|
| EE1. Improved access to electricity | EE1.1. | 1 | Percentage of households with access to electricity | 90% (Based on 2020 General HH Survey) | TBD |
| EE3. Improved reliability of electricity service | EE3.1 | 2 | System Average Interruption Duration Index | TBD | TBD |
| EE3. Improved reliability of electricity service | EE3.3 | 3 | System Average Interruption Frequency Index | TBD | TBD |
| EE3. Improved reliability of electricity service | EE3.5 | 4 | Average System Interruption Duration Index | TBD | TBD |
| EE3. Improved reliability of electricity service | EE3.6 | 5 | Average System Interruption Frequency Index | TBD | TBD |
| EE4. Improved energy sustainability | EE 4.4 | 6 | Percentage total electricity losses | TBD | TBD |

Environmental and Waste

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|---|---------------------|---------------------|---|---|--|
| ENV1. Improved air quality | ENV1.1 | 7 | Annual number of days with GOOD air quality | TBD | TBD |
| ENV1. Improved air quality | ENV 1.3 | 8 | Percentage of households experiencing a problem with noise pollution | TBD | TBD |
| ENV2. Minimised solid waste | ENV2.1 | 9 | Tonnes of municipal solid waste sent to landfill per capita | TBD | TBD |
| ENV2. Minimised solid waste | ENV2.2 | 10 | Tonnes of municipal solid waste diverted from landfill per capita | TBD | TBD |
| ENV3. Increased access to refuse removal | ENV3.1 | 11 | Percentage of households with basic refuse removal services or better | 92% (Based on 2020 General HH Survey) | TBD |
| ENV3. Increased access to refuse removal | ENV 3.2 | 12 | Percentage of scheduled waste service users reporting non-collection | TBD | TBD |
| ENV5. Coastal and inland water resources maintained | ENV5.1 | 13 | Recreational water quality (coastal) | 100% | TBD |
| ENV5. Coastal and inland water resources maintained | ENV5.2 | 14 | Recreational water quality (inland) | 100% | TBD |

Financial Management

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|---|--------------|--------------|--|--|---------------------------------|
| FM1. Enhanced municipal budgeting and budget implementation | FM1.1 | 15 | Percentage of expenditure against total budget | TBD | TBD |
| FM1. Enhanced municipal budgeting and budget implementation | FM1.2 | 16 | Municipal budget assessed as funded (Y/N) (National) | Y | Y |
| FM2. Improved financial sustainability and liability management | FM2.1 | 17 | Percentage of total operating revenue to finance total debt | TBD | TBD |
| FM2. Improved financial sustainability and liability management | FM2.2 | 18 | Percentage change in cash backed reserves reconciliation | TBD | TBD |
| FM3. Improved liquidity management | FM3.1 | 19 | Percentage change in cash and cash equivalent (short term) | TBD | TBD |
| FM4. Improved expenditure management | FM4.1 | 20 | Percentage change of unauthorised, irregular, fruitless and wasteful expenditure | - | - |
| FM4. Improved expenditure management | FM4.2 | 21 | Percentage of total operating expenditure on remuneration | TBD | TBD |
| FM4. Improved expenditure management | FM4.3 | 22 | Percentage of total operating expenditure on contracted services | TBD | TBD |
| FM5. Improved asset management | FM5.1 | 23 | Percentage change of own funding (Internally generated funds and Borrowings) to fund capital expenditure | TBD | TBD |
| FM5. Improved asset management | FM5.2 | 24 | Percentage change of renewal/upgrading of existing Assets | -20.89% | 9.68% |
| FM5. Improved asset management | FM5.3 | 25 | Percentage change of repairs and maintenance of existing infrastructure | TBD | TBD |

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|--|--------------|--------------|--|--|---------------------------------|
| FM7. Improved revenue and debtors management | FM7.1 | 26 | Percentage change in Gross Consumer Debtors' (Current and Non-current) | TBD | TBD |
| FM7. Improved revenue and debtors management | FM7.2 | 27 | Percentage of Revenue Growth excluding capital grants | -5.45% | 7.13% |
| FM7. Improved revenue and debtors management | FM7.3 | 28 | Percentage of net operating surplus margin | -3.46% | -2.81% |

Fire and Disaster Services

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|---|--------------|--------------|---|--|---------------------------------|
| FD1. Mitigated effects of fires and disasters | FD 1.1 | 29 | Number of fire related deaths per 100 000 population | TBD | TBD |
| FD1. Mitigated effects of fires and disasters | FD 1.2 | 30 | Number of disaster and extreme weather- related deaths per 100 000 population | TBD | TBD |

Governance

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|--|--------------|--------------|---|--|---------------------------------|
| GG1. Improved municipal capability | GG 1.1 | 31 | Percentage of municipal skills development levy recovered | 100% (Based on 2020 General HH Survey) | TBD |
| GG1. Improved municipal capability | GG 1.2 | 32 | Top Management Stability | TBD | TBD |
| GG2. Improved municipal responsiveness | GG 2.1 | 33 | Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan) | TBD | TBD |
| GG2. Improved municipal responsiveness | GG 2.2 | 34 | Attendance rate of municipal council meetings by participating leaders (recognised traditional and/or Khoi-San leaders) | TBD | TBD |

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|---|--------------|--------------|--|--|---------------------------------|
| GG2. Improved municipal responsiveness | GG2.3 | 35 | Protest incidents reported per 10 000 population | TBD | TBD |
| GG3. Improved municipal administration | GG 3.1 | 36 | Audit Opinion | Unqualified Audit Report received from AG | TBD |
| GG4. Improved council functionality | GG 4.1 | 37 | Percentage of councillors attending council meetings | TBD | TBD |
| GG5. Zero tolerance of fraud and corruption | GG 5.1 | 38 | Number of alleged fraud and corruption cases reported per 100 000 population | TBD | TBD |
| GG5. Zero tolerance of fraud and corruption | GG 5.2 | 39 | Number of dismissals for fraud and corruption per 100 000 population | TBD | TBD |

Housing and Community Facilities

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|---|--------------|--------------|--|--|---------------------------------|
| HS1. Improved access to adequate housing | HS1.1 | 40 | Percentage of households living in adequate housing | 96.4% | TBD |
| HS1. Improved access to adequate housing | HS1.3 | 41 | Percentage of informal settlements upgraded to Phase 3 | 34% | TBD |
| HS2. Improved functionality of the residential property market | HS2.2 | 42 | Percentage of residential properties in the subsidy market | 94% | TBD |
| HS2. Improved functionality of the residential property market | HS2.3 | 43 | Percentage of households living in formal dwellings who rent | 20% | TBD |
| HS3. Increased access to and utilisation of social and community facilities | HS3.5 | 44 | Percentage utilisation rate of community halls | TBD | TBD |

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|---|--------------|--------------|--|--|---------------------------------|
| HS3. Increased access to and utilisation of social and community facilities | HS3.6 | 45 | Library visit per year | There are currently only 20 libraries open, 4 are closed due to vandalism i.e. Chatty Library, Allen Ridge Library, KwaMagxaki & Motherwell. The number of visits is 46 367. | TBD |
| HS3. Increased access to and utilisation of social and community facilities | HS3.7 | 46 | Percentage of municipal cemetery plots available | TBD | TBD |

Local Economic Development

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|---|--------------|--------------|--|--|---------------------------------|
| LED2. Improved levels of economic activity in municipal economic spaces | LED 2.1 | 47 | Rates revenue as a percentage of the total revenue of the municipality | TBD | TBD |
| LED2. Improved levels of economic activity in municipal economic spaces | LED 2.2 | 48 | Rateable value of commercial and industrial property per capita | TBD | TBD |

Transport and Roads

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|--|--------------|--------------|---|--|---------------------------------|
| TR 6. Improved quality of municipal road network | TR 6.2 | 49 | Number of potholes reported per 10kms of municipal road network | TBD | TBD |

Water and Sanitation

| Outcome | NT / MSA REF | Indicator NO | Outcome Performance Indicator | Baseline (Annual Performance of 2021/22 estimated) | Medium Term Targets for 2026/27 |
|--|--------------|--------------|--|--|---------------------------------|
| WS1. Improved access to sanitation | WS1.1 | 50 | Percentage of households with access to basic sanitation | 100% | TBD |
| WS2. Improved access to water | WS2.1 | 51 | Percentage of households with access to basic water supply | 100% | TBD |
| WS3. Improved quality of water and sanitation services | WS3.1 | 52 | Frequency of sewer blockages per 100 KMs of pipeline | 600 | TBD |
| WS3. Improved quality of water and sanitation services | WS3.2 | 53 | Frequency of water mains failures per 100 KMs of pipeline | 69 | TBD |
| WS3. Improved quality of water and sanitation services | WS3.3 | 54 | Frequency of unplanned water service interruptions | 15 | TBD |
| WS4. Improved quality of water (incl. wastewater) | WS4.1 | 55 | Percentage of drinking water samples complying to SANS241 | TBD | TBD |
| WS4. Improved quality of water (incl. wastewater) | WS4.2 | 56 | Percentage of wastewater samples compliant to water use license conditions | TBD | TBD |
| WS5. Improved water sustainability | WS5.1 | 57 | Percentage non-revenue water | 42.2% | TBD |
| WS5. Improved water sustainability | WS5.2 | 58 | Total water losses | TBD | TBD |
| WS5. Improved water sustainability | WS5.3 | 59 | Total per capita consumption of water | 251 L per capita per day | TBD |
| WS5. Improved water sustainability | WS5.4 | 60 | Percentage of water reused | 4% | TBD |

National Treasury requires the Municipality to report upon all the indicators contained in the Municipal Finance Management Act Circular 88. As mentioned previously, the above tables include reporting on the outcomes indicators.

In the latter half of 2020, Climate Change indicators were developed as follows and included in an update of Circular 88.

TABLE 29: Climate change indicators – Circular 88 Addendum

| Integrated Outcome | Sub-result | Indicators |
|--|-----------------------------|--|
| T5. Climate change resilience and adaption | Rainfall and flooding | Percentage of exposed municipal assets protected from storm surge and flooding |
| | Heat and warming | Percentage change in water consumption during periods of high heat |
| | | Urban heat island effect |
| | | Percentage change in urban landcover |
| | | GHG emissions per capita |
| | Property and material costs | Rand value of damage to municipal assets due to extreme weather events |

Source: National Treasury, 2020

The above climate change indicators operate at the same level as Integrated Outcome Indicators and reporting is institutionalised through the strategic planning instruments on a five yearly basis.

There was an update of MFMA Circular 88 in December 2019 that focused on the refinement and/or revision of some indicators. Subsequently on 17 December 2020, Circular 88 Addendum 2 was issued marking the second update of the Circular 88.

For the first time, the indicators in the Circular 88 December 2020 version apply to all categories of municipalities. This achieves the ambition of getting closer to a single, differentially applied set of indicators for all of local government. In addition, for the first time, the Circular includes planning and budgeting reforms aligned to reporting reforms. In this regard the reforms enable higher levels of strategic alignment of planning, budgeting and reporting within the local government accountability cycle.

Circular 88 Addendum 2 sees a significant shift in reforms in four respects:

- it more closely integrates and guides planning, budgeting and reporting reforms;
- it significantly expands and revises the set of Circular 88 indicators applicable to metropolitan municipalities;
- it expands the application of the reforms and the indicators to differential categories of municipalities and levels of readiness; and
- it introduces evaluations in the context of these reforms (in relation to the integrated outcome indicators and climate resilience indicators).

Circular 88 Addendum 3 was published on 20 December 2021. Its intention is to update all municipalities on the preparation of statutory planning and reporting documents required for the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) and is applicable to all local authorities.

In respect of planning and budgeting reforms, the Addendum *inter alia* deals with the institutionalisation of planning, budgeting and reporting reforms, new Metro specific IDP guidelines and assessment framework, budgeting, the Municipality Spatial Development Framework and City Development Strategies and National Treasury guidelines.

In addition, the targets for outcome indicators for the five-year IDP period are clarified and the indicators set has been expanded to include financial management indicators

Circular 88 and Addenda are attached as Annexure “E”.

10

CHAPTER 10

Budget

10.1 FINANCIAL SUSTAINABILITY AND VIABILITY

Along with global and national trends, the economy of the Eastern Cape and Nelson Mandela Bay has been severely impacted by the COVID-19 pandemic. These impacts are evident in the rise of the national unemployment rate to 34.4% in the 2nd quarter of 2021 (STATS SA). The Eastern Cape has the highest unemployment rate of all Metros with 47,1% and Nelson Mandela Bay's unemployment rate stands at 40,7% in Quarter 3 of 2021. No unexpectedly this has had a direct negative impact on the Municipality's ability to recoup service charges from its residents.

Contributing to the negative impact of the financial sustainability of the Municipality, the Auditor-General has raised its concern in its Audit Report on the material water and electrical losses of R217.1 million and R651.6 million respectively as contained in the Annual Consolidated Financial Statements of the NMBM for the 2020/21 financial year. These amounts contribute directly to financial constraints placed on effective service delivery in the NMBM.

Another material factor impacting negatively on the NMBM's finances is the arrear water services charges which has grown by R1.197 billion from 30 June 2021 to 31 December 2021, as a result of the implementation of punitive water charges resulting from the severe drought conditions.

Notwithstanding the above, the Municipality must ensure that it has a funded budget and that it can deliver on the objectives of the IDP. With regard to the budget, the Municipality must operate within the parameters of the Municipal Financial Management Act (MFMA) (56 of 2003), together with the applicable Regulations. All Directorates of the Municipality have a role to play in ensuring that the finances of the Municipality are handled sustainably and that the Municipality is financially viable going forward.

10.1.1 Consumer debt

The increase in consumer debtors of R1.233 billion, or 24.57%, compared to the previous financial year, is a cause for concern. A debtors' collection rate of 85.5% was achieved in the 2020/21 financial year, against a target of 85%. Debt collection requires attention in order to improve the financial sustainability of the Municipality.

The Municipality must strive to improve its financial position; this can be achieved by focusing on the following:

- Collection of all outstanding debt from those that can afford to pay.
- Optimising efficiency and improving implementation of the Cost Containment Regulations in order to increase funding for service delivery.
- Reforming Supply Chain processes to speed up project implementation and service delivery and increase transparency.
- Applying measures to ensure value for money of tenders.
- Increasing the efficiency of the Assistance to the Poor (ATTP) Programme from a beneficiary perspective.
- Dealing with historical irregular expenditure so that it ceases to become an audit qualification.
- Focusing on MIS/IT capacity to ensure seamless availability of municipal systems for financial control.

The accumulated collection rate for 2021/22 was calculated at 71.88% at 31 December 2021.

10.1.2 Financial sustainability

In terms of the Municipal Systems Act (Act 32 of 2000), Financial Sustainability relates to the provision of a municipal service in a manner that ensures that the financing of that service from internal or external resources, including budgeted income, grants and subsidies, is sufficient to cover the costs of:

- The initial capital expenditure required for the service.
- Operating the service.
- Maintaining, repairing and replacing the physical assets used in the provision of the service.

The Municipality experienced a serious cash-flow challenge during the 2010/11 financial year. The recovery at the time was guided by a comprehensive Financial Recovery Plan, aimed at placing the institution in a sound and sustainable financial position, thereby ensuring its ability to meet its obligations.

Proper, adequate and regular financial management oversight is therefore crucial to ensure this ongoing financial sustainability. This can be achieved through the effective implementation of financial policies and procedures.

In dealing with the above, attention needs to be paid to the following:

- Increased debt collection and credit control measures
- revenue optimisation
- operational efficiency and cost containment measures
- proper procurement planning and a value for money procurement approach
- proper tariff modelling
- ensuring a cost coverage ratio of three months
- the development of a Long-Term Financial Plan

National Treasury views a three-month cost coverage ratio as critical from a financial perspective. The Audited Consolidated Annual Financial Statements for 2020/21 reflect a cost coverage of 3.74 months and 3.78 months at 31 December 2021. The investment portfolio at 30 June 2021 was positively impacted by unspent conditional grants of approximately R1.093 billion (payments on these conditional grants occurred mainly during the months of July and August 2021, i.e. after the end of the financial year).

10.1.3 Long-Term Financial Sustainability Plan (LTFSP)

Long-term financial planning is a key element of the IDP, which allows the achievement of the strategic objectives of Council. In general, a Long-Term Financial Sustainability Plan must have a 10-year horizon and it is instrumental in indicating financial sustainability over the short, medium and long-term.

The LTFSP is underpinned by a number of financial strategies, assumptions and performance indicators, which will enable Council to make informed decisions to ensure financial sustainability, while at the same time meeting the increasing service delivery demands of local communities within the limited available resources.

The MFMA further aims to modernise budget, accounting and financial management practices by placing local government finances on a sustainable footing to maximise the capacity of municipalities to deliver services across communities. It also aims to put in place a sound financial framework by clarifying and separating the roles and responsibilities of the Council, Mayor and officials.

Nelson Mandela Bay Municipality worked with National Treasury to develop a model for long-term financial planning. Extensive work has been done on the model, which will be institutionalised during the 2022/23 MTREF.

When preparing an LTFSP, a municipality must consider the following:

- Capital and Operating Budgets
- Master plans and Backlog reports – Asset Management
- Consumption levels / units
- Losses and unaccounted for units
- Revenue streams
- Financial or other risks that may impact on financial sustainability
- Staffing levels

10.1.4 Credit Rating

A credit rating is an evaluation of the credit risk of a prospective debtor, predicting its ability to pay back the debt, and an implicit forecast of the likelihood of the debtor defaulting. On 30 July 2021, Moody's Investors Services, an internationally recognised credit ratings agency, downgraded the Municipality's national scale issuer rating from Ba2/Aaa.za to Ba3/Aa3.za.

On 30 November 2021, Moody's Investors Services, further downgraded the Municipality's rating to B1/Baa1.za, negative, which reflects the Municipality's significant challenges associated with its infrastructure backlog, as well as the Municipality's inability to apply punitive controls to mitigate the prevailing water crisis.

10.1.5 Policies / By-laws

The following policies and by-laws govern the work of the Budget and Treasury function of the Municipality:

- Financial Management Policies
- Assistance to the Poor Policy
- Tariffs Policy
- Asset Management and Disposal Policy (the Municipality has a Generally Recognized Accounting Practices (GRAP) compliant asset register)
- Supply Chain Management Policy
- Property Rates Policy
- Customer Care and Revenue Management By-laws
- Unauthorized, Irregular, Fruitless and Wasteful (UIF+W) Expenditure Policy
- Credit Control Policy

The Budget related policies are updated annually and are available on the municipal website.

10.1.6 Revenue Management

The following are key features of revenue management in Nelson Mandela Bay:

10.1.6.1 Free Basic Services (FBS) – Indigent Support

The Municipality has an approved Indigent Subsidy Policy referred to as the Assistance to the Poor (ATTP) Policy, which is reviewed on an annual basis. Applications in terms of the Policy are conducted online and are not referred to a Committee for approval. Site visits are completed to verify beneficiaries prior to approval. The relevant Section in the Municipality has 39 staff members that assist with the completion of application forms and attend to the on-site verification of households that apply for the subsidy.

The qualifying criterion for indigent support is that the combined household income may not exceed the equivalent of two welfare state pensions (R3 780 from 1 April 2021; this excludes grants such as foster child grants, care development grants, Ward Committee stipends and child support grants).

In terms of the ATTP Policy, indigent households receive the following support and benefits:

- Full credit for monthly property rates
- Full credit for monthly refuse
- Credit to the maximum of 8 kl of water per month
- Credit to the maximum of 11 kl of sewerage per month
- Free monthly token of 75 kWh of electricity per month

In the event that the indigent households consume more than the limit provided for by the support, the debt is written off after three months. Section 2.1.1 of the ATTP Policy states that all miscellaneous once-off charges incurred by an ATTP beneficiary, with the exception of tampering charges, after initial registration, will be written off. Furthermore, Section 2.1.2 states that no further legal costs and call fees will be charged to ATTP accounts, with the exception of tampering charges. The Municipality, however, has an Amnesty Programme whereby through the declaration of tampering and the installation of a meter, tampering charges may be eliminated.

The Budget and Financial Plan includes provision for the costs of providing free basic services. The relevant revenue per service is reduced by the amount equal to the costs of providing the relevant free basic service to qualifying ATTP consumers in respect of that service. The schedules below indicates the cost of Free Basic Services for the past two financial years.

FREE BASIC SERVICES – 2019/20

TABLE 30: 2019/20 ATTP Beneficiation

| Month | Total ATTP Accounts | Water | Sewerage | Electricity | Refuse Removal | Rates | |
|--------------|---------------------|--------------------|--------------------|-------------------|-------------------|-------------------|--------------------|
| | | Total Value R | Total Value R | Total Value R | Total Value R | Total Value R | Total Value R |
| Jul-19 | 84,020 | 10,595,328 | 14,161,780 | 3,228,911 | 8,948,611 | 9,390,431 | 46,325,061 |
| August | 82,230 | 10,885,527 | 14,469,070 | 3,144,259 | 8,746,710 | 9,157,296 | 46,402,862 |
| September | 80,004 | 10,940,271 | 14,160,262 | 3,015,984 | 8,529,864 | 11,146,740 | 47,793,121 |
| October | 64,236 | 9,355,307 | 11,804,636 | 2,831,855 | 6,805,107 | 7,368,212 | 38,165,117 |
| November | 56,584 | 8,396,246 | 10,397,783 | 2,303,570 | 6,002,557 | 6,599,092 | 33,699,248 |
| December | 56,293 | 8,090,395 | 10,337,983 | 2,258,555 | 6,039,781 | 6,630,033 | 33,356,747 |
| Jan-20 | 56,316 | 8,827,795 | 10,732,735 | 2,283,246 | 6,043,300 | 6,626,843 | 34,513,919 |
| February | 56,707 | 8,445,127 | 10,585,397 | 2,299,494 | 6,138,052 | 6,729,770 | 34,197,840 |
| March | 58,691 | 8,261,945 | 10,716,300 | 2,398,008 | 6,388,062 | 6,958,666 | 34,722,981 |
| April | 59,736 | 9,171,001 | 11,132,702 | 2,367,299 | 6,549,005 | 7,125,612 | 36,345,619 |
| May | 59,844 | 8,376,324 | 11,025,125 | 2,369,918 | 6,561,458 | 7,113,415 | 35,446,240 |
| June | 61,545 | 7,734,799 | 11,240,104 | 2,322,365 | 6,747,714 | 7,237,124 | 35,282,106 |
| TOTAL | | 109,080,065 | 140,763,877 | 30,823,464 | 83,500,221 | 92,083,234 | 456,250,861 |

FREE BASIC SERVICES - 2020/21

TABLE 31: 2020/21 ATP Beneficiation

| Month | Total ATP Accounts | Water | Sewerage | Electricity | Refuse Removal | Rates | Total Value R |
|--------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
| | | Total Value R | Total Value R | Total Value R | Total Value R | Total Value R | |
| July | 65,312 | 9,676,779 | 12,297,918 | 2,575,995 | 7,630,910 | 8,398,231 | 40,579,833 |
| August | 66,927 | 9,699,252 | 12,953,671 | 2,626,424 | 7,802,197 | 8,663,147 | 41,744,691 |
| September | 67,320 | 10,180,712 | 13,118,311 | 2,547,084 | 7,866,063 | 10,660,599 | 44,372,769 |
| October | 66,978 | 9,866,346 | 12,992,411 | 2,539,073 | 7,823,868 | 8,603,515 | 41,825,213 |
| November | 66,795 | 10,068,325 | 13,016,649 | 2,490,237 | 7,801,049 | 8,558,595 | 41,934,855 |
| December | 66,758 | 9,688,474 | 12,928,956 | 2,486,848 | 7,797,461 | 8,541,576 | 41,443,315 |
| January | 66,778 | 10,430,544 | 13,174,169 | 2,500,969 | 7,803,345 | 8,531,323 | 42,440,350 |
| February | 70,889 | 10,693,899 | 13,809,230 | 2,696,622 | 8,316,859 | 9,195,748 | 44,712,358 |
| March | 71,533 | 10,279,917 | 13,829,502 | 2,701,398 | 8,402,828 | 9,249,194 | 44,462,839 |
| April | 67,489 | 9,964,546 | 13,132,094 | 2,574,455 | 7,942,416 | 8,739,883 | 42,353,394 |
| May | 64,761 | 9,570,960 | 12,606,797 | 2,459,066 | 7,648,343 | 8,362,235 | 40,647,401 |
| June | 62,871 | 9,576,521 | 12,283,365 | 2,350,815 | 7,439,090 | 8,004,313 | 39,654,104 |
| TOTAL | | 119,696,275 | 156,143,073 | 30,548,986 | 94,274,429 | 105,508,359 | 506,171,122 |

10.1.6.2 Property Valuation Rolls

The rating of property is implemented impartially, fairly, equitably and without bias. These principles also apply to the setting of criteria for exemptions, reductions and rebates, contemplated in Section 15 of the Municipal Property Rating Act, Act No 6 of 2004.

The rating of property is implemented in a way that:

- is developmentally oriented;
- supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the Municipality;
- supports local and socio-economic development;
- promotes simplicity, uniformity, certainty in the property rates assessment process;
- gives due consideration to the need for a simple and practical process of billing and collection of property rates;
- promotes sustainable land management, especially that which reduces the risk from natural disasters; and
- achieves national and local environmental management objectives.

The Municipality has an updated Valuation Roll, which is implemented in line with the Municipal Property Rates Act. One supplementary valuation is completed per financial year. Sufficient budget is made available for all supplementary valuations and general valuations as required.

The Municipality has further implemented a General Valuation on 1 July 2017. The next General Valuation will be implemented from 1 July 2022 (implementation date was extended by one year), based on property valuations as at 1 July 2021. The Valuation Roll is updated on a regular basis to achieve a sustainable rates base, in order to generate income to provide quality services.

10.1.6.3 Billing of consumer accounts

The Municipality bills 340 953 debtors per month on its Consolidated Billing System. The billing process is two-fold, 21 billing cycles (1 cycle per night) and meter readings, due dates and debt collection processes are scheduled in line with billing dates. The turnover for the main services for the 2020/2021 financial year was R9 340 692 431. At present, the system bills 229 285 water meters and 36 961 credit electricity meters per month.

10.1.6.4 Revenue Enhancement Strategy

A draft Revenue Enhancement Strategy has been developed and is due for approval in the current financial year.

10.1.7 Expenditure Management

10.1.7.1 Conditional Grants

The Municipality manages its conditional grants in terms of the Division of Revenue Act (DoRA) requirements and submits all required reports. The Municipality does not have separate bank accounts for each conditional grant but keeps control of the grants by maintaining separate vote structures for each grant.

10.1.7.2 Remuneration

Councillors' remuneration is determined annually in terms of the relevant Government Notice issued by the Minister of COGTA in terms of the Remuneration of Public Office-Bearers Act, 1998 (Act No 20 of 1998). The overall increase in human resource costs relevant to all other municipal employees is determined in line with the relevant South African Local Government Bargaining Council Agreement in this regard. At 31 December 2021, employee related costs constituted 20.78% of the total operating revenue, against the target of 30.51% for the financial year.

10.1.7.3 Finance costs

All financing costs in terms of external loan funding agreements are serviced in terms of the relevant approved funding agreements.

10.1.7.4 Payments to service providers

All monies owed by the Municipality to service providers are paid in terms of Section 65 (2) (e) of the MFMA unless there are delays that result from various reasons on a case-by-case basis.

10.1.7.5 Funding of Capital Expenditure

The table below reflects the historical reliance on government grants in order to fulfil the mandate of providing services:

TABLE 32: Funding of Capital Expenditure

| Sources of funding | 2018/19 | % | 2019/20 | % | 2020/21 | % |
|------------------------------|------------------|-------------|----------------|-------------|------------------|-------------|
| Government Grants | 1 222,332 | 72.50% | 633,075 | 73.74% | 891,117 | 67.89% |
| Other grants | 40,406 | 2.40% | 103,802 | 12.09% | 31,682 | 2.41% |
| Public contributions | 0 | 0% | 0 | 0% | 0 | 0% |
| Internal Funds | 423,187 | 25.10% | 121,647 | 14.17% | 389,902 | 29.70% |
| Total Capital Funding | 1 685,925 | 100% | 858,525 | 100% | 1,312,701 | 100% |

Source: NMBM, 2022

10.1.7.6 Capital and Operating Spending Results

The following table shows the capital and operating spending results of the Municipality over a three-year period.

TABLE 33: Capital and Operating Spending Results

| R thousand | 2018/19 | | | 2019/20 | | | 2020/21 | |
|---------------------------------------|-----------------|------------------|------------------|------------------|---------------|---------------|------------|------------------|
| | Budget | Audited | Restated | Budget | Audited | Restated | Budget | Audited |
| Operating Revenue | 10 361 367 | 9 995,609 | 10,004,960 | 11 509 629 | 10 930 888 | 10,912,396 | 12,102,045 | 11,857,045 |
| Less: Fuel Levy (Capital Expenditure) | | 320 726 | 320,726 | | 158 014 | 158,014 | 276,765 | 148,695 |
| True Operating Revenue | | 9 674 883 | 9,684,234 | | 10 772 874 | 10,754,382 | 11,825,280 | 11,708,350 |
| % Operating Revenue | | 93.37% | 94.46% | | 93.60% | 93.44% | | 99.01% |
| Operating Expenditure | 10 435 733 | 9 918 362 | 10,178,926 | 11 653 974 | 10 673 025 | 10,696,879 | 12,054,104 | 12,319,320 |
| % Operating Expenditure | | 95.04% | 97.54% | | 91.58 | 91.87% | | 102.20% |
| Net Surplus / (Deficit) | (74 366) | (243 479) | (494,692) | (144,345) | 79,849 | 57,503 | | (610,970) |
| Capital Expenditure | 2 063 593 | 1 666 802 | 1,685,925 | 1 572 555 | 858 525 | 858,525 | 1,605,188 | 1,312,701 |
| % Capital Expenditure | | 80.77% | 81.70% | | 54.59% | 54.59% | | 81.78% |

Source: NMBM, 2022

10.1.8 Financial Reporting

The 2020/21 Annual Financial Statements were presented to the Auditor-General on 31 August 2021 and the Consolidated Annual Financial Statements were presented to the Auditor-General on 30 September 2021. An Annual Financial Statements preparation plan/schedule was developed and circulated to all role-players to assist in meeting the time frames for the finalisation of the Annual Financial Statements. The submissions of the Annual Financial Statements to the Auditor-General South Africa were in compliance with the requirements of the MFMA.

The NMBM received a qualified audit opinion for the 2020/21 financial year. The basis for the qualified opinion is as follows:

- The Municipality did not adequately assess at each reporting date whether there were any indications that the expectations of the useful lives of property, plant and equipment had changed in accordance with GRAP 17, property, plant and equipment.
- The Municipality was unable to provide sufficient and appropriate evidence that it had appropriately accounted for and disclosed infrastructure assets of R12.9 billion, which were disclosed in note 9 to the consolidated and separate financial statements, due to the status of the accounting records.
- As a result of the misstatements on depreciation, the Municipality was unable to provide sufficient appropriate audit evidence that the unauthorised expenditure was calculated correctly in the current year.
- The Municipality did not have adequate systems for recording and accounting for indigent debtors.

An Audit Action Plan will be developed to address the issues raised by the Auditor-General, as with all previous audit reports. The Internal Audit function monitors these action plans.

The Municipality compiles and submits all the required legislated financial reports, which include, inter-alia, those reports required in terms of Sections 71, 52 (d) 72 and 121 of the MFMA.

10.1.9 Implementation of Municipal Standard Chart of Accounts (MSCOA) Regulations

The MSCOA Regulations are institutional reforms required by National Treasury in line with Section 216 of the Constitution of South Africa. The objective of the MSCOA Regulations is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transactional level, by prescribing a standard chart of accounts for municipalities that:

- is aligned to the budget formats and accounting standards prescribed for municipalities; and
- enables uniform information sets to be recorded in terms of national norms and standards across the whole of government, for the purpose of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.

On 13 November 2014, the MSCOA Implementation Plan was adopted by Council and submitted to National Treasury on 14 November 2014. An MSCOA Implementation Task Team is in place consisting of various work-streams. A Project Manager has been appointed in the Office of the City Manager to ensure the implementation of MSCOA. The Accounting Officer exercises oversight over the functioning of the MSCOA Task Team.

The benefits of implementing the MSCOA reforms inter-alia include:

- Standardisation of all municipal and the whole-of-government reporting, which leads to a reduction in the Auditor-General's interpretations of multiple charts of accounts.
- Improved transparency and accountability, leading to a high level of service delivery and contributing to a well-run municipality.