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Chapter 1
Introduction & Overview
(I) Executive Mayor’s Foreword

We have reached a historic milestone, the end of our first five-year term as a new developmental local government. It has indeed been a challenge. Whilst tremendous progress has been made in improving the living standards of our people and restoring their dignity along the way, it is acknowledged that much more still needs to be done.

Some of our achievements in the 2004/05 financial year were:

• The provision of 7 110 water connections.
• Our relationships, sharing knowledge and experiences with our sister cities in the world, as well as neighbouring and other municipalities in South Africa, continue to improve and bear fruit, which benefits all our communities.
• Governing, together with our communities, through a ward committee system and other outreach programmes, such as the Masithethisane programme, which serve as major sources of insight and enrich our decision-making processes.
• In an effort to rejuvenate our CBD and provide a safe environment for our residents, we managed to install 24 CCTV cameras and appointed a security firm to complement and support our effective but stretched safety and security team.
• Major strides have been made in service delivery, specifically in the provision of water, sanitation, refuse and solid waste removal, health, electricity and housing.

Amongst the challenges still confronting our Municipality are the elimination of the bucket system, improving service delivery in peri-urban areas, accelerating housing provision, and the eradication of shared toilets. Our partnerships with other spheres of government, private sector, financial institutions, international networks and the community will go a long way to enable us to deal with these problems as we enter the next five years of developmental local government.

The announcement that Nelson Mandela Bay will be one of the host cities for the 2010 Soccer World Cup is a source of hope and pride and will serve us well in creating much needed jobs, promoting tourism, accelerating economic growth and putting Nelson Mandela Bay on the world map.

I wish to extend my gratitude to the Deputy Executive Mayor, the Speaker, the Chief Whip, the Mayoral Committee and the Council for the diligent manner in which they govern our institution.
The historical Donkin reserve, home to the city’s Tourism Info Centre, overlooks the Port Elizabeth Harbour, with the beachfront hotels in the background.

The historical garden town of Uitenhage

A tranquil street scene in Despatch
Acting Municipal Manager's Statement

An effective administration enables the achievement of the goals and targets set by the political leadership on behalf of our communities. These are reflected in the IDP, as well as other policy directives. The creation of an efficient and effective, sustainable administration is therefore one of our key priorities. Notable achievements have been made in this regard. Some of these achievements are outlined below.

What cannot be measured, cannot be considered done. The full realization of our IDP dictates regular measuring and monitoring of the administration. An effective Performance Management System has enabled us to measure our progress, identify gaps and develop interventions, hence the achievements outlined in this 2004/05 Annual Report. We will continue to make improvements so that performance becomes truly entrenched in our institutional culture.

For the Nelson Mandela Bay Municipality to remain a leader in service delivery and create an environment conducive to investment, it is paramount that we constantly reinvent ourselves so as to remain ahead of the challenges facing us. To realise this, the Municipality has embarked on a business re-engineering process, focused on improving municipal systems, processes and structures.

Our innovative culture enables ground-breaking projects, such as the Sustainable Communities Project, which is a planning tool for the development of integrated, economically active and sustainable communities. This will assist us in integrating our fragmented communities, which are the result of imbalances in planning.

The success of the Municipality’s service delivery goes hand in hand with its success on the economic front. The Nelson Mandela Metro has therefore embarked on a number of poverty alleviation and job creation activities, including the TATI Agricultural Project and other urban agricultural projects.

Co-operatives have also been established and supported so that they can be self-reliant. Of the co-operatives established in the 2004/05 financial year, fourteen are already fully functional. This is coupled with the support to BEEs and SMMEs. Through our Supply Chain Management Policy, an increased number of previously excluded people are now entering the mainstream economy.

It is certified that the Municipality has met its statutory commitments, including the payment of taxes and audit fees.

I wish to extend a special word of thanks to the Executive Mayor, the Deputy Executive Mayor, the Mayoral Committee, all Councillors, Officials, Ward Committees, Municipal Volunteers and the public at large.

MS V ZITUMANE
Upgraded Conservatory.

The famous King’s Beach.

The Municipality is committed to “greening” the city.

The new KwaZakhele Fire Station.
Introduction and Overview

The Nelson Mandela Bay Municipality is situated in the Eastern Cape of South Africa. It is famous for its beautiful coastline and beaches and is a preferred destination, as confirmed by the ever increasing number of international and domestic visitors. In close proximity are the world-renowned Shamwari Game Reserve and the National Addo Elephant Park, which boasts beautiful scenery and the Big Five. Named after renowned world icon Nelson Mandela the Bay area is indeed a friendly, warm and welcoming place and rich in cultural heritage. Below are some key statistics:

1. Population
The Metro has a population of 1,3 million and covers an area of approximately 1 845 km². Altogether 52% of its population are female and 37% below the age of twenty, highlighting the importance of education, job creation and youth programmes. Altogether 68% of the population are between the ages of 15 and 64 years. Some 5,3% of the population are over 65 years of age.

2. Socio-economic trends
The Metro achieved a 4% growth rate in the 2004/2005 financial year. The number of foreign tourists visiting the Metro increased by 25% (from 400 701 to 500 877) and the number of domestic tourists increased by 202% from 1 870 644 to 5 655 333. The Metro is still, however, experiencing high poverty and unemployment levels. This is indicated by the number of households receiving free basic services. Altogether 82 976 households are receiving free basic electricity, while 88 000 households are receiving free basic water and related services. The unemployment rate is currently 40%. According to the 2001 census, 62% of households live in brick (formal) houses.

The recent investments in the automotive industry remain a source of pride and hope and provide many much-needed jobs. The Coega Project, which comprises an industrial development zone and South Africa’s newest deep-water port, Ngqura, is an exciting development. When fully functional, the port will be a phenomenal catalyst to the Nelson Mandela Bay’s economic growth. The project is ideally located to serve as a transshipment hub port and to exploit the opportunities provided by the rapid changes in international shipping traffic. Current and future investments will create more jobs and stimulate the economy.

3. Executive Mayoral Committee System
The Metro has an Executive Mayoral Committee System. The Executive Mayor is assisted by the Deputy Executive Mayor and nine Mayoral Committee members, who are Portfolio Chairpersons. The Mayoral Committee, under the Executive Mayor, provides strategic decisions on policy matters. In addition, the Council has 108 Councillors, serving 54 wards. During 2004/05, fourteen Council meetings, twenty five Mayoral Committee meetings and fifty eight Standing Committee meetings were held.

This Annual Report sets out the priorities of the Nelson Mandela Bay Municipality in 2004/05, its key achievements, challenges and service delivery improvements, as well as targets for the next financial year.
The Metro pledged the following in its Vision 2020 statement:

“The Nelson Mandela Metropolitan area practices social justice in a culture of public participation, guided by an efficient, accountable non-racial, non-sexist Municipality that focuses on sustainable environmental, social and economic development, improving quality of life of its communities in a secured, safe and tourist friendly environment”.

Developmental priorities

Key to the realization of a developmental and sustainable Nelson Mandela Bay Municipality, are the following developmental priorities:

- Institution building
- Service delivery
- Housing and land delivery
- Investment and economic growth
- Tourism and tourism infrastructure development
- Public safety
- Cleansing and environment

In addition to the above, the Municipality is committed to financial discipline and effective financial management, as its vision and developmental priorities can only be achieved if its finances are in a healthy state.

Below is a brief summary of how the Municipality performed in the above mentioned developmental priorities:

### Institution building

The Municipality embraced Project Consolidate and institutional restructuring as guiding tools for its transformation agenda. In this respect, gaps were identified and plans of action developed and budgeted for to ensure that we improve the organization’s performance. Furthermore, the Municipality has also realized that forging partnerships with the community, other spheres of government, the private sector and the international community is conducive to achieving institutional goals. Challenges in this regard include the application of an effective ward committee system, updating the IT system, and the need to accelerate integration and dealing with human resources challenges.

### Service delivery

The Municipality provides basic services, such as water, solid waste removal, sanitation and electricity, to 265 109 households in the Bay area. The performance of the Municipality in the provision of these services is outlined below:

#### Water

- Altogether 100% of all formal households have access to a basic level of water. All informal areas have standpipes, except where people are occupying private land or uninhabitable electrical servitudes. If this category is included, 86% of households have access to water.

#### Sanitation

- Altogether 99% of households in formal areas have access to sanitation. When informal areas are included, altogether 85% of households have access to a basic level of sanitation.

#### Electricity

- Altogether 97,5% of households now have access to electricity. A total of 11 315 households were electrified during the 2004/05 financial year.

#### Refuse removal

- Altogether 94% of households in the Metro were provided with a basic level of solid waste service and 92,1% of households are receiving regular refuse removal services.

Challenges confronting the Municipality with regard to service delivery include the provision of services to peri-urban areas and the elimination of the bucket system. A plan of action has been developed to deal with this situation.

### Housing and land delivery

Altogether 7 110 low-cost housing units have been built during the 2004/05 financial year. The major problem in this regard is late or non-receipt of provincial housing subsidies, which unfortunately instigates civil unrest. Presently, all stakeholders are engaged in finding a lasting solution.
Investment and economic growth
A significant increase in foreign investment has been recorded in the Bay area, but unemployment and poverty remain challenges. Some poverty alleviation programmes have been implemented, although it is clear that all spheres of government need to work together in this regard.

Tourism and tourism infrastructure development
The Metro continues to improve in the tourism field. The number of foreign and domestic visitors to the Metro has increased dramatically. Although this signifies a welcome growth in the tourism industry, there is still a challenge to expand this industry to the former disadvantaged areas.

Public safety
The initiatives with regard to crime prevention include the installation of CCTV cameras, and complementing the South African Police Service and the municipal Security Services with a security company and volunteers. This has reduced crime significantly, but the challenge is to sustain this encouraging trend.

Cleansing and environment
Progress has been made with regard to solid waste and refuse removal. However, the Municipality is currently experiencing and combating the problem of illegal dumping.

work in progress
The New Logistics Park: Construction at the Logistics Park in Uitenhage, which will help make the local automotive industry remain competitive internationally.
Executive Summary

The Sustainable Communities Project of the Nelson Mandela Bay Municipality involved the development and testing of the concept of sustainable community units, as a guideline for the planning of sustainable community areas. Its outcome is a handbook (guideline) that will serve as a spatial planning tool at the implementation level, i.e. the level between the Spatial Development Framework (SDF) Planning and more detailed lay-out planning.

Local needs

Against the background of communities still recovering from the devastation of apartheid, affecting every aspect of existence – economic development, social development and environmental protection – the biggest challenge facing the Nelson Mandela Bay Municipality is the restoration of the very fabric of its society to create sustainable communities.

The Sustainable Communities Project (SCP) is conceptualised in a broad-scale plan named the Spatial Development Framework (SDF), which is required in terms of the Municipal Systems Act, one of several pieces of legislation promulgated to regulate local government in the “new” South Africa.

Good governance is essential for sustainable development. At local government level, sound environmental, social and economic policies, responsiveness to the needs of the people, the rule of law, anti-corruption measures, gender equality and an enabling environment for investment are the basis for sustainable development. The NMBM, where the concept of a Sustainable Community Unit was devised, has certain characteristics as a city that have made the project a necessary and important planning tool to redress past imbalances.

These characteristics include the following:

- The existence of severe imbalances in the provision of services and infrastructure in various parts of the city;
- Segregated planning areas without employment opportunities, caused by apartheid planning;
- A general lack of socio-economic and cultural integration;
- A need to restructure the City;
- A predominantly poor population, with unemployment at 40%, and 38% living below the poverty line;
- A housing backlog of 75 000 units.

Apart from the above, the city is characterised by low-density, wealthy, well-serviced areas in the south and west; older higher density residential areas, which are overcrowded; poorly serviced areas in the north and central parts; and, on the outskirts of the City, newer residential areas for the poor. These have been created through the fast provision of large numbers of houses, driven by the housing programme, which aims to deliver housing at scale to the low-income sector and the homeless.

Defining planning principles

Peace, security, stability, respect for human rights and fundamental freedoms, including the right to development, as well as respect for cultural diversity, are essential for achieving sustainable development and ensuring that sustainable development benefits all.

The concepts of sustainability and integration were carefully examined in the project, and certain planning principles were defined as critical to adhere to in order to achieve greater levels of integration and sustainability in the urban areas. These principles listed below, are embodied in national legislation and policies, and consequently the SDF in which context this project takes place.
The Leading functional elements

In attempting to achieve both sustainability and integration in the SCUs by adopting the driving principles, six functional elements were identified as needing attention. In focusing on these six elements, minimum standards were defined for acceptable planning leading to quality of life in those areas.

The six elements below are strongly interlinked in the planning process:

- Work
- Housing
- Services
- Transport
- Character and identity
- Community

These functional elements are further broken down to cover the aspects described below.

**Work**

The work element covers the need to provide significant employment within and close to housing areas. It covers the requirements of economic activities from a home base, as well as higher order employment in local centres within the sustainable community area. Some members of the community will work in neighbouring areas or the major employment centres of the city. The public transport link between sustainable community areas and elsewhere in the city will be important to provide accessibility in the entire municipal area for those who need it.

**Housing**

This element focuses on a range of housing options and the creation of socio-economically mixed residential neighbourhoods, with differing housing types and tenures. Mixed housing types will range from detached units, semi-detached units, single and double-storey units, to walk-ups. Higher densities will be promoted along the main transport routes through the SCU.

This element has importance for socio-economic integration and allows for the longer-term evolution of community life, including housing for groups with special needs.

**Services**

In this element, the focus will be on engineering infrastructure as well as other “services”. The usual technical engineering services will be provided, such as water, sewerage and electricity. This area also covers the use of alternative service delivery mechanisms that are environmentally friendly and more sustainable.
Other socio-economic services to enhance the quality of life, such as crèches, schools, clinics, public open spaces, commercial and cultural facilities, etc., will have to be provided at acceptable levels to meet all needs.

Transport
The transportation system within the SCU includes different modes of transport, such as walking, cycling, taxis, buses, trains and private vehicles, which need to be viewed holistically as they will be complementarily linked in the overall transportation structure of the city. This is contained in the NMBM Integrated Transport Plan. All sustainable community units need to be linked by an efficient public transport network.

It is a reality of development in the City that the majority of the population do not and will not have access to private transport. The premise of the SCU concept is that the need for each citizen to travel has to be reduced, and this can be achieved by providing for needs within walking distances from homes.

The focus on pedestrian movement emphasizes the requirement for safe and defined pedestrian routes within areas, as opposed to planning for motor cars.

Character and identity
This element involves both spatial and non-spatial aspects. From a non-spatial perspective, it is emphasised in the project that communities need to be involved in the planning for and understand their areas, so that they have a sense of ownership and can relate more easily to their area.

From a spatial perspective, the focus is on landmarks and legibility, to engender a sense of place and identity within the area amongst the resident community. The open space structure of the area will assist in enhancing the ambiance and character of the areas, as well as providing for essential environmental needs.

Community
The community element covers the participation aspects of the project. It involves a communication strategy that establishes forums and processes in order to include the community interest, as far as possible, and defines the criteria for what makes a community sustainable and integrated on which to base the planning of an individual SCU.

Community needs are satisfied spatially through the provision of well located meeting places and community halls and facilities.

Having identified the elements described above, the aim of the project is to divide the urban area of the city into SCUs, based on the walking distance described previously, namely a 2 km radius. Having done this, all SCUs will be analysed in terms of the criteria described above. The next step is to apply the criteria to remodel developed areas or plan new areas of development in a more integrated and sustainable manner.

The project methodology involved defining the criteria and then applying them to a chosen pilot SCU. The chosen SCU was Bloemendal, which has characteristics of an already developed township, as well as new open spaces for development. It also represents many planning challenges within the city, such as poverty and segregation. Application of the criteria to the pilot area provided the opportunity to test the work previously done in the project definition stage and to refine it, where necessary.
After the pilot project had been completed, the criteria could be re-examined to determine applicability in a real-world situation.

Underpinning the entire project exercise were two critical processes, namely a communication strategy and so-called integrated development matrix.

**Communication strategy**

During the formulation of the criteria, essential for sustainability and integration, used in the project, an inclusive participation process was undertaken. This involved the formation of a Core Project Team (CPT), a Technical Task Team (TTT), and a Steering Committee (SC).

These are described as follows:

**CPT:** Comprised staff from the responsible business unit and consultants working with them on the project. This team did most of the technical work pertaining to the project and prepared issues for consideration by the TTT and SC.

**TTT:** Comprised the CPT and officials from other business units, such as Infrastructure and Engineering, as well as Transportation Planning, Economic Development, Environmental Services and the Integrated Development Plan Office.

**SC:** Acted as a political reference group and decision-making body for all important areas with regard to the project process and planning. It comprised senior politicians and officials from the business units associated with the TTT. The Committee was chaired by the Chairperson of the Housing and Land Committee.

During the planning of the pilot SCU (the SC selected was Bloemendal), the participation process included the formation of the Bloemendal Development Forum (BDF). The BDF included local community representatives, Ward Committee representatives, Councillors, non-government organisations (NGOs), community-based organisations (CBOs) and interested community members.

**Integrated Development Matrix (IDM)**

The IDM, which forms part of the working documentation of the project, acts as a guide to prescribe the role of all role-players in the SCU planning process to ensure maximum effectiveness. It also prescribes the role of all technical departments/units of the Council, as well as provincial government, national government, and NGO/CBO and community role-players.

The steps involved defining the sustainable community criteria, finalisation of the pilot project and revisiting the criteria and processes used. The next step is to develop a handbook. This will include the elements defined in the project and identify the processes and elements to be used to plan the remaining SCUs in the municipal area. It can be applied beyond the NMBM, as the concept can be adapted to suit any developed or undeveloped planning area anywhere.

**The replication legacy**

The need to draw up national programmes for sustainable local and community development to promote the empowerment of people living in poverty and their organisations, is considered a major non-negotiable factor. These programmes must reflect our priorities and enable us to increase access to productive resources, public services and institutions, in particular land, water, employment opportunities, education and health.

It is a national imperative that local authorities spatially restructure their cities and overcome past imbalances.

No planning framework exists at national and provincial levels to achieve this in a holistic sense in local authorities. The SDF provides the framework for development. The concept of sustainable communities provides a means of achieving the broad-scale objectives defined by the SDF and to take planning to the next level before detailed layout planning is undertaken.

This project was aimed at providing a generic framework to address the problems of imbalances, the need for restructuring and resource allocation for application in the municipal area.

It is also an important tool to guide budget expenditure and the allocation of resources to reduce planning, development and infrastructure imbalances in the city.

The handbook will serve as a useful reference tool for planners working in the city. It will be published so that it can be widely available and will allow for the principles to be adopted and replicated in other areas and cities experiencing imbalances in urban structure and resource allocation.

**In closing**

The ability to establish and maintain sustainable development and communities is entirely dependent on the multi-stakeholder partnerships formed between governmental and non-governmental institutions, all major participants in the public and private sectors, volunteer groups, and community entities and members. The SDF encompasses all these role-players.

The ability to replicate a pilot project is confirmation of its relevance and sustainability, for not just one community, but for an entire city, region or country.