

# MBHASHE LOCAL MUNICIPALITY



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## Reviewed Integrated Development Plan 2015 – 2016

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# MAYOR'S FOREWORD 2015/2016 IDP REVIEW

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The Municipal Systems Act, 32 of 2000 requires all municipalities to develop 5 year Integrated Development plans and review them annually. Mbhashe Local Municipality has developed the draft IDP within an approved IDP process plan and engaged in a consultation process to ensure that communities become part of the planning and decision making processes.

The Municipality engaged in a strategic planning session, where a SWOT analysis was established and strategic objectives were developed. The process was followed by the development of projects emanating from the needs and challenges identified in the strategic planning session and IDP public participation.

It is with great pride to highlight the effort taken by the municipality to appoint a Municipality Manager after long years of vacancies in these managerial posts who in his arrival has fast tracked the appointment of other senior managers, together with his team have reviewed our organisational structure as are about to fill all vacant posts and later ensured that this IDP and Budget processes are aligned; that the SDBIP is linked to the IDP and that public participation has been done as required by legislation and we are confident that through the Integrated Development Plan the municipality will be in a position to deliver services in line with the countries constitutional standards.

With the above assertion, this IDP comes at the time when municipalities throughout the country in general are faced with genuine community civil disobediences hidden in those being mischievous protests coming from within us, while we as woman fight the war on devilish abuse of women and children, job creation to boosting our local economy and this has left our Municipality being no exception.

Under the guise of service delivery dissatisfaction, communities have gone on rampage, destroying both public and private properties, led by a blazon criminal element in a form of xenophobia attacks to our fellow African people and that has to come to an end, we are not a country in isolation.

To that end, the need for this final IDP in the series of five years, must surely seek to address some, if not most of the perceived shortcomings, flowing from genuine community concerns. However, the Municipality must not be side tracked by spurious demands paraded as genuine community concerns.

Our IDP therefore, must first and foremost reflect our commitment to goals in our quest to meet the 2011 Local Government Elections Manifesto of the ruling party, which was subsequently adopted as our guiding light for the Municipality for the following years including the period under review in this IDP, where we have committed ourselves to the following key deliverables:

- I. Local government offices have to become more effective in meeting the needs of the citizens,
- II. Sporting and recreational facilities must be built.
- III. Local services like waste removal must be improved day and night.
- IV. Free basic services must be provided to communities and;
- V. Water and electricity must be accessible.

Our IDP, in its strategic thrust, gives expression to our first generation Growth and Development Strategy, which is for the holistic development of our locality; the region and the nation at large.

Alignment of the two with the 2006 Election Manifesto, which is the guiding light of the Municipality, finds expression in the projects entailed in this document. In this final thrust, in our last year before the next elections, we are committed to deliver without fail on these programmes

It is through the projects as in the reflected in the IDP, that we seek to leave a lasting legacy to the communities of Mphashe, which will set the tone for a caring, people-centred, people-driven and developmental local government for generations to come.

As we continue on our march to deliver on our manifesto commitments, we pledge ourselves to continue to work with our people to leave no stone unturned in fulfilling of our objectives by accelerating and doubling our efforts to bring about a better life to all our people. We will do so in an accountable and ethical manner, as we have been proven to do so over the years.

We will continue in that vein and manner again this year. We look back with pride as we approach the final phase of the current term of our political office. It is this achievement, coupled with our confidence, commitment and loyalty which will see us standing proud at the end of our political term.

Yours in service delivery

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**Cllr N.O Mfecane**

**MAYOR**

# MUNICIPAL MANAGER'S MESSAGE

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Municipal Planning is an essential element of a Developmental Local Government. For this planning to realise its objective, the concept of public participation has to be central. Mbashe Municipality has in earnest ensured that the review of this IDP has been done with the participation of communities, organised formations, labour, State Owned Enterprises and sector departments.

The adoption of reviewed IDP initiates the implementation and execution phase of the municipal planning cycle which can only be effective if there is proper alignment with the Budget and Service Delivery and Implementation Plan (SDBIP).

The administration will ensure that in-year reporting is done and will culminate into the annual performance report, the financial statements and the Annual report being tabled to Council together with an Oversight report as per stipulated time frames.

The administration further commits to focus on the following areas:

- I. Effective and Empowered Public Participation as per Back to Basics
- II. Effective and efficient delivery of basic municipal services focusing on sustainable and durable access roads, economic infrastructure, waste and coastal management.
- III. Increase revenue collection.
- IV. Implement Service Delivery Models that will ensure creation of jobs and business opportunities for locals. This will have a specific focus on the special groups like Youth, Women, People Living with Disabilities and Military Veterans.
- V. Capacity building for Employees, Councillors, Traditional Leaders and members of the community.
- VI. Ensuring Clean Administration and Institutional Capacity

Lastly, let me take this opportunity to thank the political leadership, stakeholders, the officials of the Provincial Local Government, Provincial Treasury, Amathole DM and Mbashe for the relentless passion, energy and time they have dedicated in order to produce this IDP and Budget for the 2015/16 financial year.

Yours in Developmental Local Government.

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**SV POSWA**

**MUNICIPAL MANAGER**

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## I. Legislative Framework

The Local Government: Municipal System Act, 2000 (Act 32 of 2000) as amended compels municipalities to draw up the IDP's as a singular inclusive and strategic development plan. In terms of this Act, a municipality produces an IDP every five years comprising of the following components:

- (i) A vision of the long-term development of the area.
  - (ii) An assessment of the existing level of development which must include an identification of the need for basic municipal service.
  - (iii) Municipality's development priorities and objectives for its elected term.
  - (iv). Municipality's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements.
  - (v) Spatial development framework which must include the provision of basic guidelines for a land use management system.
  - (vi) Municipality's operational strategies.
  - (vii) A Disaster Management Plan.
  - (viii) Financial Plan.
  - (ix) The key performance indicators and performing targets.
- a) The Municipal Planning and Performance Management Regulations (2001) set out the following further requirements for the IDP:
- (i) An Institutional Framework for implementation of the IDP and to address the Municipality's internal transformation.
  - (ii) Investment initiatives that should be clarified.
  - (iii) Development initiatives including infrastructure, physical, social and institutional development.
  - (iv) All known projects, plans and programmes to be implemented within the Municipality by any organ of state.
- b) In addition, the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) provides for closer alignment between the annual budget and the compilation of the IDP. This can be understood as a response to the critique that



IDP's took place in isolation from financial planning and were rarely implemented in full as a result. Specifically, section 21 (1) of the Act requires that a municipality co-ordinates the process of preparing the Annual Budget and the IDP to ensure that both the budget and IDP are mutually consistent.

Key to ensuring the co-ordination of the IDP and Annual Budget is the development of the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Mayor of a municipality for implementation of service delivery and Annual Budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.

## **II. What is IDP?**

Integrated Development Planning is a central planning tool for government that embodies local government development goals and a comprehensive service delivery programme. Integrated planning has been developed as a consolidated municipal wide planning process that provides a framework for planning of future development in a municipality. It ensures horizontal and vertical co-ordination and integration across the national, provincial and local spheres of government. In addition, the IDP requires community participation and stakeholder involvement. The integrated development planning process is therefore critical for the success of every South African municipality's endeavours to bring about responsive, developmental and accountable local government.

During the State of the Nation Address of Government emphasized the importance of every South African Municipality to have a realistic IDP to meet the country's developmental objectives, as well as the high aspirations of the South African people. Mbhashe Local Municipality has already produced three full five year IDPs, that is, 2002 – 2007, 2007-2012, and 2012 – 2017. The Municipality is now reviewing the 2012-2017 IDP for the third year in accordance with section 34 of the Local Government Municipal Systems Act 32 of 2000.

The focus of this IDP is within the context of a seamless integrated strategic planning process. The Municipality has developed a set of long term goals and five year objectives (reviewed annually) that will form the basis of the annual business planning and budgeting carried out on an ongoing basis. The IDP will also be further shaped by inputs from communities and civil society, as well as direction from the political leadership.

A five year IDP supports a single, integrated planning process, with clear demarcation between long-term, medium term and short term planning. The five year IDP should therefore be understood as an interpretation of strategy and political priorities into a detailed Executive Mayoral Plan that is to become the business plans, in this context, are seen as implementation tools.

### **III. Benefits**

- i. Focused and Proactive Management
- ii. Institutional Analysis
- iii. Matching Resources to Needs
- iv. Project Management
- v. Performance Management
- vi. Realistic Planning
- vii. Unification and Consensus Building
- viii. Empowerment of Stakeholders
- ix. Focused Budgeting
- x. Change Agent

### **IV. IDP Process**

#### **i) Introduction**

Following the election of the new council in 2011 the municipality embarked on a process of formulating its five year integrated development plan (IDP) 2012 -2017. This document outlines the programmes and development commitments that will be delivered during the term of the current council. The IDP supersedes all other plans of a municipality. The municipality is embarking on the reviewal of the IDP for the 2015/16 financial year. The following Process Plan for IDP/Budget was adopted by the Council in its ordinary meeting of 27 August 2014.

#### **ii) The Process Plan**

The following section outlines the process plan for the formulation of Mphashe IDP 2015/2016 and the process plan was adopted by council on the 27 August 2014. It

outlines the mechanisms and procedures that will be followed in the formulation of this IDP. In terms of the process plan the following institutional arrangements were adopted.

### iii) Organisational arrangements

There are two main institutional structures viz IDP/Budget/PMS Representative Forum and the IDP/Budget/PMS Steering Committee.

### iv) IDP/Budget/PMS Representative Forum

The IDP/Budget/PMS Representative Forum is the main platform for discussion and broad consultation of key decisions and recommendation for council adoption. It is comprised mainly of various representatives from the following institutions or interest groups:

- a) Secretariat of IDP/Budget/Steering Committee
- b) Executive Committee members
- c) Ward Committees & CDWs
- d) Traditional leaders
- e) Business community
- f) Civic bodies & known NGOs / CBOs
- g) Rate payers
- h) Sector Departments & State Owned Enterprises

### Action Plan

The following table below gives a list of meetings and workshops held for the IDP formulation process.

JULY-PRE-PLANNING PHASE				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	RESPONSIBLE PERSON
1.	Provincial IDP Assessment	Assessments	07/07-11/07/2014	KPA Champs
AUGUST-PLANNING PHASE				
ITEM. NO.	ACTIVITIES	NATURE OF THE	DATE	RESPONSIBLE PERSON

		<b>MEETING</b>		
1.	Process Plan	IDP/Budget/P MS Steering Committee	14/08/2014	Steering Committee
2.	ADM	IGR Forum	18/08/2014	Strategic
3.	ADM	District Planning Coordinating Forum	19/08/2014	IDP Practitioners
4.	Adoption of the IDP/Budget Process Plan	Council Meeting	27/08/2014	Mayor
5.	Preparation for Ward Base Plans	IDP/Budget/P MS Steering Committee	28/08/2014	MM

**SEPTEMBER-PLANNING PHASE**

<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Process Plan to be Advertised and submitted to ADM/MEC & relevant offices	None	02/09/2014	Strategic
2.	Ward Base Plans	Consultations, Imbizo's	01/09 – 30/09/2014	Steering Committee, Mayor
3.	Presentation of the process plan and to get status quo of projects implemented by sector departments	IGR	09/09/14	MM
4.	ADM	IDP Budget Rep Forum	18/09/2014	Mayor, IDP Practitioners
5.	Presentation of the process plan and	IDP/Budget Rep Forum	23/09/2014	Mayor

	Performance reporting			
OCTOBER-ANALYSIS PHASE				
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	
1.	Presentation Ward Base Plan, Situational Analysis	IDP/Budget/PMS Steering Committee	08/10/2014	MM
2.	PMS Quarterly Reports	Cluster Meetings	13 - 14/10/2014	MM
3.	<ul style="list-style-type: none"> <li>• Presentation of budget statement- quarterly report.</li> <li>• Conclude first draft budget to confirm priorities and identify other financial &amp; non -financial budget parameters including government allocations.</li> </ul>	Budget Steering Committee	20/10/2014	Mayor
5.	ADM	District Planning Coordinating Forum IGR	30/10/2014	IDP Practitioners
NOVEMBER-ANALYSIS PHASE				
ITEM. NO.	ACTIVITIES	NATURE OF	DATE	

		<b>THE MEETING</b>		
1.	Presentation of the Situational Analysis to the steering committee, Presentation of Municipal Priorities from Ward level	IDP Steering Committee meeting	06/11/2014	MM
2.	ADM	IDP/ Budget Rep Forum	20/11/2014	Mayor, IDP Practitioners
3.	Presentation of situational analysis and Ward priorities to IGR Forum	IGR Forum	21/11/2014	MM
4.	Presentation of the situational analysis and ward priorities	IDP/Budget Rep Forum	25/11/2014	Mayor

**DECEMBER-STRATEGIES PHASE**

<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Presentation of draft objectives, strategies and programs	IDP/Budget Steering Committee	08/12/2014	MM

**JANUARY-STRATEGIES PHASE**

<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	PMS Quarterly Reports	Meetings	12-13/01/2015	MM
3.	Refinement of Strategies, Objectives	IDP Steering Committee	15/01/2015	MM

	and Programs			
4.	<ul style="list-style-type: none"> <li>Consider audit report on financial statements &amp; prepare action and identify areas that need to be funded.</li> <li>Presentation of SALGA upper limits.</li> </ul>	Budget steering Committee	26/01/2015	Mayor

**FEBRUARY-STRATEGIES PHASE**

ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	
1.	Final presentations for Strategic Planning	IDP/Budget/PMS Steering Committee	09/02/2015	MM
2.	Reviewal of the strategies and objectives, setting up new objectives and strategies based on new priorities	Strategic Sessions	10/02 – 12/02/2015	MM
3.	ADM	District Planning Coordinating Forum	26/02/2015	IDP Practitioners

**MARCH-PROJECTS PHASE**

ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE	
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1.	Alignment of Strategies, Objectives to project priorities	IDP/Budget/P MSSteering Committee	03/03/2015	MM
	ADM	IGR Forum	09/03/2015	Strategic
2.	Presentation of project plans from Sector Departments	Clusters	12/03/2015	KPA Champs
3.	Presentation of project plans from Sector Departments	IGR Forum	13/03/2015	MM
4.	Presentation of draft revised IDP with broad budget per cluster, draft project lists and revised sector plan	IDP/Budget/P MSRep Forum	17/03/2015	MM
5.	ADM	IDP/ Budget Rep Forum	18/03/2015	Mayor, IDP Practitioners
7.	Presentation and approval of the draft Budget/ IDP/SDBIP, Annual and Oversight Reports to and by Council	Council Meeting	25/03/2015	Mayor
8.	Advertising of the Draft IDP and Budget, calling for public comments	None	26 /03/2015	Strategic
9.	Public Comments Phase Presentations of the IDP and Budget to the communities	IDP/Budget Roadshows	30/03/2015 -	Mayor
10.	Submit draft IDP/SDBIP & Budget to	None	31/03/2015	Strategic



	MEC /Treasury/ ADM and any other relevant office			
<b>APRIL-APPROVAL PHASE</b>				
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Public Comments Phase presentation of the IDP to the communities	IDP/Budget Roadshows	30/03 – 15/04/2015	Mayor
2.	PMS Quarterly Reports	Cluster Meetings	16 -17/04/2015	Cluster Champs
3.	Consider inputs from Roadshows for IDP	IDP/Budget/P MS Steering Committee	20/04/2015	MM
4.	ADM	District Planning Coordination Forum	28/04/2015	IDP Practitioners
<b>MAY-APPROVAL PHASE</b>				
<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Presentation of final Draft IDP and Budget	IDP Steering Committee Meeting	05/05/2015	MM
2.	Presentation of final Draft IDP and Budget	IGR Forum	06/05/2015	MM

3.	Presentation of inputs and action plan from Roadshows & IGR	Clusters	07/05/2015	KPA Champs
5.	ADM	IGR Forum	08/05/2015	Strategic
6.	Presentation of the final draft IDP/Budget to rep forum	IDP/Budget/P MS Rep Forum	19/05/2015	MM
7.	ADM	IDP/ Budget Rep Forum	21/05/2015	Mayor, IDP Practitioners
8.	Approval of Final Draft IDP and Budget and SDBIP	Council Meeting	27/05/2015	Mayor

**JUNE-APPROVAL PHASE**

<b>ITEM. NO.</b>	<b>ACTIVITIES</b>	<b>NATURE OF THE MEETING</b>	<b>DATE</b>	
1.	Submission of the Final IDP/SDBIP to MEC and other relevant departments	None	01/06/2015	MM
2.	Public notice on the adoption of the IDP/Budget/SDBIP	None	09/06/2015	MM
3.	Signing of MM and Section 56 Managers Performance Agreements no later than 14 days after approval	None	15/06/2015	MM, Mayor
4.	ADM	District Coordination Planning Forum	25/06/2015	IDP Practitioners

5.	SDBIP submitted to Provincial Treasury & MEC for COGTA, AG & ADM	None	30/06/2015	MM
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*Table 1*

## **V. Community Participation**

One of the main features of the Integrated Development Planning process is the involvement of community and stakeholder organizations in the process. Participation of affected and interested parties is obligatory in the IDP drafting process and is set down in Sections 16-18 of the Municipal Systems Act. This is to ensure that the IDP addresses the real issues that are experienced by the citizens of a municipality.

The Mbashe Local Municipality comprises a large geographical area with many people. To ensure that there is representation of various organized and groups our Municipality used the following approach:-

- I. The Amathole District Municipality placed a blanket notice on the Local newspaper (Daily Dispatch) inviting interested parties to participate in the Representative Forums (Mbashe Local Municipality being one).
- II. Languages being used as medium of communication will be English and Xhosa.
- III. National and Community radios will be used including Umhlobo Wenene, UNITRA Community Radio, and Khanya Community Radio.
- IV. Use of Local Circulating Newspapers
- V. Announcements in churches, schools, community activities like Imbizo's, weddings

## **VI. Alignment with other Plans**

### **Sector Plans alignment & integration with National, Province and District plans**

The table below outlines the approach and responses adopted to ensure alignment with national, provincial and district programmes & plans.

<b>INTEGRATION AND ALIGNMENT STRATEGY FOR THIS IDP</b>		
	<b>PROGRAMMES AND GUIDELINES</b>	<b>MBHASHE RESPONSES</b>
National	Legislation and Policies	Process Plan recognizes the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs - which must be facilitated with Amathole DM
	National Development Plan (NDP) - VISION 2030 Outcomes 9,12 Back to Basics	Strategic plans of the municipality are aligned to the programs
	National LED Framework 2014-17	Will utilize the framework as guide in its current process of formulating LED Strategy
Province	Provincial Development Plan (PDP)	Have identified key strategic localized projects in response to the EC Provincial 24 PRIORITIES
	Spatial Development Framework	Have adopted the hierarchy principle in determination of nodal areas
District	IDP Framework	Informs our Process Plan activity schedule
	Water services Development Plan	Informed by our target priorities for meeting millennium goals - lobby DM to implement
	Disaster Management Plan	Informs our localized firefighting responses - work closely at operational level
	Waste Management Plan	Informs the Regional Waste Plan
	LED Strategy	Key district commitments relating to the District Municipality Economic summit to be reinforced

## VII. Powers and Functions

The table below gives a list of our assigned powers and functions and also provides an analysis of our levels of capacity or gaps for undertaking our constitutional and legal mandate.

<b>Functions of Mbashe Municipality</b>	<b>Authorization / (Power)</b>	<b>Definition</b>	<b>Capacity to perform</b>
Beaches and Amusement facilities	Yes	The area for recreational opportunities and facilities along the sea shore available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.	Not adequately
Cemeteries, funeral parlours and crematoria	Yes, including DM function	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains.	Yes
Child care facilities	Yes	Facilities for early childhood care and development which fall outside the competence of national and provincial government	No
Cleansing	Yes	The cleaning of public streets, roads and other public spaces either manually or mechanically	Yes
Control of public nuisance	Yes	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community	No
Control of undertakings that sell liquor to the public	Yes	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses , and includes an inspection service to	No

<b>Functions of Mbashe Municipality</b>	<b>Authorization / (Power)</b>	<b>Definition</b>	<b>Capacity to perform</b>
		monitor liquor outlets for compliance to license requirements in as far as such control and regulation are not covered by provincial legislation	
Facilities for the accommodation, care and burial of animals	Yes	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration requirements and/or compliance with any environmental health standards and regulations	No
Fencing and fences	Yes	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads	Yes
Licensing of dogs	Yes	The control over the number and health status of dogs through a licensing mechanism.	No
Local sport facilities	Yes	The provision, management and/or control of any sport facility within the municipal area.	Yes
Markets	Yes	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including	Not adequately

<b>Functions of Mbashe Municipality</b>	<b>Authorization / (Power)</b>	<b>Definition</b>	<b>Capacity to perform</b>
		market permits, location, times, conduct etc.	
Municipal abattoirs	Yes	The establishment conduct and/or control of facilities for the slaughtering of livestock.	Not adequately
Municipal parks and recreation	Yes	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but exclude sport facilities.	No
Municipal Planning	Yes	The compilation and implementation of and integrated development plan in terms of the Systems Act.	Yes
Municipal roads	Yes	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, for purposes of a local municipality, includes a street in build-up areas.	Yes
Noise pollution	Yes	The control and monitoring of any noise that adversely affects human health or well-being or the ecosystems useful to mankind, now or in future.	No

<b>Functions of Mbashe Municipality</b>	<b>Authorization / (Power)</b>	<b>Definition</b>	<b>Capacity to perform</b>
Pontoons and ferries	Yes	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matter related thereto, and matters falling within the competence of national and provincial governments	Yes
Public places	Yes	The management, maintenance and control of any land or facility owned by the municipality for public use	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes, including DM function	the removal of any household or other waste and the disposal of such waste in an area, space or facility established for such purpose, and includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment for the inhabitants of a municipality	Yes
Storm water	Yes	The management of systems to deal with storm water in built-up areas	Yes
Street lighting	Yes	The provision and maintenance of lighting for the illuminating of streets	Yes
Street trading	Yes	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve	Yes



<b>Functions of Mbashe Municipality</b>	<b>Authorization / (Power)</b>	<b>Definition</b>	<b>Capacity to perform</b>
Trading regulations	Yes	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation	Not adequately
Traffic and parking	Yes	The management and regulation of traffic and parking within the area of the municipality including but not limited to, the control over operating speed of vehicles on municipal roads.	Yes
Housing	Yes	Facilitation of the Housing development, with key focus on beneficiary identification, town planning matters, building plans and stakeholder engagement	Yes

*Table 3*

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# CHAPTER 1

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## 1.1 Vision

“By 2025, Mbhashe Local Municipality will excel in service delivery to earn a reputation of being a place of choice for living, business and pleasure”.

## 1.2 Mission

We will strive to become an effective and efficient municipality able to manage her resources and stimulate economic growth sustainably, promote a safe and healthy environment for the betterment of all with a bias towards the poor.

## 1.3 Values

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

- i. Commitment
- ii. Accountability
- iii. Teamwork
- iv. People Centred Development
- v. Discipline and respect

## 1.4 Batho-Pele Principles

Eight Batho Pele principles were developed to serve as acceptable policy and legislative framework regarding service delivery in the public service. These principles are aligned with the Constitutional ideals of:

- 1) Promoting and maintaining high standards of professional ethics;
- 2) Providing service impartially, fairly, equitably and without bias;
- 3) Utilising resources efficiently and effectively;
- 4) Responding to people's needs; the citizens are encouraged to participate in policy-making; and

- 5) Rendering an accountable, transparent, and development-oriented public administration

The Batho Pele principles are as follows:

#### **1.4.1. Consultation**

There are many ways to consult users of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies, NGOs and CBOs. Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.

#### **1.4.2. Setting service standards**

This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards.

Required are standards that are precise and measurable so that users can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorise a housing claim, to issue a passport or identity document, or even to respond to letters.

To achieve the goal of making South Africa globally competitive, standards should be benchmarked (where applicable) against those used internationally, taking into account South Africa's current level of development.

#### **1.4.3. Increasing access**

One of the prime aims of Batho Pele is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the

distribution of existing services. Examples of initiatives by government to improve access to services include such platforms as the Gateway, Multi-Purpose Community Centres and Call Centres.

Access to information and services empowers citizens and creates value for money, quality services. It reduces unnecessary expenditure for the citizens.

#### **1.4.4. Ensuring courtesy**

This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves.

The public service is committed to continuous, honest and transparent communication with the citizens. This involves communication of services, products, information and problems, which may hamper or delay the efficient delivery of services to promised standards. If applied properly, the principle will help demystify the negative perceptions that the citizens in general have about the attitude of the public servants.

#### **1.4.5. Providing information**

As a requirement, available information about services should be at the point of delivery, but for users who are far from the point of delivery, other arrangements will be needed. In line with the definition of customer in this document, managers and employees should regularly seek to make information about the organisation, and all other service delivery related matters available to fellow staff members.

#### **1.4.6. Openness and transparency**

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge. It is anticipated that the public will take advantage of this principle and make suggestions for improvement of service delivery mechanisms, and to even make government employees accountable and responsible by raising queries with them.

#### **1.4.7. Redress**

This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. This should be done at the individual transactional level with the public, as well as at the organisational level, in relation to the entire service delivery programme.

Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

#### **1.4.8. Value for money**

Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

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# CHAPTER 2

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## 2.1 Locality Context

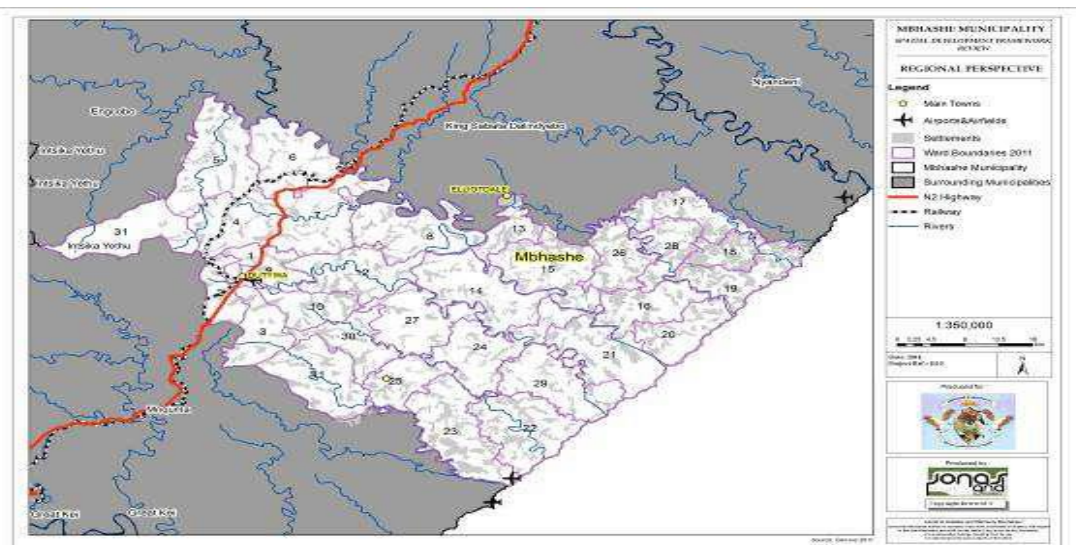
Mbhashe Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 31 wards and 61 Councillors. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean.

Mbhashe occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km<sup>2</sup> in extent (after the last national elections). It is estimated that the new additions of few villages from Intsika Yethu and Mncwasa could be estimated to about 200 square kilometres of land.

There are three main urban centres, namely Dutywa, Willowvale (Gatyana) and Elliotdale (Xhora). Dutywa is the administrative head centre of the municipality.

Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa, Gatyana (Willowvale) and Xhora (Elliotdale). Mbhashe is comprised of the three towns of Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

**Map 1**



## 2.2 Demographic Profile

Understanding demographics is essential for future planning as it allows for grasping of issues of scale and supply-demand relationships. Without a consideration of demographic profiles, it becomes difficult to plan or forecast future development scenarios. The various sources of statistics used in this document have their own limitations as does all statistical sources and therefore must be understood in context. Largely, statistics in this document is used to provide or analyse trends and inform likely outcome interventions that are suggested in Chapter 2 dealing with development objectives, strategies and possible interventions

## 2.3 Socio – Economic Profile

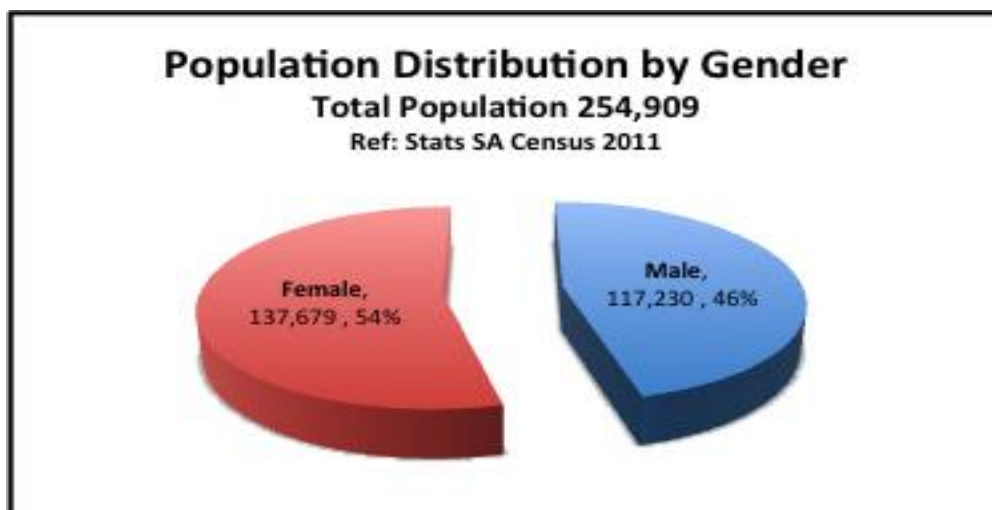
### 2.3.1 Population Size and Distribution

Mbhashe Local Municipality (EC 121) has total population of 254 909 with a household of 60 124 resulting a household size of 4.24 according to the 2011 Stats SA Census. This indicates that Mbhashe has an increase of population and household by 1 537 (1%) and 6 925 (13%) compared to 2001 Stats SA Census resulting a reduction in household size from 4.76 to 4.24.

**Table 4: Population size**

	2001	2011
<b>Total Population</b>	253,372	254,909
<b>Total Households</b>	53,199	60,124
<b>Household Size</b>	4.76	4.24

The statistics also reveals that the population is female dominating with a Male to Female ratio of 46:54, which is graphically presented in below figure.



**Figure 1: Population distribution by Gender**

### 2.3.2 Population Projection

For sake of planning purposes, a projection of population till 2026 at a five-year interval is calculated and presented hereunder. An average annual growth rate is considered based on increase of population in 2011 from 2001. This is worth noting that the change of population is very much insignificant over the year.

**Table 5: Population projection till 2026**

Census 2001	Census 2011	Average Growth Rate	Projection at average growth rate		
			2016	2021	2026
253,372	254,909	0.0605%	255,700	256,500	257,200

### 2.3.3 Age Distribution

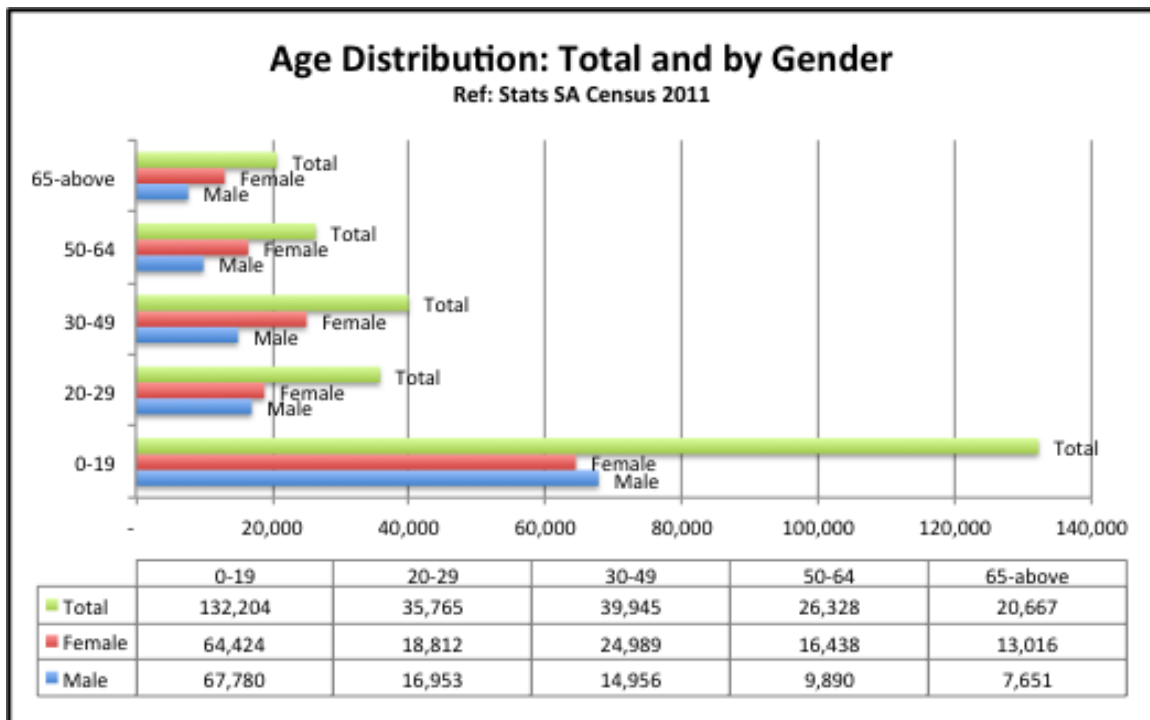
An analysis on 2011 Stats SA Census shows that a bulk of 52% of population is children (age 0-19). About 8% falls in pension group (age 65 +), whilst 40% is at economically active ((age 20-64). This clearly indicates that 60% population is dependent on 40% of youth, which highly demands further consideration of capacity and skill development of the youth population.

It is important for researcher and planner to note that age distribution further indicates that the male population decreases compared to female population with increase of age. The following figure, drawn from Stats SA Census 2011, shows that at child level (0-19) male population is higher than female (51:49) compared to male to female ratio of 54: 46 for total population, which decreases at youth (20-29) to 47:53 that further decreases to 37:63 at age 65 and above. This clearly indicates that male population is more prone to death with increase of age in comparison to female.



This indicates that the planner has to find a way out of improvement of health and safety of males and capacity improvement of females.

**Figure 2: Age distribution**

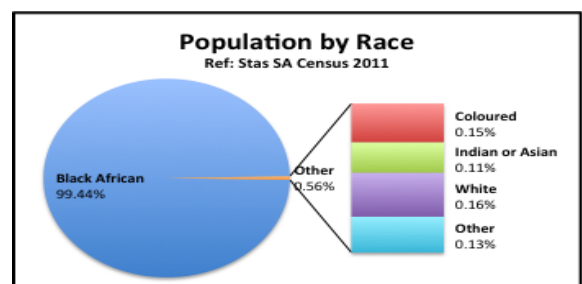


**2.3.4 Population Distribution by Race**

Stats SA Census 2011 reveals that

99.44% (Figure 2.4: Race distribution) of the population is Black African. The distribution according to race is shown in the figure on the right.

**Figure 3. Population By Race**



**2.3.5 Language of the Population**

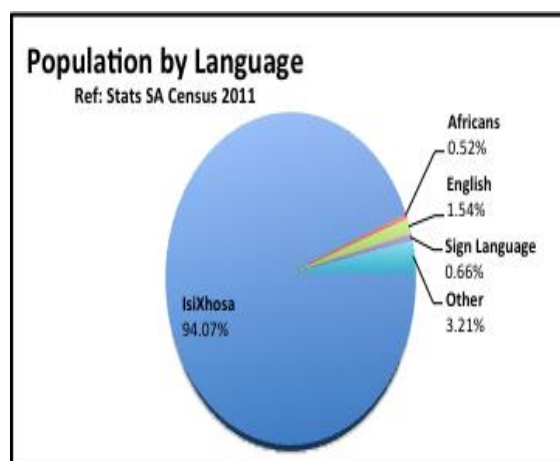
94% of Mbhashe population is IsiXhosa

speaking following by other (3.21%), other than English (1.54%) and Africans (0.52%). Another 0.66% is using sign language (dumb). The table and figure below give an overall view of the situation.

**Table 6: Language by population**

Language	Population	Percentage
IsiXhosa	239,795	94.07%
Africans	1,334	0.52%
English	3,931	1.54%
Sign Language	1,674	0.66%
Other	8,175	3.21%
<b>Total</b>	<b>254,909</b>	<b>100%</b>

**Figure 4: Language by population**



### 2.3.6 Education Level

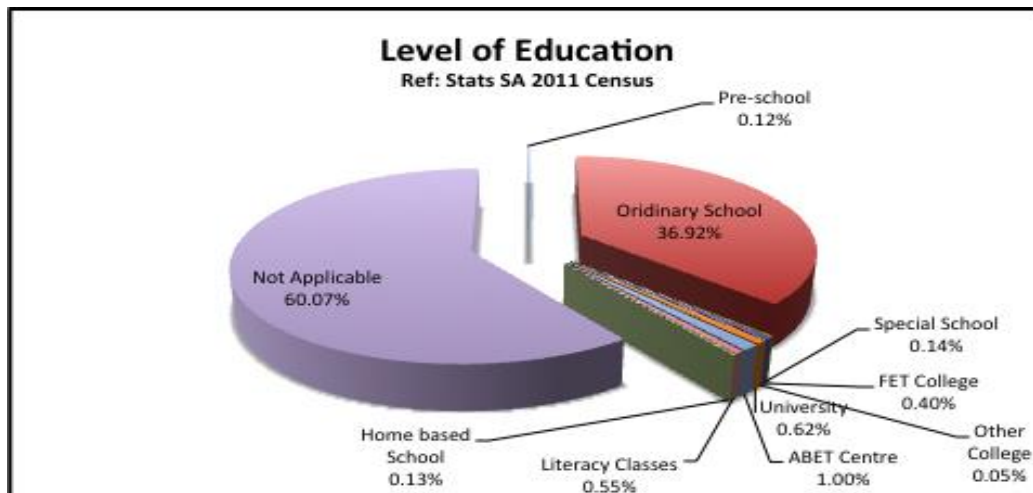
Mbhashe owns one of the highest numbers of illiterate populations in the province of the Easter Cape. 60% of its population is illiterate followed by ordinary schooling (Grade R who attended a formal school; Grade 1-12 learners and learners in special classes) of 37%. Only 0.62% has University degrees. The details are

**Table 7: Literacy rate**

School Type	Population	Percentage
Pre-school	305	0.12%
Ordinary School	94,122	36.92%
Special School	346	0.14%
FET College	1,019	0.40%
Other College	129	0.05%
University	1,591	0.62%
ABET Centre	2,545	1.00%
Literacy Classes	1,403	0.55%
Home based School	332	0.13%
Not Applicable	153,117	60.07%
<b>Total</b>	<b>254,909</b>	<b>100.00%</b>

given in the table at right, which is further elaborated in the following figure. This causes a high pressure to government as well as the population to engage this population in any formal economic activities.

*Figure 5: Literacy rate – graphical*



### 2.3.7 Employment Level

Mbhashe is earmarked as

populated with the highest number of poor population in the province of Eastern Cape, which is again revealed by the 2011 Stats SA Census that

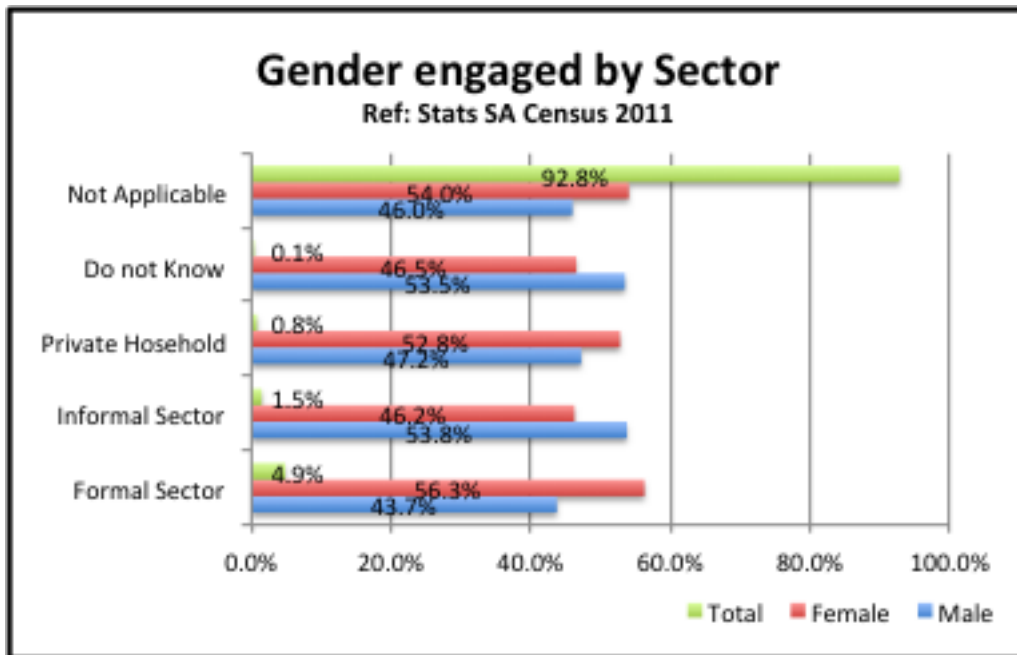
**Table 8: Employment per sector by Gender**

Employment Sector	Male	Female	Total
Formal Sector	5,411	6,963	12,374
Informal Sector	2,007	1,726	3,733
Private Household	943	1,054	1,997
Do not Know	123	107	230
Not Applicable	108,746	127,829	236,575
<b>Total</b>	<b>117,230</b>	<b>137,679</b>	<b>254,909</b>

identifies that the unemployment rate as 93%. This is the result of high illiteracy rate (ref: article 2.6). Only 5% of population engaged in the formal sector and at 1% in each of informal and private households. The table at the above shows the number of population engaged in various available sector of employment opportunity in the Mbhashe Municipality.

Gender analysis of employment (the below figure) shows that unemployment rate for male and female goes hand in hand with the composition of population as 46:54. This is also very close to all sector of employment as well. It means that equity of male-female employment is well maintained.

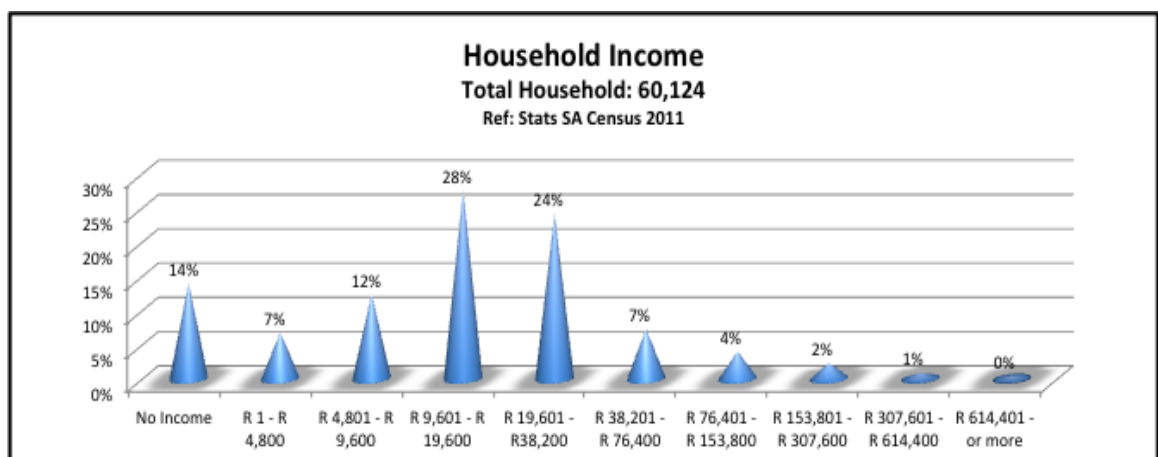
**Figure 6: Gender analysis of employment by sector**



### 2.3.8 Level of Household Income

The level of household income further explains poverty level of Mbhahse. Only 39% of household has monthly income equal to or higher than R 3 000.00, whereas 47% living with equal to or less than R 8 000.00 per month and 14% has no income. It means about 61% households is living within poverty level. The situation is graphically presented in the following figure.

**Figure 7: Level of household income**



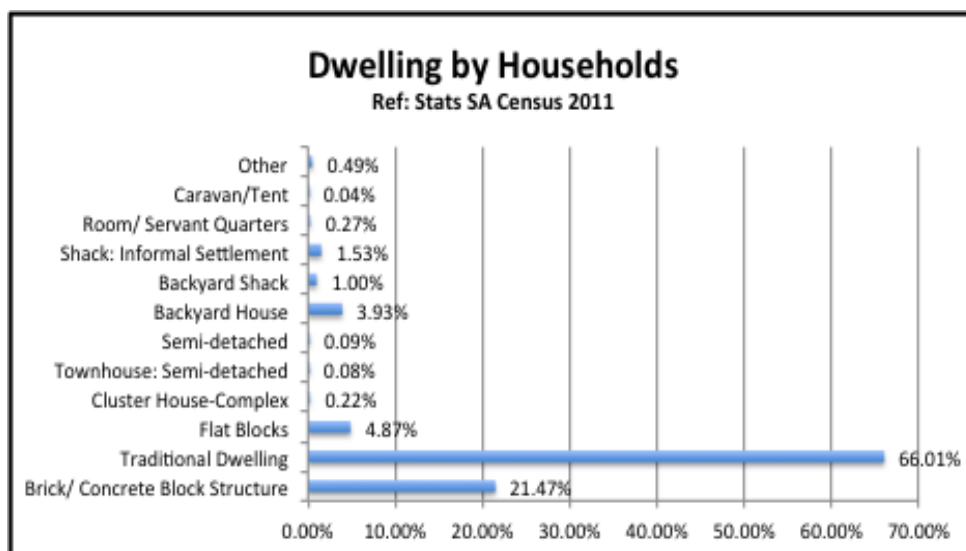
### 2.3.9 Dwelling By House Type

**Table 9: Dwelling by house type**

Traditional Dwellings, which is 66% according to the last Census followed by 21.47% in Brick or Concrete Block structures and 4.87% in Flat Blocks. The details of dwelling status are given in the table at the right and below figure.

House Type	Households	Percent
Brick/ Concrete Block Structure	12,908	21.47%
Traditional Dwelling	39,687	66.01%
Flat Blocks	2,928	4.87%
Cluster House-Complex	135	0.22%
Townhouse: Semi-detached	46	0.08%
Semi-detached	56	0.09%
Backyard House	2,364	3.93%
Backyard Shack	600	1.00%
Shack: Informal Settlement	918	1.53%
Room/ Servant Quarters	161	0.27%
Caravan/Tent	24	0.04%
Other	297	0.49%
<b>Total</b>	<b>60,124</b>	<b>100.00%</b>

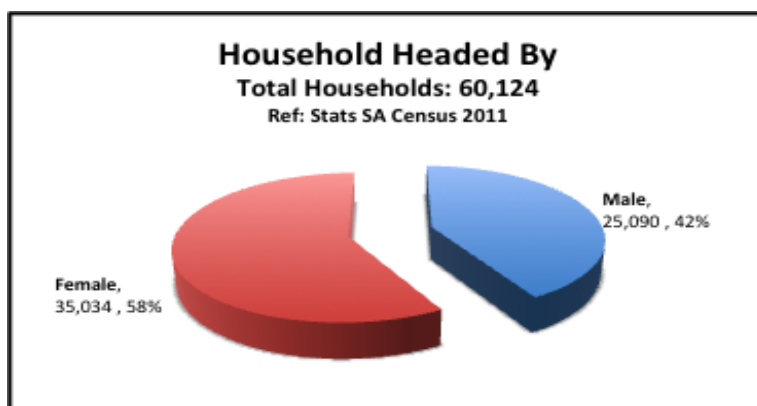
**Figure 8: Dwellings by house type**



### 2.3.10. Household Heads

Household is dominated by females with a male to female ratio of 46:54 which is a little higher than population distribution of 42:58. This is mainly because of single female parentship and under

**Figure 9: Household head**

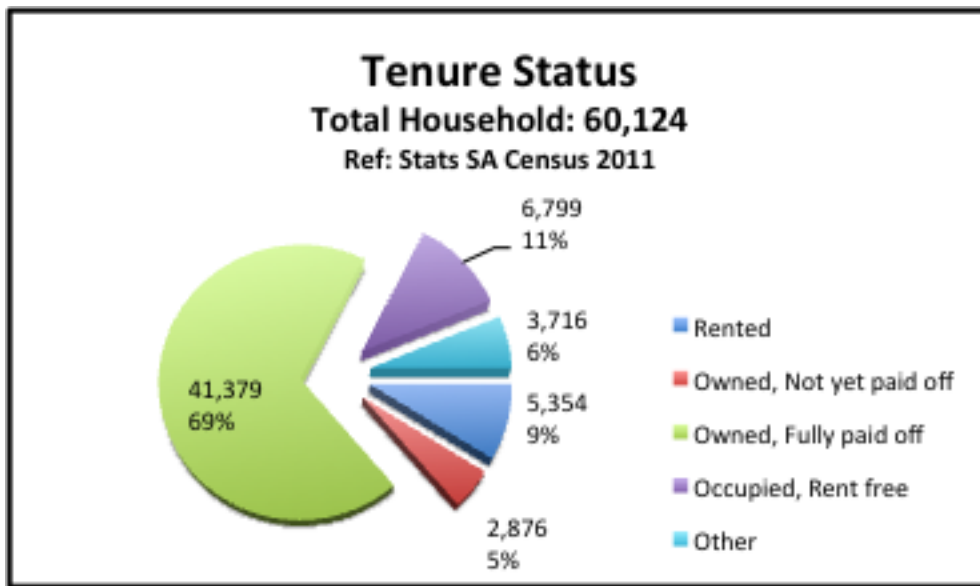


aged motherhood, which causes also high level of illiteracy.

### 2.3.11 Tenure Status

An analysis of 2011 Stats SA Census reveals that 69% of population is living in houses owned but not yet fully paid off followed by 11% living in rent free houses. Only 9% is living in owned and fully paid off house and 6% in rented houses. The following figure demonstrates the whole situation.

**Figure 10: Tenure status**



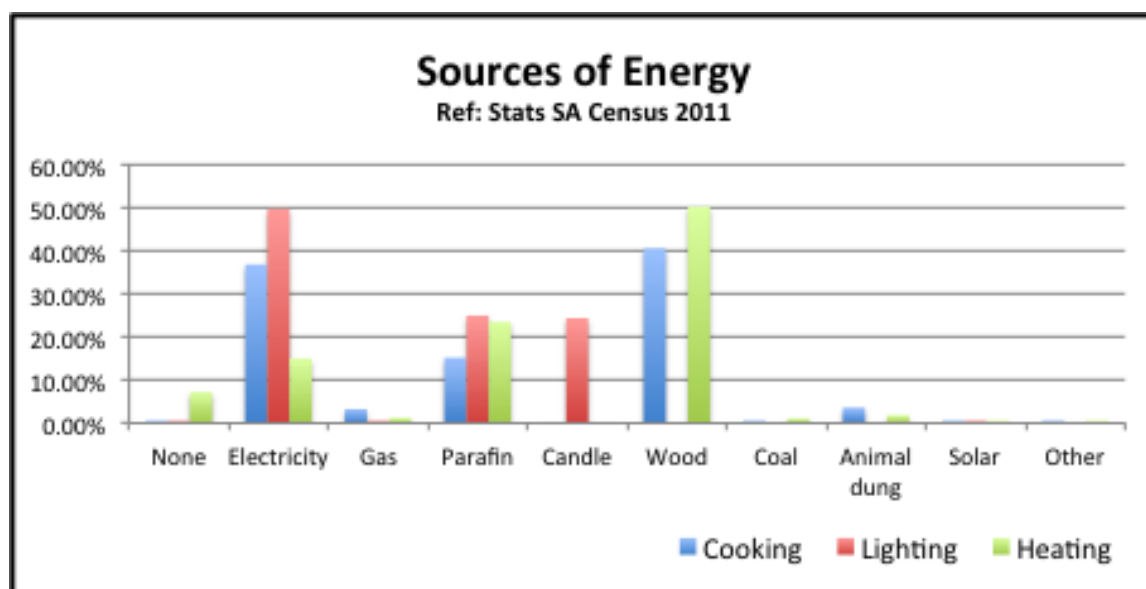
### 2.3.12 Source of Energy

According to the Stats SA Census 2011, electricity is used by about 50% households for lighting, which says in other way that the electricity backlog is about 50% (30 262) households. Wood is used predominantly for cooking and heating purposes at 40% and 50% households respectively, causing a high pressure to environmental balance. For cooking next favourite is electricity 37% followed by paraffin at 15%. Paraffin and Candle are competing at 14% each for lighting next to electricity. Paraffin and electricity are the second and third sources of heating at 23% and 15% respectively. The overall situation of use of energy by households is presented in the table on the right and in the figure hereunder.

Source	Cooking	Lighting	Heating
None	131	288	4,331
Electricity	22,096	29,862	8,990
Gas	1,936	237	730
Parafin	9,119	14,988	14,100
Candle	-	14,621	-
Wood	24,348	-	30,148
Coal	125	-	646
Animal dung	2,170	-	1,112
Solar	84	128	58
Other	115	-	9
<b>Total</b>	<b>60,124</b>	<b>60,124</b>	<b>60,124</b>

Table 10: Source of Energy

Figure 11: Source of Energy



### 2.3.13 Household covered by basic services – WATER

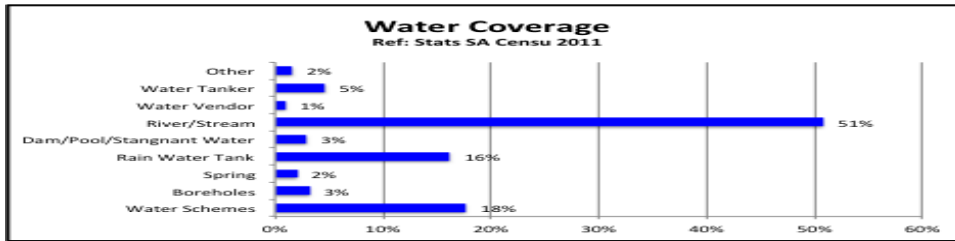
Table 11: Household by water source

Only 21% households has per access to piped water supply in the form of water schemes (18%) and boreholes (3%) resulting a backlog of 47 882 (79%) households. The main water sources as used by households are river/ or stream (51%) followed by rainwater (16%).

Source	Household	Percentage
Water Schemes	10,610	18%
Boreholes	1,932	3%
Spring	1,228	2%
Rain Water Tank	9,720	16%
Dam/Pool/Stagnant Water	1,760	3%
River/Stream	30,518	51%
Water Vendor	593	1%
Water Tanker	2,797	5%
Other	966	2%
<b>Total</b>	<b>60,124</b>	<b>100%</b>

The use of sources by households is presented in the figure below.

Figure 12: Household coverage by water source



### 2.3.14 Household covered by basic services – SANITATION

Households covered by

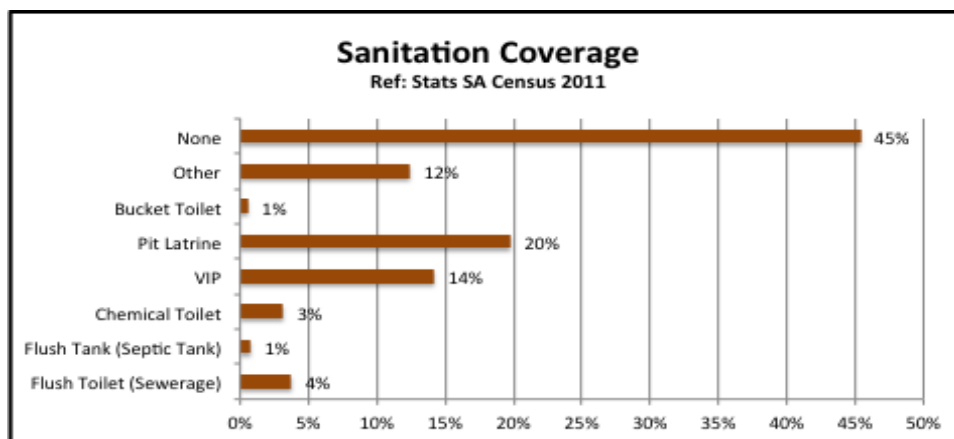
Table 12: Sanitation coverage

waterborne sanitation are only 4% and only in core area of Dutywa town one of municipal 3 towns. Considering waterborne, Flush Tank (septic tank), Chemical Toilet, VIP and Pit Latrine as hygienic

Sanitation Category	Household	Percentage
Flush Toilet (Sewerage)	2,261	4%
Flush Tank (Septic Tank)	460	1%
Chemical Toilet	1,897	3%
VIP	8,533	14%
Pit Latrine	11,887	20%
Bucket Toilet	336	1%
Other	7,462	12%
None	27,288	45%
<b>Total</b>	<b>60,124</b>	<b>100%</b>

sanitation systems, due to vast rural areas of the municipality, the total sanitation coverage is 42% resulting 58% (35 086 households) backlog. It is worth noting that 45% (27,288) households do not have any means of sanitation facility causing pollution to environment. The details of sanitation coverage are given in the table 2.9 and presented graphically in the next page. It has to be noted that though the Stats SA finds 336 Bucket Toilet but according to municipality there is no Bucket Toilet.

Figure 13: Sanitation coverage





### 2.3.15 Household covered by basic services – REFUSE DISPOSAL

Municipal or private companies,

**Table 13: Refuse disposal coverage**

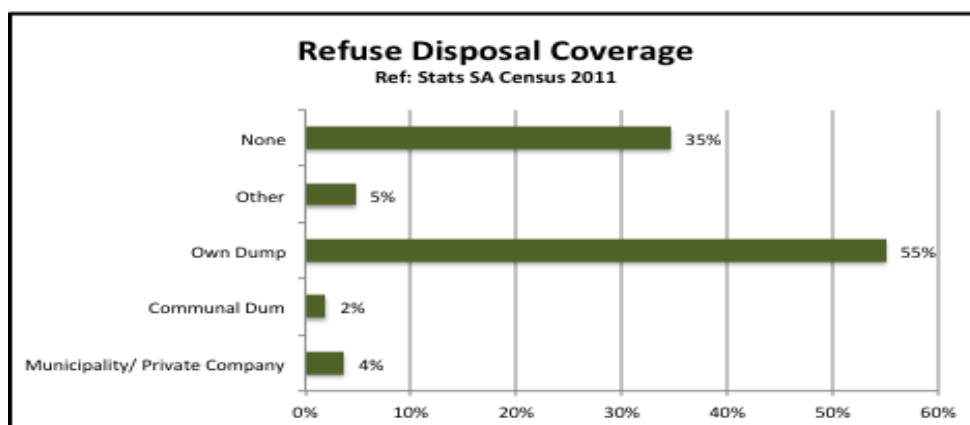
according to the Stats SA Census 2011, covers only 4% households, resulting in a backlog of 96% (57 925 households). This is worth

Service Type	Household	Percentage
Municipality/ Private Company	2,199	4%
Communal Dum	1,160	2%
Own Dump	33,083	55%
Other	2,854	5%
None	20,828	35%
<b>Total</b>	<b>60,124</b>	<b>100%</b>

noting that 35% (20 828) households do not have any means of refuse disposal. 55% (33 083) households have own dumping arrangement, which are, according to municipality, burning and/ or burring in the ground. This situation of refuge disposal is also contributing to the environmental pollution to a great extent and need immediate attention.

The details of refuse disposal situation is given in table 2.12 and presented graphically below.

**Figure 14: Refuse disposal coverage**



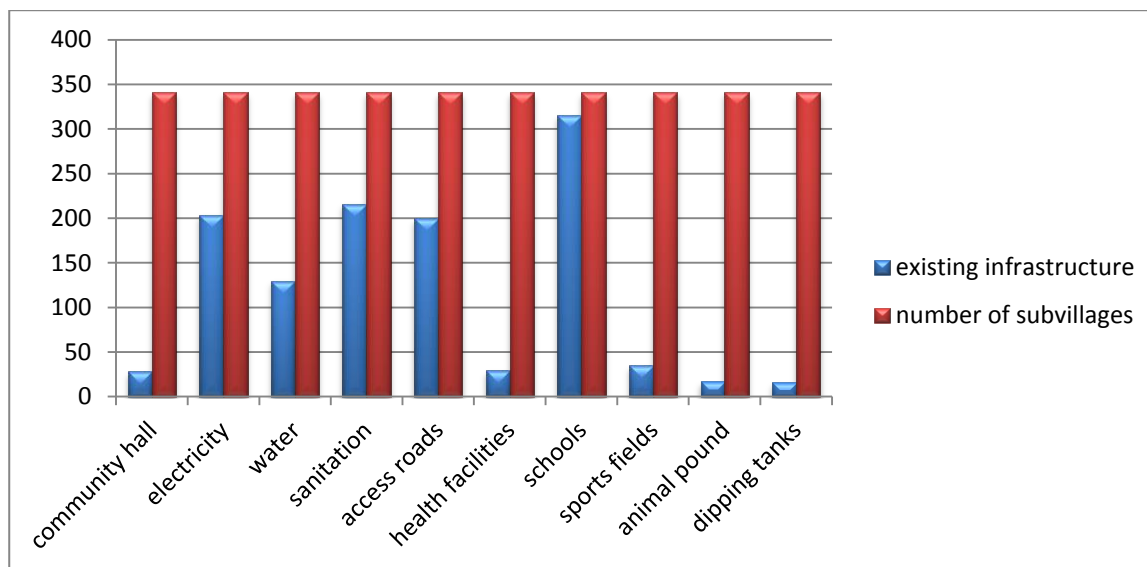
## 2.4. DATA COLLECTED ON EXISTING INFRASTRUCTURE

There are many approaches to summarizing and visually displaying quantitative data and it seems people always have a strong opinion on the "right" way. As indicated to the council when the office presented the data collection forms that the Cluster Sampling method will be used, this method involves the use of sampling frames that identify group or clusters enumeration units. Therefore the information was collected as per Wards cascading down to sub villages in each ward, even though that was our approach only 19 of 31 Wards have managed to submit the data collection forms. The fact that only 19 out of 31 wards submitted proves that there are gaps in this report.

This analysis is based on information available from 19 Wards out of total 31 Wards of the Municipality due to non-submission of data collection questionnaires.

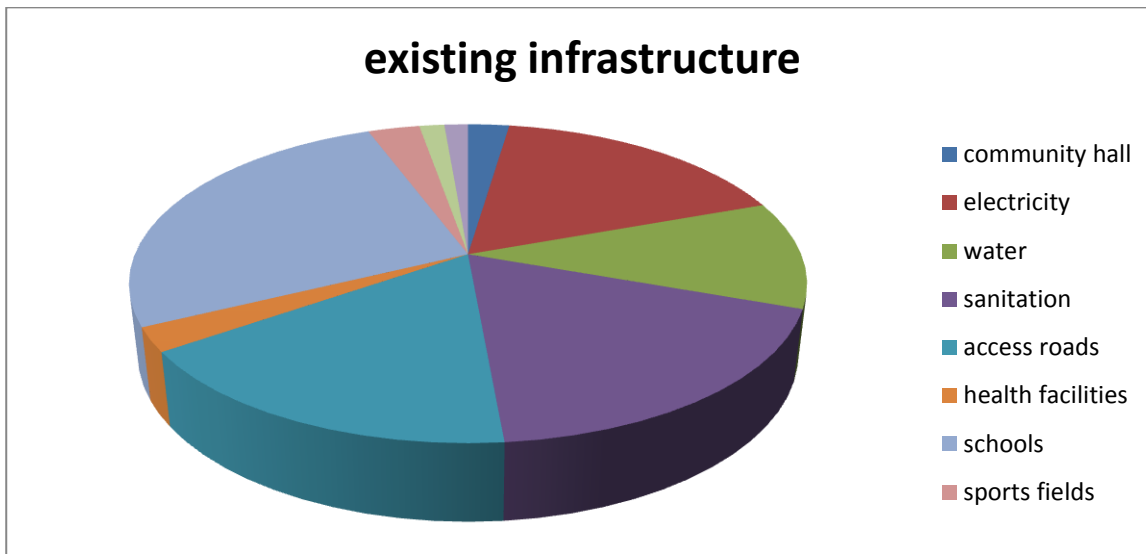
The information collected here is as per sub villages not Administrative areas nor Voting stations, therefore the total number of sub villages in the 19 Wards that have submitted is 341,

**Figure 15 Existing infrastructure in Mhashe**



According to graph above out of 341 sub villages, there are 28 Community Halls in Mhashe Local Municipality, we also have 204 sub villages with access to electricity, 130 sub villages have access to running water, access to sanitation 216 sub villages, with 200 access roads, 29 health facilities, 315 schools they include your pre-schools, junior secondary and your secondary schools. There are 35 Sports fields which are not in a good condition, 17 Animal pounds also not in a good condition according to the information received, and 16 Dipping tanks also; according to the information received only two have dipping tanks in good condition.

**Figure 16**



We can see that sanitation has a biggest slice in the Pie chart meaning that most of the villages in Mbhashe Local Municipality have access to sanitation, followed by Access roads, schools and Electricity, the smallest slice of the Pie Chart is a dipping tank. According to the study conducted even though schools, Access roads have bigger slice of the pie they are not in a good condition, in terms of electricity it may seem as if many villages have access to electricity but there many in fills within our villages. Moreover not every ward has a dipping tank for an example Ward 1 and Ward 6, furthermore even though other wards have Deeping tanks but they are all in a bad condition. If you will notice on the chart above the community Hall is one of the small slices, in total there are 28 community halls but that does not mean that 28 wards have community halls, some wards have more than one Halls and that makes a total of 14 Wards with community Halls according to the information submitted to the office.

In conclusion, we have learned in this study that good analysis begins with good questions, representative participation, and careful interpretation of the data, in order to produce actionable results. Techniques such as charting, filtering and regression analysis all help you spot trends and patterns within your data while helping you meet your survey objective. The objectives of this survey among many was assist the municipality in planning by checking the existing infrastructure within Mbhashe LM and to outline how the population of 254 909 in Mbhashe Local Municipality share the limited resources available and as well as to assist government sectors to best channel their resources to the relevant areas. According to the study conducted Mbhashe Local Municipality in terms of infrastructure development has improved compared to the past Five years, we therefore suggest that the

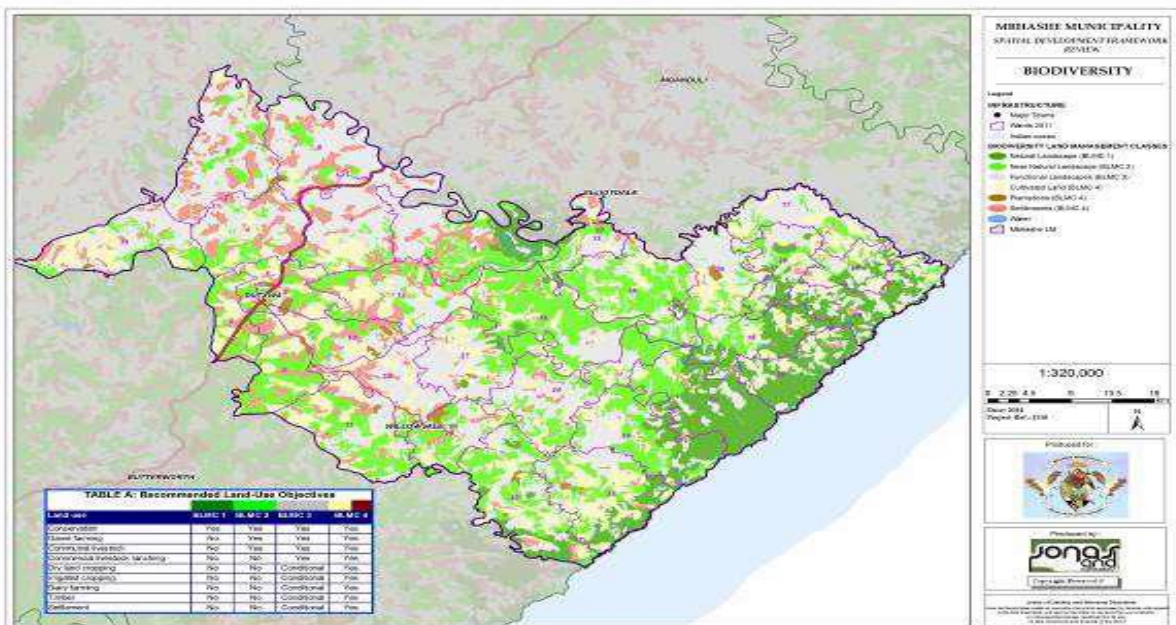
existing infrastructure be well maintained, according to the study it is stated that almost all the existing infrastructure are in bad condition and maintenance is needed. The study would have not been a success if it was not for the co-operation of Ward Councilors.

## 2.5 Bio-physical Environment

The biodiversity of Mbashe shows that most of the natural and near-natural landscapes are located along the coast and adjacent interior. The more degraded areas are found in the north-western portion of Mbashe.

The map below confirms the above assertion:-

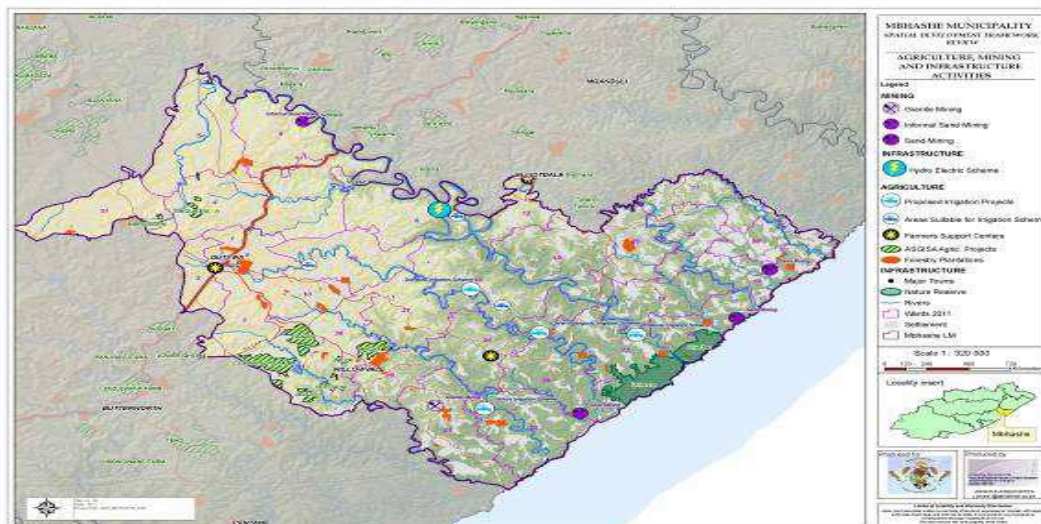
**Map 2**



Land cover indicates that there are large tracts of degraded land in the northern portions of Mbashe, and that there is evidence of semi-commercial / subsistence farming with pockets of agricultural land across the municipal area.

The southern portion of Mbashe adjacent to the coast is characterised by large forested areas and rivers dissecting the landscape, posing problems for access and settlement

The most important agricultural and mining activities are indicated on the plan below:



Map 3

### 2.4.1. Climate Change and the anticipated impact on Mbashe Municipality

For the purpose of this SDF review, a specialist report on the anticipated impact of climate change on Mbashe Municipality was commissioned. Based on the anticipated impact of projected change, the report makes some recommendations for consideration in forward planning in the municipal area. The following extract with conclusions and recommendation provides a brief overview of climate change in Mbashe.

### 2.5.2 Predicted changes to the Eastern Cape and the Mbashe Municipality

Taking Midgely et al. (2007) models into account, in terms of the Mbashe Municipality we can expect the following:-

- I. An approximate increase in median temperate of 1.8 - 2 Degrees Celsius during the summer months and approximately 1.6 – 1.8 Degrees Celsius increase during winter
- II. An increase in winter monthly rainfall by 10 - 15 mm and 25 - 50 mm in the summer
- III. The above climate changes could imply that Mbashe Municipality is faced with the following:-
- IV. More frequent and severe flooding as a result of higher intensity storm events and possibly more frequent hail events. This will and will impact on human settlements, infrastructure, human health and place a greater burden on particularly impoverished communities



- V. Higher rainfall may increase agricultural production but water availability could become a limiting factor, requiring increased irrigation. Ground and surface water systems are vulnerable. In this regard small scale farming is likely to be most affected
- VI. Heat waves may result in increased heat stress to plants, animals and humans and will increase associated fire risk placing livestock and grazing capacity under threat.

### **2.5.3 Planning for Climate Change within the Mhashe Municipality**

Planning for Climate Change takes on two paradigms – climate change mitigation and climate change adaptation. Climate Change Mitigation involves those activities that assist in reducing the rate of change of the climate. This is a global responsibility and is aimed at limiting the generation of greenhouse gases.

Climate Change Adaptation refers to those activities which we undertake in response to a changing climate

### **2.5.4 Water Availability**

Although models show a potential wetting trend from the predicted increased rainfall, the increase in ambient temperatures may result in increased irrigation needs. Coupled with increased demand for urban water, this may threaten the integrity of surface water systems both from an ecosystem services perspective and as a resource for urban and agriculture needs. Water quantity, quality and availability are future concerns.

Possible municipal planning responses to water availability:

- I. Ensure avoidance of water losses through continual system maintenance and leak detection
- II. Incentivize and encourage rainwater harvesting at the household and commercial scale
- III. Promote education and awareness and instill a culture of water conservation
- IV. Maintain water quality standards through optimal operation and maintenance of waste-water treatment works and associated infrastructure
- V. Ensure the early implementation of water restrictions during extended periods of drought

### **2.5.5 Climate change and impacts on human health**

The increase in median monthly temperatures and the increased occurrence of heat waves will likely have indirect impacts on human health. In particular vector-borne diseases such as malaria, cholera and tick-borne diseases are prone to increase. Although Mphashe Municipality is not currently considered a malaria risk area, there is evidence of a southward advancement of the threat area and in the future, communities within Mphashe Municipality may be at risk.

Together with high HIV/ AIDS infection rates, the increased disease risk associated with climate change place impoverished communities in particular, at risk.

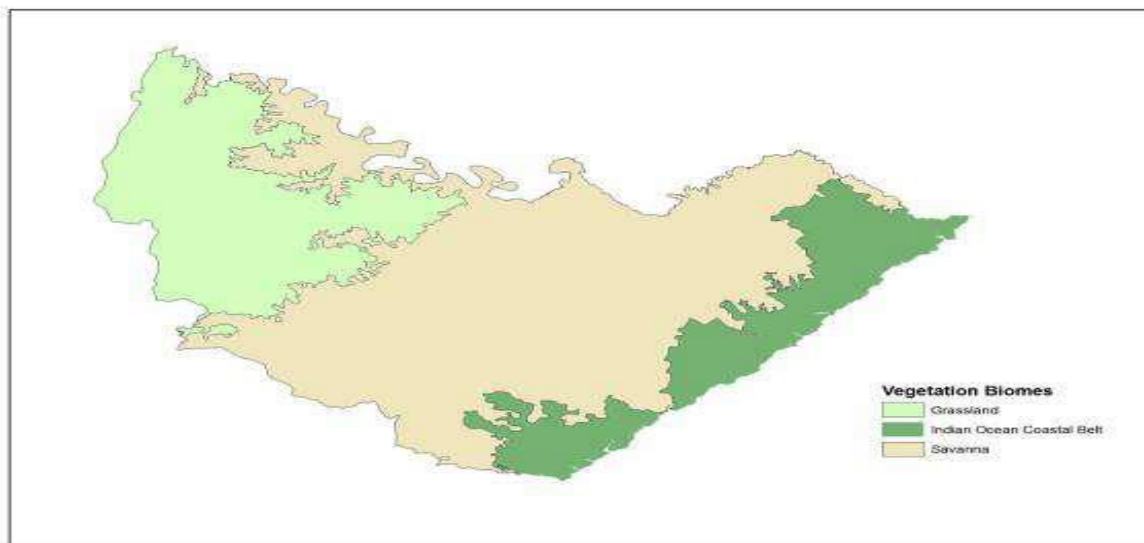
Possible responses to the impacts on human health include:

- I. Improved passive thermal design standards for low income and social housing (for example adoption of SANS 204)
- II. Accelerated provision of formal/social housing
- III. Accelerated provision of potable clean water supply, formalised sanitation and electricity services. Improved housing and infrastructure in both rural and urban communities should particularly aim to reduce risk of water-borne disease, exposure to indoor pollution, and support of existing public health infrastructure initiatives
- IV. Increased readiness of emergency and health services during heat waves
- V. Dedicated heat-stress response equipment in community clinics
- VI. Development of specific response

### **2.5.6 Biodiversity**

There is overwhelming evidence that climate change will lead to a loss in Biodiversity. The predicted changes in the natural environment for South Africa include a reduction in the ranges of species by up to 80% as well as 30% of endemic species being increasingly vulnerable to extinction.

Projected changes to the Biomes within the Mphashe Municipality.



**Map 4**

The three Biomes in Mbashe are Indian Ocean Coastal Belt, Grassland and Savanna (Mucina and Rutherford, 2010). Due to increasing temperatures and changes in trends of precipitation resulting from climate change, species richness may be reduced. In addition, the Grassland Biome is likely to be reduced in spatial extent, while the spatial area of the Desert Biome is predicted to increase (UNEP, 2011). The decreased spatial extent of the Grassland Biome is also likely to be reduced due to the invasion of trees and woody species. This would ultimately lead to a shift towards Savanna type characteristics.

Possible responses to mitigate against the effects on the biodiversity and tourism sector:-

- I. Awareness regarding the worth of utilising biodiversity to help in societal adaptation to the effects of climate change, needs to be increased
- II. The establishment and expansion of protected areas needs to happen, as well as the creation of partnerships to allow for the effective management of areas which are not formally protected, particularly those in the Grassland Biome.



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# CHAPTER 3

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## ANALYSIS PER KPA

### 3.1 KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The key functional areas for KPA 1

- i. Human Resources
- ii. Administration
- iii. Policies, Plans and Strategies
- iv. ICT

#### 3.1.1 HUMAN RESOURCES

##### 3.1.1.1 Organisational arrangements

Section 66 of the Local Government municipal systems act requires a municipal manager to within a policy framework determined by the municipal council and subject to any applicable legislation, establish a mechanism to regularly evaluate the staff establishment of a municipality and if necessary review the staff establishment. Therefore the Mbashe municipality in order to respond to its powers and functions effectively, Mbashe municipality has initiated a comprehensive process of organizational review for the next five years. This process was culminated with the adoption of a revised organogram by 30 March 2015. This was the third review of the structure by the municipality which is being done on a yearly basis.

Administratively, the municipality consists of the following six departments

#### I. Office of the Municipal Manager

- Special Programmes
- Corporate Governance
- Communications and Customer Relations
- Strategic Planning and Performance Management
- Council Support
- Legal Services

## **II. Corporate Services**

- Human Resources
- Administration
- ICT

## **III. Developmental Planning**

- Local Economic Development
- Land & Housing
- Expanded Public Works Programme

## **IV. Infrastructural Services**

- Roads & Stormwater
- Electricity
- Civil Works

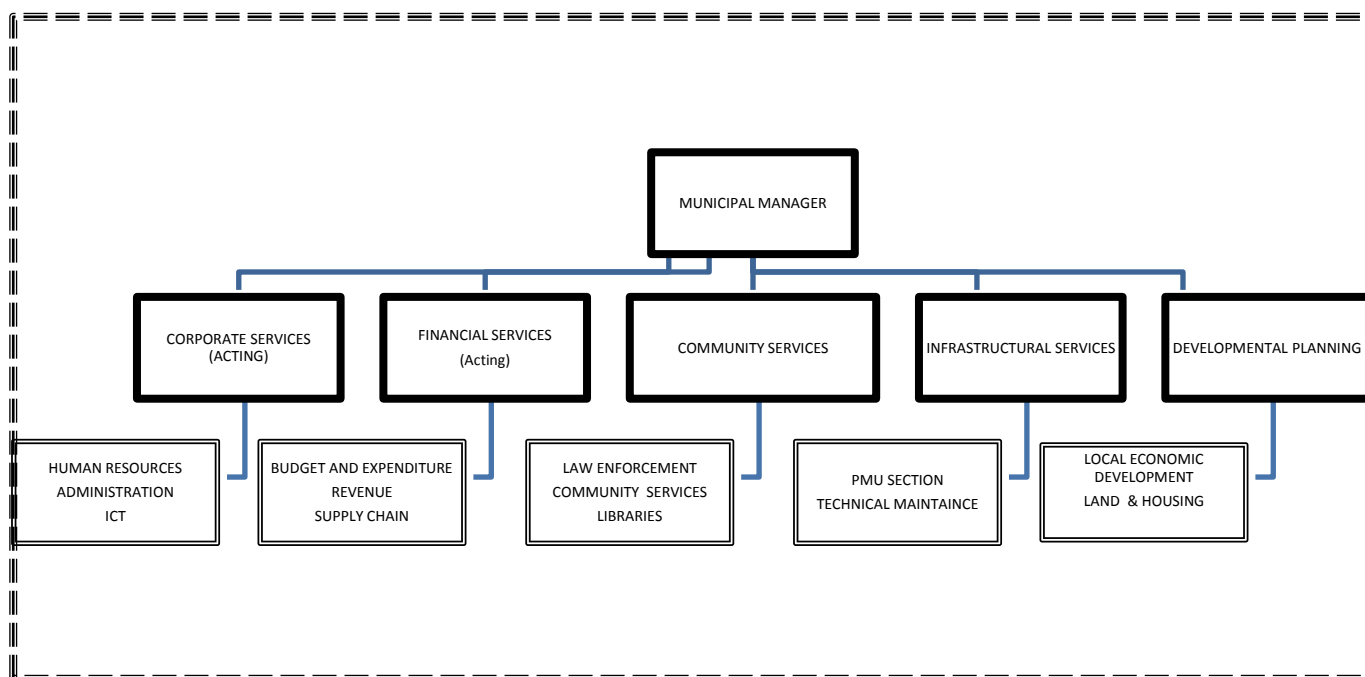
## **V. Community Services**

- Community services
- Law Enforcement
- Libraries

## **VI. Budget & Treasury**

- Budget and Expenditure management
- Revenue Management
- Supply Chain Management

The top administrative structure of the municipality is as follows:



**Table 14**

The following table illustrates the number of budgeted posts and those that are not prioritised in this current financial year.

<b>DEPT</b>	<b>NO OF POSTS</b>	<b>NO OF FILLED POSTS</b>	<b>VACANCIES</b>	<b>BUDGETED</b>
MM and Senior Managers	07	4	3	3
Office of the Municipal Manager	26	10	16	16
Corporate services	32	18	14	14
Budget & Treasury	21	13	8	8
Infrastructure services	43	15	28	28
Community services	135	92	43	43
Developmental Planning	14	8	6	6
Contract workers	22			

**Table 15**

The municipality has done the job descriptions of all the vacant positions and submitted to job evaluation unit for evaluation. The municipality planned to fill all the vacant budgeted positions before the end of the first quarter of 2015/2016 financial year and the remaining section 56 managers positions will also be filled before the end of the financial year of 2014/2015.

### **Challenges**

- I. The municipality uses contract workers which are more than six months in the municipality, interns and also by appointing some officials to act on those vacant positions
- II. These positions were vacant for more than three months due to some challenges within the municipality
- III. The delay on the results of the job evaluation

### **Remedial Action**

- I. To ensure that posts are filled within two months after the post was declared vacant
- II. The ensure that all posts have job descriptions before is filled

#### **3.1.1.2 Human Resource Strategy**

The municipality has developed the Human Resources Strategy assisted by the Amathole District Municipality through Municipal Support Unit (MSU). The human resources strategy was adopted by council on the 29<sup>th</sup> May 2013. The HR strategy considerations focus on building systematic human resource practices that improve employees' motivation and skills. The strategy also focuses more on selecting the right employees to do the job, managing their activities and motivating them to stay with the municipality. The purpose of generating these strategies is to mitigate the threats and weaknesses which human resources and the municipality is faced with by among other things, taking advantage of the identified opportunities and capitalising on the identified strengths. With the development of the HR strategy the entire municipality has been able to understand the skills development dynamics including the skills development initiatives accordingly in order to improve on service delivery.

One of the key issues that can make the municipality as the employer of choice if to offer competitive salaries and financial reward can be viewed as a major differentiation in being an employer of choice; work/life balance plays a major role in addressing the more intrinsic needs of employees.

### 3.1.1.3 Employment Equity Plan (EEP)

The municipality does have the employment equity plan (EEP) which was adopted together with the IDP and budget in the council meeting of 29 May 2013 and the duration of the plan was from 2013 to 2018. The numerical goals and targets are now set for the term of Plan. The EEP is at the core of Mbhashe municipality to implement employment equity as well as affirmative action in all occupational levels and categories of its workforce. The EEP sets out the measures to be taken to ensure legal compliance with Employment Equity Act. Furthermore it includes the objectives, activities, numerical goals and targets to progressively move towards achieving representatively of the designated groups across the organisational structure.

#### WORKFORCE PROFILE

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	01	0	0	0	0	0	0	0	0	0	01
Senior management	04	0	0	0	01	0	0	0	0	0	05

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-management	16	0	0	0	10	0	0	0	0	0	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	06	0	0	0	25	0	0	0	0	0	31
Semi-skilled and discretionary decision making	30	0	0	0	7	0	0	0	0	0	37
Unskilled and defined decision making	44	0	0	0	18	0	0	0	0	0	62
<b>TOTAL PERMANENT</b>	101	0	0	0	61	0	0	0	0	0	161
Temporary employees	10	0	0	0	12	0	0	0	0	0	22
<b>GRAND TOTAL</b>	111	00	0	0	73	0	0	0	0	0	183

Table 16

### Challenges

During the development of the EEP a number of barriers that may hinder the municipality not achieving its goals were identified as follows:

- I. The size and geographical area of the municipality
- II. The employee turnover
- III. The slow pace in filling of critical vacancies
- IV. There are jobs were there are no female applicants for those positions such general assistant for loading refuse to the trucks and digging trenches for road maintenance as a result the staff for community is dominated by males
- V. The buildings that are used by the municipality are not user friendly were people with disabilities can work.

## **Remedial Action**

- I. Create an access for the people including disabled
- II. Provide assistance to people with disabilities through skills identification and trainings
- III. To ensure that all selection panels are sensitive to EE issues and always discuss it in their selection sessions

### **3.1.1.4 Labour Relations**

The municipality has established the Local Labour forum in order to maintain the stability with organised labour. The municipality enjoys workplace stability owing to good relations for the past six months of the financial year with organised labour, who have conducted themselves as true partners in service delivery and expressed faith in resolving issues. The meetings of the Local Labour Forum are used to deal with issues emanating both from the employer and the unions. The Local Labour Forum is sitting on a monthly basis and when a need arises.

The sixty per cent of employees signed the code of conduct and they declare their interest in the beginning of each and every financial year. The municipality has tried to even translate the code into their own language which is Xhosa.

## **Challenges**

- I. Some employees do not see the importance of signing the code of and declare their interest on yearly basis
- II. The absence of employees without authorisation and continuously working overtime without authorisation
- III. The LLF that is continuously discussing matters that do fall within the local level category of bargaining.
- IV. The challenge of not differentiating between the consultative matter and negotiating matter is still a challenge

## **Remedial Action**

- I. The more proactive the approach to labour relations matters is will go a long way towards reduction in the number of the challenges raised
- II. To organise trainings or workshops for the role clarification for the LLF

### 3.1.1.5 Workplace Skills Plan (WSP)

The WSP was developed and submitted to LGSETA, for 2015/16 financial year and will be implemented in the next financial year as per training interventions identified in the plan. All employers are expected to submit their WSP to LGSETA before the end of April each year and employers are also expected to prepare monitoring reports on any training that has taken place as per the submitted WSP. The training within the municipality is currently being conducted in line with the submitted annual training programme. The submitted WSP set out the following municipal objectives.

MUNICIPAL OBJECTIVES	TARGETS & MEASURES OF SUCCESS	TRAINING & SKILLS OBJECTIVES	TARGETS & MEASURES OF SUCCESS	PRIORITY SKILLS AREA ADDRESSED
To develop an action plan based on audit report	Sound financial monthly reports addressing audit findings.	To train staff to comply with administrative requirements.	Officials from any Occupational Level deemed relevant and Minimized audit queries	Corporate, legal and support
To organize capacity building programmes for councillors pertaining to local government sector.	Better understanding of local government by councillors and quarterly reports.	To train councillors on local government legislation and administration/politics dichotomy in the sector.	Councillors and Traditional Leaders and better understanding of issues especially on areas of their deployment	Management / leadership
to provide training to municipal personnel	Improved performance and provision of quarterly reports	To capacitate staff to be more effective in their jobs and to comply with relevant legislation	Entire personnel from all Occupational Categories/Levels, e.g. AET Programme and various others necessary to improve performance	Administration

Table 17



## **Challenges**

- I. Not all employees submit the skills audit questionnaire
- II. Changing of interest of training during the implementation of the WSP
- III. None attendance of AET programmes by registered employees

## **Remedial action**

- I. To conduct awareness to all employees during the collection of information
- II. Encourage all employees to participate in relevant training programmes that will improve service delivery

### **3.1.1.6. Employee Wellness and Occupational Safety**

The objectives of the employee wellness and occupational safety are to promote health by providing the employee with ongoing education, information and communication in all health related aspects. They are also encouraged to be proactive about their health and modify their lifestyle for their own benefits. The municipality is also ensuring that a safe work environment of all the employees at work and safety during operations. It was identified during the wellness programmes that some employees are suffering from blood pressure, diabetes, Hiv/Aids. The follow ups were done for those employees that were affected by these diseases and the attendance was good. The wellness day was held for all employees including councillors and the objective of the day was to encourage them to be proactive about their health and that their health is their responsibility.

All employees that are exposed to risks are detrimental to their undergoing medical surveillance which includes special tests and X- rays.

## **Challenges**

- I. No full compliant to health and safety issues
- II. No change rooms, dining rooms for employees
- III. Not all areas have safety representatives
- IV. Other department do not have proper budget for protective clothing
- V. Substance abuse by employees

## **Remedial Action**

- I. Provision of change rooms and dining rooms for employees
- II. Implementation of health and safety findings and recommendations by health and safety committee
- III. Provision of protective clothing for all employees each year

### **3.1.2 ADMINISTRATION**

#### **3.1.2.1. The Structures Of The Council**

The municipality is governed by its council led by the Mayor and chaired by the Speaker. There are section 79 committees established to assist council in governing the work of line functional administration and section 80 committees which assist the executive committee to function. The councillors signed a code of conduct on their first council meeting of 02 June 2011 and the declaration is being signed annually in the beginning of each financial year. The council also established the rules committee chaired by the Speaker which developed the rules of order for the council and its function which also enforces the implementation of rules in the council and adherence to the code of conduct by councillors.

The municipality had established the following committees that assist the council in carrying out its responsibilities

- I. Executive Committee
- II. Municipal Public Accounts Committee
- III. Rules Committee
- IV. Audit and Performance Audit committee
- V. Women's Caucus

Section 80 committees as follows:

- I. Finance and Admin committee
- II. Infrastructure committee
- III. Planning and Development
- IV. Community Services

### **3.1.2.2. Records Management**

As part of the support functions for the success of the Mbashe municipality in order to fulfill its statutory functions outlined in the municipal structure act it is key that the support mechanisms outlined in the municipal systems act be put in place. The goal of the auxiliary services is to provide an efficient service to both internal and external stakeholders.

Records management is a process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance. Sound records management implies that records are managed in terms of an organizational records management programme governed by an organizational records management policy.

A well-organized file plan enables an organization to find information easily. Records that are correctly filed and stored are easily accessible, and this facilitates transparency, accountability and democracy. The orderly and efficient flow of information enables the organization to perform its functions successfully and efficiently.

The National Archives and Records Service of South Africa Act, 1996 provides the legal framework according to which the National Archives and Records Service regulates the records management practices of all governmental bodies.

The municipality runs a registry in compliance with legislative requirements and this facility is used efficiently and effectively to promote good governance and service delivery goals of the municipality.

The National Archives and Records Services, in terms of its statutory mandate, requires governmental bodies to put the necessary infrastructure, policies, strategies, procedures and systems in place to ensure that records in all formats are managed in an integrated manner. Mbashe municipality installed an electronic records management system that complies with these legislative requirements. Training of users and review of records management policy need to be done to enhance good use of the facility.

## **Challenges**

- I. Not all the correspondence coming to the municipality via the registry office for archiving
- II. Non implementation records management policy
- III. Ignorance by officials in the usage of registry office which might lead to poor records management
- IV. No review of promotion to access manual and records manager

## **Remedial Action**

- I. Records officials to be trained in all records management courses from basic to advanced courses to ensure sound records
- II. The nomination of the records officer by the accounting officer in order to review the promotion of access manual
- III. Workshops on the use of centralised registry office by all officials

### **3.1.2.3 Facilities Management**

#### **3.1.2.3.1 Office Accommodation**

The Mbhashe municipality is composed of the three towns Dutywa, Willowvale and Elliotdale which named after the river Mbhashe that flows across all these three towns. The main offices are at Dutywa and the directorates are in the three buildings within the town which also serves as the centre of the municipality. The other two towns serve as satellite offices which also have their own employees.

Office accommodation is a problem that is prevalent at Mbhashe municipality. There are delays in building the second phase of the municipal offices due to the shortage of budget. As a result of office space shortage the municipality used three buildings within Dutywa town and using TRC halls in other two towns. The municipality also purchased park homes that are situated within the main building.

## **Challenges**

- I. Unavailability of office accommodation that will house all the municipality departments
- II. Lack of adequate space for Mphashe vehicles in satellite offices and this exposes vehicles to theft
- III. Accessibility to Mphashe offices for the physical challenged is compromised and could lead penalties

## **Remedial Action**

- I. To facilitate the construction of the second phase for the municipality
- II. Re allocation of offices to all employees including the new ones
- III. Acquiring the buildings that are owned by Public Works within the municipality as the donation to the municipality.

### **3.1.2.3.2. Fleet Management**

In order for the council to function and execute its core responsibility, a requirement being a support aid in the form of fleet was identified. This is a support aid which requires both acquiring and then maintaining. In the process of ensuring the MFMA provision are enhanced including property management process the municipality ensures that adequate control of allocated vehicles is always enhanced in a manner that designed officials within department also prioritize the issuing of vehicle trip authorities and submission of accurate logbooks and petrol slips. It became clearly evident that the appointment of a dedicated official was necessary to manage the fleet operations as well as to implement the policy on maintenance and monitors the movement of vehicles.

## **Challenges**

- I. High maintenance and fuel costs on old fleet
- II. High accidents rates
- III. No contract for fuel and maintenance
- IV. Non test driving for all new employees

## Remedial Action

- I. Appointment of dedicated official for fleet
- II. Municipality to engage for a year contract for maintenance
- III. Purchase a fleet management system

### 3.1.3 ADOPTED INTERNAL DEVELOPED AND REVIEWED POLICIES, STRATEGIES AND PLANS

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
Recruitment and Selection Policy	27/10/2013	27/05/2015 Res. No OCM 2-7.1	<p>All vacancies excluding section 56 are advertised internally for 7 days to enable suitably qualified internal candidates to apply</p> <p>External advertisements for vacancies are placed in all local newspapers, placed on all municipal notice boards</p> <p>The offices that are responsible for interviews and shortlisting are also identified in the policy</p> <p>All candidates are assessed against the specific job requirements as advertised</p>
Subsistence and travelling Policy	27/05/2013	27/05/2015 Res. No OCM 2-7.1	<p>The policy describe on who is entitled to the subsistence and travelling of the municipality</p> <p>A representative may claim a daily subsistence allowance as provided in the policy with the understanding that all personal expenses are covered by the subsistence and travelling allowance</p> <p>The policy objective is to set out the basis for the payment of subsistence and travel allowance for the purposes of official</p>

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			travelling, either to outlying areas of the municipality's area of jurisdiction or beyond
Vehicle Usage Policy	27/10/2011	29/05/2013 Res. No OCM 2-7.1	To regulate the use of official municipality vehicles and to ensure that they are used in a safe and efficient manner in order to minimise accidents and abuse of vehicle  To provide a procedure for accidents and modus operandi for conducting an enquiry into vehicle accidents involving municipal vehicle.
Study Assistance Policy	First development	29/05/2015 Res. No OCM 2-7.1	The purpose of this policy is to provide for the establishment of a bursary scheme and to provide for the regulation and administration of bursaries granted to officials of the municipality. The Mbashe Local Municipality in its endeavour to ensure formal education and training of its employees and councillors, the Council is introducing the Study Assistance policy
Career Path and Succession Planning Policy	24/03/2010	15/12/2013 Res. No OCM 4-6.3	This policy serves to establish the present and potential talent in the municipality in a systematic way with a view of filling future positions effectively and quickly  To create an on-going supply of well trained, broadly experienced, well-motivated employees who are ready to step into key positions as needed  To align the future staffing needs of the municipality with the availability of

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			appropriate resources within the municipality
Employment Equity Plan	28/03/2012	29/05/2013 Res. No OCM 2-7.1	Goals and targets Employees with disabilities Employment barriers Affirmative action
Subsistence and travelling Policy	27/05/2013	27/05/2015 Res. No OCM 2-7.1	The policy describe on who is entitled to the subsistence and travelling of the municipality  A representative may claim a daily subsistence allowance as provided in the policy with the understanding that all personal expenses are covered by the subsistence and travelling allowance  The policy objective is to set out the basis for the payment of subsistence and travel allowance for the purposes of official travelling, either to outlying areas of the municipality's area of jurisdiction or beyond
Vehicle Usage Policy	27/10/2011	29/05/2013 Res. No OCM 2-7.1	To regulate the use of official municipality vehicles and to ensure that they are used in a safe and efficient manner in order to minimise accidents and abuse of vehicle  To provide a procedure for accidents and modus operandi for conducting an enquiry into vehicle accidents involving municipal vehicle.
Study Assistance Policy	First development	29/05/2015 Res. No OCM	The purpose of this policy is to provide for the establishment of a bursary scheme and



POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
		2-7.1	to provide for the regulation and administration of bursaries granted to officials of the municipality. The Mbashe Local Municipality in its endeavour to ensure formal education and training of its employees and councillors, the Council is introducing the Study Assistance policy
Career Path and Succession Planning Policy	24/03/2010	15/12/2013 Res. No OCM 4-6.3	This policy serves to establish the present and potential talent in the municipality in a systematic way with a view of filling future positions effectively and quickly  To create an on-going supply of well trained, broadly experienced, well-motivated employees who are ready to step into key positions as needed  To align the future staffing needs of the municipality with the availability of appropriate resources within the municipality
Employment Equity Plan	28/03/2012	29/05/2013 Res. No OCM 2-7.1	Goals and targets  Employees with disabilities  Employment barriers  Affirmative action
Employment Equity Policy	27/10/2011	29/05/2013 Res. No OCM 2-7.1	The seeks to transform the municipality into a non-racial, non-sexist institution through eliminating and identifying all forms of discrimination based on race, creed, gender and any other forms of stereotypes of groups.

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			Address the imbalances in the composition of the present and future internal labour force with regard to designated groups thus raise the ability of the municipality to serve effectively and fairly all members of the community with due regard to culture and ethnicity.
Acting Allowance Policy	28/03/2012	29/05/2013 Res. No OCM 2-7.1	The policy indicates on who should act and the appointee of that person  It also indicates the duration acting and the calculations of remuneration to the people who are acting
Transfer and demotion Policy	27/10/2011	29/05/2013 Res. No OCM 2-7.1	Potential abilities of employee's capacity to be promoted are hampered by lack of adequate support to develop their potential.  For promotional purposes internal advertisements for vacancies give first preference to existing employees to apply for vacant positions  The option of mentorship is also provided to designated employees
Training and development Policy	30/03/2009	29/05/2013 Res. No OCM 2-7.1	Municipality training and development policy provide budget for study assistance to all interested employees  Focused on training and development to assist employees and councillors to overcome identified educational deficiencies  The training and development of the municipality is based on competencies

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			<p>required to perform various jobs and execute various functions within the municipality.</p> <p>Monitoring and evaluation of training and development is done to ensure that training of staff is in accordance with workplace skills plan and the objectives set are met.</p>
Leave Policy	27/10/2011	29/05/2013 Res. No OCM 2-7.1	The purpose of the policy is to provide the necessary guidelines affecting leave and to regulate the granting of leave within the framework of the provisions and measures set out in the current legislation and the collective agreements taking into account all amendments current and future which might affect this policy.
Internship Policy	First Development	27/05/2015	The is to develop and prepare a pool of qualified candidates who understand the intricacies of the public service. To resolve the general shortage of qualified and skilled people in the workforce by encouraging graduates to equip themselves with the necessary practical experience. To assist in meeting the strategic staffing needs of the public service by providing practical and accelerated work experience programmes that expose interns to specific
Overtime Policy	First Development	27/05/2015	The main purpose of the policy is to regulate and restrict all over time worked by council employees such that it is reasonable and within the scope of work and budget.

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	

*Table 18*

### 3.1.4 INFORMATION AND COMMUNICATION TECHNOLOGIES

Corporate services is also responsible for ICT and has so far managed to procure an exchange server which runs on Microsoft 2007 has been installed to facilitate emails and internal messaging for those who have access to computers.

Mbhashe Municipality IT Environment supports about 135 users consisting of Administrative staff, Councilors, Mayor and Speaker. The municipality has five offices namely:

- I. Main Municipal Office;
- II. Municipal Town Hall and Developmental planning offices;
- III. Infrastructure Department offices;
- IV. Municipal workshop
- V. Offices in Willowvale; and
- VI. Offices in Elliotdale.

The challenge is that the competency levels of the current IT staff is not adequate for defining strategic planning, network designing and monitoring of IT projects. It is difficult to ascertain training needs of the IT staff as their training plans are informed by the IT Vision and IT roadmap, currently not present.

Mars Technologies as indicated before is no longer supporting the institution. External support required suppliers or service providers are considered as and when the need arises. This can pose a risk for critical systems as service providers and software suppliers will only respond according to signed Service Level Agreement.

However, the assessment observed that there is an improvement in physical security. There are security gates in the server room and IT Technician's office. His office is used as a store room and a workshop. Access keypad for the server room is in the procurement process. There is no other security (camera, check-in system) in place,

NOD32 standalone anti-virus is installed in the server machines. All other computers are installed with their own standalone anti-virus software.

There is no group license or virus updates' management procedure. Network User logins have been created for all users to access the network but no password policy implemented or lockout. Applications have no user account login names or procedures in place. Overall there is no adequate security in place to assure that data is kept away from harm.

Microsoft Email Server has been installed and is operational. Municipality staff use personal public email boxes (e.g. yahoo, gmail & webmail) for the municipal work. Standalone versions of MS Offices are being used. These licenses vary between 2003, 2007 & 2010. There is an Active Directory MS 2007 Server installed that services about 135 users. Venus is installed in the main municipal office and is accessed by users. The remote sites (i.e. Willowvale and Elliotdale offices) have no access to Venus and are still using Pastel & spreadsheets. There is no application connection between the remote sites and the main municipal office. Financial management applications are not being managed and system owners use them sparingly. The municipality's website is outdated and complaints have been submitted by the community about the lack of addressing this issue.

### **I. Hardware and Software Asset Management**

There is no process in place or standard developed in order to manage software or hardware procured for each user IT asset. The Baud system keeps a record of all the IT assets through the system of bar codes. Software assets are not managed. The life cycle of the assets is not recorded and therefore asset disposal is managed in an ADHOC fashion.

### **Network Control Management**

The main municipal office is networked through a LAN setup and the Technical Department (including Land & Housing office) and Town Hall (Including LED office) are linked via a 128K fixed network service. Printers/Fax/Scanners are standalone machines, no support contract in place, No standardization in place

## **3.2 KPA 2: BASIC SERVICE DELIVERY**

### **3.2.1 INFRASTRUCTURE**

The Basic Services KPA has the following as its key focus functions, which straddles among a number of internal departments:-

- I. Municipal Roads
- II. Energy
- III. Maintaining Liaison with the Amathole District Municipality for Water, Sanitation and Sewerage; with ESKOM for electricity and Department of Roads and Public Works for provincial roads and EPWP
- IV. Public transport facilities
- V. Community Services
- VI. Law Enforcement
- VII. Libraries (agency for DSRAC)
- VIII. Disaster Management function
- IX. Land administration
- X. Land use management
- XI. Human settlement
- XII. Building regulations

The above focus areas shall be discussed individually below:-

#### **3.2.1.1 Municipal Roads**

The provision and maintenance of roads cuts across the functional areas of the Department of Roads and Public Works, the Amathole District Municipality and the Mbashe Local Municipality. The total length of road network in the entire municipal area is 1862.4 km. The total length of unpaved roads is 1838.06 km and 30.2km of paved roads, 40.5 km is national route of which annually about 960 km of gravel road and 50km surfaced road need routine maintenance.

Mbashe Municipality comprises of three towns namely Dutywa, Willowvale, and Elliotdale. Elliotdale and Willowvale areas are located along the Indian Ocean Coastal Belt as described in the locality map, which is major tourism destination in Mbashe Municipal

Area. The road leading to these destinations areas is gravel which requires heavy maintenance as they are in rainy areas.

There are other provincial roads leading to rural hospitals namely Madwaleni, Zithulele, Thafalehashe and Mjanyana, which also require major upgrades and rehabilitation. As a result of poor road network, communities experience difficulties in accessing health facilities and schools.

Mbhashe Municipality is rich with heritage and there are main routes leading heritage sites but roads are in bad state which limits visits by tourists.

The responsible directorate for development and maintenance of roads infrastructure is Infrastructure Services which consists of two sub directorates, namely Project Management Unit (PMU) and Infrastructure Maintenance Unit.

Mbhashe municipality is a MIG receiving municipality through the establishment of PMU sub directorate which is responsible for implementing infrastructure capital projects, construction of roads and stormwater, public community facilities, sport facilities, LED facilities etc. PMU is working under a three year capital plan that is abstracted from the IDP of which its budget is also reflected in the IDP (See project list of the three year Capital Plan). Allocation for 2014/2015 financial year is R54m and the indicative figure for the next financial years 2015/2016 and 2016/2017 is R54m and R56m respectively. In 2013/14 FY there was a rollover of R20 Million which added to 2014/2015 financial year. As per DORA requirements, PMU sub directorate planned to implement sport field facilities from 2015/16 financial year in ward 13, 25 and 1. The main objective of building sport facilities is to encourage youth to participate in all sport activities as way of limiting crime rate within Mbhashe Municipal Area and also to improve sport talent

The Municipality currently does not have Infrastructure Master Plan however; budget has been committed from equitable share to develop these plans in 2014/2015 financial year.

During 2014/2015 financial year Mbhashe Municipality developed a Roads Maintenance Plan. The plan was to establish roads maintenance team per unit and to ensure that each unit has its own plant as to fast-track the process of eliminating roads backlog. During 2014/2015 budget allocation, the municipality committed funds for the purchase of roads machines. The delivery of all the machines is expected before the end of 2014/2015

financial year. It is also important to note that some of capital project will be implemented internally once all machines are delivered.

The key functions of roads maintenance team are:

- I. Record keeping of existing and newly developed roads
- II. Scheduling of routine and periodic maintenance of road network
- III. Maintaining stores, plant & equipment and use them optimally to attain maximum service delivery to communities
- IV. Management of internal funding for all roads maintenance activities.
- V. Development of Management Information System (for reporting and updating status of Road Network) and identifying backlogs and planning eradication of backlogs.
- VI. Planning, Budgeting, Implementing budgeted works and Reporting.
- VII. Build capacity in operating and maintaining Road Network

## **CHALLENGES**

- I. Mbhashe Municipality is facing huge challenges in eradicating roads backlogs due to limited funding. The municipality is only relying on grants for the development of roads infrastructure.
- II. Mbhashe Municipality has limited funding for operations and maintenance of developed infrastructure, especially the maintenance of municipal roads, which are mainly, constructed under Municipal Infrastructure Grant (MIG) funding and other infrastructure conditional grants.
- III. The constructed roads are deteriorating due to failure in routine maintenance and thereby shortening the life span, demanding new construction and or major rehabilitation which deter further development of municipal infrastructure.
- IV. Infrastructure Services Directorate doesn't have offices; the working environment is not conducive as the directorate is operating in park homes offices.
- V. Shortage of certified plant operators.
- VI. Low expenditure on MIG due institutional challenges from previous financial years, e.g., slow SCM processes, vacant posts for critical positions, poor monitoring of projects and contract administration, social and political issues etc.



- VII. Need for Major rehabilitation of both internal streets and main roads in Elliotdale and Willowvale. And the one that connects from N2 via Clarkburry which a provincial road is in bad condition and needs to be rehabilitated.
- VIII. There is a slow progress by DRPW on the upgrade of the provincial road from Elliotdale to Madwaleni.
- IX. There are delays by DRPW on the appointment of the contractor for phase I in Willowvale which leads to a delay in the implementation of Willowvale to Dwesa. The project was planned three (3) years ago and to date no action has taken in terms of implementation.

### **.Remedial Actions**

- I. The municipality has purchased plant to implement some of capital project internally as way of eradicating roads backlog.
- II. Each unit to have fully fleshed roads maintenance team with all the necessary equipment and machines. The aim is to reach all the villages under Mbhashe without traveling long distances.
- III. Infrastructure Services is planning to develop standard roads manual for the quality of pavement material that can last longer and delay the maintenance period.
- IV. Infrastructure Services Offices are in the project list planned to be implemented from 2015/2016 to 2016/2017 financial years. PMU has appointed panel of Professional Services Provider in different categories namely, Civil, Building and Environmental to reduce the planning and procurement processes.
- V. The organogram for the municipality has been reviewed and approved by the Council. The vacant posts for operators will be advertised as per the HR Policy. The supplier of the plant also offers accredited training to all drivers and new operators.
- VI. During 2014/2015 financial year PMU Manager, 2 PMU Technicians 2 ISD Officers and 1 Quantity Surveyor have been appointed.
- VII. Lobbying of funds from Planning & Provincial Treasury
- VIII. To have continuous interaction with Department of Roads Public & Works together with Planning & Provincial Treasury

### 3.2.1.2. Energy

Mbhashe Municipality is not a licensed distributor of electricity; ESKOM is the licensed distributor of electricity in the whole area of Mbhashe LM.

Mbhashe LM is receiving Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification.

There are two electrification projects that are being implemented by Mbhashe Municipality (Shixini and Ntsimbakazi Electrification Programme) and they are both funded by INEP.

The allocation for 2014/2015, 2015/2016 & 2016/2017 financial years is R3m, R20m & R25m respectively. Initial allocation for 2014/2015 for the Mbhashe Municipality was R2m inclusive of VAT, which amounts to approximately 110 new connections which will go to Camshe Village which is under Shixini Electrification Project, during budget adjustment an INEP allocation has been adjusted to R3m and three villages (Mafusini, Hlakoti and Lower Mbhangcolo) were then added under Ntsimbakazi Electrification Project.

As at 2014/2015 financial year, there were about 1354 households remaining at Shixini and 2060 households remaining in Ntsimbakazi.

With the completion of the 57km of new feeder lines from the Mbhashe Substation to Shixini and the installation of a Voltage regulator, there is now sufficient network capacity to complete the remaining customers in Shixini and Ntsimbakazi thus completing the Projects.

There are huge electrification backlogs of about 20023 households without electricity as per the updated list per village per ward as of July 2014 (Ntsimbakazi and Shixini included).

The most electrification backlog in our municipality is in Elliotdale and Eskom electrification plan indicates that some villages in Elliotdale will not be electrified in the next three years.

Due to electricity infrastructure capacity problems in the municipality especial in Elliotdale, the non-grid electrification has been introduced by DOE to address the need, as it will take some time to build or construct the required infrastructure to electrify the outstanding villages. Mbhashe Local Municipality became one of the municipalities in the Eastern Cape to provide the communities with the Solar System (non-grid electrification). Department of Energy (DOE) and Mbhashe Municipality signed a memorandum of understanding. The agreement commenced from 1st July 2014 to 30 June 2016. The

purpose of the MOU is to supply alternative energy by installing solar to households that will not be electrified in the next three years. DOE appointed three contractors to install solar system for about ± 3079 households in 2014/2015 financial year. There are two wards that are benefiting in the first batch namely ward 8 &19 which were prioritised by the Council. Mbashe Municipality with assistance of Department of Energy and Department of Small Business and Enterprise had established six (6) Non Grid Cooperatives .There are five people per cooperative and 1 coop per 500 households.

Summary of electricity backlogs as quantified per village per ward.

<b>Town</b>	<b>Number of households</b>
DUTYWA	2982
WILLOWVALE	4724
ELLIOTDALE	12317
<b>TOTALS</b>	<b>20023</b>

**Table 19**

**Community Street Lighting:** Mbashe Municipality is responsible for community street lighting to ensure safety to communities. Municipality is maintaining the existing street lighting and install additional where necessary. In the 2014/2015 financial year municipality committed budget to install High Mast to all the beaches and townships with Mbashe Municipal Area. The purpose to install High Mast to all of beaches is to improve safety and attract tourist. The project for the installation of High Mast will be completed before end of 2014/2015 financial year.

### **Challenges**

- I. The major problem is the limited personnel under Electricity Sub-directorate, only one contract worker, who is responsible to undertake all the works under electricity for all three units, this result to delay on responding to emergencies and routine maintenance.

### **Remedials**

- I. There is an annual contract with Electrical Contractor to supply material and labour to municipality when needed.
- II. The organogram for the municipality has been reviewed and approved by the Council. Municipality is planning to establish and recruit more staff for electricity programs as per the organogram and HR Policy.

### **3.2.1.3 WATER SERVICES**

#### **I. Water**

Mbhashe Municipality is not a Water Service Authority (WSA) nor is Water Service Provider (WSP), Amathole District Municipality (ADM) is responsible for both WSA & WSP. ADM has WSP satellite units to serve Mbhashe Municipality in each unit.

The rural areas of the Municipality are serviced by a number of regional, local, stand alone and rudimentary schemes providing about 44% of the rural population with a RDP level of service. The balance of the population are reliant on own rainwater tanks or informal supplies (local rivers and streams).

The towns are generally serviced by local water supply schemes providing high levels of service to the older formally zoned even, RDP or sub-RDP levels of services to the formally zoned low income housing areas and sub-RDP or informal levels of services to the informal settlement area.

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**Table below indicate existing Water Schemes**

<b>Scheme Name</b>	<b>H\H's</b>	<b>Population</b>	<b>No of Villages Served</b>	<b>Water Source</b>
<b>Town Supply</b>				
only	429	2.332	N/A	RWSS
Elliotdale WSS	1.221	5.852	N/A	Run of river
Dutywa / Doti WSS	1.303	6.275	N/A	3 dams; 2 boreholes
<b>Regional Schemes</b>				
Cwebe RWSS	441	2.162	6	Run of river
Dwesa RWSS	2.102	10.207	19	Run of river
Mendu RWSS	910	4.414	6	Dam
Nqabara North RWSS	3.108	15.082	29	2 boreholes
Nqabara South RWSS	4.023	19.492	31	6 boreholes
Nqadu Regional RWSS	1.397	6.715	14	Off channel dam
Qwaninga RWSS	3.815	18.487	43	Run of river
Mbhashe North RWSS: Phase 1	108	523	2	Run of river
Bongweni RWSS	871	4.219	9	3 boreholes
<b>Local\Stand-alone Schemes</b>				
Colosa SAS	250	1.214	1	Borehole (windmill)
Dadamba WSS	351	1.699	42	Boreholes (electric)
Goodhope WS	846	4.103	3	Boreholes (electric)
Gxarha WSS	236	1.149	3	Boreholes (electric)
Mangati SAS	286	1.386	2	Boreholes (wind turbine)
Mazizini WSS	348	1.687	2	Borehole (diesel)
Mbele Portable Communal Plant	51	249	1	Run of river
Mbewuleni LWSS	225	1.091	2	Borehole (diesel)
Ngcingwane SAS	124	599	1	Borehole
Nkanya SAS	547	2.652	4	Borehole (diesel)
Ntabolozuko SAS	285	1.382	2	Boreholes (electric)
Ntilini Communal Portable Plant	72	347	1	Unknown
Ntlabane WSS	508	2.463	3	Boreholes (electric)
Nywarha WSS	335	1.619	3	Borehole
Sheshegu WSS	406	1.966	1	Borehole (electric)
Sinqumeni WSS	148	718	1	Borehole (diesel)
Tinane SAS	399	1.935	1	Borehole (electric)
Upper Ntlonyane WSS	375	1.821	2	Borehole
Vonqo WSS	274	1.323	3	Borehole

*Table 20*

### **III. Sanitation**

The older formal planned areas of the towns are generally serviced by means of waterborne sanitation, either with off-site or on-site treatment (i.e. sewerage networks to waste water treatment works or septic and conservancy tanks).

The new formally planned low income areas are generally serviced by means of VIP's, whilst the informal areas are generally unserviced or have no formal services.

The rural areas, where formally serviced, are serviced by means of VIP's

#### **Dutywa:**

- I. The central portion of the town is serviced via a waterborne sewerage sanitation system, which drains to a mechanically aerated facultative pond type waste water treatment works situated to the south-east of the town. The township to the east of the town centre is currently serviced with conservancy tanks.

#### **Willowvale:**

- I. Willowvale is serviced by means of conservancy tanks in the older portion of town and VIPs in the new RDP township to the north-west of the town.
- II. Vacuum tankers service the area and dispose of their contents at the Idutywa WWTW.

#### **Elliotdale:**

- I. The older portion of the town is serviced by means of conservancy tanks, whilst Extension 1 and the RDP Township situated to the west of the town, are serviced by means of VIP's.
- II. The prison has its own local waste water treatment works (ponds).
- III. Vacuum tankers service the area and dispose of their contents at the Mqanduli and/or Dutywa WWTW

Through Technical Engineering Forum and Water Forum that are facilitated by ADM there is an integration and information to the planned and implemented projects.

## **Challenges on water services**

- I. Old water services infrastructure in all three towns (Dutywa, Elliotdale, Willowvale).
- II. Shortage of drinking water supply especially in Dutywa town.
- III. Lack of Bulk infrastructure in all three towns (Dutywa, Elliotdale, Willowvale)
- IV. Lack of waste water treatment plant in Elliotdale and Willowvale
- V. These water services challenges have negative effect on future developments in all towns.
- VI. Slow implementation of rural sanitation program.
- VII. Huge water backlogs in the rural areas.

## **Remedial Measures on water services**

- I. Continuous interaction with ADM
- II. Motivate ADM to prioritised bulk services projects especially for towns.
- III. Liaise with relevant Sector Department to assist ADM and Mbhashe LM in committing funds for all water service needs.

### **3.2.2. COMMUNITY SERVICES**

This section is composed of Community Facilities and Waste Management

#### **Waste Management**

Mbhashe municipality is responsible for providing refuse removal services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe and as such should receive the requisite attention from the institution.

Since the establishment of Mbhashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Willowvale and Elliotdale only. Rural areas are generally using a range of temporary mechanisms such as own dump within the yard, food for waste programme and illegal dump sites.

According to census 2011 report, Mbhashe is providing the waste management services to only not more than 5% of its households. It also worth noting that the National Waste Management Strategy enjoins all the Municipalities to have achieved waste management coverage by 2016 as follows:-

- I. 95% of urban households

- II. 75% of rural households
- III. 80% of waste disposal sites have permits
- IV. 80% of Municipalities running local waste awareness campaigns
- V. 80% of schools implementing waste awareness programmes

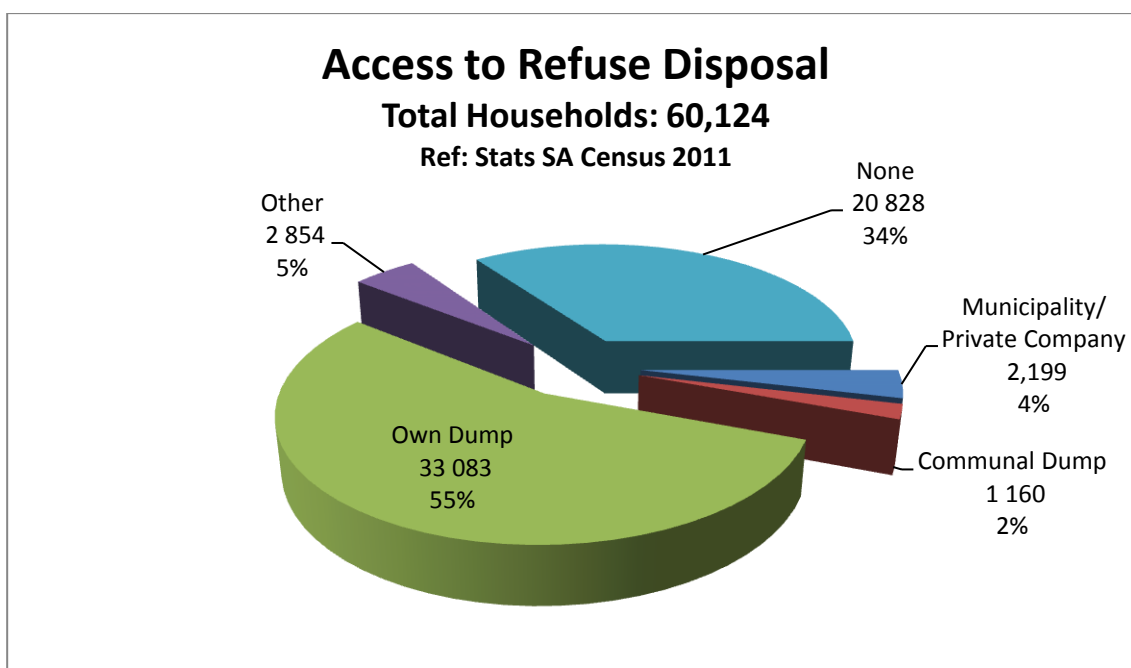
Using the above figures as a measure of success, Mphashe LM would not have difficulties achieving the above targets by 2016, except for the provision of waste management services to the rural areas.

A number of initiatives by various sector departments and other sector partners have been put in place in our area, key among them being the following:-

- I. ADM’s EPWP (alien vegetation eradication, waste management)
- II. DPW’s integrated EPWP incentive grant
- III. Department of Environmental Affairs (DEA)’s Environmental Protection and Infrastructure Programmes (EPIP) programme
  - ✓ Working for the Coast programme
  - ✓ Mphashe Street Cleaning and beautification

The figure below gives a distribution of households by level of service for refuse removal.

**Figure 17**





Municipal or private companies, according to the Stats SA Census 2011, cover only 4% of households, resulting in a backlog of 96% (57 925 households). It is worth noting that 34% (20 828) households do not have any means of refuse disposal. 55% (33 083) households have own dumping arrangement, which are, according to the municipality, burning and/ or burying in the ground.

There is inherent health and environmental risk in not attending to the needs of these latter categories of households. Public education coupled with improved coverage of the waste management and refuse collection services is essential to address this potential risk.

**Landfill Management:-** There are three landfill/dumpsites located in each unit of Mbhashe. These sites were created during the times of the TRC/ TLC, where each unit was administered by separate authorities. Willowvale and Dutywa dumpsites are not permitted and as such operating illegally. Elliotdale landfill site permit has expired, and is currently not operated in accordance with the permit conditions. The contractor is on site at Dutywa, building the waste transfer station. The Dutywa waste transfer station is wholly funded by ADM at a tune of not less than R4m. ADM has further committed in funding the Willowvale waste transfer station, and the challenge is the availability of land within the urban area. Rehabilitation and closure of these two dumpsites can only commence once the transfer stations have been completed.

**Personnel matters:-** This is the greatest area of need as the last intake was done in 2010, through the absorption of the casual workers. The section is heavily dependent on DEA funded projects and EPWP for its personnel needs. This is most glaring in Willowvale and Elliotdale, where, in this category, we do not have personnel at all. Despite all the hardships, we are encouraged by the dedication shown by our limited workforce in achieving the objectives of the institution. Some of the glaring example is the general worker who undertook to drive the refuse tractor without any compensation, instead loosing income by not getting the night allowance.

**Vehicles, Equipment and tools:-** New acquisition of fleet include three refuse trucks, TLB, weighbridge, bakkie and other small tools are on cards in the 2014/15 financial year. The current fleet (trucks and vehicle) is old and beyond their economic life.

**Policy framework:-** As provided for in the relevant legislation, the Integrated Waste Management Plan (IWMP) is undergoing review. By-laws on waste and related subjects have been approved by the Council and promulgated in the government gazette, in 2012.

There are still problems of enforcement of the by-laws. The following waste related by-laws have been promulgated, among others:-

- I. By-law on the control of landfill sites
- II. By-law on the refuse removal and littering

**Waste Management forum:-** These structures are supposed to exist at both the District and local levels and sits at a quarterly basis. ADM coordinates the district forum, whilst Mbashe LM struggles to convene the local one on a quarterly basis,

**Challenges:-**

The service provided thus far is far from being satisfactorily for the following reasons:-

- I. Poor coverage of the area (mainly focussed on the towns, and leaving out the rural areas)
- II. Fewer personnel
- III. Illegal dump sites in Willowvale and Dutywa
- IV. Expired permit for the landfill site in Elliotdale
- V. No accurate waste data available on Municipal waste information

**Suggested remedial actions:-**

Based on the above challenges, the following are some of the proposals on the remedial actions:-

- I. Appoint required personnel to the perform the service
- II. Speed up the process of rehabilitation and building of transfer stations for Dutywa and Willowvale
- III. Ensure coverage of the whole municipal area in terms of the provision of the waste services.
- IV. Upgrade the Elliotdale landfill site to acceptable levels
- V. Conduct awareness campaigns on waste management
- VI. Collect waste data and report to the Waste Information System (WIS)
- VII. Establish and facilitate the functioning of the Local Waste Forum

### 3.2.3.2 COMMUNITY FACILITIES

Mbhashe has a competence for amenities and community facilities like halls, pounds, cemeteries, sports fields, ablution facilities, beaches, child care facilities, parks & public places and workers' facilities. The Management and Maintenance Plan of the community services has been developed. Such a plan is meant to serve as a guide on the management and maintenance of these facilities.

**Halls:** - The municipality has been constructing multi-purpose community halls in many of its wards to aid communities with proper spaces for their meetings and functions. These facilities are constructed through the use of MIG and once finished, they are owned, operated and maintained by the municipality. The key challenge so far has been the lack of adequate funds to constantly maintain and offer security services to our facilities. Another challenge is the role of the Mbhashe as against the community in the management of these facilities. In all our units, there are halls (town, TRC halls and MPCs). These halls are not properly maintained and taken care of in terms of their upkeep. An assessment report of all the community halls in Mbhashe has been developed and estimated costs of repairing the community halls is around R21m. An amount R5m has been set aside for the refurbishment of the community halls in the 2014/15 financial year.

**Sports fields:-** As is the case with the halls, these facilities are scattered throughout the Municipality, with some located in urban centers, whilst others are placed at ward centers. These facilities are poorly managed with no personnel attached to them. On this front, it is worth noting that one sports field located in Ngxakaxa (Ward 2) was constructed by the local private business person.

**Ablution facilities:-** These communal facilities are generally placed in the urban centers of Dutywa, Willowvale and Elliotdale. They are characterized by poor management and a state of disrepair. A nominal fee is charged to the members of the public who uses these facilities, and such a charge should form part of the broader tariff structure of the institution.

**Pounds:** - We also own, operate and manage municipal pounds in all the three units. In recent times, the Dutywa Pound has seen a lot of improvement with increased revenue through the conducting of the pound sales. By the end of 2013/14, the pound section was way above 100% in terms of the revenue collection. We are currently operating the Dutywa Pound, with Elliotdale and Willowvale temporarily closed due to their state of disrepair. The idea is to have the Dutywa Pound operated fully and with requisite infrastructure first and then incrementally improve other Pounds.

**Cemeteries:-** Cemeteries are a core competence of Mbhashe municipality and our role is largely to plan and ensure provision of land for burial as well as support with such services as registrations and mobilization of resources for fencing of facilities. Lack of funds is often cited as a reason why there is poor maintenance of cemeteries across all wards. Cemeteries are currently categorized into urban and rural (communal and private). Historically, the Municipality is largely responsible for the management and operation of the urban cemeteries, whilst the rural communal cemeteries are the responsibility of the communities concerned. Obviously, the private cemeteries in the homesteads become the responsibility of the family concerned.

**Workers' facilities:-** These are facilities that are meant for our staff like change-rooms, sitting places as well as recreational spaces. The construction of these facilities is at an advanced stage and is managed by Land & Housing section of the Development Planning Department.

**Beaches:-** Mbhashe is well endowed with a beautiful and wild coastline that covers certain parts of Willowvale and Elliotdale. Certain parts of the coastline are used by the public for leisure, especially during Easter and summer holidays. As a result of that, there are some leisure facilities in the form of public toilets, showers, signage, braai areas and others that needs to be managed and maintained from time to time. The Department of Environment (DEA) is doing well in terms of its Working for the Coast (WftC) programme that includes cleaning of the coastal line, provision of necessary infrastructure and development of the Coastal Management Plan for Mbhashe Local Municipality.

**Child care facilities:-** This is a fairly new field that has not be performed in the past. Through the review of the functions and powers, it has been established that something needs to be done on this front.

**Policy development:-** It is worth noting that in the 2013/14, a detailed assessment of the Community halls was undertaken to ascertain their conditions. Such an assessment revealed that a sum of R22m is needed to upgrade these facilities to acceptable levels. With the discussion with the Budget and Treasury Office (BTO), it became clear that some of these halls would have to be recapitalize, especially those that costs more than a R1m to repair. Further, the Management and Maintenance plan for the Community facilities has been developed.

**Challenges associated with this service:-**

- I. Poor maintenance and lack of upkeep services
- II. Poorly resourced section
- III. Shortage of chairs and tables in the halls
- IV. Public toilets in all the units (non-existent or in a sorry situation)
- V. No tanks for emergency and when there is no water for toilets
- VI. Poor management of the community facilities
- VII. Pounds closed in Willowvale and Elliotdale

**Remedial actions:-**

- I. Provide the basic requirements for the community amenities
- II. Strengthen security in the pounds
- III. Construct and maintain the Community Facilities

#### **3.2.3.4 LIBRARIES**

This is the concurrent function of the National and Provincial governments. The Department of Sports, Recreation, Arts and Culture (DSRAC) has since entered into a memorandum of agreement with local municipalities, including Mbashe to manage and administer these facilities. Despite the MOA, we have numerous challenges of

unfunded mandates, resulting in some libraries either being dilapidated or closed altogether.

**Challenges:-**

- I. Out-dated MOA between DSRAC and Mhashe LM
- II. Limited funding of the operations of the Libraries

**Remedial Actions:-**

- I. Develop and sign a new MOA
- II. Clarify operational funding mechanisms with DSRAC

**3.2.3.1 LAW ENFORCEMENT SERVICES**

This section includes the law enforcement and licensing units.

It has a complement of fifteen (15) personnel, and they are allocated to the licensing and law enforcement. The services currently offered are limited to learners' licensing, renewal of drivers' licenses, and law enforcement. Recently, there has been a noticeable trend of decreasing revenue collection from this section and this may be attributed to a number of factors and key among them is the low staff morale.

The 2013 festive season has introduced a new trend where there was congestion in Willowvale and Elliotdale, and as such we received a number of enquiries on our plan to rescue the situation. Unfortunately, we had no plans for the two units and this can be attributed to the limited personnel available. With some economic developments taking place in both these towns (Elliotdale and Willowvale), it is abundantly clear that the services of the traffic officials need to be extended to these areas as a matter of urgency. This can be achieved through additional personnel.

There is still a challenge of the Registering Authority (RA) and Drivers License Testing Center (DLTC) that are not operational. As part of their intervention to resolve the situation, the Department of Transport (DoT) has committed a sum of R180 000.00 towards the upgrade of the DLTC. Some plans are afoot for the DoT inspectors to identify weaknesses with the current RA offices, so as to upgrade this office to the required level. A sum of R211 000.00 is set aside for this purpose.

**Policy framework:-** On top of the provincial and national legislation, the following traffic related by-laws do exist:-

- I. By-laws for traffic
- II. By-law on parking ground
- III. By-law on taxis and taxi ranks

The above by-laws have been adopted in 2012 and have not been reviewed since.

### **Rescue, Community Safety & Security services**

Currently, both rescue and security services are outsourced as there are no personnel dedicated to these functions. This poses a challenge of poor monitoring of the performance of the private service providers. Recently, we have had incidents where some of our staff members were threatened and some valuables missing.

Rescue services are limited along the coast in certain identified beaches, during the festive season and Easter holidays. A process of engaging the coastal youth as lifeguards has been initiated by training and appointing the trained youth as lifeguards during the holiday seasons.

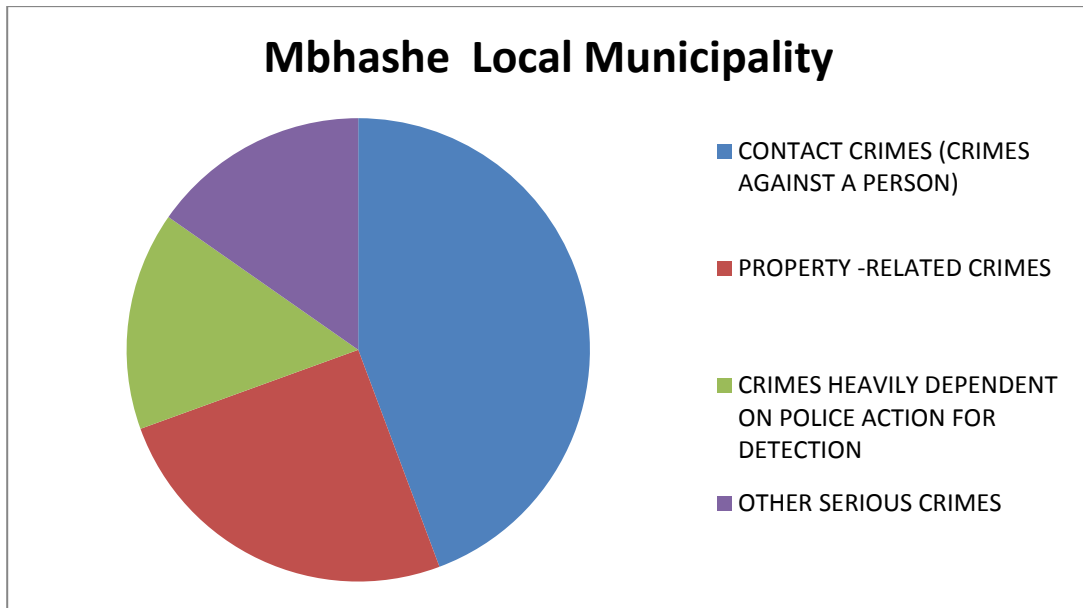
There are still challenges in the enforcement of the by-laws in general and such may be attributed to the lack of dedicated personnel to deal with the enforcement.

The Community Safety forum (CSF) has been established in 2013 and has been operating fairly well since. The Community Safety Plan has been adopted by the Council in 2014. The participation of the sector departments and other stakeholders in the CSF is encouraging.

The following chart presents the most recent crime levels (grouped according to major crime categories<sup>1</sup>), within the municipal area for period 2011-2012.

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<sup>1</sup> Contact crimes (crimes against a person); property-related crimes; crimes heavily dependent on police action for detection; other serious crimes)



#### Challenges associated with this section:-

- I. The need for plans to be clear and well-coordinated with relevant stake holders e.g. SAPS, Amathole District Municipality and others
- II. Data and crime statistics are not made available timeously which affects the on-going assessment of the impact of various programmes
- III. Lack of commitment of some stakeholders in Community Safety matters
- IV. Lack of necessary resources and insufficient institutional capacity.
- V. Shortage of staff, as a result, the areas of Elliotdale and Willowvale are not fully covered (traffic services) – especially during the peak seasons.
- VI. No plan to provide the services over the weekends and overnight (traffic services)
- VII. No designated Traffic Officers, despite their qualifications
- VIII. Challenges relating to the management of the fleet within the institution
- IX. Poor monitoring of the service providers in the case of security services
- X. No one stop shop center for traffic services (limited space in the town hall)
- XI. Poor town planning and zone plans (allowing hardware's in N2)
- XII. Practitioners and the public may not be familiar with the by-laws



### **Suggested remedial actions:-**

- I. Appoint sufficient personnel to provide the services
- II. Consider establishing one stop shop for the traffic services,
- III. Consider incentivising the performance of the traffic personnel
- IV. Popularise the by-laws to both internal and affected stakeholders

### **3.2.3 DISASTER MANAGEMENT**

The Mbashe Local Municipality shall be responsible for executing some obligations of the Disaster Management Act in terms of:

- I. Preparing a local disaster management plan that is consistent with the District Municipality and the provisions of the Disaster Management Act.
- II. Engaging its communities through appropriate mechanism, processes and procedures as provided by Chapter 4 of the Local Government Systems Act Number 32 of 2000.

The Disaster Management Plan of the Local Municipality shall reflect:

- I. Compliance with the provisions of the Disaster Management Act.
- II. Alignment and integration with the current Integrated Development Plan (IDP).
- III. Assessment of risk and vulnerability of its communities and anticipate and prioritise disasters that are likely to occur in the municipality.
- IV. Place emphasis on measures that reduce risk and vulnerability of disaster-prone areas, communities and households.
- V. Identify areas, communities and households that are vulnerable and at risk.
- VI. Respect and use the indigenous knowledge relating to disaster management.
- VII. Promote disaster management research.
- VIII. Identify and address the weakness in capacity of the municipality to deal with possible disasters.
- IX. Facilitate maximum emergency preparedness

**Currently**, the responsibility to champion and facilitate the development and the implementation of the Disaster Management Plan lies with the Developmental Planning Department.

## **Potential Hazards**

- Floods, hail storms and wind storms
- Forest fires
- Dangerous goods e.g. contamination of water

### **I. Flooding**

- I. Predicted higher intensity storm events are likely to result in increased intensity and frequency of flood events. Areas at risk are those human settlements which have established in flood prone areas and all infrastructure within flood zones such as waste water treatment works, sewer lines and manholes, low lying bridges, roadways, etc.
- II. Possible flooding response options available to the municipality are given below:
- III. Maintain and improve the integrity of wetlands, riparian areas and other aquatic environments
- IV. Maintain and improve the integrity of water catchments
- V. Avoid/ Reduce settlement and urban development in areas vulnerable to flooding
- VI. New development projects to include water and energy savings
- VII. Encourage flood-water retention and increased infiltration in urban design and development
- VIII. Ensure flood lines are plotted using projected, rather than historical, data
- IX. Increasing capacity in early warning and disaster management institutions

### **II. Fire Risk**

- I. The Mbashe Municipality is particularly prone to frequent wildfires. The risk of wildfires is a product of increased temperature and winds, reduced humidity and increased fuel load.
- II. Simulations project warmer winters and springs. Coupled with increased intensity and duration of dry periods, increased occurrence of “berg winds”, and an increased fuel load from warmer, wetter summers in the east, there is a high likelihood of increased risk of wildfires in late winter and early spring, DEDEA, 2011.

- III. Possible response options are given below:
- IV. Mbhashe Municipality to assist and engage with fire protection associations
- V. Collaborative engagement with Disaster Management Unit
- VI. Improved fire risk awareness (especially on days of high-extreme fire danger)
- VII. Providing support to the Working on Fire initiatives
- VIII. Promotion of safe fuels and cooking/lighting facilities in informal settlements (the use of paraffin, candles and open fires in informal settlements for energy needs is a primary cause of runaway shack fires)
- IX. Installation of fire hydrants in informal settlements

### **Challenges**

- I. There's no disaster unit within the municipality
- II. No proper co-ordination of disasters at the municipal level integrating other departments
- III. Currently no policy nor plan for disaster
- IV. No funding for disaster mitigation and/or response
- V. The current SCM policy does not make allowance for emergency disaster response
- VI. Non implementation by the DHS on emergency housing for destitute

### **Remedial Action**

- I. Review organogram and establish disaster unit in the Mayor's office
- II. Review the SCM policy to allow for emergency procurement for disaster relief
- III. Explore possibility of setting up co-operatives and entrepreneurs in the field of brickmaking, sheet metal works and brickmaking for use in emergency housing.

### **3.2.4 LAND & HOUSING SECTION**

This Section Has The Following Units:-

- I. Land and town planning
- II. Township Developments
- III. General valuations
- IV. Spatial development framework
- V. Human settlements development

- VI. Housing assistance in Emergency Housing
- VII. Facilities management
- VIII. Administration of contracts of sales and leases in respect of municipality's immovable properties.
- IX. Land use management
- X. Lease agreements
- XI. Building control
- XII. Human Settlements Development
- XIII. Housing development (Housing plan summary and waiting list numbers, blocked projects and ways to deal with)

### **DUTYWA EXTENSION 8 LOW COST HOUSING PROJECT WITH 753 UNITS**

This project is meant to alleviate shortage of accommodation to low income category and to clean up the shacks in Dutywa. Initially Mbhashe Local Municipality was a Developer and the project was handed over to PDoHS in 2008 to take over as a developer.

#### **Progress:**

- I. Registering of township is complete
- II. Engineering designs has been completed.
- III. Installation of services was completed
- IV. Beneficiary list with 753 names was tested and 748 came through, 5 beneficiaries are being scrutinized by the Provincial Department of Human Settlements
- V. The construction of Top structure commenced on the 23<sup>rd</sup> September 2013.

#### **Challenges**

- I. Beneficiaries are not showing up to collect their keys for their finished houses.
- II. Mangati Community has stopped the contractor to continue with construction claiming that they are building on the land that has an unsettled land claim.

- III. The Department of Human Settlements is too slow to process the application forms of applicants who are replacing the deceased beneficiaries.
- IV. Theft on site
- V. Encroachment by households in the old township
- VI. Eskom is phasing out electrification of the project starting with 267 units and thus will cause divisions among the beneficiaries.

### **Remedial Action**

- I. Beneficiaries should be advised by the Project Steering Committee members to collect and occupy their houses so as to avoid theft and vandalism.
- II. The matter of encroachers should be referred to Legal Section of the Municipality
- III. The Department of Human Settlements should speed up the processing of application forms for those applicants who are replacing the deceased beneficiaries.

### **DUTYWA EXTENSION 7 FOR MIDDLE INCOME HOUSING**

Dutywa Extension 7 is a Middle Income development located in the north of Dutywa on the left of the road to Ngcobo. This planned development caters for 300 number of erven altogether with some few institutional and business sites within.

Currently the municipality is finalising the Environmental Impact Assessment (EIA) for the area.

### **DUTYWA EXTENSION 2 FOR MIDDLE INCOME HOUSING**

The area is generally known as Sakwe Park. After the initial sites were occupied through subsidy scheme, there was a remainder of 48 residential sites yet to be occupied. Despite lack of road infrastructure in the area; the council took a decision to sell those to the needy. The sites were all then sold to qualifying residents.

### **Challenges**

- I. Lack of funding to complete the infrastructure
- II. Encroachment of one resident to other sites which led to reverse to the sale of two sites in the area.

### **Remedial Action**

- I. Budget for infrastructure in the area through MIG

II. Legal intervention is required to solve the encroachment issues

### **DUTYWA EXTENSION 3 FOR HIGH INCOME HOUSING**

Dutywa Extension 3 is a middle income housing development located at the north-east of Dutywa on the left en route to Mthatha (N2). This is a middle income type of houses of approximately 103 number of even as per the township layout.

The municipality is in the process of re-engineering the township establishment and has awarded a contract for the doing of the Environmental Impact Assessment (EIA).

#### **Challenges**

- I. The area is under the claim by the Mputhi Community
- II. There's no funding for infrastructure and internal reticulation
- III. The Dutywa is generally under severe strain with regard to bulk water and sanitation

### **WILLOWVALE EXTENSION 5 – MIDDLE INCOME HOUSING**

Willowvale Extension 5 is a Middle Income residential which is in the South of Willowvale and has 241 residential sites according the township layout.

The municipality sold the sites to qualifying individuals payable in 12 months period from August 2014.

#### **Challenges**

- I. There's no ready infrastructure like roads, sanitation, water nor electricity in the area
- II. The area is under land invasion led by Headmen Makuleni
- III. There could be more serious legal battles between the invaders, legal owners, the municipality and the headman.

#### **Remedial Action**

- I. Engage ADM for water and sanitation
- II. Budget for internal roads from MIG
- III. Development of a comprehensive strategy and policy in place in dealing with land invasion

## **N2 MIDDLE INCOME HOUSING**

On a green field, the municipality earmarked the land for middle income housing development. The area is in the South West of Dutywa between the N2 and DR 08044 - Willowvale Road).

The municipality appointed a private developer for the development of the Middle Income Housing including the bachelor flats. All processes to the creation of township were done of which there were 1050 residential plots according to the township layout plan. There's currently a legal battle involving the municipality and the developer hence there's no progress on site.

### **Challenges**

- I. There's no bulk Infrastructure (not necessarily for the place alone but for Dutywa as a whole)
- II. The legal battle is the key challenge

### **Remedial Action**

- I. Engagement of ADM for the bulk infrastructure services
- II. Fast track and finalise the legal process so that the development could be handed over to another willing developer.

## **ELLIOTDALE EXTENSION 2**

This is a low cost housing development involving 292 housing units in Elliotdale North-West. These units were not completed and some were built with defects. The plan for rectification came to fruition by the appointment of a service provider for the following:-

- I. Demolition and rebuilding of 78 units
- II. Construction of 112 new units on vacant sites
- III. Rectification of 97 defective units

### **Challenge**

There's currently no recorded challenge in the rectification process.

## **WILLOWVALE EXTENSION 1**

This is a low cost housing development involving 97 housing units at Willowvale South-East. The housing units were built in 1995 with a lot of defects and the rectification of these has been on the line since then.

Currently, the contractor has been appointed for the following:-

- I. Demolition and rebuilding of 20 units

- II. Construction of 45 new units on vacant sites
- III. Rectification of 33 defective units

**Challenges**

- I. There’s resistance among the locals whose houses will be demolished
- II. The land invaders have encroached to the space where the houses will be built

**Remedial Action**

- I. Engagement, consultation and facilitation are needed with the community.
- II. A robust approach in dealing with land invasion followed by a comprehensive strategy is needed.

**ELLIOTDALE RURAL SUSTAINABLE HUMAN SETTLEMENT PILOT PROJECT WITH 7000 UNITS**

**Status Quo**

- I. DBSA was appointed as an Implementing Agent for 1000 subsidies in this project
- II. DBSA appointed Teba Development for 200 houses (120 at Manzi and 80 at Ngqatyana) and they were completed and handed over by the MEC on the 20<sup>th</sup> October 2013.
- III. In November 2012 DBSA appointed two contractors for 800 houses, Stedone (400 houses) and Motheo construction (400 houses)
- IV. The Department of Human Settlements (DoHS) appointed 4 contractors for 4000 units and each contractor was appointed for 1000 units.
- V. Total no of houses handed over as at 13 December 2014 is **660**

**ELLIOTDALE 4000 UNITS SUMMARY OF OVERALL PROGRESS AS AT 26 JANUARY 2015**

<b>ACTIVITIES</b>	<b>NUMBER</b>
Slabs/Foundations	2915
Superstructure/wall plate	2670
Roof	2567
Practical Completions	2010

*Table 20*



### **Challenges which may cause delays in Elliotdale 4000 units**

- I. Departmental finalisation of the old specification vs new specification for SC 600 units which may cause delay of the project, and progress to date it has been submitted to DOHS Technical Evaluation Team on 10<sup>th</sup> December 2014.
- II. Resolution on the 3 beneficiaries land dispute for SC 1000 units, which means closing the project at 997 units.
- III. CHS 1000 units is behind the programme as per the signed PIP on the 12 September 2014 and may have to go to penalties if cannot recover and Aurecon to do Performance Analysis.
- IV. DBSA has finalised the procurement process for the replacement of CHS on the 400 units and the Department has written an internal Memorandum on 12 December 2014 for DBSA to takeover fully the 400 units.

### **Remedial Action**

- I. Mphashe Local Municipality should be engaged in the process of giving assistance in the Mngazana Area because the Feasibility Study that will be conducted by the Dept. of Human Settlements will not only focus on the building of houses.
- II. Mphashe LM should also be involved in the case of Maqomeni A/A

### **OTHER RELATED PROGRAMMES ENVISAGED**

- I. Bachelor flats ( rental housing)
- II. The Department of Human Settlement has commissioned a study on the Community Rental Units (CRU) for the Mphashe area.
- III. A student village (rental housing)

### **Current status**

- I. Dutywa town in particular is unbearably over populated. This has burdened the infrastructural planning in town more especially sewerage, roads and electricity. This is a result of an unexpected increase of schools around town.
- II. Residents responded by converting their residential houses into boarding hostels. A scenario is a four roomed house we visited which was converted to house 40 students and each paying R400-00 per month, 10 sharing a room and ranging in ages from 10 years to 20 years, and of different genders.

III. Crime has since escalated, employees have been left stranded and without accommodation and having to resort to staying in surrounding rural areas. Original shack dwellers have left their shacks to let them to students up to as much as R300-00 per month

### **Challenges**

- I. Urban sprawl coupled with shack mushrooming
- II. Resultant urgent need for infrastructural improvement.

### **Remedial Action**

- I. Encourage schools to have hostels
- II. Partner with private sector for hostel building and construction
- III. General valuations
- IV. General Property valuation for the year 2012 to 2017 is complete and has been approved by the council on the September 2014.

Currently, the supplementary valuation has been completed and is ready to be approved by council.

#### **3.2.4.1 HOUSING ASSISTANCE IN EMERGENCY HOUSING Brief Background**

Provincial Department of Human Settlement is providing temporary housing relief to households in stress following natural or man-made disasters (e.g. Where settlements have been destroyed by fire or houses have been rendered inhabitable by storms and need to be repaired) The Emergency Housing Assistance Programme may then be used for temporal housing for disaster victims until such time as they can be provided with permanent houses.

#### **PROCESS TO BE FOLLOWED WHEN IDENTIFYING THE BENEFICIARIES FOR HOUSING ASSISTANCE IN EMERGENCY HOUSING**

- I. A Ward Councillor identifies the deserving beneficiary and forwards the name to the Disaster Official from Amathole District Municipality.
- II. The Disaster Officer (ADM) makes the assessment and forward the assessment form to the Housing Officer (Local Municipality)

- III. The Housing Officer process the application form and forward it to the Department of Human Settlements for approval

#### **Progress to Date**

- I. The application for Housing Assistance in Emergency Housing was made in year 2013 for 132 beneficiaries in Mphashe different Wards.
- II. The Service Provider was appointed by the Department of Human Settlements and they are waiting for the prioritised list from Mphashe Local Municipality (Ward Councillors) and that is due on the 24<sup>th</sup> of January 2014.
- III. Prioritisation of beneficiaries was done by the Municipality together with the Ward Councillors.
- IV. Waiting for procurement processes of the Provincial Department of Human Settlements appoint the Contractor.

#### **Challenges**

Provincial Department of Human Settlements is dragging the process of appointing the Service Provider

#### **Remedial Action**

Provincial Departments of Human Settlement's Supply Chain should speed up processes to award the tender to the Successful Bidder.

### **3.2.4.2 LAND USE MANAGEMENT**

#### **Rezoning**

The department of land and housing has embarked on a process of finalizing the land use regulation document by means of a proper land use zones. This project will help minimizing the illegal use zones as per individual erven. Zoning Plans were adopted by Mphashe Council.

#### **Subdivisions**

The department is currently busy with the surveying of all land that has not been surveyed. The objective is to allocate the erf number to all municipal owned land and to regulate illegal demarcation of municipal commonage.

However, negotiations about the date for relocation are still in place with the affected parties, in this case, the shack owners.

#### **Spatial Planning**

Currently the municipality is undertaking the following programs.

- I. SDF
- II. Zoning plans

### **Land Debt**

The municipality owes the district municipality millions of Rands. This is due to the sites that are still registered in the name of the municipality. In some cases these erven have been sold to private individuals but the transfers have not taken place.

### **Remedial Action**

- I. A negotiated settlement is required between the ADM and Mbashe Municipality.
- II. Transfers should be done as urgently as possible

### **Administration, maintenance and renovations to municipal properties**

- I. The municipality has a dedicated section that deals with the maintenance of municipal properties.
- II. Acquisition of unused buildings from other departments or parastatals for use in the municipality development initiatives.
- III. Administration of contracts of sales and leases in respect of municipality's immovable properties.
- IV. Cleansing of the municipality's urban and surrounding areas of illegal structures and shacks

### **3.4.2.3 LEASES AND LEASE AGREEMENTS**

#### **Current status**

- I. Municipal leasing contracts are not properly drafted.
- II. There's policy on rental or lease of municipal property by municipal employees
- III. Current there are 12 employees who benefit from this programme

#### **Challenges**

- I. There's still a shortage in the provision of accommodation for municipal employees
- II. There are absolutely no buildings for rental of municipal employees in Willowvale and Elliotdale.
- III. Choking showers, muddy yard, and electricity failure in the new flats
- IV. Without a dedicated personnel dealing with leases it is difficult to do daily reconciliations and visits to the leased land hence lessees do not comply on their signed contracts i.e. they are not paying lease rentals and some have built unauthorised structures

## Remedial Action

- I. An implementation plan will have to be drafted following the approved policy; this will help guide and enforce the policy conditions and by-laws
- II. Monthly reconciliations should be done to verify the receipt of funds for leases
- III. Appointment of the manager who will manage/administer all municipal leases
- IV. Additional personnel in the lease section

### 3.2.4.4 LAND AUDIT

The municipal land audit was done with the assistance from the ADM. This project was done so that the municipality can effectively undertake municipal functions needed to have a spatial register of all properties that lie within the municipal area of jurisdiction.

The spatial register needs to contain, amongst others, the description, location, extent and ownership details of each and every property within the municipality. The need for a spatial register can be met by the conducting of a land audit for the municipality and the creation of cadastral datasets in a Geographic Information System (GIS) format.

Cadastral information comprises both spatial and non-spatial components. The spatial information component contains the positions of property boundaries and the non-spatial attribute information holds all other information relating to the property including the legal property description. A GIS is the best data repository to hold cadastral information as it allows for the storage of both the spatial and non-spatial attribute components of cadastral.

The objective of the land audit was then to correct and update the Surveyor General Office (SGO) approved cadastral dataset and to link the cadastral information to the Deeds Office ownership dataset to create a spatial property register of all properties within the local municipality

The number of properties per category is listed below:

<b>CATEGORY</b>	<b>NUMBER</b>
SG Approved	4 954
Quitrent	7 604
Registered	3 327
Unregistered	1 742

*Table 21*

**Policies and By-laws related to land use** (Invasion policy, migration policy or plan of people from informal settlements etc)

The municipality is currently developing the Land Invasion Strategy and Policy and the Migration policy of people from informal settlements.

### **3.2.4.5 LAND CLAIMS**

#### **Mputi Land Claim**

The Mputhi Community lodged a land claim through the Land Claims Commission for the part of the Dutywa commonage described as Erf 1 – Dutywa which now belongs to the Mbhashe Municipality.

#### **Mangati Land Claim**

The Mangati Community lodged a land claim through the Land Claims Commission for the part of the Dutywa commonage described as Erf 1 – Dutywa which now belongs to the Mbhashe Municipality.

### **3.2.4.6 LAND INVASIONS**

#### **Willowvale commonage**

In the past few years the residents of rural areas surrounding Willowvale commonage illegally demarcated sites from the municipal commonage for themselves. The municipality then appointed Messrs. Majeke, Mjali & Co who obtained a court order evicting the transgressors.

The council should however take note of the fact that some of these people have decided to fight this court interdict.

New names have been obtained and handed over to the sheriff of Willowvale to demolish the illegal structures.

#### **Elliotdale commonage**

##### **Current status**

- I. There are some few reported cases of the invasion in the Elliotdale commonage
- II. 80% of land parcels within Elliotdale commonage belong to Public works.
- III. Negotiations have started with all relevant government departments for the transfer of the affected land parcels.

##### **Challenges**

- I. The municipality has no policy dealing with land invasions as a result such invasions catch the municipality unawares

- II. Slow process in transferring the affected land parcels onto the name of the municipality.

### **Remedial Action**

- I. A comprehensive strategy/policy that deals with invasions should be done to help prevent such cases
- II. Appointment of the land surveyor to clearly demarcate the Elliotdale commonage.
- III. Create awareness through engagement of local chiefs with the aim to sharing the land information.

### **Dutywa commonage**

The Dutywa commonage was invaded by a settlement called ‘Doti’ and has been the case for more than 10 years now.

We are currently looking at the formalisation of the Doti area, pending settlement of the land claim by Mangati claimants.

#### **3.2.4.7 GEOGRAPHICAL INFORMATION SYSTEM (GIS)**

The municipality does not have the GIS unit and has been assisted by the ADM for GIS.

Whilst the municipality does not have the GIS unit; municipal employees have been trained in GIS use and have the system uploaded on their hardware.

#### **3.2.4.8 SPATIAL DEVELOPMENT FRAMEWORK (SDF)**

A need of an SDF plan is to provide the municipality with a tool to assist in arriving at informed developmental decisions to ensure sustainable development decisions and management of its future land development.

A detailed SDF is provided for, in Chapter 8 of this IDP.

#### **3.2.4.9 LAND REFORM AND SETTLEMENT PLANS**

##### **Gwentshe and Cuntsula (Ward 13) Elliotdale**

The project involves formalization of rural areas by means of proper planning and surveying. The project is monitored by the Amathole District Municipality.

##### **Maxelegwini and Mboya (Ward 25 & 11) Willowvale**

The project involves formalization of rural areas by means of proper planning and surveying. The project is monitored by the Amathole District Municipality.

## **Bolotwa and Lencane**

The project involves formalization of rural areas by means of proper planning and surveying.

### **REMOVAL OF ILLEGAL STRUCTURES:**

- I. All illegal structures in Mbhashe Local Municipality will be removed.
- II. The shacks in Ezifama were relocated next to Govan Mbeki location
- III. We are in the process of relocating shacks at GPO next to Govan Mbeki Township (Zone 14)

### **Challenge**

There's no enough funding for relocation of GPO shack dwellers

### **Remedial Action**

Apply for Emergency housing assistance from the Department of Human Settlement

## **3.2.4.11 ACQUISITION OF HOUSES FROM OTHER DEPARTMENTS**

### **Current status**

- I. The department has begun a process of identifying houses belonging to other departments or parastatals that are unused or less productive. These departments mostly owe the municipality monies for rates and services running to millions of rands.
- II. Public Works have several buildings within our three Municipal Units. The majority of these buildings are in a state of decay. The departments have promised to dispose some of these buildings to the Municipality; however the negotiations are still in place.

### **Challenges**

- I. These houses and buildings are mostly in a state of decay and will be expensive to renovate or reconstruct.
- II. They are all illegally occupied by people who are neither paying rent nor rates to either the municipality or their landlords.
- III. We may meet resistance in evicting them which may lead to costly litigation.
- IV. The municipality is faced with a challenge of dilapidated privately owned structures along N2 and CBD



### **Remedial Action**

Communication has started with the department of Public Works (both nationally and provincially) for the possible transfer of the houses to the municipality.

#### **3.2.4.11 ILLEGAL MINING (sabhunga)**

It has come to the attention of the municipality that an illegal mining activity is taking place within the boundaries of Mphashe Local Municipality.

### **Challenge**

It is difficult to monitor the site during the night as some of the miners enter the site during this time.

### **Remedial Action**

Land and Housing Department has decided to rehabilitate all the illegal mining such as digging of sabunga within the boundaries of the municipality and clearly mark the site

#### **3.2.4.10 THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT,2013 (SPLUMA)**

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) was assented to by the President of the Republic of South Africa on 5 August 2013. It will come into operation on a date fixed by the President by proclamation in the Government Gazette. SPLUMA is a framework act for all spatial planning and land use management legislation in South Africa. It seeks to promote consistency and uniformity in procedures and decision-making in this field. The other objects include addressing historical spatial imbalances and the integration of the principles of sustainable development into land use and planning regulatory tools and legislative instruments.

#### **WHY THE NEED FOR THE SPLUMA?**

- I. To address racially based pre 1994 planning legislation and deal with new political realities
- II. To repeal multiple laws and systems created by old order legislation (fragmentation across 4 provincial administrations, homelands etc)
- III. Address the unsustainable development patterns fuelled by inefficient, unsustainable and incoherent planning system.

- IV. The 1999 green paper and 2001 white paper made a case for replacing the 1995 DFA (interim legislation).
- V. The process gained traction after the 2010 DFA ruling that provided clarity on the meaning of municipal planning and the roles of each sphere on land development.

### **WHAT ARE THE OBJECTIVES OF THE SPLUMA?**

- I. Provide a uniform and coherent framework for spatial planning and land use management.
- II. Specify the relationship between the spatial planning and the land use management system.
- III. Provide for the inclusive, developmental, equitable and efficient spatial planning at different spheres of government.
- IV. Address the legacy of past spatial planning and regulatory imbalances.
- V. Promote greater efficiency, consistency and uniformity in the decision-making by authorities responsible for land development decisions.

### **KEY INDICATORS TOWARDS READINESS**

- I. Categorisation of applications (category 1 &2)
- II. Establishment of municipal planning tribunals S35(1)
- III. Briefing to councils to enable informed decision making on tribunal options.
- IV. Identify officials to act as the Authorised Official.
- V. Assess capacity of municipality to provide support to the MPT
- VI. Formation of a joint municipal structure S34(1)
- VII. DMS after the commencement of the Regs must initiate the process
- VIII. LMS and DMS to identify non-municipal members (T&Cs, remuneration)
- IX. Draft and sign Legal Agreements for Municipalities forming joint MPT'S
- X. Establishment of appeal tribunals for JMPTS
- XI. Identify 4 persons for consideration for appointment as member of Appeal Tribunal
- XII. Participating municipalities must appoint a chief presiding officer.
- XIII. Designation of registrar of Appeal Tribunal
- XIV. Provide admin support & office space for Appeal Tribunal
- XV. Determine T&Cs and remuneration structure
- XVI. Gazette notices as required

### **3.2.4.12 MUNICIPAL ADMINISTRATIVE CAPACITY AND CHANGE MANAGEMENT STRATEGY**

- I. Designation or appointment of inspector and/or a land development officer
- II. Mandating Designated Official to consider Category 2 applications
- III. Setting up alternative structures for municipalities with different capacity levels

#### **Financial**

- IV. Funding for MPT members, additional staff to support MPT
- V. Funding for institutional, technical and administrative staff

#### **Cost Implications**

- I. The proposed decision making architecture has cost implications for municipalities  
Non Municipal members of Tribunal, Registrar, support staff, gazette.
- II. DMs are expected to bear most costs associated with JMPTs
- III. Categorizations of applications will increase the workload of tribunals and costs to municipalities
- IV. A more sensible approach would be to categorize applications mainly on the outcome of public consultation and departure from Council policy.

### **SPLUMA COMMENCEMENT DATE**

- I. Municipalities will need to enter into negotiations and make decisions regarding institutional models
- II. The SPLUMA has financial and HR implications which must be provided for in the IDPs and budgets
- III. Municipalities require adequate time to make budgetary provision and to receive the necessary training SPLUMA should become operational no earlier than 1<sup>st</sup> JULY 2015

### **3.2.4.13 BUILDING INSPECTION**

#### **Challenges**

- I. Non-compliance with building regulations
- II. Lack of information regarding building regulations
- III. By laws not enforced

### **Remedial action**

- I. Awareness
- II. Not enough personnel

## **3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT**

### **This KPA covers the following:-**

- I. Local Economic Overview
- II. Absolute and competitive advantage
- III. Agricultural development
- IV. Economic Infrastructure
- V. Institutional Framework
- VI. Small Enterprise Development
- VII. Tourism Development

### **3.3.1 OVERVIEW OF ECONOMIC DEVELOPMENT IN MBHASHE**

Mbhashe's economic size is estimated to be R684 million. The Mbhashe Local economy has a competitive advantage in Agriculture, Tourism, Community Services, Construction and Trade

However, the existing potential in these comparative and competitive advantages has yet to be realized. More needs to be invested in unleashing this potential for LED benefits. While more jobs were realized in the community services, this sector is not a sustainable sector for job creation

The strategic framework for economic development in the Eastern Cape identifies four key areas:-

- I. N2 corridor
- II. Umzimvubu catchments dam
- III. Kei rail
- IV. Agro-processing

Mbhashe Municipality will benefit most from the Wild Coast IDZ as it will promote and connect fresh produce to international markets. ***The Wild Coast IDZ currently forms part of a broader, multi-sectoral approach to boosting economic growth in the whole former "Transkei" corridor. This includes the formulation of a sustainable socio-economic development strategy; an integrated development plan and an implementation action plan.***

Mbhashe's economic potential if harnessed can also be used in addressing poverty and meeting the government's target of halving unemployment and poverty by 2030. Maize milling is one of the projects that Mbhashe is presently working on and is one of the major projects identified by Mbhashe LM and the Department of Agriculture. Large areas of land were left underutilized by farmers who claim that, there's a lot of machinery needed for them to continue with maize production, and their option is in the bio-fuels industry. The bio-fuels initiative is also a project where Mbhashe could succeed on in creation of employment and fighting poverty.

### **Participatory Needs Analysis**

Key issues identified regarding employment and unemployment needs analysis from the communities.

- I. Inadequate access of subsistence farmers to commercial farmers
- II. Lack of knowledge of sources of financing of Small Micro Medium Enterprise
- III. Large increase on poverty and consequences thereof, including increased crime levels
- IV. Non recognition and value of tourists attraction in the identified areas of tourism
- V. Poor access to tourists sites
- VI. Insufficient training and skills development opportunities
- VII. Limited market facilities for communities to market local produce and goods

There is a critical need to develop poverty alleviation strategies and mechanisms to engage current communal farmers in productive economic activities. It is important that all efforts be undertaken to facilitate local economic development in the municipal area.

Mbhashe Municipality has a reviewed LED strategy adopted by its council in 2015. The strategy is valid until the end of 2019 and is currently being implemented. This strategy will be revised again in 2019/20 financial year. LED is not a clearly funded competence of local government. Even though there is no consensus on the actual role of local government in economic development, there seems to be adequate guidance in the legislative and policy framework, viz:

- **National Framework for LED 2014-2019**
- **National Development Plan – Vision 2030**

- **Reconstruction and Development Programme (1996)**
- **South African Constitution's** section 153 states that,

*“A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.”*

- **1996 Local Government Transition Act**
- **1998 Local Government White paper** which introduces the concept of developmental local government:
- “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of lives.”
- **Municipal Systems Act (2000)**

In this piece of legislation the Integrated Development Plan is seen as the key instrument to achieve organic, sustainable local economic development; as well as regulate municipal expenditure in respect of LED and build municipal partnerships for LED.

### **3.3.2 Regional Industrial Development Strategy**

The RIDS Strategic Intent is outlined as follows:-

- I. To enable all areas in the SA economy to attain their optimal economic potential by facilitating local development embedded in a regional/district through linkages within existing and latent industrial and economic base.
- II. To stimulate investments that will promote sustained high growth in a local community
- III. To focus on a region's potential and identify what local stakeholders can and need to do to ensure their local community reaches its potential
- IV. To assess a community's comparative advantage, identify new or existing market opportunities for businesses, and reduce obstacles to business expansion and creation
- V. To have an impact on the economic viability districts
- VI. To create new jobs, help communities retain existing jobs, help businesses access capital.
- VII. To contribute to a broader national framework with a spatial dimension, in order to increase each region's global competitiveness.

We subscribe to this strategic intent and have systematically designed a programme that will enable us to respond effectively to the challenges of our own economy. As such, we have improved integration of the LED programme with ruling IDP and SDF in order to achieve better spatial economic integration and sustainability in our interventions.

In undertaking this, the IDP takes into account our contributions to regional economy.

### **Absolute advantage**

There are various areas which the municipality feels it have the absolute advantages on; these range from the following:-

- I. Crop production
- II. Sheep farming
- III. Eco-tourism

However, these advantages have not been tapped to the fullest.

### **Comparative advantage / Competitive advantage**

There are three areas for investment in the Mbhashe area which have a major economic potential, and those are:-

- I. Agriculture
- II. Enterprise Development
- III. Tourism

#### **3.3.3 Other LED Potentials**

There are other targeted areas for investment which may have considerable economic potentials in the future, and those are:-

##### **I. Mari culture**

There's a great potential for fish farming programme in the area. Currently there are two communities under development trusts that showed interest in the project. They are Nqabara Development Trust and Mahasana Development Trust. The pre-feasibility study is being conducted for the Mahasana area.

## II. Mining and quarrying

Mbhashe has a potential for stone mining, sand mining and granite is found in some parts of Mbhashe. However, there's little done in this sector to help change the economic situation of the people in the area.

What is common is the illegal mining of sand by some business people. Their actions lead to degradation of land in various parts of the region and there's no policing of the area which is usually in the coast so as to safeguard land degradation. Granite can be found in Luvundu, Bojini and Weza areas.

## III. Fishing

The municipality once conducted a study on fishing; the study showed there's major potential in this industry as there's little done on this sector. All wards that form the coastal belt in the Mbhashe area will be noted for fishing projects and the communities will be encouraged to acquire fishing permits from the relevant Department.

Mbhashe boasts with the wild coast full of large river mouths and seas. These are all the areas where different forms of fishing can take place.

The area covers the area between the Qhora River and Zithulele River. There are different types of fish available in the area but the control on use is still in the hands of the Department of Fisheries – Marine and Coastal Management.

The study showed that the following projects can be undertaken in the areas mentioned:-

AREA	POSSIBLE PROJECT
Shixini	Suitable estuary for recreational fishery
Xhora	Suitable for community based canoe hire and ghillies
Nqabara Mouth	Conservation area/protected zone
Jujura Mouth	Angling destination
Qora Mouth	There's a boat house and sea launching is possible
Jotela	Recreational fishery

Table 22



Further recommendations included the formation of the Focus Group which will be mad of technical people i.e. government departments, NGO's and Government agencies, Further Education and Training institutions and Institutions of higher learning,

### **3.3.4 Agricultural**

The subsistence agricultural sector is the biggest contributing sector in the economy of Mbashe. Many households use agriculture for subsistence and they heavily rely on it for food. The areas of the municipality are mostly under communal land tenure.

#### **3.3.4.1 Sheep farming**

Mbashe contains arguably the richest land for livestock in the Amathole district. Public private partnerships and improved farming methods can expand commercial livestock farming in the Mbashe areas.

#### **Challenges**

- I. The study conducted showed there's no enough grazing land.
- II. The absence of a clear and known legislation on the issue of land redistribution.
- III. The absence of the Spatial Development Framework for the rural areas makes the chiefs and headmen to relinquish the grazing land to the high demand for land for households. This is hitting negatively to the plans for the improvement of wool in the area and the fight to push back the frontiers of poverty.
- IV. Animal diseases.
- V. There's a visible amount of skills shortage in the animal farming industry
- VI. Lack of water dams
- VII. Silted water dams.

#### **Remedial Action**

- I. Introduce spatial planning in rural areas
- II. Build partnerships with institutions that deal with animal diseases

#### **3.3.4.2 Cattle farming**

Cattle are spread all over the Mbashe area whilst main focus is on improvement on quality of cattle for meat and skin for leather production.

- I. Every year, the Department of Agriculture and the municipality plan for the known and the unknown outbreaks of diseases in animals. A scheme was developed where the municipality pays for vaccine, the farmer pays for each

animal vaccinated and the money is collected by farmers in dipping tank formations then banked, and the Department of Agriculture co-ordinates and manages the programme.

- II. A number of workshops named “information days” are conducted for the farmers, Chiefs and the councilors on the current farming methods and animal health.
- III. To ensure market access, the municipality is planning the wool shed where all the wool grower associations will put their wool and made ready for transportation to the formal industry. The farmers in this case will gain benefits associated with the economies of scale. This shed has already been built by MIG in Dutywa but needs equipment.
- IV. Construct new water dams- Request assistance from the technical Department.
- V. Clear siltage from the old dams- Request assistance from the technical Department
- VI. Request will be made to the technical Department for maintenance assistance.

#### **3.3.4.2.Goats**

Goat are largely in the Willowvale area (about 32 000) and small projects that are aimed at improving quality for milk production have started there. Twenty (20) year old shearing sheds have been renovated across Mbhashe and six (6) new sheds have been built.

#### **3.3.4.3.Piggery**

There are few piggery projects and some registered co-operatives from across the municipality. There’s a potential and an opportunity to develop a piggery abattoir in the area.

#### **3.3.4.4 Poultry**

For the past 9 years the municipality has assisted small poultry farmers to grow chicken and sell for profit. That was done as a poverty relief programme.

In year 2006, the municipality commissioned the services of the Agricultural Research Council to investigate why the poultry projects fail and do not graduate to a business model. The major cause for concern was the readiness of the market immediately when the product is ready for sale.

The department of Social Development has funded a lot of projects in the poultry industry but there were challenges in growing the industry.

## **Challenges**

- I. Market for the products
- II. Training for the projects
- III. Failure of the projects to sustain

## **Remedial Action**

An agreement was reached with the local retailers that they are going to buy the produce from the local projects, but the suppliers could not meet the required quantity at the required time.

The municipality is now in the process of establishing the chicken abattoir so that the chicken is taken to the abattoir once the chicken is ready for sale, thus providing enough market for those projects.

A number of institutions have been consulted and agreed on the training of the projects. These institutions are, King Hintsa FET College, Tsolo Agricultural College, Agricultural Research Council, Fort Kox, Department of Labour and the independent service providers.

### **3.3.4.5 Citrus Fruit**

The Willowvale area is also an area where there's potential for citrus fruit production. The area is dominated by deep, well drained and aerated soils. The climate is characterized by warm summer and cold winter with the mean annual temperature of 27°C. This area receives a summer rainfall of 780mm per annum.

The municipality together with the communities in the Willowvale and Xhora area has started the citrus fruit production in households. 3000 trees were distributed in all wards of Mbashe in years 2010/11/12.

## **Challenge**

Agreement with communities on land use management.

## **Remedial Actions**

- I. A series of workshops is being organized and facilitated on the land use and CLARA.
- II. The municipality has been providing citrus trees to Willowvale and Elliotdale communities.

### **3.3.5 Crop Production**

Two major crops that possess an opportunity to bring food and employment in the area are maize and vegetable.

#### **3.3.5.1 Maize Production**

Size of the land available for maize production is 12 thousand hectares.

- I. The used size for maize production is less than 4 000 hectares.
- II. Maize is the mostly used crop/grain in the Mbhashe area mainly because many of the households use it as their staple food.
- III. About 31 wards of Mbhashe have been provided with fencing materials in financial years starting 2011/12 up to today. This is done to avoid intruding animals. Whilst there's no scientific study conducted; this assistance has encouraged more farmers to go back to the ploughing fields again.

#### **Challenges**

- I. Along the Mbhashe and Nqabara rivers there are valleys which are suitable for maize production but the limitation is extreme bad conditions of road; making it difficult to reach the ploughing fields by an auto-mobile.
- II. Inability to create sustainable markets for the produce.
- III. Low amount of rain in other areas.
- IV. There's still lack of assistance on funding for the inputs like fertilizer.

#### **Remedial Action**

- I. The development of clear marketing plan would help the farmers to cope with market problems
- II. Development of an investment strategy
- III. Encourage partnerships and other joint venture initiatives leading to value chain
- IV. The MLM should use its resources to maintain the rural roads.
- V. More dams should be constructed along the producing ploughing fields.
- VI. More budgets should be allocated in order to assist to purchase the fertilizer.

### **3.3.5.2 Vegetable Production**

- I. Vegetable production is another area where households source food from, in the form of community gardens and own gardens. Several projects and co-operatives are now irrigated and are producing enough for selling in the local market.
- II. These projects have created jobs for some who were jobless and are now earning ±R600 a month from income generated through vegetable production.
- III. To ensure access to the market, an Agri-park has been established where the Siyazondla groupings, the vegetable co-operatives will be able to sell their produce. The Agri-park is located at Duff Location (ward 09).
- IV. To encourage vegetable production at households, the municipality is providing seeds and seedlings to Siyazondla groups and to some households.

### **Challenges**

- I. Poor road conditions make it difficult to access the market for the produce leading to a total closure of some of the projects
- II. The increased price of fuel makes the production cost of vegetable to rise as some of the projects still use fuel for irrigation pumps, and this has also increased the transport costs of delivery.
- III. The unavailability of the electricity contributes to the ever increasing costs of production making it difficult for the local project to compete with the well-established ones.
- IV. Transportation of produce to the market is a major challenge for our farmers.

### **Remedial Action**

- I. The municipality must re-structure its road infrastructure programme to include community projects that are viewed to unleash economic potential of the area and create jobs
- II. A fresh produce market can assist address the market issues wrt to fresh vegetables coupled with the marketing strategy.

### **3.3.5.3 High Value Products (HVP)**

#### **I. Macademia**

The industry promotes an approach where partnerships with Chiefs, Rural communities and municipalities are established. Presently, the Eastern Cape Macademia Industry is working on securing funding support for a second 300ha macademia project located here in Mbhashe involving AmaJingqi Community.

The macademia nuts have been researched and found suitable for some areas of ward 22. This project may expand to all the areas surrounding Amajingqi like Bhojeni, Jujura and others where the snow does not fall.

Approximately 300 hectares has been identified within the AmaJingqi community. The target is to plant 50 hectares during 2015/16 financial year and the remaining 250 hectares will be planted during 2016-2018.

At full capacity the factory will create 2200 jobs and a total wage bill of R66.3 million per annum for approximately 80 years. In addition to the jobs; the community will benefit through rental fees for 80 years.

#### **II. Sorghum**

Sorghum is another HVP which is regarded as one of the products which can help grow the economy of the region. The initiative came from a youth co-operative called, "Nondobo Youth Co-operative".

This pilot program of the sorghum won the support from several government departments and parastatals and the private sector like Anglo American. The municipality has funded the general tree removal in the area.

To sustain the programme, a total of 4000 hectares is needed for the 12000 tons needed.

### **3.3.6 LED AVAILABLE INFRASTRUCTURE**

#### **I. Shearing sheds**

There are approximately 40 shearing sheds mostly in the Dutywa area where there are plenty of sheep.

Whilst the function to construct shearing sheds rests with the Department of Rural Development, Land and Agrarian Reform (DRLAR); the municipality through the Community Based Plans becomes inundated with requests and demands for shearing sheds hence a resolution was taken by council to construct and renovate shearing sheds.

Backlog for the shearing sheds is 06 out of sheep farming communities.

## **II. Dipping tanks**

There are almost 400 cattle dipping tanks which were all built by the then Transkei homeland government and some by the provincial department of Agriculture.

These dipping tanks become old and could not be used optimally; the municipality then budgets through a programme called "Livestock production" to renovate the dipping tanks. In the year 2014/15 five dipping tanks are being renovated.

## **III. Fencing of arable land**

The municipality has managed to rollout this programme for the five years in a row now. The objective is to have every arable land fenced so that farmers can farm peacefully not in fear of the animals. This programme is linked to Maize Production programme of Mbashe Municipality and ADM where different assistance programs can be seen. All wards have received fencing for more than two times and the farmers are urged to fence for themselves as part of showing commitment to the course.

### **3.3.6.1 High Impact Programmes**

#### **I. Agri-park**

MbasheAgri-Park can be found at Duff Location in Ward 9.

Agri-Parks form part of the Comprehensive Rural Development Programme (CRDP), and Agri-Villages.

The Agri-Park is considered as High Impact programme because of the scale of involvement and the income to be generated by Mbashe crop farmers, Siyazondla groups and co-operatives.

The Agri-Park is set to change the Mbashe rural landscape and usher in real economic transformation. The Duff Agri-Park will further facilitate development of local agricultural economies that are community driven thus meeting basic human needs as its driver, ensuring on and off farm infrastructure development and contributing to the emergence of rural industrialists.

## **II. AmaJingqi Macademia**

Earmarked for this project is the overseas market and once taken ground this will generate a lot of revenue for the area and will have long lasting impacts for social life in the area.

### **3.3.6.2 Unfunded Priority Programmes**

#### **I. Piggery abattoir**

SMMEs specialising in piggery have come together to seek a grant funding for the piggery abattoir. Land has also been identified as the current problem for the development of the abattoir which is earmarked in the Dutywa commonage.

#### **II. Mariculture/Fish farming**

The programme is estimated to be implemented with less than R10m for both areas of Mahasana and Nqabara as envisaged.

### **3.3.7 PARTNERSHIP**

#### **3.3.7.1 Humana People to People in South Africa**

Humana is a member – organization of the Federation of Association connected to the International People to people Movement. HPP in South Africa is a Section 21 Company and is also registered as a non- profit organisation. The organisation established its operation in South Africa in 1995 and works with disadvantaged communities to secure improvements of their economic situation, education, health and social well-being. All programmes involve communities in contributing towards their own development, by establishing local structures and training and empowering these to be self- reliant and self- deciding bodies and is today operating in five provinces reaching more than 2 million people. The LED Department recommends therefore that this organisation be on the Mbhashe IDP.

#### **I. Institutional Framework**

The coordination of LED programmes is done through a dedicated department in our organogram, called Development planning. Operationally the officials in this section work closely with our stakeholders through a series of forums including but not limited to LED forum, project steering committees, sector specific associations and monitoring and evaluation structures.



Through these institutional arrangements Mphashe is implementing its constitutional mandate as stated the constitution of the republic of South Africa, section 152 (1) (c) reads “to promote social and economic environment”. This read together with the White paper on Local Government re-inforces this mandate. It defines developmental local government as, “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives,”

## **II. LED Committee of council**

The council has four section 79 committees described as:-

- I. Planning and Development Committee
- II. Infrastructure
- III. Institutional and Finance
- IV. Community Services

LED is part of the Developmental Planning Committee with the terms of reference as the following:-

### **Terms of Reference**

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- I. Local Economic Development;
- II. Tourism;
- III. Agriculture;
- IV. SMMEs
- V. Fisheries
- VI. Film industry
- VII. Facilitate the capacity building and accessing of resources, technology and other productive forces by SMME’s in all spheres in particular agriculture.
- VIII. Initiative and monitor an investment code consistent with the national and provincial frameworks.
- IX. Ensure the implementation of the urban renewal and rural development strategies informed by local needs and dynamics.

## Functions

- I. To give direction in the formulation of policy for commercial, tourism and agricultural development;
- II. To develop a comprehensive economic development programme with clearly defined parameters;
- III. To facilitate the assertion of local government as the center of coordination of economic development;
- IV. To coordinate an inter-departmental economic development cluster for synergizing of governmental programme in economic development;
- V. To develop guidelines for public-private sector economic partnerships;
- VI. To coordinate the evolution and activity of local “Investment Council”;
- VII. To consider applications for the amendment of certificates of registration to provide for changes in trading names and types of commodities sold;
- VIII. To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

## LED Staff

The municipal LED unit in terms of the organogram entails the following:-

- I. Reporting to Senior Manager: Developmental Planning is LED manager
- II. Reporting to LED manager are three officers viz
  - o LED Officer: Agricultural Development
  - o LED officer: Tourism
  - o LED officer: Enterprise Development
- III. All assisted with a contracted LED Assistant

## LED capacity building programmes

### I. Learnerships

In the financial year 2013/14 and the half of 2014/15 the municipality had three students under the learnership programme.

### II. Internships

We have one student under the internship programme who is paid by the funding from the Co-operative Governance and Traditional Affairs Department (COGTA).

The internship programme was extended for two years from June 2014 to June 2016.

### **III. Capacity of the current staff**

All the current LED staff attended and qualified on different LED related capacity training programmes. The courses range from Project Management to Monitoring and Evaluation.

## **STAKEHOLDER ENGAGEMENT**

### **I. LED Forum**

Mbhashe Municipality has assisted in the establishment of units which offer potential benefits for the management, implementation and monitoring of LED programmes and/or projects. These are:-

- I. Community Development Trusts
- II. Section 21 companies

### **III. Community Development Trusts**

A number of Community Development Trusts have been established and registered on various areas for dealing with development in specific areas: They are:

- Dwesa/Cwebe Development Trust
- Nqabara Development Trust
- Qhora Development Trust
- Weza Development Trust
- Qatywa Development Trust
- Mpame Development Trust
- Jotela Development Trust
- Mahasana Development Trust
- Mbangcolo Development Trust

### **3.3.8 SECTION 21 COMPANIES**

- I. Local Tourism Organisation
- II. Mbhashe Farmers Association

These two organizations were registered as section 21 companies and the municipality is working very closely with them. The only problem is that both have not entered into an agreement with the municipality yet in order for them to do their own fundraising for their operations. For operations they presently rely on the municipality at the time the assistance is needed. The municipality therefore intends to make them separate entities and work independently and closely with the municipality.

Above all the institutions that work with and closely with the municipality in implementation of LED programmes and projects, there's a structure that involves many other stakeholders i.e. the LED forum.

All these organizations are required by council resolution to report their activities in the LED forum. The forum is composed of:-

- I. Mbashe LED standing committee Councillors
- II. Mbashe LED officials
- III. Local Tourism Organisations
- IV. Community trusts
- V. Co-operative Forum
- VI. Mbashe Farmers Association
- VII. Community Based Organisations dealing with LED
- VIII. Government institutions dealing with economic development
- IX. Mbashe business forum

### **Supply Chain Management**

The municipality has adopted the Supply Chain Management Policy. In the policy the municipality has put targets looking at the development and capacitation of the local entrepreneurs and Small and Medium Enterprises.

### **Red Tape Reduction**

The municipality is still trying to find ways of dealing with red tape through appropriate delegation powers at the same time not by-passing the role of the council as legislated. This is particularly related to sub-divisions, consolidation and rezoning permits.

### **3.3.9 ENTERPRISE DEVELOPMENT**

There are other several opportunities and initiatives undertaken by the people in every ward of Mbhashe. These initiatives are apart from the common agricultural initiatives which people engage themselves in for subsistence purposes. These initiatives range from:-

- I. Brick makers are largely sole proprietorships and co-operatives. Whilst there are such initiatives there's a lot of brick that is imported from areas like East London. Having identified the challenge; the municipality took the initiative to have an accredited training programme for brickmaking co-operatives. The two main challenges however are:-
  - o Not all have been trained due to distance from training centre
  - o Machinery used is old
  - o Bricks need to SABS approved
  - o Bakery (the school feeding scheme gave the opportunity for the establishment of co-operatives in the bakery industry, which is found in almost every ward).

#### **3.3.9.1 SMALL MEDIUM ENTERPRISES (SMMEs)**

This is the area where there were challenges such as:-

- I. Access to finance
- II. Training
- III. Difficulty in filling of tender documents

As a response to these challenges, the municipality is doing the following:-

- I. A range of financial institutions that issue finances are called to present to the SMME's.
- II. The department of Labour is offering training on the projects like Bakery and ECATU is assisting on brick making etc.
- III. More trainings need to be conducted in order for them to grow their businesses

#### **SMME Database**

Different databases of the SMME's have been developed seeing the different nature of SMME's the municipality have and the nature of assistance the SMMEs need from the municipality.

Different SMMEs the municipality identified are the following:-

- I. Service providers  
Several workshops are planned to assist emergent SMME to fill in necessary documents that are required to tender
- II. Co-operatives (who are not providing services to the municipality)  
Cooperatives have been trained in almost all the financial years on different aspects. The concentration has started to be on their ability to produce more in both quantity and quality and be able to market those products.
- III. Medium Enterprises in the second economy (largely in the retail sector)
- IV. Manufacturers like brickmakers, bakeries etc
- V. Services sector industries like saloons
- VI. Informal traders

The informal traders have been supplied with weather jackets. Also the municipality has planned hawker stalls for the three districts of Dutywa, Willowvale and Elliotdale. These have been budgeted for from the MIG in the 2014/15 and 2015/16 financial years.

The database of all the above different categories is being kept by the municipality for purposes of creating good relations and assisting where needed.

### **3.3.10 AGRO-PROCESSING**

#### **I. Wool**

There is an opportunity for those who want to process wool in the region as there are a lot of sheep. The Dutywa area is regarded as amongst the top areas with sheep in the Eastern Cape Province.

Programs such wool improvement have been one of the flagship municipal programs for the past ten years. This has been made in partnership with the DRDLAR and the farmers themselves. This programme has had a great impact in improving wool and inculcating the entrepreneurial spirit among the farmers with specific reference to wool growers.

#### **II. Maize and Maize milling**

Ever since the municipality started the maize production programme in the early 2000; there has been an improvement in the quantity and quality of maize being produced.

This called for the different entrepreneurs to have interest in the milling of maize. Others went to the extent of getting the municipal land where the milling would take place but in the process lacked funds to proceed with the programme. Maize milling remains the viable project initiative for the region as there's plenty of arable land for maize production and further maize is also used for subsistence and household staple food.

### **3.3.11. TOURISM DEVELOPMENT**

Local economy has a competitive advantage in Tourism.

Tourism potential can be elicited in:

- I. Heritage Tourism
- II. Coastal Development
- III. Craft Development
- IV. Tourism events and shows

However, the existing potential in these comparative and competitive advantages has yet to be realized. More needs to be invested in unleashing this potential for LED benefits. While more jobs were realized in the community services, this sector is not a sustainable sector for job creation

Tourism can provide a major boost to the district's economy, linking the many diverse attractions of Mbashe. Strong branding is needed to link the different features.

Activities include the following:-

- I. Heritage Tourism
- II. Coastal Development
- III. Craft Development
- IV. Tourism events and shows

#### **3.3.11.1 HERITAGE TOURISM**

Heritage forms part of socio-economic and cultural development. It contributes significantly to the gross domestic product through tourism, particularly cultural tourism. The development, marketing and packaging of heritage tourism routes will accelerate the contribution of tourism in the municipality.

There are sites which have been identified for development such as signage, access improvements, information displays and other anchor projects linked to the heritage and

tourism development such as the Visitor Information Centre for Dutywa. Such sites are identified:-

- I. King Hintsa's grave
- II. King Sarhili's grave
- III. Sinqumeni caves
- IV. Fort Bowker
- V. Fortmalan Memorial
- VI. Liberation Route

There are other places identified in the Liberation Heritage Route which is a National Project that seeks to establish a route based on the war against colonialism and national oppression.

Projects included in the liberation route include developing and conserving the notorious "White House" at Dutywa which was used as a place of torture for many activists of the time.

The other important project is the development of the Mazizi Maqhekeza Resource Centre as an honour to the former Umkhonto Wesizwe freedom fighter.

### Challenges

- I. Some local communities are not interested on heritage sites especially the affected communities
- II. Vandalising of heritage sign boards by local communities is also a challenge
- III. Limited budget for maintenance of Mbhashe Heritage sites

### Remedial Action

- I. Developing a heritage strategy that will address the needs of communities
- II. Conduct heritage awareness campaign at schools and affected communities
- III. Increase budget

### 3.3.11.2 COASTAL/NODAL DEVELOPMENT

Areas earmarked for development in the coastal zone include the following:-

AREA	PROPOSED NODE	SUITABLE FOR	STATUS QUO
Qhora	1 <sup>st</sup> order	Arts & Cultural	Fencing of the site and



		Village	in the process for construction of Rondavels
Jotela and Kufolokhwe	2 <sup>nd</sup> order	Dwaai Community Lodge	Still following planning processes
Beechamwood	2 <sup>nd</sup> order	Camping facilities	No development
Nqabarha	2 <sup>nd</sup> order	Lodge	Project has been completed and its operating
Dutywa Dam	Protected area	Conference & Recreational facilities	Feasibility study was done and completed, looking for a developer
Haven	2 <sup>nd</sup> order	Hotel	Renovations were done and completed in 2012
Nkanya	2 <sup>nd</sup> order	Estuary Lodge	Construction of six chalets has started.
Qatywa	2 <sup>nd</sup> order	Chalets Lodge	Construction is currently under way

Table 21

### Challenges

- I. Financial Constraints or difficult to source funds
- II. Not easy to get developers
- III. There's no easy access to the coastal resorts because of poor roads conditions

### Remedial Action

- I. Develop a business plan in order to source external funding
- II. Must be advertised on papers in order to attract investors
- III. Conduct awareness to communities about the planned development
- IV. Involve communities on the planning phase

#### 3.3.11.3 CRAFT DEVELOPMENT

- I. Mbhashe Craft Development initiative was launched in 2004, and the structure of Mbhashe Crafters association was finally established in 2011.

- II. Individual craft projects are advised to register as co-operatives so that they are able to trade, and currently approximately 20 crafters that are official a co-operatives.
- III. Opportunity is given to crafters to showcase in areas like Grahamstown Arts Festival, MACUFE, Tourism Indaba, Tourism Imbizo and any other area where craft material is strongly marketed.

### **Challenges**

- I. The issue of access to market for craft product is still a challenge
- II. The dependence of crafters to the municipality for product development and access to market is also a challenge.
- III. Political instability and interference has a bad influence on implementing the above programs
- IV. Limited budget

### **Remedial Action**

- I. The individual projects/co-operatives form clusters so that they are able of trade as cluster and access funds as one co-operative.
- II. Strengthening of craft development training will improve the quality of their product.
- III. Unity among Mbhashe Crafters Association

#### **3.3.11.4 TOURISM EVENTS AND EXHIBITION SHOWS**

As part of promoting, marketing and bringing tourists in the area, we had various events hosted internal and external that market Mbhashe to many as a tourist destination, namely:

- I. Mazizi/Maqhekeza Memorial Heritage Festival (Internal)
- II. Umbono Wesizwe Heritage Festival (Internal)
- III. Macufe Heritage and Cultural Festival (External)
- IV. Horse Racing Sport Tourism Event (Internal)
- V. Going to Tourism Indaba in Durban and Grahamstown Arts Festival to market Mbhashe as a tourism destination area.

## **Challenges**

- I. Financial constraints
- II. Less budget

## **Remedial Action**

- I. All planned events must be in the IDP and government departments must inform us about their programs that affecting us.
- II. To add more budget in order to conduct these events successfully

### **3.3.12 INVESTMENT ATTRACTION, RETENTION AND EXPANSION**

The Economic Development Department has identified a number of gaps in the local economy and is planning to develop a policy or strategy on investment attraction, retention and expansion. The planned strategy will address strategic issues that enhance service delivery in terms of socio-economic infrastructure and recruiting investment into the area, promote Mbhashe as a recognized business destination of choice; by promoting the areas value added goods and services as well as the strategies for commercial and / or economic infrastructure funding models.

It is envisaged that the strategy will translate tangible programmes into investments and possibly realise the rand value of tourism, export, infrastructure and investment. It is aimed at profiling and promoting Mbhashe with the view to facilitate strategic partnerships that will bridge the divide between the first and second economy driven by competitiveness and job creation and narrowing the spatial disparities.

Key outcomes:

- I. To ensure successful implementation of the trade and investment conference and exhibition
- II. To develop a brochure of fully costed and bankable projects to be sold at the conference
- III. To have a business-to-business matchmaking breakfast sessions
- IV. To expose SMME's to big business and investment partners
- V. To showcase value added goods and services with elasticity of demand
- VI. To generate new investment incentives

## **Current Initiatives**

However, there are current initiatives which the municipality planned and hoped will attract investment and create jobs. These were:-

- I. Construction of Shopping Mall (old tennis court)

- II. Construction of Shopping Mall (N2 Shopping Mall)
- III. Willowvale Shopping Mall

### **3.3.13. GREEN ECONOMY**

The municipality has no Green Economic Strategy but seeks to derive one in the next financial year. The municipality seeks to mobilise resources from other departments such as DEA for the strategy development. Whilst there is no strategy in place; the municipality is encouraging programmes and projects on green economy. Currently; the municipality is installing solar for lighting in 2000 households in the Elliotdale area and Msikithi.

In partnership with World Vision; the municipality is also providing water tanks to the needy households.

Other initiatives are taken to curb the environmental degradation of the land; such as land rehabilitation, tree planting, removal of alien species.

### **3.3.14 SMALL TOWNS ECONOMIES**

Small Town Economies is a concept that co-incided with the Department of Treasury’s National Development Partnership Grant (NDPG). A business plan was earlier made for the Dutywa area and that found itself the pre-approval for NDPG.

Because of the magnitude of funding; the ADM Development Agency named “Äspire” was appointed to project manage the implementation of the grant. Several plans were done including the Local Spatial Development Framework (LSDF) for Dutywa.

The main challenges which led to non-implementation were:-

- I. Pending land claims
- II. Shortage of bulk infrastructure
- III. Reluctance of the private land owners to relinquish land for development

With the lapse of time; the NDPG changed focus and the development of rural and small towns remained with the Department of Rural Development. The department funded the studies in the three districts i.e. Dutywa, Gatyana and Xhora and the findings were as follows:-

### **XHORA IMPLEMENTATION PLAN (HIGH PRIORITY PROJECTS)**

RANKING	NAME OF THE PROJECT	POSSIBLE FUNDER
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High	Urban greening in the new RDP housing area	DEA, EPWP
High	Alien eradication throughout the town	Working for water, EPWP, Own funding
High	Solar PV to town grid	DBSA, private investor
High	Botanical garden along water course	EPWP
High	Commonage and Erosion Management Plan	Aspire, IDC, DBSA
High	Mentorship (Beef, sheep, goats and poultry)	DRDLR
High	Input support (Med and licks) – Beef and sheep	DRDAR

*Table 22*

### **Key Development Interventions and Areas**

In order to respond to spatial challenges, opportunities and constraints and to achieve the developmental vision of the Regeneration Strategy, several specific areas (or geographic localities) have been identified as Key Development or Key Intervention Areas. These are:

#### **I. Residential Development, Accommodation and Subsidised Housing**

- I. Low cost residential development expansion at Govan Mbeki Township to accommodate housing backlog. The scale and type of development should respond to the need ie. affordable rental / temporary accommodation versus first time owners / landless
- II. Middle-to-high income residential to the south east of the CBD
- III. Middle income development of prior planned extensions to the west and north Industrial
- IV. Reserving land around the station, extending in a westerly direction for commercial/light industrial and industrial development.

#### **Transport / Trade**

- I. Development of four Integrated Taxi-Commercial Nodes associated with the entry/exit points into/from Dutywa along the four main taxi routes (i.e. East London, Ngcobo, Mthatha and Willowvale). This should include ablution facilities at each.
- II. The development of a Central Square/ Market-place focussing on the former Central Square of Dutywa. This central space is presently badly utilised and reduces the quality of the urban environment in town as well as adding to the congestion and dysfunctional nature of the CBD.

### **Tourism Resource Centre**

- I. In order to better equip Dutywa to be marketed as a Gateway to the Wild Coast, it is desirable that a proper functioning Tourism Resource Centre be developed at the entrance to the town on the south eastern approach of the N2.

This facility should ideally be integrated with compatible developments such as the proposed retail centre or conference / accommodation / entertainment establishment. Concerns around the positioning of the latter development in relation to the flood line, need to be addressed prior to approving investment of public funds.

### **WILLOWVALE PRECINCT**

Given the predominance of the Financial Intermediation, Insurance, Real Estate, and Business Services sector, it may be argued that the future prosperity of the town is likely to be related to the consolidation and extension of the rental accommodation sector. More people residing in the town in rental accommodation would increase the demand for local goods and services, leading to a virtuous demand-led cycle of development.

For this to happen, the functionality of the town needs to be enhanced so as to improve its attractiveness as a destination for business enterprises and providers of social services. Key aspects of such an improvement include the following: -

## **I. RELATED TO WATER SERVICES**

- I. The current supply of raw water to the Willowvale Water Treatment Works is reportedly adequately catered for in planning to supply the existing demand in the town.
- II. Future planning indicates that certain additional sources of supply would need to be added into the system to secure the adequate provision of water for future extensions.
- III. In the interim, a priority with regard to Water Supply is the implementation of a Water Conservation & Demand Management Programme, which is to aim to achieve a reduction in unaccounted-for-water 0.1 million m<sup>3</sup> per annum.
- IV. A specific issue challenging the town at present is the lack of a Waterborne Sewerage System. This was initiated but has been prevented from being completed to function by a land invasion that has prevented the completion of the Works infrastructure.
- V. Finalisation of a workable Solid Waste Management solution: either operationalizing the planned Transfer Station system as a matter of urgency or – in the interim – developing properly a fully managed local waste disposal site, which is the preferred option of the local stakeholders.

## **II. TAXI FACILITY**

1. Whilst a new taxi rank facility has been initiated along the main road, this is inadequate in size and has no ancillary facilities. There are two Taxi Associations plus a long-distance Bus Association that service Willowvale town and these all need to be accommodated in properly designed and developed ranking facilities with ancillary land use and support facilities provided.
2. At least two taxi ranks need to be developed (one for Uncedo and one for Border Taxi Association).
3. It is desirable that a Long-distance Bus Rank also be developed, as per discussions held with the relevant Associations.
4. In all cases, it will be desirable to ensure the integration of facilities for informal trading (hawkers) with the public transport facilities.

### **III. ROAD NETWORK**

- I. The current road network is inadequate for the town's needs, especially given its function as a public transportation hub as well as a commercial centre that draws larger delivery vehicles.
- II. In addition, roadside parking is inadequate for the needs of road users and the volume of users in the central business and service districts.
- III. A full assessment and re-design of the town's road networks is required. Aside from the Main Road, the circulation roads (especially to the south of the Main Road) also need to be upgraded and certain intersections need to be re-designed to permit heavy vehicles to turn into and out of the Main Road.
- IV. It is crucial that a proper operations and maintenance schedule for the town's road network is developed and implemented to prevent periodic deterioration and the consequent need to re-build roads.

### **IV. CRAFT CENTRE**

- I. As it is recognised that the town functions as a hub for social and cultural events in the sub-region (catchment) it services, this facility is deemed to be of particular importance by the stakeholders who were consulted in the course of the project work.
- II. As such, the facility needs to be extended and fully developed to function as a higher order sports facility that serves a broad catchment population. As such, it would enhance the town's role as a node where the surrounding rural populace may access higher order goods

### **RURAL DEVELOPMENT INITIATIVES**

Apart from the programmes relating to economic infrastructure, tourism development, agricultural development and small enterprise development; there are some programmes earmarked for economic development of the region. The current proposals are:-

#### **I. Mbangcolo (Proposal For Agriculture And Agri Value Chain)**

Mbangcolo Area is situated on the wild coast of Willowvale Town in the Eastern Cape. The area covers seven locations and is endowed with the beautiful



landscape, the Mbongo Mountain, rivers such as Mbhashe and Nqabarha and the King Hintsa's gravesite. With all these natural endowments there's potential for development of the area into an industrial base. The people of Mbangcolo have formed and registered a trust called "Mbangcolo Development Trust".

The proposal development include:-

- I. Erection of a shopping centre
- II. Upgrading of the streets
- III. Establishment of an Agri-College
- IV. Agricultural development to include tunnel farming, hydroponics and aqua-hydroponic farming

The agricultural potential of the area will be unleashed using 10 000ha and the envisaged Mbangcolo Irrigation Scheme as proposed in the SDF.

## **II. Nqabarha (Proposal For Multi-Purpose Centre And Agricultural Development)**

The Nqabarha Area is situated on the Wild Coast of Willowvale Town in the Eastern Cape, a beautiful and almost pristine estuary surrounded by coastal lowland forests characterised the natural resource assets of the area.

There are thirteen villages involved in this development that form the greater Nqabarha Administrative Area.

The proposed investment is directed to area of greatest potential so as to promote economic growth and alleviate poverty.

The development include:-

- I. Construction of a shopping mall
- II. Office infrastructure
- III. Farming production
- IV. Planting of Soya beans for diesel

## **III. Ntshatshongo**

Ntshatshongo Administrative Area (A/A) is a traditional tribal jurisdictional area covering seven locations namely Fort Malan, Tywaka, Mnandi, Gxaka-

Gxaka, Lubomvini, Gwadu and Ludiza also known as blocks 1,4,3,2,6,7 and 5 respectively. Each of these has a headman or two but all subject to chief Bikitsha of Ntshatshongo. These locations do not mirror wards pound for pound. Ward 27 for instance incorporates all of these locations and goes on to include Mhlohlozi, Nokatana and Mfezane. So, to the extent that this submission is in respect of the IDP it can be regarded as reflecting the development needs of ward 27 from the tribal authority point of view.

The area has the following development Proposals:-

### **Access Roads**

There is need for the road to the Great Place to be constructed as same is used every day by people going to the Great Place for meetings and services. This could be about 1 kilometre of gravel road.

Secondly all of the seven locations have graveyards that are inaccessible. These would average 700 meters from the main roads and there are on the average two graveyards per location.

These could roughly be about 11 kilometres of gravel road to all thee grave yards.

We will also need some parking areas next to these grave yards. These also may be gravel parking areas averaging about seven hectares for all seven locations.

### **Fences**

Graveyards and for Grazing Camps

Each location needs at least two grazing camps to help with rotation of grazing. Each grazing camp could be about 9 square kilometer for each of the seven locations,

### **Millie fields**

An average 5km fence to separate grazing land from Millie fields would be required for each location total 35 kilometres of fencing for these areas would be required.

## **SOCIAL COHESION DEVELOPMENT PROPOSALS**

Like other places in our country crime is on the increase in our area and as such requests for a satellite police station were made and agreed to in principle by SAPS.

The A/A has since identified land at Fort Malan where this would be established. So a

precinct with a police station, post office, Cooperatives buildings where seeds and fertilizers and medicines for animals can be stored is needed. So this multi-purpose like centre where in shops can also be set up needs to be designed by architects and initial surveying and zoning of the area would need to be done during this initial stage and its phases of development to be followed over the medium to long term development planning.

## **EDUCATION**

There are only two high schools in the A/A viz Fort Malan and Gwadu. The erstwhile junior secondary schools are being downgraded with the consequence that children will now need to flock to these two centres: whilst scholar transport does help, the need for development of hostel infrastructure cannot be over emphasized. May be a study must be commissioned to determine how and when can infrastructure in this regard be commenced with.

## **EMPLOYMENT CREATION AND FOOD SECURITY**

The area has started means to confront food insecurity as well as unemployment. To this end the area has identified beef as a spearhead project in this fight. For this to happen there's a need for grazing camps. The DEA has identified the need to eradicate invasive wattle and utywala bentaka, the Department of Environment Affairs is already in our area but with a limited mandate to focus only along the river Nqabara. We hold the view that if our IDP can capitalize on this going project by extending funding to include grazing and Millie fields much more can be achieved at lesser cost.

## **ESTABLISHMENT OF COOPERATIVES AND TRAINING**

Five cooperatives must be established. These are for Beef, Goats, Piggery, Haw-Haw Tea and Maze. However, there's still a need for the co-operatives registration, training and funding mobilization in this regard.

## **TENZA BEACH DEVELOPMENT PROPOSALS**

The community of Mahasana in response to growing interest to Tenza beach agreed to approach the municipality for assistance in support to development of a single plan that addresses the needs of the area.

Large numbers of people visit this area regularly with more numbers on holiday seasons. The biggest challenge they experience is accommodation and such related facilities.

The concept proposes the following:-

I. Sand mining

Sand mining is the issue the community raised as a concern that needs to be managed well as mining in the area is currently illegal. The community agreed that to address these issues the land along the coast from Shixini to Nqabarhana River be handed over to the control of the community trust that will plan and manage it in order to address issues mentioned above.

II. Aqua-culture farming

People in the area interested in fishing and many do this daily. They need assistance to formalise this and create jobs for themselves. A study is progress towards establishment of a fish farm (Aquaculture) in the area.

III. Tourism resort

The nearest accommodation facilities in this area Nqabarhana Community Lodge and Dwesa Lodge which are both 6km from the area. The other is Kobb Inn which is 9km from this area. Although these facilities look closer to Tenza area, the challenge to all of them is that to reach them one has to drive more than 47km via inland to reach them because there are no shortcuts roads linking them.

### **3.4 KPA 4: FINANCIAL VIABILITY**

#### **Overview**

The budget and treasury office serves as a key fundamental support function to the entire municipality, responsible for ensuring that the municipality's financial management is effective and efficient, thus ensuring that the municipality delivers on its mandate i.e. providing sustainable basic services to the community at large.

Financial Viability is responsible for the following key functions:-

I. Revenue Management

II. Expenditure Management

- III. Asset Management
- IV. Supply Chain Management
- V. Budget Planning and Financial Reporting

The municipality has developed and operates under the guidance of the following policies that are reviewed on yearly basis:

- I. Supply Chain Management Policy
- II. Asset Management Policy
- III. Budget policy
- IV. Virement Policy
- V. Riff Policy
- VI. Rates Policy;
- VII. Credit Control and Debt Collection Policy
- VIII. Banking Policy
- IX. Cash Management and Investment Policy
- X. Indigent Support Policy
- XI. Customer Care Policy
- XII. Creditors, Councilors and Staff Payment Policy

However, currently the municipality does not have the following policies in place:

- I. Borrowing policy
- II. Funding and reserves;
- III. Long-term financial plan;
- IV. Infrastructure investment and capital projects.

### **3.4.1 REVENUE AND DEBT MANAGEMENT**

#### **Revenue Management**

MFMA Section 64 (2) (a) states that, “the municipality must have an effective revenue collection systems consistent with the municipality’s credit control and debt collection policy”. The Mhashe Municipality’s Credit Control and Debt Collection policy was adopted by Council. The municipality is currently using the Venus financial system for recording revenue related transactions and for the billing its consumer debtors.

The municipality does not have numerous revenue sources it relies primarily on government transfers. Another source of revenue that has proven to be lucrative is the investment option of our excess funds, but ensuring the safest option with regards to the investment option. When looking at other revenue sources the municipality also receives quite a considerable amount from VAT refunds resulting from payments that we have made primarily.

From the table below it remains apparent that the municipality is more dependent on grants and subsidies as a source of revenue, with 90% of its total budgeted income coming from transfer grants and subsidies.

The municipality has reviewed its revenue and enhancement strategy for the current financial year drawing our attention to the alignment of our strategies to the socio economic factors of our communities.

*The following table shows the percentage revenue received against the budgeted revenue for the 2013/14 and 2014/15 financial years respectively*

Revenue Source	BUDGET	%	BUDGET	%
	2013/14	REC	2014/15	REC
Property rates	5 533 920	79%	5 843 820	93%
Refuse	729 709	100%	770 573	97%
Rental of facilities	716 695	100%	1 170 424	72%
Interest on Investments	2 070 528	100%	4 500 000	99%
Fines	868 655	72%	460 826	50%
License & Permits	1 584 000	60%	1 672 704	40%
Transfers Grants and Subsidies	189 930 000	96%	245 071 787	94%
Other Revenue	9 876 358	90%	11 431 360	29%
<b>TOTAL</b>	<b>211 309 865</b>		<b>270 921 494</b>	

Table 23

## Debt Management

Debt Management entails billing of consumers and collection of debt owed to the municipality. The municipality has undergone an extensive data cleansing exercise and a

number of errors and discrepancies have been uncovered. As a process of rectifying these inaccuracies and discrepancies, the municipality council resolved to write-off irrecoverable debts together with take-on balances. The process of writing-off bad debts began with outstanding debts as at 30<sup>th</sup> June 2008 which were written-off in full.

The second write-off was for all outstanding debts as at 30<sup>th</sup> June 2013 provided that ratepayers would settle 50% of the outstanding debt over a period of six months. The implementation of the second write-off could not be implemented due to non-willingness of ratepayers to settle the 50% outstanding debt. Therefore the municipality decided that all outstanding debts as at 1<sup>st</sup> July 2014 will be forwarded to a debt collector for collection. The municipality has appointed a debt collector to recovery its long outstanding debts. When this process is complete the system is anticipated to produce accurate and dependable billing information with regards to consumers and debtors. Efficiency and customer satisfaction in this regard would thus be achieved and the municipality will start charging interest on long outstanding debtors.

Due to the delays in approving the tariff policy of the municipality, billing was only done in October 2014 for the current financial year, but was done retrospectively starting from July 2014. Subsequent to that the municipality has been billing its consumers on a monthly basis. At mid-year the municipality's age analysis showed that the total outstanding debt was R 27 609 652.38. The municipality's debt collection ratio for the 2013/14 financial year was 37 days as per calculated ratio, which poses a significant risk to the municipality's cash flow as it is above the norm of 30 days.

*Below is a summary table of the outstanding debt as at Mid-Year for 2014/15*

Debt by Type	Residents	Councillors	Other	Industries	Departments	Prov. Depts	Total
Rates	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 126 708.92	R 126 708.92
Electricity	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Sewerage	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Refuse	R 572 114.99	R 6 511.00	R 2 814.82	R 343 320.09	R 0.00	R 0.00	R 924 760.90
Rates	R17 251 339.00	R 10 751.78	R 964 562.68	R 6 480 058.02	R 1 770 257.02	R 0.00	R 26 476 968.50
Other	R 0.00	R 0.00	R 0.00		R 0.00	R 81 214.06	R 81 214.06
<b>Grand Total</b>	<b>R17 823 453.99</b>	<b>R 17 262.78</b>	<b>R 967 377.50</b>	<b>R 6 823 378.11</b>	<b>R 1 770 257.02</b>	<b>R 207 922.98</b>	<b>R 27 609 652.38</b>
<b>% on Total De</b>	<b>64.56</b>	<b>0.06</b>	<b>3.50</b>	<b>24.71</b>	<b>6.41</b>	<b>0.75</b>	<b>100.00</b>

*Table 24*

### 3.4.2 INDIGENT SUPPORT

The indigent section is responsible for the distribution of free basic services to the community. The municipality has and maintains an indigent register for all indigent

households in line with the indigent policy which was adopted by the council in December 2012. Households who qualify for indigent support either receive free basic electricity or paraffin or any other alternative sources of energy. The municipality has also distributed sanitary towels to schools in different wards as part of the indigent support programme. The current indigent register is currently maintained on an Excel database with approximately 24 283 households meeting the qualification criteria (qualified indigents) as per the municipal indigent policy. The municipality is in the process of reviewing its indigent registration for current financial as a number of applicants were disqualified. An annual budget of R 8 173 735 has been set aside for indigent support during this financial period (2014/15).

### **Challenges**

- I. The revenue base for the municipality and recovery of debts is limited as a result high reliance on government grants;
- II. Credibility and quality of billing data impacting the willingness of consumers to pay for municipal services;
- III. Non-alignment of policies to socio economic factors of our communities;
- IV. Interest not charged on long overdue debtors as a result received a qualification from Auditor-General as a result of that;
- V. Indigent register not reviewed adequately, which may result in increased debtors;
- VI. ICT challenges in terms of connecting all our municipal sites.

### **Remedial Action**

- I. The municipality has to aligned revenue related policies to the socio economic factors of the community;
- II. The municipality has appointed a debt collector to recover its long outstanding debts and in so doing must develop a programme to assist the municipality going forward;
- III. The ICT infrastructure needs to be upgraded to meet the system requirements for all the municipal revenue offices including the remote sites;
- IV. The municipality must consider acquiring a new Venus server to serve as a backup server in case of emergencies;



- V. Municipality needs to have an updated lease register for all municipal property leases and develop a policy for guidance;
- VI. Expanding our revenue base by implementing recommendations from the revenue enhancement strategy.

### 3.4.3 EXPENDITURE AND SUPPLY CHAIN MANAGEMENT

This division is responsible for the procurement of goods and services, processing of payments, payroll, asset management and contracts management.

#### Expenditure Management

The municipality is currently using the Electronic Funds Transfer payment method to make payments either to creditors or 3<sup>rd</sup> party payments. Payments are made weekly on Thursdays in order to meet the demands of the SMMEs. All payments made are recorded and payment vouchers are kept and filed in a systematic sequence for audit purposes.

Expenditure is authorized by the designated signatories appointed by the Council so as to comply with section 11 of the MFMA. Creditors are not always paid within 30 days due to the fact that there is no central place where all invoices are received and end user departments sometimes delay submission of invoices.

*The following table shows the budgeted expenditure and percentage spent for the 2013/14 and 2014/15 financial years respectively.*

Expenditure Items	BUDGET	% SPENT	BUDGET	% SPENT
	2013/14 R		2014/15 R	
Employee related costs	59 727 325	63%	69 243 718	45%
Remuneration of Councilors	18 850 898	100%	20 132 760	84%
Repairs & Maintenance	20 619 510	59%	32 359 719	42%
General Expenditure	86 733 886	74%	67 610 201	49%
Capital Contribution	18 666 253	33%	21 174 183	9%
<b>TOTAL</b>	<b>210 597 872</b>		<b>210 520 581</b>	

Table 25

*The following table shows the percentage of expenditure on Grants for the 2013/14 and 2014/15 financial years respectively*

<b>Grants</b>	<b>BUDGET 2013/14 R</b>	<b>% SPENT</b>	<b>BUDGET 2013/14 R</b>	<b>% SPENT</b>
EPWP	2 000 000	100%	1 153 000	100%
MSIG	890 000	100%	934 000	64%
Finance Management Grant	1 550 000	82%	1 600 000	71%
Electrification	18 000 000	100%	3 000 000	65%
Municipal Infrastructure Grant	47 214 000	67%	72 862 358	48%
<b>TOTAL</b>	<b>69 564 000</b>		<b>79 549 358</b>	

Table 26

The MIG allocation as shown in the table above includes rollovers from the 2013/14 financial period amounting to R 20 053 536. And 4% of the MIG allocation has been set aside for operating expenditure for the PMU unit.

### Challenges

- I. Timely submission of documentation in order to be able to pay within 30 days;
- II. Inadequate personnel to speed up payment processes;
- III. System failures resulting in delays in payment of creditors;
- IV. Lack of maintenance plans for proper asset maintenance;
- V. Low spending on the MIG allocation resulting in funds being withheld by National Treasury;
- VI. Ineffectiveness of the electronic filing system increasing the risk of payment vouchers going missing.

### Remedial Action

- I. Section has to be capacitated with sufficient personnel to ensure that sustainable flow of processes;
- II. The municipality needs to acquire a backup server for emergency services;
- III. The municipality needs to improve on its spending to avoid rollovers and funds being withheld;
- IV. A proper support agreement needs to be set up for the electronic filing system to ensure efficiency.

## **Supply Chain Management**

The municipality has a dedicated unit that deals with the Supply Chain Management in line with Chapter 11 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) as well as the Supply Chain Management Regulations, 2005. The municipality has a fair, equitable and transparent supply chain management policy which is reviewed yearly in order to comply with relevant legislations. There is a low turnover rate of procurement processes caused by the lack of staff and non-sitting of bid committees.

In line with section 26 of Municipal Supply Chain Regulations has a committee system for competitive bids, which consists of:

- I. Bid specification
- II. Bid evaluation
- III. Bid adjudication

All these committees are appointed by the accounting officer and currently they are sitting as frequently as possible so as to speed up processes. The municipality has acquired supplier database software that will be responsible for registering suppliers and sourcing of quotations for goods and services. The implementation of the supplier database is due in March 2015 as there had been delays. Currently the data base is on maintained on an Excel spread sheet.

## **Challenges**

- I. Inadequate capacitated personnel to perform different duties within the section;
- II. Non-segregation of duties poses the risk malicious acts within the section;
- III. Lack of properly managed filing systems;
- IV. Inefficiency of bid committees resulting in delays of awarding bids;
- V. Directorates' poor planning resulting in deviating SCM laws and regulations;
- VI. Inefficient monitoring of procurement plans resulting in poor planning;
- VII. People who are in the service of the state doing business with the municipality;
- VIII. The municipality does not have a contracts management unit;
- IX. Delays in the turn-over rate of procurement processes negatively affecting service delivery;

## **Remedial Action**

- I. Imminent implementation of the new supplier database software;
- II. Recruit skilled personnel according to the approved organogram;
- III. Arrange training for Bid committees;
- IV. Enhancement of record keeping preferably electronic method;
- V. All service providers should sign the declaration forms;
- VI. Establish a contracts management unit within unit Supply Chain Management unit and;
- VII. All project managers need to be trained on the development and implementation of procurement plans.

### **3.4.4 ASSET MANAGEMENT**

The municipality has reported fully on its assets (both movable and immovable) in line with General Recognized Accounting Practices (GRAP). The municipality does have a current GRAP compliant asset register but it needs to be reviewed and updated for additions. The

The municipality needs to have a separate unit responsible for managing and safeguarding municipal assets. Currently the municipality has only got one asset related employee an Asset Clerk that has been recently appointed. The municipality was qualified on PPE during the 2013/14 financial year and the service provider has been appointed to assist the municipality in maintaining its asset register.

## **Challenges**

- I. No asset management unit in place;
- II. Reliance on external service providers for asset management;
- III. Asset register not updated adequately thus affecting completeness;
- IV. The municipality has for the past three years received a lot of findings from AG with regards to its assets and;
- V. There are no maintenance plans for municipal assets.

## **Remedial Actions**

- I. Establishing a fully functional asset management unit.
- II. Recruiting skilled asset management personnel.
- III. Develop a maintenance plan for municipal assets.

- IV. As an interim measure the municipality is in the process of acquiring services of a service provider to undertake asset management functions.

### **3.4.5 BUDGET PLANNING AND FINANCIAL REPORTING**

#### **Budget Planning**

The budget planning unit is responsible for the development and monitoring of the municipal budget. Budgeting is done for a three multi-year period, with indicative figures being given by treasury for grant funding for a three year period. Internal revenue streams are forecast based on prior years and a growth percentage looking at the average consumer price index. The municipal budget is funded through rates and service charges (refuse removal, traffic income and other revenues sources) and substantially from transfers (Equitable Share, MIG, MSIG, FMG, INEG and EPWP etc.).

Our IDP and Budget which includes district, provincial and national priorities as contained in the (NDP), subsequently inform our service delivery and budget implementation plan (SDBIP).

The budget was adopted and approved 30 days before the start of the financial year and submitted to the National and Provincial Treasury as per section 24 (1) of the MFMA. The budget for 2014/15 financial year was prepared and submitted in the format prescribed by National Treasury. The municipality is submitting statutory reports in terms of budget statements to National Treasury and the Provincial Treasury in line with the prescribed format.

#### **Financial Reporting**

This section deals with the financial reporting in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and various circulars that are published to provide guidance. During the 2013/14 financial period the municipality was able to prepare interim financial statements as at 30 April 2014. These were of great assistance in preparation for the Annual Financial Statements that were submitted on the 31<sup>st</sup> of August 2014. The annual financial statements are prepared in terms of the GRAP standards and submitted to the Auditor General for auditing and to the relevant bodies as prescribed by legislation.

The Annual Financial Statements are prepared with the technical assistance of a service provider since the municipality lacks the necessary skills needed to prepare Annual

Financial Statements that are free from material errors. The municipality plans prepare interim financial statement as at end of April 2015 so as to prepare for the year-end.

### **Challenges**

- I. Budget processes adopted by the Council are not adhered to;
- II. System failures resulting in delays in terms of producing and submitting reports timely;
- III. Non-compliance with statutory reporting due to delays resulting from technical issues;
- IV. Credibility of reports produced and submitted;
- V. The current Budget & Reporting section is still in shortage of personnel and capacity;
- VI. Ample reliance is placed on external service providers in terms of preparing annual financial statements due to lack of skilled personnel internally;
- VII. Monitoring of budgets by the relevant directorate to ensure efficiency;

### **Remedial Actions**

- I. Recruiting the right personnel to fill vacancies within the unit;
- II. Budget Planning and Reporting section needs to be expanded to accommodate both budgeting and financial reporting;
- III. Ensuring that transfer of skills does take place between service providers and employees especially in terms of preparing annual financial statements;
- IV. Recommencing the process of AFS preparation prior to year-end and subsequently preparing monthly financial statements;
- V. The post of the CFO position is the process of being filled.

### **3.4.6 AUDIT OUTCOMES**

The municipality has received a qualified audit opinion for the financial year ended as at 30 June 2014. When looking at the findings from management letter the municipality has regressed when compared to the outcomes of the year-ended 30 June 2013. The municipality has been qualified on the following areas:

- I. Irregular Expenditure;
- II. Property, plant and equipment;

- III. Investment properties;
- IV. Employee costs; and
- V. Consumer debtors

An action plan has been developed to address issues raised by auditors and a process plan for submission of the annual financial statements.

The action plan assist in resolving all matters that were identified by auditor general and lead to qualified audit reports, as well as to fast track efforts in addressing identified risk areas. This will lead to improved internal controls and compliance with relevant legislations.

### **AUDIT OPINION COMPARISON FOR THE THREE PREVIOUS YEARS**

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Audit Outcome	<b>Qualification</b>	<b>Qualification</b>	<b>Qualification</b>

*Table 27*

### **Challenges**

- I. Non-submission of information to auditors within the prescribed period;
- II. Audit is still viewed by other departments as the responsibility of Budget and Treasury only;
- III. Performance management system not implemented for the entire municipality;
- IV. Lack of leadership and guidance within the BTO section due to the CFO position being vacant.

### **Remedial Actions**

- I. Development and monitoring audit action plans to address issues and findings from the AG;
- II. Municipality needs to plan ahead for the audit;
- III. The municipality needs to fill all vacant positions with the right personnel;
- IV. The accounting officer must chair all audit steering committee meetings and encourage all directorates to play their roles during the audit;
- V. The municipality must implement a performance management system in all levels;
- VI. The municipality needs to appoint a full-time CFO;

VII. The municipality must review and monitor its internal controls in order to strengthen its control environment itself.

### **3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The following functional areas are dealt with in this KPA:

- I. Intergovernmental Relations
- II. Public Participation
- III. Communications and customer relations
- IV. Special Programmes
- V. Corporate Governance
- VI. Strategic Planning
- VII. Moral Regeneration Movement
- VIII. Council Support
- IX. By Laws

#### **3.5.1 INTERGOVERNMENTAL RELATIONS**

Mbhashe municipality participates and coordinates the local Intergovernmental Relations forum (IGR) of that municipality. The IGR forum provides for the seating of various sector departments to plan and address issues of mutual concern in service delivery in that municipal jurisdiction. The workshop for the TOR's for the were developed by the municipality assisted by COGTA and were workshopped to stakeholders on the 24 February 2015 and submitted to the municipal council for adoption.

#### **Challenges**

The main challenge observed by interviews with stakeholders was that the majority of sector departments did not respect nor take seriously the processes of IDP as they tended to participate in municipal representative forums through their non-delegated staff that are often unable to address pertinent questions relating to their budgets. Another noticeable trend was that of the sector departments participating in the IGR forums selectively. This was viewed as a serious breach of co-operative governance and tended to undermine integrated development planning objectives. Forum not being able to sit due to time frames of IDP Process Plan which have not been adhered to. The municipality does not have dedicated IGR practitioners and there is lack of joint implementation of projects by government structures.



## **Remedial Action**

- I. The municipality to convene the IGR meeting with the assistance of the district municipality.
- II. To also request the district coordinators of the department of local government to assist in this matter

### **3.5.2 PUBLIC PARTICIPATION**

Public participation is institutionalised through a unit linked to the office of the municipal manager. This is coupled with other interventions including but not limited to IDP representative forum and mayoral consultation

The Public Participation & Petition Strategy has been developed and reviewed in April 2015 and currently there are no challenges in the implementation of the public participation strategy. The communities participate in the IDP process through the Representative Forum that is generally attended by all Councillors, Traditional Leaders participating in the Council, IDP Steering Committee members, organised groupings and interest groups, sector departments operating with Mbashe Municipal area, Secretaries of the Ward Committees and Community Development Workers. After the tabling of the draft IDP/Budget to the Council, road shows to all the wards are undertaken, where members of the community are assisted in the form of transport and catering, to attend these meetings.

#### **I. Traditional Leaders**

The municipality has 12 Traditional leaders participating in the activities of the council and their contribution in the affairs of the council is easily noticeable. Currently the traditional leaders are receiving a stipend of 1000 per month.

#### **II. Community Development Workers**

Community Development Workers are appointed as government agents to assist Councilors and Ward Committees for change in Mbashe. The municipality and the province have developed and signed a Memorandum of Understanding (MOU) for effectiveness and efficiency of CDWs as a result they allowed access to our facilities and take part in all our programs.

## **Challenges**

- I. CDW's work may be unnoticed because of lack of coordination on the part of the municipality and.
- II. Posts of CDWs are still left unfilled by the department and this result to some wards living without CDWs for a long time.

## **Remedial Action**

- I. Where it is not feasible to include and respond to some suggestions made through the road shows, the Mayor, when delivering the budget speech on the adoption of the final IDP/Budget, has to comment and provide way forward on those issues raised by communities during roadshows.
- II. To continue profiling the municipality by launching and handing over all major projects
- III. To coordinate all public participation activities in the institution and sector departments.
- IV. Convene regular meeting with all project managers to discuss their programmes and projects monthly

## **III. Ward Participation**

Ward committees had been elected in all wards during the beginning of the term in 2011. The secretaries of the ward committees have been trained in basic computer skills in 2012 and report writing and minute taking in 2013. All the ward committees had been inducted to ensure that they are able to do their job. The municipality had developed a reporting template whereby all ward committees are using it for reporting on quarterly basis and thereafter the reports are consolidated and submitted to relevant standing committees up until council on matters that need council decision.

## **Challenges**

- I. The By elections which are being conducted to some wards due to the resignation of ward committees that are seeking for a decent job and deceased.
- III. The ward committees that are unable to read and write

## **Remedial Action**

- I. To provide training on ward committees who are able to write on report writing
- II. To provide computers per each unit and accessible to the ward committees
- III. Training workshops to be continuously held with all the members of the ward committees for deepening and familiarization on Local Government
- IV. To develop the schedule of ward committees

The municipality adopts a schedule of council meetings and other committees. This ensures accountability and improves participation in council affairs. Ward committees had been trained on computer usage which will allow them ease to do their work.

### **3.5.3 COMMUNICATION AND CUSTOMER RELATIONS**

The communication unit has been established and is placed under strategic planning but no capacity in terms of human resource. It is therefore critical that the municipality provide communication structures and to communicate proactively with both the media and with all stakeholders. The municipality has developed the communication and marketing strategy in 2013/2014 financial year and was reviewed in April 2015. The current status of communication is in a way decreasing the levels of trust initially put on the newly elected councillors by communities which caused by the absence of feedback to them. The municipality has appointed the Communication and Customer Care Manager who manages the unit and in his arrival he established the customer query register and the queries clusters and submitted to relevant departments of the municipality.

### **Challenges**

- I. Sometimes communities report their own challenges to the media instead of communicating to the municipality.
- II. No communication feedback to the communities
- III. Communication channels are not always followed and bureaucracy can hinder the process of effective and timeous communication
- IV. Website not always updated with the required information.
- V. Shortage of personnel
- VI. Non-functioning of Customer Care Unit

- VII. Non branding of municipal offices

### **Remedial Action**

- I. To provide human and financial capacity in the unit
- II. To get and provide information to the citizens
- III. To produce and publicize quarterly reports for the public
- IV. Strengthening of community support groups
- V. Stake holder engagement (Local communicator forum)
- VI. Web site will be updated timeously.
- VII. Co-ordination of council events or project hand overs.
- VIII. Able to respond to media queries and customer queries.
- IX. Secure of community radio slots on a monthly basis.
- X. Facilitation of notices and advertisements both electronic and print media
- XI. Capacitation of councillors on media management.
- XII. Providing support to mayoral outreaches and IDP roadshows
- XIII. Petition management

### **3.5.4 SPECIAL PROGRAMMES**

The Special Programmes Unit (SPU) is located in the office of the Municipal Manager and has a dedicated official assigned to manage this function. The focal priority area for SPU is:

- I. Youth
- II. Women
- III. HIV/AIDS
- IV. People Living With Disability
- V. Older Persons
- VI. Children
- VII. Military Veterans

The SPU facilitates the integration and mainstreaming of the designated groups into the development of the Municipality by creating the necessary / conducive environment both internal and external through establishment of structures that will promote participation of youth, Woman, Disabled, Children, Elderly, HIV/AIDS infected individuals and Military Veterans in our local Municipality. The municipality already developed the SPU strategy

that covers all the above areas and assisting the municipality in mainstreaming its programmes.

#### Structures that have been established

- I. Women's Forum had been established and launched in the month of August 2014
- II. People Living with Disability Forum- these have been launched at Unit level i.e. Dutywa, Willowvale and Elliotdale. Also In the month of October 2014 Mbhashe People with Disabilities forum as the mother body has since been launched
- III. Older persons structure has been established by Department of Social Development although there are some challenges in terms of the recognition at Ward level.

#### Some of the structures that still need to be established:

- I. Youth Development Forum – these have been launched at both ward and Unit levels i.e Dutywa, Willowvale and Elliotdale however there is still a need to establish Mbhashe Youth Council which its function will be to coordinate Youth programmes in the municipality.
- II. Mbhashe Local AIDS Council is in the plan of being established in the year 2014/15 which its objective will be to coordinate programmes and develop plans for reduction of HIV/AIDS infections and on how to care for those affected and infected.
- III. Children's Advisory Council is budgeted for and is will be established in the 2014/15 and its objective will be to coordinate programmes and strategies for children between the ages of 0-14 years.

#### **Youth Learners Licensing Programme:**

Mbhashe Local Municipality signed a memorandum of understanding with King Hintsa VET College and COEGA and NYDA and the objective of the programme is to assist the students of the college to acquire Drivers Learners Licence.

#### **Social Cohesion**

The Mayoral Tournament has been allocated budget for 2014/15 and will be an annual event and is budget. The tournament focuses on the development of youth through various sport activities. This project has culminated from the areas where the youth of

this locality have been seen participating in wrong activities causing detrimental effects in their lives.

It further regenerates positive moral values of young people both in school and out of school; promotes healthy and positive lifestyle; elevates the profile of sports, recreation, arts & culture in the area; Mbhashe municipality; focuses on mass participation in sporting activities at provincial level; enables youth expose exclusive talents and gifts and last but not least minimizes crime rate, teenage pregnancy, substance abuse and HIV/AIDS pandemic.

### **Challenges**

- I. Structures although established lack understanding of roles.
- II. Although SPU Strategy was developed for 2013/14 it lacked an implementation plan to enable it to be mainstreamed internally so that other department's plans would respond to the strategy.
- III. There are gaps also with the strategy as it should incorporate plans of sector departments.
- IV. Lack of Proper coordination for Provision of Early Childhood Development Centers
- V. Lack of mainstreaming of HIV/AIDS to both internal and external
- VI. Sport programmes are also directed to this Unit.
- VII. There is only one official who is a dedicated official for the Unit
- VIII. Involvement of various sector departments and other relevant stakeholders
- IX. There are still challenges in as far as the drivers learners programme is concerned as there is still no proper follow ups to assist the participants to acquire driver licences.

### **Remedial Action**

- I. In the organogram there are 2 vacant post for SPU coordinators to beef up the unit and these should be included in the 2015/16 budget
- II. Establishment, and capacitation of structures
- III. Development of HIV/AIDS Policy
- IV. To review SPU strategy and inclusion of implementation plan as part of mainstreaming the strategy
- X. Roping in of various sector departments and other relevant stakeholders as they play an important role such as technical support in socially driven activities

XI. Facilitation of incorporation of drivers learners programme with the department of Community Services.

XII. Facilitate for Provision of Early Childhood Development Centres

### **3.5.5 CORPORATE GOVERNANCE Risk Management and Fraud Mitigation**

Risk Management within the Municipality is considered to be in a developmental stage. A Risk Management Framework has been approved and a risk identification process conducted. Code of conduct is signed by all staff members. This assists to inculcate ethos of adherence to a set of Ethics and good conduct. Fraud and corruption which is a challenge to all government institutions and this institution is not spared either. The draft fraud prevention plan has been developed and will be finalised after workshop to councillors in the first quarter of 2015/16 financial year. This will be the measure to fight corruption and fraud which will be introduced to promote good corporate governance.

#### **Internal Audit**

The Municipality has established an Internal Audit Unit which operates in accordance with an approved Internal Audit Charter. The Units mandate is spelled out in the Local Government Municipal Finance Management Act. The Internal Audit is mandated or governed by the Institute of Professional Practice for Internal Auditors (IPPIA). This includes providing advice to the accounting officer and audit committee on matters relating to internal audits, internal controls, accounting procedures and practices, risk and risk management, performance management, loss control, and compliance with applicable legislation. The Internal Auditor reports directly on operation issues to the Accounting Officer on functionally to the Audit Committee.

Currently the unit comprises of one permanent official and one Intern and a student trainee.

#### **Audit Outcomes**

The municipality has received a qualified audit opinion for the financial year ended as at 30 June 2014. When looking at the findings from management letter the municipality has regressed when compared to the outcomes of the year-ended 30 June 2013. The municipality has been qualified on the following areas:

- I. Irregular Expenditure;
- II. Property, plant and equipment;
- III. Investment properties;
- IV. Employee costs; and
- V. Consumer debtors

An action plan has been developed to address issues raised by auditors and a process plan for submission of the annual financial statements.

The action plan assist in resolving all matters that were identified by auditor general and lead to qualified audit reports, as well as to fast track efforts in addressing identified risk areas. This will lead to improved internal controls and compliance with relevant legislations.

### **AUDIT OPINION COMPARISON FOR THE THREE PREVIOUS YEARS**

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Audit Outcome	<b>Qualification</b>	<b>Qualification</b>	<b>Qualification</b>

Table 28

### **Challenges**

- I. Insufficient personnel within the municipality;
- II. Information not provided to the auditors timeously;
- III. Audit is still viewed by other departments as the responsibility of Budget and Treasury only;
- IV. Performance management system not implemented for the entire municipality;
- V. Lack of leadership within the BTO section due to the CFO working offsite and subsequently resigning;

### **Remedial Action**

- I. Development and monitoring actions plans;
- II. Municipality needs to plan ahead for the audit;
- III. The municipality needs to fill all vacant positions;
- IV. The accounting officer must chair all audit steering committee meetings and encourage all departments to play their roles during the audit;
- V. The municipality must implement a performance management system;
- VI. The municipality needs to appoint a full-time CFO;



- VII. The municipality must review and monitor its internal controls in order to strengthen its control environment itself.

*The table below illustrates the summary of the audit action plan*

<b>Item</b>	<b>Status</b>	<b>Description</b>
<b>1. Irregular Expenditure</b>	The process of condoning the irregular expenditure has been started. A tem has been prepared and submitted to council for condonement. It is likely that this finding will be raised again in the next Treasury in resolving the finding.	The Municipality did not obtain the written approval from the relevant condoning authority for the condonement of irregular expenditure
<b>2. Property, Plant and Equipment</b>	A service provider for both movable and immovable assets has been appointed. The project is still in the initial stages. It is not clear as to whether or not by the end of financial year all the findings would have been addressed.	Items of investment property were duplicated in PPE. Residual values and depreciation methods were not reassessed during the year.  The municipality has appointed a service provider to
<b>3. Investment property</b>	In terms of Investment Property, the process will go concurrently with the one of verification of all municipal assets.	Land and Buildings are not separately identifiable on asset register and assets could not be physically located during the audit.
<b>4. Employee Cost</b>	Employee cost is still a red area as some of the findings have not yet attended to. There are few findings such as:  i) Overtime form has been developed	A reconciling item between the payroll system and the accounting system and overtime.

	<p>ii) Forensic report has been completed.</p> <p>Other findings related to this qualification have not yet been attended.</p>	
<b>5. Consumer debtors</b>	<p>There is a likely wood that this qualification item can be come up again in the coming audit as the interest on long outstanding debtors are still to be charged.</p> <p>The municipality has taken a decision to charge interest by June 2015.</p>	Interest not charged on long outstanding debtors as a result of data cleansing.

Table 29

## IDP ASSESSMENT OUTCOMES

The municipality participated in provincial IDP assessment for the past three years and the results of those assessments were not good in first year and showing the credibility of the IDP.

The following results of the previous assessment clearly indicates the improvements in other KPA's and shows the commitment of the municipality in addressed in addressing the recommendations of the previous assessments

KPA's	2012/2013	2013/2014	2014/2015
Municipal Transformation and Institutional Development	High	High	High
Service Delivery and Infrastructure	Medium	Medium	Medium
Local Economic Development	High	High	High
Municipal Financial Viability	Medium	Medium	Medium
Good Governance and Public Participation	High	High	High
Spatial Development Framework	High	High	High
<b>OVERALL RATING</b>	<b>High</b>	<b>High</b>	<b>High</b>

## **Audit Committee**

The Municipality has an Audit Committee in place. This Committee operates in accordance with an approved Audit Committee Charter and meets on a regular basis. The Committee reports quarterly in writing to the Mayor. Audit Committee was established in 2008 and has since adopted its Charter. The brief of the AC has been extended to include the auditing of the performance based on PMS framework.

The mandate of the Committee covers matters such as advising the council, political office-bearers, accounting officer and management of the municipality, on matters relating to internal financial control and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with applicable legislation, etc. In addition, the Committee reviews the annual financial statements and responds to the council on issues raised by the Auditor-General in the audit report. The audit committee submits reports to council on quarterly based on their quality assurance.

## **Challenges**

- I. No dedicated employee to monitor and give direction on issues of Risk Management.
- II. No follow ups on resolutions of the Risk workshops.
- III. Non-adherence to the implementation of action plans from the management letter and implementation of Internal Audit Recommendations
- IV. The unit is under capacitated it operates with one permanently employed internal auditor and two trainees.
- V. Non-existing of Hotline number to deal with corruption/misuse of municipal assets.

## **Remedial Action**

- I. To build capacity in the unit
- II. The key risks identified still require to be assessed and mitigating strategies defined.

- III. There is a need still to identify dedicated resources for this activity and resource capacity constraints hinder implementation of this strategy. While risk assessments within specific activities are conducted, there is no overall coordination of the activity. This compromises the ranking and prioritization of risks.
- IV. Filling of vacant post of Internal Audit Manager as according to organizational structure.
- V. Risk strategy must be developed, adopted and workshopped.
- VI. Audit Committee needs to be strengthened
- VII. Employment of a dedicated person to legal and compliance issues as according to organizational structure
- VIII. Re-establishing of Risk Committee with an independent person.
- IX. In the new audit committee which will be appointed soon there will be someone who will serve as Performance specialist.
- X. Monthly reports from the Internal Audit Unit on the implementation of the audition plans.
- XI. The Management Audit Action Plan has been developed to address AG findings.

### **Legal Services**

- I. The municipality had appointed manager that is responsible for legal services and assisting the municipality on the matters of compliance. The legal unit has to advice the municipality on reviewing and drafting of contractual documents and also providing both informal formal legal advices. There was an employee who was appointed in the establishment of the unit and the employee only stayed for one month. Therefore since the departure of that employee the position was not filled.
- II. The municipal has appointed a manager that is going to assist management in all legal matters and issues of compliance.

### 3.5.6 INTEGRATED PLANNING

Section 25 (1) of the Municipal Systems Act 32 Of 2000 stipulates that “each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- I. Links, integrates and co-ordinates plans and take into account proposals for the development of the municipality;
- II. Aligns the resources and capacity of the municipality with the implementation of the plan;
- III. Forms the policy framework and general basis on which annual budgets must be based.

The act further defines an integrated plan as a “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 also binds the municipality in the exercise of its executive authority. An IDP is developed for a 5 year period which coincides with a term of Council. Such a plan has to be reviewed on an annual basis.

The unit of Integrated Planning and Performance Management fulfills the implementation of the Integrated Development Plan and is measured and reported on a monthly, quarterly and annual basis. The targets of the Municipality as reflected in the IDP find expression in Institutional Scorecard and Service Delivery and Budget Implementation Plan (SDBIP). SDBIP forms the basis for Directorate Scorecard, Performance Plans of section 57 managers and hold them accountable. The performance of an organization is integrally linked to that of its staff. It is critical and important for any organization to periodically review its own performance as well as that of its employees to flag areas that need attention and to understand how well or bad the organization or individuals are doing.

Performance Management is a strategic approach through which the performance objectives of the municipality are identified, defined, translated into business plans and cascaded into individual scorecards allowing for regular planning, monitoring, evaluating and reviewing of performance at both organizational and individual levels, effectively

responding to inadequate performance and recognizing outstanding performance. This unit also plays the monitoring and evaluation for the municipality.

### **Challenges**

- I. The clusters that are aligned to the local government key performance areas of local government are not yet functional in the municipality.
- II. The cascading of the performance management system to all levels below section 56 managers remains a challenge.
- III. The lack of the institutionalization of the PMS
- IV. Capacity to conduct performance assessment and evaluations
- V. Minimal meaningful contribution by sector departments in the IDP processes
- VI. Limited capacity in the established IDP/PMS unit
- VII. Collection and filing of performance evidence still poses a challenge.
- VIII. Lack of integration between formal reporting and reporting to communities, e.g. performance is reported quarterly in addition to that political leadership should also report to communities regularly on municipal performance

### **Remedial Action**

- I. Build capacity in the unit
- II. Proper monitoring of the procurement plans in order to adhere to the targets set
- III. Strengthen the community participation structures in the municipality
- IV. Appointment of service provider over a 3year contract through tender processes which will enable to train management on performance management processes and cascading of this to all staff in the municipality.

### **3.5.7 MORAL REGENERATION MOVEMENT**

The Moral Regeneration Movement (MRM) has been established in 2012 made of religious leaders. The MRM held a conference in September 2014 where new leaders were elected and new challenges of moral values were identified. The new structure held its first champagne and awareness against child abuse and women at Gusi Location Elliotdale on the 28 November 2014. A just, tolerant and moral society for the common good is a vision of the Moral regeneration movement. Its mission is to initiate, facilitate

and coordinate societal networks and programmes to regenerate and preserve our nation's moral fibre.

### **Challenge**

There is no official dedicated for moral regeneration

### **Remedial Action**

To appoint the public participation officer and allocate this function as part of the responsibilities

## **3.5.8 COUNCIL SUPPORT**

To ensure optimum functionality of the council and its structures Mbhashe municipality has a unit that is dedicated to support the work of the council. The unit takes minutes in all minutes of the council and its committees. It ensures proper filing of minutes. A register of resolutions of the council is compiled and maintained. The unit is responsible to coordinate effective functioning of the Council and its committees. A schedule of activities of the council is developed and implemented.

### **Challenges**

- I. Monitoring of implementation of resolutions of the council.
- II. Non adherence to the calendar dates

### **Remedial Action**

- I. To develop the resolution register
- II. Adherence to the dates in the calendar to avoid expenditure and non – compliance

## **3.5.9 BY- LAWS**

The Mbhashe municipality has developed the twenty seven by-laws and the public participation meetings were conducted during the development process. The municipality managed to gazette nine (9) in 2012. In 2013 Amathole District Municipality assisted the municipality in gazzetting the remaining by-laws. The only challenge is the enforcement of by-laws due capacity.

## **Challenge**

None implementation of By-laws

## **Remedial Action**

The municipality will develop a plan for the implementation of by-laws

### **3.6. MILITARY VETERANS**

In August 2011 the South African Government passed the Military Veterans Act, which spells out the type of benefits and services to which military veterans are entitled and these are to be delivered through Departments, Provinces, Districts and Locals. The Military Veterans Act 18 of 2011, was promulgated into law by the State President, J.G. Zuma in December. According to the Act, a Military Veteran is: "A South African citizen who rendered military service to any of the military organizations, which were involved on all the sides of South Africa's liberation war from 1960 to 1994, those who served in the Union Defence Force before 1961, and those who became members of the South African National Defence Force after 1994, and has completed his/her military training and no longer performs military duties, and has not been dishonourably discharged from that military organization".

The Act aims to:

- I. Establish a framework for the implementation of the national policy and standards governing Military Veterans affairs.
- II. Improve the quality of life of Military Veterans and their dependants so they may realize their socio-economic progress.
- III. Recognize and honour Military Veterans in life and remembering them in death for their sacrifices on behalf of the nation.

The Military Veterans Act places an obligation for the state to roll out the following proposed services and benefits to the Military Veterans and their dependents:

- I. Military Pension
- II. Housing
- III. Free access to military health services
- IV. Free / subsidized access to the public transport
- V. Skill acquisition and education support
- VI. Job placement
- VII. Burial support
- VIII. Entrepreneurial support services
- IX. Counselling



## **Challenges**

- I. No database for Military veterans within the municipality
- II. Local Military Veterans Association not yet established

## **Remedial Action**

- I. Create database for Military Veterans
- II. Establish Local Military Veterans Association

# CHAPTER 4

## 4.1 OBJECTIVES AND STRATEGIES

### 4.1.1 KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PRIORITY AREA	OBJECTIVE	STRATEGY	INDICATOR	BASELINE	TARGET			CUSTODIAN
					2015/16	2016/17	2017/18	
Human Resource	To capacitate employees and Councillors in order to enhance service delivery by 2017	To build capacity and maximise utilization of MLM human capital by 2017.	No. of critical skilled personnel trained	30 officials	40 officials	40	40	Senior Manager: Corporate Services
			Number of councillors capacitated in terms of skills	31 councillors	50 councillors	61	61	Senior Manager: Corporate Services

	To maintain a personnel structure that will ensure effective and efficient service delivery for the next four years	Facilitate filling of prioritised funded posts	Number of filled budgeted posts	161	118	220	220	Senior Manager: Corporate Services
		Develop, review, and implement all relevant municipal policies, by-laws, strategies and plans	Number of developed municipal policies	5	13	20	20	Senior Manager: Corporate Services and other relevant directors
			Number of reviewed municipal policies	25				
			Number of developed municipal Plans and Strategies	2 Plans 2 Strategies		5		

			Number of reviewed municipal Plans and Strategies		2			
			Number of developed municipal By-laws	13				
	To ensure a health oriented behaviour in the workplace	Promote wellness campaigns and programmes for municipal employees	Number of wellness campaigns or programmes organised	Contract with service provider to provide professional wellness programme	4	4	4	Senior Manager: Corporate Services
	Initiating developing, promoting,	conduct health and safety assessments	Number of assessment reports	2 Reports submitted	4	4	4	

	maintaining and reviewing measures to ensure the health and safety of employees at work by 2017.		presented					
			Number of OHS employee awareness programmes held	2	4	4	4	
			Number of OHS employee training programmes held	2	4	4	4	
To ensure there are good working relations between the	Improve workplace relations through partnership with unions and	Number of Local Labour Forum meetings	10	12	12	12	Senior Manager: Corporate Services	

	Employer and the Employee	Management	held					
<b>Administration</b>	To ensure provision of secretarial support to council and its committees	Organizing council and committee meetings arranged	Number of council and committee meetings sat	9	12	12	12	Senior Manager: Corporate Services
			Number of standing committee meetings	24	4	4	4	
			Number of Audit Committee meetings	4	4	4	4	
			Number of MPAC meetings	4	4	4	4	
	Update	Updated	1	1	1	1	Senior	

		Resolutions Register	Resolutions Register					Manager: Corporate Services
	To ensure utilization of available fleet efficiently and effectively	Development and or improving monitoring controls in managing fleet.	Number of incidence reports	1	0	0	0	Senior Manager: Corporate Services
		Review Vehicle Usage policy	Reviewed Vehicle Usage policy	Existing Vehicle Usage policy	Reviewed Vehicle Usage policy	Reviewed Vehicle Usage policy	Reviewed Vehicle Usage policy	Senior Manager: Corporate Services
	To ensure maximum use of Registry in document management	To promote use of registry in document retrieval, filing and disposal	Number of awareness sessions organised for users	NIL	1	1	1	Senior Manager: Corporate Services

<b>ICT</b>	To ensure effective and efficient ICT by 2017	Review of ICT master systems plan	Reviewed IT Master systems plan	Existing ICT Master Systems Plan	Reviewed ICT Master system plan	Reviewed ICT Master system	Reviewed ICT Master system	Senior Manager: Corporate Services
		Development of IT disaster recovery plan	Developed IT Disaster recovery plan	Nil	Developed IT Disaster recovery plan	Developed IT Disaster recovery plan	Developed IT Disaster recovery plan	Senior Manager: Corporate Services
<b>PMS</b>	To ensure the implementation of PMS by 2017 and improve institutional performance through skills development	Reviewal of the PMS framework	Reviewed and submitted PMS framework to council	Existing PMS framework	Reviewed PMS Framework	Reviewed PMS	Reviewed PMS	MM
		Develop clear performance monitoring and	PMS template developed	1	1	1	1	All



	and change management	reporting						
		Comply with the relevant PMS legislations and the Municipal PMS framework	No of awareness organised	0	4	4	4	All
	To ensure effective service delivery through implementation of	To monitor, correct and reward good performance in order to unleash human potential	% Implementation of PMS	0	50%	75%	100%	All
	performance management system	Development of the annual report	Developed annual report	1	1	1	1	

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#### 4.1.2 KPA 2: SERVICE DELIVERY

FOCUS AREA	OBJECTIVE	STRATEGY	INDICATOR	BASELINE	TARGET			CUSTODIAN
					2015/16	2016/17	2017/18	
Environment	Ensure sustainable and environmental friendly development throughout Mbashe by 2017	By providing the basic and sustainable Waste Management Services throughout Mbashe	No of households receiving waste service	2199	5000	6000	7000	Community Services Senior Manager
			Rehabilitation of landfill sites	3	3	2	1	

		By protecting and preserving the natural heritage and biodiversity	No of villages covered	3	5	7	9	Community Services Senior Manager
		By developing and implementing the Climate Change mitigation strategy	No. of villages covered	0	4	8	12	Community Services Senior Manager
<b>Community Safety</b>	Ensure the safety and security of the Mbhashe community by 2017	By providing law enforcement and licensing services throughout Mbhashe	Dutywa Registering Authority (R.A)	Dutywa Learners license center	Established Registering Authority, in Dutywa	Establish Registering Authority in Elliotdale	Establish Roadworthy center in Dutywa	Community Services Senior Manager

			Dutywa Driver Licence Test Centre	Existing Dutywa Licence Test Centre				
		By creating a conducive environment for the community safety and security	No of programmes implemented	Integrated Community Safety Plan	4	4	4	Community Services Senior Manager
		Implement Disaster Management Plan (DMP)	No of programmes implemented	0	1 per ward	1 per ward	1 per ward	Senior Manager Planning & Development
		To maintain street lights in three towns	No. of adequate street lights	530	550	560	570	Infrastructure Services Senior Manager
		To install high masts in all	No of high mast lights	7	10	12	15	Infrastructure Services

		priority areas	installed					Senior Manager
<b>Community facilities</b>	Ensure improved access to the well managed community facilities by 2020	By constructing new community facilities that will be user friendly to the communities	No of community halls completed	18	10	20	30	<i>Infrastructure Services Senior Manager</i>
			Planning and design of 3 sports facilities	8	3	6	9	
			Fencing of cemeteries	3	3	0	0	
			Dutywa Animal Pound	0	1	0	0	
		By maintaining the existing	No of community	25	10	15	10	Community Services

		facilities to acceptable standards	halls maintained					Senior Manager
<b>Roads and stormwater</b>	To provide quality, safe trafficable Municipal roads as per applicable standards by 2017	Construct 250km km of new gravel roads	No. of kms of roads constructed	569km	100km	100km	50km	Infrastructure Services Senior Manager
		Maintenance of 545km of existing gravel road network	No. of kms of roads maintained	545km	300km	140km	105km	Infrastructure Services Senior Manager
		By paving internal streets sidewalks in all three towns	No. of kms paved side walks	0km	5km	10km	15km	Infrastructure Services Senior Manager
		By upgrading stormwater channel in	No.km upgraded	10km	15km	17km	19km	Infrastructure Services Senior

		urban areas						Manager
		By doing skills audit and enhance operators with limited skills by providing accredited trainings.	No. of accredited qualifications	0	15	8	Nil	Cooperate Services Senior Manager
<b>Energy</b>	Ensure that all households have access to electricity by 2025.	By providing grid energy to qualifying households.	Number of household with electricity	3414	1400	2000	400	Infrastructure Services Senior Manager
		Provide alternative energy to households	Number of Household with Solar	2000	1000	1000	1000	Infrastructure Services Senior Manager
<b>Human settlements</b>	To facilitate provision of	Reduce the number of	Number of informal	2000	200	200	100	Senior Manager:

	adequate housing and expanding access to housing by 2030	people living in squatter settlements	settlements removed					Developmental Planning
		Establish new townships for housing accommodation	Number of townships approved	2	3	3	3	Senior Manager: Developmental Planning
		By providing suitable and secure housing whilst controlling and ensuring compliance with building regulations.	Time taken to approve building plans	30	30	40	50	Senior Manager: Developmental Planning
<b>Land use management</b>	Ensure maximum and adequate land use	Develop LSDF for the rural in line with SPLUMA	Number of LSDFs approved	1	1	1	1	Senior Manager: Developmental Planning



	management practices within municipal land by 2017							
		By surveying and rezoning	Number of subdivision and rezoning reports surveyed and rezoned	0	20	20	20	Senior Manager: Developmental Planning
		By conducting municipal land audit	Land audit report with recommendations.	3	3	3	3	Senior Manager: Developmental Planning
				Land audit report	100% Reconciliation of land audit	100%	100%	Senior Manager: Developmental Planning

					report, evaluation roll and billing system			
		By enforcing land use management of the municipality	Number of land use applications approved	0	20	20	20	Senior Manager: Developmental Planning
		By ensuring equitable disposal of land	Number of land sale agreements issued	0	100	200`	200	Senior Manager: Developmental Planning

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#### 4.1.3 KPA3: LOCAL ECONOMIC DEVELOPMENT

FOCUS AREA	OBJECTIVE	STRATEGY	INDICATOR	BASELINE	TARGET			CUSTODIAN
					2015/16	2016/17	2017/18	

<b>Enterprise support SMME and development</b>	To reduce poverty and unemployment through viable and sustainable job creation strategies	By facilitating multiplier effects from EPWP projects	Number of people employed through EPWP	1540	2000	5000	10000	Senior Manager: Community Services
		By formulating strategies that promote investment and economic growth	Approval of business retention and attraction strategy	0	Approved strategy	1	1	Senior Manager: Developmental Planning
		By promoting entrepreneurial access to markets	Number of SMME's linked to formal markets	0	3	5	7	Senior Manager: Developmental Planning
		By capacitating and assisting informal traders	Number of informal traders	600	300	300	300	Senior Manager: Developmental

			assisted					Planning
		SMME skills development; Co-operatives development and training	Number of co-operatives / SMMEs trained and established	40	50	50	50	Senior Manager: Developmental Planning
<b>Agricultural development and food security</b>	To promote agrarian reform and reduce food insecurity to those confronted by hunger by 50% by end of 2025	Assisting crop production farmers with materials and inputs	Number of commodity groups assisted with seedlings and fruit trees	2	2	2	2	Senior Manager: Developmental Planning
			Number of villages assisted with maize	15	40	60	80	Senior Manager: Developmental Planning

			production					
		By providing support for people interested in farming through small scale agricultural activities and linking small farm produce to markets / communities	Number of farming projects assisted with equipment and/or inputs	13	15	18	20	Senior Manager: Developmental Planning
		By improving quality of the livestock through various mechanisms	Number of dipping tanks renovated	8	5	5	5	Senior Manager: Developmental Planning
			Number of	45	5	5	5	Senior

			shearing sheds built or renovated					Manager: Developmental Planning
			Number of village farming associations assisted with stock remedy	20	20	30	40	Senior Manager: Developmental Planning
Agro-processing	To take advantage of the agricultural value chain to stimulate local	By setting up sustainable local supply network through small farmers in local areas;	Number of programmes implemented	0	3	5	7	Senior Manager: Developmental Planning

	economic development in deprived areas by 2017	By capacitating farmers to meet quality and safety requirements	Number of information days held	16	16	16	16	Senior Manager: Developmental Planning
		By consolidating and enhancing partnerships with retailers which provide opportunities for small farmers	Number of machinery supplied	0	1	3	4	Senior Manager: Developmental Planning
Tourism Development	To position and promote Mbashe as a tourist destination of choice	Train and develop product owners and expand product owner base	Number of training programs held	3	4	4	4	Senior Manager: Developmental Planning
		Promote and link product owners	Number of external	3	4	4	4	Senior Manager:

		to markets	programs the product owners participated on					Developmental Planning
		Use different marketing tools to market Mbhashe tourism	Number of tools used	4	5	5	5	Senior Manager: Developmental Planning
Heritage management	Develop, preserve, maintain and market heritage sites/resources to attract a sizeable number of tourists	By maintaining heritage sites using EPWP programme	Number of sites maintained	4	5	5	5	Senior Manager: Developmental Planning

Table 32



#### 4.1.4 KPA 4: FINANCIAL VIABILITY

Priority Area	Objectives	Strategy	Indicator	Baseline	2015/16	2016/17	2017/18	Accountable Official
<b>Free Basic Services</b>	To ensure that all indigent households are identified and supported	Reviewal of the indigent register	Reviewed updated indigent register	Existing Indigent Register	Updated Indigent Register	1	1	CFO
		Alignment of indigent register with billing system	Number of indigent households on the billing	None	100	100	100	CFO

			system					
		Supply & delivery of free basic alternative energy and services	Number of indigent households provided with free basic services	4108	5000	6000	7000	CFO
<b>Revenue Management</b>	To increase revenue collection by 50% in June 2017	Implementation of credit control and debt collection policy	Amount collected on all outstanding debts	R10m	R12m	R14m	R20m	CFO
		Ensure data integrity in the billing system	Ratio of billing versus collection	46%	80%	90%	100%	CFO

<b>SCM</b>	To establish a fully-fledged and effective supply chain management by 2016	Development and operationalization of SCM Plans	Development of Institutional Procurement plan	Existing Procurement Plan	Developed Procurement Plan 15/16	Developed Procurement Plan 16/17	Developed Procurement Plan 17/18	CFO
		Promotion and maintenance of SCM systems through compliance with laws and regulation	Amount in irregular expenditure to decrease	R21m	R10m	R5m	R1m	CFO
		Each Head of Department to be responsible for their own contract management	Number of compliant contracts	50%	100%	100%	100%	All HODs
<b>Financial Management</b>	To ensure sound financial	Implementing effective internal	Timely submission	Section 71, 52, 72 and	Compliance of	Compliance of	Compliance of	CFO

	management, compliance and regular reporting at all times	controls and monitoring compliance	of compliance reports to Council, Treasury and Auditor General.	AFS	reports as per MFMA Calender	reports as per MFMA Calender	reports as per MFMA Calender	
	To ensure that municipal assets are adequately managed and monitored	Establishment of a fully-fledged asset management unit	GRAP compliant immovable and movable asset register	Asset Register not fully GRAP Compliant	Updated GRAP Compliant Asset Register	Updated GRAP Compliant Asset Register	Updated GRAP Compliant Asset Register	CFO
<b>Budget planning</b>	To ensure that the budget is aligned to the IDP	Develop credible budget that is aligned to IDP	Timeous approval and submission to Treasury	Timeous approval and submission	Approved budget by 31 May 2016	Approved budget by 31 May 2017	Approved budget by 31 May 2018	CFO

			of15/16 budget					
	To ensure that our budget is transparent and properly monitored	Abiding to the IDP & Budget process plan and effective publishing of our budget	Positive assessment by Treasury	Credible budget	Credible budget	Credible budget	Credible budget	CFO

Table 33

#### 4.1.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PRIORITY AREA	OBJECTIVES	STRATEGY	INDICATOR	BASELIN E	TARGET			CUSTODIAN
					2015/2016	2016/2017	2017/2018	
<b>Governance</b>	To ensure clean and accountable governance in the	Development of risk management strategy	Developed and adopted risk managemen t strategy	Existing risk register	Developed risk strategy	Reviewed strategy	Reviewed strategy	Municipal Manager

	municipality by 2017	Implementation of departmental risk register	Number of addressed risks	Existing risk register	Updated risk register	Updated risk register	Updated risk register	All
		Conduct audits as per Internal Audit Strategic Plan	No of Audits conducted	Existing Internal Audit Report	4 Audits	4	4	Municipal Manager
<b>Special Programs</b>	To ensure mainstreaming of special programs into the municipality	Implementation of special programs as per approved SPU strategy	Reviewed strategy and departmental workshop on strategy	Existing strategy	Special Programmes (women, children, youth, older persons, people with disability, HIV/Aids)	Special Programmes (women, children, youth, older persons, people with disability, HIV/Aids)	Special Programmes (women, children, youth, older persons, people with disability, HIV/Aids)	Strategic Manager

					and Military veterans)	and Military veterans)	and Military veterans)	
		Reviewal and mainstreaming of SPU strategy in all the departments internally	No of mainstreamed programmes	0	6	6	6	All
<b>Integrated planning and reporting</b>	To ensure strategic development, coordinated, integrated planning, budgeting, reporting and legislative compliance on	Coordinate development and alignment of the IDP, SDBIP and Budget integration	Developed IDP, SDBIP and Budget	Existing IDP, SDBIP and Budget for 2014/2015	Adopted Reviewed IDP	Adopted Reviewed IDP	Developed Five year IDP	Strategic Manager
		Development of the annual report	Developed annual report	Existing annual report	Adopted annual report	Adopted annual report	Adopted annual report	Strategic Manager

	governance matters							
<b>Council support</b>	To ensure optimum functionality of council and its structures	Coordinate functioning of council oversight structures	No of council and its structures' meeting organised	24	24	24	24	Corporate Services
		Develop a system of monitoring and implementation of resolutions.	Developed resolution register	0	Developed resolution register	Updated resolution register	Updated resolution register	Corporate services
<b>Communication</b>	To enhance and promote communication in all municipal activities	Reviewal and implementation of communication strategy.	Reviewed communication strategy	Existing communication strategy	Adopted Reviewed communication strategy	Adopted Reviewed communication strategy	Adopted Reviewed communication strategy	Strategic Manager
		Development and implementation of	Number of customer	0	Developed customer	Updated register	Updated register	Strategic Manager



		customer care policy	queries registered and attended to		queries register			
		To improve branding and signage of municipal properties assets.	No of assets and municipal properties branded	13	5	5	5	Strategic Manager
		To inform and share developmental programs within the municipality	No of newsletters produced	4	4	4	4	Strategic Manager
		To facilitate adverts and notices in electronic and print media to	No of published adverts and Notices	0	15	15	15	Strategic Manager

		promote transparency						
<b>Public participation</b>	To ensure that all stakeholders participate in the affairs of the municipality	Review and implement public participation and petition strategy	Reviewed public participation and petition strategy	Existing public participation and petition strategy	Reviewed public participation and petition strategy	Reviewed public participation and petition strategy	Reviewed public participation and petition strategy	Strategic Manager
		Improve the functioning and reporting of ward committees	No of reports submitted	34	124	128	128	Strategic Manager
		Strengthen the relations between CDW's , ward committees and ward councillors	No of meetings held	Nil	4	4	4	Strategic Manager
		Regular communication	No of community	31	31	32	32	Strategic Manager

		on communities on the achievements of targets set out in IDP	imbizo's held					
	To ensure coordination , cooperation and joint planning g between spheres of government by 2017	Revive and strengthen IGR structures within the municipality.	No of IGR meetings held	2	4 IGR Meetings	4	4	Strategic Manager

Table34

## 4.2 PROJECTS

### 4.2.1 KPA1 :MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PROJECT NAME	WARD	2015/16		2016/17		2017/18	
		Amount	Source of funds	Amount	Source of funds	Amount	Source of funds
Training of 40 officials	All units	R 1.5 M	Mbhashe LM	0	Mbhashe LM	R0	Mbhashe LM
Training of 31 councillors	All units	R 500 000	Mbhashe LM	0	Mbhashe LM	R0	Mbhashe LM
Filling of vacancies	All units	R 0	Mbhashe LM	0	Mbhashe LM	0	Mbhashe LM
Develop policies, strategies and plans	All units	0	Mbhashe LM	R0	Mbhashe LM	R0	Mbhashe LM
wellness programmes	All units	R600 000	Mbhashe LM	R0	Mbhashe LM	R0	Mbhashe LM
Conduct assessment report	All	R 0	Mbhashe LM	0	Mbhashe LM	0	Mbhashe LM

PROJECT NAME	WARD	2015/16		2016/17		2017/18	
		Amount	Source of funds	Amount	Source of funds	Amount	Source of funds
	units		MSIG	-	-	-	
LLF meetings and Trainings	All units	R 0	Mbhashe LM	R0	Mbhashe LM	R0	Mbhashe LM
Two awareness sessions	All units	R 200 000	Mbhashe LM	R0	Mbhashe LM	R0	Mbhashe LM
Performance Management System	All	R 600 000	Mbhashe LM	R 600 000	Mbhashe LM	R 500 000	Mbhashe LM
<b>TOTAL</b>							

Table 35

#### 4.2.2 BASIC SERVICES AND INFRASTRUCTURE

PROJECT	WARD	FUNDING	TOTAL PROJECT R	2014/15 R	2015/16 R	2016/17 R	2017/18 R
Makhamisa to Mbelu Access Road	16	MIG	5 242 552.70	2 359 148.72	1 392 422.00	745 490.99	745 490.99
Road Surfacing - Willowvale	25	MIG	2 341 777.65	351 266.65	621 976.14	684 267.43	684 267.43

Road Surfacing - Elloitdale	13	MIG	9 445 489.40	755 639.15	2 508 721.98	1 000 000.00	5 181 128.26
Road Surfacing - Dutywa	1	MIG	15 958 746.11	1 276 699.69	4 238 642.97	2 443 403.45	8 000 000.00
Qhinqala Bridge	24	MIG	1 600 000.00	1 120 000.00	480 000.00		
Market/ Hawker Centre, Willowvale	25	MIG	1 200 000.00	240 000.00	960 000.00		
Hawker Stalls, Dutywa	1	MIG	18 149 134.16	1 451 930.73	4 820 410.03	11 876 793.39	
Elliotdale hawker stalls	13	MIG	3 770 908.76	301 672.70	1 001 553.37	2 467 682.69	
Fencing of Cemeteries Dutywa	1	MIG	4 440 634.86	-	2 220 317,43	2 220 317,43	
Fencing of Cemeteries Willowvale	25	MIG	1 529 682.57	-	764 841.30	764 841.30	
Fencing of Cemeteries Elliotdale	13	MIG	1 529 682.57	-	764 841.30	764 841.30	
Building of Pound Dutywa	1	MIG	4 539 989.08	680 998.36	1 205 821.10	2 653 169.62	
Building of Pound Willowvale	25	MIG	4 539 989.08		1 205 821.10	3 334 167.98	

Magqosinini access road	1	MIG	3 917 619.27		1 057 757.20	1 429 931.04	1 429 931.04
Xeni Community Hall	2	MIG	3 070 000.00		815 392.00	1 127 304.00	1 127 304.00
Qelane Community Hall	3	MIG	3 070 000.00		815 392.00	1 127 304.00	1 127 304.00
Ntsingeni Community Hall	4	MIG	3 070 000.00		815 392.00	1 127 304.00	1 127 304.00
Sihlabeni access road	5	MIG	3 471 534.12		1 622 039.46	924 747.33	924 747.33
Nombulelo access road	6	MIG	4 415 956.77		1 172 878.12	1 621 539.33	1 621 539.33
Dutywa river Community Hall	7	MIG	3 070 000.00		815 392.00	1 127 304.00	1 127 304.00
Ndesi Access road	8	MIG	4 052 206.53		1 076 266.05	1 487 970.22	1 487 970.22
Nonkqubela access road	9	MIG	0.00		0.00	0.00	
Futheni to Beyaphi access road	11	MIG	2 062 196.75		1 547 719.46	514 477.29	

Nqabara Community Hall	12	MIG	3 070 000.00		2 215 392.00	854 608.00	
MbhangcoloCommunity Hall	14	MIG	3 070 000.00		1 815 392.00	1 254 608.00	
Pewula access road	15	MIG	5 039 946.74		1 338 609.85	1 354 799.00	2 346 537.89
Makhamisa to Mbelu access road	16	MIG	5 242 552.70		4 392 422.00	850 130.70	
Talimofu access road	17	MIG	7 172 356.48		3 904 977.88	1 089 126.20	
Mkathazo to Gqubuzeni access road	18	MIG	3 658 461.07		1 971 687.26	1 686 773.81	
Xhora Mouth to Ndalatha access road	19	MIG	9 076 135.60		2 410 621.62	1 254 892.26	5 410 621.62
Mampondweni access road	21	MIG	2 976 047.47		790 438.21	1 092 804.63	1 092 804.63
Beechamwood Community Hall	22	MIG	3 070 000.00		851 262.50	1 127 304.00	1 127 304.00
Tojeni to Jujura access road	23	MIG	3 169 340.90		841 776.94	1 163 781.98	1 163 781.98



Mhlohlozi Community hall	27	MIG	3 070 000.00		815 392.00	1 127 304.00	1 127 304.00
Nqayiya Community hall	28	MIG	3 070 000.00		851 262.50	1 127 304.00	1 127 304.00
Nondobo to eblorhweni access road	29	MIG	2 657 798.42		705 911.26	975 943.58	975 943.58
Ntlabane Community hall	30	MIG	3 070 000.00		1 215 392.00	927 304.00	927 304.00
Mbewuleni access road	31	MIG	3 641 853.26		967 276.23	674 577.03	2 000 000.00
Qinqana Bridge	17	MIG	0.00		1 000 000.00	500 000.00	2 500 000.00
Land Fill site Elliotdale	13	MIG	0.00		0.00	250 000.00	250 000.00
Offices for Infrastructure Services		MIG	0.00		0.00	500 000.00	1 000 000.00
Sport Facilities Ward 1		MIG	0.00		0.00	300 000.00	1 000 000.00
Sport Facilities Ward 13		MIG	0.00		0.00	300 000.00	1 000 000.00

Sport Facilities Ward 25		MIG	0.00		0.00	300 000.00	1 000 000.00
<b>TOTAL</b>			<b>163 376 993.97</b>	<b>10 404 396.33</b>	<b>55 678 228.12</b>	<b>56 454 661.69</b>	<b>48 633 196.30</b>
Sebeni (Shixini) 26 H/H	22	INEP			<b>20 000 000.00</b>		
Nqaliso (Shixini) 118 H/H	22	INEP					
Meveni (Shixini) 21 H/H	22	INEP					
Kwantaba (Shixini) 158 H/H	22	INEP					
Mahasana (Shixini) 189 H/H	22	INEP					
Mafusini (Ntsimbakazi) 220 H/H	21	INEP					
Lower Mbangcolo (Ntsimbakazi) 188 H/H	21	INEP					
Hlakoti (Ntsimbakazi) 142 H/H	24	INEP					

Murumuru to New Rest	1	<b>Treasury</b>			<b>70 000 000.00</b>		
Munyu to Gxarha	4						
Singeni to Ngqokweni	5						
Collywabbles to Msikithi	8						
Bam to Zenzele	11						
Fameni to Velele	13						
Drayini to Bikane	14						
Tubeni to Qwili	15						
Manganyela to Nobangile	16						
Mhlahlane to Chilini	19						
Khangelani Café to Bula Gum Plantation	20						
Fumbatha to Groxo	22						
Qwaninga to Mantlaneni	23						
Xonyeni to Mbityani	24						
Gosani to Ncalukeni	25						
Mhemfu to Elderly	26						
<b>Additional roads</b>							

Lusini to Zimpuku	2						
Gwadana to Ndenga	3						
Ntabeni to Makinana	6						
Xholo to Gungululu	7						
Govan Mbeki via Doti to Bhongweni	9						
Auckland to Siwendu	10						
Mzomtsha Access	12						
Hesha to Mathyameni	17						
Nxuma to Kwa Mfane	18						
Dluthu to Nqumla	21						
Fort Malan to Lazamakhakha	27						
Sisonke Supermarket to Mdizeni Project	28						
Venge to Nkatha	29						
Mboya to Nobangile Great Place	30						
Skhobeni to Chaba	31						

Table 36

PROJECT NAME	WARD	2015/16		2016/17		2017/18	
Willowvale squatter settlement	Mbhashe	600 000	Mbhashe	-	-	-	-
Surveying of communal land	Mbhashe	700 000	Mbhashe	-	-		-
Approval of building plans	Mbhashe	0	Mbhashe	-	-	-	-
Municipal Buildings	Mbhashe	1 000 000	Mbhashe	-	-	-	-
Land use management - Ntshatshongo	Mbhashe	300 000	Mbhashe		-		-
Surveying	Mbhashe	600 000	Mbhashe	-	-	-	-
Land Audit ( Leases)	Mbhashe	400 000	Mbhashe		-		-
Implementation of Integrated Waste Management Plan	Mbhashe	5 000 000	Mbhashe	-	-	-	-
Awareness campaigns, database of environmental sensitive sites and management plan	Mbhashe	700 000	Mbhashe		-	-	-
Climate change strategy,	Mbhashe	900 000	Mbhashe		-	-	-

PROJECT NAME	WARD	2015/16		2016/17		2017/18	
rehabilitation of damaged land and tree planting							
Community safety	Mbhashe	500 000	Mbhashe	-	-	-	-
Maintenance of community facilities	Mbhashe	10 000 000	Mbhashe		-	-	-
Disaster Mitigation	Mbhashe	1 000 000	Mbhashe	-	-	-	-
Sign SLAs with DSRAC, DOH, DOE	Mbhashe	R 0	Mbhashe		-	-	-

Table37

#### 4.2.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

PROJECT NAME	WARD	2015/16		2016/17		2017/18	
		Amount R	Source	Amount R	Source	Amount R	Source
EPWP Projects	Mbhashe	3.1m	Mbhashe		Mbhashe		Mbhashe
Economic Summit	Mbhashe	500 000	Mbhashe		Mbhashe		Mbhashe
Hawkers training & Support		600 000	Mbhashe		Mbhashe		Mbhashe

PROJECT NAME	WARD	2015/16		2016/17		2017/18	
		Amount R	Source	Amount R	Source	Amount R	Source
with material							
Co-operatives/SMME assistance	All	1 300 000	Mbhashe		Mbhashe		Mbhashe
Dipping Tanks		400 000	Mbhashe		Mbhashe		Mbhashe
Fencing material	5,Mbanga 6 Matolweni 9 Sizini 10 Thaleni 20 Hobeni 22 Ngadla 23 Mbozi 28 Madwaleni	1 500 000	Mbhashe	-	Mbhashe	-	Mbhashe
Seedlings	All	1 000 000	Mbhashe	5 000 000	Mbhashe	5 000 000	Mbhashe

Table38

Agricultural Inputs	All	5,500 000	Mbhashe		Mbhashe		Mbhashe
Shearing sheds		600 000	Mbhashe	-	Mbhashe	-	Mbhashe
Stock remedy	Mbhashe	700 000	Mbhashe	-	Mbhashe	-	Mbhashe
HVP-Sorghum support	14	500 000	Mbhashe	-	Mbhashe	-	Mbhashe
HVP – Macadamia Support	22	500 000		-		-	
Information Days	All	500 000	Mbhashe	-	Mbhashe	-	Mbhashe
Community trust	14	200 000	Mbhashe	-	Mbhashe	-	Mbhashe
Homestays	22,24,27	200 000	Mbhashe	-	Mbhashe	-	Mbhashe
Craft development & training	All	250 000	Mbhashe	-	Mbhashe	-	Mbhashe
Tourism Indaba, Grahamstown Arts Festival, MACUFE		200 000	Mbhashe	-	Mbhashe	-	Mbhashe
Craft festival, beach festival, horse racing and boxing tournament		400 000	Mbhashe	-	Mbhashe	-	Mbhashe
Development of tourism promotional material for VIC		200 000	Mbhashe	-	Mbhashe	-	Mbhashe
Heritage sites renovations	04, 27, 24, 15	300 000	Mbhashe	-	Mbhashe	-	Mbhashe

Table 38



#### 4.2.4 FINANCIAL VIABILITY

PROJECT NAME	WARD	2015/2016		2016/2017		2017/2018	
		Amount R	Source	Amount R	Source	Amount R	Source
Review of Indigent Register	Mbhashe	300 000	Mbhashe		Mbhashe		Mbhashe
Data cleansing	Mbhashe	400 000	Mbhashe		Mbhashe		Mbhashe
Supply & delivery of Free Basic Energy	Mbhashe	8 566 074	Mbhashe	-	Mbhashe	-	Mbhashe
Debt Collection	Mbhashe	1 200 000	Mbhashe		Mbhashe		Mbhashe
Development Procurement Plan	Mbhashe	200 000	Mbhashe	-	-	-	-
Financial Support/SCOA	Mbhashe	1 500 000	Mbhashe		Mbhashe		Mbhashe
GRAP compliant asset register	Mbhashe	1 500 000	Mbhashe		Mbhashe		Mbhashe
<b>TOTAL</b>		<b>R13 715 117</b>					

Table39

#### 4.2.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PROJECT	WARD	2015/16		2016/17		2017/18	
		Amount R	Source	Amount R	Source		Source
Risk strategy	M B H A S H E	0.00	Mbhashe	-	Mbhashe	-	Mbhashe
Risk assessment		200 000	Mbhashe	-	Mbhashe	-	Mbhashe
Core sourcing		600 000	Mbhashe	400 000	Mbhashe	-	Mbhashe
Performance Support		600 000	Mbhashe	600 000	Mbhashe	-	Mbhashe
IGR meetings		100 000	MSIG	-	Mbhashe	-	Mbhashe
Information sharing meetings		50 000	Mbhashe	-	Mbhashe	-	Mbhashe
Implementation of Special programs as per SPU strategy plan		1 200 000	Mbhashe	-	Mbhashe	-	Mbhashe
Mainstreaming		100 000	Mbhashe	-	Mbhashe	-	Mbhashe
IDP Review		600 000	Mbhashe	-	Mbhashe	-	Mbhashe
Branding of municipality		500 000	Mbhashe	-	Mbhashe	-	Mbhashe
Publication of newsletters		450 000	Mbhashe	-	Mbhashe	-	Mbhashe
Issue Adverts & notices in	300 000	Mbhashe	-	Mbhashe	-	Mbhashe	

PROJECT	WARD	2015/16		2016/17		2017/18	
		Amount R	Source	Amount R	Source		Source
electronic & print media							
Public Participation Programmes		200 000	Mbhashe	--	Mbhashe	-	Mbhashe
Customer Care		1 000 000	Mbhashe	-	Mbhashe	-	Mbhashe
Engagement meetings		100 000	Mbhashe	-	Mbhashe	-	Mbhashe
Imbizos		500 000	Mbhashe	-	Mbhashe	-	Mbhashe
Awareness Campaigns		200 000	Mbhashe	-	Mbhashe	-	Mbhashe

Table 40

### 4.3 PROJECTS BY DISTRICT, PROVINCIAL AND NATIONAL

#### 4.3.1 DISTRICT

PROJECT NAME	PROJECT AMOUNT R	SOURCE OF FUNDS				
Mbhashe North Regional Scheme	1 000 000.00	ADM MIG	-	-	-	-
Kumbaca and Cwebe Sanitation	2 000 000.00	ADM MIG	-	-	-	-
Sundwane Water Supply Scheme	5 000 000.00	ADM MIG	-	-	-	-
Xhorha Water Supply Project	3 000 000.00	ADM MIG	-	-	-	-
Mgwali North Water Supply Project	5 000 000.00	ADM MIG	-	-	-	-
Mgwali South Water Supply Project	5 000 000.00	ADM MIG	-	-	-	-
Dutywa East Water Supply	1 000 000.00	ADM MIG	-	-	-	-
Mbhashe Area Wide Sanitation	1 200 000.00	ADM MIG	-	-	-	-

Projects(ASAP)(Mbhashe Phase 1A) (Region 1)	M B H A S H E						
Mbhashe Area Wide Sanitation (Region 3B)		1 000 000.00	ADM MIG	-	-	-	-
Mbhashe Area Wide Sanitation (Region 2C)		1 000 000.00	ADM MIG	-	-	-	-
Mbhashe Area Wide Sanitation (Region 1B)		1 000 000.00	ADM MIG				
Mbhashe Area Wide Sanitation (Region 2B)		1 000 000.00	ADM MIG				
Mbhashe Area Wide Sanitation (Region 2D)		1 000 000.00	ADM MIG				
Mbhashe Ward 31 Water Supply		2 000 000.00	ADM MIG	-	-	-	-
Mbhashe Ward 31 Sanitation		500 000.00	ADM MIG	-	-	-	-
Bende Water Supply Scheme		3 000 000.00	ADM MIG	-	-	-	-
Bende Sanitation		500 000.00	ADM MIG	-	-	-	-
Shixini Water Supply Scheme		3 000 000.00	ADM MIG	-	-	-	-
Shixini Sanitation		100 000.00	ADM MIG	-	-	-	-

<b>TOTAL ADM MIG</b>		<b>45 777 327.00</b>		-	-	-	-
Dutywa East Interim Water Supply		6 200 000.00	MWIG	-	-	-	-
Seymour Ext 6 and Surroundings Interim Water Supply		2 250 000.00	MWIG				
<b>TOTAL - MWIG</b>		<b>8 450 000.00</b>					
Mncwasa Bulk Water Supply		41 000 000.00	RBIG				
Xhorha East Water Supply		45 000 000.00	RBIG				
<b>TOTAL - RBIG</b>		<b>86 000 000.00</b>					

*Table 41*

#### 4.3.2 OTHER PROJECTS

<b>PROJECT NAME</b>	<b>WARD</b>	<b>PROJECT AMOUNT R</b>	<b>SOURCE OF FUNDING</b>
Youth Jobs in Waste	Mbhashe	1 300 000	Department of Environmental Affairs (DEA)
Mbhashe/Mnquma Cleaning and Beautification	Mbhashe/Mnquma N2	11 000 000	Department of Environmental Affairs (DEA)

Mbhashe Electrification	Mbhashe	38 145 189	ESKOM
Mbhashe RRM & RMC	Mbhashe	10 307 989	Roads and Public Works
Road maintenance	Mbhashe	295 845	Roads and Public Works
Cropping	Mbhashe	11 200 000	DRDAR
CASP	Mbhashe	500 000	DRDAR
Dam Scooping	Mbhashe	350 000	DRDAR
Land care	Mbhashe	460 000	DRDAR
Dip Tank Renovation	Mbhashe	43 750	DRDAR
TOTAL	Mbhashe	13 041 000	DRDAR

**Table42**

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# CHAPTER 5

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## 5.1 Local Economic Development Strategy

Mbhashe Municipality has recently reviewed the LED strategy and was adopted on the 30th of May 2015.

The review and revision of the Mbhashe LM's Economic Development Strategy builds upon the success of previous work undertaken as per the previous strategy, adding new insights and understanding that has resulted from discussions with key stakeholders, business representatives and partners through structures organised by the Mbhashe LED Unit.

There was a strong collective will to join together through formal structures, particularly the Mbhashe Business Forum and the Mbhashe LM's Local Economic Development Unit, and informally to maximise opportunities locally for the benefit of the local businesses, employees, residents and visitors.

The strategy has been revised significantly and has gone through a number of different versions, each of which has taken into consideration the detailed inputs made by key stakeholders, and specifically those of the Business Forum and municipal officials.

In the present LED strategy focus more on creating an enabling environment by developing programmes and making available resources to support projects that will in turn be identified by local businesses, entrepreneurs and residents at large. Mbhashe Local Municipality is in some competitive position. Its economic capital, Dutywa lies along a busy and lucrative N2, and is a gateway between the various powerhouses such as Durban, Umtata and East London.

Chapter 3 of the Mbhashe LM's Integrated Development Plan refers to three (3) areas of investment, which for the purposes of the strategy are referred to strategic thrusts.



For the purpose of this document, a Strategic Thrust is defined as: “Planned actions aimed at creating impetus and a critical mass in the local economic environment in order to generate momentum in the economy”.

The Strategic Thrusts formulated as part of this document are based on the current economic situation Mbhashe LM finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the Municipality. The Thrusts, therefore, enable an integrated approach towards taking maximum advantage of the identified opportunities. The Thrusts also allow the appropriate linkage of projects and initiatives to ensure more focussed and coordinated facilitation of development in the Municipality.

While issues such as the development and upgrading of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does take place, these matters are considered to be supportive elements that will not, of its own, result in the development of the economic base and have, therefore, not been included in the Strategic Thrusts. Rather, the Thrusts identified in this document focus on the actual unique opportunities in Mbhashe LM where potential for economic development and growth lies.

The key Strategic Thrusts as per the Mbhashe LM IDP, which form the basis of this strategy are:

- Thrust 1: Agriculture.
- Thrust 2: Enterprise Development.
- Thrust 3: Tourism Development.

Based on the outcomes of the socioeconomic research, which was conducted by Executive Insights, two additional thrusts have been developed and when added to the existing thrusts will result in 5 strategic thrusts.

The following are the two additional thrusts;

- Thrust 4: Skills Development.
- Thrust 5: Spatial Planning & Land Use Management

The above Thrusts encompass the following main objectives of development:

- I. Promote a conducive economic environment in Mbhashe municipality by 2017.
- II. To market Mbhashe as a tourist destination area thereby developing economic base in Mbhashe LM by 2017.
- III. To ensure job creation through development and capacitating SMMEs, co-operatives and hawkers of Mbhashe LM by 2017.
- IV. To ensure improvement in agricultural production through appropriate and timely support to farmers in Mbhashe LM by 2017.

In line with the two additional strategic thrusts that are proposed in this document, two additional objectives are proposed for KPA 3: Local Economic Development of the Mbhashe LM IDP and shall be taken into consideration during the 2015-2016 IDP Review.

- I. To expand local human resource development in order to capacitate local residents to partake in local economic activities by 2017.
- II. To develop strategic infrastructure in support of local economic development initiatives by 2017.

## **5.2 Housing Sector Plan**

The HSP was recently reviewed in 2014 with the assistance from the Department of Human Settlements.

The vision of this Mbhashe HSP is to create integrated and sustainable communities. To make this vision a reality, the Municipality has to support the notion of productivity, inclusivity, good governance and sustainability. Given the demand profile, the provision of a suitable Rural Housing programme is core to this plan and project on Rural Housing is progressing well in Elliotdale.

The strategic priorities are:

- I. To determine expressed demand and to declare such demand
- II. To undertake housing consumer education / awareness and the housing voice

- III. To implement the housing needs register and to ensure on-going management thereof
- IV. To engage the social welfare department and Special Programs Unit (SPU) in order to cater for the child headed households and orphans.
- V. Scale up of the delivery of subsidised housing to meet the demand

### **Strategic planning for housing delivery**

- I. Conduct an annual environment analysis in order to review and revise annual housing sector plan
- II. To develop localised policies to create a more enabling environment and to manage the mushrooming of inadequate housing

### **Project pipeline**

- I. To integrate the existing information on delivered, planned, in implementation and blocked projects into a single project pipeline database with system for regular updating.
- II. To plan projects that are aligned with the provincial housing sustainability criteria
- III. To submit new projects to the Province for funding approval and technical support

### **Land and land packaging**

- I. To undertake a land identification and land packaging programme
- II. To understand the land reform programme and to create a linkage with such a programme
- III. To undertake feasibility studies on the identified state land on offer from the Department of Public Works, to prepare a business plan for each parcel of land required in order to affect the transfer of such land.

### **Infrastructure**

To engage with the infrastructure officials and plans to seek prioritisation and alignment with housing programme

## **Integrated Sustainable Rural Housing Delivery Programme**

Define a specific ISRHDP strategy that contains an analysis of the rural demand (including farm worker housing demand) and status quo and links it to a strategy that defines the needs and demands in terms of basic infrastructure, top structure and tenure and further links these to the mechanisms available to tackle the priority needs.

### **Project development and management**

- I. To package projects in terms of top structure, undertake procurement of contractors and to initiate project construction
- II. To undertake project management of all current running projects in order to ensure good quality and timely completion
- III. Continue to roll out existing projects and ensure that financing and systems are in place to initiate new priority projects including those within the ISRHDP strategy.
- IV. To have a dedicated programme to close out blocked projects.
- V. To programme the rectification needs of the current projects
- VI. To build a suitably structured housing unit in order to meet the housing mandate
- VII. To undertake a capacity assessment with the view of preparing a business plan to source funding from the Department's Capacitation Grant for improving staff and skills capacity within the Municipality. To also ensure that those officials within the Municipality that have received training through the Department's Capacity Building programme are committed to / engaged in the municipality's housing section.
- VIII. To develop the internal organisation to meet the municipal housing mandate and level 1 accreditation. The proposed structure has to include a housing manager to undertake strategic planning and performance management and a technical resource to ensure the projects are managed and administrative staff to undertake beneficiary administration.
- IX. To develop operational systems, i.e. policies, procedures and documents and forms
- X. Procurement of required office infrastructure and resources to fulfill housing mandate, this must include the installation and implementation of the project tracking tool.

### **5.3 Infrastructure Master Plan**

The purpose of the infrastructure analysis is to identify the current capacity of the infrastructure, as well as to identify improvements. In addition, this master plan includes a study of engineering design factors to be used in the maintenance of the infrastructure and estimated cost analysis.

The objectives are:

- I. To identify and analyse the existing infrastructure for Mphashe Municipality.
- II. To set direction for the Mphashe Local Municipality day-to-day infrastructure maintenance programs that is consistent with the growth of the LM.
- III. To assist the Mphashe Municipal Council in prioritizing their projects
- IV. To ensure that adequate infrastructure is available to meet current and future demands, in order to plan.

Infrastructure Master Plan will therefore deal with:

- I. Compilation for a complete and accurate Infrastructure survey taking into account what services are already available those required and the level of service they supply
- II. Setting direction for the Municipalities day to day infrastructure maintenance programs that are in line with the growth of the Municipality
- III. Provision of management reports relating to the infrastructure assets
- IV. Ensuring that adequate infrastructure is available to meet current and future demands
- V. Funding strategies, Implementation strategies, Time frames and the various legal requirements.

Compiling the backlogs for the following asset classes:

- I. Water network, including water treatment facilities (Bulk Capacities)
- II. Sanitation network, including waste water treatment works (Bulk Capacities)
- III. Roads and Stormwater

- IV. Electricity Infrastructure
- V. Land and buildings

#### **5.4. Roads Maintenance Plan**

- I. The purpose of routine roads maintenance is to ensure that all municipal roads and storm water management is maintained to a level of safe and serviceable conditions.
- II. To maintain municipal roads network as per the construction design period of the infrastructure
- III. To develop clear procurement conditions and processes in the most effective economic manner.
- IV. To strengthen capacity in the roads unit in terms of establishing roads maintenance workshop/ offices, camp sites, personnel, machinery, tools & equipment, vehicles etc.

#### **5.5 Integrated Waste Management Plan ( IWMP)**

The main objective of an IWMP is to integrate waste management into or within municipal services and respond to increasing level of waste throughout the municipality area. This is done in order for the municipality to:-

- I. Identify future waste management challenges and plans
- II. Reduce the impact of waste towards social and environmental spheres.
- III. Minimize waste management costs by optimizing the efficiency systems in terms of usage of infrastructure, labour and equipment.

#### **5.6 Community Safety Plan**

Community Safety plan summary

The Mbashe Community Safety Strategy is a plan guiding the various stakeholders and role-players, including the municipality and other state agencies, on strategies to address safety and crime prevention concerns within the municipal area.

To this end, the Mbashe Local Municipal Community Safety Strategy must be viewed as follows:

- I. As the tool by which Mbhashe local safety concerns are identified and prioritised
- II. An outline of a common vision of community safety for Mbhashe and a unifying framework for the inputs of different role-players in order to achieve that vision
- III. As an action plan to prevent crime and reduce the resulting public fear of crime in the municipality
- IV. As a tool to ensure co-ordination and management of crime prevention initiatives
- V. As an opportunity for the formation of strong local crime prevention partnerships including joint endeavours with key sectors of the local Mbhashe community.

## **5.7 Coastal Management Plan**

The people of Mbhashe Local Municipality recognise the intrinsic value and appreciate the scenic beauty diversity and richness of our unique coastline”.

We aim to take ownership of the coast and foster a spirit of custodianship and shared responsibility as our coast is a unique shared asset which has social, cultural, ecological and economic value.

Mbhashe LM aspires to manage the coast in an integrated manner that takes both the spiritual and biological value into account.

We strive to utilise the natural resources of our diverse coastline in a sustainable and equitable manner which maximises the benefits for all people of the Municipality and ensures the long term maintenance of biodiversity and ecological integrity of coastal habitats.

We strive to promote sustainable development and alleviate poverty in an equitable and participatory manner that considers the requirements of all stakeholders, and takes into cognisance of the conservation and biological importance of our coastline as well as national and provincial interests.

## **5.8 Communication Strategy and Customer Care Strategy**

Communication is a strategic tool for any institution that provides the public with timely, accurate and clear information about its policies, procedures, programmes and services. Our democratic government is committed to the principle of Batho Pele (People must come first). This commitment and relationship has to be sustained by on-going Communication and dialogue. Mbhashe Local Municipality has developed a Communication Strategy that has is linked to the five (5) year electoral mandate with an Action Plan that will be reviewed annually. The strategy has been developed to support the municipality's Vision, Mission, and strategic objectives.

Local government is the corner stone of service delivery and the sphere of government that is closest to communities. It is therefore critical that municipalities develop and sustain adequate communication structures that will give them an effective platform for engaging them in a proactive basis with citizens.

### **Steps of Communication Strategies**

- I. Background
- II. Objectives
- III. Communication challenges
- IV. Messengers and their roles
- V. Target audience
- VI. Procedures and regulations
- VII. Channels
- VIII. Communication Campaign
- IX. Communication action plan

This communication strategy is intended to ensure that the municipality engages in a co-ordinated manner with regards to communications and communicates in a standardized manner with unified messages, Adherence to its prescripts therefore it is imperative and will result in coherent image for the municipality. The communication procedures are applicable to each and every staff member employed by Mbhashe Local Municipality.



## 5.9 LIST OF MBHASHE POLICIES BY LAWS

Policy	By Laws
Municipal Residence Policy	1. Building Control By-Laws
Public Participation And Petition Policy 2015	2. By-Laws Relating To Impoundment Of Animals
Supply Chain Management Policy	3. By-Laws Relating To Prevention Of Public Nuisances And Public Nuisances Arising From The Keeping Of Animals
Policy On Policy Incubation	4. By-Laws Relating To Street Trading
Street Naming Policy	5. Credit Control And Debt Collection By-Laws
Communication And Customer Care Policy	6. By-Laws Relating To Unsightly And Neglected Buildings And Premises
Policy On Prevention Of Land Invasion	7. Indigent Support By-Laws
Policy On Sale And Disposal Of Municipal Land	8. Property Rates By-Laws
Integrated Waste Management Plan (Iwmp)	9. Taxis And Taxi Ranks By-Laws
Mbhashe Animal Pound Policy	10. Traffic By-Laws
Community Safety Strategy 2015/16	11. Abattoir By-Laws
Mbhashe Tariff Policy	12. Advertising Signs And Disfigurement Of The Fronts And Frontages Of Streets By-Laws
Property Rates Policy	13. Aerial Systems By-Laws
Payments Policy	14. Disposal Sights By-Laws
Virement Policy	15. By-Laws Relating To Hairdressers And Beauticians
Asset Management Policy	16. Fireworks By-Laws
Banking Policy	17. Fresh Produce Market By-Laws

Credit Control And Debt Collection Policy	18. Library And Information Services By-Laws
Policy On The Write Off Of Irrecoverable Debt	19. Parking Grounds, Parking Attendants And Car Washers By-Laws
Investment Policy	20. Public Amenities By-Laws
Expanded Public Works Program (Epwp)	21. Regulation Of Parks And Open Spaces By-Laws
Risk Management Policy	22. Refuse Removal And Littering By-Laws
Overtime Policy	23. Cemeteries And Crematoria By-Laws
Draft Institutional And Social Development (Isd) Policy	24. By-Laws Relating To Child Care Facilities
Mbhashe Study Assistance Policy	25. Fencing And Fences By-Laws
	26. Financial By-Laws
	27. Foodhandling By-Laws
	28. Liquor Trading Days And Hours

Table 43

#### 5.10 GAP ASSESSMENT OF REQUIRED SECTOR PLANS

ASSESSMENT MATRIX FOR SECTOR PLANS / POLICIES 2015/16								
CLUSTER	DEPARTMENT	SECTOR PLAN / POLICY	STATUS OF SECTOR PLAN / POLICY			BUDGETED 2015/16		
			Being formulated	Exist / Considered for review	Does not exist. Must be formulated	Yes	No	
Finance & Institutional	Finance	Credit control & debt collection		X		X		
		Indigent policy		X		X		
		Budget	X					

ASSESSMENT MATRIX FOR SECTOR PLANS / POLICIES 2015/16							
CLUSTER	DEPARTM ENT	SECTOR PLAN / POLICY	STATUS OF SECTOR PLAN / POLICY			BUDGETE D 2015/16	
			Being formulat ed	Exist / Considered for review	Does not exist. Must be formulat ed	Yes	No
		2015/2016					
	Corporate services	HR Procedures Manual		X			
		Organogram		X			
		Employment equity plan	X				
		Workplace skills plan		X		X	
	Strategic Manager	Performance Management plan		X		X	
		Service Delivery Budget Implementatio n Plans		X		X	
Economic development	Developme ntal Planning	LED Strategy		X		X	
		Environmental sector plan			X		X
		Tourism sector plan			X	X	
		Spatial Dev Framework		X		X	

ASSESSMENT MATRIX FOR SECTOR PLANS / POLICIES 2015/16							
CLUSTER	DEPARTM ENT	SECTOR PLAN / POLICY	STATUS OF SECTOR PLAN / POLICY			BUDGETE D 2015/16	
			Being formulat ed	Exist / Considered for review	Does not exist. Must be formulat ed	Yes	No
		Housing sector plan		X		X	
Community services &social needs	Community services	HIV/ Aids workplace strategy			X		X
		Waste management sector plan			X		X
		Disaster management plan			X		X
Infrastructure	Technical services	Capital Investment plan			X		X

Table 44

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## **CHAPTER 6: FINANCIAL PLAN 2015/16**

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### **6.1 INTRODUCTION AND BACKGROUND**

Section 26 of the Local Government: Municipal Systems Act (Act No 32 of 2000) as amended lists the core components of an Integrated Development Plan for all municipalities and section 26(h) requires the IDP to include a Financial Management Plan which, “must include a budget projection for at least the next three years”. Mbashe Municipality has prepared this Financial Plan for 2014/2015 in compliance with Section 26(h) of the Municipal Systems Act, as amended.

The IDP is a guiding document for the Municipality’s 2014/2015 budget planning process. The IDP’s outcome is the alignment of all departmental planning processes to the mission and vision of the Municipality in achieving its long-term strategic goals. Therefore, the Financial Plan ensures that the objectives of the IDP are achieved over its implementation period, and also strives to ensure that scarce resources are obtained timely and allocated to the relevant projects in line with the key targets of the IDP. The fundamental goal of the Municipality in all its processes is to enhance service delivery to its community and contribute to improved socio-economic activities for its citizens.

The financial plan includes an Operating Budget and Capital Budget for the 2014/2015 MTERF period which is informed by the Integrated Development Plan priorities and strategic direction of the Municipality.

### **6.2. OVERVIEW OF THE MEDIUM TERM REVENUE AND EXPENDITURE BUDGET**

Each department in the Municipality had to review the business planning process, setting of priorities and targets to compile the 2015/16 MRTEF operational and capital budgets. The application of sound financial management principles for the compilation of Mbashe Municipality’s Budget 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 table below shows a summary of Mphashe Municipality's 2015/16 MTREF budget.

<b>DETAILS</b>	<b>REVISED BUDGET CURRENT YEAR 2015/16</b>	<b>PROJECTED FORECAST OUTER YEAR 2016/17</b>	<b>PROJECTED FORECAST OUTER YEAR 2017/18</b>	<b>PROJECTED FORECAST OUTER YEAR 2018/19</b>
TOTAL INCOME	R 247 989 467	R 367 747 893	R 376 297 491	R 380 959 045
TOTAL OPERATING EXPENDITURE	R 214 592 705	R 232 289 127	R 269 777 903	R 285 159 509
<b>SURPLUS/(DEFICIT) for the year</b>	<b>R 34 477 358</b>	<b>R 14 486 355</b>	<b>R 16 976 561</b>	<b>R 35 973 127</b>
<b>CONTRIBUTIONS FROM OPERATING (TO) CAPITAL</b>	<b>R 67 874 120</b>	<b>R 120 972 411</b>	<b>R 123 496 049</b>	<b>R 131 772 663</b>

*Table 45*

Total operating revenue has increased by 4 per cent or R119.7 million for the 2015/2016 financial year when compared to the 2014/2015 Revised Budget. For the two outer years, operating revenue will increase by 2 per cent and 1 per cent for both outer years respectively, equating to a total revenue growth of R132.9 million over the MTREF when compared to the 2013/2014 financial year.

Total operating expenditure for the 2015/2016 financial year has been appropriated at R232.2 million and translates into a budgeted surplus of R17.7 million. When compared to the 2014/2015 Revised Budget, operational expenditure has increased by 0.08 per cent in the 2015/2016 budget year and grown by 16 per cent and 0.05 per cent each on the respective outer years of the MTREF. The operating surplus for the two outer years increases to R37.4 million and then stabilizes at R15.8 million.

## 6.2.1 Operational Budget

The following table represents the 2015/16 MTREF Operational Budget.

DETAILS	REVISED BUDGET	PROJECTED FORECA	PROJECTED FORECA	PROJECTED FORECAST
	CURRENT YEAR	OUTER YEAR	OUTER YEAR	OUTER YEAR
	2014/15	2015/16	2016/17	2017/18
<b>INCOME</b>				
PROPERTY RATES	5 843 820	R 5 957 028	R 6 308 492	R 6 661 768
REFUSE REMOVAL	R 770 573	R 807 560	R 816 036	R 896 287
RENT OF FACILITIES AND EQUIPMENT	R 770 424	R 807 404	R 848 756	R 896 287
INTEREST EARNED	R 4 000 000	R 6 000 000	R 6 324 000	R 6 665 496
FINES	R 919 476	R 482 945	R 511 439	R 540 079
LICENCE AND PERMITS	R 1 672 704	R 1 752 994	R 1 856 420	R 1 960 380
OPERATING GRANTS & SUBSIDIES	R 169 325 080	R 267 874 981	R 268 345 236	R 263 334 533
GAINS ON DISPOSAL OF PPE	R 100 000			
OTHER INCOME	R 10 721 471	R 10 942 962	R 11 076 247	R 11 696 301
<b>TOTAL INCOME</b>	<b>R 247 989 467</b>	<b>R 367 747 893</b>	<b>R 376 297 391</b>	<b>R 380 959 045</b>
<b>EXPENDITURE</b>				
EMPLOYEE RELATED COSTS - WAGES & SALARIES	55 182 764	59 045 558	69 633 328	73 520 681
EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTION	15 301 889	16 373 021	35 813 202	38 083 479
RENUMERATION OF COUNCILLORS	20 132 759	21 542 052	21 421 256	22 792 216
REPAIRS AND MAINTANANCE - MUNICIPAL ASSETS	25 359 721	26 839 623	28 168 161	29 745 453
PROVISION FOR DOUBTFUL DEBTS	1 010 344	1 010 344	1 345 690	1 418 357
DEPRECIATION	33 467 015	38 199 957	40 376 652	42 636 650
GENERAL EXPENSES	64 138 214	69 278 571	73 019 614	76 962 673
<b>TOTAL OPERATING EXPENDITURE</b>	<b>214 592 706</b>	<b>232 289 126</b>	<b>269 777 903</b>	<b>285 159 509</b>

From the above table it can be seen that the total revenue equates to R247.9 million for the 2015/16 financial year (inclusive of operating grants and subsidies). The total operating expenditure is in the excess of R214.5 million (including non-cash items) for the same financial year, resulting in an operating deficit of around R20 million. This is excluding capital grants and subsidies amount to an estimated R53.9 million during the 2015/16 financial year. The current revenue and expenditure trends have informed the following assumptions:

- I. Average increase of 13 per cent on both total income and total expenditure over the MTREF period.
- II. Revenue generated from Property Rates is R5.8 million in the 2014/2015 financial year and increases to R6.1 million by 2015/2016 which represents 2 per cent of the total operating revenue base of the Municipality and therefore remains significantly short of funding source for the Municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 5 per cent for both the respective financial years of the MTREF.
- III. Employee related costs will increase at an average of 18 per cent per annum over the outer years.

- IV. Interest on investments will increase by approximately 93% in the 2015/16 financial year compared to the 2014/15 financial and will stabilise at an average of 5 per cent in the outer years.
- V. The municipality remains grant dependent with its revenue base comprised of 89 per cent of operating grant and subsidies income and 11 per cent own revenue in the outer years.

### **6.2.2 Budget and treasury office policies**

The Municipality's budget process is guided and governed by the relevant legislative frameworks, strategies and related policies. The Budget and Treasury Office has reviewed the following policies for adoption by Council before the end of the 2013/2014 financial year. The policies are set to provide a sound financial base and assist in the achievement of Budget and Treasury Office's respective IDP priorities.

- I. SCM policy
- II. Asset Management
- III. Credit Control and Debt Collection Policy
- IV. Banking Policy
- V. Tariff Policy
- VI. Rates Policy
- VII. Budget Policy
- VIII. Virement Policy
- IX. Payment Policy
- X. Petty cash policy

Budget and Treasury Office is reviewing its policies annually due to changes in the municipal environment and to ensure that changes in legislation, IDP priorities and administrative processes are aligned to its policies.

### **6.2.3 Revenue Strategies**

For Mphashe Municipality to continue improving the quality of services provided to its community it needs to generate the required levels of revenue. Due to the rural nature of the Municipality, it becomes difficult to raise own revenue therefore, strong revenue



management is fundamental to the financial sustainability of the municipality. The Municipality is currently faced with development backlogs, low household income levels with only 39% of household earning a monthly income equal to or higher than R3 000 and lack of human resource capacity. This has made it difficult for the Municipality calculating tariff increases and balancing expenditures against realistically anticipated revenues.

Mbhashe Municipality's main sources of revenue that are substantial are from the levying of assessment rates and service charges for refuse removal. The figure below indicates the Municipality's main sources of revenue that are funding the 2014/2015 operation budget year.

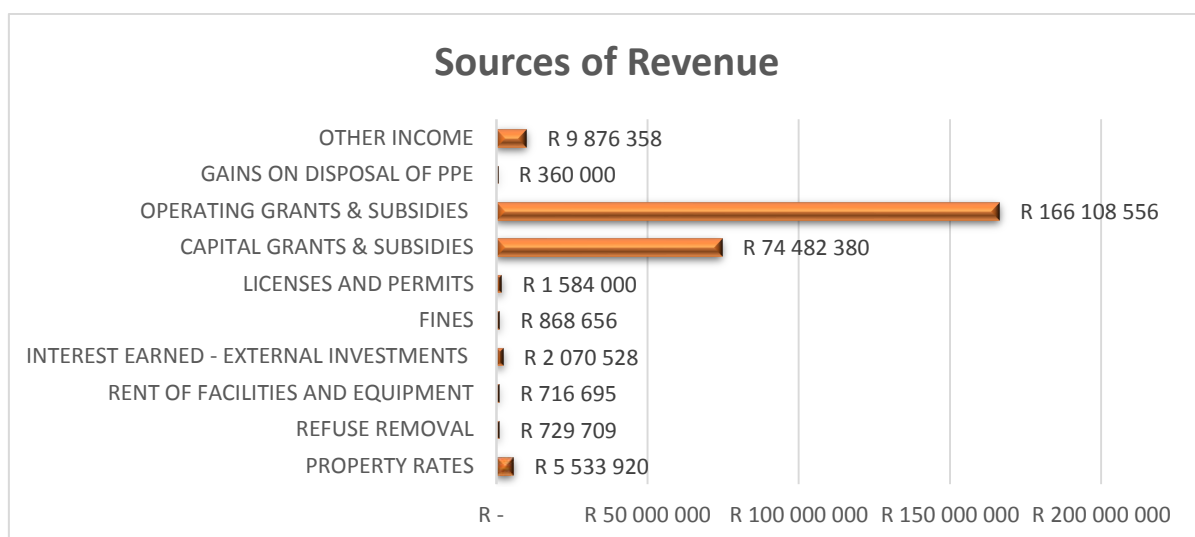


Figure 14

The municipality's revenue strategy is built around the following key components:

- I. National Treasury's guidelines and macroeconomic policy;
- II. Growth in the municipality and continued economic development;
- III. Efficient revenue management, which aims to ensure a 100% annual collection rate for property rates after the implementation of the Council resolution on debt write-off and on refuse removal charges overtime;
- IV. Achievement of full cost recovery of specific user charges especially in relation to trading services;

- V. Determining the tariff escalation rate by establishing the revenue requirement of each service;
- VI. The Municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004);
- VII. Increase ability to extend new services and recover costs;
- VIII. The municipality's Indigent Policy and rendering of free basic services.

Due to the current constraints and challenges facing the Municipality, the Municipality has decided to embark on a review of its revenue enhancement strategies which resulted in an allocation of a budget of R300 000 in the 2014/2015 financial year. A process of data cleansing the municipality's customer and billing databases started during the 2012/2013 financial year. Guided by the outcomes of the data cleansing exercise, the Municipal Council took a resolution to write-off all outstanding debts with take-on balances (i.e. from 30 June 2008 and older), and write-off 50% of the debt on the remainder of the debt for all customers. This resulted in a total debt-write off of more than R 6 million on take-on balances.

During the current financial year of 2013/2014, the Municipality developed revenue enhancement strategies which focused mainly on the following factors:

- I. Accuracy of billing information which included the implementation and continuous monitoring of the data cleaning exercise's recommendations and day-to-day operations of revenue generating departments;
- II. Implementation of an Indigent Register with focus on the development of memorandums of understanding with the following stakeholders:
  - o Eskom
  - o The South African Social Security Agency
  - o House of Traditional Leaders Association
  - o Eastern Cape Provincial Government
- III. Pay point management with emphasis on the accessibility of customer billing information from Municipality's satellite offices in Willowvale and Elliotdale towns;
- IV. Customer Care Management with focus on an integrated customer care centre
- V. Tariff structure review with emphasis on cost reflective tariffs to be applied on Municipal revenue generating services;

- VI. Municipal property leases focusing on the registration of Municipal property occupants as debtors to the billing database to ensure application of debt collection processes once rental is overdue;
- VII. Appointment of a debt collector to assist the Municipality collect outstanding debt;
- VIII. Upgrading of the Municipality's traffic services
- IX. Improvement in the impounding of livestock with a development of policy and by-laws on auctioning of livestock;
- X. Review of asset management policy and strategy; and
- XI. Alignment of the Revenue Enhancement Strategy with the LED Strategy

In implementing the revenue enhancement strategy, the following activities have been earmarked over the 2014/2015 MTREF period:

- I. Improvement in the administration of contracts of sales and leases in respect of municipality's immovable properties by implementing the recommendations of the data cleansing exercise to assist the Municipality in verifying all municipal property leases to ensure compliance and enforcement and noting of common problems.
- II. The Municipality is currently in a process of appointing debt collectors to improve revenue collections and implementation of the Municipality's debt collection policy. This will also include the implementation of the Council resolution on outstanding debt write-off.
- III. Some of the findings of the data cleansing exercise included illegal use of zones by individual erven, with sub-divisions and consolidations of properties not properly managed. The Municipality as a result was losing revenue on the application of incorrect tariffs based on illegal land use. The Planning Department is in a process of finalizing the land use regulations to minimise illegal land and surveying of all land that has not been surveyed.
- IV. The Municipality has generated revenue during the 2013/2014 financial year on pound fees through auctions and is in a process of developing a pounding policy. The Municipality is considering opening pound centres in the Elliotdale and Willowvale town areas to enhance revenue.

- V. Currently, Eskom is the distributor of electricity within the Mbhashe area of jurisdiction. The Municipality is current exploring an application of an electricity distribution license to the National Energy Regulation of South Africa. Electricity distribution by the Municipality can generate additional revenue and can also act as a debt collection mechanism.

#### **6.2.4 Equitable Share**

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution. In terms of these provisions, local government is entitled to an equitable share of nationally raised revenue to enable municipalities to provide basic services to low-income households and to assist municipalities in maintaining functioning administrations.

Equitable share takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. According to the Division of Revenue Act (DoRA), the equitable share allocation comprise of the following components:

- I. Basic services component
- II. Development component
- III. Institutional support component
- IV. Revenue Raising Capacity
- V. Correction and stability factor

It should be noted that the basic services component support poor households earning less than R2 300 per month based on the Census 2011 data. This is an income threshold that is less than the qualification threshold as stipulated in the Municipality’s Indigent Policy. It also distinguishes between poor households currently receiving municipal services and those provided with lesser municipal services or no services. The municipality should prioritise its budget towards poor households and national priorities such as free basic services and the expanded public works programme.

The equitable share allocation analysis is shown in the table below:

DETAILS	REVISED		PROJECTED
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	<b>BUDGET CURRENT YEAR 2015/16</b>	<b>PROJECTED FORECAST OUTER YEAR 2016/17</b>	<b>PROJECTED FORECAST OUTER YEAR 2017/18</b>	<b>FORECAST OUTER YEAR 2018/19</b>
EQUITABLE SHARE	R 152 172 000	R 209 735 000	R 210 574 000	R 204 695 000
FREE BASIC SERVICES	R 8 173 735	R 8 566 074	R 9 071 473	R 9 579 475
<b>Free Basic Services as a percentage of Equitable Share Allocation</b>	11%	5%	4%	5%

*Table 2.44*

From the table above, the equitable share is showing a growth of 19 per cent in the 2014/2015 financial year compared to the allocation of R127.8 million in the 2013/2014 Revised Budget period. The equitable share will increase by 30 per cent in the 2015/2016 financial year and stabilises in the 2016/2017 financial year with only one per cent increase.

The municipality is currently providing alternative energy sources (paraffin, fire gel) for non-electrified areas in the rural areas as per the indigent policy. The municipality also provides a subsidy for prepaid electricity in rural areas for registered indigents through an agreement with Eskom.

The table above shows that an average of 5 per cent of the total equitable share is allocated to subsidise for the provision of free basic services including the pre-paid electricity and provision of alternative sources of energy to qualified indigent households. With more than 60 per cent of the total household population within the Municipality earning less than R 3000, it is anticipated that the indigent subsidy currently provided might not be sufficient to cover all indigent households once the registration process is complete.

## 6.2.5 Operating Grants and Subsidies

DETAILS	REVISED BUDGET	PROJECTED FORECAST	PROJECTED FORECAST	PROJECTED FORECAST
	CURRENT YEAR	BUDGET YEAR	OUTER YEAR	OUTER YEAR
	2014/15	2015/16	2016/17	2017/18
SUBSIDIES:EQUITABLE SHARE	152 172 000	209 735 000	210 574 000	204 695 000
MUNICIPAL SYSTEMS IMPROVMENT GRANT (MSIG)	934 000	930 000	957 000	1 033 000
SUBSIDIES:LOCAL GOV FINANCE MGT GRANT (FMG)	1 600 000	1 600 000	1 625 000	1 700 000
MUNICIPAL INFRASTRUCTURAL GRANT (MIG)	2 161 080	3 210 981	3 337 236	3 526 533
SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION & WARD COMMITTEES	10 534 000	11 047 000	11 552 000	12 065 000
EPWP	1 153 000	1 052 000	-	-
Local government grant :LED	112 000	-	-	-
Local Government Grant :SMALL TOWNS REVITALISATION	350 000	-	-	-
<b>TOTAL GRANTS AND SUBSIDIES</b>	<b>169 016 080</b>	<b>227 574 981</b>	<b>242 670 236</b>	<b>223 019 533</b>

Table 46

With the promulgation of the Division of Revenue Act, 2013, cognisance needs to be taken of the following operating grant and subsidies allocations:

From the table above, it is evident that Equitable Share still remains a significant operating grant funding source for the implementation of free basic services amongst others. The

equitable share expected to increase by R72 million over the MTREF period ending in the 2016/2017 financial year based on the 2013/2014 revised budget.

### 6.2.6 Expenditure Management

A major strategy related to the outcome of this financial plan was aligned to generating further operational gains and efficiencies to ensure the Municipality undertakes detail financial planning aligned to budgeting for improved service delivery. The operating expenditure budget is a direct product of this initiative, of which operational capacity created has been directed to the capital affordability limitations.

Total operating expenditure is estimated to increase by an average of 13 per cent over the 2014/2015 MTERF budget period with total income expected to increase by an average of 15 per cent over the same period. The operating surplus margins are very low and may affect the sustainability of the Municipality. The Municipality has reviewed its Supply Chain Management Policy to ensure that procurement processes are implemented in compliance to SCM regulations and therefore minimize the level of unauthorized expenditure.

### 6.2.7 Capital Budget

The following table is a breakdown of the total capital expenditure for the 2014/2015 medium-term period:

<b>ITEM DESCRIPTION</b>	<b>PROJECTED FORECAST CURRENT YEAR 2014/15</b>	<b>PROJECTED FORECAST BUDGET YEAR 2015/16</b>	<b>PROJECTED FORECAST OUTER YEAR 2016/17</b>	<b>PROJEC TED FOREC AST OUTER YEAR 2017/18</b>
COMPUTERS & PRINTERS	412 800	615 280	177 733	152 415
INFRASTRUCTURE	51 865 920	53 122 019	55 210 764	58 342 467
OFFICE FURNITURE &	740 000	371 920	44 393	46 879

EQUIPMENT				
TOOL AND EQUIPMENT	350 000	357 200	166 475	175 797
PLANT & EQUIPMENT	5 000 000	40 000 000	40 000 000	40 000 000
VEHICLES	2 550 000	-	-	-
REFUSE TRUCK	1 500 000	-	-	-
INSTALLATION OF STREET LIGHTS/HIGH MAST LIGHT	1 800 000	2 500 000	1 897 200	1 999 649
SAKWE PARK EXT.2	-	2 417 592	-	-
SOFTWARE	500 000	524 000	554 916	585 991
ELECTRIFICATION PROGRAM	2 000 000	20 000 000	25 000 000	30 000 000
SERVERS	100 000	104 800	110 983	117 198
SOLAR PANEL	105 400	-	111 619	117 869
TRACTOR	450 000	450 000	-	-
MOBILE TOILETS	300 000	300 000	-	-
CHAIRS FOR COMMUNITY HALLS	200 000	209 600	221 966	234 397
<b>Table 46</b>	<b>67 874 120</b>	<b>120 972 411</b>	<b>123 496 049</b>	<b>131 772 663</b>

It is evident from the table above that the largest infrastructure transfer for the 2015/16 financial year remains the Municipal Infrastructure Grant with a total budget of over R53.1million.

### 6.2.8 Municipal Infrastructure Grant

The MIG supports the broader objectives of the Municipality in the delivery of basic services to poor households and the alleviation of poverty. With the maintenance of access roads and construction of community halls, the economic development of Mbhashe Municipality is stimulated and also contributes to job creation.

The table below shows a detail list of capital projects per ward to be undertaken by the Municipality over the 2015/16 MTREF budget period.

WARD	PROJECT NAME	2015/16 FY	2016/17 FY
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13	Hawkers Stalls Elliotdale	R 1 885 622,37	R 1 885 622,37
13	Road Surfacing Elliotdale	R 3 378 333,72	R 5 067 500,59
25	Hawkers Stalls Willowvale	R 1 200 000,00	
25	Road Surfacing Willowvale	R 702 533,30	R 1 639 244,35
1	Road Surfacing: Dutywa	R 6 702 926,08	R 9 335 820,03
1	Hawkers Stalls: Dutywa	R 2 495 151,98	
20	Makhamiso to Mbelu Access road	R 3 145 531,62	R 2 097 021,08
7	Tshwati Access Road	R 3 385 280,99	
30	Tswelilitye Access Road	R 3 358 547,99	
2	Sheshegu Access Road	R 3 074 376,87	
27	Nokatana Access road	R 2 954 641,42	
4	Maxhama to Esinqumeni Access Road	R 3 490,706.01	
28	Madwaleni Access road	R 3 371 068,78	
3	Gwadana to Roma Access Road	R 3 499 559,68	
12	Cungcwini to Upper Falakahla Access Road	R 3 396 423,20	
9	Colosa Mission Access road	R 3 385,281.04	
1,13 & 25	Fencing of Cemeteries Dutywa, Willowvale & Elliotdale	R 3 750 000,00	R 3 750 000,00
25	Building of Pound Willowvale& Dutywa	R 5 000 000,00	R 5 000 000,00
	PMU 5%	R 2 700 000,00	
	<b>TOTAL</b>	<b>R 53 999 998,00</b>	<b>R 28 775 208,42</b>

Table 47

### 6.2.9 Sources of Capital Expenditure

The figure below is graphic illustration of the sources of funding for the capital expenditure for the 2015/16 financial year

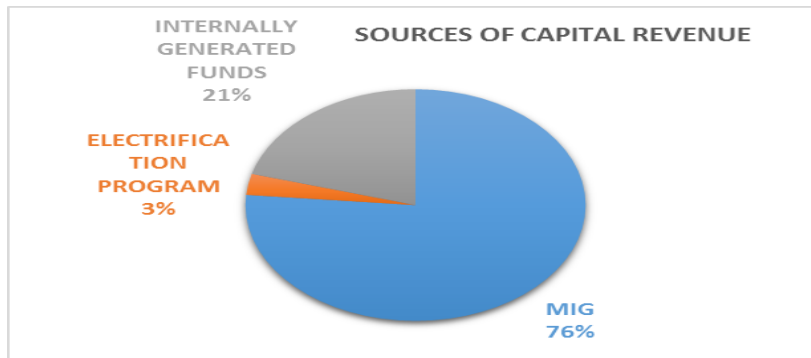


Figure 15

The figure above shows that the Municipality is funding its capital expenditure to the equivalence of 21 per cent of the total capital budget of R67.8 million during the 2014/2015 financial year. The municipality is investing on assets to ensure that basic service delivery to its community is achieved.

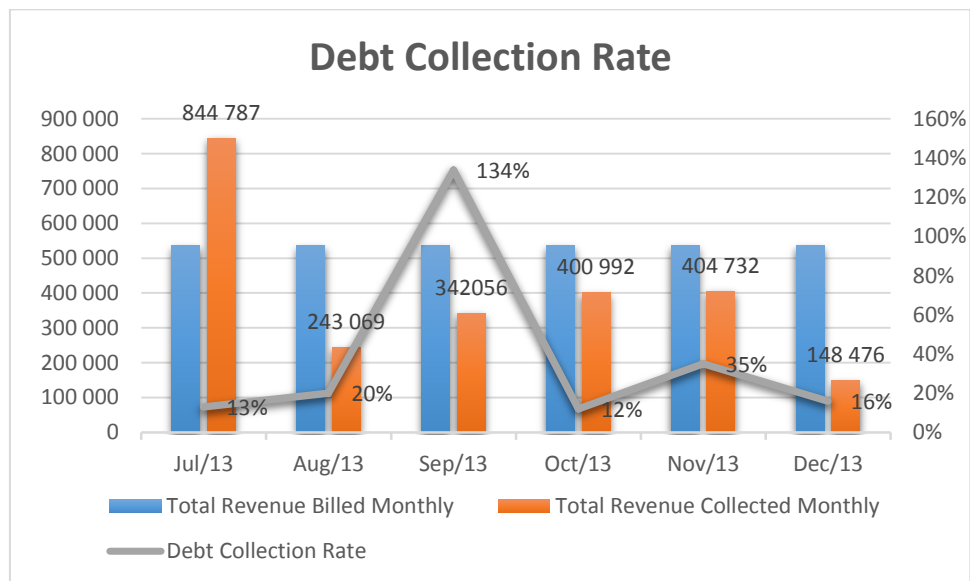
### 6.3 Sustainability of the Municipality

One of the Key Performance Areas of the Municipality in the IDP process is on Financial Viability which also contributes in assessing municipality's long-term sustainability. In assessing the Municipality's liquidity position, the Municipality has applied the following mechanism to assess the cash position of the Municipality to support the implementation of the 2015/16 MTREF budget.

- Debt collection rate
- Liquidity ratio

#### 6.3.1 Debt Collection Rate

The graph below illustrates the relationship between billing and receipts for Municipal rates and refuse services monthly between July 2013 and December 2013. The Municipality bills a constant revenue of R 536 134 per month for both rates and refuse services.



**Figure 16**

The municipality has a combination of customers who pay their rates annually and those that pay monthly. This is evident in the graph above where the debt collection rate is 134 per cent during the month of September 2013 where the Department of Public Works paid its annual rates. The average debt collection rate for municipal rates and refuse based on the graph above is around 38 per cent between the month of July 2014 and December 2014..

The data cleansing exercise has identified who the customers of Mphashe Municipality are and all administrative errors including irrecoverable debts are being corrected. The appointment of a debt collector is aiming at improving the debt collection rate during the 2015/16 medium term.

### 6.3.2 Liquidity Ratio

The liquidity ratio provides an indication of the municipality's ability to pay its short term debts in the short- term (viability of an entity). The ratio indicates how many times the current assets, if liquidated, pay the current liabilities. The norm

(considered acceptable) is 2:1 i.e. the current assets are double the current liabilities. The ratio focuses on the following:

<p><b>Current Assets:</b></p> <ul style="list-style-type: none"> <li>- Receivables from non-exchange transactions</li> <li>- VAT Receivable</li> <li>- Consumer Debtors</li> <li>- Cash and Cash Equivalent</li> </ul>	<p><b>Current Liabilities:</b></p> <ul style="list-style-type: none"> <li>- Operating Leases</li> <li>- Payables from exchange transactions</li> <li>- Unspent conditional grants and receipts</li> <li>- Provisions</li> <li>- Bank Overdraft</li> </ul>
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The following table shows the liquidity ratio for the Municipality based on the 2013/2014 audited annual financial statements.

2012/2013		2013/2014	
Current Assets	R74 090 152,00	Current Assets	R 117 375 482
Current Liabilities	R22 643 882,00	Current Liabilities	R 32 529 061
<b>Liquidity Ratio - 3,2 : 1</b>		<b>Liquidity Ratio - 3,6 : 1</b>	

Table 48

The table above shows that the liquidity ratio for both the 2012/2013 and 2013/2014 financial years currently exceeds the norm of 2:1 as the current assets exceed the current liabilities. The liquidity ratio increased in 2013/2014 financial year despite the Municipality a level of unspent conditional grants and receipts.

### 6.3.3 Summary of Audit Outcomes

Due to the instability in the Municipality's leadership with the critical positions of the Municipality remaining vacant and other section 56 employees for more than three

years, the Municipality's audit outcomes regressed but remained on a qualified audit opinion for the last two financial years (i.e. 2012/2013 and 2013/2014) after a disclaimer opinion in the 2010/2011 financial year and the previous years. The table below shows a summary of the audit outcomes of the municipality.

<b>Audit Year</b>	<b>Audit Opinion</b>	<b>Basis for Opinion</b>	<b>Emphasis of Matters</b>
2012/2013	Qualified Opinion	Property Plant and Equipment	Restatement of corresponding figures
		Irregular Expenditure	
		Prior year cash flow statement	Material underspending of conditional grants
2013/2014	Qualified Opinion	Property Plant and Equipment	Material underspending of conditional grants
		Irregular Expenditure	Material Impairments
		Investment Property	
		Employee Costs	
		Consumer Debtors	

**Table 49**

As part of the budgeting process, the Municipality budgeted more than R9 million over the MTREF period on projects earmarked to improve the audit opinion especially around property plant and equipment and preparation of annual financial statements.

### **6.3.4 Conclusion**

Operational efficiencies, including revenue enhancement, improved debt collection, effective and efficient Supply Chain Management processes as well as capital infrastructure-expansion and various planned construction and property development

programmes will lead to long-term sustainability of the municipality and sustainable service delivery for the municipal community as a whole.

Improvement in the Municipality's human resources capacity by filling in all critical service delivery and administrative driven positions will contribute positively to the sustainability of the Municipality. This should be done hand-in-hand with the refinement of processes and procedures followed by municipal staff in performing their day-to-day operations. In order for the Municipality to improve its overall performance, it is important to implement Performance Management System with clearly defined processes (roles and responsibilities) and measurable outputs (targets, monitoring and review performance), amongst other to ensure compliance to the requirements of the Municipal Systems Act.

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## CHAPTER 7

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### 7.1 PERFORMANCE MANAGEMENT FRAMEWORK

The systems act requires municipalities to develop a performance management system.

- I. The municipality should also set targets, monitor and review performance based on indicators linked to their IDP
- II. Publish an annual report on performance for the councillors, staff, the public and other spheres of government
- III. Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- IV. Involve the community in setting indicators and targets and reviewing municipal performance

The Mbhashe Municipality in responding to the above requirements developed tools aimed at operationalizing its PMS.

- I. Performance management framework
- II. Performance contracts and agreements
- III. SDBIP
- IV. Annual performance report

The Mbhashe Local Municipality reviewed and adopted by 2010 and this document represents a revised performance management framework for Mbhashe local municipality. The municipality on this exercise was financial assisted by Amathole district municipality. The outlines the objectives, principles, process, procedures and the model that guides how the municipality implements its performance planning, monitoring, review, reporting, auditing and evaluation.

It further, identifies the key stakeholders and their respective roles in the managing of municipal performance management. Once adopted by council it will be binding on all in the municipality as a policy framework for implementing performance management.

In August 2001 regulations on municipal planning and performance management were published by Department of Provincial and Local Government (**dplg**) to further explain the requirements of the LG Municipal Systems Act 32 of 2000.

According to the regulations a municipal PMS must ensure that it:

- I. complies with all the requirements set out in the Municipal Systems Act;
- II. demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- III. clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- IV. clarifies the processes of implementing the system within the framework of the integrated development planning process;
- V. determines the frequency of reporting and the lines of accountability for performance;
- VI. relates to the municipality's employee performance management processes;
- VII. provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):

- I. the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- II. the percentage of households earning less than R1100 per month with access to free basic services;
- III. the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- IV. the number of jobs created through municipality's local economic development initiatives including capital projects
- V. the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;



VI. the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and

### **I. Auditing of performance reports**

At least twice annually the council will be required to receive and endorse municipal performance reports for submission to the audit committee. These reports must be prepared by the management team and received by council by the same deadlines for review mentioned earlier.

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's Performance Management System;
- The compliance of the system with the legislation; and
- The extent to which performance measurements

### **II. Audit Committee**

The Municipal Council must ensure that the mandate of the audit committee includes the responsibility to audit performance reports at least twice annually. It is suggested that before the municipal performance report is tabled to the audit committee, it must be seen by the internal auditor for his/her advice. This will minimise possibilities for adverse outcome opinions on the report.

In composing the municipal audit committee Council must ensure that:

- I. Majority of members of the Audit Committee are not councillors or employees of the municipality;
- II. Chairperson of the Audit Committee is neither a councillor nor an employee of the municipality;
- III. Members of the Audit Committee have credibility within the communities and organs of civil society; and the

The operation of the audit committee must be governed by section 14 (2-3) of the regulations. As per the regulations, the performance audit committee will:

- I. Review the quarterly reports submitted to it by internal audit unit;

- II. Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
- III. Assess whether the performance indicators are sufficient;
- IV. At least twice during a financial year submit an audit report to the municipal council.

The audit committee should also be tasked with assessing the reliability of information reported. In order to fulfil its function, a performance audit committee may in accordance with the regulations:

- I. Communicate directly with the Council, Municipal Manager or internal; and external auditors of the municipality concerned;
- II. Access any municipal records containing information that is needed to performance its powers;
- III. Request any relevant person to attend any of its meetings, and if necessary to provide information requested by the committee; and
- IV. Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

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## CHAPTER 8: SPATIAL DEVELOPMENT FRAMEWORK

### 8.1 SPATIAL DEVELOPMENT FRAMEWORK

#### 8.1.1 SDF Summary

As a minimum legal requirement in terms of the Municipal Systems Act (Act 32 of 2000), all municipalities are to formulate a Spatial Development Framework (SDF) Plan as part of their Integrated Development Planning (IDP) process.

A Spatial Development Framework (SDF) Plan is to provide a municipality and other development agencies with a tool to assist them in making development decisions, which ensures that land use management and future land development within a municipality is based on the principle of sustainable development decisions and practices.

Based on the vision and objectives contained in the IDP of a municipality, a Spatial Development Framework should be a reflection of what a municipal area will look like in the future.

The SDF plan is to fulfil the following:-

- I. Direct decision-making that may impact on the Municipal area.
- II. Direct development investment to areas that would ensure the most sustainable return of investment.
- III. Guide development in a spatially efficient way, ensuring linkage and alignment to regional and national development policies and programmes.
- IV. In response to specific trends and dynamics, direct investment to areas of greatest potential and to target areas of greatest need so as to promote economic growth and alleviate poverty.
- V. Ensure improved linkages within Mbashe and beyond its boundaries to stimulate effective and sustainable integrated development.
- VI. Protect natural systems in Mbashe.

#### 8.1.2 Development and planning initiatives

The following spatial and strategic development initiatives have recently been completed or are still underway in Mbashe:-

Localised plans:-

- I. Dwesa/Cwebe Development Plan review
- II. Wild Coast Regional Spatial Development Plan
- III. DEDEAT Spatial Guidelines
- IV. Coastal Tourism Development
- V. Wild Coast Meander
- VI. N2 upgrade and realignment

### **8.1.3 Localised Spatial Planning Initiatives**

The following Local Spatial Planning Initiatives are underway in Mbhashe:-

#### **I. The Willowvale and Elliotdale Precinct Plans (recently completed)**

These plans were recently finalised and have been incorporated in the SDF Review.

#### **II. The Dwesa/Cwebe Development Plan**

The Dwesa/ Cwebe communities known as Hobeni, Mendwane, Ntlangano, Mpume, Ngoma, Ntubeni and Cwebe partially lived within the area of the Dwesa/ Cwebe nature reserve up until the 1900's, and had access to the reserves' resources.

The settlement includes

- I. The Dwesa/Cwebe Reserve, including the Ntlonyana cottages
- II. The Haven Hotel
- III. Development for the seven communities of Dwesa/Cwebe

A project was initiated in 2010 to review the Dwesa-Cwebe Development Plan. This process is presently on hold due to a dispute amongst members of the community around the legality of the trust and its representation.

Forestry, Agriculture and rural development

Areas identified with potential for general agricultural and forestry purposes.

#### **III. Agriculture**

The entire Mbhashe area is regarded as an important agricultural area and supports the approach that agriculture must be the cornerstone of rural development and economic upliftment in Mbhashe. The plan below reflects the general categorisation of soil classes with related potential for agricultural based activities.

**Intensive Agriculture** refers to areas identified for their potential for irrigated crop production (in accordance with previous studies). These areas will need to be considered for specialized infrastructure provision and appropriate land development and tenure arrangements).

The following areas have been identified for their potential for irrigated crop production. They are Lower Mbangcolo Irrigation Scheme, Mendu Irrigation Scheme, Shixini Irrigation Scheme, Ludondobo Irrigation Scheme – current projects are underway to develop these schemes through the RuLiv Programme. Other areas being considered for irrigation projects are in Ward 4 near Mbanga, Ward 15 near Khasa, Ward 14 near Bikana / Mbangcolo and Ward 09 near Duff.

#### **IV. Forestry Potential**

Forestry Potential refers to areas with moderate to high potential for commercially viable forestry development. The plan overleaf reflects the areas that have potential for commercial forestry development.

**Good potential** (Commercial plantations recommended) - Areas that are regarded as having Good Potential need to be reserved for Forestry Development. These are mostly situated along the periphery of the municipal area. For the purposes of achieving economy of scale, it is important to consider forestry development proposals in adjoining municipalities and inclusion of such areas in the broader forestry development area.

**Moderate potential** (Possibly commercial plantations – yields expected to be low/moderate) – Areas regarded as having Moderate Potential need to be considered for possible small scale forestry development and/or woodlots, for production of timber for use and potential value adding activities at local level. Such areas could however have higher potential for other types of development, which should first be considered (i.e. for Agricultural production).

Within the organisational structure of the Municipality, Spatial Planning, Town Planning and Development Control functions fall under the Directorate tasked with Development

Planning. The Spatial Development Framework is however regarded as a key element in the integration of development processes applicable to different sectors.

In order to achieve properly planned and controlled Integrated Development within Mbhashe, it is proposed that the following be implemented:

- I. An inter-departmental / multi sector Spatial Development Co-ordinating Committee be established to ensure adherence to the development decisions and principles as contained in the Municipality's approved SDF. The existing Planning Committee is most likely the appropriate structure for this.
- II. This committee is to be tasked with the on-going refinement and review of the SDF as a "living document". This is especially relevant to the formulation of other sector plans and integration of these sector plans into the SDF. This is anticipated to be a two-way process, firstly in terms of direction and guidance from the SDF, and secondly in terms of review of the SDF based on Sector Plan findings and proposals.

## **8.2 PROPOSALS FOR LAND USE MANAGEMENT SYSTEM**

The Local Municipality is required to formulate an Integrated Land Use Management System within the next 5-year period. As reflected above, there is currently no enabling legislation in place that allows for Physical Planning / Detailed Spatial Planning (Structure Plans) and a Land Use Management System (Zoning Schemes) within the rural parts of the Municipality. Available legislation only applies to the urban areas (former Municipal areas).

In the interim, the following arrangements are proposed:-

- I. The SDF be used as a basis for obtaining community resolutions in support of spatial development principles and proposals for each part of the Municipality. This will form the basis of the implementation of a future land use management system in rural parts of the Municipality.
- II. Local committees to be established with representation from traditional authorities, residents, interest groups (farming groups, tourism association etc.), municipal officials and councillors.

III. Once Local committee comments have been obtained, applications are to be forwarded to the Municipality. In the event of the specific land application being situated within a special area of strategic importance – as identified in the SDF, such application is to be assessed by the relevant Department responsible for the applicable regulations and procedures that are specified as Guidelines for Land Use Management in such an area. Applications situated outside of identified areas of strategic importance are to be circulated to such Departments as deemed necessary.

IV. Land registers to be kept at the Municipality. This will enable records of the existing system to be incorporated into a new Land Use Management System, once such a system is in place.

### 8.3 TOURISM DEVELOPMENT NODES

The following are proposals for tourism nodes

First order nodes	Kobb Inn (Qora Mouth)
2 <sup>nd</sup> order nodes	Nqabarha
	Xhora Mouth
Coastal settlements	Jotela
	Ntlonyana
	Kwetera
	Qatywa
	Nqabarha
	Bulungula
	Ngomani
3 <sup>rd</sup> order nodes	Mpame
	Xhora Mouth cottages
	Nkanya
	Beechmawood (Tenza)

	Bulungula Lodge
	Nqabarha Peninsula
	Mpame Cottage area

*Table 50*

#### **8.4 IDP APPROVAL**

The process of approval for this IDP involved a series of consultative meetings with all stakeholders including: all wards, representative forum members, sector departments, internal departments, the district and MEC for Local Government. A draft IDP was tabled in council of 30 March 2015 and thereafter used to solicit comments from various municipal stakeholders.

Following comments received from these various interests groups, the drafting team considered the inputs and amended the document accordingly. This final IDP document reflects inputs from all our stakeholders and has also been amended to ensure full compliance with the MECs template for credible IDPs as was dictated to Mbhashe in the feedback received from MEC.

This being the final IDP document is produced, tabled to council and marketed to all relevant audiences to ensure continuous buy-in and support for IDP implementation.

Copies will also be forwarded to relevant authorities such as MEC for Local Government in the province, the District and other development agencies that will be lobbied to contribute to the development agenda of municipality.