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REPORT TO THE BOARD OF DIRECTORS ON THE MID-TERM PERFORMANCE REPORT

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1. PURPOSE

To present a consolidated account of the Buffalo City Metropolitan Development Agency's performance for the first half of the 2025/26 financial year against the approved and adjusted Annual Performance Plan, covering the period 01 July 2025 to 31 December 2025. The report outlines performance results achieved, identifies variances against planned targets, details corrective measures instituted, and provides an assessment of the overall delivery trajectory and institutional progress during the reporting period.

2. AUTHORITY AND STRATEGIC ALIGNMENT

The Buffalo City Metropolitan Development Agency is a municipal entity of the Buffalo City Metropolitan Municipality, established through a Memorandum of Incorporation and governed by a Service Delivery Agreement with the City. This report has been prepared in accordance with the reporting requirements of the Municipal Finance Management Act and the performance management obligations applicable to municipal entities. It is intended to support the Municipality's mid-year consolidation, monitoring, and oversight processes, and to provide assurance on institutional performance and accountability during the reporting period.

3. REPORTING OBLIGATIONS

BCMM's performance management system requires the monitoring and reporting of key performance indicators through quarterly assessments and at least biannual performance reviews for municipal entities. This consolidated half-year performance report is supported by a comprehensive portfolio of evidence and has progressed through the established internal assurance chain, including BCMDA management review, internal audit review, consideration by the Audit and Risk Committee, and noting by the Board. The report is thereafter submitted to BCMM to enable consolidation and integration into the City's formal mid-year reporting and oversight structures.

4. PERFORMANCE OVER MID – YEAR AGAINST PREDETERMINED OBJECTIVES

The entity has 35 key performance indicators split into 5 programs. Overall, the performance of the Agency in the half yearly reporting was at 87%.

The breakdown is as follows:

- Outcome 1: Dynamic tourist destination (87 %);
- Outcome 2: Attractive City for global investment (83%);
- Outcome 3: Vibrant and attractive local spaces (88%);

- Outcome 4: Inclusive and resilient economy (100%);
- Outcome 5: An efficient, well-governed and sustainable Agency (78%);

The full report is contained hereunder as Annexure A.

The detailed summary of performance is as follows:

Progress	Quarter 1		Quarter 2	
	No. of	%	No. of	%
	KPIs		KPIs	
Outcome 1: Dynamic tourist destination				
Achieved	4	100%	3	75%
Not Achieved	0	0%	1	25 %
Sub-total	4		4	
Outcome 2: Attractive City for global investment				
Achieved	2	67%	2	100%
Not Achieved	1	33%	0	0%
Sub-total	3		2	
Outcome 3: Vibrant and attractive local spaces				
Achieved	3	75%	3	100%
Not Achieved	1	25%	1	0%
Sub-total	4		4	
Progress	Quarter 1		Quarter 2	
	No. of	%	No. of	%
	KPIs		KPIs	
Outcome 4: Inclusive and resilient economy				
Achieved	7	88%	7	88%
Not Achieved	1	12%	1	12%

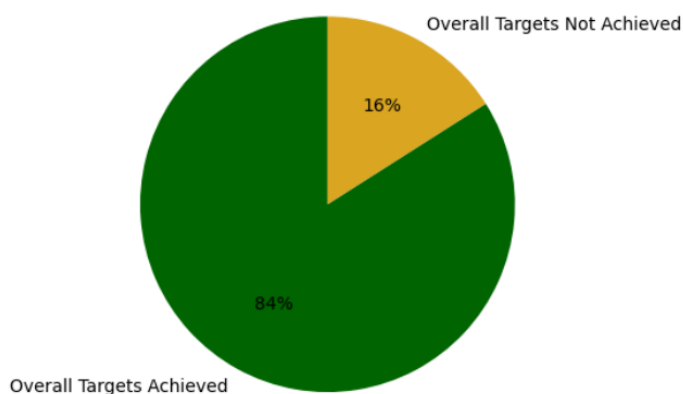
Sub-total	8		8	
Outcome 5: An efficient, well-governed and sustainable Agency				
Achieved	13	78%	13	78%
Not Achieved	5	22%	5	22%
Sub-total	18		18	

Oversight Consolidated View:

Outcome	Consolidated Achievement %
Outcome 1 - Dynamic Tourist Destination	88%
Outcome 2 - Attractive City for Global Investment	84%
Outcome 3 - Vibrant and Attractive Local Spaces	88%
Outcome 4 - Inclusive and resilient Economy	88%
Outcome 5 - Efficient, well-governed, and sustainable	72%
Average overview	84%

Overall consolidate Overview.

- Overall targets achieved 84%.
- Overall targets not – achieved 16%.



Remedial Action on Performance Indicators Not Achieved

In compliance with Section 88(1)(a) of the MFMA, this section outlines corrective measures to address performance indicators not achieved during the mid-year period.

Key Causes of Underperformance

- Budget constraints and unfunded project indicators
- Intergovernmental dependencies where implementation rests with BCMM
- Capacity and organisational development delays
- Governance scheduling and quorum constraint

No	Area of Underperformance	Root Cause	Remedial Action	Implementation Timeline
1	Vacancy filling	OD review delays	Selective recruitment approved for critical positions. Finalization of OD for Board approval	Q3
2	OHS compliance	Budget limitations	BCMM support requested to conduct induction at no cost	Q3
3	Records and systems implementation	Limited funding	Funding request to be submitted during budget adjustment	Q4

Management has implemented corrective measures and will submit performance adjustments where required. These actions are expected to stabilise delivery in the second half of the financial year and support improved performance and audit outcomes.

Mid-Term Performance Overview (Q1–Q2)

Overall Organizational Performance

- 16% Targets Not Achieved
- 84% Targets Achieved

Key Remedial Actions (MFMA s88)

- Indicator realignment & funding adjustments
- KPI phasing aligned to grant drawdowns
- Audit Action Plan implementation
- Recruitment for critical posts (CRO)
- Revised governance calendars

Key Weaknesses / Constraints

- Budget constraints
- Dependency on BCMM delivery
- Beach Sites indicator not funded

Areas of Improvement

- Earlier budget alignment
- Stronger external coordination refinement of indicators

Key Causes of Underperformance (16%)

- BCMM implementation dependencies
- Capacity and OD delays
- Governance scheduling constraints
- Budget constraints and unfunded project indicators

Success Factors

- Delivery continuity Q1–Q2 (improved , delivery of Duncan village)
- Improved planning & tracking , Governance structure (ARC , all Board meetings held in Mid-year)
- Water World planning & operating model
- SHRA Theory of Change & workshops
- Environmental Management implementation
- Cost containment measure (Cogta partnership , improved ratio
- All stakeholder and management indicators achieved

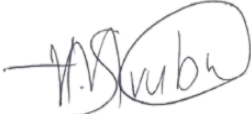
Forward Outlook

- Corrective measures are underway, with most actions concluding in Q3. Funding-dependent items will be addressed through the adjustment budget, and audit outcomes.
- Brand specialist sourcing
- Investment round table
- Finalisation of strategic session with the city ; 2026/27 Annual Performance Plan adoption , AGM .

5. RECOMMENDATIONS

It is recommended that:

5.1 The mid-term performance report for 2025/26 of the Agency is accepted by the Board.

EXECUTIVE MANAGER: STRATEGY RISK		
NAME	SISONKE MVUBU	Comment: ☐ SUPPORTING ☐ APPROVED ☐ REFUSED / REFERRED BACK
DATE	09/01/2026	
SIGNATURE		

CHIEF EXECUTIVE OFFICER		
NAME	AYANDA GQOBOKA	☐ SUPPORTING ☐ APPROVED ☐ REFUSED / REFERRED BACK
DATE	18/01/2026	
SIGNATURE		



**Mid-Year (Q1 & Q2) Mid-term Performance assessment Report
Submission to the Board of Directors**

6. PROGRESS ON OUTCOMES FOR Mid-term (Q1 - Q2)

During the strategy review, the Agency reviewed its outcomes to the following for the financial year under review and resulted in the following strategic parameters:

6.1 Strategic focus

The BCMDA is an agency of the Buffalo City Metropolitan Municipality, seeking to create a vibrant, integrated, and inclusive Metro. The core ideology of the BCMDA is captured in its Vision, Mission, and Core Values, as detailed below.

6.2 Vision

We are an innovative agency that catalyses investment opportunities for a vibrant, integrated, and inclusive city.

6.3 Mission

To build a vibrant, integrated, and inclusive city through promoting investment in property, tourism, and socio- economic development for the benefit of citizens.

6.4 Organisational outcomes

The strategy and the strategy outcomes have remained constant over the years, and the Agency continues to pursue the following five revised outcomes it set itself which are:

Outcome 1: A dynamic tourist destination.

Outcome 2: Attractive city for global investment.

Outcome 3: Vibrant and attractive local spaces.

Outcome 4: Inclusive and resilient economy.

Outcome 5: An efficient, compliant, well-governed and viable agency.

STRATEGIC OUTCOME 1: A DYNAMIC TOURIST DESTINATION

KPI ID	Key Performance Indicator (KPI)	Quarterly Targets Quarter 1	Quarter 1 Achievement	Quarterly Targets Quarter 2	Quarter 2 Achievement	Q2 Comments/Challenges	Q2 Corrective action
1.1.1	Number of tourism routes supported with governance structures	Research report on best practices on governance structure for route development.	A research report on best practices on governance structures for route development has been developed.	Stakeholder engagement on two identified sites (terms of reference)	Achieved Two engaging sessions were held (Mdantsane CTO and Duncan Village CTO). Terms of reference have been developed for the CTO.	N/A	NA
1.1.2	Number of Tourism routes supported with interpretive boards	Rollout plan developed and consulted on.	Rollout plan developed and consulted on.	Four tourism routes supported with interpretive boards.	Target not achieved	Due to budgetary constraints, the project could not be implemented.	The proposed budget for the implementation of the project has been submitted for adjustment; however, it is subject to approval. The target is to be removed in

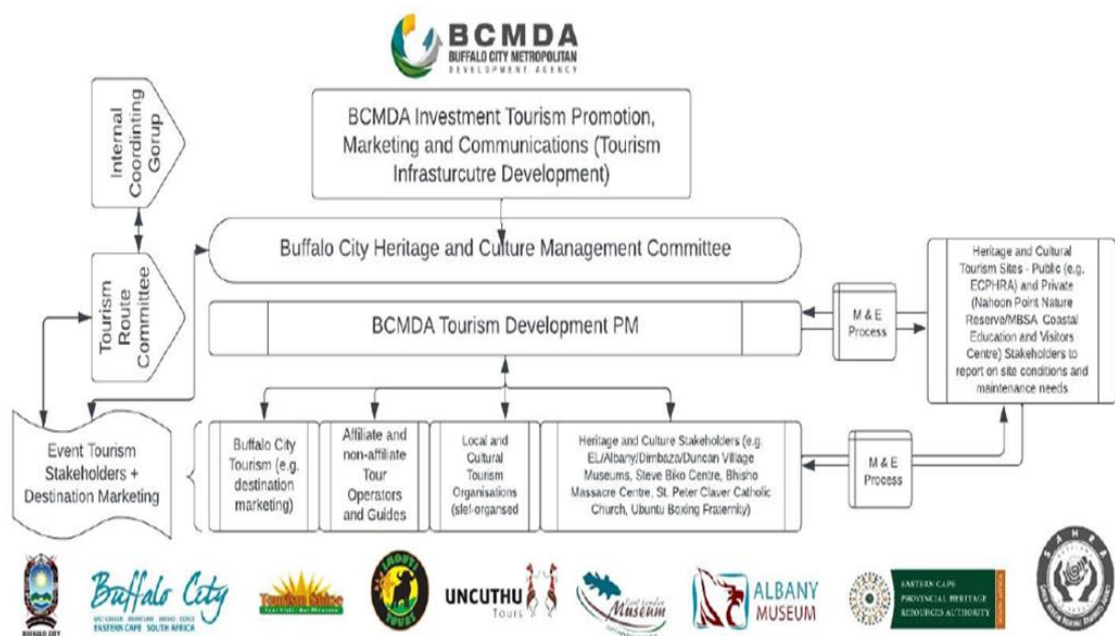
							the adjusted APP.
1.1.3	Number of Tourism Infrastructure funding proposals developed	Tourism infrastructure project prioritization list developed. Two priority projects identified	Tourism infrastructure project prioritization list developed. Two priority projects identified	1 funding proposal developed	Achieved Draft funding proposal is in process (Duncan Village Heritage Museum)	Proposal to be submitted to MBSA for consideration .	NA
1.1.4	Number of tourism sector development interventions initiated	1 progress report	1 progress report developed	1 tourism sector development interventions initiated	Achieved 1 tourism sector development interventions initiated (BCMM Convention Bureau & International Tourism Film Festival Africa)	Bureau concept developed. Engagement held with the organisers Film Festival.	NA

6.5 Outcome 1: Dynamic tourist destination

Over the first half of the financial year, BCMDA recorded a **performance of 87.5%** for Outcome 1: *Tourism Development*, based on Quarter 1 achievement of 100% and Quarter 2 achievement of 75%. This overall performance reflects strong delivery against the four core indicators, namely: tourism routes supported with governance structures, tourism routes supported with interpretive boards, tourism infrastructure funding proposals developed, and tourism sector development interventions initiated. The mid-year results confirm that the Agency has maintained strategic focus on strengthening tourism systems, improving destination readiness, and advancing catalytic interventions that support sector growth and spatial inclusion.

The variance from full achievement at mid-year is attributable solely to the delayed implementation of **interpretive boards** in Quarter 2, which was constrained by budget availability rather than institutional or operational capacity. Importantly, progress continued across all other indicators, including governance support for tourism routes, project packaging for tourism infrastructure funding, and sector development initiatives. As such, the mid-year performance demonstrates a **strong and resilient tourism programme**, with the outstanding indicator positioned for recovery once funding constraints are resolved, ensuring that full delivery of Outcome 1 remains achievable in the second half of the year.

6.5.1 Number of tourism routes supported with governance structures.



During the first half of the financial year, the BCMDA completed both the **research and stakeholder consultation processes** focused on strengthening tourism governance within identified tourism nodes across the Metro. The research confirmed the need for a structured, community-driven governance model and culminated in a clear recommendation to establish **Community Tourism Organizations (CTOs)** in each tourism node. These structures are designed to function as localized coordination platforms that promote grassroots tourism development, enhance stakeholder alignment, and deepen community participation. This phased approach acknowledges the geographic spread of Buffalo City and the importance of node-specific mechanisms to ensure responsive and inclusive tourism governance.

Steps to setting up BCMM Local Tourism Committee	STATUS	
	DUNCAN VILLAGE	MDANTSANE
1. Stakeholder Engagement - (tourism businesses, communities, and traditional leadership) and conduct needs assessments		
2. Formation of a Steering Committee - Include representatives from the public and private sectors		
3. Development of a Constitution or Governance Framework - (Define roles, responsibilities, funding mechanisms, and membership structures)		
4. Resource Mobilisation - Secure funding from municipalities, provincial departments, or donor organisations		
5. Operational Setup - Establish physical or virtual offices, hire staff or appoint volunteers		

Not commenced		In preparation		In progress		Completed	
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With the research and consultation phase concluded at mid-year, the programme has now transitioned into the **implementation readiness stage**. The establishment of CTOs will provide a strong institutional foundation for structured tourism governance at local level. Once fully operational, these CTOs will be integrated into a metropolitan-wide **Local Tourism Organization (LTO)** facilitated by BCMDA, enabling coordinated destination management, route development, marketing alignment, and investment promotion across the city. This governance model is fully aligned with the Eastern Cape Provincial Tourism Development Framework, reinforcing priorities of inclusive growth, community ownership, and sustainable destination management, while positioning Buffalo City's tourism routes within a coherent and professionally governed tourism ecosystem.

6.5.2 Number of tourism routes supported with interpretive boards.



At mid-year, BCMDA has completed all **planning and consultation activities** required for the rollout of interpretive boards along identified tourism routes. A structured six-phase implementation plan has been developed, supported by completed community consultations in Phase One and Phase Two areas to ensure locally informed content, appropriate placement, and protection of cultural and heritage assets. This work positions the initiative to enhance visitor experience, wayfinding, and destination storytelling once implemented.

The rollout plan is summarised below along with the status:

Phase	Duration	Key milestone	Site/ node					
			1	2	3	4	5	6
1. Engage Stakeholders	Month 1	Community approval						
2. Site Identification	Month 2	List of sites						
3. Design & Development	Month 3	Manufacturing						
4. Installation	Month 4	Installation						
5. Launch & Promotion	Month 5	Hand over						
6. Monitoring	Month 6	Quarterly						

Duncan Village	Mdantsane	Bisho	Qonce	Zwelithsa	Dimbaza
1	2	3	4	5	6

Not commenced		In preparation		In progress		Completed	
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The **installation of interpretive boards could not proceed** during the period due to budget constraints. A funding request has been submitted through the **adjustment budget process**, although confirmation of funding is still pending. Despite this, the indicator remains **implementation-**

ready, with rollout dependent solely on the availability of budget in the second half of the financial year.

6.5.3 Number of tourism infrastructure funding proposals developed.

By mid-year, BCMDA has achieved the target for this indicator through the development of one tourism infrastructure funding proposal. The proposal focuses on the Duncan Village Heritage Museum and is scheduled for submission to MBSA for potential funding support. This milestone reflects the Agency's commitment to strengthening heritage-based tourism infrastructure as a catalyst for tourism route development, destination enhancement, and inclusive local economic participation.



Welcome to Mdantsane
Welcome to Mdantsane



CECELIA MAKIWANE
LEADING BY EXAMPLE

Born in 1880 at the MacFarlane Mission near Alice, Cecilia Makiwane would live an extraordinary life. Her early education was at Lovedale Girls' School where she became qualified as a teacher. The Lovedale Mission Hospital, and later Lovedale College, was the first institution to introduce nurse's training to Black women. In 1905, Makiwane began a three-year nursing programme. Upon completion, she, along with one other Black student, were sent to Butterworth Hospital for further instruction.

In December 1907, she completed and passed her last examination to become a general nurse of the Colonial Medical Council. By January 1908, she was registered and became the first Black professional nurse. Early in her career, she also took part in one of the first women's anti-pass campaigns petitioning for the pass laws to be abolished.

She humbly and diligently served Lovedale Hospital for several years before being granted a leave of absence due to her poor health. Makiwane went to live with her sister, Daisy, whose life is also noteworthy as the first Black woman to earn a degree in Mathematics at a South African University.

Cecilia would pass away at the age of 39 just months before her niece Helen Nontando "Nene" Jikebe was born – she too would become a noteworthy figure as a distinguished writer.

	Projects	Scope/ Objectives	Status	Outcome
1	Route Development: Development of Funding Proposal for Cecilia Makiwane Museum	Project aim: - To improve tourism offerings in Mdantsane. - To provide the public with local, authentic content on Mdantsane. Annual Target: - Develop a funding proposal for Cecilia Makiwane Museum. - Site activation of Cecilia Makiwane Museum. - Provide and install interpretative boards to Mdantsane.	Engagements and congruency between key stakeholders: BCMM, Mdantsane LTC, Cecilia Makiwane Hospital	- Social cohesion and proudly BCMM/ SA outlook. - Support in creating local tourism development opportunities. - Job creation

The project was identified through a structured prioritisation process undertaken alongside the conceptualisation of tourism routes and the design of interpretive signage. Stakeholder consultations ensured transparency and ownership, resulting in the elevation of the Duncan Village Heritage Museum and the Cecilia Makiwane Museum as priority initiatives aligned with approved business cases. At mid-year, the Duncan Village proposal has been finalised for submission, while preparatory work continues on the Cecilia Makiwane Museum as part of the forward pipeline for tourism infrastructure funding.

6.5.4 Number of tourism sector development interventions initiated.

By mid-year, BCMDA had implemented a focused set of tourism sector development interventions aimed at advancing community-based tourism while strengthening Buffalo City's strategic destination positioning.

Community-Based and Township Tourism Development



Key grassroots initiatives included support for township tourism through the Provincial Tourism Month launch, which elevated local tourism offerings and strengthened community participation. Diagnostic support was also provided to Imonti Tours to enhance visitor experience at priority attractions, with a focus on service quality and product improvement. In addition, BCMDA initiated the establishment of the Duncan Village Community Tourism Organization, creating a platform to improve local coordination, stimulate economic participation, and support sustainable tourism development within the community.

Institutional and Market-Facing Interventions

At an institutional and destination marketing level, BCMDA advanced the development of a Buffalo City Convention Bureau concept to position the city competitively within the business tourism market. The Agency also prepared a high-level proposal to assess the feasibility of hosting the International Tourism Film Festival Africa in 2027, reflecting a strategic approach to leveraging niche tourism events for destination branding and market visibility.

Heritage Tourism and Route Development

The tourism development portfolio was further strengthened through BCMDA's support for the Maseru Massacre commemoration initiative, aligned with the Agency's heritage route development objectives. BCMDA facilitated media mobilisation and successfully negotiated favourable transport rates for the commemorative tour with Mayibuye Bus Services (20% discount), improving accessibility and amplifying the visibility and tourism value of this significant historical narrative.

Overall impact

Collectively, these interventions demonstrate a balanced mid-year approach that integrates grassroots tourism development, heritage activation, and strategic destination branding, thereby laying a foundation for inclusive and sustainable long-term tourism growth in Buffalo City.

6.5.5 Tourism Development Partnerships and Business Development

The agency continues to embed itself in the BCM tourism community by participating in and partnering with various organizations and structures. Below is a summary of some of the notable engagements.

NAME OF ORGANIZATION ¹	PRIMARY INTEREST	ENGAGEMENT MECHANISM	OUTPUT / COMMENT
Eastern Cape Parks and Tourism Agency (ECPTA)	Tourism Mount Launch	Physical	A potential partnership was identified with the Amatole District municipality on joint tourism initiatives. Discussions were framed within the context that the BCMM shares significant border gateways with
Eastern Cape Parks and Tourism Agency (ECPTA)	Strategy and planning session	Virtual	Best practice discussions on promoting tourism in the province, including BCMM. Aligning BCMM with the provincial tourism agenda. Best practices on investment promotion and property development.
Border Kei Chamber of Business (BKCB)	BCMM Tourism	Physical	Tourism program alignment and partnerships. Alignment and content sharing on BCMDA tourism route development and proposed business cases. Information sharing of events and key tourism development issues in BCM i.e. cruise line arrivals, airport developments.

NAME OF ORGANIZATION ¹	PRIMARY INTEREST	ENGAGEMENT MECHANISM	OUTPUT / COMMENT
Eastern Cape Arts and Culture Council (ECPAC)	Strategy and planning session	Physical	• Congruence and alignment of key areas of focus i.e.: creative industry development, including public art and film industry. Outline of

7. OUTCOME 2: ATTRACTIVE CITY FOR GLOBAL INVESTMENTS

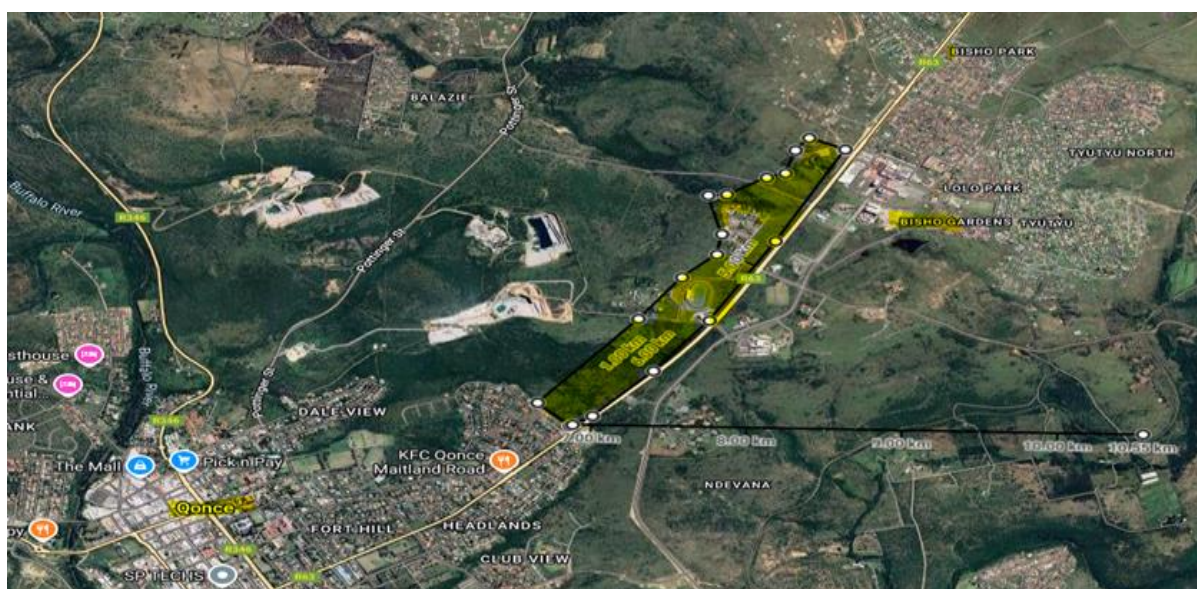
KPI ID	Key Performance Indicator (KPI)	Quarterly Targets Quarter 1	Quarter 1 Achievement	Quarterly Targets Quarter 2	Quarter 2 Achievement	Q2 Comments / Challenges	Q2 Corrective action
2.1.1	Number of land parcels identified and packaged for investment opportunities	1 Preliminary content and scoping report	1 Preliminary content and scoping report	1 High-level report on land parcels identified	Achieved 1 High-level report on land parcels identified	N/A	N/A
2.2.1	Value of investment facilitated	1 Property Investment Progress report	1 Property Investment Progress report	1 Property Investment Progress report	Achieved Property Investment Progress Report developed	N/A	N/A
2.3.1	Number of sector plans developed	Develop terms of reference.	Not achieved, 1 Scope development report	NA	NA	NA	NA

7.1 Investment Promotion

Based on performance across the first two quarters, BCMDA recorded a mid-year achievement of 83.5% for Outcome 2: *Investment Promotion*. This is calculated from 67% performance in Quarter 1 and 100% performance in Quarter 2, reflecting a strong recovery and improved delivery momentum in the second quarter.

The mid-year result demonstrates the Agency's growing effectiveness in advancing its three core investment promotion indicators: identification and packaging of land parcels, facilitation of investment value, and development of sector plans. While early-year performance was affected by project readiness and deal-cycle timing, the full achievement in Quarter 2 confirms that systems, coordination, and execution capacity have strengthened—positioning BCMDA well to sustain high performance and maximise investment impact in the second half of the financial year.

7.1.1 Number of Land Parcels Identified and Packaged for Investment Opportunities.



At mid-year, the Agency has made strong progress in building a credible, evidence-based pipeline of land-based investment opportunities. The work initiated in Quarter 1 through the development of a preliminary content and scoping report has been significantly strengthened in Quarter 2 through deeper technical and market analysis. This included the verification of land ownership, confirmation of erf numbers and property sizes, as well as the incorporation of socio-economic analysis, basic infrastructure assessments, and property market trend reviews. Together, these inputs have improved the robustness of the land packaging process and strengthened investor confidence in the Agency's investment propositions.

In parallel, BCMDA advanced its strategic sustainability agenda through the refinement of its Property Development Sustainability Plan, which was tabled and endorsed by the Board at mid-year. This milestone positions land development as a core pillar of institutional sustainability and future revenue generation. While continued engagement with Buffalo City Metropolitan Municipality remains important to deepen access to planning and technical information, the mid-year outcome reflects a solid and increasingly investment-ready platform for land parcel identification and packaging in the second half of the financial year.

7.1.2 Value of Investment Facilitated.

7.1.2.1 Reactivation of Priority Investment Projects

At mid-year, BCMDA placed strong emphasis on reactivating priority investment projects to strengthen the investment pipeline and unlock deal flow. Significant preparatory work was undertaken towards a strategic Investor Roundtable, supported by two Board sessions that focused on improving project management systems, clarifying project timelines, and identifying implementation risks. By the end of the period, investors linked to the

- Slipper Site,
- Marina Glen A,
- Victoria Grounds, and
- Seaview Terrace

had been identified and invited to participate in the Board-led roundtable scheduled for early 2026. Investors have also been requested to submit implementation plans in advance, ensuring that engagements are outcomes-driven and geared towards accelerating investment decisions.

7.1.2.2 Strategic Project Facilitation and Deal Readiness

BCMDA intensified engagements with Border Motorsport to address long-standing delays in progressing the East London Racetrack investment. The Agency provided structured guidelines on the development of the required business case and initiated a review of the draft lease agreement, recognising that the current legal instrument may not be optimal for unlocking long-term investment. These interventions aim to unblock a project that has been stalled for over two years and restore momentum towards a viable commercial and development model.

7.1.2.3 National Investment Positioning and Project Profiling



At national level, BCMDA submitted two major investment proposals to the National Department of Tourism for consideration at the G20 Tourism Investment Summit:

- Water World Completion and Management
- East London Racetrack Development

The Water World project was successfully shortlisted as one of only 57 projects nationally to be profiled at the Summit, elevating it to a strategic national tourism investment project. The project is now being actively promoted by the Minister across national and international platforms. Following this success, the Department has also expressed interest in the Racetrack project, with BCMDA preparing to update and resubmit the proposal in early 2026.

2.2.1.4 Strategic Institutional Partnerships – Transnet

Recognising the critical importance of logistics and port-linked development to Buffalo City's growth trajectory, BCMDA initiated a process targeted at holding a high-level engagement with the Transnet Board. This engagement is targeted at opening a pathway for prospective collaboration, with Transnet developing a shared development framework with BCMDA to align infrastructure investment, land use planning, and catalytic development initiatives that support regional competitiveness.

2.2.1.4 Enabling Major Anchor Investments – University of Fort Hare

Boost for CBD with Fort Hare to build R70m student life centre



BCMDA also played a key facilitative role in advancing a R70 million investment by the University of Fort Hare. The Agency supported the creation of an investment-friendly development environment by coordinating strategic engagements with the City's Human Settlements and Planning Departments and Fort Hare.

2.3.1 Number of sector plans developed.

At mid-year, BCMDA has made meaningful progress in advancing the film and creative industries sector as a strategic area for economic development and tourism growth within Buffalo City. The work initiated in Quarter 1 confirmed that BCMM possesses a strong comparative advantage for film production, with its diverse landscapes, unspoilt beaches, and cultural assets already attracting national and international productions. However, this potential is currently constrained by the absence of a fully developed film infrastructure value chain and a formalised strategy to coordinate and sustain sector growth. In response, BCMDA committed to developing the necessary strategic tools and policy framework to guide investment attraction, sector coordination, and long-term development of the local film economy.

During Quarter 2, this strategic direction was strengthened through further engagements with key sector partners, including the Eastern Cape Provincial Arts and Culture Council (ECPACC), the Eastern Cape Development Corporation (ECDC), and the Nelson Mandela Bay Development Agency (NMBDA). These engagements have focused on shaping a collaborative and integrated approach to film sector development across the region, recognising that a coordinated provincial and inter-agency model is essential to build scale, improve competitiveness, and attract sustained production activity. While additional work is required to finalise the institutional and operational model for how BCMM will systematically manage and grow this sector, the mid-year position reflects solid progress towards the development of a Film Sector Strategy that will position Buffalo City as a credible film destination, stimulate film-induced tourism, promote cultural heritage and eco-tourism, and support inclusive local economic development through the creative industries.

STRATEGIC OUTCOME 3: VIBRANT, ATTRACTIVE LOCAL SPACES

KPI ID	Key Performance Indicator (KPI)	Quarterly Targets Quarter 1	Quarter 1 Achievement	Quarterly Targets Quarter 2	Quarter 2 Achievement	Quarter 2 Comments/ Challenges	Quarter 2 Corrective action
3.1.1	Number of spaces planned for Rehabilitation (rural and urban	Develop concept, and Establish Multidisciplinary PSC	concept, and Establish Multidisciplinary PSC was developed	Develop a TOR for a master plan for Quigney,	Develop a TOR for a master plan for Quigney.	N/A	N/A
3.2.1	Number of beach sites renovation concepts developed	Conduct the social facilitation process.	Social facilitation not conducted	Need Anaysis/scoping report developed	The target was not achieved	N/A	N/A [
3.3.1	Number of properties under construction (Water World)	Determination value of outstanding work on-site report Draft funding application	Operating model report developed	Operating model report developed	A project charter for project implementation was developed.	N/A	N/A
3.3.2	Number of business development opportunities/p proposals pursued	1 Business development workshop conducted	The SHRA business development workshop was successfully attended, and the application is in progress	Progress report	Operating Model Report - SHRA Theory of Change report was developed and submitted for consideration	N/A	N/A

Half-year corrective focus and decision required by oversight:

Budget decision at adjustment, either allocate funds to enable delivery, or formally adjust the indicator and targets to reflect BCMDA's realistic role where BCMM is implemented.

If the indicator remains, reframe it to what BCMDA can credibly deliver within its control, for example, concept packaging, stakeholder facilitation, investment case development, or technical advisory outputs, rather than implementation deliverables.

3.1.1 Number of spaces planned for rehabilitation in rural and urban areas.

Progress under this indicator focused on the initiation of the procurement process to appoint a panel of multidisciplinary engineering consultants. The appointed panel will be responsible for undertaking master planning, feasibility studies, design work, contract administration, and supervision for rural and urban renewal projects across Buffalo City.

The rural and urban renewal master plan is intended to address social, economic, and environmental challenges while unlocking development opportunities in strategic investment nodes and special focus areas. These include housing and human settlements, central business districts and corridors, public amenities, transport and connectivity, industrial and maritime precincts, climate resilience, and cultural heritage and tourism. The procurement initiation marks a critical first step towards structured rehabilitation and long-term spatial transformation.

3.2.1 Number of beach site renovation concepts developed.

During the quarter, progress was made through the initiation of procurement for the appointment of a panel of multidisciplinary engineering consultants to assess and scope renovation interventions for Nahoon Beach and Bonza Bay Beach. Both beaches are prime tourism assets and face challenges related to safety, maintenance, infrastructure deterioration, and underdevelopment.

A conditional assessment report was conducted for scoping and budgeting for the refurbishment and upgrading of these facilities.

The renovation concepts aim to address environmental resilience, public safety, social inclusion, and economic development. The scope includes improvements to ablution facilities, parking,

lifesaving infrastructure, pollution management, and safety measures. The planned interventions are expected to enhance tourism appeal, improve community access, and stimulate local economic activity.

3.3.1 Number of properties under construction, Water World Fun Park

Water World Fun Park remains a strategic tourism asset intended to support tourism development, economic diversification, and recreational opportunities. During the reporting period, BCMDA appointed LGA Quantity Surveyors to conduct a conditional assessment of the project to determine the current state of works, scope to completion, cost estimates, and associated risks.

The assessment identified several challenges, including ineffective contract management, litigation related to contract termination, funding constraints, and escalating costs due to asset deterioration. The estimated cost to complete the project is approximately R54.7 million excluding VAT, with an anticipated construction duration of twelve months. The scope of completion includes alterations, external works, electrical installations, and mechanical installations. The assessment provides a credible basis for decision-making regarding project recovery and funding mobilisation.

5.3.2 Number of business development opportunities or proposals pursued.

During the quarter, BCMDA initiated the process to secure Social Housing Regulatory Authority accreditation to act as an implementing agent for social housing projects within Buffalo City. This process involves the development of a Theory of Change to demonstrate institutional capacity, governance arrangements, and implementation readiness. The accreditation process represents a strategic business development opportunity that positions BCMDA to expand its development mandate. The draft Theory of Change report was submitted to SHRA for their consideration as part of soliciting accreditation.

Additional initiatives under this indicator included the establishment of the Duncan Village Community Tourism Organization following an engagement held on 8 September 2025. It was resolved that the structure would be registered as a Non-Profit Company to enable access to funding and formal participation in the tourism economy.

The Heritage Day celebration held on 23 September 2025 at the BCMDA Courtyard further contributed to economic and cultural development by providing local crafters and designers with

market exposure and sales opportunities while promoting social cohesion and cultural appreciation.



Nahoon Beach



Bonza Bay Beach



3.6 Number of Business Development Opportunities and Proposals Pursued

During the period under review, the Agency actively pursued two strategic business development opportunities aimed at expanding its operational footprint and diversifying revenue streams. The first initiative involved the development and submission of a proposal to establish a dedicated Project Management Office to support the implementation of infrastructure and delivery programmes for the Department of Education. This proposal positions the Agency as an implementation partner capable of providing structured project governance, oversight, and execution support, and is currently awaiting formal feedback from the Department.

In parallel, the Agency initiated a process to obtain accreditation as an implementing agent for social housing programmes with the Social Housing Regulatory Authority. This accreditation process is intended to enable the Agency to participate directly in the planning and delivery of social housing projects, thereby strengthening its development mandate, enhancing institutional capability, and opening new avenues for sustainable programme implementation.

STRATEGIC OUTCOME 4: BUILDING AN INCLUSIVE AND RESILIENT ECONOMY

KPI ID	Key Performance Indicator (KPI)	Quarterly Targets Quarter 1	Quarter 1 Achievement	Quarterly Targets Quarter 2	Quarter 2 Achievement	Quarter 2 Comments/ Challenges	Quarter 2 Corrective action
4.1.1	Number of socioeconomic projects implemented through Environmental Management.	1 project management report developed	Project implementation is in progress, and 15% progress has been achieved.	1 project management report developed	Project implementation is in progress, and 27% progress has been achieved.	N/A	None

BCMDA is mandated to conceptualise, plan, and implement catalytic socio-economic development projects that advance inclusive growth and long-term resilience within the Buffalo City Metro. The Socio-Economic Development Unit is responsible for the rollout of targeted programmes designed to improve livelihoods, with a deliberate focus on historically marginalised and economically disengaged groups, particularly youth and women. These interventions are further structured to address spatial development imbalances across the metro by integrating previously disadvantaged areas into mainstream economic activity, while simultaneously promoting sector diversification in priority areas such as textiles, agriculture, and renewable energy development.

Although the programme remains at a developmental and early implementation stage, foundational initiatives to support Small, Medium, and Micro Enterprises are beginning to take root. In the short to medium term, the Unit's objective is to scale structured SMME support in alignment with the BCMDA SMME Policy and Strategy, strengthening enterprise sustainability and local economic participation. In promoting improved livelihoods and employment outcomes, the Unit also adopts innovative job-creation approaches through strategic partnerships, including public employment and work-based programmes. The Socio-Economic Development Unit is responsible, inter alia, for implementing projects with direct impact on marginalised groups, driving rural development initiatives, advancing SMME development strategies, and coordinating partnerships and Corporate Social Investment projects.

Current socio-economic development programmes under implementation are aimed at strengthening the Agency's responsiveness to emerging socio-economic needs and deepening its developmental impact across the metro.

Half-year trajectory: The Environmental Management-linked programme continues, with progress tracked against construction implementation and project reporting. The Quarter 2 tables reflect implementation progress tracking for the programme. Half-year corrective focus: strengthen schedule realism and evidence and align the implementation progress claims in the KPI tables so that the reported percentage progress is consistent across the narrative and dashboards.

4.1 Integrated Waste Management, Greening, and Beautification Programme

The Buffalo City Metropolitan Development Agency, in partnership with Buffalo City Metropolitan Municipality, successfully secured conditional grant funding from the National Treasury to implement an Integrated Waste Management, Greening, and Beautification Programme. The programme was structured around six interrelated components, namely waste management, greening initiatives, coastal guards, public art, textiles and prints, and public education and awareness.

It formed part of the national Good Green Deeds and city-wide waste management initiatives funded through the Department of Environmental Affairs, aimed at promoting environmental sustainability, job creation, and improved urban aesthetics. While funding for the continuation of the programme was secured, subsequent changes in institutional arrangements resulted in BCMDA's implementation role becoming unclear. As a result, responsibility for implementation was reassigned, and the programme no longer falls under BCMDA's direct mandate.

4.2 Small-Scale Farmers Support

In alignment with Outcome 3, which focuses on advancing inclusive socio-economic development, the revitalisation of the agriculture and agro-processing value chain was identified as a priority intervention area.

In this regard, the Agency allocated budgetary support to initiate economic regeneration projects at Shushu B and Maclean Town, both of which are agriculture-based and aimed at strengthening local production and livelihoods. A structured needs assessment is currently underway to define project requirements, inform appropriate interventions, and guide funding mobilisation. In parallel, soil suitability studies are being conducted in collaboration with the Department of Rural Development and Agrarian Reform to determine land capability and ensure the sustainability of proposed agricultural activities. The outcomes of these assessments will inform project design, funding sourcing, and phased implementation in support of small-scale farmers and local agro-processing development.

STRATEGIC OUTCOME 5: AN EFFICIENT, WELL-GOVERNED, AND VIABLE AGENCY

Half-year trajectory: Governance and corporate services delivery remain positive, with a recurring governance risk relating to committee quorums as already noted in Q1 narrative, and a budget austerity reality that is now explicitly reflected in Quarter 2 financial commentary.

On the finance and sustainability indicators, Quarter 2 confirms continued liquidity strength and prudent creditor management, but it also flags funding reduction risk and operational capacity pressure.

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	40 298 235	Cash and Bank Balance	977 461
Expenditure	(27 216 002)	Call investments	21 347 538
Operating Surplus	13 082 233	Cash and cash equivalents	22 324 999
Capital Expenditure	0	Account Payables	(977 125)
Surplus after capital expenditure	13 082 233	Unspent conditional grants	(5 671 603)

FINANCIAL		HUMAN RESOURCES	
Operating surplus for the period	13 082 233	Total Staff Compliment (excluding interns)	38
YTD Grants and Subsidies	39 276 693	Staff Appointments	0
%Creditors paid within term	100%	Staff Terminations	0
Quick Ratio	2.60:1	Number of funded vacant posts	4
Current Assets	43 489 335	Salary bill – Officials	(14 465 492)
Inventory	43 124	Workforce costs as a % of expenditure (incl. capex)	53%
Current Liabilities	16 709 172	Workforce costs as a % of expenditure (excl. capex)	53%

5.1 GOVERNANCE REPORT

5.1.2 Strategy, Risk, and Research Performance

During the period under review, the Strategy and Research function of the Buffalo City Metropolitan Development Agency successfully designed, coordinated, and anchored a series of structured panel discussions aimed at strengthening evidence-based strategic planning, policy alignment, and catalytic project identification. These engagements formed part of BCMDA's deliberate approach to grounding its medium-to long-term strategy in stakeholder intelligence, sector-specific insights, and practical implementation realities within the Buffalo City Metro.

The panel discussions were deliberately structured around priority economic sectors and spatial development themes identified in the Agency's strategic framework, with a

strong emphasis on value chain development, infrastructure readiness, inclusive growth, and partnership enablement.

Strategic Contribution and Research Value

Agro- processing Panel

The agro-processing panel provided a critical research platform to interrogate the current agro-processing landscape within Buffalo City, with a specific focus on value addition, food security, and local beneficiation. Inputs from provincial departments, development agencies, organised agriculture, and farmer associations enabled the Strategy and Research unit to consolidate sector-specific intelligence on value-chain gaps, infrastructure constraints, and partnership opportunities. This engagement directly informed BCMDA's strategic understanding of how agro-processing can be leveraged as a driver of inclusive economic development, rural-urban integration, and job creation over the next five-year planning horizon.

The infrastructure and property development session strengthened BCMDA's spatial and infrastructure intelligence by assessing land readiness, development constraints, and the role of catalytic projects in unlocking inclusive urban growth. Strategic insights gathered from municipal leadership, traditional authorities, and intergovernmental stakeholders highlighted systemic bottlenecks related to planning approvals, bulk infrastructure coordination, and public facility optimisation. The Strategy and Risk function used these inputs to refine its approach to land packaging, asset optimisation, and infrastructure sequencing within priority precincts.

Unlocking Economic Opportunities Panel

The second-day panel on unlocking economic opportunities enabled BCMDA to assess the readiness, viability, and economic impact potential of existing and emerging catalytic projects. The dialogue generated actionable intelligence on industrial diversification, collaboration nodes, and partnership models involving government, the private sector, and development finance institutions. These insights strengthened BCMDA's internal project prioritisation framework and informed the identification of high-impact interventions capable of accelerating investment and implementation.

Tourism Panel

The tourism-focused discussion contributed to a deeper strategic understanding of destination-led growth within Buffalo City. Through inputs from provincial leadership and sector stakeholders, the Strategy and Research unit was able to identify key constraints affecting competitiveness, including destination management, infrastructure gaps, and market positioning. Importantly, the panel reinforced the strategic imperative of inclusive tourism, with targeted interventions to support SMMEs, township enterprises, youth, and women within the tourism value chain.

Performance Outcome and Strategic Impact

The successful execution of all four panel discussions demonstrates effective performance in strategic research facilitation, stakeholder intelligence gathering, and evidence-based planning support. The engagements produced consolidated qualitative data, sector insights, and strategic perspectives that are being integrated into BCMDA's strategic planning instruments, catalytic project pipelines, and partnership frameworks.

Collectively, these panels strengthened BCMDA's role as a strategic convener, knowledge broker, and development catalyst. The outputs directly support informed decision-making, improved strategic alignment across spheres of government, and the refinement of priority interventions aimed at unlocking sustainable and inclusive economic growth within the Buffalo City Metro.

BCMDA maintained a moderate risk posture, with risk exposure driven primarily by execution and capacity constraints rather than weaknesses in policy design or governance architecture. The enterprise risk framework remains aligned to MFMA, King IV, and ISO 31000 principles, with formal oversight exercised through the Board and Audit and Risk Committee, and risk ownership clearly located within management portfolios. The internal control environment is assessed as moderately effective, supported by approved policies and frameworks, but uneven implementation persists across delivery-focused units. Risk concentration remains highest in operational execution, financial sustainability, compliance enforcement, and contract management, reflecting AGSA's recurring focus on preventative and detective controls. Importantly, the risk heat map confirms that BCMDA's exposure is not systemic, but

linked to follow-through, delayed mitigation execution, and resource dependencies, particularly in PPDM and IPTD, while ICT and OCFO continue to demonstrate stronger and more stable control maturity.

From an implementation perspective, the half-year review indicates steady progress in embedding risk management into operational monitoring, supported by quarterly risk reviews, action-plan tracking, and improved combined assurance coordination. Across the reporting period, the Agency recorded a growing proportion of risks rated as satisfactory or good in terms of control effectiveness, with notable strengths in cybersecurity, business continuity, payroll controls, and financial reporting automation. However, material risks remain in project execution, procurement automation, records management, fraud awareness, and consequence management, due to organisational development delays and budget limitations.

Overall risk management maturity has progressed from compliance-driven toward a developing to established state, with increasing use of risk information in oversight and management deliberations. Sustained improvement in the second half of the year will depend on finalising the organisational structure, accelerating system automation, and strengthening accountability for in-progress and unachieved mitigation actions to ensure durable audit outcomes and service-delivery resilience.

5.1.5 Annual general meeting (AGM)

The Fifth Annual General Meeting took place on 18 August 2025. The coming sixth and seventh Annual General Meetings are pending scheduling until the Shareholder communicates a suitable date to the Agency. The next AGM is scheduled to take place in Quarter 3, 2026.

5.1.6 Board and Committees

Board and Committee meetings are held in accordance with the Board Plan developed at the beginning of the financial year. The Committees ensure that matters are thoroughly considered and processed before they are recommended for Board approval. The referral system from the Board Management and from Management to committees, then the Board is managed effectively, as Executive Management

meetings take place to prepare for Committee and Board meetings as part of the corporate calendar.

The Audit, Risk, and Compliance Committee is effectively fulfilling its oversight responsibilities. The Board Charter and the Terms of Reference for the various Committees are due for review and will be reviewed over 2026/27.

The Audit Committee is functional, with two new members having been appointed seconded by BCMM to the agency ARC.

5.1.7 Fight against fraud and corruption

BCMDA is compliant with Fraud Prevention requirements as it has developed and implements a fraud prevention Policy and Plan. Fraud risk workshops have been conducted, and the agency shares the whistleblowing number with the Municipality.

5.1.8 Policies and procedures

The operations of the Cooperation are governed by policies that are approved by the Board. The governing principle is that policies are reviewed every three years unless there is a change to Legislation/ Treasury Regulations. The policies have been reviewed.

5.1.9 Contingent liabilities and legal matters

Table 1: Contingent liabilities

Matter	Nature	Potential Liability	Status	Attorneys
Water World Fun Park	Dispute following contract termination (20 April 2023). Awaiting the final account to determine liability.	Undetermined	Matter under review; arbitration led by BCMM Legal Services.	Dyushu & Majebe Inc.

Mr. Yawathe (Project Manager: Infrastructure Development)	Dismissal dispute referred to CCMA for arbitration.	R86,055.25	Arbitration proceedings are ongoing; postponed to October 2025. To follow up on the update.	Jolwana Attorneys
PEP Participants	Termination dispute and reinstatement	Collective claims-some undetermined	Awaiting instruction from the user dept and HR post withdrawal agreement from CCMA.	HR
Mariswe (Pty) Ltd	Dispute following termination of contract due to scope misalignment.	Legal proceedings institute. Matter defended.	R1.1m	Dyushu Majebe Attorneys

5.1.10 Litigation

As of 31 December 2025, the Buffalo City Metropolitan Development Agency (BCMDA) had a few contingent liabilities arising mainly from contractual matters linked to previously terminated contracts and programmes as well as a few labour matters. These matters have not been recognised as provisions, as their outcomes remain uncertain and depend on the finalisation of arbitration, litigation, or settlement processes.

5.2 FINANCIAL PERFORMANCE

KPI ID	Key Performance Indicator (KPI)	Quarterly Targets Quarter 1	Quarter 1 Achievement	Quarterly Targets Quarter 2	Quarter 2 Achievement	Quarter 2 Comments/Challenges	Quarter 2 Corrective action
5.1.1	Health of financial ratios	Quick Ratio = 2:1	Quick Ratio = 2.25:1	Quick Ratio = 2:1 Debt Coverage Ratio = 1:1 Operating Cost Coverage = 2:1 Solvency = 1:1	Quick Ratio = 2.25:1. Achieved	☒ Quick Ratio – 2.60:1 ☒ Debt Coverage Ratio – 1.19:1 ☒ Operating Cost Coverage ratio – 0.67:1 ☒ Solvency ratio – 1.21:1 All ratios are well within norms; there is a financial health concern as the ratios compared to the prior year have decreased.	Management is currently developing a financial sustainability plan. This will cover new revenue streams and business development initiatives. Further engagements are being held with the City to resolve the funding issues related to NDP. This would increase cash reserves and improve the solvency ratio. Cost containment and debt management will be increased to

							ensure more aligned ratios by year-end.
5.1.2	Compliance with financial planning, administration, and reporting requirements	100% compliance	100% compliance	100% compliance	Achieved	Achieved: -Financial and performance reports submitted. -% of creditors paid within 30 days; -Monthly budget statements submitted by the 7th working day. -Reconciliation of revenue, expenditure, assets, and liabilities performed. -EMP 201 returns submitted within 7 days. -VAT 201 returns must be submitted by the last working day of the month. -EMP 501 returns submitted by October and May. -Monthly Updating and	n/a

						maintenance of the fixed asset register performed. -Submission of annual budget for approval by 31 May – not yet due. -mSCOA compliance monitored. -% Compliance with Supply Chain Management Policy;	
						-Develop and adhere to an annual procurement plan. - Monthly evaluation of supplier performance and maintenance of contracts register performed.	
5.1.3	Improved Audit Outcome	N/A	N/A	Unqualified Audit Opinion without findings	Not Achieved.	Achieved an unqualified audit opinion with findings. There is 1 material non-compliance area around audit	Audit action plan is being developed to address audit findings.

						adjustments that resulted in a stagnation in audit outcomes.	
5.1.4	Expenditure incurred	25% Spending of the grant from the city	24% Spending of the grant from the city	50% Spending of the grant from the city	Achieved	Spending as at Q2 is 55% of the grant from the city.	N/A
5.1.5	Improved percentage implementation of recommendations from the External and Internal Audit Reports	Nil	N/A	20% Implementation of recommendations from external and internal audit reports.	Achieved. All findings for the division have been resolved	66% of recommendations have been implemented and are on track. 16% are in progress but not on track, and another 16% have not yet commenced due to the timing of implementation.	Finalisation and implementation of the audit action plan to commence in the 3 rd quarter. Quarterly target for this KPI to be reviewed for future APPs.
5.1.6	Percentage LEVEL ONE BBEE expenditure on the procurement of goods and services	75% LEVEL ONE BBEE expenditure on the procurement of goods and services	95.28%, Achieved	75% LEVEL ONE BBEE expenditure on the procurement of goods and services	Achieved	BBBEE spend to date is greater than 90%.	n/a

A full report on the financial status of the Agency is appended to this report.

5.3 CORPORATE SERVICES

KPI ID	Key Performance Indicator (KPI)	Quarterly Targets Quarter 1	Quarter 1 Achievement	Quarterly Targets Quarter 2	Quarter 2 Achievement	Quarter 2 Comments/ Challenges	Quarter 2 Corrective action
5.2.1	The percentage submission of legislated reports to the Department of Labour	N/A	N/A in Q1	N/A	N/A	N/A	N/A
5.2.2	Percentage submission of all staff. performance-related documents	100% Performance agreements 100% submission of disclosures 100% submission of performance reviews	Workplans not signed by all staff - 72% submission of work plans. 96.4% submission of disclosure for benefits and interest	N/A	N/A	N/A	N/A
5.2.3	Percentage annual training budget spent	25% spent on approved training budget	Achieved, 29% of the training budget spent	50% spent on approved training budget	Not Achieved.	Budget challenges	To be considered during adjustment.

5.2.4	Percentage people and Culture strategy interventions implemented	100% planned wellness interventions implemented.	The draft People and Culture Strategy was revised to accommodate the budget cut. Achieved	100% planned wellness interventions implemented.	The draft People and Culture Strategy was revised to accommodate the budget cut. Achieved	To be communicated	To be communicated
5.2.5	Percentage of funded vacancies filled	25% of identified, funded, advertised, and filled.	Not Achieved. Recruitment has been put in obedience due to ODD.	50% of the identified funded	Not Achieved. Recruitment has been put in obedience due to ODD.	N/A	N/A

KPI ID	Key Performance Indicator (KPI)	Quarterly Targets Quarter 1	Quarter 1 Achievement	Quarterly Targets Quarter 2	Quarter 2 Achievement	Quarter 2 Comments/Challenges	Quarter 2 Corrective action
			d	advertised and filled		vacancies	review process.
5.2.6	Percentage Workspace management compliance to OHS	100% compliance with the OHS Act	Not Achieved, due to budget constraints, Health and Safety Officers could not be trained	100% Induction of the OHS committee	Achieved	N/A	N/A

5.2.7	Number of Facilities Management reports submitted	Submission of 1 Quarterly Facilities Management Report	Achieved	Submission of 1 Quarterly Facilities Management Report	Achieved	N/A	N/A
5.3.1	Percentage The availability of the ICT system achieved	<95% System Availability	Achieved	<95% System Availability	Achieved		
5.3.2	Percentage completion of failover tests	1 System Restore/Failover tests performed	Achieved	1 System Restore/Failover tests performed	Achieved		
5.3.3	Percentage adherence to prescribed help desk response time	Less than 3 hours response time to ICT calls	Achieved	Less than 3-hour response time to ICT calls	Achieved	N/A	N/A
5.3.4	Number of ICT Governance meetings	1 ICT Steering Committee meeting	Achieved	1 ICT Steering committee meeting	Achieved	N/A	N/A
5.3.5	Number of master plan systems implemented	Develop Terms of Reference	Achieved	Digitise 1 Standard Operating Procedure	Achieved	N/A	N/A
5.3.6	Number of business-critical software solutions renewed	N/A	Achieved	1 business-critical software solution renewed	Achieved	N/A	N/A

5.3.1 Human Resource Management

5.3.1.1 Recruitment

There was one interview conducted during the mid-term. The Agency is in the process of reviewing Organization Design and Development (OD). The agency initiated an organisational review process that includes the consideration of the strategy of the organisation as well as the design thereof. There was one interview conducted in the last quarter.

The resignations/terminations are as follows;

Positions	Reason for Vacancy
1. Risk & Compliance Officer	Resignation
2. Secretariat & Legal Assistant	Resignation
3. Chief Investment Officer	Termination
4. Project Manager: Socio-Economic Development	Resignation
5. Project Manager: Infrastructure Development	Termination
6. Manager: Financial Administration	Resignation

5.4 INFORMATION COMMUNICATION AND TECHNOLOGY

Indicator 5.4.1: Ensure System Availability

During the period under review, the Information Communication and Technology unit remained responsible for ensuring continuous system availability to support business continuity and safeguard the Agency's operational and financial stability. High system availability is essential in preventing operational disruptions, enabling uninterrupted access to systems and services, and ensuring that employees can perform their duties efficiently.

The Agency maintains a formal service level agreement with its ICT network service provider, which prescribes a minimum system uptime of 99 percent. For the quarter under review, the ICT unit exceeded this requirement by achieving an average system availability of 100.00 percent. This performance reflects effective system monitoring, proactive maintenance, and timely mitigation of potential risks such as hardware failures, network interruptions, and cybersecurity threats. The sustained uptime ensured uninterrupted business operations and reduced exposure to operational and financial risks.

Indicator 5.4.2: Prompt ICT Response Time

The ICT helpdesk function continued to provide critical support to users by managing and resolving ICT-related incidents and service requests. The helpdesk reports serve as an important management tool, providing insights into the efficiency, effectiveness, and reliability of ICT support services. These reports capture user-logged incidents, response times, resolution trends, and recurring technical issues, enabling continuous service improvement.

For the period under review, the ICT unit recorded an average response time of 37 minutes from the time a ticket was logged. This demonstrates enhanced responsiveness and operational efficiency within the ICT unit, contributing to improved user satisfaction and reduced downtime across the organisation.



Figure 1: Logged tickets and average response time

Three committee meetings were held during the period instead of the planned four. The Audit and Risk Committee did not meet quorum during the period under review; however, the committee has been scheduled to sit in the subsequent quarter to address outstanding matters.

Financial Sustainability Strategy

KPI 5.1.7 is proposed as an additional indicator to be included in the revised 2025/26 Annual Performance Plan. The indicator relates to the development and securing of Board and Council approval for the Agency's financial sustainability strategy by 30 June 2026. As this KPI was introduced during the financial year, performance measurement at mid-term is not applicable. Implementation of the strategy is planned for the 2026/27 financial year, with the long-term objective of strengthening the Agency's financial sustainability.

Corporate Services Performance

The Corporate Services Department continued to play a critical enabling role in supporting organisational efficiency and effectiveness through Human Resource Management, Information and Communication Technology, and Facilities Management. Particular emphasis was placed on workspace safety and Occupational Health and Safety compliance, positioning Facilities Management as a key contributor to employee wellbeing and productivity.

The unit had a total of 12 KPIs, of which two had no targets for the quarter under review. As a result, performance was assessed against ten measurable KPIs. Eight of these targets were achieved, resulting in an achievement rate of 80 percent. This performance reflects a sustained commitment to operational excellence and internal service delivery.

5.4 Chief Executive Officer

Company Secretary, Strategy & Risk and Communication

KPI ID	Key Performance Indicator (KPI)	Target Quarter 1	Status Quarter 1	Target Quarter 2	Status Quarter 2	Corrective measures & Remedial Actions
5.4.1	No of Annual General Meetings Convened	N/A		1 AGM Conducted		To be held in Q3
5.4.2	No of board meetings convened	1 board meeting held		1 board meeting held		None
5.4.3	No of committee meetings convened	4 committee meetings held		1 board meeting held		None
5.5.1	No of APP Developed	N/A		Draft APP Developed		None
5.5.2	No of annual reports developed	Draft Annual report developed.		Draft Annual Report		None
5.5.3	No of risk assessment reports developed	1 organizational risk report developed		1 organizational risk report developed.		None
5.6.1	No of stakeholder reports developed	1 stakeholder report developed		1 stakeholder report developed		None
5.6.2	No of communication platforms updated with content	2 communication platforms updated with content quarterly		2 communication platforms updated with content quarterly		None

Sound and Effective Governance

Governance processes remained functional during the reporting period. The Annual General Meeting was held on 18 August 2025 and was successfully concluded. Previous Annual Reports were presented to stakeholders and formally noted. A Board meeting was convened on 05 September 2025, with all Board members in attendance, demonstrating stability and oversight at the governance level. The risk assessment was done in July 2025. The draft Annual Report was submitted to the city on 10 December 2026.

Effective Stakeholder Management and Communications

The Agency applied its approved stakeholder matrix to guide structured engagement with key stakeholders. Stakeholder interactions during the period were focused on the municipality, government departments, and the investment community. This focus supported alignment with municipal priorities and strengthened intergovernmental coordination.

Number of Communication Platforms Updated with Content

The Agency maintained an active digital presence through regular website updates. Six news items were published on the Agency website during the period under review. Regular updates to the news section enhance transparency, strengthen brand positioning, encourage repeat engagement, and provide a credible platform for communicating key achievements and announcements. An up-to-date website reflects a professional, responsive, and forward-looking organisation.

	Engagement	Stakeholder Group	Date
1	BCMDA& ECDC Film Sector Feasibility Initiative	Investment Community	04 July 2025
2	Masizakhe Children's Home Mandela Day Celebrations	Municipality	18 July 2025
3	BCMDA Pre-investment round table session	Internal Program	24 July 2025
4	BCMDA Board Meeting	Internal Program	25 July 2025
5	IGR Committee Meeting	Municipality	25 July 2025
6	Risk Awareness & Fraud Prevention Workshop	Internal Program	30 July 2025
7	BCMM Special Council Meeting	Municipality	30 July 2025
8	BCMDA New Employee Induction	Internal Program	01 August 2025
9	BCMM councillors & traditional leaders meeting with COGTA	Municipality	06 August 2025
10	BCMM councillors & traditional leaders workshop on draft IDP	Municipality	12 August 2025
11	BCMDA Board Committee Meeting	Internal Program	13 August 2025
12	BCMDA Board Committee Meetings	Internal Program	14 August 2025
13	BCMDA 6 th Annual General Meeting	Internal Program	18 August 2025
14	8 th Archbishop Thabo Makgoba Annual Lecture	Business Partners and Industrial bodies	19 August 2025
15	DDM Meeting	Government & Government Agencies	19 August 2025



5.6.2 Number of communication platforms updated with content

1.1 Website Updating our news section on a company website is important because it demonstrates that the organization is active, transparent, and engaged with the BCMM community. The regular updates help build credibility, support brand positioning, encourage repeat visits to the site, and provide a reliable channel for communicating important announcements or achievements. An up-to-date news section reflects a professional and forward-moving company. There were 6 website News updates during the period under review.