CASE STUDY:
Mdantsane CBD

March 2010
1. Mdantsane Township

1.1 Background

Mdantsane, the second largest township in South Africa, after Soweto, was established in the early 1960s to house black labour for the industries in neighbouring East London. In the 1980s Mdantsane was included in the apartheid government’s Regional Investment Decentralization Programme (RIDP). Large manufacturers moved into Fort Jackson, in particular. The scrapping of the RIDP witnessed the relocation and closure of many of these firms and significant job losses resulted.

During the Ciskei homeland period the government issued deeds of grant which ‘gave’ land to certain individuals. This resulted in contestation over ownership, which has yet to be resolved (a project is now being implemented to deal with ownership conflicts).

The 1990 coup against the Sebe (Ciskei) government and the violence that accompanied it, exacerbated the poor economic conditions in the area. Many business properties were looted and destroyed. The government refused to declare the area a disaster zone and to compensate businesses for their losses. As a result businesspeople were compelled to repay loans on property and stock that had been destroyed in the violence and many were forced into bankruptcy and ruin. The destruction of locally-owned black businesses during the coup is offered as a major reason for the lack of local capital. The failure of government to address the impact of this event on the local economy continues to be of major concern to local businesses to this day.

Mdantsane suffers from high levels of unemployment, inadequate social and economic infrastructure, and challenges in the delivery of basic services. Poverty and unemployment have contributed to a high crime rate in the township, which, together with weak local markets, has made the area unattractive to investors.

In 2001 President Thabo Mbeki launched the National Urban Renewal Programme, aimed at speeding up service delivery and improving communities’ quality of life through job creation, infrastructure development and the stimulation of growth. Mdantsane is one of the eight nodes in the country intended to benefit from the programme.

The Mdantsane Urban Renewal Programme (MURP) was launched in 2003 and states as its objectives:

- to create habitable living environments
- to create a vibrant and sustainable local economy
- to reduce vulnerability and improve access to social services and economic opportunities
- improved stakeholder involvement and partnerships
- improved strategy, project implementation and co-ordination
- improved capacity for urban renewal implementation

(Buffalo City Municipality, BCM website)

The regeneration of the Mdantsane CBD, also known locally as “Highway”, forms an important component of the MURP, and aims to stimulate economic development through the creation of an enabling environment for business and the leveraging of public funds to encourage private sector investment. Together with a focus on transport, these are the catalytic interventions prioritised in the Neighbourhood Partnership Development Grant (NPDG).
1.2 Location

The township is situated approximately 17 km west of East London in the Buffalo City municipality of the Eastern Cape. The next nearest town is King William’s Town approximately 40 km to the east on the N2. The railway line between these two towns runs through Mdantsane.

Map 1: Context

![Map 1](attachment:image1.png)

**MDANTSANE CBD: REGIONAL LOCATION AND STRATEGIC TRANSPORT LINKAGES**

![Map 2](attachment:image2.png)

**MDANTSANE CBD: LOCAL ACCESSIBILITY AND TRANSPORT CONNECTIONS**

Map 1

**MDANTSANE CBD: REGIONAL LINKAGES & LOCAL ACCESSIBILITY**

Stage 1: Status Quo
(January 2009)
Kagiso Urban Management (with City Think Space & NB ideas)
1.3 Topography and land use

The area is very hilly and river valleys separate neighbourhoods, constraining accessibility and linkages. There is a mix of income groups and the area is characterized by formal housing with smaller pockets of informal housing occurring mostly in the open space system/river valley corridors. Significant cultivation and urban agriculture is also evident in the river valley corridors.

1.4 Population

Mdantsane spans an area of approximately 92km², with an estimated population of 250 000 people. The majority (over 60%) of the population of Mdantsane is children and youth below the age of 35. Over 99% of the population is made up of African isiXhosa speaking people. (Business Trust & dplg, 2007)

1.5 Infrastructure

Mdantsane has a well established road network and is comparatively well provided for with regard to services and infrastructure. However, the area’s sustainability is threatened by over-extension of bulk infrastructure and urban sprawl. Mdantsane enjoys an above average level of access to municipal services such as water, sanitation, electricity and waste removal.

- 57.9% of households have access to electricity.
- 21.5% have a home telephone.
- 39.5% of households have piped water in the dwelling, and 40.8% have piped water available in the yard.
- Refuse removal services cover 95.4% of households. (Monitor Group, 2005)

1.6 Community facilities

There is generally a lack of access to adequate social, education and health facilities such as schools, community centres, clinics and old age homes.

1.7 Socio-economic conditions

Mdantsane’s socio-economic conditions are linked to the Buffalo City economy. In 2004 the South African Cities Network estimated that Buffalo City contributed 23% to the provincial GDP and provided 19% of the province’s formal employment opportunities. In 2004 the city’s GDP annual growth rate of 2.5% was the 3rd worst for the nine cities, which had an average growth rate of 3.5% (Buffalo City Municipality IDP Review 2008/2009).

Buffalo City’s historical role as a national manufacturing hub for cars and textiles has been negatively impacted by changing global markets, the withdrawal of government decentralization incentives (RIDP) and changing demographic profile and socio-economic position of the population.

Many households depend on social grants as their sole source of income. There are around 22500 recipients of social grants in the township, about 10% of the population.¹

Nearly 40% of adults over 20 years old have a secondary school education or more².

Unemployment levels in Mdantsane are very high, with 62% of the township’s population unemployed (Monitor Group, 2005). In Buffalo City municipality as a whole unemployment is estimated between 55% and 60% (Buffalo City Development Strategy, 2007). Private sector employment has shrunk at an annual average rate of -1.5% between 1996 and 2004. The decline in formal sector employment has resulted in the growth of the informal economy (10% p.a. between 1996 and 2004), which contributes to the economic survival of an increasing number of people in the city region.

Large numbers of Mdantsane residents who are employed, work outside the borders of the township for industries within the broader Buffalo City municipality. It is reported that there are 27 782 people

¹ Source: Dept of Social Development 2005; adapted from dplg report, n.d
² Source: Monitor Group, 2005
formally employed, nearly 40% of these working in manufacturing and wholesale and retail services and a further 30% in community, social and personal services\(^3\).

A relatively high proportion of people are employed in skilled positions, and there is a growing white collar worker, lower middle class population in Mdantsane. This emergence is further evidenced by the growth in commercial and housing property markets in the area. This income group has developed primarily as a result of increased public sector employment, higher remittance transfers from family members employed outside of the area, as well as former better off residents returning to the township.

Businesses in Mdantsane have been established primarily to serve the consumer needs of the low-income households in the area. These businesses are located in:

- a. The CBD, which is the commercial hub of Mdantsane and the location of the Kuyasa Mall, the Mdantsane Mall and the Shoprite Centre.
- b. Mdantsane East, which was an industrial centre
- c. Fort Jackson, which is currently the industrial centre, although most manufacturing firms have moved out of the area
- d. NU6, which is a secondary commercial node. In April 2008 the R500 million Mdantsane City shopping centre (Mdantsane Mall) was opened in NU6, which is aimed at addressing the shopping needs of the growing middle class which had previously not been catered for in the Mdantsane CBD
- e. Mount Ruth, which is the railway station.

Located within these nodes but also across the township are a range of different types of economic activities including:

- Retail businesses located in the Malls
- Industrial Parks largely owned by ECDC
- Service stations – there are six petrol stations in the township, one of which has a small food court.
- Taxi stops – the main taxi hub is located in the CBD, others are dispersed throughout the township and have linked with them both formal and informal tuck shops and grocers.
- Corner shops – neighbourhood centres and spaza shops where residents buy basic groceries.

The table below provides an overview of business activity in Mdantsane. The profile of business activity in the Mdantsane CBD to a large extent mirrors the picture of Mdantsane as a whole.

### Business activity in Mdantsane

<table>
<thead>
<tr>
<th>Enterprise characteristic</th>
<th>Percentage of enterprises (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unregistered</td>
<td>70</td>
</tr>
<tr>
<td>Close corporations</td>
<td>9</td>
</tr>
<tr>
<td>Trade/service sector (Spaza shops, general dealers, shoe repairs, hair salons, caterers, service stations)</td>
<td>81</td>
</tr>
<tr>
<td>(Micro) Manufacturing (mainly dressmaking &amp; sewing)</td>
<td>13</td>
</tr>
<tr>
<td>Income less than R5000 per month</td>
<td>90</td>
</tr>
<tr>
<td>Informal business premises</td>
<td>67</td>
</tr>
<tr>
<td>Access to on-site electricity &amp; water</td>
<td>76</td>
</tr>
<tr>
<td>Women ownership</td>
<td>50</td>
</tr>
<tr>
<td>Youth ownership</td>
<td>21</td>
</tr>
</tbody>
</table>

(Adapted from Amathole SMME Development Strategy, 2007)

\(^3\) Source: adapted from Monitor Group, 2005 and BCM IDP Review 2008/09
2. **Mdantsane CBD**

The Mdantsane CBD is centrally located along Mdantsane Access Road, a major public transport route and the primary commercial and transport interchange node in the township. The CBD is approximately 2 km from the new NU6 Mdantsane City Mall, 6 km from the Mount Ruth Railway Station and 4.5 km from the Cecelia Makiwane hospital.

The Mdantsane CBD is situated approximately 25km from the East London CBD. In its immediate surrounds is a fairly established area characterized by relatively low density development. Many erven are underdeveloped and there are several well-located vacant land parcels. Relative to other township town centres across the country, the CBD is served by a solid infrastructure network of roads, water and sanitation. The primary routes are in good condition, but local roads and services, including those within the CBD, are degraded and require urgent maintenance.

**Map 2: Mdantsane CBD**

2.1 **Local business activity**

The business landscape in the Mdantsane CBD is characterized by:

1. national retailers, including Shoprite, Ellerines, PEP store and others located mainly at the Kuyasa and Shoprite Malls;
2. large numbers of small, unregistered, foreign-owned retailers and a few small, locally-owned businesses occupying the formal business spaces at the Mdantsane Mall and some small, privately owned business centres. These include: bakery, butcheries (many), liquor stores (many), hair salons, doctors rooms and dentists at the medical centre, tyre repairs, and others;
3. large numbers of informal businesses that are unregistered and operate primarily as sole traders operating at the taxi ranks, on the pavements, and outside the Kuyasa Mall and Shoprite shopping centre.

There are no banks or post offices.

The taxi business is large. The capacity of the two kombi taxi ranks is estimated at 1,200 and 1,500 taxis respectively. There is also a large private car taxi industry of between 700 and 800 vehicles, operating from the parking lot of the Kuyasa mall. The parking lot was handed over to the taxi industry by a councillor of the Buffalo City municipality as representative of the landowner. (Source: Taxi Association Interview)
The Mdantsane Hotel, an icon of previous homeland investment policies and the only visible form of visitor accommodation, is currently in a state of neglect and utilized mainly for meetings and workshops.

There appears to be limited manufacturing activity in Mdantsane CBD, with three individual clothing manufacturers being identified as the only active firms.

Government services, such as the departments of Social Development and Education, are located within Mdantsane CBD.

Most large and medium-sized businesses source goods outside of Mdantsane from companies such as Metro Cash and Carry and Liquor wholesalers in East London. Depending on the products required, others source as far afield as Johannesburg, Durban and Cape Town. In particular, foreign-owned businesses can source from centres such as China City and Dragon City in Johannesburg. Some small and micro local-owned firms source from larger retailers in Mdantsane CBD itself.

SMMEs within the Mdantsane CBD face similar challenges to SMMEs elsewhere. SMME constraints were stated as a lack of finances and the high incidence of crime. NAFCOC stated that businesspeople in the Mdantsane Mall battle to pay the rentals as they start their businesses with no capital backing. SMMEs argued that they do not have access to the formal banking sector. The National Credit Act (NCA) surety requirements have made it impossible for them to access finance. Local businesses also fail to secure government tenders owing to low skills and grading levels and limited financial security.

The municipality has established a One-Stop Shop in NU6 to support SMMEs and co-operatives, although SMME activity is concentrated in the Mdantsane CBD. This office works closely with Seda and other government programmes. The office has a database of all businesses and is willing to share its information. However, the perception of some businesspeople in Mdantsane CBD is that the One-Stop-Shop waits for business people to come to it as opposed to actively marketing itself and identifying business needs.

2.2 Land ownership

A project is being implemented to rectify ownership conflicts occurring in instances where deeds of grant were issued in the days of the Ciskei homeland. In addition, this will require zoning and issuing of development rights.

The ECDC owns property in the Mdantsane CBD that is primarily used for retail activities. The demand for business space is from small and micro businesses. The Industrial Parks are occupied by small artisan and trades people engaged in activities such as fixing appliances, furniture making, car repair, etc. Rentals are discounted and payment levels are poor.

In the Shoprite Mall tenants pay around R14.50/m². Most tenants have large arrears. Consequently, it is very difficult to cover the costs of maintenance on buildings let alone any improvements.

The municipality is also regarded as a major land owner in the CBD. NAFCOC maintains that business space is not a problem within the Mdantsane CBD but rather that many properties are vacant and vandalized.

2.3 Stakeholder Groups

The stakeholder can be categorised into various groups. The first is the general community organisations represented through party structures, the councillors and broad based community organisation representatives. Further, there are sectoral interest groups such as youth and women’s organisations, and unions etc. The third is specific interest groupings such as informal traders, shop keepers, property owners, taxi owners and drivers, and commuters and the fourth group is NGOs and local community based service organisations and council administrative bodies.

2.4 Challenges facing Businesses in the Mdantsane CBD

Crime

According to local business people crime is the number one challenge for those operating in the Mdantsane CBD. Some foreign business owners reported that they no longer live in Mdantsane as a consequence of crime, although their businesses continue to operate there. A business owner at the Mdantsane Mall reported that his business mainly experiences petty theft. Security in the Mdantsane Mall is regarded as good, with the introduction of walking patrols having an impact on crime levels. Hawkers agree that crime is the biggest problem owing to the activities of ‘lots of tsotisis’. Taxi
operators reported that pick pocketing is the major criminal activity confronting their businesses and that hijacking is not a big issue.

According to NAFCO, although crime is still the primary challenge facing businesses, the situation has improved since 2006/07. From the late 1980s business people had been targeted in their premises. Police and Community Policing Forum interventions have made an impact.

Business people all support stronger and more visible policing in the CBD.

**Waste management and cleanliness**

Waste management is regarded as a critical issue by local businesses with insufficient refuse bins and a large number of illegal dumping sites being quoted as problems. Some shop owners complained that they do not have a municipal refuse removal service. Hawkers selling meat and other foodstuff do not have the necessary services for the hygienic handling of products. One of the street traders complained that the pavements were dirty and smelly and proposed that space be allocated for hawkers slightly away from the road as they were constantly subjected to taxi fumes.

**Lighting**

This problem is a combination of poor electricity supply, the lack of adequate lighting in many areas, the reliance on high mast lighting in some areas and the absence of it in other areas, as well as existing lights not working due to light bulbs being broken and/or stolen.

**Bulk infrastructure**

The bulk infrastructure in Mdantsane is regarded as 'old' and in need of refurbishment. It is argued that the increased densities and spread of the township has increased pressure on the available services. Some areas of Mdantsane are not serviced. With the investment in the new mall in NU6 and the planned massive investment in the Cecelia Makiwane hospital, surplus electricity capacity has been depleted. Electricity supply is seen as inconsistent with power surges damaging electrical equipment. Power cuts lasting up to 5 hours are also frequent within the Mdantsane CBD.

**Shelter for hawkers**

All hawkers interviewed complained of the fact that their trading spaces do not provide cover from the elements. They are exposed to rain, sun and wind. They have storage facilities but are often subjected to theft.

**Public toilets**

There are public toilets at the taxi ranks but they are not well maintained and close at 6pm. There are sewage spillages and nothing is done about them.

**State of the taxi ranks**

There are potholes and the lighting is poor. This is particularly an issue in winter when it is dark by 6pm and this is when crime happens. The last upgrade of the taxi ranks was in 1992.

**Poor management of the CBD**

Specific requests were for the cutting of grass verges and the maintenance of public spaces.

**Public transport and public transport infrastructure**

Of concern is the numbers of vehicles without licences or that are not roadworthy. There is no formal bus station in the Mdantsane CBD or Mdantsane and very few local bus operators. National bus operators, such as Greyhound, park outside Shoprite where the environment is considered congested and unsafe. There is much suspicion on the side of the taxi industry that the BRT scheme will take away their business. They are adamant that they do not want it. They complain that the municipality does not consult and simply conveys decisions. The Taxi Association would like answers regarding who will own the buses and how many buses will operate in the township and on which routes.

The trains, and Mount Ruth Station itself, are regarded as inaccessible. It was reported that a train line along the Qumza Highway was promised, linking East London, Mdantsane and King William’s Town and that this has yet to be delivered.

Many roads and pavements are still gravel in the CBD. Cars park on the pavement and block the shop entrances. Taxis complain that the poor condition of the roads is damaging their vehicles. The main road in Mdantsane is in good condition, but the arterial roads require upgrading.
Lack of business co-operation
The majority of interviewees were not members of any business forum. It was stated that owners in business complexes never meet to share problems. One business person expressed the fact that he would not be interested in joining a business forum.

One of the Ethiopian business people interviewed said that ‘No-one supports each other – everyone for himself’ (sic). He also stated that foreign-owned businesses do not co-operate across ethnic divisions.

One of the few instances of co-operation is between taxi drivers and hawkers. Taxi drivers buy from the hawkers and participate in a joint Stokvel.

Tension between local and foreign-owned businesses
Local businesspeople regard foreign-owned businesses as major competitors as they operate in the same market. They offer lower prices and have higher turnover than their local counterparts. A local businessperson stated that Pakistanis have purchasing clubs so that they can buy in bulk. The reasons offered for the inability of locally-owned businesses to compete is that they lack capital and co-operation with one another.

The Mdantsane Mall is a microcosm of this tension with local businesspeople complaining that foreigners have been allocated the downstairs shops and that they are located upstairs away from the main pedestrian traffic. The problem is exacerbated by the fact that both the local and foreign-owned businesses sell similar products.

Lack of business mix in the CBD
There are high levels of duplication of business activity increasing the levels of competition.

Traffic management
One interviewee stated that the municipality ‘Can’t do anything about the traffic rules not being followed. Even if you put in traffic lights it would not help. Here you drive how you want and avoid getting bashed.’

State of public buildings
There has been no upgrading of public, including ECDC-owned, buildings. A Mall tenant complained that there were cracks in the Mdantsane Mall and the shop owners felt unsafe.

Housing and title deeds for properties
Housing investment within Mdantsane is regarded as being too slow.

3. Project Aim

The project objectives as set out by Buffalo City District Municipality and the Neighbourhood Development Programme (NDP) aim to produce a business plan for the implementation of a Mdantsane CBD renewal programme. The programme incorporates a set of projects that together result in CBD regeneration through alignment and coordination of budgets, municipal and community capacity and resources, and business sector investment.

The project aims to provide an implementation plan for investment in capital projects by the public and private sector in CBD regeneration, and to recommend appropriate management and institutional arrangements.

A programme has been planned, including identification and scoping of projects, estimation of project budgets, sequencing and timelines, and alignment of budgets and public sector/donor funding sources.

4. Projects

The projects identified are as follows:

Development Management
Development Management – institutional and management arrangements
Appointment programme and development management capacity
Capacity building programme
<table>
<thead>
<tr>
<th><strong>CBD Strategy &amp; Planning</strong></th>
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<tbody>
<tr>
<td>Detailed traffic study</td>
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<tr>
<td>Land Use audit and building survey; land ownership and registration, and of statutory procedures to rectify</td>
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<tr>
<td>Urban Design Framework</td>
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<tr>
<td>Assessment of Utility Services</td>
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<tr>
<th><strong>Public Safety Project</strong></th>
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<tbody>
<tr>
<td>Install electrical sub-station</td>
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<tr>
<td>Install CCTV</td>
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<tr>
<td>CBD satellite Police station</td>
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<tr>
<td>Deploy public safety capacity</td>
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<td>CPF and communication Safety communication</td>
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<tr>
<th><strong>Cleaning and Waste Management</strong></th>
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<tr>
<td>Contract supplementary street cleaning services</td>
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<tr>
<td>Contracted cleaning services</td>
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<tr>
<td>Cleaning of Park</td>
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<tr>
<td>Waste management solution</td>
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<tr>
<th><strong>Public Environment- Immediate Remedial Work</strong></th>
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<tr>
<td>Refurbishment of toilets and repair of plumbing at taxi rank.</td>
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<tr>
<td>Informal trading roof leaks and repairs.</td>
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<tr>
<td>Supplementary public toilet provision and operations</td>
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<tr>
<td>Public building refurbishment</td>
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<tr>
<td>Road and sidewalk repair</td>
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<th><strong>Economic Development</strong></th>
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<tr>
<td>Retail business development strategy</td>
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<tr>
<td>CBD forum business community liaison, communication and consultation</td>
</tr>
<tr>
<td>Business support and employment Centre</td>
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<tr>
<td>Undertake survey of informal sector</td>
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<tr>
<td>Investigate and design of a “Fresh Produce Spaces” for micro enterprises in Mdantsane</td>
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<tr>
<td>Investigation, design and implementation of micro enterprise spaces within the CBD</td>
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<tr>
<td>SMME Skills development programme</td>
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<th><strong>Social Development</strong></th>
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<tr>
<td>Stakeholder Engagement</td>
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<tr>
<td>Audit of facilities and preparation of social services &amp; facilities development plan</td>
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<tr>
<th><strong>Mdantsane Public Transport Interchange</strong></th>
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<tr>
<td>Establish Forum</td>
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<tr>
<td>Integration of Long Distance Bus Facility</td>
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<tr>
<td>Management Plan</td>
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<tr>
<td>Urban Design Framework</td>
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<tr>
<td>Upgrade costing &amp; tender documentation</td>
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<tr>
<td>Implementation</td>
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<tr>
<td>New Buildings &amp; Structure</td>
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<thead>
<tr>
<th><strong>Kuyasa Mall Development &amp; Sandile Street Upgrade</strong></th>
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<tr>
<td>Kuyasa land release</td>
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<tr>
<td>Re-development concept and detailed design and land scaping</td>
</tr>
<tr>
<td>Agreement between BCDM and PIC re Sandile street upgrading</td>
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<tr>
<td>Constructions, operation and maintenance</td>
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<tr>
<th><strong>Shopping Street Upgrade</strong></th>
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<tr>
<td>Shopping Street Forum</td>
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<tr>
<td>Urban Design &amp; Landscape Plan</td>
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Detail design and tendering documentation
Project Implementation
Retail Upgrade Project

**Housing Infill**
- Housing target market and potential housing opportunities
- Housing delivery strategy
- Develop an appropriate institutional/management entity and plan
- Proposal call
- Implementation

**Upgrade of Mdantsane CBD Public Park**
- Focused user survey
- Preparation of an overall development concept/framework
- Detailed design of park precincts and projects/elements
- Implementation
- Management & Operational Plan

5. **Schedule of operations, maintenance and management (OM&M) requirements and revenue sources**

The Land use elements are:

1. Urban infrastructure – street lighting; electricity distribution network; water reticulation and sewer network
2. Roads and storm water drainage, and public transport infrastructure including taxi ranks
3. Public land – parks, pavements and public parking area
4. Social facilities – schools, clinics, community halls and sports and recreation facilities, other social services infrastructure and public buildings
5. Business premises – shops and workshops and trading areas, including informal trade
6. Public housing areas

The OM&M requirements are specific to each category of urban infrastructure listed above. In the instance of business premises and housing where this housing is funded and built with public money there will be a repair and maintenance responsibility and also a management function for the public sector (see below definitions of operations, maintenance and management functions).

The revenues generated for OM&M responsibilities are: rates and taxes, service charges - fixed charge and subject to consumption of users. There might also be additional levies for services provided by outsourced service providers.

New capital investment envisaged is related to the projects listed below.

6. **Sources of Funding and Budgets**

The funding sources for the programme are donor funding or grants and public sector budget contributions from the European Union, DBSA, NDPG and the BCDM itself, for both capital and operating budgets. An integrated budget, incorporating funding from all available sources was prepared indicating the type of expenditure (Technical Assistance (TA), Capital (C) and Operating budget) for each project and project component. This has not yet been approved as a basis for expenditure.

Various draft budgets were prepared including funding from European Commission, NDPG, DBSA and BCDM totalling R230m over a 3 year budget period, to implement the programme. BCDM budgets were not approved.

An implementation objective was to use this funding to leverage private sector investment and contributions in the regeneration of the area, either directly in the public space improvements, for example, or urban management, or indirectly through establishment of viable and sustainable businesses that generated new employment and income distribution in Mdantsane.
7. Council Organisational Arrangements

Buffalo City Municipality is in the **Amatole District** of the Eastern Province. It comprises the former municipalities of East London and King William's Town, Bisho and other areas, which were previously not included in either of them.

The **Buffalo City Municipal Council** is the ultimate political decision-making body of the municipality. The Executive Mayor takes overall strategic and political responsibility for the city, while the Municipal Manager heads the administration. The heads of departments and officials are responsible for physically implementing policy. **Ward councillors** are an important link between the municipal government and residents.

There are **89 councillors**: 45 are ward councillors and 44 proportional representation councillors. The ANC has 74 councillors, the Democratic Alliance 11, the PAC two, and the UDM and ACDP one each.

The **Municipal Manager** heads Buffalo City's administration and provides the link between the political and administrative arms of city government. The administration has just over **4 000 employees** divided into the Executive Mayoral Office, Municipal Manager's Office and five directorates - Planning and Economic Development, Engineering Services, Health and Public Safety, Financial Services and Corporate Services.
8. Workshop Objectives and Workshop Process

The project could not proceed to investigate and propose an appropriate, workable management and institutional arrangement for the detailed planning and implementation of the project and the various project components. This workshop therefore affords a good opportunity for preparation of a set of proposals to the BCDM and the NDPG.

8.1 Workshop Objective

The primary objective of the workshop is:

a. to consider and propose institutional and management arrangements and
b. to propose strategy for financial and operational sustainability of the programme

The aim is, through an iterative process, to:

a. determine the scope of work, tasks and functions related to each project component
b. outline the work process to implement the project component
c. consider the types of expenditures associated with each component – technical assistance or consulting expenditure, or capital or operating expenditure
d. propose the agency or agencies that would take responsibility for planning and implementation of the tasks, and define the anticipated output or outcome of its work,
e. determine whether the work is operational, managerial or maintenance-related, describe the functions and motivate for it in that category

In undertaking this exercise the critical success factors and risks of failure are to be identified for each project component.
Key Terms

1. Management-
   refers to the organisation, coordination and planning and use or enabling the use of resources – people, money and machines to achieve organisations objectives. It includes reporting and communications, stakeholder liaison and communications for decision-making and use of resources. It also includes reporting and accountability for outcomes planned in relation to achievements, and the management and mitigation of risks and facilitating success of the organization or programme.

2. Operations and operational management-
   refers to the management of plant and equipment which are used to provide municipal utility services including water purification and sewer works; lighting, and electricity generation and distribution infrastructure. It also refers to operation and use of supporting equipment and facilities.

3. Repair and maintenance -
   refers to repair and maintaining in good order of buildings, plant and equipment, and public and social infrastructure such as road and pavements, lighting, community halls and public buildings, parks etc.

4. Urban management-
   Urban management, for the purposes of this project, is the complete interrelated set of management tasks for effective regeneration of the area, however this is defined. This includes both project and development management of specific (capital) projects and on-going management of resources to achieve long term regeneration and development objectives, and to ensure delivery of services. It would involve:
   • liaison with municipal departments to implement tasks that are the responsibility the municipal authority, including town planning responsibilities, municipal services provision and provision of social and community infrastructure, facilities and services
   • communications and coordination between departments and local stakeholders and the private sector
   • planning and revision of programmes and projects for regeneration, municipal service utility provision, and provision of social services and infrastructure
   • expenditure of funds and deployment of staff, and reporting and accountability for use of these resources (according to authority and mandate of the development manager)
   • promotion and mobilisation of income generation, donor funding and private sector investment into the area, and mobilisation public sector spending for regeneration
   • mobilisation of community stakeholder participation, cooperation and support for the project and aspects of the project

5. Area-based development management-
   In the assumed management model and situation such as that of the Mdantsane CBD, development management is a function of urban management. It is the coordination and the appropriate, programmatic deployment or use of resources to achieve the identified pre-determined programme objectives. It is related to projects of a capital nature or of outcomes that can be clearly achieved within a specific timeframe.