

MBIZANA LOCAL MUNICIPALITY



FINAL INTEGRATED DEVELOPMENT PLAN

2014 – 2015 REVIEW

CONTACT DETAILS

OFFICE OF THE MUNICIPAL MANAGER

51 MAIN STREET BIZANA

TEL: 039 2510 230

FAX: 039 2510 667

Email: lmahlaka@mbizana.org.za

TABLE OF CONTENTS

1.	GLOSSARY OF TERMS	7
2.	EXECUTIVE SUMMARY	10
3.	BACKGROUND AND PURPOSE OF THE IDP	14
3.1	IDP Objectives.....	14
3.2	Guiding Considerations	16
3.2.1	National Development Plan, Vision 2030	16
3.2.2	Millennium Development Goals	17
3.2.3	Delivery Agreement: Outcome 9	18
3.2.4	Powers and Functions	19
3.3	FOCUS AREAS OF THE REVIEW	21
3.3.1	Updating of the Planning Data	21
3.3.2	Response to comments raised by MEC during 2013 / 2014 IDP Assessment	21
3.3.3	Responses to issues raised by AG relating to IDP, PMS & Budget linkages	22
4.	IDP PROCESS PLAN	22
4.1	The roles and Responsibilities in the IDP Processes.....	22
4.2	Public Participation Mechanism and Procedures.....	24
4.3	Public Participation Mechanisms for this IDP.....	24
4.4	The IDP Process Plan 2014 /2015.....	25
4.5	Community Participation and Community Issues.....	28
4.6	Procedures for Alignment of this IDP.....	40
5.	UPDATED SITUATIONAL ANALYSIS	42
5.1	Mbizana MunicipalitiesqDemographic Profile.....	42
5.1.1	Brief Description of the Municipal Area	42
5.1.2	Population by Municipalities under ANDM	43
5.1.3	Total Population Distribution by race	44
5.1.4	Population by Gender Distribution	45
5.1.5	Population by Age Distribution	45
5.1.6	Employment Profile	46
5.1.7	Educational Profile and Literacy Levels	46
5.1.8	Distribution of Households by Income	47

5.1.9	Tenure Status	48
5.1.10	Access to Internet Services	48
5.2	GOOD GOVERNANCE AND PUBLIC PARTICIPATION.....	49
5.2.1	Council Structures	49
5.2.2	Council Oversight	50
5.2.3	Public Participation	51
5.2.4	Ward Committees	51
5.2.5	Community Development Workers	51
5.2.6	Traditional Leadership Partnerships	52
5.2.7	Communications and Customer	52
5.2.8	Intergovernmental Relations	53
5.2.9	Performance Management System	53
5.2.10	Audit and Compliance	55
5.2.11	Audit Action Plan 2012/2013	56
5.2.12	Risk Management	71
5.2.13	Fraud and Corruption	71
5.2.14	Litigation	72
5.2.15	Municipal By-Laws	72
5.2.16	Focus On Special Groups	72
5.2.17	Youth	73
5.2.18	Gender	73
5.2.19	Children	73
5.2.20	Older Persons	73
5.2.21	People Living with Disabilities	74
5.2.22	Sport Development	74
5.2.23	HIV / AIDS	74
5.3	INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	76
5.3.1	Political Institutional Arrangements	76
5.3.2	Administration Structure	78
5.3.3	Municipal Offices	78
5.3.4	Organizational Structure	79
5.3.5	Populated Staff Establishment	87
5.3.6	Municipal Manager S56 Managers and Line Managers	87

5.3.7	Recruitment and Selection	88
5.3.8	Labour Relations	89
5.3.9	Skills Development, Training and Capacity Building	89
5.3.10	Employment Equity Plan	91
5.3.11	Performance Management System	92
5.3.12	Auxiliary Services	92
5.3.13	Retention Strategy	92
5.3.14	Succession Plan	93
5.3.15	Fleet Management	94
5.3.16	Employee Health and Well - being	94
5.3.17	Leave Management	94
5.3.18	Occupational Health and Safety	95
5.3.19	Human Resource Plan	95
5.3.20	Payroll Management and Administration	95
5.3.21	Information and Communication Technology	95
5.3.22	Network Infrastructure	96
5.3.23	Telephone System	96
5.3.24	Web Content Management	96
5.3.25	Policies, Strategies and Frameworks	97
5.3.26	Implementation of AG's Recommendations 2012/13	97
5.3.27	Tools of Trade and Procurement of IT Equipment	97
5.4	FINANCIAL VIABILITY	98
5.4.1	Overview	98
5.4.2	Funding Streams	100
5.4.3	Auditor General's Concerns	101
5.4.4	Filing System and the Audit File	102
5.4.5	Financial Plans	103
5.4.6	Grant Usage	103
5.4.7	Debtors and Creditors turnover rate	104
5.4.8	Internal Controls	104
5.4.9	GRAP Compliant Asset Register	106
5.4.10	Revenue Enhancement and Collection Strategy	107
5.4.11	Financial Recovery Plan to address cash flow problems	108
5.4.12	Supply Chain Management	108

5.5	DEVELOPMENT PLANNING	109
5.5.1	LED Strategy	109
5.5.2	Local Economic Development Forum	109
5.5.3	Economic Master plan	110
5.5.4	SMME & Cooperative Programme	110
5.5.5	Community Works Program (CWP)	110
5.5.6	Agricultural Sector	111
5.5.7	Forestry Sector	112
5.5.8	Tourism	114
5.5.9	Mining	115
5.5.10	Integrated Energy Centre	115
5.5.11	Informal Trading:	115
5.5.12	Exploit comparative and competitive advantage for industrial activities	116
5.5.13	Wild Coast Development	117
5.5.14	Gross Development Product	118
5.5.15	Human Development Index	118
5.5.17	State of Land Claims	120
5.5.18	State Owned Land	121
5.5.19	Settlement Patterns	122
5.5.20	Dwelling Type	123
5.5.21	Spatial Development Framework	124
5.5.22	Housing Delivery	124
5.6	COMMUNITY SERVICES	126
5.6.1	Environmental Management	126
5.6.2	Biophysical Environment	126
5.6.3	Biodiversity Management	127
5.6.4	Environmental Backlogs:	128
5.6.5	Waste Management	129
5.6.6	Recycling initiatives	130
5.6.7	Climate Change	130
5.6.8	Marine Resource	131
5.6.9	List of Estuaries in Mbizana and their Challenges	132
5.6.10	Alien Plants Encroachment	135
5.6.11	Planned Interventions to overcome Environmental backlogs:	136

5.6.12	Health Services	138
5.6.13	Community Facilities	138
5.6.14	Social security services	139
5.6.15	Social Development	140
5.7	ENGINEERING SERVICES	144
5.7.1	Water Services	144
5.7.2	Sanitation	145
5.7.3	Roads and storm water drainage	146
5.7.4	Municipal Financial Years (July . June)	147
5.7.5	Road Maintenance	150
5.7.6	Eighteen (18) Prioritized Access Roads for 2013-2014	151
5.7.7	Two Community Halls for 2013 / 2014	152
5.7.8	Prioritized Access Roads / projects for 2014-2015 Financial Year	153
5.7.9	Energy Supply	157
	Electrification Projects for 2014 / 2015 - to be done by the Municipality	158
6.	FORWARD PLANNING	160
	Municipal Vision	160
	Municipal Mission Statement	160
	Municipal Values	160
	Institutional Score Cards	161
6.1	Municipal Broad Development Priorities and Targets for 2012 / 2017	161
6.2	Municipal Partnerships	164
6.3	Objectives, Strategies and Project Implementation Plan	165
6.4	Commitments by Sector Departments and Parastatals	224
7.	INTEGRATION AND ALIGNMENT OF THIS IDP WITH NATIONAL, PROVINCIAL AND DISTRICT PLANS	228
7.1	National Development Plan	228
7.2	Millennium Development Goals	229
7.3	Delivery Agreement: Outcome 9	230
7.4	Provincial Growth and Development Plan	230
7.5	Provincial Development Priorities	231
7.6	Local Strategies and Plans	231

7.6.1	Spatial Development Framework	231
7.6.2	Local Economic Development Strategy	232
7.6.3	Housing Sector Plan	232
7.6.4	Mbizana Tourism Master Plan	232
7.6.5	Integrated Waste Management Plan	235
7.6.6	Human Resources Development Strategy	235
7.6.7	Staff Retention Strategy	235
7.6.8	Revenue Enhancement Strategy	236
7.6.9	HIV and AIDS Strategy	236
8.	ASSESSMENT MATRIX FOR SECTOR PLANS AND POLICIES 2014/15	237
9.	MUNICIPAL ANNUAL BUDGET 2014/2015.....	239
9.1	Executive Summary.....	239
9.2	Operating Revenue Framework.....	241
9.3	Property Rates	246
9.4	Sale of Electricity and Impact of Tariff Increases	247
9.5	Waste Removal and Impact of Tariff Increases	248
9.6	Other Municipal Tariffs	249
9.7	Operating Expenditure Framework.....	252
9.8	Priority given to repairs and maintenance.....	254
9.9	Free Basic Services: Basic Social Services Package	256
9.10	Capital expenditure	256
9.11	Annual Budget Tables	259
9.12	Local Economic Development	265
9.13	Spatial Planning SDF review.	266
9.14	Overview of budget related-policies.....	273
9.14.1	Review of credit control and debt collection policy	273
9.14.2	Asset Management, Infrastructure Investment and Funding Policy	273
9.14.3	Budget Adjustment Policy	274
9.14.4	Supply Chain Management Policy	274
9.14.5	Budget Policy	274
9.14.6	Cash Management and Investment Policy	275
9.14.7	Tariff Policies	275
10.	APPROVAL	277

1. GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASP	Comprehensive Agriculture Support Programme
CBD	Central Business District
CBO	Community Based Organization
CFO	Chief Financial Officer
CPF	Community Policing Forum
CPI	Consumer Price Index
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLGH	Department of Local Government
DM	District Municipality
DME	Department of Mineral and Energy
DoALR	Department of Agriculture and Land Reform
DoE	Department of Education
DoH	Department of Health
DH	Department of Human Settlements
DoSD	Department of Social Development
DoRT	Department of Roads and Transport
DPLG	Department of Provincial and Local Government (National)
DPW	Department of Public Works
DSAC	Department of Sport, Arts & Culture
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EIA	Environmental Impact Assessment
ES	Equitable Share
ECDC	Eastern Cape Development Corporation

ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
FBE	Faith Basic Energy
FBS	Faith Basic Services
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GGP	Gross Geographic Product
GRAP	General Recognized Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
GIS	Geographical Information System
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
IT	Information Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
LDO	Land Development Objectives
LED	Local Economic Development
MDG	Millennium Development Goals
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MSIG	Municipal Support & Institutional Grant
MSA	Municipal Systems Act, 2000
MSA	Municipal Structures Act, 1998
NDC	National Development Corporation
NDP	National Development Plan
NEMA	National Environmental Management Act
NERSA	National Electrification Regulator South Africa
NGO	Non Governmental Organizations

NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PWD	People with Disabilities
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
RTP	Responsible Tourism Planning
SMME	Small Medium and Micro Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
SADC	Southern African Development Community
SALGA	South African Local Government Association
SAPS	South African Police Service
SGB	School Governing Body
TLC	Transitional Local Council
TRC	Transitional Rural Council
USAID	United States Agency for International Development
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan
YC	Youth Council

2. EXECUTIVE SUMMARY

Pre-Planning

In accordance with section 28 of the Municipal Systems Act, a process plan was developed, agreed and adopted by Mbizana council to guide the planning and drafting of this review IDP. This document revises the previous IDP and focuses on 4 key areas viz, response to MEC & AG comments, Updating of information and restricting of the report to make it more accessible. It is based on a process plan which was adopted by council in August 2013.

Demographic snapshot

There are 281 905 000 people and 48 447 000 households. The majority are females (54%) and youth ages 0 -35 (77%). Mbizana is 98% rural.

Local Economic Development

The preplanning phase of this IDP review formulation involved a gap analysis. Key indicators show that:-

- Unemployment is high at about 56%, poverty widely spread with dependency ratio of 99% for children to economically active,
- Government services and domestic (55%) as well as retail account for the majority of jobs in the market (19%) followed by finances (11%)
- An HDI of 0.35 indicates very poor lifestyles across the municipality

There are compounding environmental challenges coupled with lack of internal capacity to undertake key responsibilities in terms of our powers and functions;

Institutional Development & Transformation

Our municipality is led by council through an executive plenary system with six administrative departments. The document highlights key challenges for skills development. We are characterised by low literacy levels with 50% functionally illiterate. The municipality has developed and is implementing a skills plan and an equity plan to guide our capacity building and training interventions.

Financial Viability

Our main challenge is the lack of strong and sound economic base coupled with poor revenue levels. This feeds into resultant low levels of payment and increasing indigent list. We are heavily reliant on grants which comprise 79% of our revenue sources which is unsustainable. We have not managed to achieve a clean audit outcome but working tirelessly towards that as our main goal. However, we are doing very well in terms of meeting national budgetary benchmarks like ratio of salary to Opex (37%) and general expenses are curbed within 44% of Opex.

Service Delivery

Backlogs for services are generally high and in some instances like water they have worsened since 2004. Water backlog is at 91% while that of sanitation improved from 75% in 2004 to about 38% by 2011.

Only 3% households receive refuse collection from the municipality. Others use their own means while an estimated 21% does not have any means. About 33 000 (12 025 households) households do not have electricity connection and about 50% use candles as a source of energy for lighting. About 28% of households have no access to telephones. Those who have access are largely

assisted by cell phone connectivity which is often hampered by poor network and signal coverages in especially rural areas.

Amenities, community services, education, health, road network, transport, social development services are scantily available and the municipality has planned to utilise IGR in improving this situation as part of its MUTAS implementation. The municipality does involve all sector departments on the IDP REP Forum so that they can submit their infrastructure plans this has proven to be a challenge as not all of them attend the IDP REP Forum. The current situation is that the municipality does not have a Comprehensive Infrastructure Plan as not all sector departments are included only the municipality has got its own detailed plans. However the office of the Mayor has been mandated to improve IGR relations with sector departments so as to provide the municipality with sector departments infrastructure plans. The Alfred Nzo District Municipality is both the WSA and WSP, there is also no SLA that has been entered into between District & LM.

Currently the Municipality has got no Infrastructure Master Plans except for the Electricity Master Plan which has been done with Eskom. This issue will be dealt within the 2014-2015 financial year as there is a budget of R 500 000 allocated within the Planning & Design vote. This process will be started through a ward based backlog study.

HIV prevalence is high among especially women and the trends from 1995 to 2010 show increase for females while male infections are decreasing. This may be due to disparities in data as more females undertake tests than males.

Spatial Development Framework

The council has adopted a revised SDF in 2010/11 financial year and is now being reviewed.. It identifies rural service centres that will be used to reach-out to rural communities as we expand service delivery.

Planning for the future

The vision, mission and values have not been amended during the review.

Conclusion

As now noted by our council, this document represent a draft revised IDP 2014/15 and will be implemented from 01 July 2014 after final adoption and monitored in terms of our PMS and SDBIP.

3. BACKGROUND AND PURPOSE OF THE IDP

Section 34 of the Local Government: Municipal Systems Act provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. This document is a 2014/15 IDP of the Mbizana Local Municipality, which represents the second review of the 2012/17 IDP as adopted at the beginning of the current term of Council. The strategic objectives and targets contained in this document were reached subsequent to extensive systematic and structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Mbizana Municipal area of jurisdiction.

Section 35 of the MSA clearly states that an Integrated Development Plan adopted by the Council of a municipality is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality. It binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's Integrated Development Plan and national or provincial legislation, in which case such legislation prevails. Section 36 furthermore stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan.

3.1 IDP Objectives

Integrated development planning is a process whereby municipalities prepare strategic development plans for a five-year period. These plans should inform planning, decision making, budgeting, land management, promotion of local economic development, and institutional transformation in a consultative systematic and strategic manner.

The main objective of developing an IDP is the promotion of developmental local government, through the following:-

- Institutionalizing performance management in order to ensure meaningful, effective and efficient delivery (monitoring, evaluation and review) -Speed up service delivery through making more effective use of scarce resources
- Enabling the alignment and direction of financial and institutional resources towards agreed policy objectives and programmes
- Ensure alignment of local government activities with other spheres of development planning through the promotion of intergovernmental co-ordination.
- Assist the municipality to focus on environmentally sustainable development strategies and delivery
- Assist in the development of a holistic strategy for local economic development and job creation in the context of a strong poverty alleviation focus.
- Strengthen democracy and institutional transformation
- Attracting additional funds from private investors and sector departments as the IDP indicates a developmental direction.

A critical concept in the development of an IDP is ensuring that integration takes place. The IDP process and development of plans amounts to an advantage to ensure alignment of all the plans with the IDP. This will ensure that consolidated and integrated sectoral programmes will be developed and that aspects, both horizontally and vertically, ranging from spatial, economical, environmental and social impacts are completely connected.

This IDP also aims to:-

- Create a higher level of focus and thereby improve the strategic nature of the document;
- Align this strategic document with the limited financial and human resources

-
- Align the IDP with the activities of the municipality, departments and other social partners in other spheres of government
 - Align the IDP with the various sector and management plans of the municipality.

3.2 Guiding Considerations

The Local Government: Municipal Structures Act 117 of 1998, Municipal Systems Act 32 of 2000 and Municipal Finance Management Act 56 of 2003 are specific to municipalities and are the key important legislations for the development of the IDP. Further, national sector legislations contain various kinds of requirements for municipalities to undertake planning.

Within the multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on National Development Plan Vision 2030; Popular Mandate across Spheres of Government; Government Outcomes; Medium Term Strategic Framework (MTSF); the National Spatial Development Perspective (NSDP); Millennium Development Goals.

3.2.1 National Development Plan, Vision 2030

The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is

a step in the process of charting a new path for our country. The NDP has the following objectives:-

- Seeks to eliminate poverty and reduce inequality;
- Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;
- Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history.

3.2.2 Millennium Development Goals

The Millennium Development Goals (MDGs) are eight international development goals that all 192 United Nations member states have agreed to achieve by the year 2015. The aim of the MDGs is to encourage development by improving social and economic conditions. It provides a framework for the entire international community to work together towards a common end i.e. making sure that human development reaches everyone, everywhere. The MDGs focus on three main areas of human development viz. bolstering human capital, improving infrastructure and increasing social, economic and political rights. If these goals are achieved, world poverty will be reduced, lives will be saved, and people will have the opportunity to benefit from the global economy. The eight MDGs which have been identified include the following:-

- Eradicate extreme poverty and hunger;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, malaria and other diseases;
- Ensure environmental sustainability;

- Develop a Global Partnership for Development.

The goals consist of quantified targets to address extreme poverty in its many dimensions viz. poverty, hunger, disease, lack of adequate shelter, and exclusion whilst promoting gender equality, education, and environmental sustainability. At the same time the goals also represent basic human rights i.e. the rights of each person on the planet to health, education, shelter, and security.

3.2.3 Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the

same time improving the processes within government so they are able to operate more effectively and efficiently.

3.2.4 Powers and Functions

Our mandate stems from the section 152 and 156 of the constitutions (Act 108 of 1996) coupled with the assigned powers and functions drawing from the schedules 4b & 5b. The Constitution indicates that the objects of local government are:

- To promote democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organizations in the matters of local government.

Within this Constitutional role, powers and functions have been defined in terms of the Local Government: Municipal Structures Act as amended. Mbizana Municipality should be undertaking all powers and functions listed under column three, however, the main challenge is that the municipality does not have sufficient capacity to undertake all the assigned powers and functions.

FUNCTION	ANDM	MLM
SCHEDULE 4 PART B		
Air pollution	X	
Building regulations		X
Child care facilities		X
Electricity reticulation	X	X
Fire fighting Services	X	X
Local tourism	X	X
Municipal airports		
Municipal planning	X	X
Municipal Health Services	X	

Municipal Public Transport		
Pontoons and Ferries		
Storm water		X
Trading regulations		X
Water (potable)	X	
Sanitation	X	
SCHEDULE 5 PART B		
Beaches and amusement facilities	X	
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X
Control of public nuisances		X
Control of undertakings that sell liquor to the public		X
Facilities for the accommodation, care and burial of animals		X
Fencing and fences	X	
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X
Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		X
Street lighting		X
Traffic and parking		X
Disaster Management	X	X (Devolved Function)

3.3 FOCUS AREAS OF THE REVIEW

3.3.1 Updating of the Planning Data

We have collected better information to update our planning baseline. The information changes relate to inputs by desktop statistical research, ward consultations and sector departmental engagements. In addition, we have undertaken ward based plans which have assisted with improved information relating to community needs and ward priorities.

3.3.2 Response to comments raised by MEC during 2013 / 2014 IDP Assessment

MEC for LG identified a couple of areas that needed to be strengthened to ensure that our document meets the credible status. These related to issues of intergration citing department of education with no developmental programmes appearing on the IDP as well construction of new schools and rehabilitation of mud schools . This review has amended the inputs on the reflections of our challenges relating to the following:

- Municipal Institutional Development and Transformation relating to policies
- Financial Viability- relating to using the new prescribed budget formula
- Service Delivery: Indication on projects funded by Municipal Infrastructure Grant.

Mbizana Municipality has managed to obtain high ratings in the previous three financial years, the details are as follows:

KPA	2011 / 2012	2012 / 2013	2013/ 2014
Spatial Planning Framewor	High	High	High
Service Delivery	High	Medium	Medium
Financial Viability	Medium	Medium	High
LED	High	High	High
Good Governance &	High	High	High

Public Participation			
Institutional Arrangements	High	Medium	High
Overall Rating	High	High	High

3.3.3 Responses to issues raised by AG relating to IDP, PMS & Budget linkages

Auditor General has raised concern over shortfalls in certain aspects of our planning process. In particular, key concerns were raised relating to the alignment of PMS and IDP. This IDP review has been designed to ensure clear alignment between its IDP KPAs, development objectives and Targets used in our performance scorecards and SDBIPs.

4. IDP PROCESS PLAN

This section outlines the process plan for the development of IDP review for 2014 / 2015 financial period. It further outlines the mechanisms and procedures that will be followed in the development of this IDP review. According to Section 28 of the Local Government Systems Act No. 32 of 2000 the IDP process plan was developed and adopted by Mbizana Local Municipal council on the 3 August 2013 to guide the process of planning and developing this reviewed IDP. The table below shows a graphic overview of the organizational structure for the IDP and the roles and responsibilities of each role player.

4.1 The roles and Responsibilities in the IDP Processes

Role Player	Responsibility
Municipal Council	<ul style="list-style-type: none"> Final decision making / approval of IDP Performance Monitoring

Councillors	<ul style="list-style-type: none"> • Linking IDP processes to their constituency / ward • Organise public participation
Mayor / Executive Committee	<ul style="list-style-type: none"> • Decide on planning process • Overall management and coordination . make sure all participants are active.
Municipal Manager	<ul style="list-style-type: none"> • Ensure that the Process Plan is drafted and adopted by the Municipal Council; • Manage the local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources; • Encourage an inclusive participatory planning process and compliance with action programme • Facilitate the horizontal and vertical alignment of the various internal and external departmental programmes
IDP Manager	<ul style="list-style-type: none"> • Day to day monitoring of review process on behalf of the MM to ensure a proper and organised planning process.
IDP Steering Committee	<ul style="list-style-type: none"> • Elaboration of IDP contents
Representative forum	<ul style="list-style-type: none"> • Represent the interest of various constituencies in the IDP planning process. • Provide an organizational platform and mechanism for discussion, negotiation and decision making between stakeholders. • Provide a communication mechanism for the exchange of ideas and opinions among the various stakeholder interest groups. • Participate in the setting up of key performance indicators including the monitoring thereof in line with the performance Management Manual of the Local Municipality. • Monitor the performance of the planning and implementation process.

4.2 Public Participation Mechanism and Procedures

One of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are experienced by the citizens. The Constitution stipulates that one of the objectives of municipalities is to encourage the involvement of communities and community organizations in the matters of local government. The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision making processes of the municipality is determined to be a right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation.

4.3 Public Participation Mechanisms for this IDP

The main feature of the IDP process is the involvement of communities and all interested parties / stakeholders to ensure that the IDP addresses the real issues that are experienced by the citizens within the jurisdiction of the municipality. Public Participation will occur in the following manner as outlined below:-

- IDP Representative Forum;
- Mayor's conversations with different stakeholders;
- Ward Community & Ward Committee meetings convened by Councillors;
- Published annual reports on municipal progress;
- Newspaper advertisements and notices;
- Making the IDP document available to all members of the public;
- Outreaches by Mbizana Municipality to communities and Stakeholders;
- Information dissemination through the MLM quarterly newsletter;
- Sector specific forums, namely, LED Forums, Local Communicators Forum

4.4 The IDP Process Plan 2014 /2015

Phase	Period	Key Activities	Expected Output
Preparation	July - August	<ul style="list-style-type: none"> • Tabling of process plan for adoption by council • Internal Analysis of Financial and non financial performance • Determine financial position and assess financial capacity against future strategies. • Preparation of Annual Financial Statements • Finalise 2012/2013 annual performance report and post on the website. • Publicise 2013/2014 SDBIP • Finalise 2013/2014 performance agreements. • Submit Performance Agreements to MEC: DLGTA • Prepare Draft Annual Report 2012/13 	Approved IDP Process Plan
Analysis	September – October	<ul style="list-style-type: none"> • Advertise IDP & Budget Framework and Process Plan • IDP Steering Committee - Presentation of IDP Process Plan • IDP Rep forum meeting (launch and preparing stakeholders for planning phases) • Evaluate outstanding sector plan requirements and additional analysis where necessary. • Establish budget steering committee • Consolidate draft core department business plans and budgets • PMS Workshop - reviewal of the existing policy • Mayoral Izimbizo (Feedback from IDP Implementation) • IDP Steering Committee sits to discuss consolidated situational analysis report • IDP Rep Forum (Analysis with DM , sector departments and parastatals) • Tariff review by departments concerned 	Updated Situational Analysis

Objectives, Strategies	November - January	<ul style="list-style-type: none"> • Develop objectives, strategies and programmes. • Development of Key Performance Areas/ primary operational plan for the new cycle. • Projects identification • Adjustment budget processes start • Submission of departmental adjustment budgets • Departmental budget inputs for 2014 • Commence community and stakeholder consultation on the proposed tariffs • First Quarter performance report submitted to Council • Draft Annual Report submitted to AG • IDP Steering Committee (strategies) • Adjustment budget processes continues. Submission of departmental adjustment budgets • Departmental budget inputs for 2014/15. • Finalize the draft 2012/13 annual report incorporating financial and non financial on performance, audit reports and annual financial statements. • Present Draft Annual report to Management. • Project prioritization • Sector Forums and various portfolios sit for project priority list • IDP Steering Committee • IDP Rep Forum to align projects and programmes of LM, sector departments and Parastatals. • Mid -year assessment and recommend adjustment budget, if necessary. • Adjustment budget tabled to Council, if necessary. • Review all aspects of the 2013/14 budget including any unforeseen and unavoidable expenditure in light of need and adjustment budget. • Strategic session for performance review • Mayor tables Annual Report (2012/13) to Council. • Tabling of Mid Term assessment report for 2013/14 	Reviewed strategies & projects aligned
-------------------------------	---------------------------	---	--

Integration	January - February	<ul style="list-style-type: none"> • Submission of Sector Plans • Integration & alignment continues • Finalize the 2014/15 detailed operational and capital budgets in prescribed format incorporating national and provincial allocations. • Integrate and align IDP documentation and draft SDBIP. • Finalize budget policies and tariff policy. • Incorporate directives from the National Budget and Provincial and National allocations to municipalities into the Budget • Consolidation of draft 2014/15 annual budget. • Revise SDBIP in accordance with adjusted budget • Publicize the 2012/13 Annual report and invite comments from communities. • Submit report to AG, Provincial Treasury and DLGTA. • Mid - year performance reviews (top management) • Departmental submissions on the draft SDBIP for 2014/15 • Oversight on the 2012/13 Annual Report 	Integration & alignment of the draft IDP & Draft budget
Approval	March - June	<ul style="list-style-type: none"> • IDP Steering Committee - presentation of draft IDP • IDP Rep Forum . presentation of Draft IDP & Budget. • Draft IDP& Budget adopted by Council • Incorporate changes in prices for bulk resources and finalize tariff proposals for all charges. • Distribute all budget documentation prior to meeting at which budget is to be tabled. • Table in Council the 2014/15 budget will all supporting documents. • Approval of 2012/13 Oversight report on the Annual Report 	Final IDP, Budget & SDBIP

		<ul style="list-style-type: none"> • Adopt the 2012/13 Annual report with the comments of the Oversight Committee. • Publicize/ advertise the IDP& Budget Road-show schedule. • IDP & Budget Road-shows • Draft IDP advertised for comments • Publicize the 2012/15 tabled budget for communities to submit representations. • Submit to Provincial and National Treasury and other affected organs of state. • Consultations on the tabled budget (IDP & Budget Road-shows) • Submit Annual report to AG, Provincial Treasury, Legislature and DLGTA. • Compilation of Third Quarter Performance Reports • Drafting of new scorecards by s57 managers • Incorporation of community inputs into the IDP. • Mayor tables 2013/14 IDP and Budget to Council for final adoption. • Respond to submissions received and if necessary revise the budget and table amendments for council consideration. • Final Budget tabled to Council • Drafting of Performance Agreements • Public notice on adoption of IDP & Budget. • Submit approved IDP/Budget to National and Provincial Treasury as well as to MEC - DLGTA. 	
--	--	--	--

4.5 Community Participation and Community Issues

Community Based Planning (CBP) is a tool that is used to enhance participation of communities in local developmental processes. It was introduced to encourage ownership by communities in any development initiative. The municipality needs to review its ward based plan. Below is the

consolidated list of needs as raised by communities during the Mayor's outreach held in October 2013:-

WARD NO	PRIORITIES / INPUTS/ COMMENTS
1	<ul style="list-style-type: none"> • Provision of public toilets in town, • Sewerage System must be improved in town. • Electricity must be improved to avoid on and off problems. • A by-pass from Mayingene to the Abattoir must be constructed to avoid traffic congestion during pick hours. All access roads in town must be maintained. • Multi Purpose Youth Centre must be maintained. • Bridges on walkways at extension 4 must be constructed. • Municipality must consider the issue of sites that were not surveyed and vacant plots at Extension 2 must be fenced to avoid criminal activities. • Shelters on pavements affecting pedestrian opposite Super Kids School must be removed. • Funds to assist small business companies be budgeted for by the municipality.
2	<ul style="list-style-type: none"> • Electrification of all villages in ward • Maintenance of Ntamonde access road • Provision of water in all villages in the ward • Mbhojeni/ Ngele need access road to Sinyameni SPS • Maintenance of Mkhambathi access road. • Provision of RDP Houses • Provision of electricity in Mpheni village • Maintenance of Ntamonde access road • Provision of water taps in all villages of the ward • Construction of Mbhojeni/ Ngele access road to Sinyameni SPS • Maintenance of Mkhambathi access road
3	<ul style="list-style-type: none"> • Qhabangeni access road need urgent maintenance • Request bridge from Madlebetshe to Sithukuthezi S.S.S. • Provision of water services • Request virgin road from Masokeni to Tyiweni • Zibanzini and Longweni access roads in bad condition.

	<ul style="list-style-type: none"> • RDP houses for need families • Maintenance of access road from Qhabangeni to Makhabaludaka • Extension of Mantshangase clinic • Construction of Sport field
4	<ul style="list-style-type: none"> • Reconstruction of Mdeni community hall • Provision of water Emdeni village, kwamangandla and Marelane na Kwa-D village. • Construction of Marelane SSS to Mhlaba Uvelile access road • Maintenance of toilets in Mndikiso village • Fencing of farming areas in ward 4 • Provision of solar geysers in ward 4 • Provision of library, finishing school and sport field in ward4 • Construction of KwaMasela to kwaMpum access road • Construction of Marelani to Mhlabuvelile access road • Access road from Etankini to Mdibi • T113 to Bukula Access road • T113 to Mabutho access road • R61 to Emazweni access road • Provision of RDP Houses • Water supply in all the villages
5	<ul style="list-style-type: none"> • Bridge should be prioritized at Mabheleni crossing to Mtamvuna • Community hall should be prioritized Dlungwana • Multipurpose centre should be prioritized to show off skills Mbobeni • Food parcel for disadvantaged people every month • Water access at Mmangweni • Maintenance of Pholela access road • Road maintenance of Mmangweni road • Medication should be available at the clinics all times • RDP houses should be prioritized in the at Gwala • Construction of grave yard access road • Provision of safety clothing for police forums • Job recreation to elevate poverty • Co-ops in the ward should be funded • Sport fields should be prioritized.

	<ul style="list-style-type: none"> • Toilet facilities should be prioritized at Dlungwana • Provision of water and electricity at Dlungwana
6	<ul style="list-style-type: none"> • Maintenance for T115 to the Clinic • Construction of access road from T115 to Mpindweni • Construction of access road from Jali to Disayi • Construction of access road from T . Junction to Mgungundlovu • Electrification of Jali village • Provision of RDP houses • Provision of water taps • LED funding must be made available for project such as Gwebindlala vegetable project. • Provision of ABET centers at Dindini village • Dangerous water springs at Mhlanga villages needs urgent intervention as they are badly affecting roads in the area. • Ntshamathe access road need maintenance • Maintenance of Tsawana access road • Provision of toilets to kwaC village • Construction of Sontsele to Magcakini access road • Construction of Dlamini to Dindini access road • Construction of Qotyana to Dindini access road • Construction of a crossing bridge from Mhlanga to kwaC village • Maintenance of Guqa access road • Guqa water scheme to be rehabilitated • There must be a WSU branch in Mbizana for the youth of Mbizana • Promised Houses to Mhlanga disaster victims were never built • Sewerage affecting Mhlanga and Kwa C villages must be urgently attended to.
7	<ul style="list-style-type: none"> • Provision of water to all villages of ward 7. • Construction of community halls • Construction Jerusalem pre . school. • Provision of water at Zwelitsha village • The skills development programme must be brought to the community. • There is a need of a mobile clinic. • Provison of to Khaleni village

	<ul style="list-style-type: none"> • Construction of RDP houses and provision of electricity • Provision of Majaza village • Construction of Ndunge village clinic • Provision of RDP houses
8	<ul style="list-style-type: none"> • Provision of water taps in all villages in the ward • Construction of RDP houses • Construction of Ntshikintshane access road with a crossing bridge • Maintenance of Mhlabomnyama access road • Maintenance of Galatyeni access road • Bukuveni access road with a crossing bridge needs urgent maintenance • Construction of Ncura to Ntshikintshane access road • Provision of RDP Houses • Maintenance of Dinda access road • Construction of access road to Dudumeni Garden Project • Water drains in R61 around Dudumeni must be urgently maintained. • Construction of clinic at Galatyeni village • Rehabilitation of Galatyeni water scheme • Fencing of community gardens • Installation of speed humps in R61 next to Dudumeni JSS • LED funding must be publicized for all wards • T-road from Bukuveni to Sgodlweni needs urgent maintenance • Construction of access road from Dudumeni via Mvumbi to Mahlongwa
9	<ul style="list-style-type: none"> • Mfundambini Access Road should be maintained. • Community hall in Mfundambini hall should be prioritised. • Qolintaba access road should be prioritized. • Tshuze to Luphilisweni access road should be prioritised. • RDP houses should be prioritised at Zanokhanyo village. • Public transport (bus) should be allocated for Zanokhanyo village • Lumayeni to Envis preschool access road should be prioritised • Construction of Gwabeni Methodist church to Gwabeni pre - school access road +_ 8 kms. • Gwabeni Electricity in-fills should be prioritized. • Electricity infill\$ next to Kubha location should be prioritized. • Mfundambini to Gwabeni Bridge should be prioritised.

	<ul style="list-style-type: none"> • Mfundambini to Ndela Bridge should be prioritised. • Construction of toilets • Ntlanezwe via Douglas to chief Dumile access road should be prioritizing. • Mphetshwa via Mfundambini to clinic access road should be prioritized. • Mayoral Games should start at ward level.
10	<ul style="list-style-type: none"> ▪ A slab is needed at Ntsunguzi as the road to Mafadobo cannot be used during rainy days. ▪ Thekwini Village must be provided with a Community Hall. ▪ A Sport field at Mgodini must be reconstructed ▪ Electrification of Mgodini Village ▪ Clinic and schools at Mgodini village must be provided with electricity. ▪ Municipality must provide the clinic with a quality board for advertising the services rendered by the clinic. ▪ Community of Hofisi Village must be provided with RDP houses. ▪ Community Hall must be built at Mcetheni Village. ▪ Municipal Notice boards be planted in public institution in all wards so that community can access Municipal programmes and advertised posts. ▪ Mcijweni Access road must be maintained. ▪ Malongwana to Mbangweni Road must be graded ▪ Dipping tanks must be maintained. ▪ Mcetheni Access Road must be completed ▪ Machibini to Clinic Access Road not done • Nkwasheni access Road was approved but there is no implementation
11	<ul style="list-style-type: none"> • Mdaka Village needs electricity and a pre-school. • Esigodlweni Village needs grazing land (Amadlelo) • Provision of Water and Construction of pre- school. • Lukhanyeni village needs a police station, a pre-school, library as well as containers to train drop outs. • Pele . Pele village needs RDP houses, • Lucwaba Village needs a mobile clinic, and a pre-school • Giniswano village needs a mobile clinic, electricity and health workers. • Sigodlweni village needs Health workers
12	<ul style="list-style-type: none"> • Construction of access road from Mntomkhulu to Mpetsheni. • Provision of RDP Houses.

	<ul style="list-style-type: none"> • Construction of community hall. • Construction of Sports field • Construction of access roads to all schools • Provision of water scheme in all village of the ward. • Ward 12 should be considered in Community Works Programm
13	<ul style="list-style-type: none"> • Construction of RDP Houses at Didi village. • Construction of crossing bridge linking ward 13 & 30. • Construction of Access road from Matwebu to Maqela • Construction of Mboneni to Khotsho access road with a crossing bridge. • Speed humps on R61 Nikhwe Area • Provision of RDP Houses at Nikhwe Tent village • Provision of water taps at Nikhwe Tent village • Maintenance of Ngcingo to kwaKiviet access road • Existing water schemes at Ngcingo must be restructured. • Provision of RDP houses at Twangu village. • Maintenance of Didi access road • Electricity infills at Didi village be prioritized. • Maintenance of Khotsho access road • Provision of street lights at Didi village.
14	<ul style="list-style-type: none"> • Construction of ccess road from Mboneni to Khotsho village • Provision of water should be prioritized at Zamelizwe village • Provision of RDP housing Meje village • Toilets should be prioritized at Zamelizwe village • Library should be prioritized in the village at Mbongweni • Electricity should be prioritized for ward 14 • Disadvantage kids should be given uniforms in the area • Construction of Sports field at Luthulini • Construction of Ngojane access road • Completion of Meje community hall in terms of providing furniture • Maintenance of all access roads in the ward
15	<ul style="list-style-type: none"> • Electrification of all villages in the ward • Provision of water taps in the whole ward. • Construction of Mtentu to the project access road

	<ul style="list-style-type: none"> • Mcitha access road need urgent maintenance • Maintenance of Gabisa access road • Construction of Tafalezono to Mkhonde access road • Schools electrification programme to fast-tracked • Maintenance of the T-road to ward 15 be prioritised for the community to access public transport (Bus . AB350) • Maintenance of T120 to Holycross must be prioritised • Provision of RDP houses • Construction of Mhlabomnyama access road • Construction of Makwentsa to Kuchetywa access road • T120 to Mtentu must be maintained • Maintenance of access road to Mpisi Police Station • Construction of Miya and Makhosonke extensions
16	<ul style="list-style-type: none"> • Electrification of all the villages ward 16. • Construction of community Hall at Mthayise Village. • Construction of RDP Houses in the ward. • Maintenance of Majuba Access Road. • Provision of Water at Mpisi Village • Manzamnyama Access Road must be maintained • Mbhekwa to Mkhasweni Access Road must be constructed.
17	<ul style="list-style-type: none"> • Construction from ccess road from R61 to Ntsingizi • Provision of water should be prioritized in all villages of ward 17 • Provision of RDP houses at all villages • Provision of speed humps in R61 • Community hall should be prioritized at Nikhwe village • Maintenance of R61 should be prioritized • Construction of Ntlakwe JSS extension access road must be prioritized • RDP should be prioritized urgently for the orphans in the ward • Nikhwe to Kathula access road should be completed • Construction of Nyandeni Access road
18	<ul style="list-style-type: none"> • Electrification of Lubunde village. • Construction of T . road from Plangeni to Ntangeni. • Provision of toilets facilities at Mqonjwana village • Provision of RDP houses for the whole ward

	<ul style="list-style-type: none"> • Construction of Community hall for the ward • Construction of Mabuya access road. • Construction of Mqonjwana to Phathekile J.S.S access road • Construction of pre-school at Sankuthwana village
19	<ul style="list-style-type: none"> • Provision of water and toilets in all villages in the ward • Electrification of all villages in the ward • Maintenance of all access roads • Construction of Sports field at Mbabazo village • Provision of RDP houses in all villages • Construction of Clinic for the ward • Maintenance of Nyandeni access road
20	<ul style="list-style-type: none"> • Maintenance of all access in all villages • Maintenance of Garhani to Edramini access road. • Maintenance of Mzamba mouth access road • Provision of water scheme • Provision of toilets • Allocation of funds for bursaries for young peoples • Provision of RDP houses and electrification of Mamcakweni and Quza village s • Provision of borehole at Madokazana village. • Maintenance of access road from Madadana to R61 • Maintenance of Mbhashe access road.
21	<ul style="list-style-type: none"> • Construction of Ntika access road • Construction of foloti access road • Construction of Cwaka access road • Electricity infills in all electrified villages • Electrification of Foloti village • Electrification of Mpunzi village • Provision of water taps in the whole ward • Provision of the RDP houses in the ward • Provision of water tanks in the whole while still waiting for water taps • Maintenance of Nobamba access road. • Construction of Mtamvuna bridge • Maintenance of Greenville to Maqasha T road

	<ul style="list-style-type: none"> • Maintenance of Mpunzi access road • Construction of Siqo to Tourism project access road. • Maintenance of Dotye access road
22	<ul style="list-style-type: none"> • Electrification of three villages-Mfolozi, Lukholo and Lugwijini • Electrification Gumzana village • An indoor sport fields at ward 22 must be constructed. • Maintenance of Lukholo access road. • Maintenance of Gumzana access road. • All ward 22 access road must be maintenance • Provision of RDP Houses • Buthongweni access road must be constructed. • Community of Community Hall • Maintenance of Khananda access road • Construction of ward 22 sports field • Construction of Nomsatha Technical high school in Gumzana village • Construction of Nofezile to Ntunjeni access road • Kwa . Cele Access road needs urgent maintenance • Vungwana access road needs maintenance • Gumzana via Vondo to Bulala T . road must be maintained • Electricity infills be prioritized.
23	<ul style="list-style-type: none"> • Maintenance of access road in all villages • Access road from Garhani to Edramini need to maintain. • Roads to Mzamba mouth need to maintain as well • Allocation of funds for bursaries • Construction of bridge at Diphini river. • Construction of access road from R61 to Vulindlela Com tech. • Construction of access road from R61 to Sirhasheni village.
24	<ul style="list-style-type: none"> • Electricity in Singqongweni village • Construction of Cingweni access road. • Construction Dipini to Msomi access road. • Construction of Sport field • Construction of community Library • In-fills at Sea - View

	<ul style="list-style-type: none"> • Provision of Water Taps in the ward • Construction of Marina Access road • Request mobile clinics in rural areas • Poor service at St Patricks Hospital need Political Intervention
25	<ul style="list-style-type: none"> • Bazane Bridge damaged need to be maintained. • Sgananda to Mtentu Access Road to be constructed. • Tshezi to Khumbuza Access Road to be maintained. • There is a need of water in the whole ward. • Gcinisizwe must be provided with a clinic, or a mobile clinic. • T Road from Mnyameni must be maintained. • Youth must be trained as health workers. • Jama access road must be reconstructed as it is in a bad state. • Mzamba bridge and slab must be maintained urgently as lives were lost there. • Makhwantini to Matshezi A/Road be constructed. • There is a need of a comprehensive school. • Gcinisizwe hall must be constructed. • Dumasi A/R must be constructed. • Baleni Clinic must be upgraded.
26	<ul style="list-style-type: none"> • Construction of Malola to T- road access road • Provision of water should be prioritized Ekuphumleni • Construction of Tuckshop to R61 access road • Provision of RDP houses at Nomlacu village • Provision of water should be prioritized at school Mt Zion Primary school • Drainage system should be improve at Mount Zion • Maintenance of R61 (Nomlacu) • Sports field should be maintained • Electrification of F Section should be prioritized
27	<ul style="list-style-type: none"> • Tarring of T113 from Ludeke to Qobo clinic • Building of Thusong centre and Post Office that were promised for Nkantolo village were never done. • Maintenance of Clarkville access road. • Electrification of all villages in the ward

	<ul style="list-style-type: none"> • Thaleni to Goxe bridge was not completed • Cabane to Krestu access road was not completed • Mdikiso to Chibini access road was not completed • Provision of the water service in all villages
28	<ul style="list-style-type: none"> • Electrification of all villages of Ward 28. • Bridge at Mzamba Bridge needs maintenance. • Mzamba slab needs maintenance • Tshezi to Mnyameni Road must be constructed. • Construction of Mdatya road. • A bridge and an access road from Sidanga to Mbokodwa must be maintained. • Construction of toilets at Sidanga, Litye, Dangeni and Mngungu villages. • Water is a crisis in this ward. • Access Road from Lundini to Mtshawedikazi must be constructed and be tarred. • Community Hall must be constructed. • Sport field must be constructed. • RDP houses must be constructed in the entire ward.
29	<ul style="list-style-type: none"> • Construction of Marina bridge • Construction of Mamcakweni via Madadana to Pelepele access road • Provision of water taps in all villages • Construction of Mkhungo to Nkunzi access road • Electrification of Zwelethu • Provision of water taps in all ward villages • Mbongwana to Dotye access road needs maintenance. • Sanitation project was not completed
30	<ul style="list-style-type: none"> • Electrification of all villages in the ward must be prioritised • Provision of RDP Houses • Construction of clinic, site has been identified • Provision of toilets at Dutyini village • Maintenance of the T road must continue from Mzamba onwards • Water pipes must be installed in Stofini access road • Provision of water taps in the whole ward • Construction of R61 to Dayimani access road

	<ul style="list-style-type: none"> • Maintenance of Mxinga access road • Provision of Mobile Clinic while waiting for construction of clinic. • Provision of food parcels to all those not receiving government grants
31	<ul style="list-style-type: none"> • Ward 31 must be provided with RDP Houses. • Mdozingana Access Road must be constructed. • Provision of water is required urgently. • A clinic is needed at Siwisa village. • Sixhanxeni Access road must be constructed. • Zindleleni to Silahlwe via Groundini must be constructed. • Community Hall at Zizityaneni be constructed. • Khwezi to Dlamini Access road be constructed. • Provision water for the ward

4.6 Procedures for Alignment of this IDP

The IDP Manager will be responsible for ensuring smooth coordination of the municipal IDP development and its alignment with the district IDP review through the use of workshops and bilateral discussions with affected sector departments. Inter-departmental Forum will be utilized as a mechanism for alignment of programmes and projects.

PHASE	ALIGNMENT ON CROSS CUTTING ISSUES	WITH WHOM
1. Preparation	<ul style="list-style-type: none"> • Approval Process Plan by council • Advertisement and presentation of the process plan to stakeholders 	Affected Gov Departments & Stakeholders
2. Analysis	<ul style="list-style-type: none"> • Meeting with community and stakeholder representatives • Agreeing on Priority Issues • Updating Situational Analysis (Status Quo) 	Affected Gov Departments & Stakeholders
2. Strategies	<ul style="list-style-type: none"> ▪ Technical input on objectives and goals of programmes ▪ Local and wide strategic debates 	<ul style="list-style-type: none"> • Affected Gov Departments & Stakeholders
3. Projects	<ul style="list-style-type: none"> ▪ Technical input on projects 	<ul style="list-style-type: none"> • Affected Gov

	<ul style="list-style-type: none">▪ Input on budgets▪ Cross cutting projects e.g. HIV/Aids	Departments & Stakeholders
4. Integration & Alignment	<ul style="list-style-type: none">▪ Technical input▪ Sector alignment & integration	<ul style="list-style-type: none">• Affected Gov Departments & Stakeholders
5. Approval	<ul style="list-style-type: none">▪ Submission of Comments on revised IDP	<ul style="list-style-type: none">• Affected Gov Departments & Stakeholders

5. UPDATED SITUATIONAL ANALYSIS

This section will also provides an overview of the composite development challenge facing Mbizana Municipality based on its own self assessment and analysis. It highlights key issues and challenges relating to the Institutional Transformation and Development, Financial Viability, Local Economic Development, Service Delivery profiles and Spatial Development Framework.

5.1 Mbizana Municipalities' Demographic Profile

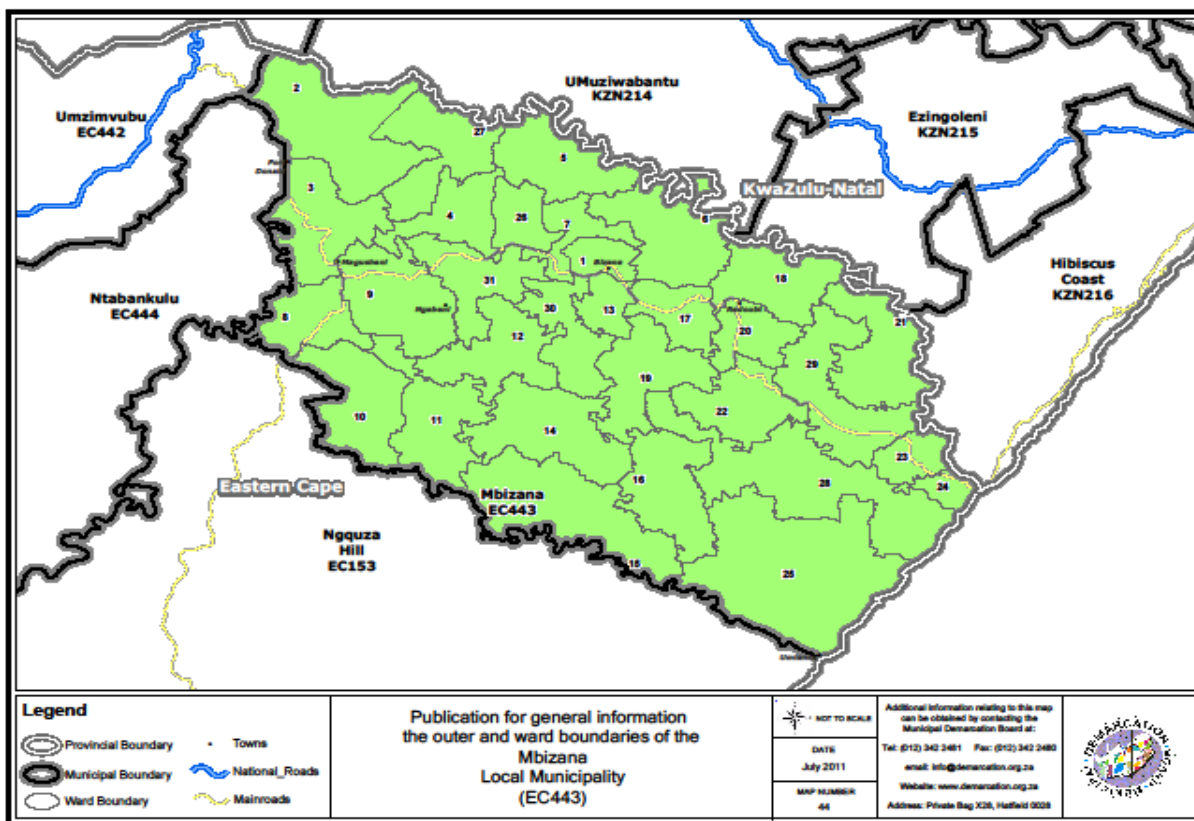
The following Section shall give a brief overview of Mbizana demographic profile. Thus this section aims to illustrate the composition of Mbizana population considering key indicators such as: population numbers; racial make-up, house hold income, employment and education. In the end a number of pertinent issues shall be drawn from the demographic profile, and it is these issues that shall inform the strategies which shall be presented in later chapters. The information included in section comes from the 2011 census which was conducted by Statistics South Africa and therefore displays data as it was in 2011.

5.1.1 Brief Description of the Municipal Area

Mbizana Local Municipality is a category B municipality situated within the Alfred Ndzo District Municipality in the Eastern Cape Province. It is made up of the main town of Mbizana and surrounding villages. It covers an area of approximately 2 806 km². Mbizana, the political and administrative municipal seat, is located on the R61 road connecting KwaZulu Natal South Coastal boundary to the N2 leading to Mthatha. Dominant land uses within Mbizana Municipality are mostly rural with a large emphasis on subsistence agriculture in the interior and some tourism development along the coast. The natural environment in the coastal belt of the area is in an unspoiled condition and has exceptionally high conservation value. The conservation value of the

inland areas is significantly lower than the coastal areas due to human activities. The municipal area is divided into 31 as shown in the figure below:-

Map 1: Mbizana Locality map showing ward boundaries



5.1.2 Population by Municipalities under ANDM

Mbizana local municipality has an estimated population of 281 905 within an area covering 2 806 km². Within the Alfred District, Mbizana has a largest population compared to other three municipalities under Alfred Nzo District Municipality, but it is the second largest in number of households. The table below demonstrates the total population, number of households and the average of households per municipality within the district.

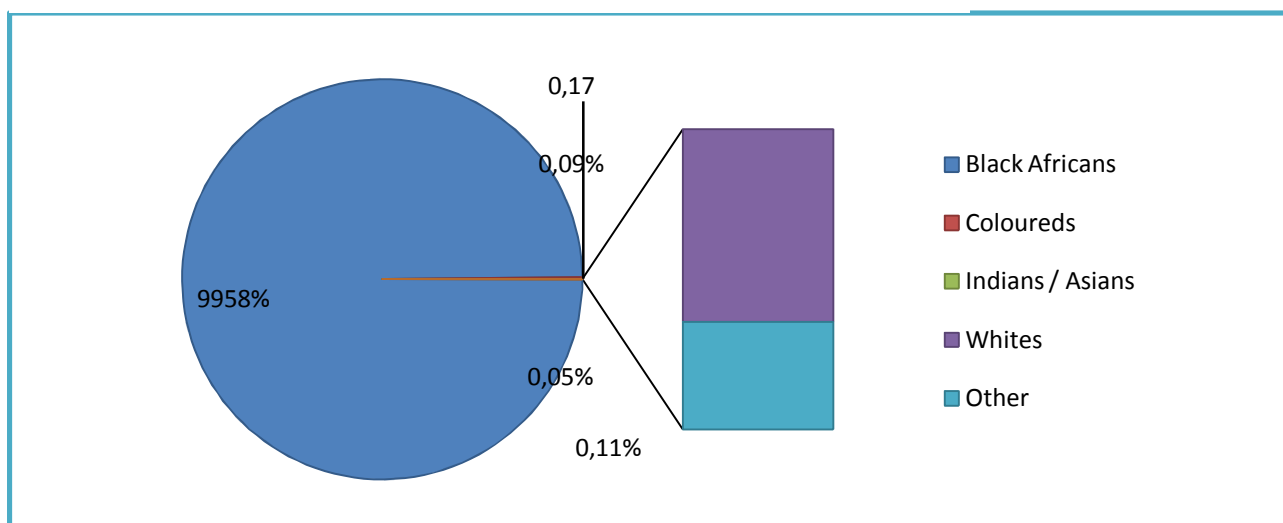
District Population by Municipalities

Municipality	Census: StatsSA 2011		
	Total Population	Number of Households	Average households size
EC443: Mbizana	281905.1	484 47.3	5.8
EC441: Matatiele	203842.6	495 26.6	4.1
EC442: Umzimvubu	191620.4	468 90.6	4.1
EC444: Ntabankulu	123976	243 96.8	5.1
DC44: Alfred Nzo	801344.1	169 261.3	4.7

5.1.3 Total Population Distribution by race

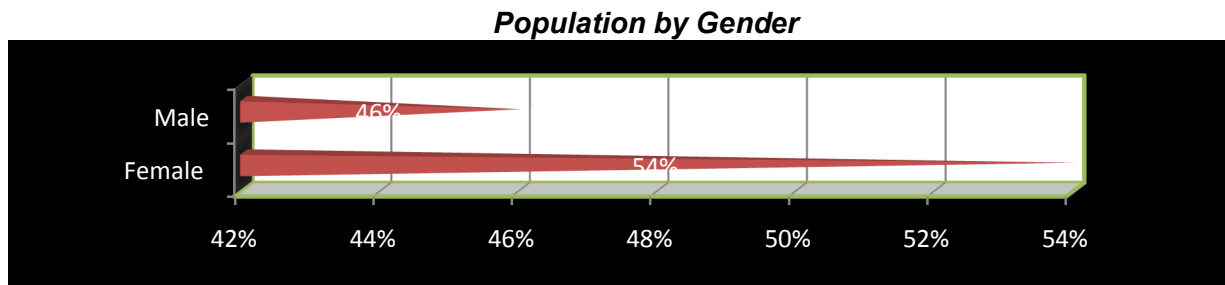
Mbizana Municipality has an estimated population of 281 905 people living 48 447 households which represent an estimated household average of 5.8 persons per household (StatsSA: 2011). The largest population group in Mbizana is Black Africans at 99.58% followed by Coloureds at 0.17%, Indians or Asians at 0.11%, Whites at 0.09% and others at 0.05% as shown on the chart below:-

Population by Race



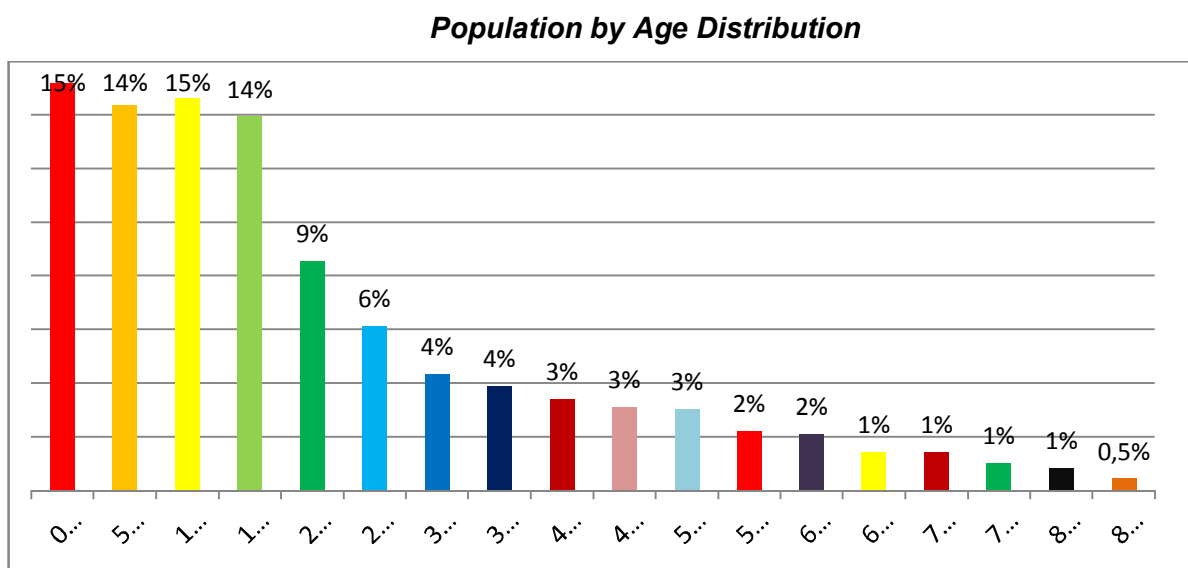
5.1.4 Population by Gender Distribution

There are more females 153 572.8 than males 128 332.3 in our population. This calls for dedicated programmes of integration and incorporation of women in key planning and decision making roles of our municipality.



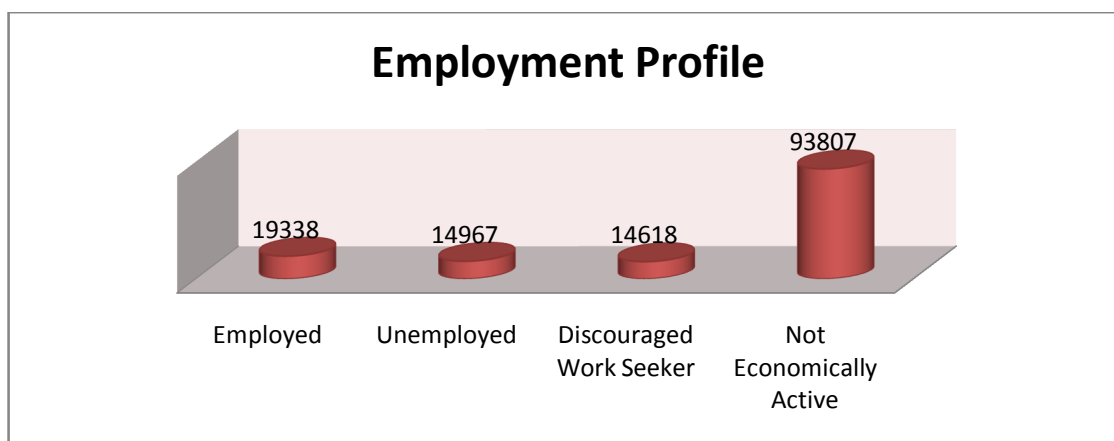
5.1.5 Population by Age Distribution

The age profile below shows that approximately 77% of Mbizana population is young people between 0 to 34 years old. These population trends oblige government in all levels to ensure that a large percentage of the budget is allocated to youth development and learner support programmes in order to deal with the needs of this majority section of our populations. The elderly people age group 60 and over accounts for 6.5% of the total population.



5.1.6 Employment Profile

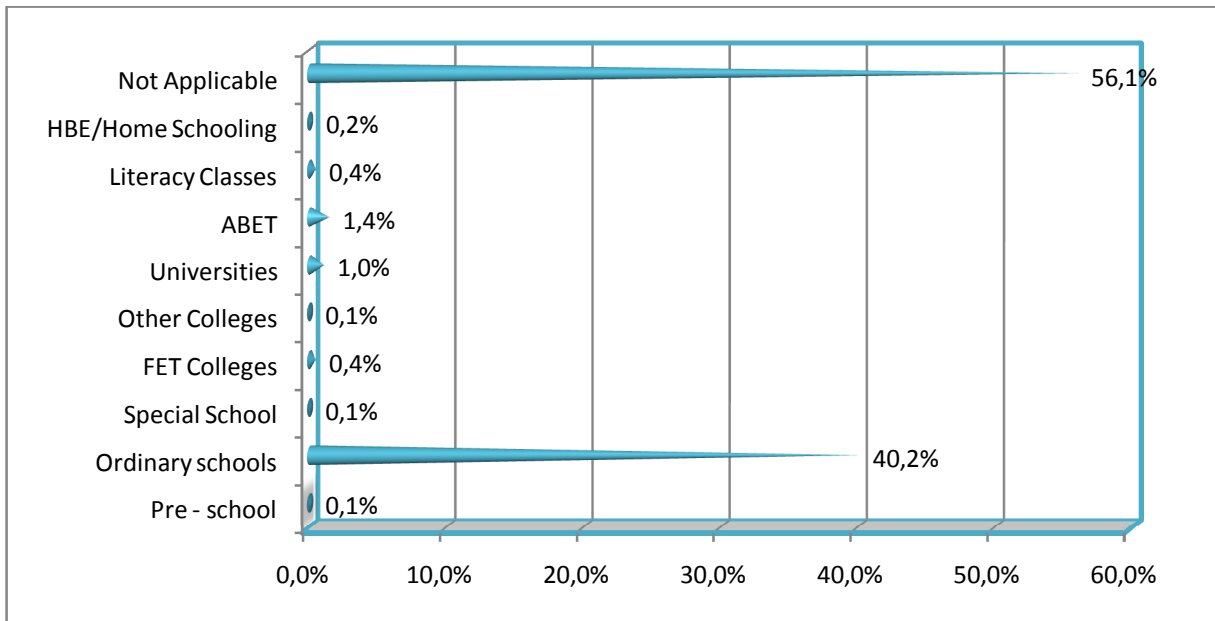
Approximately 56% of Mbizana total population is employed and that shows an improvement in previous years in terms of creating new job opportunities. The remaining 44% includes not employed and not economically active population.



5.1.7 Educational Profile and Literacy Levels

Education plays a fundamental role in community development as it provides a set of basic skills for development, creativity and innovative abilities within individuals. The South African Constitution states that everyone has a right to education. Educational levels for Mbizana are low with less than 50% of people attending at pre-school, primary schools and secondary school level. Only few people attend post matric studies and that calls for the government to have enough resources allocated for education as a primary factor.

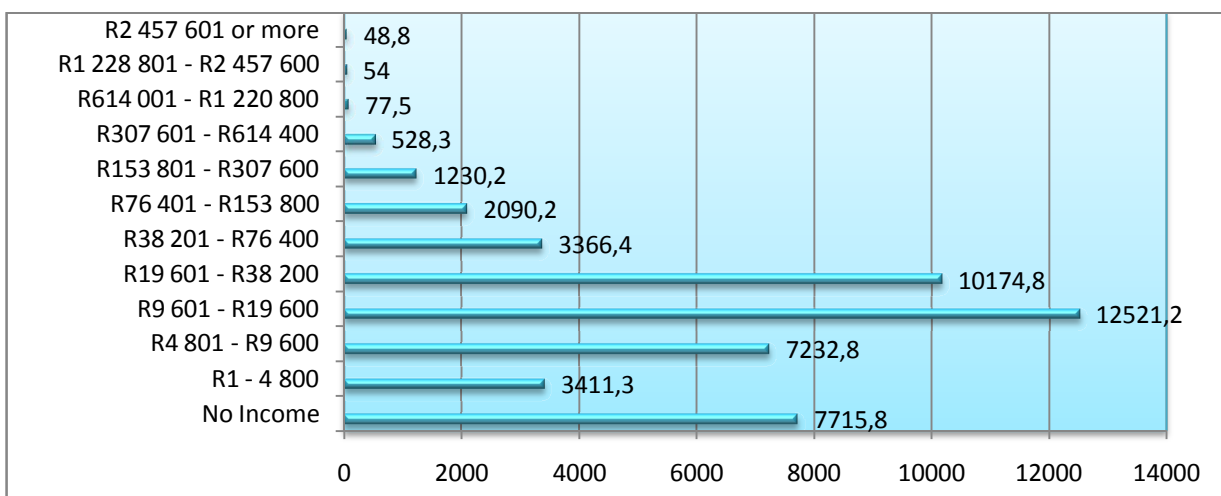
Educational & Literacy Level



5.1.8 Distribution of Households by Income

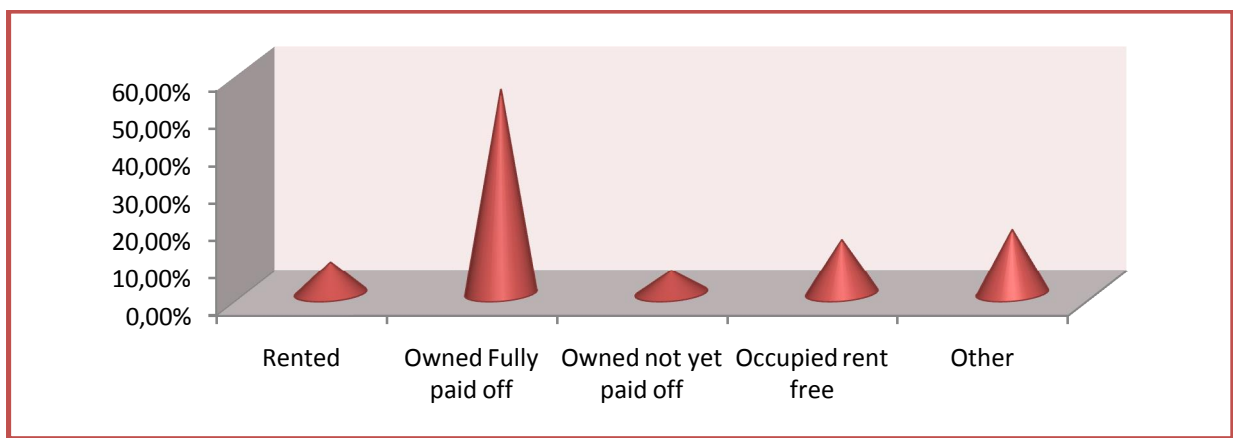
According to Statistics South Africa Census 2011, approximately only 7715.8 (2.74%) of people have no income and that shows another improvement as compared to 2007 community survey where 76% of the total population had no income. As shown in chart below the biggest number (12521.2) which is 4, 44% of Mbizana total population is earning between R9 601 . R19 600 and the lowest number of population (48.8) which is 1.73% is earning R2 457 601 or more .

Distribution of Household by income



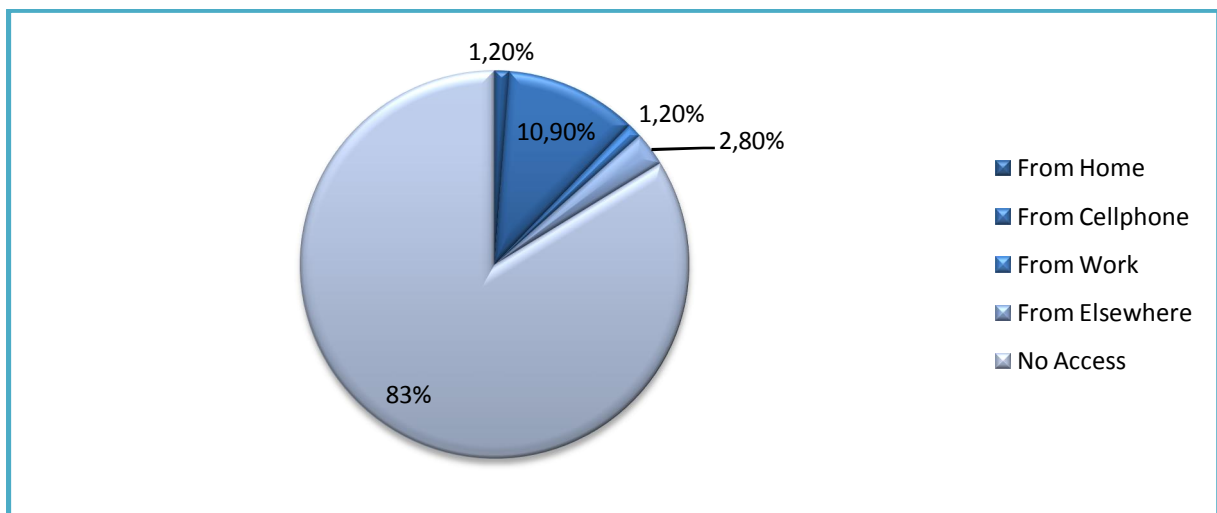
5.1.9 Tenure Status

Approximately 60% of the population of Mbizana Municipality is owning the households, whereas 10% is lent and the other 20% is not identified. The municipality together with the district municipality is currently undergoing the process of formulating a land audit. This process will then address the amount of land available to the municipality for both development and housing purposes.



5.1.10 Access to Internet Services

The graph below shows that 83% of the population have no access to internet, 10,90% is accessing the internet from their cell phones, 2,80% from work, 1,20% from home and another 1.20% from any other sources.



5.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Good governance and public participation is a key priority for the municipality. On good governance and public participation the emphasis of the municipality will be on following:-

- Implementing democracy through investment in public participation and ward capacity building programmes.
- Fighting tendencies of corruption in our system
- Increasing trust and support from our communities and also ensuring the maintenance of a good image and profile for the municipality
- Implementing community outreach initiatives such as those activities undertaken in the special programmes unit (focusing on youth, women and disabled)
- Attainment of a clean audit outcome within two prior to installation of the next council
- Putting in place effective systems and processes for improving council oversight and administrative accountability through implementation of functional PMS and SDBIP regular reporting
- Intensive capacity building of ward committees.
- Ensuring functionality of the audit committee

5.2.1 Council Structures

The Council is functioning with 61 councilors that were sworn in to the council in May 2011. The council has been fully functional and has an Executive committee with 10 members. Currently there are eight (8) standing committee, namely, Budget and treasury; Corporate Services; Good Governance & IGR; Special Programmes; LED & Spatial Planning; Environmental Services, Cleansing and Maintenance; Engineering Services; Protection Services; Public Transport & Public Safety. Section 79 committees established are MPAC, Members Interest, Rules and Ethics as well as Petitions Committee. The Executive Committee and the Mayor are responsible for overall management, coordination, monitoring of performance of administration and drafting of policies

and by-laws. Some members of executive committee are heading standing committees which then reports to the Executive Committee. The following are the Council Mandates:

- The passing of by-laws and formulation of policies;
- The oversight of the executive and administration;
- The approval and amendment of budgets;
- The imposition and amendment of rates and other taxes, levies and duties;
- The approval or amendment of the Municipality's Integrated Development Plan;
- The setting of tariff charges;
- The entering into Municipal Service Partnerships; and
- The appointment of the Municipal Manager and Sec 56 Senior Managers.

5.2.2 Council Oversight

Mbizana Local Municipality has established the following committees to strengthen the council oversight role also to ensure effective and efficient performance of any of its functions.

5.2.2.1 Audit Committee

The Audit Committee of the Mbizana Local Municipality has been established in terms of section 166 of the Municipal Finance Management Act, No 56 of 2003, and performs its functions in terms of the MLM Audit Committee Charter that was adopted by council

5.2.2.2 Municipal Public Accounts Committee (MPAC)

The council has formally established a Municipal Public Accounts Committee (MPAC) in order to meaningfully play its oversight role, since 2011 the MPAC is functioning well. The Department of Cooperative Governance has provided guidelines on the establishment of MPACs and thus proposed terms of reference for the MPACs.

5.2.3 Public Participation

MLM public participation strategy has been recently adopted by council. Public Participation is enhanced through Imbizos and other consultative meetings with the assistance of ward committees (308), ward clerks (31) and 23 CDW. Mayoral Imbizos were held to report on the Municipality's progress in terms of service delivery and also the progress in attending to the issues that were raised by communities in the previous IDP sessions. Suggestions on how to improve service delivery and some complaints regarding the current services were put forward.

5.2.4 Ward Committees

In terms of Section 72 . 78 of the Municipal Structures Act, the Council has established ward committees in each of the 31 wards which are chaired by their respective Ward Councillors. Ward committee meeting sits on a monthly basis. Each committee has 10 elected representatives. The ward committees are consultative community structures without any formal powers accorded to them.

The office of the Speaker processes issues that came from the ward committees to ensure that they are addressed in Standing Committees or Executive Committee or Council as a case might be. Some of the issues raised by communities in the ward committee meetings were added to the IDP as critical issues needing urgent attention. The office of the speaker has received a number of complaints from various communities complaining about visibility of ward committees and the office has attended to that, as result ward committee by . were conducted in different wards.

5.2.5 Community Development Workers

Community Development Workers have visited an average of 2717 homes in the previous year and identified and referred cases to relevant departments at an average of 1349 cases that were attended successfully and there are pending cases are 200. They have also been quite active in the Municipal programs like Mayoral Imbizos, IDP road shows etc.

Challenges prevalent in public participation include the following:-

- Geographic spread of the area implies that the Municipality cannot reach each and every person;
- Poor roads infrastructure impedes people's mobility;
- Poor communications infrastructure makes it difficult to disseminate information;
- Lack of structured or organized civil society;

5.2.6 Traditional Leadership Partnerships

In terms of the guidelines issued by the MEC for Local Government and Traditional Affairs in 2011, twelve (12) Traditional Leaders identified by the MEC are serving in the Municipal Council and its Committees with effect from 2011. Due to the rural nature of the Mbizana Municipality, the participation of and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. To this end the municipality has categorized Traditional Leaders as a key stakeholders that plays a fundamental role in the IDP processes.

5.2.7 Communications and Customer

Communication Strategy has been adopted by the Council and is currently under implementation. Great progress has been achieved in the implementation of a Communication Strategy. A Municipal website is functional and updated frequently. The municipality is also in the process of establishing customer care unit which will holistically look at improving our services and customer relations and has employed a Customer Care Officer.

Currently our system is linked to the Presidential Hotline where approximately 15 complaints are received customer care unit work tirelessly to resolve and those that are not for the municipality are channeled to the relevant departments. According to the latest report 83,46 % has been achieved

in terms of resolving the complaints in the system. Suggestion box as well as comments book are in place for daily walk-ins. The municipality has also developed a customer care charter with internal turnaround time frames. However awareness campaigns are needed to sensitize communities about our complaints management systems which are designed for their benefit as well as means of improving service delivery.

5.2.8 Intergovernmental Relations

The municipality has drafted the Terms of Reference for the functioning of the IGR Structure and they have been adopted by council. Currently, there is no Local Communicators Forum (LCF). Processes are in place to launch the IGR structure %uqilima+ before the end of the financial year. Also the Mbizana Integrated Service Delivery Initiative is in place wherein issues pertaining to service delivery taking place within the space of Mbizana Municipality are discussed. Stakeholders do not regularly attend scheduled meetings, instead they only participate in meetings when there is a particular programme that requires their services or inputs. IGR has to be improved to ensure that it is being continuous even for other programmes.

5.2.9 Performance Management System

Every Municipality is required to develop and implement a **Performance Management System (PMS)** in terms of Chapter 6 of the Municipal Systems Act. This performance management system must contain certain core components (section 41 of the Municipal Systems Act):-

- Key performance indicators are %a yardstick for measuring performance, including outcomes and impact, with regard to the Municipality's development priorities and objectives set out in its Integrated Development Plan+.
- Measurable performance targets for each of the development priorities and objectives.

The Mbizana Local Municipality intends to utilize its comprehensive Performance Management System and SDBIP as key tools for monitoring the implementation of this IDP. Performance Management System will be the main management tool to ensure that the resources available to the municipality are directed at the delivery of projects and programmes that meet agreed development priorities within the IDP. PMS will help the municipality to evaluate and monitor whether:

- The delivery is happening as planned
- The Municipality is using its resources most efficiently
- It is producing the quality and quantity of delivery (outputs & outcomes) envisaged
- The delivery is having the planned effect (development outcomes) on the lives of the people in the Municipality.

To achieve this it is necessary to monitor and evaluate, measure and review the performance of Municipalities against indicators and targets set in their IDPs. Performance management will assist Municipalities:-

- To make immediate, appropriate changes in delivery and management of resources
- Identify and overcome major or systematic blockages
- Guide future planning on developmental objectives and resource use

Achieving this requires pro-active development of a performance management system and undertaking an annual review of the IDP.

Furthermore, the municipality has reviewed its Performance Management System and framework, to ensure effective management of performance and regular reporting. All departments are required to submit monthly reports and quarterly reports are submitted to EXCO.

These will then be submitted to Council and further to the audit committee for performance review. The existing audit committee also serves as a Performance Management Review Committee. The existence of the Municipal Public Accounts Committee has also added value in terms of monitoring as all reports are submitted to the committee for oversight, review and recommendations.

5.2.10 Audit and Compliance

The Audit Committee is functional. The Audit Committee is responsible for conducting quarterly performance reviews and reports its findings and recommendations to Council. The full implementation of the IDP is also monitored through quarterly performance reviews. The Audit opinion over the last three years was a disclaimer, adverse and adverse. Follow up procedures to ensure the implementation of action plans have been prepared for addressing issues raised by Auditor General and the audit committee is playing the central role in this regard. The Internal Audit unit is being capacitated through co-sourcing with other Accounting firms to strengthen the good governance. This process is addressing the backlog on findings raised by Auditor General and also assisting the municipality in achieving the clean governance going forward.

5.2.11 Audit Action Plan 2012/2013

	AFS Item	AGSA Finding	Remedial Action	Progressive Action (Maintain Status quo)	Responsible Official	Time Frames
1	Property Plant and Equipment					
1.1	Compliance with the GRAP Standards - GRAP 17	<p>The municipality did not account for its PPE in accordance with Standard of Generally Recognized Accounting Practice , GRAP 17, Property, plant and equipment in the following circumstances:</p> <ul style="list-style-type: none"> - Useful lives of assets were not reviewed at the end of the reporting period; - Assets that were not in appropriate working condition were not tested for impairment as required. - Depreciation was incorrectly calculated, - Assets were incorrectly classified as property plant and equipment. <p>Consequently, PPE as disclosed in note 2 is overstated by R33, 1 million and operating expenditure is understated by R15,2 million ,non current assets held for sale is understated by R16,5 million and investment property is understated by R1,4 million.</p>	Compile an updated Fixed Asset Register that complies with all the requirements of GRAP 17	<p>1. Prepare a project plan for Compilation of the Fixed Assets Register</p> <p>1.1 Follow SCM processes to appoint a suitably qualified and experienced service provider</p> <p>1.2 Appoint a seevice provider</p> <p>1.3 Monitor and evaluate progress on the project to completion</p>	Chief Financial Officer	<p>30-Jun-14</p> <p>28-Feb-14</p> <p>01 March to June 2014</p>

1.2	Compliance with the GRAP Standards - GRAP 17 and 21	In addition I was unable to obtain sufficient appropriate audit evidence for PPE due to the following matters: - The entity did not determine the recoverable amounts of assets as required by - Standard of Generally Recognized Accounting Practice, GRAP 21, Impairment of non-cash generating assets , - I was not provided with sufficient appropriate supporting evidence of the review at the financial year-end of the residual values as required by Standard of Generally Recognized Accounting Practice, GRAP 17 , - Sufficient appropriate audit evidence for adjustments was not provided.	Compile an updated Fixed Asset Register that complies with all the requirements of GRAP 17	1. Prepare a project plan for Compilation of the Fixed Assets Register	Chief Financial Officer	30-Jun-14
				1.1 Follow SCM processes to appoint a suitably qualified and experienced service provider		
				1.2 Appoint a service provider		28-Feb-14
				1.3 Monitor and evaluate progress on the project to completion		01 March to June 2014
1.3	Comparative Figures	I was unable to confirm the current and comparative amount for PPE by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant & equipment of R244 million (2012: R259 million) as disclosed in note 2 to the financial	Compile an updated Fixed Asset Register that complies with all the requirements of GRAP 17	1. Prepare a project plan for Compilation of the Fixed Assets Register	Manager : SCM	30-Jun-14
				1.1 Follow SCM processes to appoint a suitably qualified and experienced service provider		
				1.2 Appoint a service provider		

		statements.		1.3 Monitor and evaluate progress on the project to completion.		
2	Cash Flow Statement	The municipality has recognised non-cash items on the cash flow statement contrary to the requirements of Standard of Generally Recognised Accounting Practice, GRAP 2, Cash flow statement .Consequently, cash generated from operations is understated by R2,5 million and cash flows from investing activities are overstated by the same amount. Furthermore I was unable to obtain sufficient appropriate audit evidence for the reconciling item of prior years amount of R2,5 million (2012: R8, 3 million) in note 22 to the financial statements. I was unable to confirm the reconciling item by alternative means. Consequently I was unable to determine whether any adjustment to the cash flow statement was necessary.	Prepare a Cashflow Statement in accordance with the requirements of GRAP 2	1. Determine the non-cash item that has been included in the Cash flow Statement 2. Prepare a correction error note to show the adjustment that will be made ot the comparative figures of the Cashflow Statement	Chief Financial Officer	15-Jul-14

3	Consumer Debtors	<p>During 2012 the municipality incorrectly recorded service revenue amounting to R3, 4 million in the incorrect accounting period. Consequently consumer debtors were understated and service charges were also understated by the same amount. My audit opinion on the financial statements for the period ended 30 June 2012 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.</p>	<p>Determine the amount classified in the incorrect period and prepare the necessary adjustment to account for the amount in the correct period.</p>	<p>1. Determine the exact amount of electricity that was accounted for in the incorrect period 2. Prepare a prior period error calculation with the accompanying note to show exactly the effect of the adjustment to be made to Consumer Debtors and the Electricity Income.</p>	<p>Manager : Revenue and Expenditure</p>	<p>28-Feb-14</p>
4	Provision for Bad Debts	<p>The municipality could not substantiate the assumptions used in the calculation of the provision for bad debts disclosed in note 6, as required by Standard of Generally Recognised Accounting Practice (GRAP 104). I was unable to confirm the provision by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to provision for bad debts of R6, 6 million (2012: R4, 8 million).</p>	<p>Develop a detailed assumption to be utilised in calculation of the provision for bad debts, supported by clear verifiable calculations.</p>	<p>1. Prepare a detailed narrative on the assumption to be utilised for the provision of bad debts, including the number of financial years to be covered. 2. Apply the assumption to individual consumer debtors with traceable and auditable information. 3. Keep supporting documentation for all the calculations performed to arrive at the final provision for Bad Debts figure.</p>	<p>Manager : Revenue and Expenditure</p>	<p>30-Jun-14</p>

5	Cash and Cash Equivalents	. I was unable to obtain sufficient appropriate audit evidence for the reconciling item in the bank reconciliation. I was unable to confirm the amounts by alternative means. Consequently I was unable to determine whether any adjustments to cash and cash equivalents of R4,3 million as disclosed in note 7 were necessary.	Review the 2012/13 Bank Reconciliations and correct them, to determine and support the un-reconciling difference for council write-off.	1. Review and correct 2012/13 Bank Reconciliations	Chief Financial Officer	31-Mar-14
				2. Determine the un-reconciling difference and provide supporting documentation for the transactions that can be supported.		
				3. Prepare a file for the work done for submission to council for a possible write-off of the un reconciling difference		
				4. Submit to Council for the write-off of the un-reconciling difference and pass the necessary journal on approval.		
				5. Ensure that for the 2013/14 Financial period, monthly Bank Reconciliations are performed.		
6	Expenditure	During the current and prior period I was unable to obtain sufficient appropriate audit evidence for expenditure. I was unable to confirm the amounts by alternative means. Consequently I was unable to determine whether any adjustments to expenditure were necessary. My audit opinion on the financial statements for the period ended 30 June 2012 was modified accordingly. My opinion on the current period's financial statements is also modified because of	Determine the audit evidence that could not be obtained and avail to the auditors for audit purposes.	1. Determine the exact transactions for which audit evidence could not be obtained.	Manager : Revenue and Expenditure	31-Mar-13
				2. Compile the supporting documents for the transactions that could not be audited due to lack of audit evidence for submission to the auditors.		15-Feb-14
				3. Revisit the entire population to ensure that all transactions of expenditure are properly supported with audit evidence		28-Feb-14

		the possible effect of this matter on the comparability of the current period's figures.		4. As part of month end procedures, Sectional Managers will ensure that all supporting documents are reviewed and checked for completeness before they are filed away.		Monthly
7	Expenditure	Expenditure relating to the current period was not recorded in the accounting records at the end of the current period. Consequently expenditure is understated by an amount of R1, 7 million and creditors are understated by the same amount. I was unable to obtain sufficient appropriate audit evidence relating to payments to a supplier. I was unable to confirm the expenditure by alternative means. Consequently I was unable to determine whether any adjustments to expenditure of R37 million as disclosed in note 21 were necessary.	Determine the exact expenditure that is not recorded in the appropriate period and prepare journal entries to account for the transactions in the appropriate period.	1. Determine the exact transactions identified by the auditors and their supporting documents 2. Establish the period in which they should have been recorded and prepare a correction of prior period calculation and note to account for the expenditures not captured. 3. Revisit and review the entire population to determine other transactions that may have not been recorded in the correct period and if identified, include in the exercise as indicated in 2. above. 4. Ensure that all reconciliations are performed on time to identify all transactions that have been omitted and therefore corrective action to be taken immediately. Corrections should have done by the 15th of every month subsequent to the month of reporting.	Chief Financial Officer	31-Mar-14 15-Feb-14 28-Feb-14 Monthly

8	Unauthorised Expenditure	The municipality did not have adequate systems in place to identify and disclose all unauthorised expenditure incurred during the year as required by section 125(2)(d) of the MFMA. Unauthorized expenditure incurred as disclosed in note 42.1 to the financial statements is understated for amounts identified during the audit process of R4, 3 million. Due to the lack of systems however, it was impracticable for me to determine the full extent of this understatement.	Develop a policy and procedure to prevent any occurrences of unauthorised expenditure, but as well, to identify and properly account for any instances of unauthorised expenditure.	1. Develop a policy for the prevention and identification of unauthorised expenditure.(in line with the relevant legislation and circulars)	Chief Financial Officer	31-Mar-14
				2. Submit to Council for adoption		31-Mar-14
				3. Develop a procedure derived from the provisions of the policy and implement accordingly.		31-Jan-14
9	Irregular Expenditure	The municipality did not have adequate systems in place to identify and disclose all irregular expenditure incurred during the year as required by section 125(2)(d) of the MFMA. Irregular expenditure incurred as disclosed in note 42.3 to the financial statements is understated for amounts identified during the audit process of R25, 9 million. Due to the lack of systems however, it was impracticable for me to determine the full extent of this understatement.	Develop a policy and procedure to prevent any occurrences of unauthorised expenditure, but as well, to identify and properly account for any instances of irregular expenditure.	1. Develop a policy for the prevention and identification of unauthorised expenditure.(in line with the relevant legislation and circulars)	Chief Financial Officer	
				2. Submit to Council for adoption		
				3. Develop a procedure derived from the provisions of the policy and implement accordingly.		

10	Commitments	<p>The municipality did not have an adequate and complete contract management system in place for the identification and recognition of contracted commitments and did not disclose commitments as required by SA Standards of GRAP 17, Property, Plant and Equipment. Due to the lack of adequate systems in place, it was impracticable to determine the full extent of this understatement. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustments to the commitments disclosure note were necessary.</p>	<p>Compile and update regularly a contracts register to be reviewed at regular intervals.</p>	<ol style="list-style-type: none"> 1. Compile a Contracts Register 2. Review the compiled contracts register against all transactions that take place in the system to determine any omissions from the register. 3. Update the Contracts register with the identified omissions. 4. Update the Contracts Register every time new appointments are made or new contracts are entered into. 	Mananager : SCM	Mar-14
----	-------------	--	---	--	-----------------	--------

11	Trade and other Trade payables from exchange transactions	During the prior period, I was unable to obtain sufficient appropriate evidence for payables. I was unable to confirm the amounts by alternative means. Consequently I was unable to determine whether any adjustments to trade and other payables of R5,3 million as disclosed in note 10 were necessary. My audit opinion on the financial statements for the period ended 30 June 2012 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.	Review all transactions in the GL, specifically the accounts payables to determine the valid accounts payables. Settle all the outstanding creditors and determine any invalid creditors and write them off.	<ol style="list-style-type: none"> 1. Review the Accounts Payable account to determine the validity of the transactions contained there. 2. Settle all outstanding creditors(creditors recon, supported by supplier statements) 3. Identify and quantify all invalid creditors and write-off 4. Ensure that Creditors Reconciliations are maintained. 	Manager : Budgeting and Reporting and Manager Revenue and Expenditure	31-Mar-14
12	Annual Report and Annual Financial Statements	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in an adverse audit opinion being expressed on the financial statements.	Review the specific misstatements identified by the auditors and correct as part of the prior period errors and process the appropriate adjustments	<ol style="list-style-type: none"> 1. Identify the misstatements that were not adjusted in the AFS 2. Prepare the adjustments to be made in the misstatements. 3. Include in the calculation of prior period adjustments and 4. Process the adjustment 	Cheif Financial Officer	30-Apr-13

13	Asset Management	An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the Municipal Finance Management Act.	Utilise the final Fixed Asset Register prepared to update the Asset Management Module on Munsoft	<ol style="list-style-type: none"> 1. Finalise on the Fixed Asset Register project as indicated above. 2. Prepare the module for asset management on Munsoft for the upload of the updated FAR 3. Upload the FAR to the Munsoft Asset Management Module 4. Maintain the asset management module on a regular basis. 	Manager : SCM	30-Apr-13
14	Internal Controls	An effective system of internal control was not in place, as required by section 63(2) (c) and 96(2)(b) of the Municipal Finance Management Act.	Review all procedure manuals and document all processes to be followed for all processes in the department.	<ol style="list-style-type: none"> 1. Review all procedure manuals and update where necessary 2. Formulate into a flow chart to depict exactly the steps to be followed in all processes. 3. Implement all procedures developed and monitor compliance and measure effectiveness. 	Chief Financial Officer	31-Jan-13
15	Policies	The municipality did not establish an investment policy that was adopted by council, as required by section 13(2) of the Municipal Finance Management Act and Municipal investment regulation 3(1) (a).	Review the Cash Management and Investment Policy and submit to council for adoption	<ol style="list-style-type: none"> 1. Review the Cash Management and Investment Policy. 2. Submit for review and adoption by Council 3. Implement the policy 	Chief Financial Officer	31-Mar-14

16	Policies	A tariff policy was not implemented for the levying of fees for provision of municipal services, as required by section 74(1) of the Municipal Systems Act and section 62(1)(f)(i) of Municipal Finance Management Act.	Implement the tariff policy in accordance with the applicable legislations	<ol style="list-style-type: none"> 1. Identify the areas that have been identified as having not been implemented according to the tariff policy. 2. Ensure that this is corrected and implement according to the tariffs policy 	Manager : Revenue and Expenditure	31-Mar-14
17	Expenditure	Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.	Centralise the SCM processes so as to have control over the processes and documentation for the payment of creditors.	<ol style="list-style-type: none"> 1. Develop a clear system to be followed in the SCM section so as to centralise all processes. 2. Inform all user departments within the municipality of the impending change and the steps to be followed in procuring of goods. 3. Remove all the users that should not be in the system from all the other departments. 4. Implement the new process as communicated. 	Manager : SCM	31-Jan-13
18	Procurement and Contract Management	Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) & (c).	Develop systems and procedures to be followed that prevent the procurement of goods and services without the requisite documentation.	<ol style="list-style-type: none"> 1. Develop a clear system to be followed in the SCM section so as to centralise all processes. 2. Inform all user departments within the municipality of the impending change and the steps to be followed in procuring of goods. 3. Remove all the users that should not be in the system from all the other departments. 4. Implement the new process as 	Manager : SCM	31-Jan-14

				communicated		
19	Procurement and Contract Management	Sufficient appropriate audit evidence could not be obtained that bid specifications were drafted by bid specification committees which were composed of one or more officials of the municipality as required by SCM regulation 27(3).	Provide the documentation required by auditors where available and submit the same to the auditors. Devise means to ensure that for the 2013/14 financial year, all documents are properly filed and provided for audit purposes.	<ol style="list-style-type: none"> 1. Identify all the documentation that could not be provided for audit purposes and submit to the auditors(Documents that are available) 2. Utilising the current contracts as well as commitment registers, review the available documents for all contracts and tenders and ensure that all reports and other supporting documents are available. 	Manager : SCM	30-Apr-14
20	Procurement and Contract Management	Contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM Regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.	Develop procedures that will ensure that there is strict adherence to the provisions of the regulations as well as the policy of the municipality.	<ol style="list-style-type: none"> 1. Develop procedures to be followed in the award of bids informed by the regulations and the policy. 2. Monitor adherence to the provisions of the regulations and the policy. 3. Provide training to all members of staff that are involved in the bid committees 	Manager : SCM	31-Mar-14

21	Procurement and Contract Management	The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and SCM regulation 28(1) (a).	Develop procedures that will ensure that there is strict adherence to the provisions of the regulations as well as the policy of the municipality.	<ol style="list-style-type: none"> 1. Develop procedures to be followed in the award of bids informed by the regulations and the policy. 2. Monitor adherence to the provisions of the regulations and the policy. 3. Provide training to all members of staff that are involved in the bid committees 	Manager : SCM	31-Mar-14
22	Procurement and Contract Management	Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43	Develop a checklist for the documents that should form part of tenders, including the contents of the documents as well as the validity confirmation of those documents	<ol style="list-style-type: none"> 1. Develop a checklist for all required documents 2. Stipulate the information that needs to be contained in the documents 3. Ensure the validity of the documents, that is validity periods 	Manager : SCM	31-Mar-14

23	Procurement and Contract Management	Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).	Ensure that the submitted database forms have declarations that individuals are not in the service of the state. Develop or acquire a system that facilitate the monitoring of the individuals, whether or not they are in the service of the state	1. Facilitate the update of information in the database by allowing service providers to submit updated information, including declaration forms 2. Acquire a system that will be able to pick up whether the owners of the company the municipality will do business with are not in the service of the state.	Manager : SCM	31-Mar-14
24	None	The internal audit unit did not advise the accounting officer on matters relating to compliance with the Municipal Finance Management Act, the Division of Revenue Act and other applicable legislation, as required by section 165(2)(b)(vii) of the Municipal Finance Management Act.	Compliance with laws and regulations will be considered during the execution of the internal audit plan for 2013/14 financial year	The internal audit strategic plan has been developed. Under operational plan, matters relating to compliance with laws and regulations is covered	Internal Audit Manager	30-06-2014

25	None	The internal audit unit did not function as required by section 165(2) of the Municipal Finance Management Act, in that : a risk-based audit plan was prepared late as the service provider was appointed	Going forward risk assessment will be conducted well on time (during July) to ensure that internal audit plan is prepared on time.	<p>conduct a two day risk assessment workshop with all section heads</p> <p>Assist the section heads in the risk identification process</p> <p>Assist in the facilitation of compilation of risk register</p> <p>Prepare a risk based plan from the risk registers of the sections.</p>	Internal Audit Manager	31 August 2014
----	------	---	--	---	------------------------	----------------

5.2.12 Risk Management

In the past Mbizana Municipality used to combine the risk management with internal audit. This led to challenge of proper management of risk facing the entity to ensure the speedy delivery of services. Risk registers for all departments have been developed. The municipality has taken a big stride towards addressing the problem of poor risk management which led to poor audit opinion in the past. The municipality will appointing the risk management officer in the 2014 / 2015 who will be directly dealing with risk management of municipality. This will adequately address the problem of risk management within the entity.

5.2.13 Fraud and Corruption

Mbizana Local Municipality is committed to fighting fraudulent behavior at all levels within the organization for the promotion of ethical conduct and early warnings of fraud and corruption. All fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls.

Mbizana Local Municipality has recently adopted the Fraud Prevention Policy which encompasses the whole range of activities. The objective of this policy is to ensure that all fraudulent activities are discouraged, mitigated and attended to in a coherent and integrated manner, and promoting ethical conduct or behavior,

The scope of this policy applies to all fraud, corruption, theft, maladministration or suspected irregularities involving the following persons or entities:

- a) All employees of the Municipality;
- b) Consultants, suppliers, contractors and other providers of goods or service to the Municipality; and

c) Any other parties receiving benefits from the Municipality.

The Mbizana Fraud Prevention Plan comprises of five pillars, namely:

- Prevention of fraud and corruption.
- Detection of fraud and corruption.
- Investigation of fraud and corruption.
- Resolution of fraud and corruption.
- Maintenance and evaluation of the fraud prevention plan.

5.2.14 Litigation

The council of Mbizana has adopted a legal services policy to regulate litigation and also to ensure centralization of legal matters of the institution. Currently the municipality has several cases which are in progress, some of which the Legal Services Section is not always directly involved. Some cases are conducted independently, the Legal Services Section is faced with the challenge of coordinating these afore mentioned cases.

5.2.15 Municipal By-Laws

The status of the By-Laws is such that 28 by-laws have been gazetted and are ready for implementation with the exception of 12 by laws that are still in consultation process.

5.2.16 Focus On Special Groups

The demographic profile reflects a large portion of the population being youth and women. It is therefore essential that the municipality should increase funding for projects directed to the youth as well as women. An MOU was signed with the National Youth Development Agency for running some of youth programmes. There is a need for concentrated efforts in the mainstreaming of special groups within the planning sessions of the municipality. This unit

here in this municipality encompasses Children, Older persons, Youth, People With Disabilities, Gender and Sport.

5.2.17 Youth

The municipality has developed a Youth Policy which has been adopted by the council. Youth Council has been established and its functional. Benefactors are assisted in career development through local National Youth Development Agency offices, SEDA and Expanded Public Works Program (EPWP) training. In promoting moral regeneration the municipality through the OR Tambo month programme also hosted Ms OR Tambo participants are from all the four municipalities of Alfred Nzo District Municipality.

5.2.18 Gender

Gender Policy has also been developed and adopted b Council. Womenç forum has been established whilst other gender structures are still pending establishment like womenç caucus.

5.2.19 Children

The policy for children has also been adopted by council. There is no Childrenç Advisory Council at local level though children are organized through NGOç dealing with children and the Department of Education, the District municipality is playing a crucial role in coordinating childrenç activities.

5.2.20 Older Persons

This sector also has a policy which has also been adopted by council. There are service centres that are being funded by the Department of Social Development in some areas and the municipality assists where possible.

5.2.21 People Living with Disabilities

The Municipality has facilitated the establishment of PWD structure and has also secured an office with furniture and office equipment for the PWD. The office is at the Multi . Purpose Centre where all activities related to PWD are coordinated with the assistance of the Municipality's Special Programs Unit. Some of people living with disabilities are part of EPWP. The PWD policy is till a draft awaiting adoption by council.

5.2.22 Sport Development

Sport Council was launched. The Sport Council is housed at the Multi-Purpose Youth Centre where also a local sport official deployed by Department of Sports, Recreation, Arts & Culture Alfred Nzo District is housed. The policy on utilization of municipal sport facilities has been adopted by council. The municipality promotes sport development in all wards through Mayoral cup as well as SALGA games. This is regarded as part of youth development as we support under 19 teams and also arranging scouting during the Mayoral games which has proven to be a success.

5.2.23 HIV / AIDS

MLM is experiencing high levels of HIV/Aids prevalence, the municipality continues to partner with the Department of Health in the province towards reduction of levels of infection. In addressing the HIV/AIDS, MLM has developed a strategy which was adopted by the council. The Local AIDS Council was established in 2004 and became functional for a period of five years. The term of office LAC came to the end in 2009 and the Local AIDS Council has never been functional ever since. However the municipality during the 13/14 financial year reviewed its HIV and AIDS Strategic plan with the assistance of the education and training unit of the National Aids Council.

There are fourteen support groups in fourteen of the twenty two clinics for the people living with HIV and AIDS. There are about ten (10) Non-Government Organisations operating through the 31 wards of Mbizana Local Municipality. Five of these NGOs are nationally funded organizations, which are:-

NGO	Focus Area
Mahlungulu Foundation Nomlacu	Dealing with Voluntary Counseling and Testing and Home based care
LoveLife Mbizana town	Dealing with youth awareness and offering adolescent friendly clinic facility
Siyakhana Support Group	Operating in all 31 wards Dealing with Home based Care and HIV and AIDS awareness
Ixabiso lomntu Health Care Centre	Dealing with Home Based Care, Voluntary Counseling and Testing as well as care of orphaned and vulnerable children
St Faith Home based Care organisation	Dealing with Home based care

Challenges:

- The greatest challenge to the HIV and AIDS programme is the non functionality of the Local AIDS Council.
- The vastness of the Mbizana area poses a great challenge as most awareness campaigns conducted only become just like a drop in the ocean due to limited human resources.

5.3 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

This section deals with analysis of our state of readiness to deliver on our assigned constitutional as well as powers and functions mandate. It analyses the extent to which we have put in relevant systems, processes and tools to ensure smooth operations and development of the municipal organization. In order to give effect to the implementation and operations of the above mandate it is both necessary and imperative to put in place a relevant institutional structure and administration.

5.3.1 Political Institutional Arrangements

The municipal council consists of sixty-one Councillors elected by mixed-member proportional representation. Thirty-one (31) councillors are elected by first-past-the-post voting in thirty-one wards, while the remaining thirty are chosen from party lists so that the total number of party representatives is proportional to the number of votes received. In the election of 18 May 2011 the African National Congress (ANC) won a majority of fifty-four seats on the council. The following table shows the results of the election.

Party	Votes				Seats		
	Ward	List	Total	%	Ward	List	Total
African National Congress	48,363	53,971	102,334	80.1	31	23	54
Independent	11,464	.	11,464	9.0	0	.	0
Congress of the People	1,716	2,202	3,918	3.1	0	2	2
Democratic Alliance	1,261	1,429	2,690	2.1	0	1	1
African Independent Congress	57	2,336	2,393	1.9	0	1	1
National Freedom Party	1,012	1,106	2,118	1.7	0	1	1
United Democratic Movement	320	629	949	0.7	0	1	1
African People's Convention	355	458	813	0.6	0	1	1
Pan Africanist Congress	345	294	639	0.5	0	0	0

African Christian Democratic Party	180	309	489	0.4	0	0	0
Total	65,073	62,734	127,807	100.0	31	30	61

The Mbizana Local Municipality has a Collective Executive System. The Executive Committee is chaired by the Mayor and consists of Ten (10) members of the Executive Committee appointed by the Council on a proportional basis. The Mayor is also mandated with the responsibility of the IDP formulation and review processes and their tabling to the Council. The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the Standing or Portfolio Committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority.

Council is the highest authority in the institution. The chairperson of the Municipal Council is the Speaker. The Council has defined the following roles for the Speaker (over and above the roles assigned by the Municipal Structures Act): -

- Leader of council in respect of the oversight function;
- Custodian of the interests of the members of the municipal council;
- Politically in charge of the community development workers programme; and
- Responsible for the training and development of ward committees.

Mbizana Local Municipality has eight Section 80 Committees which are aligned to the administrative departments and are chaired by members of the Executive Committee. They are:-

1. Budget and treasury
2. Corporate Services
3. Good Governance & IGR
4. Special Programmes

-
5. LED & Spatial Planning
 6. Environmental Services, Cleansing and Maintenance
 7. Engineering Services
 8. Protection Services; Public Transport & Public Safety

The council has established the following Section 79 committees to support governance:-

- Rules and Ethics committee
- Petitions committee
- Municipal Public Accounts Committee
- Members interest committee

5.3.2 Administration Structure

Administration is led by the Municipal Manager as the principal accounting administrative officer. The Municipality is composed of **six** directorates and each directorate is managed by section 56 managers and is illustrated below as reflected to the Organizational Structure:-

- Office of the Municipal Manager
- Corporate Services
- Budget and Treasury
- Community Services
- Development Planning
- Engineering Services

5.3.3 Municipal Offices

The Mbizana Local Municipality has the main office and two satellite offices. The main office is the nerve center of all operations in the municipality; the following departments are allocated space in the main offices:

-
- Budget and Treasury office
 - Corporate Services
 - Engineering Services

There a new building that is still under construction at the main offices to accommodate some employees who are congested in small office.

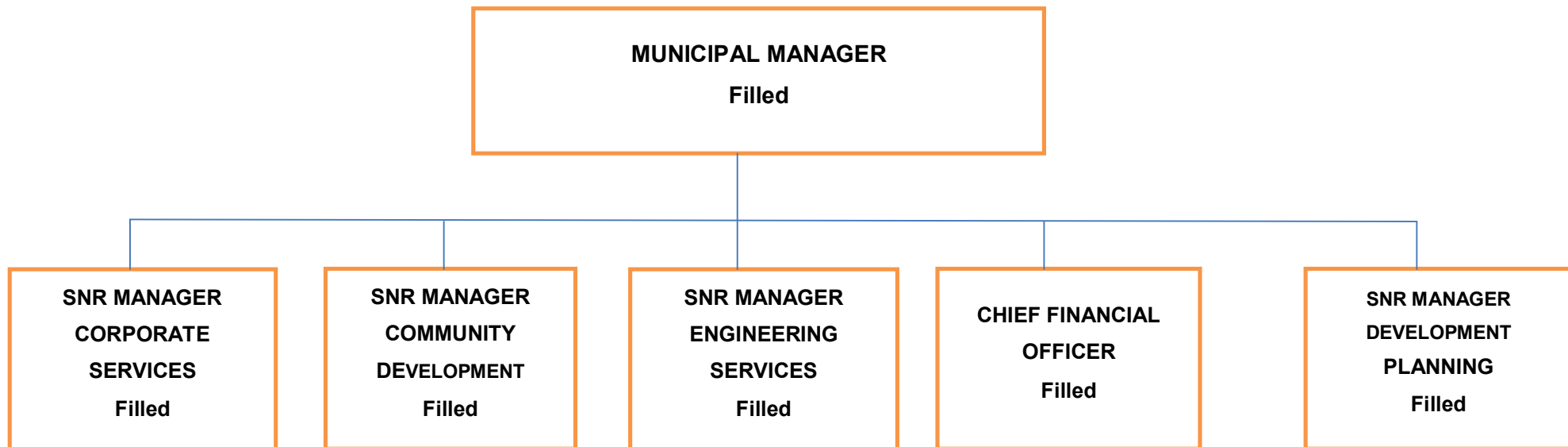
Multi Purpose Youth Centre: Some of the youth related programmes are allocated space in this satellite office and the programme is doing very well. They deal with all you related assistance programmes as some are funded by NYDA through information dissemination, small businesses funding and coaching is happening in these offices. Educational programmes like career guidance and assistance on issuing of tertiary applications forms. Library services are also offered in this satellite office, daily newspapers for job seekers also available. The main challenge in this site is the issue of furniture which the municipality is in the process of getting the issue addressed.

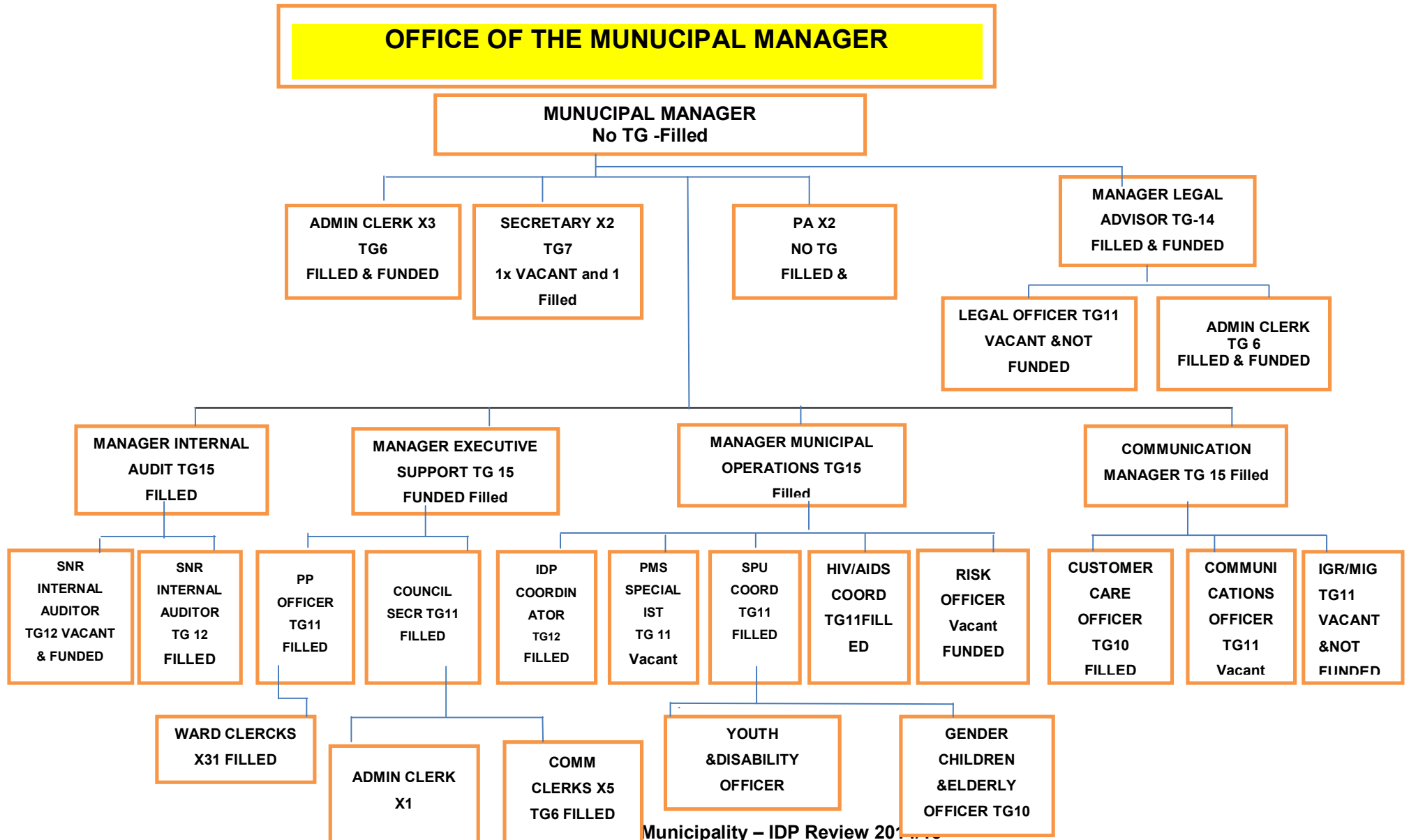
Traffic Offices (DLTC): All services related to licensing, car registration and protection services are running on this site. Learners and drivers license and drivers license renewal services are also offered on this site. The construction of license testing center is in the final stage.

5.3.4 Organizational Structure

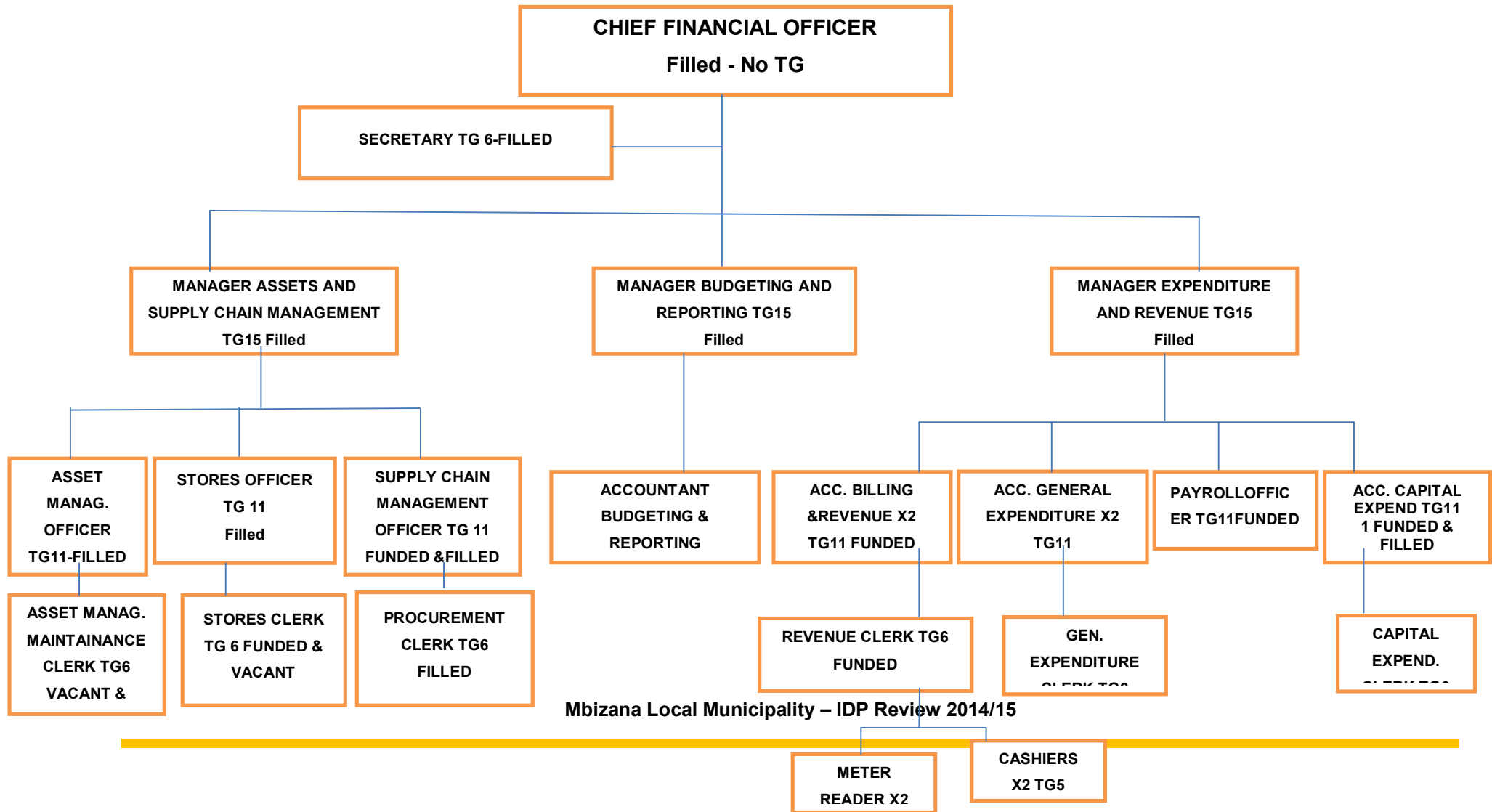
Currently the municipality is operating with the organogram that was adopted by council in May 2013 during 2013 / 2014 financial year, however the organizational structure is being considered for review in the 2015 / 2016.

ORGANISATIONAL STRUCTURE





FINANCIAL VIABILITY



CORPORATE SERVICES

SNR CORPORATE SERVICES
– Filled No TG

DEPARTMENTAL SECRETARY -- Filled

ADMIN CLERK X3 T.G.6
1 filled

LABOUR RELATIONS OFFICER Filled

MANAGER: ADMIN.SUPPORT
Vacant –Not funded

MANAGER: HUMAN RESOURCE

MANAGER: ICT
Filled

FLEET MAN. OFFICER –
T.G.11 vacant funded

ARCHIVES OFFICER
T.G. 11 Vacant - Funded

PERSONEL OFFICER T.G.
10 filled filled

SDF
T.G. 11 filled

JOB EV. OFFICER
Vacant-

H AND S OFFICER
Vacant – not

SYSTEMS ADMIN

HELP DESK
T.G. 5 not funded

DRIVERS X5 T.G. 4 2
vacant and funded

PAYROLL ADMIN T.G. 6

IT TECHNICIANS
X2

RECEPTIONIST
T.G. 5 Filled

HOUSEKEEPING ADMIN T.G. 6
Filled funded

HOUSEKEEPER S X9 T.G. 3 3

ENGINEERING SERVICES

SENIOR MANAGER

Filled

SECRETARY
VACANT -
FUNDED

3XADMIN CLERK
2 FILLED- 1
VACANT NOT

**ELECTRICITY
SUPERINTENDEN**
T F I L L E D

**O & M
MANAGER**

**CONTRACTS
MANAGER**
F I L L E D

**SENIOR
ELECTRICIAN**
TG 12 Filled

**MAINTENANCE
SUPERVISOR**

**2XTECHNICAL
OFFICERS TG12**
FUNDED & 1x

MECHANIC

**DESIGN
ENGINEER**

**2XELECTRICIA
NS 1**

**FBE
COORDINATO**

**RURAL
COORDINATO**

**4XPLANT
OPERATORS**

**3XTECHNICAL
OFFICERS**

2XARTISANS

**2XTRUCK
DRIVERS**

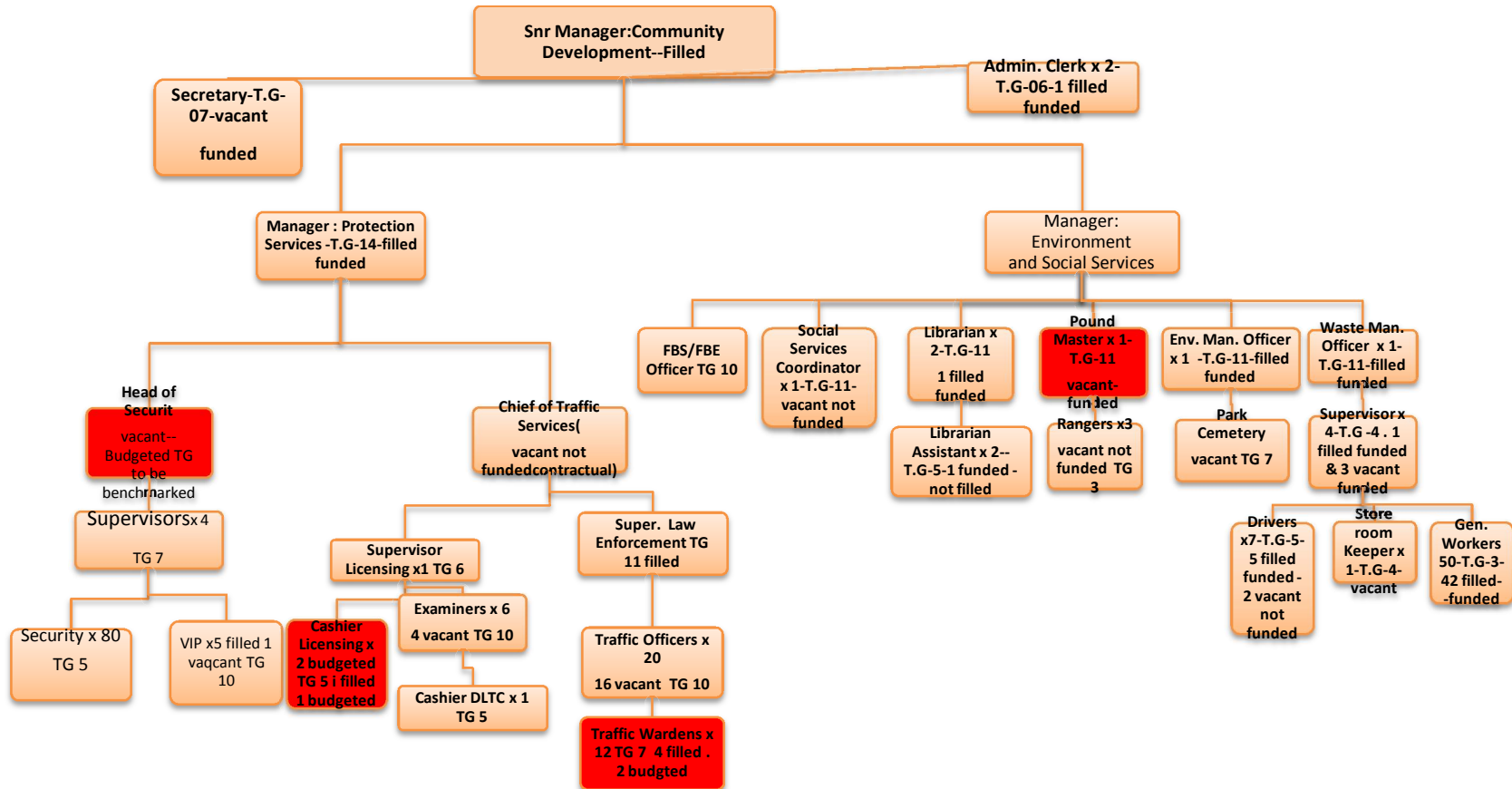
**CAD
OPERATOR**

**4XGENERAL
WORKERS**

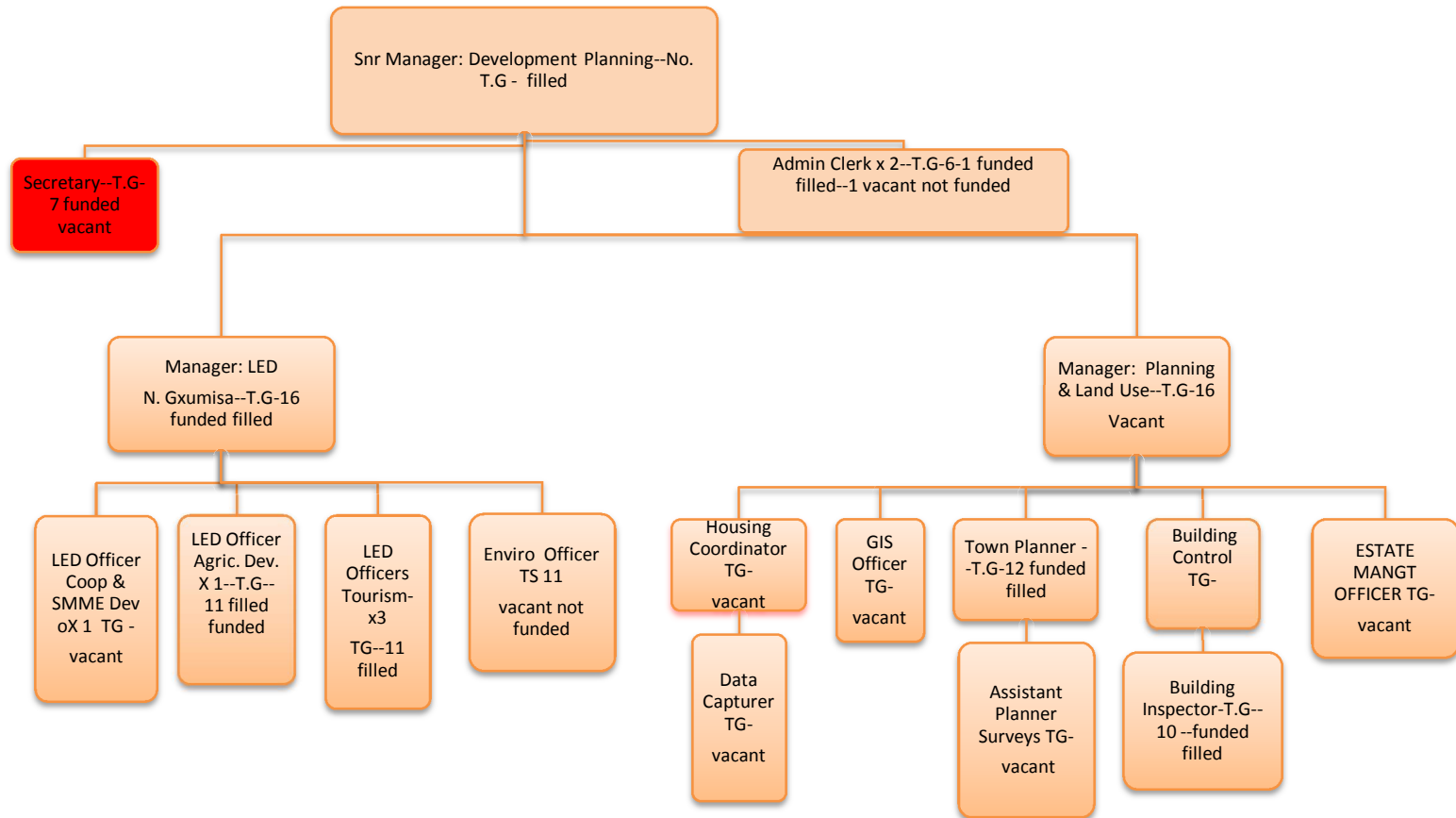
LDV DRIVER

**2XISD
OFFICERS**

COMMUNITY DEVELOPMENT



DEVELOPMENT PLANNING



5.3.5 Populated Staff Establishment

The total number of approved posts as per Organogram is **428** and there have been no changes to the structure for this financial year. **188** posts are vacant on the structure and **240** are filled.

State of filled & vacant positions

Directorate	Number and budgeted posts	Filled posts	Vacant posts
Municipal Manager	78	67	11
Corporate Service	37	21	16
Budget & Treasury	24	19	5
Community Services	103	77	126
Engineering Services	56	37	19
Development Planning	30	19	11
Total	428	240	188

High vacancy rate remains a challenge; however there are plans of filling of all budgeted vacant positions before the end December 2014. All the position in the organizational structure were evaluated and have job descriptions. Out of 194 vacant positions, 79 position are funded to be filled in 2014 / 2015.

5.3.6 Municipal Manager S56 Managers and Line Managers

All section 56 managerial positions and line managers are filled; there is only one vacant position of a line manager which is not budgeted for. The municipal manager, the senior managerial positions in the institution are on contract basis for four year period as shown in the following table.

Post Description	Date Of Appointment	Nature Of Employment	Duration of Contract
Municipal Manager	1 August 2013	Contract	4 years
Chief Financial Officer	1 August 2013	Contract	4 years
Sen. Manager Corporate Service	1 February 2014	Contract	4 years
Sen. Manager Engineering Services	1 February 2014	Contract	4 years
Senior Manager Development Planning	1 February 2014	Contract	4 years
Manager SCM	1 November 2013	Contract	4 years
Manager Budgeting and Reporting	1 December 2013	Contract	4 years
Manager Expenditure and Revenue	1 November 2013	Contract	4 years

The municipality has employed 99 EPWP Casuals and their contracts to expire on the 30 June 2014 and there is also 56 EPWP casuals deployed by the district. All these casual employees are stationed to work at refuse, home based care, recycling projects, storm water drains and waste sections.

5.3.7 Recruitment and Selection

The municipality has reviewed its Recruitment and Selection policy and it was adopted by council. This policy is intended to ensure that Council recruits, attracts and retain capable and competent officials well vested with requisite potential, skills, experience and qualifications. Subject to compliance with relevant national legislative prescripts, Council must take active steps to respect prior learning and demonstrate its progressive resolve to uplift its community and its people within its context as a developmental local government. This policy is intended to fairly regulate all appointments to the Council approved staff establishment including the Municipal Manager and his or her direct-reports (section 57 Managers). Subject to section 23 of the Constitution Republic of South Africa (Act 108 of 1996) and relevant provisions of the Labour Relations Act, Council commits to ensure no form of unfair discrimination and unfair labour practice shall feature, by design or default, in its processes and machinery created for the procurement of its human capital.

5.3.8 Labour Relations

Local labour forum is functional and convened meetings on monthly basis where issues affecting staff and the Municipality are discussed. The Local Labour Forum (LLF) has established sub-committees in terms of main collective agreement (SALGBC) as follows:

- Employment Equity, Training & Education;
- Restructuring of Service;
- Basic Condition Committee

The aforementioned sub-committees should directly report to the Local Labour Forum. The Municipality has appointed Labour Relation officer on the 1st November 2013 to deal with discipline and ethical conduct in the Municipality. The appointment of Labour Relation Officer has assisted in terms of drafting employee policies and efficient handling labour relation cases and assisting in interpretation of legislation governing the Municipality.

Disciplinary Code and Procedure and Grievance policy were developed and adopted by council and is being implemented. All disciplinary cases are handled within prescribed period. All councilors signed code of conduct in 2011 and so far there is no disciplinary case against councilors.

5.3.9 Skills Development, Training and Capacity Building

Work Place Skills Plan which is a guiding document for all planned training programmes has been compiled based on the capacity challenges and submitted to LGSETA on 30 April 2014. Skills Audit was done by the human resource department in all departments inputs were considered by the training committee. Training programs that are currently running are as follows:-

- Ten (10) Managers registered for CPMD Program (Minimum Competency Level);
- Two (2) officials attending Local Government Certificate Program;
- Sixty (60) Councilors and 10 Traditional leaders registered in different SALGA approved program (Community leadership program, Performance Management System, Project Management, Minimum Competency Training, Disaster Management, Local Government Law and Administration and Certificate in Municipal Finance.

There are trainings in the Municipality that are up and running with the purpose of providing skill and development to youth or students and they are the following:-

- Experiential Training
- Internship Programme
- Study Assistance Programme

The Municipality continues to support those that they qualify and wish to pursue their studies further. The currently running training programs are detailed as follows:

Department	Number Registered	Course
Corporate Services	1 Manager	CPMD
Community Development	3 Managers	CPMD
Development Planning	1 Manager	CPMD
Engineering Services	1 Manager	CPMD
BTO	1 Manager	CPMD
MM¢ office	1 Manager	CPMD
MM¢ Office	5 Councilors	Municipal Minimum Comp
MM¢ Office	5 Councilors	Local Gov Law & Admin
MM¢ Office	6 Councilors	Public Finance Management
BTO	4 Officials	Municipal Finance Mgt Cert
Office of the MM	2 Officials	Cert Local Government Mgt

5.3.10 Employment Equity Plan

The municipality has an Employment Equity plan drawn in line with the Act and reports have been submitted to the Department of Labour. The municipality is complying as per the Employment Equity Act on its staff recruitment. The plan provides for the tracking of council intensions for employment equity and reporting on performance against set targets.

Currently, there are 2 females in section 56 managerial position out of six managers and none of them is disabled. The required 2% employment of people living with disability has been attained. The intention of the council is to utilize the human resource recruitment vehicle to ensure transformation of the current employment demographics in line with its targets. The reviewed HR Policies were tabled to Council for approval. Policy for the Employment Equity is also part of the policies adopted by council. Key objectives of the Employment Equity Plan.

These are based on the implementation of the affirmative action measures, elimination of unfair discrimination in employment policies, practices and working environment.

- Improve the gender representation at senior management up to lower levels from 20% to 50%;
- Improve the over/under-representation of people from different designated groups in all occupational levels within MLM;
- Eliminate barriers identified in employment policies and the working environment;
- Compliance with the requirements of the Employment Equity Act.

5.3.11 Performance Management System

Performance Management System is in place and it will be escalated to lower levels during 2014 / 2015 financial year. PMS policy for lower levels has been adopted by council for implementation, the processes of cascading the PMS to lower levels will be rolled out by September 2014.

5.3.12 Auxiliary Services

Status of Facilities, Problems of overflowing toilets that were embarrassing at Youth Center is being attended; this applies to other places like Municipal main building. The presence of the contract Plumber has made a huge difference to the previous situation. Water payment, we are being billed by the District Municipality for water for the first time, the outstanding amount so far exceeds R 200,000 for the previous year and an amount allocated in the budgeted this financial year equals the amount we owe, this is the matter that will need to be addressed as from now on.

5.3.13 Retention Strategy

The MLM Employee Retention Policy is developed to provide guidance and information to Council, Management and Labour in order to effectively implement all approved employee retention strategies so as to promote the retention of staff. The following are the key policy highlights which influence the successful implementation of this strategy.

- The policy purpose puts emphasis on comprehensively addressing all the soft and hard staff issues which include the environmental, technical and social staff needs for effective employee retention.
- The policy applies to all Council employees irrespective of occupational level, grades, categories and demographics.

- The policy highlights a variety of tools and techniques to be implemented in order to effectively achieve and maintain long-term employee retention.
- The policy briefly outlines specific roles and responsibilities assigned to the Municipal Management and Leadership.
- The policy specifies key methods for monitoring and evaluating the retention process.

5.3.14 Succession Plan

The plan has been tabled to the Council for approval. In implementing this plan each year, the Head of Department, together with the Human Resources official responsible for training and development, must examine the organogram of the department to establish posts that are likely to become vacant over the next five years owing to retirements (from the schedule of ages of employees mentioned above). Provision should also be made for cases of possible termination due to the resignations, deaths, dismissals etc.

The Head of Department should then begin to pencil in the names of possible employees within the department who could be groomed for promotions for new posts or for posts becoming vacant as a result of retirements etc. Previously disadvantaged employees must be given preference where necessary to comply with the provisions of the Employment Equity plan for the municipality. In the case of the managerial positions strict scrutiny will be followed and procedure will be outlined later in this plan.

Information on which employees can be earmarked for possible promotion can be obtained from the Skills Audit results and the Performance Appraisal forms. Where there are specialist posts which are expected to arise and which require formal qualifications, employees who have shown the necessary potential and interest should be offered bursaries (subject to finance being available), or alternatively generally be encouraged to register at a

Technikon or University on a part-time or correspondence basis. All possible assistance and encouragement must be provided to the employees.

Where additional informal training is necessary, suitable training courses will be identified and arrangements made for the identified employees to attend. This should be done in consultation with the employee concerned who should be informed that should he/she show promise, he/she will stand a better chance of promotion. However, no promises must be made.

5.3.15 Fleet Management

The municipality is in the process of recruiting Fleet Management Officer to manage the fleet for the Municipality. Currently there is an official designated to take over the responsibility though the position will be filled in the next quarter.

5.3.16 Employee Health and Well - being

Employee Assistant Programme (EAP) committee established, EAP Officer not yet recruited but an official was appointed on acting capacity to implement EAP programmes.

5.3.17 Leave Management

Leave Management was previously noted as a problem arising from audits by the Auditor General. The Municipality has reviewed its policy in order to address these shortcomings and the reviewed policy has been adopted by council.

5.3.18 Occupational Health and Safety

The municipality presently has an adopted policy. It is assisting the municipality in conducting Technical and Safety compliance audits throughout the year. Identified hazards are reported to management for immediate corrective measures.

5.3.19 Human Resource Plan

The Municipality is in the process of drafting Human Resource Plan, however the Human Resource Development Strategy 2010 . 2014 and was adopted by council in 2010. There are plans to request the Department of Local Government to assist the municipality in developing the human resource plan.

5.3.20 Payroll Management and Administration

Payment of Salaries, the department has been running the project on monthly basis and there are no challenges. Circular 39/2012 from SALGA, refund of UIF contributions for Municipal Councilors, explains the allowance of exclusion of municipal councilors from the payment of UIF contributions. Also, attached is an explanatory letter from SARS of the process to follow to claim the refunds. Leave management, employees are advised to take their vacation leaves and make sure that their leaves accrued are not exceeding the limit which is 48 days because they will forfeit 16 days of the 48 days accrued.

5.3.21 Information and Communication Technology

The following is the mandate for ICT:

- Maintain data integrity within the municipality;
- Installation and configuration of software;
- Information and data security administration;
- Data analysis

-
- Management and maintenance of network functions
 - SLA agreements maintenance
 - Change Control Management
 - ICT policy and Strategic document development
 - Attend to logged calls and on desk user training
 - Advise municipality on technology direction

5.3.22 Network Infrastructure

Municipal network infrastructure was upgraded from Cat5 to Cat6 to improve performance on processing nodes. This upgrade will improve the processing speed on IT Systems and V-LAN in the municipal network. This project has been extended to all our remote sites. DLTC is up and running on cat6 which allows link to main office through wireless link accommodating both voice and data.

5.3.23 Telephone System

Telephone system has been upgraded through Telkom on the main site and one (01) remote site (DLTC). The expenditure trends for the Telephone usage have been reduced as compared to last financial year (2013/214) and we believe that this is a result of a joint management effort. We still in the process of deploying other services that will assist the users to access the internal services efficiently.

5.3.24 Web Content Management

Mbizana local Municipality website is up and running, we have also upgraded look and feel of the site to be more interactive. Menus and Resources were also reconfigured to add some functions that were primary for the website to be interactive. The municipality complied with s21A of Municipal Systems Act; we can also confirm that website is in compliance with the

purpose except for the critical documents that are supposed to be forwarded by department in terms of s75 of the MFMA. This critical means that municipal website is not yet complied with s75 of MFMA and it is also important for the municipality to comply with this section.

ICT is responsible for web content management, development, new tools and menus and information security in general.

5.3.25 Policies, Strategies and Frameworks

ICT policies were developed internally and they were discussed on policy review workshop and all amendments were effected and they were adopted by council. ICT Frameworks were also adopted by council with adjacent policies Corporate Governance of ICT, ICT Governance and Charter and ICT Security Policy. Information and Communication Technology Governance Steering Committee was also appointed by Accounting Officer and all policies were considered by this committee.

5.3.26 Implementation of AG's Recommendations 2012/13

We received one issue from AG; the issue was about ICT Security policy not approved by Council and now it is adopted the council. Internal Audit recommendations were implemented and action plan was fully implemented.

5.3.27 Tools of Trade and Procurement of IT Equipment

Tools of trade for the councilors were procured and distributed to councilors. The issues of connectivity for councilors was also considered and implemented through interpretation of the guidelines as set out on the 2012 Gazette about mobile data services for councilors. It is clear that data service is important to be configured for all councilors for the municipality to achieve E-Governance. The primary focus now will be on training of councilors for computer

basics in terms unit standards as per Microsoft learning material and ICT Governance broadly which will enlighten them on their role on ICT Governance.

5.4 FINANCIAL VIABILITY

5.4.1 Overview

Mbizana Local Municipality is a rural municipality that largely depends on grants from the National Revenue Fund. These are allocations as per the Division of Revenue Act that prescribes the allocations to be received by all municipalities based on a number of factors. These grants are conditional and other do not have any conditions attached. The conditional grants can only be utilized for the purposes for which they were meant for and nothing else.

The grants are transferred to the municipalities for a specific financial year and as such should be spent within that financial year. Mbizana Local Municipality needs to improve on the spending on the conditional grants as unspent grants revert back to the National Treasury. The grants that municipality has received for the 2013/14 Division of Revenue Act are as tabulated below:-

Source Of Funding	Budgeted Revenue
Equitable Shares	R 126 027 000.00
Finance Management Grant	R 1 550 000.00
Integrated Electrification Grant	R 20 000 000.00
Municipal Infrastructure Grant	R 40 297 000.00
Municipal Systems Improvement Grant	R 890 000.00
Expanded Public Works Programme	R 1 000 000.00

Total Grant Funding	R 189 764 000.00
----------------------------	-------------------------

Other grants are received adhocly from the provincial government for Local Economic Development initiatives as well as the Expanded Public Works Program. The District Municipality also makes some transfers to the local municipality for specific purposes or interventions. A higher percentage of the total budget is always set aside for the capital projects as the municipality has a responsibility of delivering services to the people in the form of Infrastructure assets like roads, community halls, sport fields electrification and other projects. The Mbizana Local Municipality also generates its own revenue from the following sources:-

- Municipal Property Rates : for ratable properties both in town and rural areas, including government properties
- Refuse Collection : for the town area and
- Electricity Distribution for the town area as well.

Although these streams produce revenue for the municipality, it is not nearly enough as to cover all responsibilities that the municipality is required to undertake. The municipality also receives other income and this is not in the main functioning of the municipality. These include interest on investments, Leasehold fees, Advertising, Hall hire, Traffic fines, funeral fees, tender fees, agency fees and a few other revenue streams.

The collection rate from the consumers, on the other hand remains very low because of the high level of defaulting. The stricter implementation of the Credit Control and Debt Management Policy has seen some improvement but this still needs to be improved. This was part of the Revenue Enhancement Strategy which, for now has not been fully implemented. The comprehensive implementation of this could definitely see the amounts received from own funding being increased. Increased commitment by consumers to settle

their accounts for services rendered could only improve the financial muscle of the municipality.

Electricity sales still pose a challenge due to illegal connections, meter tempering, distribution losses and ageing electricity infrastructure. The Mbizana Local Municipality has to make stringent strides to ensure that this is turned around and surpluses are realized to fund certain capital projects. Setting tariffs for services rendered poses a challenge as we should at least break even on the inputs costs of providing the services. This results in the municipality subsidizing the communities for the services and therefore utilizing funds that could have been utilized differently.

As indicated before, the municipality is mainly rural, and as such the rate of unemployment and indigence are very high. These factors need to be factored in to the setting of tariffs and the effect is usually the determination of lower tariffs. This obviously has an effect of lowering the revenue to be collected from consumers.

5.4.2 Funding Streams

The municipal operations and capital projects are funded largely from grants and to a lesser extent from own revenue. The grant funding, is to a larger extent, conditional, and this means the grants can only be utilized for the purpose for which they have been made available. The grant funds are utilized as follows:

- **Equitable Share:** is utilized mainly for funding operations and could also be used for a smaller portion of capital expenditure

- **Municipal Infrastructure Grant** : is a conditional grant for the funding of municipal infrastructure developments
- **Municipal Systems Improvement Grant** : is a conditional grant for institutional development, installation of systems and improvement of governance systems
- **Financial Management Grant**: is aimed at building the financial management capacity as well as for the procurement and maintenance of financial systems.
- **District Municipality Transfers**: is funding received from the District Municipality for planning and implementation of functions that we undertake on their behalf and for the compilation of the Integrated Development Plan of the local municipality.
- **Other grants**: these are received at various intervals for LED projects, for the EPWP and for other specific adhoc purposes.

5.4.3 Auditor General's Concerns

The Auditor General of South Africa audited the 2013/14 Annual Financial Statements of the municipality and raised a number of management issues. These issues range from the presentation of the Annual Financial Statements, to prior period errors, property plant and equipment and internal financial controls. This resulted on the Auditor General giving an adverse opinion on the municipality's financials. Emphasis of matter was placed on the disclosure of distribution losses and under spending on both the capital and operational budgets. On other matters, the Auditor General expressed concerns on the pre-determined objectives and the performance targets as set by the municipality. The audited results of the municipality have been as follows for the past years:-

	2010/11	2011/12	2012/13
Audit Outcomes	Disclaimer	Adverse	Adverse

An action plan is being developed that looks into the strategies to be implemented in ensuring that all the concerns of the Auditor General are corrected and not repeated in the coming financial periods. This is then tabled to council for adoption. The action plan is all encompassing and all managers will put their shoulders to the wheel to ensure that department specific issues are dealt with by the relevant line managers. The council remains resolute on ensuring that a clean audit is achieved by 2014. This means the action plan needs to be implemented to the latter and good governance and sound accounting principles are maintained through and through. The action plan emphasizes on the following:-

- Compilation of regular monthly reconciliations
- Improvements in the compliance with all the requirements of the MFMA including the asset register, VAT and financial policies and procedures.
- Development and effective implementation of revenue management and collection strategy
- On time reporting and compliance with section 71 and 72 of the MFMA
- Adherence to the approved annual budget.

The success of the implementation of the action plan relies mainly on the building of the capacity of all departments with emphasis on the appropriately skilled personnel responsible financial controls. Procedures have been reviewed to ensure that they stay relevant to intended outputs by the Budget and Treasury Office.

5.4.4 Filing System and the Audit File

One of the requirements of the audit by the Auditor General is that a municipality should be able to produce supporting documentation for the transactions that have occurred. Central to this, is the safe keeping of the documents for the audit and for future reference. The

municipality currently experiences a challenge with this because we do not have central and functional archives. Above that, there is limited space on which files are kept and this result sometimes in documents being misplaced. The municipality is currently considering alternative means that it can do to avoid the loss of documents and thereby limiting the scope of auditing and lacking reference documents in future.

The audit file is being compiled as the documents for it becomes available. This can only be finalised after the year end for submission to Auditor General for auditing. This file should contain all the required documents and those that the municipality believes would be essential in fairly presenting its annual financial statements.

5.4.5 Financial Plans

The municipality prepares a budget that takes into consideration operational and capital expenditure over a period of 3 years. This means a budget that a process plan was also adopted that would look at the compilation of the 2013/14 adjustments budget as well as the compilation of the 2014/15 annual budgets. These budgets or financial plans form part of this IDP document.

5.4.6 Grant Usage

As the municipality receives grants, it is important to reflect on the performance against those grants and a reflection on how under performance will be corrected going forward. The table below shows these performances for the two financial years, 2011/12 and 2012/13:-

GRANT	2011-2012		%	2012-2013		%
	Budget	Actuals		Budget	Actuals	
Municipal Infrastructure Grant	29 445 000,00	30 400 012,00	103%	35 445 000,00	31 631 532,00	89%
Municipal Systems Improvement Grant	790 000,00	995 826,00	126%	800 000,00	342 074,00	43%
Financial Manangement Grant	1 450 000,00	1 450 000,00	100%	1 500 000,00	594 380,00	40%

Intergrated Electrification Grant	20 000 000,00	11 000 000,00	55%	30 000 000,00	28 112 153,00	94%
EPWP GRANT	0	0	0%	1 000 000,00	749 902,00	75%
EQUITABLE SHARE	99 943 799,00	98 860 000,00	99%	120 069 000,00	106 463 000,00	89%
	151 628 799,00	142 705 838,00		188 814 000,00	167 893 041,00	

5.4.7 Debtors' and Creditors turnover rate

Our municipality bills consumers for property rates, solid waste removal and electricity. Consumers are then expected to settle their debts by the 7th of each month after they have been billed. The debtors turnover rate, which is basically the number of days it takes our consumers to settle their debts is more than 30 days. This is more than the expected norm and could have a negative effect on the municipality's cash flow.

Suppliers and creditors, by law, should be paid within 30 days after the receipt of an invoice. The municipality has a creditors turnover rate, which is the number of days it takes the municipality to pay its creditors, of more than 30 days. This is due to the fact that the supply chain function is not entirely centralized, and as such invoices are received by user departments, which results in them reaching the expenditure department quite late.

5.4.8 Internal Controls

The internal controls are one of the most important mechanisms that ensure that the Budget and Treasury Office operates optimally and malpractices are eliminated. The Budget and Treasury has policies in place from which procedures are derived for the daily running of the department. The policies are reviewed annually to consider their relevance and to ensure that they comply with updates that take place in legislation and National Treasury regulations and other developments. The Mbizana Local Municipality has the following financial policies that have been adopted but have not as yet been promulgated into by-laws:-

-
- **Cash Management Policy:** - deals with investment of monies that are not immediately required. This is in accordance with the framework prescribed by the minister in concurrence with the cabinet member responsible for local government and consistent with Municipal Cash Management and Investments. This policy also takes into consideration the handling of borrowing by the municipality, how it is approved and items that can be funded using borrowed funding. It also takes into consideration the borrowing of funds from finance institutions, how these are approved and who decides to enter into a borrowing arrangement.
 - **Supply Chain Management Policy:-** seeks to comply with the constitutional requirements that the procurement of goods and services is conducted through a system that is fair, equitable, transparent, competitive, and cost effective. Amendments have been effected to the policy but it has emerged from the audit by the Auditor General that there are still some gaps that need to be closed in terms of having this policy complying to all the legislations of the country.
 - **Asset Management Policy:-** deals with the way in which the municipality manages its fixed as well as moveable assets. The policy deals with the accounting treatment of all infrastructure assets, categorization, depreciation, useful lives of assets in line with the provisions of GRAP.

There are a few policies that the municipality needs to introduce that would assist in tightening the internal controls. These include the Borrowing Policy, Funding and Reserve Policy and long term financial planning. The following policies have been promulgated to By

. Laws:

- Tariff by-law
- Credit control by-law
- Customer care and revenue management by-law

- Property Rates By-law

The following are the policies that the municipality currently has and are being reviewed regularly:-

- **Tariff Policy:** this policy deals with processes and guidelines that need to be followed in adjusting tariffs, taking into consideration the changes in the Consumer Price Index and inflation. This also takes into consideration the Valuation roll, that is the values of properties that determine the Property Rates which consumers will be expected to pay. This policy is reviewed annually and forms part of the budgeting process.
- **Rates Policy:** guides the municipality on how Property Rates will be charged and who will be charged and is informed by the Municipal Property Rates Act. It determines the minimum value of properties that are subject to property rates. The policy also determines the properties that will be exempt from the levying of property rates.
- **Supply Chain Management Policy:** This outlines the processes and procedures that need to be followed in the acquisition and disposals by the municipality.
- **Credit Control and Debt Management Policy:** This policy guides the municipality on how debtors to the municipality should be dealt with, how long outstanding debts should be collected.
- **Budget Policy:** This guides the municipality on how and when municipal annual budgets and adjustments budgets should be compiled. It gives guidance on how to **do virements and transfers and who has the authority to do those.**

5.4.9 GRAP Compliant Asset Register

The municipality maintains a GRAP Compliant asset register. This enables us to keep track and have a record of what assets we have, both moveable and immovable, the value of the assets, the depreciation thereof as well as any additions that may have taken place during a financial period. The register is maintained through the course of the year with all the additions and disposals as they occur. The Auditor General raised a number of issues relating to the asset register, but these related to the asset register reconciling to what was contained in the Annual Financial Statements. Those reconciliations are being performed as part of the actions on the audit report issued by the Auditor General.

The compilation of the Fixed Assets Register also includes the compilation of a Comprehensive Infrastructure Plan. This details infrastructure assets that still need to be constructed, as well as a maintenance plan that the municipality needs to implement.

5.4.10 Revenue Enhancement and Collection Strategy

As indicated on the overview of the financial viability, our municipality is largely rural and as such has a limited base from which to derive revenue. This implies that the municipality comes up with innovative and robust strategies to ensure that the revenue is enhanced. A strategy has been developed and will be tabled to council. This strategy looks at enhancing the already available revenue base and looking at tapping into new revenue streams.

The strategy encompasses some revenue sources that the municipality already has like the Vehicle and license testing station whose construction is underway. Other alternatives include enhancing revenue related to natural and heritage resources that the municipality is endowed with. The municipality is seeing a lot of development of businesses and residences around town. This has a positive impact on the revenue that the municipality is able to generate. Efforts are also placed at making sure that the electricity department, which has a potential to provide profits to the municipality, is run efficiently and optimally.

5.4.11 Financial Recovery Plan to address cash flow problems

Mbizana Local Municipality has not put together a financial recovery plan. This is mainly due to the fact that it has not experienced any problems with cash flow as it currently has a healthy liquidity that is it is able to meet its obligations as they arise. Assessments are carried out on a regular basis to consider whether the financial recovery plan would be required.

5.4.12 Supply Chain Management

Mbizana Local Municipality has an established Supply Chain Management Unit in terms of the Municipal Finance Management Act No.56 of 2003. The unit is mainly tasked with demand management, acquisition management, disposal management as well as asset management. The SCM unit is functional although it is faced with challenges that need to be worked on and the situation turned around. The challenges range from the schedule of sitting of bid committees; lack of training for bid committee members, conflict of interests, booking for travelling by both employees and councillors.

The asset management in the municipality remains a challenge as there is no complete control of municipal assets. Accounting for the assets remains a challenge as the asset register is not entirely complete. For a supply chain management unit functions well when it is centralized. This means all the activities that relate to supply chain management should be carried out and managed centrally. The municipality centralized all SCM activities and process at the Supply Chain Management Unit to delays in purchasing and payment of service providers.

5.5 DEVELOPMENT PLANNING

This department is composed of two components, Local Economic Development and Spatial Planning & Land Use.

5.5.1 LED Strategy

The council has adopted its review LED Strategy for implementation by 2010/11. This strategy is intended to guide interventions of the municipality in its attempts to improve economic development and thereby increase its revenue base. The LED Strategy is aligned with National, Provincial and District Plans. The alignment of the strategy with other plans is proven on the execution of the LED strategy as some of the plans that the Municipality has prioritized have been stipulated in the LED plan (e.g. Tourism Plan and Agricultural Development plan). The municipality sees its role in economic development as primarily to create conducive environment for investment attraction and leveraging of efforts for sustained growth and poverty alleviation.

According to the LED strategy 2010, Agriculture is the primary active sector in the local economy. Other primary sectors like mining are not performing optimally. Secondary sectors like manufacturing and tourism are also very weak and underdeveloped. However, the hospitality sub-sector of tourism has shown improvements with spiraling B&B establishments around the town of Bizana in the previous years.

5.5.2 Local Economic Development Forum

The LED forum was established in 2010, currently not operating well and it needs to be strengthened. The LED forum is a platform for all the stakeholders that have a role to play in economic development to engage each other in programme LED. The Municipality has signed the MOU with NAFCOOC Mbizana which works hand in glove in almost all aspects of

economic development and as a result there are programs are currently executed jointly by the municipality with NAFCOOC as partners in development of local economy.

5.5.3 Economic Master plan

The LED section engaged the Department of Economic Development , environment and tourism (DEDEAT) to mobilize resources for the implementation of the LED strategy and the DEDEA funded the Municipality with R500 000.000 for the development of economic master plan. PSKM consultants were appointed to undertake the Feasibility study for Informal trading and the completion date would be the next financial year 2013/2014/. Lih Management solutions was also appointed to undertake mining potential assessment that will inform the need for the feasibility study in every resource that has potential and the stipulated completion period is in 2013/2014 financial year. Both feasibility studies have been completed.

5.5.4 SMME & Cooperative Programme

The Municipality established business support centre and signed agreement with SEDA to support SMMES and Cooperatives. The Municipality has also prioritized the SMME networking and information sharing platforms which are held annually.

5.5.5 Community Works Program (CWP)

The CWP programme is implemented in 19 wards with 1979 participants by June 2013 and the funding allocated for this programme was R16 518 993.60. The following wards (04,05,06,07,08,12,13,15,17,18,19,20,22,23,26,27,29,30 and 31) have Agriculture construction and social sectors. At least 3243 jobs created between years 2012/2013:-

“ 900 permanent jobs created in informal trading

-
- “ 159 permanent jobs created by other sectors (Agriculture ,Mari culture, Manufacturing &Entrepreneur development)
 - “ 85 permanent jobs created in SMME development (IEC, IGPs & anchor)
 - “ 120 temporal jobs created in tourism & Agric sectors

The previously disadvantaged groups seem to be the economically viable population (Women between the ages of 35 and 45).

5.5.6 Agricultural Sector

The Municipality is coordinating Agriculture without the plan though it has been the key focus to be developed in year 2014/2015. Currently agricultural initiatives include Maize and vegetable production, including mushrooms, Indian Potato, a number of vegetables as well as high value crops like sugar cane, hemp and Soya Beans support food security initiatives. Livestock production includes Poultry, goat, beef and piggery farming.

The Municipality is coordinating Agriculture without the Agricultural development plan and currently the LED unit is facilitating the development of the Agricultural development plan. According to the IDP (2012/13), the Agricultural Research Council (ARC) developed a comprehensive agricultural profile of the whole of the Alfred Nzo District Municipality including Mbizana. The following are some of the observation and findings from the research undertaken by the ARC:-

- **Potato Suitability** . Mbizana has potential to produce 60 . 80 tons per hectare in an area covering 47 565 hectares.
- **Cabbage** . 60 . 80 tons per hectare can be produced in an area covering 6 657 hectares and 40 . 60 tons per hectare can be produced in an area covering 30 277 hectares.

- **Sorghum** . marginal to optimal areas suitable for sorghum production measure about 22 137 hectares.
- **Dry Beans** . Optimal areas suitable for dry bean production measures 40 000 hectares.
- **Maize Yield** . between 4 and 7.9 tons per hectare can be produced in an area measuring 71 065.

It was suggested that before any development of these crops is done, detailed studies taking into account competing land uses have to be undertaken.

5.5.7 Forestry Sector

Forestry is a potential sector with huge potential for employment creation, but is however, not fully utilized. Currently there are no forestry related projects initiated besides the fruit tress which the Municipality assisted the indigent households in year 2011/2012. Among available resources for forestry in Mbizana is availability of approximately 450ha of plantations which require rehabilitation. In total forest plantations are in the order of 3 493 hectares, including Nyanisweni (DWAF) and North Pondoland Plantations (1000 ha) as well as community owned plantations like Ndindindi and Longweni in Ward 3.

The Department initiated a study of existing potential in the forestry sector, within the ORTDM areas including Mbizana. (Done at the time Mbizana was part of OR Tambo DM). The initiative came in the form of a study called Strategic Environmental Assessment (SEA) within the Wild Coast SDI. The SEA's main objective was to assess the forestry potential within the Eastern Cape focusing mainly on the eastern part of the province. Mbizana Municipality falls within the SEA study area. The assessment undertaken indicated the following:-

-
- Mbizana has potential of about 20 000 hectares of good to moderate new forestry potential. The total area with potential for new forestation in the Study Area (Mbizana, Qaukeni, Mt Ayliff) is about 26 775 ha good potential, 202 138 ha moderate and 28 643ha low potential. The SEA also assessed potential in the sugar cane industry and identified the following constraints for the North Pondoland Sugar plantations.
 - Production distances greater than 50 km impact negatively on the viability of the plantations. Currently North Pondoland produces sugarcane at a distance of about 70kilometres.Yields currently produced in the area are some 35 - 40 tons per hectare whilst the industry average dry land is about 56 tons per hectare..
 - The SEA report also makes important comparisons of the various land uses that are useful for local economic development planning and implementation. The study finds that tea followed by sugarcane, grain, wattle; livestock and gum have the highest value add. Sugarcane, pine (long and short) all show negative returns (NIBIT).

This report suggests, amongst others, that Gum or Wattle offer the best returns in forestry, compared to Pine. In terms of competitiveness of the sector, the information provided in the study is by no means exhaustive as various factors impact on the profitability of businesses and industries. Amongst others, competition is influenced by the following:-

- Factor endowments . the availability of resources and their level of development.
- Distance to markets . transport costs has a huge impact on unprocessed primary products such as timber, sugarcane and other agricultural products. The longer the distance the higher the costs.
- Infrastructure . poor infrastructure impacts negatively on the profitability and viability of industries. Provision of roads and electricity and other infrastructure requirements are critical for the survival and growth of existing industries and growth of new ones.

-
- Rivalry of competition . The shortage of timber supplies and scramble for new forestry resources is a good thing for economies such as Mbizana, because of easy access to markets and available support and partnerships from established forestry companies such as Mondi, SAPPI, NCT and Hans Merensky.
 - Government Action . by developing appropriate support strategies for industry to invest in depressed local economies such as Mbizana new businesses. Through incentives, appropriate by-laws and other support mechanisms government can play a positive or negative role in attracting new investments and the expansion of existing ones.

5.5.8 Tourism

The tourism development plan is in place and its execution has commenced. The implementation of the Heritage and tourism route has been completed. The Municipality is currently sourcing Investors to operate Mthamvuna and Heritage theme park projects. ECDC has approved R750 000 for the planning of the Gateway centre project and the Wild Coast sun also committed R1 million for this centre. The project execution has been protracted by the ward challenges and the community by-in.

The Implementation of phase 1 (Auntie Getty`s house, rehabilitation of graves, fencing Auntie Getty`s homestead, kraal and two huts) at Nkantolo has been completed, The overall grant for the project is R22 000 000.00. Phase 2 (i.e. The Garden of remembrance) has not yet commenced, only the graves that are completed though the whole project is anticipated to be completed by beginning 2014.

5.5.9 Mining

The Mining potential assessment which maps out the available commodities in Mbizana have been completed which stipulates wards with mining potential. This sector is underexploited though it is one of the sectors that have ripple effects and economic benefits.

5.5.10 Integrated Energy Centre

The Department of Energy, PetroSA and the Municipality co-funded Integrated Energy centre which is the tertiary Cooperative at ward 18. The capital invested in the project is approximately R 16 013 796.20 and created 49 job opportunities after construction. This project has sustainable and future economic spin offs for the community of Mbizana.

5.5.11 Informal Trading:

The development of informal trading by-law was completed and there is a policy in place for informal trading as the Municipality currently support informal trading as part of revenue generation. Retail sector in the area is also doing pretty well, there has been a huge investment attraction in Mbizana town and job opportunities have been created. Though the infrastructure is still inadequate but there are investors that invested in town and currently there are huge developments taking place in the CBD.

The intervention of the Department of Public works through small town revitalization programme will assist very well in revitalizing the CBD as the town grows enormously.

The economy of the area is thriving as the informal trading is also growing fast and created more than 900 sustainable job opportunities compared to 2011/12 which was 800. Though the provision of trading bays and market place is slow but informal trading in town is regulated and the growth is monitored through license renewals and registration of Hawkers in our database

5.5.12 Exploit comparative and competitive advantage for industrial activities

Mbizana municipality is prerogative to be situated in the border of Eastern Cape and KwaZulu Natal. It is endowed with pristine beaches and appealing scenery. Mbizana coast is known for its internationally acclaimed biodiversity hotspot hence its called Pondoland centre of endemism. The Wild coast sun resort with various amenities and activities contributes positively in the attraction of tourists to the destination.

The coastal area makes Mbizana the best tourist destination, a must seen precinct to invest also. The expansion of Wild Coast sun resort heightens the economy of Mbizana and created more sustainable job opportunities. In the previous festive season (December 2012) approximately 45 000 tourists visited Mbizana and that shows the growth in the tourism sector.

The political and natural heritage also makes Mbizana unique from other tourists destination Mbizana prides itself as the birthplace of the anti-apartheid leader Oliver regional Tambo and Mamu Winnie Madikizela Mandela. The Department of Arts and Culture funded Nkantolo development with an amount of R22 000 000.00 and appointed IDT as an implementer of the project. The development of the heritage site in Nkantolo will attract more investment and tourists within Mbizana. This development created job opportunities and reduce poverty in the area whilst on the other side it attracts investors to the region.

Political heritage throughout the country has been underexploited and these initiatives seek to exploit the intrinsic natural, political and historical heritage of Mbizana. The LED strategy identified North Pondoland Sugar Cane which is an Agro processing project as the Mbizana`s distinctive competency when it comes to Agriculture in the Alfred Nzo region. The

project execution was protracted by the Land claims though the feasibility studies were undertaken by the interested investors.

5.5.13 Wild Coast Development

The National Road Agency is under the process of constructing the N2 toll road from Durban to East London via Wild Coast area (Greenfields). The road will have the distance saving of 85Km and time saving of approximately 3 hours. The new EIA commenced in 2005/6 was submitted in December 2009. Record of Decision (ROD) was received in April 2010 though it was upheld by the Minister of Environmental Affairs; the positive ROD following the appeals process was confirmed in July 2011.

The project is one of the Anchor projects with ripple effects within the Wild Coast region as it will provide enhanced access to basic facilities such as health care and education. It will provide mobility, access to economic activities, job creation and SMME development within the Wild Coast region as well as Mbizana. The new regional multiplier effect of the project is estimated at 13 575 million with job creation of 6800 direct jobs and 28 100 indirect jobs. During operation phase 900 direct and 1800 indirect opportunities will be created.

Accelerated Business income is estimated at R15 829 Million and the net regional Economic developmental benefits estimated at 29 404 million. It is against the above mentioned background that the Municipalities within the Mpondoland region (Port St John, Ingquza hill Municipality and Mbizana local Municipality)committed to facilitate the project as it has economic spin offs for the area.

5.5.14 Gross Development Product

The overall economy has improved in the last decade (1999 -2009). There is a need for these improvements to manifest into programs which directly deal with issues of poverty and unemployment. The gross develop product is estimated by 2008 (Global Insight) to be approximately R500 million. This shows a huge improvement from its estimated R300 000 by 2003 largely due to increased per capita growth in retail and domestic services.

5.5.15 Human Development Index

HDI is a useful composite indicator of economic development. It provides a yardstick to gauge the levels of lifestyles enjoyed by citizens in an area. If a place scores a number closer to 1 it is assumed by the HDI to reflect high levels of lifestyles. Mbizana Municipality has the lowest level of human development at 0.35 compared to the Alfred Nzo DM (0.44) and other neighbouring municipalities in the district.

5.5.16 List of LED Projects for 2014 / 2015

Projects Name	Ward No	Project Priority Two
Market Place, Informal trading licensing	1	Hawker stalls
Transido development, New mall development	1	
Bantabenunu honey producers, Baleni Cooperatives	1	
Agricultural Inputs	2	IGPs/ Anchor projects
Fruit trees	3	IGPs
Agricultural Inputs/ Anchor project CWP	4	Anchor Project
Amahomba vegetable production Mbobeni brick and block Ludeke dam tourism route development Poultry production	5	Anchor project

Fresh Green Vegetable production Poultry production CWP	6	Anchor project
Vegetable production, CWP Khaleni Group	7	Anchor project
Ku- Bha trading centre, Dudumeni Quarry Mining, CWP	8	Ku-Bha expansion and upgrading of the trading centre
Agricultural Project, Poultry production Market stalls	9	Anchor project Market stall renovations
Ntlenzi Market stalls	10	Ntlenzi market stall renovations
Nkwenkwezi Brick & Block	11	Anchor projects
Agricultural inputs	12	IGPs
Athandiwe nursery, CWP, Zamfuzo Brick & Block	13	
Heritage development : Mbhongweni	14	
CWP, Mtentu irrigation, Masizakhe poultry project	15	
CWP	16	
Eyam Agric Produce. CWP Bizana Multipurpose agric project	17	
Mbizana Integrated Energy Centre Mthamvuna nature reserve Lodge	18	
CWP, Ntlozelo Bricks	19	
Poultry production, CWP	20	Anchor project
Mthamvuna Nature reserve, Sugar cane production	21	
Vegetable production, Quarry Mining CWP	22	Anchor project
Sand Mining, Banana production Sea view 1 stop trading centre & block yard, Heritage route Overnight accommodation, CWP, Sea view full Gospel bricks ,Craft Development	23	

Mzamba Gateway centre, N2 route development, Mzamba brick & Block	24	
Xolobeni Mining, N2 route development Mnyameni tourism development, Mtentu camp sites, Sand Mining	25	
Ludeke dam tourism route development CWP	26	
Nkantolo Heritage development, Nkantolo craft development, CWP	27	
Vegetable production, Poultry production, Sand Mining, Mgwede Brick & Block	28	
CWP, Sugar cane production	29	
Community Works Program	30	
Masizame Vegetable production, Quarry mining, CWP	31	

5.5.17 State of Land Claims

Mbizana Local Municipality has a number of land claims that were lodged in the past years. Various individuals, groups and communities lodged restitution claims for various portions of land around Bizana. The nature of these claims vary from one claim to the other, most of them are community claims which involve large portions of land. Some of these land claims fall within the Sustainable Rural Development Program (ISDRP) nodal point. They are as follows:-

- “ Betterment claims
- “ Commonage claims
- “ Forestry claims
- “ Conservation claims
- “ Sugar cane claims

The restitution claims in Mbizana are at various stages of the settlement process, including research, claimant verification, valuations, settlement and court referral as guided by Restitution of Land Rights Act 22 of 1994. The table below shows 25 rural and urban restitution claims that were lodged and registered under Mbizana Local Municipality.

Project Name	Progress	Project Name	Progress
Pieter Johannes Christian Family	Research	Willile Smith	Valuation
Vuyani Mabude Family	Verification	Muziwandile Tobo Family	Verification
Mqhaka Community	Research	Peter Pretorious Family	Research
Ntshamathe Community	Settled	Etyeni Community	Settled
Ncura Community	Section 42 D	Belina Gasa Family	Research
Makhaola Bolofo Family	Research	Mgungundlovu Community	Court Referral
Mzamba Community	Section 42D	Mfolozi Community	Research
Zolile Skotoyi Family	Verification	Izinini Community	Settled
Mahlubandile Msalela Family	Verification	Esikhumbeni Community	Research
Zeblon Mhlongo	Verification	Hlolweni Community	Settled
Nomlacu Community	Research	Winnifred Sogoni Family	Verification
Gretta Phohlo Family	Research	Mfolozi Community	Settled
Herbert Tshutsha Family	Verification		

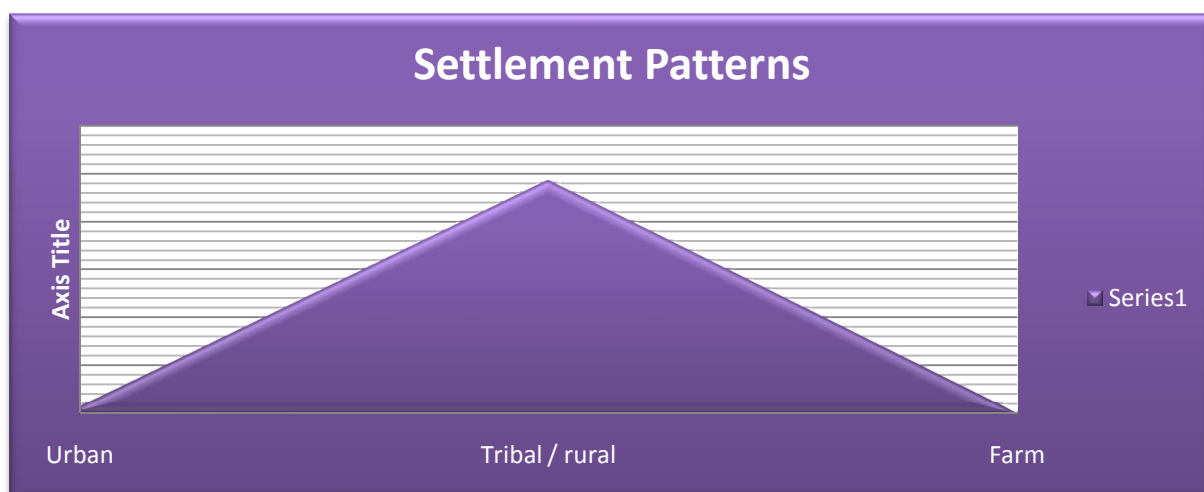
5.5.18 State Owned Land

The town does not have enough land to expand onto due to land claims affecting Bizana town (see figure above). The table below is land for development that is owned by the Department of Public Works.

Erf no.	Property Type	Property use	Extent	Description of property	Intended land use
27	Commercial	Commercial	0.4461	R61 Bizana main road	Office Park
76	S.Residential	Vacant	0.2231	R61 Bizana main road	
86	Residential	Institutional	0.4561	R61 Bizana main road	Business
87	Educational	Educational	0.4561	R61 Bizana main road	Business
102	Government	Government	1.2059	R61 Bizana main road	
103	Government	Government	0.5968	R61 Bizana main road	
104	Government	Old bldgs	4.6156	R61 Bizana main road	Offices & Housing
105	Government	Government	6.6841	R61 Bizana main road	Subdivide and do housing development
111	forestry	forestry	2.7269	R61 Bizana main road	
112		Government	0.1674	R61 Bizana main road	
152	Government	Government	10.5091	R61 Bizana main road	
169	Commercial	Commercial	0.4292	R61 Bizana main road	
170	Commercial	Bottle store	0.6703	R61 Bizana main road	Bus Rank
172	forestry	forestry	36.5937	R61 Bizana main road	
173	Commercial	Post Office	0.5799	R61 Bizana main road	
175	Government	Government	0.1877	R61 Bizana main road	

5.5.19 Settlement Patterns

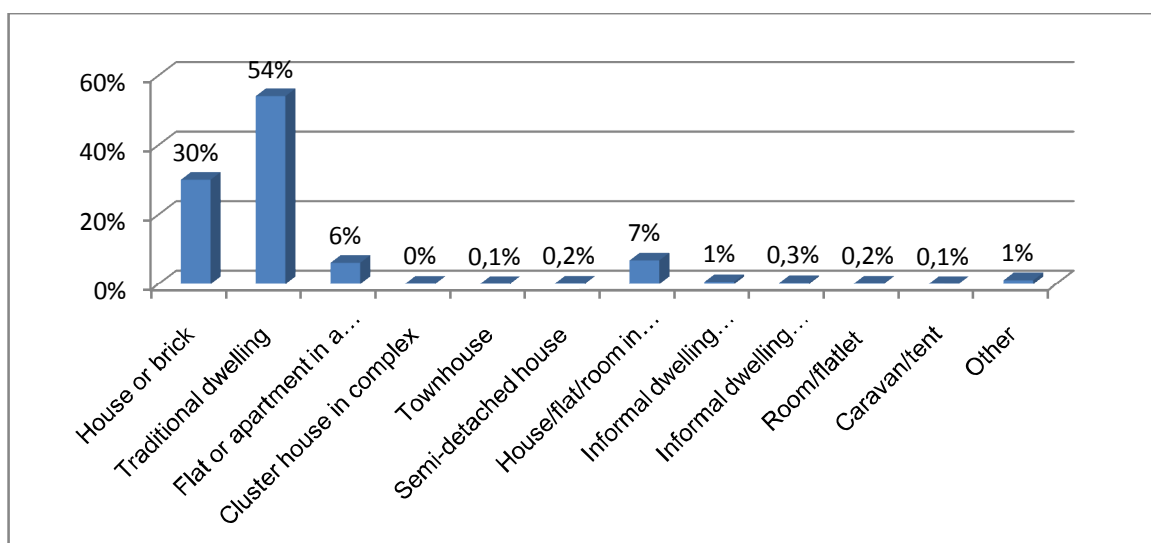
The settlement pattern reflects the rural nature of the municipality, with scattered low density, rural settlements surrounded by communal grazing land and arable land. There is generally little sign of economic activity outside of the urban areas. Settlement density appears to be associated with accessibility, with higher densities in areas of higher accessibility.



Bizana town has a mixture of settlements namely low-income and middle-income. Extensions 3 and 4 are low-income areas whereas extension 2 is a middle-income area. The majority of people living in these places come from neighboring wards for mostly work related purposes. The department has a major low cost housing backlog issue.

5.5.20 Dwelling Type

Almost three quarters of the households in Mbizana (74.4%) live in traditional dwellings. About 15.1% (or 7296 households) live in a formal house on a separate stand. Informal dwellings are occupied by only 189 households (0.6%).



5.5.21 Spatial Development Framework

The SDF is formulated as part of the Integrated Development Plan processes in terms of the Municipal Systems Act (32 of 2000). It is a key element in the integration of development processes applicable to different sectors. The Spatial Development Framework ought to be aligned with the mission and vision of the municipality.

5.5.22 Housing Delivery

Housing is a basic need and also a national competence. It is a priority for our communities who have identified it during the broad consultation workshops as a critical need in short supply. The municipality has identified as part of this IDP's project list, a need to develop a sector plan for guiding our role in facilitating the implementation of sustainable housing and settlement development.

Currently, our role is limited to facilitating and processing of applications for low cost housing, planning for new settlements and coordinating the implementing of RDP housing delivery programme on behalf of the provincial housing and development board or the department of human settlements.

Housing project	Ward	Project Amount
Nquthu 150 Phase 2:	2	R 11 783 547.00
Mbizana 347; Nkantolo 30 (Destitute)	27	R 3 537 736.00
Izinini 150 Phase 2	7	R 13 944 953.00
Nqabeni 57	9, 26, 4,	R 3 876 000.00
Ludeke 1000	4	R 93 726 810.00
Downtown	1	Onhold
Didi/ Ngcingo 1000	13	R 93 726 810.00
Mbizana 486: Emergency project, (Ntamonde, Ku-Bha, Nomlacu and Mbiba)	2, 3, 8,26	

Ebenezer Phase 1 (Ebenezer 1000)	23, 24,29	
Nkantolo 2000 (Phase 1 (1000))		
Multi purpose centre in Nkantolo		

Housing Ministerial Intervention

Project Name	Ward No.
Jerusalem 500	7
Amampisi 500	16
Mdikisweni 500	11
Khanyayo 500	15
Xholobeni 500, Ward 25 (300) Ward 28 (200)	25 & 28
Izibanzini 300	3
Mbizana 160	All wards
Nomlacu 632	
Housing Projects Prioritised By Council	
Mphetshwa 1000	9
Ngqindilili 1000	11
Mgodini 1000	10
Mbabazwe 1000	19
Amadiba 1000	25
Ntshamathe 1000	6
Nikwe 1000	17
Khanyayo 1000	15
Bonda 1000	3
Eluthulini 1000	14
Planned Housing Projects 2014 – 2016 (Not yet approved by Human Settlements)	
Nyanisweni	30
Sizityaneni	31
Redoubt	18
Pelepele	29
Anvis	9

Lukholo	22
Ndayingana	5

Challenges

- No controls in place to deal with land invasions and contraventions
- Unresolved land claims retarding development within Bizana
- Non monitoring of the state of buildings within the town
- Non implementation of by laws
- Unmonitored Invasions of communal land and the supply of services
- No housing register and policy owned by the municipality that addresses the backlog of Bizana as a town in its entirety.

5.6 COMMUNITY SERVICES

5.6.1 Environmental Management

The municipality has improved its functional capacity for undertaking environmental planning and management. We have improved in performing impact assessments and general environmental tasks associated with our principal responsibilities. The Wild Coast Project Strategic Environmental Assessment, Biodiversity Assessment and Action Plan as well as Spatial Development Framework processes have been developed by Department of Environmental Affairs focusing mainly on the wild coast. It is commendable to note that according to the SDF, the natural environment, particularly the coastal belt and areas along the main drainage features are generally in a relatively unspoilt condition.

5.6.2 Biophysical Environment

The natural area and vegetation is 65 %, with 12 vegetation dominant types, wetlands that exist are 523 ha, out of 33066 ha. There is 0% of protected area; however the Greening project has improved this poor protection of natural areas. The Biodiversity patterns across

this region have been categorized as per the EC Biodiversity Plan into 3 levels of priority; these 3 Critical Biodiversity Areas are CBA_s 1, 2 and 3.

The ECBP included an assessment of the importance of various aquatic ecosystems and the catchments required to sustain them. Catchments were classified into CBAs reflecting their importance. The coastal strip of Bizana is categorized under CBA 1. The other assessments which categorize the Aquatic CBA_s of Bizana prove that the area stands out as being classified as CBA 1 as these rivers and their catchments support estuaries that are considered national and provincial priorities.

5.6.3 Biodiversity Management

This area is rich in medicinal plants and as such exploitation is also high, the medicinal plants like *Helichrysum petiolare* (Impepho) have been identified as the most exploited medicinal plant as they harvest this plant in tons for commercial use in KZN.

The culture of planting indigenous plants was introduced by a greening project in 2006/2007 which involved 30 schools and also a program by DWAF (Trees for food project). Many schools are maintaining their indigenous gardens. Another project . Greening of town and heritage sites started in 2011 and will be completed by December 2014. Heritage sites include Khananda, O.R. Tambo garden of remembrance, Ndlovu, Winnie Mandela Homestead. The municipality further established the Planting of Indigenous trees to schools program as a response strategy towards climate change. The program is rolled out in celebration of the Arbor Week and serves as one of the municipal strategies towards climate change resilience.

Facilitate proclamation of the proposed Mthamvuna Nature Reserve. The process is anticipated to officially assist the community in creating a tourist attraction/leisure spot,

thereby creating job opportunities to the locals of the area. The aim of establishing the nature reserve is also meant to preserve the natural state of the area as it is rich in biodiversity hence the fencing of the area and establishment of a medicinal nursery which will avoid the overharvesting of a medicinal plant used in the area are some of the deliverables of the project. The nursery will be operated in partnership with the traditional council wherein traditional healers (Amagqirha) will advice on which plants need to be planted.

5.6.4 Environmental Backlogs:

Some identified challenges regarding environmental management include:-

- Over exploitation of natural resources due to extraction and changes in land use which result in loss of bio diversity through sand mining, unmanaged harvesting of species and unmanaged harvesting of mangrove forest and other forest stands.
- Soil erosion leading to siltation of rivers and estuaries, and loss of valuable agricultural land.
- The spread of invasive alien species which in turn has the potential to disrupt natural ecosystem functioning.
- Poor reporting rate of environmental damage such as degradation due to illegal sand mining which usually occurs in wards 16,22, 25, 28, 29; borrow pits that are used without permits and have been left thereafter without being rehabilitated and natural causes like sinkholes in areas like ward sixteen (16) and ward three (3).
- Increased urbanization in river catchments.
- Inadequate ,overloaded or defective sewage treatment infrastructure which leads to environmental and health risks
- Limited storm water management

-
- Pathogenic contamination of inland waters due to poor sewage treatment and disposal.
 - Habitat degradation
 - Loss of arable land to housing developments
 - Lack of awareness of environmental principles and relevant environmental and planning legislation and policy
 - Environmental non-compliances, lack of prioritization of environmental issues.
 - No management of wild animals/ problematic animals, causing risks to human lives more especially in rural areas
 - No legal dumpsite/ landfill
 - No slipway/launching site for boats to fish offshore.
 - A growing number of illegal cottages seem to be a challenge along the coast. These cottages are established by tourists in rural homesteads along the coast.

5.6.5 Waste Management

Integrated Waste Management Plan was completed and is awaiting adoption by Council and thereafter it will be sent to MEC for approval . There are a number of noticeable waste hotspot in town and surrounding. Non-implementation of By-laws to deal with waste hotspots is hindering progress in limiting the number of hotspots in Mbizana. These hotspots are highly catalyzed by low levels of waste management service in most areas. Prominent hotspots are in the peri-urban areas like Ngcingo, Mathwebu, Mhlanga, Sea-view, Highland view. Waste is being collected at businesses at an interval of 3 days a week, and a total of 204 small businesses and 27 large businesses.

There are no legally compliant landfill sites, only a temporal dumping site without a permit is operated by the municipality. For the proposed Majazi landfill site EIA have been conducted

and Municipality has already receive an authorization license from the Department of Environmental Affairs. The service provider will be appointed to do detailed designs for the landfill site and access road to the site and fencing of the site.

5.6.6 Recycling initiatives

There are informal recycling initiatives in Bizana town (Re-claimers), Sasuka Recyclers . a Mondi paper funded company specializing in Cardboard, paper and plastics, this company has employed 10 Women and a metal re-claiming company which has just established itself in town, metal is collected from all 31 wards and most of the collectors sell their recyclables in KZN (Port Shepstone and Durban), 2 Cooperatives have been established by the municipality for glass recycling and cardboard recycling.

5.6.7 Climate Change

The Mbizana Local Municipality is currently developing a climate change strategy which will be included in the IDP. The municipality has prioritized development of Climate change strategy and it will finalized in the 2014/2015 financial year that will:-

- Ensure that the municipality is consistent with national priorities, including poverty alleviation, access to basic amenities including infrastructure development, job creation, rural development, foreign investment, human resource development and improved health, leading to sustainable economic growth;
- Ensure alignment with the need to consistently use locally available resources;
- Ensure compliance with international obligations;
- Recognize that climate change is a cross cutting issue that demands integration across the work programmes of other departments and stakeholders, and across many sectors of industry, business and the community;

-
- Focus on those areas that promote sustainable development;
 - Promote programmes that will build capacity, raise awareness and improve education in climate change issues;
 - Encourage programmes that will harness existing national technological competencies;
 - Review the strategy constantly in the light of national priorities and international trends;
 - Recognize that South Africa's emissions, Provincial and Local emissions will continue to increase as development is realised.
 - Ensure that Mbizana Local municipality IDP prioritizes building climate resilience through planning human settlements and urban development; provision of municipal infrastructure and services; water and energy demand management; and local disaster response, amongst others.

5.6.8 Marine Resource

The coastal belt, approximately 30kms wide forms part of the areas of high conservation value and is regarded as the second coast with the most species rich floristic region in South Africa. Therefore it is important to ensure that this area is protected and conserved when making recommendations for future developments. In the management of the Marine resources, there are two governmental departments operating in the Mbizana coast:

- MCM- operates from a high-water mark towards the sea. Its function is to ensure compliance from all fishers.
- DEDEAT- Responsible in the 1 km zone from the high water mark towards inland.
- DEA . Assist in management of the Coast through The Working for the Coast Project, which mainly focuses on cleaning of the beaches and maintenance/installation of beach facilities.

-
- DAFF manages the indigenous forests in the coastal dunes, development of a policy regarding small scale fisheries is soon to be adopted , which will assist small scale fishers.

Fishing activities are mainly happening in the estuaries. Estuaries serve as a nursery home for marine species; however agricultural practices seem to play a role in interfering with this habitat. Due to inappropriate agricultural practices close to the estuaries siltation causes blockage hence a habitat for marine species is disrupted. ECPTA extended the conservation area and hired rangers to oversee the area. The programme is funded by the Wild Coast Project.

5.6.9 List of Estuaries in Mbizana and their Challenges

Mtentu Estuary:

- It is a protected area
- Fishing is prohibited
- Boats with engines are prohibited
- It is a nursery for marine species
- It is a perennial river
- Considered to be one of the two biggest and longest protected estuaries in the Eastern Cape.

Challenges:

- Illegal fishing by nearby communities
- Jet skis enter the estuary illegally

Opportunities:

- Fly fishing can be successfully done
- Influx of seasonal king fish hence fishing is possible
- Canoeing
- Beautiful cliffs that can be viewed by tourists
- Indigenous forests, hence it falls on the Wild Coast strip
- Campsite next to the estuary for accommodating tourists
- It forms division from the Mkhambathi nature reserve

Skhombe Estuary:

- No activities are done in this estuary
- Non-perennial

Challenges:

- Agricultural practice on the river banks causes degradation then the sand is eroded to the estuary hence a build-up of silt in the estuary
- Sand dunes not covered by vegetation
- Illegal cottages that are in a very close proximity to the estuary which somehow interferes with the marine habitat.

Opportunities:

- Canoeing

Khwanyana Estuary:

The Khwanyana camp is no longer in existence, hence there are no more activities done such as horse hiking trails.

Challenges:

- There is a lot of sand build-up that has almost clogged the river hence there is agricultural practice next to the estuary.
- It is surrounded by bare sand dunes (without vegetation)

Mnyameni Estuary:

The Mnyameni camp is one of the camps that used to be operated by the Mkhambathi Nature Reserve, under an ECPTA initiated programme. The camp is supposed to be operated by DEDEAT, however due to lack of prioritization the camp is managed by a community trust. The municipality and DEDEAT need to resolve this matter, wherein an official agreement between all relevant stakeholders and departments.

- Perennial rivers
- Fishing is good
- Campsite next to the estuary is currently operated by DEA, however it is supposed to be operated by the Municipality and the community

Challenges:

- Agricultural practice next to the river which may affect the estuary

Opportunities:

- There is a proposed accommodation development

Mzamba Estuary:

- Fishing is good
- Proposed boat launching site
- Used as a film production area due to its extraordinary natural features
- Perennial river
- It is supposed to have a management plan
- The Wild Coast Sun uses the river as their main water supply

Mthamvuna Estuary:

- Boats are permitted
- Host for boat competitions and jet ski
- Fishing is not that good hence there are a lot of activities in the river.

5.6.10 Alien Plants Encroachment

Alien invasive plants pose one of the biggest and most problematic threats to the environment of Mbizana. Not only may their effects be latent and sometimes difficult to detect and assess in extent, but they may just as easily be explosive and overwhelming. Similarly new areas have been invaded that were previously considered %clean+ and safe from immediate threat. Within the Mbizana coastal terrain there is a high invasion currently at a tough and challenging pivot point as alien species are arriving and reproducing at an alarming and increased rate, driven by a combination of natural and man-made factors (such as floods and inappropriate land use practices).

The municipality has thus prioritized alien species removal for addressing present and future problems of alien plant control in Mbizana inland and coastal areas. As the alien threats become more severe, increased and enhanced levels of creativity are needed to enhance the appropriate reaction time and effectiveness of integrated control actions. In Mbizana, the invasion of alien grasses has dramatically increased the frequency and intensity of , res in dry forests. This has contributed to the conversion of almost all native dry forests to grasslands dominated by alien species. The program is intended for protection, preservation, management, or restoration of natural environments and the ecological communities that inhabit them.

- Increased water security with enhanced stream flow and improved water quality
- More productive wetlands, estuaries and water tables
- Rehabilitation of degraded land with a strong emphasis on Land Care to secure the sustainable productivity of land
- Conservation of biodiversity and catchment integrity and the reduction in the frequency and intensity of fires and floods.

-
- Inappropriate farming methods on commercial farms have given rise to severe land degradation and soil erosion. Environmental management policies and practices remain sectoral and fragmented.
 - Inadequate resources that can assist in fostering sustainable and integrated environmental management practices to improve the life of Mbizana citizens
 - Poor skill development in the aspect of environmental management, hence there is less development
 - Inappropriate development due to shortage of lands in area/lands that need to be protected, e.g. Wetlands.

5.6.11 Planned Interventions to overcome Environmental backlogs:

- Establishment of a Coastal Working Group that will address all coastal issues and create good working relations amongst all governmental departments and parastatal departments / organizations
- Drafting Climate Change Strategy that will serve as an assessment to what factors are prominent and what resilience methods need to be adopted to avert the long-term results of climate change.
- Environmental and Waste Management awareness in communities around Bizana.
- Removal of Alien Plants in various areas.
- Planting of Indigenous Trees in various schools and other public places.
- Working for the Coast Project.
- Greening of Bizana Town and heritage sites.
- Proclamation of Mthamvuna Nature Reserve
- Licensing of Majazi Landfill site.
- Enhancing recycling initiatives
- Environment and Culture sector . EPWP

Provision of education and the pre-requisite infrastructure is a function of provincial government. The role possibly that could be played by Mbizana municipality based on its spatially determined areas of priority and need should be to coordinate with this sphere of government regarding the location of new schools, provision of services such as electricity, water, access roads. There is progress in the promotion of learning culture through back to school campaigns and library usage.

However, the service provision of the department is guided by a number of factors including the following norms and standards; Primary schools (Grades 1 . 7) are entitled to one classroom for every forty learners while secondary schools (Grades 8 . 12) require one classroom for every thirty five learners. These provincial norms include the department's commitment for essential services such as office infrastructure, laboratories, computer facilities, provision of water and electricity, sanitation etc.

Currently Mbizana has 248 schools including 9 ABET centers and 5 ECD centers of which 40% of them are mud schools. Approximately 190 schools have access to electricity and or solar panels whereas only 60 schools have access to water and sanitation. Road networks remains a challenge as on 50 schools have access roads in the entire Mbizana. Twenty six schools are beneficiaries of scholar transport with 2186 learners benefiting from the program. The school nutrition program is currently servicing 216 school benefiting 116 820 learners. Some of the challenges faced with education in Mbizana are:-

- Schools in this district are in rural areas they do not have basic facilities
- “ Lack of permanent structures
- “ Mud structures
- “ Shortage of human resource in fields like Maths and Physics
- Lack of school furniture

It is important from a planning perspective for the Provincial Department of Education to take note of the currently state of backlogs. The department has to put aside more financial resources allocated for eradication of mud school, provision of personnel, provision of school furniture and provision basic services such as water and sanitation, electricity, communication facilities and access roads.

5.6.12 Health Services

There are two hospitals (St Patricks and Greenville) available servicing the entire municipal area of Mbizana. Currently there are 22 clinics, two mobile clinics servicing 36 points for health services and an estimated backlog of 8 Clinics, this is based on the national benchmark of 10 000 households per clinic facility. The department complements this provision with temporary mechanisms like mobile clinics spreading to all over the municipality. There four health post activities in Lukholo, Xholobeni, Mt Zion and Gwala villages.

5.6.13 Community Facilities

The municipality shows progress in provision of these facilities when one compares previous years and the current state. Previously only the urban part of the municipality had community facilities like community halls, sporting fields etc. Currently there are eighteen (18) community halls with one Multi-purpose youth centre in different wards of Mbizana. The multi. purpose youth centre is incorporating Love Life centre and a community library facility built by the Department of Sport, Arts and Culture.

It must be noted however, that this is the only library facility which is servicing ± 104 576 learners within Mbizana. The municipality as mentioned above has resolved to move away

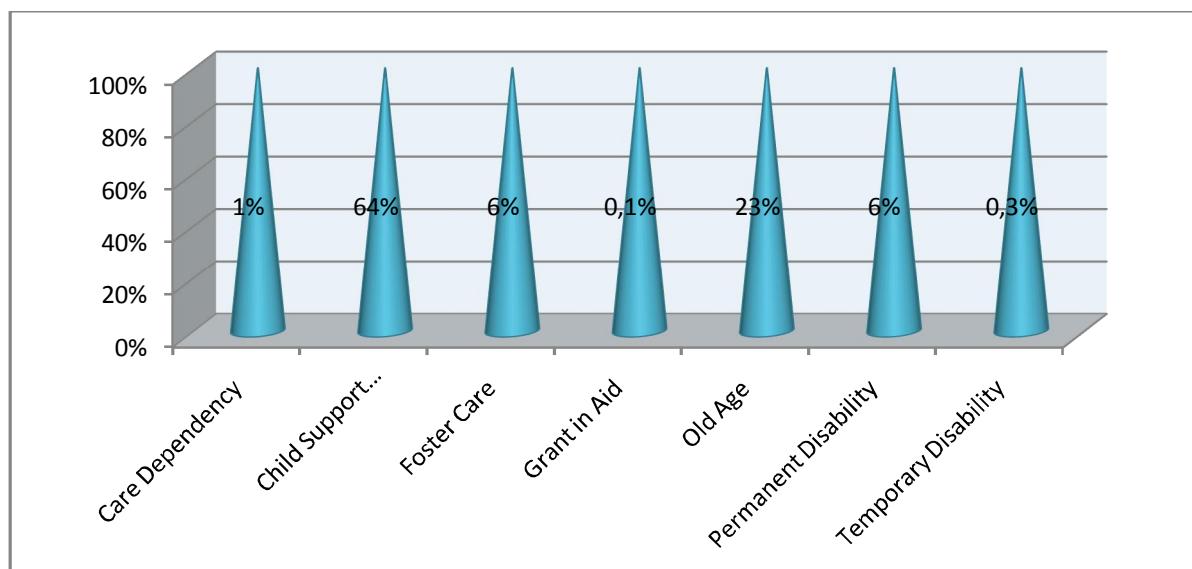
from building simple community halls into provision of durable multi-purpose community facilities. These facilities should be adequate to enable accessibility of the municipality and various other services provided by other spheres of government within each ward. It has also been resolved to consider upgrading of the existing halls to meet this standards. Community engagement during Mayoral Imbizo in various wards indicated some concerns about the lack of maintenance and proper management of existing facilities by the Municipality.

There are two (2) new community halls that have been prioritized for 2013-2017 which still need to be scoped and registered for funding. There is also one sport fields to be constructed at Luphilisweni in ward 09, and landfill site at Majazi in 2012-2015.

5.6.14 Social security services

The provision of social security services is the mandate of South African Security Services Agency (SASSA) working hand in hand with the department of Social Development. Their main objective is to improve the quality of life of the poor, vulnerable, needy and the excluded citizens of Mbizana through a comprehensive and integrated social security services system.

The enormity of poverty characterized by illiteracy, low income levels and lack of access to employment opportunities is a serious challenge for the Mbizana Municipality. According to the chart below, 64% of households depend on child support grants while 1% depends on care dependency, 6% on foster care, 23% on old age, 6% on permanent disability, 0.3% on temporary disability and 0.1% on grant in aid.

Beneficiaries of Social Grants: StatsSA: Census 2011

5.6.15 Social Development

The Department of Social Development intends to contribute to the improvement of quality of life of the poor, the vulnerable, the needy and the excluded citizens of Bizana through a comprehensive, integrated and developmental social service system. This is done through the following programmes:-

Community Development Programmes:

- Poverty Eradication
- Sustainable livelihood, etc.

Alternative Placement Of Children In Need Of Care:

- Foster Placement
- Placement of children in institutions such as SOS, Mzotsha Children's Home, Maluti Place of Safety, etc.
- Adoption Services

-
- Children in conflict with the Law: different diversion programmes, Pre-trial assessment reports, pre-sentence reports, after care services, etc.

Early Childhood Development Programmes

- Funding ECDs: The department has 32 funded ECDs within the localities of Mbizana Municipalities.

Providing HCBCs Projects for People Affected by HIV & AIDS

- The department is funding two HCBCs i.e. St. Faith in ward 23 in Seaview location and Sinosizo at ward 09 in Envis.

The Department Provides Services To Victims Of Any Kind Of Crime.

- These services are provided at Mzamba Victim Support Centre which is at Mzamba police Station although it is not limited to this area.

Social Relief Of Distress:

- Provision of food parcels to needy families based on the assessment.
- Provision of school uniform at the beginning of every year which is referred to as Back to School Campaign.

The department faces a challenge in addressing the problem of high rate of death which results in child headed families. Most of the children have no necessary documents which are required for administrative purposes. This situation is worsened by the Birth Act which requires the involvement of court. The department experiences a misuse of grants whereupon the clients are supposed to come and review their grants they are nowhere to be found. Mbizana communities face the following challenges:-

- Lack of proper skills for financial and project management.

-
- Funding criteria of the Department needs to be revised.
 - Crime and Alcohol abuse mostly affecting teenagers and youth in most wards, mainly caused by peer pressure, poverty and unemployment.

Regarding various other social development interventions including HIV & AIDS, poverty alleviation, community development and youth it is estimated that over 32 ECDs have been funded to the tune of R2 024 494, approximately three community development projects at an estimated funding of R1 250 000 and a youth development project estimated at R500 000. There has also been close collaboration between the municipality and the Provincial Department of Social Development with some of the ECDs being provided with land and formal buildings by the municipality. As part of this process Mbizana has thus far built 11 Pre - school. The department of Social Development has initiated an intervention programme through piloting of cluster homes for orphans and neighborhood base response for domestic violence victims.

While the provincial department, in its project funding process, requires formal declaration of support from the municipality, it is acknowledged that more often than not the department deals directly with beneficiary communities and some of these projects may not be reflected in municipal IDP priorities. In terms of the available information, in Mbizana there are only two formal institutions for the disabled. Both the department and the Municipality acknowledge that there are many social welfare organizations and institutions, but because these are housed at various private households, it is difficult to monitor their spatial coverage.

5.6.16 Safety and Security Services

Mbizana Local Municipality have four police stations situated in Mbizana town, Mzamba , Mpisi and Ndegane. The above is contrary to the policy provision which states that a new police station may be required when there is a new settlement, drastic increase in population density, increase in crime rate as well as travelling distance and per capita costs to access police stations. This in effect means that on average, 1 Police Station is serving an area of 701.5 km² and 58 831 people. Therefore it is evident that the provision of security services is inadequate in the Mbizana Municipality and in pursuit to reduction of crime, the establishment new additional police stations need to be area of focus.

The department has identified housebreaking, assault, stock theft, rape and armed robbery crimes as its priorities in all the police stations due to increased number of cases reported. The department has established a maximum of 22 Community Policing Forums in all the stations i.e. 15 structures under Mbizana police station, 4 structures under Mzamba police station, 2 structures under Mpisi and 1 structure under Ndengane satellite station. However, the department is experiencing a number of challenges viz:-

- “ Bad conditions of access roads
- “ Poor street lightening in town
- “ Poor conditions of access bridges
- “ Lack of personnel, transport and non maintenance of police stations.

Despite the shortage of human resources and mobile resources, the department has undertaken cluster operations and station operations conducted to reduce crime and as result there is a general decrease in crime levels by 7% in terms of contact crimes and

property. The department has planned some intervention to further reduction of crime levels which include:-

- “ Motivation of communities to cooperate with Community Policing Forums and police in reporting crime and identifying offenders.
- “ Encouraging communities to register as police informers.
- “ Conducting operations and increase police visibility.

5.7 ENGINEERING SERVICES

Our main mission of existence is to deliver sustainable services to our constituent communities. Service delivery is therefore the highest priority in Mbizana Local Municipality. We provide services directly in all the areas of functions that are assigned to us and indirectly (via coordination and facilitation) in other areas of development for which authority reside elsewhere (either in the DM, Sector departments etc). We also partner with agencies in the non-governmental sector to ensure holistic and integrated delivery of development. Currently the municipality receives infrastructure funding from MIG, INEP, EPWP DBSA & the Equitable Share, however source of funding for infrastructure development needs to be diversified through funding applications to all public & private agencies who might willing to support infrastructure investment so as not to heavily rely on grants such as MIG, INEP, and EPWP), DBSA & the Equitable Share as mentioned above.

5.7.1 Water Services

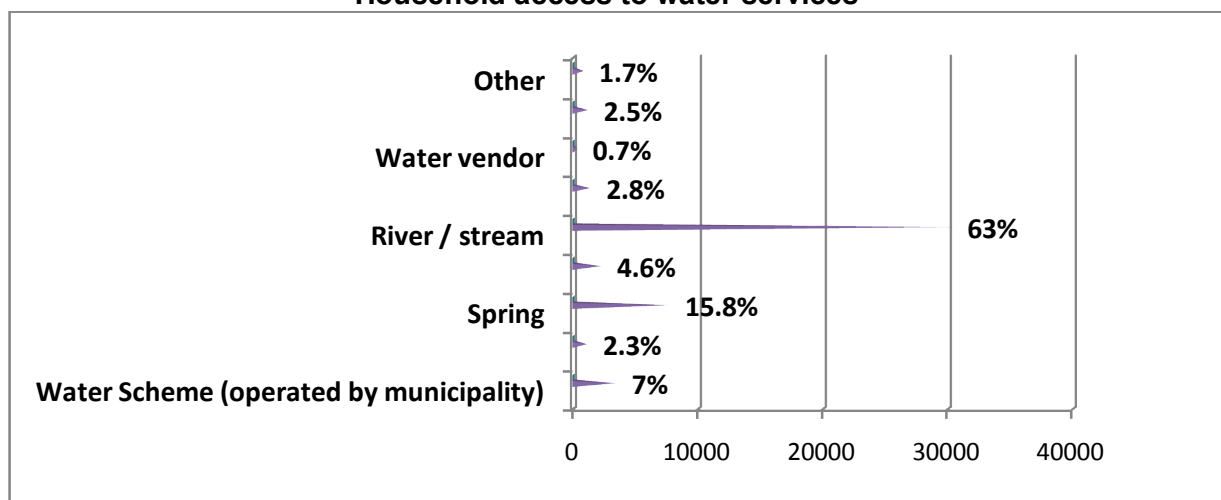
Water Service delivery is one of the primary functions of the District Municipality (Alfred Nzo District Municipality). With regard to provision of water services in Mbizana community, our analysis indicates that backlogs for water services remain high. The estimated backlog for water service delivery is 44 479 (92%) households with no access to tap water, and 5% have

access to tap water below RDP standard while 3.1% households have access to water on RDP standard and above. The District Municipality (Alfred Nzo DM) is in a process of developing the following plans:

- Water services Master plan:- this will be in line with the Regional bulk Water Implementation readiness study that is currently being conducted by the DM.
- Ground water management plan

In Mbizana, the current implementation of the Greater Mbizana Regional scheme will take care of at least 85% backlogs after completion and connection to the existing infrastructure in 2014.

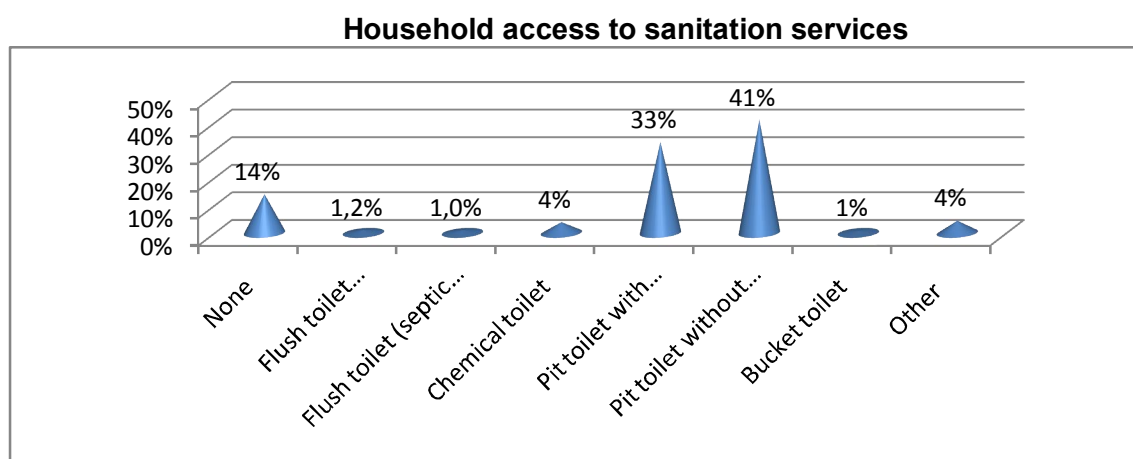
Household access to water services



5.7.2 Sanitation

Sanitation service delivery is the competence of the District Municipality (Alfred Nzo DM, the local municipality is mainly the beneficiary of the services. The estimated backlog for RDP sanitation service delivery is 16973 (35.1%) households with no access RDP Sanitation, and 31435(64.9%) have access to RDP Sanitation(Ventilated Improved Pit-latrines(VIP Toilets)). Out of 31 wards only 8 wards with no sanitation services, this need to be verified.

However there is also another major role to be played the District Municipality in ensuring that at least every household have access to VIP toilet. The District Municipality (Alfred Nzo DM) is in a is in a process of developing the Sanitation Master Plan.



5.7.3 Roads and storm water drainage

The powers and function of transport planning in the municipalities is the jurisdiction of public works. The municipality is working on the programme to provide access roads and transport network plan from the District Municipality. Roads in the municipality are classified as Provincial, District & Access roads. Provincial & District roads are managed & maintained by the province while access roads are MLMs responsibilities. An asset register is currently being compiled and this deals with information showing the numbers, extent and asset value of the existing access road infrastructures.

For the purpose of identification of access roads, Operations & Maintenance and subsequent valuation an electronic Access Road Management System that creates various interfaces and consolidates information on a desktop has been proposed and is due for implementation during the coming financial year.

Establishing a local transport forum which informs district and provincial forum is vital to streamline the realizing of an integrated transport plan and its subsequent implementation. Mbizana Municipality is responsible for the construction, maintenance and upgrading of access roads within the municipality. The Municipality also plays an active role in the coordination of infrastructure delivery and maintenance between the communities and the departments of roads, transport and public works.

As a strategy to cater for non motorized transport the Municipality has recently adopted a policy on Walkways. Our studies indicate that non motorized transport in our municipality is close to none-existent but these studies will be reviewed annually so that this type of transport can be catered for if there is a demand for it.

Approximately 278km of road will be created in using our MIG funding for the current council term and 40km is targeted for the current financial year 2013/14. However the prioritized projects for 2013/14 add up to 57.95km with a budget of R 38 603 256.66 as opposed to the budgeted R 27 600 000.00.

According to the approved DoRA allocation, the following amounts are allocated to the MIG programme for Mbizana Local Municipality for financial years 2012/13 . 2015/16:

5.7.4 Municipal Financial Years (July – June)

- 2012/13: R 35 718 000.00 about 62% R 22 145 160.00 was meant for roads equivalent to ±29.5km.
- 2013/14: R 40 297 000.00 about 68.5% R 27 600 000.00 is meant for roads equivalent to ±36.8km.

-
- 2014/15: R 45 024 000.00 about 65% R 29 265 600 is meant for roads equivalent to ± 39 km.
 - 2015/16: R 48 282 000.00 about 65% R 31 383 300.00 is meant for roads equivalent to ± 41.8 km.

The intention is to strive for a manageable balance between the need to create new infrastructure and maintain existing ones. In addition, we aim to mobilize more resources to expand coverage through working closely with EPWP and other relevant agencies responsible for road infrastructure development.

A special attention will be given to maintenance and improvement of urban storm water infrastructure which has been badly affected by siltage, clogged culverts and excessive intrusion by flood-transported debris & irresponsible people dumping foreign objects into our system. Special attention will be given to needs that advance the goal of achieving the following IDP intentions:

- Creative provision of road infrastructure that support socio-economic objectives such as improving linkages and accessibility of amenities, schools, clinics, community halls etc
- Effective rehabilitation and revitalization of urban economic hubs through road and storm water drainage infrastructure delivery in our core urban centre of Bizana.
- Continuous engagement of other delivery agencies to take note of the need to ensure adequate provision for functional storm water drainage when designing and developing road networks in all our areas.

The CBP demonstrates that approximately 133 (54.5%) villages have no access to roads whereas 111 (45.5%) have access roads. About 229kms of gravel roads have been

maintained for 2012/2013 by mid-year financial term. Roads are provided with storm water drainage pipes and culverts to allow for surface run off flow without affecting road surfaces. Five river crossings have been constructed and a plan to construct three more bridges is under discussion.

Major challenges with regard to road maintenance services

- Poor conditions of infrastructure; especially roads
- Lack of sufficient funds to construct and maintain roads.
- Most of access roads are not tarred.

High backlog of construction of bridges, as detailed by the Ward Based Plan

- Ward 3 from Dumsi road to Yange S.PS
- Ward 6 Mhlanga to Sontsele
- Ward 10 Rockville bridge
- Ward 8 Dudumeni bridge
- Ward 17 from Mbenya to Ntsingizi
- Ward 29 Mntuwenzeni bridge (Cwaka and Phathekile and Mfolozi J.S.S.)

The thirteen (13) access roads that were prioritized for 2012-2013 had their appointments for construction done by end November and December 2012 after designs were completed in the 1st Quarter of 2012-2013. Construction on the thirteen (13) Access Roads is on-going with five (5) access roads completed.

The eighteen (18) access roads prioritized for 2013-2014, on eight (8) of the roads consultants have been appointed in the month of January 2014 and designs will have been completed by June 2014, 4 of the roads the roads were advertised for consultants in the

month of January 2014, 5 of the roads have been advertised for construction in the month of January 2014, out of the 18 roads 1 was done under the roads maintenance program.

The fifteen (15 prioritized for 2014-2015 are likely to have their planning preparations completed in the end of the fourth quarter of 2013-2014.

5.7.5 Road Maintenance

Due the bad conditions of access roads in entire municipal jurisdiction, the municipality has set aside amount of R15 000 000.00 for maintenance for 2014 / 2015 financial year. Forty (40) kms of roads is planned for maintenance in 2014 / 2015.

5.7.6 Eighteen (18) Prioritized Access Roads for 2013-2014

WARD	PROJECT NAME	KMS	BUDGET	STATUS
3	X to Yange Access Road	5.80	R 5 380 133.70	Advertised for Design Consultants
6	Dlamini to Dindini Access Road	1.20	R 725 796.00	Advertised for Construction
7	Ntukayi to Izinini Village Access Road	1.80	R 3 250 961.25	Appointment done for Design Consultants
9	Nqabeni to Qolintaba Access Road	3.60	R 1 874 973.00	Advertised for Design Consultants
12	Ndinomntu Access Road (Mbizana LM: Mntomkhulu to Gxeni Access Road)	4.50	R 2 922 586.30	Appointment done for Design Consultants
7	R61 to Skotoyi Access Road	5.20	R 3 170 434.18	Appointment done for Design Consultants
13	Fonoza to Ngcingo J.S.S Access Road	2.25	R 1 358 617.50	Advertised for Construction
14	Mbizana LM: Bawo Onemoto to Mkolweni Access Road	4.95	R 2 988 958.50	Advertised for Design Consultants
15	Mlomekhuba to Chrishlow Access Road (Mbizana LM: Lityeni to Mzinto)	4.00	R 1 995 939.00	Appointment done for Design Consultants
16	Manzamnyama to Mponza Access Road	3.80	R 2 294 554.00	Advertised for Design Consultants
17	Tankini to Sikulufa Access Road	6.50	R 3 963 042.73	Appointment done for Design Consultants
21	Langaletu to Access Road (Mbizana LM: Mayila to Thembalesizwe High	1.70	R 1 028 211.00	Advertised for Construction

WARD	PROJECT NAME	KMS	BUDGET	STATUS
	School)			
22	Mthonjeni to Gwexe Access Road	1.35	R 815 170.50	Advertised for Construction
23	Seaview to Lucingweni Access Road	0	R 0.00	Done under maintenance
26	R61 to the Tuckshop (Nomlacu)	3.00	R 1 814 490.00	Appointment done for Design Consultants
29	Blekwana to Mzamba Access Road	4.50	R 2 721 735.00	Appointment done for Design Consultants
30	Sanqokwana Access Road	3.10	R 1 874 973.00	Appointment done for Design Consultants
31	R61 to Emazweni Pre-School	0.70	R 422 681.00	Advertised for Construction
Total		57.95	R 38 603 256.66	

5.7.7 Two Community Halls for 2013 / 2014

WARD	PROJECT NAME	SCOPE in m ²	BUDGET	Status
10	Ward 10 New Town Community Hall	300	R 2,800,000.00	Advertised for Construction
28	Ward 28 Community Hall	300	R 2,800,000.00	Advertised for Construction
		600 m ²	R 5,600,000.00	

5.7.8 Prioritized Access Roads / projects for 2014-2015 Financial Year

PROJECT NAME	SOURCE OF FUND	WARD	KMS	BUDGET ALLOCATED
PMU - Mbizana LM 2014 - 2015	MIG	N/A	N/A	R 2 249 600,00
Mabheleni to Mtamvuna Access Road	MIG	5	3,8	R 2 891 908,57
Ntshikitshane to Bukuveni JSS Access Road	MIG	8	1,5	R 1 909 144,87
Madada to Holycross Hospital Access Road	MIG	11	5	R 4 222 844,32
Meje Access Road	MIG	14	2,5	R 1 959 238,20
Ngojane Access Road to a T Road (120/121/438)	MIG	14	5	R 1 979 699,58
Butshwengeni Access Road	MIG	16	1,3	R 1 712 045,62
Mabuya Access Road	MIG	18	2,8	R 1 696 214,76
Makhwantini to Matshezi Access Road	MIG	25	10	R 3 752 557,56
R61 to Malola Access Road	MIG	26	11	R 4 464 415,82
Nkulisa Access Road	MIG	27	4	R 2 490 677,70
Cwaka Access Road	MIG	29	3	R 2 145 000,00
Extension of Makharendlovu Access Road to Lucingweni Access Road	MIG	30	3,6	R 2 250 000,00
Mzamba Community Hall	MIG	7	300m ²	R 2 940 000,00
Mhlabi Community Hall	MIG	12	300m ²	R 2 940 000,00
Makhosonke Community Hall	MIG	15	300m ²	R 2 940 000,00
Sport Field	MIG		N/A	R 2 448 653,00

PROJECT NAME	SOURCE OF FUND	WARD	KMS	BUDGET ALLOCATED
				R 44 992 000,00
Thaleni Bridge Phase-2	Equitable Share	27		R 1 950 000,00
Stormwater Drainage in Town	Equitable Share	1		R 2 500 000,00
Construction of Speed Humps in Town	Equitable Share	1		R 350 000,00
Installation of Traffic Lights	Equitable Share	1		R 300 000,00
Fencing of Majazi Landfill Site	Equitable Share	7		R 1 000 000,00
Majazi Community Hall	Equitable Share	7	300m ²	R 1 800 000,00
Bizana Asphalt Phase-2	Equitable Share	1		R 5 000 000,00
Extension of Municipal Offices	Equitable Share	1		R 4 000 000,00
Alternative Tarring of 5km roads	Equitable Share			R 5 024 898,00
Planning, Survey, Design, EIA and Infrastructure Plans for 2015-2016 projects	Equitable Share	N/A		R 2 108 000,00
Construction of Pound	Equitable Share	1		R 1 159 400,00
				R 25 192 298,00

2015 - 2017 PRIOTISED PROJECTS

No	Project Name	Ward	F/Y Period
1.	Tankin to Mdibi Access Road	04	2015 - 2016
2.	Lundini to Mtshawedikazi Access road	28	2015 - 2016
3.	Vuyisile to Nyandeni Access road	19	2015 - 2016
4.	Dipini to Msomi Access road	24	2015 - 2016
5.	Mbhonjeni to Ngele Access road	2	2015 - 2016
6.	Sithukuthezi to Madlebetshe Access road	3	2015 - 2016
7.	Mdozingana Access road	31	2015 - 2016
8.	Mbono to Kotsho Access road	30	2015 . 2016
2016 / 2017 Access Roads			
9.	Esinyameni to Mkhambathi Access road	02	2016 / 2017
10.	Zidleleni via groundin Access Road	31	2016 / 2017
11.	Marina to voting station Access Road	23	2016 / 2017
12.	Foloti Access road Access Road	21	2016 / 2017
13.	Mkhungo to Nkuzi Access Road	29	2016 / 2017

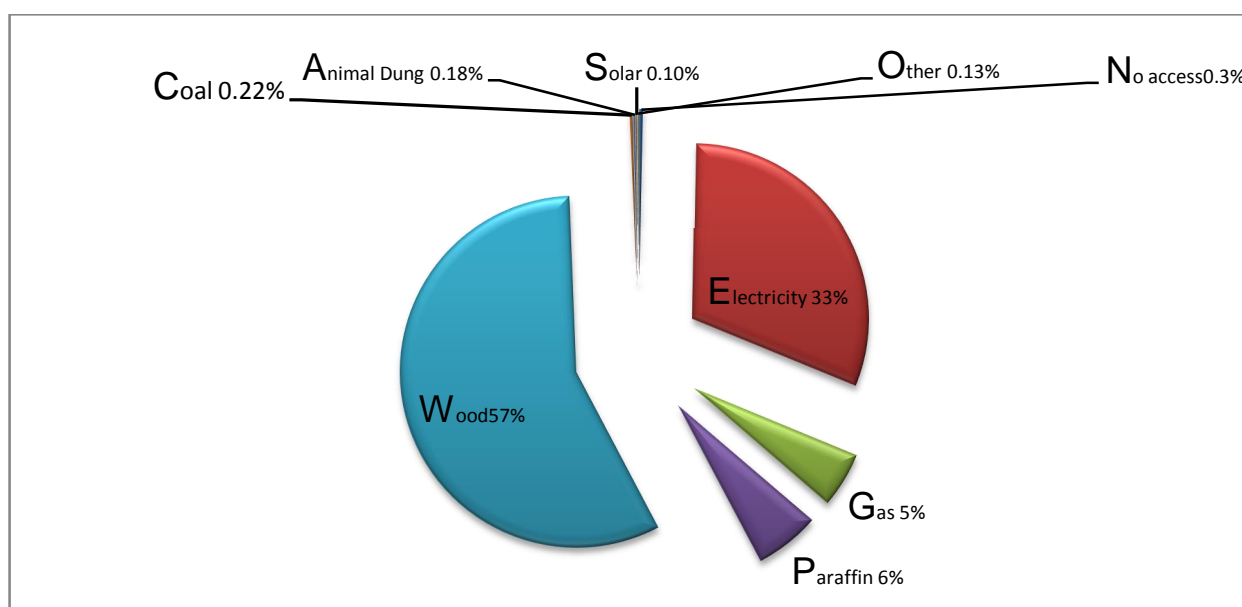
Water and Sanitation Project by District Municipality for 2014 / 2015

Project	Ward	Funding Sources	Budget
Mbizana Construction of VIP Toilets	Ward 28	MIG	R 11 937 373.36
Mbizana Construction of VIP Toilets	Ward 19	MIG	R 17 000 000.00
Mbizana Construction of VIP Toilets	Ward 16	MIG	R 5 000 000.00
Mbizana Construction of VIP Toilets	Ward 29	MIG	
Mbizana Construction of VIP Toilets	Ward 30	MIG	
Upgrading of Mbizana Town Sewer		MIG	R 3 500 000.00
Greater Mbizana Regional scheme-Bulk		RBIG	R 60 000 000.00
Greater Mbizana Regional scheme-Reticulation		MIG	R 25 000 000.00
Feasibility Study for Mbizana	11, 14, 16	Equitable Share	R 5,000 000.00
Refurbishment and Replacement of Water Infrastructure. Mbizana		Equitable Share	R 2,000 000.00
Disaster Satellite Centre establishment. Mbizana		Equitableshare	R 2 000 000.00
Municipal Water Infrastructure Grant (MWIG). Mbizana			

5.7.9 Energy Supply

The Mbizana Local Municipality is responsible for the provision and maintenance of electricity to the residents of the town which is the seat of the local municipality and Eskom provides the service of electricity to the rest of the municipal area starting from the outskirts of the town to the municipal boundary. There is a general increase of electricity demand in Mbizana as new households are constructed and as a result energy supply backlogs remain very high with only 33% (16222) households with access to electricity.

Households Access to Sources of Energy



The above chart shows that most households are not yet have access to electricity; they live in rural areas by old traditional ways where woods, paraffin, gas, animal dung, coal and solar systems are used for cooking and lighting. This means that there is a need for ESKOM in partnership with the DoE to avail more resources allocated in ensuring that:-

- Bulk energy supply services are available to allow more connections
- Infills and rural sprawl are attended to
- Sufficient funds are available to address backlogs

Electrification Projects for 2014 / 2015 - to be done by the Municipality

NUMBER	NAME OF PROJECT	WARD NUMBER	NUMBER OF CONNECTIONS	TOTAL PROJECT COST
1	Mgodini, Mbangweni, Mantusini and Mcitshweni	10	1159	R 13 908 000,00
2	Mxhotsheni	29	289	R 3 468 000,00
3	Monti / Ntlozelo	19	1600	R 19 200 000,00
4	Gumzana	22	430	R 5 160 000,00
5	Mqonjwana	18	548	R 6 576 000,00
6	Lugwijini	22	85	R 1 020 000,00
7	Mpunzi drift and Nobamba	18 and 21	330	R 3 960 000,00
8	Madiba	2	538	R 6 456 000,00
9	Gudlintaba	2	400	R 4 800 000,00
10	Ngele	2	503	R 6 036 000,00
11	Project Management	N/A	N/A	R 1 500 000,00
12	Capacity Upgrade	N/A	N/A	R 519 100,00
TOTAL AMOUNT			4990	R 64 909 000,00

Installation of 20 underground streetlights			R 1 000 000.00
Renewal of 10 km of MV Lines			R 2 500 000.00
Upgrading of 2000 metering units			R 5 000 000.00
Installation of High Mast Lights Installation			R 1 000 000.00
Construction of 5 MVA Backbone line			R 1 100 000.00
NAME OF PROJECT	WARD NUMBER	NUMBER OF CONNECTIONS	PROJECT COST
Mgungundlovu 1 & 2, 512	23	512	R 3 740 000.00
Zwelethu, 220	29	22	R 4 944 000.00
Santomba 412	29	412	R 8 028 000.00
Mngungu	23	669	R 8 704 000.00

6. FORWARD PLANNING

This section outlines the desired future for the development of Mbizana through determination of a strategic development vision, mission and values. It also sets clear development objectives, strategies as well as intended projects to be implemented in 2014/15.

Municipal Vision

Mbizana aims to be a flourishing local municipal area with a growing economy creating employment and sustainable communities where everyone has access to equal opportunities.

Municipal Mission Statement

The mission for Mbizana Local Municipality is to be a well governed municipality committed to discharging its legislative and constitutional mandate through:-

- Investing in its people to fight poverty
- Providing affordable services
- Facilitating a people-driven economy
- Building sustainable communities
- Protecting and preserving its environment to the benefit of its people
- Strengthening a culture of performance and public participation

Municipal Values

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:-

- Good governance

- Accountability
- Public participation
- People Development
- People driven
- Integrity
- Tolerance
- Responsibility

Institutional Score Cards

KPA No	Key Performance Area	Percentage
1	Good Governance and Public Participation	10%
2	Municipal Transformation and Institutional Development	10%
3	Financial Viability	15%
4	Local Economic Development	15%
5	Service Delivery	50%

6.1 Municipal Broad Development Priorities and Targets for 2012 / 2017

The Council of Mbizana Local Municipality have committed themselves to working towards the realization of the following priorities which have been aligned to the Vision, Mission and Key Performance Areas of the Municipality:-

Development Priorities	Development Targets
Service Delivery 50%	
<ul style="list-style-type: none"> • Water and Sanitation • Roads, Storm water & Transport Infrastructure 	<ul style="list-style-type: none"> • To construct and maintain roads and related storm water; • To ensure that all households have access

<ul style="list-style-type: none"> • Electrification • Housing and land use management • Educational Facilities • Community services and related matters (refuse, waste, disaster management, pounding, cemeteries, libraries, fire fighting, traffic & safety etc) • Recreational facilities 	<p>to a reliable electricity network;</p> <ul style="list-style-type: none"> • To ensure that all waste sites operate according to license conditions; • To ensure that all urban households have access to refuse removal services according to predetermined schedule; • To ensure that all citizens in MLM have access to well-maintained public amenities; • To provide a safe and secure environment for all citizens; • To facilitate provision of housing for all qualifying beneficiaries
Local Economic Development 15%	
<ul style="list-style-type: none"> • Agriculture & Farming • Forestry • Tourism Development • SMME Support • Business, Trade & Manufacturing 	<ul style="list-style-type: none"> • To grow and strengthen the agricultural sector to contribute 10% in the local economy by 2017 • To promote sustainable use of marine resources for the benefit of the local community and meaningful contribution in the local economy • To promote enterprise development to contribute 3% to the local economy by 2017
Financial Viability 15%	
<ul style="list-style-type: none"> • Revenue Management • Budget & Expenditure Management • Financial reporting • Supply Chain Management • Asset Management • Financial policies and management 	<ul style="list-style-type: none"> • To obtain a clean audit by 2017 • To improve financial management and financial viability linked to the Local Government financial bench-mark standard by 2017; • To improve the revenue collection rate to 80% by 2015 • To have a complete asset management unit • To have a GRAP Compliant asset register

	<ul style="list-style-type: none"> To compile credible Annual Financial Statements
Good Governance 10%	
<ul style="list-style-type: none"> IDP & Performance Management Internal audit Communication & IGR Public participation and ward planning Special Programmes Customer care relations Legal Services By-laws and policies Council support 	<ul style="list-style-type: none"> To promote participation and effective communication with communities and stakeholders; To promote efficiency and compliance within the municipality; To promote equity and inclusiveness of vulnerable focus groups such as youth, women, people with HIV& AIDS and people with disabilities; To obtain a clean audit by 2017 To address all matters as per the audit action plan; and To mitigate risk to an acceptable level based on the risk model adopted.
Municipal Transformation & Institutional Development 10%	
<ul style="list-style-type: none"> Organizational Administration & Development (Organogram + EEP) HR development Training and capacity building ICT infrastructure 	<ul style="list-style-type: none"> To ensure a competent workforce to achieve organizational objectives; To contribute towards the improvement of skills and education levels in MLM To create a safe and healthy working environment; To ensure compliance with relevant legislation and to promote high standards of professionalism, and efficient use of resources as well as accountability; To provide a secure ICT infrastructure which delivers appropriate levels of data confidentiality ,integrity and availability

6.2 Municipal Partnerships

The situational analysis has demonstrated that most of the development initiatives that the municipality would like to see being implemented in its municipal are a competency of other role . players and in particular the District Municipality and Provincial Government. In some cases the resources for implementation are in the hands of Parastatals, such as ESKOM and private sector. There is also an issue of working in partnership with Traditional Leaders especially with regard to issue of rural development planning such as allocation of land for residential and agricultural purposes.

6.3 Objectives, Strategies and Project Implementation Plan

KPA NO. 1: BASIC SERVICE DELIVERY (ENGINEERING SERVICES)													
Sub - Result Area	Outcome Objective	Strategic Objective	Strategies	Annual Target	Baseline Information	Project to be implemented	KPI	Total Budget			Budget Source		Responsible Manager
								2014/2015	2015/2016	2016/2017	Internal	External	
PMU	Improving Access to basic services	To facilitate implementation of MIG Funded Projects over the MTEF Allocation period currently ending June 2016	Completion of the construction stage through monitoring & evaluation of contractors	100 % expenditure on the allocation	100% Expenditure on 2014-2015 MIG Allocation	PMU - Mbizana LM 2014 - 2015	Finishing of the fiscal MIG Allocation by June 2015	R 2 251 200	2 414 100	R -	N/A	MIG	Senior Manager- Engineering Services
Landfill Site		To construct 1 Lanfill site by June 2016	To construct one landfill site by using services a consultant & a contractor	Design & Construction of Majazi Landfill Site	None	Majazi Landfill Site	Completed Landfill Site by June 2015.	R 1 865 720	R -	R -	MLM	N/A	Senior Manager- Engineering Services

Roads	To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	3.5km by June 2015	576.5 kms of Roads in Place	Upper Gwala to Cingweni Access Road. Mabheleni to Mtamvuna Access Road	Completed construction of a 3.5km gravel access road	R 2 663 600	R -	R -	N/A	MIG	Senior Manager- Engineering Services
	To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	3.5 km by June 2015	576.5 kms of Roads in Place	Ntshikitshane to Bukuveni JSS Access Road(with a bridge)	Completed construction of a 3.5km gravel access road	R 8 341 653.91	R -	R -	N/A	MIG	Senior Manager- Engineering Services
	To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	5km by 30 June 2015	576.5 kms of Roads in Place	Madada to Holycross Hospital(with a low level crossing)	Completed construction of a 5km gravel access road	R 7 907 543.09	R -	R -	N/A	MIG	Senior Manager- Engineering Services
	To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	7.1 by 30 June 2015	576.5 kms of Roads in Place	Meje Access Road	Completed construction of a 7.1km gravel access road	R 1 959 238.20	R -	R -	N/A	MIG	Senior Manager- Engineering Services

To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	2.5km by 30 June 2015	576.5 kms of Roads in Place	Ngojane Access Road to a T Road (120/121/438)	Completed construction of a 2.5km gravel access road	R 5 264 100.00	R -	R -	N/A	MIG	Senior Manager-Engineering Services
To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	1.3km by 30 June 2015	576.5 kms of Roads in Place	Butshwengeni Access Road	Completed construction of a 1.3km gravel access road	R 1 712 045.62	R -	R -	N/A	MIG	Senior Manager-Engineering Services
To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	5km by 30 June 2015	576.5 kms of Roads in Place	Lubunde Access Road Mabuya Access Road	Completed construction of a 5km gravel access road	R 3 028 954.92	R -	R -	N/A	MIG	Senior Manager-Engineering Services
To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	10km by 30 June 2015	576.5 kms of Roads in Place	Makhwanti to Matshezi Access Road(with a low level crossing)	Completed construction of a 10km gravel access road	R 7 026 901.39	R -	R -	N/A	MIG	Senior Manager-Engineering Services

	To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	11km by 30 June 2015	576.5 kms of Roads in Place	Nomlacu Extension Access Road	Completed construction of a 11km gravel access road	R 8 359 901.00	R -	R -	N/A	MIG	Senior Manager- Engineering Services
	To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	4km by 30 June 2015	576.5 kms of Roads in Place	Nkulisa Access Road	Completed construction of a 4km gravel access road	R 2 490 677.70	R -	R -	N/A	MIG	Senior Manager- Engineering Services
	To reduce access roads backlog by constructing 116.85 kms by June 2015.	Design, Tender & Construction	3km by 30 June 2015	576.5 kms of Roads in Place	Extension of Makhalendlovu to Lucingweni Access Road	Completed construction of a 3km gravel access road	R 3 495 600.00	R -	R -	N/A	MIG	Senior Manager- Engineering Services
Halls	To construct 6 Community Halls by June 2016	Design, Tender & Construction	3km by 30 June 2015	18 Community Halls in Place.	Mzamba Community Hall	Completed construction of a 300m ² Community Hall	R 3 118 989.47	R -	R -	N/A	MIG	Senior Manager- Engineering Services

Buildings	To construct 6 Community Halls by June 2016	Design, Tender & Construction	By 30 June 2015, to have a 300 m2 Construction of a Community Hall Completed	18 Community Halls in Place.	Mhlabi Community Hall	Completed construction of a 300m ² Community Hall	R 3 118 989.47	R -	R -	N/A	MIG	Senior Manager- Engineering Services
Buildings	To construct 6 Community Halls by June 2016	Design, Tender & Construction	By 30 June 2015, to have a 300 m2 Construction of a Community Hall Completed	18 Community Halls in Place.	Makhosonke Community Hall	Completed construction of a 300m ² Community Hall	R 3 118 989.47	R -	R -	N/A	MIG	Senior Manager- Engineering Services
Buildings	Provision of Space for the Municipal Officials	Design, Tender & Construction	300m ² offices completed by the End of June 2015	450m ² existing building & 350m ² under construction	Extension of Municipal Offices	Completed construction of a 300m ² extension	R 4 000 000.00	R 6 000 000.00	R 8 000 000.00	MLM	N/A	Senior Manager- Engineering Services

Roads & Building	Provision of a Vehicle Testing Station to increase our revenue collection (Road-worthness)	Design, Tender & Construction	Completed VTC by December 2015	None	Construction of Drivers License testing centre	Completed VTC by June 2015	R 2 000 000.00	R -	R -	MLM	N/A	Senior Manager-Engineering Services
Roads	To promote traffic safety within the CBD roads by June 2016	Manage, monitor and evaluate the project progress	2 No of speed humps completed by June 2015	2 No of speed humps completed by June 2015	Installation of speed humps	2 No of speed humps Completed by June 2015	R 350 000.00	R0.00	R0.00	MLM	N/A	Senior Manager-Engineering Services
Roads	To reduce traffic congestion within the CBD by June 2016.	Manage, monitor and evaluate the project progress	1 set of traffic lights installed by June 2015	1 set of traffic lights installed by June 2015	Installation of Traffic Lights	Completed and commissioned set of traffic lights	R 300 000.00	R 0.00	R 0.00	MLM	N/A	Senior Manager-Engineering Services
Roads	To construct a new 9km of surfaced roads in the Town of	Design, Tender & Construction	3km of Bizana Town surfaced by 30 June 2015	4km of Bizana town surfaced roads	Bizana Asphalt Phase 3	Completed construction of a 3km road surfacing	R 5 000 000.00	R 7 000 000.00	R 9 000 000.00	MLM	N/A	Senior Manager-Engineering Services

	Mbizana by June 2017											
Roads	To construct a new 15km of alternative tarring in our rural areas by June 2017	Design, Tender & Construction	5km alternative tarring completed by 30 June 2015	14km of alternative tarring in place	Alternative Tarring of 5km roads	Completed construction of Alternative Tarring of 5km roads	R 6 000 000.00	R8 000000.00	R 10 000 000.00	MLM	N/A	Senior Manager-Engineering Services
Roads	Ensure that roads and storm water drainages are provided and maintained by June 2016	Design, tender documentation, construction and close out report	150 m of storm water drains to be maintained by 30 June 2014	150m of stormwater drainage to be completed by June 2015	Stormwater Drainage	150m of storm water drainage cleaned by June 2015	R 2 500 000.00	R0.00	R0.00	MLM	N/A	Senior Manager-Engineering Services
Electricity provision	Reduce electricity outages and energy losses	Tender and Construction	Renewal of 10 km of MV Lines	Nil	Electricity Infrastructure renewal	10km of MV lines renewed	R 4 000 000.00	R 1 000 000.00	R 2 000 000.00	MLM	N/A	Senior Manager-Engineering Services

Electricity provision	To prevent the scourge of meter tempering and illegal connections	Tender and construction	1000 Meters upgraded by June 2016	NIL	Metering unit upgrade	1000 Electricity meters upgraded	R 5 000 000.00	R -	R -	MLM	N/A	Senior Manager-Engineering Services
Electricity provision	To have street lighting in every street of the town by 2015	Design, tender and construction	20 streetlights	50 streetlights installed in 2010	Installation of underground streetlights	20 streetlights upgraded	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	MLM	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender and construction	1143 connections	29000 houses have electricity	Conduct electricity connections in Mgodini, Mcijwen and Mantusini villages ward 10	1143 households connected	R 13 716 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender and construction	289 Connections	29000 houses have electricity	Conduct electricity connections in Mxotsheni village ward 29	289 Houses connected with Electricity	R 3 468 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services

Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender and construction	965 connections	29000 houses have electricity	Conduct electricity connections in Monti/Ntlozelo villages ward 19	965 Houses connected to Electricity	R 11 580 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender and construction	430 connections	29000 houses have electricity	Conduct electricity connections in Gumzana village ward 22	430 Houses connected to Electricity	R 5 160 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender and construction	548 connections	29000 houses have electricity	Conduct electricity connections in Mqonjwana village ward 18.	548 Houses connected to Electricity	R 6 576 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender and construction	85 connections	29000 houses have electricity	Conduct electricity connections in Lugwijini village ward 22	85 Houses connected to electricity	R1 020 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural household	Design, tender and construction	160 connections	29000 houses have electricity	Conduct electricity connections in Mpunzi Drift.	160 Houses connected to Electricity	R 2 720 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services

	s by 2016											
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender and construction	170 connections	29000 houses have electricity	Conduct electricity connections in Nobamba village	170 Houses connected to Electricity	R 2 890 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Construction	945 Connections	29000 houses have electricity	Tsawana / Ludeke 945 Household Connections	945 Houses connected with Electricity	R 1 500 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender & Construction	538 Connections	29000 houses have electricity	Madiba Household Connections ward 2	538 Houses connected with Electricity	R6 456 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Design, tender & Construction	400 Connection	29000 houses have electricity	Gudlintaba Households Connections, ward 22	400 Houses connected with Electricity	R 4 800 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural	Design, tender & Construction	503 Connections	29000 houses have	Ngele Households Connection, ward 2	503 Houses connected with Electricity	R6 036 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering

	households by 2016	on		electricity								Services
Electricity provision	to provide area lighting by means of high rise steel Mast	Tender and construction	2 High rise Mast	Nil	Installation of High Mast Lights Installation	2 High rise Mast installed	R 1 000 000.00	R 1 500 000.00	R 300 000.00	INEP	N/A	Senior Manager-Engineering Services
Electricity provision	To achieve electricity provision to the rural households by 2016	Construction	10km of MVA Line	Nil	Construction of 5 MVA Backbone line	Completed 10km 5 MVA line to the town of Bizana	R 1 100 000.00	R -	R -	INEP	N/A	Senior Manager-Engineering Services
Roads and storm water	To routinely maintain the standard of our CBD roads	Appoint service provider to maintain CBD roads and also utilise EPWP casuals in-house	50 m ² pot hole patching , 10 Road signage and 150m of storm water drains to be maintained (Remove the stormwater drainage	302m ² maintained during the last four years.	CBD pothole patching ,signage and storm water drains	50 m ² pot hole patching, 10 Road signage and 150m of storm water drains maintained	R 2 000 000.00	R 3 500 000.00	R 4 500 000.00	MLM	N/A	Senior Manager Engineering services

			part from here) as it is a project on its own and must have its own objectives)									
Buildings	To maintain a better standard of our community halls	Appoint service provider to maintain halls	1 community halls to be maintained	3 hall maintained in two years	Community hall maintenance	Ntshamath e Community Hall	R 779 117.00	R 1 500 000.00	2500000	MLM	N/A	Senior Manager Engineering services
Buildings	To routinely maintain the standard of our municipal buildings	Appoint service provider to maintain municipal building	4 municipal building to be maintained	1 municipal building maintained	Municipal building maintenance	4 Municipal buildings maintained	R 1 000 000.00	R 1 500 000.00	R 2 000 000.00	MLM	N/A	Senior Manager Engineering services
Roads	to routinely maintain the better standard of our access	Use our own construction plant resources and service	50KMs will be maintained	630 KM have been maintained in the last five years	Maintenance of access roads(wet blading)	40 Km of access roads maintained by June 2015	R 15 000 000.00	R 20 000 000.00	R 30 000 000.00	MLM	N/A	Senior Manager Engineering services

	roads	providers to address our access road maintenance										
Roads	to routinely maintain the better standard of our access roads	Improve the standard of our roads through maintenance	45 km	100km maintained in the past 2 years	Maintenance of unplanned access roads	45km completed	R 1 500 000.00	R 2 000 000.00	R 3 000 000.00	MLM	N/A	Senior Manager Engineering services
Roads, Buildings and Electricity	inform the prioritization of infrastructure	Tender, appointment and Implementation	1	Nil	Infrastructure Master Plan	Completed Infrastructure Master Plan	R 1 500 000.00	R 500 000.00	R 700 000.00	MLM	N/A	Senior Manager Engineering services

KPA NO1: BASIC SERVICE DELIVERY (COMMUNITY SERVICES)

Sub - Result Area	Outcome Objective	Strategic Objective	Strategies	Annual Target	Baseline Information	Projects to be implemented	KPI	Total Budget			Budget Source		Responsible Manager
								2014/2015	2015/2016	2016/2017	Internal	External	
Free Basic Energy		To ensure subsidization of poor households in order to receive basic services By 2017	By providing free electricity to indigent households.	Subsidize 5000 beneficiaries	Subsidizing 1470 beneficiaries with grid electricity and 3000 with FBAE	Subsidy grid electricity and FBAE	number of beneficiaries	1 054 000.00	1 110 916.00	1 310 916.00	MLM	N/A	Senior Manager Comm. Services
Free Basic Services		To ensure subsidization of poor households in order to receive basic services by 2017	By facilitating process of application for completion of indigent register	Application & Completion of credible indigent register	No credible indigent information	Completion of indigent register	Adopted Credible indigent register by 2015	421 000.00	444 366.00	485 000.00	MLM	N/A	Senior Manager Comm. Services
Free Basic Services		To ensure subsidization of poor households in order to receive basic	By Facilitating community education	Two awareness campaigns conducted	Limited public awareness about indigent beneficiaries	Conduct 2 Awareness campaigns on indigent beneficiaries	number of campaigns conduct	100 000.00	200 000.00	300 000.00	MLM	N/A	Senior Manager Comm. Services

	services by 2017	programs and engagements										
Free Basic Services	To ensure subsidization of poor households in order to receive basic services	By Facilitating policy formulation and reviewal	Reviewed indigent policy	Outdated policy	Reviewal & Adoption of indigent policy	Adopted indigent policy	50 000.00	60 000.00	70 000.00	MLM	N/A	Senior Manager Comm. Services
Free Basic Services	To ensure subsidization of poor households in order to receive basic services	By providing free refuse removal services to peri-urban areas.	Subsidizing refuse removal at EXT3,4, Ngingo, Didi, Mhlanga	No beneficiaries	Subsidy of refuse removal service	Number of beneficiaries	100 000.00	200 000.00	300 000.00	MLM	N/A	Senior Manager Comm. Services
Disaster Management	To coordinate and align implementation of disaster management activities with other organs of state by 2017	By establishing a disaster management centre	Establishment of a fully flagged disaster management centre	Temporal structured disaster centre	Construction of a Disaster Management centre	Disaster management centre	1 500 000.00	1 500 000.00	500 000.00	N/A	ANDM	Senior Manager Comm. Services

Disaster Management	To coordinate and align implementation of disaster management activities with other organs of state by 2017	Facilitate community education programs	Conduct 2 awareness's	Limited public awareness about disasters	Awareness campaigns	number of campaigns	100 000.00	200 000.00	300 000.00	N/A	ANDM	Senior Manager Comm. Services
Disaster Management	To coordinate and align implementation of disaster management activities with other organs of state by 2015	By Facilitating formulation of local disaster strategy	Development & adoption of Disaster Management Plan	No plan	Development of Disaster management plan	Adopted Disaster Management Plan	300 000.00	100 000.00	100 000.00	MLM	N/A	Senior Manager Comm. Services
Parks & Cemetery	To provide sustainable parks & cemetery services to the communities by 2015	By Identifying suitable land for cemeteries in peri-	Land readiness in 3 peri-urban areas - Community	No land earmarked for cemetery in peri-urban areas	Identification of cemeteries	Surveyed and fenced land allocated for cemetery	100 000.00	200 000.00	300 000.00	MLM	N/A	Senior Manager Comm. Services

		urban areas	resolutions										
Parks & Cemetery	To provide sustainable parks & cemetery services to the communities by 2015	By Identifying suitable land for cemeteries in peri-urban areas	Authorization of extension by DEDEAT	Active Cemetery nearly full	Extension of existing cemetery	Available land	158 100.00	166 637.00	200 000.00	MLM	N/A	Senior Manager Comm. Services	
Parks & Cemetery	To provide sustainable parks & cemetery services to the communities by 2015	By safeguarding cemeteries in peri-urban areas	Fencing of 2 cemeteries	No cemeteries	Fencing of cemeteries	Fenced cemeteries	300 000.00	400 000.00	500 000.00	MLM	N/A	Senior Manager Comm. Services	
Parks & Cemetery	To provide sustainable parks & cemetery services to the communities by 2015	By maintaining existing cemeteries and parks	Maintain Bizana cemetery, EXT3 park and heritage sites	Poorly maintained cemetery	Maintenance cemetery and park	Properly managed cemetery and park	200 000.00	300 000.00	400 000.00	MLM	N/A	Senior Manager Comm. Services	
Library services	To facilitate provision of library services to Mbizana	By engaging DSRAC in provision of library services	Provide 1 modular library	1 modular library installed in Nkantolo	Modular libraries	number of containers distributed	500 000.00	600 000.00	700 000.00	N/A	DSRAC	Senior Manager Comm. Services	

	Community by 2017	in rural areas										
Library services	To facilitate provision of library services to Mbizana Community by 2017	By instilling a culture of reading and lifelong learning	Conduct 4 awareness's and established 4 book clubs	Limited public awareness about and use of the library.	Awareness campaigns and establishment of book clubs	number of awareness campaigns	100 000.00	105 500.00	110 070.00	MLM	N/A	Senior Manager Comm. Services
Library services	To facilitate provision of library services to Mbizana Community by 2017	By Providing adequate periodicals	Supply of books, newspapers and magazines	No news papers provided and outdated books in existing library	Periodicals	Increased number of library users	58 000.00	61 600.00	70 000.00	MLM	N/A	Senior Manager Comm. Services
Environmental Management	To ensure conservation and management of natural resources for sustainable use by 2017	By providing impacts that a specific project have	2 EIA's conducted for Mzamba boat launching site and	no coordination of EIA	Conduct 2 EIA's for Mzamba boat launching site and	Authorised EIA reports		222 183.00	230 000.00	MLM	N/A	Senior Manager Comm. Services

Environmental Management	To ensure conservation and management of natural resources for sustainable use by 2017	By Providing Environmental Management tools	Develop & adopt Environmental Management Plan	no Environmental Management Plan	Environment management plan.	Adopted Environment management Plan	210 000.00	230 000.00		MLM	ANDM	Senior Manager Comm. Services
Environmental Management	To ensure conservation and management of natural resources for sustainable use by 2017	By Providing Environmental Management tools	Develop & adopt Climate change strategy	No strategy	Climate change strategy	Adopted climate change strategy	210 000.00	230 000.00		MLM	ANDM	Senior Manager Comm. Services
Environmental Management	To ensure conservation and management of natural resources for sustainable use by 2017	By conserving landscape & ecosystems	Removal and control of Alien plants around tourist attractions and R61	invaded land	Alien plant removal control	total area removed		90 000.00	100 000.00	MLM	ANDM	Senior Manager Comm. Services

Environmental Management	To ensure conservation and management of natural resources for sustainable use by 2017	By creating incentives that support restoration of indigenous look	Planting of indigenous trees in schools and hospices	Greening of schools, heritage sites	Planting of indigenous trees	number of species planted		58 000.00	65 000.00	MLM	N/A	Senior Manager Comm. Services
Environmental Management	To ensure conservation and management of natural resources for sustainable use by 2017	By conserving landscape & ecosystems	Fencing of Mthamvuna nature reserves and establishment of nursery	no nature reserve	Mthamvuna Nature Reserve	number of nature reserves established	3 500 000	3 300 000	3 200 000.00	N/A	DEA	Senior Manager Comm. Services
Environmental Management	To ensure conservation and management of natural resources for sustainable use by 2017	By Facilitating community education programs	Conduct awareness campaigns	Limited public awareness about environmental management	Awareness campaigns	number of awareness campaigns	28 000.00	31 000.00	35 000.00	MLM	DEDEAT	Senior Manager Comm. Services

Environmental Management	To ensure that there is a quick response in removing all obstructing objects in the environment in 2014/2015	By ensuring that all physical environmental threatening obstructions are removed.	Remove all environmental threatening obstructions in a very fast and efficient manner during the year.	There is no budget for responding to environmental threatening obstructions.	Removal of environmental threatening obstructions in the Municipality.	Number of responses to remove environmental threatening obstructions.	200000.00	212 800.00	222183.20	MLM	N/A	Senior Manager Comm. Services
Coastal Management	To ensure conservation and management of natural resources for sustainable use by 2017	By managing all beaches.	Cleaning of 5 beaches and maintenance of beach facilities	cleaning 5 beaches	Working for the coast	Number of cleaned beaches, maintained beach facilities	1 500 000	2 100 000	2 900 000	N/A	DEA	Senior Manager Comm. Services
Coastal Management	To ensure conservation and management of natural resources for sustainable	By establishing legislative structures	Establishment of a coastal working committee	no coastal working committee	Coastal Working Committee	Functional Coastal working committee	0.00	0.00	0.00	N/A	N/A	Senior Manager Comm. Services

	e use by 2017											
Waste Management	To collect, manage and dispose waste in an acceptable and responsible manner by 2016	By facilitating development of a licensed landfill site according to required standards.	Construction of Majazi Landfill site & a recycling facility	no landfill site	Majazi Landfill site	Construction of Majazi landfill site with sufficient equipment	9 500 000.00	9 500 000	2 000 000.00	MLM	DEA	Senior Manager Comm. Services
Waste Management	To collect, manage and dispose waste in an acceptable and responsible manner by 2017	By Remediating land where contamination presents a significant risk of harm to health of the environment.	Rehabilitation of EXT 3 dumping site	rehabilitation done quarterly	Rehabilitation of dumping site	Audit reports	158 100.00	166 637.00	180 000.00	MLM	N/A	Senior Manager Comm. Services

Waste Management	To collect, manage and dispose waste in an acceptable and responsible manner 2017	By establishing & supporting recycling	Support 2 recycling cooperatives	informal recycling	Recycling	Registered cooperatives		3 50 000	500 000.00	MLM	DEA	Senior Manager Comm. Services
Waste Management	To integrate waste management activities with other services	By reviewing Integrated Waste Management Plan	Council adopted IWMP	draft IWMP	Reviewal & Adoption of IWMP	Adopted IWMP	200 000.00	0	0	MLM	N/A	Senior Manager Comm. Services
Waste Management	To integrate waste management activities with other services by 2015	By Facilitating community education programs	Conduct awareness campaigns	Limited public awareness about waste management	Conduct awareness campaigns	number of awareness campaigns	22 000.00			MLM	DEDEAT	Senior Manager Comm. Services
Security Services	To ensure all Municipal key points, assets and resources	Visibility of security personnel - installati	vehicle and foot patrols	Not all municipal key points with CCTV cameras	secured municipal sites	Reduced assets loss and vandalism	1 500 000.00	2 000 000.00	2 500 000.00	MLM	N/A	Senior Manager Comm. Services

	are safety by 2017	on of access controls and CCTV cameras										
Traffic services	To ensure consistency of road users by 2017	General law enforcement	Compliance with traffic laws ,16 road block per year and 3024 fines issued.	Consistence visibility of traffic officer	Law enforcement	No. of traffic fines issued, road block conducted, accident reported and reduced number of stray animals.	500 000.00	600 000.00	700 000.00	MLM	N/A	Senior Manager Comm. Services

KPA NO 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Sub - Result Area	Outcomes objective	Strategic Objective	Strategies	Annual Target	Baseline Information	Projects to be implemented	KPI	Total Budget			Budget Source		Responsible Manager
								2014/2015	2015/2016	2016/2017	Internal	External	
EMPLOYEE WELLNESS	Implement a differentiated approach to municipal financial planning and support	To ensure Effective Employee Wellness by June 2017	-By Developing team building Programme for 2014/15 -By conducting Awareness Programmes by 2014/15	-Three (3) team building workshops conducted. -Four (4) Sport Activities .	Employee Wellness Committee is in place at the level of LLF	Team Building Programmes and Awareness Programmes	Attendance Register, minutes of preparatory meetings and Memorandum for Workshops and Sport.	300 000				None	

LABOUR RELATIONS		To ensure implementation of Disciplinary Code of and grievance Procedure by 2014/15	To educate all employees on disciplinary code and grievance procedure. Internal cases to be finalised within 90 days	80% entire workforce trained on Disciplinary Code and Grievance procedure by finalising internal cases within 90 days	3x Internal cases; 2x Cases referred to Bargaining Council; 4x Miscellaneous cases	Workshop on disciplinary code and grievance procedure. Disciplinary cases attended within 90 days	Attendance Registers Memorandums, Minutes of disciplinary proceeding & Ruling. Reduction in disciplinary proceedings. Reduction in complaints /grievance (both management & co-workers)	R300 000	R350 000	R400 000	Equitable Share	N/A	SN: CS
JOB EVALUATION		To ensure that all Positions in Municipal Organogram are evaluated and	By appointing Job Evaluation Practitioner, Implementation of policy and to	Appointment of Job Evaluation Practitioner and coordination of activities in	Draft Evaluation Policy is in place, No job evaluation Practitioner	Appointment of Job Evaluation Practitioner; Evaluation and grading of positions in	Appointment letter of Job Evaluation Practitioner; Job Evaluation Report, Monthly reports	R300 000	None	None	Equitable Share	N/A	SN: CS

		allocated with correct grading by 2014/15	coordinate Job Evaluation activities in conjunction with the DM	conjunction with the DM, Evaluate all grades in the Organogram, Job Evaluation policy adopted by the Council		Organogram	Minutes of Job evaluation meetings of Committee members; Minutes of Committee meetings;						
LOCAL LABOUR FORUM		To ensure that Functional Consultative Structure /LLF; Promote working relationship between the employer and employee by 2014/15	By convening LLF meetings on monthly basis and communicate decisions to relevant stakeholder	4x Ordinary Meetings & 10 Special Meetings held by 2014/15	14 Meetings held by 2014/15	LLF Meetings	LLF Minutes; Invitations; Agendas	N/a	N/A	N/A	N/A	N/A	SN: CS

FLEET MANA GEMEN T		To ensure Effective Fleet Management by 2014/15	By Establishing of Fleet Management Unit (appointing Fleet Management Officer), Fleet Management Policy in place; Procuring 6 new vehicles	Appointment of Fleet Management Officer; Fleet Management Policy in place; Procurement of 6 new vehicles	29 Vehicles; 17 in Good Condition & 12 Vehicles in bad conditions	Appointment of Fleet Management Officer; Fleet Management Policy approved by Council; Procurement of 6 new vehicles	Appointment Letter of Fleet Management Officer; Adopted Policy (Council Resolution); Invoice of 6 new vehicles	3 million	1 million	1 million	Equitable Share	N/A	SN: CS
EMPLOYMENT EQUITY		To ensure Effective Implementation of Municipal Employment Equity ratio by	By Reviewing Employment Equity Policy and Plan, By Recruiting and	Approved Employment Equity Policy and Plan by 31 December 2014	Draft Employment Equity Plan; Outdated Employment Equity Policy	Employment Equity Plan approved by Council; Recruitment in line with Employment Equity;	Approved Employment Equity Policy and Plan; Selection and Interview submission;	None	None	None	None	None	SN: CS

		31 December 2014	employing staff in line with Employment Equity policy and plan; By submitting Reports to Department of Labour for Compliance	Appointment done in line with Employment Equity plan; Compliance with department of Labour		Compliance to Department of labour	Employment Equity reports						
ORGANISATIONAL STRUCTURE AND RECRUITMENT		To ensure Effective Organisational Structure aligned with Powers and functions of the Municipality	By Reviewing Organisational Structure and filling of all vacant funded positions by 2014/15	-Consult and Integrate with department (review structure); Advertise of funded vacant	Current Structure for 2013/14 implemented; 21 Positions filled; 4 Positions on process	Recruitment	Reviewed structure and Council Resolution; Advertisement of positions; Recruitment and Selection Report & Appointment	150 000	100 000	100 000	Equitable Share	None	SN: CS

			posts; Filling of vacant funded positions			nt letters						
	To ensure provision of Conducive Working space by 2014/15	By Interacting with departments in Identifying number of employees to be relocated ; Procurement of furniture	Purchase of new furniture by October 2014 Employees Relocated to new building by November 2014	Office not complying with OHS and also congested working environment	Procurement of new furniture; Relocation of Employees	Invoice on new furniture; Key register	4 m	1 m	1 m	Equitable Share	None	SN: CS
HUMAN CAPITAL DEVELOPMENT	To ensure that Municipality has Qualified Staff Compliment by 2014/15	To Conscientise Employees, Managers and Councillors about relevant source of	Reviewed and adopted Skill development Policy by July 2014 Conduct skill	10 Employees attended CPMD; 2 Officials attended Local Government Certificate Program; 60 Councillors	Review Skill Development Policy; Conduct Skill Audit; Compilation and Submission	Adopted Skill Development Policy; Awareness Report; Approved WSP;	1 million	1 million	1 million	Human Capital Grant	None	SN: CS

		<p>Skill development ; To identify skill gaps</p> <p>To ensure functionality of Training Committee by 2014/15</p> <p>To ensure that trainings are done according to WSP</p>	<p>Audit; Submission of WSP to LGSETA for approval by 30 June 2014</p>	<p>and 10 Traditional leaders registered with SALGA Programs</p>	<p>n of WSP</p>	<p>Register of Employees and Councillors attending training;</p> <p>Minutes of Training Committee</p>						
--	--	---	--	--	-----------------	---	--	--	--	--	--	--

BURSA RIES FOR EMPLO YEES	To ensure that there is Qualified and Professional Staff compliment by 2014/15	By Reviewing the policy; Awareness to Employees and Managers; Selection and Awarding Employees with Bursaries By 2014/15	Approved/Adopted Bursary policy by July 2014 Awareness to Employee by September 2014 Employees Awarded with Bursaries	8 Employees issued with study Assistance: 2 for Corporate Service; 2 from MM office; 3 from Community Development and 1 from BTO	Reviewing Bursary Policy; Conduct Awareness to Employees and Managers; List of employees awarded with Bursaries	Council Resolution for Bursary Policy; Attendance Register for Awareness; Approval from the Municipal Manager.	1500 000	160 000	170 000	Equitable Share	None	SN: CS
BURSA RIES FOR EXTERN AL STUDE NTS	To assist indigent learners or students with registrations and academic fees to Tertiary institutions by 2014/15	By developing a policy; Awareness to Community Schools; Identifying potential	Approved Policy by July 2014; Awareness conducted by October 2014; 10 indigent Learners	Non existence of the Policy; No bursaries awarded to indigent learners	Development of Policy; Awareness to Community Schools; Selection and Awarding of Bursaries	Council Resolution; Attendance Register for Awareness; Contracts signed by both Employer	150 000	160 000	170 000			

		learners and awarding bursaries	awarded with study bursary			and learner.							
EXPERIENTIAL LEARNERS AND INTERNSHIP PROGRAMME	To equip learners and graduates with adequate skill and development by 2014/15	Functionality of Experiential learner ship and Internship programme; Allocated to departments and mentored	8 Experiential Learners employed by July 2014; 6 Interns employed by July 2014; Learners and Interns allocated to departments and mentored	6 Interns (4 for Finance & ICT; 9 Experiential learners	Learnership and Internship Programme;	Advertisement; Appointment letters; Quarterly Reports from departments	500 000	550 000	600 000				
STAFF RETENTION	To attract and Retain employees with scarce & crucial skills by 2014/15	By Reviewing Retention Policy and develop Retention Plan By	Approved Retention Policy and Plan by July 2014; Awareness	No Approved Retention policy; No Employees identified to be Retained	Reviewing Policy; Develop a Retention Plan; Awareness Employees	Council Resolution, Awareness Attendance Register; Identified Employees approved	R500 000	R600 000	R700 000	Equitable Share	N/A	SN: CS	

			identifying employees for retention and allocation of mentors; Awareness to Employees, Managers and Councillors; Signing of MOU between the Employer and the Employee by 2014/15	d to Employees, Managers and Councillors by August 2014; Employees Identified and mentored by August 2014 Signed contract/ MOU		identified and allocated with mentors; Signing of agreements	by MM Signed contracts/ MOU						
NETWORK INFRASTRUCTURE	To ensure the accessibility of network resources on the	By Installing network infrastructure on the new building.	Network installed on the new admin building	New building still under construction phase	Networking of new department	Specification Document and project closure form and report.	500 0000	0	0	Y	N	SN: CS	

		new building by 2014/15											
MUNICIPAL ICT SYSTEMS		To ensure mainstreaming of Customer care in the municipal system by 2014/15	By Installing of customer care system	Customer Care system installed for customer Care Unit by 2014/15	No customer care incident handling system	Customer Care System	Project report and closure form. Electronic incident handling records	400 000	0	0	y	N	SN: CS
		To ensure that municipal Assets are recorded electronically by 2014/15	By installing Asset Management System	Asset Management system procured and municipal assets loaded in the system, System complies with GRAP Standards by 2014/15	There is no Assets Management System in Place	Asset Management System	Asset Management System report	400 000	100 000	100 000	Y	N	SN: CS

	To ensure that the municipality migrates from paper to paperless governance through change phases by 2014/15	By Configuration of internal communication portal	Intranet developed by 2014/15	There is not intranet in place to support internal communication and internal documents sharing	DMS Phase 2	Intranet services up and running. Documents and reports shared over the intranet	800 000	700 000	300 000	y	N	SN: CS
	To ensure that the municipality is able to run its business in case of Disaster by 2014/15	By Updating look and feel and change design frames	DR Services deployed to the entire network by 2014/15	DR configured for financial system	DR Recovery Plan (Phase 2)	Interactive, secured, and up and running Mbizana website.	600 000	300 000	300 000	Y	N	SN: CS
	To ensure that Mbizana municipality	By Updating look and feel and change	To ensure that Mbizana municipality	Mbizana Website up and running and updated accordingly.	WEB Content Management	Interactive, secured, and up and running Mbizana	200 000	100 000	100 000	y	N	SN: CS

		lity website is up and running by 2014/15	design frames	lity website is up and running by 2014/15			website.						
		To ensure proper management and availability of printing and reproduction services by 2014/15	By making a Provision of printing equipment and enforcement of shared printing	Provision of internal processing printing system by 2014/15	Printing Services are in place but complete sharing has not been achieved.	Printing Solution	Printers installed and completely shared printing resources. Control over utilization of the service.	600 000	600 000	600 000	Y	N	SN: CS
ICT GOVERNANCE		To ensure that ICT licenses are updated and used for municipal benefit. Ensure that Vendors	By Keeping ICT licenses and SLAs up to date.	ICT Licenses updated. SLAs updated and enforced to vendor activities by 2014/15	ICT Licenses and SLA are in place and vendors are complying with SLAs.	Municipal License ND SLAs	Updated Licenses and SLA. ALL License and SLA records in one file	600 000	600 000	600 000	Y	N	SN: CS

	comply with the SLA by 2014/15											
	To ensure that the municipality complies with ICT Governance Framework by 2014/15	Quarterly meetings of ICTGSC	Four (4) Meetings to discuss technology direction and changes in the municipality.	ICTSC in place	ICTGSC	Minutes and reports from ICTGSC.	0	0	0	N	N	SN: CS
	To ensure that rural communities have access to technology by 2014/15	By Engaging USAASA to provide Tele centres to communities by 2014/15	Two (2) Tele centres installed in rural communities through schools or community facilities.	Engagement with USAASA have started to provide at least three (3) Tele centres.	Community Tele-centres	Two (2) Tele centres delivered by USAASA and Installed.	0	0	0	Y	N	SN: CS

TELEPHONE		To ensure that remote sites are connected to main offices by 2014/15	Configuration of link to MPYC	MPYC linked to main offices by 2014/15	Multipurpose Youth Centre not linked to main offices and as such there is not internet connection.	Linking Remote Sites (VOIP)	internet link to MPYC configured	0	0	0	Y	N	SN: CS
		To ensure that Telephone service is installed for all offices 2014/15	By Installing telephones to the MPYC and New Building	Telephones installed on the new building and MPYC by 2014/15	New Building under construction , MPYC network already installed to support telephones.	Telephone Services	Project report and closure signed by project manager and service provider. Telephone access to new building and MPYC.	3 Million	0	0	Y	N	SN: CS
PAYROLL ADMINISTRATION		To ensure Accurate Payroll System by 2014/15	By Developing Task Team by July 2014 Conducting Employee head	Task team developed; Head Counting Conducted;	Outdated HR Policies (Overtime, Standby & Remuneration Policy); Segregation of duties (Finance & Corporate	Payroll	Monthly Reports; Management Minutes	0	0	0	Y	N	SN: CS

		count by July 2014 Identify errors and Verify information August 2014	Information Verified and corrected	Service)								
--	--	--	------------------------------------	----------	--	--	--	--	--	--	--	--

KPA NO. 3: LOCAL ECONOMIC DEVELOPMENT & SPATIAL PLANNING

Sub - Result Area	Outcome Objective	Strategic Objective	Strategies	Annual Target	Baseline Information	Project to be Implemented	KPI	Total Budget			Budget Source		Responsible Manager
								2014/2015	2015/2016	2016/2017	Internal	External	
Development of Spatial Development Framework	Support of Human Settlements	Develop an SDF that will properly guide economic, spatial and infrastructure planning in Mbizana by 2014/2015	By developing an SDF. Conduct public participation processes, aligned with the idp and must be implementable	To comply with Section 32 of the MSA	Adopted SDF by council	SDF Review	Adopted SDF in July 2015. SDF must form part of the credible IDP	263 500.00	350 000.00	250 000.00	MLM	N/A	Senior Manager : DP

Town Planning Scheme and Zoning Plan	To ensure controlled development within the CBD by 2014/15	By development of a town planning scheme and zoning plan	To comply with SPLUMA	Un-gazetted schemes	Town planning scheme and zoning plan	Gazetted town planning and zoning scheme	250 000.00	250 000.00	0	MLM	N/A	Senior Manager : DP
Land Use Management System	To ensure controlled land use by 2015	By development of a land use management	To comply with SPLUMA	Outdated LUMS	Land use management systems	No town planning contraventions	250 000.00	150 000.00	0	MLM	N/A	Senior Manager : DP
Bizana Land Audit	To ensure a reliable register for land uses in Bizana CBD for a credible billing systems by 2014	By development of land audit register	Complete land audit register	No land audit	Bizana Land Audit	Bizana Land Audit document	ANDM 300 460.00	150 000.00	100 000.00	N/A	ANDM	Senior Manager: DP
Facilitation of statutory application	To create a number of sites. To change zoning use.	Ensure all applications are in correct order to ensure the fast	5 council approved statutory application	Applications currently awaiting DLGTA approval	Facilitation of statutory application	Council resolution Approval of application	Nil	Nil	Nil	Nil	Nil	Senior Manager: DP

		tracking of applications										
Valuation Roll	Develop a credible valuation roll that will improve the municipal revenue generation by 2015	By formulation of a valuation roll Identifying un-surveyed sites to assist with billing	Valuation Roll	Outdated valuation roll	Valuation roll	Tabled valuation roll	450 000.00 (MSIG)	350 000.00	250 000.00	MLM	N/A	Senior Manager: DP
Provision of housing and services	Guide human settlements in a tactical way such that optimum use and access to infrastructure service is achieved by at least 20% by 2020	Beneficiary administration Facilitate the provision of housing and services	Housing needs register	1500 beneficiaries registered	Housing needs register	approved beneficiary list	nil	nil	nil	N/A	DoHS	Senior Manager: DP

Small Town Revitalization	Improve the built up area in the CBD by 2016	Identify areas that need improvement in town and create business plans for them	Improve infrastructure in the CBD	Business plan for the projects in place	Plan and design approval	Acceptable CBD facade and clean town furniture	DPRW	to be confirmed	to be confirmed	N/A	DRPW	Senior Manager: DP
Building control	Improve the built up area in the CBD by 2016	All building in town are in compliance with building regulations.	Upgrade the face of the town	by-laws in place	building regulations enforcement	Upgrade to the face of the town	200 000.00	100 000.00	100 000.00	MLM	N/A	Senior Manager: DP
Geographic Information Systems	Provision of GIS	To ensure management of properties and allocation of services by 2016	Gis system in place	No GIS System	Establishment of GIS	Centralized billing and information system	350 000.00			Opex		Senior Manager DP
Tourism	To grow the tourism industry &	By ensuring implement	Influx of tourists visiting	At least two events attended, 3	Mbizana Tourism Plan	The tourism development plan is in	600 000.00	600 000	700 000	Opex	DEDEAT	Senior Manager DP

		increase at least 20% of tourists by 2017	tation of tourism plan aligned with the Provincial and National Legislations.	the region.	tourism programs implemented and 5 projects coordinated.		place						
Agriculture		To grow and strengthen the agricultural sector to contribute 10% in the local economy by 2017	By ensuring integrated support to transform subsistence farming to Commercial farming	Support at least 10 Small scale farmers and assist them with access to markets	All IGPs and Anchor that were funded from 11-13 are operational .	Agricultural plan and inputs	Quantity in produce to the market. Sustainable agricultural projects	500 000.00			Opex	DOA	Senior Manager: DP
Mariculture		To promote sustainable use of marine resources	Facilitate transformation from subsistence to	Registered Cooperatives and	Currently there is no launching site for boat launching.	Registration of cooperative and establishment of the	At least 1 Cooperative supported and partnershi	100 000.00			Opex	DAFF	Senior Manager: DP

		for the benefit of the local community and meaningful contribution in the local economy	commercial fishing			Fishers forum and access to markets	p with the buyer.						
Enterprise Development		To promote enterprise development to contribute 3% to the local economy by 2017	Ensure increased procurement from locally based entities. Ensure integrated support of Enterprises	Roll out Contractor Development program and develop the policy, capacitate SMMES & Coops and advertise funding call	SMME & Cooperative integrated support programme is continuing and Contractor development program document has not yet been endorsed.	SMME and Cooperative support Programme. Contractor Development Program and SMME Capacity development	At least 30 SMMES & Coops capacitated. 10 Contractors upgraded to next grade and 10 SMMES funded.	521 600.00			Opex	SEDA, A NDM, ECDC, CIDB	Senior Manager: DP
Institutional arrangements		To establish and revive structures to facilitate	Development and implementation of clear	Capacitate structures and ensure its	The LED forum & LTO are not functional	Establishment of LED forum/ LTO	Functional Structures: LED forum, LTO	100 000.00	200 000	250 000	Opex	LM	Senior Manager: DP

		local economic development activities	guidelines for structures.	operations.									
Retail and manufacturing		To grow and manufacture sector by 2017	Regulation and supporting of retail and manufacturing sector			Establishment of market place, Ku-Bha operational plan Hawkers registration	Establishment of market place. Ku-bha operational plan. Hawkers registration	750 000.00					
Retail & Manufacturing		To create a conducive and fair trading and grow the manufacturing sector.	By regulating and supporting formal, informal trading and manufacturing sector.	Funding for Market place construction, renewal and registration of Street traders and operation of the market stalls at Ku-bha	registration of Ku-Bha traders has commenced, renewals and registrations are continuous and plans for the market place are currently underway	Market place, registration and renewal of street trading licenses, upgrading and operation of Ku-Bha trading zone	Constructed market place, upgraded Ku-Bha trading zone, revenue generated from vending and hawking	750 000.00			Opex	LM	Senior Manager: DP

KP A NO. 4: MUNICIPAL FINANCIAL VIABILITY

Sub - Result Area	Outcome Objective	Strategic Objective	Strategies	Annual Target	Baseline Information	Projects to be implemented	KPI	Total Budget			Budget Source		Responsible Manager
								2014/2015	2015/2016	2016/2017	Internal	External	
Revenue Management	1. Improving Municipal Financial Administrative Capacity	To achieve 100% billing for all services that are to be billed by 2015	Maintaining credible consumer and properties database - Utilise and maintain effective and efficient billing systems	100% of customers billed	90% billing on Rates - 60% billing on Electricity	Maintain Customer Data - Acquiring enhancement devices to the billing systems	Reduced customer queries - 100% of consumers in the database are billed	N/A			N/A	N/A	CFO

KP A NO. 4: MUNICIPAL FINANCIAL VIABILITY

Revenue Management		To achieve an 80% collection on all consumers billed by June 2015	Establish a debt collection committee - Enforce credit control and debt collection policy - Implement the Revenue Enhancement Strategy	80% Collection rate	60% Collection Rate	Establishment of the Committee - Customer consultation campaign Customer Satisfaction survey - Disconnections	Debtors Ageing Analysis - reflecting 20% owed on billing	N/A			N/A	N/A	CFO
Expenditure Management		To pay creditors within 30 days in compliance with the MFMA December 2014	Review the procedure manual for the payment of creditors	All payments made within 30 days of receipt of the invoice	Payments made after 30 days	Create an invoice register - Centralise the point of receipt of invoices - Monthly review of payments made.	Monthly Reports	N/A			N/A	N/A	CFO

KP A NO. 4: MUNICIPAL FINANCIAL VIABILITY

Supply Chain Management	To have an effective Demand Management by June 2015	Develop an annual procurement plan - Review adherence to the approved procurement	100% compliance with the approved procurement plan	40% compliance with the procurement plan	Develop an effective and efficient procurement plan	Approved Procurement Plan	N/A				N/A	N/A	CFO
Supply Chain Management	To have a complete asset management unit - To have a Grap Compliant asset register	Annual review of the Asset management policy - Appointment of Members of the Asset Management Committee	Updated Fixed Asset Register	FAR correct as at 30 June 2014	Update of the Fixed Assets Register -Quarterly verification of assets	Monthly Reports	R 500 000				N/A	FMG	CFO

KP A NO. 4: MUNICIPAL FINANCIAL VIABILITY

Reporti ng		To compile credible Annual Financial Statements	Develop sound procedures for the compilation of AFS	Cashbook that ties up to the Bank Statement - Timeous submission of credible AFS	Compiled AFS	Develop a process plan for the compilation of AFS - Prepare Quarterly AFS -Prepare monthly reconciliations for the GL Accounts	Credible AFS submitted by 31 August	R 800 000			N/A	FMG	CFO
Reporti ng		To improve MFMA Compliance in terms of management and reporting	In year accounting processes and reconciliations performed	All Ledger Accounts Reconciled	Bank Reconciliations performed, but with unreconciling differences	All accounts reconciled to the GL	Verified reconciliations						
			Submission of section 71 reports	Timeous submission of reports	Level of compliance average	Full compliance with set dates	Email confirmations						

KP A NO. 4: MUNICIPAL FINANCIAL VIABILITY

Budgeting		To produce timeous budgets and adjustments in line with the Treasury Guidelines	Prepare the 2014/15 Adjustments Budget and the 2015/16 Annual Budget to be adopted by Council	Adopted Budget	Adjustments Budget Adopted by 28 Feb 2015 and Annual Budget by 31 May 2015	Council Resolution adopting the budgets		N/A						
-----------	--	---	---	----------------	--	---	--	-----	--	--	--	--	--	--

KPA NO 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION

Sub - Result Area	Outcome Objective	Strategic Objective	Strategies	Annual Target	Baseline Information	Projects to be implemented	KPI	Total Budget			Budget Source		Responsible Manager
								2014/2015	2015/2016	2016/2017	Internal	External	
Integrated Development Planning	1. Deepen democracy through a refined Ward Committee model. 2. Single Window on Coordination.	To ensure development of credible IDP - aligned with PMS & Budget by May 2014	Develop IDP process plan. Conduct public participation processes. Align PMS, SDBIP & Budget to IDP	To comply with Section 32 of the MSA	Assessed credible IDP document adopted by council May 2013	2014/2015 IDP Review	First Draft noted by council by 28 March 2014. Final IDP adopted by council in May 2014. IDP Assessment results by the MEC Local Government.	843 200.00	888 733.00	936 724.00	MLM	N/A	MM
Performance Management System		To ensure compliance with laws and regulations and ensure a culture of accountability	By Facilitating and monitoring periodic reporting . By	Compliance to 2006 performance management regulations	Draft PMS policy awaiting council adoption	Reviewal of PMS policy and alignment PMS Framework, SDBIP and Budget to IDP.	Council adopted PMS policy	300 000.00	316 200.00	333 275.00	MLM	N/A	MM

	performan ce excellence and monitoring by June 2015	Facilitati ng compilati on of the 2013/14 annual report			Conduct							
Public Particip ation	To ensure coordinate d of public participati on programm es by June 2015	By holding Imbizo's and IDP & Budget road shows as per the approved IDP process plan.	Improve participa tion of communi ties in municipa l programs	Consultative meetings done for 2013/2014	Holding consultativ e meetings on annual report, IDP & budget road- shows, etc	Communit y inputs on IDP & Budget road- shows				MLM	N/A	MM
Intergo vernme ntal Relatio ns	To improve coordinati on of service delivery amongst spheres of governme nt	By facilitatin g formulati on of IGR Structure	Launche d IGR structure	Draft IGR Framework and terms of reference	By formulatio n of IGR Structure by June 2014	Functional IGR Structure by June 2014	N/A	N/A	N/A	MLM	N/A	MM

Internal Audit	To strengthen & promote good governance within the institution by June 2015	By conducting monthly audit reviews,	Four quarterly reviews submitted to audit committee	Three reports submitted to audit committee	Implementation of internal audit plan	Number of reports submitted to audit committee	823 638.00				MLM	N/A	MM
Risk Management	To minimize risk to an acceptable level by June 2015	By conducting internal risk management workshops. By developing participatory risk management process plan.	Implementable risk management plan	Risk register of all departments in place. Draft risk policy awaiting council adoption	Review of risk registers for all departments.	Number of high risk reduced	211 000.00				MLM	N/A	MM
Communications	To improve municipal communication and public	By producing quarterly news letter.	Four quarterly news letter produced	Draft communication strategy awaiting adoption by council	Implementation adopted communications strategy.	Number of quarterly newsletter produced.	579 700.00	611 004.00	643998.00		MLM	N/A	MM

		liason by June 2017											
Customer Care		To minimize customer care related complaints by June 2015	By establishing customer care	Improved turn around in customer care related complaints	One customer care officer and customer care register	Development of customer care policy. Providing customer office & installation of Incident Management System (IMS)	Customer Care Policy adopted by the council. Installed & functional IMS.	300 000.00	316 200.00	333 275.00	MLM	N/A	MM
HIV / Aids		To reduce rate of prevalence of HIV / Aids by 2017	By reviewing HIV/AIDs local strategy and implementation thereof	Council adopted strategy and implementation of council approved projects.	Draft HIV/AIDs strategy	Reviewal of HIV/AIDs strategys. Establishment of the LAC and its sub-committees	Council adopted strategy and properly constituted LAC.	527 000.00	555 458.00	585 453	MLM	N/A	MM
OR Tambo Month Commemoration		To commemorate O.R. Tambo Legacy by 2017	By implementing council approved programmes on OR Tambo Legacy	OR Tambo commemoration	Previous year's commemoration programs	Implementation of OR Tambo Month Activities		1 054 000.00	1 110 916.00	1 170 905.00	MLM	N/A	MM

			commemoration										
Special Programs Unit		To coordinate mainstreaming of special groups and support by 2017	By coordinating internal department & sector department to contribute towards mainstreaming of special groups by 2015.	Coordinated special groups activities	Functional Special Programmes Unit	Implementation of council adopted policies with regard to mainstreaming of special groups. Supporting of special groups	Number of activities & programmes conducted towards mainstreaming of special groups	1 261 000			MLM	N/A	MM
Sport Development		To promote community sport activities by June 2017	By supporting programs of Mbizana Sport & recreation council	Coordinated sporting activities	Functional Mbizana sport & recreation council	Mayoral Cup and participation to SALGA games	Well coordinated sport activities	158 100.00	166 637.00	175 636.00	MLM	N/A	MM

By - Laws	To ensure gazetting & translation of 12 remaining by-laws by June 2015. To ensure centralised litigation by June 2015	By facilitating promulgation of by-laws through public hearings and workshops.	50 by-laws gazetted	28 by - laws in place	Gazetting and translation of 12 by-laws and reviewal of the existing by-laws	12 by-laws gazetted. Number of reviewed by - laws	527 000.00	555 458.00	585453.00	MLM	N/A	MM
Litigation	To ensure proper management of municipal legal matters	Strengthen the capacity of the municipality to deal with legal matter			Centralization of municipal litigious matters	Centralised litigation and Number of cases handled	1 500 000	1581 000.00	1 666 374.00	MLM	N/A	MM
Fraud and Corruption	To promote Accountability and clean municipal governance	By Developing and Implementing of anti fraud and corruption strategy	Reduced fraud and corruption incidence	There is an approved Anti-fraud and anti-corruption strategy in place that is pending review.	Reviewal of fraud and anti-corruption strategy	Reviewed fraud and anti-corruption strategy						MM

Council Support	To ensure proper sitting of council & council committees by June 2015	By adhering to council adopted calendar.	Compliance to council calendar.	Council calendar adopted by the council.	Implementation of council calendar.	Number of council committee meetings held.	N/A			MLM	N/A	MM
	To coordinate implementation of resolution taken by council & council committees by June 2015	By doing follow-up with Senior Managers with regard to implementation of council resolutions	100% implementation of council resolutions	Council resolution register in place	Monitoring implementation of council resolution register	Number of resolutions implemented and marked in the resolution register	N/A			MLM	N/A	MM

6.4 Commitments by Sector Departments and Parastatals

Department	Programme	Project	Locality	Amount
Human Settlements	Housing Delivery	Ludeke 1000	Ward 04	R 93 726 810.00
		Nkantolo	Ward 27	R 48 991 110.00
		Didi / Ngcingo	Ward 13	R 93 726 810.00
		Downtown 1000	Ward 01	Project Onhold
		Zinini Phase 2	Ward 06	R 13 944 953.00
		Nquthu	Ward 2	R11 783 547.00
		Nqabeni	Ward 9	R 4 737 425.00
		Bizana 800 Services Rectification	Extension 4 ward 01	R 2 800 000.00
		Bizana 347 Destitute (160 in progress)	All wards	R13 021 280.00
		Ebeneezer 5000	Wards 23, 24 & 29	Planning stage
		Gumzana 500	Wards 28 & 25	In progress
		Nkantolo Destitute	Ward 27, 6 & 29	R 3 537 736.00
		Prioritized Projects	Wards 9, 10, 11, 14, 16, 19, 25, 06 (comprising of 1000 beneficiaries).	
	Ministerial Housing Interventions	Jerusalem 500	7	
		Amampisi 500	16	
		Mdikisweni 500	11	
		Khanyayo 500	15	
		Xholobeni 500, Ward 25 (300) Ward 28 (200)	25 & 28	
		Izibanzini 300	3	
		Mbizana 160	All wards	
Nomlacu 632				

	Housing Projects prioritized by Council	Mphetshwa 1000	9	Feasibility Study
		Ngqindilili 1000	11	Feasibility Study
		Mgodini 1000	10	Feasibility Study
		Mbabazwe 1000	19	Feasibility Study
		Amadiba 1000	25	Feasibility Study
		Ntshamathe 1000	6	Feasibility Study
		Nikwe 1000	17	Feasibility Study
		Khanyayo 1000	15	Feasibility Study
		Bonda 1000	3	Feasibility Study
		Eluthulini 1000	14	Feasibility Study
	Planned Projects (Still to be approved by Human Settlements)	Nyanisweni	30	Application still to be submitted
		Sizityaneni	31	Application still to be submitted
		Redoubt	18	Application still to be submitted
		Pelepele	29	Application still to be submitted
		Anvis	9	Application still to be submitted
		Lukholo	22	Application still to be submitted
		Ndayingana	5	Application still to be submitted
ESKOM	Electrification Plan	Mgungundlovu 1 & 2, 512	23	R 8 704 000.00
		Zwelethu, 220	29	R 3 740 000.00
		Santomba 412	29	R4 944 000.00
		Mngungu 669	28	R 8 028 000.00
Department of Environmental Affairs	Working on Waste	Construction of Majazi Landfill Site and construction of recycling facility with a buy . back centre	Mbizana LM . ward 07	R20 000 000.00

		Proclamation of Mthamvuna Nature Reserve, fencing and establishment of a medicinal nursery.	Mbizana LM . Wards 18.21, 23 & 29	R10 000 000.00
Department Rural Development & Agrarian Reform	Maize Production	CASP	18 projects, 342 Hectorage	R2,400 000.00
		LETSEMA	26 projects, 392 hectorage	R2,746 000.00
		Equitable Share	18 projects, 185 hectorage	R1,300 400.00
	Siyazondla	Poultry	31 wards	R500 000.00
		Vegetable	31 wards	
		Apiculture	Mbizana bee keepers association	
		Livestock	5 livestock association	
Department of Education	ASIDI Schools currently under construction	<ul style="list-style-type: none"> Phandulwazi Senior Primary School Eblorweni Senior Primary School Mhlabuvelile Senior Primary School Emabhekuteni Senior Primary School Mmangweni Senior Primary School Tandabantu Senior Primary School Qandashe Senior Primary School 		
	Program for Special Schools	Borehole	Nompumalanga Special School	
		Borehole	Vukuzenzele Special School	
		Sewerage & Borehole	Zamokuhle Special School	
	Allocation of Prefabs to School	<ul style="list-style-type: none"> Ntukayi . 6 Sithukuthezi . 6 		

		<ul style="list-style-type: none">• Majavu . 4• Mpeni . 7• Gumzana . 7• Shukuma . 6• Oliver Tambo . 3• Chief Dumile . 6• Dumsi . 6• Enqabeni - 6
--	--	---

7. INTEGRATION AND ALIGNMENT OF THIS IDP WITH NATIONAL, PROVINCIAL AND DISTRICT PLANS

The strategic approach to the development of the Municipality's integrated development plan is underpinned by policies and strategies of the national and the provincial government and as well as District Plans. The development objectives of these policies have influenced the development of the strategic direction that the Municipality has identified. This phase aims to ensure internal strategic consistency with regards to the municipality's identified strategic vision and objectives, financial and institutional resource contexts as well as compliance with policy and legal requirements.

The relevant developmental policies which the municipal strategy has been aligned to are National strategic Infrastructure Projects, Millennium Development Goals, Service Delivery Agreement Outcome 9, National Government Programme of Action 2009 . 2014, the Provincial Government Development priorities and district policies & strategies. The section will also list the sector strategies that led the strategic direction of the municipality.

7.1 National Development Plan

As mentioned above the national development plan is an overarching national policy that has informed the municipal ' strategy formulation. The national development plan is based on effective participation of South African Citizens in their own development, redressing of the injustice of the past effectively, Faster economic growth and higher investment and employment , Rising standard of Education, a healthy population and effective social protection, strengthening the linkages between the social and economic strategies, Effective capable government, collaboration between government and private sector, strong sector leadership.

7.2 Millennium Development Goals

The Millennium Development Goals (MDGs) are eight international development goals that all 192 United Nations member states have agreed to achieve by the year 2015. The aim of the MDGs is to encourage development by improving social and economic conditions. It provides a framework for the entire international community to work together towards a common end i.e. making sure that human development reaches everyone, everywhere. The MDGs focus on three main areas of human development viz. bolstering human capital, improving infrastructure and increasing social, economic and political rights. If these goals are achieved, world poverty will be reduced, lives will be saved, and people will have the opportunity to benefit from the global economy. The eight MDGs which have been identified include:-

- Eradicate extreme poverty and hunger;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, malaria and other diseases;
- Ensure environmental sustainability;
- Develop a Global Partnership for Development.

The goals consist of quantified targets to address extreme poverty in its many dimensions viz. poverty, hunger, disease, lack of adequate shelter, and exclusion whilst promoting gender equality, education, and environmental sustainability. At the same time the goals also represent basic human rights i.e. the rights of each person on the planet to health, education, shelter, and security.

7.3 Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of the following seven outputs which need to be achieved.

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently. Our IDP strategies and objectives are also aligned to this outcome.

7.4 Provincial Growth and Development Plan

The PGDP identifies the key programmes as critical for growth and development in the Eastern Cape Province. Mbizana has identified programmes that are in line with this

strategy and through partnership with government, some initiatives are bearing fruits albeit from a very low base.

7.5 Provincial Development Priorities

The Eastern Cape Province has a legacy of endemic rural poverty hence rural development, land, agrarian reform and food security are a priority in a bid to improve the quality of life of people living in rural areas. This IDP is also aligned with the following strategies and policies from National, Provincial and well as District level:-

- Rural Development Strategy
- Spatial Development Framework
- Provincial Growth and Development Strategy
- Cooperative Development Strategy
- Provincial Job Creation Strategy
- ANDM Integrated Development Plan
- Disaster Management Plan

7.6 Local Strategies and Plans

Mbizana Local Municipality has all necessary strategies and plans in place that are essential in determining the economic edges that are ready to exploitation in order for the LM to seize competitive and comparative advantage. The strategies and plans are briefly discussed hereunder.

7.6.1 Spatial Development Framework

The SDF was adopted by council in 2010 / 2011 and is currently under review. SDF is a key element in the integration of development processes applicable to different sectors. The

Spatial Development Framework ought to be aligned with the mission and vision of the municipality.

7.6.2 Local Economic Development Strategy

The LED forum was established in 2010, currently not operating well and it needs to be strengthened. The LED forum is a platform for all the stakeholders that have a role to play in economic development to engage each other in programmes of Local Economic Development. **(ANNEXTURE)**.

7.6.3 Housing Sector Plan

The HSP has been reviewed and revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation. The methodology used to review the HSP consisted of the review of the current IDP, HSP, SDF and other relevant chapters of sectoral plans. A situational analysis report was produced through desktop analysis which was aimed at better understanding the demand for housing

7.6.4 Mbizana Tourism Master Plan

Mbizana Local Municipality has identified tourism as one of the pillars for local economic development hence embarking on a tourism development framework to address the poverty and unemployment challenges. The Tourism Development Framework will address the unemployment challenges that face the region. The development plan also seeks to exploit the intrinsically underdeveloped tourism sector. The development of the tourism framework is aligned with millennium development goals (MDG), LED framework and other legislative frameworks that aim at reducing poverty and creating job opportunities.

Existing tourism opportunities

Mbizana is a developing rural tourism region with unique cultural attributes, natural attractions and layers of heritage. Dominant land uses in Mbizana are mostly rural with a large emphasis on tourism along the coast and a bit in the interior. Mbizana Local Municipality covers approximately 40km stretch of the Wild Coast including the Wild Coast Sun Hotel (WCSH).

It prides itself as the home to the legend Oliver Reginald Tambo. It is known as the internationally acclaimed biodiversity hotspot hence it was named %Rondoland centre of endemism+ It is endowed with pristine beaches, petrified forests, ancient archaeological sites, rugged coastline and scenic estuaries. Mbizana's locality on the boarder of the Eastern Cape and KwaZulu Natal Province, whose tourism sector is vibrant gives it an advantage as a tourist destination

Challenges Facing Mbizana Tourism

As part of the situational analysis for the Tourism Framework, the following challenges hindering the development and growth of the tourism industry in MLM were identified. These challenges, if addressed, will pave a foundation for the development of tourism and attract investment in the municipal area. The challenges are as follows:

- Illegal cottages . Although the numbers of illegal cottages were not physically counted, many were identified throughout the coast. These are stand alone illegal cottages. The other cottages could be difficult to term %illegal+ because they have been built in the existing footprint of families that are living on the coast.

- Planning the plans - there are several concepts which date back to 2003. Other examples are projects which were presented to investors in the OR Tambo Investment Conference in 2009. Three years later, no action has been taken. This indicates that the municipality is constantly planning but not implementing.
- Land claim processes- A few investors were eager to invest in the Wild Coast, but due to the issue of land claims, it was difficult. This is an indication that the environment is not conducive for investment.
- Internal fighting- there are community structures such as the crisis management that are interested only in mining versus the community trust that is interested in tourism. These structures are fighting about two different sectors and there is no solution as to which sector can be prioritized and how to strike a balance on both sectors.
- ~~We~~ chew more than we can swallow+ there are many projects that were proposed and it is assumed that the approach of attempting to implement all project at the same time could be the reason for failure of most projects.
- Plan against each other- planning internally has to be integrated amongst all departments within the municipality. The same should apply to local, provincial and national government. Projects that are planned by national and provincial government departments should be integrated to the framework of MLM.

Proposed projects:

Mtamvuna Nature Reserve: Section B . Proposed tented camp at Mtamvuna

Mtentu tented camp . Proposed expansion of Mtentu tented camp

Skhombe Campsite- proposed camp site at Skhombe

Hiking trail development

OR Tambo Heritage Route

Wild Coast Timeshare Resort

Ingeli tourism development

Wild Coast Fishing Village

Skhombe Tourist Chalets

Mnyameni Tourism Development

7.6.5 Integrated Waste Management Plan

An Integrated Waste Management Plan has been adopted by council. The main objective of an IWMP is to integrate waste management within, and where possible, with services of adjacent municipalities, in order to:

- To identify and plan future waste management needs and requirements;
- Minimise waste management costs by optimising the efficiency of the waste management system, in terms of usage of infrastructure, labour and equipment; and
- Minimize adverse social and environmental impacts related to waste management and thereby improve the quality of life for all citizens.

7.6.6 Human Resources Development Strategy

Mbizana Local Municipality has developed its Human Resource Development Strategy 2010 . 2014 and was adopted by council in 2010; the strategy is being considered for the review in 2014 / 15 financial year.

7.6.7 Staff Retention Strategy

The MLM Employee Retention Policy is developed to provide guidance and information to Council, Management and Labour in order to effectively implement all approved employee retention strategies so as to promote the retention of staff. The following are the key policy highlights which influence the successful implementation of this strategy:

-
- The policy purpose puts emphasis on comprehensively addressing all the soft and hard staff issues which include the environmental, technical and social staff needs for effective employee retention.
 - The policy applies to all Council employees irrespective of occupational level, grades, categories and demographics.
 - The policy highlights a variety of tools and techniques to be implemented in order to effectively achieve and maintain long-term employee retention.
 - The policy briefly outlines specific roles and responsibilities assigned to the Municipal Management and Leadership.

The policy specifies key methods for monitoring and evaluating the retention process

7.6.8 Revenue Enhancement Strategy

Revenue Enhancement strategy has been adopted by the council. This strategy looks at enhancing the already available revenue base and looking at tapping into new revenue streams. Mbizana might face serious financial difficulty in the very near future if revenue trends continue at current rates. Currently, the municipality relies mainly on grants. The municipality could reap millions by improving collections from its existing revenue base. Achieving this goal will require improving all aspects of the Revenue Collection framework.

7.6.9 HIV and AIDS Strategy

MLM is experiencing high levels of HIV/Aids prevalence, the municipality continues to partner with the Department of Health in the province towards reduction of the levels of infections. In addressing the HIV/AIDS, MLM adopted its HIV/AIDS s in 2010; the strategy will be reviewed in 2014/15 financial year.

8. ASSESSMENT MATRIX FOR SECTOR PLANS AND POLICIES 2014/15

Department	Sector Plan / Policy	Status Of Sector Plan / Policy
Finance	Revenue Enhancement & Credit control strategy	Adopted
	Budget 2014/15	Adopted with this IDP
Corporate services	Employment equity plan	Adopted
	Workplace skills plan	Exist , being implemented
	Staff Retention Policy	Adopted
	Human Resource Development Strategy	Adopted, being implemented
	ICT Governance Framework	Adopted and Implemented
	ICT Strategy	Adopted and Implemented
Office of Municipal Manager	Performance Management System Policy	Adopted by council
	Service Delivery Budget Implementation Plans	Being Implemented
	Audit Action Plan	Being implemented
	Risk Management Policy	Adopted, being implemented
	Municipal Turnaround Strategy	Adopted
	Anti Corruption Strategy	Policy Adopted
	HIV/ Aids strategy	Being implemented adopted in 2013
	Audit Charter	Being implemented
	Standing rules / orders for council	Adopted
	Communication strategy	Adopted
	Systems of Delegation	Being implemented and under review
	Youth Policy	adopted
	Elderly policy	Adopted
	Children policy	Adopted
PWD policy	Draft Awaiting adoption	
Gender policy	Adopted	

Department	Sector Plan / Policy	Status Of Sector Plan / Policy
Community Development	LED Strategy	Being Implemented adopted 2010
	Environmental sector plan	Being reviewed
	Tourism Master Plan	Adopted
	Integrated Waste management sector plan	Adopted
	Disaster management plan	Does not exist, budgeted in 2014 / 2015
	Indigent policy	Adopted 2014
Engineering / Development Planning	Capital Investment plan	Not existing
	Housing sector plan	Being implemented Adopted 2010
	Spatial Dev Framework	Being implemented - Adopted 2011
	LED Strategy	Adopted 2010

9. MUNICIPAL ANNUAL BUDGET 2014/2015

9.1 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality embarked on a number of initiatives that would ensure that the situation in which the municipality finds itself is turned around. The primary objective of these initiatives was to look at expediting on the projects that have the ability to change the lives of the communities, but as well to ensure that there is sound financial management and accountability within the municipal administration.

National Treasury's MFMA Circular No. 70 and prior budget circulars were used to guide the compilation of the 2014/15 MTREF. The main challenges experienced during the compilation of the 2014/15 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities;
- The increased cost of bulk electricity (due to anticipated tariff increases by Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no longer be affordable. This is also coupled with the losses that we continue to

experience in the distribution of electricity and the link line that is not capable to carry the load of the town area;

- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Availability of affordable capital/borrowing, this is despite the fact that we have approached the Development Bank of Southern Africa for a frontloading agreement.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:-

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

	Current Year	2014/15 MTREF		
	Adjusted Budget 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand				
Total Operating Revenue	233 065	206 897	246 529	250 577
Total Operating Expenditure	204 200	213 300	223 172	234 758
<i>Surplus/(Deficit) for the year</i>	28 864	(6 403)	23 357	15 819
Total Capital Expenditure	93 261	128 136	97 713	94 828

The Consolidated Overview shows a significant increase in the capital expenditure budget. This is mainly due to the frontloading arrangement that the municipality is engaged with, with the DBSA. This will see the municipality receiving R45million frontloaded for future Integrated National Electrification Programme Grant which will see the municipality able to accelerate the provision of electricity to households in the entire municipality.

9.2 Operating Revenue Framework

For Mbizana Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues. The municipality's revenue strategy is built around the following key components:

-
- National Treasury's guidelines and macroeconomic policy;
 - Growth in the Municipal area and continued economic development;
 - Efficient revenue management;
 - Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
 - Achievement of full cost recovery of specific user charges especially in relation to trading services;
 - Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
 - The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
 - Increase ability to extend new services and recover costs;
 - The municipality's Indigent Policy and rendering of free basic services; and
 - Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source										
Property rates	2	6 965	6 276	7 199	12 674	11 441	11 441	12 128	12 855	13 627
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	8 340	12 786	15 192	30 371	31 043	31 043	33 328	35 781	38 414
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	765	879	985	889	888	888	941	998	1 057
Service charges - other		7	9	8	11	11	11	11	12	13
Rental of facilities and equipment		1 037	1 804	1 046	688	688	688	729	773	819
Interest earned - external investments		2 341	3 389	4 827	4 090	4 090	4 090	4 336	4 596	4 872
Interest earned - outstanding debtors		214	64	364	92	92	92	97	103	109
Dividends received		-	-	-	-	-	-	-	-	-
Fines		182	277	295	389	368	368	527	559	593
Licences and permits		1 008	993	1 145	1 476	1 476	1 476	1 565	1 658	1 758
Agency services		182	647	587	629	629	629	667	707	749
Transfers recognised - operational		79 431	102 647	109 147	129 778	130 813	130 813	151 397	187 245	187 250
Other revenue	2	1 418	1 249	584	14 339	51 527	51 527	1 172	1 242	1 317
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		101 890	131 022	141 378	195 425	233 065	233 065	206 897	246 529	250 577

Table 3 Percentage growth in revenue by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	%	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year +3 2017/18	Budget Year +4 2018/19	%
Revenue By Source									
Property rates	2	11 441	5%	12 128	6%	12 855	5%	13 627	5%
Property rates - penalties & collection charges		-	-	-	-	-	-	-	0%
Service charges - electricity revenue	2	31 043	13%	33 328	16%	35 781	15%	38 414	15%
Service charges - water revenue	2	-	-	-	-	-	-	-	0%
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	0%
Service charges - refuse revenue	2	888	0%	941	0%	998	0%	1 057	0%
Service charges - other		11	0%	11	0%	12	0%	13	0%
Rental of facilities and equipment		688	0%	729	0%	773	0%	819	0%
Interest earned - external investments		4 090	2%	4 336	2%	4 596	2%	4 872	2%
Interest earned - outstanding debtors		92	0%	97	0%	103	0%	109	0%
Dividends received		-	-	-	-	-	-	-	-
Fines		368	0%	527	0%	559	0%	593	0%
Licences and permits		1 476	1%	1 565	1%	1 658	1%	1 758	1%
Agency services		629	0%	667	0%	707	0%	749	0%
Transfers recognised - operational		130 813	56%	151 397	73%	187 245	76%	187 250	75%
Other revenue	2	51 527	22%	1 172	1%	1 242	1%	1 317	1%
Gains on disposal of PPE		-	-	-	-	-	-	-	0%
Total Revenue (excluding capital transfers and contributions)		233 065	100%	206 897	100%	246 529	100%	250 577	100%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Although the municipality is still heavily reliant on grant funding, the rates and service charges remain an important source of revenue for the municipality.

Property Rates depend on the availability of the valuation roll to be levied. This is an essential step in the calculation of tariffs and as such the hurdles that have been experienced recently are hampering on the ability of the municipality to generate revenue. R12.1 million has be budgeted for 2014/15 financial year and this is up 6% from the 2013/14 financial period. This is due to the additional properties that have been added to the valuation roll.

Electricity distribution also contributes significantly to the revenue basket, provided that it is able to generate profits. R33 million has been budgeted for electricity distribution in the 2014/15 financial year. The municipality has plans in place to ensure that this budgeted amount is realised and these include a meter audit exercise, data cleansing, effective credit control implementation and improved management of distribution losses.

Table 4 Operating Transfers and Grant Receipts

EC443 Mbizana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	2 240	33 300	149 467	151 081	-	173 185	221 129	214 406
Local Government Equitable Share					126 027	126 027		145 251	181 912	181 688
Finance Management			1 450	1 500	1 550	2 456		1 600	1 650	1 700
Municipal Systems Improvement			790	800	890	1 348		934	967	1 018
EPWP Incentive			-	1 000	1 000	1 250		1 000		
Integrated National Electrification Programme			-	30 000	20 000	20 000		24 400	36 600	30 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	461	-	362	355	381
Various					-	461		362	355	381
District Municipality:		-	-	-	-	700	-	-	-	-
Integrated Development Planning						200				
Spatial Development Framework						500				
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	2 240	33 300	149 467	152 241	-	173 547	221 484	214 787

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. We are required to justify in our budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase in Electricity bulk tariffs is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, the impact it has on the municipality's electricity tariffs is largely outside the control of the Municipality. Discounting the impact of this price increase in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

9.3 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

Table 5 Comparison of proposed rates to be levied for the 2014/15 financial year

Category	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)
	c	C
Residential properties	1.8	1.908
State owned properties	2	2.12
Business & Commercial	2	2,12

9.4 Sale of Electricity and Impact of Tariff Increases

NERSA announced the revised bulk electricity pricing structure. A 8.06 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014. It should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which might have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

It should further be noted that NERSA advised that a stepped tariff structure be implemented from 1 July 2011. The effect thereof is that the higher the consumption, the higher the cost per kWh. The aim is to subsidize the lower consumption users (mostly the poor). The inadequate electricity bulk capacity and the impact on service delivery and development

remains a challenge for the Municipality. The upgrading of the Municipality's electricity network has therefore become a strategic priority.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff. As the resultant tariff increases would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and approved to spread the burden over the life span of the assets. As part of the 2014/15 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

9.5 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. A 6 per cent increase in the waste removal tariff is proposed from 1 July 2014. Any increase higher than 9 per cent would be counter-productive and will result in affordability challenges for individual consumers, especially residents raising the risk

associated with bad debt. The following table compares current and proposed amounts payable from 1 July 2014:

Table 6 Comparison between current waste removal fees and increases

	CURRENT 2013/14 TARIFFS WASTE REMOVAL	PROPOSED 2014/15 TARIFFS WASTE REMOVAL
Basic Charge		
Households	97.61	103.47
Small Businesses	206.06	218.42
Large Businesses and Government	445.48	472.21
Vacant Sites	46.36	49.14

9.6 Other Municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

Table 8 Comparison between current tariffs for other services and increases

	CURRENT 2013/14 TARIFFS	PROPOSED 2014/15 TARIFFS
Connection Fees		
20 AMPS (Single Phase)	530.00	561.8
60 AMPS (Single Phase)	2400.00	2544.00
100 AMPS (Prepaid/Conventional 3Phase)	2800.00	2968.00
kVa	1500.00	1590.00
Reconnection Fees	320.00	339.20
Meter Replacements		
20 AMPS (Single Phase)	2400.00	2544.00
60 AMPS (Single Phase)	2401.00	2545.06
100 AMPS (Prepaid/Conventional)	2402.00	2546.12

3Phase)		
Grass Cutting		
Square Meter	10.00	10.54per sq. Meter
Travelling per KM more that 10KM from town	5.50	5.80 per km beyond the 10 th km
Hall Hire		
Town Meetings & Churches (Hourly Rate)	98.31	104.21
Entertainment & Workshops	245.79	260.54
Security Fee	860.27	911.89
Villages Hall Hire	220.00	233.20
Villages Security Deposit	440.00	466.40
Pound Fees		
Admission of Guilt under Municipal By-Law (For all animals)	300	318
Storage- Cattle, Horses, Donkeys and other animals of similar size	50 per night	53 per night
Goats, Sheep, and other animals of the same size	30 per night	31.8 per night
If Captured by SAPS (eg, recovered stolen animals)	20 per night	21.20 per night
Library Fees		
Membership		
Adults . Per Annum	50	53
Children . Per Annum	30	31.8
Children 12 years and younger	-	-
Photocopy per page	0.50	0.53
Penalties		
Overdue returns	0.60	0.64

Book Tempered with	30	31.8
Lost Book	Market Value of the book	Market Value of the book
Dumping Site		
Bakkie . per load	50.00	53.00
Truck . per load	-	63.6
Vending & Hawking		
Registration		135.00
Stalls		250.00
Street Shelters		200.00
Street Trader		100.00
Registration outside Town (With Stall)		80.00
Registration inside town (With no stall)		50.00
Bakkies Registration		300.00
Annual Licence		500.00

A number of new tariffs will be introduced by the Development Planning Department. These are tabulated below:-

Advertising Rental	Proposed Tariffs
Local	
Bill board 1m(h) x 1.5m(w)	R316 p/m
Bill Board 1.5m(h) x 2m(w)	R369 p/m
Bill Board 2m(h) x 3m(w)	R422 p/m
Bill Board 3m(h) x 4m(w)	R474 p/m
Temporal posters size not exceeding 1m(h) x 1m(w), number of posters not to exceed ten (10)	R300 p/m

National	
Bill board 1.5m(h) x 3m(w)	R1 054.00
Bill Board 3m(h) x 6m(w)	R1 581.00
Bill Board 6m(h) x 4m(w)	R2 108.00
Bill Board 9m(h) x 6m(w)	R5 270.00

9.7 Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table 9 Summary of operating expenditure by standard classification item

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)												
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Expenditure By Type												
Employee related costs	2	28 817	33 114	44 883	67 736	54 321	54 321	-	58 045	61 759	65 712	
Remuneration of councillors		11 687	14 075	16 199	15 262	15 998	15 998		17 086	18 180	19 343	
Debt impairment	3	91	1 801	1 804	4 036	4 036	4 036		4 036	4 036	4 036	
Depreciation & asset impairment	2	32 815	17 721	30 068	-	30 068	30 068	-	30 068	30 068	30 068	
Finance charges		-	-	148	-	-	-		-	-	-	
Bulk purchases	2	9 491	13 500	16 251	24 000	20 500	20 500	-	22 152	23 938	25 867	
Other materials	8	-	-	-	-	-	-		-	-	-	
Contracted services		-	-	-	-	-	-	-	-	-	-	
Transfers and grants		837	695	614	1 400	1 400	1 400	-	1 476	1 555	1 639	
Other expenditure	4, 5	35 040	44 165	74 691	143 288	171 139	171 139	-	162 639	180 382	181 903	
Loss on disposal of PPE		-	-	-	-	-	-		-	-	-	
Total Expenditure		118 778	125 071	184 658	255 722	297 462	297 462	-	295 502	319 917	328 568	

The budgeted allocation for employee related costs for the 2014/15 financial year totals R58 Million, which equals 19.7 per cent of the total operating expenditure. Based on the guidelines on circular 70, salary increases have been factored into this budget at a percentage increase of 6.8 per cent for the 2014/15 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF. As part of the planning, all departments have been requested to submit their personnel requirements for the years budgeted for. This includes existing positions that are currently filled, vacant positions that will be filled and as such should be budgeted for. A process is also underway to review the current organizational structure to determine whether it is effective in the provision of services to the communities.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has

been taken into account in compiling the Municipality's budget. Part of the plans also includes the Executive Committee members who could become fulltime, but this is still to be approved by council.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.

9.8 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

EC443 Mbizana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services		3 067	3 958	5 581	13 479	16 802	16 802		17 709	18 666	19 673
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	3 067	3 958	5 581	13 479	16 802	16 802	-	17 709	18 666	19 673

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. The repairs and maintenance also speak to the maintenance of the landfill site currently in use the landfill site to be constructed during the financial period. An amount of R15million has been set aside in the 2014/15 financial period for the maintenance of roads. This will ensure that there is improved access to all the wards in the municipality

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 11 Repairs and maintenance per asset class

EC443 Mbizana - Table A9 Asset Management										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Repairs and Maintenance by Asset Class	3	-	-	-	13 479	16 802	16 802	17 709	18 666	19 673
Infrastructure - Road transport		-	-	-	11 000	14 514	14 514	15 298	16 124	16 995
Infrastructure - Electricity		-	-	-	605	354	354	373	394	415
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	150	150	150	158	167	176
Infrastructure		-	-	-	11 755	15 019	15 019	15 830	16 684	17 585
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	1 723	1 783	1 783	1 880	1 981	2 088
TOTAL EXPENDITURE OTHER ITEMS		32 815	17 721	30 068	13 479	46 869	46 869	47 777	48 733	49 741

9.9 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

9.10 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 12 2014/15 Medium-term capital budget per vote

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding								
Vote Description	Ref	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand	1	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Single-year expenditure to be appropriate	2							
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		3 331	2 631	2 631	-	2 773	2 923	3 081
Vote 4 - COMMUNITY & SOCIAL SERVICES		6 353	3 500	3 500	-	3 689	3 888	4 098
Vote 5 - ENGINEERING SERVICES		70 197	86 130	86 130	-	120 620	89 791	86 208
Vote 6 - DEVELOPMENT PLANNING		-	1 000	1 000	-	1 054	1 111	1 441
Capital single-year expenditure sub-total		79 881	93 261	93 261	-	128 136	97 713	94 828
Total Capital Expenditure - Vote		79 881	93 261	93 261	-	128 136	97 713	94 828

For the 2014/15 Annual budget, an amount of R128million has been appropriated. This covers the construction of roads and other infrastructure. Electrification of villages in the municipality has been as thorn in the council and as such eradication of electrification backlogs takes a significant part of the budget. The Municipal Infrastructure Projects for the 2014/15 financial period is informed by the allocation the municipality will receive. It account for R44.9 million of the capital budget and the projects that will be implemented are listed:-

MIG PROJECTS FOR 2014 / 2015

PROJECT NAME	WARD	KM	BUDGET
PMU - Mbizana LM 2014 - 2015	N/A	N/A	R 2 249 600,00
Mabheleni to Mtamvuna Access Road	5	3,8	R 2 891 908,57
Ntshikitshane to Bukuveni JSS Access Road	8	1,5	R 1 909 144,87
Madada to Holycross Hospital Access Road	11	5	R 4 222 844,32
Meje Access Road	14	2,5	R 1 959 238,20
Ngojane Access Road to a T Road (120/121/438)	14	5	R 1 979 699,58
Butshwengeni Access Road	16	1,3	R 1 712 045,62
Mabuya Access Road	18	2,8	R 1 696 214,76
Makhwantini to Matshezi Access Road	25	10	R 3 752 557,56

R61 to Malola Access Road	26	11	R	4 464 415,82
Nkulisa Access Road	27	4	R	2 490 677,70
Cwaka Access Road	29	3	R	2 145 000,00
Extension of Makhalelndlovu Access Road to Lucingweni Access Road	30	3,6	R	2 250 000,00
Mzamba Community Hall	7	300m ²	R	2 940 000,00
Mhlabi Community Hall	12	300m ²	R	2 940 000,00
Makhosonke Community Hall	15	300m ²	R	2 940 000,00
Sport Field			R	2 448 653,00
TOTAL				R 44 992 000,00

EQUITABLE SHARE PROJECTS FOR 2014 /2015

PROJECT NAME	WARD	KM	BUDGET	
Thaleni Bridge Phase-2	27		R	1 950 000,00
Stormwater Drainage in Town	1		R	2 500 000,00
Construction of Speed Humps in Town	1		R	350 000,00
Installation of Traffic Lights	1		R	300 000,00
Fencing of Majazi Landfill Site	7		R	1 000 000,00
Majazi Community Hall	7	300m ²	R	1 800 000,00
Bizana Asphalt Phase-2	1		R	5 000 000,00
Extension of Municipal Offices	1		R	4 000 000,00
Alternative Tarring of 5km roads			R	5 024 898,00
Planning, Survey, Design and EIA for 2015-2016 projects	N/A		R	2 108 000,00
Construction of Pound	1		R	1 159 400,00
TOTAL				R 25 192 298,00

The electrification of projects accounts for R69,4 million of the availed budget and can be shown as follows:-

14/15 ELECTRIFICATION PROJECTS - TO BE DONE BY THE MUNICIPALITY

Name Of Project	Ward	Number Of Connections	Project Cost
Mgodini, Mbangweni, Mantusini and Mcitshweni	10	1159	R 13 908 000,00
Mxhotsheni	29	289	R 3 468 000,00
Monti / Ntlozelo	19	1600	R 19 200 000,00
Gumzana	22	430	R 5 160 000,00
Mqonjwana	18	548	R 6 576 000,00
Lugwijini	22	85	R 1 020 000,00
Mpunzi drift and Nobamba	18 and 21	330	R 3 960 000,00
Madiba	2	538	R 6 456 000,00
Gudlintaba	2	400	R 4 800 000,00
Ngele	2	503	R 6 036 000,00
Project Management	N/A	N/A	R 1 500 000,00
Capacity Upgrade	N/A	N/A	R 519 100,00
TOTAL		4990	R 64 909 000.00
TOTAL AMOUNT FROM THE FRONT LOADING			R 45 000 000.00
TOTAL AMOUNT FROM THE FRONT LOADING			R 24 400 000.00
TOTAL AVAILABLE BUDGET			R 69 400 000.00

9.11 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

EC443 Mbizana - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands									
Financial Performance									
Property rates	6 965	6 276	7 199	12 674	11 441	11 441	12 128	12 855	13 627
Service charges	9 112	13 675	16 185	31 271	31 941	31 941	34 280	36 790	39 484
Investment revenue	2 341	3 389	4 827	4 090	4 090	4 090	4 336	4 596	4 872
Transfers recognised - operational	79 431	102 647	109 147	129 778	130 813	130 813	151 397	187 245	187 250
Other own revenue	4 041	5 035	4 020	17 613	54 779	54 779	4 757	5 043	5 345
Total Revenue (excluding capital transfers and contributions)	101 890	131 022	141 378	195 425	233 065	233 065	206 897	246 529	250 577
Employee costs	28 817	33 114	44 883	67 736	54 321	54 321	58 045	61 759	65 712
Remuneration of councillors	11 687	14 075	16 199	15 262	15 998	15 998	17 086	18 180	19 343
Depreciation & asset impairment	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Finance charges	-	-	148	-	-	-	-	-	-
Materials and bulk purchases	9 491	13 500	16 251	24 000	20 500	20 500	22 152	23 938	25 867
Transfers and grants	837	695	614	1 400	1 400	1 400	1 476	1 555	1 639
Other expenditure	35 131	45 965	76 495	147 324	175 175	175 175	166 675	184 418	185 939
Total Expenditure	118 778	125 071	184 658	255 722	297 462	297 462	295 502	319 917	328 568
Surplus/(Deficit)	(16 888)	5 950	(43 280)	(60 297)	(64 397)	(64 397)	(88 605)	(73 389)	(77 991)
Transfers recognised - capital	32 197	41 400	59 744	60 297	64 397	64 397	67 142	80 855	76 790
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	15 309	47 350	16 464	0	(0)	(0)	(21 463)	7 466	(1 201)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	15 309	47 350	16 464	0	(0)	(0)	(21 463)	7 466	(1 201)
Capital expenditure & funds sources									
Capital expenditure	-	-	-	79 881	93 261	93 261	128 136	97 713	94 828
Transfers recognised - capital	-	-	-	60 297	62 882	62 882	67 142	80 855	76 790
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	45 000	-	-
Internally generated funds	-	-	-	19 584	30 379	30 379	15 994	16 858	18 038
Total sources of capital funds	-	-	-	79 881	93 261	93 261	128 136	97 713	94 828
Financial position									
Total current assets	65 814	90 513	142 526	142 526	134 724	134 724	122 335	121 062	120 418
Total non current assets	240 744	267 404	249 944	296 751	310 431	310 431	408 497	431 142	495 903
Total current liabilities	19 607	15 330	38 587	10 379	3 153	3 153	6 410	6 410	6 410
Total non current liabilities	-	-	-	12 552	12 552	12 552	57 552	12 552	12 552
Community wealth/Equity	286 951	342 587	353 883	416 345	429 450	429 450	466 869	533 242	597 359
Cash flows									
Net cash from (used) operating	38 431	74 341	71 638	83 917	85 460	85 460	-	-	-
Net cash from (used) investing	(22 067)	(44 382)	(20 369)	(79 881)	(93 261)	(93 261)	-	-	-
Net cash from (used) financing	-	11	77	-	-	-	-	-	-
Cash/cash equivalents at the year end	45 299	75 269	126 615	130 651	118 814	118 814	-	-	-
Cash backing/surplus reconciliation									
Cash and investments available	45 299	77 032	126 615	126 615	118 814	118 814	108 012	108 012	108 012
Application of cash and investments	(21 283)	(7 024)	20 141	(4 071)	(5 879)	(5 879)	328	328	328
Balance - surplus (shortfall)	66 582	84 057	106 474	130 686	124 692	124 692	107 684	107 684	107 684
Asset management									
Asset register summary (WDV)	8 001	8 001	5 544	291 206	304 887	304 887	5 544	5 544	5 544
Depreciation & asset impairment	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	13 479	16 802	16 802	17 709	18 666	19 673
Free services									
Cost of Free Basic Services provided	-	-	-	280	280	-	280	280	280
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	3	3	-	6	6	6
Refuse:	-	-	-	48	48	-	48	48	48

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for possible approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:-
 - a) The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b) Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the

municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cashflows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard	1									
<i>Governance and administration</i>		90 561	114 171	121 336	96 806	132 786	132 786	165 363	203 162	204 157
Executive and council		445	150	200	48 720	53 909	53 909	-	-	-
Budget and treasury office		90 019	113 743	120 859	20 208	50 606	50 606	164 996	202 773	203 745
Corporate services		97	277	276	27 879	28 271	28 271	367	389	412
<i>Community and public safety</i>		236	315	257	14 602	12 957	12 957	658	682	721
Community and social services		91	48	98	14 302	12 657	12 657	340	345	364
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		145	266	159	300	300	300	318	337	357
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		24 027	33 260	34 354	79 198	91 122	91 122	48 174	50 575	52 821
Planning and development		605	367	885	7 072	7 095	7 095	585	606	649
Road transport		23 422	32 893	33 469	72 126	84 028	84 028	47 589	49 969	52 171
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		19 262	24 676	45 176	65 116	60 596	60 596	59 845	72 965	69 669
Electricity		18 497	23 797	43 441	51 190	51 190	51 190	57 903	71 967	68 612
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		765	879	1 735	13 925	9 406	9 406	1 941	998	1 057
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	134 087	172 422	201 122	255 722	297 462	297 462	274 039	327 384	327 368
Expenditure - Standard										
<i>Governance and administration</i>		54 952	73 663	99 878	97 406	132 197	132 197	133 907	139 741	145 918
Executive and council		24 019	29 647	41 576	48 720	53 909	53 909	57 003	60 420	64 043
Budget and treasury office		11 100	13 797	45 575	20 208	50 017	50 017	48 541	49 340	50 183
Corporate services		19 834	30 219	12 726	28 479	28 271	28 271	28 363	29 981	31 691
<i>Community and public safety</i>		10 407	8 286	9 005	15 383	13 688	13 688	14 502	15 361	16 286
Community and social services		9 421	7 442	7 900	12 725	11 555	11 555	12 253	12 991	13 788
Sport and recreation		-	-	-	100	100	100	105	111	117
Public safety		511	844	1 105	2 558	2 033	2 033	2 143	2 259	2 381
Housing		475	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37 879	11 373	16 344	77 722	81 779	81 779	86 578	91 140	95 937
Planning and development		2 738	2 708	4 387	8 706	8 329	8 329	8 802	9 291	10 099
Road transport		34 495	8 117	11 710	68 416	73 050	73 050	77 355	81 404	85 370
Environmental protection		646	548	247	600	400	400	422	444	468
<i>Trading services</i>		15 540	31 750	59 431	65 210	69 797	69 797	60 515	73 676	70 428
Electricity		11 165	24 929	53 216	51 285	60 391	60 391	51 023	64 670	60 877
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 375	6 821	6 215	13 925	9 406	9 406	9 493	9 006	9 551
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	118 778	125 071	184 658	255 722	297 462	297 462	295 502	319 917	328 568
Surplus/(Deficit) for the year		15 309	47 350	16 464	0	-	-	(21 463)	7 466	(1 201)

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC443 Mbizana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		445	150	200	48 720	53 909	53 909	-	-	-
Vote 2 - BUDGET & TREASURY		90 019	113 743	120 859	20 208	50 017	50 017	164 996	202 773	203 745
Vote 3 - CORPORATE SERVICES		97	277	276	27 879	28 271	28 271	367	389	412
Vote 4 - COMMUNITY & SOCIAL SERVICES		2 626	3 072	4 478	37 009	24 116	24 116	4 482	3 675	3 894
Vote 5 - ENGINEERING SERVICES		40 900	55 179	75 309	121 906	134 397	134 397	103 998	120 352	119 104
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	6 751	6 751	197	195	213
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	134 087	172 422	201 122	255 722	297 462	297 462	274 039	327 384	327 368
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		24 019	29 647	41 576	48 720	53 909	53 909	57 003	60 420	64 043
Vote 2 - BUDGET & TREASURY		11 100	13 797	45 575	20 208	50 017	50 017	48 541	49 340	50 183
Vote 3 - CORPORATE SERVICES		19 834	30 219	12 726	27 879	28 271	28 271	28 363	29 981	31 691
Vote 4 - COMMUNITY & SOCIAL SERVICES		19 162	21 652	20 343	37 009	24 139	24 139	25 095	25 528	27 060
Vote 5 - ENGINEERING SERVICES		44 664	29 756	64 438	121 906	134 397	134 397	129 384	147 135	147 365
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	6 729	6 729	7 116	7 514	8 225
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	118 778	125 071	184 658	255 722	297 462	297 462	295 502	319 917	328 568
Surplus/(Deficit) for the year	2	15 309	47 350	16 464	0	-	-	(21 463)	7 466	(1 201)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. The total for budget and treasury includes employee costs at R5.6 million in the 2014/15 financial year, R2.2 for audit fee, R1.7 million for compilation of annual financial statements including quarterly financial statements that will be used as a skills transfer initiative to capacitate the budget and treasury personnel, R1.6 million for review and update of the municipal asset register as well as the procurement of an asset management system, R1.1 million for compilation of the general valuation roll. The remainder of the budget allocation is for other operational items including travelling, subsistence, adverting, printing and stationery, and other operational expenses.

Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality. It is important to note that the Development Planning Department has been established and as such a budget for it has been set aside. The department has the following

9.12 Local Economic Development

The budget item focus on changing people's lives on all sectors as stipulated in Municipal LED Strategy and is looking at how to support our Small medium Macro Enterprise in different sectors Emerging contractors ,crafters, hawkers, manufacturing etc. We all aware

that informal trading is one of growing sectors and we are helping the sector buy building market stalls ,providing selling tables and most important demarcating clearly their trading zone for free traffic flow and cleanliness of the town. A market place building infrastructure will be built as there is a need as the growth in trading is seen in places like boxer and that blocks parking for those who come to the centre. An improvement in Capital budget is done as this vote create employment while contributing in the economy as our IDP vision and mission guide us. Although all sectors are budgeted that is Tourism, Agriculture, Mining, Mari culture a great need to source more funding has been identified in helping this KPA to achieve its goal of changing business sectors ,attraction of more tourists ,managing our natural resources in an economically manner and reviving agriculture in our area.

9.13 Spatial

Planning

SDF review is budgeted for as a forward planning tool and Land Use Management System will be developed. Town and Regional Planning has been catered for the implementation of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) that is addressing the imbalance of the past in spatial planning .Municipality will appoint Planning Tribunal that includes external professional people and a council committee for appeals will be established. Land use scheme will be developed and adopted. There will be capacity building of the Tribunal and all parties involved. Building Control awareness will be conducted and a committee for plan approvals will be established.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source										
Property rates	2	6 965	6 276	7 199	12 674	11 441	11 441	12 128	12 855	13 627
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	8 340	12 786	15 192	30 371	31 043	31 043	33 328	35 781	38 414
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	765	879	985	889	888	888	941	998	1 057
Service charges - other		7	9	8	11	11	11	11	12	13
Rental of facilities and equipment		1 037	1 804	1 046	688	688	688	729	773	819
Interest earned - external investments		2 341	3 389	4 827	4 090	4 090	4 090	4 336	4 596	4 872
Interest earned - outstanding debtors		214	64	364	92	92	92	97	103	109
Dividends received		-	-	-	-	-	-	-	-	-
Fines		182	277	295	389	368	368	527	559	593
Licences and permits		1 008	993	1 145	1 476	1 476	1 476	1 565	1 658	1 758
Agency services		182	647	587	629	629	629	667	707	749
Transfers recognised - operational		79 431	102 647	109 147	129 778	130 813	130 813	151 397	187 245	187 250
Other revenue	2	1 418	1 249	584	14 339	51 527	51 527	1 172	1 242	1 317
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		101 890	131 022	141 378	195 425	233 065	233 065	206 897	246 529	250 577
Expenditure By Type										
Employee related costs	2	28 817	33 114	44 883	67 736	54 321	54 321	58 045	61 759	65 712
Remuneration of councillors		11 687	14 075	16 199	15 262	15 998	15 998	17 086	18 180	19 343
Debt impairment	3	91	1 801	1 804	4 036	4 036	4 036	4 036	4 036	4 036
Depreciation & asset impairment	2	32 815	17 721	30 068	-	30 068	30 068	30 068	30 068	30 068
Finance charges		-	-	148	-	-	-	-	-	-
Bulk purchases	2	9 491	13 500	16 251	24 000	20 500	20 500	22 152	23 938	25 867
Other materials	8	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		837	695	614	1 400	1 400	1 400	1 476	1 555	1 639
Other expenditure	4, 5	35 040	44 165	74 691	143 288	171 139	171 139	162 639	180 382	181 903
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		118 778	125 071	184 658	255 722	297 462	297 462	295 502	319 917	328 568
Surplus/(Deficit)										
Transfers recognised - capital		32 197	41 400	59 744	60 297	64 397	64 397	67 142	80 855	76 790
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		15 309	47 350	16 464	0	(0)	(0)	(21 463)	7 466	(1 201)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		15 309	47 350	16 464	0	(0)	(0)	(21 463)	7 466	(1 201)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		15 309	47 350	16 464	0	(0)	(0)	(21 463)	7 466	(1 201)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		15 309	47 350	16 464	0	(0)	(0)	(21 463)	7 466	(1 201)

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Single-year expenditure to be appropriate	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	3 331	2 631	2 631	-	2 773	2 923	3 081
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	6 353	3 500	3 500	-	3 689	3 888	4 098
Vote 5 - ENGINEERING SERVICES		-	-	-	70 197	86 130	86 130	-	120 620	89 791	86 208
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	1 000	1 000	-	1 054	1 111	1 441
Capital single-year expenditure sub-total		-	-	-	79 881	93 261	93 261	-	128 136	97 713	94 828
Total Capital Expenditure - Vote		-	-	-	79 881	93 261	93 261	-	128 136	97 713	94 828
Capital Expenditure - Standard											
Governance and administration		-	-	-	3 931	2 631	2 631	-	2 773	2 923	3 081
Executive and council						-					
Budget and treasury office						-					
Corporate services					3 931	2 631	2 631		2 773	2 923	3 081
Community and public safety		-	-	-	1 953	1 900	1 900	-	2 003	2 111	2 225
Community and social services					700	1 500	1 500		1 581	1 666	1 756
Sport and recreation					-	-					
Public safety					1 253	400	400		422	444	468
Housing						-					
Health						-					
Economic and environmental services		-	-	-	47 497	50 626	50 626	-	51 431	54 013	56 713
Planning and development					800	1 000	1 000		1 054	1 111	1 441
Road transport					46 697	49 626	49 626		50 377	52 902	55 272
Environmental protection					-	-					
Trading services		-	-	-	26 500	38 105	38 105	-	71 930	38 666	32 810
Electricity					22 500	36 305	36 305		70 032	36 667	30 703
Water						-					
Waste water management						-					
Waste management					4 000	1 800	1 800		1 897	2 000	2 108
Other						-					
Total Capital Expenditure - Standard	3	-	-	-	79 881	93 261	93 261	-	128 136	97 713	94 828
Funded by:											
National Government					60 297	62 382	62 382		67 142	80 855	76 790
Provincial Government						500	500				
District Municipality						-					
Other transfers and grants						-					
Transfers recognised - capital	4	-	-	-	60 297	62 882	62 882	-	67 142	80 855	76 790
Public contributions & donations	5					-					
Borrowing	6					-			45 000		
Internally generated funds					19 584	30 379	30 379		15 994	16 858	18 038
Total Capital Funding	7	-	-	-	79 881	93 261	93 261	-	128 136	97 713	94 828

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

For the 2014/15 Annual budget, an amount of R128million has been appropriated. This covers the construction of roads and other infrastructure. Electrification of villages in the municipality has been as thorn in the council and as such eradication of electrification backlogs takes a significant part of the budget.

The Municipal Infrastructure Projects for the 2014/15 financial period is informed by the allocation the municipality will receive. It account for R44.9 million of the capital budget. The electrification projects account for R69,4 million of the availed budget and include a front loading arrangement of R45 million and the municipality's allocation of R24.4 million from the division of revenue.

Other capital assets are funded from the municipality's own funding.

Table 18 MBRR Table A6 - Budgeted Financial Position

EC443 Mbizana - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS										
Current assets										
Cash		1 557	3 748	10 130	10 130	10 130	10 130	1 751	1 751	1 751
Call investment deposits	1	44 276	73 284	116 485	116 485	108 683	108 683	106 261	106 261	106 261
Consumer debtors	1	9 723	8 861	9 599	9 599	9 599	9 599	9 599	9 599	9 599
Other debtors		8 411	2 771	4 470	4 470	4 470	4 470	2 882	1 609	965
Current portion of long-term receivables		1 735	1 757	1 495	1 495	1 495	1 495	1 495	1 495	1 495
Inventory	2	112	91	347	347	347	347	347	347	347
Total current assets		65 814	90 513	142 526	142 526	134 724	134 724	122 335	121 062	120 418
Non current assets										
Long-term receivables						-				
Investments						-				
Investment property		8 001	8 001	5 544	5 544	5 544	5 544	5 544	5 544	5 544
Investment in Associate						-				
Property, plant and equipment	3	232 743	259 403	244 400	291 206	304 887	304 887	402 953	425 598	490 358
Agricultural										
Biological										
Intangible										
Other non-current assets										
Total non current assets		240 744	267 404	249 944	296 751	310 431	310 431	408 497	431 142	495 903
TOTAL ASSETS		306 558	357 917	392 470	439 276	445 155	445 155	530 831	552 204	616 321
LIABILITIES										
Current liabilities										
Bank overdraft	1	534								
Borrowing	4	-	-	-	-	-	-	-	-	-
Consumer deposits		315	326	403	403	403	403	403	403	403
Trade and other payables	4	15 792	10 499	32 505	9 976	2 750	2 750	328	328	328
Provisions		2 965	4 506	5 679				5 679	5 679	5 679
Total current liabilities		19 607	15 330	38 587	10 379	3 153	3 153	6 410	6 410	6 410
Non current liabilities										
Borrowing		-	-	-	12 552	12 552	12 552	57 552	12 552	12 552
Provisions		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	12 552	12 552	12 552	57 552	12 552	12 552
TOTAL LIABILITIES		19 607	15 330	38 587	22 931	15 705	15 705	63 962	18 962	18 962
NET ASSETS	5	286 951	342 587	353 883	416 345	429 450	429 450	466 869	533 242	597 359
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		251 340	274 477	249 951	302 282	323 188	323 188	360 608	426 980	491 097
Reserves	4	35 611	68 110	103 933	114 063	106 261	106 261	106 261	106 261	106 261
Minorities' interests										
TOTAL COMMUNITY WEALTH/EQUITY	5	286 951	342 587	353 883	416 345	429 450	429 450	466 869	533 242	597 359

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as %accounting+Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available										
Cash/cash equivalents at the year end	1	45 299	75 269	126 615	130 651	118 814	118 814	-	-	-
Other current investments > 90 days		-	1 763	-	(4 036)	-	-	108 012	108 012	108 012
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-
Cash and investments available:		45 299	77 032	126 615	126 615	118 814	118 814	108 012	108 012	108 012
Application of cash and investments										
Unspent conditional transfers		8 665	5 174	12 552	9 648	2 422	2 422	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2									
Other working capital requirements	3	(29 948)	(12 198)	7 589	(13 719)	(8 301)	(8 301)	328	328	328
Other provisions										
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5									
Total Application of cash and investments:		(21 283)	(7 024)	20 141	(4 071)	(5 879)	(5 879)	328	328	328
Surplus(shortfall)		66 582	84 057	106 474	130 686	124 692	124 692	107 684	107 684	107 684

PART 2 – SUPPORTING DOCUMENTATION

9.14 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

9.14.1 Review of credit control and debt collection policy

The credit control and debt collection policy was last reviewed with the preparation of the budget for the 2013/14 budget. This requires to be reviewed annually with the preparation of the annual budget and the MTREF. The review of the policy should go with the changing circumstances that are happening within the municipality. This ensures that the percentage that gets collected as a result of the effective policy is realised.

9.14.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

9.14.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

9.14.4 Supply Chain Management Policy

The municipality committed in advancing the Secondary procurement goals as provided for under Section 217 of the Constitution and the PPPFA. To ensure the attainment of the secondary goals, the municipality shall ensure that each procurement demand made from each department shall develop a procurement strategy together with the specifications for the project. The envisaged procurement strategy must take into account the direct and indirect procurement system to be used

The municipality shall further apply pre-qualification procurement system as a fair competitive procurement mechanism that supports emerging and small contractors/ service providers across all our services.

9.14.5 Budget Policy

The Budget and Virements Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget policy was also last reviewed in the budget preparation process for the 2013/14 financial period.

9.14.6 Cash Management and Investment Policy

The municipality's cash management and investment policy looks at the daily management of cash and the handling of the excess cash that could be available. This talks to the types of accounts that the excess cash is deposited into.

9.14.7 Tariff Policies

The municipality's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy has also been reviewed in the past together with other budget related policies, but this gives the council

Councillor and employee benefits

Table 20 MBRR SA22 - Summary of Councillor and staff benefits

EC443 Mbizana - Supporting Table SA22 Summary councillor and staff benefits							
Summary of Employee and Councillor remuneration	Ref	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand		D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1						
Basic Salaries and Wages		6 361	9 321	9 321	9 954	10 591	11 269
Pension and UIF Contributions		1 590	367	367	392	417	444
Medical Aid Contributions		1 590	874	874	933	993	1 056
Motor Vehicle Allowance		3 534	3 613	3 613	3 859	4 106	4 369
Cellphone Allowance		726	825	825	882	938	998
Housing Allowances		–	–	–	–	–	–
Other benefits and allowances		1 461	998	998	1 066	1 134	1 207
Sub Total - Councillors		15 262	15 998	15 998	17 086	18 180	19 343
% increase	4	–	4,8%	–	6,8%	6,4%	6,4%
Senior Managers of the Municipality	2						
Basic Salaries and Wages		5 647	5 647	5 647	6 031	6 417	6 828
Pension and UIF Contributions		–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–
Overtime		–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–
Cellphone Allowance	3	54	54	54	58	61	65
Housing Allowances	3	–	–	–	–	–	–
Other benefits and allowances	3	5 146	5 146	5 146	5 496	5 847	6 222
Payments in lieu of leave		–	–	–	–	–	–
Long service awards		–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		10 847	10 847	10 847	11 585	12 326	13 115
% increase	4	–	–	–	6,8%	6,4%	6,4%
Other Municipal Staff							
Basic Salaries and Wages		43 699	25 605	25 605	27 346	29 096	30 959
Pension and UIF Contributions		5 416	1 875	1 875	3 388	3 605	3 836
Medical Aid Contributions		2 109	1 346	1 346	1 437	1 529	1 627
Overtime		360	600	600	641	682	725
Performance Bonus		–	–	–	–	–	–
Motor Vehicle Allowance	3	1 518	2 479	2 479	2 648	2 817	2 997
Cellphone Allowance	3	1 123	310	310	331	351	374
Housing Allowances	3	708	1 519	1 519	1 622	1 726	1 837
Other benefits and allowances	3	1 954	9 740	9 740	9 047	9 626	10 242
Payments in lieu of leave		–	–	–	–	–	–
Long service awards		–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–
Sub Total - Other Municipal Staff		56 889	43 474	43 474	46 461	49 433	52 597
% increase	4	–	(23,6%)	–	6,9%	6,4%	6,4%
Total Parent Municipality		82 998	70 319	70 319	75 131	79 939	85 055
		–	(15,3%)	–	6,8%	6,4%	6,4%
TOTAL SALARY, ALLOWANCES & BENEFITS		82 998	70 319	70 319	75 131	79 939	85 055
% increase	4	–	(15,3%)	–	6,8%	6,4%	6,4%
TOTAL MANAGERS AND STAFF	5,7	67 736	54 321	54 321	58 045	61 759	65 712

10. APPROVAL

This is an IDP review 2014 / 2015 as adopted by the council in the council meeting held on the 30 May 2014. Copies of this document were made available in key strategic accessible points for all interested stakeholders to read, make comments while invitations to comment were also advertised in the local newspapers including local radio stations and in our websites.

The inputs were received from communities, provincial government, sector departments, internal municipal department and other relevant stakeholders of the municipality. All received inputs have been considered and consolidated into this final document.

The Mbizana Municipal council is satisfied that all necessary planning activities as envisaged in the IDP, PMS and Budget process plan were carried out accordingly and therefore **RESOLVES** to adopt this document as its 2014/15 draft IDP review.

DECLARATION OF ADOPTION

SIGNATURES

MR L. MAHLAKA
MUNICIPAL MANAGER

DATE

HON. CLLR M.M. TWABU
THE MAYOR

DATE