

The cover features a photograph of a red brick building with arched windows and a wooden deck with a bench and table. In the background, there are trees and a hillside with buildings under a blue sky with white clouds. A large red graphic element is overlaid on the right side, containing the title text. At the bottom right, there is a white silhouette graphic of a lighthouse, a flag, and a group of people.

ANNUAL
REPORT

2014/15



mandela bay
DEVELOPMENT AGENCY
RENEW • REVIVE • INSPIRE



ACRONYMS AND ABBREVIATIONS

ACH	Arts, Culture and Heritage
AFS	Annual Financial Statements
B-BBEE	Broad-Based Black Economic Empowerment
CBD	Central Business District
CCI	Cultural and Creative Industries
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
DAC	Department of Arts and Culture
EDRS	Economic Development & Recreational Services (Directorate of NMBM)
EIA	Environmental Impact Assessment
EPRU	Eastern Province Rugby Union
FY	Financial Year
HURP	Helenvale Urban Renewal Programme
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
HRC	Helenvale Resource Centre
HURP	Helenvale Urban Renewal Programme
KfW	German Development Bank
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MBDA	Mandela Bay Development Agency
NAF	National Arts Festival
NDPG	Neighbourhood Development Partnership Grant
NLDTF	National Lottery Distribution Trust Fund
NMB	Nelson Mandela Bay
NMBM	Nelson Mandela Bay Municipality
NMMU	Nelson Mandela Metropolitan University
SDA	Service Delivery Agreement
SMME	Small, Micro, Medium-sized Enterprise
SoMAD	School of Music, Art & Design
SPUU	Safety & Peace through Urban Upgrading
SPV	Special Purpose Vehicle
SRA	Special Ratings Area
SSIF	Strategic Spatial Implementation Framework
dti	Department of Trade & Industry



TABLE OF CONTENTS

01	ACRONYMS AND ABBREVIATIONS	2
	SECTION 01: INTRODUCTION & ORGANISATIONAL OVERVIEW	4
	1. 2014/15 Highlights	5
	2. Foreword by the Executive Mayor of Nelson Mandela Bay, Cllr Danny Jordaan	6
	3. Chairperson's Report	7
	4. Chief Executive's Report	8-9
	5. MBDA Overview: Vision, mission, values and objectives	10
02	SECTION 02: GOVERNANCE	12
	1. Mandate	13
	2. Structures	14
	i. <i>Political governance structure</i>	14
	ii. <i>Administrative governance structure</i>	14-15
	3. Inter-governmental Relations	16
	4. Public Accountability & Participation	16
	5. Corporate Profile	16-17
	6. Governance	17
03	SECTION 03: SERVICE DELIVERY PERFORMANCE	18
	1. Planning and Development: Inner City & Special Projects	19
	i. <i>Bird Street/Belmont Terrace precinct</i>	20
	ii. <i>Activating Heritage Sites Programme</i>	21-22
	iii. <i>Singapi Street</i>	22
	iv. <i>Baakens River Precinct Plan</i>	23
	v. <i>Telkom Park Precinct Plan</i>	23
	2. Planning and Development: Township projects	24
	i. <i>Helenvale</i>	25
	ii. <i>New Brighton Township</i>	25
	iii. <i>Veeplaas Township</i>	25
	iv. <i>Walmer / Gqebera</i>	26
	v. <i>Schauderville / Korsten</i>	26
	3. Operations	27
	4. Marketing	28
04	SECTION 04: ORGANISATIONAL DEVELOPMENT PERFORMANCE	30
	1. Targets vs. Actual	32-41
	2. Human Resources	42
	3. Organisational Structure	44-45
05	SECTION 05: AUDIT REPORT AND ANNUAL FINANCIAL STATEMENTS	48
	1. Report of the Auditor General	50-51
	2. Director's Report	52-53
	3. Statement of Financial Position	54
	4. Statement of Financial Performance	55-56
	5. Statement of Changes In Net Assets	56
	6. Statement of Cash Flows	56
	7. Statement of Comparison of Budget to Actual Amounts	57-58
	8. Notes to the Annual Financial Statements	59-78



SECTION | 01

2014/15 HIGHLIGHTS

SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

The MBDA continued in the execution of its original CBD-based, Council-approved mandate and extended mandate to implement projects in emerging township nodes.

The overall philosophy – that good public sector investment is a catalyst for private sector investment - is bearing fruit. There is no doubt that these projects have incrementally changed the face of the CBD and now also townships - Helenvale, in particular, and slowly also other townships, such as New Brighton.

Over R600-million has been spent on direct infrastructure and environmental upgrades since inception, resulting in significant tangible expressions of the work done and a strong accumulated track record of successful projects.

The R38-million upgrade of the Tramways Building entered its final stage during the 2014/15 FY. This is an investment in a new tourism real estate node, which is slowly taking shape and will come to full fruition over the next ten years.

The securing of a R5-million grant from the KfW Bank (German Development Bank) has been ploughed into a Safety & Peace through Urban Upgrading (SPUU) programme in Helenvale. Its aim is to ensure that some of the socio-economic challenges of this marginalised area are urgently addressed.

A number of other major projects, primed to unlock the development potential of Nelson Mandela Bay, were initiated. These include the development of the Baakens Valley Master Plan, Telkom Park/Happy Valley precinct, Singapi Street, Baakens Valley precinct, and Schauderville/Korsten.

The Athenaeum is now fully operational and has positioned itself as a creative and cultural centre, which supports exhibitions, music and theatre productions, poetry evenings, conferences and workshops.

Route 67 is now a viable tourism product – free to be experienced by all – and has attracted widespread publicity both nationally and internationally.

The Donkin Reserve environmental upgrade has resulted in significant private sector investment.

The King's Beach environmental upgrade has become a popular public open space. It is a good example of an area that was a crime-ridden wasteland being claimed back by the common man in the street.

A Memorandum of Understanding between Transnet, Nelson Mandela Bay Municipality and the MBDA was signed, signifying another milestone for the port/waterfront/marina development. The agreement has culminated in cooperative development of the MBDA Baakens Valley Master Plan and also the development of the Marina/Commercial development Master Plan.

OPERATIONS & LED

The MBDA's annual Economic Barometer, a project in which the economic impact of projects as well as the views of residents and business people who were surveyed, showed that private sector investment in both the Port Elizabeth and Uitenhage CBDs had increased – and, along with it, positive evidence of the associated economic multipliers of growing employment, improved local business income, generation of rates and rising property values.

Although the overall objective was to upgrade NMBM-owned public spaces and buildings and hand them back to the NMBM for maintenance, this approach failed and the MBDA assumed this responsibility. By the close of 2014/15 FY, MBDA had spent approximately R2.5 million on maintenance within the organisation's mandate areas, including the Donkin Reserve, the Athenaeum, the Port Elizabeth and Uitenhage CBDs, and King's Beach. All maintenance targets were met on time and procurement followed stringent supply chain processes.

Planning of the final stage of the Mobile Parking Meter Plan was completed and will be introduced in 2015/16 to selected areas within its Port Elizabeth mandate.

Successes were achieved with the on-going regulation of informal trading and in supporting traders to become microenterprises. In addition, the 'Go Green' recycling initiatives continued successfully in the designated areas.

Establishment of the city's first Special Ratings Area (SRA), in Richmond Hill, was approved with the required 50%-plus-one vote from property owners. The SRA is now fully operational. The funds generated by the special rates and levies collected are being used for the improvement of the Richmond Hill area.

Planning for new initiatives, such as the proposed canine units for improved security in the Port Elizabeth CBD, and an inner city parking meter system, commenced in 2014/15 and will become operational in the 2015/2016 financial year. These two projects will work hand in hand.

During the period under review, the MBDA continued to deliver security, cleaning, maintenance, and informal trading regulation and management to completed projects in several key operational areas in the Port Elizabeth and Uitenhage CBDs, resulting in increased levels of residential and business confidence.

GOOD GOVERNANCE, FINANCIAL & MANAGEMENT

The MBDA believes in the approach that a clean administration builds credibility and the increases the ability to raise funding.

The MBDA was given a clean audit for both the 2012/13 and 2013/14 financial years – an achievement indicative of the strong organisational checks and balances in place.

CORPORATE SOCIAL INVESTMENT (CSI)

The MBDA's philosophy is that urban renewal is not simply about bricks and mortar. Its approach to the areas it upgrades is one of social sustainability and investment.

In the year under review, the MBDA invested R500 000 in the sponsorship and support of community and tourism related events that showcased the city, directly profiled the MBDA upgrades and engage the public with the agency's emerging products.

TOWNSHIP DEVELOPMENT

The expansion of the MBDA's mandate to include the rejuvenation of neglected township areas marks a new era for the Agency. Early successes of these township projects are evident in Helenvale and New Brighton.

The Singapi Street environmental upgrade project is the Agency's first major foray into full-scale township development. The first phase of this key catalytic project neared completion during the year under review and promises to result in the formation of a cultural gateway.

The procurement of emergent contractors in the township areas presents an opportunity for the MBDA to further its development and support of small, micro, and medium sized enterprises (SMMEs), many of which are black and women-owned.

The KfW Bank-funded Safety and Peace through Urban Upgrading (SPUU) Master Plan was completed and the plan's projects readied for implementation in 2015/16.

New Brighton Sports field upgrade project was completed, with improvements made to the spectator stand, ablation facility and sports field.

MARKETING UPGRADES & PRODUCTS

The MBDA follows a strong marketing approach in the areas it upgrades, following the philosophy that urban renewal is not only about bricks and mortar, but also about changing perceptions.

With a budget of R3.5-million in this financial year, the MBDA generated media coverage with an advertising value equivalent (AVE) of approximately R10-million.

The MBDA supported the International Rugby Board's (IRB) South African leg of the IRB Sevens - the Nelson Mandela Bay Rugby Sevens event is a major driver of economic spinoffs for Nelson Mandela Bay and earmarked for future development by the MBDA.



68.3%

68.3% of businesses made improvements to their property in 2014 compared to 44.4% in 2013 in Richmond Hill

R288 000 – average value of business improvements in 2014 (2013: R189 750) in Richmond Hill

R288 000





1. FOREWORD BY THE EXECUTIVE MAYOR OF NELSON MANDELA BAY

We live in times of increasing pressure on municipalities to deliver proactively service and an economic development mandate. Cities are growing, 70 % of the Eastern Cape Province's people live within its two metropolitan areas, and the demands for development increase every day.

It was a great pleasure to take office in March 2013 knowing that a leading development agency was hard at work, not only in the inner city of Nelson Mandela Bay but also across our city in key nodes such as Helenvale, New Brighton and Walmer Township. In the 2014/15 year I watched with interest as the MBDA gathered momentum, delivering experience and expertise in infrastructure development to areas in the most desperate need. The MBDA team operates in a quiet and modest way and seems always to be able to steer away from the unnecessary trouble that entities these days so often find themselves.

The city's leadership has a new focus on community needs, concerns and involvement in municipal planning and decision-making processes. A vibrant IDP and budget public participation programme was undertaken during this FY, which saw the city leadership address and interact with local communities, and the Executive Mayoral Committee members visiting and reaching out to communities.

While definite strides were made in improving the quality of life in our communities, it is acknowledged that challenges remain, specifically in securing greater public participation and engagement in decision-making and planning processes. The Municipality's budget is not sufficient to address all the needs and priorities of our residents, and we thus prioritised the securing of external sources of funding and ways in which to broaden our revenue base.

It is in this context that the vision mapped for the Mandela Bay Development Agency – a special development entity created by the Municipality some eleven years ago – is taking great shape as it gains momentum and matures in its ability to deliver at a consistently high level. It gives me great pride to see the transformation taking place in some of the city's most vibrant areas – improving our communities as better places to live, work and play.

The MBDA was given a mandate to complement the NMBM's service delivery by carrying out projects that promote inner-city renewal. During the period under review, this mandate was extended to include township renewal, aimed at upgrading township areas so as to further promote tourism, job creation, investment and civic pride. At the same time, we acknowledged the need to address challenges such as ageing and poorly maintained infrastructure in townships. Our aim has been to collaborate with the private sector to develop these areas by improving infrastructure, upgrading public amenities and beautifying open spaces.

The Agency has, in the period under review, been successful in securing grants from external funders. A €5-million investment by the KfW Bank (German Development Bank) on a government-to-government basis is being ploughed into a Safety and Peace through Urban Upgrading (SPUU) programme in Helenvale, further ensuring that some of the socio-economic challenges of this marginalised area are urgently addressed.

The MBDA also began urban renewal initiatives within the townships of our Municipality. Close consultation with these communities, through comprehensive public participation processes, ensured that the real needs of the people are adequately identified and met, and that their voices are heard. This falls

squarely in line with the community development and participation objectives of the Metro.

The achievements in inner city areas – with a dual focus on infrastructure development and the creation of dynamic, beautiful and user-friendly public spaces – have been particularly successful. Business and investment are slowly beginning to return to these nodes, restoring vibrancy to areas effected by entrenched urban decay.

Overall, the MBDA has delivered on its mandate to develop and manage lasting infrastructure projects. As the implementing agent responsible for urban renewal, the MBDA's achievements in a relatively short time have far exceeded the expectations of the city and the general public.

I would like to express my sincere gratitude to the Agency's directors, management, officials and stakeholders for their dedication, support and co-operation, which has enabled the Agency to assert service delivery progress during the year under review.

I wish to laud the contribution and strategic guidance provided by the previous Board of Directors as their tenure ended in August 2014, and I wish the new directors all the best in ensuring that the NMBM's special purpose entity continues to deliver as it has over the past ten years, striving to provide hope to all citizens of Nelson Mandela Bay.

In conclusion, it has now been proven that well-managed development agencies can be a solution to enable municipalities to drive a strong economic development agenda. Municipalities have a huge service delivery mandate and an agency can be a catalyst in creating a higher Gross Domestic Product, a larger employment base and an economic multiplier through a process in which effective public sector investments lead to growth in private sector investment.

Cllr Danny Jordaan

Executive Mayor :
Nelson Mandela Bay 2014/2015





Donkin Reserve Upgrade: The Cottage

2. CHAIRPERSON'S REPORT

The Executive Leadership of Nelson Mandela Bay opted for a change in the MBDA Board in September 2014. The new Board had to follow in the footsteps of a Board that had created one of the best municipal-owned development agencies in South Africa. The change enabled the Board to add to the impressive platform created through new initiatives in respect of a wider and more effective base of stakeholder relationships, a township emphasis, and support for emerging contractors. It also ensured the MBDA's role, not only as an effective CBD delivery agent, but also as a strong player in township infrastructure development and the creation of sustainable township based economies.

The development of the MBDA's 2015-2020 Strategic Plan enabled the new Board to show its fresh vision and direction for the organisation. The Plan is the result of participatory, inclusive, creative and ambitious thinking and will no doubt place the MBDA on a higher development pathway, not only in the CBD, but also in the townships.

The past financial year saw the MBDA make significant inroads into a number of historical and priority township areas and suburbs in Nelson Mandela Bay. This marks a crystallisation of an approach it initiated two years before.

With major inner-city developments completed and a number of tourism products developed and maintained, it made sense to begin linking existing developed areas with nodes in under-developed regions of Nelson Mandela Bay. This approach is guided by the goal of uniting precincts through a single, identifiable, common thread, expressed physically through infrastructure, and thereby creating a cohesive city community. Considerable headway was made in this regard in the year under review.

As the MBDA Board, we have endorsed and supported this approach as it speaks to national priorities of job creation, infrastructure development and the reintegration into formal planning of peripheral township areas previously side-lined by apartheid. This means the MBDA is working to ensure the eventual reintegration and inclusion of these areas in the transformation of our city – returning them to the cultural core. The Route 67 tourism product, which has backward and forward linkages with this core, provides the roadmap for most of this integration – and is in itself a powerful symbol of change.

The redevelopment of the Tramways Building is not just an investment in a building, but an investment in a complete, new tourism real estate node between the Port and the Brickmakers Bridge. The completing of the Baakens Valley master plan and the present development of the Port Marina/commercial development master plan will provide a further impetus in creating a fully developed new tourism real estate node over the next few years. This plan will not only grow the city's economy, but will also create further potential for emerging contractors to ply their expertise and trade.

All indications are that the MBDA's solid track record of well-planned and designed infrastructure and urban upgrading will be replicated throughout the wider Nelson Mandela Bay. Personally, it gives me great joy to see this natural progression, from core to periphery, at work. Although the MBDA is tasked with improving urban infrastructure, this is a mandate beyond the obvious bricks and mortar. Spaces remain empty until they are lived in and created into places. The MBDA is deeply entrenched in the process of using infrastructure to create social cohesion.

Given the MBDA's success with its inner-city projects, the natural extension would be to reproduce that success in the areas that need it most. The outcomes are twofold, supporting job creation while also satisfying the need for peripheral urban development, with the added benefit of the creation of powerful tourism products. The socio-economic impact of the MBDA's township projects is important – with early successes evident at Helenvale and New Brighton and more to come as the Agency embeds itself further into these projects.

Essentially, a decade has passed since the establishment of the MBDA and a new decade dawns. The MBDA is maturing and its experience and growth will stand it in good stead in the coming years as the mandate area expands and, with it, the incumbent and great responsibility of shaping – and changing – the urban fabric of Nelson Mandela Bay. Already, the MBDA's methodology for urban renewal in the CBD is being replicated and emerging in township areas. The redevelopment at Njoli Square and the Singapi Street development is proof that this replication is possible.

I am extremely proud to be a part of such a credible and stable initiative. Much of the success of the MBDA is linked to its sound vision and concrete pathways of execution. With more than R600-million spent on direct infrastructure upgrades and environmental improvements, there is now significant physical, tangible expression of the work done and a strong accumulated track record of successful projects. Moreover, the organisation has performed exceedingly well in terms of governance and compliance. Its clean financial audits are indicative of the strong organisational checks and balances in place. The award and accolades that the MBA has received in this recent financial respect speak for itself.

An expanded mandate will come with its own complexities, but I have no doubt that, with the current team at the helm, continued success will follow. Expansion has, however, put pressure on already stretched human and financial resources and the MBDA requires further visionary planning to manage these challenges. A new five-year strategic outlook will be developed in the coming financial year and this will pave the way for managing the expanded mandate and complementing – indeed, at times, supplementing – the necessary development work of the Municipality.

A number of considerations in this regard need to be taken into account as the MBDA moves forward, including, inter alia, the need for a property portfolio and the inclusion of emerging contractors in the development process. A property portfolio would enable the accrual of assets, against which the MBDA could leverage capital for further development. This approach would also enable the MBDA to upgrade buildings in its mandate area to solidify the impact of work done. The buildings would hopefully thus be transferred not only for project management purposes but also onto the balance sheet, strengthening the ability of the Agency to increase its access to development funds. Essentially, this would unlock a series of further urban development possibilities for the MBDA.

The context in which the MBDA works requires the needs of the built environment and associated industries to be taken into account. To this end, the MBDA will need to look at Broad-Based Black Economic Empowerment (B-BBEE) within not only the construction sector, but also with sectors associated with the services the Agency requires, such as security, cleaning, marketing and catering. In strategic planning for the future, the Agency should put comprehensive plans in place to see small, micro and medium-sized (SMME) B-BBEE companies engaged and encouraged to take advantage of the various procurement opportunities within the Agency. This could be implemented alongside the development of an emerging contractor procurement policy (and an applicable operations manual for its implementation), which is currently not in place. Given the bottom-up, people-centred and partnership-driven approach of the MBDA, I have no doubt that this approach is possible.

Looking ahead, there are a number of major projects primed to unlock the development potential of Nelson Mandela Bay. These include the Tramways Building and greater Baakens Valley redevelopment, Telkom Park/Happy Valley, Singapi Street in New Brighton, Korsten/Schauderville and Apple Express represent but a few. These will pave the way for further urban upgrading and a solidification of work already done. Drawing on key partnerships, such as those with the NMBM, Transnet and the Coega Development Corporation, the Agency is poised to continue its significant work.

In conclusion, I applaud the NMBM for continuing to support and enable the MBDA to deliver on its mandate. In this respect the previous Board made way for new blood and in this regard I wish to thank my colleagues on the Board for their support and strategic vision, particularly with the development of the MBDA 2015-2020 Strategic Plan.

Further thanks are due to the operational leadership of the MBDA, the chief executive and staff who work tirelessly to ensure projects not only come to fruition but are also functional and sustainable.

Lastly, the Board extends its appreciation to the people of Nelson Mandela Bay and our private sector partners who have not only embraced the MBDA's projects and vision, but have brought them to life through investment and participation.



Motse Mfuleni
Chairperson

3. CHIEF EXECUTIVE'S REPORT

"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbour. Catch the trade winds in your sails. Explore. Dream. Discover."

- Mark Twain

"It doesn't matter where you are, you are nowhere compared to where you can go."

- Bob Proctor

Looking back on the past decade, it is difficult not to reflect with pride. So much has been achieved. Yet, as always, there is still so much more to do. The burden of the future weighs heavily, not only on the MBDA's shoulders, but on those of the South African government.

Since its establishment in 2003, the MBDA has been the driving force behind urban regeneration in Nelson Mandela Bay. The Agency has implemented a number of urban renewal projects, precinct upgrades, security and cleansing programmes and other strategic and ad hoc assignments that are collectively changing the face of the city and reinvigorating economic life in its central business districts.

With the appointment of a new MBDA Board in September 2014, and the development of an inclusive, credible, ambitious, but realistic 2015-2020 Strategic Plan, the MBDA was able to shift gears and move to a higher level and, in my mind there is no doubt, a wider role and a potentially much bigger city-changing role.

Through strategic public sector investment, geared to catalyse downstream private sector investment, the MBDA has seen the envisioned transformation of Nelson Mandela Bay come to fruition. Private sector investment has increased and the associated economic multipliers of growing employment, improved local business income, generation of rates and rising property values are all evident in our annual Economic Barometer review. I am pleased to report on the progress made in the 2014/15 financial year.

Over the past 11 years of our work, the MBDA's local economic development mandate has steadily expanded. This year saw the progression of our work in township areas – a strategic move taken in acknowledgement of the MBDA's skills and experience and the positive potential outcomes of urban development in specific township nodes. We are now uniquely positioned to address the needs not met by other, more heavily burdened public and private sector resources.

In alignment and coordination with local government, the Agency works to further local economic development in a manner that is:

Focused and decisive

Able to weigh trade-offs and make choices in the face of competing demands
Developed and implemented consistently through strategies and programmes
Part of a shared vision by all key role players and stakeholders.

Herein lies the true value of a local economic development (LED) agency's capacity to assist in providing advanced service delivery within a local government context, at a time in which the parent municipality needs to focus on addressing more basic needs.

The power of the work we do comes down to our approach. MBDA projects follow a signature, in-depth public participation process – particularly in the master plan and design phases. The Agency collaborates with important stakeholders in order to meet project design and implementation goals and remains in constant con-

versation with the various communities within its mandate areas, maintaining a people-centred approach to its development methodology and providing a collaborative framework through which to drive implementation.

Public participation is a relatively new development mechanism in the South African context. In this democratic process of engaging people, decisions and plans are derived through the creation of a forum which enables communities to play an active role in the development and operation of services that affect their lives. Community members are thus encouraged to define themselves through the capacities afforded to them – rather than by their limitations. As importantly, the MBDA gains valuable insight into the needs of the communities it serves and how best to meet them.

In the face of the successes achieved through public participation, however, is also the need to maintain the integrity of participation endeavours; to protect against the process being used to 'rubber stamp the predetermined', as well as against reproductions of the dependency patterns that afflict our society. The MBDA thus strives to facilitate, enable and give voice to communities, engaging them in driving their own development. The creation of responsive locales through democratic engagement – as opposed to reactionary ones characterised by protest action – is envisaged to continue, resulting in meaningful interventions that make a tangible difference to the quality of community members' lives.

With the MBDA's new 2015-2020 Strategic Plan, the Agency looks forward to again changing the company's gears to even higher levels, both in townships and in the CBD. It is important to note that the Strategic Plan treats townships and the CBD on an equal basis to ensure that township citizens feel that are living in proper city suburbs and not in dirty dust bowls.

Township Projects

The expansion of the MBDA's mandate to include the rejuvenation of neglected township areas, from its initial focus on central business districts only, marks a new era. These initiatives will gain momentum as the challenges of inequalities in townships and other poverty-stricken areas are addressed by the NMBM, thus empowering communities to overcome dependency. The Agency's focus is always towards the correction of the imbalances and inequities of the past through more integrated and balanced development.

The Singapi Street Environmental Upgrade project is the Agency's first major foray into full-scale township development and promises to be a key catalytic project that will result in the formation of a cultural gateway. The upgrade will link the Red Location Museum with the inner city through the Route 67 public art project, and aims also to significantly improve the environment for the residents of Ward 15.

Another major project, Safety & Peace through Urban Upgrading (SPUU) in Helenvale – which is being funded by the German Development Bank KfW at €-million over a 48-month period – represents another significant node of development on the former periphery. This project forms part of a government-to-government funding agreement and the NMBM has appointed the MBDA as the project's implementing agent to ensure that a master plan is developed and successfully rolled out to the benefit of the Helenvale township community.

The procurement of emergent contractors in the township areas presents an opportunity for the MBDA to further its development and support of small, micro, and medium sized enterprises (SMMEs) many of which are black- and women-owned. A growing interface with these enterprises is paving the way for a turnkey procurement policy to ensure that there is greater opportunity for these contractors in the scope of work offered by the MBDA.

Overall, the MBDA's township projects have run smoothly. The highlight, in terms of delivery, has been Helenvale, but many of the other projects have gone through significant planning phases and will start to see action on the ground in the coming financial year. As an integral part of the MBDA's fanning-out approach, what was once core is now being woven in to what is an ambitious, but

achievable, goal to create a cohesive tapestry of infrastructure, culture and heritage in Nelson Mandela Bay.

Inner city and special projects

The MBDA's core focus remains the transformation of urban places. To this end, it continues to deliver on its initial mandate by addressing urban decay and degeneration in the city of Port Elizabeth and in Uitenhage. The municipal infrastructure and environmental upgrading projects implemented thus far – representing expenditure in excess of R600-million – have been widely welcomed by all major stakeholders.

What's more, the momentum gained from tangible, completed projects has opened the door to future development. Another strong emergent theme in the MBDA's work is its triple focus on the blue, green and golden economies. This is represented in the work done to integrate the Baakens Valley with the Port of Port Elizabeth and envisaged future marina development, as well as a focus on sustainability and energy efficiency, and the development of strong cultural and creative industries in the city. The next few years look set for further exciting developments.

The 2014/15 financial year was a rewarding one in the inner city and saw several special projects completed. Significant projects drew nearer to closure, while others were completed within scope and budget.

Initially, like a three-dimensional picture, the MBDA's work might have seemed piecemeal to observers, certainly to its critics. But what has emerged through the completed projects, is a tapestry of precincts linked from the inner city, through Baakens Valley and South End, to King's Beach, up to Walmer, and across to New Brighton and Helenvale.

This tangible experience offers so much more value and, suddenly, using the 3D analogy again, the big picture comes into focus. Finished products add impetus to those projects still under development, and citizens and visitors alike begin to see the urban development unfolding. Moreover, the precinct development is linked, beautifully and symbolically, by Route 67, the stand-out thread in the tapestry that represents unity and social cohesion through shared history, heritage, arts and culture.

In addition, the inner city special projects boost socio-economic development through capital investment, tourism and job creation. A thriving CBD is representative of the lifeblood of a city. Responsive and creative developments centred on other socio-economic ends, such as business retention and expansion, are vital to ensuring long-term competitiveness.

The MBDA's work over the past five years, in negotiating with Transnet for the release of non-port land for a waterfront development, is slowly coming to fruition, with plans to develop a port marina for commercial and leisure purposes now approved by Transnet. Plans for the redevelopment of Telkom Park are also taking shape, with a call for proposals scheduled to be issued in the new financial period. Developers will be offered the opportunity to propose concepts and designs for the redevelopment of this prime municipal site into a vibrant new residential-business-leisure hub.

The MBDA's annual Economic Barometer is a key instrument of the Agency's performance-driven management philosophy, and further reflects the positive social and economic impacts of already-completed projects. Capital injected into developments such as the port waterfront and stadium redevelopment will ensure that the economic multiplier effect of the MBDA's development strategy reaches its full potential.

Key to the MBDA's success to date – aside from the effective public participation processes undertaken – has been the introduction of arts, culture, heritage and the creative industries into its projects. These endeavours have also resulted in external funders engaging with the Agency and grants being made available for such projects. One project of this nature is the Route 67 Arts Journey, funded by the National Lottery Distribution Trust Fund (NLDTF), which commemorates the 67 years that Nelson Mandela devoted to political activity. Route 67 is now a viable tourism product, free to be experienced by all, that has attracted widespread publicity both nationally and internationally.

The redevelopment of the municipal-owned Athenaeum building into an inner-city arts, craft and heritage hub for emerging artists has been a big success. The Athenaeum is fully operational and has positioned itself as a creative and cultural centre which supports exhibitions, music and theatre productions, poetry evenings, conferences and workshops.

There is no doubt that the face of Nelson Mandela Bay has changed dramatically in recent years. The development agenda underlying this visible transformation, and indeed informing all the MBDA's work, is very clear: to deliver catalytic projects that generate a positive economic and social impact, making the urban heart of the city an attractive place to live, work, play and invest. The MBDA has proven its value in developing a vision and corresponding strategies, manifesting these through the completion of sustainable projects that spur public confidence and investment in previously neglected and under-utilised spaces.

While many inner city projects are ready to be handed to the MBDA operations unit, the Agency will continue to unlock the potential in these precincts that will connect capital expenditure with job creation, and the development of the creative and cultural industries to bring these projects to life. It is envisioned that property development may be used to leverage further capital for investment in the future.

Within the unique South African context, the MBDA continues to strive towards the 'new institutionalism' emphasised by the National Framework for Local Economic Development. This philosophy breaks down the distinction between economy and society, showing how economic decision-making and action is shaped by the shared values, norms, beliefs, meanings, rules and procedures of the formal and informal institutions of society. The inner city and special projects reveal this approach in action – and will likely continue to do so as the MBDA steadily unpacks its mandate in township areas.

Operations

In order to ensure that project interventions translate into sustainable products, the MBDA has maintained its growing focus on security, cleaning, regulation and management of informal trading, and the maintenance of its key projects. Essentially this has been done on the basis of an acceptance that the 'basics' must be in place in order to instil public confidence and encourage usage of the finished product. This 'getting the basics right' approach is a cornerstone of the MBDA's development agenda and a key element in ensuring project success. However, it has in some cases, resulted in the Agency assuming the parent municipality's role as provider of basic services.

Even with limited budgets and resources, the MBDA has managed to maintain its projects and assist in upholding the quality of services in its mandate areas, which include the CBD, township projects and tourism nodes. Although this is not the core work of the MBDA, we are resolute against urban decay and determined that completed projects must be maintained, cleaned and secured. This work is only likely to escalate in the coming financial years.

In the 2014/15 financial year, great strides were made to proactively maintain current projects and to implement support mechanisms that both complement and supplement the work of the parent municipality. Much potential for emergent job creation is expected in the upcoming financial year.

Marketing and Communications

The MBDA is incredibly proud of its successes – not only because they engender a sense of pride in the city, but also because of the tourism and resultant socio-economic impacts. The best way in which to instil pride and ensure that both citizens and visitors engage with the upgrades, which are essentially owned by them, is through marketing and communications. In marketing the MBDA's collective mandate areas – and Nelson Mandela Bay as a whole, as a first choice destination to live, work and play – the Agency continues to implement a cohesive and integrated marketing strategy, focusing on the communication of urban renewal, marketing of the urban spaces developed by the MBDA, and promotion of its successful projects.

With a budget of R3.5-million in this financial year, the MBDA generated media coverage with an advertising value equivalent (AVE) of approximately R10-million – a return on investment ratio of close to three. This achievement was made possible through the implementation of a sound, strategic marketing plan, which generated positive coverage through publicity opportunities, events and newsworthy occurrences. The result was a promising profile of the MBDA's projects and positive reputational capital for the Agency. Further completed projects will unlock new marketing opportunities, which we look forward to in the coming years.

Acknowledgements

I wish to take this opportunity to thank the Chairperson and Board of Directors for all their support and the strategic guidance afforded to myself and the MBDA management team over the past ten years and to acknowledge their invaluable contribution. It has been an honour to be mentored and guided by such an experienced, professional and accomplished group. Their contribution has set a stable foundation on which to grow the MBDA into the future. I further welcome the new directors appointed and look forward to continuing this journey with them as the Agency enters into a new era of its purpose.

As communities in Nelson Mandela Bay continue to face new challenges, the MBDA will continue to meet those challenges head-on to facilitate prosperity and growth in the years to come. It is a company that developed not only as an effective project management house, but also as an effective social transformation agent.

Pierre Voges
Chief Executive Officer





4. MBDA OVERVIEW: VISION, MISSION, VALUES AND OBJECTIVES



VISION

The establishment of world-class, well-managed, sustainable and vibrant urban places in Nelson Mandela Bay.



MISSION

To revitalise and promote designated, sustainable urban places, in partnership with the NMBM, to the benefit of the whole community.



VALUES

- Socio-economic development: We must be an agent of positive social and economic change
- Inclusivity: We strive to understand and meet the needs of our diverse stakeholders
- Value for money: We aim to deliver value on public expenditure and real returns for our stakeholders
- Integrity: We act with openness, transparency and respect
- Accountability: We take responsibility for our decisions and use of our resources
- Collaboration: We work as a team and build partnerships as part of a wider team serving the city
- Excellence: We continually seek ways to raise our standards
- Innovation: We are open to new ideas and welcome our ideas being challenged
- Sustainability: Everything we do makes optimal use of resources and has a lasting, positive impact



STRATEGIC OBJECTIVES

To realise the vision, the regional economic strategy focuses on eight strategic objectives which address urban renewal in the mandate area:

- Public participation: Engaging effectively with stakeholders and partners in order to foster understanding, buy-in and shared delivery of urban renewal
- Key services: Promoting, facilitating and managing the basics of security, cleansing and regulatory compliance to strengthen public and investor confidence
- Turnaround potential: Implementing catalytic capital projects in designated urban places as a stimulus for private sector investment
- Promotion of heritage, arts and culture as an economic growth tool: Promoting opportunities for heritage conservation and management, while simultaneously creating markets for the city's cultural industry to forge a unique identity for the place and its people
- Promotion of products: Marketing the area as a first choice destination to live, work and play
- Corporate values: Being an effective, accountable, learning, creative and caring organisation, respected by staff and stakeholders
- Balance: Managing the area for environmental sustainability
- Growth: Facilitating social and economic opportunities in all projects and activities in order to contribute to economic inclusion and growth



Donkin Reserve Upgrade



SECTION

GOVERNANCE

02

1. MANDATE

The MBDA was conceptualised by the Nelson Mandela Bay Municipality (NMBM) and the Industrial Development Corporation (IDC) and is a wholly-owned entity of the NMBM. It was created in 2003 following an acknowledgement by the city's leadership of the urgent need to reverse a trend towards urban decay in the inner city, to drive urban regeneration in the Nelson Mandela Bay CBD and other designated areas. –

Since then, the mandate area has been expanded to include a number of key township projects, with the aim of transforming urban spaces to activate economic activity, create job opportunities and reshape urban development.

The CBD, however, remains critically important to the NMBM as one of the main contributors to the city's rates base. Disinvestment from the inner city would mean reduced revenue streams and limited growth for Nelson Mandela Bay. Moreover, vacant city centres scare off investment and constrain the city's ability to become competitive on national and global levels. Investment attraction is now no longer focused on mega-industries, but on developing scalable and diverse industries, inclusive of the cultural and creative industries (CCI) and knowledge economies, for greater economic security.

Informed by an overall philosophy that cities and their CBDs are the engines of growth in a region, the NMBM undertook firm measures to establish a special purpose vehicle (SPV) to drive development through catalytic infrastructure and capital projects that would, in turn, stimulate private sector (re)investment. The MBDA's overall role is not only that of promoter and supporter, but also of 'doer'. The Agency's mandate has widened over the years and now encompasses urban renewal in township areas, the beachfront, the NMB Stadium precinct and Uitenhage.

As a municipal entity, the MBDA is governed primarily by the Municipal Systems Act 32 of 2000, the Municipal Finance Management Act 56 of 2000 and the Companies Act No 71 of 2008. It operates under a specific, approved mandate document, which outlines a focused approach to be followed in respect of services provided, catalytic infrastructure projects and liaison with other parastatals and government departments in order to create a conducive investment environment in its mandate areas. With this in mind, the NMBM also has a Service Delivery Agreement (SDA) with the MBDA that is reviewed every three years and which formalises and governs the relationship between the two entities. During the next financial year, the SDA will be reviewed and a new five-year rolling strategy developed.



2%

New Brighton is one of the most populous areas in the Metro, accounting for just over 2% of the Metro's total population in 2013.



30%

30% of businesses made some form of improvement to their property during 2014 compared to 15% during 2013 in New Brighton.

Route 67 White Road Wall

2. STRUCTURES

I. POLITICAL GOVERNANCE STRUCTURE OWNERSHIP AND CONTROL

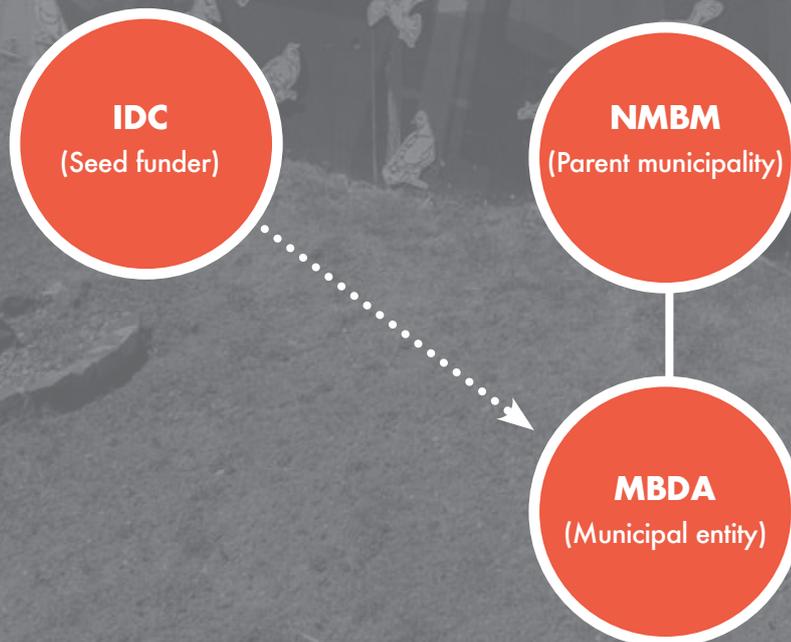
The MBDA was established as a municipal entity in 2003 as a joint initiative of the NMBM and the IDC. It is wholly owned by the NMBM.

The MBDA, represented by its Board of Directors, receives its mandate from the NMBM, acting through the Executive Mayor, the City Manager and the NMB Metropolitan Council. The Agency is contractually accountable to the NMBM, to which it delivers compliance reporting in respect of its key performance indicator (KPI) targets being achieved. The MBDA relies on the NMBM for service delivery direction in terms of its contractual obligations contained in the SDA, and on the political dispensation for its political mandate.

As controlling shareholder, the NMBM provides corporate governance-related support, such as sustainability and compliance reporting and review. The MBDA Board is responsible for providing strategic direction and guidance to management as well as ensuring oversight on corporate governance matters. The MBDA management is responsible for operational aspects in line with the strategic planning and mandate documents of the Agency as well as the Integrated Development Plan (IDP) of its parent municipality.

II. ADMINISTRATIVE GOVERNANCE STRUCTURE BOARD OF DIRECTORS

The Board provides operational oversight to ensure that the MBDA reaches its objectives and delivers on its mandate.



OWNERSHIP AND CONTROL

The MBDA was established as a municipal entity in 2003 as a joint initiative of the NMBM and the IDC. It is wholly owned by the NMBM.

BOARD MEMBERS

Motse Mfuleni (Chairperson)
Appointed to the Board: September 2014

Luvuyo Bono
Appointed to the Board: September 2014

Baphelele Mhlaba
Appointed to the Board: September 2014

Kasaven Govender
Appointed to the Board: September 2014

Khulile Nzo
Appointed to the Board: September 2014

Mcedisi Sitoto
Appointed to the Board: September 2014

Melikhaya Gosani
Appointed to the Board: September 2014

Monde Ngonyama
Appointed to the Board: September 2014

Samkelo Dlulane
Appointed to the Board: September 2014

Vuyo Zitumane
Appointed to the Board: September 2014

Nomaliso Mandaba
Appointed to the Board: September 2014

AUDIT COMMITTEE

Kevin Pather Chairperson and independent member

Vuyo Zitumane Board member

Stephen Nel Independent member

Ronnie Ortlieb Independent member

Human Resources and Remuneration Committee

Luvuyo Bono (Chairperson)

Mcedisi Sitoto

Melikhaya Gosani

Nomaliso Mandaba

EXCO

Motse Mfuleni (Chairperson)

Baphelele Mhlaba

Kasaven Govender

Monde Ngonyama

Samkelo Dlulane

Khulile Nzo

EXECUTIVE MANAGEMENT

Pierre Voges Chief Executive Officer

Ashwin Daya Chief Financial Officer

Dorelle Sapere Planning and Development Manager: Inner city and special projects

Eldrid Uithaler: Planning and Development Manager: Township projects

Mcebisi Ncalu Operations Manager

Luvuyo Bangazi Marketing and Communications Manager

3. INTER-GOVERNMENTAL RELATIONS, GOVERNMENT STAKEHOLDERS AND ENGAGEMENTS

The MBDA regularly interacts with key NMBM directorates, namely Economic Development, Tourism and Agriculture; Human Settlements; Budget and Treasury; Environmental Health; Infrastructure and Engineering; and Safety and Security.

The MBDA coordinates its area-based developments and other catalytic interventions with the NMBM. In addition, the MBDA engages with client departments that take ownership upon completion of infrastructure and assets created by the MBDA, particularly the Infrastructure and Engineering Directorate. The diagram below represents MBDA stakeholder engagement linkages with the NMBM.

4. PUBLIC ACCOUNTABILITY & PARTICIPATION

All MBDA projects follow an in-depth public participation process, particularly in the master plan and design phases but also, with increasing regularity, throughout the construction process. The Agency collaborates with key stakeholders in order to meet project design and implementation goals. Designs are finalised only after consideration of various inputs received and recorded through public participation processes. MBDA management further ensures that final designs and project concepts are

in line with the Agency’s mandate and strategic plan, as well as the IDP of its parent municipality. Moreover, the MBDA is in constant conversation with various communities within its mandate areas and maintains a people-centred approach to its development methodology. Perception surveys are performed periodically in order to gauge public sentiment and ensure that the MBDA always has the public’s interests at the centre of its initiatives.

5. CORPORATE PROFILE

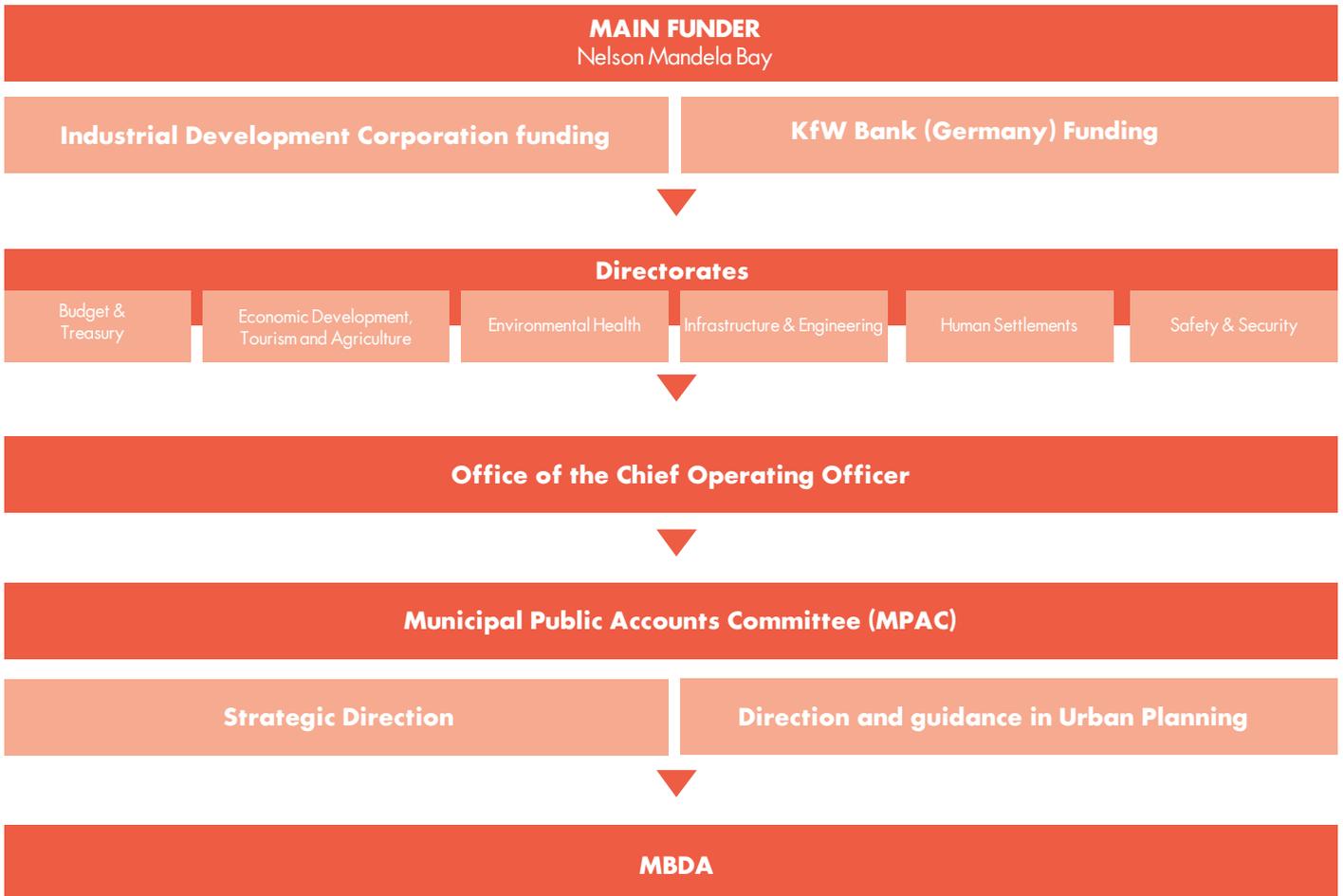
The MBDA stimulates, facilitates and supports area-based urban renewal initiatives throughout Nelson Mandela Bay. It is an entity wholly-owned by the NMBM. The Agency’s mandate areas are: the Port Elizabeth CBD and its linkages with the Port of Port Elizabeth and King’s Beach, as well as the NMB Stadium precinct and North End, Uitenhage, and the township areas of Helenvale, New Brighton, Veeplaas and Walmer-Gqebera.

Figure 1: On the right.

HISTORY

The MBDA came into being at a critical point in the history of Nelson Mandela Bay, when urban decay in the CBD had led to a decline in occupancy and interest in real estate investment – a downward trend which had begun to impact negatively on the municipal rates base.

The Strategic Spatial Implementation Framework (SSIF) of the MBDA was developed in 2006 as a point of departure for reversing socio-economic decline in the Agency’s mandate area. The SSIF established the MBDA’s long-term vision and strategy, and was accepted by the NMBM Council as the blueprint for economic development and urban renewal in the mandate area.



**Nelson
Mandela Bay**

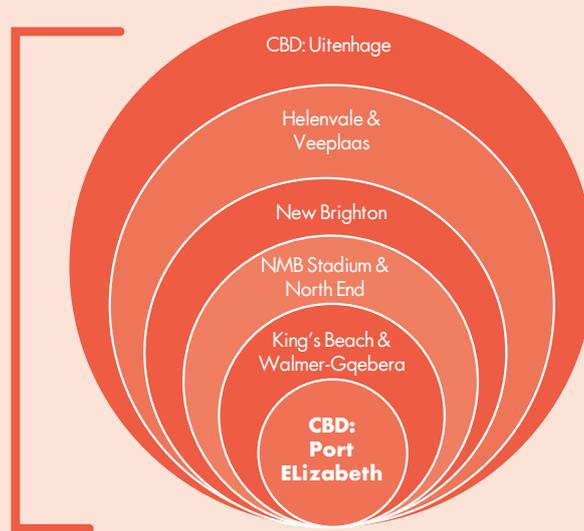


Figure 1: From CBD to CBD – the concentric approach to urban renewal linking two major urban nodes in the Nelson Mandela Bay Municipality.

PURPOSE & STRATEGY

As an agent of the NMBM, the MBDA's work supports achievement of the goals in the IDP that were drawn up by the municipality for development of the city as a whole. The SSIF, and the five-year strategic plan derived from it, thus corresponds to the urban renewal, urban management and development planning sectors of the IDP.

The MBDA's five-year strategic plan charts the Agency's medium- to long-term strategic course. It is periodically reviewed to take into account and respond to prevailing local and global economic and political conditions. Drawing on the long-term vision of the SSIF, the five-year plan outlines development priorities and strategies, and is accompanied by Key Performance Indicators (KPIs) that set out short- to medium-term objectives and programmes that will ensure sustained progress towards achieving the MBDA's vision. Following the completion of the MBDA's 2008/09-2013/14 five-year rolling plan, the financial year under review has seen the application of a new strategy, building on the successes and lessons learnt during the previous ten years of operations.

GROWTH STRATEGY

The MBDA has accumulated a successful track record through the implementation of projects that have consistently achieved the goals of spurring socio-economic transformation, improving public confidence, and positively influencing private sector real estate and corporate investor decisions.

The increased enthusiasm of the private sector continues to present an opportunity for the MBDA. The Agency endeavours to encourage partnerships and involve corporate and private investors, public sector funders, and provincial and national governments in those capital project developments that stimulate private sector investment response. The MBDA was established expressly for facilitating such developments and encouraging private sector confidence and investment. Its cumulative and growing experience in the types of developments it conceptualises, implements and manages, represents a significant asset for the NMBM.

Moreover, the MBDA has partnered with various private sector businesses to collaborate on corporate social investment initiatives that also leave a lasting impact on communities. During the 2014/15 period the MBDA continued to deliver on its vision under the SSIF. It will also expand on and enhance its competence in meeting the urban renewal needs of the greater Nelson Mandela Bay area. In growing its influence, the MBDA will widen its focus into new mandate areas, concentrate on deepening the lasting economic and social impacts of its work, and ensure that projects are economically and environmentally sustainable.

COMPETENCIES

As a development vehicle, the MBDA coordinates and manages capital investment projects and related initiatives such as cleansing, security and the regulation of informal trading, in partnership with public and private sector stakeholders. In particular, the MBDA has gained significant experience in the following aspects:

Inner city urban renewal – rejuvenation and development of decayed areas, a 'bottom up' concept-to-completion approach, that involves affected

communities in determining the outcome of development projects and the maintenance of developed infrastructure
Project management and coordination of diverse teams of consultants, contractors and service providers

Regeneration of historically marginalised areas
Establishment of a particular brand of urban planning and renewal, with strong emphasis on public participation.

Other than being an implementing agent for the NMBM – with a particular emphasis on urban renewal – the MBDA has also become a key transformation agent in Nelson Mandela Bay, thanks to its strong social approach.

6. GOVERNANCE

The MBDA endeavours to ensure that the essentials of good governance are in place to facilitate smooth operation. These elements include risk management, anti-corruption initiatives, secure supply chain management, a digital presence for engagement and communications, and compliance with relevant legislation and by-laws.

In terms of risk management, the Agency has undertaken a risk review process and has compiled a risk register that is reviewed on a quarterly basis. This register is also tabled at board, audit and risk committee meetings for discussion and appropriate action where necessary. A board-approved fraud and corruption policy has also been implemented by the Agency with ongoing monitoring and evaluation checks and balances in place.

The Agency applies strict and sound supply chain management policies and procedures to ensure that this critical business process is fully adhered to in an effective and efficient manner in respect of its various projects. The Agency's supply chain management policy is based on the policy of its parent municipality, which in turn, is based on the National Treasury model policy. Compliance with this is mandatory and necessary to ensure processes are legitimate and fair.

Municipal by-laws indirectly affect the entire city. However, besides matters relating to informal traders, security and cleansing plan initiatives of the Agency, municipal by-laws as such do not directly impact the Agency's projects. The MBDA reports to the parent municipality's Economic Development, Tourism & Agriculture (EDTA) portfolio committee (as outlined above) on the progress of its various urban renewal projects. It also falls under the jurisdiction of the NMBM Municipal Public Accounts committee (MPAC) as well as the NMBM's Budget Performance Monitoring Forum.

The Agency has its own website, which reflects the various activities in which it engages, records site visitor activity and publishes requests for proposals and tender announcements. In effect, the website is one of the MBDA's major tools for transparency and accountability, as well as effective communication.

Public satisfaction is measured in the form of various informal and formal surveys, which highlight emergent trends in public and stakeholder perception of the MBDA's urban renewal initiatives.



SECTION
SERVICE DELIVERY
PERFORMANCE

03

1. PLANNING AND DEVELOPMENT: INNER CITY & SPECIAL PROJECTS

The MBDA's projects in the inner city are the Agency's signature developments. They mark the coming together of significant planning to upgrade and revitalise the Port Elizabeth inner city and other catalytic city nodes. But more than that, the interlinked projects form part of a greater tapestry under development, which connects precincts, stimulates pride and investment (and, as a result, socio-economic development and job creation), enhances the tourism products on offer, and develops the creative and cultural industries. To this end, the 2014/15 financial year continues to add to the revitalised precincts. Exciting new planning and design processes were initiated to further strengthen nodal and precinct development, particularly in the Baakens River precinct.

In all, twelve major projects have come online over the past four years – including the year in review. They link with projects currently under development and those mooted for the future with the overall objective of transforming and connecting the urban, and thus social, fabric. The projects include the Parliament Street, Govan Mbeki Ave, Strand Street, Uitenhage Market Square, King's Beach, Donkin Reserve and Belmont Terrace/Bird Street Environmental upgrades, the Athenaeum upgrade, the Baakens River precinct plan, Telkom Park precinct plan, the Campanile remedial work and the development of the Route 67 public art tourism product.

What is more, during 2014/15, significant advances were made on the re-development of the old Tramways building. The Singapi Street project in New Brighton also saw major completion of phase 1 and the start of phase 2. A number of tenders and design processes are underway that will link the completed developments and precincts with the Baakens Valley, Port Marina and Telkom Park upgrades in the forthcoming years.

The development of precincts is a fundamental next step in creating an overall urban and social fabric. The MBDA recognised this early on, but what started as planning has been converted to reality over the years and it is now possible to actually witness the power of emerging linked nodes and precincts. The tone of the developments is also important and what the MBDA is successfully achieving is more than just the upgrade of nodes, but the establishment of a visible thread that connects spaces, in the form of Route 67. This is done in the context of two critical objectives for the MBDA's inner city and special projects: Capital-intensive infrastructure development; and job creation and tourism development. An expanded MBDA Planning and Development: Inner City & Special Projects team has allowed a widened focus on these objectives to drive delivery under these key performance areas.

Overall, the MBDA has facilitated and invested in excess of R600-million in direct infrastructure upgrades to date – a bold show of confidence in the city's potential, and one that has yielded the desired result of increasing private sector investment, particularly in areas where projects are now completed.



29.8%

29.8% of businesses made improvements to their property in 2014, the average value of improvements standing at R45 000. Residents made improvements to the value of R21 667 in Central

An estimated R50.2 million – the total value invested by businesses into their properties between 2009 – 2011 and 2013 – 2014 in Central

R50.2mil



With the backdrop set and precincts emerging, the MBDA in the coming years will be focused on activating the nodes developed and ensuring that recognisable, localised urban culture, expressed through the public art content of Route 67, becomes synonymous with the city. Naturally this takes place cognisant of the MBDA's mandate areas and what is central versus what is 'nice to have'. Critical components in the delivery of sustainable infrastructure development are the availability of funding and resources; and enhanced public buy-in and participation. Funding remains a particular challenge, due to strained municipal budgets and increasing demands for basic service delivery. Prioritisation towards infrastructure development, job creation and tourism is thus crucial.

Over the 2014/15 financial year, headway was made in planning for future projects linked to the SSIF, while the MBDA was actively involved in the following inner city and special projects:

- Bird Street/Belmont Terrace precinct
- Development of the creative and cultural industries
- Vuyisile Mini art piece

- Xola Nqini art piece
- Tramways Building redevelopment
- Singapi Street environmental upgrade
- Baakens precinct plan
- Telkom Park precinct plan
- EPWP job creation project through heritage and visual art

The spine connecting all the precincts is Route 67, which provides the connectivity to all the projects, from the inner city projects, to South End and King's Beach, across to Singapi Street and Helenvale and on through to the Uitenhage CBD. A strong emergent theme in the MBDA's work is also a triple focus on the blue, green and golden economies, representing work done on integrating the Baakens Valley with the Port Marina, focus on sustainability and energy efficiency, and the development of a strong CCI in the city.

The sections below cover the 2014/15 highlights and project developments.



Route 67 Election Queue

I. BIRD STREET/BELMONT TERRACE PRECINCT

The Belmont Terrace/Bird Street environmental upgrade, which commenced in September 2012, was completed in the period under review. It is one of the highlights of the year, as it successfully enabled the MBDA to achieve its core objectives in terms of infrastructure improvement, tourism product development, support of the creative industries, and job creation. The completed project propels the development of a cultural neighbourhood and precinct that will harmonise with Route 67. It also strengthened the case for the retention of the Bird Street Campus of Nelson Mandela Metropolitan University (NMMU), which will become the site of the university's School of Music, Art and Design (SoMAD) in the coming years. The completed project will also likely stimulate further private sector investment that will attract new professional, residential and business tenants; while simultaneously offsetting the illegal activity synonymous with some pockets of the precinct.

The precinct is a main arterial linking various arts, heritage and culture nodes, as well as a thriving legal quarter and home to various local businesses which contribute to the GDP of the city. With its completion and ongoing maintenance – and with the impending relocation of NMMU's SoMAD – the precinct's potential as a creative quarter can be realised. Furthermore, the United States embassy is seriously considering the area as a site for establishing its 'American Corner', a cultural node for sharing information about the country with locals. This, and other developments around the area, advances the vision of the node as a hub for economic development that fosters heritage, cultural and creative capital to attract private investment. The tourism potential is another major factor. Its close linkages with the Athenaeum and the Donkin Reserve also complete the connection via Route 67, enhancing the tapestry-like feel of the inner city nodes. Further, this precinct is intimately linked to the near-complete Tramways redevelopment.

The MBDA continues to lobby the NMBM to declare Belmont Terrace/

Bird Street and its surrounds as a heritage precinct; to incentivise investment and promote conservation of the built and natural environment; and to continue investing in the area so that quality of life improves and social ills in the Central suburb are managed – a process that continued in 2014/15.

The Bird Street precinct has been completed and no funding has been allocated for a further phase. The upgrade has seen the completion of the street upgrade up to the NMMU precinct on the west and Hope Street on the east. The Little Theatre was upgraded and now offers a theatre facility of 255 seats and a foyer area, decorated by artists of the Metro. These have proved popular spaces for use by the emerging arts sector and the city as a whole. Trinder Square now provides opportunities for a soccer team to practice, children to play and musicians to busk. The NMMU and MBDA organised the first of a series of jazz concerts in the space. The NMMU has upgraded its campus to provide for SoMAD post graduate facilities and now offers a Jazz unit, Art Gallery and Studio space. Together with the Athenaeum and other new art galleries in the precinct it has become the artists node that it was planned to be.

Creative and Cultural Industries

The CCI sector spans economic, arts, cultural and heritage policy areas, creating a complex policy environment. The 1996 White Paper on Arts, Culture and Heritage continues to provide the overall policy direction in this area. The White Paper sets out government policy for establishing the optimum arrangements and institutional frameworks for the creation, promotion and protection of South African arts, culture, heritage and their associated practitioners. The national Department of Arts and Culture's (DAC) mission, derived from the 1996 White Paper, was to "realise the full potential of arts, culture, science and technology in social and economic development, nurture creativity and innovation, and promote the diverse heritage of our nation".

THE DAC SUPPORTS:

- a. Arts, culture and heritage, by valuing diversity and promoting economic activity;
- b. The linguistic diversity of our country as a resource in empowering all South Africans fully to participate in their country's social, political and economic life; and
- c. The equitable development and preservation of our experiences, heritage and symbols.

For the CCI directly, the 1996 White Paper continues to provide the overall policy direction, but the DAC has widely acknowledged that there are major gaps in the policy and thus, in 2005, initiated a review culminating in a new draft policy which is currently open for comment, according to the DAC's Five Year End of Term Review for the period 2009/10-2013/14 (2014).

The Draft Revised White Paper on Arts and Culture (RWP) (2013) seeks to achieve a set of 15 outcomes, namely:

- i. A policy and legislative environment that ensures effective transformation, organisation, development, co-ordination, management and delivery of Arts, Culture and Heritage (ACH);
- ii. The existence of high quality, well-maintained and accessible infrastructure that supports the CCI;
- iii. The CCI holistically supported in all activities of the ACH value chain;
- iv. The existence of appropriate, streamlined institutional arrangements and structures designed for effective and efficient delivery of services, programmes and projects;
- v. An increased number of suitably skilled and qualified CCI practitioners that meet the human resource and capacity needs of the sector, and are active participants in socio-economic development;
- vi. The CCI transformed in terms of demographic representation and involvement at all levels of the value chain of ACH activities and the approach to delivering ACH to all;
- vii. The CCI actively contributes to the creation of decent work and economic growth;
- viii. Tangible and visibly higher levels of inclusion, social cohesion, social justice and social solidarity;
- ix. Tangible and visibly higher levels of active citizenship and citizen responsibility;
- x. Tangible and visible alignment of work between government and all CCI role-players, based on a common understanding and approach;
- xi. Enhanced co-operative governance between DAC, provincial and local government structures and government departments that have an impact on the delivery of ACH;
- xii. ACH promoted, protected and preserved whilst increasing access to, and participation by all;
- xiii. Increased delivery of ACH in rural areas;
- xiv. Tangible and visibly increased levels of moral regeneration and national consciousness; and
- xv. Support and enhance the international competitiveness of South Africa's CCI (DAC, 2013).

The tone is much stronger than that of the 1996 White Paper and lays a clearer path to ensuring that the CCI sector is an active and supported part of the wider local and global economy. In general, South African CCIs are becoming more organised and cohesive. There are growing intra-, inter- and extra- networks being formed, which add value to the lobbying ability of the CCI sector at large. The Mzansi Golden Economy (2011) document sets out a range of proposed initiatives to grow and develop the sector overall, along with its various sub-sectors. The creative industries have been identified as a priority sector and the Department of Trade & Industry (dti) houses a creative industries sector desk within the Industrial Development division. However, the relatively recent policy focus on creative trade as an economic sector still needs to translate fully into trade support. To this end, the incorporation of CCIs into MBDA projects, to drive job creation and socio-economic development in tandem with tourism product development, has been experimentally successful and thus ground-breaking for South Africa. While South Africa has a vibrant creative and cultural industries sector, the funding thereof has at times been limited, particularly in times of economic hardship. Nevertheless, the MBDA has acknowledged the transformative and economic potential of the CCIs and hence their incorporation, indeed centrality, in the infrastructure work done, particularly the Route 67 public art programme.

In this regard, the MBDA has established solid partnerships with the NLDTF, National Arts Festival (NAF) and the DAC, as well as the NMMU SoMAD and both public and private-owned art and performance spaces, playing a leading role in driving and nurturing the existing and emergent Nelson Mandela Bay CCIs. The MBDA is represented on a number of boards and bodies which shape the CCI agenda in the city.

During 2013/14, the NLDTF provided funding for a collaborative effort on the part of the MBDA and the National Arts Festival (NAF) for the hosting of six performances at the Athenaeum during the festival in July 2014. Furthermore, the DAC funded a number of infrastructure items for the Athenaeum and some art projects outlined below. In addition, the national exhibition, "Wish You Were Here" – geared to promote the city – was also supported by the DAC. Collectively, the creative and cultural industries projects, further elaborated upon below, facilitate job creation and tourism development, adding vibrant life to Route 67 and the precincts.

II. ACTIVATING HERITAGE SITES PROGRAMME

Background

The project was initially designed at assembling a team to do general maintenances on 16 heritage sites of the Nelson Mandela Bay Municipality. The project was initially going to be a continuation from phase 1 which was undertaken by UDDI and 67 struggle veterans of Nelson Mandela Bay Municipality in 2014/15. The project was undertaken in partnership with parks department. Fifty youth benefitted. In addition, maintenance work was done on the Langa Memorial site which has greatly improved the appearance of the site. The work was completed utilising the MBDA maintenance service provider, Machesa Construction.

Visual Art Component

The project was initially requested in order to facilitate 40 opportunities for unemployed visual artists and crafters, who had previously been trained by the MBDA or participated in the implementation of Route 67, to engage in job creation opportunities. The funding was scheduled for the 2014/15 financial year. The project further aimed to demonstrate the opportunity of job creation aligned to the DAC Mzansi Golden Economy policy as well as the transformative power that visual artists could bring to urban renewal projects of the Metro.

Budget cuts required that two of the five initial streams be excluded. These were the artists which would have produced urban renewal content, such as bollards and benches for MBDA projects, as well as graffiti artists. The final programme was made up of three components namely:

1. The beaded collective – a group of 31 beaders who had previously produced 67 quotes from Nelson Mandela, one of the 67 pieces of public art that activates the iconic Route 67. The intention was to develop tourism products in the form of beaded quotes which can be sold to the Tourism market.
2. The felters – a group of six women who were trained in felting skills in order to develop unique hand-made items of felt. The felt items showcase the wool industry and develop unique niche market products for sale locally, nationally and internationally.
3. The visual artists – nine visual artists produced works that will be exhibited and sold from the MBDA precincts. These include five mural artists, two glass artists, a portrait artist working with charcoal and a sculptor working with scrap metal.

The work produced to date includes the following:

- Charcoal sketches
- Illustrations and plans for a glass installation
- Mock-up for a mural in the Baakens Valley precinct
- Mock-up for a mural as a memorial to the Indian Community in South End
- Mock-up of a sculpture utilising found metal from MBDA projects
- 67 beaded quotes.
- 200 items of felt work

Conversations with the Queen

At the outset of the 2013/14 financial year, some minor sub-components of the Route 67 public art programme remained incomplete, pending confirmation of support from the DAC. Some headway in resolving this was made when the DAC issued funding to supplement the budget for completion of the Conversation piece castings. "Conversations with the Queen" was created by a sculpture collective of students and lecturers from NMMU. The pieces represent the full-body likeness of 12 apartheid activists, including Nelson Mandela, Raymond Mhlaba and Govan Mbeki, 'in conversation' with a colonial statue of the British Queen Victoria in front of the city library in Port Elizabeth. The current artworks are temporary ones, cast in fibre glass and resin, and designed to be placed in Vuyisile Mini Square to elicit public comment and participation on what the public art pieces for the square should be. The project was highly successful and the MBDA now plans to cast the pieces in more durable material to ensure that the works can be placed in various parts of the city, including the township areas, while upgrades are being undertaken. This will be done in collaboration with the NMBM to celebrate 20 years of democracy. The casting of the final artworks will be done by 10 artists collaborating together in a workshop, as opposed to being commissioned individually, in order to promote collective empowerment.

Promoting Graffiti Art

The often misunderstood art form of graffiti has been given a platform through several MBDA interventions during the 2013/14 financial year. A developing young artist from the NMMU Art School with a distinction in graffiti was commissioned to complete an existing carved wood public art piece in the Athenaeum garden. This supported the Athenaeum as a community art space and was an extension of the Mandela Poster Project exhibition, which was hosted in the Athenaeum over the National Arts Festival period. Given the urban nature of the MBDA's work, graffiti artwork – and its inherent ability to stimulate social commentary while also beautifying inner city spaces – is a natural bedfellow. The aim behind this ongoing graffiti intervention project is to disrupt stereotypes about what essentially is a professional skill and under-acknowledged art form, with the potential for communication, community education and also aesthetic upliftment. This initiative was coupled with workshops for local graffiti artists, and included the opportunity to create works on degraded buildings in order to transform them into works of art. The project is being managed by NMMU and will continue into the next financial year.

The Athenaeum

The MBDA continues to lobby for funding to activate the usage and functioning of its Athenaeum building project. Following on from its investment in the upgrade of the gallery and theatre, via a R4-million grant from the NLDTF, the focus is now to ensure the optimum operation, usage and maintenance of the building.

The MBDA assisted the Athenaeum council to manage the operations of the Athenaeum in the second half of the financial year. A manager of the activities in the Athenaeum has been appointed and the building is being used actively for the purposes that it was intended for.

Marketplace for National Arts Festival fringe events

The Athenaeum has been re-developed with the objective of transforming it into a creative and cultural industries hub. To this end the MBDA has supported various initiatives within the building to stimulate usage and the reach of creative activities hosted by the building. This include support of the likes of the Design Indaba and linkages with the National Arts Festival. A 'sharing initiative' between the NAF and the MBDA, in the first month of the 2014/15 financial year, saw six NAF productions staged at the Little Theatre. Funds were also received for critical exhibition infrastructure which allowed the hosting of two high-profile exhibitions during the festival. This infrastructure – which included a new hanging system and multi-media equipment – further enables optimal functioning of the Athenaeum as an exhibition venue going forward. Various components of audio-visual equipment were also acquired via the DAC grant. A Cultural Festival is planned for 2015/16 to profile the Bird Street/Belmont Terrace precinct, of which the Athenaeum is a part, and showcase the city's cultural assets.

Tramways Building

Significant headway was made over the course of the 2014/15 financial year on the complete overhaul and refurbishment of the 116-year-old Tramways building on the corner of Lower Valley Road and Baakens Street. Again, this forms part of the development of a new inner city precinct which will link the Port-Marina-Baakens nexus. In addition, it creates a strong arterial route to South End and King's Beach and up toward the Belmont Terrace/Bird Street

and Donkin Reserve precincts and nodes. Also, given its centrality to major transport linkages – the Port of Port Elizabeth and the N2 highway interchange – the precinct also links with the other nodal developments the MBDA is involved in at Walmer Township, New Brighton/Singapi Street, Helenvale and Uitenhage.

The refurbished building will house the new MBDA offices. An environmentally conscious anchor tenant is being considered to share the space, while the other areas within the building are being designed for multi-purpose use. Two large halls that once housed off-duty tramways coaches will be restored to their original design before modern amenities are added. These halls will be used for local conferences, exhibitions and workshops. A restaurant and a catering school are also expected to locate in the completed building. The exterior, particularly on the Baakens Street and Lower Valley Road side, will be restored to original design, while the interior and the side facing the Baakens River will feature a more contemporary look with spaces used to optimum effect and enhanced with steel and glass. As part of phases 2 and 3, pedestrian and cycle paths will be added to link the Tramways building to the Bridge Street development and the north bank of the Baakens River, activating this node and connecting it to the port, CBD, Central and the beachfront.

Refurbishment processes, initiated in February 2012/13, are due for completion in 2015/16 over a number of incremental phases. An EIA is currently in process for phase 2 of the project. The investment to date (30 June 2014) is R27-million, with the total project value anticipated to be in the region of R50-million. The area under development is envisioned to manifest as a water-green-cultural economic hub. This catalytic investment also integrates with the triple development of blue, green and golden economies.

Progress on phase 1 of the Tramways building will result in the MBDA being able to move into its new headquarters by September 2015. The investment into the precinct has encouraged private sector developments in the rest of the valley to commence. The main buildings have been completed and extensive progress on the annex block has been achieved.

III. SINGAPI STREET

The Singapi Street development in New Brighton is a key connector for creating continuity between Route 67 in the inner city and the Red Location Museum in New Brighton. Singapi Street is rich in arts, culture, heritage and resistance history. It is home to a diverse and vibrant community life intertwined with historical cottages, RDP homes, municipal homes dating back to the colonial and apartheid eras, informal settlements, flats, parks, businesses, sport facilities, schools, crèches, churches, community projects, and the Red Location Cultural precinct.

The MBDA engaged in a public participation process during the 2012/13 financial year in order to facilitate broader community engagement in the development of a master plan and design for the rollout of infrastructure upgrades in the area. Many delays were experienced on the project in the 2013/14 period, with emerging contractors demanding that they be included in the procurement processes. This resulted in the issuing of a revised sub-contracting tender document in respect of the scope of work, which was approved by the ward councillor. The sub-contracting tender was advertised and the contractor(s) will be appointed in July 2014. Work on this important project is planned to commence in August 2014.

The Singapi Street project has thus far constituted a valuable learning curve and pilot project for the MBDA and resulted in the development of a policy and criteria for procurement of SMMEs from local communities in which projects are carried out. This policy is reflective of the challenges encountered and experience gained from the project.

Phase 1 of the Singapi upgrade was completed and phase 2 has commenced. The street is seen as a major catalytic project in terms of township development which is aligned to the public participation processes initiated in the inner city. The upgrade has seen a number of parks being established, benches made through a public art process driven through job creation with the local community, stormwater drainage improved, trees planted and sidewalks paved. SMMEs have benefitted from more than 30% of the contract amount to date.



IV. BAAKENS RIVER PRECINCT PLAN

The GAPP Consortium was appointed by the MBDA in August 2014 to undertake a market GAP assessment and deliver a precinct plan for the redevelopment of the Baakens River precinct and linkages with the adjacent Central Business District (CBD) and Port of Port Elizabeth.

Some of the main problems that the study area faces, is its lack of connection to the rest of the city, large areas of underutilised land and buildings, undeveloped/overgrown open space in the river valley and poor environment. One of the largest problems with the site is that major periodic devastating flooding of the Baakens River has had a huge effect on many of the properties in the valley. These properties are particularly important, as there is little developable land due to the steep slopes and the major open space in the valley.

Both the cultural industries based around cultural tourism and the creative industries based on cultural production appear to have significant potential to contribute to the overall goals of national, provincial and municipal government in addressing nation building. They also have an economic and social impact and empowerment by engagement with the opportunities and challenges that present themselves in the linked precincts of the Baakens Valley, Port Marina and the CBD.

The conceptual framework is the corner stone of the study as it provides an overall story that contributes to a vision for not only the Baakens River Valley, but the larger Nelson Mandela Bay region. The conceptual framework developed three key depictions, which excites a story that awakens the imagined future:

“My Place”

‘My Place’ addresses place making for the locals of Port Elizabeth. It is about creating a place of identity, pride and belonging.

“A Meeting Place”

‘A Meeting Place’ is about attracting outsiders, internationally and nationally. This attempts to build Port Elizabeth as a destination and not a transient pit stop for travellers and businessmen.

“A Making Place”

‘A Making Place’ is about diversifying the manufacturing base. Taking pride in the existing manufacturing industries, building on those and broadening Port Elizabeth’s horizons.

One of the important goals is to have positive return on investment for both the public and private sector, which provides incentives to the developer to preserve the precinct and its attractive environment as well as achieving a pride in providing economic benefits to others, including job creation across a range of communities.

A variety of public participation meetings were set up to engage with an appropriate range of stakeholders that would add value to the vision of the precinct.

The Baakens River Precinct Plan is a framework wherein all of the background information has been amalgamated to create a framework that responds to critical issues, constraints and opportunities that have been uncovered.

The precinct plan sets out the vision for the study area. A vibrant, attractive and usable precinct orientated around a dominant open space system that supports activity including residential and preserves its ecosystems allowing natural biodiversity. The precinct plan preserves heritage and provides space and links for it to flourish, being cognisant of its benefits economically at a local and international scale.

Proposals are made in the precinct plan for traffic and movement, land use and activities, open space and landscape and urban design directives. In addition detailed areas and controls have been defined.

Focus Areas

The precinct has been divided into four focus areas that each have their own unique identity and corresponding space that support different uses.

The focus areas are:

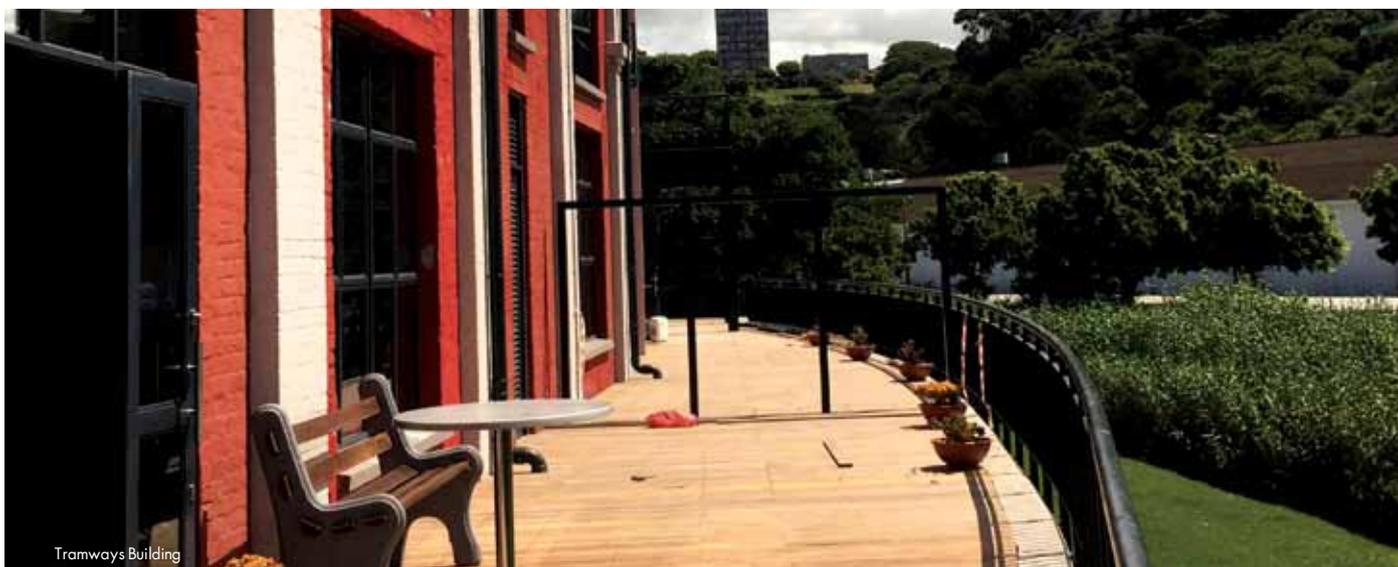
- The Heart of the Bay
- Baakens River Valley
- St Georges Park
- The Waterfront

Within each focus area are priority projects to provide a catalyst for private sector development into specific areas so as to obtain the maximum benefit. The maximum impact must be aimed at for each project selected and a visible difference must be made early to mobilise the change.

V. TELKOM PARK PRECINCT PLAN

The MBDA wishes to ensure that a vibrant and safe precinct is developed at the current Telkom Park. The site currently consists of undeveloped land and houses a rugby stadium and practice fields. The stadium is older than 60 years, but has not specifically been identified as a heritage sensitive site in the Greater Happy Valley LSDF. The area is in close proximity to:

- The proposed Port Marina Precinct.
- The green lung of the Baakens Valley and Settlers Park
- The Historic Inner city
- Route 67
- The South End Museum and Heritage Area of South End
- The airport
- The Telkom Park land
- The Boardwalk and Casino development and the existing stadium
- The Iconic Red Location Museum



- The beachfront
- Various hotels
- Residential areas

SME Consultants were appointed to undertake the following:

- Develop a physical precinct plan, together with the MBDA, which will clearly indicate a “package of plans” that will respond to present and future international convention centre, retail, office and tourism / leisure / entertainment demand.
- Entrench the fundamental imperatives of a developmental state which includes social inclusivity, poverty alleviation, economic transformation, job creation and gender equality.
- Develop a detailed traffic impact assessment, the findings of which are to be incorporated into the precinct plan.
- Develop general development guidelines that refer to a phased implementation process and that give an overarching view of the following: urban and architectural guidelines, landscaping guidelines and public art guidelines.
- Develop urban design and architectural guidelines, with specific reference to place making and the “green lung” which runs through the development and extends to the beachfront. These guidelines will have to take reference from the Inner City Local Spatial Development Framework (LSDF) and specifically refer to the relationship between the Port environment, the Baakens River Precinct, the Inner City built environment, the “green lung” of Happy Valley and connectivity.
- Develop landscaping guidelines with specific reference to place making and the “green lung” running through the development, artwork and prominent points of attraction (10 places or items of interest) must be identified as part of the development.
- Undertake a widespread public participation process that will be required from the process of the development of the precinct plan and various forums will have to be consulted. The extent of public participation is described under the specific heading.
- Advise the MBDA with regards to lease conditions, lease periods and lease agreements: with specific reference to the processes and possible time lines and potential tenants and to advise the MBDA with regards to phasing of the development.
- Survey the extent of the development, as currently some of the areas proposed in the Inner City LSDF falls outside of cadastral boundaries of existing erven.
- Advise the MBDA with regards to the heritage status and requirements for demolishing of the existing stadium or development within the precinct.
- Prepare a comprehensive Engineering Services report for the study area.
- Complete an EIA Basic Assessment report for the study area.

- Follow any framework developed by the MBDA so as to keep the public and all relevant stakeholders, especially relevant officials in the affected Directorates of the NMBMM, informed of the project and construction programme at all times.

General Development Guidelines

The purpose envisaged for the guidelines is to ensure linkages to existing social fabric, the natural environment (Happy Valley and the “Green Space”) and infrastructure and to ensure that a Sustainable Community Concept is encouraged. These guidelines will have to specifically refer to “place making” and the “green lung” that runs through the development and will have to further take reference from the LSDF with regards to the built environment, the “green lung” and Happy Valley.

The guidelines will be informed by the case studies and basic graphics to explain concepts and principles. Safety and security within the proposed development will have to be integrated in the development of the guidelines.

The guidelines will have to refer to an implementation process (how the guidelines could be enforced) and must clearly spell out an approval process, where the MBDA would be involved in the approvals.

The guidelines will have to be specific to different development nodes (if applicable) – in terms of residential, commercial and retail.

Conclusion

The 2014/15 financial year was a rewarding one for the MBDA. Significant projects drew nearer to closure, while others were completed within scope and budget. The emerging tapestry of linked precincts has texture and can be tangibly experienced. This adds impetus and real value to projects still under development, as citizens and visitors can start to draw on the visible transformation of one node in order to better understand future developments and how they are linked. The inner city has a different face – and many of the completed nodes are now set to catalyse further public and private investment. While many inner city projects now move under the MBDA operations unit, the MBDA will continue to unlock potential in the precincts to connect capital expenditure with job creation and the development of the creative and cultural industries to bring these projects to life.

2. PLANNING AND DEVELOPMENT: TOWNSHIP PROJECTS

Township projects represent a fairly new focus for the MBDA, in terms of its original mandate which has since been expanded. However, it is a natural continuation of the work in that its methods of implementation that proved successful in urban regeneration projects may now be put to work in areas needing improved equality of infrastructure.

The township projects are envisioned to repeat the development possibilities and outcomes achieved in more economically advantaged areas, creating a continuity and unification between the inner city, urban centres and townships. In this way, Nelson Mandela Bay can continue its transformation towards becoming a cohesive, multi-cultural community, linked through representative urban renewal and art. This has been the core focus of both planning and development during the 2014/15 financial year; and it will likely become central to the MBDA’s work going forward.

The MBDA hope to empower residents in more peripheral and marginalised communities by having more integrated development projects within these

localities. In turn, the hope is that through urban renewal in these areas, the social dynamics and community cohesion might improve, leading to improved daily living conditions. Enhanced public participation processes attached to spatial transformation is also intimately linked to the most common challenges encountered by the MBDA viz raising awareness and expectations.

Township renewal initiatives have been identified as core to future development of the MBDA's mandate. Moving away from the past – where no clear methodology existed for selecting catalytic township development projects – the MBDA made a considered decision to select projects based on alignment with both its mandate and the NMBM IDP, in consultation with ward councillors and the responsible municipal directorates. This process is guided by Local Spatial Development Frameworks (LSDF) that identify development precincts and nodes.

These criteria were used to identify projects for the 2014/15 financial period in the following areas:

- Helenvale (Ward 13)
- New Brighton (Ward 17)
- Veeplaas (Ward 30)
- Walmer-Gqebera (Ward 4)
- Schauderville and Korsten (Ward 11)

I. HELENVALE

The MBDA received funding from KfW (German Development Bank) for the implementation of a Safety and Peace through Urban Upgrading (SPUU) programme to the value of (EUR) 5-million (approximately R50 million) in Helenvale. This was preceded by the signing of a financial cooperation agreement between the NMBM and KfW, and a separate agreement between the MBDA and KfW in 2012.

The 2014/15 financial year saw the road and park upgrading (Phase 3) project completed. Additionally, following a tender process, a consortium of German and South African consultants (SUM-Matrix) was appointed in February 2014 and subsequently a master plan was completed containing a suite of projects clustered into five component areas, including: safer schools, domestic violence prevention, youth employment promotion, physical space upgrading, and a methodology for housing scenarios (a pilot housing project) in Helenvale. The conditions for roll-out of the master plan have been met and actual implementation already started with various social services provided from the Helenvale Resource Centre. In addition various contributory events and activities with women, youth and the schools have already commenced.

II. NEW BRIGHTON

Qaqawuli Community Hall

The Ward 17 councillor approached the MBDA for assistance in the construction of a hall for the Qaqawuli community, as an established need and component of the ward's priorities. The MBDA addressed this request as part of its mandate for place-

making. Mott McDonald PDNA were appointed as the design and implementation consultants. The implementation phase commenced in the 2014/15 year with the appointment of Tewo Construction. The hall reached practical completion by end of June 2015 with a few snags to be completed in the following financial period. The hall comprises of a 150-200 seating arrangement, a small kitchen, ablution facilities, fencing and parking. The design of the hall was conceptualised through a participatory community process.

III. VEEPLAAS

Veeplaas Business Incubator

The Veeplaas Business Incubator was built by the EDTA directorate in 2009 but was never used and subsequently fell into a dilapidated state. The Veeplaas in Action (VIA) community expressed great concern over the matter and requested intervention by the MBDA. As a result, various projects for the area were identified in agreement with the local ward councillor, VIA and the MBDA. The EDTA also transferred the building to the MBDA for the purpose of revamping and making it operational. Due to various challenges with the zoning, the MBDA had to apply to the surveyor-general to have the erf consolidated and rezoned. As a result the project was delayed for approximately nine months. The site development and building plans were subsequently submitted and approved following consolidation and the MBDA has since gone out on tender - to start revamping the facility.

Veeplaas Carwash

The carwash is one of the projects identified to facilitate youth development and employment in Veeplaas. The space originally occupied by the hawkers' facilities in Koyana Street and which had also become dilapidated was handed to the MBDA by EDTA to construct a carwash. The carwash project has been completed in March 2015 by a contractor, Lulama Caka Construction, assisted by Gilgal Development Consulting Engineers. The MBDA is currently awaiting Council approval of the appointment of tenants to operate the facility.

Creative Industries

This project was initiated to assist the emergent arts, culture and heritage groups in Veeplaas. It is also aligned with the MBDA's objectives to create a thriving arts and culture sector through catalytic projects which stimulate sustainable job creation. This facility has been constructed on the abutting property behind the Veeplaas Business Incubator and will house six industries. The contractor, Skhothahla Construction assisted by Gilgal Development Consulting Engineers, completed the project in March 2015. The MBDA is now awaiting Council approval to appoint tenants to operate the facility.

It should be noted that the operationalisation of these projects is dependent on the NMBM Council's authorisation that the MBDA lease out these spaces to local entrepreneurs.



Basela Qaqawuli Community Hall - New Brighton



IV. WALMER /GQEBERA

Sakhasonke Village Park

The Sakhasonke community requested the MBDA's assistance in the construction of play parks for children, as no recreational facilities exist in the village. This need is further compounded by illegal dumping prevalent at open sites. The play site that was originally established during construction of the village posed a safety risk to children, so it is on this site that the MBDA developed new play areas. Qingqani Ma-Afrika Construction was appointed as the contractor to assist the MBDA to get the parks established. The parks were completed in June 2015 and handed over to the Sakhasonke Village Steering Committee that will be responsible for the maintenance and operations of the parks.

Sawule Educational and Recreational Park

The Sawule Educational and Recreational Park was identified both by the community of Area O in Gqebera and the ward councillor, as part of a ward priority to develop a park on an unused open space. Area O is a newly established housing development without recreational facilities for children. An interactive park is envisioned for the area, which will ultimately be handed back to the municipality following one year of establishment/maintenance after final completion.

The MBDA appointed Red Landscape Architects as consultant and Gau Flora as contractor to complete the park. The park was completed in May 2015 and had been severely vandalised by the community which resulted in additional work to be completed beyond June 2015.

V. SCHAUDERVILLE/KORSTEN

In line with its mandate of upgrading areas that has seen some form of environmental decay, the MBDA, through assistance with funding from the IDC, started with a master plan process in Schauderville and Korsten. This environmental and urban residential upgrading intends to redress the decay that persisted especially after the 1990 protest action in these areas. NOH Architects was appointed in December 2014 to assist the MBDA with the development of a master plan that build on a previous community process facilitated through Cities Network. The aim of the master plan is to identify, through a broad public process, projects that are practicable and implementable and that are in tune with the context of the area and which will assist in addressing some of the socio-economic ills plaguing the community. It is envisaged that the entire plan will be completed by September 2015, after which the MBDA will look for funding from various agencies.

3. OPERATIONS

In order to ensure that project interventions translate into sustainable products, the MBDA has maintained its growing focus on security, cleaning, regulation and management of informal trading, and maintenance of its key projects. Essentially this is done on the basis of an acceptance that the 'basics' must be in place to instil public confidence and encourage usage of the finished product. The 'getting the basics right' approach is a cornerstone of the MBDA's development agenda, and a key element in ensuring project success. However, it has in some cases, resulted in the agency assuming the parent municipality's role as provider of basic services.

In the year under review, the MBDA continued with cleaning and security projects in the Port Elizabeth and Uitenhage CBDs resulting in steady, positive increases in residential and business confidence in the areas. Successes were achieved with the on-going regulation of informal trading and in supporting traders to become micro-enterprises; as well as in the continuation of the "Go Green" recycling initiatives in designated areas. Moreover, a number of exciting new initiatives were launched in the form of proposed new canine units for improved security in the Port Elizabeth CBD, and planning for an inner city parking meter system.

The city's first Special Rating Area (SRA), in Richmond Hill, which was approved with the required 50%-plus-one vote from property owners, is progressing reasonably well. Property owners have established a not-for-profit company, which has started to receive special rates and levies via the NMBM. These funds will be used for the improvement of the Richmond Hill area. It is envisaged that special rating areas will be formed in other parts of Nelson Mandela Bay as success in this pilot area is steadily realised.

During the period under review, the MBDA continued to deliver security, cleaning, maintenance, and informal trading regulation and management to completed projects in several key operational areas:

- i. Urban clean-ups in the inner city areas of Port Elizabeth and Uitenhage
- ii. Security in the Port Elizabeth and Uitenhage inner cities
- iii. Regulation and management of informal trading throughout the Port Elizabeth and Uitenhage CBDs
- iv. Maintenance of completed projects in mandate areas, including the Donkin Reserve, Govan Mbeki Avenue informal trading kiosks, paved areas, pissoirs (PE CBD), public toilets (PE CBD), water features, gardens, escalators, road markings, traffic signs, and public art
- v. The completion of a quarterly CBD business/ community perception survey in the Port Elizabeth and Uitenhage mandate areas

- vi. The continuation and growth of recycling initiatives in designated areas through the Go Green programme
- vii. A service provider for the upkeep and maintenance of the King's Beach lake must still be appointed
- viii. Incrementally embarking on increased security presence in hotspots of the Port Elizabeth CBD mandate area and also entering negotiations with NMBM Budget and Treasury for funding in order to introduce guards with dogs (K9s) in key nodes such as the Donkin Reserve, Govan Mbeki Avenue/ Strand Street, the Athenaeum, Parliament Street and King's Beach; and
- ix. Implementing the final stage of the Mobile Parking Meter Plan initiative, which will be introduced in selected Port Elizabeth mandate areas.

Conclusion

The MBDA, with limited budgets and resources, has managed to maintain its projects and assist in upholding the quality of services in its mandate areas, which include CBDs and other key nodes such as township projects and tourism areas. Although this is not the core work of the MBDA, the agency has assumed an emergent responsibility to ensure that public pride and usage of the products developed takes place. The MBDA is resolute against urban decay and as such feels it necessary to maintain, clean and secure its projects. This work is only likely to escalate in the coming financial years. In the 2014/15 financial year, great strides were made to proactively maintain the current projects, and to implement support mechanisms that both complement and supplement the work of the parent municipality.



Helenvale Resource Centre



Strand Street Upgrade

4. MARKETING

As in all small, medium or large organisations and entities, marketing and communications play an instrumental role in connecting the organisation's vision and message to all relevant and strategic stakeholders and publics. Marketing, communications, stakeholder relations and events, if deployed strategically, serve to enhance the organisation's reputation and public image and to effectively relay the message of the institution. As a service support department, the marketing team assists and implements activities for or on behalf of the various divisions or departments within the MBDA.

Some of the activities include:

1. Researching, writing and distribution of media releases
2. Researching, writing and production of agency literature
3. Developing and maintaining the agency's online platforms
4. Conceptualising and implementing promotional campaigns
5. Developing innovative ways to promote developed precincts
6. Supporting the promotion of arts development
7. Initiating, supporting or hosting strategic events that support the agency mandate
8. Developing tools to monitor and manage the communication environment
9. Representing the MBDA at relevant intergovernmental and civil society engagements
10. Supporting all relevant and strategic internal and external stakeholder initiatives

Marketing highlights

- Hosting a successful Heritage month campaign, promoting culture and arts
- The production of the MBDA's first Creative Coffee Table Book
- Participation in the initiation and launch of Project NMB as well as Business Vision 2030
- Successful participation at the inaugural Construction Summit, NMB Stadium
- Successfully participating in ensuring a profitable IRB 7's tournament
- Various advertising initiatives in major government and investment sector titles
- Launch of the completed Baakens Valley precinct plan to stakeholders
- Collaboration with NMMU's Music School for inaugural Trinder Square Music Concert
- Launch of the Route 67 Tour Guide programme, which created 2 jobs
- Launch of the Tourism Ambassador programme, which created 11 jobs
- Successful hosting of the Nelson Mandela Bay Investment Seminar
- Completion of the MBDA Economic Impact Assessment Report

Communications highlights

The communications function is instrumental in shaping the MBDA's public image, responsible for dissemination of information as well as media monitoring. Highlights include:

CLIP COURT
535

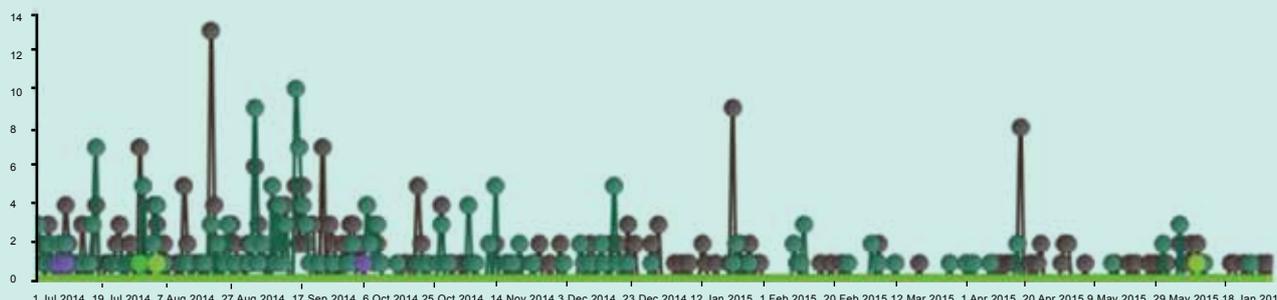
PRINT
246

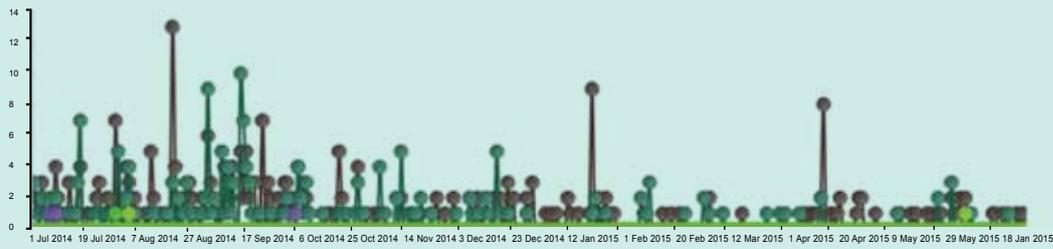
ONLINE
172

BROADCAST
117

 31

Media Coverage - Media Types





Wordcloud	<input type="text" value="Search..."/>	Sort Name Clip Count
Service		
Media Group		
Media Type		
Media		
Media Tree		
Region		

Eastern Cape	320
South Africa	208
Western Cape	4
Gauteng	2
Free State	1

Great return on Marketing Investment

The marketing budget, including allocation for Corporate Social Investment (CSI) for the year, was R3.5m. Media coverage recorded during this period is R10.1m in Advertising Value Equivalent (AVE). The return is 2.7 times the allocated budget.

Dominant feature in coverage is the City and Development

It is important for us to know that the work receives the prominence over individuals or personalities. The world cloud, which is an aggregate of the mentions received i.e. the more mentions, the bigger the word.

Conclusion

Other than the marketing and communications highlights mentioned, the marketing team was key in facilitating and assisting in a number of stakeholder engagements, visiting delegations and fact finding missions. Some of the visits included universities, legislatures, parliamentary committees, newly- or to

be established development agencies and private investors to Nelson Mandela Bay. The team is also responsible for coordination and chairing the CSI portfolio of the MBDA. The 2014/15 FY has seen the agency get involved with various needy and vulnerable organisations, stepping in and assisting in creating a better life for all. The highlight of the CSI programme is the maturity and the MBDA's flagship programme, Healing Hands. This charity organisation, through the assistance from the MBDA and Tavcor group, has become an independent and now semi self-sustainable entity.

The other notable mention is the involvement and participation of the MBDA team in a number of civil society initiatives whose objective is the promotion of the city as a place to live, work and play. These organisations believe in the vision of the MBDA and have demonstrated total buy-in and support for the agency. All this boils down to credibility and trust. Without credibility no one will want to work with us. Brand MBDA is in a good place.



30 JUNE 2015

Total Ave: R 10,182,338.63

Clip Count:
535



SECTION
ORGANISATIONAL
DEVELOPMENT PERFORMANCE

04

The MBDA measures its success in five central key performance areas (KPAs) which incorporate specific key performance indicators (KPIs) that track the agency's ability to meet pre-determined targets and deadlines.

The five main key performance areas are:

KPA 1:

Basic Service Delivery and Infrastructure Development

KPA 2:

Transformation and Organisational Development

KPA 3:

Local Economic Development

KPA 4:

Financial Viability and Management

KPA 5:

Good Governance and Public Participation

A number of these areas have sub-indicators which include project-level outputs such as the Helenvale Urban Renewal Programme (HURP); service delivery integration; cleansing services (CBDs, Central and Uitenhage); facilitation of public capital projects; human resources transformation; job creation and Expanded Public Works Programme (EPWP); budgeting and financial accounting; risk management; and internal controls.



80.4% of people employed in the area, are employed on a permanent basis in Richmond Hill

36.6%

36.6% of businesses hired additional staff in 2014 (2013: 17.8%) with 43 new jobs created in Richmond Hill.



80.4%

1. TARGETS VS. ACTUAL

KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	ANNUAL TARGET	QTR ENDING 30 SEPT '14 - TARGET	QTR ENDING 30 SEPT '14 - ACTUAL	QTR ENDING 31 DEC '14 - TARGET
KPA 1: Basic service delivery and infrastructure development	Cleansing and security services (CBDs in Port Elizabeth and Uitenhage)	% satisfaction with cleansing services in Port Elizabeth and Uitenhage CBDs	80% satisfaction by June 2015	Survey conducted by MBDA	Survey conducted by MBDA	50% satisfaction achieved
KPA 1: Basic service delivery and infrastructure development	Cleansing and security services (CBDs Port Elizabeth and Uitenhage)	% satisfaction with security services in Port Elizabeth CBD	60% satisfaction by June 2015	Survey conducted by MBDA	Survey conducted by MBDA	50% satisfaction achieved



Helenvale Art Mural

QTR ENDING 31 DEC '14 - ACTUAL	QTR ENDING 31 MAR '15 - TARGET	QTR ENDING 31 MAR '15 - ACTUAL	QTR ENDING 31 JUNE '15 - TARGET	QTR ENDING 31 JUNE '15 - ACTUAL	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
84% satisfaction achieved	Survey conducted by service provider	Survey conducted by service provider	80% satisfaction by June 2015	78.40%	The survey on the level of satisfaction with cleansing services in the Port Elizabeth and Uitenhage Central Business Districts conducted by a service provider during the 2014/15 financial year indicated a satisfactory level of 78.4% against the annual target of 80%. The low level of satisfaction with cleansing services is attributed to the presence of permanent vagrants in both the Port Elizabeth and the Uitenhage Central Business Districts. These vagrants sleep on pavements, act as illegal car guards, and sometimes cause nuisance to people. The Mandela Bay Development Agency will work together with the Department of Social Development, the South African Police Services and other law enforcement agencies to find a lasting solution to the challenge of vagrants in the CBDs.
63% satisfaction achieved	Survey conducted by service provider	Survey conducted by service provider	60% satisfaction by June 2015	32.50%	The survey on the level of satisfaction with security services in the Port Elizabeth CBD that was conducted by a service provider in the 2014/15 FY indicated a satisfaction level of 32.5%, against the annual target of 60%. The low level of satisfaction with the security services is attributed to financial constraints, which resulted in fewer security guards patrolling the Port Elizabeth CBD. An improved security programme with dog units will be implemented during the first quarter of the 2015/16 FY to improve security in the Port Elizabeth CBD.



1. TARGETS VS. ACTUAL

KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR(KPI)	ANNUAL TARGET	QTR ENDING 30 SEPT '14 - TARGET	QTR ENDING 30 SEPT '14 - ACTUAL	QTR ENDING 31 DEC '14 - TARGET
KPA 1: Basic service delivery and infrastructure development	Facilitating public capital projects	% completion of inner city renewal capital development projects	90% of Belmont Terrace and Bird Street (Phase 4) environmental upgrade completed	10%	20%	40%
KPA 1: Basic service delivery and infrastructure development	Facilitating public capital projects	% completion of inner city renewal capital development projects	90% of Tramways building redevelopment (Phase 1) completed	10%	24%	40%
KPA 1: Basic service delivery and infrastructure development	Facilitating public capital projects	% completion of Township Rejuvenation Projects	50% of Red Location Singapi Road upgrade (Phase 1) completed	Tender awarded	10%	10%
			100% of Veeplaas Creative Industries building completed	10%	8%	25%

QTR ENDING 31 DEC '14 - ACTUAL	QTR ENDING 31 MAR '15 - TARGET	QTR ENDING 31 MAR '15 - ACTUAL	QTR ENDING 31 JUNE '15 - TARGET	QTR ENDING 31 JUNE '15 - ACTUAL	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
37%	65%	68%	90% of Belmont Terrace and Bird Street (Phase 4) environmental upgrade completed	98%	Phase 4 of the Belmont Terrace and Bird street environmental upgrade is 98% complete. This includes 98% completion of civil works; 95% completion of art works; and 95% completion of other works. The remaining 2% relates to road markings; fitting of play furniture; the maintenance of the Athenaeum building; and the completion of artwork. The smooth implementation of the project can be attributed to close monitoring through regular site meetings.
42%	70%	75%	90% of Tramways building redevelopment (Phase 1) completed	80%	Phase 1 of the Tramways building redevelopment is 80% complete. The 80% completion constitutes the completion of staircase and timber flooring; installation of a revolving door; installation of balustrade; installation of firefighting equipment; etc. The remaining 20% relates to the installation of stacking doors and roller shutter doors; installation of ablation screens; installation of reception desk; installation of security system and other outstanding works on electrical supply upgrade. The underperformance reported against this target is due to a variation order which was issued on 6 March 2015, ordering the extension of the scope of work in respect of Phase 1 of the Tramways Building Redevelopment. The additional works in respect of the Tramways Building Redevelopment (Phase 1) will be completed during the first quarter of the 2015/16 FY.
37%	25%	73%	50% of Red Location Singapi Road upgrade (Phase 1) completed	88%	The Red Location Singapi Road upgrade (Phase 1) is 88% complete. The 88% completion constitutes the 100% completion of electrical duct; 100% completion of sub-base; 84% completion of stormwater installation; 100% completion of kerbing; and 100% completion of paving. The installation of stormwater as well as paving still needs to be completed. The smooth implementation of the project is a result of close project monitoring through regular site meetings.
80%	75%	98%	100% of Veeplaas Creative Industries building completed	100%	The Veeplaas Creative Industries building is 100% complete.

1. TARGETS VS. ACTUAL

KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR(KPI)	ANNUAL TARGET	QTR ENDING 30 SEPT '14 - TARGET	QTR ENDING 30 SEPT '14 - ACTUAL	QTR ENDING 31 DEC '14 - TARGET
KPA 1: Basic service delivery and infrastructure development	Facilitating public capital projects	% completion of Township Rejuvenation projects	100% of Qaqawuli Community Hall completed	10%	0%	25%
				10%	0%	25%
KPA 1: Basic service delivery and infrastructure development	Facilitating public capital projects	% completion of Township Rejuvenation Projects	100% of Sawule Street Play Park completed	10%	0%	25%
			100% of Helenvale Precinct Phase 3 (old Stanford road, Hartebees Street and Hartebees Park) completed	10%	0%	25%

QTR ENDING 31 DEC '14 - ACTUAL	QTR ENDING 31 MAR '15 - TARGET	QTR ENDING 31 MAR '15 - ACTUAL	QTR ENDING 31 JUNE '15 - TARGET	QTR ENDING 31 JUNE '15 - ACTUAL	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
31%	75%	65%	100% of Qaqawuli Community Hall completed	85%	The Qaqawuli Community Hall is 85% complete. The 85% completion constitutes setting out works, site clearance, bulk excavation, steel structure, boundary walls, gable walls, plastering, etc. The outstanding items relates to filling and compacting, superstructure brickworks, parking area, plumbing, painting, electrical works and fencing. The underperformance is attributed to the changes in cladding on entrance doors and delays as a result of strike action by workers. The challenges have been resolved and the project is expected to be completed by 31 July 2015.
0%	75%	0%	100% of Veeplaas Business Incubator building upgrade completed	0%	The Veeplaas Business Incubator building upgrade is 0% complete. The project has been delayed because the relevant site falls over two erven. The consultant is currently making application for the consolidation of the erven. It is envisaged that the Veeplaas Business Incubator building upgrade will be completed during the 2015/16 FY.
65%	75%	95%	100% of Sawule Street Play Park completed	100%	The development of Sawule Play Park is 100% completed.
25%	75%	68%	100% of Helenvale Precinct Phase 3 (old Stanford road, Hartebees Street and Hartebees Park) completed	100%	The Helenvale Precinct Phase 3 (old Stanford Road, Hartebees Street and Hartebees Park) is 100% complete.

1. TARGETS VS. ACTUAL

KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR(KPI)	ANNUAL TARGET	QTR ENDING 30 SEPT '14 - TARGET	QTR ENDING 30 SEPT '14 - ACTUAL	QTR ENDING 31 DEC '14 - TARGET
KPA 2: Municipal transformation and organisational development	Human Resources transformation	Number of officials attending the National Treasury minimum competencies training in line with set regulations (Government Gazette No 29967)	6.00	1.00	0.00	2.00
KPA 2: Municipal transformation and organisational development	Human Resources transformation	% attainment of the prescribed National Treasury minimum competencies by the Executive Director as prescribed by Government Gazette No. 29967	70%	10.00%	0.11%	25.00%
KPA 2: Municipal transformation and organisational development	Performance management	Submission of quarterly performance reports indicating performance gaps and improvements	Agency's performance information populated and approved within 5 working days after the end of the quarter	2013/14 directorate's 4th quarter performance information populated and approved on integral scorecard by 7 July 2014	2013/14 directorate's 4th quarter performance information populated and approved on integral scorecard by 7 July 2014	2014/15 Agency's 1st quarter performance information populated and approved on integral scorecard by 7 October 2014 2014/15 Agency's 2nd quarter performance information populated and approved on integral scorecard by 31 December 2014

QTR ENDING 31 DEC '14 - ACTUAL	QTR ENDING 31 MAR 15 - TARGET	QTR ENDING 31 MAR '15 - ACTUAL	QTR ENDING 31 JUNE '15 - TARGET	QTR ENDING 31 JUNE '15 - ACTUAL	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
--------------------------------	-------------------------------	--------------------------------	---------------------------------	---------------------------------	--

0.00	3.00	4	6.00	4	Senior managers have enrolled for the continuing workshops via the NMBM.
------	------	---	------	---	--

0.00%	40.00%	11%	70.00%	11%	The chief executive officer has been declared competent in 2 out of the 18 required Unit Standards.
-------	--------	-----	--------	-----	---

<p>2014/15 Agency's 1st quarter performance information populated and approved on integral scorecard by 7 October 2014</p> <p>2014/15 Agency's 2nd quarter performance information populated and approved on integral scorecard by 31 December 2014</p>	All final performance information and portfolio of evidence for the 2nd quarter 2014/15 populated and approved on integral scorecard	All final performance information and portfolio of evidence for the 2nd quarter 2014/15 populated and approved on integral scorecard	2014/15 Agency's 3rd quarter performance information populated and approved on Integral Scorecard	2014/15 Agency's 3rd quarter performance information populated and approved on Integral Scorecard	
---	--	--	---	---	--

1. TARGETS VS. ACTUAL

KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR(KPI)	ANNUAL TARGET	QTR ENDING 30 SEPT '14 - TARGET	QTR ENDING 30 SEPT '14 - ACTUAL	QTR ENDING 31 DEC '14 - TARGET
KPA 2: Municipal transformation and organisational development	Performance Management	Roll-out of performance management down to senior managers level	By June 2015	Chief executive officer's performance agreement concluded Senior managers' performance plans in place	Chief executive officer's performance agreement concluded Senior managers' performance plans in place	2014/15 First quarter performance reviews conducted with direct reportees
KPA 3: Local economic development	EPWP job creation	Number of full-time equivalent jobs created	150.00	20.00	15.20	60.00
KPA 3: Local economic development	EPWP job creation	Number of work opportunities (WO) created	330.00	50.00	156.00	120.00
KPA 4: Financial sustainability and viability	4.1 Budget and financial accounting	% of the agency's capital budget spent on capital projects identified in the IDP	95% by June 2015	12.00%	6.00%	32.00%
KPA 4: Financial sustainability and viability	4.1 Budget and Financial Accounting	% of the agency's training budget spent on implementing its Workplace Skills Plan	95% by June 2015	10.00%	7.00%	30.00%
KPA 4: Financial sustainability and viability	4.1 Budget and financial accounting	Turnaround time for the payment of creditors (from the receipt of invoice to the actual payment) in line with Section 65(2)(e) of the Local Government Municipal Finance Management Act No 56 of 2003	Days 30	Days 30	Days 30	Days 30
KPA 5: Good governance and public participation	5.1 Risk management	Number of Agency's Risk Management Reports submitted to the Board of Directors	4.00	1.00	0.00	2.00

QTR ENDING 31 DEC '14 - ACTUAL	QTR ENDING 31 MAR '15 - TARGET	QTR ENDING 31 MAR '15 - ACTUAL	QTR ENDING 31 JUNE '15 - TARGET	QTR ENDING 31 JUNE '15 - ACTUAL	PERFORMANCE ANALYSIS: REASONS FOR OVER- / UNDERPERFORMANCE AND MEASURES TAKEN TO IMPROVE PERFORMANCE
2014/15 First quarter performance reviews conducted with direct reportees	2014/15 Mid-term performance assessment conducted with direct reportees	2014/15 Mid-term performance assessment conducted with direct reportees	2014/15 Third Quarter performance reviews conducted with direct reportees	2014/15 Third Quarter performance reviews conducted with direct reportees	
29.50	80.00	68.5	150.00		
306.00	160.00	540	330.00		
16.00%	46.00%	39%	95% by June 2015	59.00%	This is a preliminary expenditure report as at 30 June 2015. The financial year end process is still in progress. The underperformance is due to delays in master planning, concept designing, public participation processes and heritage approvals, specifically in respect of the Vuyisile Mini Square, Strand Street Campanile Terrace projects.
17.00%	60.00%	48%	95% by June 2015	100.00%	100% Training budget spent
Days 30	Days 30	Days30	Days 30	Days 30	Invoices paid within 30 days
1.00	3.00	2	4.00	3.00	A risk register was presented to the board meeting on 31 October 2014; 27 February 2015 and 11 June 2015. The first quarter risk report could not be submitted since there was no board of directors meeting during the first quarter.

2. HUMAN RESOURCES

During the 2014/15 period, the staff complement grew, with five employees, coming on board. The MBDA's staff complement as at 30 June 2015 and as per employment equity principles is reflected below:

RACE

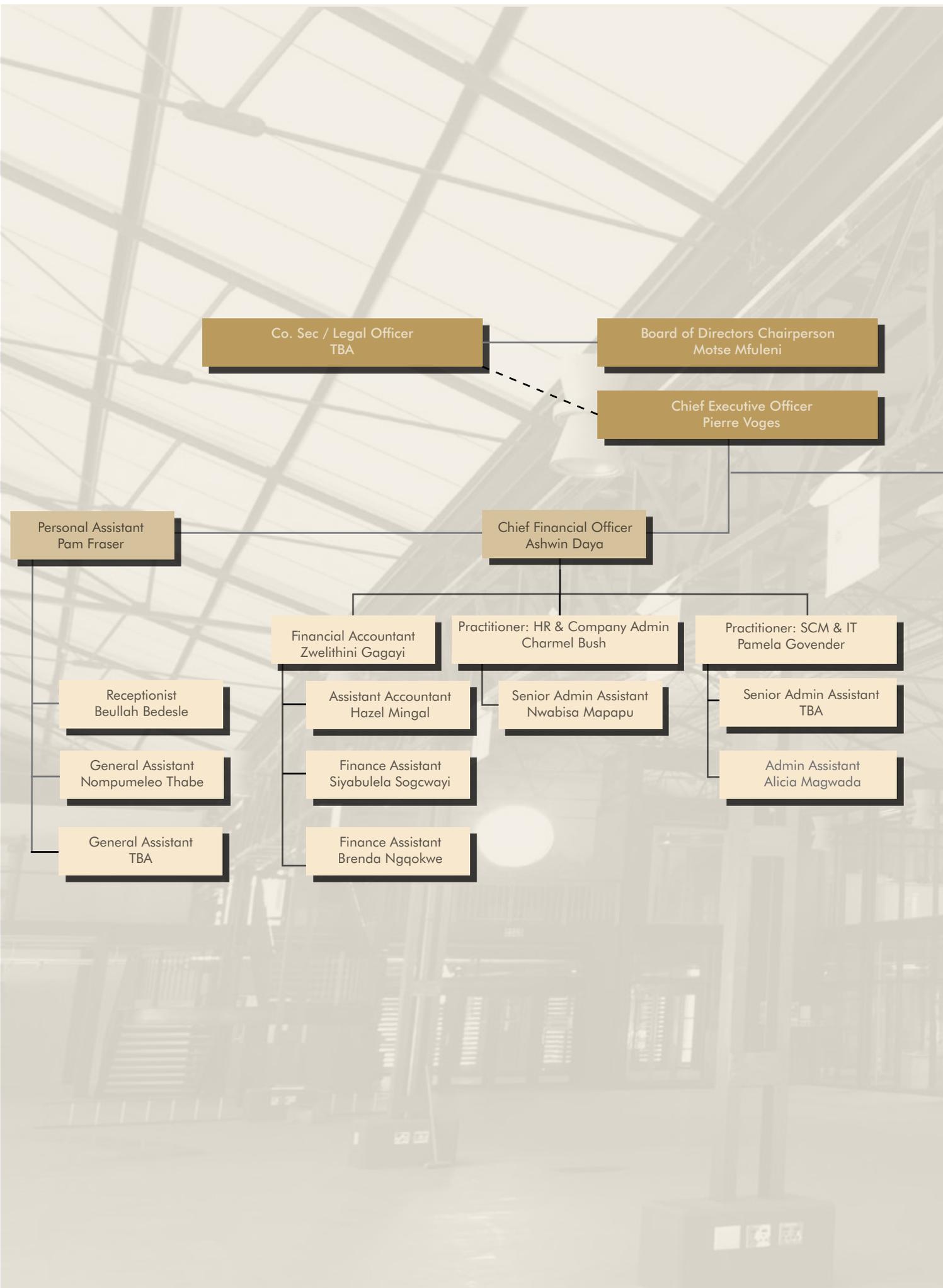
LEVEL	BLACK	WHITE	COLOURED	INDIAN	TOTAL
Management	2	2	1	1	6
Professional/ skilled and academically qualified	8	2	6	1	17
Semi-skilled	5	0	2	0	7
Unskilled	1	0	0	0	1
TOTAL	16	4	9	2	31



LEVEL	MALE	FEMALE	TOTAL
Management	5	1	6
Professional	5	12	17
Semi-skilled	3	4	7
Unskilled	0	1	1
TOTAL	13	18	31

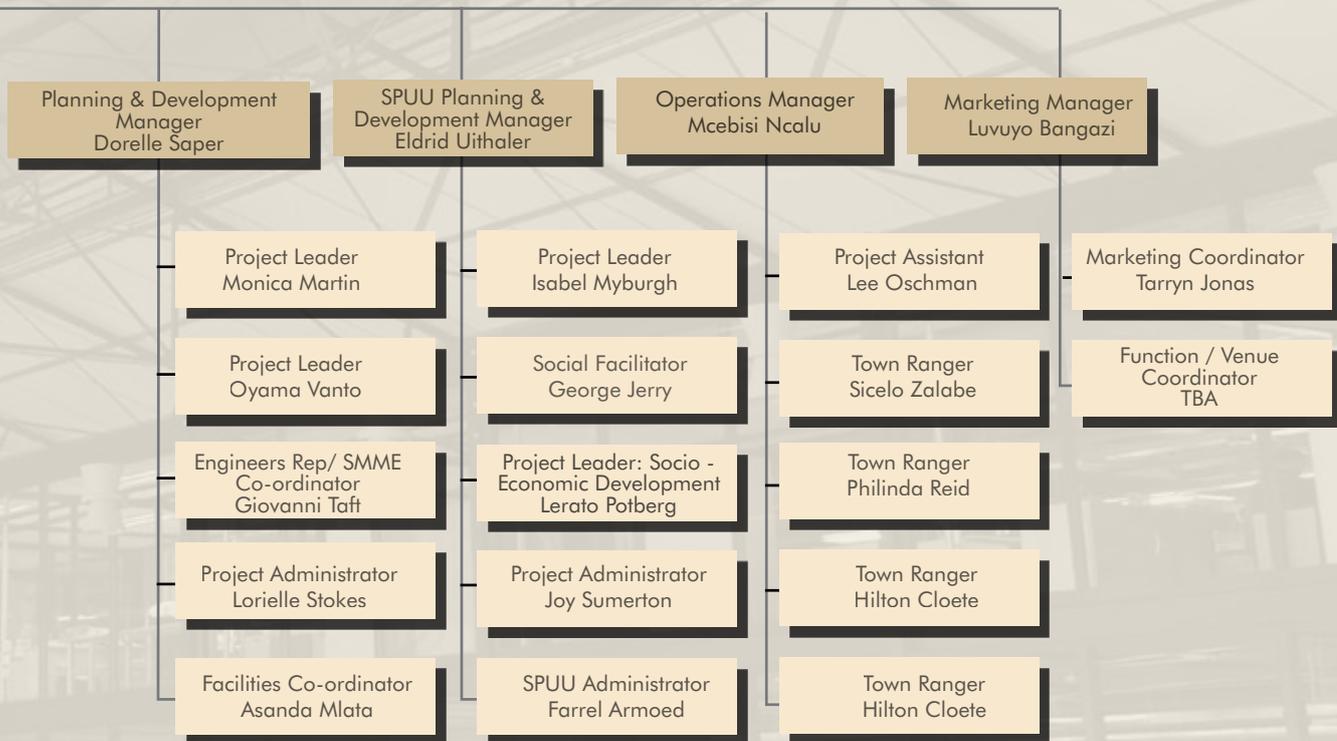


Uitenhage Market Square



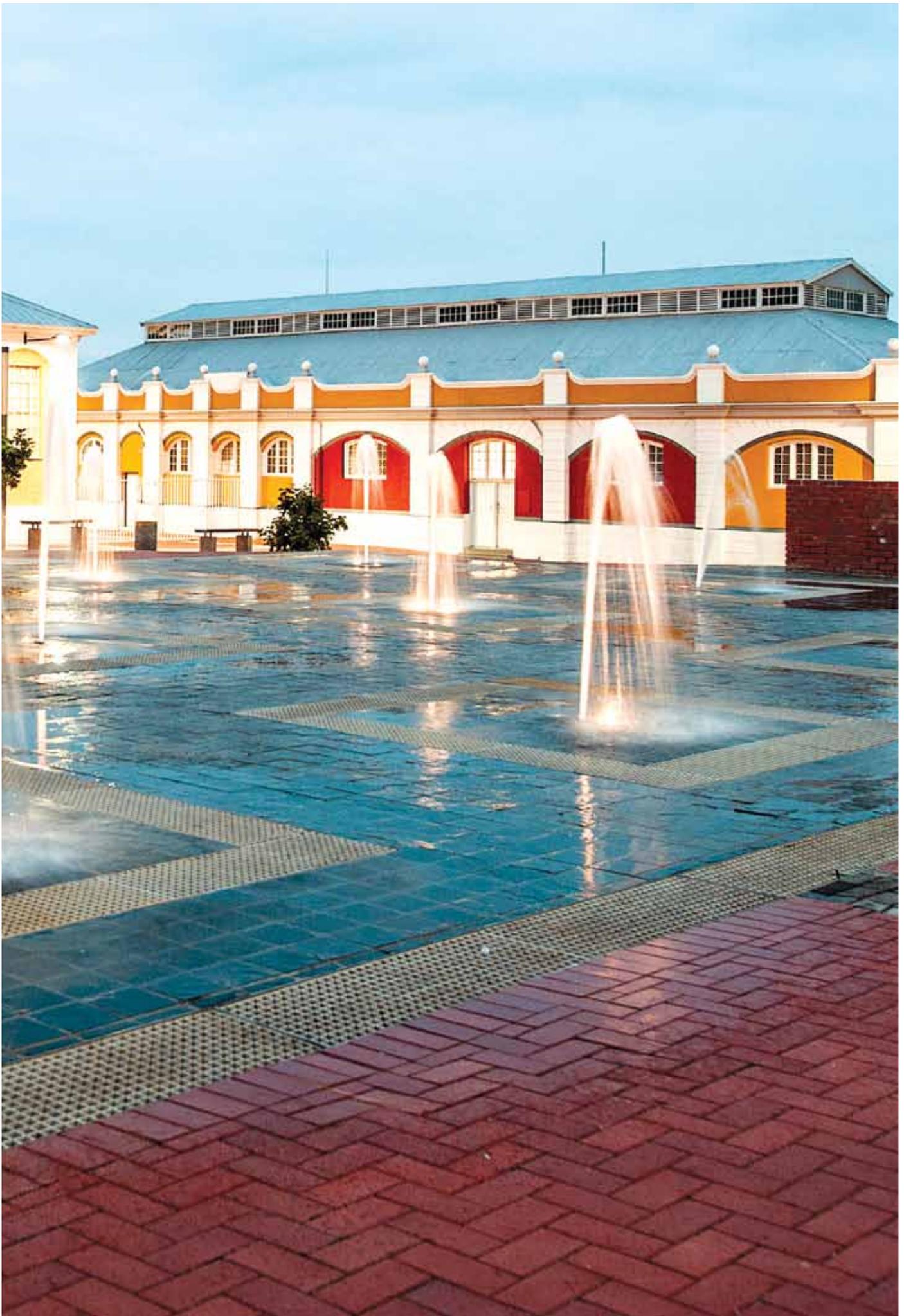
3. ORGANISATIONAL STRUCTURE

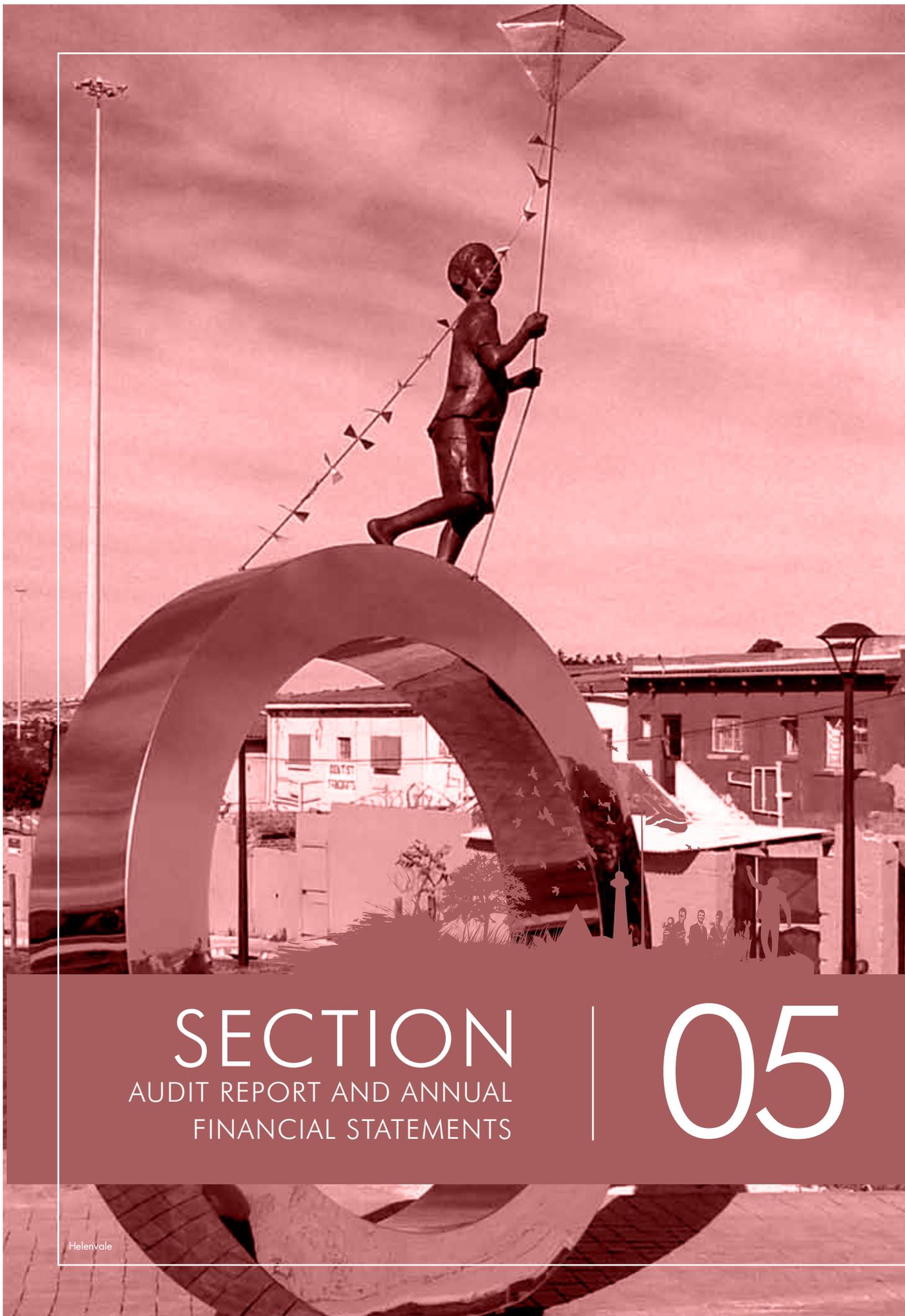
The MBDA staff organogram as at 30 June 2015 is reflected in the following diagram:





Uitenhage Market Square





SECTION
AUDIT REPORT AND ANNUAL
FINANCIAL STATEMENTS

05



92.6%

92.6% of residents and 70% of businesses indicated that their refuse was collected regularly; 36.8% indicated that there were sufficient refuse bins in the area in Helenvale.

Total estimated value of improvements made by Helenvale residents in 2013 and 2014

R2.3mil



70%

The majority of businesses (70%) and residents (60.9%) indicated that they were satisfied with the cleanliness of the area in Helenvale.



Report of the auditor-general to the Eastern Cape Provincial Legislature and the council of the Nelson Mandela Metropolitan Municipality on the Mandela Bay Development Agency NPC

Report on the financial statements

Introduction

1. I have audited the financial statements of the Mandela Bay Development Agency NPC set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipal entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipal entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mandela Bay Development Agency NPC as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and the Companies Act of South Africa.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

8. As disclosed in note 27 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered during 2014-15 in the financial statements of the Mandela Bay Development Agency NPC at, and for the year ended, 30 June 2014.

Additional matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Other reports required by the Companies Act

10. As part of our audit of the financial statements for the year ended 30 June 2015, I have read the directors' report for the purpose of determining whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports, I have not identified material inconsistencies between the report and the audited financial statements. I have not audited the report and, accordingly, do not express an opinion thereon.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA the municipal entity is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development objectives presented in the annual performance report of the municipal entity for the year ended 30 June 2015:
 - Development objective: Basic Service Delivery and Infrastructure Development on pages xx to xx
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPi).
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify material findings on the usefulness and reliability of the reported performance information for the selected development objective.

Additional matter

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development objectives, I draw attention to the following matter:

Achievement of planned targets

19. Refer to the annual performance report on pages x to x for information on the achievement of the planned targets for the year.

Compliance with legislation

20. I performed procedures to obtain evidence that the municipal entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

East London

30 November 2015



Auditing to build public confidence





MANDELA BAY DEVELOPMENT AGENCY NPC

DIRECTORS' REPORT

The Directors have pleasure in submitting their report for the entity, which forms part of the audited financial statements of the Non Profit Company for the year ended 30 June 2015.

ESTABLISHMENT

The Nelson Mandela Bay Municipality (NMBM), with the assistance of the Industrial Development Corporation (IDC) established the Mandela Bay Development Agency (the entity) to project manage urban regeneration of the inner metro precinct with a view to promoting economic and tourism development. The original geographical area for which the entity was responsible for included inter alia, the Port Elizabeth Central Business District (CBD), Central Hill, the existing harbour, Lower Baakens River Valley and surrounding areas.

Over the past eleven years, the MBDA has implemented a number of urban renewal projects, precinct upgrades, security and cleansing programmes as well as other strategic and ad hoc assignments that are collectively changing the face of Nelson Mandela Bay and reinvigorating the economic life in key developing nodes and precincts and which has resulted in an expansion of its mandate area.

GENERAL REVIEW

The entity has received conditional grants during the period under review from the NMBM for urban regeneration projects, operational expenses and property, plant and equipment in terms of the budget submitted to them.

The MBDA has been expanded to include the rejuvenation of neglected township areas, from the initial focus on central business districts only and going forward this initiative is planned to gain more momentum as the challenges of inequalities in townships and other previously disadvantaged areas are addressed by the NMBM. To date the MBDA has played a key role particularly in addressing the urban decay and degeneration in the inner cities of Port Elizabeth and Uitenhage and the municipal infrastructure and environmental upgrading projects that it has implemented to date has been widely welcomed and positively received by various key stakeholders.

LEGISLATION

The entity complied with all the relevant sections of the Companies Act 71 of 2008, the Companies Amendment Act 3 of 2011 and the Local Government: Municipal Finance Management Act 56 of 2003.

FINANCIAL RESULTS

The financial results are set out in the attached annual financial statements.

KEY ACTIVITIES

During the period under review the Agency completed the Kings Beach Upgrade Phase 3 project and this precinct has now become a valuable tourism asset for the City and is a well utilised facility by both residents and tourists. The Donkin Reserve Upgrade Phase 4 project has also been signed off and this site is now a firmly established landmark in Port Elizabeth with its South African flag being the highest and largest in the country. The Sakhasonke and Sawule Street projects in Walmer Gqebera were also completed being amongst the Agency's first Black township urban renewal projects while the Helenvale Precinct Upgrade Phase 3 project was also completed. The Bird Street / Belmont Terrace Upgrade project Phase 4 is also nearing completion and the Trinder Square upgrade that forms part of this project has been a welcome intervention for the community in the area with criminal activities having reduced. The Tramways Building Phase 1 construction has progressed well with sign off expected early in the 2015/16 period with MBDA planning to relocate to its new headquarters by October 2015. This redevelopment of a derelict municipal asset must also be seen in the context of an investment into the Baakens Valley precinct which is planned to become a new leisure and tourism precinct in time to come. The New Brighton sportsfield in Zondi Street has now been completed with the facility being used regularly by a ladies soccer team based in the neighbourhood.

NEW PROJECTS

Township renewal projects are a significant addition to the MBDA's responsibilities and have been identified as core to future evolution of the agency's mandate. Township populations are increasing, putting pressure on already-stressed infrastructure, alongside the social problems that come with high levels of poverty and unemployment. There is a need to ensure that these previously-marginalised areas, a geospatial legacy of apartheid, are integrated equitably into the city and are able to offer amenable living, working and recreation environments. The Singapi Street Upgrade project is the MBDA's first major project in the Black townships and is progressing well with the second phase commencing in the 2015/16 period. The Zola Nqini Statue concept and design for Uitenhage Market Square has now received approval from the community and military veterans and the bust will be cast and installed during the 2015/16 period. The Veeplaas carwash, creative industries and business incubator projects have progressed fairly well despite some challenges with regard to municipal regulations and these will be carried forward into 2015/16 for completion and operation. The Qaqawuli Community Hall is also progressing well and will be completed in 2015/16.

FUTURE PROJECTS

During 2015/16 the Agency plans to commence with the design planning of the Vuyisile Mini Square Upgrade which is a key project planned in the City Hall precinct and which forms part of the civic and cultural precinct that is planned for that node, with linkages to the Baakens Valley and port precincts. The Agency plans to also purchase its first property in the form of an erf in the Baakens Valley which is a heritage site and which has multi-purpose zoning rights. The famous Campanile monument will also undergo a structural assessment so that this important tourism asset can be restored to a state that is structurally safe and sound. The Helenvale SPUU infrastructure projects will also commence in line with the approved Masterplan and will be a key focus of attention over the next few years. Planning for the redevelopment of the New Brighton swimming pool will commence in 2015/16 and a park in the Schauderville / Korsten area will also be upgraded in line with a masterplan that is presently being finalised.

The directors once again wish to record their concern at the current financial challenges of the parent municipality to the extent that this could affect future operating and capital budget allocations to the entity and could result in the future viability of the entity being jeopardised. Indeed this has also impacted on the ongoing maintenance costs of the entity's completed projects and which are meant to be performed by the NMBM, but which are having to be funded by the entity due to the present budget constraints.

DIRECTORS AND SECRETARY

The non-executive directors of the company 1 September 2014 to 30 June 2015 were:

Motse Maxwell Mfuleni	(Chairperson)
Darryl Alfred Dennis	Resigned on 16 March 2015
Nomalizo Jessie Mandaba	
Melikhaya Lucky Gosani	
Monde Ngonyama	
Samkelo Dlulane	
Chantal du Pisani	Resigned on 03 March 2015
Mncedisi Griffiths Sitoto	
Donovan Nadison	Resigned on 12 June 2015
Khulile Nzo	
Vuyo Zitumane	
Nqaba Mhlaba	
Luvuyo Bono	
Danny Jordaan	Resigned on 14 May 2015

THE NON-EXECUTIVE DIRECTORS OF THE COMPANY UNTIL 31 AUGUST 2014 WERE:

Sakumzi Justice Macozoma	(Chairperson)
Phillip Hugo Gutsche	(Deputy Chairperson)
Daniel Alexander Jordaan	
Lulama Monica Prince	
Wilhela Magda Gie	
Hannah Sadiki	
Alfred da Costa	
Renganayagee Kisten	
Preparer of annual financial statements:	Zwelithini Gagayi (Financial Accountant)

The company secretary is Ashwin Badra Daya whose business and postal addresses are:

Postal Address:
Mandela Bay Development Agency
P.O. Box 74
Port Elizabeth
6000

Business Address:
1st Floor
Tramways Building
Cnr. Lower Valley Road and South Union Street
Port Elizabeth
6000



MANDELA BAY DEVELOPMENT AGENCY NPC

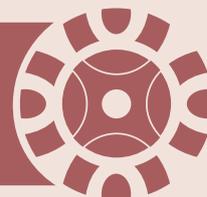
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 R	RESTATED 2014 R
NET ASSETS AND LIABILITIES			
NET ASSETS			
Accumulated Surplus		1,496,677	903,741
Non-Current Liabilities			
Construction Contract Retention Creditors	2	505,468	1,004,580
Current Liabilities			
		60,958,727	67,605,646
Trade and Other Payables	3	9,231,194	6,237,419
Provisions	4	32,481	44,109
Unspent Conditional Grants	5, 27	48,994,792	60,314,188
Short term portion of Construction Contract Retention Creditors	2	2,700,260	1,009,929
TOTAL NET ASSETS AND LIABILITIES		62,960,872	69,513,966
ASSETS			
Non-current Assets			
		1,496,677	903,741
Property, Plant & Equipment	6	1,352,480	879,367
Intangible Assets	7	144,197	24,374
Current Assets			
		61,464,195	68,610,225
Trade and Other Receivables	8, 27	7,805,341	10,546,382
Deposits	9	2,100	2,100
Cash and Cash Equivalents	10	53,656,754	58,061,743
TOTAL ASSETS		62,960,872	69,513,966



MANDELA BAY DEVELOPMENT AGENCY NPC

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015



Notes	2015 R	RESTATED 2014 R
Revenue from Exchange Transactions	53,325,614	39,767,871
- Nelson Mandela Bay Municipality Grants	53,325,614	39,207,871
- Department of Arts and Culture Grants	-	560,000
Revenue from Non-Exchange Transactions	46,002,906	31,609,450
- Nelson Mandela Bay Municipality Grants	31,799,579	23,534,927
- Department of Arts and Culture Grants	-	147,304
- Eastern Cape Development Corporation Grants	3,089,743	343,200
- KfW Bank Grants	7,669,853	4,397,025
- National Lotteries Board Grants	110,772	646,861
- Interest Received	3,332,959	2,540,132
TOTAL REVENUE	99,328,520	71,377,322
OTHER INCOME		
Other Income 12	394,203	199,060
TOTAL INCOME	99,722,723	71,576,382
EXPENDITURE	99,129,787	71,619,792
Audit Fees	440,287	644,895
Athenaeum Building Operating Costs	88,949	69,117
Bad Debts	16,794	-
Bank Charges	17,429	17,355
Capital Projects Cost	53,128,564	39,600,402
CBD Facilities	2,650,051	1,801,255
Cleaning & Safety	24,767	70,883
Cleansing Plan Project	4,062,139	3,804,815
Consumables	7,966	30,717
Course Fees, Education & Training	231,317	187,441
Department of Arts and Culture Expenses 30	64,831	147,304
Depreciation and Amortisation 6,7	195,598	159,820
Directors' Expenses	50,894	27,089
Donations & Social Responsibility	484,927	296,741
ECDC Expenses	201,272	-
Electricity, Water & Rates	187,397	140,358
Employee Related Costs 13	11,691,724	10,342,896
Entertainment	105,061	85,545
EPWP Project	1,949,563	-
Equipment Lease & Rentals	75,102	78,440
Helenvale Urban Renewal Programme	625,459	917,776
Helenvale Resource Centre Operating Costs	1,184,516	773,011
Helenvale SPUU Expenses 31	7,669,853	4,397,025
Insurance	94,106	81,739
Interest Paid 15	197,050	167,469
IT Support Costs & Computer Expenses	119,343	101,035
Legal Fees	319,035	230,679
National Lotteries Board Expenses 28	110,772	625,861
Office Decor & Fittings	23,455	23,249
Office Relocation Costs	11,435	-
Office Rentals	858,640	722,246
Postage & Courier	8,142	3,460
Printing & Stationery	133,538	72,958
Professional & Consultant Fees	625,838	168,138

SECTION 01:
INTRODUCTION &
ORGANISATIONAL OVERVIEW

SECTION 02:
GOVERNANCE

SECTION 03: SERVICE DELIVERY
PERFORMANCE

SECTION 04: ORGANISATIONAL
DEVELOPMENT PERFORMANCE

SECTION 05: AUDIT REPORT AND
ANNUAL FINANCIAL STATEMENTS



MANDELA BAY DEVELOPMENT AGENCY NPC

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 R	RESTATED 2014 R
Provision for Doubtful Debts		48,585	56,040
Public Relations & Marketing		3,533,031	2,307,382
Recruitment Costs		30,370	40,750
Refreshments		48,661	35,113
Repairs & Maintenance		98,464	75,839
Security Plan Project		2,732,806	1,666,503
Strategic Spatial Framework Studies	29	3,934,161	1,089,650
Subscriptions		128,783	72,921
Sundry Expenses		70,812	20,937
Telephone & Fax		222,320	191,651
Travel & Accommodation		625,982	273,289
SURPLUS/(DEFICIT) FOR THE YEAR		592,936	(43,410)



MANDELA BAY DEVELOPMENT AGENCY NPC

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	R Accumulated Surplus	R Total
Balance at 1 July 2013	947,151	947,151
Deficit for the year	(43,410)	(43,410)
Balance at 1 July 2014	903,741	903,741
Surplus for the year	592,936	592,936
Balance at 30 June 2015	1,496,677	1,496,677

Note: The accumulated surplus of the entity represents revenue relating to grants received for the purchase of property, plant and equipment. The accumulated surplus will increase when new assets are purchased and reduce as these assets are depreciated over their useful lives.



MANDELA BAY DEVELOPMENT AGENCY NPC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 R	2014 R
CASH FLOW FROM OPERATING ACTIVITIES			
Gross cash receipts from Nelson Mandela Bay Municipality		93,516,161	73,249,663
Gross cash receipts from ECDC, DAC and others		6,034,582	5,710,977
Cash paid to suppliers and employees		(106,475,270)	(83,728,685)
Cash utilised in operations	14	(6,924,527)	(4,768,045)
Interest received		3,332,959	2,295,623
NET CASH FLOW FROM OPERATING ACTIVITIES		(3,591,569)	(2,472,422)
CASH FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		9,742	-
Purchase of property, plant and equipment	6	(678,544)	(101,551)
Purchase of intangible assets	7	(144,619)	(16,708)
NET CASH FROM INVESTING ACTIVITIES		(813,420)	(118,259)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,404,989)	(2,590,681)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		58,061,743	60,652,424
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	53,656,754	58,061,743

MANDELA BAY DEVELOPMENT AGENCY NPC

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS



Budget on Cash Basis

Statement of Financial Performance

	Approved Budget	Adjustments	Final Budget	Actual Amounts on Comparable Basis	Difference Between Final Budget and Actual	Explanations
	R	R	R		R	
REVENUE						
Revenue from Exchange Transactions						
Nelson Mandela Bay Municipality Grants	91,129,855	3,912,259	95,042,114	53,325,614	41,716,500	
Agency Services	40,000	20,000	60,000	73,199	(13,199)	
Tender Fees	100,000	-	100,000	119,797	(19,797)	
Donation Received	-	120,000	120,000	151,767	(31,767)	
Interest Received	2,600,000	400,000	3,000,000	3,332,959	(332,959)	
Sundry Income	32,000	8,000	40,000	49,441	(9,441)	
	93,901,855	4,460,259	98,362,114	57,052,776	(41,309,338)	
Revenue from Non-Exchange Transactions						
Nelson Mandela Bay Municipality Grants	37,031,581	2,229,283	39,260,864	31,799,580	7,461,284	
Eastern Cape Development Corporation Grants	3,110,300	-	3,110,300	3,089,743	3,089,743	
KfW Bank Grants	5,000,000	-	5,000,000	7,669,853	7,669,853	
National Lotteries Board Grants	286,800	-	286,800	110,772	110,772	
	45,428,681	2,229,283	47,657,964	42,669,948	18,331,652	
TOTAL REVENUE	139,330,536	6,689,542	146,020,078	99,722,723	(22,977,686)	
EXPENDITURE						
Audit Fees	478,498	-	478,498	440,287	(38,211)	
Athenaeum Club Operating Costs	500,000	-	500,000	88,949	(411,051)	Note 32 (1)
Bad Debts	-	17,000	17,000	16,794	(206)	
Bank Charges	5,958	12,000	17,958	17,429	(529)	
Capital Projects Cost	90,946,256	-	90,946,256	53,128,564	(37,817,692)	Note 32 (2)
CBD Facilities	2,693,940	-	2,693,940	2,650,051	(43,889)	
Cleaning & Safety	73,971	(20,000)	53,971	24,767	(29,204)	Note 32 (3)
Cleansing Plan Project	4,488,715	-	4,488,715	4,062,139	(426,576)	
Consumables	8,000	-	8,000	7,966	(34)	
Course Fees, Education & Training	201,817	30,000	231,817	231,317	(500)	
Department of Arts and Culture Expenses	-	328,494	328,494	64,831	(263,663)	Note 32 (4)
Depreciation and Amortisation	213,311	(17,000)	196,311	195,598	(713)	
Directors' Expenses	30,911	20,000	50,911	50,894	(17)	
Donations & Social Responsibility	500,259	-	500,259	484,927	(15,332)	
ECDC Expenses	221,830	-	221,830	201,272	(20,558)	
Electricity, Water & Rates	136,062	60,000	196,062	187,397	(8,665)	



MANDELA BAY DEVELOPMENT AGENCY NPC

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Emerging Contractors Development Programme	500,000	-	500,000	-	(500,000)	Note 32 (5)
Employee Related Costs	12,279,736	-	12,279,736	11,691,724	(588,012)	
Entertainment	92,316	12,800	105,116	105,061	(56)	
EPWP Project	-	3,792,000	3,792,000	1,949,563	(1,842,437)	Note 32 (6)
Equipment Lease & Rentals	69,712	6,067	75,779	75,102	(677)	
Helenvale Urban Renewal Programme	757,506	-	757,506	625,459	(132,047)	
Helenvale Resource Centre Operating Costs	1,226,989	-	1,226,989	1,184,516	(42,473)	
Helenvale SPUU	5,000,000	-	5,000,000	7,669,853	2,669,853	Note 32 (7)
Insurance	104,051	-	104,051	94,106	(9,945)	
Interest Paid	183,599	35,000	218,599	197,050	(21,549)	
IT Support Costs & Computer Expenses	393,965	15,000	408,965	119,343	(289,622)	Note 32 (8)
Korsten / Schauderville Parks	500,000	-	500,000	-	(500,000)	Note 32 (9)
Legal Fees	368,189	(40,000)	328,189	319,035	(9,154)	
National Lottery Fund Expenses	286,800	-	286,800	110,772	(176,028)	Note 32 (10)
Office Decor & Fittings	24,536	-	24,536	23,455	(1,081)	
Office Relocation Costs	-	196,300	196,300	11,435	(184,865)	Note 32 (11)
Office Rentals	780,093	80,000	860,093	858,640	(1,453)	
Postage & Courier	16,573	-	16,573	8,142	(8,431)	Note 32 (12)
Printing & Stationery	83,082	52,000	135,082	133,538	(1,544)	
Professional & Consultant Fees	1,329,579	(702,000)	627,579	625,838	(1,741)	
Provision for Doubtful Debts	-	49,000	49,000	48,585	(415)	
Public Relations & Marketing	3,033,555	500,000	3,533,555	3,533,031	(524)	
Recruitment Costs	59,250	-	59,250	30,370	(28,880)	Note 32 (13)
Refreshments	197,144	(143,884)	53,260	48,661	(4,599)	
Repairs & Maintenance	197,144	-	197,144	98,464	(98,680)	Note 32 (14)
Security Plan Project	2,626,166	2,500,000	5,126,166	2,732,806	(2,393,360)	Note 32 (15)
Strategic Spatial Implementation Framework Studies	7,544,233	-	7,544,233	3,934,161	(3,610,072)	Note 32 (16)
Subscriptions	129,079	-	129,079	128,783	(296)	
Sundry Expenses	72,443	-	72,443	70,812	(1,631)	
Telephone & Fax	255,428	-	255,428	222,320	(33,108)	
Travel & Accommodation	476,604	150,000	626,604	625,982	(622)	
TOTAL EXPENDITURE	139,087,301	6,932,777	146,020,078	99,129,787	(46,890,291)	
NET SURPLUS FOR THE YEAR	243,235	(243,235)	-	592,936	-	

Statement of Financial Position	Approved Budget	Adjustments	Final Budget	Actual Amounts on Comparable Basis	Difference Between Final Budget and Actual	Explanations
	R	R	R		R	
Computer Equipment	300,114	100,000	400,114	258,780	(141,334)	
Computer Software	650,380	(150,000)	500,380	144,619	(355,761)	
Office Equipment	52,247	-	52,247	8,757	(43,490)	
Furniture & Fittings	50,000	50,000	100,000	3,004	(96,996)	
Motor Vehicles	150,000	339,050	489,050	408,003	(81,047)	
TOTAL EXPENDITURE	1,202,741	339,050	1,541,791	823,162	(718,629)	Note 32 (17)



1.1 REPORTING ENTITY

Mandela Bay Development Agency is a municipal entity (registered non-profit company) with the Nelson Mandela Bay Municipality (NMBM) as its parent municipality. The entity's registered address is The City Hall, Port Elizabeth. The entity is situated in the Nelson Mandela Bay Municipality of the Eastern Cape Province. The entity has been established by the NMBM with the assistance of the Industrial Development Corporation (IDC) to project manage urban regeneration of the inner metro precinct and emerging development nodes in Nelson Mandela Bay with a view to promoting economic and tourism development.

1.2 BASIS FOR PRESENTATION

1.2.1 Statement of Compliance

The annual financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) Financial Reporting Framework as set by the Accounting Standards Board (ASB) and prescribed by the Minister of Finance in Directive 5.

1.2.2 Basis of measurement

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention or fair value if stated as such.

1.2.3 Use of Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 4 – Provisions

Workmen's compensation provision is calculated as a percentage of total earnings for the year.

Note 6 – Property, Plant & Equipment

The estimated useful lives of all property, plant and equipment were revised as part of the annual assessment process and was based on latest replacement cost.

Note 11 – Amounts due to Funders of Construction Contracts

This represents the total value of unspent conditional grant funding that has been received by the entity and which is reflected as payable to funders of construction contracts and other capital projects.

1.3 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

1.4 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.





1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of financial performance as incurred.

Items of property, plant and equipment are depreciated using the straight line basis at rates that will reduce the book values to estimated residual values over the anticipated useful lives of the assets concerned. The principal useful lives used for this purpose are:

Assets	Useful life in Years
- Computer Equipment	3 - 8
- Office Equipment	5 - 10
- Furniture and Fittings	10
- Motor Vehicles	4 - 5
- Containers	15

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Surpluses or deficits on the disposal of assets are credited or charged to income. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date

Heritage assets refer to works of art that have been acquired or constructed by the entity and are not depreciated, but are assessed at each balance sheet date whether there is an impairment, in which case the entity shall estimate the recoverable amount of the heritage asset.

1.6 INTANGIBLE ASSETS

Intangible assets are identifiable non-monetary asset without physical substance and are carried at cost less accumulated amortisation and impairments.

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method. The annual amortisation rates are based on the following estimated average asset lives:

Assets	Useful life in Years
- Computer Software	3 - 5

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

1.7 CONSTRUCTION CONTRACTS

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of the contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable to be recovered. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

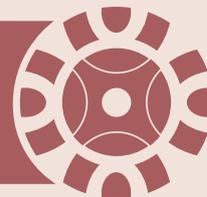
Where contract costs incurred to date exceed capital grants received, the deficit is shown as amounts due from funders for contract work. For contracts where capital grants received exceed contract costs incurred to date, the surplus is shown as the amounts due to funders for contract work. Amounts received before the related work is performed are included in the statement of financial position, as a liability, as unspent conditional grants. Amounts billed for work performed but not yet paid by the funder are included in the statement of financial position under trade and other receivables.

1.8 FINANCIAL INSTRUMENTS

1.8.1 Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The entity had no financial assets at fair value through profit or loss, held to maturity investments or available-for-sale financial assets.



1.8.2 Trade and other Receivables

Trade and other receivables are classified as loans and receivables and are measured at initial recognition at fair value plus direct transaction costs, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment loss to reflect irrecoverable amounts. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments.

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

1.8.3 Impairment of Financial Assets

The company assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

1.8.4 Derecognition of financial assets and liabilities

1.8.4.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired; or the entity retains the right to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either

(a) the entity has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

1.8.5 Financial Liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

The entity's financial liabilities include trade and other payables as well as construction contract retention creditors.

1.8.5.1 Construction Contract Retention Creditors

The entity received grant funding from its parent municipality to undertake certain infrastructure development projects. It accounts for costs incurred on construction of these infrastructure development projects using the percentage of completion method which is certified by the consulting engineer.

Retentions payable within 12 months after financial year end is treated as current and any retentions payable over 12 months after financial year end is treated as long term.

1.8.6 Loans and Borrowings

After initial recognition, trade and other payables and construction contract retention creditors are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well through the amortisation schedule.

1.9 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and with banks. Cash equivalents are short-term, liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. Cash in the statement of financial position comprises of cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash and cash equivalents are measured at fair value.

1.10 PROVISIONS AND CONTINGENCIES

A provision is recognised when the entity has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the estimate of the expenditure required to settle the present obligation at the statement of financial position date.

After their initial recognition contingent liabilities recognised are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised but disclosed in the annual financial statements.



1.11 REVENUE RECOGNITION

1.11.1 Revenue from Exchange Transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be

estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion.

When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest

Interest is recognised on a time-apportioned basis, in surplus or deficit.

1.11.2 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.12 VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amount of Value Added Tax except:

- where the Value Added Tax incurred on a purchase of assets or services is not recoverable from taxation authority, in which case VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of Value Added Tax included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of trade and other receivables or trade and other payables in the statement of financial position.



1.13 UNSPENT CONDITIONAL GRANTS

Unutilised project funding is reflected on the Statement of Financial Position as a Current Liability - Unspent Conditional Grants. The cash received is invested until it is utilised.

1.14 COMPARATIVE INFORMATION

1.14.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current year only.

1.14.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior year comparative amounts are reclassified. The nature and reason for the reclassification is disclosed. (Refer to note 27 for the impact of the prior period restatement on the prior year comparatives).

1.15 TAXATION

The entity has received a tax exemption certificate from South African Revenue Services.

1.16 OPERATING LEASES

Operating leases do not transfer to the entity substantially all the risks and benefits incidental to ownership of the leased item. Operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term.

1.17 RETIREMENT BENEFITS

The policy of the company is to provide retirement benefits for all its employees. The company has a defined contribution plan. Current contributions to the retirement benefit plan operated for employees are charged against the income in the period to which they relate.

1.18 STATEMENTS IN ISSUE BUT NOT YET ADOPTED

The following standards of GRAP in issue have not yet been adopted. Management has not yet had an opportunity to consider the potential impact of adoption of these standards.

Standard of GRAP

Effective Date

GRAP 20 Related party disclosures	No effective date gazetted to date
GRAP 32 Standard of GRAP on Service Concession Arrangements: Grantor	No effective date gazetted to date
GRAP 108 Standard of GRAP on Statutory Receivables	No effective date gazetted to date





MANDELA BAY DEVELOPMENT AGENCY NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	R	R
2 CONSTRUCTION CONTRACT RETENTION CREDITORS		
Mawethu Civils - Kings Beach Triangle Upgrade Phase 2B	52,484	312,334
Ngelethu Construction - Donkin Reserve Upgrade Phase 4	-	198,530
Techni Civils - Bird Street/Belmont Terrace Upgrade Phase 2	218,776	327,638
Techni Civils - Bird Street/Belmont Terrace Upgrade Phase 3	356,074	-
GVK Siyazama - Tramways Building Redevelopment Phase 1A	1,785,129	1,004,580
Qingqani MaAfrika - New Brighton Sportsfield Upgrade	-	50,389
Andile Truck Hire - Sakhasonke Access Road	-	8,448
DDP Valuers - Strand Street Fountain rehabilitation	-	4,684
B.R.O Civils - King's Beach Triangle Upgrade Ph3	-	99,016
Qingqani MaAfika - Sakhasonke Village Park	31,597	8,890
Skhothahla Construction - Veeplaas Creative Industries	32,255	-
Lulama Caka - Veeplaas Carwash	28,782	-
Techni Civils - Singapi Street Upgrade	513,217	-
Gau Flora - Sawule Street Park	38,019	-
Tewo Building & Civil - Qaqawuli Community Hall	91,818	-
Alex Maintenance - Helenvale Precinct Phase 3	57,576	-
	<u>3,205,727</u>	<u>2,014,509</u>
Less: Short term portion transferred to Current Liabilities	(2,700,260)	(1,009,929)
	<u>505,468</u>	<u>1,004,580</u>

Construction contract retention creditors relate to retentions held in projects in line with accepted construction accounting principles. Such retentions are payable 3 to 12 months after official sign off of the project, and are non-interest bearing.

3 TRADE AND OTHER PAYABLES

Trade Creditors	6,774,526	1,552,410
PAYE	175,058	142,387
UIF	16,026	7,330
Audit Fees	479,888	5,863
Staff Leave	458,738	377,519
Performance Bonuses	597,707	604,878
13th Cheque	182,409	141,998
Provident Fund	104,484	91,874
Accruals	442,357	3,313,160
	<u>9,231,194</u>	<u>6,237,419</u>

Trade and other payables are non-interest bearing and are settled within 30 days of receipt of invoice.

4 PROVISIONS

Workmen's Compensation

Balance at beginning of year	44,109	33,797
Current year provision	32,481	44,109
Adjustment for underprovision	(17,583)	(29,077)
Expenditure incurred	(26,526)	(4,721)
Balance at end of year	<u>32,481</u>	<u>44,109</u>
TOTAL	<u>32,481</u>	<u>44,109</u>



	2015 R	2014 R
5 UNSPENT CONDITIONAL GRANTS	48,994,792	60,314,188
National Lotteries Board (NLB)	169,708	280,480
Opening Balance	280,480	927,341
Grants for the year	-	-
Capital expenditure portion of grant recognised as Revenue	-	-
Operating expenditure portion of grant recognised as Revenue	(110,772)	(646,861)
Eastern Cape Development Corporation (ECDC)	57,358	36,800
Opening Balance	36,800	-
Grants for the year	3,110,301	380,000
Recognised as Revenue	(3,089,743)	(343,200)
Department of Arts and Culture (DAC)	-	-
Opening Balance	-	-
Grants for the year	-	701,754
Capital expenditure portion of grant recognised as Revenue	-	(560,000)
Operating expenditure portion of grant recognised as Revenue	-	(141,754)
HURP/SPUU (KfW Funded)	-	-
Opening Balance	-	-
Transferred to Accounts Receivable	1,760,255	-
Grants for the year	-	4,397,025
Operating expenditure portion of grant recognised as Revenue	(1,760,255)	(4,397,025)
Nelson Mandela Bay Municipality (NMBM)	48,767,727	59,996,908
Opening Balance	59,996,908	51,252,948
Grants for the year	73,896,011	71,486,760
Capital project expenditure portion of grant recognised as Exchange Revenue	(53,325,614)	(39,207,871)
Operating and capital expenditure portion of grant recognised as		
Non-Exchange Revenue	(31,799,579)	(23,534,927)
Interest Received	3,332,959	2,540,132
Sundry Income	394,203	199,060
Property Plant & Equipment (excl Heritage Assets)	(823,162)	(97,259)
Operating expenses	(34,703,578)	(26,176,861)
Made up as follows:		
Capital Projects in progress - Contract Creditors (refer to note 11)	38,238,440	45,491,452
Other (Operating grants, interest received, sundry income etc)	10 529 287	14,505,457
National Lotteries Board Grant	169,708	280,480
Eastern Cape Development Corporation Grant	57,358	36,800

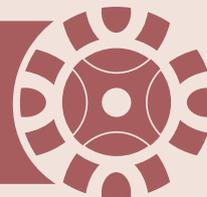


5 UNSPENT CONDITIONAL GRANTS (CONTINUED)

* The Agency's capital projects typically are multi-year in nature and span over 24 to 36 months with the first year normally starting slowly due to the complexities around planning, legislative compliance (EIA/Heritage), public participation, design, masterplanning and tender document preparation phases. The Unspent Conditional Grants total at 30 June 2015 comprised mainly of:

PROJECT NAME	UNSPENT GRANTS AT 30 JUNE 2015	PROJECT STATUS
Bird Street / Belmont Terrace Upgrade Phase 4	2,423,408	Project rolled over to 2015/16 financial year.
Strand Street Upgrade Phase 5 (Campanile)	3,500,000	Project rolled over to 2015/16 financial year.
Zola Nqini Statue - Uitenhage	604,725	Project in progress and rolled over to 2015/16 financial year.
Uitenhage Market Square - Electricity Building	500,000	Project cancelled, funds rolled over and reallocated in 2015/16 financial year.
Baakens Street Circle Art Works	440,000	Project cancelled, funds rolled over and reallocated in 2015/16 financial year.
Donkin Reserve Environmental Upgrade Phase 4	492,245	Project rolled over to 2015/16 financial year.
King's Beach Southern Beachfront Upgrade - Phase 3	37,296	Project completed, in defects liability period.
Red Location Upgrade - Singaphi Road Phase 1	2,623,672	Project is 88% complete and will be completed in 2015/16 financial year.
Refurbishment of Tramways Phase 1A & B	5,325,601	Project is 80% complete and will be completed in 2015/16 financial year.
Refurbishment of Tramways Phase 2A	7,500,000	This phase of the project will commence in 2015/16 financial year.
New Brighton Sportsfield	503,923	Project completed, savings rolled over and reallocated in 2015/16 financial year.
Qaqawuli Community Hall - New Brighton	713,615	Project rolled over to 2015/16 financial year.
Sakhasonke Access Road - Gqebera	50,642	Project completed, savings rolled over and reallocated in 2015/16 financial year.
Sakhasonke Village Park – Gqebera	676,835	Project completed, savings rolled over and reallocated in 2015/16 financial year.
Sawule Street Playpark - Gqebera	191,599	Project rolled over to 2015/16 financial year.
Carwash - Gqeberha	5,106	Project cancelled, funds rolled over and reallocated in 2015/16 financial year.
Veeplaas Carwash	819,495	Project rolled over to 2015/16 financial year.
Veeplaas Creative Industries/Informal Trading Area	1,926,692	Project rolled over to 2015/16 financial year.
Business Incubator Upgrade - Veeplaas	2,306,611	Project rolled over to 2015/16 financial year.
Helenvale Precinct Upgrade Phase 3	220,680	Project completed, in defects liability period.
Acquisition of Immoveable Property	2,979,510	Purchase of property in progress and transfer will occur in 2015/16 financial year.
Vuyisile Mini Square Upgrade	4,000,000	Project rolled over to 2015/16 financial year.
Interest & Sundry Income	3,727,161	Rolled over into the 2015/16 financial year
Operating Costs	6,689,454	Committed costs / savings, rolled over into the 2015/16 financial year





6 PROPERTY, PLANT AND EQUIPMENT

2015
R

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Depreciation	Disposal	Closing Balance	
Computer Equipment	743,336	258,780	(164,334)	837,782	510,044	76,303	(129,705)	456,642	381,140
Office Equipment	213,959	8,757	-	222,715	87,471	28,556	-	116,027	106,688
Furniture & Fittings	410,679	3,004	-	413,683	290,644	22,699	-	313,343	100,340
Motor Vehicles	249,364	408,003	-	657,367	150,014	39,931	-	189,944	467,423
Containers	62,120	-	-	62,120	12,418	3,313	-	15,731	46,389
Heritage Assets	250,500	-	-	250,500	-	-	-	-	250,500
	1,929,958	678,544	(164,334)	2,444,168	1,050,592	170,801	(129,705)	1,091,688	1,352,480

2014
R

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Depreciation	Disposal	Closing Balance	
Computer Equipment	697,861	57,798	(12,323)	743,336	467,568	52,950	(10,474)	510,044	233,292
Office Equipment	191,206	22,753	-	213,959	55,666	31,805	-	87,471	126,488
Furniture & Fittings	410,679	-	-	410,679	255,147	35,497	-	290,644	120,035
Motor Vehicles	249,364	-	-	249,364	123,283	26,731	-	150,014	99,351
Containers	62,120	-	-	62,120	9,105	3,313	-	12,418	49,702
Heritage Assets	229,500	21,000	-	250,500	-	-	-	-	250,500
	1,840,730	101,551	(12,323)	1,929,958	910,769	150,297	(10,474)	1,050,592	879,367

NOTE: No item of Property, Plant and Equipment has been pledged as security for liabilities.

7 INTANGIBLE ASSETS

2015
R

	Cost				Accumulated Amortisation				Carrying Value
	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Amortisation	Disposal	Closing Balance	
Computer Software	180,239	144,619	-	324,858	155,865	24,796	-	180,661	144,197
	180,239	144,619	-	324,858	155,865	24,796	-	180,661	144,197

2014
R

	Cost				Accumulated Amortisation				Carrying Value
	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Amortisation	Disposal	Closing Balance	
Computer Software	163,531	16,708	-	180,239	146,341	9,524	-	155,865	24,374
	163,531	16,708	-	180,239	146,341	9,524	-	155,865	24,374



MANDELA BAY DEVELOPMENT AGENCY NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	RESTATED 2014
	R	R
8 TRADE AND OTHER RECEIVABLES		
Trade Debtors	3,159,308	9,509,774
Provision for Bad debts	(146,669)	(98,084)
Interest Receivable	484,697	283,551
HURP/SPUU (KfW Funded)	1,760,255	-
Prepayments	14,859	7,171
Sundry Debtors	20,000	22,455
VAT	2,512,892	821,516
	<u>7,805,341</u>	<u>10,546,382</u>

Trade debtors: Ageing

Current (0 - 30 days)	1,177,876	5,718,491
31 - 60 days	496,590	6,718,140
61 - 90 days	462,030	8,160
91 + days	1,022,812	98,083
	<u>3,159,308</u>	<u>12,542,875</u>

NOTE

Interest receivable, sundry debtors and VAT are all current

9 DEPOSITS

Telkom	2,100	2,100
	<u>2,100</u>	<u>2,100</u>

10 CASH AND CASH EQUIVALENTS

The entity has the following bank accounts
Current Accounts (Primary Accounts)

NedBank, Govan Mbeki Avenue, Port Elizabeth

Account Number - 1084853833

Cashbook balance at beginning of year

- -

Cashbook balance at end of the year

435,692 -

Bank statement balance at beginning of the year

- -

Bank statement balance at end of the year

435,692 -

First National Bank, Govan Mbeki Avenue, Port Elizabeth

Account Number - 62244870748

Cashbook balance at beginning of year

726,410 372,312

Cashbook balance at end of the year

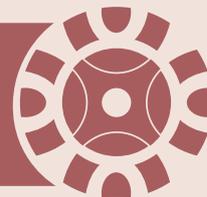
83,628 **726,410**

Bank statement balance at beginning of the year

726,410 726,410

Bank statement balance at end of the year

83,628 **726,410**



	2015	RESTATED
	R	2014
		R

Call Account Deposits

Nedbank, Port Elizabeth

Account Number - 03/7881116285/000002

Cashbook balance at beginning of year

Cashbook balance at end of the year

Bank statement balance at beginning of the year

Bank statement balance at end of the year

-	-
24,142,826	-
-	-
24,142,826	-

Rand Merchant Bank, Port Elizabeth

Account Number - X021906134

Cashbook balance at beginning of year

Cashbook balance at end of the year

Bank statement balance at beginning of the year

Bank statement balance at end of the year

57,335,333	60,280,112
28,994,607	57,335,333
57,335,333	60,280,112
28,994,607	57,335,333

Which are disclosed in the Statement of Financial Position as follows:-

Cash and Cash Equivalents

Current Account (Primary Account)

Call Account Deposits

53,656,754	58,061,743
519,320	726,410
53,137,434	57,335,333

All amounts of Cash and Cash Equivalents are available for use by the entity.

11 AMOUNTS DUE TO FUNDERS OF CONSTRUCTION CONTRACTS

Cumulative Construction costs incurred

Cumulative Advances received

Amounts due to funders of construction contracts

(122,845,304)	(102,100,824)
161,083,744	147,592,276
38,238,440	45,491,452

(Refer to note 5)





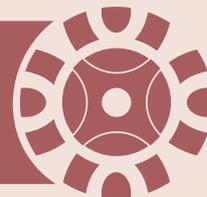
MANDELA BAY DEVELOPMENT AGENCY NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
12 OTHER INCOME		
Request for Proposal Document Fees	51,347	64,893
Sundry Income	69,441	-
Kiosk Rentals	68,450	68,134
Helenvale Resource Centre Income	32,582	28,150
Public Toilet Fees	20,617	35,602
Discount Received	-	2,282
Donations Received	151,767	-
	<u>394,203</u>	<u>199,060</u>
13 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	8,758,631	7,765,643
Employee related costs - Social Contributions	2,119,771	1,864,376
Car allowances	108,000	108,000
Long Service Bonus	107,615	-
Performance bonus	597,707	604,878
Total Employee Related Costs	<u>11,691,724</u>	<u>10,342,896</u>
Remuneration of the Chief Executive Officer		
Annual Remuneration including social contributions	1,532,381	1,421,837
Car allowance	60,000	60,000
Long Service Bonus (5/10 years)	55,877	-
Performance bonus	175,321	200,048
Total	<u>1,823,579</u>	<u>1,681,885</u>
Remuneration of Chief Financial Officer		
Annual Remuneration including social contributions	861,418	799,952
Car allowance	24,000	24,000
Long Service Bonus (5/10 years)	32,463	-
Performance bonus	101,823	111,233
Total	<u>1,019,704</u>	<u>935,185</u>
Remuneration of Planning & Development Manager (Inner City)		
Annual Remuneration including social contributions	748,361	695,413
Car allowance	24,000	24,000
Long Service Bonus (5 years)	11,436	-
Performance bonus	92,683	86,330
Total	<u>876,480</u>	<u>805,743</u>
Remuneration Operations Manager		
Annual Remuneration including social contributions	494,749	461,133
Performance bonus	56,896	50,725
Long Service Bonus (5 years)	7,839	-
Total	<u>559,484</u>	<u>511,858</u>

MANDELA BAY DEVELOPMENT AGENCY NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015



	2015	2014
	R	R
Remuneration of Planning & Development Manager (Townships)		
Annual Remuneration including social contributions	731,765	681,600*
Performance bonus	84,153	81,792
Total	815,918	763,392

* - Pro-rated over 8.5 months

Remuneration of Marketing and Communications Manager		
Annual Remuneration including social contributions	723,580	650,000
Performance bonus	86,830	74,750
Total	810,410	724,750

14 CASH GENERATED FROM / (UTILISED IN) OPERATIONS

Surplus/(Deficit) for the year	592,936	(43,410)
Depreciation	195,598	159,820
Loss on disposal of property, plant and equipment	24,887	1,848
Interest Received	(3,332,959)	(2,295,623)
Increase in provisions for doubtful debts	48,585	56,040
(Decrease)/Increase in provisions	(11,628)	10,312
Operating loss before working capital changes:	(2,482,581)	(2,111,012)
Increase/(Decrease) in Trade and other Payables	2,993,775	(1,272,300)
(Decrease)/Increase in Unspent Conditional Grants	(11,319,396)	10,918,301
Increase/(Decrease) in Construction Contract Retention Creditors	1,191,218	(565,447)
Decrease / (Increase) in Trade and other Receivables	2,692,456	(11,737,587)
Cash generated from / (utilised in) operations	(6,924,527)	(4,768,045)

15 INTEREST PAID

Interest on fair valuing of Retention Creditors	197,050	167,469
	197,050	167,469

This amount relates to a book entry with respect to the valuation of retention creditors at financial year end and is reversed once the retention is paid.

	2015	2014
	R	R
16 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT		
16.1 Audit fees		
Opening balance	5,863	19,327
Current year audit fee	20,325	735,180
Amount paid - current year	(20,325)	(728,933)
Previous year audit fees adjustment	479,888	-
Amount paid - previous year	(5,863)	(19,711)
Balance unpaid	479,888	5,863



MANDELA BAY DEVELOPMENT AGENCY NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
16.2 PAYE and UIF		
Opening balance	149,718	113,767
Current year payroll deductions	2,386,999	1,913,500
Amount paid - current year	(2,195,914)	(1,763,782)
Amount paid - previous year	(149,718)	(113,767)
Balance unpaid	<u>191,085</u>	<u>149,718</u>
16.3 Performance Bonuses		
Opening balance	604,878	449,799
Amount paid	(604,878)	(449,799)
Provisions for the year	597,707	604,878
Balance unpaid	<u>597,707</u>	<u>604,878</u>
16.4 Provident Fund		
Opening balance	91,874	78,315
Amount paid	(1,210,444)	(1,050,353)
Expenditure	1,223,054	1,063,911
Balance unpaid	<u>104,484</u>	<u>91,874</u>

The employer makes a monthly contribution of 15% of staff members' salary in respect of members belonging to the Provident Fund. A total of 25 members belong to the fund.

16.5 Supply Chain Management Policy

In accordance with section 36(1)(a)(i) of SCM policy regulations there were deviations from the normal procurement process to the value of R393 555.

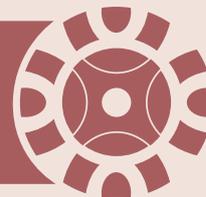
In accordance with section 36(1)(a)(ii) of SCM policy regulations there were deviations from the normal procurement process to the value of R785 579.

In accordance with section 36(1)(a)(iii) of SCM policy regulations there were deviations from the normal procurement process to the value of R1780.

In accordance with section 36(1)(a)(v) of SCM policy regulations there were deviations from the normal procurement process to the value of R1 638 624.

16.6 Non-Compliance

Management is not aware of any non-compliance with the Municipal Finance Management Act 56 of 2003.



RESTATED

2015 2014
R R

17 VALUE ADDED TAX

As at 30 June 2015 all VAT returns have been submitted timeously to the South African Revenue Services.

18 RELATED PARTIES

18.1 Relations

As at 30 June 2015 all VAT returns have been submitted timeously to the South African Revenue Services.

Parent Municipality	Nelson Mandela Bay Municipality
Funder	Industrial Development Corporation
Funder	National Lotteries Board
Funder	Eastern Cape Development Corporation
Funder	Department of Arts and Culture
Funder	KfW Bank

18.2 Related party balances

Amounts included in Trade and Other Receivables (Trade and Other Payables) regarding related parties

Nelson Mandela Bay Municipality	900,587	12,423,851
Department of Arts & Culture	-	5,550
Eastern Cape Development Corporation	2,070,442	-
KfW Bank	1,760,255	-

These balances have no fixed terms and conditions.

Refer to note 5 relating to NMBM, IDC, ECDC, NLB and KfW unspent conditional grants.

19 KEY MANAGEMENT PERSONNEL

The following are persons having authority and responsibility for planning, directing and controlling the activities of the municipal entity, directly or indirectly including any director of MBDA:

Chief Executive Officer:	Pierre Voges
Chief Financial Officer:	Ashwin Daya
Planning and Development Manager:	Dorelle Sapere
Operations Manager:	Mcebisi Ncalu
Planning and Development Manager:	Eldrid Uithaler
Marketing and Communications Manager:	Luvuyo Bangazi

Their short term employee benefits are disclosed in note 13.





MANDELA BAY DEVELOPMENT AGENCY NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
20	CONTINGENT LIABILITY	
	We are not aware of the existence of any contingent liabilities at the financial year end.	
21	CONTINGENT ASSETS	
	We are not aware of the existence of any contingent assets at the financial year end.	
22	IN-KIND DONATIONS	
	No in-kind donations and/or assistance was received during the financial year that would require adjustments to the annual financial statements.	
23	POST BALANCE SHEET EVENTS	
	No events post balance sheet date occurred that would require adjustments to the annual financial statements.	
24	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE	
24.1	UNAUTHORISED EXPENDITURE	
	No such expenditure was incurred by the entity.	
24.2	IRREGULAR EXPENDITURE	
	Balance at beginning of year	-
	Incurring during the year	-
	Condoned by the Board	-
	Balance at end of year	<u>-</u>
	No such expenditure was incurred by the entity.	
24.3	FRUITLESS AND WASTEFUL EXPENDITURE	
	Balance at beginning of year	-
	Incurring during the year	55,191
	Condoned by the Board	-
	Balance at end of year	<u>55,191</u>

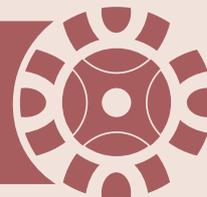
Fruitless and wasteful expenditure incurred during the year related to an overseas trip by the CEO and two directors, with the directors travel arrangements being cancelled due to late receipt of visas, resulting in wasted expenditure being incurred. The Board subsequently wrote off this expenditure in September 2015.

25 OPERATING LEASES

The following are the total minimum future lease payments

	0 - 1 year	1 - 5 years
Office plants rental	5,994	-
Public toilets rental	112,147	90,254
Office rental	343,653	-
SPUU copier rental	12,612	7,357
MBDA copiers rentals	29,874	49,962

NOTE: The entity is the lessee for all these leases.



RESTATED

2015 2014
R R

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The entity's principal financial liabilities comprise Trade and Other Payables. The entity's financial assets comprise Trade and Other Receivables (excluding VAT Receivables) and cash and short-term deposits.

Classification of Financial Instruments
Financial Assets

Loans and Receivables*	57,188,948	67,786,609
------------------------	------------	------------

Financial Liabilities

At amortised cost	12,436,921	8,251,928
-------------------	------------	-----------

* Loans and receivable excludes VAT Receivable

26.1 Interest Rate Risk

The entity's exposure to the risk of changes in market interest rates relates primarily to the entity's positive bank balance. As part of the process of managing the entity's interest rate risk, the entity's income and operating cash flows are substantially independent of changes in the market rates.

Interest Rate Risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on profit before taxation (through the impact on floating rate borrowings). There is no impact on equity.

Cash and cash equivalents	53 656 754	58 061 743
Effect of a 100 basis point movement in the interest rate	(536 568)	(580 617)

26.2 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity mainly transacts with entities who provides grants to fund operations and projects. Trade Receivables at year end consist mainly of the Nelson Mandela Bay Municipality.





MANDELA BAY DEVELOPMENT AGENCY NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

26.3 Liquidity Risk

Liquidity Risk Management

The entity manages its liquidity risk by ensuring sufficient cash reserves to settle liabilities.

Liquidity Tables

The following table details the entity's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the debt can be required to pay. Tables include both interest and principal cash flows.

	RESTATED			
	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
30 June 2015				
Trade and Other Payables	9,231,194	-	-	-
Construction Contract Retention Creditors	-	-	2,700,260	505,468
	9,231,194	-	2,700,260	505,468
30 June 2014				
Trade and Other Payables	6,237,419	-	-	-
Construction Contract Retention Creditors	-	-	1,009,929	1,004,580
	6,237,419	-	1,009,929	1,004,580

26.4 Foreign Currency Risk

The entity is not exposed to foreign currency risk as all trading was done locally.

27 PRIOR PERIOD RESTATEMENT

The prior period restatements related to the following items:

	Previously Stated 2014	Change	Restated 2014
<i>Statement of Financial Performance</i>			
(a) Trade and Other Receivables	13,614,302	(3,067,920)	10,546,382
(b) Trade and Other Payables	(6,520,936)	283,518	(6,237,418)
(c) Unspent Conditional Grants (NMBM)	(63,098,590)	2,784,402	(60,314,188)
(d) Property plant and Equipment	879,367	-	879,367
Furniture & Fittings - at cost	427,871	(17,192)	410,679
Furniture & Fittings - accumulated depreciation	(272,339)	17,192	(255,147)
Net impact on Statement of financial position		-	



(a) Trade and Other Receivables

During 2014/15 the NMBM decided that the Rugby Sevens Joint Venture profit share of R3 538 175 (incl. VAT) be paid over to EP Rugby. Since the MBDA had already invoiced the NMBM for this amount, a credit note was then issued thus reducing the debtors and unspent grants balances by this amount.

(b) Trade and Other Payables

During 2013/14 the security services provider invoices were over accrued.

(c) Unspent Conditional Grants (NMBM)

Adjustments (a) and (b) resulted in an adjustment to Unspent Conditional Grants.

28 NATIONAL LOTTERIES BOARD EXPENSES

These expenses relate to an arts grant that was awarded to the entity by the National Lotteries Board (NLB).

29 STRATEGIC SPATIAL FRAMEWORK STUDIES

These expenses relate to economic feasibility and development studies and are partly funded by the Eastern Cape Development Corporation (ECDC) and Industrial Development Corporation (IDC).

30 DEPARTMENT OF ARTS AND CULTURE EXPENSES

These expenses relate to an arts grant that was awarded to the entity by the Department of Arts and Culture (DAC).

31 HELENVALE SPUU EXPENSES

These expenses relate to a foreign donor funded project between Nelson Mandela Bay Municipality and KfW Bank, Germany, where the entity has been appointed to be the project implementation agent on behalf of the parent municipality.

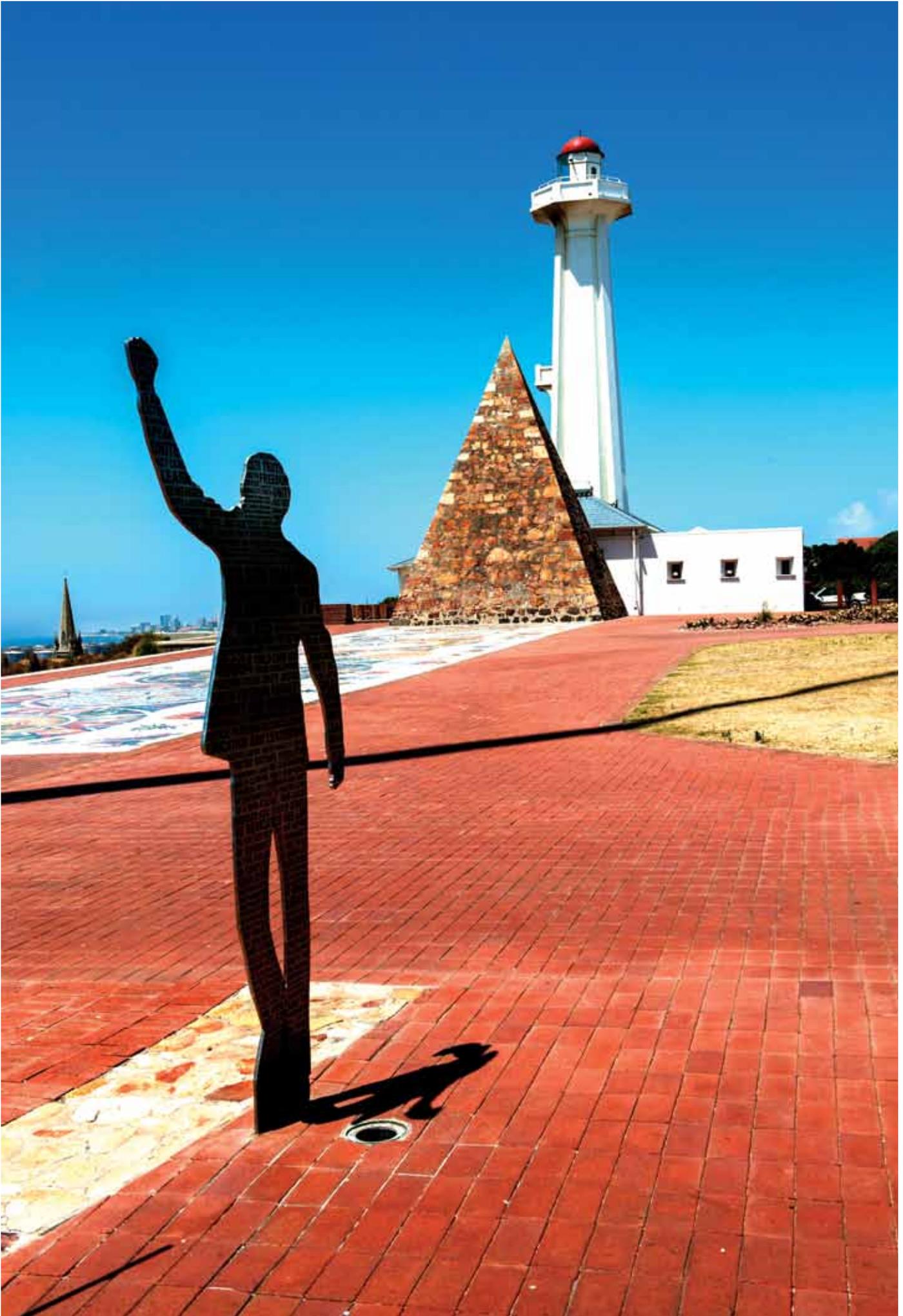




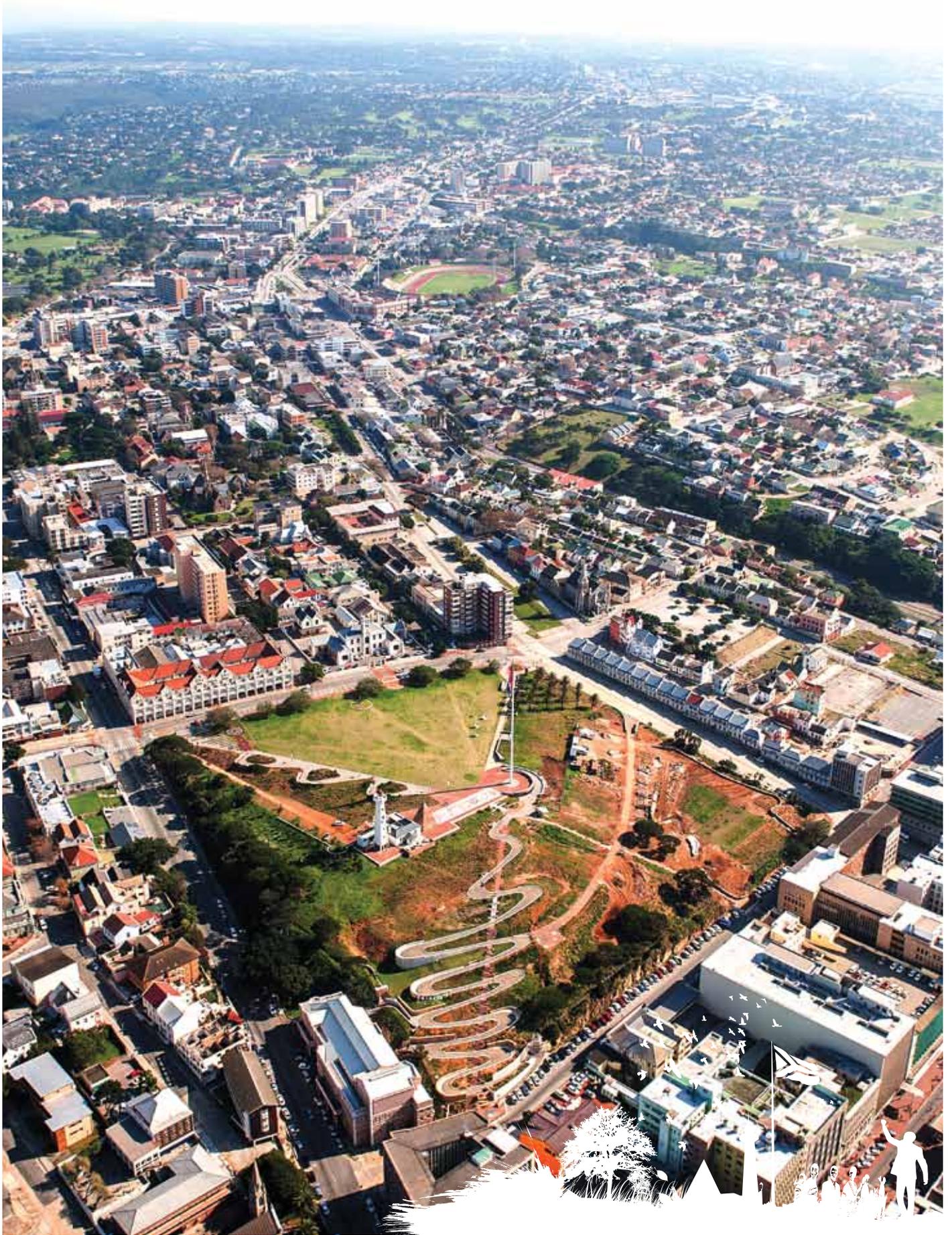
NOTE 32 - VARIANCE EXPLANATION OF STATEMENT OF COMPARISON
OF BUDGET AND ACTUAL AMOUNTS

1. Savings incurred rolled over into 2015/16 financial year.
2. Refer to note 5.
3. Savings incurred rolled over into 2015/16 financial year.
4. Funding from DAC did not materialise.
5. Programme forwarded to 2015/16 financial year.
6. Committed costs rolled over into 2015/16 financial year.
7. Exchange rate differences/funding delays.
8. Savings incurred rolled over into 2015/16 financial year.
9. Committed and rolled over to 2015/16 financial year.
10. Committed and rolled over to 2015/16 financial year.
11. Savings incurred rolled over into 2015/16 financial year.
12. Savings incurred rolled over into 2015/16 financial year.
13. Savings incurred rolled over into 2015/16 financial year.
14. Savings incurred rolled over into 2015/16 financial year.
15. Committed and rolled over to 2015/16 financial year.
16. Study costs (from IDC) committed and rolled over to 2015/16 financial year.
17. There was an overall saving of 47% on the property, plant and equipment budget for the financial year, and which related to savings incurred during the financial period.





Donkin Reserve Upgrade



Physical Address: 1st Floor, Tramways Building, Corner Lower Valley Road & South Union Street, Port Elizabeth, 6000
Postal Address: P.O.Box 74, Port Elizabeth, 6000
Email: info@mbda.co.za
Alternative Email: reception@mbda.co.za
Telephone: +27 (41) 811 8200



mandela bay
DEVELOPMENT AGENCY
RENEW • REVIVE • INSPIRE