

MBHASHE LOCAL MUNICIPALITY



Draft Reviewed Integrated Development Plan 2016 – 2017

CONTACT: Municipal Manager
Mbashe Local Municipality
4037 Streatfield Street
Dutywa, 5000

Tel: 047 – 489 5800

Fax:047 – 489 1137

MAYOR’S FOREWORD 2016/2017 IDP REVIEW	Error! Bookmark not defined.
MUNICIPAL MANAGER’S MESSAGE	Error! Bookmark not defined.
I. Legislative Framework	4
II. What is IDP?	5
III. Benefits	6
IV. IDP Process	6
i) Introduction	6
ii) The Process Plan	6
iii) Organisational arrangements	7
iv) IDP/Budget/PMS Representative Forum	7
V. Community Participation	20
VI. Alignment with other Plans	20
<i>Table 2</i>	22
VII. Powers and Functions	22
CHAPTER 1	25
1.1 Vision	25
1.2 Mission	25
1.3 Values	25
1.4 Batho-Pele Principles	25
CHAPTER 2	29
2.1 Locality Context	29
2.2 Demographic Profile	30

2.3 Socio – Economic Profile	30
2.5 Bio-physical Environment	43
CHAPTER 3	49
ANALYSIS PER KPA	49
3.1 KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	49
3.2 KPA 2: BASIC SERVICE DELIVERY	68
3.4 KPA 4: FINANCIAL VIABILITY	144
3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	151
CHAPTER 4	165
CHAPTER 5	226
5.1 Local Economic Development Strategy	226
CHAPTER 6: FINANCIAL PLAN 2016/17	244
7.1 PERFORMANCE MANAGEMENT FRAMEWORK	265
I. Auditing of performance reports	267
II. Audit Committee	267
CHAPTER 8: SPATIAL DEVELOPMENT FRAMEWORK	269
8.1.1 SDF Summary	269

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 Mbhashe IDP. 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.

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
Compilation of Draft IDP, PMS and Budget Process Plan Commences			01/07/2015	Strategic Manager
	Development of Performance Agreements for S56 Managers		01-31/07/2015	Strategic Manager
	Extended Management Meeting (Annual Performance Reporting to Officer level)		06/07/2015	Municipal Manager
	Submission of Performance		15/07/2015	Strategic Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	reports and performance information Q4 to Strategic			
ADM District Planning Coordinating Forum – presentation of Draft Process Plans			20/07/2015	IDP Practitioners
	Induction of Audit Committee/Performance Audit Committee Submission of Performance reports and performance information Q4 to Internal Audit		23/07/2015	Municipal Manager
		Budget Steering Committee to discuss rollovers, savings declarations and new applications	28/07/2015	CFO

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	Submission Performance Agreements for S56 Managers to Provincial Treasury	Submit to National Treasury the following documents: Quarterly budget returns, Budget locking certificate, Reviewed SDBIP for 2015/16, Grants Reports as per approved NT template, Section 66 report Section 52(d) report, Quarter 4 SCM report for 2014/15	31/07/2015	Strategic Manager CFO
	Extended Management Meeting (PMS Reporting to Officer level for July 2015)		03/08/2015	Municipal Manager
	Submission of Performance Reports to Performance Audit Committee	Annual Financial Statements to Audit Committee	06/08/2015	Municipal Manager
Tabling to EXCO of the Draft 2015/16 Process plan, 2014/15 Draft Annual Report and Annual Performance Report		Annual Financial Statements to EXCO	18/08/2015	Municipal Manager
ADM District Planning Coordinating Forum- presentation of the Final Draft of the IDP/Budget/Process Plan			18/08/2015	IDP Practitioners

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
IDP, PMS and Budget Representative Forum to present draft IDP, PMS and Budget Process Plan 2016/17, PMS Framework and Annual Performance			20/08/2015	Mayor
ADM IGR Forum (Sector specific analysis information and prioritized local issues)			24/08/2015	Strategic Manager
Council Meeting - Adoption of the IDP/Budget Process Plan	Adoption of Draft Annual Report		26/08/2015	Mayor
		Annual Financial Statements and Annual Performance Assessment Information Report & Draft Annual Report submitted to Auditor General Submission of Conditional Grants Unspent Rollover Application	31/08/2015	CFO and Strategic Manager
Advertise Process Plan on local newspaper and submit to MEC, Provincial Treasury, Auditor General and ADM			04/09/2015	Strategic Manager
	Extended Management Meeting PMS Reporting to Office level for		07/09/2015	Municipal Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	August 2015			
ADM DIMAFO ADM DIMAFO (Sector specific analysis information and prioritized local issues)			16/09/2015	Mayor, Municipal Manager
ADM REP FORUM- (Sector specific analysis information)			17/09/2015	Mayor/Strategic Manager
IGR Forum Presentation - *Assessment of existing level of development - Situational analysis *Prepare analysis information on existing services, current backlogs and identification of development priorities			23/09/2015	Municipal Manager
	MPAC Roadshow – presentation of Draft Annual Report to communities for comments		29,30/09/2015	MPAC
	MPAC Roadshow – presentation of Draft Annual Report to communities for comments		01/10/2015	MPAC
	Audit Committee Meeting - Presentation of the Draft Annual report, AG audit status Performance report		02/10/2015	Municipal Manager
IDP/Budget/PMS Steering Committee - Planning on Mayoral Imbizo /Ward Based Plans	Extended Management Meeting PMS Reporting for September 2015		05/10/2015	Municipal Manager Municipal Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	Submission of Performance reports and performance information Q1		07/10/2015	Strategic Manager
	Mayoral Imbizos - Public consultations (reporting on annual performance, status of current projects and confirmation of ward priorities)		07-22/10/2015	Mayor, EXCO
	Submission of Performance reports and performance information Q1 to Internal Audit		15/10/2015	Strategic Manager
		Council meeting Tabling of Section 52 Financial performance report Submission of Quarterly budget returns	28 October 2015	Mayor CFO
ADM IGR Forum - (Sector specific analysis information)			29/10/2015	Strategic Manager
	Extended Management Meeting PMS Reporting to Officer level for October 2015		02/11/2015	Municipal Manager
IDP Steering Committee meeting/ Technical Strategic Session – presentation			06-07/11/2015	Municipal Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
of the draft situational and needs analysis				
DCPF ADM - presentation of the draft situational and needs analysis and municipal priorities			17/11/2015	IDP Practitioners
	Finalisation of assessment of Annual Report by MPAC			Strategic Manager
IDP/ Budget Rep Forum - presentation of the draft situational and needs analysis			18/11/2015	Strategic Manager
ADM IDP/ Budget Rep Forum - presentation of the draft situational and needs analysis			19/11/2015	Mayor, IDP Practitioners
		Submit process plan for review of Budget Related policies	27/11/2015	CFO
	Audit Committee – presentation of Oversight Report, adjustment budget		02/12/2015	Municipal Manager
	Extended Management Meeting - PMS Reporting to Officer level		07/12/2015	Municipal Manager
	Council Meeting – Adoption of Oversight Report		09/12/2015	Mayor
	Publication of the oversight report		18/12/2015	Strategic Manager
	Submission of oversight report to Legislators, National and Treasury		18/12/2015	Strategic Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	Extended Management Meeting – PMS Reporting to Officer level for December 2015		11/01/2016	Municipal Manager
	Submission of Performance reports and performance information Q2 to Strategic	Budget Steering - Analyze review of capital budget and operating projects from Directorates, Budget Adjustment	12/01/2016	Mayor Strategic Manager
Technical Strategic Session Refinement of Objectives, Strategies and Municipal priorities		compile and finalize Mid-year report, adjustment budget and Revised SDBIP	18-19/01/2016	Municipal Manager
	Submission of performance information, Q2 – mid-term performance reports to Internal Audit	Convene Exco Workshop on Midyear report, adjustment budget and Revised SDBIP	21 January 2016	Strategic Manager
		Check with National Treasury, Provincial Governments and Districts Municipalities for any adjustment to projected allocations for the next 3 years.	22/01/2016	CFO

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	Presentation of reviewed SDBIP to the Mayor for approval,		26/01/2016	Municipal Manager
	Special Council Meeting - Table Mid-year performance report and revised SDBIP		27/01/2016	Mayor
	Submission of mid-term performance reports to ADM and Sector Departments (DLGTA, PT and NT		29/01/2016	Strategic Manager
	Extended Management Meeting PMS Reporting to Officer level for January 2016		01/02/2016	Municipal Manager
IDP/PMS/Budget Steering Committee - Reviewal of the strategies and objectives, setting up new objectives, strategies based on new priorities and budget adjustment			03/02/2016	Municipal Manager
Institutional Strategic Sessions - Reviewal of the strategies and objectives, setting up new objectives, strategies based on new priorities and budget adjustment			10-12/02/2016	Mayor, Municipal Manager
IGR Forum Draft Strategies and objectives and programs, Presentation of project plans from Sector Departments			23/02/2015	Municipal Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
		Budget Steering Committee – discussions on Budget adjustment	25/02/2016	Mayor
		Mid-year budget and performance assessments visit by Provincial Treasury	02/2015	
IDP/Budget/PMS Steering Committee - Alignment of Strategies, Objectives to project priorities and budget			01/03/2016	Municipal Manager
	Compilation of Draft SDBIP, Performance report		03/03/2016	Municipal Manager
	Extended Management Meeting – PMS Reporting to Officer Level for February 2016		07/03/2016	Municipal Manager
Presentation of Draft IDP, Annual Budget, Draft SDBIP, Draft Procurement Plan, Tariffs and budget related policies to the Executive Committee				Strategic Manager, CFO
ADM DPCF - Presentation of Reviewed Draft IDP 2016/2017			09/03/2016	Strategic Manager
ADM DIMAFO (Sector specific analysis information and prioritized local issues			10/03/2016	Mayor, Municipal Manager
IDP/Budget/PMS Rep Forum - Presentation of Reviewed Draft IDP 2016/2017			14/03/2016	Mayor

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
ADM IDP/Budget/PMS Rep Forum - Presentation of Reviewed Draft IDP 2016/2017 for adoption			16/03/2016	Mayor
Council Meeting – Tabling of Reviewed Draft IDP and Budget 2016/17, Draft Procurement Plan, Tariffs, budget related policies for approval and Organizational Structure		Table third quarter performance report including financial performance analysis report to Council	30 March 2016	Mayor
Advertisement of the draft reviewed IDP and Budget Submission of Reviewed IDP document and Budget, to ADM, Provincial and National Treasury and the MEC for Local Government and Traditional Affairs			01-08/04/2016	Strategic Manager
IDP/Budget Roadshows - Public Comments Phase presentation of the Draft IDP and Budget to the communities for comments			04-15/04/2016	Mayor, EXCO
	Submission of Performance reports and performance information of the Q3 to Strategic		07/04/2016	Strategic Manager
	Submission of Performance reports and performance information of the Q3 to Internal		18/04/2016	Strategic Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	Audit			
IDP/Budget/PMS Steering Committee – adjustments to the Draft IDP and Budget considering inputs from the public			23/04/2016	
ADM District Planning Coordination Forum – Finalization and presentation of Draft IDP and Budget			26/04/2016	IDP Practitioners
	Extended Management Meeting - PMS Reporting to Officer level		03/05/2016	Municipal Manager
	Performance Audit Committee – presentation of 3 rd quarter performance reports		05/05/2016	Municipal Manager
IGR FORUM - Presentation of final Draft IDP and Budget			06/05/2016	Mayor, Municipal Manager
		Budget Steering Committee - Final Budget integration to IDP	09 May 2016	Mayor
Audit Committee – Presentation of the Final Drafts - IDP, SDBIP and Budget			10/05/2016	Municipal Manager
Presentation of final Draft IDP and Budget to the IDP Steering Committee Meeting and finalization of the SDBIP			11/05/2016	Municipal Manager
ADM DIMAFO (Sector			13/05/2016	Mayor, Municipal

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
specific analysis information and prioritized local issues				Manager
IDP/Budget/PMS Rep Forum -Presentation of the final draft IDP and Budget			17/05/2016	Mayor
ADM IDP/ Budget Rep Forum - Presentation of the final draft IDP and Budget			18/05/2016	Mayor, IDP Practitioners
Council Meeting - Tabling of Final Draft IDP and Budget for approval			25/05/2016	Mayor
ADM SODA			27/05/2016	Mayor
		MTREF Budget, budget related policies, published on council website	01-03/06/2016	CFO and Strategic Manager
Advertisement of Final IDP and Budget , Tariffs			08/06/2016	Strategic Manager and CFO
	Submission of Draft SDBIP to EXCO		09/06/2016	Municipal Manager
	Presentation of the SDBIP to Mayor for approval		13/06/2016	Municipal Manager, Mayor
Facilitate printing of the IDP for 2016/2017			15/06/016	Strategic Manager and CFO
	SDBIP advertised and submitted to Provincial and National Treasury & MEC for		29/06/2015	Municipal Manager

IDP	PMS	BUDGET	DATE	RESPONSIBILITY
	COGTA, AG & ADM			

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.

INTEGRATION AND ALIGNMENT STRATEGY FOR THIS IDP		
	PROGRAMMES AND GUIDELINES	MBHASHE RESPONSES
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

Table 2

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.

Functions of Mbashe	Definition	Capacity to perform
Beaches and Amusement facilities	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.	Yes
Cemeteries, funeral parlours and crematoria	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains.	Yes
Child care facilities	Facilities for early childhood care and development which fall outside the competence of national and provincial government	Yes
Cleansing	The cleaning of public streets, roads and other public spaces either manually or mechanically	Yes
Control of public nuisance	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community	Yes

Control of undertakings that sell liquor to the public	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 monitor liquor outlets for compliance to license requirements in as far as such control and regulation are not covered by provincial legislation	Yes
Facilities for the accommodation, care and burial of animals	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	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads	Yes
Licensing of dogs	The control over the number and health status of dogs through a licensing mechanism.	No
Local sport facilities	The provision, management and/or control of any sport facility within the municipal area.	Yes
Markets	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.	Yes
Municipal abattoirs	The establishment conduct and/or control of facilities for the slaughtering of livestock.	No

Municipal parks and recreation	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.	Yes
Storm water	The management of systems to deal with storm water in built-up areas	Yes
Street lighting	The provision and maintenance of lighting for the illuminating of streets	Yes
Street trading	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve	Yes
Trading regulations	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	Yes
Traffic and parking	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
Disaster	Facilitation of Disaster Management	Yes
Housing	Facilitation of the Housing development, with key focus on beneficiary identification, town planning matters, building plans and stakeholder engagement	Yes

Table 3

CHAPTER 1

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.

CHAPTER 2

2.1 Locality Context

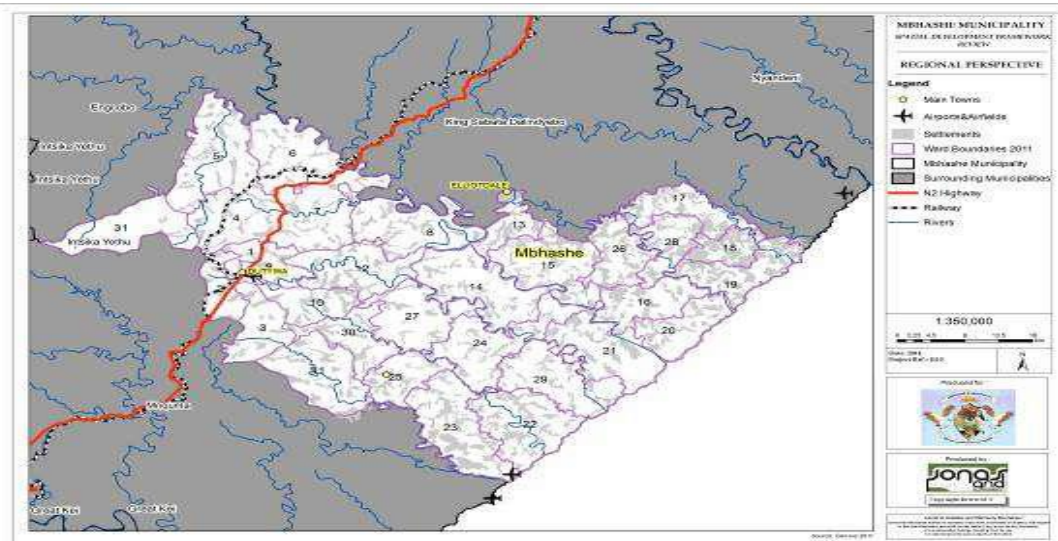
Mbhashe Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 31 wards and 61 Councillors. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the 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 km² in extent (after the last national elections). It is estimated that the new additions of few villages from IntsikaYethu 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
Total Population	253,372	254,909
Total Households	53,199	60,124
Household Size	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.

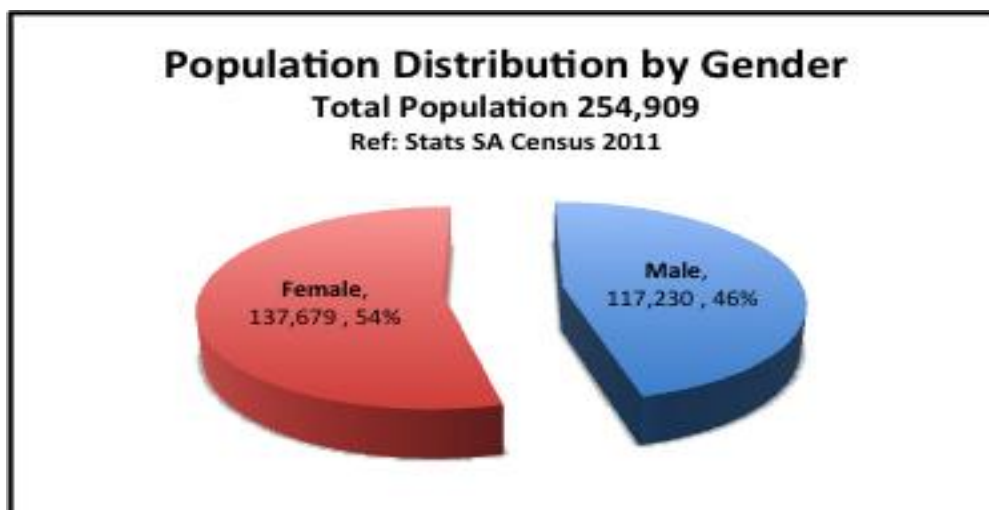


Figure 1: Population distribution by Gender

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

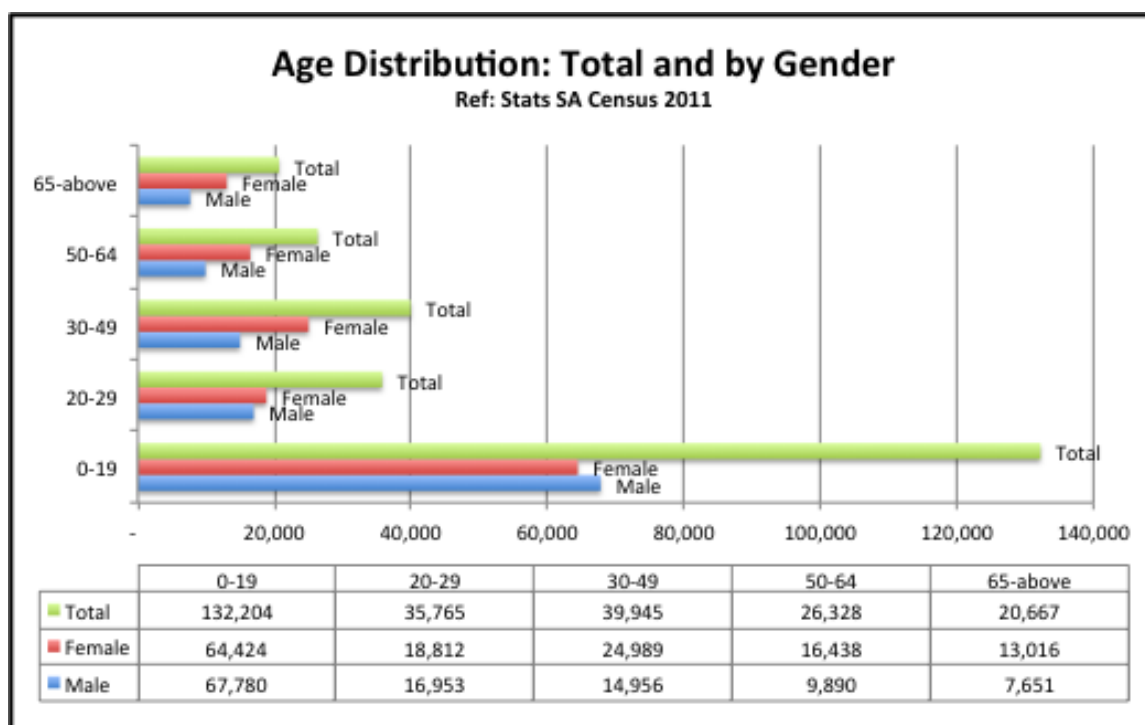
2.3.3 Age Distribution

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.

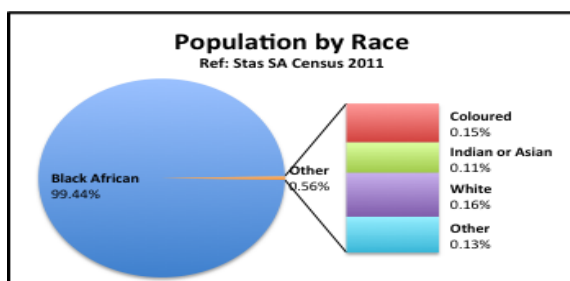
This indicates that the planner has to find a way out of improvement of health and safety of males and capacity improvement of females.

Figure 2: Age distribution



2.3.4 Population Distribution by Race

Figure 3. Population 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.

2.3.5 Language of the Population

94% of Mbashe 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.

Figure 4: Language by population

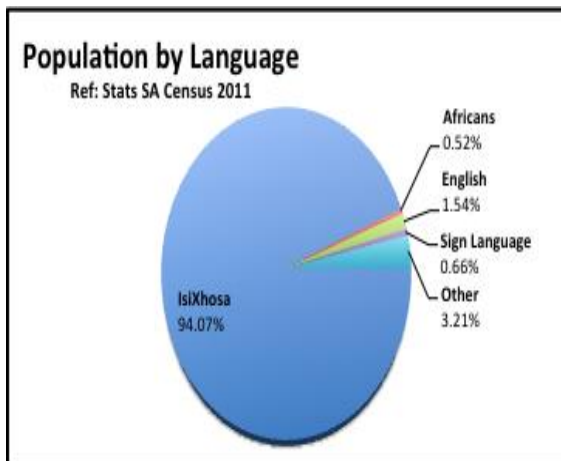


Table 6: Language by population

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%
Total	254,909	100%

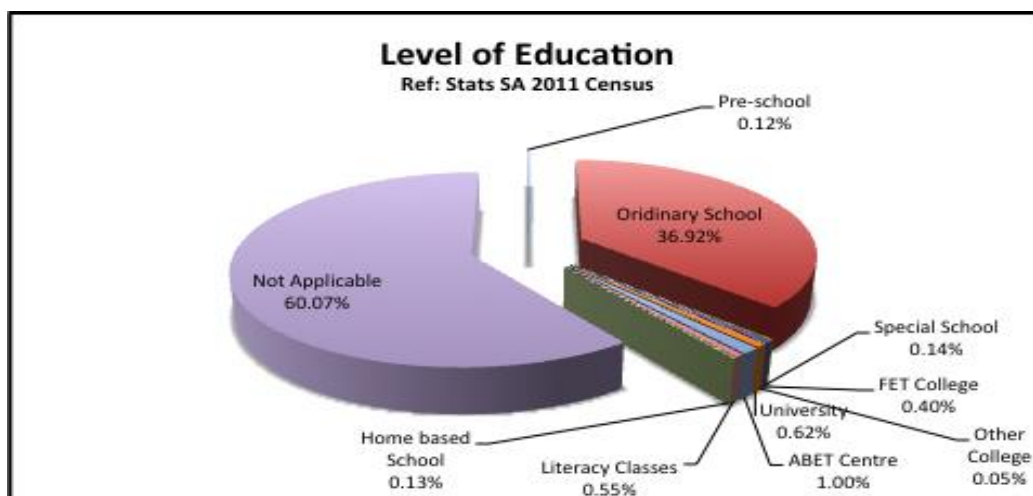
2.3.6 Education Level

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%
Total	254,909	100.00%

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 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 Table 8 Employment Level

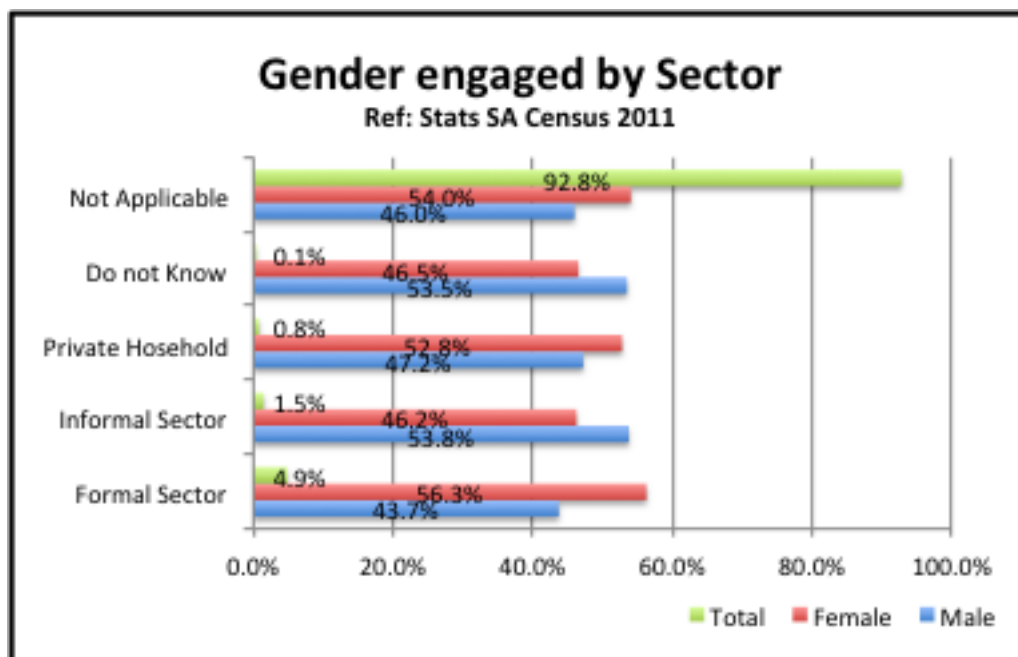
Employment Sector	Male	Female	Total
Formal Sector	5,411	6,963	12,374
Informal Sector	2,007	1,726	3,733
Private Household	943	1,054	1,997
Do not Know	123	107	230
Not Applicable	108,746	127,829	236,575
Total	117,230	137,679	254,909

Mbhashe is earmarked as **Table 8: Employment per sector by Gender**

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 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.

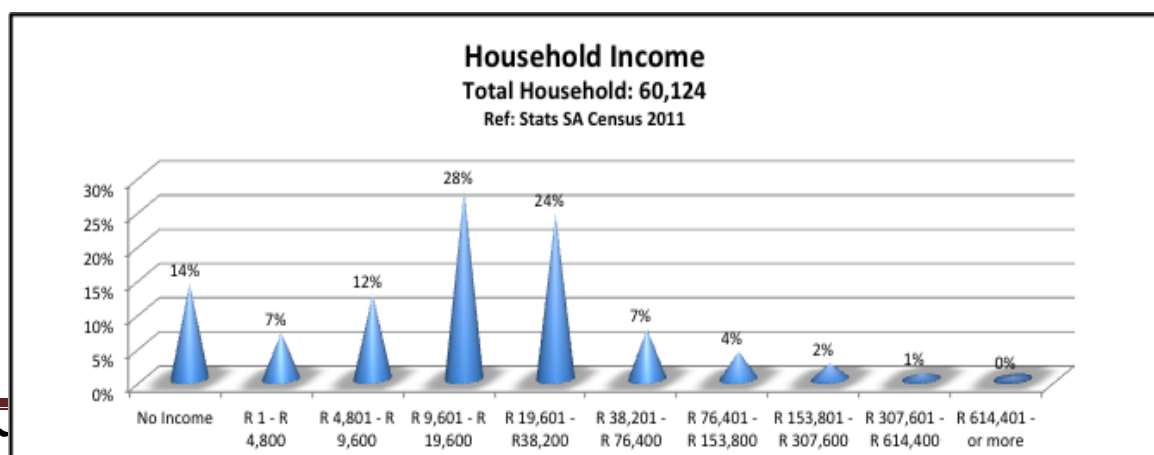
Figure 6: Gender analysis of employment by sector



2.3.8 Level of Household Income

The level of household income further explains poverty level of Mphashe. 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



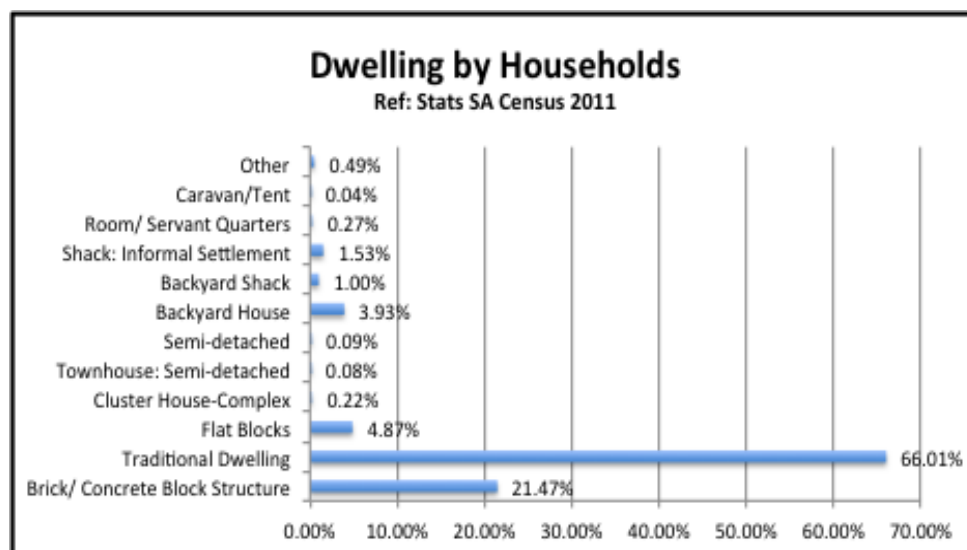
2.3.9 Dwelling By House Type

Table 9: Dwelling by house type

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%
Total	60,124	100.00%

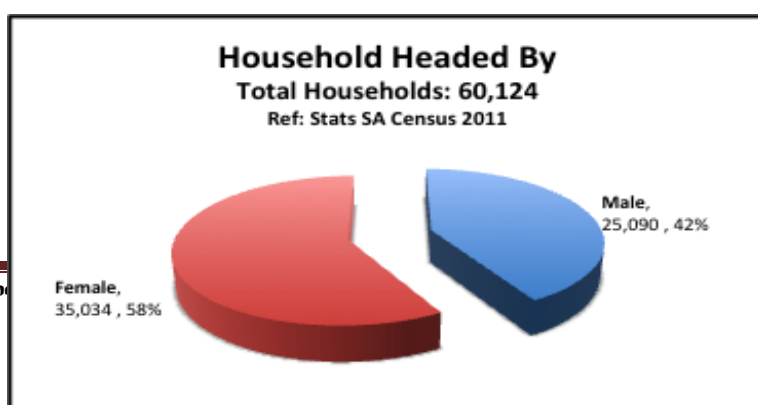
Traditional Dwellings, which is 66% according to the last Census followed by 21.47% in Brick or Concrete Block structures and 4.87% in Flat Blocks. The details of dwelling status are given in the table at the right and below figure.

Figure 8: Dwellings by house type



2.3.10. Household Heads

Figure 9: Household head

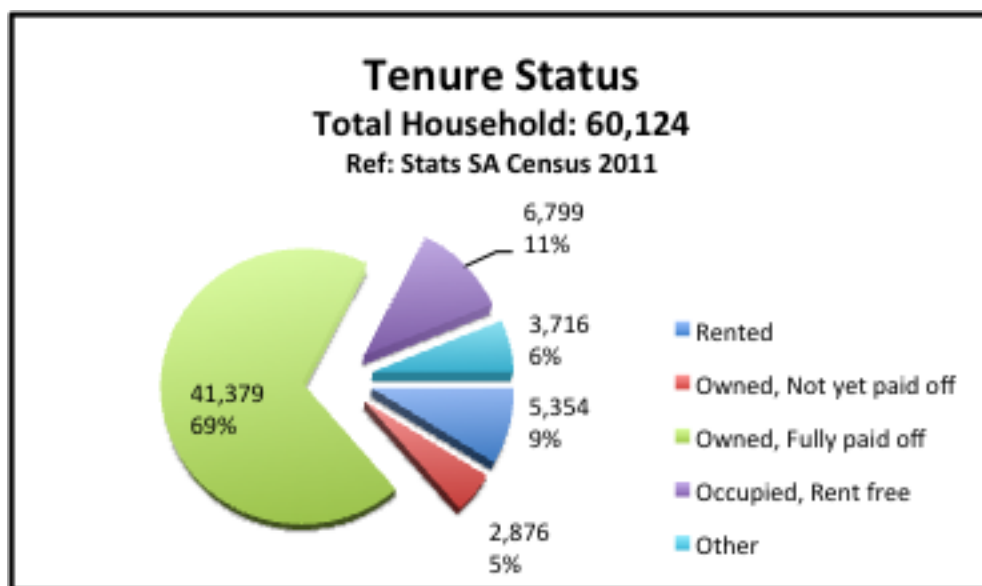


Household is dominated by females with a male to female ratio of 46:54 which is a little higher than population distribution of 42:58. This is mainly because of single female parentship and under aged mothership, which causes also high level of illiteracy.

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

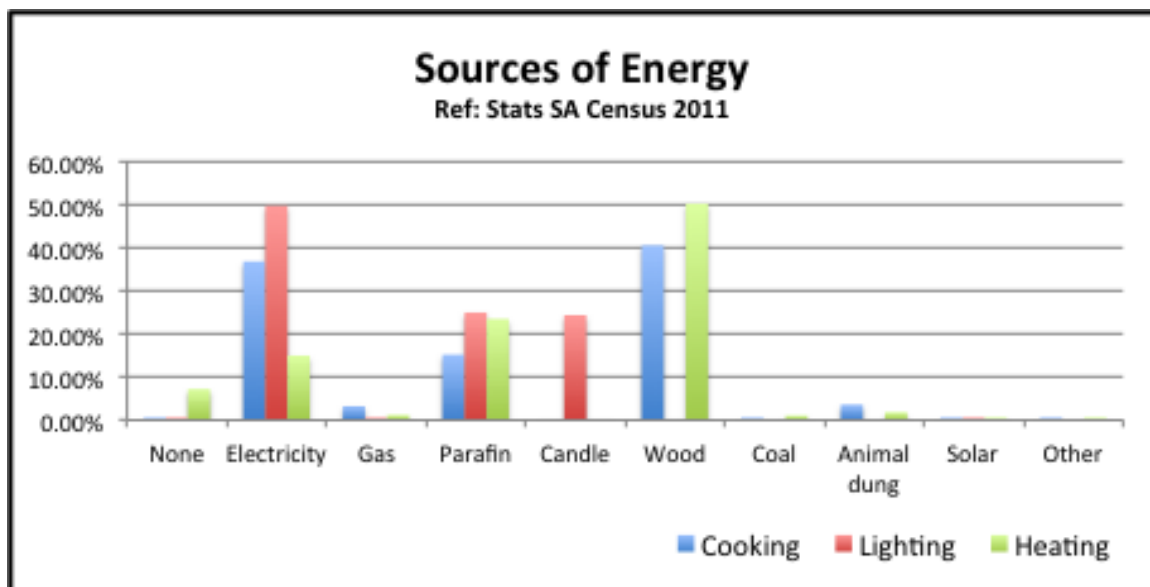
According to the Stats SA Census 2011, electricity is used by about 50% households for lighting, which says in other way that the electricity backlog is about 50% (30 262) households. Wood is used predominantly for cooking and heating purposes at 40% and 50% households respectively, causing a high pressure 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
Paraffin	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
Total	60,124	60,124	60,124

Table 10: Source of Energy

Figure 11: Source of Energy



2.3.13 Household covered by basic services – WATER

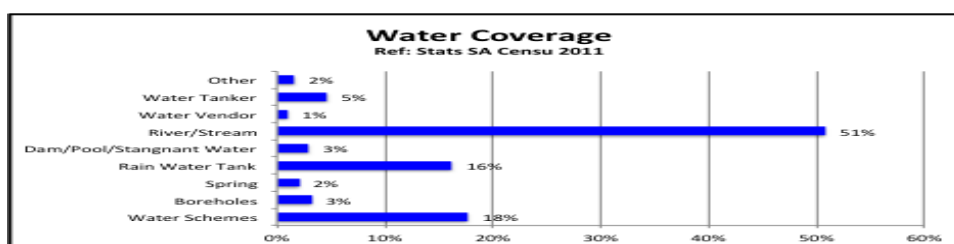
Table 11: Household by water source

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%
Total	60,124	100%

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%).

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

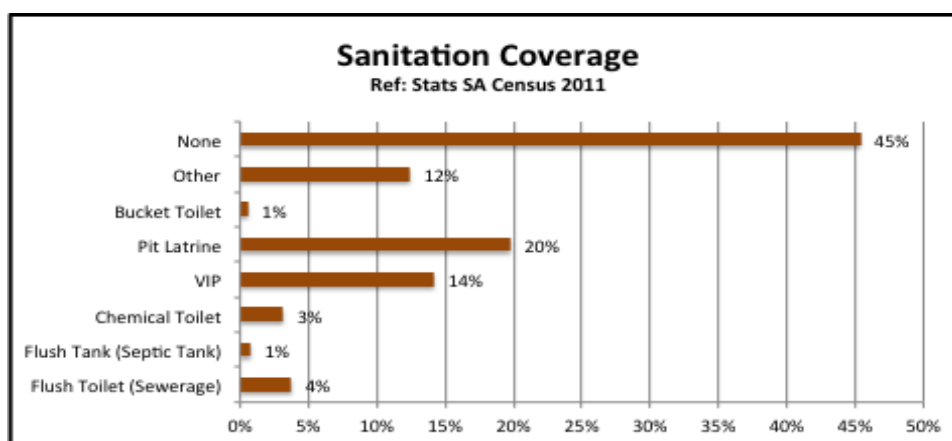
Table 12: Sanitation coverage

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%
Total	60,124	100%

Households covered by 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 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

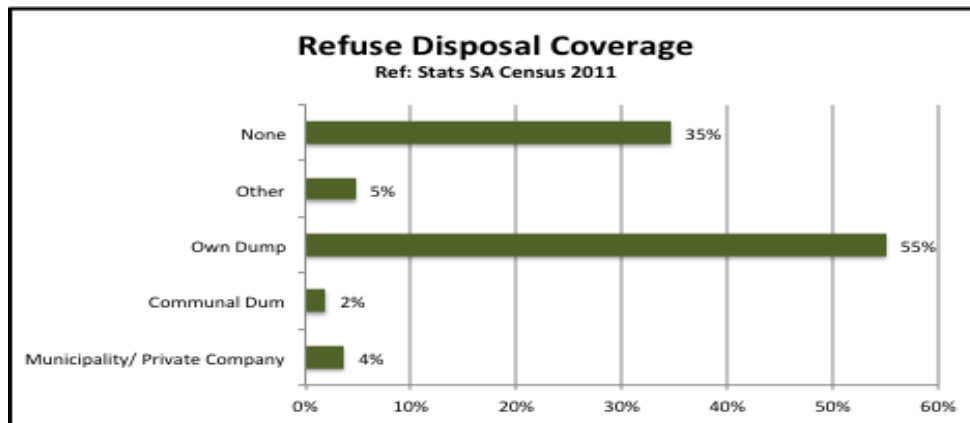
Table 13: Refuse disposal coverage

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%
Total	60,124	100%

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



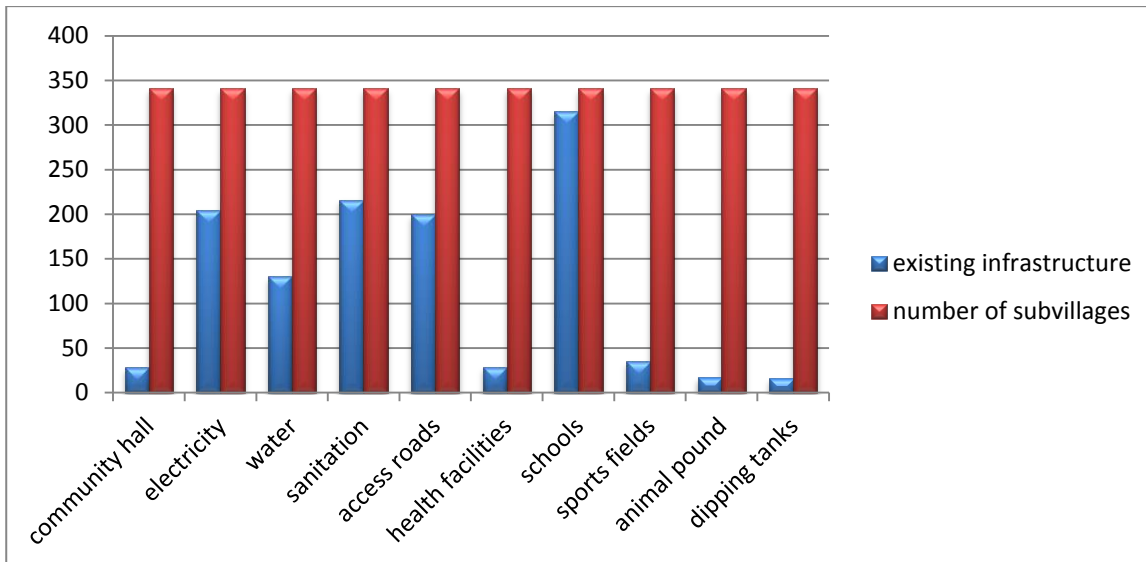
2.4. DATA COLLECTED ON EXISTING INFRASTRUCTURE

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.

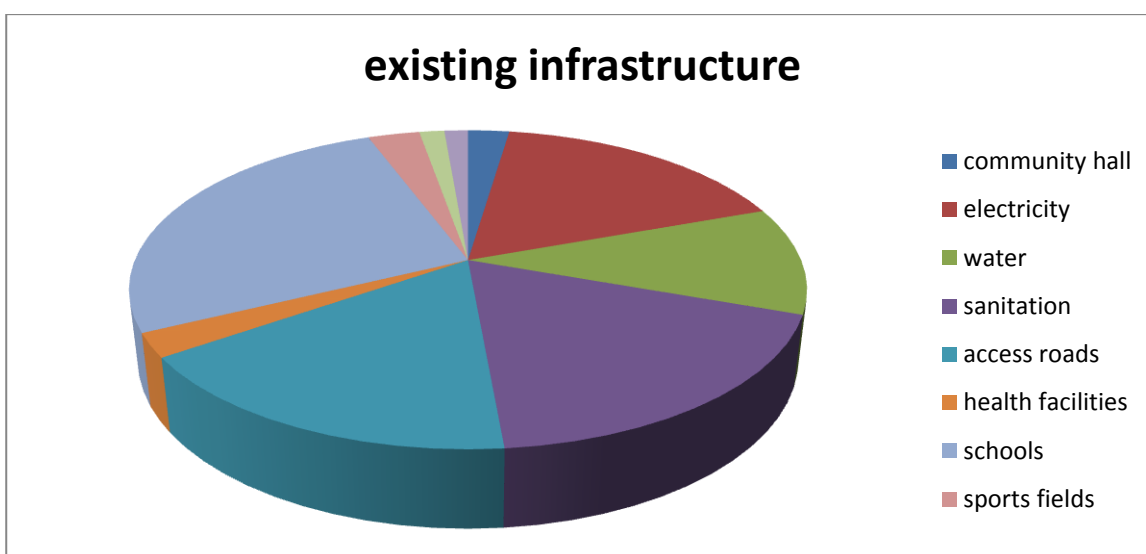
The information collected here is as per sub villages not Administrative areas nor Voting stations, therefore the total number of sub villages in the 19 Wards that have submitted is 341,

Figure 15 Existing infrastructure in Mhashe



According to graph above out of 341 sub villages, there are 28 Community Halls in Mbhashe 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 town 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 Mphashe LM and to outline how the population of 254 909 in Mphashe 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 Mphashe 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 Mphashe 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 Mphashe.

The map below confirms the above assertion:-

Map 2

For the purpose of this SDF review, a specialist report on the anticipated impact of climate change on Mbhashe 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 Mbhashe.

2.5.2 Predicted changes to the Eastern Cape and the Mbhashe Municipality

Taking Midgely et al. (2007) models into account, in terms of the Mbhashe 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 Mbhashe 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 Mbhashe 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.

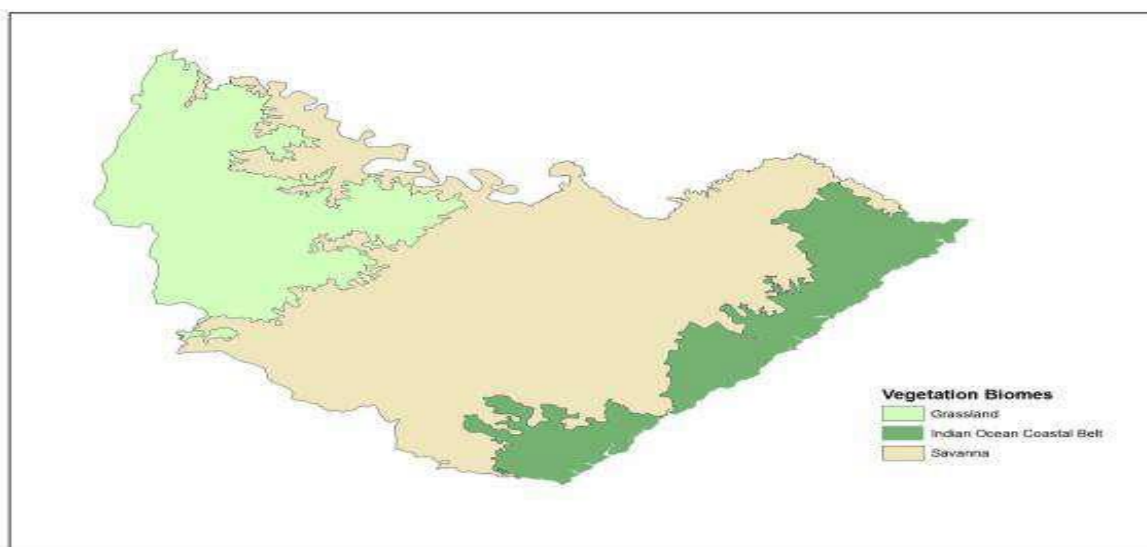
Possible responses to the impacts on human health include:

- 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 Mbashe 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.

CHAPTER 3

ANALYSIS PER KPA

3.1KPA 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 & Storm water
- 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:

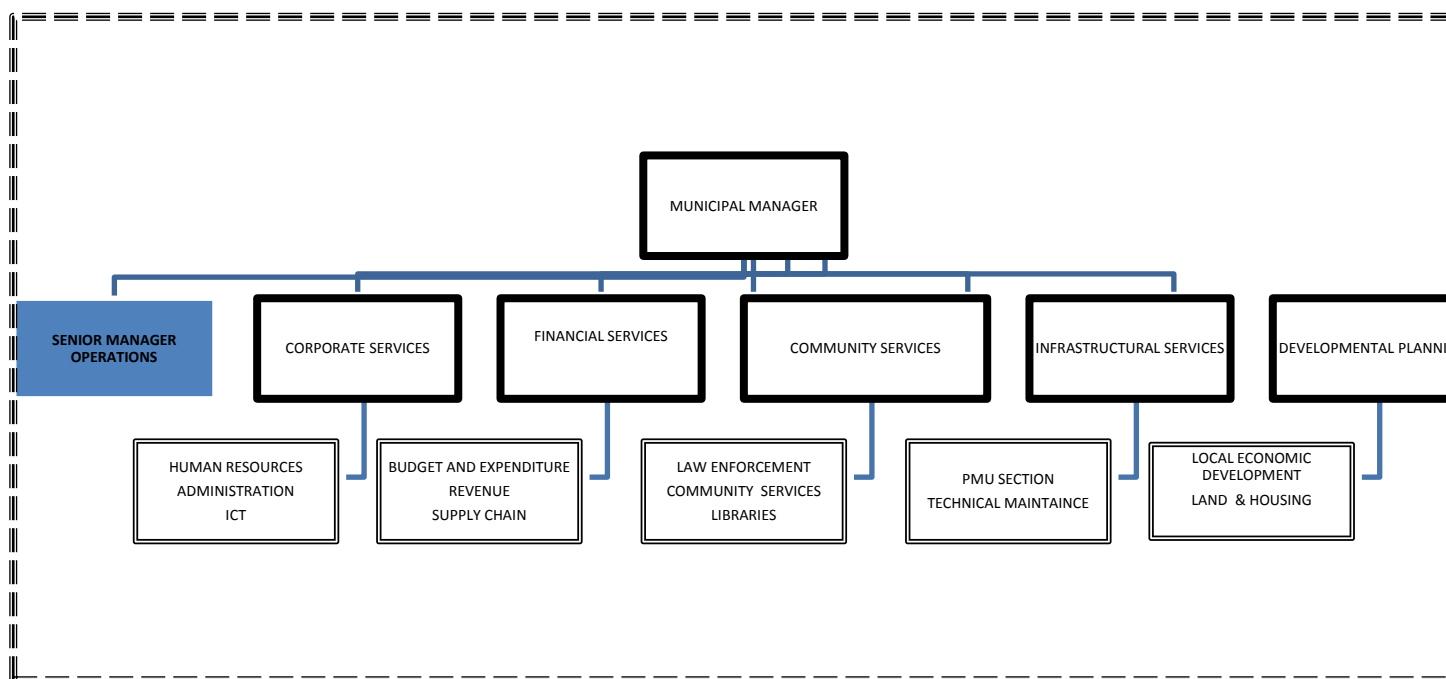


Table 14

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

DEPT	NO OF POSTS	NO OF FILLED POSTS	VACANCIES	BUDGETED
MM and Senior Managers	07	07	0	0
Office of the Municipal Manager	26	22	04	04
Corporate services	32	24	08	08
Budget & Treasury	21	18	3	3
Infrastructure services	43	35	8	8
Community services	115	102	13	13
Developmental Planning	14	13	1	1
Contract workers	7			

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 a Human Resources Strategy that was developed by Amathole District Municipality through Municipal Support Unit (MSU) for 2013-2017. The human resources strategy was adopted by council on the 29th 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 is to offer competitive salaries and financial reward which can be viewed as a major differentiation in being an employer of choice.

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 Mbashe 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	05	0	0	0	01	0	0	0	0	0	06

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
TOTAL PERMANENT	96	0	0	0	60	0	0	0	0	0	156
Temporary employees	10	0	0	0	12	0	0	0	0	0	22
GRAND TOTAL	106	00	0	0	72	0	0	0	0	0	178

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 where 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 organized labour. The municipality enjoys workplace stability owing to good relations for the past five 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 scheduled to sit on a monthly basis and when a need arises, but because of some other pressing issues, it doesn't sit monthly.

The code of conduct was presented to employees and some have signed and they declare their interests in the induction workshop. The municipality is in the process of translating the code of conduct into their own language which is Xhosa.

Challenges

The LLF is yet to go for training. An arrangement has been made with the ECLGBC to come and do the training at Mbhashe. Date will be confirmed.

Remedial Action

- i. to fast track the training of the LLF
- ii. to ensure the monthly sitting of the LLF
- iii. to fast track the translation of the Code of Conduct from English to Xhosa

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

Not all employees submit the POEs after training took place.

- II. Lack of accredited training providers which delays implementation
- III. Dropping out of participants in training programs

Remedial action

To conduct awareness to all employees about the importance of completing training.

- II. Encourage all employees to participate in relevant training programmes that will improve service delivery
- III. To encourage participating employees to submit Port Folio of Evidence
- IV. Pre-registration of training providers and pre-qualification according to programs

1.1.1.6. 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 chronic diseases. 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.

There was enthusiasm shown by employees on the programs.

Challenges

- I. Not yet contracted the Employee Wellness Provider
- 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. Alcohol 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
- IV. Policy of EAP

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

4.1.2.2. 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.

I. 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. Mbhashe 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. Document management workshop was held and was facilitated by the Provincial Archives. Acquiring containers done for keeping of records

Challenges

I. Not all the correspondence coming to the municipality via the registry office for archiving

II. Non implementation of records management policy

III. No review of promotion to access manual and records manager

Remedial Action

II. Records officials to be trained in all records management courses from basic to advanced courses to ensure sound records

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 has also purchased park homes that will be situated within the main building in Dutywa.

Challenges

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

Remedial Action

- I. To facilitate the construction of the second phase for the municipality
- II. Re allocation of offices to all qualifying employees.
- III. Acquiring the buildings that are owned by Public Works within the municipality as the donation to the municipality.
- IV. Park homes purchased

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. No contract for fuel yet
- III. Fewer reporting of incidents

Remedial Action

- I. Municipality to engage for a contract for maintenance
- II. 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 travelling, either to outlying areas of the municipality's area of jurisdiction or beyond</p>
Vehicle Usage Policy	27/10/2011	29/05/2013 Res. No OCM	To regulate the use of official municipality vehicles and to ensure that they are used in a safe and efficient manner in order to

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
		2-7.1	<p>minimise accidents and abuse of vehicle</p> <p>To provide a procedure for accidents and modus operandi for conducting an enquiry into vehicle accidents involving municipal vehicle.</p>
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	<p>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</p> <p>To create an on-going supply of well trained, broadly experienced, well-motivated employees who are ready to step into key positions as needed</p> <p>To align the future staffing needs of the municipality with the availability of appropriate resources within the municipality</p>
Employment Equity Plan	28/03/2012	29/05/2013 Res. No OCM 2-7.1	<p>Goals and targets</p> <p>Employees with disabilities</p> <p>Employment barriers</p>

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			Affirmative action
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 travelling, either to outlying areas of the municipality's area of jurisdiction or beyond</p>
Vehicle Usage Policy	27/10/2011	29/05/2013 Res. No OCM 2-7.1	<p>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</p> <p>To provide a procedure for accidents and modus operandi for conducting an enquiry into vehicle accidents involving municipal vehicle.</p>
Study Assistance Policy	First development	29/05/2015 Res. No OCM 2-7.1	<p>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</p>

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			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	<p>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</p> <p>To create an on-going supply of well trained, broadly experienced, well-motivated employees who are ready to step into key positions as needed</p> <p>To align the future staffing needs of the municipality with the availability of appropriate resources within the municipality</p>
Employment Equity Plan	28/03/2012	29/05/2013 Res. No OCM 2-7.1	<p>Goals and targets</p> <p>Employees with disabilities</p> <p>Employment barriers</p> <p>Affirmative action</p>
Employment Equity Policy	27/10/2011	29/05/2013 Res. No OCM 2-7.1	<p>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.</p> <p>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</p>

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			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 required to perform various jobs and execute various functions within the municipality. Monitoring and evaluation of training and

POLICY/PLAN	STATUS		KEY ISSUES
	Adoption year	Review Year	
			development is done to ensure that training of staff is in accordance with workplace skills plan and the objectives set are met.
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.

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 Mbhashe 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.

Mbhashe 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 Mbhashe 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 Mbashe 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 Mbashe 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 Mbangcolo) 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 Mbashe 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. Mbashe 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 Mbashe 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.

Town	Number of households
DUTYWA	2982
WILLOWVALE	4724
ELLIOTDALE	12317
TOTALS	20023

Table 19

Community Street Lighting: Mphashe 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 Mphashe 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.

The towns are generally serviced by local water supply schemes providing high levels of service to the older formally zoned erven, 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.

Table below indicate existing Water Schemes

Scheme Name	H\H's	Population	No of Villages Served	Water Source
Town Supply				
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
Regional Schemes				
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
Local\Stand-alone Schemes				
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 un serviced 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

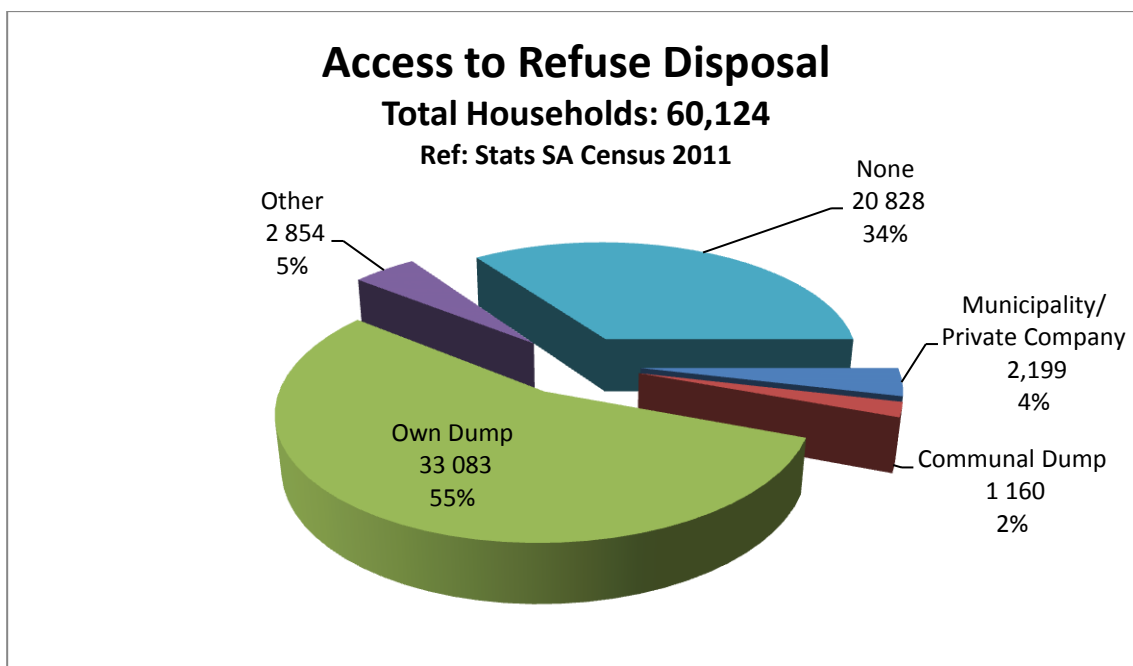
Using the above figures as a measure of success, Mphashe LM would not have difficulties achieving the above targets by 2016, except for the provision of waste management services to the rural areas.

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 Mbhashe 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 Mhashe 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.

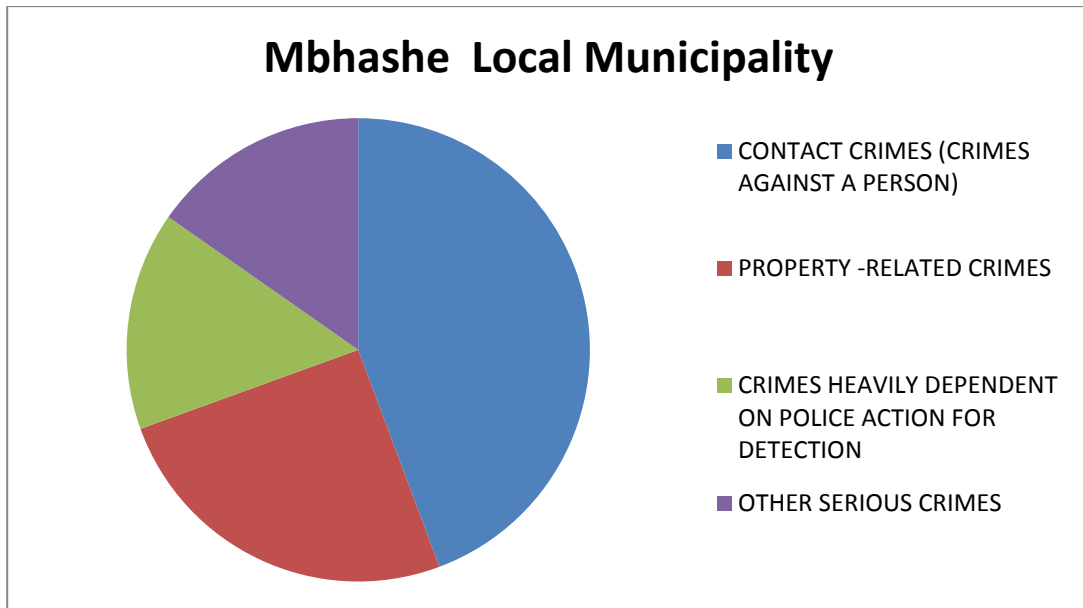
Rescue services are limited along the coast in certain identified beaches, during the festive season and Easter holidays. A process of engaging the coastal youth as lifeguards has been initiated by training and appointing the trained youth as lifeguards during the holiday seasons.

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 categories¹), within the municipal area for period 2011-2012.

¹ 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 adopted the Disaster Management Plan on the 28th of October 2015. The plan stipulates that the municipality is responsible for executing some obligations with regards to disaster in terms of the Disaster Management Act. The municipality is responsible for:-

- 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

The Disaster Management Plan of the Local Municipality reflects:

- 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

The following risks are identified as priority risks at Mbashe that will be addressed by risk reduction and preparedness planning:

PRIORITY	RISK	AREA
HIGH	Severe storms (hailstorms, rainstorms, windstorms and thunderstorms)	Dutywa, Elliotdale and Willowvale
High	Floods	Dutywa, Elliotdale and Willowvale
High	Wild land Fires and Forest fires;	Dutywa, Elliotdale and Willowvale
Medium	Houses burnt by lightning	Dutywa, Elliotdale and Willowvale
Medium	Drought	Dutywa
Low	Road spillage of hazardous goods	Dutywa

Table 21

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

Challenges

- I. Disaster unit is placed under the Developmental Planning Directorate with no specific section or unit within the department
- II. The above makes it difficult to properly co-ordinate disasters at the municipal level as the unit deals with only housing and agriculture related disasters.
- III. Whilst there's an adopted plan, the municipality needs to develop disaster policy and procedure to be followed when disaster occurs
- IV. There's slow response on implementation by the DHS on emergency housing for destitute

Remedial Action

- I. 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.

II. The Disaster Management Policy will be developed in the financial year 2015/16.

EMERGENCY HOUSING or HOUSING FOR DESTITUTES

Emergency houses are used as temporary structures whenever there's a disastrous situation affecting the destitute family/families.

Process to be followed include:-

- 1) A Ward Councillor identifies the deserving beneficiary and forwards the name to the Disaster and a housing official.
- 2) The Disaster Officer (ADM) makes the assessment and forward the assessment form to the Housing Officer (Local Municipality)
- 3) The Housing Officer process the application form and forward it to the Department of Human Settlements for approval

Progress to Date

In the 2014/15 financial year only two applications were approved and delivered in Wards 15 and 20 (15 beneficiaries) and ward 6 with surrounding wards (100 beneficiaries).

3.2.4 LAND & HOUSING SECTION

This section has the Following Units:-

- 1) Human Settlements Development
- 2) Land administration and Leases
- 3) General valuations and Properties Management
- 4) Land use, Town Planning and SDF
- 5) Building control

HUMAN SETTLEMENTS DEVELOPMENT

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

Beneficiary Administration was done for all 753 houses which were all approved by the Provincial Department of human settlements (Housing Subsidy System).

The construction of Top structure commenced on the 23rd September 2013 and the project was closed on the 31st of October 2015. The municipality is currently dealing with transfers with more than four hundred (400) completed and the rest will be completed within the financial year.

Challenges

Some beneficiaries are not showing up to collect their keys for their finished houses and those houses are exposed to vandalism because there is no Security on site to look after those houses that are unoccupied.

Remedial Action

Encroachment is tantamount to theft hence the events are always referred to the South African Police Services.

A draft policy is in place to deal with unclaimed houses and unfounded 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 however the main challenge is the land claim by Mputhi Community which may hinder the progress on the township.

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

- 1) Lack of funding to complete the infrastructure

- 2) Encroachment of some resident to other sites which led to reverse to the sale of two sites in the area; however an amicable solution has been found with regard to encroachment issues

Remedial Action

Budget for infrastructure in the area through MIG

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 revalidating 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 however the ADM has appointed the contractor for water diversion from Mgwali River to Dutywa Town.

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 and all the sites were sold to private individuals with few sites in between open for business development.

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 however there's also a land claim under investigation as applied for, by the same community of Bhonxa.
- III. There could be more serious legal battles between the invaders, legal owners, the municipality and the headman.

Remedial Action

- I. An amicable solution that will see all sides happy is being sought and discussed.
- II. Engage ADM for water and sanitation
- III. Budget for internal roads from MIG
- IV. 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 as there are willing developers to carry the development forward.

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. Construction of 112 new units on vacant sites
- II. 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. Construction of 45 new units on vacant sites
- II. Rectification of 33 defective units

Challenges

- I. The land invaders have encroached to the space where the houses will be built
- II. Due to the poor quality of work by the Appointed Contractor, the DoHS has no other option but to terminate the Contract which delays the rectification process as a whole.

Remedial Action

Engagement, consultation and facilitation are needed with the community.

robust approach in dealing with land invasion followed by a comprehensive strategy is needed.

ELLIOTDALE RURAL SUSTAINABLE HUMAN SETTLEMENT PILOT PROJECT WITH 8000 UNITS

Status Quo

- I. The project started as a pilot BNG project for the construction of 8000 units and about half of that has been accomplished/completed. To fast track implementation, DBSA was appointed as an Implementing Agent for some of the houses.
- II. The Department of Human Settlements (DoHS) appointed 4 contractors for the other units.
- III. The first phase of the project constitutes construction of 5000 housing units distributed as follows

SUMMARY OF OVERALL PROGRESS

Name of Contractor	Houses to be built	Houses completed
DBSA(Teba Development and Motheo Contractors)	1000	1000
SC Contractors	1000	1000
SC Contractors	600	439
SC Contractors	400	39
CHS Developments	1000	923
CHS Developments	350	0
Ikhaya Development Trust	650	543
TOTAL	5000	3954

Table 22

Challenges which may cause delays in Elliotdale housing units

- I. There is an area at Ward 26 known as Mngazana Village that is inaccessible because of bad roads. That area has been identified as the “Hot Spot” by the government and it will be treated as a separate project whereby the feasibility study will be conducted and will look at all the areas that needs attention for Mngazana area, things like roads, schools and other amenities. DBSA has been appointed in June 2015 to do the feasibility study.

Remedial Action

- I. The infrastructure unit of Mbhashe Local Municipality is engaged so that the road to Mngazana is constructed to ease housing development in the area.

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 Mbhashe 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

General valuations

General Property valuation for the year 2012 to 2017 is complete and has been approved by the council on the September 2014; thereafter the Supplementary Valuations (SV 1 and SV 2) were done and complete. .

Every time the council approves the valuation and/or supplementary valuation it is linked to rates as rates are charged based on the current valuations of properties.

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 Mbhashe 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

The municipality reviewed the SDF in line with SPLUMA and was adopted by council on the 28th of October 2015. Also in consistent with SPLUMA is the two pilot programs on LSDF i.e. of Jingqi and Ntshatshongo localities respectively.

However, the municipality felt difficulties in terms setting up the tribunal as no applicant was received in the first round of advert.

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, however this has been observed and is treated with urgency.

LEASES AND LEASE AGREEMENTS

Current status

The municipality is generating income through leases on the municipal immovable property. The leases vary from one (1) year leases to fifty (50) year leases. The leasing of land is used mainly for business which is beneficial to the municipality. With the current lease agreements there are gaps identified which the municipality is tackling moving forward. Some of those challenges are:-

Challenges

1. Lease conditions not strictly adhered to
2. Renewals not done as early to give space for re-evaluation
3. Leases not fully complying with legislation

Remedial Action

1. Building Inspectors to be dedicated to ensuring compliance with lease conditions and an early warning will be given
2. There's great improvement on the leases renewed and compliance is adhered to; with the assistance of the legal section.

LAND AUDIT

The municipal land audit was done and completed with the assistance from the ADM in 2013. 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:

CATEGORY	NUMBER
SG Approved	4 954
Quitrent	7 604
Registered	3 327
Unregistered	1 742

Table 23

Following from the land audit, there were various ways used and implemented to correct the wrongs identified through the land audit

- 1) Physical verification
- 2) Continuous update of the Valuation Roll through Supplementary valuations
- 3) Updating GIS
- 4) Addressing non-conforming uses as observed through the land audit (separate report is given for non-conforming uses)
- 5) Surveyed but not registered properties

The current activities being undertaken are the following:-

- 1) Rezoning – this process will change the zoning of the property to allow for the illegal use to be rectified provided that the land use applied for does not affect the amenities of the surrounding properties.
- 2) Council's special consent – this process will allow for the illegal land use to operate from a property provided that the zoning of the property allows for a council special consent application to be applied for.
- 3) Departure – This process will allow for a land use to operate from a property on temporary basis for a given period of time as determined by council
- 4) The property owners and/or users are requested to submit the title deeds as proof of ownership is verified.

For properties not able to utilize any of the above process to rectify land use – will require the owner to cease such illegal use.

As a remedial action, the council will amend the current zoning and consider wall to wall zoning scheme in line with the SPLUMA.

Policies and By-laws related to land use

Policies such as invasion policy, migration policy or plan of people from informal settlements have been developed and approved by the council.

LAND RESTITUTION

The Restitution of Land Rights Act 22 of 1994 and the Constitution provide a legal framework for the resolution of land claims against the state, where possible through negotiated settlements.

With regard to restitution of land rights we have four claimants namely:-

- Mangati'
- Ngxakaxa
- Mputhi
- Bhonxa

Land restitution claims (for example in Mputhi and Mangathi) inevitably reduce the appetite of property developers to invest. The land restitution process should be concluded as soon as possible to resolve the uncertainties surrounding land ownership.

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.

Bhonxa

The Land Claim Commission is investigating the correctness of the claim made by the Bhonxa Community (Commonly known as Ciko). This is after some in the community were convinced that the invasion route is chaotic and could lead loss of income and jail term.

3.2.4.6 LAND INVASIONS

In the past few years the residents of rural areas surrounding Willowvale commonage illegally demarcated sites from the municipal commonage for themselves. The municipality further obtained a court order evicting the transgressors.

The Willowvale commonage is invaded from all the three corners by the following communities i.e. Nkxankxashe, Bhonxa (Ciko) and Weza.

However the municipality also drafted and adopted a policy on land invasion. The current policy allows for negotiations and not to fight through the courts of law.

The Elliotdale commonage is also under invasive land invasion by the people under the leadership of chief Njenjese.

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

We are forward looking at the settlement of the land claims which will lead to the formalization of the Doti area.

Challenges

- 1) Slow process in transferring the affected land parcels onto the name of the municipality as some of the invaded land still belong to the Department of Public Works
- 2) Weaknesses in the IGR as in some places; claims and justifications made by the invaders is that the Department of Agriculture assisted them in allocating plots.
- 3) Lack of information may be blamed as resulting to the current state of affairs as the invaders and/or claimants could not use the available legal route of launching a claim through Land Claims Commission.

Remedial Action

- 1) An urgent appeal to the Department of Public Works to transfer land is required
- 2) Land Invasion reports should be escalated to the IGR for a
- 3) A relentless awareness campaign and information sharing is required coupled with the use of the office of the Surveyor General (DG). A comprehensive strategy/policy that deals with invasions should be done to help prevent such cases.

3.2.4.7 GEOGRAPHICAL INFORMATION SYSTEM (GIS)

The municipality does not have a specific GIS unit however shared services with the ADM are used. 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.

The GIS unit role within the municipality is to provide adequate, current spatial information, safeguarding of spatial information, the distribution, sharing of spatial information and development of GIS skills. Mbhashe Municipal users of GIS can access applications and spatial information through a web based application.

A web based application that allows for tracking of properties as they progress through the municipal application process has been developed. Both Land Use Management e.g. zoning applications, departure etc and Building Control i.e. New buildings and modification of existing buildings.

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.

The municipality will extend the scope with regard to the development of the LSDF in the rural spaces.

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
- There's a consistent resistance from the community and shack dwellers on the removal of the shacks.

Remedial Action

- Apply for Emergency housing assistance from the Department of Human Settlement when land is allocated for such development
- A legal option is opted for to ensure compliance with the by-laws.

3.2.4.11 ACQUISITION OF HOUSES FROM OTHER DEPARTMENTS

Current status

The municipality 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.

Most of the buildings belong to the Department of Public Works and Transnet. 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. Only one building has been confirmed by the Department of Public Works i.e. the building known as White House which has been acquired for heritage purposes.

Challenges

- 1) These houses and buildings are mostly in a state of decay and will be expensive to renovate or reconstruct.
- 2) They are all illegally occupied by people who are neither paying rent nor rates to either the municipality or their landlords.
- 3) We may meet resistance in evicting them which may lead to costly litigation

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 and Sand)

It has come to the attention of the municipality that an illegal mining activity is taking place within the boundaries of Mbhashe Local Municipality. To the extent that one truck which entered the Jotela Beach illegally was overwhelmed by waters and couldn't come back. This has put the beach goers under a state of risk.

Challenge

- It is difficult to monitor the sites as there are no dedicated personnel for the job.

Remedial Action

- The municipality through the land rehabilitation programme should also rehabilitate the where the illegal mining took place.
- The municipality will also develop the by-laws relating to Coastal Management by-laws which will also deal with issues of illegal sand mining.

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 has come into full operation as from the 01st of July 2015. The act will assist fulfil the following:-

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

The following are the objectives of SPLUMA

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

PROGRESS TOWARDS FULL IMPLEMENTATION

- 1) After the workshops have been conducted to the council and councillors, the council has adopted the SPLUMA by-laws on the 28th of October 2015
- 2) The council also took a decision to have its own tribunal (in terms of S35 of the Act) and the process of establishing the tribunal is underway

CHALLENGES

- 1) Capacity at a local level which will be able to carry the mandate in terms of the Act
- 2) Envisaged resistance from chiefs and headmen in misinterpreting the law confusing with reduction of their status
- 3) Funding for Municipal Planning Tribunal (MPT) members, additional staff to support MPT and funding for institutional, technical and administrative staff

REMEDIAL ACTION

- 1) The SPLUMA has financial and HR implications which must be provided for in the IDPs and budget
- 2) Municipalities require adequate time to make budgetary provision and to receive the necessary training on SPLUMA

- 3) The municipality has also adopted a plan where a slot in farmers information days will be given to an official for SPLUMA awareness

3.2.4.13 BUILDING INSPECTION

The municipality with the assistance of the ADM has completed a project where all building plans were scanned and uploaded into the GIS system.

With more improved institutionalized system, there has been great improvement in the building application processes and inspection. Households are complying with building regulations with very few individuals who don't abide by the rules but tracked down to conformity.

Challenges observed include:-

- 1) With specific reference to the townships; there's still non-compliance with building regulations resulting from ignorance and lack of information
- 2) Inability to track plans approved long time ago

Remedial action

- 1) Information on by-laws should be made readily available in municipal website and offices
- 2) Procedure manual should be developed in line with building by laws that allow approval to expire in two years if no structure is built

OTHER RELATED PROGRAMMES ENVISAGED

1. Bachelor flats (rental housing)
2. The Department of Human Settlement has commissioned a study on the Community Rental Units (CRU) for the Mbhashe area.
3. A student village (rental housing)

Current status

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.

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.

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

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

Remedial Action

- Options available are:-
 - ✓ Encourage schools to have hostels
 - ✓ Partner with private sector for hostel building and construction
- General valuations
- 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.

3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

This KPA covers the following:-

- 1) Agriculture and Rural Economic Development (Agri-development and Agro-processing)
- 2) Enterprise Development (Business Attraction and Retention, Co-operatives Development)
- 3) Tourism and Heritage Development
- 4) Environmental Management

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 in the Wild Coast:-

- I. N2 highway
- II. Umzimvubu catchments dam
- III. Wild Coast Meander
- IV. Agro-processing

The ECPDP states, *"The Mbhashe region, which has good potential for expanded agricultural production. This is due to the many industrious communities already mobilised through government-supported farming programmes and investments in the area. The AgriPark is supported by the national and provincial departments of rural development, as well as research institutions"*

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.

i. 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 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 five sectors with high potential for development:

- Agriculture (including forestry and fisheries), particularly intensive and irrigated horticulture.
- Tourism, including eco-tourism, heritage, conferences and sports.
- Small scale manufacturing, particularly diversification from agriculture, brickmaking, bakeries and new-generation products.
- Construction related to infrastructure, new property developments and the upgrading of human settlements.
- Mining and energy, particularly hydro-energy from the Mbhashe waters and sand and granite mining

The ocean economy, which affects many sectors, also has good potential for development.

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 24

Further recommendations included the formation of the Focus Group which will be made 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 Mbhashe. 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

Mbhashe contains arguably the richest land for livestock in the Amathole district. About 250 000 sheep are recorded in Mbhashe. Public private partnerships and improved farming methods can expand commercial livestock farming in the Mbhashe 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 Mbhashe 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 Cox, 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. One thousand (1000) fruit trees will be distributed in the year 2015/16.

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.
- I. 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 automobile.
- 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. Macadamia

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

The macadamia 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. There are about 63 people who got full employment in the project as at end February 2016.

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.

Already there are many communities seeking expansion of the macadamia within Mbhashe and especially along the coastal line.

II. Paprika

Paprika 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 paprika 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 44 shearing sheds mostly in the Dutywa area where there are plenty of sheep. However, there’s a huge backlog in the shearing sheds construction as many communities are in demand.

The construction and renovation of shearing sheds is done under the programme of “livestock improvement programme”. The last shearing season recorded an amount above R2.8m in wool sales. With the availability of shearing sheds and equipment the woolgrowers could generate large sums of money from the wool sales.

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 improvement” to renovate the dipping tanks. In the year 2014/15 financial year five dipping tanks were renovated and more are planned for 2015/16 financial years.

III. Fencing of arable land

The municipality has managed to rollout this programme for the six 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 Mbhashe 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

The department of Agrarian Reform and Rural Development aims to build Agri-Parks in every district in the country. Within the Amathole District, the place earmarked for Agri-park is Butterworth in the Mquma Local Municipality. However, Mbhashe had already established its own Agri-Park courtesy of the partnership between UFH and DoA.

Mbhashe Agri-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 Mbhashe crop farmers, Siyazondla groups and co-operatives.

The Agri-Park is set to change the Mbhashe rural landscape and usher in real economic transformation. The ADM Agri-Park and Duff Agri-Park serving as catalyst 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.

Strategic objectives of the Agri-Park as envisaged by DRDAR are:-

- *Promote skills of, and support to small holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanisation inputs*
- *Encourage producer ownership of the majority of Agri-Parks equity of 70% with state/commercial interest of 30%*
- *Bring under-utilized land especially in communal areas into full production over the next three years and expand irrigated agriculture.*

The impact of Agri-parks on Small Town Regeneration

Agri-parks will offer the following direct benefits to the small towns:-

- Location near to an Agri-hub can provide employment and entrepreneurial opportunities to residents of small towns
- Opportunities for capacity building and to acquire new skills sets e.g. unemployed mine workers may be targeted to work in any number of business opportunities that occupy a park.
- Basic services may be improved due to the influx of new people attracted by the Agri-park investments
- Other vital services such as transport, health and education may also be improved or developed. Economic growth in key Agri-park areas would generate additional resources (e.g. through property tax and services to local authorities), but may also put pressure on infrastructure due to an increasing population.
- Economic diversification often deepens in areas of agglomeration and decreases in areas without agglomeration benefits and therefore small towns within the realm of the Agri-parks may also experience such diversification;
- Areas with higher than national average growth act as a magnet for high level skills whilst areas of economic decline export such skills. The Agri-park development may potentially retain skilled people from these towns.

Some indirect benefits include:-

- Curbing city growth (Informal settlements and the resultant pressure on city infrastructure);
- Reducing rural-urban gaps in wealth and living standards by providing infrastructure and housing in these small towns in an attempt to reduce migration to cities.
- Growth of other sectors in the small towns such as tourism (influx of people- more tourism facilities needed, more job opportunities).

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. The feasibility study has been concluded for the Mahasana areas and yielded positive results however water shortages in the area need to be prioritized.

3.3.6 PARTNERSHIPS

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.

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 Mbhashe 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,”

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 Development 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: Development Planning is LED manager
- II. Reporting to LED manager are four officers viz
 - LED Officer: Agricultural Development
 - LED officer: Tourism
 - LED officer: Enterprise Development
- III. All assisted with a contracted LED Assistant

LED capacity building programmes

I. Learnerships

In the financial year 2014/15 the municipality had seven students under the learnership programme. An additional five will be included in the learnership programme through the LGSeta.

II. Internships

There's 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. In addition to that

the municipality has offered two students chance to gain practical experience through her internship programme.

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/Cwebbe 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
- Chizele 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 but both are regarded as non-functional. However, the municipality is working closely to ensure that they

become functional again. For operations they presently rely on the municipality at the time the assistance is needed. The municipality also 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

The most prominent structure that works closely with the municipality is the Business Forum. The business forum is composed of many different sectors that comprise the municipal economy. However, there are other sectors that need to be recruited to form part of the business forum such as Woolgrowers.

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.

Incubation

The municipality adopted the Contractor Incubation policy. The policy objectives are:-

- To provide opportunities to contractors to achieve sustainability,

- The Incubator Programme targets projects within the R30 000 to R1.5 million range and this range is therefore where the incubator programme will focus.
- The purpose of the incubator programme therefore is to create an enabling environment within which selected existing contracting enterprises can develop into sustainable contracting enterprises.
- Preference will be applied in the accessing of work so that enterprises owned and controlled by local, blacks, women and the disabled persons are advanced.

Ten co-operatives are earmarked to benefit from this program in the year 2014/15.

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 Mphashe. These initiatives are apart from the common agricultural initiatives which people engage themselves in for subsistence purposes. These initiatives range from:-

- I. Brickmakers 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:-
 - Not all have been trained due to distance from training centre
 - Machinery used is old
 - Bricks need to SABS approved
 - 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 brick-makers, 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
- VII. Mazizi Maqhekeza Heritage site

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 honor 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:-

Node	Description	Area	STATUS QUO
1 st order	Areas that in terms of low environmental sensitivity and existing infrastructure and/or the feasibility of providing infrastructure can accommodate intensive development. Actual or proven potential supply of municipal services such as bulk water, sewerage and waste management is a basic condition for any area to have 1st Order Node status. Developments that do not need to be in the coastal zone should however still wherever possible be placed outside the immediate coastal zone, inclusive of a buffer with estuaries.	Qora	Fencing of the site and in the process for construction of Rondavels. Another proposal was for the development of the cultural village
2 nd order	Areas with significant constraints to development, e.g. and which can accommodate moderate levels of tourism, resort and cottage development. One key difference between a Second Order Node and a Third Order Node would be that in a Second Order Node more than one	Jotela and Kulofolokwe Dwaai Community Lodge	Still following planning processes
		Tenza	No development
		Nqabarha	Project has been

	fairly substantial development could take place, while in a Third Order Node only one development will generally be permitted.	Lodge	completed and its operating
		Haven Hotel	Renovations were done and completed in 2012
		Nkanya Estuary Lodge	Construction of six chalets has started.
		Qatywa Chalets Lodge	Construction is currently under way
Protected area	Formally proclaimed Protected Areas. These areas are included for mapping purposes, but are not subject to the EMF/Policy, but to the policies of the applicable Management Agency.	Dutywa Conference & Recreational facilities	Feasibility study was done and completed, looking for a developer

Table 25

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. Mbashe Craft Development initiative was launched in 2004, and the structure of Mbashe 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. Boxing sport tourism event
- IV. Macufe Heritage and Cultural Festival (External)
- V. Horse Racing Sport Tourism Event (Internal)
- VI. Going to Tourism Indaba in Durban and Grahamstown Arts Festival to market Mbhashe as a tourism destination area.

Challenges

- I. Lack of Private – Public partnerships thereby leading to 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 Mbashe 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 Mbashe 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 has installed solar for lighting in 2000 households in the Elliotdale area (Ward 19) 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.

3.6.1 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
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 26

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 center 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 m³ 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

4. 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.
5. At least two taxi ranks need to be developed (one for Uncedo and one for Border Taxi Association).
6. It is desirable that a Long-distance Bus Rank also be developed, as per discussions held with the relevant Associations.

7. 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 kilometers 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 Nqabarha 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 Nqabarha 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

- Budget Planning and Financial Reporting
- Revenue and Debt Management

- Indigent & Free Basic Services
- Expenditure and Payroll Management
- Supply Chain Management
- Asset Management

(a) Budget Planning and Financial Reporting

(i) Budget Planning

The budget planning unit is responsible for the development and monitoring of the municipal budget. The budget of the municipality is very limited and does not cover all the capital and operating expenses of the municipality. The municipal budget is funded through rates and services (refuse removal, traffic income, and commission on agency services) and mainly grants (Equitable Share, Municipal Infrastructure Grant, Finance Management Grant, Municipal Systems Improvement Grant, Integrated National Electrification Fund and Expanded Public Works Programmes).

The Municipality's budget is done in-house guided by relevant legislation and circulars from National Treasury. In the municipality has relied heavily on the assistance from Provincial Treasury to ensure full compliance of its budget, this was due to high vacancies within this section.

Departments are responsible for managing their respective votes assisted by the Budget and Treasury Office.

(ii) Financial Reporting

This section deals with financial reporting in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and the various circulars that are published to assist thereto. The services of external service providers are engaged to prepare Annual Financial Statements which are then reviewed by Internal Audit Unit and Audit Committee before submission to Auditor General. In-line with the MFMA Section 126 it is important to mention that the municipality has complied and submitted annual financial statements to Auditor General by 31st August over the past

three years. The municipality has developed an action plan for the development of Annual Financial Statements, however this plan had gaps as the municipality has

continued having findings on the quality of Annual Financial Statement that are submitted for audit purposes on the 31st of August each year.

There has also been recurring audit findings and notable for the 2013/14 the municipality regressed as it had new audit findings.

Below is the tabulation of the audit opinions received over the past three years from the Auditor General of South Africa:

2013/2014	2012/2013	2011/2012
Qualified Audit Opinion	Qualified Audit Opinion	Qualified Audit Opinion

Table 27

Below is the Audit Action Plan developed by the municipality to address the above audit opinion:

3.4.1 REVENUE AND DEBT MANAGEMENT

Revenue Management

The sources of municipal revenue include the following:

- Own Revenue Sources – this includes property rates, refuse removal, rentals of facilities, interest from investments, traffic income (learner’s licenses, traffic fines, etc)
- Government Grants – these include Equitable Share, Municipal Infrastructure Grant, Finance Management Grant, Municipal Systems Improvement Grant, Integrated National Electrification Fund and Expanded Public Works Programme.

Below is the table that depicts a picture of municipal income and expenditure for past two financial years

REVENUE EARNED IN 2012/2013 AND 2013/2014 FINANCIAL YEARS

Revenue	ACTUAL 2012/2013			ACTUAL 2013/2014		
	Final Budget 2012/2013	Actual 2012/2013	Variance 2012/2013	Final Budget 2013/2014	Actual 2013/2014	Variance 2013/2014
Revenue for exchange transactions						
Service Charges	456 860	916 485	459 625	729 709	764 933	35 224
Rental of facilities	806 494	537 274	(269 220)	716 695	761 979	45 284
Other Income	22 658 427	298 554	(22 359 873)	9 876 358	620 848	(9 255 510)
Interest received on Investments	1 000 000	3 626 340	2 626 340	2 070 528	6 022 423	3 951 895
TOTAL	24 921 781	5 378 653	(19 543 128)	13 393 290	8 170 183	(5 223 107)
Revenue from non-exchange						
Property Rates	5 533 920	4 710 025	(823 895)	5 533 920	4 365 455	(1 168 465)
Licences and permits	1 500 000	973 431	(526 569)	1 584 000	951 983	(632 017)
TOTAL	7 033 920	5 683 456	(1 350 464)	7 117 920	5 317 438	(1 800 482)
Transfer revenue						
Grants & Subsidies	178 767 622	165 886 695	(12 880 927)	225 404 936	183 369 750	(42 035 186)
Fines and Penalties	601 954	619 629	17 675	868 655	626 813	(241 842)
TOTAL	179 369 576	166 506 324	(12 863 252)	226 273 591	183 996 563	(42 277 028)
TOTAL REVENUE	211 325 277	177 568 433	(33 756 844)	246 784 801	197 484 184	(49 300 617)

Table 28

EXPENDITURE EARNED IN 2012/2013 AND 2013/2014 FINANCIAL YEARS

Expenditure	ACTUAL 2012/2013			ACTUAL 2013/2014		
	Final Budget	Actual Amount	Difference	Final Budget	Actual Amount	Difference
Personnel Costs	53 484 009	37 032 954	(16 451 055)	59 727 325	38 122 476	(21 604 849)
Remuneration of Councillors	17 874 255	17 907 022	32 767	18 850 898	18 866 588	15 690
Depreciation and amortisation	-	30 326 761	30 326 761	31 692 249	33 637 551	1 945 302
Finance Costs	-	599 625	599 625	-	166 143	166 143
Debt Impairment	-	2 933 372	2 933 372	20 700 343	963 238	(19 737 105)
General expenses	73 746 443	51 421 589	(22 324 854)	90 803 945	64 516 531	(26 287 414)
TOTAL EXPENDITURE	145 104 707	140 221 323	(4 883 384)	221 774 760	156 272 527	(65 502 233)
Operating Surplus	66 220 570	37 347 110	(28 873 460)	25 010 041	41 211 657	16 201 616
Loss on disposal of PPE		1 141 546	1 141 546	360 000.00	198 452	(161 548)
Surplus/(Deficit)	66 220 570	38 488 656	(27 731 914)	25 370 041	41 410 109	16 040 068

Table 29

THE TABLE BELOW DEPICTS GRANTS PERFORMANCE FOR PAST TWO FINANCIAL YEARS

Grant Expenditure	ACTUAL 2012/2013			ACTUAL 2013/2014		
	Final Budget	Actual Amount	Difference	Final Budget	Actual Amount	Difference
Finance Management Grant	1 500 000	1 500 000	-	1 550 000	1 550 000	-
Municipal Infrastructure Grant	39 800 000	27 785 785	(12 014 215)	43 842 215	23 788 679	(20 053 536)
Municipal Systems Improvement Grant	800 000	800 000	-	890 000	890 000	-
EPWP	1 000 000	-	(1 000 000)	2 000 000	2 000 000	-
Integrated Electrification Program	15 000 000	15 000 000	-	18 000 000	18 000 000	-
GRANT EXPENDITURE	58 100 000	45 085 785	(13 014 215)	66 282 215	46 228 679	(20 053 536)

Table 30

(iii) Indigent Section

The municipality developed and adopted an Indigent Policy which is reviewed on an annual basis. The Indigent Register was not updated as a result it is outdated. A portion of the Equitable Share is used to provide Free Basic Electricity and alternative energy to indigent households. In terms of the policy a household whose monthly income is less than two state grants qualify to be an indigent.

During the 2013/2014 financial year, the households in all 31 wards benefited for Paraffin and 2864 benefited for Free Basic Electricity.

The municipality has not subsidizes indigent households for rates and services due to the indigent register not being updated.

There are no dedicated staff members who perform the following functions within Free Basic Services:

- Updating the Indigent Register
- Ensure delivery and supply of alternative energy (paraffin) to indigent households
- Liaise with Eskom on monthly basis to ensure provision of 50 KWH to indigent households.

There is 1 vacant post for Free Basic Services Officer that is yet to be filled.

(c) Expenditure and Payroll Management

(i) Expenditure Management

- I. Expenditure Management deals with the payments of service providers in line with Section 65 of the MFMA on monthly basis. Expenditure reports are approved by council on a quarterly basis in line with Section 71 and Section 52(d) of the MFMA. The municipality is paying service providers weekly to accelerate the expenditure trends.

Challenges

- I. Lack of credible report of commitments due to the orders not being generated for suppliers appointed through the competitive tender process (above R 200K)
- II. Invoices not paid within 30 days thus resulting in fruitless and wasteful services in the form of interest penalties.

(ii) Payroll Management

- I. Payroll Management deals with the payment of salaries and allowances to Councillors and Employees in line with Section 66 of the MFMA. The section also is responsible for Income Tax administration of the municipality. Payroll is run on Payday and interfaces with Venus for GL recording.

Challenges

- II. Segregation of duties due to vacancies within the section.
- III. Instances of fraud have been detected in the past thus compromising the accuracy of payroll records.

(b) 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 Supply Chain Management Policy has been reviewed and adopted in 2014/2015 financial year to ensure compliance with the relevant legislation. The municipality has established the following committees in line with Supply Chain Management Regulations:

- Bid Specifications Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

(i) Demand and Acquisition of Goods and Services

The section is responsible for procurement of goods and services in line with the approved procurement plan of the municipality.

(ii) Contracts Management

- I. The section deals with overall management of procurement contracts and performance of service providers.
- II. This is done through maintaining a contracts register and commitments register.
- III. Challenges
- IV. Lack of contract management unit.
- V. Procurement plan not aligned to the SDBIP thus not credible

(c) Asset Management

- The division is responsible for:
 - I. The development and the implementation of the Asset Management Strategy, Policy and Procedures;
 - II. Management of the development, updating and maintenance of the asset register as well as operating and finance lease registers;
 - III. Financial reporting of assets, leases, repairs and maintenance of movable assets;
 - IV. Maintenance and safeguarding of municipal assets;
 - V. Managing and control of inventory of the municipality; and
 - VI. Disposal of assets that have reached their design life in line with the Municipal Finance Management Act Section 14 and Section 90.

The municipality has developed a GRAP Compliant Asset Register which is continuously updated and reviewed annually.

3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

INTRODUCTION

The following functional areas are dealt with in this KPA:

- I. Public Participation
- II. Communications and customer relations
- III. Special Programmes
- IV. Intergovernmental Relations
- V. Council Support
- VI. Internal Auditing
- VII. Risk and Continuity management
- VIII. Moral Regeneration Movement
- IX. Strategic planning
- X. 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.

CHALLENGE

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 institutionalized 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 will be reviewed on annual basis. 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 Mphashe 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.

3.5.2.1 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.

3.5.2.2 COMMUNITY DEVELOPMENT WORKERS

Community Development Workers are appointed as government agents to assist Councilors and Ward Committees for change in Mphashe. 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

- . CDW's work may be unnoticed because of lack of coordination on the part of the municipality and.
- I. 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

- II. 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.
- III. To continue profiling the municipality by launching and handing over all major projects
- IV. To coordinate all public participation activities in the institution and sector departments.
- V. Convene regular meeting with all project managers to discuss their programmes and projects monthly

3.5.2.3 WARD PARTICIPATION SYSTEM

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 will use for reporting.

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.
- II. The ward committees that are unable to read and write

Remedial Action

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

The communication 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. 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.

Challenges

- VI. Sometimes communities report their own challenges to the media instead of communicating to the municipality.
- VII. No communication feedback to the communities
- VIII. Communication channels are not always followed and bureaucracy can hinder the process of effective and timeous communication

Remedial Action

- IX. To provide human and financial capacity in the unit
- X. To get and provide information to the citizens
- XI. To produce and publicize quarterly reports for the public
- XII. Strengthening of community support groups

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. Gender
- III. HIV/AIDS
- IV. People With Disability
- V. Older Persons
- VI. Children
- VII. Sport

The Municipality has through the Special Programmes Unit developed SPU Strategy 2014/15 and has since reviewed the strategy and will be tabled for adoption by the Council in by end of financial year 2015/16. The strategy is implemented through Disability, Women, Youth, Children and HIV/AIDS and a Youth Development Policy have been adopted by the Council in 2015/16 Financial year.

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, Women, Disabled, Children, Elderly and HIV/AIDS infected individuals in our local Municipality.

3.5.4.1 YOUTH

Mbhashe South African Youth Council (SAYC) has been established in 2014/2015 through a Youth Assembly and is functional. The Council comprised of Youth who are from different formations of Youth structures and is responsible for championing different developmental issues that affect youth in the Municipality. The term for the SAYC is only over a financial year term.

Mbhashe Municipality has entered into an Memorandum of Understanding between King Hintsa TVET College in support of offering on the job experiential training for the students and also a Memorandum of Understanding with King Hlntsa and Coega for learners driving programme.

A Memorandum of Understanding has also been entered between National Youth Development Agency and Mbhashe Municipality which prescribes that NYDA satellite offices will also be launched in June 2015 and this will be available in Elliotdale and one in Dutywa covering both Dutywa and Willowvale.

3.5.4.2 WOMEN/ GENDER

The municipality established a Women's Forum which constituted by different formations of Women like Women in Business, NPO's, NGO's, Women Ward Committee members, and the forum is responsible for co-ordination of Women's programmes.

Programmes such as Capacity building programmes, Commemoration of Women's month, and 16 days of Activism for no violence against Women and Children are organized by municipality in partnership with the forum.

3.5.4.3 HIV/AIDS

Local AIDS Council will be established in the 2015/2016 and the HIV/AIDS strategy and policy will also be developed which will guide how the municipality will respond to HIV/AIDS related programmes. There are Healthcare Centers within the Municipality which have been accredited for ARV distribution.

Awareness campaigns on HIV/AIDS and TB, and Commemoration of World AIDS Day in partnership with other stakeholders such as Imbumba Yamakhosikazi Akomkhulu, Imbokodo Yamakhosikazi Abathembu, Donald Woods Foundation and Jabulani Foundation are being organized annually by Mbhashe Local Municipality.

3.5.4.4 PEOPLE WITH DISABILITY

Mbhashe Disability Forum performs activities in partnership with the municipality. The forum was established however became dysfunctional and was revived in the 2014/2015 and is currently functioning although there are still challenges. Mbhashe Municipality supported in the year 2015/2016 the people with disability to participate in the sport games held in George.

The municipality has planned for 2016/2017 to re-establish the forum through a summit and this forum in partnership with Municipality and other relevant stakeholders will be responsible for coordination of disability awareness campaigns, Human rights awareness campaigns and participation of people with disability in sport.

3.5.4.5 OLDER PERSONS

Mbhashe Older Person's Forum is in place however it is not fully functional. Relations between Department of Social Development and Mbhashe Municipality still need to be strengthened when it comes to the elderly. Mbhashe Municipality supports in programmes for the older persons to participate in District Municipality and Provincial Government structures and also to participate in recreational programmes such as Golden Games and Provincial Senior Citizens Parliament.

3.5.4.6 CHILDREN

The Children Forum is not functional although programmes such as Children Protection Week, Back to School Campaign, 16 days of Activism for non-violence against women and children and Children's day are being supported the municipality. There are centers that are existing and operating in the Municipality.

Mbhashe Municipality through the Department of Community Services supports Early Childhood Development Centers and there is also a Memorandum of Understanding between the Municipality and World Vision which is an NGO that advocates on Children's programmes and welfare of a child.

3.5.4.6 SPORT

Mbhashe Municipality through Special Programmes Unit coordinates activities in support of Sport Confederation although there are still no clear plans from the structure.

The Mayoral Cup which starts at Ward level and ultimately at the Municipal level is an annual event which is still only comprised of four codes viz. Soccer, Rugby, Boxing and Net ball. 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. The Municipality also supports other sport programmes financially and in kind.

3.5.5 CORPORATE GOVERNANCE

3.5.5.1 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. Measure to fight this must be introduced to promote good corporate governance.

3.5.5.2 Internal Audit

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. Measure to fight this must be introduced to promote good corporate governance.

3.5.5.3 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>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
Audit Outcome	Qualification	Qualification	Qualification

Table 31

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

Item	Status	Description
1. Irregular Expenditure	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
2. Property, Plant and Equipment	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
3. Investment property	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.

<p>4. Employee Cost</p>	<p>Employee cost is still a red area as some of the findings have not yet attended to. There are few findings such as:</p> <p>i) Overtime form has been developed</p> <p>ii) Forensic report has been completed.</p> <p>Other findings related to this qualification have not yet been attended.</p>	<p>A reconciling item between the payroll system and the accounting system and overtime.</p>
<p>5. Consumer debtors</p>	<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>	<p>Interest not charged on long outstanding debtors as a result of data cleansing.</p>

Table 32

3.5.5.4 Audit Committee

The Municipality has a functioning 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.

Challenges

- . No dedicated employee to monitor and give direction on issues of Risk Management.
- I. Non-sitting of risk committee
- 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. No Performance Specialist in Audit Committee
- VI. The municipality still does not have a dedicated unit that deals with legal and compliance issues.

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 co-ordination of the activity. This compromises the ranking and prioritization of risks.
- IV. Filling of vacant post of Internal Audit Unit 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

3.5.5.5 Legal Services

The municipality had appointed a manager that is responsible for legal services and assisting the municipality on the matters of compliance. The legal unit has to advise 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.

3.5.6 INTEGRATED DEVELOPMENT PLANNING AND PERFORMANCE MANAGEMENT

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.

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.

Challenges

- . The clusters that are aligned to the local government key performance areas of local government are not yet functional in the municipality.
- I. The cascading of the performance management system to all levels below section 56 managers remains a challenge.
- II. The lack of the institutionalization of the PMS
- III. Capacity to conduct performance assessment and evaluations
- IV. Minimal meaningful contribution by sector departments in the IDP processes
- V. Limited capacity in the established IDP/PMS unit
- VI. Collection and filing of performance evidence still poses a challenge.
- VII. 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

- VIII. Build capacity in the unit
- IX. Proper monitoring of the procurement plans in order to adhere to the targets set
- X. Strengthen the community participation structures in the municipality
- XI. 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.

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 Mbashe municipality has developed the twenty seven by-laws and the public participation meetings were conducted during the development process. The municipality also managed to gazette 09 in 2012. In 2013 Amathole District Municipality assisted the municipality by gazetting the remaining by-laws. The only challenge is the enforcement of by-laws due capacity.

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 Defense Force before 1961, and those who became members of the South African National Defense Force after 1994, and has completed his/her military training and no longer performs military duties, and has not been dishonorably 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 dependents so they may realize their socio-economic progress.
- III. Recognize and honor 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

4.1.1 KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PRIORITY AREA	OBJECTIVE NUMBER	OBJECTIVE	STRATEGY	INDICATOR NO.	INDICATOR	B2B PILLAR	BASE LINE	TARGET			CUSTODIAN
								2016/17	2017/18	2018/19	
Human Resources	MTI 1	To capacitate employees in order to enhance service delivery by 2017	Capacity building of Employees as per the approved WSP	MTI 1.1	Number of Skills Audit questionnaires returned and analysed		All	All	All	All	Senior Manager Corporate Services C
				MTI 1.1.2	No. of service delivery personnel trained	Good governance Institutional transformation	69 officials	100 officials	100 officials	100 officials	Senior Manager: Corporate Services
				MTI 1.1.3	Number of employees capacitated	Good governance Institutional transformation	120	150	180	200	Senior Manager: Corporate Services

	Rolling out PIVOTAL, Financial Programmes as per approved WSP	MTI 1.1.4	Number of employees acquire formal education	Good governance Institutional transformation	15	20	20	20	Senior Manager Corporate Services
	To reduce illiteracy level	MTI 1.1.5	Number of employees achieving AET levels.		0	15	20	20	Senior Manager Corporate Services
To capacitate Councillors in order to enhance service delivery by 2017	Capacity building of Councillors and Traditional Leaders as per approved WSP	MTI 1.2	Number of Councillors and Traditional Leaders capacitated	Good governance Institutional transformation	96	175	100	75	Senior Manager Corporate Services
	To ensure MLM performs optimally in all its assigned powers and functions by 2017	MTI 1.2.1	Number of councillors acquire structured education	Good governance Institutional transformation	7	10	5	5	Senior Manager: Corporate Services
	To enhance public participation	MTI 1.2.2	Number of Ward Committees capacitated		310	330	330	330	Senior Manager Corporate Services

Development and Submission of WSP by 30 April 2016	MTI 1.2.3	Confirmation of receipt by LGSETA	Good governance Institutional transformation	1	30 April Annually	30 April Annually	30 -April (Annually)	Senior Manager: Corporate Services
Provide opportunities to new entrants to the labour market	MTI 1.2.4	Number of Interns employed (Internship, WIL)	Good governance Institutional transformation	35	40	50	50	Senior Manager: Corporate Services
To ensure efficient and effective implementation of WSP	MTI 1.2.5	Number of Training Committee Meetings held	Good governance Institutional transformation	4	4	4	4	Senior Manager: Corporate Services
To give guidance to Grade 11 and 12 learners to be able to choose career path through Career Expo	MTI 1.2.6	Number of Grade 11 &12 learners attended Career Expo	Good governance Institutional transformation	1	1	1	1	Senior Manager: Corporate Services
Impact of Training conducted and evaluation of performance	MTI 1.2.7	Evaluation report and feedback from the supervisors	Good governance Institutional transformation	0	Annually	Annually	Annually	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 prioritized funded posts	MTI 1.3	Number of filled budgeted posts	Good governance Institutional transformation	213	10	10	10	Senior Manager: Corporate Services
	To ensure credibility of employees qualifications	MTI 1.3.1	Number of employee's verified qualifications as per structure		70	100	50	50	Senior Manager Corporate Services
	Develop institutional policies	MTI 1.3.2	Total number of developed policies	Good governance Institutional transformation	22	7	10	10	Senior Manager: Corporate Services and other relevant directors
	Review Institutional Policies	MTI 1.3.3	Total number of reviewed policies	Good governance Institutional transformation	2	7	10	10	Senior Manager: Corporate Services and other relevant directors
	Develop institutional policies.	MTI 1.4	Number of institutional procedure manuals developed	Good governance Institutional transformation	15	15	5	5	Senior Manager: Corporate Services

	Reviewed Organogram	MTI 1.5	Submitted reviewed organogram to EXCO	Good governance Institutional transformation	1	Annually	Annually	Annually	Senior Manager: Corporate Services and other relevant directors
	Develop job description for each post.	MTI 1.5.1	Number of signed job descriptions as per organogram		21	All posts	All posts	All posts	All HoD's
	Develop and submission of EE report to DoL	MTI 1.5.2	Acknowledgement of receipt by DoL	Good governance Institutional transformation	1	1			Senior Manager: Corporate Services
	Functioning EE Committee	MTI 1.5.3	Number of meetings held		2	4	4	4	Senior Manager Corporate Services
To ensure a health oriented behaviour in the workplace	Promote wellness campaigns and programmes for municipal employees	MTI 1.6	Number of wellness campaigns or programmes organised	Good governance Institutional transformation	6	4	4	4	Senior Manager: Corporate Services
	Ensure functional sport and wellness committees	MTI 1.6.1	Number of sport and wellness committee established	Good governance Institutional transformation	0	1	1	1	Senior Manager: Corporate Services

				MTI 1.6.2	Number of employees participating in sport		29	40	40	40	Senior Manager Corporate Services
				MTI 1.6.3	No. of meetings held by sport and wellness committee		0	4	4	4	Senior Manager Corporate Services
		Develop a sports policy		MTI 1.6.4	No. of policies developed		0	1	1		Senior Manager Corporate Services
			Develop a sports plan	MTI 1.6.5	No of plans submitted		0	1	1		Senior Manager Corporate Services
	MTI 2	Initiating developing, promoting, maintaining and reviewing measures to ensure the health and safety of employees at work by 2017.	Compliance with Occupational Health and Safety Act (OHS) and Compensation of Injuries and Diseases Act(COIDA) requirements.	MTI 2.1	No. of assessment reports presented	2 reports submitted	4	4	4	4	Senior Manager Corporate Services
				MTI 2.2	Number of OHS Meetings	Good governance Institutional transformation	2	4	4	4	4

	MTI 2.3	Number of OHS Trainings and workshops conducted		7	8	8	8	Senior Manager: Corporate Services
	MTI 2.4	No. of employees receiving and utilizing PPC		ALL	ALL	ALL	ALL	Senior Manager: Corporate Services
	MTI 2.5	No. of serviceable fire extinguishers		24	50	50	50	Senior Manager: Corporate Services
	MTI 2.5	No. of first aid kit boxes acquired		20	30	30	30	Senior Manager: Corporate Services

		Develop and submit Return on Earnings to DoL	MTI 2.6	Confirmation of receipt and assessment	Good governance Institutional transformation	1	March (Annually)	March (Annually)	March (Annually)	Senior Manager Corporate Services
MTI 3	To ensure the good working relations between the Employer and the Employee	Improve workplace relations through partnership with unions and management	MTI 3.1	Number of Local Labour Forum meetings held	Good governance Institutional transformation	7	12	12	12	Senior Manager: Corporate Services
MTI 4		Conduct induction of all employees in relation to benefits, collective agreement, code of conduct etc.	MTI 4.1	Number of induction sessions held	Good governance	10	8	8	8	
		Assessment of employees satisfaction levels	MTI 4.2	Number of assessments conducted		1	1	1	1	Senior Manager Corporate Services
		Management and maintenance of personal files	MTI 4.3	An employee file checklist approved by HOD		599	All	All	All	Senior Manager Corporate Services

ADMINISTRATION

MTI 6	To ensure maximum use of Registry in document management	Develop Institutional file plan	MTI 6.1	Approved File Plan by Provincial Archives	Good governance	1	1	1	1	Senior Manager: Corporate Services
		Reviewal of institutional file plan	MTI 6.2	Reviewed and amended file plan		0	1	1	1	Senior Manager: Corporate Services
		Implementation of Electronic Document Management System	MTI 6.3	Number of system users	Good governance	0	1	1	1	Senior Manager: Corporate Services
		Disposal of ephemeral records	MTI 6.4	Number of approved disposal requests by Provincial Archives	Good governance	2	4	4	4	Senior Manager: Corporate Services
		Develop and implement institutional file plan	MTI 6.5	Number of users of file plan	Good governance	All	All			Senior Manager: Corporate Services
		Transfer of documents with specified retention period	MTI 6.6	Number of filled access and accession forms by users	Good governance	2	All document			Senior Manager: Corporate Services

			Conduct workshops and trainings for records champions	MTI 6.7	Number of trainings and workshops	Good governance	2	4	1	1	Senior Manager: Corporate Services
ICT	MTI 7		Develop SLA for server room	MTI 7.1	Functional and responsive equipment		Existing equipment	4	4	4	Senior Manager: Corporate Services
			Effective upgrading and maintenance of municipal website	MTI 7.2	Functional website		1	1	1	1	Senior Manager: Corporate Services
			Migration from analogue to digital telephone system	MTI 7.3	Efficient and effective digital telephone system		Analogue telephone system	1	1	1	Senior Manager: Corporate Services
			Develop wireless infrastructure	MTI 7.4	Installed wireless equipment		LAN cable connection	Dutywa	Willowvale	Elliotdale	Senior Manager: Corporate Services
			Appointment of ICT Steering Committee	MTI 7.5	Number of meetings held		None	4	4	4	Senior Manager Corporate Services

			Ensuring business continuity	MTI 7.6	Submitted IT Disaster recovery plan to EXCO	Good governance Institutional transformation	None	Developed IT Disaster recovery plan	Review IT Disaster recovery plan	Review IT Disaster recovery plan	Senior Manager: Corporate Services
			Provision of laptops and desktops	MTI 7.7	Number of computers provided		70	30	10	10	Senior Manager: Corporate Services
Facilities Management	MTI 8	To provide and utilise safe municipal facilities	Provision of office space	MTI 8.1	Number of offices made available		80	40	30	10	Senior Manager Corporate Services
			Provision of safe parking areas	MTI 8.2	Number of car ports erected		None	83	10	5	Senior Manager Corporate Services
			Provision of safe residential areas	MTI 8.3	Number of available rental houses		3	1	1	1	Senior Manager Corporate Services
			Provision of safe and green energy to municipal facilities	MTI 8.4	Number of municipal facilities with installed solar panels		None	8 Facilities	10 Facilities	12 Facilities	Senior Manager Corporate Services

			Provision of cleaning and maintenance for municipal facilities	MTI 8.5	Number of neatmunicipal facilities		All municipal facilities	All municipal facilities	All municipal facilities	All municipal facilities	Senior Manager Corporate Services
Fleet management	MTI 9	To ensure effective utilization of available fleet	Development and or improving monitoring controls in managing fleet.	MTI 9.1	Number of vehicles available	Good governance Financial Management	52	0 (but when an incident occurs, it must be reported)	0 (but when an incident occurs, it must be reported)	0 (but when an incident occurs, it must be reported)	Senior Manager: Corporate Services
				MTI 9.2	Completed duplicate trip authority and Log book		Log sheet	Log book for each vehicle	Log book for each vehicle	Log book for each vehicle	Senior Manager: Corporate Services
				MTI 9.3	Number of vehicles with tracking device		None	All municipal vehicles	All municipal vehicles	All municipal vehicles	Senior Manager Corporate Services
				MTI 9.4	Number of washed municipal vehicles						Senior Manager Corporate Services
				Implementation of Vehicle Usage policy	MTI 9.5	Reviewed Vehicle Usage policy submitted to EXCO	Good governance	Existing Vehicle Usage policy	52	ALL	ALL

				MTI 9.6	Number of employees tested for driving		30	All licenced potential drivers	All licenced potential drivers	All licenced potential drivers	Senior Manager Corporate Services
PMS	MTI /10	To ensure the implementation of PMS by 2017 and improve institutional performance through skills development and change management	Reviewal of the PMS framework	MTI 10.1	Reviewed and submitted PMS framework to council	Governance	Existing PMS Framework	Reviewed PMS Framework	Reviewed PMS Framework	Reviewed PMS Framework	SMO
			Develop clear performance monitoring and reporting	MTI 10.2	Performance Reports	Governance	6	6	6	6	SMO

To ensure effective service delivery through implementation of performance management system

Development of the annual report

MTI 10.3

Developed annual report

Governance

Existing annual report 14/15

Developed annual report 15/16

Developed annual report 16/17

Developed annual report 17/18

SMO

KPA 2: BASIC SERVICE DELIVERY

Environment	SD 1	Ensure sustainable and environmental friendly development throughout Mbashe by 2017	By providing the basic and sustainable Waste Management Services throughout Mbashe	SD 1.1	No of households receiving waste service	Refuse removal	20 000	60 124	60 124	60 124	SM Community Services
				SD 1.2	Number of landfill sites rehabilitated		0	2	2	2	SM Community Services
				SD 1.3	Number of landfill sites upgraded		0	1	1	1	SM Community Services
				SD 1.4	Number of data collection points received		16	36	36	36	SM Community Services

Community Safety	SD 2	Ensure the safety and security of the Mbashe community by 2017	By providing law enforcement throughout Mbashe	SD 2.1	No. of law enforcement operations implemented	Making communities safer Working street lights Improve policing	4	5	6	7	SM Community Services
				SD 2.2	No of transport FOR A held		0	12	12	12	SM Community Services
			Implement Disaster Management Plan (DMP)	SD 2.3	% of disaster incidents assisted with relief materials	Making communities safer	40%	40%	40%	40%	SM Development Planning
			To maintain and upgrade street lights in three towns	SD 2.4	No. of adequate street lights	Making communities safer	574	610	610	610	SM Infrastructure
			To install high masts in all priority areas	SD 2.5	No of high mast lights installed	Making communities safer	10	10	12	15	SM Infrastructure

Community facilities	SD 3	Ensure improved access to the well managed community facilities by 2020	By constructing new community facilities that will be user friendly to the communities	SD 3.1	No of community halls constructed	Mechanism to deliver new infrastructure	44	1	0	3	SM Infrastructure
				SD 3.2	No of ablution facilities in towns		3	1	1	1	SM Infrastructure
				SD 3.3	No of sports fields constructed	Mechanism to deliver new infrastructure	8	1	1	1	SM Infrastructure
				SD 3.4	% of communal cemeteries fenced	Mechanism to deliver new infrastructure	0	Database of communal cemeteries to be fenced	30%	30%	SM Community Services

	SD 3.5	No of Early Childhood Development Centres (E CDCs) Constructed		5	6	10	15	SM Community Services
	SD 3.6	No of Animal Pound constructed		0	1	0	0	SM Infrastructure
By maintaining the existing facilities to acceptable standards	SD 3.7	No of community halls maintained	Making communities safer	25	10	15	10	SM Community Services
	SD 3.8	No. of sports fields maintained		0	10	15	20	SM Community Services
	SD 3.9	No. of libraries maintained		1	2	3	4	SM Community Services

				SD 3.10	No. of gateways maintained		0	4	6	8	SM Community Services
				SD 3.11	No of ECDCs maintained		20	60	100	150	SM Community Services
ROADS AND STORM WATER DRAINAGES	SD 4	To provide quality, safe trafficable Municipal roads as per applicable standards by 2017	Construct 250km of new gravel roads	SD 4.1	No. of kms of roads constructed	Mechanism to deliver new infrastructure	629km	80km	80km	80km	SM Infrastructure
			Maintenance of 545km of existing gravel road network	SD 4.2	No. of kms of roads maintained	Patching of potholes	629km	300km	140km	105km	SM Infrastructure
			By paving internal streets sidewalks in all three towns	SD 4.3	No. of kms paved side walks	Patching of potholes	0km	5km	10km	15km	SM Infrastructure

				SD 4.4	No. of km upgraded storm water channels	Patching of potholes	10km	15km	17km	19km	SM Infrastructure
			By upgrading storm water channels	SD 4.5	No of bridges constructed	Mechanism to deliver new infrastructure	8	6	0	0	SM Infrastructure
Energy	SD 5	Ensure that all households have access to electricity by 2025.	By providing grid energy to qualifying households.	SD 5.1	Number of household with electricity	Mechanism to deliver new infrastructure Making communities safer	40 124	500	500	500	SM Infrastructure

			Provide alternative energy to households	SD 5.2	Number of Household with Solar	Mechanism to deliver new infrastructure Making communities safer	4555	3000	1000	1000	SM Infrastructure
Human settlements	SD 6	To facilitate provision of adequate housing and expanding access to housing by 2030	Reduce the number of people living in informal dwellings	SD 6.1	Number of informal dwellings removed	Announce plans for township establishment: land use management, prevent land invasion, building controls	50	100	200	300	SM Development Planning

				SD 6.2	No of destitute applications submitted	Announce plans for township establishment: land use management, prevent land invasion, building controls	115	160	200	250	SM Development
		Establish new townships for housing accommodation	SD 6.3	Number of lay-out plans submitted to Council	2		2	2	2	SM Development	
		Transferring of properties from municipal to individuals	SD 6.4	No of properties transferred	200		400	600	800	SM Development Planning	

Land management	SD.7	Ensure maximum and adequate land use management practices within municipal land by 2017	Review SDF	SD 7.1	No. of reviewed SDFs		1	1		SM Development Planning
			Develop LSDF for the rural in line with SPLUMA	SD 7.2	Number of LSDFs approved	Announce plans for township establishment: land use management, prevent land invasion, building controls		2	3	4

By surveying and rezoning based on land audit results	SD 7.3	Number of sites rezoned and subdivided	Announce plans for township establishment: land use management, prevent land invasion, building controls	20	100	100	100	SM Development Planning
	SD 7.4	No. of properties rezoned		100	100	100	100	SM Development Planning
	SD 7.5	No of lease agreements signed or reviewed		50	100	200	300	SM Development Planning

KPA 4: FINANCIAL VIABILITY

KPA 3 LOCAL ECONOMIC DEVELOPMENT

<p>Enterprise support SMME and development</p> <p>LED 1</p> <p>To reduce poverty and unemployment through viable and sustainable job creation strategies</p>	<p>By facilitating multiplier effects from EPWP projects</p>	<p>LED 1.1</p>	<p>Number of people employed through EPWP</p>		<p>1540</p>	<p>2000</p>	<p>5000</p>	<p>10000</p>	<p>SM: Community Services</p>
---	--	----------------	---	--	-------------	-------------	-------------	--------------	-------------------------------

By formulating strategies that promote investment and economic growth	LED 1.2	submission of business retention and attraction strategy for approval		0	submitted strategy	implementation	implementation	SM: Development Planning
By promoting entrepreneurial access to markets	LED 1.3	Number of SMME's linked to formal markets		3	5	7	9	SM: Development Planning
By capacitating and assisting informal traders	LED 1.4	Number of Hawkers supported for growth and development		600	300	300	300	SM: Development Planning
SMME skills development; Co-operatives development and training	LED 1.5	Number of SMMEs supported for growth and development		10	15	20	30	SM: Development Planning

				LED 1.6	Number of co-operatives supported		40	40	50	50	SM: Development Planning
Agricultural development and food security	LED2	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	LED 2.1	Number of commodity groups assisted with seedlings and fruit trees		2	2	2	2	SM: Development Planning
				LED 2.2	Number of villages assisted with maize production		40	50	60	80	SM: Development Planning

		By providing support for people interested in farming through small scale agricultural activities and linking small farm produce to markets / communities	LED 2.3	Number of farming projects assisted with equipment and/or inputs	28	18	20	22	SM: Development Planning
		By improving quality of the livestock through various mechanisms	LED 2.4	Number of dipping tanks renovated	13	5	5	5	SM: Development Planning
			LED 2.5	Number of shearing sheds built or renovated	50	5	5	5	SM: Development Planning

				LED 2.6	Number of village farming associations assisted with stock remedy		50	20	30	40	SM: Development Planning
Agro-processing	LED 3	To take advantage of the agricultural value chain to stimulate local economic development in deprived areas by 2017	By facilitating access to market for local farmers	LED 3.1	Number of support programs implemented		3	3	5	7	SM: Development Planning
			By capacitating farmers to meet quality and safety	LED 3.2	Number of information days held requirements		16	16	16	16	SM: Development Planning

Tourism and Ocean Economy Development	LED 4	To position and promote Mbhashe as a tourist destination of choice	Train and develop product owners and expand product owner base	LED 4.1	Number of capacity building / training programs facilitated		3	4	4	4	SM: Development Planning
			Promotion and development of marine economy	LED 4.2	Number of ocean – marine tourism initiatives supported		0	1	1	1	SM: Development Planning
			Promote and link product owners to external markets	LED 4.3	Number of external programs the product owners participated on		3	4	4	4	SM: Development Planning

			Use different marketing tools to market Mbashe tourism destination	LED 4.4	Number of events hosted		4	5	5	5	SM: Development Planning
			By supporting destination tourism through infrastructure development	LED 4.5	Number of tourists destination with clear signage		0	15	15	15	SM: Development Planning
Heritage management	LED 5	Develop, preserve, maintain and market heritage properties/resources to attract a sizeable number of tourists	By maintaining heritage properties	LED 5.1	Number of heritage properties maintained		6	5	5	5	SM: Development Planning

KPA 4: FINANCIAL VIABILITY

PRIORITY AREA	OBJECTIVE NO.	OBJECTIVES	STRATEGY	INDICATOR NO.	INDICATOR	B2B	Baseline	Targets			CUSTODIAN
								2016/17	2017/18	2018/19	
Free Basic Services	FV 1	To ensure that all indigent households are identified and supported	Development of a credible indigent register	FV 1.1	Credible indigent register	Putting people first, Good governance	No Indigent Register	Developed credible indigent Register	Updated Indigent Register	Updated Indigent Register	CFO
			Incentivise ratepayers through the indigent subsidy	FV1.2	Credible list of indigent households on our billing system		No ratepayers are benefiting from indigent subsidy	Complete list of indigent ratepayers	Review and update the list of indigent ratepayers	Review and update the list of indigent ratepayers	CFO

			Supply & delivery of free basic alternative energy and services	FV1.3	Number of indigent households provided with free basic services		4108 (To get the correct number of household benefited)	5000	6000	7000	CFO
Revenue Management	FV 2	To increase revenue collection by 50% in June 2017	Implementation of credit control and debt collection policy	FV 2.1	Amount collected on all own revenue sources	Sound Financial Management	R10m	R12m	R14m	R20m	CFO
			Implement programmes in line with revenue enhancement strategy by June 2017	FV 2.2	Approved revenue enhancement strategy	Sound Financial Management	Draft Revenue enhancement strategy in place	Approved Revenue Enhancement Strategy	Implementation of the programmes contained in the revenue enhancement strategy	Implementation of the programmes contained in the revenue enhancement strategy	CFO

			Ensure data integrity in the billing system	FV 2.3	Updated billing database	Sound Financial Management	Inaccurate billing database	Reconciliation report on billing database vs the valuation roll	Reconciliation report on billing database vs the valuation roll	Reconciliation report on billing database vs the valuation roll	CFO
			Review Tariff structure, budget policy by June 2017	FV 2.4	Gazetted Tariffs and approved budget related policies	Sound Financial Management		Annual approval and gazetting of tariffs and budget related policies	Annual approval and gazetting of tariffs and budget related policies	Annual approval and gazetting of tariffs and budget related policies	CFO
SCM	FV 3	To establish a fully-fledged and effective supply chain management by 2016	Implement SCM policy, procurement plan and procedures by June 2017	FV 3.1	Credible institutional Procurement plan	Sound Financial Management	Existing Procurement Plan	Developed Credible Procurement Plan 16/17	Developed Credible Procurement Plan 17/18	Developed Credible Procurement Plan 18/19	CFO

			Promotion and maintenance of SCM systems through compliance with laws and regulation	FV 3.2	No new irregular expenditure incurred	Sound Financial Management	R3m	R 0	R 0	R 0	CFO
			To maintain a credible contract management system	FV 3.3	Credible contract register in place	Sound Financial Management	Existing contract register	Credible contract register	Updated contract register	Updated contract register	All HODs
Financial Management	FV 4	To ensure sound financial management, compliance and regular reporting at all times	Develop and implement Financial management policies and procedures in-line with regulatory framework by June 2017 & timely submission of statutory reports to the relevant bodies/authoriti	FV 4.1	Timely submission of compliance reports to Council, Treasury and Auditor General reviewed and approved policies and procedure manuals	Financial Management, Good governance	Section 71, 52, 72 and AFS. Existing policies last reviewed in 2014/15	Compliance reports as per MFMA Calendar & proof of submission to NT & PT annually by June 2017	Compliance reports as per MFMA Calendar	Compliance reports as per MFMA Calendar	CFO

		es								
		Preparation of GRAP Compliant Financial Statements by June 2017	FV 4.2	GRAP Compliant Financial Statements for 2015/2016 developed and submitted by August 2016	Sound Financial Management	2014/15 Audited AFS	GRAP Compliant AFS	GRAP Compliant AFS	GRAP Compliant AFS	CFO
	To ensure that municipal assets are adequately managed and monitored	Implement municipal asset management policies and procedures by June 2017	FV 4.3	GRAP compliant immovable and movable asset register	Sound Financial Management	GRAP Compliant Asset Register	Updated GRAP Compliant Asset Register	Updated GRAP Compliant Asset Register	Updated GRAP Compliant Asset Register	CFO
Budget planning	To ensure that the budget is aligned to the IDP	Develop credible budget that is aligned to IDP		Timeous approval and submission to Treasury of 16/17 budget	Sound Financial Management; Good Governance	Timeous approved and submitted	Approved budget by 31 May each year	Approved budget by 31 May each year	Approved budget by 31 May each year	CFO

					budget				
		Develop mSCOA compliant budget for 2017-2019 and review budget related policies by Jun 2017	2017/2019 mSCOA compliant budget developed and approved	Sound Financial Management; Good Governance	Council approved mSCOA regulations	Approved mSCOA project implementation plan	Approved mSCOA budget for 2017 FY	Approved mSCOA budget for 2018 FY	CFO
			Budget related policies reviewed and approved by Jun-2017	Sound Financial Management; Good Governance	2015/16 Council approved budget related policies	Approve budget related policies by 31 May each year	Approve budget related policies by 31 May each year	Approve budget related policies by 31 May each year	CFO

		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 report by Treasury on the mid-year budget performance report	Sound Financial Management; Good Governance	Credible budget	Credible budget	Credible budget	Credible budget	CFO
			To review and implement financial delegation framework by June 2017		Development of Financial delegation framework	Governance	No financial delegation framework in place	Approved financial delegation framework by MM	Approved financial delegation by MM	Approved financial delegation by MM	CFO

KPA5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PRIORITY AREA	Objective No	OBJECTIVES	STRATEGY	INDICATOR NO	INDICATOR	B2B	BASELINE	TARGET			CUSTODIAN
								2016/17	2017/18	2018/19	
Governance	GGP1	To ensure clean and accountable governance in the municipality by 2017	Co-ordinate sitting of council oversight structures	GGP 1.1	No. of meetings held by council structures	Governance	24	44	44	44	SMO

			Reviewal and implementation of risk strategies	GGP 1.2	No. of reviewed risk strategies	Governance	3 existing risk strategies	Review of risk strategies	Reviewed strategies	Reviewed strategies	Municipal Manager
			Implementation of risk management strategies	GGP 1.3	No. of risk assessments conducted	Governance	1	Conducting risk assessment	Conducting risk assessment	Conducting risk assessment	Legal and Compliance Manager
			Development of fraud prevention strategies	GGP 1.4	Developed fraud prevention strategies	Governance	Nil	Developed fraud prevention strategies	Reviewed fraud prevention strategies	Reviewed fraud prevention strategies	Legal and Compliance Manager
			Conduct audits as per Internal Audit Strategic Plan	GGP 1.5	No of Audits conducted	Governance	12	12 Audits	12 Audits	12 Audits	IA Manager

Inter- Governmental Relations	GGP 2	To ensure coordination , Co-operation and joint planning between spheres of government by 2017	To strengthen the functionality of IGR	GGP 2.1	No of IGR meetings held	Governance	4	4	4	4	SMO
			To promote learning and sharing with other spheres of government	GGP 2.2	No of programmes or plans shared with other institutions	Governance	Nil	1	6	6	ALL
Special Programs	GGP 3	To ensure mainstreaming of special programs into the municipality	Implementati on of special programs as per approved SPU strategy	GGP 3.1	No. of programmes implemented.	Putting people first	11	11 programmes	11 programmes	11 Programmes	SMO
			Reviewal of SPU strategy	GGP 3.2	Reviewed SPU strategy	Putting people first	Existi ng SPU strate gy	Review ed SPU strategy	Review ed SPU strateg y	Reviewed SPU strategy	SMO

Integrated planning and reporting	GGP 4	To ensure strategic development, coordinated, integrated planning, budgeting, reporting and legislative compliance on governance matters	Coordinate development and alignment of the IDP, SDBIP and Budget integration	GGP 4.1	Developed IDP, SDBIP and Budget	Putting people first	Existing IDP, SDBIP and Budget for 2015/2016	Reviewed IDP and SDBIP	Develop Five year IDP	Reviewed	SMO
	GGP 5	To ensure optimum functionality of council and its structures	Provision of necessary tools of trade for councillors and Traditional Leaders	GGP 5.1	No of tools of trade provided to councillors and Traditional Leaders	Putting people first	432	75	75	75	SMO
Council support			Monitoring and implementation of resolutions.	GGP 5.2	No of resolutions implemented.	Putting people first	Existing resolution register	Updated resolution register	Updated resolution register	Updated resolution register	SM Operations

		To ensure that all stakeholders participate in the affairs of the municipality	Improve the functioning and reporting of ward committees	GGP 5.3	No of reports submitted	Putting people first	34	128	128	128	SMO
Communication	GGP 6	To enhance and promote communication in all municipal activities	Reviewal and implementation of communication strategy and media plan	GGP 6.1	Reviewed communication strategy and Media plan	Governance	Existing communication strategy and media plan	Reviewed communication strategy and media plan	Reviewed communication strategy and media plan	Existing communication strategy and media plan	SMO

	To enhance and promote communication in all municipal properties.	Implementation and management of customer queries	GGP 6.2	Updated register	Governance	Existing customer queries register	Updated register	Updated register	Updated register	SMO
			GGP 6.3	No of customer queries attended	Governance	40	Zero complaints not attended too	Zero complaints not attended too	Zero complaints not attended too	SMO
		To improve branding and signage of municipal properties and assets.	GGP 6.4	No of assets and municipal properties branded	Governance	13	All	All	All	SMO
		To inform and share developmental programs within the municipality	GGP 6.5	No of newsletters produced	Governance	2	4	4	4	SMO

			To co-ordinate adverts and notices in electronic and print media to promote transparency	GGP 6.6	No of published adverts and Notices	Putting people first	20	40	40	40	SMO
Public participation	GGP 7	To ensure that all stakeholders participate in the affairs of the municipality	Review and implement public participation and petition strategy	GGP 7.1	Reviewed public participation strategy	Putting people first	Existing public participation strategy	Reviewed public participation strategy and petition strategy	Reviewed public participation strategy and petition strategy	Reviewed public participation strategy and petition strategy	SMO
			To co-ordinate community based projects steering committee meetings.	GGP 7.2	Project steering committee minutes	Governance	Nil	All	All	All	

		Strengthen the relations between CDW's, Ward Committees and Councillors	GGP 7.3	No of meetings held	Putting people first	12	4	4	4	SMO
		Regular communication on communities on the achievements of targets set out in IDP	GGP 7.4	No of community imbizo's held	Putting people first	31	32	32	32	SMO
		Exchange views with various stakeholders on the acceptable service	GGP 7.5	No. of consultative forums held	Governance	2 (transport forum, Community	3	3	3	Community Services

		delivery				y safety forum and disast er forum .				
		Conducting awareness campaigns	GGP 7.6	No of awareness campaign held	Putting people first	5	12	12	12	Community Services
GGP 8	To regenerate and preserve our nation's moral fibre	Encourage responsibility accountability , UBUNTU to restore hope through conversations that inspire public to take a practical action to do good	GGP 8.1	No of programmes conducted	Putting people first	2	4	4	4	SMO

			Women's Caucus	GGP8.2	No. of programmes	Governan ce					SMO
--	--	--	-------------------	--------	-------------------	----------------	--	--	--	--	-----

Table 33

4.2 PROJECTS

4.2.1 KPA1 :MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PROJECT	COPORATE SERVICES	2016/17		2017/18		2018/19	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Ward Committees training	HR	R500000	Mbhashe	R500000	Mbhashe	R500 000	Mbhashe
Steel Filing Cabinet	HR	R600000	Mbhashe	R600 000	Mbhashe	R600 000	Mbhashe
Career Exhibition	HR	R2000 000	Mbhashe	R2000000	Mbhashe	R2000 000	Mbhashe
Personal Protective Clothing	HR/ ADMIN	R2000000	Mbhashe	R2000 000	Mbhashe	R2000 000	Mbhashe
Sport and Recreation Activities	HR	R250000	Mbhashe	R250000	Mbhashe	R250 000	Mbhashe
Internship Programme	HR	R2000000	Mbhashe	R2000000	Mbhashe	R2000 000	Mbhashe
Burial Staff Memorial	HR	R150 000	Mbhashe	R150 000	Mbhashe	R150 000	Mbhashe
Awareness Programmes	HR	R1.2 m	Mbhashe	R1.2 m	Mbhashe	R1.2 m	Mbhashe
Staff Development Training	HR	R2 m	Mbhashe	R2 m	Mbhashe	R2 m	Mbhashe

Study Assistance	HR	R500 000	Mbhashe	R500 000	Mbhashe	R500 000	Mbhashe
Training and Development :Councillors	HR	R1 m	Mbhashe	R1 m	Mbhashe	R1 m	Mbhashe
Rental of Office Equipment	ADMIN	R600 000	Mbhashe	R600 000	Mbhashe	R600 000	Mbhashe
Air conditioners	Properties	R350 669.00	Mbhashe	R35 669.00	Mbhashe	R350 669.00	Mbhashe
Insurance external	Properties	R1m	Mbhashe	R1 m	Mbhashe	R1 m	Mbhashe
Water Consumption	Properties	R3067 250.00	Mbhashe	R3067 250.00	Mbhashe	R3067 250.00	Mbhashe
Acquiring additional Fleet	ADMIN	R1.5 m	Mbhashe	R1.5 m	Mbhashe	R1.5 m	Mbhashe
Installation of car ports and paving	ADMIN	R2 m	Mbhashe	R2 m	Mbhashe	R2 m	Mbhashe
Consultancy and Professional Fees	ICT	R170 669.00		R170 669.00	Mbhashe	R170 669.00	Mbhashe
IT Support	ICT	R524 000.00	Mbhashe	R524 000.00	Mbhashe	R524 000.00	Mbhashe
Website	ICT	R200 000. 00	Mbhashe	R200 000.00	Mbhashe	R200 000.00	Mbhashe
Telephone System	ICT	R501 010.00	Mbhashe	R501 010.00	Mbhashe	R501 010.00	Mbhashe
Cables	ICT	R300 000.000	Mbhashe	R300 000.000	Mbhashe	R300 000.000	Mbhashe
Software	ICT	R950 000.00	Mbhashe	R950 000.00	Mbhashe	R950 000.00	Mbhashe
Servers	ICT	R450 000.00	Mbhashe	R450 000.00	Mbhashe	R450 000.00	Mbhashe
Disaster Recovery	ICT	R200 000.00	Mbhashe	R200 000.00	Mbhashe	R200 000.00	Mbhashe

VPN	ICT	R500 000.00	Mbhashe	R500 000.00	Mbhashe	R500 000.00	Mbhashe
TOTAL							

4.2.2 KPA 2 : BASIC SERVICE DELIVERY

PROJECT NAME	WARD	2016/17		2017/18		2018/19	
		Amount R	Source	Amount R	Source	Amount R	Source
Rural waste	all	10m	Mbhashe	12m	Mbhashe	14m	Mbhashe
Rehabilitation of landfill sites (Dutywa & Willowvale)	9 & 25	500k	Mbhashe	400k	Mbhashe	300k	Mbhashe
Upgrade of landfill site (Elliotdale)	13	5m	Mbhashe	5m	Mbhashe	2.5m	Mbhashe
Awareness Campaigns	all	479 600	Mbhashe	500k	Mbhashe	500m	Mbhashe
Waste storage facilities	1, 13 & 25	500k	Mbhashe	500k	Mbhashe	500k	Mbhashe
Safety Plan	all	400k	Mbhashe	500k	Mbhashe	500k	Mbhashe
Communal Cemeteries	all	200k	Mbhashe	2m	Mbhashe	5m	MIG
ECDCs	all	1m	Mbhashe	2m	Mbhashe	5m	MIG
Pound Maintenance	13 & 25	350k	Mbhashe	500k	Mbhashe	500k	Mbhashe

Maintenance of Community Halls	all	5m	Mbhashe	7m	Mbhashe	10m	Mbhashe
Public Ablution facilities (maintenance)	1, 13 & 25	890k	Mbhashe	1m	Mbhashe	1m	Mbhashe
Sports fields (Maintenance)	all	500k	Mbhashe	1m	Mbhashe	3m	Mbhashe
Maintenance of Gateways	1, 13 & 25	200k	Mbhashe	300k	Mbhashe	500k	Mbhashe
IMWP Review	all	200k	Mbhashe	250k	Mbhashe	300k	Mbhashe
Review of By laws	Corporate services						
Maintenance of DLTC Office	1	200k	Mbhashe	250k	Mbhashe	300k	Mbhashe
Furniture for DLTC	1	150k	Mbhashe	200k	Mbhashe	250k	Mbhashe

PROJECT	WARD AND VILLAGE	2016/17		2017/18		2018/19	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Disaster relief	All wards	R3m	Mbhashe	R4m	Mbhashe	R5m	Mbhashe
Removal of informal dwellings	1, 13, 25	600 000	Mbhashe	600 000	Mbhashe	600 000	Mbhashe

Township establishment – design of new layout plans	1, 13, 25	700 000	Mbhashe	700 000	Mbhashe		Mbhashe
BNG	17,18, 19, 26	150 000	Mbhashe	200 000	Mbhashe	300 000	Mbhashe
Property transfers	1, 13, 25	650 000	Mbhashe	700 000	Mbhashe	400 000	Mbhashe
Planning, survey and rezoning	1, 13, 25	1.2m	Mbhashe	1m	Mbhashe	1m	Mbhashe
SDF REVIEW	Mbhashe	250 000	Mbhashe	-	Mbhashe	-	Mbhashe
LSDF DEVELOPMENT		450 000	Mbhashe	1m	Mbhashe	1m	Mbhashe
Rehabilitation of damaged land/dongas		500 000	Mbhashe	500 000	Mbhashe	500 000	Mbhashe
Wetlands survey/study		300 000	Mbhashe	-	Mbhashe	-	Mbhashe
Development of rehab plans		400 000	Mbhashe	400 000	Mbhashe	400 000	Mbhashe
Tree planting		400 000	Mbhashe	400 000	Mbhashe	400 000	Mbhashe
Climate change strategy		300 000	Mbhashe	-	Mbhashe	-	Mbhashe
Environmental Awareness Programs		600 000	Mbhashe	600 000	Mbhashe	700 000	Mbhashe
Revitalising nurseries		500 000	Mbhashe	400 000	Mbhashe	400 000	Mbhashe
Deforestation	25	500 000	Mbhashe	400 000	Mbhashe	300 000	Mbhashe

Removal of Alien Species		400 000	Mbhashe	500 000	Mbhashe	500 000	Mbhashe
Eco schools		200 000	Mbhashe	300 000	Mbhashe	400 000	Mbhashe
TOTAL							

4.2.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

PROJECT	WARD AND VILLAGE	2016/17		2017/18		2018/19	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Economic Summit	All	R1m	Mbhashe	-		-	Mbhashe
Trade shows	All	R300 000	Mbhashe	400 000	Mbhashe	500 000	Mbhashe
Hawker development	1, 13, 25	R400 000	Mbhashe	400 000	Mbhashe	400 000	Mbhashe
Smme support	All	R1.3m	Mbhashe	1m	Mbhashe	1m	Mbhashe
Co-op Support	All	R1.4m	Mbhashe	1m	Mbhashe	1m	Mbhashe
Training & skills	All	R500 000	Mbhashe	500 000	Mbhashe	500 000	Mbhashe
Seedlings of fruit trees	All	R1.2m	Mbhashe	1.3m	Mbhashe	1.4m	Mbhashe
Feedlots		R1.m	Mbhashe	1.1m	Mbhashe	1.2m	Mbhashe
Irrigation schemes		R1.m	Mbhashe	1.1m	Mbhashe	1.2m	Mbhashe
Maize production	All	R5.5m	Mbhashe	6m	Mbhashe	7m	Mbhashe
Fencing		R1.5m	Mbhashe	1.5m	Mbhashe	1.5m	Mbhashe
Dipping tanks		R600 000	Mbhashe	600 000	Mbhashe	600 000	Mbhashe
Shearing sheds		R600 000	Mbhashe	600 000	Mbhashe	600 000	Mbhashe
Stock remedy		R700 00	Mbhashe	700 000	Mbhashe	1m	Mbhashe
Paprika & macadamia		R1.6m	Mbhashe	2m	Mbhashe	2m	Mbhashe
Information days		R500 000	Mbhashe	600 000	Mbhashe	700 000	Mbhashe
Product owner training and development		R300 000	Mbhashe	400 000	Mbhashe	500 000	Mbhashe
External tourism events		R200 000	Mbhashe	300 000	Mbhashe	400 000	Mbhashe

Internal events and brochure development		R500 000	Mbhashe	500 000	Mbhashe	500 000	Mbhashe
Tourism signage for branding		R300 000	Mbhashe	400 000	Mbhashe	500 000	Mbhashe
Dwaai Holiday resort		R200 000	Mbhashe	400 000	Mbhashe	500 000	Mbhashe
Craft centres		R600 000	Mbhashe	600 000	Mbhashe	-	Mbhashe
Heritage properties		R300 000	Mbhashe	400 000	Mbhashe	500 000	Mbhashe

4.2.4 KPA 4: FINANCIAL VIABILITY

PROJECT	WARD AND VILLAGE						
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
FV.1							
Compilation and verification of status of indigency for residents within the municipal demarcation		R 300,000.00	Equitable Share	R 315 000	Equitable Share	R 330 750	Equitable Share
Identifying and award incentive to indigent ratepayers		R 100,000.00	Equitable Share	R 105 000	Equitable Share	R 110 250	Equitable Share
Distribution of Free Basic Alternative Energy and Services		R 7,366,074.00	Equitable Share	R 7 734 378	Equitable Share	R 8 121 097	Equitable Share
FV.2							
Maximising Revenue Collection		R 500,000.00	Equitable Share	R 525 000	Equitable Share	R 551 250	Equitable Share
Submission of Draft Revenue Enhancement Strategy to EXCO		N/A	Equitable Share		Equitable Share		Equitable Share

Reconciliation of Billing Database		R 200,000.00	Equitable Share	R 210 000	Equitable Share	R 220 500	Equitable Share
Gazetting and approval of tariffs and budget related policies		R 100,000	Equitable Share	R 105 000	Equitable Share	R 110 250	Equitable Share
FV.3							
Development of Procurement Plans		R 200 000	Equitable Share	R 210 000	Equitable Share	R 220 500	Equitable Share
Identification of Irregular Expenditure		R 200 000	Equitable Share	R 210 000	Equitable Share	R 220 500	Equitable Share
Updating of existing contract register		N/A	Equitable Share		Equitable Share		Equitable Share
FV.4							
Financial Support		R 0	Equitable Share		Equitable Share		Equitable Share
Development and reviewing of policies and procedure manuals		n/a	Equitable Share		Equitable Share		Equitable Share
Preparation of GRAP Compliant AFS		R 1 000 000	Equitable Share	R 1 050 000	Equitable Share	R 1 102 500	Equitable Share
Updating and ng of existing Asset		R 1 000 000	Equitable Share	R 1 050 000	Equitable Share	R 1 102 500	Equitable Share
FV.5							
Budget Preparation		N/A	Equitable Share		Equitable Share		Equitable Share
mSCOA Implementation		R 15 000 000	Equitable Share	R 15 750 000	Equitable Share	R 16 537 500	Equitable Share

Policy Review		N/A	Equitable Share		Equitable Share		Equitable Share
Budget Assessment		N/A	Equitable Share		Equitable Share		Equitable Share
TOTAL		R 25 966 074		R 27 264 378		R 28 627 596	

4.2.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PROJECT	WARD AND VILLAGE						
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Convening of oversight structures meetings	ALL	200000	OWN	R210 000	OWN	R220 000	OWN
Engagement meetings	ALL	141900	OWN	R148 995	OWN	R156 444	OWN
1. Risk management Policy, Risk management plan and terms of reference	ALL	R0	OWN	R0	OWN	R0	OWN
Risk Assessment	AL	230000	OWN	R241 500	OWN	R253 575	OWN
Development of strategies	ALL	R0	OWN	R0	OWN	R0	OWN
Audits	ALL	R600 000.00	OWN	R630 000	OWN	R661 500	OWN
Reviewal of Internal Audit documents	ALL	R0	OWN	R0	OWN	R0	OWN
IGR Meetings	ALL	R17000	OWN	17 850	OWN	R18 742	OWN
Learning and sharing of best practises	ALL	R0	OWN	R0	OWN	R0	OWN
Programmes for Women, Youth,	ALL	R1.2 m	OWN	R1 800 000	OWN	R1 890 000	OWN

Military Veterans, children, disabled , HIV & AIDS and Older persons							
Review and Mainstream of SPU Strategy	ALL	R0	OWN	R0	OWN	R0	OWN
Development of IDP, SDBIP and Budget integration	ALL	650000	OWN	R682 500	OWN	R716 625	OWN
Tools of trade for traditional leaders.	ALL	72000	OWN	R75 600	OWN	R79 380	OWN
Implementation of resolutions	ALL	R0	OWN	R0	OWN	R0	OWN
Review Communication Strategy and media Plan	ALL	R 189600	OWN	R199 080	OWN	R209 034	OWN
Update Customer Queries Register	ALL	R0	OWN	R0	OWN	R0	OWN
Branding of movable assets	ALL	R 200000	OWN	R210 000	OWN	R220 000	OWN
Branding of immovable assets	ALL	R300000	OWN	R315 000	OWN	R330 750	OWN
Development of Newsletters	ALL	R450 000.00	OWN	R472 500	OWN	R496 125	OWN
Publication of adverts	ALL	180000	OWN	R18 900	OWN	R19 845	OWN
Publication of notices	ALL	R0	OWN	R0	OWN	R0	OWN
Public Participation and Petition Strategy Implementation	ALL	R 77640	OWN	R81 522	OWN	R85 598	OWN

Establishment of PSCS	ALL	R0	OWN	R0	OWN	R0	OWN
Engagement meetings	ALL	R 143560	OWN	R150738	OWN	R158 274	OWN
Community Imbizos	ALL	R500 000.00	OWN	R225 000	OWN	R236 250	OWN
FORA engagements	ALL	R0	OWN	R0	OWN	R0	OWN
Awareness campaigns	ALL	R0	OWN	R0	OWN	R0	OWN
MRM Programs	ALL	R 100000	OWN	R110 000	OWN	R115 500	OWN
Womem cacus	ALL	63000	OWN	R66150	OWN	R69 457	OWN

Table 34

ADM PROJECTS 2016/17

Project Name	2016/17 MIG	2017/18 MIG	2018/19MIG
MBHASHE LOCAL MUNICIPALITY			
Mbhashe North Regional Water Scheme	10 500 000		
Sundwane Water Supply Scheme	17 144 427	15 000 000	14 000 000
Xora Water Supply Project	15 648 473	20 000 000	15 000 000
Mncwasa Water Supply Scheme	-	3 000 000	3 000 000
Mgwali North Water Supply Project	15 500 000	15 000 000	10 000 000
Mgwali South Water Supply Project	14 120 997	20 000 000	10 000 000
Idutywa East Water Supply Project		1 000 000	1 000 000
Area Wide Sanitation Projects (ASAP)(Mbhashe Phase 1A) (Region 1)		-	-
Mbhashe Area Wide Sanitation (Region 3B)		5 000 000	3 000 000
Mbhashe Area Wide Sanitation (Region 2C)		5 000 000	3 000 000
Mbhashe Area Wide Sanitation (Region 1B)		-	2 000 000
Mbhashe Area Wide Sanitation (Region 2B)		-	2 000 000
Mbhashe Area Wide Sanitation (Region 2D)		5 000 000	3 000 000
Mbhashe Ward 31 Water Supply		5 000 000	3 000 000
Mbhashe Ward 31 Sanitation		-	-
Bende Water Supply Scheme		5 000 000	5 000 000
Shixini Water Supply Scheme		5 000 000	5 000 000
Shixini Sanitation		-	-
Mboya (Willowalle) Settlement		1 000 000	1 000 000
Elliotdale Waste Water Treatment Plant(Feasibility Study)		-	5 000 000
Dutywa Pipe Replacement		10 000 000	10 000 000
Idutywa Sewer Pipe replacement		10 000 000	10 000 000
Not yet registered to MIG			
Dutywa Dams		1 000 000	1 000 000
Dutywa Bulk Services Upgrade (to include water resource development, WTW and WWTW)		1 000 000	5 000 000
Qwaininga WTW		1 000 000	500 000
Cuntsula and Gwentsha Settlement		500 000	500 000
Implement Sanitation Upgrade study recommendations in tourist nodes (The Haven and surrounds)		500 000	3 000 000
TOTAL Mbhashe	72 913 897	129 000 000	115 000 000

Table 35

ESKOM PROJECTS 2016/17

Project Name	Project Type	Beneficiaries	Planned CAPEX	Planned Con's
Elliotdale Rural 2A	Households	Hlakoti, Ngqatyana 21102D2, Ntlonyana 22020Ci1, Bunene 22020C2, Bunene 22020C3, Hobeni22020C7	R 13 650 000.00	700
Elliotdale Rural 2A Link line	Infra		R 1 000 000.00	
Elliotdale Rural 2B	Households	Manganyela22020D1,Tunzini22020D5,Ngxabane 22018B1Hobeni22020D4,Manganyela 22020D2	R 5 742 281.00	300
Elliotdale Rural 2B Link line	Infra		R 1 000 000.00	
Elliotdale Rural 3	Households	Bafazi and Bafazini	R 3 900 000.00	200
Elliotdale Rural 3 Link line	Infra		R 1 500 000.00	
Elliotdale Rural 4	Households	Nkoyaleni , Kwalini	R 3 900 000.00	200
Elliotdale Rural 4 Link line	Infra		R 1 500 000.00	
Mbhashe Ext & Elliotdale Projects	Pre Eng		R 1 022 000.00	
Mbhashe infills Type 1,2,3	Households	Various	R 1 300 000.00	
Idutywa Ext 8 Housing Dev	Households		R 6 748 000.00	482
			R 41 262 281.00	1982

Table 36

CHAPTER 5

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 Mbashe 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 Mbashe 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 Mbashe LM where potential for economic development and growth lies.

The key Strategic Thrusts as per the Mbashe 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 2015 with the assistance from the Department of Human Settlements.

The vision of this Mphashe 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 Mbhashe Municipality.
- II. To set direction for the Mbhashe Local Municipality day-to-day infrastructure maintenance programs that is consistent with the growth of the LM.
- III. To assist the Mbhashe 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 Mphashe 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 Mphashe Local Municipal Community Safety Strategy must be viewed as follows:

- I. As the tool by which Mphashe local safety concerns are identified and prioritised
- II. An outline of a common vision of community safety for Mphashe 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 Mphashe community.

5.7 Coastal Management Plan

The people of Mbashe 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.

Mbashe 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. Mbashe 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. ABBATTOIR 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 WATHERS 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 37

5.10 GAP ASSESSMENT OF REQUIRED SECTOR PLANS

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
Finance & Institutional	Finance	Credit control & debt collection		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
		Indigent policy		X		X	
		Budget 2015/2016	X				
	Corporate services	HR Procedures Manual		X			
		Organogram		X			
		Employment equity plan	X				
		Workplace skills plan		X		X	
		Strategic	Performance		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
	Manager	Management plan					
		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	

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
		Spatial Dev Framework		X		X	
		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			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
		plan					
Infrastructure	Technical services	Capital Investment plan			X		X

Table 38

CHAPTER 6: FINANCIAL PLAN 2016/17

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 and 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”. Mphashe 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 timeously 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.

6.1. 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 Mphashe 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 MTEF budget.

DETAILS	REVISED BUDGET CURRENT YEAR 2015/16	PROJECTED FORECAST OUTER YEAR 2016/17	PROJECTED FORECAST OUTER YEAR 2017/18	PROJECTED FORECAST OUTER YEAR 2018/19
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
SURPLUS/(DEFICIT) for the year	R 34 477 358	R 14 486 355	R 16 976 561	R 35 973 127
CONTRIBUTIONS FROM OPERATING (TO) CAPITAL	R 67 874 120	R 120 972 411	R 123 496 049	R 131 772 663

Table 39

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
INCOME				
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
TOTAL INCOME	R 247 989 467	R 367 747 893	R 376 297 391	R 380 959 045
EXPENDITURE				
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
TOTAL OPERATING EXPENDITURE	214 592 706	232 289 126	269 777 903	285 159 509

Table 40

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.

1.2.3 Revenue Strategies

For Mbhashe 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.

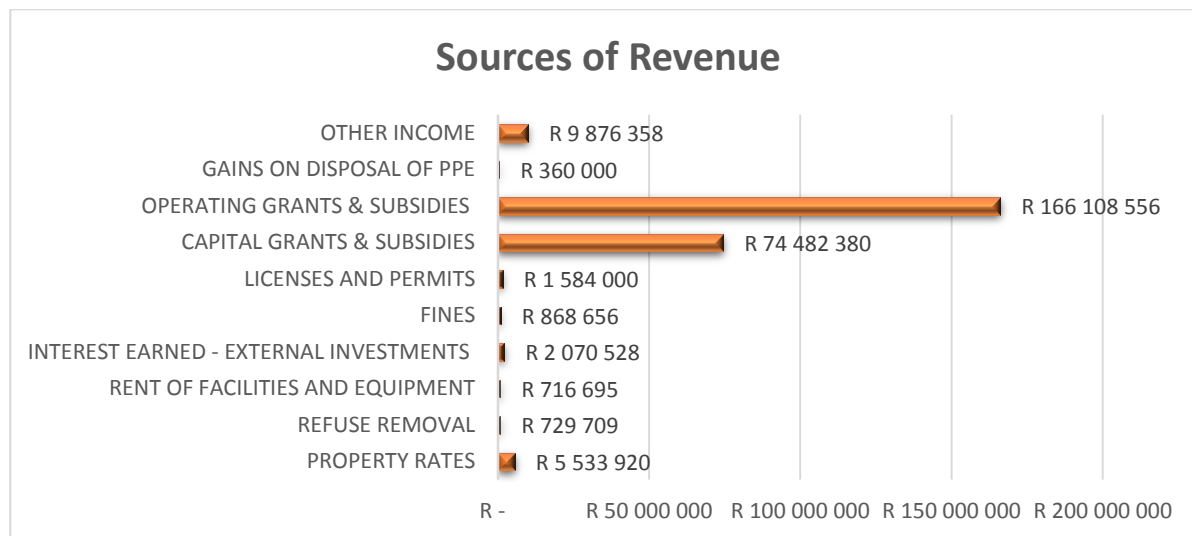


Figure 14

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

- 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 BUDGET CURRENT YEAR 2015/16	PROJECTED FORECAST OUTER YEAR 2016/17	PROJECTED FORECAST OUTER YEAR 2017/18	PROJECTED FORECAST OUTER YEAR 2018/19
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
Free Basic Services as a percentage of Equitable Share Allocation	11%	5%	4%	5%

Table 41

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	PROJECTED FORECAST	PROJECTED FORECAST	PROJECTED FORECAST
	BUDGET YEAR	OUTER YEAR	OUTER YEAR
	2015/16	2016/17	2017/18
SUBSIDIES:EQUITABLE SHARE	209 735 000	210 574 000	204 695 000
MUNICIPAL SYSTEMS IMPROVMENT GRANT (MSIG)	930 000	957 000	1 033 000
SUBSIDIES:LOCAL GOV FINANCE MGT GRANT (FMG)	1 600 000	1 625 000	1 700 000
MUNICIPAL INFRASTRUCTURAL GRANT (MIG)	3 210 981	3 337 236	3 526 533
SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION & WARD COMMITTEES	11 047 000	11 552 000	12 065 000
EPWP	1 052 000	-	-

Local government grant :LED	-	-	-
Local Government Grant :SMALL TOWNS REVITALISATION	-	-	-
TOTAL GRANTS AND SUBSIDIES	227 574 981	242 670 236	223 019 533

Table 42

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 2016/2017 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:

ITEM DESCRIPTION	PROJECTED FORECAST BUDGET YEAR 2015/16	PROJECTED FORECAST CURRENT YEAR 2016/17	PROJECTED FORECAST OUTER YEAR 2017/18
COMPUTERS & PRINTERS	615 280	177 733	152 415
INFRASTRUCTURE	53 122 019	55 210 764	58 342 467
OFFICE FURNITURE & EQUIPMENT	371 920	44 393	46 879
TOOL AND EQUIPMENT	357 200	166 475	175 797

PLANT & EQUIPMENT	40 000 000	40 000 000	40 000 000
VEHICLES	-	-	-
REFUSE TRUCK	-	-	-
INSTALLATION OF STREET LIGHTS/HIGH MAST LIGHT	2 500 000	1 897 200	1 999 649
SAKWE PARK EXT.2	2 417 592	-	-
SOFTWARE	524 000	554 916	585 991
ELECTRIFICATION PROGRAM	20 000 000	25 000 000	30 000 000
SERVERS	104 800	110 983	117 198
SOLAR PANEL	-	111 619	117 869
TRACTOR	450 000	-	-
MOBILE TOILETS	300 000	-	-
CHAIRS FOR COMMUNITY HALLS	209 600	221 966	234 397
Table 43	120 972 411	123 496 049	131 772 663

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.

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

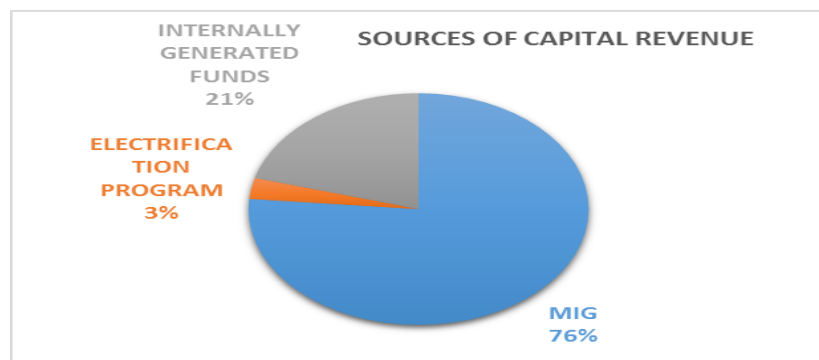


Figure 15

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.

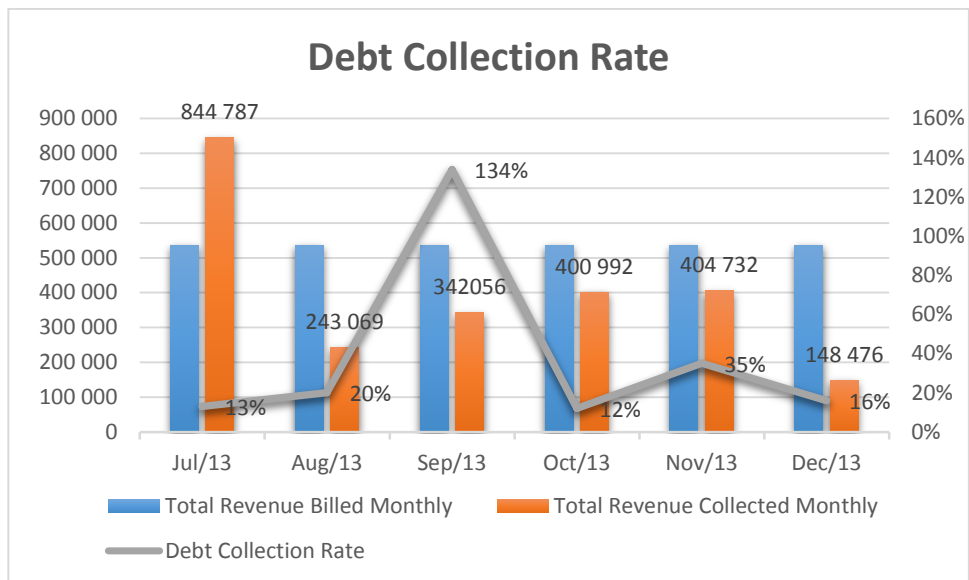


Figure 16

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:

Current Assets:	- Receivables from non-exchange transactions	Current Liabilities:	- Operating Leases
	- VAT Receivable		- Payables from exchange transactions
	- Consumer Debtors		- Unspent conditional grants and receipts
	- Cash and Cash Equivalent		- Provisions
			- Bank Overdraft

As part of the budgeting process, the Municipality budgeted more than R9 million over the MTEF period on projects earmarked to improve the audit opinion especially around property plant and equipment and preparation of annual financial statements.

6.3.3 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.

CHAPTER 7

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.

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 Mbhashe and beyond its boundaries to stimulate effective and sustainable integrated development.
- VI. Protect natural systems in Mbhashe.

8.1.2 Development and planning initiatives

The following spatial and strategic development initiatives have recently been completed or are still underway in Mbhashe:-

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

11.1.1 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 Mphashe 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 Mphashe. 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 nd order nodes	Nqabarha

	Xhora Mouth
Coastal settlements	Jotela
	Ntlonyana
	Kwetera
	Qatywa
	Nqabarha
	Bulungula
	Ngomani
	Mpame
3 rd order nodes	Xhora Mouth cottages
	Nkanya
	Beechmawood (Tenza)
	Bulungula Lodge
	Nqabarha Peninsula
	Mpame Cottage area

Table 44

8.4 IDP APPROVAL

The process of approval for this Draft DP 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 will be tabled in council of 30 March 2016 and thereafter used to solicit comments from various municipal stakeholders through IDP and Budget roadshows in April 2016.

Following comments received from these various interests groups, the drafting team will be considering the inputs and amending the document accordingly.

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.