

Buffalo City Metropolitan Municipality

2012/2013

**ANNUAL
REPORT**

Volume I

16 September 2013

Contents

CONTENTS

CONTENTS	2
REVISED ANNUAL REPORT TEMPLATE	11
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY.....	13
COMPONENT A: MAYOR’S FOREWORD	13
COMPONENT B: EXECUTIVE SUMMARY	15
1.1. MUNICIPAL MANAGER’S OVERVIEW	15
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW .	18
1.3. SERVICE DELIVERY OVERVIEW	22
1.4. FINANCIAL HEALTH OVERVIEW.....	27
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	30
1.6. AUDITOR GENERAL REPORT	30
1.7. STATUTORY ANNUAL REPORT PROCESS.....	31
CHAPTER 2 – GOVERNANCE	33
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	34
2.1 POLITICAL GOVERNANCE	34
2.2 ADMINISTRATIVE GOVERNANCE	37
COMPONENT B: INTERGOVERNMENTAL RELATIONS	40
2.3 INTERGOVERNMENTAL RELATIONS	40
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	43
2.4 PUBLIC MEETINGS.....	44
2.5 IDP PARTICIPATION AND ALIGNMENT.....	47
COMPONENT D: CORPORATE GOVERNANCE	47
2.6 RISK MANAGEMENT	47
2.7 ANTI-CORRUPTION AND FRAUD	54
2.8 SUPPLY CHAIN MANAGEMENT	55
2.9 BY-LAWS	57
2.10 KNOWLEDGE MANAGEMENT	58
2.10 (A) WEBSITES.....	58

Contents

2.10 (B) KNOWLEDGE MANAGEMENT AND RESEARCH	59
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	65
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	66
COMPONENT A: BASIC SERVICES	66
WATER SERVICES	66
SANITATION SERVICES	67
ELECTRICITY	67
SOLID WASTE MANAGEMENT	67
3.1. WATER PROVISION	69
WATER SERVICES	69
WATER RESOURCES PROFILE	70
BLUE DROP STATUS	74
WATER CONSERVATION AND DEMAND MANAGEMENT	74
WATER USE PROFILE	75
WATER SERVICE DELIVERY LEVELS	76
3.2 WASTE WATER (SANITATION) PROVISION	82
GREEN DROP STAUTS	84
3.3 ELECTRICITY	92
RURAL SUPPLY BY ESKOM	94
ACHIEVEMENTS 2012-2013	94
MAJOR CHALLENGES IN ELECTRICITY SERVICES AND REMEDIAL ACTIONS	99
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	102
INTERVENTIONS	102
CHALLENGES	103
REMEDIAL ACTION	103

Contents

3.5 HOUSING.....	110
HOUSING BACKLOG	111
HOUSING INTERVENTIONS.....	112
ALLOCATION & RELOCATION POLICY.....	118
HOUSING ACCREDITATION (LEVEL 1 & LEVEL 2).....	118
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT.....	126
COMPONENT B: ROAD TRANSPORT	129
3.7 ROADS.....	129
3.8 TRANSPORT (INCLUDING PUBLIC BUS OPERATION)	136
MAJOR SUCCESSES	136
CHALLENGES	137
3.9 WASTE WATER (STORMWATER DRAINAGE).....	143
COMPONENT C: PLANNING AND DEVELOPMENT	147
3.10 PLANNING	148
CHALLENGES FOR 2012/2014:	151
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).....	156
ACHIEVEMENTS OF 2012/2013	157
KEY CHALLENGES OF THE DEPARTMENT	164
COMPONENT D: COMMUNITY & SOCIAL SERVICES	170
3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC).....	170
3.13 CEMETORIES AND CREMATORIUMS.....	175
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES.....	179
COMPONENT E: ENVIRONMENTAL PROTECTION.....	183
3.15 POLLUTION CONTROL	184
3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION).....	186

Contents

COMPONENT F: HEALTH	188
3.17 CLINICS.....	188
3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	190
COMPONENT G: SECURITY AND SAFETY	193
3.20 POLICE.....	193
3.21 FIRE.....	202
3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER).....	207
COMPONENT H: SPORT AND RECREATION.....	210
3.23 SPORT AND RECREATION.....	210
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	214
3.24 EXECUTIVE AND COUNCIL.....	214
3.25 FINANCIAL SERVICES	217
3.26 HUMAN RESOURCE SERVICES	222
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	225
3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES 231	
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD.....	236
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE.....	275
(PERFORMANCE REPORT PART II).....	275
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	275
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	275
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	277
4.2 POLICIES	278
4.3 INJURIES, SICKNESS AND SUSPENSIONS	279
4.4 PERFORMANCE REWARDS.....	284
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE.....	286
4.5 SKILLS DEVELOPMENT AND TRAINING.....	287

Contents

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE.....	289
4.6 EMPLOYEE EXPENDITURE.....	290
CHAPTER 5 – FINANCIAL PERFORMANCE.....	292
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	292
5.1 STATEMENTS OF FINANCIAL PERFORMANCE.....	294
REVENUE BY SOURCE	299
EXPENDITURE BY TYPE	299
5.2 GRANTS.....	300
5.3 ASSET MANAGEMENT.....	304
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS.....	306
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET.....	311
5.5 CAPITAL EXPENDITURE.....	312
5.6 SOURCES OF FINANCE.....	312
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	313
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	315
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	316
5.9 CASH FLOW	318
5.10 BORROWING AND INVESTMENTS.....	319
COMPONENT D: OTHER FINANCIAL MATTERS.....	320
5.12 SUPPLY CHAIN MANAGEMENT	320
5.13 GRAP COMPLIANCE	321
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS.....	322
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/2012	322
6.1 AUDITOR GENERAL REPORTS 2011/2012 (PREVIOUS YEAR).....	322
COMPONENT B: AUDITOR-GENERAL OPINION 2012/2013 (CURRENT YEAR)	323
6.2 AUDITOR GENERAL REPORT 2012/2013.....	323
GLOSSARY	325

Contents

APPENDICES.....	328
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	328
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	332
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	338
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	339
APPENDIX E – WARD REPORTING.....	339
APPENDIX F – WARD INFORMATION – Ward 1	355
APPENDIX F – WARD INFORMATION – Ward 2	356
APPENDIX F – WARD INFORMATION – Ward 3	357
APPENDIX F – WARD INFORMATION – Ward 4	358
APPENDIX F – WARD INFORMATION – Ward 5	359
APPENDIX F – WARD INFORMATION – Ward 6	360
APPENDIX F – WARD INFORMATION – Ward 7	361
APPENDIX F – WARD INFORMATION – Ward 8	362
APPENDIX F – WARD INFORMATION – Ward 9	363
APPENDIX F – WARD INFORMATION – Ward 10	364
APPENDIX F – WARD INFORMATION – Ward 11	365
APPENDIX F – WARD INFORMATION – Ward 12	366
APPENDIX F – WARD INFORMATION – Ward 13	367
APPENDIX F – WARD INFORMATION – Ward 14	368
APPENDIX F – WARD INFORMATION – Ward 15	369
APPENDIX F – WARD INFORMATION – Ward 16	370
APPENDIX F – WARD INFORMATION – Ward 17	371
APPENDIX F – WARD INFORMATION – Ward 18	372
APPENDIX F – WARD INFORMATION – Ward 19	373
APPENDIX F – WARD INFORMATION – Ward 20	374

Contents

APPENDIX F – WARD INFORMATION – Ward 21	375
APPENDIX F – WARD INFORMATION – Ward 22	376
APPENDIX F – WARD INFORMATION – Ward 23	377
APPENDIX F – WARD INFORMATION – Ward 24	378
APPENDIX F – WARD INFORMATION – Ward 25	379
APPENDIX F – WARD INFORMATION – Ward 26	380
APPENDIX F – WARD INFORMATION – Ward 27	381
APPENDIX F – WARD INFORMATION – Ward 28	382
APPENDIX F – WARD INFORMATION – Ward 29	383
APPENDIX F – WARD INFORMATION – Ward 30	384
APPENDIX F – WARD INFORMATION – Ward 31	385
APPENDIX F – WARD INFORMATION – Ward 32	386
APPENDIX F – WARD INFORMATION – Ward 33	387
APPENDIX F – WARD INFORMATION – Ward 34	388
APPENDIX F – WARD INFORMATION – Ward 35	389
APPENDIX F – WARD INFORMATION – Ward 36	390
APPENDIX F – WARD INFORMATION – Ward 37	391
APPENDIX F – WARD INFORMATION – Ward 38	392
APPENDIX F – WARD INFORMATION – Ward 39	393
APPENDIX F – WARD INFORMATION – Ward 40	394
APPENDIX F – WARD INFORMATION – Ward 41	395
APPENDIX F – WARD INFORMATION – Ward 42	396
APPENDIX F – WARD INFORMATION – Ward 43	397
APPENDIX F – WARD INFORMATION – Ward 44	398
APPENDIX F – WARD INFORMATION – Ward 45	399
APPENDIX F – WARD INFORMATION – Ward 46	400

Contents

APPENDIX F – WARD INFORMATION – Ward 47	401
APPENDIX F – WARD INFORMATION – Ward 48	402
APPENDIX F – WARD INFORMATION – Ward 49	403
APPENDIX F – WARD INFORMATION – Ward 50	404
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/2013	405
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	406
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	408
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	409
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	414
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE	414
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	415
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG.....	416
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	418
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	418
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME .	421
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/2013	424
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/2013	433
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS ..	442
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	442
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	443
APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT.....	444

Contents

VOLUME II: ANNUAL FINANCIAL STATEMENTS.....	445
---	-----

Contents

REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and

Preface

- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury
July 2012