

# INTEGRATED DEVELOPMENT PLAN

2017-2022



LIBODI, 5100

THE MUNICIPAL MANAGER

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## HUMAN SETTLEMENTS AND TOWN PLANNING SERVICES DELIVERY STRATEGY AND MAIN ROLE-PLAYERS

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## FOREWORD BY THE MAYOR

As we engross the five year strategic planning, we continue to dream and live. It is the dream that, we have conceptualized into a vision that will continue to inform and guide our strategy, the ultimate state which we seek to realise. We do so knowing that our institution is a Local Municipality still imbued with suffering from most social ills confronting our society.



This IDP is guided by the vigorous consultative process where the people of Nyandeni have spoken. A point must be restated, that as a collective, (those who must pay and those who must collect) are not doing sufficiently in the area of revenue enhancement. Our planning is prefaced on the following challenges:

- Fundamental amongst these challenges is the scourge of unemployment characterised by dismal performance on the employment of both the skilled and semi-skilled in the area. The majority of our people, both skilled and unskilled migrate to other areas to seek employment opportunities.
- There is absolutely no investment on land and property development.
- There are serious financial leakages owing to the fact that the large scale of trade is conducted by people from outside Nyandeni.
- There is no congruence between infrastructural and economic development to enhance and cause major dent to poverty.
- The state of our bulk infrastructure is still below acceptable standards and far from the realisation of quality services over and above the massive efforts to provide access.
- We do not have facilities to house manufacturing, production and processing and thus seeing us having to import even the simplest of consumables.
- Our tourist destinations are not sufficiently marketed and developed, and further that there is not systematic tourist cosmos to complete the life of a tourist in the area.
- We still lack on enforcement of existing bye-laws.

- The capacity of the finance department on the collections section

It is in this context that our efforts for this term will target achieving the following amongst our priorities and key interventions:

- Intensify crusade of clean towns
- Reinforce our capacity with EPWP to give opportunity to our youth.
- Youth cooperatives must be supported so that we can create work for the youth.
- Renewable Energy.
- Enforcement of existing bye-laws.
- Intensify our interventions in the assistance of farmers to compliment the work of the Agrarian Reform Department.
- Provisioning of sufficient social amenities as an effort to provide access to services like Banking, post services, police stations, and community halls.
- Poor state of infrastructure, including roads and sewerage system. Vigour on the part of maintenance for better quality of services.
- Local Economic Development will be one of our key focal

This year as we mark the 100 years since the legend OR Tambo first saw the African sun. It is proper to draw inspiration from the wise words of this African stalwart:

*"We have...striven for seven decades to build one, common nationhood, with one destiny. Our shared experience of collective sacrifices in the struggle for a common goal has knit us together as one solid block of liberation. The comradeship that we have formed in the trenches of freedom, transcending the barriers that the enemy sought to create, is a guarantee and a precondition for our victory. But we need still to build on this achievement. All of us - workers, peasants, students, priests, chiefs, traders, teachers, civil servants, poets, writers, men, women and youth, black and white - must take our common destiny in our own hands."*

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**CLLR M.D NGQONDWANA**  
**HON MAYOR**

## **PREFACE BY THE MUNICIPAL MANAGER**

The White Paper on Local Government dictates that local government must be development orientated. It defines a 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.

The White paper further identifies four strategic interrelated characteristics for interventions these serves as the basis for planning and managing local government maturity model.

1. Maximising local government development and economic growth
2. Integrating and coordinating
3. Democractising development
4. Leading and learning

It is against this backdrop that the administration would pay strategic attention to improve business processes to be more efficient and effective. Attention would be given to key developmental priorities identified by council

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**N NOMANDELA**  
**MUNICIPAL MANAGER**



## **SECTION A :**

### **EXECUTIVE SUMMARY**

#### **INTRODUCTION**

##### **Defining the Integrated Development Planning**

The Municipal Systems Act defines IDP as

**(a)** "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality"

**(b)** "Binds the municipality in the exercise of its executive authority..."

The Nyandeni Local Municipality falls within the OR Tambo District Municipality which is situated in the eastern part of the Transkei region of the Eastern Cape Province. Nyandeni consists of the two former magisterial districts of Libode and Ngqeleni.

The Municipality is bordered to the south-west by the King Sabata Dalindyebo Municipality, to the north by the Mhlontlo Municipality, to the east by the Ntabankulu, Ingquza Hill and Port St Johns Municipalities. The Indian Ocean forms the southern boundary of the municipal area.

According to the Statistics South Africa's Population Census 2011, Nyandeni Local Municipality had an estimated total of 290 390 people living within the boundaries of the municipality. The population is growing at an average of 0.57% per annum since 2001. More than 99% of the population belongs to the African population group. In 2011 there were approximately 61 647 households in Nyandeni Local Municipality, with an average household size of 4.8 people.

The total population density (number of people per km<sup>2</sup>) for 2011 was 117.2. The total number of individuals with an education level of less than a matric certificate - including those without schooling - was approximately 221 500 in 2011. The total number of individuals having obtained a matric certificate without any other education was 21 650. In 2011, there were 67 700 people in Nyandeni Local Municipality who were considered to be functionally illiterate. Expressed as a literacy rate of all people aged 20 and up, this amounts to 51.3% - up by 6.3 percentage points from 44.9% in 2005. Nyandeni Local Municipality's literacy rate is still lower than that of the O.R. Tambo District Municipality. A higher literacy rate is often associated with higher levels of urbanisation, where access to schools is less of a problem, and where there are economies of scale (more learners, more schools, more choices, better educators, etc).

A decline in the numbers of people living in extreme poverty is most certainly an indication that the community is developing. In 2011, there was an estimated 193 355 people (or 64.0% of the total population Nyandeni Local Municipality) living in poverty in. On average, this number declined at 1.3% per annum since 2005.

The annual per capita income in Nyandeni Local Municipality amounted to R7 969 in 2011, which is lower than the district average. The total personal income in 2011 amounts to R2 1 billion which is increasing over time. In 2011 the Nyandeni Local Municipality had a Gini-coefficient of 0.53. Between 2005 and 2011, income inequality decreased which means that an improvement is seen in the income distribution.

It is estimated that just over 9 069 people were employed by formal and informal sectors in the local municipality. The unemployment rate was very high at 49.3% in 2011 or 13 253 people. The total economically active population was just over 26 900 people. The largest sector in terms of jobs is the community service sector which includes all levels of government.

In 2011, the region had a total Gross Domestic product (GDP) of R1.2 billion which is a contribution of 7.2% to the total GDP of the O.R. Tambo District municipality and 0.57% to the GDP of the Eastern Cape Province. The average growth rate in constant prices from 2005 to 2011 is 2.3%. In 2011, the community services sector contributed 63.4% towards Nyandeni Local Municipality's GVA (an indicator of business activity), with the trade and finance sectors trailing at 16.1% and 10.4% respectively.

The Nyandeni Local Municipality is committed towards ensuring a brighter future for all inhabitants in the region and its investment strategies aim to enhance competitiveness and encourage sustainable growth that is inclusive. A stimulus should be created for the local economy to grow, compete and create more jobs. It is all about competitiveness, about enterprises thriving in competitive markets and locations with the aim to create sustainable employment at the local level. The main approach to do so is:

- To ensure that an environment and opportunities for more labour-absorbing economic activities is established;
- To ensure that the fruits of growth are shared in such a way that poverty is largely eliminated; and
- To ensure that severe inequalities that still plague South Africa are considerably reduced.

### **Organizational structure, systems, processes and personnel capacity**

How are we structured?

<b>Political &amp; Council Structures</b>	<b>Administrative Structures</b>
<ul style="list-style-type: none"> <li>• Mayor</li> <li>• Speaker</li> <li>• Executive Committee</li> <li>• 63 Councillors</li> <li>• 32 Wards &amp; 320 Ward Committees Members</li> <li>• 9 Standing Committees</li> <li>• Municipal Public Accounts Committee</li> <li>• Ethics and Members Interest Committee</li> <li>• Public Participation and Petition Committee</li> <li>• Office of the Chief-whip</li> <li>• Women Caucus</li> <li>• 13 Traditional Leadership</li> <li>• Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Office of Municipal Manager</li> <li>• Corporate Services</li> <li>• Budget and Treasury Office</li> <li>• Community Services</li> <li>• Infrastructure Department</li> <li>• Planning and Development</li> </ul>

At the political level, the organization is based upon a strong programme management model and a politically orientated governance approach, combined with competencies in community based engagement, development and stakeholder mobilization. This is complimented by the leadership and executive management structures primarily at a political level. These structures are used to make decisions and inform high level planning for the achievement of desired objectives of Nyandeni Local Municipality.

The Municipal Manager reports to the Mayor and Council and is selected by this body. Since the Municipal Manager is selected by this body, he is strongly influenced to support and execute the decisions of this body. In addition, the Municipal Manager is an integral link between the political and administrative structures.

### **Administrative Structures**

Nyandeni Local Municipality structure is hierarchical based on functional silos represented by five departments which are supposed to be in aligned to the four core focus areas of the Municipality. The Nyandeni Local Municipality organizational structure is divided into five functional departments as follows:

- a) Office of the Municipal Manager
- b) Corporate Services;
- c) Budget and Treasury Office;
- d) Community Services;
- e) Infrastructure Department and
- f) Planning and Development

Each Department represents a functional area of work and is further divided into sub-functional components. The five key focus areas attempt to create integration. This integration demands a value chain response from each department in terms of its deliverables. This is one of the structural components deficiencies that will unlock organizational integration and consequently the linkages between departments within Nyandeni Local Municipality.

## LEGISLATIVE FRAMEWORK AND POLICY ENVIRONMENT

The Constitution of the Republic of South Africa, 1996, provides the primary overarching framework within the Local Government planning must be understood. The Constitution gives Local Government a mandate to;

- Provide democratic and accountable government for all communities
- Ensure provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organizations in the matters of Local Government

## ALIGNMENT WITH NATIONAL AND PROVINCIAL LEGISLATIONS AS WELL AS MDG GOALS

Government Outcomes Approach	MDG's	Role of the municipality	Provincial MTSF
<b>Outcome 1:</b> improved quality of basic education	<b>Goal 2:</b> Achieve universal primary education	Participate in needs assessment	Promoting quality education and skills development
<b>Outcome 2:</b> Improving health and life expectancy	<b>Goal 4:</b> Reduce child mortality <b>Goal 5:</b> Reduce maternal mortality <b>Goal 6:</b> Combat HIV/AIDS, malaria & other diseases	Improve community health services infrastructure by providing clean water, sanitation and waste removal services	A better health care for all
<b>Outcome 3:</b> all people in South Africa protected and feel safe	<b>Goal 16:</b> Peace Justice and Strong Institutions	Facilitate the development of safer communities through better planning and enforcement of municipal by-laws	Intensifying the fight against crime and corruption
<b>Outcome 4:</b> decent employment through inclusive economic growth	<b>Goal 8:</b> Decent work and Economic Growth <b>Goal 9:</b> Industry, innovation & Infrastructure	<ul style="list-style-type: none"> <li>• Create an enabling environment for investment by streamlining planning applications processes</li> <li>• Ensuring proper maintenance &amp; rehabilitation of essential services infrastructure</li> <li>• Improve procurement systems to eliminate corruption &amp; ensure value for money</li> </ul>	<b>Priority 4</b> – Transforming the economy to create jobs and sustainable livelihoods

Government Outcomes Approach	MDG's	Role of the municipality	Provincial MTSF
<b>Outcome 5:</b> a skilled capable workforce to support inclusive growth	<b>Goal 2:</b> Achieve universal primary education <b>Goal 3:</b> Promote gender equality and empowerment of women	<ul style="list-style-type: none"> <li>Develop and extend intern and work experience programmes in municipalities</li> <li>Link municipal procurement to skills development initiatives</li> </ul>	<b>Priority 1 –</b> Promoting quality education and skills development
<b>Outcome 6:</b> an efficient, competitive and responsive economic infrastructure network	<b>Goal 9:</b> Industry, innovation & Infrastructure	<ul style="list-style-type: none"> <li>Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport</li> <li>Improve maintenance of municipal roads networks</li> </ul>	<b>Priority 4 –</b> Transforming the economy to create jobs and sustainable livelihoods

#### NATIONAL DEVELOPMENT PLAN –

The IDP Development has taken into account *the National Development Plan* which defines South Africa's development trajectory by amongst other things investing in a strong network of economic and Social infrastructure designed to support the country's medium and long term economic and social objectives and improving the quality of education, skills development and innovation

#### NATIONAL DEVELOPMENT PLAN TARGETS FOR 2030

1. Employment: 13 million in 2010 to 24 million in 2030
2. Raise income from R50 000 a person to R120 000
3. Increase quality education and all children have at two years of preschool education and all children in grade 6 can read, write and count
4. Establish a competitive base of infrastructure, human resources and regulatory frameworks
5. Reduce poverty and inequality by raising employment, bolstering productivity and incomes, and broadening the social wage
6. Ensure that professional and managerial posts better reflect the country's demographics
7. Broaden ownership to historically disadvantaged groups
8. Provide quality health care while promoting health and well-being
9. Establish effective and affordable public transport
10. Produce sufficient energy at competitive prices, ensuring access for the poor
11. Ensure that all people have access to clean running water in their homes

## BACK TO BASICS LOCAL GOVERNMENT STRATEGY

The Back to Basics Local Government Strategy was introduced to stakeholders on 18 September 2015 and have the following pillars;

NO	BACK TO BASICS PILLARS	LG KPA	Role of the municipality
1.	Put people first	Good Governance and Public Participation	<p>Implement community engagement plans targeting hotspots and potential hotspots areas</p> <p>Municipalities to implement responsive and accountable processes with communities</p> <p>Ward Committees must be functional and councillors must and report back to their communities at least quarterly</p> <p>Utilise Community Development Workers, Ward Committees, Ward Councillors to communicate projects earmarked for implementation</p> <p>Municipalities must communicate their plans to deal with backlogs</p> <p>Municipalities to monitor and act on complaints, petitions and other feedback</p>
2.	Delivering Basic Services	<b>Service Delivery and Infrastructure Planning</b>	<p>Municipalities must delivery basic services</p> <p>Municipalities must ensure that services such as cutting of grass patching of potholes, working robots, street lights and constant refuse removal are provided</p> <p>Council to ensure proper maintenance and immediate addressing of outages or maintenance issues to ensure continuity of service provision</p>
3.	Good Governance	<b>Good Governance and Public Participation</b>	<p>Municipalities will ensure transparency, accountability and regular engagements with communities</p> <p>All municipal council structures must functional and meet regularly</p> <p>Council meeting to seat at least quarterly</p> <p>All Council Committees must sit and process items for council decisions</p>

NO	BACK TO BASICS PILLARS	LG KPA	Role of the municipality
			<p>Clear delineation of roles and responsibilities between key leadership structures</p> <p>Functional oversight committees must be in place</p>
4.	Sound Financial Management	<b>Financial Viability and Management</b>	<p>All municipalities must have functional financial management system which includes rigorous internal controls</p> <p>Cut wasteful expenditure and implement cost containment measures</p> <p>Supply chain management structures and controls must be in place according to regulations and with appropriate oversight</p> <p>All budget to be cash backed</p> <p>Ensure that post audit action plans are addressed</p> <p>Act decisively against fraud and corruption</p> <p>Conduct campaigns against illegal connections, cable theft, manhole covers</p> <p>Conduct campaign on culture of payment for services led by councillors</p>
5.	Building Capacity	<b>Institutional Transformation and Development</b>	<p>all municipalities enforce competency standards for managers and appoint persons with the requisite skills, expertise and qualifications</p> <p>All staff to sign performance agreements</p> <p>Implement and manager performance management system</p> <p>Municipal management to conduct regular engagement with labour</p>

#### EASTERN CAPE MEDIUM TERM STRATEGIC PRIORITY AREAS

**Priority 1** – Promoting quality education and skills development

**Priority 2-** Better health care for all

**Priority 3** – Stimulating rural development, land reform and food security

**Priority 4** – Transforming the economy to create jobs and sustainable livelihoods

**Priority 5** – Intensifying the fight against crime and corruption

**Priority 6** – Integrated human settlement and building cohesive communities

**Priority 7** – Strengthening the developmental state and good governance

## **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. SPLUMA is a framework act for all spatial planning and land use management legislation in South Africa. It seeks to promote consistency and uniformity in procedures and decision-making in this field. The other objects include addressing historical spatial imbalances and the integration of the principles of sustainable development into land use and planning regulatory tools and legislative instruments

## **Municipal Finance Management Act**

Section 21 of MFMA requires the mayor to coordinate the process for preparing the annual budget and developing the Integrated Development Plan. The IDP and budget must be one process

Section 21 of the Local Government: Municipal Finance Management Act states that the Mayor must table a schedule of key deadlines for various budget activities 10 months before the start of the new financial year. The accounting officer is tasked by section 68 of the MFMA with assisting the mayor in performing the budgetary functions.

## **OVERVIEW OF THE IDP PROCESS**

Each municipality, within a prescribed period must develop and adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan in terms of section 29 of the Municipal Systems Act.

The municipality must through appropriate mechanisms, processes and procedures established in terms of section 17 of the municipal systems Act, consult the local community before adopting the process plan.

## **Status of the Integrated Development Plan**

The Integrated Development Plan is a strategic planning instrument that guides and informs all planning, budgeting, management and decision-making in a municipality. The IDP gives impetus to the implementation of the government programme of action

## **Matters considered during the Development Process**

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- Eastern Cape Government Medium Term Strategic Framework
- Municipal Standard Chartered of accounts (mSCOA)
- Matters emanating from council strategic planning
- Comments emanating from IDP and Budget Public Hearings
- Comments emanating from the Mayoral Outreach Imbizo's
- National Treasury Division of Revenue Act Allocations for 2017-18
- Contributions by various Sector Departments
- MEC Comments for 2016/2017 IDP Assessment
- Auditor General's 2015/2016 Report

## **ADOPTION OF THE IDP AND BUDGET PROCESS PLAN: 2017-2018**

In accordance with section 21(b) of the Local Government: Municipal Finance Management Act, the IDP and Annual Budget Process Plan for the financial year 2016/17 was tabled and adopted by Council on **24 August 2016** with [Council Resolution No](#)

## **TABLING OF DRAFT IDP AND BUDGET FOR 2017/2018**

The Draft IDP and budget for 2017/18 was tabled to Council on 30 March 2017 and related policies and published for comments, inspection and representations in the Regional and Local News Paper. Publication was also placed on the Municipal Website ([www.nyandenilm.gov.za](http://www.nyandenilm.gov.za)) as well as all municipal Libraries for easy access by communities

## ADOPTION OF THE IDP AND ANNUAL BUDGET FOR 2017/2018

### IDP ASSESSMENT REPORT FOR THE PAST FOUR FINANCIAL YEARS

The IDP Assessment results for the past three years indicate improvements in most of the key performance areas.

KPA	2012/13	2013/2014	2014/2015	2015/2016	2016/2017
SDF	High	High	High	High	High
Service Delivery	Medium	Medium	High	High	High
Financial Viability	High	High	High	High	High
Local Economic Development	High	High	High	High	High
Good Governance and Public Participation	High	High	High	High	High
Institutional Arrangement	High	HIGH	High	High	High

Source (DLGTA)

### CONSIDERATION OF INPUTS BY MEC ON 2016-17

#### CONSIDERATION OF INPUTS BY MEC ON 2016/2017

FUNCTIONAL AREA	GAPS IDENTIFIED	MEC Recommendations	ACTION PLAN
Environmental management	No air quality management plan as contemplated in section 15(2) of the NEMA: air quality Act 39 of 2004	Need to consider developing such plan and include it in the IDP for future developments	<b>The ORTAMBO DM has been requested to</b>
	No climate change response strategy	Consider formulating a climate change response strategy whilst making use of the DM strategy	The municipality as part of the new IDP development will development climate change response strategy
	No indication of a functional environmental unit/official in place	<b>Reflect the current status in the IDP</b>	<ul style="list-style-type: none"> <li>Official responsible for Environmental and Waste Management was appointed in July 2013</li> <li>Management has resolved to consider possibilities of appointing environmental practitioner to be</li> </ul>

FUNCTIONAL AREA	GAPS IDENTIFIED	MEC Recommendations	ACTION PLAN
			responsible for EIA's related matters
Spatial Development Planning	No spatial planning vulnerability and risk assessment report	To be incorporated in the SDF revision and reflected in the IDP	Terms of reference for reviewing the SDF has incorporate the "vulnerability and risk assessment"
<b>Critical and Scarce Skills</b>	Critical and Scarce skills that are a challenge to the municipality	The municipality needs to indicate critical and scarce skills	Critical and scarce skills have been reflected

PHASE	ACTIVITIES	COORDINATING DEPARTMENT	TIMEFRAME	LEGISLTATIVE FRAMEWORK
	<p>Table IDP, PMS and Annual Budget Process Plan for 2016/17 to the Executive Committee adoption including the following documents</p> <ul style="list-style-type: none"> <li>✓ Annual Financial Statements for 2015/2016</li> <li>✓ Performance Information report (MSA-s46)</li> <li>✓ Draft Annual Report for 2014/2015</li> </ul>	Municipal Manager	24 August 2016	MFMA 21(1)(b) & 53 (1) (b)
	Audit Committee Meeting to consider Draft AFS		24 August 2016	
	<p>Tabling of IDP &amp; Annual Budget Process Plan, AFS &amp; Performance information report to council for adoption including the following documents</p> <ul style="list-style-type: none"> <li>✓ Annual Financial Statements for 2015/2016</li> </ul>	Mayor	29 August 2016	MFMA 21(1)(b) & 53 (1) (b)

PHASE	ACTIVITIES	COORDINATING DEPARTMENT	TIMEFRAME	LEGISLTATIVE FRAMEWORK
	<ul style="list-style-type: none"> <li>✓ Performance Information report (MSA-s46)</li> <li>✓ Draft Annual Report for 2015/16</li> </ul>			
	Submit Annual Financial Statements and Annual Performance Assessment Information Report and Draft Annual Report for the year Ending 30 June 2014 to Auditor General	Chief Financial Officer, MM	31 August 2016	MFMA 126 (1) (a)
	IDP REP FORUM	Municipal Manager	29 SEPTEMBER 2016	
	Advertise budget & IDP time schedule	SM: Operations	September 2016	
	Ordinary Audit, Risk & Performance Committee	SM: Operations	23 September 2016	
	Stakeholder Engagements with Mayor	SM: Operations	September 2016	
	Mayors Inauguration of the Mayor	SM: Operations	30 September 2016	MSA s18

PHASE	ACTIVITIES	COORDINATING DEPARTMENT	TIMEFRAME	LEGISLTATIVE FRAMEWORK
	Collate information relevant for inclusion in reviewed IDP, taking into account MEC comments	IDP Manager	24 October 2016	Chapter 3 of the Constitution of the RSA, 1996
	IDP & Budget Steering Committee	Municipal Manager	5 October 2016	IDP Guide
	All Departments to embark on Organizational structure review		October 2016	
	Risk Committee Meeting		October 2016	
	Table first quarter performance report including financial performance analysis report (s52(d) to Council	Mayor	27 October 2016	MFMA s52(d)
	Management Retreat	Municipal Manager	07 -08 November 2016	
	Executive Committee Planning Workshop		10-11 November 2016	MSA s34 & s16
	Audit, Risk & Performance Committee	Municipal Manager	November 2016	

PHASE	ACTIVITIES	COORDINATING DEPARTMENT	TIMEFRAME	LEGISLTATIVE FRAMEWORK
	Council Lekgotla (setting of institutional indicators aligned with national and provincial programmes, organizational structure delegation framework and governance framework)	Mayor	17-18 November 2016	
	Executive Committee Strategic Planning	MM & Mayor	6-7 Dec 2016	Constitution of RSA s153
	IDP Representative Forum	Mayor	6 December 2016	MSA s34
	Special Exco		8 December 2016	
	Special Council Meeting		15 December 2016	
	Convene Management Retreat to compile and finalize Mid-year report, adjustment budget and Revised SDBIP	Municipal Manager & Senior Managers	10-11 January 2017	MFMA s72 (1) & 11
	BTO Special Standing Committee Meeting	CFO	13 January 2017	

PHASE	ACTIVITIES	COORDINATING DEPARTMENT	TIMEFRAME	LEGISLTATIVE FRAMEWORK
	Convene Exco Workshop on Midyear report, adjustment budget and Revised SDBIP, followed by the Special Executive Committee Meeting	Mayor & MM	17 January 2017	MFMA s72 (1) & 11
	Table Mid-year Report, revised SDBIP and Adjustment Budget for approval to the Special Council Meeting	Mayor & MM	24 January 2017	MFMA s72 (1) & 11
	Risk Management Committee		05 February 2017	
	Mid-year budget and performance assessments by Provincial Treasury	CFO & MM	February 2017	MFMA s72 (1) & 11
	Ordinary Audit, Risk & Performance Committee		February 2017	
	IDP Representative Forum	Mayor	9 March 2017	
<b>COUNCIL SITTING</b>	Presentation of Draft IDP, Annual Budget, Draft SDBIP, Tariffs and budget related policies to the Executive Committee	Municipal Manager & CFO	18 March 2017	

PHASE	ACTIVITIES	COORDINATING DEPARTMENT	TIMEFRAME	LEGISLTATIVE FRAMEWORK
	Tabling of Draft IDP, Annual Budget, Draft SDBIP, Tariffs and budget related policies to Council	Mayor	28 March 2017	MFMA s16 (2)
	Adoption of the Oversight report	Speaker, MPAC	01 Feb 2017	MFMA s129(1)
	Conduct IDP & Budget Public Hearings	Mayor	13-20 March 2017	MFMA
	Special Executive Committee Meeting		21 April 2017	
	Table third quarter performance report including financial performance analysis report to Council	Mayor	28 April 2017	MFMA s52(d)
	IDP Representative Forum	Mayor	09 May 2017	
	Ordinary Exco Meeting		16 May 2017	
	Table Reviewed IDP, Annual Budget, Tariffs, Organizational Structure and budget related policies for approval by Council	Mayor	26 May 2017	MFMA s24 (1)
	Approval of the SDBIP by the Mayor	Municipal Manager	June 2017	
	Ordinary Audit, Risk & Performance Committee		22 June 2017	

PHASE	ACTIVITIES	COORDINATING DEPARTMENT	TIMEFRAME	LEGISLTATIVE FRAMEWORK
	Ordinary Council Meeting		29 June 2017	
	Table fourth quarter performance report including financial performance analysis report to Council	Municipal Manage	July 2017	MFMA s52 (d)

**SECTION B:**  
**SITUATION ANALYSIS**

**CHAPTER 1: INTRODUCTION TO NYANDENI LOCAL MUNICIPALITY**

**INTRODUCTION**

**2. Demography**

“Demographics” is a shortened term for “population characteristics”. It includes population groups, age and location. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of Nyandeni Local Municipality.

**Population**

**Introduction**

In order to form a clear picture of the socio-economic conditions of an area, it is crucial to analyse the size, spatial distribution, composition and growth patterns of the population with changes in its magnitudes and possible future patterns, trends and propensities.

The demography of an area provides vital information for policy-makers. The data used in this section is from the 2016 Community Survey published by Statistics South Africa. The analysis and results of this section could be used by Nyandeni local municipality for promoting optimal resource allocation in order to reduce poverty and vulnerability among marginalised people in municipality.

**Demographic results from the 2016 Community Survey**

The findings from the 2016 community survey are critical for decision- making not only in the public sector but also in the private sector. Population size and characteristics can influence the location of businesses and services to satisfy the needs of the target population.

**The total population in Nyandeni local municipality has increased by 6.6% from 290 391 people in 2011 to 309 702 people in 2016**

	2011 census			2016 Community Survey		
	Male	Female	Total	Male	Female	Total
O.R. Tambo	630 090	734 856	1 364 943	679 882	777 502	1 457 384
Ngquza Hill	128 973	149 505	278 481	142 829	160 549	303 379
Port St Johns	71 481	84 654	156 135	77 077	89 701	166 779
<b>Nyandeni</b>	<b>134 241</b>	<b>156 150</b>	<b>290 391</b>	<b>143 803</b>	<b>165 899</b>	<b>309 702</b>
Mhlonlto	87 438	100 788	188 226	88 911	100 264	189 176
KSD	207 951	243 759	451 710	227 261	261 088	488 349
Eastern Cape	3 089 703	3 472 353	6 562 053	3 327 495	3 669 481	6 996 976

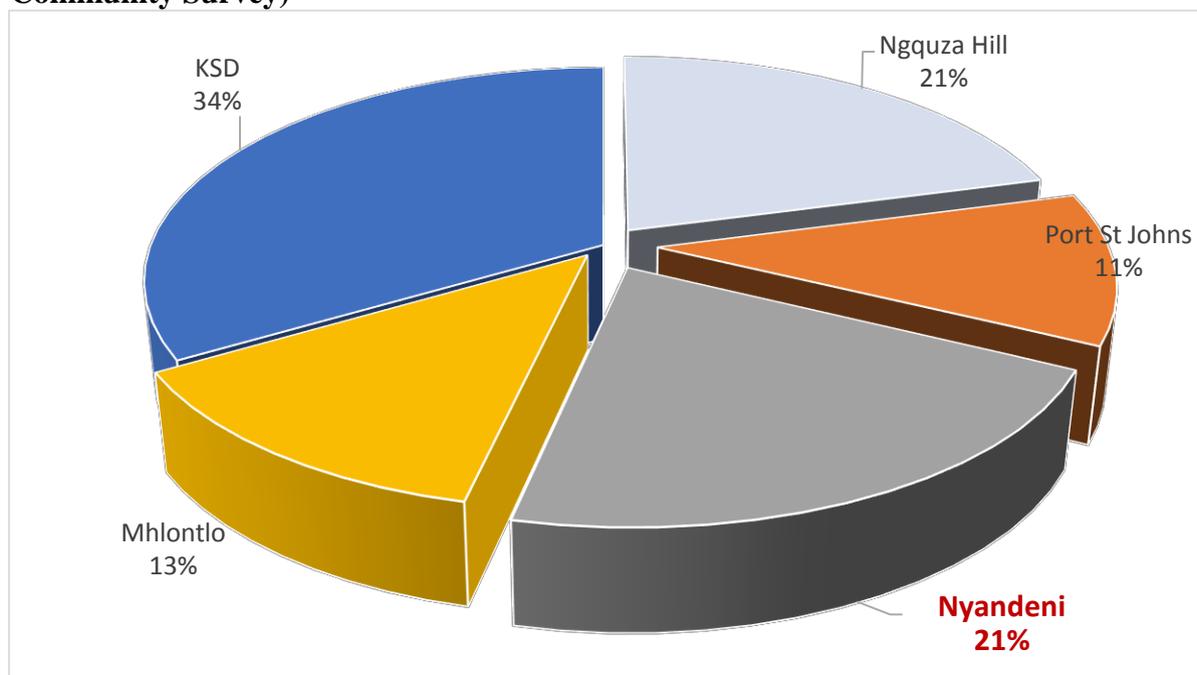
Source: Statistics South Africa (2011 Census and 2016 Community Survey)

**Table 2**

The following findings are derived from the demographics of Nyandeni local municipality:

- According to Statistics South Africa, Nyandeni’s total population has grown from 290 391 people in 2011 to 309 702 people in 2016 (See Table 2 and Figure 3). This population of 309 702 people represent 21% of the district’s total population (See Figure 1).
- Between 2011 and 2016, Nyandeni local municipality grew at the same rate (6.6%) as that of the province as a whole (See Table 3).
- In 2016, the municipality had more female (165 899) than male (143 803), however male population has grown faster at 7.1% than their female counterpart at 6.2%. This pattern is the same across O.R. Tambo district (See Table 3).
- Life expectancy is high for female than for male. Figure 2 shows that more female than male reach the age of 75
- Between 2011 and 2016, the population growth was high in KSD at 8.1% and low Mhlontlo at 0.5%. In Mhlontlo, the female population declined by 0.5% (See Table 3).

**How the population of O.R. Tambo is distributed among the local municipalities (2016 Community Survey)**



Source: Statistics South Africa, 2016 Community Survey

**Figure 1**

Overall, demographic development outcomes have an impact on other population variables such as migration, settlement, fertility, mortality and morbidity rates. These variables give insight into the living standards of the population and an indication of what policy options to be undertaken according to the structure of the socio-economic context.

**Male population has grown at a faster rate than their female counterpart**

2011 and 2016	O.R.T ambo	Ngquza Hill	Port St Johns	<b>Nyandeni</b>	Mhlontlo	KSD	EC
Male	7.9%	10.7%	7.8%	<b>7.1%</b>	1.7%	9.3%	7.7%
Female	5.8%	7.4%	6.0%	<b>6.2%</b>	-0.5%	7.1%	5.7%
<b>Total</b>	<b>6.8%</b>	<b>8.9%</b>	<b>6.8%</b>	<b>6.6%</b>	<b>0.5%</b>	<b>8.1%</b>	<b>6.6%</b>

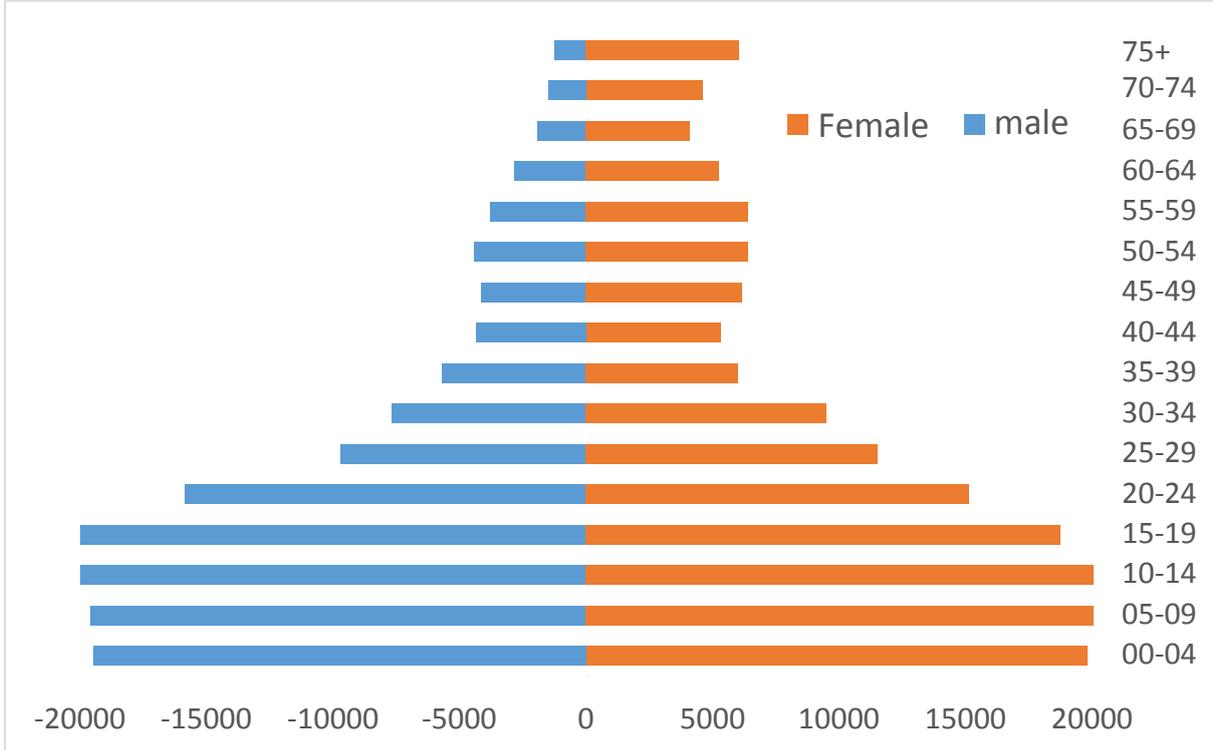
Source: Statistics South Africa (2011 Census and 2016 Community Survey) **Table 3**

*Age pyramid of Nyandeni local municipality*

The age pyramid of Nyandeni local municipality shows that more female than male reach the age of 75 years.

In general, a population with a larger percentage of young, reproductive age individuals will grow more rapidly than a population with more older, non-reproductive individuals. This is the case for Nyandeni, a municipality populated largely with very young people.

**Age pyramid of Nyandeni local municipality: 2016**



Source: Statistics South Africa, 2016 Community Survey **Figure 2**

Figure 2 displays the age pyramid of Nyandeni. It shows how large is the population between the age zero and nineteen. It is important for Nyandeni local municipality to monitor closely its population patterns and trends, as a rapidly growing population may need to be followed by faster investment in household, health and other essential infrastructure to ensure that a favourable socio-economic environment is maintained. In addition, investigating the dynamics

of a population is vital in attaining the precise viewpoint of those who are likely to be affected by any prospective policy, project or development.

**81% of the Nyandeni population is young below the age of 35**

	<b>0 to 14 (Children)</b>	<b>15 to 34 (Youth)</b>	<b>35 to 64 (Adults)</b>	<b>65+ (Elderly)</b>	<b>Grand Total</b>
Ngquza Hill	43%	39%	12%	6%	100%
Port St Johns	43%	39%	12%	7%	100%
<b>Nyandeni</b>	<b>41%</b>	<b>40%</b>	<b>13%</b>	<b>7%</b>	<b>100%</b>
Mhlontlo	39%	38%	15%	9%	100%
KSD	34%	44%	16%	6%	100%
O.R.Tambo	39%	41%	14%	6%	100%

Source: Statistics South Africa, 2016 Community Survey

**Table 4**

The demographic analysis of Nyandeni reveals in Table 4 that the population is young, with over 80% of the total population being below the age of 35. This implies that expenditure on social infrastructure such as schools, health care facilities and recreational centers are crucial. It was also shown in Table 3 that between 2011 and 2016, Nyandeni’s population grew by 6.6%. With 80% of people being below the age 35, there is a possibility of further population growth. Thus, the government of Nyandeni must prioritize youth and direct their resources toward addressing their needs in terms of infrastructure and job opportunities. Since some of these youth depend on poor people who solely dependent on government grants, the government of Nyandeni should develop a youth strategy that considers youth as an asset rather than a liability.

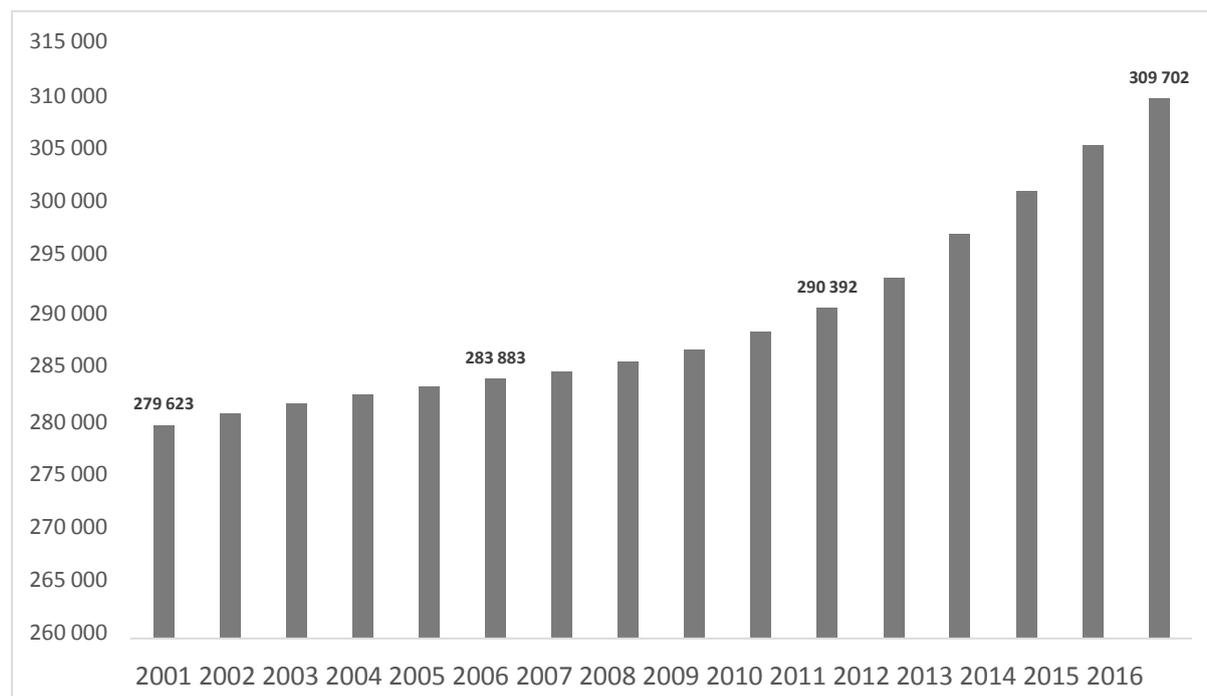
**A young and growing population**

Demographic changes that a society experiences may lead to a window of opportunity or higher economic growth, with a greater supply of labour and lower dependency ratios as the working age population rises in proportion to the number of young and elderly people.

The NDP aims to maximise the benefits of this 'demographic dividend'. More rapid improvements in health and education, spatial transformation, skills development and greater employment opportunities are all needed for a region, such as Nyandeni, to take advantage of his demographic opportunity.

Figure 3 provides demographic trends for Nyandeni local municipality. Between the last census in 2011 and the latest community survey in 2016, population growth in Nyandeni has been very impressive. This, in turn, has an impact on resource allocation, the consumption of goods and services and human capital development, which influences factors such as education, employment, income distribution and the physical well-being of a population.

## A Growing Population in Nyandeni Local Municipality



Source: Statistics South Africa and Quantec, 2016

**Figure 3**

Most of household in Nyandeni are headed by female. For every 10 households in OR Tambo, 6 are headed by female (See Table 5).

Gender of the head of households

Head of household	Number		%		Grand Total
	Male	Female	Male	Female	
Eastern Cape	2 838 166	4 158 810	41%	59%	6 996 976
O.R.Tambo	513 225	944 159	35%	65%	1 457 384
Ngquza Hill	103 583	199 796	34%	66%	303 379
Port St Johns	51 288	115 491	31%	69%	166 779
<b>Nyandeni</b>	112 347	197 355	36%	64%	309 702
Mhlontlo	60 852	128 324	32%	68%	189 176
KSD	185 156	303 193	38%	62%	488 349

Source: Statistics South Africa, 2016 Community Survey

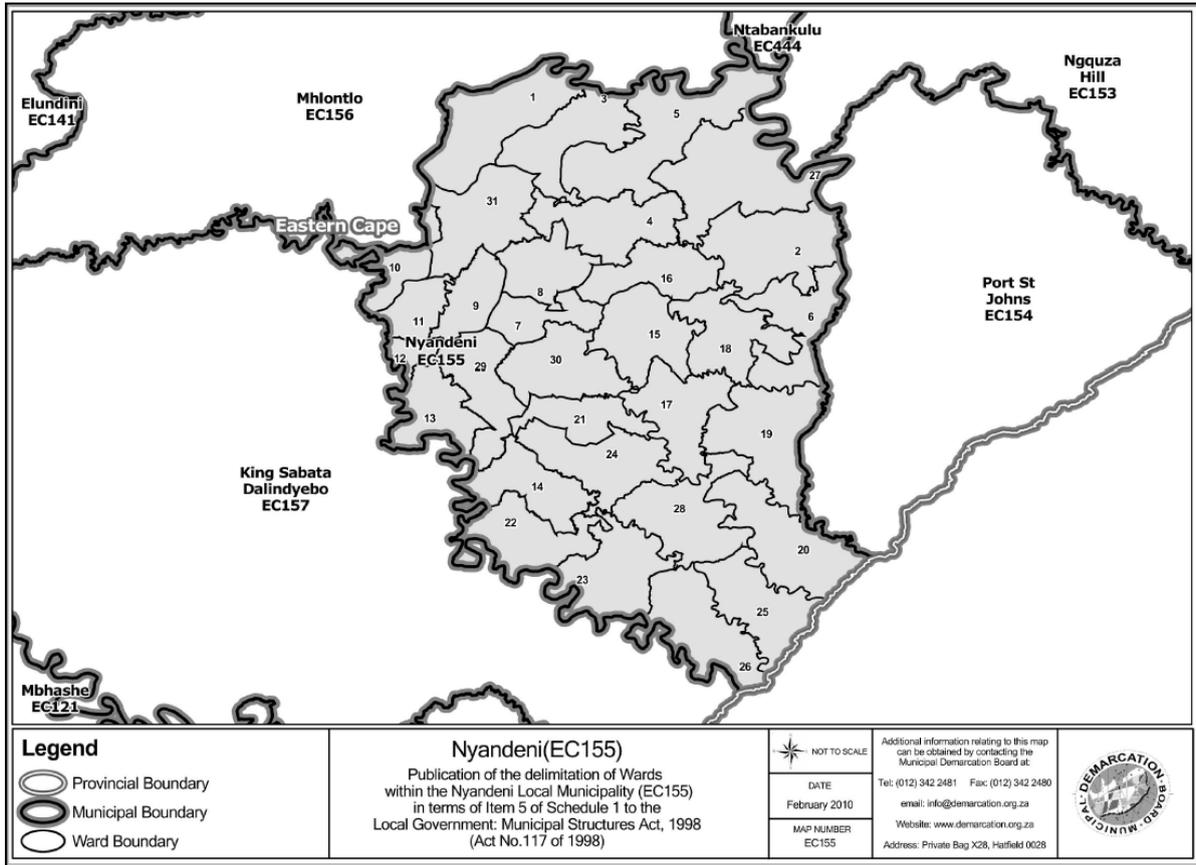
**Table 5**

### Observation

This section highlighted two important facts about Nyandeni local municipality. Firstly, its high growing population could contribute to high demand for goods and services. Secondly, its strategic location in the coastal area could cause the municipality to play a significant role in the blue economy. The next section presents the economic developments and prospects of the municipality.

### 2.5 Population by ward level

There are 31 wards in the Nyandeni Local Municipality. The population distribution of the Nyandeni Local Municipality is relatively equally distributed across all wards. The following is a map from the demarcation board of the latest layout of all the wards in the Nyandeni Local Municipality.



Source: Demarcation Board

The ward with the highest population is ward 11 with a total number of 13 243 people, or 4.6% of the total population in Nyandeni Local Municipality. The ward with the lowest number of people is ward 27 with 6 598 people currently in that ward. The percentage share in population by the different wards range between 2.3% and 4.6% with the average share being 3.2%.

**TABLE 1. POPULATION BY POPULATION GROUP AND GENDER – WARD LEVEL IN NYANDENI LOCAL MUNICIPALITY, 2011 [NUMBER]**

Ward	African		Other		Total	
	Male	Female	Male	Female	Male	Female
1	4 509	5 375	28	54	4 537	5 429
2	3 621	4 400	12	5	3 633	4 405
3	3 505	3 952	13	18	3 518	3 970
4	3 612	4 207	3	3	3 615	4 210
5	4 054	4 572	4	2	4 058	4 574
6	4 468	5 520	13	17	4 481	5 537
7	3 718	4 233	51	41	3 769	4 274
8	3 625	4 233	8	9	3 633	4 242
9	4 751	5 518	78	79	4 829	5 597
10	5 078	5 758	12	13	5 090	5 771
11	6 118	7 070	23	32	6 141	7 102
12	4 880	5 559	95	95	4 975	5 654
13	3 926	4 531	19	15	3 945	4 546
14	3 872	4 422	26	9	3 898	4 431
15	5 373	6 429	42	38	5 415	6 467
16	3 617	4 517	7	5	3 624	4 522
17	4 631	5 611	9	14	4 640	5 625
18	3 724	4 551	9	10	3 733	4 561
19	5 045	5 996	22	31	5 067	6 027
20	5 237	6 182	88	73	5 325	6 255
21	3 476	3 848	53	27	3 529	3 875
22	4 972	5 770	26	12	4 998	5 782
23	4 373	5 012	12	7	4 385	5 019
24	3 493	3 904	5	4	3 498	3 908
25	3 971	4 515	44	28	4 015	4 543
26	5 204	6 139	19	23	5 223	6 162
27	2 982	3 598	7	11	2 989	3 609
28	3 884	4 430	18	9	3 902	4 439
29	4 857	5 293	37	23	4 894	5 316
30	4 722	5 466	95	87	4 817	5 553
31	4 045	4 728	9	3	4 054	4 731
<b>Total</b>	<b>133 343</b>	<b>155 341</b>	<b>898</b>	<b>808</b>	<b>134 241</b>	<b>156 149</b>
% of Total	45.9%	53.5%	0.3%	0.3%	46.2%	53.8%

Source: Stats SA Population census 2011

[Please note: ward 32 information note included]

Ngolo	8 334	eMpangala	1 275	Ntendele	774	Bhantini A	513	Kw aMkw amde	348
Sibangweni	6 258	Ntsonyini	1 263	Guqa	774	Polini	513	Lucingweni	345
Libode	4 560	Nyandeni NU	1 242	Nkonkoni	768	Kw aZinja	510	Ncumbe	336
Gxulu	4 059	Dalaguba	1 242	Mncane	768	Ntsaka	498	Hluleka	330
Mdeni	3 765	Kw aDarana	1 233	Ndaya	768	Gqeza	495	Mnceleni	324
Zandukwana	3 321	eMhlanga	1 209	Dokodela	756	Tonti	495	Upper Matanzima	324
Chophetyeni	3 186	Mchonco	1 203	Taweni	756	Ngcongco	492	Jovu	318
Mhlanganisweni	3 018	Buthongweni	1 203	Mjobeni	753	Ntakw endlela	489	Maqingeni	315
Mampondomiseni	2 769	Lwandile	1 203	Kw aLukuni	753	Kw aDontsa	486	Ngongqeleni	309
Ngqeleni	2 631	Zitatele	1 182	Mposana	753	Ntenza	480	Manzimabi	306
Mdlankomo	2 526	Lujizweni	1 182	Sidabadabeni	747	Kw aNgolo	477	Lwandlane	306
Mangweneni	2 490	Kw aBungu	1 167	Nqentsu	735	Mthonjana	477	Ludeke	297
KuMandeni	2 439	Mpotini	1 164	Matanzima	720	Lower Godini	474	Lubanzi	294
Marubeni	2 400	Qinisa	1 143	Mandlovini	720	Komkulu	465	Zimanzi	291
Sundwane	2 376	Tshani	1 137	Tafeni	714	Ngxanga	462	Eskweleni	288
Kw aZulu	2 220	Qhankqu	1 134	Coranlay	714	Wicksdale	459	Ndayini	279
Rainy	2 202	Nomcamba	1 128	Bomvane	711	Kw aMathayi	459	Madoloni	273
Mpangeni	2 094	Ezinkozweni	1 119	Mpimbo	711	Mankosi	456	Mahobeni	270
Zibungu	2 085	Kepe	1 119	Kw aMxhosa	705	Mphutshane	453	Manzimahle	267
Ngxokweni	2 070	Esiqikini	1 104	Ludaka	687	Bhucula	453	Nduna	258
Mbangisweni	2 046	Ndindimeni	1 092	Edangeni	681	Nqw akunqw aku	450	Gxeni	258
Maqanyeni	1 902	Langeni	1 074	Ncambedlana	681	Mhlabeni	447	Dumasi	255
Mzonyane	1 863	Lutsheko	1 056	Tukela	675	Nzamo	447	Mntsholobeni	255
Lujecweni	1 836	Didi	1 053	Kw achum	669	Ncukaba	447	Ntengu	255
Mamfengweni	1 806	Ndungunyeni	1 047	Norwood	666	Maqebevu	441	Mfabantu	249

Mtyu	1 803	Dikela	1 032	Mahoyana	663	Ngavu-Ngavu	438	Khukw ini	249
Nkanga	1 770	Tshisabantu	1 020	Ngqw ayi	657	Mazulu	438	Kw aBomvana	246
Marew eni	1 770	Thekw ini	1 017	Kw aNtshela	654	Mantanjeni	438	Hhakaneni	240
Mnqw angqw eni	1 746	New Rest	1 011	Masameni	654	Cw ele	438	Zixholosini	234
Mngcibe	1 737	Mabheleni	1 011	Ngcoya	651	Zinkumbeni	435	Vilo	231
Mandileni	1 719	Ntsundw ane	1 005	Mnyama	648	Mafusini	435	Sixambuzi	228
Jamani	1 698	Canzibe	1 005	Ngcolorha	648	Kw aJange	435	Sikalw eni	225
Misty Mount	1 692	Mbombenkukhu	993	eMboleni	648	Sidanda	429	Ncedane	225
Gonothi	1 692	Ngidini	993	Emnyameni	639	Limdaka	426	eGoli	225
Thembeni	1 680	Mdikane	984	Tshatshi	633	Mhlakotshane	426	Kw aPalo	222
Mtombe	1 650	Kw aXutidw ele	975	Ntsimbini	633	Sazinge	423	Bovini	216
Mtokw ane	1 623	Khonjw ayo	960	Nxukhw ebe	621	Mandulw ini	420	Goli	210
Makhw ethubeni	1 617	Nomadolo	957	Bholotw a	618	Mpumdw eni	420	Mapulazini	201
Kw akombe	1 611	eZinduneni	954	Malungeni	609	Nodushe	417	Gw ali	198
Mlomo	1 608	Magozeni	951	Lotana	603	Ngw enyeni	417	Nzondeni	198
Mbiza	1 572	Khuleka	936	Manxiw eni	603	Ntlanjeni	417	Mseleni	192
Tungw eni	1 569	Makotyana	915	Godini	600	Nqutyana	411	Mvili	192
Mkankato	1 569	Nkanunu	915	Zincukutw ini	594	Meyana	411	Maqabeni	192
Ntibane	1 554	Mdoni	912	Ntlambela	579	Kw aMcapati	408	Ncithw a	180
Ngobozi	1 539	Vinitshi	897	Kw aMhlongw ana	579	Mtakatyi	405	Gqw arhu	174
Njiveni	1 530	Mamolw eni	888	Thusw ini	576	eChibini	402	Mqw anqw eni	168
Jizw eni 5	1 521	eNgojini	882	Dungu	570	Sinw andw eni	399	Gesi	162
Hamsini	1 503	Mandleni	873	eNtshingeni	570	Kw aMatati	399	Wayisi	162
Sigibudu	1 497	Mapapeli	846	Mayalw eni	564	Bhantini B	396	Mabetshe	147
Mdina	1 476	Dininkosi	843	Mthombetsisa	555	Mjalisw a	393	Nkumandeni	144
eMasameni	1 473	Ngcobo	840	Kw aSomp	555	Ceka	393	Nduli	144
Mdumazulu	1 473	Msitsini	831	Detyana	555	Kateni	390	Gongo	138
Cibeni	1 461	Magcakini	831	Cumngce	552	Dontsa	384	Mpindw eni	123
Nxotsheni	1 455	Ngunjini	825	Gunyeni	552	Njivene	384	Mahane	120
Mcubakazi	1 437	Upper Maqanyeni	822	Mdlakathw eni	552	Mapalo	381	Mthondela	120
Noxova	1 434	Mngamnye	822	eSithayelw eni	546	Ndasana	378	Nkhw ityini	117
Magcakeni	1 425	Ntabantsimbi	819	Mngazana	543	Kw aZeLe	378	Nothintsila	114
Mbhojw eni	1 422	Bandla	813	Corana	540	Mageza	375	Ntsaha	99
Gazini	1 404	Mhlahlane	807	Kulambeni	537	Kw aMatumbu	375	Emakhuzeni	93
Lutubeni	1 401	Nquba	807	Xibeni	537	Dangw ana	372	Qhanqeni	84
Mambethu	1 380	Sizindeni	801	Nkaw ukazi	534	Ntotw eni	369	Langakazi	84
Mkhohlombeni	1 353	Qiti	798	Nkantini	531	Masameni B	366	Mboleni	81
Bomvini	1 347	Lurasini	795	Gangeni	528	Ndimakude	366	Qhunqw ana	75
Tyara	1 302	Mqunga	792	Njezeni	519	Chibini	363	Dikeni	72
ZeLe	1 281	Mazizini	789	Ekulambeni	519	Old Bunting	357	Mgazi	63
Lukhanyisw eni	1 278	Qhokama	786	eGoso	519	Mangcw anguleni	354	Ekukhw ezeni	42
Nontsw abu	1 275	Ntilini	780	Mpendle	513	Kw aMadw atyana	354	Makhuzeni	24

## 1.6 Number of Households by population group

If the number of households is growing at a faster rate than that of the population it means that the households sizes is also decreasing and vice versa.

**Definition** | A household is a group of people who live together, and who provide themselves jointly with food and/or other essentials for living, or a single person who lives alone. An individual is considered part of a household if he spends at least four nights a week within the household.  
This measure categorises a household according to the population group to which the household head belongs.

There were 55 112 households in Nyandeni Local Municipality in 2001 and 61 647 in 2011. That equates to an average annual growth rate of 1.13% over time.

**TABLE 2. Number Of Households by Nyandeni Local Municipality Relative To Other Regions, 2001 and 2011 [Numbers And Percentage Growth]**

Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	51 160	56 212	0.95%
Port St Johns Local Municipality	29 560	31 715	0.71%
<b>Nyandeni Local Municipality</b>	<b>55 112</b>	<b>61 647</b>	<b>1.13%</b>
Mhlonlo Local Municipality	44 295	43 414	-0.20%
King Sabata Dalindyebo Local Municipality	90 597	105 241	1.51%
O.R.Tambo District Municipality	270 724	298 229	0.97%
Eastern Cape Province	1 535 968	1 687 384	0.94%
South Africa	11 770 276	14 450 163	2.07%

Source: Stats SA Population census 2001 & 2011

The level of the average annual growth in population (and the age composition of the population) places different demands on the need for health, education and safety services.

The average household size in 2001 was approximately 4.8 individuals per household as compared to the 4.6 persons per household in 2011. With faster growth in the number of households, compared to the growth in population, in Nyandeni Local Municipality, marginal demand for housing and basic services compared to that of health, education and safety services may be relatively higher.

**TABLE 3. NUMBER OF HOUSEHOLDS BY POPULATION GROUP IN NYANDENI LOCAL MUNICIPALITY, 2001 AND 2011 [NUMBER AND PERCENTAGE GROWTH]**

Year	African	Other	Total
<b>Number of households:</b>			
2001	54 923	189	<b>55 112</b>
2011	61 228	419	<b>61 647</b>
<b>Average annual growth rate:</b>			
2001 - 2011	1.09%	8.29%	1.13%

*Source: Stats SA Population census 2001 & 2011*

The growth in the number of households for the African population is on average 1.09% per annum for the period 2001 – 2011, which translates to an increase of 6 305 households over the period. The average annual growth in the number of all the other population groups is 8.29% although it only amounts to 230 households according to the Census figures.

### 3. Development

Indicators of development are used to estimate the level of development of the Nyandeni Local Municipality relative to the rest of South Africa in terms of Human Development Index (HDI), Gini Coefficient (income inequality), poverty and education. Nyandeni Local Municipality should be a point of departure in the compilation of all policies that aspire towards a better life for all in the region.

#### 3.1 Human Development Index (HDI)

**Definition** | The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development

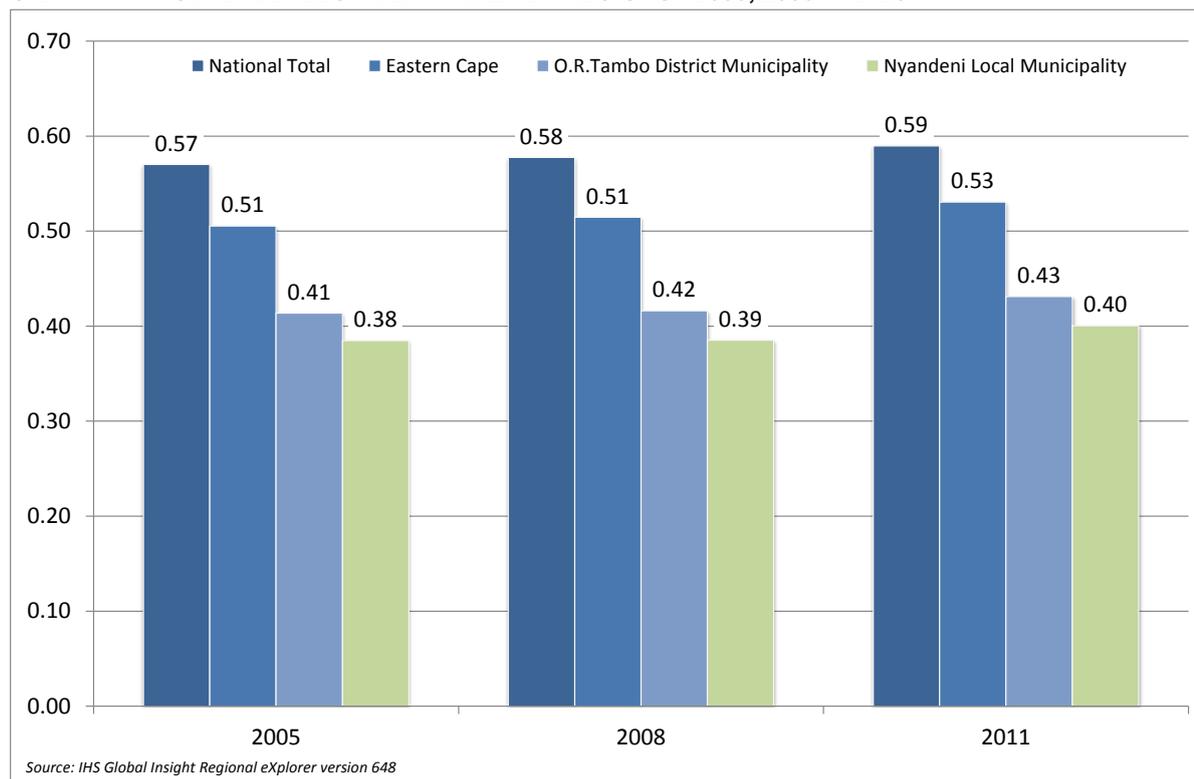
- A long and healthy life
- Knowledge
- A decent standard of living

A long and healthy life is typically measured using life expectancy at birth. Knowledge is typically measured using adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. A decent standard of living is typically measured using GDP per capita.

The HDI can assume a maximum value of 1, indicating a very high level of human development. It has a minimum value of 0, indicating no human development.

It is estimated that in 2011 Nyandeni Local Municipality had an HDI of 0.40. This is significantly lower than the Eastern Cape which has an HDI of 0.53 and South Africa with its 0.59.

**CHART 1. HUMAN DEVELOPMENT INDEX BY REGIONS - 2005, 2008 AND 2011**



The HDI has been increasing in South Africa, Eastern Cape, O.R. Tambo District Municipality and the Nyandeni Local Municipality since 2005. An explanation might be that education and health conditions have improved and a general increase in income is seen.

### 3.2 Gini Coefficient

**Definition** | The Gini coefficient is a summary statistic of income inequality, which varies from 0 to 1. If the Gini Coefficient is equal to zero it means that income is distributed in a perfectly equal manner, indicating a low variance between high and low income earners in the population. If the Gini coefficient is equal to one, income is completely inequitable, with one individual in the population earning income, whilst everyone else earns nothing.

| In practice this coefficient is likely to lie in a range between 0.25 and 0.70.

In 2011, income inequality in Nyandeni Local Municipality at 0.53 was lower than that of the provincial and national level which was at 0.61 and 0.63 respectively.

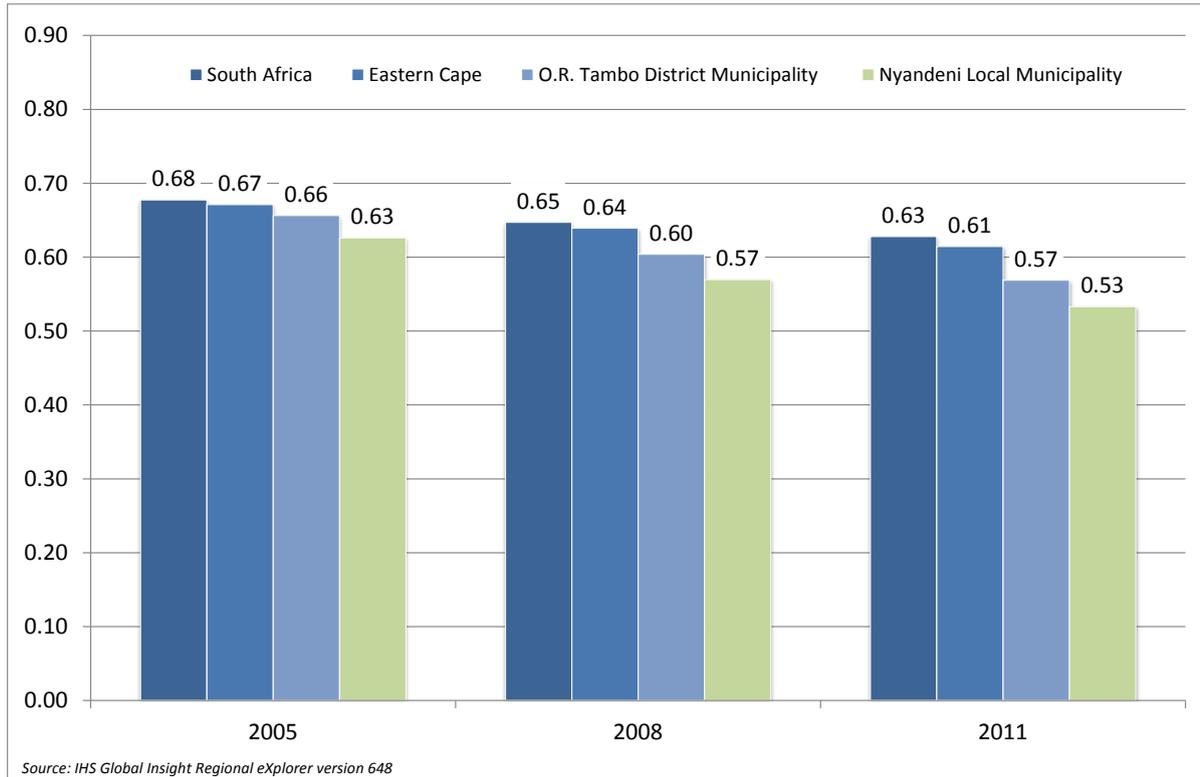
**TABLE 4. GINI COEFFICIENT OF NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2005 - 2011**

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2005	0.68	0.67	0.66	0.63
2006	0.67	0.66	0.64	0.61
2007	0.66	0.65	0.62	0.59
2008	0.65	0.64	0.60	0.57
2009	0.64	0.63	0.59	0.55
2010	0.63	0.62	0.58	0.54
2011	0.63	0.61	0.57	0.53

Source: IHS Global Insight Regional eXplorer version 648

Over time an improvement is noted on all regional levels were the Gini Coefficient declined reflecting a more equal distribution of income. This also might be due to social welfare and grants, community services employment and a more accessible economic environment conducive to economic growth and development.

**CHART 2. GINI COEFFICIENT OF NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2005, 2008 AND 2011**

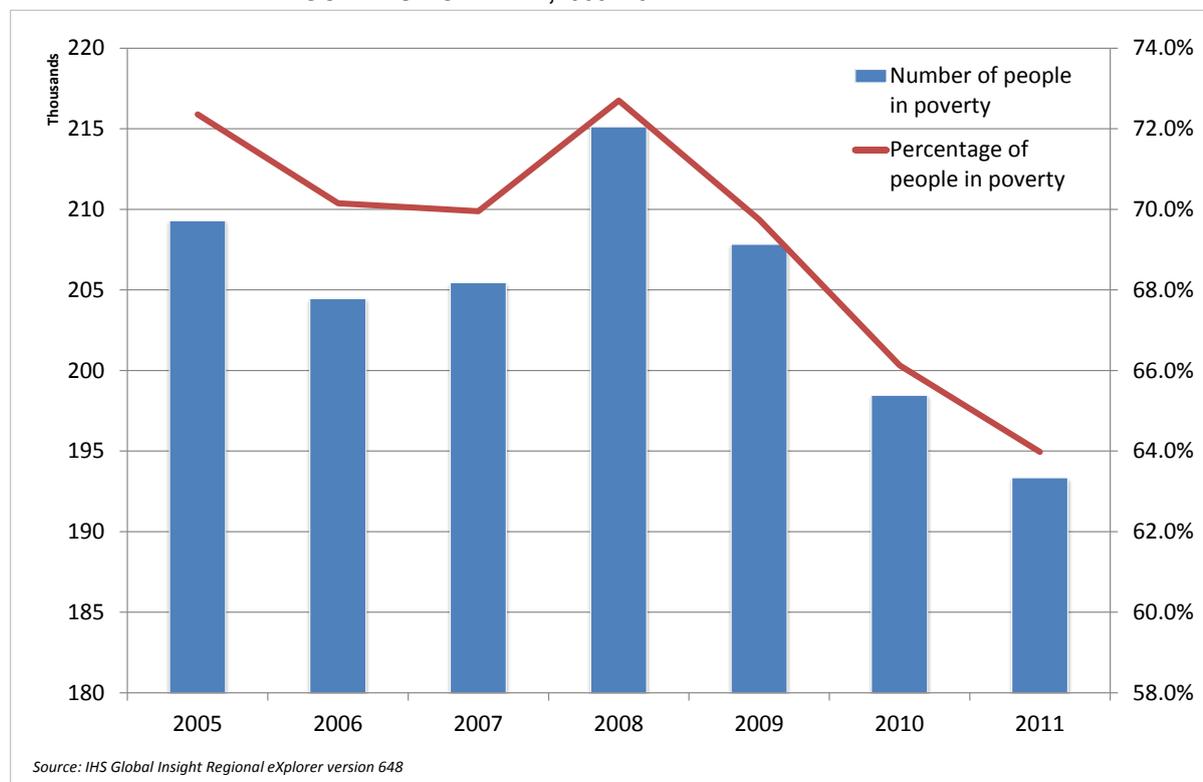


### 3.2 Poverty

**Definition** | A household is considered to be subject to poverty if the individuals therein earn a combined income less than the poverty income threshold. The poverty income level is defined as the minimum monthly income needed to sustain a household and varies according to household size, the larger the household the larger the income required to keep its members out of poverty. The poverty income used by IHS Global Insight - within the context of this assessment - is based on the Bureau of Market Research's Minimum Living Level. Currently the poverty minimum amount of income for a household of 4 people is R2 544 per month.

In 2011, there were 193 355 people living in poverty across Nyandeni Local Municipality – down by 2.6% from 198 463 in 2010. In 2011, the number of Nyandeni Local Municipality's inhabitants that were living in poverty accounted for 64.0% of the total population of Nyandeni Local Municipality. The number of people living in poverty in the Nyandeni Local Municipality declined by an average annual rate of 1.3% from 2005 to 2011.

**CHART 3. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY, NYANDENI LOCAL MUNICIPALITY, 2005–2011**



On a national basis 37.7% of the total population was living in poverty, while more than half the population of the O.R. Tambo District Municipality is living in poverty

**TABLE 5. PERCENTAGE OF PEOPLE LIVING IN POVERTY IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2005 - 2011 [PERCENTAGE]**

Year	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
2005	45.7%	56.3%	68.2%	72.4%
2006	43.4%	54.2%	65.8%	70.2%
2007	42.0%	53.2%	65.2%	70.0%
2008	42.9%	54.3%	67.3%	72.7%
2009	41.3%	52.0%	64.8%	69.7%
2010	39.7%	49.5%	61.6%	66.1%
2011	37.7%	46.8%	58.9%	64.0%

Source: IHS Global Insight Regional Explorer version 648

### 3.3 Poverty Gap

**Definition** | The Poverty Gap measures the difference between each poor household's income and the poverty line - measuring the depth of poverty of all poor households combined. In other words, the Poverty Gap indicates how much extra all of the poor households combined would have to earn each year to rise up to the poverty income.

The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth of poverty.

A shortcoming of the poverty rate as an indicator of poverty is that it does not give any indication of the depth of poverty i.e. how far the poor households are below the poverty income level. In contrast, the poverty gap proves useful in that it measures the difference between each poor household's income and the poverty line. It thus measures the depth of poverty of each poor household. The aggregate poverty gap is calculated by summing the poverty gaps of each poor household. It is thus equivalent to the total amount by which the incomes of poor households need to be raised each year to bring all households up to the poverty line and hence out of poverty.

It is estimated that the poverty gap in Nyandeni Local Municipality amounted to R535 million in 2011. Although the poverty gap has increased in nominal terms from R433 billion in 2005, in real terms this has come down when we include the effects of inflation.

**TABLE 6. TOTAL POVERTY GAP – NYANDENI LOCAL MUNICIPALITY AND OTHER LOCAL MUNICIPALITIES, 2005-2011 [R MILLIONS, CURRENT PRICES]**

Year	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R. Tambo District Municipality
2005	413	230	433	285	524	1 884
2006	405	225	426	282	526	1 863
2007	419	234	436	290	557	1 936
2008	499	278	515	347	674	2 313
2009	513	284	523	357	686	2 364
2010	509	280	524	359	677	2 350
2011	516	284	535	369	689	2 393
<b>Average annual growth rate:</b>						
2005-2011	3.8%	3.6%	3.6%	4.4%	4.7%	4.1%

Source: IHS Global Insight Regional eXplorer version 648

In terms of the various local municipalities in O.R. Tambo District Municipality, the largest poverty gap exists in King SabataDalindyebo equaling R689 million. The smallest poverty gap exists in the Port St Johns Local Municipality with R284 Million. Take note that the population size should be taken into account when comparing the poverty gap in different local municipalities.

### 3.4 Education

#### **Introduction**

Education is an important indicator of development due to its correlation with human capabilities, productivity and, ultimately, income. The level of educational attainment is used as an indicator of the skill levels of the population, with the higher educational attainment levels being associated with greater opportunities for higher earnings, better social circumstances and the potential investment attraction.

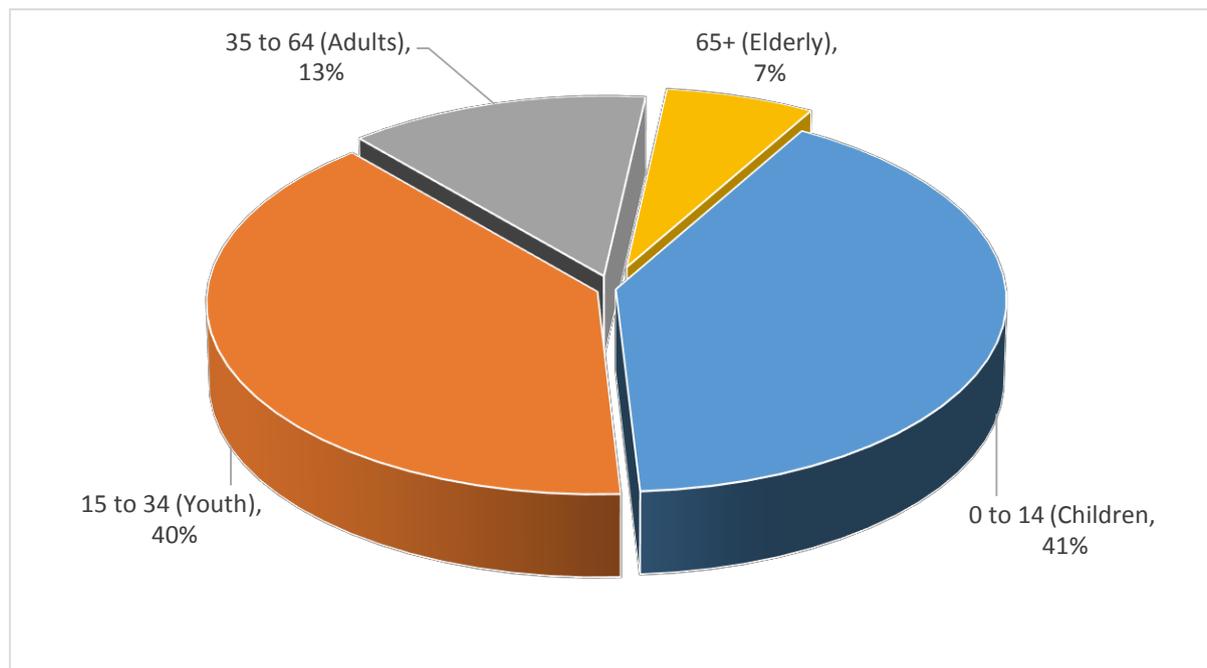
*Young population aged 0–34 years constitutes 81% of Nyandeni’s total population*

The Nyandeni population is made up of 41% children under the age of 14 years. The youth aged between 14 and 34 years also account for 40% of the total population (See Figure 4). In total, the young population aged 0–34 years constitutes 81% of Nyandeni’s total population.

The dynamics of this youth cohort will increasingly drive economic development of the municipality in terms of opportunities for education,

work and social services. Put differently, these are the people who drive the “*demand side of education*” in the municipality.

#### **About 80% of Nyandeni population fall between 0-34 years of age**



Source: Statistics South Africa, 2016 Community Survey

**Figure 4**

The local municipality need to have a strategy on how to build this young dynamic population. For every 10 people in Nyandeni, 8 are aged between 0-34 years. Education should therefore be listed among the top priorities in the municipality.

### Nyandeni local municipality: Population Age structure, 2016

	0 to 14 (Children)	15 to 34 (Youth)	35 to 64 (Adults)	65+ (Elderly)	Grand Total
Ngquza Hill	129 862	118 291	37 182	18 044	<b>303 379</b>
Port St Johns	71 249	64 426	20 253	10 851	<b>166 779</b>
<b>Nyandeni</b>	<b>126 156</b>	<b>122 456</b>	<b>40 810</b>	<b>20 280</b>	<b>309 702</b>
Mhlontlo	73 414	71 307	28 290	16 165	<b>189 176</b>
KSD	166 917	216 037	76 402	28 993	<b>488 349</b>
<b>O.R.Tambo</b>	<b>567 597</b>	<b>592 517</b>	<b>202 936</b>	<b>94 333</b>	<b>1 457 384</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 6**

#### Higher institution and TVET

Table 7 shows the number of people in Nyandeni with higher education and TVET. According to the 2016 Stats SA community survey, only 4 240 people or 1.4% of the total population had higher education and 2 046 people or 0.7% with TVET (formerly FET colleges). Of the 2 046 people, 256 did management, 238 engineering, 196 electrical infrastructure construction and 116 information technology (See Table 8).

### Higher institution and TVET in Nyandeni, 2016

	Higher education institution (University/University of technology)	Tvet (formerly FET)/Private Colleges)	Not applicable	Unspecified	Grand Total
Ngquza Hill	4 086	2 951	294 996	1 347	<b>303 379</b>
Port St Johns	1 569	912	163 912	386	<b>166 779</b>
<b>Nyandeni</b>	<b>4 240</b>	<b>2 046</b>	<b>300 822</b>	<b>2 594</b>	<b>309 702</b>
Mhlontlo	2 447	1 485	184 982	261	<b>189 176</b>
KSD	19 078	7 570	460 905	795	<b>488 349</b>
<b>O.R.Tambo</b>	<b>31 420</b>	<b>14 964</b>	<b>1 405 618</b>	<b>5 382</b>	<b>1 457 384</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 7**

#### Field of TVET and field of higher education

Table 7 revealed that Nyandeni had 4 240 people with higher education. Table 9 provides the field of higher educational institution. Of these 4 240 people, 428 were in the field of business, 290 in health, 268 in public management and the bulk of 1 647 in the field of education.

Education shapes how people experience the social, political and economic conditions in society. Consequently, education is central to how we respond to the quest for human development and flourishing. The basic purpose of education is to provide children, youth and adults with a socialising

experience that enables self-knowledge and develops personal and social attributes to engage with, change and contribute meaningfully to society.

Field of TVET	O.R.Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Management	3 147	940	218	<b>256</b>	261	1 473
Marketing	769	76	76	<b>83</b>	40	494
Information technology and computer science	775	161	19	<b>116</b>	81	398
Finance	505	81	18	<b>94</b>	55	256
Office administration	740	193	64	<b>64</b>	119	300
Electrical infrastructure construction	879	137	56	<b>196</b>	43	447
Civil engineering and building construction	766	132	24	<b>19</b>	114	477
Engineering	1 752	337	83	<b>238</b>	94	999
Primary agriculture	241	46	31	<b>48</b>	19	98
Hospitality	334	40	18	<b>43</b>	32	201
Tourism	277	38	18	<b>46</b>	19	156
Safety in soceity	311	96	41	<b>74</b>	63	38
Mechatronics	62	35	-	-	-	27
Education and development	1 563	337	135	<b>222</b>	241	628
Other	2 659	301	110	<b>496</b>	274	1 479
Do not know	183	-	-	<b>51</b>	30	101
Not applicable	1 437 038	299 082	165 481	<b>305 062</b>	187 430	479 984
Unspecified	5 382	1 347	386	<b>2 594</b>	261	795
<b>Grand Total</b>	<b>1 457 384</b>	<b>303 379</b>	<b>166 779</b>	<b>309 702</b>	<b>189 176</b>	<b>488 349</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 8**

Field of higher educational institution

	O.R.Tambo	Ngquza Hill	Port St Johns	<b>Nyandeni</b>	Mhlontlo	KSD
Agriculture	532	53	21	<b>102</b>	52	304
Architecture and the built environment	301	32	-	<b>33</b>	20	216
Arts (Visual and performing arts)	227	-	-	<b>13</b>	18	195
Business	3 616	232	120	<b>428</b>	84	2 753
Communication	388	69	-	<b>48</b>	17	254
Computer and information sciences	873	117	29	<b>170</b>	48	509
Education	12 199	2 323	831	<b>1 647</b>	1 420	5 978
Engineering	1 683	164	78	<b>102</b>	119	1 220
Health professions and related clinical sciences	3 158	291	166	<b>290</b>	169	2 241
Family ecology and consumer sciences	177	-	-	<b>20</b>	27	130
Languages	66	10	-	<b>8</b>	13	34
Law	947	41	44	<b>100</b>	87	675
Life sciences	120	30	-	-	-	90
Physical sciences	141	12	-	<b>20</b>	-	109
Mathematics and statistics	112	13	7	<b>45</b>	12	35
Military sciences	-	-	-	-	-	-
Philosophy	205	39	-	<b>25</b>	6	135
Psychology	268	11	10	<b>11</b>	15	220
Public management and services	1 423	108	94	<b>268</b>	100	854
Social sciences	1 073	80	91	<b>96</b>	37	770
Other	3 640	464	46	<b>741</b>	202	2 187
Do not know	274	-	33	<b>72</b>	-	168
Not applicable	1 420 582	297 946	164 824	<b>302 868</b>	186 468	468 476
Unspecified	5 382	1 347	386	<b>2 594</b>	261	795
<b>Grand Total</b>	<b>1 457 384</b>	<b>303 379</b>	<b>166 779</b>	<b>309 702</b>	<b>189 176</b>	<b>488 349</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 9**

### Highest level of education

	O.R.Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
No schooling	273 093	55 958	34 153	<b>56 523</b>	32 501	93 957
Grade 0	76 954	16 589	8 663	<b>17 775</b>	10 593	23 334
Grade 1/Sub A/Class 1	56 094	12 182	7 510	<b>12 147</b>	7 548	16 707
Grade 2/Sub B/Class 2	42 999	11 043	5 876	<b>8 952</b>	5 279	11 850
Grade 3/Standard 1/ABET 1	75 193	16 584	9 533	<b>17 362</b>	9 615	22 099
Grade 4/Standard 2	73 965	17 829	10 086	<b>16 130</b>	10 247	19 672
Grade 5/Standard 3/ABET 2	74 716	18 251	10 583	<b>16 001</b>	10 102	19 778
Grade 6/Standard 4	85 465	20 040	10 853	<b>18 899</b>	12 401	23 271
Grade 7/Standard 5/ABET 3	66 131	14 406	8 392	<b>13 807</b>	9 636	19 890
Grade 8/Standard 6/Form 1	91 580	20 581	10 390	<b>19 304</b>	13 329	27 977
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	113 897	24 018	12 771	<b>23 788</b>	16 675	36 645
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	112 697	23 463	11 054	<b>24 126</b>	16 064	37 989
Grade 11/Standard 9/Form 4/NCV Level 3/Occupational certificate NQF Level 3	127 179	23 934	11 553	<b>28 823</b>	16 443	46 426
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	131 263	19 942	12 208	<b>26 287</b>	14 098	58 728
NTC I/N1	925	106	82	<b>98</b>	130	509
NTCII/N2	635	163	20	<b>84</b>	83	286
NTCIII/N3	1 146	239	78	<b>200</b>	137	492
N4/NTC 4/Occupational certificate NQF Level 5	2 387	653	205	<b>303</b>	173	1 054
N5/NTC 5/Occupational certificate NQF Level 5	1 415	367	124	<b>161</b>	116	648
N6/NTC 6/Occupational certificate NQF Level 5	2 571	521	158	<b>483</b>	120	1 289
Certificate with less than Grade 12/Std 10	361	21	-	<b>33</b>	93	213
Diploma with less than Grade 12/Std 10	1 211	138	45	<b>260</b>	249	520
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	4 112	636	221	<b>1 242</b>	353	1 660
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	10 309	1 540	571	<b>1 355</b>	766	6 076
Higher Diploma/Occupational certificate NQF Level 7	4 856	986	230	<b>699</b>	277	2 664
Post-Higher Diploma (Master's degrees)	4 074	524	247	<b>1 181</b>	524	1 599
Bachelor's degree/Occupational certificate NQF Level 7	9 400	1 093	416	<b>1 276</b>	419	6 196
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	4 086	705	275	<b>612</b>	219	2 275
Master's degrees/Professional Master's degrees at NQF Level 9 degree	860	133	26	<b>53</b>	72	576
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	437	60	27	<b>52</b>	16	282
Other	1 551	259	84	<b>317</b>	229	662
Do not know	4 360	145	286	<b>899</b>	451	2 579
Unspecified	1 463	273	58	<b>471</b>	219	441
<b>Grand Total</b>	<b>1 457 384</b>	<b>303 379</b>	<b>166 779</b>	<b>309 702</b>	<b>189 176</b>	<b>488 349</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 10**

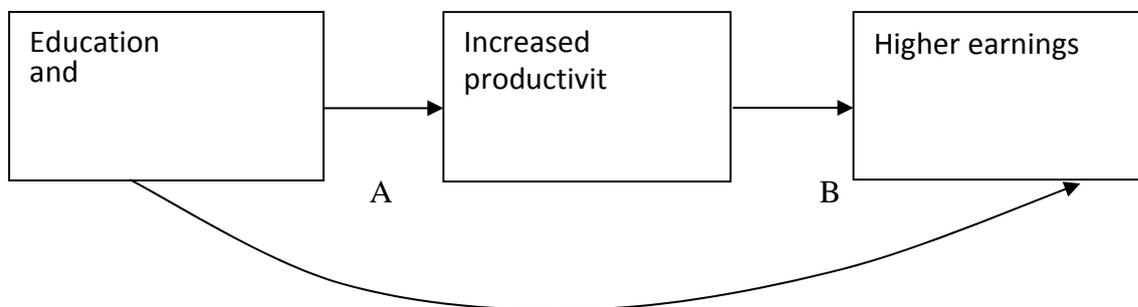
Table 10 shows the highest level of education attained by people in Nyandeni local municipality. The community survey released by Stats SA reveals that in 2016, O.R. Tambo had 273 093 people with no schooling of which 93 957 people were in KSD and 56 523 people in Nyandeni.

In line with the millennium development goals, the government of Nyandeni local municipality should take measures to eradicate education backlog,

especially for the people with no schooling. Education is the best investment that a parent can provide to his children, because it yields better and long term return.

### *Monetary return on education*

Diagram 1: Monetary return on education and the human capital theory



Education and training should be regarded as an investment and not just a mere consumption services because education and training provide more than immediate benefits such as subjective satisfaction and status but a long term monetary rewards through higher earnings and better life style.

According to the human capital theory, the monetary return on education and training is the net return which is derived at by taking into accounts both the costs and the benefits of education and training.

The reason for this illustration here is that when workers are productive the economy grows and when the economy grows more jobs will be available, and when people find jobs more tax revenue goes to the government while its expenditure on social welfare declines. Thus less budget is spent on fighting poverty and creating jobs through government programs such as the Accelerated Shared Growth and Initiative South Africa (ASGI-SA); the

Broad Based Black Economic Empowerment (BBBEE); Small, Micro and Medium Enterprises (SMMEs) and Co-operations (Coops).

The promotion of these programs will then be on the individual to take active steps to be innovative and flexible to take up challenges. Government will therefore concentrate more effort in investing in both economic and social infrastructure.

*Conclusion*

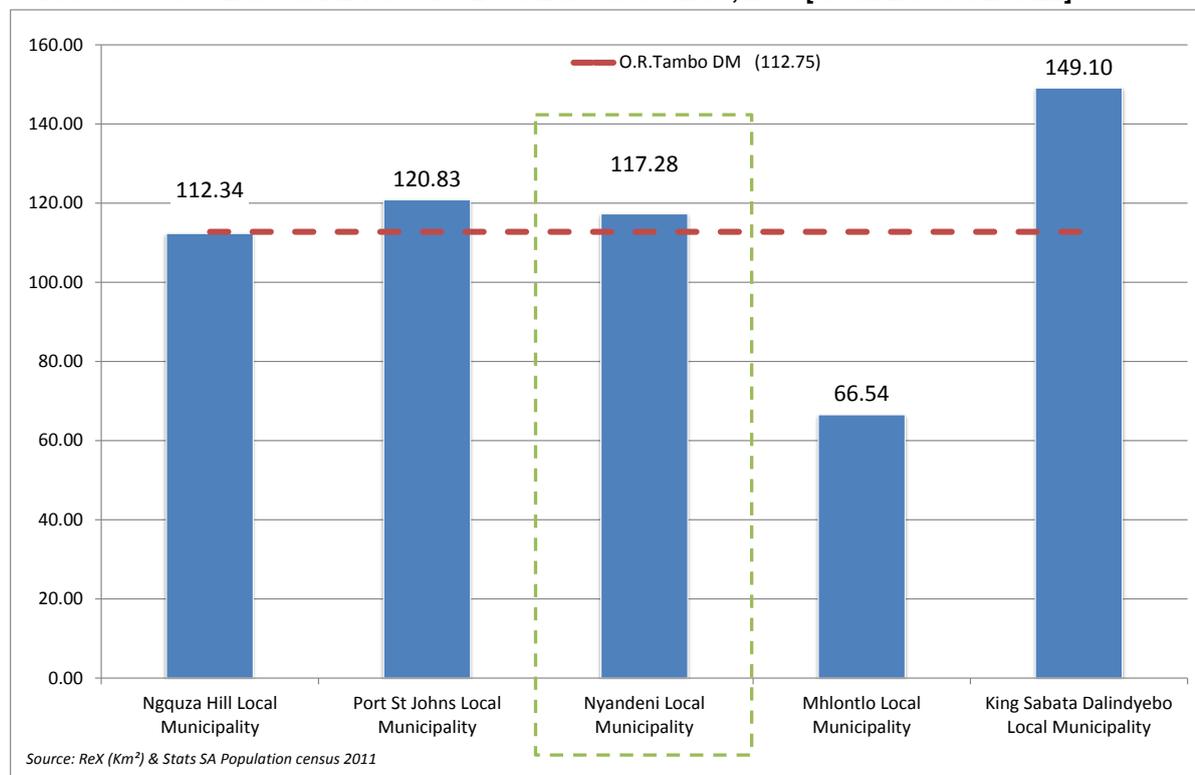
This section emphasises on the role of education as an important indicator of development. This is due to its correlation with human capabilities, productivity and, ultimately, income. Therefore, education is to be regarded as an investment and not just a mere consumption services. The large number of people with no education should be eradicated in the municipality.

**3.9 Population Density**

**Definition** | Population density measures the concentration of people in a region by dividing the population of the region by the area size of that region. The output of this is the number of people per kilometer squared and can be broken down according to population group.

In 2011, there were 117.28 persons per square kilometer living in the Nyandeni Local Municipality. Compared to the other local municipalities, it seems to be on similar level than Ngquza Hill and Port St Johns local municipalities, as well as to the O.R. Tambo District Municipality.

**CHART 4. POPULATION DENSITY BY LOCAL MUNICIPALITY, 2011 [NUMBER OF PEOPLE]**



**3.10 Crime**

The state of crime in South Africa has been the topic of many media articles and papers in the past years. Most people would acknowledge that the country has a crime problem, but very little research has been done on the relative level of crime. The media tends to publish sensational, exaggerated case studies and ignores the progress and positive side of combating crime.

### 3.10.1 IHS Global Insight composite crime index

The IHS Global Insight composite crime index is compiled using official data from the SAPS which is reported in 27 crime categories ranging from murder to crime injuries. These 27 categories are divided into two groups according to the nature of the crime—violent crimes and property crimes. Two methods are then used to derive weights for each category of crime:

- (a) Length-of-sentence approach and
- (b) Cost-of-crime approach.

**Definition** | The crime index is a composite weighted index of crime. This variable provides a comparative time series of the change in the level of crime. The higher the index number, the higher the level of crime in the selected year and region. However, a single figure by itself is meaningless unless compared with a figure from either another year or another region.

Although crime is on average very high in South Africa, O.R Tambo District Municipality has the second lowest crime rate in the Eastern Cape and the Nyandeni Local Municipality is very much on the same level. The IHS Global Insight Crime Index below represents the violent crime, Property crime and the overall crime index in the Nyandeni Local Municipality.

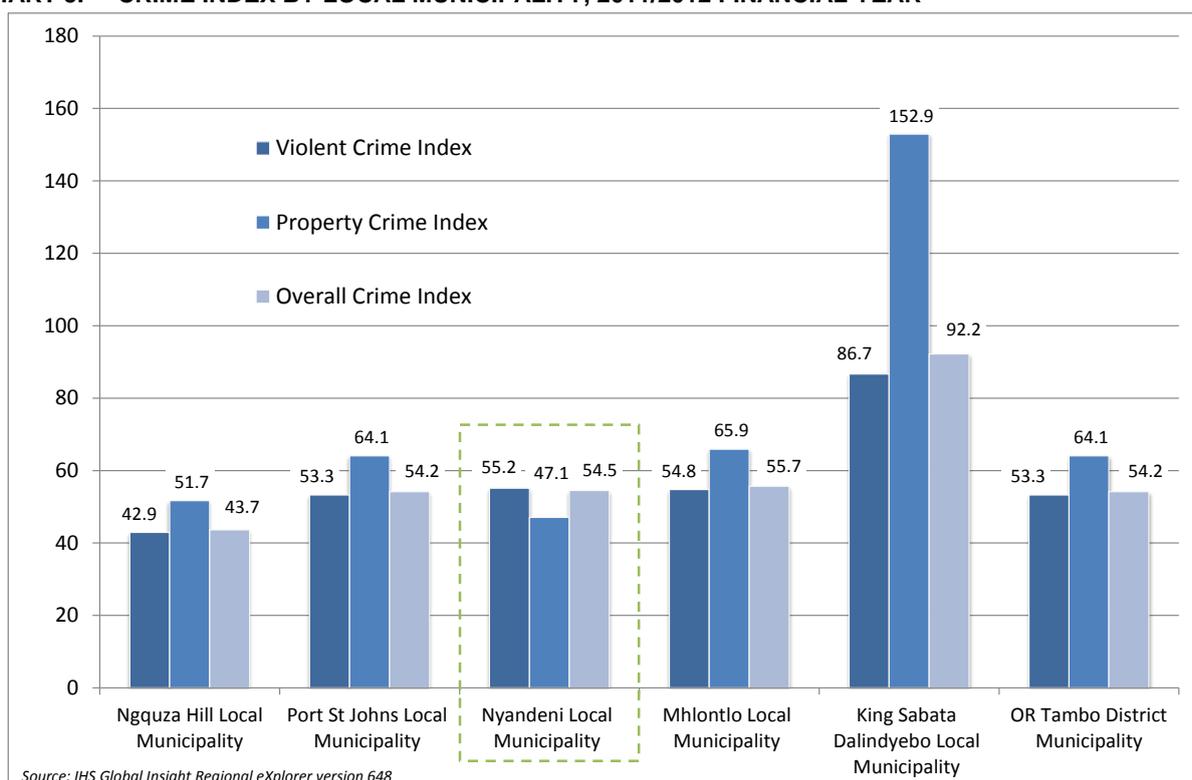
**TABLE 7. CRIME INDICES OVER TIME IN NYANDENI LOCAL MUNICIPALITY, 2005/06 – 2011/12 FINANCIAL YEARS**

Year	Violent Crime Index	Property Crime Index	Overall Crime Index
2005/2006	71.64	38.89	68.90
2006/2007	56.43	39.68	55.03
2007/2008	59.89	38.66	58.12
2008/2009	51.50	37.89	50.37
2009/2010	51.10	49.04	50.93
2010/2011	61.47	51.40	60.63
2011/2012	55.18	47.12	54.50

Source: IHS Global Insight Regional eXplorer version 648

For the period 2005 – 2008 overall crime in Nyandeni Local Municipality decreased at an annual average rate of 9.9%. Violent crime follows the same pattern at an average annual decrease of 10.4%, while property crimes decreased at an average annual rate of 0.9% in the Nyandeni Local Municipality from 2005 to 2008.

**CHART 5. CRIME INDEX BY LOCAL MUNICIPALITY, 2011/2012 FINANCIAL YEAR**



It is clear that the local municipality where the economy is more advanced is also more prone to crime. A proof of this is seen in the King Sabata Dalindyebo Local Municipality where the property crime is above average. The change on an annual basis is very volatile due to the size of the population of the municipalities. A small increase in the actual number of crime incidents might reflect as large percentage increase. This trend is true for all the local municipalities.

## **4. EMPLOYMENT TRENDS**

### *4. Introduction*

The labour market is a major source of interest to policy makers because levels of employment and unemployment have far-reaching social, economic and political implications. Sector employment can either be analysed in terms formal employment and informal employment or by primary, secondary and tertiary sectors.

Productive employment remains the key mechanism through which individuals and households can sustainably escape poverty. Unfortunately, employment is relatively scarce in Nyandeni. In an effort to increase jobs, economic opportunity and growth, the municipality will be required to capitalise on its relative comparative advantages while simultaneously considering interventions which encourage an economic structure which is more labour intensive to fully utilise the growing unskilled/ semi-skilled labour. More broadly, greater incentives for the private sector to grow the economy are an option to explore.

#### 4.1 Formal and informal employment

Table 16 shows that in 2015, there were in total 21 754 people employed in Nyandeni's economy. Of these, 14 919 people (69%) were employed in the formal sector and 6 835 people (31%) in the informal sector.

Looking at the skills of the 14 919 people employed in the formal sector, 27% were skilled, 41% semi-skilled and 32% low/unskilled. The Government of Nyandeni should pay much attention on unskilled labour and those in the informal sector.

The informal sector is characterized by short-term employment opportunities, little or no prospect of internal promotion, and wages are determined by market forces. In terms of jobs, it consists primarily of low or unskilled jobs, whether they are blue-collar (manual labour), white-collar (filing clerks), or service jobs (waiters). These jobs are also characterized by low skill levels, low earnings, easy entry, job impermanence, and low returns to education or experience.

Generally, the primary sector is dominated by unskilled labour, while the tertiary industry, particularly Finance, insurance, real estate and business services has a bigger share of highly skilled employees. The construction; transport, storage and communication; and wholesale and retail trade, catering and accommodation sectors have a significant share of informal labour.

#### **Employment, 2015 (Total number of people employed)**

	O.R.Tambo Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Total formal and informal	140 143	21 818	8 236	21 754	17 921 70 414
Formal: Total	93 545	14 333	5 733	14 919	12 360 46 200
<i>Formal: Skilled</i>	28 045	4 183	1 766	4 020	3 287 14 789
<i>Formal: Semi-skilled</i>	37 392	5 046	2 213	6 063	4 783 19 287
<i>Formal: Low skilled</i>	28 108	5 104	1 754	4 836	4 290 12 124
Informal	46 598	7 485	2 503	6 835	5 561 24 214

Source: Quantec, 2016

**Table 16**

The skills gap in Nyandeni municipality indicates the need for training and development centres, especially for the young people who account for over 40% of the population. As shown in the Table 16, in 2015, about three quarter of the employed people are either unskilled or semi-skilled. The Department of Education will play a major role in Nyandeni. Given limited resources, Government needs to re-allocate resource in the development of human capital so that the economy can have more skilled people to occupy strategic positions in the municipality. Developing human capital will ensure that the skills gap is bridged and more people are becoming efficient and effective in uplifting the economy.

***The development of human capital has a chain reaction.*** When people are trained and developed, they will be employed in the formal sectors, and pay taxes that can be used to fund other activities. As more effort is invested in human capital in the short-term, the long run economy of the municipality will become promising for future development because people will use their acquired skills in the economy. “Knowledge economy” is leading regions driven by innovation; whereby unskilled people are less needed. Hence Government interventions are critical. Some of these interventions should include the following:

- Reduce unskilled labour and increase skilled or highly skilled labour through training and education of workers,
- Upgrade training facilities with the latest technology;
- Introduce domestic policies that discourage the outflow of highly skilled workers (brain drain),
- Ensure labour equity is reached; and previously disadvantaged workers (Africans, women and youth) are trained; and they are fully participating in the main stream labour market. This will help to bridge the skill gap.

Once these labour interventions are implemented, the positive impact will be felt in the long run, not only to the individual workers, but also to the economy as whole. Thus, highly skilled workforce will contribute to improved productivity, leading to economic growth.

### *Compensation of employee*

What are the wages and salaries earned by employed people in Nyandeni? Table 17 shows the amount paid to workers in the form of compensation of employees. The real compensation of employee for the 21 754 people employed in Nyandeni's economy amounted to R1 512 million in 2015 of which, about 96% is paid in the formal sector and 4% in the informal sector. Nyandeni's compensation of employee in the formal sector was estimated at R1 460 in 2015 of which

- 53% was paid to skilled workers;
- 35% to the semi-skilled workers, and
- 12% to low/unskilled workers.

### **Compensation of employee (R million constant 2010 prices)**

	O.R.Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Total formal and informal	10 777	1 512	620	1 512	1 218	5 914
Formal: Total	10 396	1 452	598	1 460	1 175	5 711
<i>Formal: Skilled</i>	5 979	859	365	767	676	3 312
<i>Formal: Semi-skilled</i>	3 326	408	163	516	342	1 897
<i>Formal: Low skilled</i>	1 091	185	70	177	157	502
Informal	381	61	22	52	43	203

Source: Quantec, 2016

**Table 17**

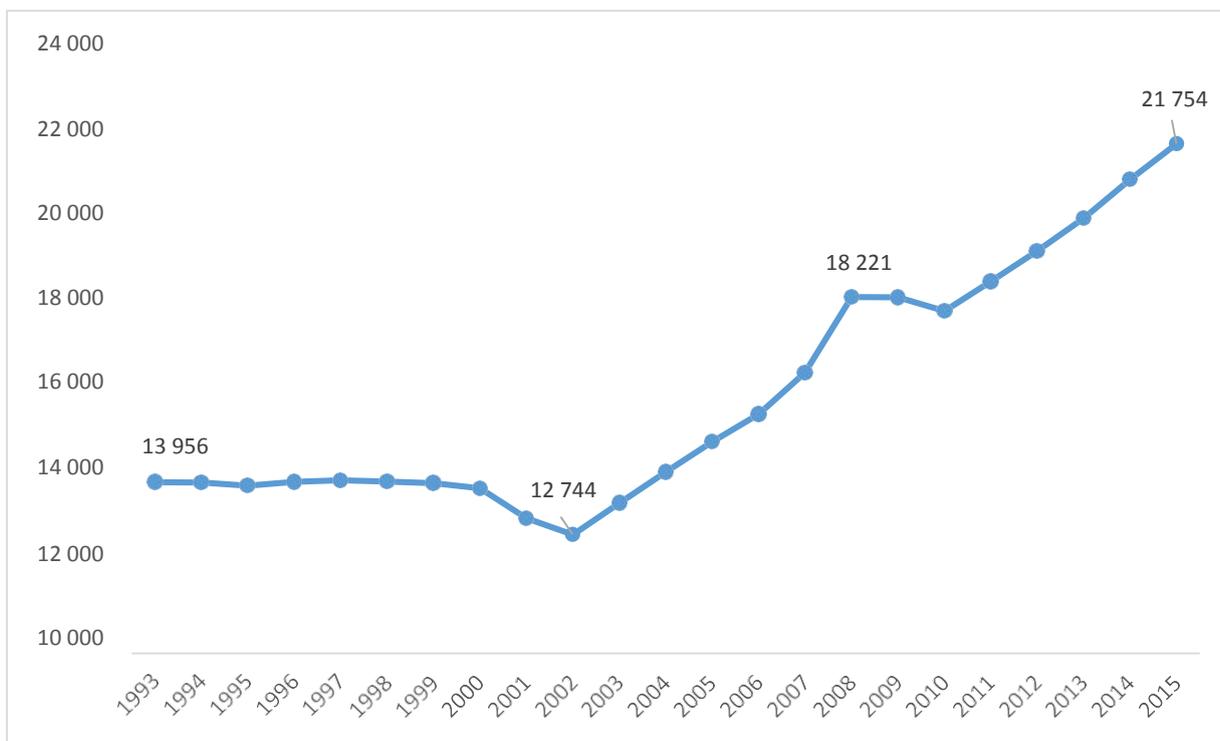
### *Employment trends in Nyandeni*

The Eastern Cape vision 2030 developed by the EC Planning Commission highlights education and job creation as key building blocks for the long term development of South Africa. The report establishes the following set

of priorities as pivotal for the development of the Eastern Cape: (1) An improvement in education and provide skill needed by employer; (2) Job creation; (3) A more effective drive to transform and develop our rural regions to boost the economic performance of the province as a whole. Jobs must also be created in rural areas; and (4) A commitment to improving the functionality and efficiency of the public sector to ensure key priorities and desired outcomes are achieved.

Figure 13 shows how employment in Nyandeni stagnated between 1993 and 2000 and how jobs were created between 2003 to 2008. The speed in employment growth was disrupted by the 2008 and 2009 recession. But since 2013, employment in the municipality has again start increasing.

### Total employment in Nyandeni Local municipality



Source: Quantec, 2016

**Figure 13**

## Age Distribution, community survey 2016

	0 to 14 (Children)	15 to 34 (Youth)	35 to 64 (Adults)	65+ (Elderly)	Grand Total
Ngquza Hill	43%	39%	12%	6%	100%
Port St Johns	43%	39%	12%	7%	100%
<b>Nyandeni</b>	<b>41%</b>	<b>40%</b>	<b>13%</b>	<b>7%</b>	<b>100%</b>
Mhlontlo	39%	38%	15%	9%	100%
KSD	34%	44%	16%	6%	100%
O.R.Tambo	39%	41%	14%	6%	100%

Source: Statistics South Africa, 2016 Community Survey

**Table 18**

Looking at the age structure of the municipality, from Table 18, it is clear that 41% of Nyandeni population is below the age of 14; and 40% of total population is youth between 15 and 34 years of age. In total, more than 80% of the population in Nyandeni is below the age of 35. Therefore, employment in Nyandeni should focus on the young people.

In order to absorb the younger generation into the labour force, measures should be put in place to help them enter the labour market through creation of industries that attract young people, such as IT. The younger generation continue to face unemployment problem because the majority of them enter the labour market for the first time without any work experience or skills.

### *Sector employment in Nyandeni*

Which sector employs people in Nyandeni? Figure 19 shows that government sector which includes community services sector employs about 48% of total employment in Nyandeni. This means that should Government sector be close in Nyandeni, almost half of workers in Nyandeni will be without work.

**Sector employment, 2015 (Total number of people employed)**

<b>Industry</b>	<b>O.R.Tambo</b>	<b>Ngquza Hill</b>	<b>Port St Johns</b>	<b>Nyandeni</b>	<b>Mhlontlo</b>	<b>KSD</b>
<b>Primary sector</b>	<b>6023</b>	<b>1589</b>	<b>469</b>	<b>627</b>	<b>1956</b>	<b>1382</b>
<i>Agriculture</i>	<i>5446</i>	<i>1456</i>	<i>392</i>	<i>450</i>	<i>1887</i>	<i>1261</i>
<i>Mining</i>	<i>577</i>	<i>133</i>	<i>77</i>	<i>177</i>	<i>69</i>	<i>121</i>
<b>Secondary sector</b>	<b>15081</b>	<b>2491</b>	<b>993</b>	<b>2561</b>	<b>1927</b>	<b>7109</b>
<i>Manufacturing</i>	<i>3768</i>	<i>647</i>	<i>185</i>	<i>425</i>	<i>737</i>	<i>1774</i>
<i>Electricity, gas and water</i>	<i>494</i>	<i>46</i>	<i>24</i>	<i>102</i>	<i>34</i>	<i>288</i>
<i>Construction</i>	<i>10819</i>	<i>1798</i>	<i>784</i>	<i>2034</i>	<i>1156</i>	<i>5047</i>
<b>Tertiary sector</b>	<b>119039</b>	<b>17738</b>	<b>6774</b>	<b>18566</b>	<b>14038</b>	<b>61923</b>
<i>Trade</i>	<i>36171</i>	<i>5647</i>	<i>1704</i>	<i>5367</i>	<i>4040</i>	<i>19413</i>
<i>Transport</i>	<i>4819</i>	<i>558</i>	<i>258</i>	<i>838</i>	<i>579</i>	<i>2586</i>
<i>Finance</i>	<i>14284</i>	<i>1820</i>	<i>621</i>	<i>2076</i>	<i>1316</i>	<i>8451</i>
<i>General government</i>	<i>32729</i>	<i>4964</i>	<i>2304</i>	<i>5146</i>	<i>4004</i>	<i>16311</i>
<i>Community services</i>	<i>31036</i>	<i>4749</i>	<i>1887</i>	<i>5139</i>	<i>4099</i>	<i>15162</i>
<b>Total</b>	<b>140143</b>	<b>21818</b>	<b>8236</b>	<b>21754</b>	<b>17921</b>	<b>70414</b>

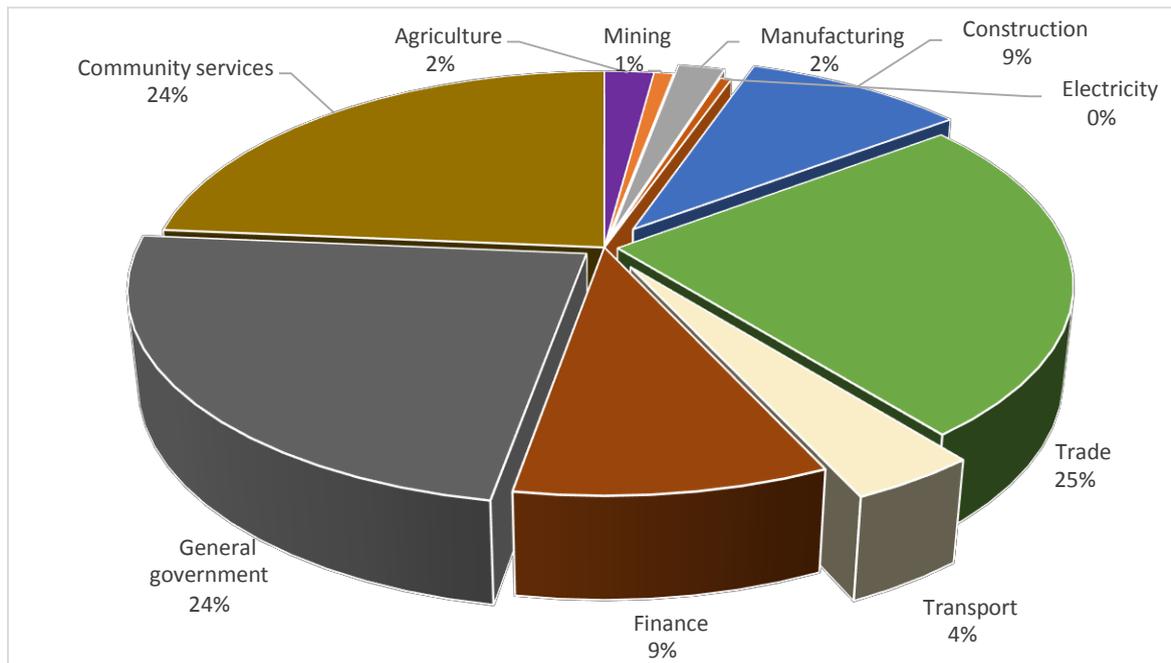
Source: Quantec, 2016

**Table 19**

Unfortunately, the valued added sectors (primary and secondary sectors where most jobs creation are expected from) only contributes 15% to total employment.

- The primary sector employs for 3%,
- The secondary sector employs 12%, and
- The tertiary sector employs 85%.

## Government and trade are the largest employers in Nyandeni



Source: Quantec, 2016

Figure

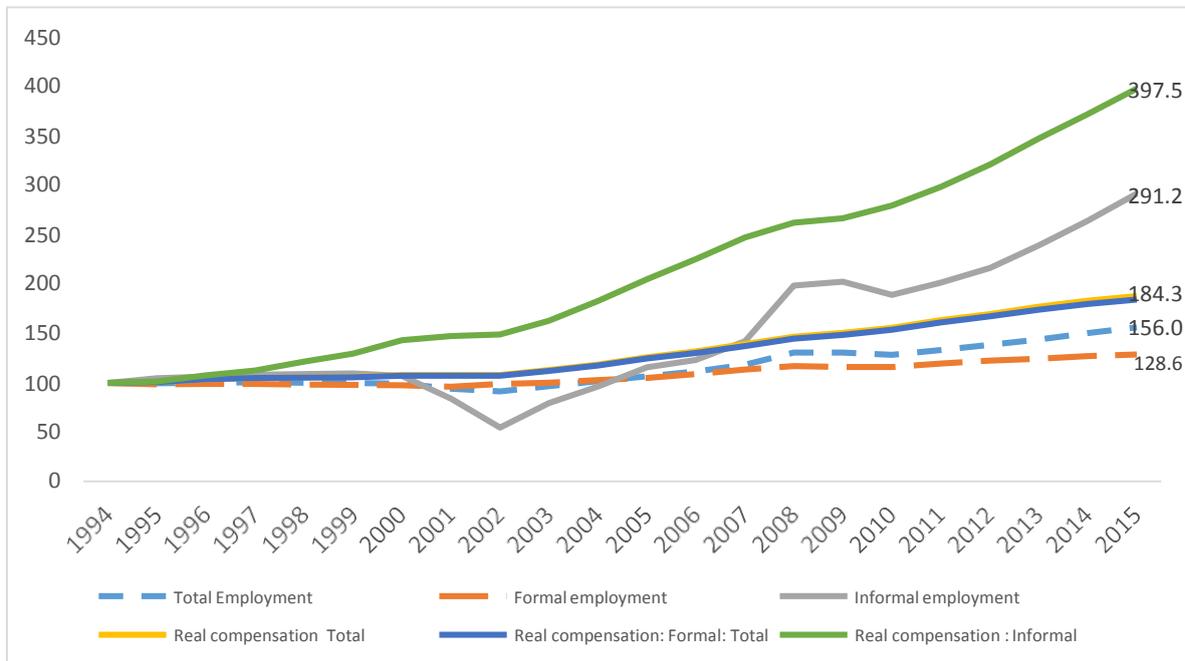
14

An additional consideration is to investigate the earnings potential of prioritised growth sectors, to ensure that increased employment also equal an increase in standards of living. One of the challenges for policymaking, as it relates to labour, is to improve the balance between supply and demand across the various labour markets. This requires growing the supply of skills, through a range of interventions related to improving education outcomes. Women remain relatively disadvantaged within the labour market, which should be carefully considered by policy makers, given the important role women play in stabilising a family unit, which could impact on broader social ills. High youth unemployment requires an improvement in the employability of youth, policy makers will need to strengthen current skills development initiatives.

*Nyandeni employment index*

Figure 15 presents employment and compensation of employee indices for Nyandeni municipality, using 1994 as the base year. It shows that the informal sector has outperformed the formal sector. Real compensation of employee in the informal sector grew by 297 index points, and its corresponding employment in the informal sector, by 192 index points. Formal employment grew the least by 28 index points compared to 297 index points in the informal sector.

Nyandeni employment and compensation of employee indices (1994 = 100)



Source: Quantec, 2016

**Figure**

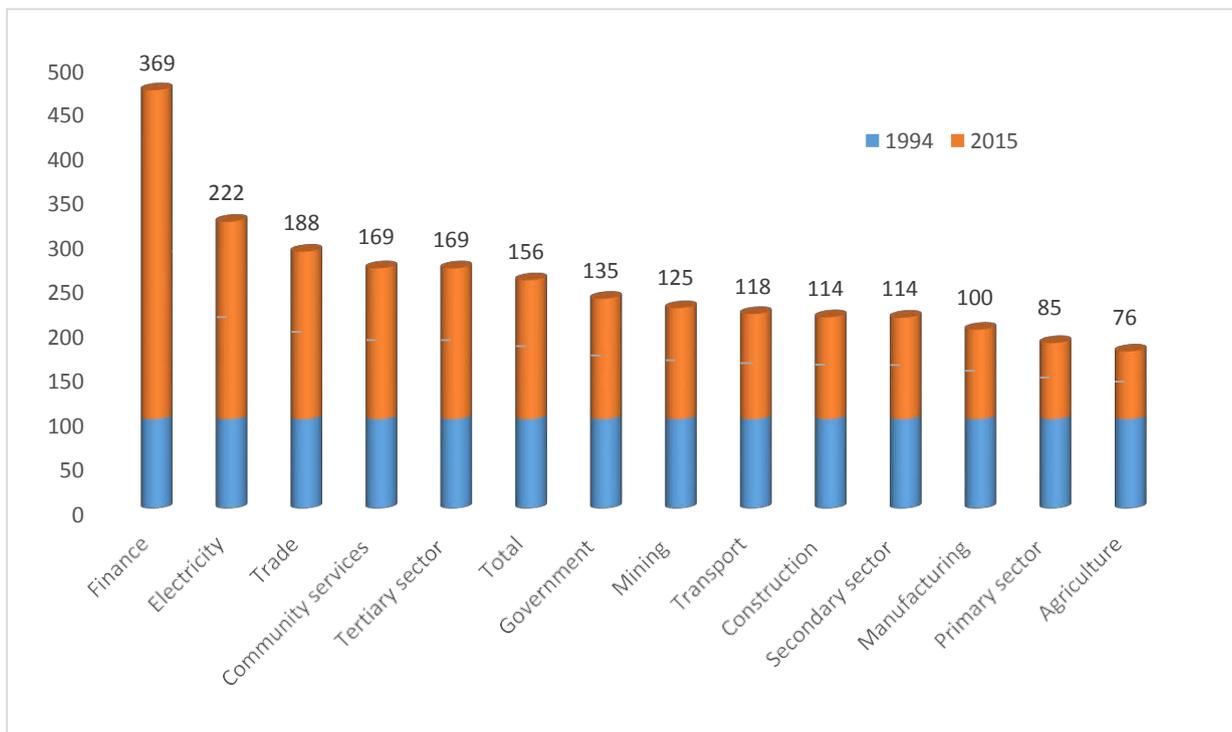
Looking at individual sector employment, Figure 16 shows that between 1994 and 2015, Finance sector grew the most by 269 index points followed by electricity sector which grew by 122 index points.

Finance sector employs highly skilled workers. High growth in this sector may lead to skill mismatch because the municipality is rural and overpopulated by unskilled labour.

Although Agriculture is regarded as a key sector in the municipality, the sector declined by 24 index point. In fact, the whole primary sector declined 15 index points. This means that Agriculture sector is shedding jobs in the municipality.

Manufacturing is a small sector with negligible contribution to total employment. Employment in the sector stagnated at zero index point while the overall growth for the secondary sector only grew by 14 index points. This implies that manufacturing sector in Nyandeni is not creating jobs.

**Sector employment index: 1994 = 100**



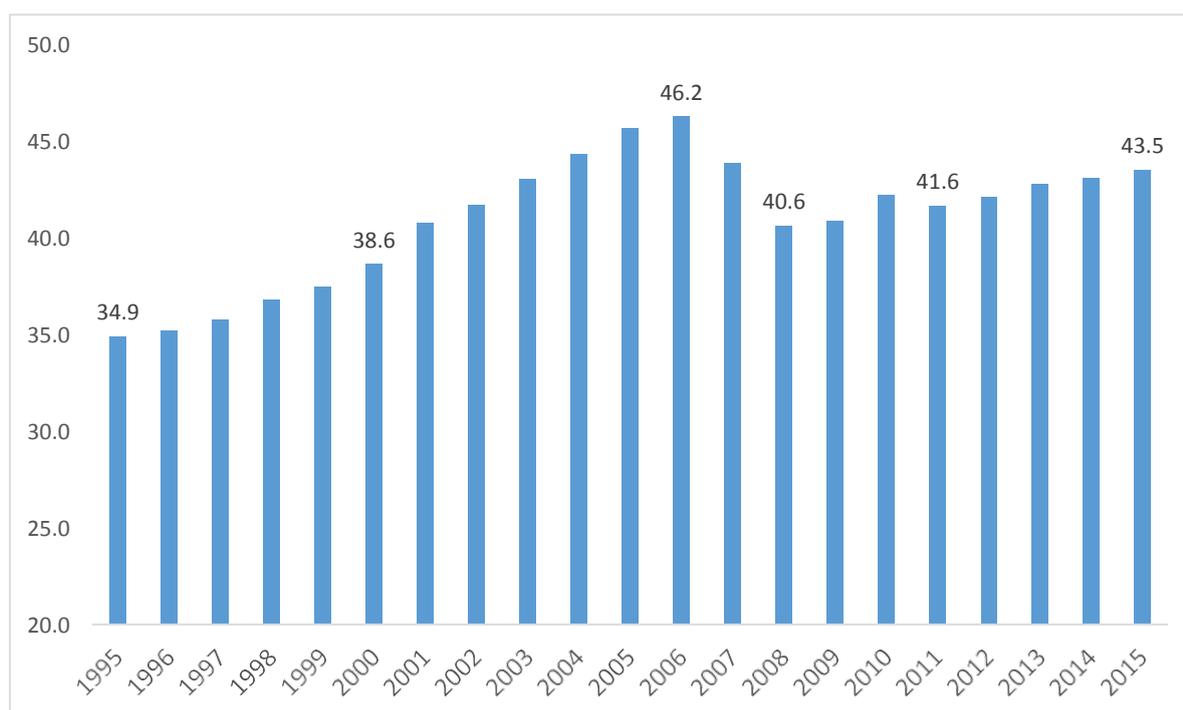
Source: Quantec, 2016

**Figure 16**

## Unemployment trends in Nyandeni

Looking at the level of unemployment in Nyandeni, Figure 17 below shows how the official unemployment rate dropped dramatically from 46.2% in 2006 to 40.6% in 2008. But due to the great recession, many companies retrenched workers and since then, unemployment in Nyandeni climbed again to high level of 43.5% in 2015.

### High unemployment rate in Nyandeni local municipality



Source: Quantec, 2016

Figure 17

## 5. Household Infrastructure

A figure representing household infrastructure is essential and very useful in economic planning and social development. Measuring household infrastructure involves the measurement of the following four indicators; access to running water, access to proper sanitation, access to refuse removal and access to electricity. A house is considered serviced if it has access to all four of these basic services. If not, the household is commonly known as forming part of the 'backlog'. However, what defines access to a given service (and how to accurately measure that specific definition over time) gives rise to some distinct problems. IHS Global Insight has therefore developed a unique model to capture the number of households and their level of access to the four basic services i.e. sanitation, water, electricity and refuse removal.

The following sections provide an overview of the household infrastructure that existed in Nyandeni Local Municipality between 2005 and 2011.

### 5.1 Households by Dwelling Type

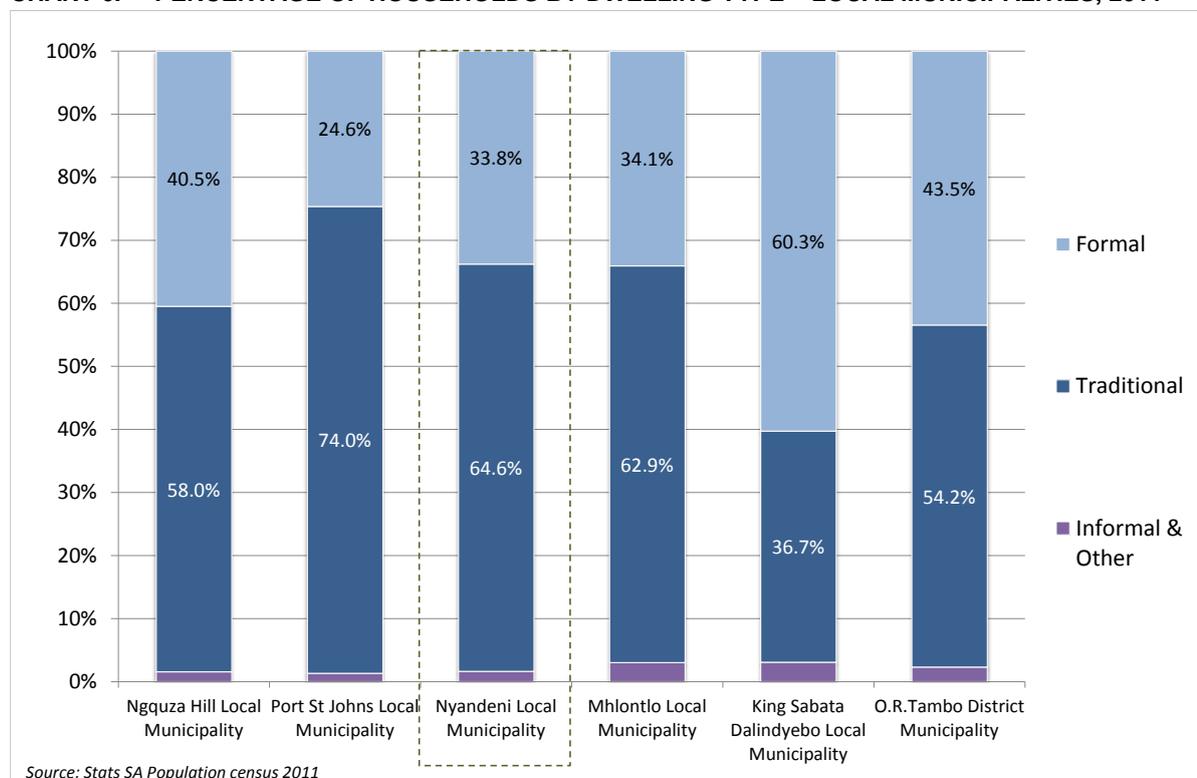
**Definition**

This time series categorises households according to the type of dwelling unit that they occupy, using the Stats SA definition of a household and a dwelling unit. A household is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone". A dwelling unit, which is a known as a housing unit, is a unit of accommodation for a household, which may consist of one structure, or more than one structure or, part of a structure.

Dwelling units are distributed into 3 categories:

1. **Formal Dwellings:** structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards or flatlet elsewhere.
2. **Traditional dwellings:** Traditional dwellings made of clay, mud, reeds or other locally available material.
3. **Informal Dwellings:** shacks or shanties in informal settlements, serviced stands or proclaimed townships or shacks in the backyards of other dwelling types.
4. **Other Dwelling Units:** tents, ships, caravans etc.

**CHART 6. PERCENTAGE OF HOUSEHOLDS BY DWELLING TYPE – LOCAL MUNICIPALITIES, 2011**



In 2011, the Nyandeni Local Municipality had 33.8% or 20 820 formal dwelling units, and 39 815 traditional dwelling units which translates to 64.6% of the total dwelling units in Nyandeni Local Municipality. Nyandeni Local Municipality only has 397 informal dwellings units. When comparing the Nyandeni Local Municipality with the other local municipalities within the O.R. Tambo District Municipality, it is seen that the Nyandeni Local Municipality has the second highest number of dwelling units. The King SabataDalindyebo Local Municipality has the highest number of dwelling units with a total of 105 241 units.

**TABLE 8. NUMBER OF HOUSEHOLDS BY DWELLING TYPE – LOCAL MUNICIPALITIES, 2011**

Type	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R.Tambo District Municipality
Formal	22 749	7 817	20 820	14 785	63 416	129 587
Informal	541	319	397	1 016	2 087	4 360
Traditional	32 581	23 477	39 815	27 322	38 580	161 775
Other dwelling type	341	102	618	290	1 158	2 509
<b>Total</b>	<b>56 212</b>	<b>31 715</b>	<b>61 650</b>	<b>43 413</b>	<b>105 241</b>	<b>298 231</b>

Source: Stats SA Population census 2011

## **5. ACCESS TO GOODS AND BASIC SERVICES**

### *5. Introduction*

Access to basic services is not a privilege but a right. Given persistent inequalities and social divisions in the province and in Nyandeni local municipality in particular, delays in obtaining services, lower levels of service and relatively high levels of disconnection in poor communities, perpetuate undignified living conditions.

Nyandeni local municipality is characterised by a population spread over large distances, high incidents of poverty, a relatively underdeveloped economic base, low levels of skills development and low levels of access to basic services and infrastructure. In other part of the country, such challenges have led to mass protests.

The high incidence of mass protests in South Africa in response to the inadequate service delivery in recent years can be explained by recourse to the social theory of relative deprivation. "Relative deprivation" refers to a situation where a demographic segment of the population is deprived of some goods or services to which they perceive they are entitled, while

another segment of the population enjoys such goods or services. The backdrop for the mass action is social deprivation and lack of basic services, which still negatively impact the majority of individuals and communities in South Africa and prevent their escaping from the poverty trap. Government is not the only institution to blame for basic service backlog. Household institution has also a major role to play in terms of maintaining infrastructure provided by government.

The community has a role to play. Communities and individuals must be active agents for their development, rather than perpetual passive agents, on the receiving end of governmental or institutional aid. This shift to a more proactive development approach should not only ameliorate the basic living conditions of the poor, but also empower them equally as active stakeholders and responsible individuals within engaged communities.

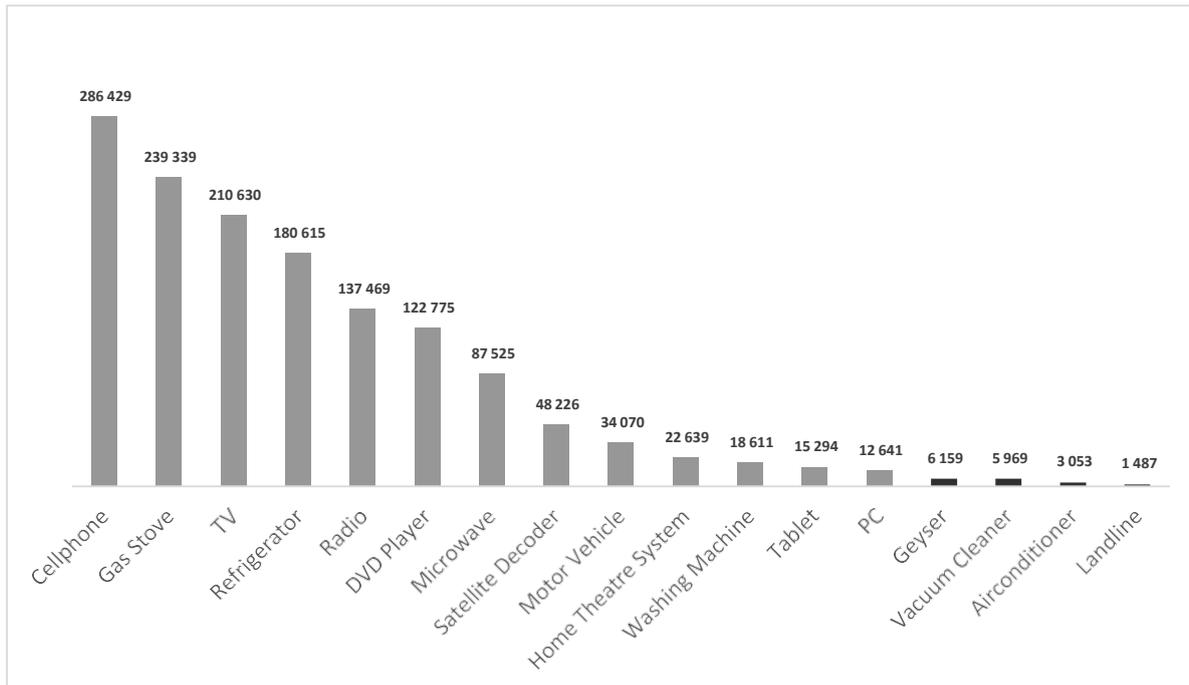
This section use the 2016 community survey to assess access to basic service in Nyandeni. The analysis covers topics such as access to water, sanitation, shelter, energy and access to refuse removal. It includes other topics such as access to goods.

## **5.2 HOUSEHOLDS WITH ACCESS TO GOODS**

Ownership of household's goods is crucially important in measuring the standard of living for the household. The ownership of some household goods such as cell phone, electric stove, TV, fridge, washing machine, DSTV, motor vehicle as well as computer, have seen significant increases in 2016 as compared to in 2011.

The 2016 Community Survey reveals that few households have access to a landline. This good has been substituted by cell phone which is seen in Figure 18 as *the good* accessed by most households.

## Access to Goods: Nyandeni, 2016



Source: Statistics South Africa (2016 Community Survey)

**Figure 18**

More than three quarter of households across the province have access to a cell phone. Access to communication and information technology plays an increasingly important role in living standards and access to opportunities.

### 5.3 ACCESS TO SHELTER

Housing entails more than bricks and mortar. The right to adequate housing is one of the most important of all basic human rights. Section 26(1) of the Constitution stipulates that everyone shall have the right of access to adequate housing. Accessibility means that the State must create conducive conditions for all its citizens, irrespective of their economic status, to access affordable housing. To ensure accessibility is achieved, the government has implemented several programmes within the National Housing Subsidy Scheme. Few examples includes: Rural Housing Subsidy; Disaster Intervention programme; Project -Linked Subsidy; Consolidation

Subsidy; Hostel Redevelopment Programme; Right-Sizing Subsidy; Institutional Subsidy; Individual Subsidy; Relocation Subsidy; Discount Benefit Scheme; Social Housing Programme; People's Housing Process; Rapid Land Release Programme, etc.

According to the 2016 Community Survey, about 65% of the population in Nyandeni live in traditional dwelling, huts or structures made of traditional material; and 34% of population stay in formal dwellings, which includes flats or apartment in a block of flats (See Table 24).

Access to shelter	Households	%
Traditional dwelling/hut/structure made of traditional mater	200 719	64.8
Formal dwelling/house or brick/concrete block structure on a	93 419	30.2
Flat or apartment in a block of flats	6 677	2.2
Formal dwelling/house/flat/room in backyard	6 203	2.0
Other	1 275	0.4
Informal dwelling/shack in backyard	719	0.2
Cluster house in complex	215	0.1
Unspecified	138	0.0
Informal dwelling/shack not in backyard (e.g. in an informal	135	0.0
Semi-detached house	103	0.0
Room/flatlet on a property or larger dwelling/servants quart	99	0.0
Townhouse (semi-detached house in a complex)	-	-
Caravan/tent	-	-
<b>Grand Total</b>	<b>309 702</b>	<b>100.0</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 24**

As shown in Table 25, more than half (53%) of households in Nyandeni possess a title deed (see Table below). This proportion is high in Ngquza Hill (73%) and low in Mhlontlo (43%).

Does household possess a title deed? Yes or No

	Yes (Number)	Yes (%)	No	Do not know	Not applicable	Unspecified	Total
O.R. Tambo	774 250	53%	563 909	53 272	63 572	2 381	1 457 384
Ngquza Hill	222 091	73%	72 913	3 361	4 824	189	303 379
Port St Johns	80 655	48%	77 984	5 651	2 444	45	166 779
<b>Nyandeni</b>	<b>164 662</b>	<b>53%</b>	<b>127 843</b>	<b>10 107</b>	<b>6 265</b>	<b>826</b>	<b>309 702</b>
Mhlontlo	80 602	43%	95 903	9 124	3 398	149	189 176
KSD	226 240	46%	189 266	25 029	46 641	1 172	488 349

Source: Statistics South Africa (2016 Community Survey)

**Table 25**

Since the majority of the population stay in traditional dwelling, the solution of RDP is a blessing for those who have accessed them. However, there is simply not enough money and resources available to quickly provide everyone who needs a house with a full RDP house.

**From a shack to an 'RDP' house:** In the absence of any alternative, households have not much choice but to occupy informal settlements. There is an urgent need for the South African government to expand the number of alternative ways for the poor to access basic shelters. Table 26 shows that 4% of the population in Nyandeni stays in a RDP house as a main dwelling. This is compared to 8% in the KSD.

**Households with RDP or government subsidised dwelling as the main dwelling; 2016**

	Number	% of total household
O.R.Tambo	85 025	6%
Ngquza Hill	15 625	5%
Port St Johns	11 518	7%
Nyandeni	12 703	4%
Mhlontlo	8 362	4%
KSD	36 817	8%

Source: Statistics South Africa (2016 Community Survey)

**Table 26**

The next sub-sections use definitions provided by the Department of Co- operative Governance and Traditional Affairs (Cogta) to differentiate between;

- High level of service,
- Basic level of service,
- below basic also referred to as backlog, and
- Indigent households receiving Free Basic levels of services.

Access to service is provided under these four categories. As indicated earlier, the data used in this sub-section is from Statistics South Africa's 2016 community survey.

## 5.5 ACCESS TO WATER

Water is the main important commodity for life. The provision of water services, particularly piped water, is a critical priority for national government, given how water provision impacts the quality of life and investment potential of a region.

Access to Water refers to the number of households receiving basic level of water supply. Results from the 2016 community surveys shown in Table 27 confirms the views of people in Nyandeni as access to safe and reliable water supply (in Table 20) was perceived by almost half of the population as the main challenge currently facing the district. Evidence from Table 27 give more light on the inadequacy of supplying potable water to Nyandeni community.

- Higher level of service includes piped water inside dwelling. This category is still a luxury in Nyandeni as only 1 146 people or less than 1% of the population fall into this category.
- Basic level of service includes piped water inside yard and piped water within 200m. In Nyandeni 3% of the population have piped water inside yard.
- Below basic level constitutes a backlogs and includes, piped water further than 200m, springs, rain water tanks, dam/pool/stagnant water and water vendors. The Table 27 demonstrates clearly that more than half of the population fall within this category.
- Number of indigent households receiving Free Basic Water refers to an amount of water determined by government that should be provided free to poor households to meet basic needs, currently set at 6kl per month per household.

### Access to water

	O.R.Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Piped (tap) water inside the dwelling/house	66 621	2 186	1 895	1 146	1 635	59 759
Piped (tap) water inside yard	145 492	6 909	6 971	10 175	15 987	105 449
Piped water on community stand	195 458	15 268	8 701	56 988	49 433	65 069
Borehole in the yard	1 498	780	355	205	60	97
Rain-water tank in yard	155 089	15 638	16 464	53 325	13 659	56 003
Neighbours tap	12 745	2 840	955	361	640	7 949
Public/communal tap	71 383	19 736	7 850	13 062	17 512	13 223
Water-carrier/tanker	17 614	2 045	1 858	3 882	1 773	8 057
Borehole outside the yard	8 617	2 100	1 902	1 763	659	2 192
Flowing water/stream/river	705 424	196 224	107 828	164 634	74 334	162 404
Well	8 339	3 282	130	1 212	1 036	2 679
Spring	66 701	36 338	11 779	2 038	11 856	4 690
Other	2 404	33	91	909	592	778

Grand Total	1 457 384	303 379	166 779	309 702	189 176	488 349
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	O.R.Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Piped (tap) water inside the dwelling/house	5%	1%	1%	0%	1%	12%
Piped (tap) water inside yard	10%	2%	4%	3%	8%	22%
Piped water on community stand	13%	5%	5%	18%	26%	13%
Borehole in the yard	0%	0%	0%	0%	0%	0%
Rain-water tank in yard	11%	5%	10%	17%	7%	11%
Neighbours tap	1%	1%	1%	0%	0%	2%
Public/communal tap	5%	7%	5%	4%	9%	3%
Water-carrier/tanker	1%	1%	1%	1%	1%	2%
Borehole outside the yard	1%	1%	1%	1%	0%	0%
Flowing water/stream/river	48%	65%	65%	53%	39%	33%
Well	1%	1%	0%	0%	1%	1%
Spring	5%	12%	7%	1%	6%	1%
Other	0%	0%	0%	0%	0%	0%
Grand Total	100%	100%	100%	100%	100%	100%

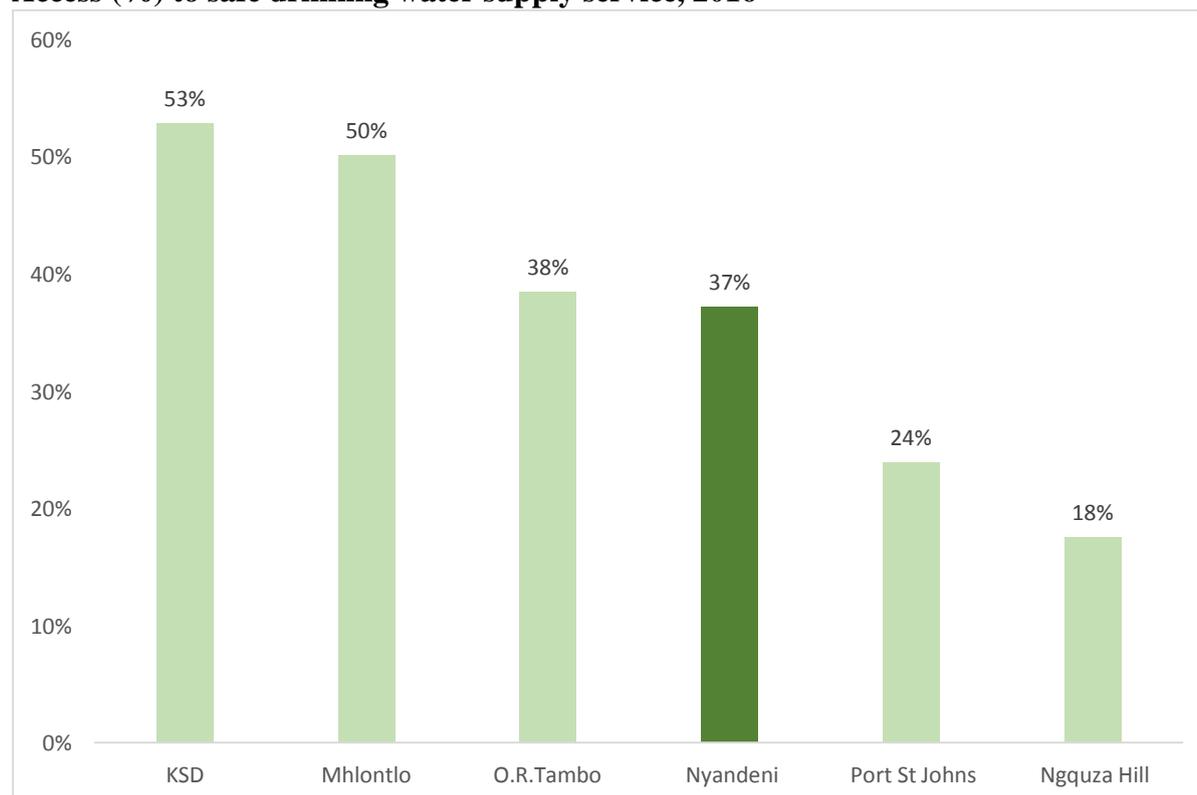
Source: Statistics South Africa (2016 Community Survey)

**Table 27**

Figure 19 shows the percentage of people with access to safe drinking water. The proportion was low in Ngquza Hill (18%), moderate in Nyandeni (37%) and high in KSD (53%).

The department of water affairs and the department of health should work hand in hand to ensure that communities have potable water.

## Access (%) to safe drinking water supply service, 2016



Source: Statistics South Africa (2016 Community Survey)

Figure 19

## Supplier of the main source of drinking water, 2016

	A municipality	Other water scheme (e.g. community water supply)	A water vendor	Own service (e.g. private borehole; own water source on a farm; et	Flowing water/stream/river/spring/rain water	Do not know	Unspecified	Total
O.R.Tambo	398 830	82 950	25 236	40 370	901 959	7 814	225	1 457 384
Ngquza Hill	37 093	10 936	5 838	3 810	245 532	69	101	303 379
Port St Johns	23 539	3 781	1 083	3 753	133 265	1 301	59	166 779
<b>Nyandeni</b>	61 615	20 433	2 010	10 728	214 132	775	9	309 702
Mhlontlo	66 935	22 571	2 661	2 663	93 631	715	-	189 176
KSD	209 649	25 229	13 644	19 417	215 400	4 954	56	488 349
	A municipality	Other water scheme (e.g. community water supply)	A water vendor	Own service (e.g. private borehole; own water source on a farm; et	Flowing water/stream/river/spring/rain water	Do not know	Unspecified	Total
O.R.Tambo	27%	6%	2%	3%	62%	1%	0%	100%
Ngquza Hill	12%	4%	2%	1%	81%	0%	0%	100%
Port St Johns	14%	2%	1%	2%	80%	1%	0%	100%
<b>Nyandeni</b>	20%	7%	1%	3%	69%	0%	0%	100%
Mhlontlo	35%	12%	1%	1%	49%	0%	-	100%
KSD	43%	5%	3%	4%	44%	1%	0%	100%

Source: Statistics South Africa (2016 Community Survey)

Table 28

Where do people in Nyandeni get their drinking water? Is the local municipality providing water to all its citizen? Table 28 shows that the majority of the people in the municipality are relying of natural flowing water. About 70% of the population in Nyandeni get their drinking water from flowing or stream water. For every 10 people in Nyandeni, only 2 get drinking water provided by the municipality.

The issues of water interruption and long distances to access water are among them. Table 29 shows that 17 549 people in Nyandeni had water interruption that lasted more than 14 days in total over a three month period.

### How long the water interruption laste

	Less than 2 days in total over a three month period	2 to 7 days in total over a three month period	8 to 14 days in total over a three month period	More than a 14 days in total over a three month period	Do not know	Unspecified	Total
O.R.Tambo	40 883	66 988	35 443	77 991	5 849	1 230 230	1 457 384
Ngquza Hill	906	7 619	3 586	12 081	89	279 099	303 379
Port St Johns	1 834	5 670	442	1 841	431	156 561	166 779
<b>Nyandeni</b>	<b>4 180</b>	<b>4 597</b>	<b>9 004</b>	<b>17 549</b>	<b>2 405</b>	<b>271 967</b>	<b>309 702</b>
Mhlontlo	2 443	8 394	6 291	17 631	21	154 395	189 176
KSD	31 521	40 707	16 120	28 889	2 903	368 209	488 349

Source: Statistics South Africa (2016 Community Survey)

**Table 29**

As indicated earlier, water is the main important commodity for life. Water interruption can cause health problems. To avoid such, people seeks alternative water sources during interruptions (See Table 30).

In Nyandeni, the following alternative water sources are used:

- River and stream: 16 165 people
- Rain water tank: 13 251 people
- Borehole: 2 957 people

### Alternative water source during interruptions

	O.R. Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Borehole	11 817	149	729	2 957	646	7 336
Spring	5 827	49	304	334	3 946	1 195
Well	6 729	84	-	169	2 464	4 011
Rain water tank	57 513	1 512	4 884	13 251	5 109	32 756
Dam/pool/stagnant water	6 110	1 165	194	1 990	1 333	1 428
River/stream	68 983	19 270	3 520	16 165	14 331	15 697
Water vendor	5 379	51	159	498	600	4 070
Water tanker	19 627	1 089	339	999	5 457	11 742
Other	24 727	434	41	828	815	22 610
None	19 421	476	-	590	10	18 345
Do not know	1 770	-	47	43	87	1 593
Not applicable	1 229 482	279 099	156 561	271 880	154 378	367 565
<b>Total</b>	<b>1 457 384</b>	<b>303 379</b>	<b>166 779</b>	<b>309 702</b>	<b>189 176</b>	<b>488 349</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 30**

Not only water interruption is a challenge in Nyandeni, but also long distances to get to the main source of drinking water. In Table 31, we see that 8% of the population in Nyandeni are traveling more than 1km to get to the main source of drinking water. This can be time consuming to most households where children needs to sacrifice their time to study in order to get water. Households with elderly people will be affected if they very old to walk long distances.

### Distance to get main source of Water for drinking

Number of households	Less than 200 metres	201-500 metres	501 metres- 1 kilometre	More than 1 kilometre	Do not know	Not applicable	Unspecified	Total
O.R.Tambo	337 627	418 061	195 093	128 506	8 747	368 700	650	1 457 384
Ngquza Hill	61 835	127 516	59 534	28 912	57	25 514	11	303 379
Port St Johns	34 805	58 412	26 869	19 609	1 282	25 685	117	166 779
<b>Nyandeni</b>	86 043	93 667	38 501	24 333	2 216	64 852	91	309 702
Mhlontlo	65 004	55 300	25 494	10 602	1 109	31 341	326	189 176
KSD	89 940	83 167	44 696	45 050	4 082	221 308	105	488 349
%	Less than 200 metres	201-500 metres	501 metres- 1 kilometre	More than 1 kilometre	Do not know	Not applicable	Unspecified	Total
O.R.Tambo	23%	29%	13%	9%	1%	25%	0%	100%
Ngquza Hill	20%	42%	20%	10%	0%	8%	0%	100%
Port St Johns	21%	35%	16%	12%	1%	15%	0%	100%
<b>Nyandeni</b>	28%	30%	12%	8%	1%	21%	0%	100%
Mhlontlo	34%	29%	13%	6%	1%	17%	0%	100%
KSD	18%	17%	9%	9%	1%	45%	0%	100%

Source: Statistics South Africa (2016 Community Survey)

**Table 31**

The role of the government of Nyandeni is to ensure that all citizens in the municipality have equitable access to effective, economical and sustainable water supply and sanitation services.

## 5.6 ACCESS TO SANITATION

Access to sanitation refers to the number of households having access to basic level of sanitation.

- Higher level of service includes, flush toilet connected to sewerage system.
- Basic level of service includes flush toilet with septic tank and PIT latrine with ventilation.
- Below basic level constitutes a backlog and includes chemical toilets, pit latrine without ventilation, bucket latrine and no sanitation facility.

One single characteristic of the sanitation in Nyandeni is that toilet facilities are not located inside the dwelling. Table 32 shows that 95% of the population in Nyandeni uses toilets located in the yard.

Location of the main toilet facility (in the dwelling/yard/outside the yard), 2016

	In the dwelling/house	In the yard	Outside the yard	Not applicable	Unspecified	Total
O.R.Tambo	75 181	1 262 737	19 009	19	100 438	1 457 384
Ngquza Hill	4 649	284 433	3 200	-	11 097	303 379
Port St Johns	1 701	129 730	3 650	-	31 698	166 779
<b>Nyandeni</b>	<b>4 405</b>	<b>292 663</b>	<b>1 204</b>	<b>19</b>	<b>11 412</b>	<b>309 702</b>
Mhlontlo	1 292	174 401	2 771	-	10 712	189 176
KSD	63 134	381 510	8 184	-	35 520	488 349
%	In the dwelling/house	In the yard	Outside the yard	Not applicable	Unspecified	Total
O.R.Tambo	5.2	86.6	1.3	0.0	6.9	100.0
Ngquza Hill	1.5	93.8	1.1	-	3.7	100.0
Port St Johns	1.0	77.8	2.2	-	19.0	100.0
<b>Nyandeni</b>	<b>1.4</b>	<b>94.5</b>	<b>0.4</b>	<b>0.0</b>	<b>3.7</b>	<b>100.0</b>
Mhlontlo	0.7	92.2	1.5	-	5.7	100.0
KSD	12.9	78.1	1.7	-	7.3	100.0

Source: Statistics South Africa (2016 Community Survey)

Table 32

The Medical field has acknowledged that access to efficient and hygienic sanitation services contributes towards a clean and healthy environment, reduces the spread of communicable diseases and provides dignity to communities. Access to sanitation services is measured by households' access to flush/chemical toilets versus pit or bucket systems of sanitation.

### *5.7 ACCESS TO ENERGY*

Access to electricity refers to the number of households connected to grid network.

- Higher level of service includes connection to the grid.
- Basic level of service includes 10 Amp connection.
- Below Basic electrical supply constitutes a backlog and includes households using any of the following: Gas; Paraffin; Wood; and Coal.
- Total number of indigent households receiving FBE refers to the amount of electricity determined by government that should be provided free to poor households to meet basic needs, currently set at 50kW per month per household.

How do households in Nyandeni access electricity? The Table below shows that 81% of the population in Nyandeni use "in-house prepaid meter". Very few uses generator, solar and battery as a source of energy.

## Access to electricity

	O.R. Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
<b>HOUSEHOLD ACCESS TO ELECTRICITY</b>						
In-house conventional meter	73 768	15 786	2 608	13 538	7 553	34 283
In-house prepaid meter	1 155 875	238 995	133 914	251 151	160 391	371 424
Connected to other source which household pays for	12 217	7 048	142	2 494	61	2 472
Connected to other source which household is not paying for	27 796	5 398	4 386	6 411	-	11 602
Generator	626	177	83	264	8	95
Solar home system	1 273	680	44	114	4	432
Battery	1 108	168	109	22	-	809
Other	6 353	746	175	1 213	1 041	3 177
No access to electricity	178 368	34 382	25 319	34 494	20 118	64 055
<b>Total</b>	<b>1 457 384</b>	<b>303 379</b>	<b>166 779</b>	<b>309 702</b>	<b>189 176</b>	<b>488 349</b>

	O.R. Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
<b>HOUSEHOLD ACCESS TO ELECTRICITY</b>						
In-house conventional meter	5%	5%	2%	4%	4%	7%
In-house prepaid meter	79%	79%	80%	81%	85%	76%
Connected to other source which household pays for	1%	2%	0%	1%	0%	1%
Connected to other source which household is not paying for	2%	2%	3%	2%	-	2%
Generator	0%	0%	0%	0%	0%	0%
Solar home system	0%	0%	0%	0%	0%	0%
Battery	0%	0%	0%	0%	-	0%
Other	0%	0%	0%	0%	1%	1%
No access to electricity	12%	11%	15%	11%	11%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 33**

The type of energy source used by households and businesses has an impact on the costs of either the household or business, carbonemissions, safety, and the security of energy supply. To households, energy provides warmth for their shelter, fuel for cooking and lighting. Access to electricity impacts the potential for business development, the types of viable industries that can be undertaken in an area, and investment opportunities.

Who supply electricity to households in Nyandeni? The Table below shows that Eskom prepaid is the main supplier used by 84% of the population in the municipality.

## Household electricity Supplier

	Municipality-prepaid	Municipality-receive bill from municipality	Eskom-prepaid	Eskom-receive bill from Eskom	Other supplier (e.g. metering services such as impact meters)	Do not know	Not applicable	Unspecified	Total
O.R.Tambo	154 566	8 924	1 053 641	3 289	5 207	2 071	178 368	51 318	1 457 384
Ngquza Hill	2 179	202	250 989	736	-	281	34 382	14 611	303 379
Port St Johns	5 863	86	129 255	485	62	716	25 319	4 994	166 779
<b>Nyandeni</b>	1 794	13	258 869	1 197	1 480	392	34 494	11 462	309 702
Mhlontlo	11 733	155	155 763	140	63	55	20 118	1 148	189 176
KSD	132 996	8 469	258 765	731	3 602	628	64 055	19 102	488 349

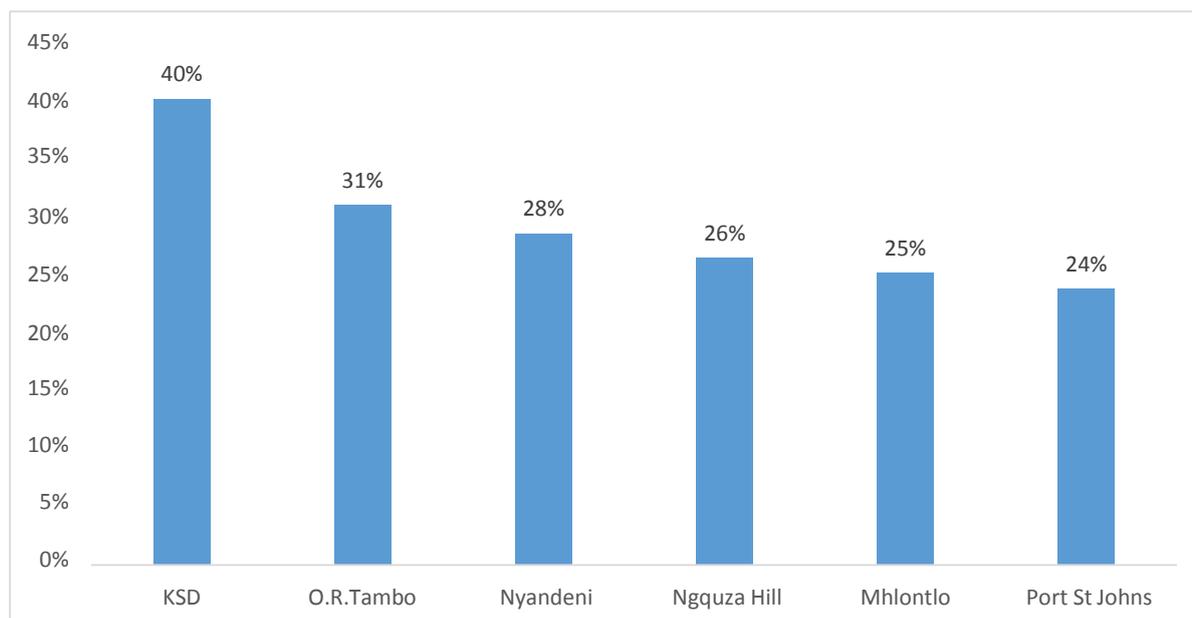
  

	Municipality-prepaid	Municipality-receive bill from municipality	Eskom-prepaid	Eskom-receive bill from Eskom	Other supplier (e.g. metering services such as impact meters)	Do not know	Not applicable	Unspecified	Total
O.R.Tambo	11%	1%	72%	0%	0%	0%	12%	4%	100%
Ngquza Hill	1%	0%	83%	0%	-	0%	11%	5%	100%
Port St Johns	4%	0%	78%	0%	0%	0%	15%	3%	100%
<b>Nyandeni</b>	1%	0%	84%	0%	0%	0%	11%	4%	100%
Mhlontlo	6%	0%	82%	0%	0%	0%	11%	1%	100%
KSD	27%	2%	53%	0%	1%	0%	13%	4%	100%

Source: Statistics South Africa (2016 Community Survey)

**Table 34**

## Households (%) who had interruption in electricity in the past 3 months



Source: Statistics South Africa (2016 Community Survey)

**Figure 20**

Electricity interruption institutions in different ways. It can affect the production process of factories that have not planned for alternative sources of energy. This will reduce production output in that industry and if prolonged, it will affect economic growth.

Energy sector is one of the biggest constraints to economic growth in the country. It holds potential for boosting the economy with a number of spin-offs across sectors. The renewable energy sector is such a sector that has significant potential spin-offs in technology development, manufacturing, operation and maintenance. The value chain of the sector also makes linkages to many traditional key sectors such as manufacturing and construction.

#### *5.8 ACCESS TO REFUSE REMOVAL*

Access to refuse removal refers to the number of households receiving refuse removal service at least once a week.

- Higher level of service includes removal by local authorities/private company at least once a week.
- Basic level of service includes a communal skip.
- The backlog or below a basic service for refuse removal includes, removal by local authority/private company less often, communal refuse dump, own refuse dump, no rubbish disposal and other.
- Indigent households benefiting from refuse removal services is defined as the most appropriate level of waste removal service provided based on site specific circumstances. Such a basic level of service, be it in an urban or rural set-up, is attained when a municipality provides or facilitates waste removal through: On-site appropriate and regularly supervised disposal (applicable mainly to remote rural areas with low density settlements and farms supervised by the waste management officer); Community transfer to central collection point (medium density settlements); Organised transfer to central collection points and/or Kerbside collection (high density settlements).

From the Table 35 below, 80% of the population in Nyandeni use their own refuse dump and 10% of the population do not have rubbish disposal, hence they dump or leave their rubbish anywhere. This method is not hygienic and communities should not be encouraged to use it.

### Refuse removal, 2016

	Removed by local authority/private company/community members at least once a week	Removed by local authority/private company/community members less often than once a week	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total
O.R. Tambo	86 054	8 503	40 406	11 253	1 141 181	161 683	8 304	1 457 384
Ngquza Hill	6 325	4 975	4 457	414	240 667	46 417	123	303 379
Port St Johns	497	79	3 313	48	129 872	29 006	3 965	166 779
<b>Nyandeni</b>	2 417	1 814	5 398	496	267 193	31 543	841	309 702
Mhlonlto	2 727	260	7 472	117	157 797	19 366	1 437	189 176
KSD	74 087	1 375	19 765	10 179	345 653	35 351	1 939	488 349
	Removed by local authority/private company/community members at least once a week	Removed by local authority/private company/community members less often than once a week	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total
O.R. Tambo	6%	1%	3%	1%	78%	11%	1%	100%
Ngquza Hill	2%	2%	1%	0%	79%	15%	0%	100%
Port St Johns	0%	0%	2%	0%	78%	17%	2%	100%
<b>Nyandeni</b>	1%	1%	2%	0%	86%	10%	0%	100%
Mhlonlto	1%	0%	4%	0%	83%	10%	1%	100%
KSD	15%	0%	4%	2%	71%	7%	0%	100%

Source: Statistics South Africa (2016 Community Survey)

**Table 35**

## INTEGRATED WASTE MANAGEMENT

### SUMMARY OF IWMP

#### ADOPTION OF THE IWMP

The Municipality has adopted its Integrated Waste Management Plan on 12 December 2012 with (CR No. 918-12/2012). The IWMP take stock of the situational analysis and identifies objectives, strategies and action plans to intervene decisively in managing Integrated Waste Management Plan.

The IWMP is developed in line with Government Policy as set out in the National Waste Management Strategy and the National Environment Management: Waste Act, 59 of 2008 (hereafter, Waste Act). The IWMP's should provide the Local Municipalities with an instrument with which to manage waste and prevent pollution, with particular emphasis on sorting, separation, reduction, recycling, re-use, as well as the cradle-to-grave approach, thereby achieving high levels of sustainability with waste management.

#### WASTE COLLECTION AND STORAGE

The Libode Landfill site has been granted a waste licence by the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). The municipality has the obligation to respond to the licence conditions. In Ngqeleni area the municipality has started a process of developing transfer station feed into Libode Main Landfill site. Given the geographical area of the Nyandeni municipality, formal refuse collection is restricted to rural areas henceforth the gazetted municipal By-law (Gazetted No. 2351 of 19 May 2010) address issues of waste collection in urban areas

#### Capacity on machinery and personnel

#### COLLECTION OF WASTE FROM DEVELOPMENTAL ZONES AND PERI URBAN AREA

The Municipality has provided refuse collection of waste in the following developmental zones and Peri Urban Areas of Ntlaza, Corana, Kopshop Junction, Ziphunzana and Thabo Mbeki areas. Mfenetyisi,

#### Challenges and Priority Programmes

Challenge	Intervention/Projects	Time Frames
Shortage of Compactor refuse removal truck	Purchase one additional compactor truck	2016/2017 Financial Year
Shortage of skip loader truck		
Enforcement of Municipal By-laws	Training of Peace Officers on Environmental Management inspectorate	ON-going
Illegal dumping	Conduct community awareness campaigns to all wards	The programme is on-going
Reporting to Waste Information System	A refuse collection register has been developed for collection of data on waste tonnages	
Mngazi		
Kopshop & Canzibe		
Mfenetyisi		

## 6 ENVIRONMENTAL, SOCIAL AND ECONOMIC SUSTAINABILITY

### State of the environment

Within the context of sustainable development the term environment encompasses the social, economic, biophysical and political spheres. Section 24 of the Constitution of the Republic of South Africa (RSA, 1996) legally mandates the government to ensure the people of South Africa is not harmed by the environment and the environment is protected against abuse. The Constitution also provides for co-operative government thus sharing both the responsibility and obligatory legislative provisions across the different spheres of government in terms of environmental management and conservation.

The White Paper on Environmental Management Policy (DEAT, 1997a) refers to the conditions and influences under which any individual or thing exists, lives or develops. Culture, economic considerations, social systems, politics and value systems determine the interaction between people and the environment, the use of natural resources, and the values and meanings that people attach to life forms, ecological systems, physical and cultural landscapes and places. People are part of the environment and are at the centre of concerns for its sustainability (DEAT, 1997a).

Environmental management and governance therefore comprise a system of tools which include principles, policies, legislation, regulation and practice. Each of these has a spatial element, i.e. occurs at global, regional, national, provincial, local, and/or neighbourhood scales. In turn, each of these elements have components for which government, non-government organisations or civil society would be responsible for-

- a) Ensuring environmental quality, protection and promotion of integrated environmental management;
- b) Ensuring biodiversity, conservation and coastal zone management; and
- c) Monitoring services rendered by the Wildlife Services (ECWS) and other parastatals

More specifically, like all municipalities, Nyandeni has a responsibility for environmental management and governance. Our IDP provides a platform through which this commitment can be clearly illustrated in a binding municipal development document. Critically therefore it addresses environmental issues through the Integrated Development Plan. The municipality thus understands that IDPs are the master plan for local development, and thus the manner in which the environment is addressed in such a plan is a measure of the role and responsibility the municipality accepts for environmental management. The Municipality further understands that crucial evaluative questions are used to measure the extent of commitment to environmental management.

- Does the IDP show an understanding of the policy and legislative framework surrounding the environment?
- Does the IDP show an understanding of the implications of the above policy and legislative framework for the municipality and their day-to-day operations?
- Does the IDP provide a structure and mechanisms for the responsibility and accountability of environmental issues?

- Does the IDP provide Localised Strategic Environmental Guidelines for the development of strategies?
- Is there an Integrated Environmental Program?
- Is there an Integrated Waste Management Plan?
- Have any projects related to the following been identified?
  - i. Sanitation and water
  - ii. Energy
  - iii. Integrated land and human settlement planning
  - iv. Environmental health
  - v. Integrated pollution and waste management
  - vi. Biodiversity and sensitive areas
  - vii. Parks and open spaces
  - viii. Community based natural resource management
- Throughout the IDP, has the environment considered in a holistic manner, or does it merely relate to conservation or 'green' issues?
- 

## 6.1 Biodiversity UPDATE

Biological diversity, often shortened to 'biodiversity', is the variety of life on earth. It takes into account the differences in structure, function, and genetic make-up between living organisms and the ecological complexes in which they occur (Wilson, 1988). This variability occurs at the genetic, species and ecosystem levels (Gaston and Spicer, 1998). Biodiversity is important in assessing the state of the environment, because:

- a) It is closely linked to human well-being. For example, 10 of the world's 25 top-selling drugs are derived from biological resources (UNDP, UNEP, World Bank and WRI, 2000).
- b) Eighty percent of South Africa's population depends on wild plants and animals for medicines, and traditional medicinal plants in the Eastern Cape Province are valued at R27 million annually (Dold and Cocks, 2002).
- c) It provides environmental services such as maintaining river catchments and wetlands for sustainable water production, regulating and controlling floods, maintaining fertile soils, absorbing pollutants from the atmosphere and water bodies, and pollinating crops (Millennium Ecosystem Assessment, 2003).
- d) It provides baseline breeding and seed stocks for crop, livestock and wildlife production and is therefore essential in ensuring that the world's population has secure access to food (Millennium Ecosystem Assessment, 2003).
- e) Many species are threatened by extinction, and the status of our biodiversity is therefore an important reflection of a municipality's environmental track record.
- f) Biodiversity is linked to poverty and health, and this is especially true for a poor province such as Eastern Cape. Poor people depend heavily on biodiversity and have a stake in its conservation, but also have a potentially large impact on biodiversity because of their reliance on natural resources (Koziell and Saunders, 2001).

## 6.2 Climate

The climate varies according to the distance from the ocean. Coastal areas enjoy mild temperate conditions ranging between 14 and 23 degrees Celsius, while the inland areas experience slightly more extreme conditions with temperatures of 5 to 35 degrees Celsius. Inland mountain areas experience winter snows and summer rainfalls.

More specifically, Nyandeni Local Municipality experiences a large subtropical climate with the more elevated regions characterized by high temperatures and below the escarpment along the coast are the wettest areas within the municipality.

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The municipal area is considered generally a high average rainfall area estimated to be above 700mm per annum. Minimum temperatures range from 8.9 degrees Celsius in the high lying north – West to 15.3 degrees Celsius along the coast with the maximum estimated at 22.8 degrees Celsius along the coasts to 23.8 inland. The municipality has a generally steeped topography.

## 6.3 Land (topography)

These moderate climatic conditions mentioned above provide favourable conditions for agricultural development which currently predominate the local livelihood. However, it must also be stated though that, the agricultural potential of the area can be hindered by the steep nature of the terrain. Almost half the total land area is covered by scenic steep slopes with approximately 54.74% gently gradient slopes and 45.26% steep gradient. This topography poses various challenges for development and provision of infrastructure and general building processes. For instance, in a housing project additional investment would have to be made to cushion geotechnical challenges and yet another additional funding to reinforce foundations and provide more building material compared to a flat surface. This also poses a number of other challenges in terms of land capability.

## 6.4 The land capability

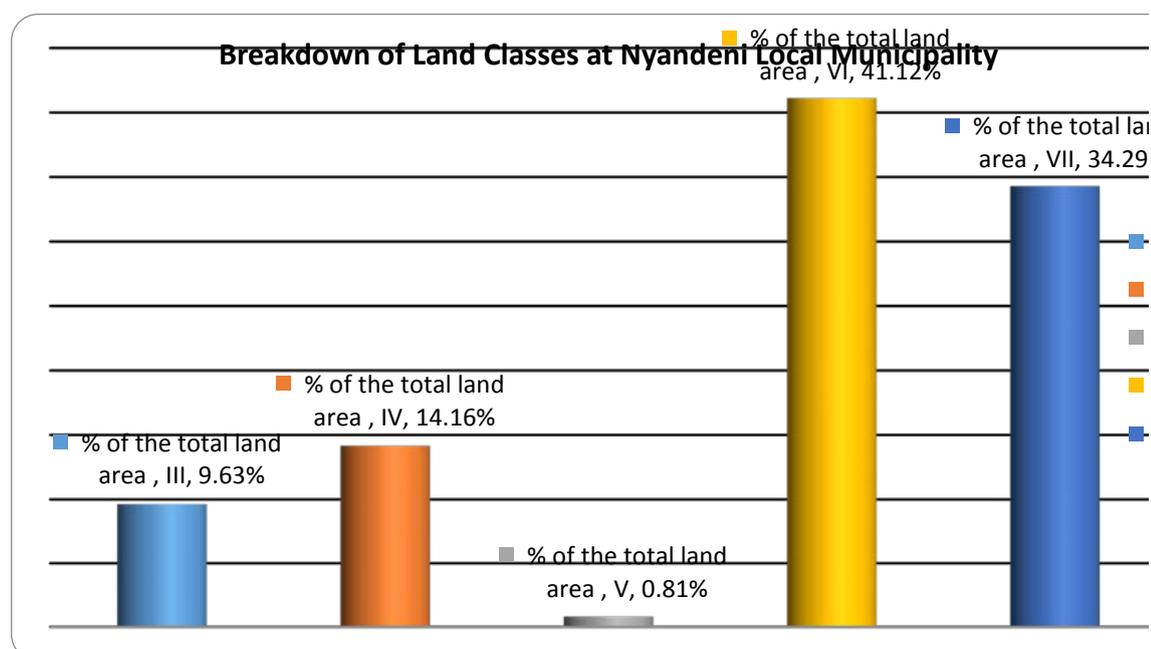
The land capability is determined by the collective effects of soil, terrain and climate features. It indicates the most intensive long term and sustainable use of land in rain – fed agriculture and sometimes highlights the permanent limitations associated with different land use classes. Land capability is therefore a more general term and conservation oriented than simply land suitability.

There is a strong correlation between the vegetation types and land capability. Land is classified into what is called land classes. Land class VI and VII have severe limitations that makes them unsuitable for cultivation and that restricts their use largely to grazing, woodland or wildlife. These limitations include mainly;

- Very steep slopes
- Erosion
- Shallow soil and
- (d) Slopes.

They therefore comprise mainly Thicket Vegetation, Eastern Thorn Bushveld and Moist Upland Grassland. These classes constitute a significantly proportion of the total land areas estimated at 75.4%, see Chart 19 below.

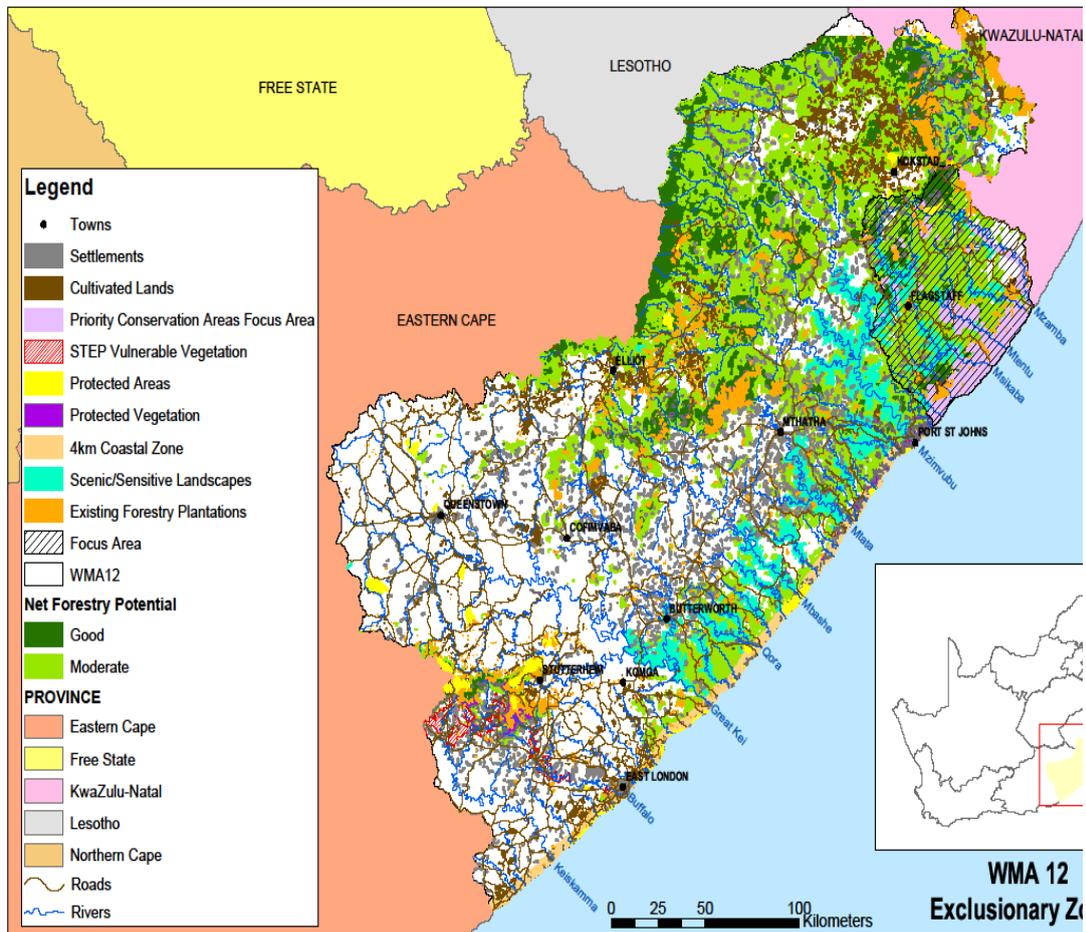
**Chart 1: Breakdown of land classes at Nyandeni Local Municipality**



**Source: Nyandeni Spatial Development Framework (draft)(2010)**

Nyandeni Local Municipality constitutes part of what is referred to as Waster Area Management Number 12 which is considered to be biophysically suitable for commercial forestry. In terms of the strategic environmental analysis conducted by the Department of Water Affairs (2006) the area from Keiskamma River to Umzimvubu River has the highest forestry potential with mostly likely, very low hydrological impact due to its relatively high rainfall and low levels of economic activity taking place. For forestry development, the area has a very low water requirement. It must be stated though that in terms of this

SEA study, Nyandeni's area is considered of moderate potential compared to the far eastern side of the Pondoland from Port St Johns towards Msikaba at Ngquza Hill Local Municipality. See the map below.



A closer analysis of the map will reveal that a significant land area within the municipality in terms of this study can be considered of environmental sensitive nature.

### 6.6 Vegetation and environmental sensitivity

Along the steep slopes of the periphery of Nyandeni Local Municipality, there is mainly Thicket (30.4%) with the exception of the coastal line where there is Coastal Bushveld and Grasslands (5.32%). The interior comprises mainly of the Eastern Thorn Bushveld (33.45%) with Moist Upland Grassland (28.12%) in the northern interior and approximately 30.40% being Valley Thicket.

#### Overview of the vegetation within Nyandeni Local Municipal area

Vegetation type	Area (Ha)	% of the total Area
Afromontane Forest	4.127.37	1.67%
Coastal Bushveld/Grassland	13.124.46	5.32%
Coastal Forest	2.475.55	1.00%
Coastal Grassland	92.43	0.04%
Dune Thicket	0.71	0.00%
Eastern Thorn Bushveld	82.523.02	33.45%
Moist Upland Grassland	69.369.32	28.12%
Valley Thicket	74.999.90	30.40%

Nyandeni has a huge potential for tourism along the 20km coastal belt which stretches from Mthatha Estuary in the south west to Mnenu Estuary in the north east. This high tourism potential area is very important for eco – tourism destination. The area already has a number of forests, areas designated for nature conservation, estuaries, wildlife etc. Hluleka Game Reserve remains an area with high tourism

potential and can be used to anchor tourism development especially if a cross – boundary nature reserve could be established between Nyandeni, Mhlontlo and Ngquza Hill Local Municipalities. The municipality would have to ensure that a good balance is managed between up scaling these areas with tourism potential into viable commercial tourism ventures and the environmental sensitive and marine protected areas. Rarely the municipal area provides access to coastal dune forests which are rapidly being eroded by residential and commercial agricultural development in other areas. This group of vegetation is crucial due to its high species diversity which may be home to medicinally useful plants, aesthetics, soil binding and soil erosion prevention characteristics. These types of vegetation also tend to be habitat for wildlife and serve a very important purpose of tourism and education.

Included in the state of the municipal environment are its wetlands. There are two types of wetlands found within Nyandeni municipal area. These are Coastal Wetlands that are influenced by tides that contains water that shows appreciable salinity and there are Inland Wetlands including fresh water areas; these can be likened to a basin which is filled with soil that has impervious layer such that it retains water. Wetlands are an important part of the environment and thus key for long term development planning. They offer a multitude of advantages to the environment viz; (a) replenishes ground water levels, (b) controlling stream flow velocity thus flood control, (c) provide grazing land for live stock and wildlife, (d) serve as wildlife habitat and above all (e) provide fresh water.

In Nyandeni Local Municipality the majority of land area is covered in unimproved grassland, this is a total of 50% of the total area. Cultivated: temporary - semi-commercial/subsistence dry land covers 17.6% of the total area in the Nyandeni Local Municipality, while 11.9% is degraded: unimproved grassland.

**Land degradation**

Total Area km <sup>2</sup>	Degraded area	Percentage degraded
2474.02	378.11	15%

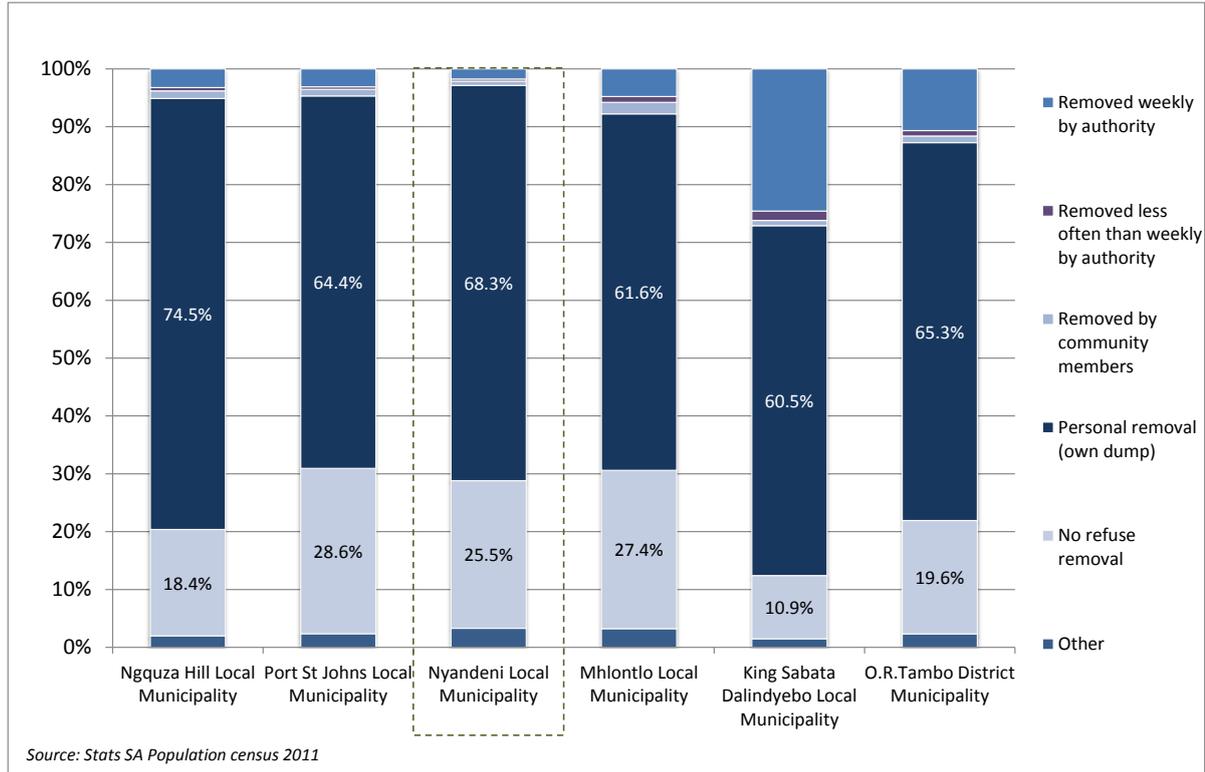
**RECYCLING AND ENVIRONMENTAL MANAGEMENT**

As integral part of implementing Environmental Friendly Practices, Nyandeni has facilitated establishment of three recycling projects, two in Libode and one in Ngqeleni. However, there is a need to support these projects with proper infrastructure including proper Building.

**PRIORITY PROJECTS FOR 2016/2017**

- Unti-litter campaign
- Greening and Beautification
- Expansion of Recycling programme
- Conduct waste management Awareness Campaign in all wards

**CHART 7. PERCENTAGE OF HOUSEHOLDS BY REFUSE DISPOSAL BY LOCAL MUNICIPALITY, 2011**



In 2011, 68.3% of all the households in the Nyandeni Local Municipality were responsible for personal refuse removal. A total number of 15 731 households (25.5%) did not have any refuse removal.

**TABLE 9. NUMBER OF HOUSEHOLDS BY REFUSE DISPOSAL BY LOCAL MUNICIPALITIES, 2011**

Type	Ngqiza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	OR Tambo District Municipality
Removed weekly by authority	1 811	981	1 081	2 078	25 872	31 823
Removed less often than weekly by authority	328	143	219	430	1 690	2 810
Removed by community members	734	354	454	864	943	3 349
Personal removal (own dump)	41 889	20 425	42 117	26 752	63 659	194 842
No refuse removal	10 337	9 056	15 731	11 877	11 494	58 495
Other	1 114	755	2 045	1 413	1 582	6 909

Source: Stats SA Population census 2011

## 7. Income and Expenditure

In a growing economy with increasing factors of production, household income is spent to purchase goods and services, therefore the income and expenditure of households is a major indicator of several economic trends and is a good indicator of growth and the propensity to consume.

### 7.1 Number of Households by income category

It was estimated that 86.0% of all households in Nyandeni Local Municipality were classified as living on R38 200 or less per annum in 2011. A total of 10 574 households or 17.2% of the total households have no income.

**TABLE 10. TOTAL NUMBER OF HOUSEHOLDS PER INCOME CATEGORY BY NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2011 [NUMBERS]**

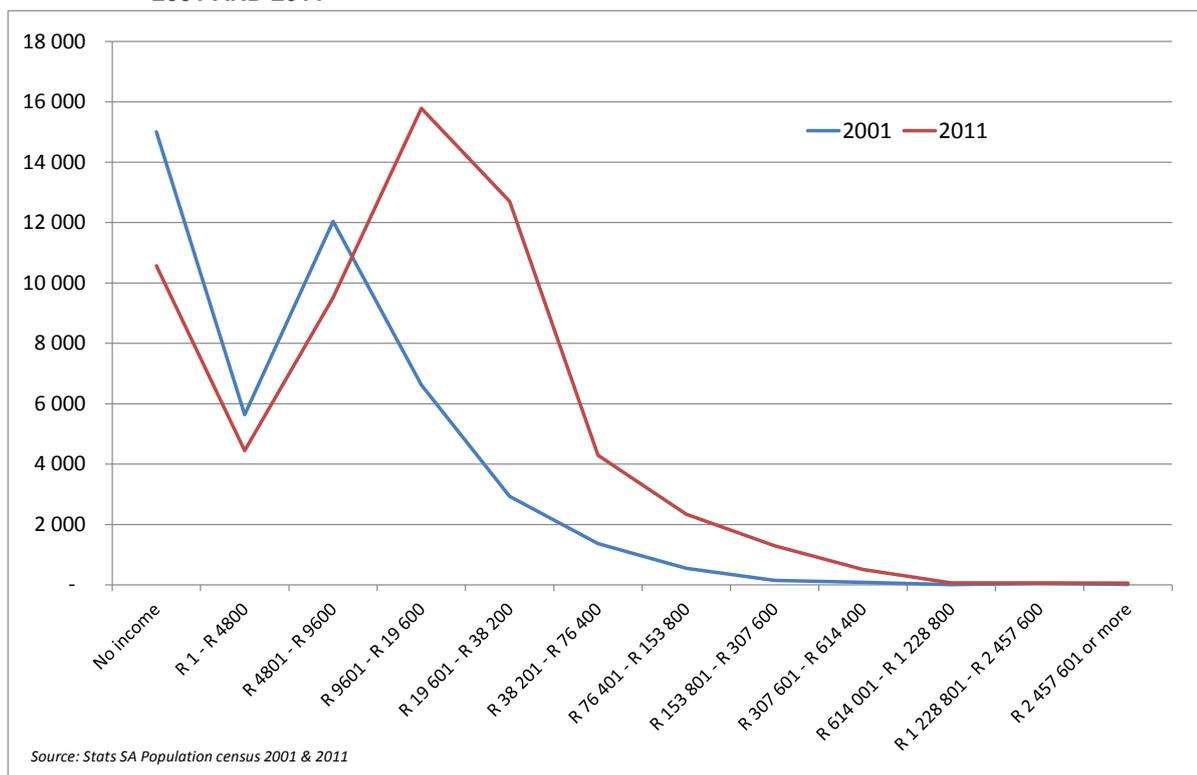
2011	South Africa	Eastern Cape	O.R. Tambo District Municipality	Nyandeni Local Municipality
No income	2 177 538	264 309	50 887	10 574
R 1 - R 4800	648 754	98 769	20 414	4 448
R 4801 - R 9600	1 066 364	165 799	40 244	9 515
R 9601 - R 19 600	2 475 240	384 579	71 892	15 783
R 19 601 - R 38 200	2 740 596	343 052	61 172	12 704
R 38 201 - R 76 400	1 879 235	164 896	22 850	4 292
R 76 401 - R 153 800	1 335 657	113 971	14 765	2 339
R 153 801 - R 307 600	1 045 292	86 222	9 999	1 296
R 307 601 - R 614 400	685 364	46 463	4 417	511
R 614 001 - R 1 228 800	268 934	12 310	835	66
R 1 228 801 - R 2 457 600	79 896	3 895	415	64
R 2 457 601 or more	46 593	3 080	336	56
Unspecified	700	40	5	1
<b>Total</b>	<b>14 450 163</b>	<b>1 687 385</b>	<b>298 231</b>	<b>61 649</b>

Source: Stats SA Population census 2011

The total number of households without any income in Nyandeni Local Municipality is at a concerning 17.2%. Dependency on subsistence farming could be a substitute for income as a means of survival as subsistence farming is not reported or understood as income by households and is therefore not reported. When a high percentage of households earn no income it may place an increased burden on state to provide health, education and safety.

The graph below portrays the number of households per income category - for 2001 versus 2011. The number of households earning more than R38 200 per annum has increased significantly - in 2001, 4.2% of households were earning more than R38 200 per annum, while in 2011 this percentage increased to 14.0%. The income brackets do not take inflation into account and "inflation creep" occurs. This implies that - over time - movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

**CHART 8. NUMBER OF TOTAL HOUSEHOLDS PER INCOME BRACKET, NYANDENI LOCAL MUNICIPALITY, 2001 AND 2011**



## 7.2 Annual per household income

**Definition** | Per household personal income is the annual total personal income of an area divided by the total number of households within the area and presented by the population group of the head of each household. Annual total personal income is the total personal income for all households in the region summed together.

In 2001, the average household income for Nyandeni Local Municipality was R16 800 and it increased at an average annual rate of 7.4% to R34 254 in 2011.

**TABLE 11. ANNUAL PER HOUSEHOLD INCOME IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2001 AND 2011 [CURRENT PRICES, R MILLIONS]**

Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	15 008	38 448	9.9%
Port St Johns Local Municipality	18 916	31 548	5.2%
<b>Nyandeni Local Municipality</b>	<b>16 836</b>	<b>34 254</b>	<b>7.4%</b>
Mhlontlo Local Municipality	14 599	36 246	9.5%
King Sabata Dalindyebo Local Municipality	26 755	61 135	8.6%
O.R.Tambo District Municipality	9 836	44 533	16.30%
Eastern Cape Province	14 717	65 613	16.12%
South Africa	24 005	104 491	15.85%

Source: Stats SA Population census 2001 & 2011

In 2011, the O.R. Tambo District Municipality had a household income of R44 533, which increased at an average annual growth rate of 16.3% from 2001. The Eastern Cape Province's household income grew at an average annual rate of 16.12% and South Africa as a whole with 15.85% average annually.

## 7.3 Annual total Personal Income

Personal Income is a broader concept than labour remuneration discussed in the economics section above. It includes profits, income from property, net current transfers and net social benefits.

**Definition** | Annual total personal income is the total personal income for all households in the region summed together. Income is presented in units of rand million. The definition of "income" is the same as used in the income brackets variable, and also includes income tax. Annual total personal income is presented in current prices – this means that inflation has not been taken into account.

It is estimated that total personal income in Nyandeni Local Municipality amounted to R2.1 billion in 2011. This increased at an average annual rate of 9.0% since 2001 when the total personal income was estimated at R919 million.

**TABLE 12. ANNUAL TOTAL PERSONAL INCOME IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS [CURRENT PRICES, R MILLIONS]**

Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	785 322	2 282 696	11.3%
Port St Johns Local Municipality	645 310	1 076 523	5.3%
<b>Nyandeni Local Municipality</b>	<b>919 626</b>	<b>2 186 227</b>	<b>9.0%</b>
Mhlontlo Local Municipality	659 302	1 665 955	9.7%
King Sabata Dalindyebo Local Municipality	2 608 801	6 692 049	9.9%
O.R.Tambo District Municipality	5 618 361	13 903 985	9.48%
Eastern Cape Province	45 322 490	112 692 881	9.54%
South Africa	577 658 701	1 579 385 527	10.58%

Source: Stats SA Population census 2001 & 2011

Comparing Nyandeni Local Municipality with the other municipalities' it is seen that the municipality is performing average at an average annual growth rate. The only municipality that stands out with the lowest average annual growth rate of all the local municipalities was the Port St John Local Municipality with an increase of only 6.1% annually over the period.

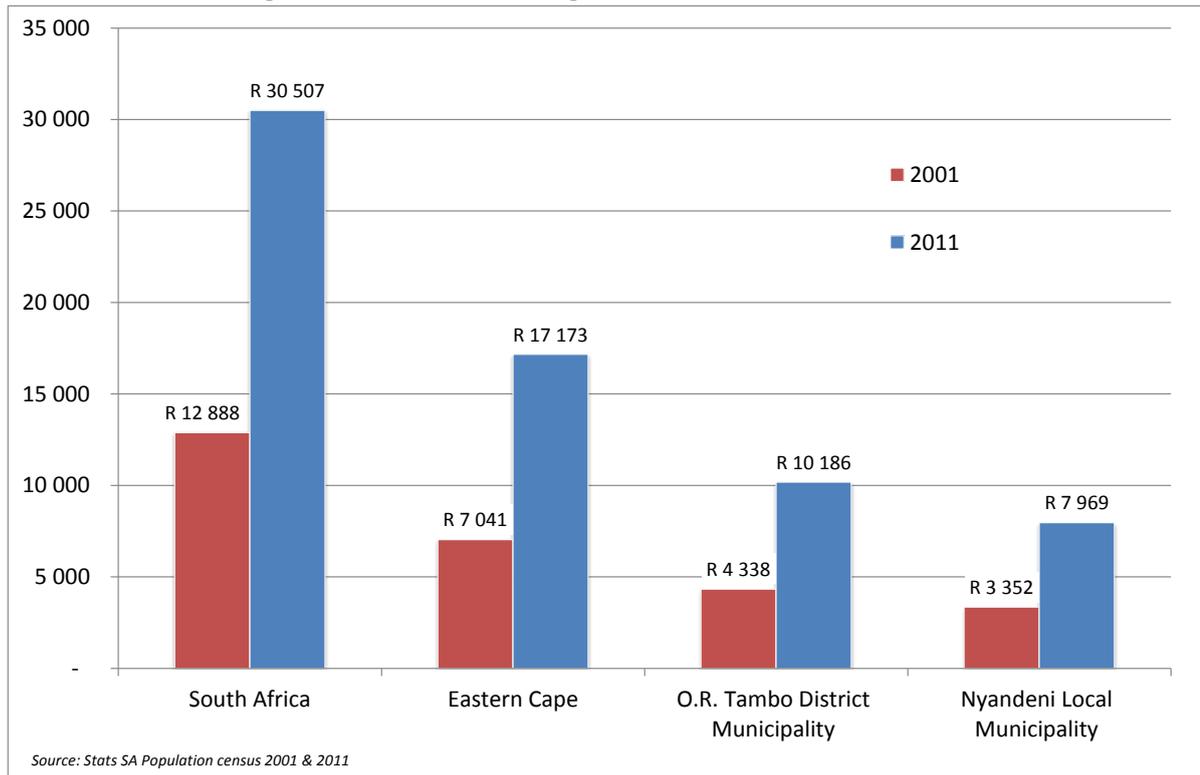
## 7.4 Annual Per Capita Income

Per capita income is often used as a measure of wealth particularly when comparing different economies or population groups - and rising per capita income usually alludes to possible increase in demand for consumption.

**Definition** | Per capita income refers to the income per person and is calculated by dividing the total personal income per annum equally among the population.

In 2011, the per capita income amounted to R7 969 in Nyandeni Local Municipality

**CHART 9. PER CAPITA INCOME IN NYANDENI LOCAL MUNICIPALITY RELATIVE TO OTHER REGIONS, 2001 AND 2011 [RAND, CURRENT PRICES]**



The per capita income for South Africa in 2011 amounted to R30 507, which is an average increase of 9% per year from 2001. The Eastern Cape Province has a per capita income of R17 173 and had an average annual growth rate of 9.3%.

## 7.5 Household Goods

Ownership of a cellphone, television, refrigerator and computer has increased considerably between Census 2001 and Census 2011. However, the demand for radios and landline telephones has decreased owing to a rise in the popularity of cellphones.<sup>1</sup>

Only 32% of the people in South Africa had access to a cell phone in 2001 compared to the 89% in 2011. Households with access to computers increased from 9% in 2001 to 21% in 2011 in South Africa. 75% of the households in South Africa owned a TV in 2011 while only 54% of households had a TV in 2001. Only 69% of the households in South Africa have a refrigerator, even though 82% of the households have electricity connections. The percentage of households using landline telephones and radios have decreased since 2001. South Africa seems to embrace technology as it becomes more accessible.

While Nyandeni Local Municipality seems to follow the national trend it does not exhibit the same level of absorption when compared to South Africa.

<sup>1</sup>Statistics South Africa

**TABLE 13. ACCESS TO HOUSEHOLD GOODS IN NYANDENI LOCAL MUNICIPALITY, 2011**

Access to	Yes	No	% Yes
Cell phone	49349	12298	80.1%
Electric/gas stove	33425	28222	54.2%
Television	30679	30968	49.8%
Radio	30080	31567	48.8%
Refrigerator	22837	38810	37.0%
DVD player	22147	39500	35.9%
Access to internet	10 425	51 223	16.9%
Mail Post box/bag	6 298	55 350	10.2%
Motor-car	5 382	56 266	8.7%
Satellite television	4 169	57 478	6.8%
Washing machine	1 972	59 676	3.2%
Computer	1 762	59 885	2.9%
Mail delivered at residence	1 754	59 894	2.8%
Vacuum cleaner	1 130	60 518	1.8%
Landline/telephone	1 025	60 622	1.7%

*Source: Stats SA Population census 2011*

It is evident that the majority of households (80.1%) have access to Cell phones. About 50% of households have access to electric/gas stove, radio or television. Although only 2.9% of households have access to computers, 16.9% have access to the internet.

## 7.6 Formal Retail sales

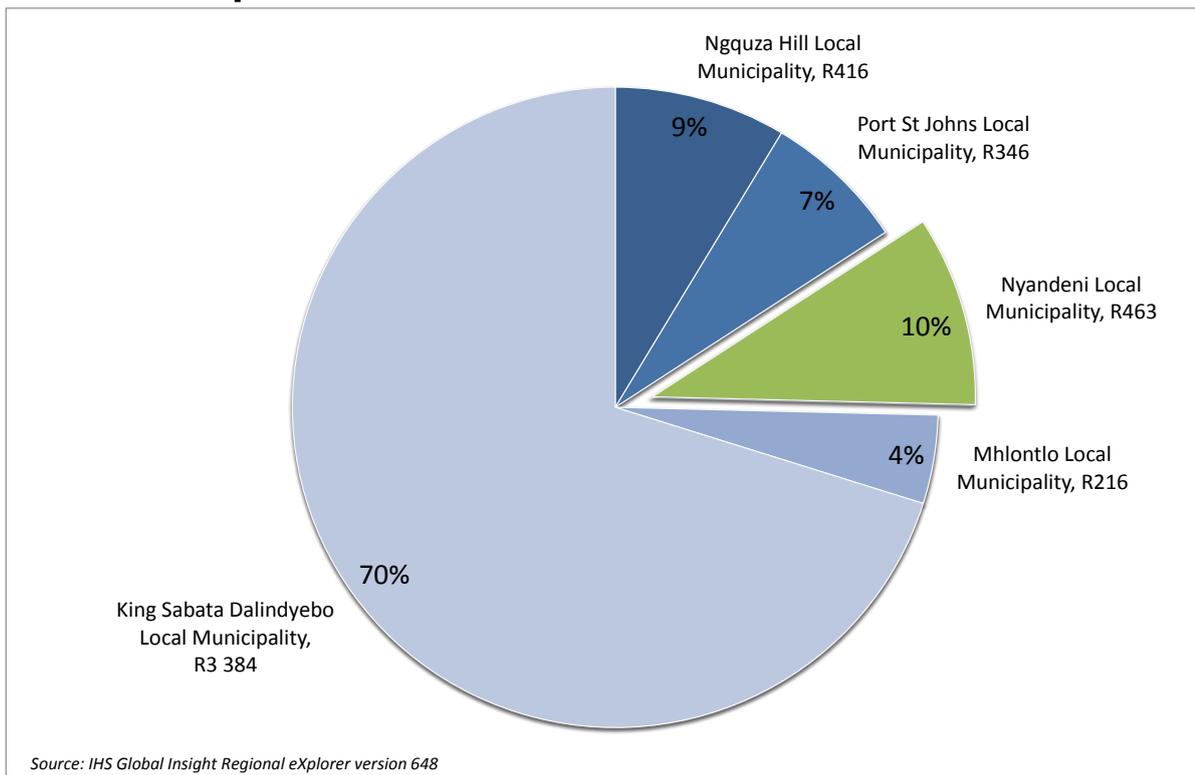
### Definition

Annual retails trade sales by product type measure the total retail spend, distributed across spending categories, by all households within the region. The outputs are presented in units rand thousands. This measure represents consumption from the supply side (retail) perspective of the economy. Two important implications are thus:

- Only goods that are **sold by a shop** are counted as a sale. This measure therefore does not give an accurate account of *all* consumption in a region, particularly subsistence and inter-household transfer consumption.
- The sale is registered at the place of the sale, and not at the place of the household buying the good.

Formal retail trade in Nyandeni Local Municipality amounted to R463 million in 2011, which is 10% of the total formal retail sales within the O.R. Tambo District Municipality.

**CHART 10. ANNUAL FORMAL RETAIL TRADE SALES BY LOCAL MUNICIPALITY, 2011 [PERCENTAGE SHARE]**



The majority of formal retail sales occur in the King Sabata Dalindyebo Local Municipality and amounts to R3.4 billion (70.1%), while the least – only R216 million (4.5%) is sold in the Mhlontlo Local Municipality.

## 7.7 Index of Buying Power

**Definition** | The Index of Buying Power (IBP) is a measure of a region's general capacity to absorb products and services. This measure is useful when comparing two regions in terms of their capacity to buy products. This general capacity depends on three factors:

- The size of the population.
- The ability of the population to spend, which is measured by total income.
- The willingness of the population to spend, which is measured by total retail sales.

The index values range from 0 to 1 (with the national equal to 1) and can be interpreted as the percentage of national buying power attributable to the specific region.

**TABLE 14. INDEX OF BUYING POWER PER REGION, 2011**

Variable	National Total	Eastern Cape	O.R. Tambo DM	Nyandeni LM
Population	50 252 369	6 873 100	1 407 374	302 201
Population - share of national total	100.0%	13.7%	2.8%	0.6%
Income (Rmill)	1 965 067	179 764	21 018	3 612
Income - share of national total	100.0%	9.1%	1.1%	0.2%
Retail (Rmill)	617 815	51 408	4 825	463
Retail - share of national total	100.0%	8.3%	0.8%	0.1%
<b>Index</b>	<b>1.000</b>	<b>0.094</b>	<b>0.012</b>	<b>0.002</b>

The Index of buying power suggests that only 0.2% of the national buying power is attributable to the Nyandeni Local Municipality, while 1.2% is attributable to the O.R. Tambo District Municipality.

## **8. Economy**

### **4.1 Introduction**

South Africa remains a dual economy with one of the highest inequality rates in the world, perpetuating poverty, inequality and exclusion. This situation is likely to be aggravated by the current fragile economy, low growth rate, and tight fiscal conditions.

This section presents a brief snapshot of Nyandeni's economy. It looks at the structure and performance of the economy, its features, and dynamics and investment trends in Nyandeni. The analysis deals with the size of Nyandeni economy; its performance and trends since 1994; the items that households in Nyandeni spend their money on. Household expenditure and its impact on economic growth is examined. In this section, Nyandeni economic sector analysis makes reference to selected key sectors which are major contributors to the economic activity of the municipality and drivers of Nyandeni economic growth. It also focus on the comparative advantage of Nyandeni local economy and looks at the extent to which the

economy of Nyandeni need to be diversified. The section starts with a world and domestic economic overview

#### **4.2** *World economic outlook and domestic economic overview*

South African economy is relatively small and accounts for less than 1 per cent of global GDP. For a small open economy such as South Africa, which is dependent on foreign trade and attracting foreign savings to prop up domestic investment, the country will not be immune to external shocks such as the impact of the global financial crisis-induced economic slowdown.

The economic environment remains challenging both internationally and domestically. Weak growth in key emerging and developing economies such as China and Brazil may not be offset by the modest improvement in growth recorded in advanced economies (most notably the United States and Euro Zone). Furthermore, the risks to an already subdued economic outlook are firmly tilted towards the downside.

Domestic constraints such as electricity shortages, the twin fiscal and current account deficits and continued labour market concerns exacerbate the global pressures on the national economy. South Africa's economic growth forecasts for the 2016 to 2018 have been revised down, and risks remain to the downside.

Government continues to prioritise raising investment; improving labour relations, certainty and policy coordination; and making it easier to do business so that the South African economy is better placed to grow more rapidly in future. Expanded partnerships with business, labour and civil society to realise the objectives of the National Development Plan will be a key feature over the medium term. Nyandeni's economic developments and prospects are presents next.

### 4.3 Economic analysis of Nyandeni local municipality

#### 4.3.1 Size of Nyandeni economy

According to Quantec regional data (2016), the estimated size of the Nyandeni local municipality economy in terms of total output was R5 972 million in 2015 and the break down is summarised below (See Table 11):

- The Intermediate Consumption Expenditure (ICE), that is the input cost to produce goods and services at constant 2010 prices, was estimated at R2 862 million
- The Gross Value Added (GVA) for all industries (difference between output and input) at constant 2010 prices was R3 110 million
- Quantec estimated the real compensation of employees in Nyandeni (constant 2010 prices) at R1 721 million. This is the amount received by workers in terms of wages and salaries.
- The Gross Operating Surplus was estimated at R1 371 million.

#### Selected key economic indicators from the National Accounts, 2015

	Real Gross value added at basic prices, R millions constant 2010 prices	Real Compensation of employees, R millions constant 2010 prices	Real Gross operating surplus, R millions constant 2010 prices	Real Output at basic prices, R millions constant 2010 prices
O.R.Tambo	20 299	11 603	8 283	38 935
Ngquza Hill	2 739	1 578	1 107	5 218
Port St Johns	1 112	681	413	2 101
<b>Nyandeni</b>	<b>3 110</b>	<b>1 721</b>	<b>1 317</b>	<b>5 972</b>
Mhlontlo	2 128	1 289	797	4 115
KSD	11 210	6 333	4 649	21 529
Eastern Cape	210 006	118 940	86 590	467 799

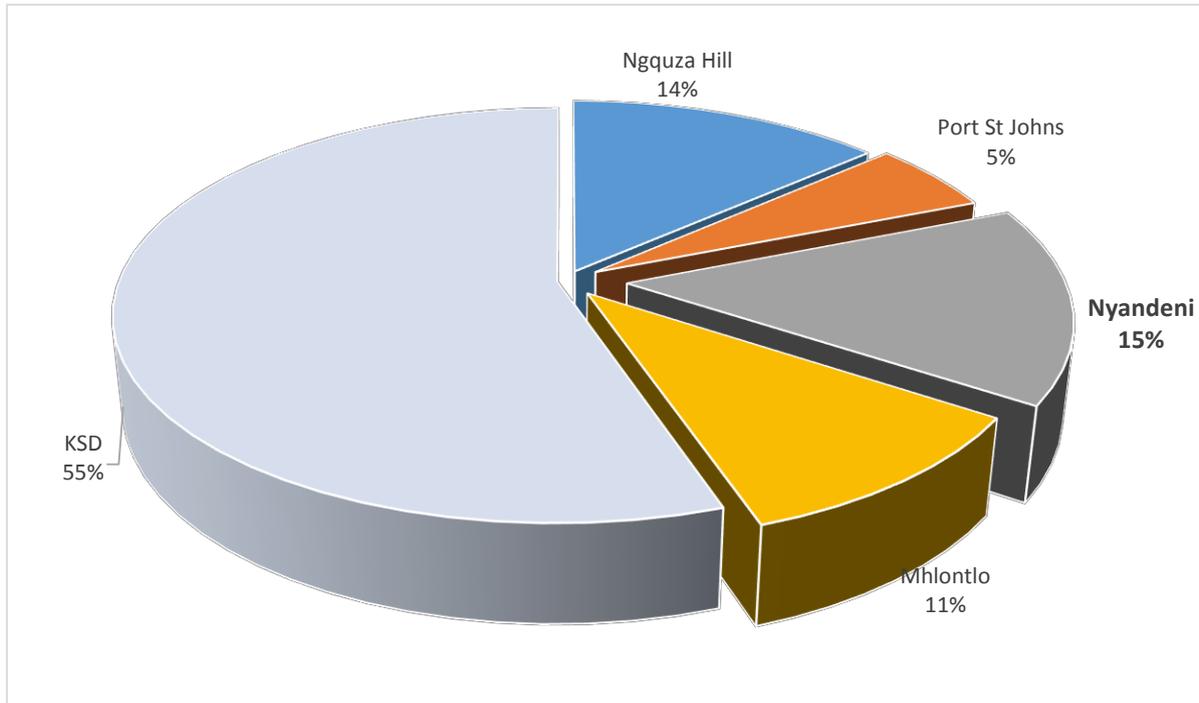
Source: Quantec regional data, 2016

**Table 11**

Table 11 shows that KSD local municipality had the highest contribution to the District economy, followed by Nyandeni, Ngquza Hill, Nhlontlo and Port St Johns.

According to Quantec regional data, in 2015, Nyandeni contributed 15% to O.R. Tambo district grow value added (See Figure 5).

In 2015, Nyandeni contributed 8.6% to O.R. Tambo district economy



Source: Quantec regional data, 2016

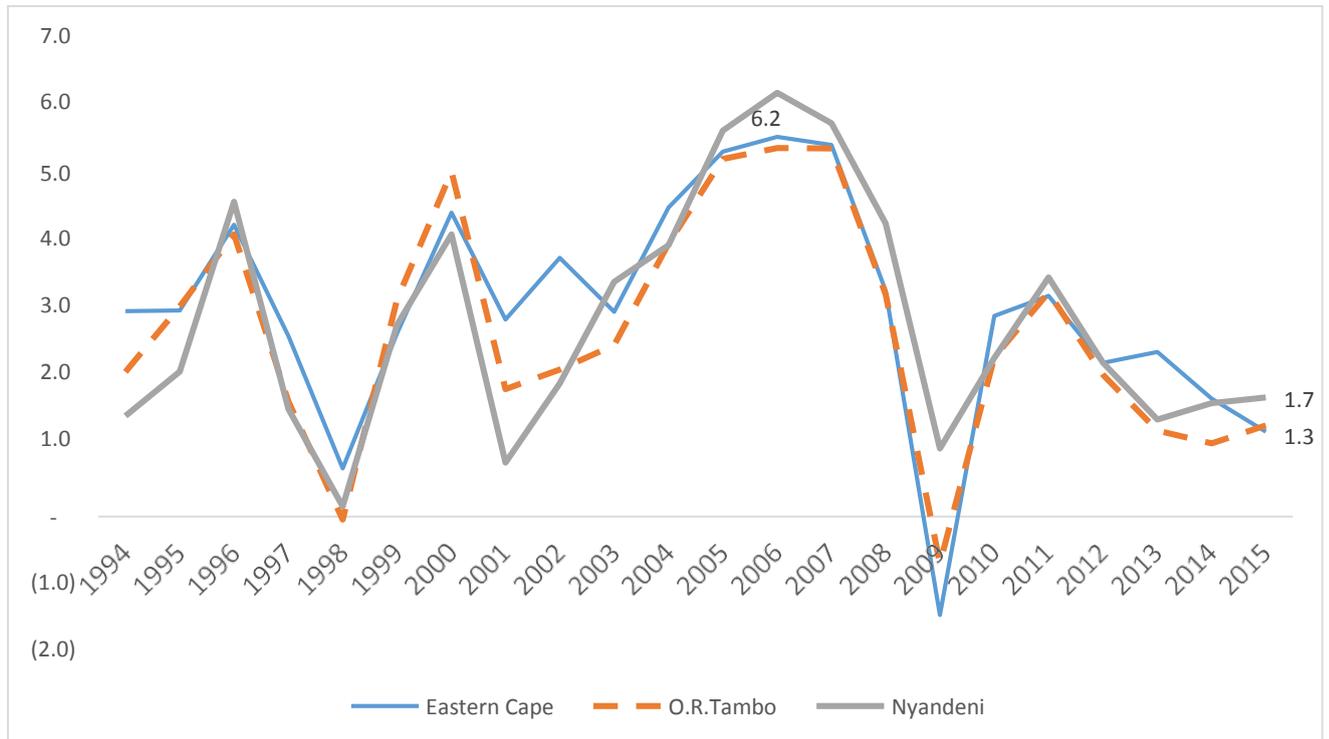
Figure 5

#### 4.3.2 Nyandeni economic performance and trends: (1994-2015)

Looking at the percentage changes in real gross value added of the District, Figure 5 shows that Nyandeni local municipality followed a similar pattern as that of the O.R. Tambo district. The municipality was not much affected by the 2008/2009 economic meltdown compared to the province and other local municipalities in the province.

In 2015, Nyandeni gross value added grew by 1.7% compared to 5.7% attained a decade ago in 2005 (See Figure 6). The economic prospect of the municipality is difficult to predict. Looking at the provincial growth trajectory, the Eastern Cape economy remain fragile and unsustainable, hence It is anticipated that grow in Nyandeni will average below 2% until 2018.

### Growth rate in real gross value added: 1994-2015



Source: Quantec regional data, 2016

Figure 6

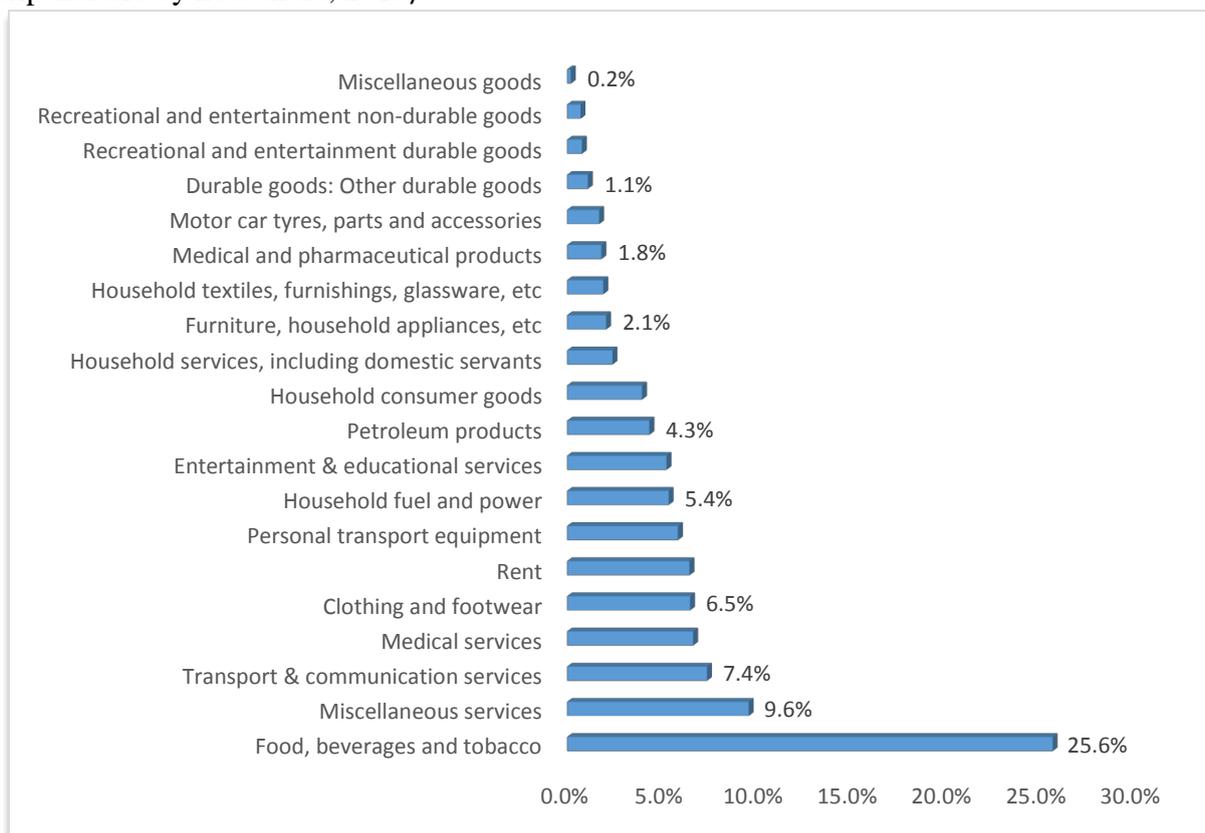
### 5.3.3. On what items do households in Nyandeni local municipality spend their money?

Consumption is vital to South Africa’s economy. According to the South African Institute of Race Relations (SAIRR), household consumption expenditure contributes about 60% to the GDP. Therefore, analysis of consumer behaviour and spending power in the country is important as it reveals how the economy depends on consumption expenditure.

Looking at final consumption expenditure by households, Figure 8 shows that households in Nyandeni spend a quarter of their income on food. This is in line with a study conducted by SAIRR. According to SAIRR (2015) the single biggest item of household expenditure is food, beverages, and tobacco, followed by transport and then housing. On average, South Africans spent 25.3% of their money on Food, beverages, and tobacco, with transport at 18.8%, while Housing, water, electricity, gas, and other fuels

took up 14.6% of household expenditure. Other notable expenditure are: Health (7.8%); Recreation, entertainment, and culture (4.2%); Furnishings, household equipment, and routine maintenance (6.0%); Hotels, cafés, and restaurants (2.6%); Education (3.4%) and Clothing and footwear (4.8%).

**On what items do people in Nyandeni spend their money on? (Final consumption expenditure by household, 2015)**



Source: Quantec regional data, 2016

**Figure 7**

Comparing expenditure for low income (poor) households and highincome (rich) households, SAIRR (2015) report shows that lower income households are likely to allocate 21.4% of expenditure on housing, versus 33.1% for higher income earners; Food: 33.5% vs 10.8%; Miscellaneous 9.2% vs 15.2%; Other 25.8% vs 23.0%; Transport 10.2% vs 17.8%. In Nyandeni, Transport and telecommunication is the third largest expenditure item.

As households become richer, they are more likely to spend on items such as insurance, savings, and medical care. It is striking that 25.4% of the

expenditure of the richest category of households goes to income tax as opposed to 0.8% of that of the poorest households. Poor households devote more of their expenditure to goods such as food and alcohol than rich households.

#### *5.3.4 Household expenditure and its impact on local economic growth*

The slower economic growth in Nyandeni in 2015 could largely be attributed to low household spending together with a moderation in employment growth, particularly in the private sector, along with a decline in the real private sector wage rate weighed on real disposable income and therefore consumer spending.

The macroeconomic environment in Nyandeni is expected to remain challenging for consumer spending. The hike in the interest rate in July last year continues to weigh on disposable income. Furthermore, the higher interest, higher inflation and slow employment growth constrain significantly consumer spending in the municipality. Also, a further depreciation in the Rand/Dollar exchange rate may offset the gains from the lower oil price and erode disposable income of the few elite who use private vehicle for transportation.

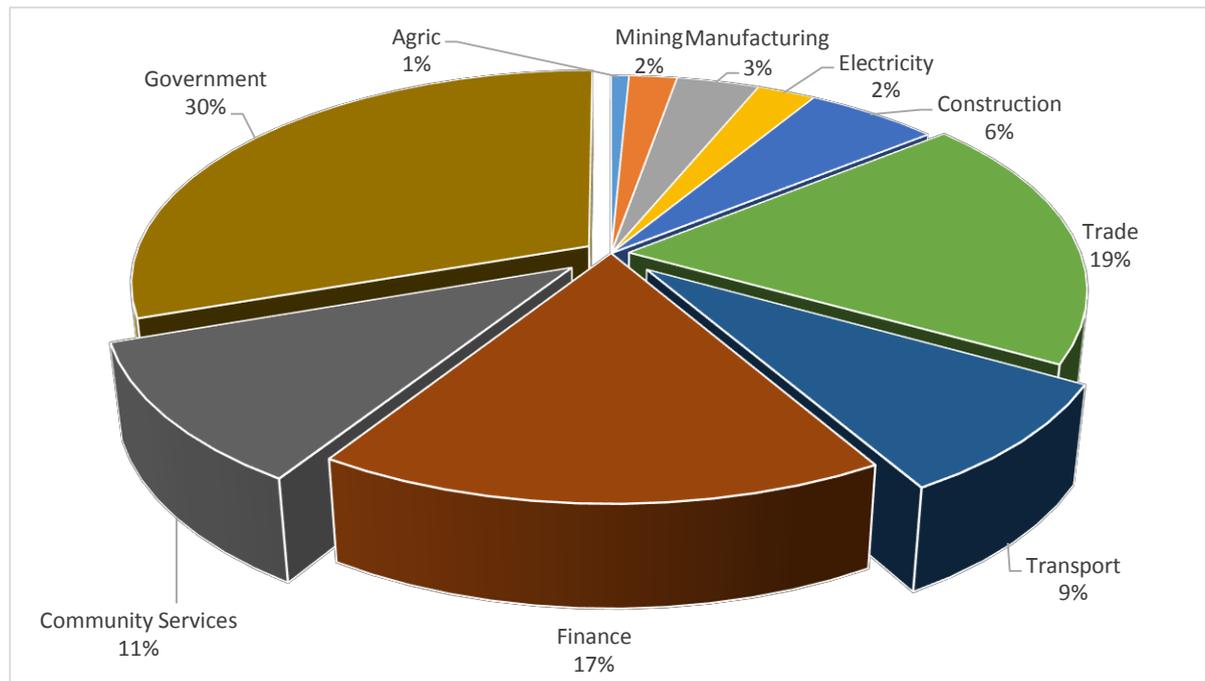
#### **5.3.4. Sector Analysis**

This section analyses Nyandeni economic sector and makes reference to selected key sectors which are major contributors to the economic activity of the municipality and drivers of Nyandeni economic growth.

Figure 9 shows that Government sector (30%) is the main contributor to Nyandeni economy. This is followed by Trade sector (19%) and Finance sector (17%). However, contribution by productive sectors such as agriculture and manufacturing is very negligible.

Table 12 provides a detailed breakdown of sub-sectors GVA in Nyandeni and how these sub-sectors grew since 1995 to 2015. Table 13 shows a detailed breakdown of sub-sectors compensation of employees. These two tables give a full picture of the sectors that contribute most to the economy of Nyandeni and the wages and salaries paid in each sub-sector.

*Sectors contribution to GVA: Nyandeni, 2015*



Source: Quantec, 2016

**Figure 9**

**5.3.4.1. Agri-processing, a priority for Nyandeni LM**

The Eastern Cape vision 2030 has identified agriculture-led growth and agricultural value chains as “clear-cut priorities for accelerated industrialization”. Nyandeni’s prioritisation of this sector will allow the municipality to benefit from growth opportunities in the region and beyond. Despite its relatively small direct contribution to GDP, the agricultural sector has been a mainstay of the Nyandeni’s economy and driver of economic development in this rural municipality. In rural, it is easy to focus on agriculture as a primary sector to will allow the majority of the people to

participate in the economy. An inclusive growth strategy through agriculture is presented below.

#### **5.3.4.2.** *Inclusive growth in Nyandeni should focus agriculture and manufacturing*

Economic growth should as a final outcome cause an improvement in the overall quality of life as measured by different socio-economic development indicators if the growth is inclusive. On the other hand, socio-economic improvements also benefit economic growth. Local government policies directly aimed at these improvements become agents of economic growth by creating conditions favourable to economic development. High potential sectors are identified so that government resources can be prioritised towards interventions in a small number of opportunities rather than spread across the board.

The economic contribution of primary agriculture is supported by various value chains: its linkages extend to agri-processing producers as intermediate inputs in the production of consumer goods and as backward linkages to its suppliers within the manufacturing and services sector. Increasing farmer participation in the full agriculture value chain via beneficiation of agricultural produce could stimulate inclusive growth and employment creation.

Key policy implications identified should include the benefits of having manufacturing as a growth sector is important. Particularly one with an export-orientation, ability to develop and transmit modern technology and capacity to create employment opportunities. In commodity production the agricultural value chain remains an important sector in which the region has a clear comparative advantage. Whilst real growth potential is currently dominated by agricultural produce and food value chain, there is still a need to add to existing value, and diversify the sector.

## Nyandeni GVA: Sectors Trends 1995 - 2015

Real Gross value added at basic prices, R millions constant 2010 prices	1995	2000	2005	2010	2015
<b>Total</b>	<b>1 526</b>	<b>1 729</b>	<b>2 105</b>	<b>2 724</b>	<b>3 110</b>
<b>Primary sector</b>	<b>78</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>82</b>
<b>Agriculture, forestry and fishing</b>	20	15	13	19	22
<i>Agriculture</i>	10	9	7	9	11
<i>Forestry</i>	10	6	6	10	12
<i>Fishing</i>	0	0	0	0	0
<b>Mining and quarrying</b>	58	55	59	52	59
<b>Secondary sector</b>	<b>109</b>	<b>128</b>	<b>185</b>	<b>283</b>	<b>340</b>
<b>Manufacturing</b>	44	49	63	85	102
<i>Food, beverages and tobacco</i>	21	21	25	32	36
<i>Food</i>	4	4	5	7	7
<i>Beverages and tobacco</i>	18	18	20	25	29
<i>Textiles, clothing and leather goods</i>	1	2	3	6	8
<i>Textiles</i>	0	0	0	0	0
<i>Wearing apparel</i>	1	1	2	5	7
<i>Leather and leather products</i>	-	-	-	-	-
<i>Footwear [QSIC 317]</i>	0	0	1	1	1
<i>Wood and paper; publishing and printing</i>	7	7	7	9	10
<i>Wood and wood products</i>	6	6	6	6	7
<i>Paper and paper products</i>	-	-	-	-	-
<i>Printing, recorded media</i>	1	1	2	3	3
<i>Petroleum products, chemicals, rubber and plastic</i>	2	4	4	5	9
<i>Coke, petroleum products and nuclear fuel</i>	2	3	3	4	7
<i>Basic chemicals</i>	-	-	-	-	-
<i>Other chemical products</i>	0	1	1	1	1
<i>Rubber products</i>	-	-	-	-	-
<i>Plastic products</i>	-	-	-	-	-
<i>Other non-metal mineral products</i>	5	8	14	20	23
<i>Glass and glass products</i>	0	0	0	0	0
<i>Non-metallic mineral products</i>	5	8	14	19	23
<i>Metals, metal products, machinery and equipment</i>	2	3	4	4	6
<i>Basic iron and steel products; casting of metal</i>	-	-	-	-	-
<i>Non-ferrous metal products</i>	-	-	-	-	-
<i>Structural metal products</i>	1	1	1	1	2
<i>Other fabricated metal products</i>	1	2	2	2	2
<i>Machinery and equipment</i>	0	0	1	1	2
<i>Electrical machinery and apparatus</i>	-	-	-	-	-
<i>Electrical machinery</i>	-	-	-	-	-
<i>Radio, TV, instruments, watches and clocks</i>	-	-	-	-	-
<i>Radio, television and communication apparatus</i>	-	-	-	-	-
<i>Professional equipment</i>	-	-	-	-	-
<i>Transport equipment</i>	2	1	1	1	2
<i>Motor vehicles, parts and accessories</i>	2	1	1	1	2
<i>Other transport equipment</i>	-	-	-	-	-
<i>Furniture; other manufacturing</i>	3	3	4	7	9
<i>Furniture</i>	1	1	2	2	3
<i>Other manufacturing groups</i>	2	2	3	5	6
<b>Electricity, gas and water</b>	29	38	47	68	73
<i>Electricity and gas</i>	15	20	30	46	47
<i>Water</i>	14	18	17	22	26
<b>Construction</b>	36	41	75	129	165
<b>Tertiary sector</b>	<b>1 339</b>	<b>1 530</b>	<b>1 849</b>	<b>2 370</b>	<b>2 688</b>
<b>Wholesale &amp; retail trade, catering &amp; accommodation</b>	320	356	400	501	572
<i>Wholesale and retail trade</i>	306	339	375	462	532
<i>Catering and accommodation services</i>	14	17	25	38	41
<b>Transport, storage and communication</b>	117	145	196	228	254
<i>Transport and storage</i>	105	130	176	204	232
<i>Communication</i>	13	15	19	24	23
<b>Finance, insurance, real estate &amp; business services</b>	123	173	277	411	515
<i>Finance and insurance</i>	50	44	64	84	91
<i>Business services</i>	73	129	212	327	424
<i>Professional business services</i>	64	100	159	259	326
<i>Business activities n.e.c.</i>	10	29	53	68	97
<b>General government</b>	631	670	746	948	1 027
<i>National and Provincial government</i>	580	606	663	847	909
<i>Local government</i>	51	64	83	101	118
<b>Community, social and personal services</b>	147	186	230	283	319
<i>Education (Private)</i>	29	42	52	76	76
<i>Health and social work (Private)</i>	57	77	93	102	128
<i>Other community, social and personal services</i>	62	67	85	104	116
<b>Total</b>	<b>1 526</b>	<b>1 729</b>	<b>2 105</b>	<b>2 724</b>	<b>3 110</b>

Source: Quantec regional data, 2016

Table 12

## Nyandeni Compensation of employees: Sector Trends 1995 - 2015

<b>Real Compensation of employees, R millions constant 2010 prices</b>	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>
<b>Total</b>	<b>936</b>	<b>1 028</b>	<b>1 175</b>	<b>1 494</b>	<b>1 721</b>
<b>Primary sector</b>	<b>20</b>	<b>31</b>	<b>26</b>	<b>21</b>	<b>31</b>
<b>Agriculture, forestry and fishing</b>	6	5	3	4	7
<i>Agriculture</i>	3	3	2	3	3
<i>Forestry</i>	2	1	1	2	4
<i>Fishing</i>	0	0	0	0	0
<b>Mining and quarrying</b>	14	26	23	17	25
<b>Secondary sector</b>	<b>47</b>	<b>53</b>	<b>75</b>	<b>118</b>	<b>144</b>
<b>Manufacturing</b>	18	19	23	41	54
<i>Food, beverages and tobacco</i>	7	7	8	13	17
<i>Food</i>	2	2	2	3	4
<i>Beverages and tobacco</i>	5	5	5	10	13
<i>Textiles, clothing and leather goods</i>	1	1	2	5	7
<i>Textiles</i>	0	0	0	0	0
<i>Wearing apparel</i>	1	1	1	4	6
<i>Leather and leather products</i>	-	-	-	-	-
<i>Footwear [QSIC 317]</i>	0	0	0	1	1
<i>Wood and paper; publishing and printing</i>	4	5	5	8	7
<i>Wood and wood products</i>	3	4	4	5	4
<i>Paper and paper products</i>	-	-	-	-	-
<i>Printing, recorded media</i>	1	1	2	3	3
<i>Petroleum products, chemicals, rubber and plastic</i>	1	1	1	1	2
<i>Coke, petroleum products and nuclear fuel</i>	1	1	0	1	1
<i>Basic chemicals</i>	-	-	-	-	-
<i>Other chemical products</i>	0	0	0	1	1
<i>Rubber products</i>	-	-	-	-	-
<i>Plastic products</i>	-	-	-	-	-
<i>Other non-metal mineral products</i>	2	2	3	6	9
<i>Glass and glass products</i>	0	0	0	0	0
<i>Non-metallic mineral products</i>	2	2	3	5	9
<i>Metals, metal products, machinery and equipment</i>	1	2	3	4	5
<i>Basic iron and steel products; casting of metal</i>	-	-	-	-	-
<i>Non-ferrous metal products</i>	-	-	-	-	-
<i>Structural metal products</i>	0	0	1	1	1
<i>Other fabricated metal products</i>	1	1	2	2	2
<i>Machinery and equipment</i>	0	0	0	1	2
<i>Electrical machinery and apparatus</i>	-	-	-	-	-
<i>Electrical machinery</i>	-	-	-	-	-
<i>Radio, TV, instruments, watches and clocks</i>	-	-	-	-	-
<i>Radio, television and communication apparatus</i>	-	-	-	-	-
<i>Professional equipment</i>	-	-	-	-	-
<i>Transport equipment</i>	1	1	1	1	2
<i>Motor vehicles, parts and accessories</i>	1	1	1	1	2
<i>Other transport equipment</i>	-	-	-	-	-
<i>Furniture; other manufacturing</i>	1	1	2	3	4
<i>Furniture</i>	0	0	1	2	3
<i>Other manufacturing groups</i>	1	0	1	1	1
<b>Electricity, gas and water</b>	7	12	18	19	20
<i>Electricity and gas</i>	4	7	13	14	12
<i>Water</i>	3	5	4	5	8
<b>Construction</b>	22	22	34	57	70
<b>Tertiary sector</b>	<b>870</b>	<b>944</b>	<b>1 074</b>	<b>1 355</b>	<b>1 545</b>
<b>Wholesale &amp; retail trade, catering &amp; accommodation</b>	144	158	158	176	210
<i>Wholesale and retail trade</i>	135	149	145	162	193
<i>Catering and accommodation services</i>	8	9	12	14	17
<b>Transport, storage and communication</b>	54	55	65	72	72
<i>Transport and storage</i>	45	48	57	61	62
<i>Communication</i>	9	7	7	11	10
<b>Finance, insurance, real estate &amp; business services</b>	46	61	87	126	181
<i>Finance and insurance</i>	23	19	27	35	45
<i>Business services</i>	23	41	60	90	137
<i>Professional business services</i>	17	20	33	56	81
<i>Business activities n.e.c.</i>	6	21	27	34	56
<b>General government</b>	531	555	622	812	882
<i>National and Provincial government</i>	497	513	566	750	805
<i>Local government</i>	35	42	56	62	76
<b>Community, social and personal services</b>	94	116	143	169	200
<i>Education (Private)</i>	13	20	25	33	35
<i>Health and social work (Private)</i>	26	36	44	45	59
<i>Other community, social and personal services</i>	54	60	74	92	106
<b>Total</b>	<b>936</b>	<b>1 028</b>	<b>1 175</b>	<b>1 494</b>	<b>1 721</b>

Source: Quantec regional data, 2016

Table 13

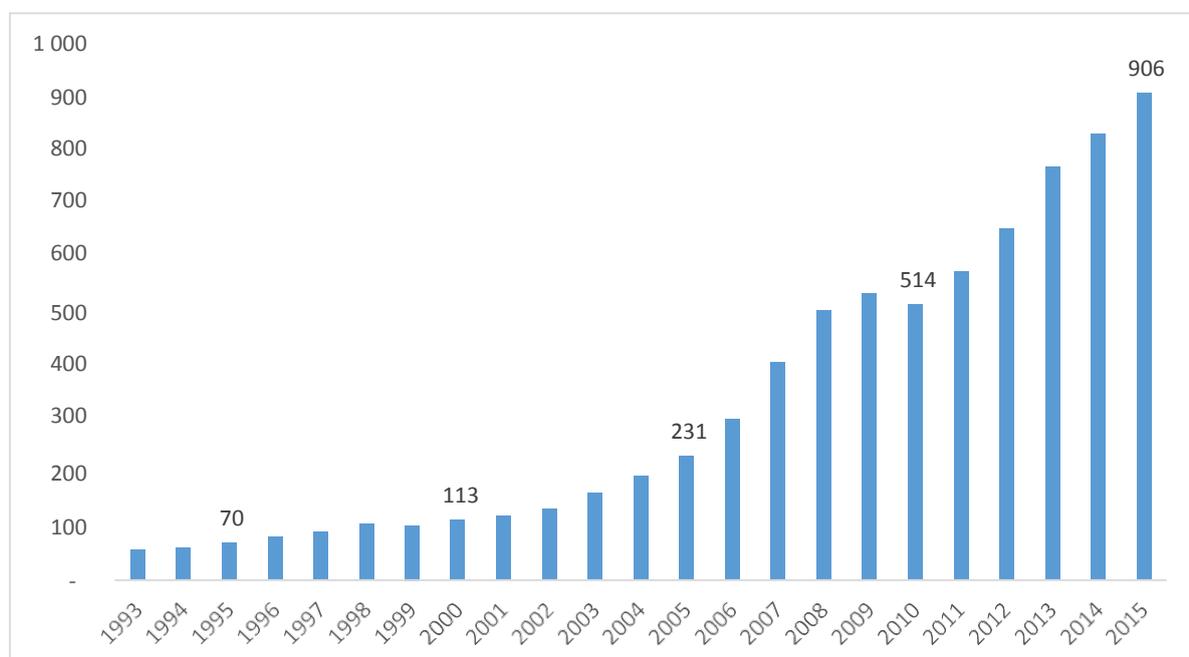
The sources of and constraints to high sustainable growth are closely linked to the sector composition of economic growth and the productivity- enhancing distribution of resources among industries. Outside of the broad services sector, agriculture and its associated processing industries, as well as building and construction, stand out for their revealed comparative advantage in Nyandeni. In Table

### 5.3.6. Investment trends in Nyandeni

Total Fixed Capital Formation is used as a measure of investment within an economy, and is comprised of government capital formation, private capital formation and public capital formation.

Investment in an area can be measured in terms of Gross Domestic Fixed Investment (GDFI) and/or Fixed Capital Stock (FCS). The total fixed investment provides an indication of investment within the economy into machinery, equipment, building and land.

### GDFI: Gross fixed capital formation (R million), 2016



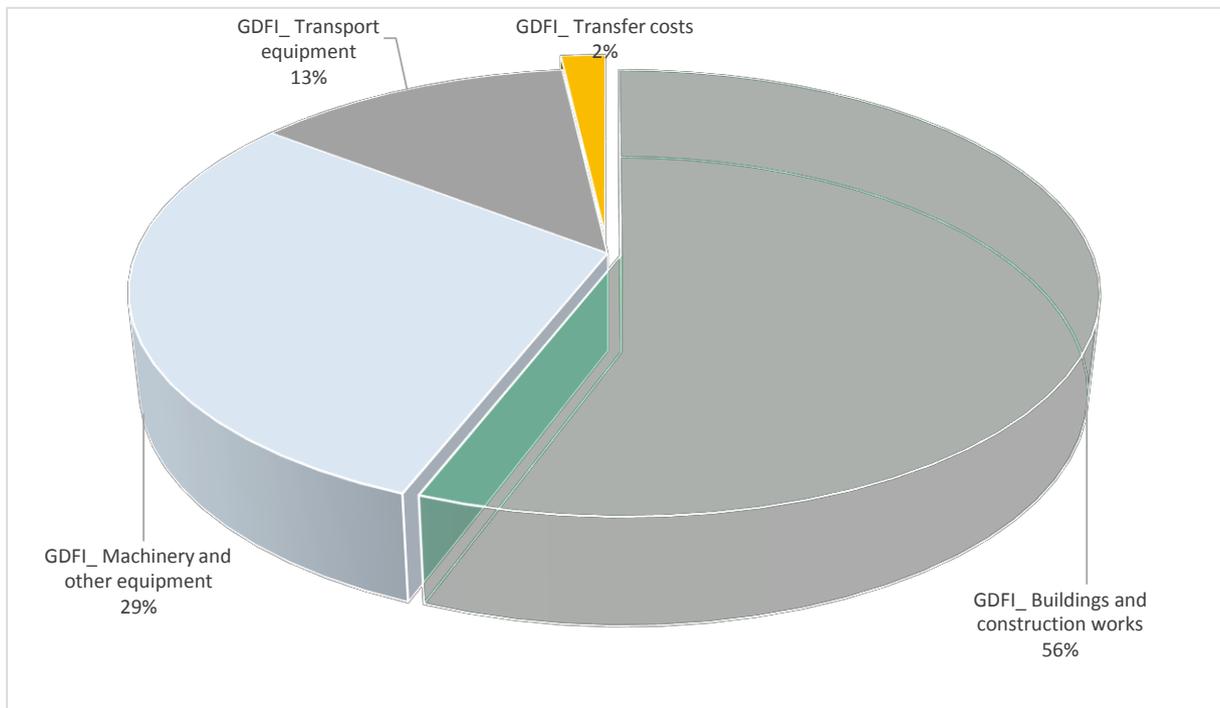
Source: Quantec regional data, 2016

Figure 10

Figure 10 provides investment trends in Nyandeni since 1993 to 2015. According to Quantec regional data, the total nominal Gross Domestic Fixed Investment in Nyandeni has almost double every five years. In 2015, Nyandeni's Gross Domestic Fixed Investment amounted to R906 million, representing 16% of O.R.

Tambo district total investment. More than half (56%) of Nyandeni's Gross Domestic Fixed Investment is in buildings and construction works (See Figure 11).

#### Investment distribution in Nyandeni, 2015



Source: Quantec regional data, 2016

**Figure 11**

Due to lack of economic opportunities in Nyandeni municipality, entrepreneurs seem averse towards investing in corporations based in this municipality. Lack of infrastructure such as good roads, telecommunication systems, health care facilities,... do not motivate skilled labour and businesses to migrate in the district. Also poor infrastructure, in particular poor road networks, unreliable energy supply and insufficient

telecommunication facilities create high transaction costs and cause serious obstacles to operate effectively business in the area.

### 5.3.7 Comparative advantage of Nyandeni local economy

The location quotient is an indication of the comparative advantage of an economy. It is used to identify those local industries that are producing more than is needed for local use and selling outside the region (exporting) and those that are not meeting local needs and are a source of consumption leakage (importing). Table 14 show the local municipalities' location quotients relative to the district (O.R. Tambo) municipality.

#### Local Municipality's location quotient relative to District Municipality (O.R. Tambo)

	O.R. Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Total	-	1	1	1	1	1
Primary sector	-	1.58	1.72	1.28	2.39	0.44
<i>Agriculture</i>	-	1.54	1.13	0.54	3.49	0.49
<i>Mining</i>	-	1.63	2.43	2.19	1.09	0.39
Secondary sector	-	1.01	1.06	1.09	1.08	0.95
<i>Manufacturing</i>	-	1.11	0.78	0.83	1.58	0.93
<i>Electricity</i>	-	0.58	0.73	1.30	0.54	1.15
<i>Construction</i>	-	1.08	1.42	1.25	0.86	0.90
Tertiary sector	-	0.99	0.98	0.98	0.96	1.02
<i>Trade</i>	-	1.00	0.78	0.97	0.93	1.04
<i>Transport</i>	-	0.77	1.00	1.20	0.83	1.04
<i>Finance</i>	-	0.91	0.65	0.88	0.69	1.15
<i>General government</i>	-	1.04	1.19	0.98	1.07	0.96
<i>Community services</i>	-	1.06	1.18	1.05	1.18	0.92
Total		1	1	1	1	1

Source: Quantec, 2016

**Table 14**

When interpreting the data, a location quotient greater than 1.0 indicates that the local economy is self-sufficient, and may even be exporting the good or service of that particular industry. On the other hand, a location quotient less than 1.0 suggests that the region is not self-sufficient and might rely on imports the good or service.

According to Quantec regional data (2016), Table 14 shows that Nyandeni’s comparative advantage relative to the District is in mining, electricity, construction, transport and community services. Nyandeni’s disadvantages relative to the District are in Agriculture, Manufacturing, Trade, Finance and General government.

While location quotients can help you better understand your local economy, you should not rely solely on them for decision-making purposes. Users should keep the following in mind: The location quotient assumes that local productivity (output per worker) is the same as national productivity. One interpretation of a “high” location quotient might be that a particular industry is exporting.

### **5.3.8 Diversification of Nyandeni local economy**

The Tress Index measures the level of concentration or diversification in an economy. An index score of zero represents a much diversified economy, while a number closer to 100 indicates a high level of concentration. The economy of Nyandeni appears to be slightly more concentrated on few industry as it is the case for the District as a whole.

*Tress index over 10 industries*

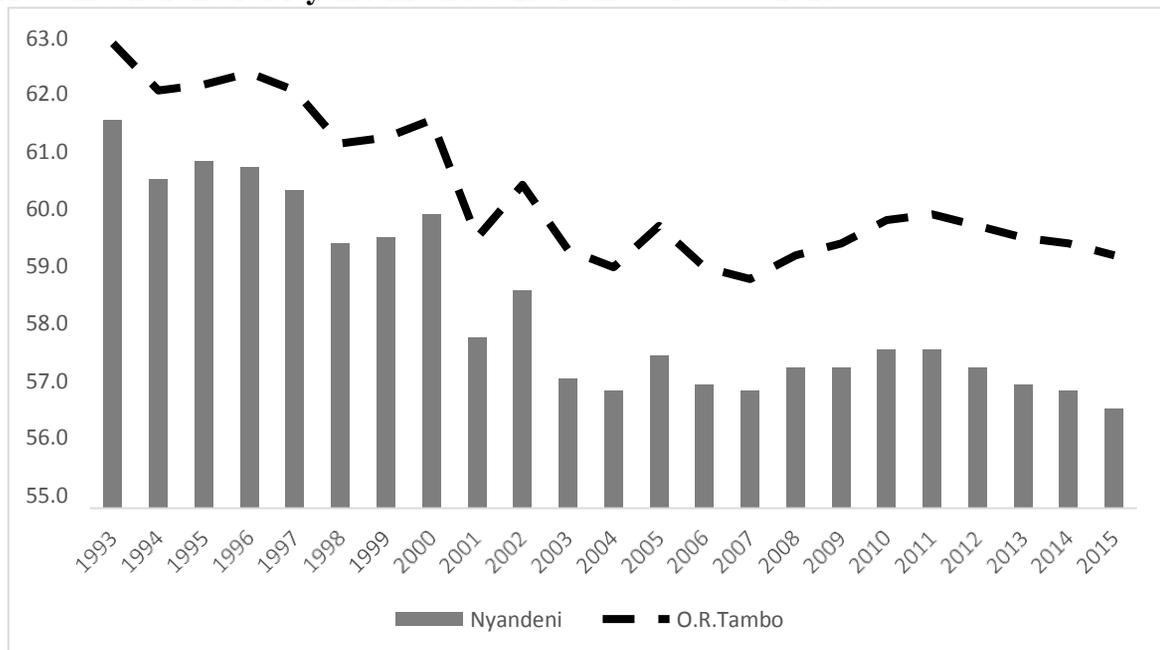
	1995	2000	2005	2010	2015
O.R.Tambo	62.2	61.6	59.8	59.9	59.3
Ngquza Hill	61.5	61.5	59.5	59.8	59.2
Port St Johns	63.9	63.0	60.0	60.4	59.3
Nyandeni	60.9	60.0	57.6	57.7	56.7
Mhlontlo	61.6	62.0	59.9	59.2	57.0
KSD	64.7	63.3	61.2	61.2	61.0

Source: Quantec, 2016

**Table 15**

According to Quantec Regional data (2016), the level of concentration in the District has gradually decreasing. This is an indication the District is gradually diversifying its industries (See Figure 12).

### Tress index trend for Nyandeni and O.R. Tambo: 1993 to 2015



Source: Quantec, 2016 **Figure 12**

#### 5.4 Conclusion

This section has analysed the economy Nyandeni. It showed that economic activities are concentrated solely in the tertiary sector. GVA contributions by value-add or productive sectors, such as agriculture and manufacturing, are very insignificant.

## 10 Social Infrastructure

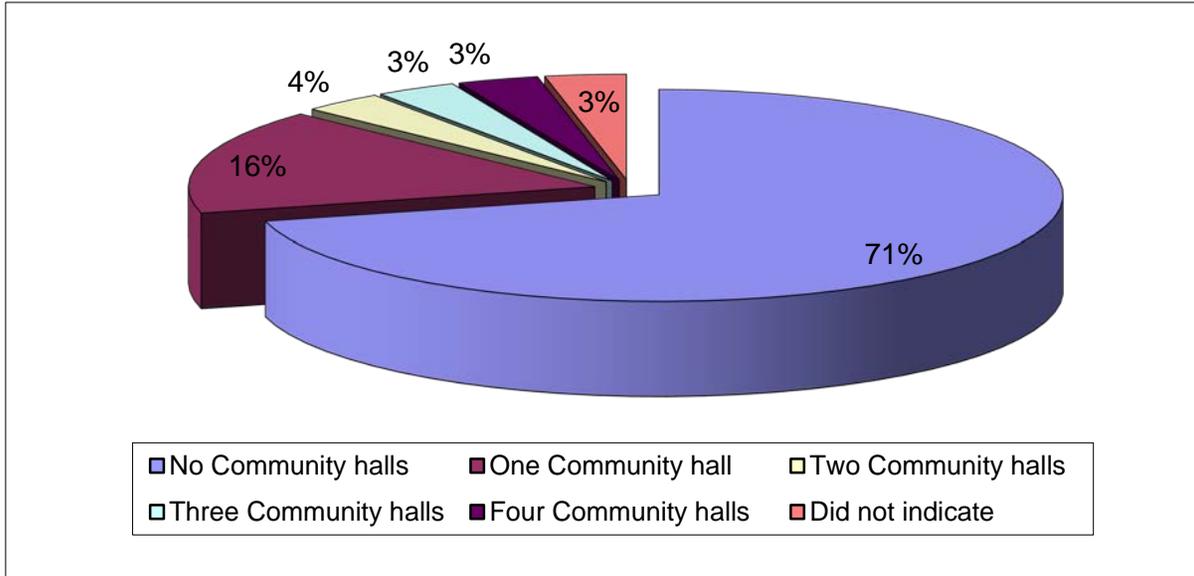
Social infrastructure is a subset of the infrastructure sector and typically includes assets that accommodate social services. Examples of social infrastructure assets include schools, universities, hospitals, prisons, libraries, community halls and community housing. Social infrastructure does not typically extend to the provision of social services, such as the provision of teachers at a school or custodial services at a prison.

### COMMUNITY HALLS

#### (a) Average number of community halls in the various wards

#### (b)

One other aspect investigated through this study was that of community halls, their distribution, funders, personnel and security. The respondents were asked to indicate how many community halls they had in their wards. Their responses are shown in Figure 5 and illustrate that community halls are not very common in these communities. Actually, of all the wards that partook of this study, 22 (or 71%) of them do not have any community halls at all. Sixteen percent (5 wards) of the wards have one community hall each and these are wards 1; 11; 19, 20 and 31. As also illustrated in Figure 5, there are two wards (3%) with 3 and 4 community halls each and these are wards 6 and 21, respectively. Ward 17 did not indicate if there is a community hall or not in that particular ward whereas ward 24 has 2 community halls. In total, there are 14 Community Halls in the entire municipality.



The following community halls were constructed by various funders in the following wards, 01, 06, 07, 11, 19, 20, 21, 24 and 31.

**PROPOSED PLANS**

Build at least two Community Hall per annum including maintenance

**LIBRARY SERVICES**

The municipality has a Service Level Agreement (SLA) with Department of Sports, Recreation and Arts & Culture (DSRAC) to manage public libraries. There are 02 official public libraries (Libode ward 07 and Ngqeleni Town ward 21). There are 03 modular libraries established by DSRAC at Ward 04, 14, 20 and 25

The municipality took a decision to establish and support school/community libraries, to that effect the municipality is operating with 07 community/ school libraries (Ward 04, 11, 14, 18, 19, 24 and 31).

**10.1 Educational services**

**EARLY CHILDHOOD DEVELOPMENT**

**Include Prioritisation of SOPA**

The municipality took a decision to contribute to the cognitive development of the child by making a provision of the child care facility, where a child will be developed emotionally, cognitively, morally, physical and social from birth to school going age.

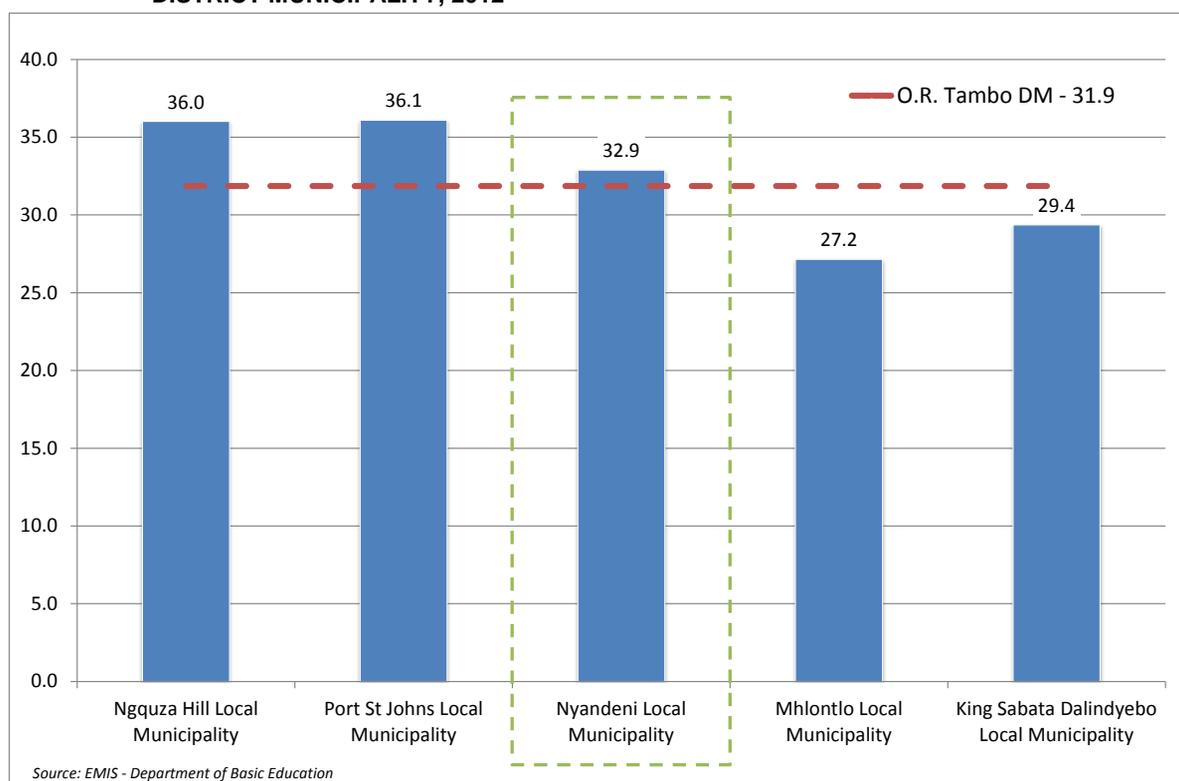
*Distribution of ECDCs between different wards in the municipality (N=31)*

Number of ECDCs per ward	Frequency	Total number of ECDCs	Wards	Number of villages
00	1	00	20	18
01	2	02	17; 19	19
02	0	00	-----	00
03	4	12	7; 9; 22; 23	23
04	7	28	1; 3; 4; 5; 15; 25; 30	66
05	4	20	10; 11; 12; 31	24
06	2	12	18; 24	21

Number of ECDCs per ward	Frequency	Total number of ECDCs	Wards	Number of villages
07	4	28	8; 26; 27; 29	54
08	1	08	16	10
09	0	00	-----	00
10	3	30	2; 6; 21	36
11	2	22	13; 28	19
12	1	12	14	10
<b>TOTAL</b>	<b>31</b>	<b>174</b>	<b>31</b>	<b>300</b>

To date the municipality has constructed 8 early childhood centres in the following wards 02, 04, 07, 10, 21, 25, 26, 28. Additional 2 ECDC's will be constructed in the 2014/2015 financial year

**CHART 11. NUMBER OF STUDENTS FOR EACH EDUCATOR BY LOCAL MUNICIPALITY IN O.R. TAMBO DISTRICT MUNICIPALITY, 2012**



In order to sustain growth in the number of learners, educators are necessary. In Nyandeni Local Municipality there is a total number of 3 251 educators/teachers which is equal to 33 learners to one educator, which is inline with the district municipality (32 learners per educator). Comparing that to the other local municipalities the Mhlontlo Local Municipality has the lowest ratio of 27 learners to one educator.

## 10.2 Healthcare facilities

**Definition** A healthcare facility is, in general, any location at which medicine is practiced regularly. Medical facilities range from small clinics and doctor's offices to emergency medical centres and large hospitals with elaborate emergency rooms and trauma centres. The healthcare facilities is summed in to categories:

- **Private facilities** – all facilities that is for-profit this includes private hospitals and private clinics. The not-for profit facilities also forms part of the private facilities, but is only non-medical sites.

- **Public facilities** – this includes general provincial facilities, provincial emergency services and any other department facilities

There is a total of 8252 healthcare facilities in South Africa, 6575 is in the hands of the government and 1677 in the private sector. The following summarizes the number of health facilities in the O.R. Tambo District Municipality and the Nyandeni Local Municipality.

**TABLE 15. NUMBER OF HEALTH FACILITIES IN NYANDENI LOCAL MUNICIPALITY, 2011**

Type	Number of health facilities		Facilities per 100,000 people	
	O.R. Tambo DM	Nyandeni LM	O.R. Tambo DM	Nyandeni LM
Private facilities	5	1	0.4	0.3
Public facilities	193	65	14.1	22.4
<b>Total</b>	<b>198</b>	<b>66</b>	<b>14.5</b>	<b>22.7</b>

Source: Health Information Systems Programme (HISP)

The Nyandeni Local Municipality has 33.7% of the total public facilities in the O.R. Tambo District Municipality. In the O.R. Tambo District Municipality there is a total of 14.5 healthcare facilities for every 100,00 people, while in Nyandeni Local Municipality a total of 22.7 healthcare facilities are available for every 100,000 people.

**TABLE 16. NUMBER OF HEALTH FACILITIES IN NYANDENI LOCAL MUNICIPALITY BY TYPE OF FACILITY, 2011**

Type	O.R. Tambo District Municipality	Nyandeni Local Municipality
Clinic	139	46
Community Health Centre	10	3
Correctional Centre	4	2
Crisis Centre	1	1
District Hospital	9	4
EMS Station	9	3
Mobile Service	14	6
Non-medical Site	3	-
Private Hospital	1	-
Provincial Tertiary Hospital	2	-
Psychiatry Service	3	1
Regional Hospital	1	-
Specialised Orthopaedic Hospital	1	-
Specialised TB Hospital	1	-
<b>Total</b>	<b>198</b>	<b>66</b>

Source: Health Information Systems Programme (HISP)

The above table is a breakdown of the type of healthcare facilities in the Nyandeni Local Municipality. The majority of health facilities are in the form of a clinic - 46 facilities or 69.7% of the total facilities in Nyandeni Local Municipality.

The number and quality of medical facilities in a country or region is one common measure of that area's prosperity and quality of life.

## CHAPTER 3: THE SPATIAL DEVELOPMENT FRAMEWORK

### Preparation and Adoption

The Spatial Development Framework was reviewed and adopted by Council **on 31 March 2011 with a council resolution no 650** as key component of the integrated development planning. It is five a year horizon plan that guide and inform spatial planning processes and key decisions.

The formulation of a Spatial Development Framework Plan is a legal requirement, which every Municipality must adhere to as part of their Integrated Development Planning process (IDP). Refer: Section 26 (e) of the Municipal Systems Act (Act 32 of 2000).

### SDF REVIEW PROCESS

#### 3.1 Purpose of Spatial Development Planning

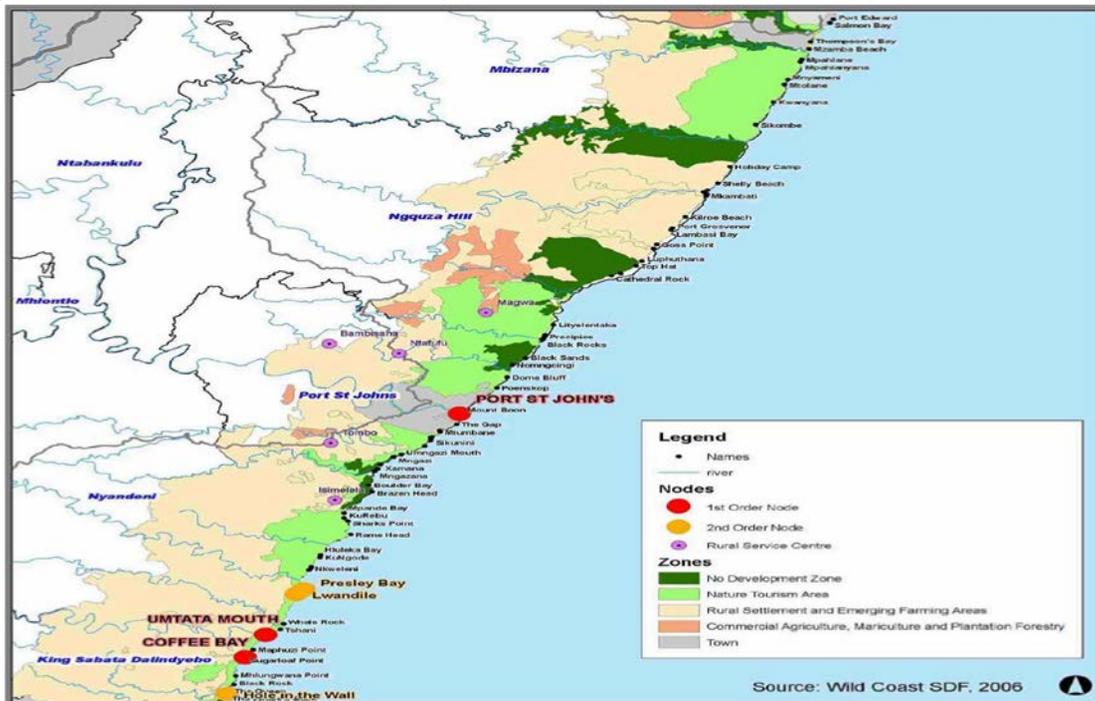
The purpose of formulating a Spatial Development Framework Plan for Nyandeni is to provide the municipality and other development agencies with a tool to assist them in making development decisions, which ensures that land in Nyandeni is used and managed appropriately and that sustainable development decisions and practices are implemented.

The Spatial Development Framework essentially creates a map “picture” of what the Nyandeni area will look like in the future in accordance with the Municipality’s vision and objectives, developed during the IDP process.

In so doing the purpose of the plan is to provide a spatial policy framework:

- To direct development agencies in decision making which directly or indirectly impacts on the Municipal area.
- To direct private and public investment to areas in that would ensure the most sustainable return of investment.
- To guide development in a spatially efficient way, ensuring linkage and alignment to regional and national development policies and programmes.
- Which in response to locally specific trends and dynamics in Nyandeni, directs investment to areas of greatest potential and to target areas of greatest need to alleviate poverty and promote economic growth.
- This proposes strategic options to improve linkages within Nyandeni and beyond its boundaries to stimulate effective and sustainable integrated development.

## Nyandeni LM SDF



### 3.2 Legal Framework for the SDF

During the Apartheid era (pre–1994), spatial planning was commonly used as a tool to achieve the “separate development” ideology of the Apartheid Government. In those terms, spatial planning entailed prescriptive, inflexible and control-orientated measures that sought to manipulate the physical environment in order to achieve racially separate. As an inevitable consequence of this, fragmented and unequal socio-economic and spatial development patterns resulted across South Africa, which is a legacy that will need to be redressed for generations to come.

Since 1994, the post-Apartheid Government has sought productively to change e imbalances and inequalities of the past by: -

- *Promoting the restructuring of spatially inefficient settlement forms;*
- *Encouraging wise and sustainable land use;*
- *Channeling resources to areas of greatest need and development opportunity;*
- *Stimulating economic development opportunities in both rural and urban areas; and*
- *Supporting equitable protection of rights to and in land.*

In order to achieve this, the Government has adopted a range of new legislation and policies, which allows for a more flexible, participative planning methodology that is principle-led and rights-based.

For the Nyandeni Spatial Development Framework, the **key legislative informants** of the new approach to spatial planning are derived from: -

- *The Development Facilitation Act (Act 67 of 1995)*
- *The Municipal Systems Act (Act 32 of 2000) – specifically Chapter 5*
- *The Local Government: Municipal Planning & Performance Management Regulations (GN R796 of 2001)*
- *The White Paper on Wise Land Use: Spatial Planning and Land Use Management (March 2001)*
- *The Draft Land Use Management Bill (2008)*

The above laws and legislative policy documents provide the foundations for establishing the parameters of a Spatial Development Framework. As such, these are the principle informants on matters of spatial planning policy for the Municipality and, in the case of the enacted laws, the Municipality is legally obliged to apply their provisions when engaging in spatial planning and land use management.

### 3.3 Nyandeni Development Nodes

Nodes are usually located on main transport routes and intersections of such routes, to provide maximum access and can act as catalysts for new growth and development in areas adjacent to the nodes. As such, they are areas where the following should be prioritized: -

- Appropriate levels of development investment in infrastructure.
- Appropriate land use management to promote preferred development outcomes, which are further described in Section 6.3.3. Below in the Land Use Management Guidelines.

IT MUST BE NOTED that defining certain urban or rural settlements as development nodes does imply that these areas are of a higher level of strategic importance in the overall spatial pattern of development in Nyandeni.

However, this does not mean that the constitutional injunction to strive to deliver a basic level of service to all settlements in the municipal area within the available means of the state is to be compromised. Rather, the identification of the development nodes is seen as a tool to assist the Municipality in prioritizing its efforts and expenditure appropriately to achieve the best possible developmental outcomes in the Nyandeni area, to the benefit of all Nyandeni communities.

URBAN NODES	
NODE TYPE	AREA/LOCALITY
Municipal Urban Node	Libode Nggeleni
DESCRIPTION	
<p>Both these towns are described in the OR Tambo District SDF as lower-order service centres in terms of the district-scale.</p> <p>From the local municipal perspective they remain important as urban settlements where goods and services can be accessed by the local residents and residents of surrounding rural settlement areas.</p> <p>The towns should be promoted by the LM as places for the location of retail and wholesale enterprises as well as education and health facilities. It is important also to ensure that public transport facilities are developed to an effective standard in these towns.</p> <p>The priorities in these towns are deemed to be the upgrade and extension of infrastructure networks and the implementation of rigorous land use management.</p>	

#### 3.3.1 Libode

The specific priorities for land development in the town of Libode are suggested as follows (refer to Plans overleaf): -

- Given the fact that the town is relatively close to the conurbation of Mthatha, where housing/accommodation is at a premium, the focus in Libode should be on developing the town as a secondary or satellite town to Mthatha. This means that emphasis should be placed on
  - a. The upgrade of urban infrastructure to ensure that a decent level of service can be provided to residents in the town;
  - b. The rendering of basic cleansing services and the effective management of solid waste so as to improve the quality of the living environment in the town;
  - c. Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls and the provision of on-site parking and loading facilities;
  - d. Placing a special focus on the improvement of infrastructure (including public transport facilities) in the Central Business area (Business Improvement District)
  - e. Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced.

- f. Encouraging the densification of residential areas in the “old town” where erf sizes are large. This may be achieved by the application of rates surcharges for undeveloped land located in the town area.
- It is desirable that a Local Spatial Development Framework be formulated that focuses on the town of Libode and the rural settlements due south of the town to attempt to promote the integration of the functioning of the urban and rural areas.

### .3.2 Ngqeleni

The specific priorities for land development in the town of Ngqeleni are suggested as follows

- Given the fact that the town is centrally located within the Nyandeni Municipal area and is located on a main access route to the coastal resort areas of Presley Bay and Lwandile, the focus in this area should be placed: -
  - a. The upgrade of urban infrastructure to ensure that a decent level of service can be provided to residents in the town;
  - b. The rendering of basic cleansing services and the effective management of solid waste so as to improve the quality of the living environment in the town;
  - c. Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls and the provision of on-site parking and loading facilities;
  - d. Placing a special focus on the improvement of infrastructure (including public transport facilities) in the Central Business area (Business Improvement District);
  - e. The development of a Tourism Information Centre (Visitors Info Centre) at an appropriate locality in the town;
  - f. The legalisation of the existing (built) township area known as Extension 3;
  - g. Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced.
  - h. Encouraging the densification of residential areas in the “old town” where erf sizes are large. This may be achieved by the application of rates surcharges for undeveloped land located in the town area.
- It is desirable that a Local Spatial Development Framework be formulated that focuses on the town but this is not seen to be as high a priority as the need for a LSDF in Libode and surrounds, given the strategic importance of the potential Activity Corridor linking Mthatha to Libode and beyond to Ntlaza Junction.

TOURISM NODES	
NODE TYPE	AREA/LOCALITY
Primary Coastal Node	Mthatha Mouth/Mdumbi/Tshani
Secondary Coastal Node	Presley Bay/Lwandile
Proclaimed Reserve	Hluleka Reserve
DESCRIPTION	
<p>These are areas or settlements where the principal function has been identified as being related to the development of a viable and sustainable Coastal Tourism sector</p> <p>Accordingly, the priorities in these nodes are related to appropriate infrastructure development, the development of suitable access roads and the maintenance of the infrastructure so developed.</p> <p>A further set of priorities for these nodes is strongly related to the appropriate management of land use and related activities as well as rigorous environmental management to preserve the environmental assets that provide the competitive advantage of these areas.</p>	

RURAL NODES	
NODE TYPE	AREA/LOCALITY
Higher Order Rural Settlement Node (Rural Service Centres)	Corana Junction Nyandeni village Marhubeni Dikela Hill Ntlaza Junction "Kop Shop" Junction Canzibe Entshilini Junction
DESCRIPTION	
<p>These are rural villages or transport junctions where higher order rural-level services are prioritized. In the main, these are seen to include education facilities, primary health care facilities (clinics), businesses and, where required, other social facilities (police stations, pension pay points etc.).</p> <p>The priority from an infrastructure point of view for these rural nodes remains a basic level of supply for water services and electricity. However, road access to and from these nodes is seen to be of a higher priority and should be noted accordingly when road development and maintenance budgets are drawn up.</p> <p>These nodes are also prioritized as local areas where spatial planning to improve land use and infrastructure should be carried out.</p>	

### 3.4 Development Corridors

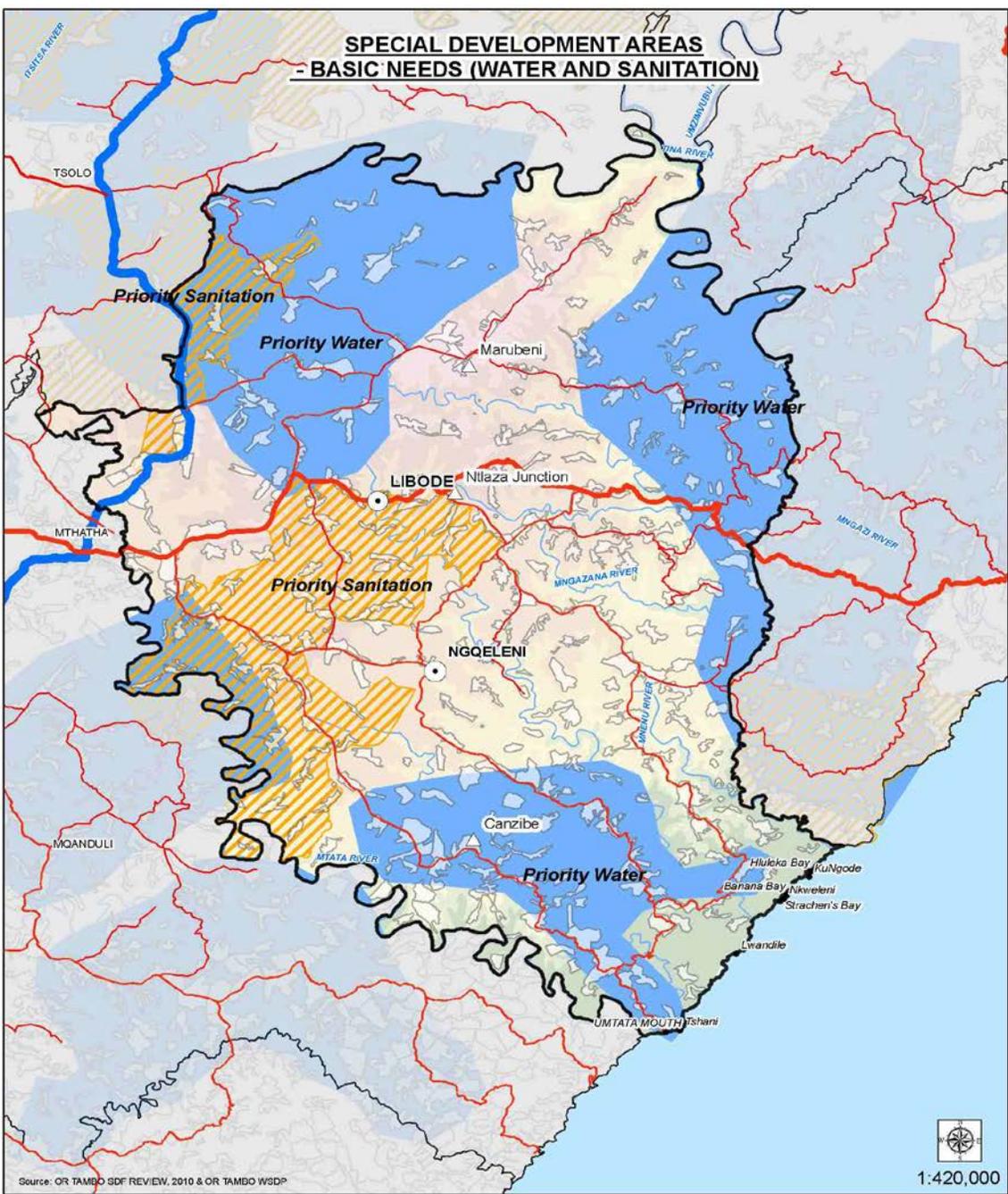
Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these "movement corridors" have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route.

Different categories of Development Corridors can be described as follows (*adapted from the Buffalo City Spatial Development Framework: SETPLAN et al, 2003*):

- **Mobility Route:** is a road with limited access that principally carries traffic between major nodes.
- **Activity Corridor:** is a band of high-density development up to 800m wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use (nodes) and are usually found in larger urban areas. They can, however, be designated in rural areas where deemed appropriate.

In addition to the above types of development corridor commonly defined, the particular circumstances within Nyandeni warrant the identification of **Special Routes**, which are, in this instance, related to tourism development.

TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
<b>Primary Activity Corridor</b>	<ul style="list-style-type: none"> <li>▪ R61 from Mthatha to Ntlaza Junction</li> </ul>	This route has the potential to be developed as a development corridor with a higher intensity of land use alongside it due to the proximity of the three nodal elements of Ntlaza Junction, Libode and Mthatha.
<b>Mobility Routes</b>	<ul style="list-style-type: none"> <li>▪ N2</li> <li>▪ R61</li> <li>▪ DR18030 (road from R61 to Mthatha Mouth via Ngqeleni)</li> </ul>	These routes carry passing traffic and provide access between local areas in Nyandeni and centres further afield
<b>Proposed Mobility Route</b>	<ul style="list-style-type: none"> <li>▪ N2 TOLL Road</li> </ul>	
<b>Special Routes – Tourism Focus</b>	<ul style="list-style-type: none"> <li>▪ Wild Coast Meander</li> <li>▪ Thunga Thunga Route (R61)</li> <li>▪ DR18030 (road to Mthatha Mouth)</li> </ul>	These routes relate to tourism destinations and provide links between tourism nodes and main mobility routes



**Legend**

**PRIORITY AREAS**

- Sanitation
- Water



**BIOREGIONS**

In terms of the Biodiversity Act (Act 10 of 2004), the Minister or the MEC for environmental affairs in a province may determine a geographic region as a bioregion for the purposes of the Act and publish a plan for the management of biodiversity in that region.

**SUSTAINABILITY**

There is an obligation for government on the one hand to promote rural development poverty alleviation and service delivery and on the other hand to ensure that the rich natural capital of the Province is sustainably used and conserved so that both current and future generations may benefit.

**CRITICAL BIODIVERSITY AREAS**

Critical Biodiversity Areas (CBAs) are terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining ecosystem functioning.

The ECBCP developed two maps, one showing terrestrial (land-based) CBAs (see Map 1), and the other showing aquatic (freshwater) CBAs (Map 2). The map of terrestrial CBAs was compiled by undertaking a systematic biodiversity planning analysis and adding all biodiversity priority areas identified by other systematic biodiversity planning projects (such as STEP) in the Province. The following table identifies recommended land-use objectives for Biodiversity Conservation.

**TABLE A: Recommended Land-Use Objectives**

	Dark Green	Light Green	Yellow	Orange	Red
Conservation	Yes	Yes	Yes	Yes	Yes
Game farming	No	Yes	Yes	Yes	Yes
Commercial livestock	No	Yes	Yes	Yes	Yes
Commercial livestock ranching	No	No	Yes	Yes	Yes
Dry land cropping	No	No	Conditional	Yes	Yes
Irrigated cropping	No	No	Conditional	Yes	Yes
Dairy farming	No	No	Conditional	Yes	Yes
Timber	No	No	Conditional	Yes	Yes
Settlement	No	No	Conditional	Yes	Yes

Aquatic CBAs were identified on the basis of sub-quaternary catchments, addressing the linkages between catchments, important rivers and sensitive estuaries. Priorities were identified through a systematic conservation planning analysis.

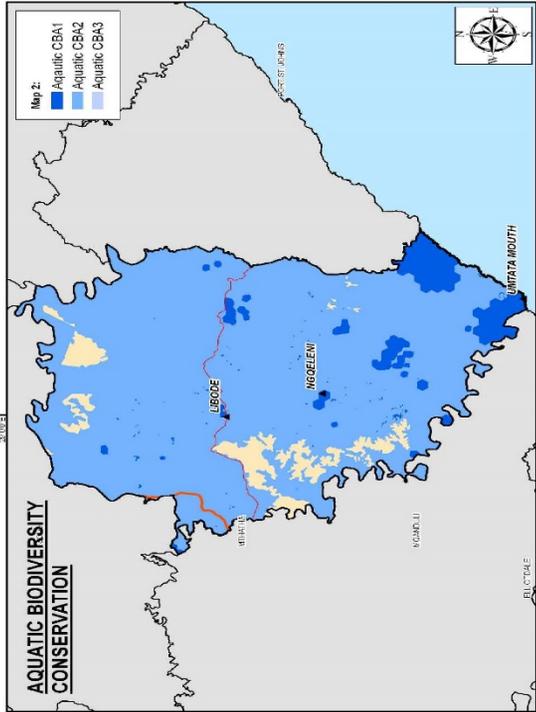
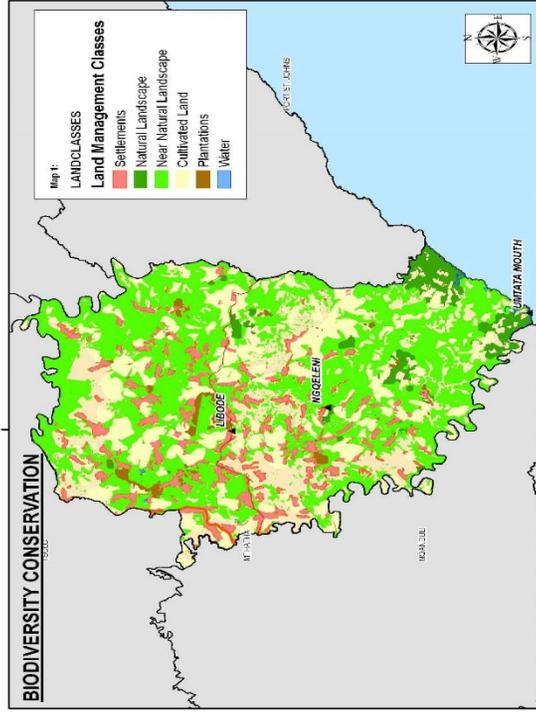
**Why conserve biodiversity?**

Biodiversity provides us with clean water, air and soil, as well as medicinal plants, timber, food products (from fishing, hunting and wildfowl), building materials and grazing. Plant roots stabilise the soil and prevent erosion. All of these are vitally important for human wellbeing. Biodiversity also contributes significantly to rural livelihoods. The scenic beauty of the Province provides valuable products for the tourism and wildlife industry with potential to generate considerable economic revenue from nature reserves, game farms and hunting lodges. At the global scale, we depend on nature, particularly forests, to absorb the carbon dioxide that we generate, and to regulate the climate. All of these resources depend directly on biodiversity.

**Recommended Land Uses**

Some land use types have a much greater negative impact on biodiversity than others. For instance, timber plantations and urban settlement are much more damaging to biodiversity than livestock and low-input tourism activities. To further

Consisted by: **University of Limpopo** and **University of Limpopo**, **Water Resources, Planning, Policy, Research and Policy Unit**, **Water Resources and Policy Project No. 2006/012**, **King Willem's Dam**, August 2007.  
ISBN 978-0-620-39423-5



## SPATIAL DEVELOPMENT FRAMEWORK IMPLEMENTATION

### NYANDENI PRECINCT PLAN

Nyandeni Precinct Plan was commissioned by the Eastern Cape Socio Economic Consultative Council herewith referred as (ECSECC) and completed in 2012. The study identifies 3 areas namely;

- *Central Business District (CBD) of Ngqeleni*
- *Mthatha Mouth to Mdumbi River*
- *Lwandile/Presley Bay*

#### Objectives and Strategies

<p>2. Provide a clinic for the community of Ngqeleni</p>	<p>The nearest hospital is Canzibe Hospital, in Mgodweni location, 30 km away from Ngqeleni.</p> <p>An appropriate site has been allocated for a clinic in Ngqeleni Town.</p>
<p>3. Identify the strategic areas of opportunity that should be the focus areas for capital investment in engineering services infrastructure.</p>	<p>This is the mapped CBD area that will facilitate medium density developments and intense economic activity.</p> <p>Maintain the proposed urban edge for the next 10 years or more until such time that the area has been developed to its full potential and densified to its full potential.</p>
<p>4. Improve road quality by undertaking road maintenance and/or rehabilitation.</p>	<p>Tar the two main roads. Namely: King George and Armstrong street. And provide wide pavements that facilitate random street trading as well as people walking with their goods.</p>
<p>5. Implementation of a well designed stormwater system that will reduce damage to road infrastructure.</p>	<p>This will be costly and will disturb the everyday functioning of the town therefore careful planning is required and appropriate times for road works.</p>
<p>6. Implement a comprehensive land use management system for the municipality. This will lead to investment and development in the medium to long term.</p>	<p>Channel development into a system of nodes and corridors, in accordance with the principles of the National Spatial Development Perspective.</p>
<p>7. Unlocking of strategic land.</p>	<p>Support and develop strategic locations that contain the right characteristics to enable sustainable economic development and which contribute to the overall spatial efficiency and sustainability.</p> <p>Identify vacant land parcels which will have 1<sup>st</sup> priority in terms of development and thereafter identify other land parcels that would facilitate ideal developments for the betterment of the town. Those land parcels would then need to be acquired from the municipality or bought from private owner.</p>

### **Nggeleni Nodal Precinct identifies the following development priorities**

- Construction of a Tourism Information Centre to cater for the needs of tourist travelling through the town
- Tourism Sector Plans
- Resources (Skilled Professional)
- Preparation of Business Plans
- Detail Urban design guidelines
- Tourism and Direction Signage
- Redevelopment of Taxi Rank with facilities
- Upgrading of water supply

### **Development Priorities – Mthatha Mouth/Mdumbi**

- Detail Urban design guidelines
- Application for funding for township establishment
- Tourism and Direction Signage
- Marketing and investment opportunities
- Upgrading of the main access road
- Upgrading of water supply
- Upgrading of sanitation
- Development of Hotel/Lodge
- Development of Caravan Park'
- Development of two resort areas

### **Development Priorities – Lwandile/Presley Bay Node**

- Upgrading of the main access road
  - Tourism signage and marketing
  - Township Establishment
  - Upgrade of water supply
  - Upgrade of sanitation
  - Development of Hotel/lodge
  - Development of two resort area
  - Development of Caravan Park
- 

### **Local Spatial Development R61 Corridor/Ntlaza & Libode**

#### **Objective of the LSDF**

- Manage development, upgrade the CBD and Ntlaza Junction area, improve the quality of life, give access to basic services, social facilities and create employment opportunities.
- Upgrading of infrastructure to support the growing transport services and new development initiatives.
- Manage use of natural resources.
- Identify and develop adequate land and services for existing and new communities.
- Create higher density settlements.
- Promote development along major transport routes and in close proximity to services.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
▶ Ntlaza Junction situated at a transport interchange.	<ul style="list-style-type: none"> <li>▶ High dependency rate on the local government sector.</li> <li>▶ Low levels of employment and income, which results in limited buying power.</li> </ul>	▶ Densification of residential areas is encouraged.	▶ Predominant residential component, instead of a more business orientated centre.
▶ Libode regarded as the economic hub of Nyandeni Local Municipality.	▶ No legislation in place to control development.	▶ Ntlaza Junction prioritized for education facilities, primary health care facilities, businesses and other social facilities.	▶ No projects to upgrade roads and stormwater in Libode.
▶ Vacant land within the town of Libode is available for development.	▶ Infrastructure backlog.	▶ Road access to and from Ntlaza Junction prioritized for maintenance.	▶ Water shortages in Libode, particularly in dry seasons.
▶ Favourably located on R61 en-route to the National N2 Road and the coast.	▶ Existing gravel roads, with no formal stormwater infrastructure.	▶ R61 identified as a 'Primary Activity Corridor' with the potential of being developed as a 'development corridor'.	▶ Illegal dumping of refuse by the Municipality at the unlicensed waste disposal site.
▶ Proposal by SANRAL to upgrade interchanges along the R61 into Libode.	▶ Water demand is higher than the existing supply of water in Libode.	▶ Relatively high youthful population which reduces the dependency ratio.	▶ No formal taxi embayments along the R61 at Ntlaza Junction.
▶ Proposal to construct a Waste Water Treatments Works for Libode.	<ul style="list-style-type: none"> <li>▶ No formalised waterborne sewerage infrastructure.</li> <li>▶ Poor sanitation services may cause water pollution.</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to provide land tenure to those settled at Ntlaza Junction.</li> </ul>	▶ Rainwater tanks are main supply of water at Ntlaza Junction.
▶ Electricity supplied by Eskom and is currently being	▶ Little opportunities for employment poses a	▶ Opportunity to prevent haphazard	▶ Non-existent refuse removal

upgraded to increase the supply.	threat to development.	development at Ntlaza Junction.	service at Ntlaza Junction, which is an environmental hazard.
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## INFRASTRUCTURE FRAMEWORK

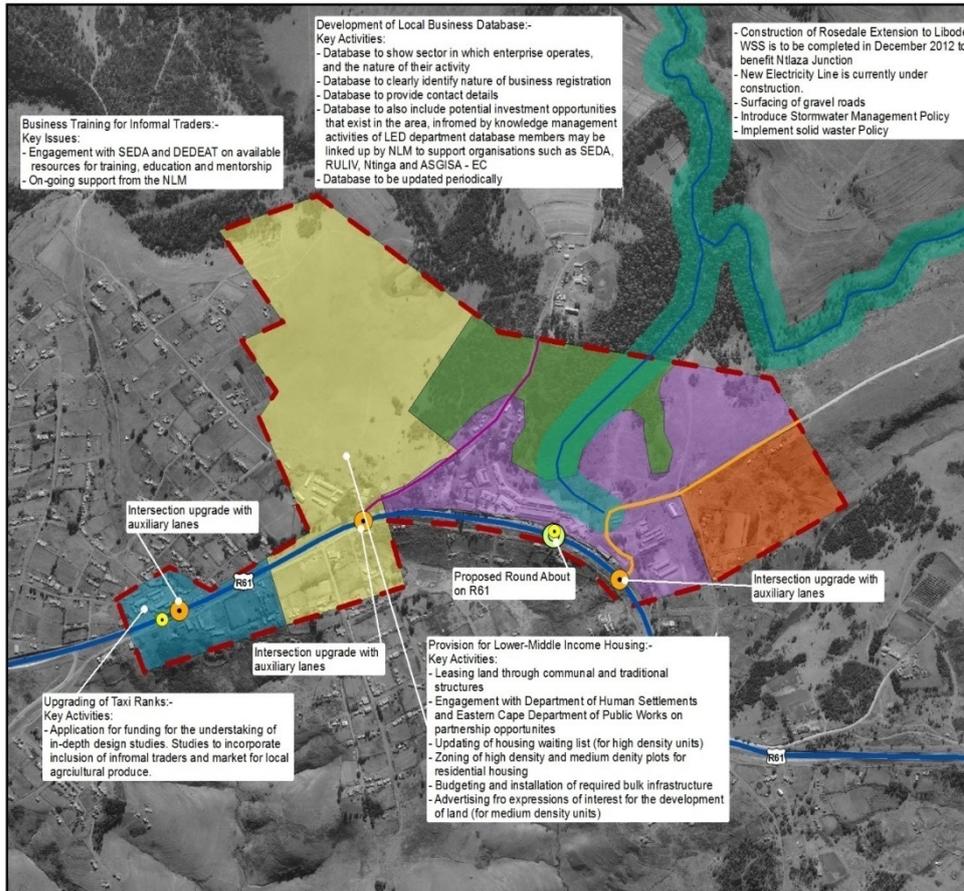
### ⦿ Upgrading of the R61

- > Interchange at the eastern access road into Libode
- > Overpass at the currently closed off access near the NLM offices, including pedestrian ramps and public transport bays
- > Relocation of the western intersection to Libode with the introduction of auxiliary turning lanes
- > Pedestrian bridge at the school along the R61- Libode
- > Central median island along the R61- Ntlaza junction
- > The introduction of a roundabout at the hospital with the relocation of the access to the hospital off the side road at Ntlaza junction
- > The formalization and redevelopment of the public transport facilities along the R61 in the vicinity of the Ntlaza junction
- > Rationalization of intersections at the Ntlaza junction

### Public Transport Facility in Libode

- ⦿ Surfacing and demarcation of the rank
- ⦿ Formalization of the informal trading areas
- ⦿ Provision of adequate shelters for both informal traders and commuters
- ⦿ Dedicated wash bays
- ⦿ Ablution and office facilities
- ⦿ Adequate municipal services such as water, sewerage, electricity, refuse removal, etc

# NTLAZA JUNCTION SDF





**NYANDENI  
LOCAL MUNICIPALITY**

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**LOCAL SPATIAL DEVELOPMENT  
FRAMEWORK  
LIBODE URBAN DEVELOPMENT NODE  
AND NTLAZA JUNCTION**

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**NTLAZA JUNCTION LOCAL  
SPATIAL DEVELOPMENT  
FRAMEWORK**

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**LEGEND**

-  Urban Edge
-  Nodes
-  Upgraded Intersection
-  Round about
-  R61
-  Primary Activity Street
-  Secondary Activity Street
-  River
-  50m River Buffer
-  Public Open Space
-  1 - Hospital Precinct
-  2 - Residential Precinct
-  3 - Eastern Precinct
-  4 - Business Precinct

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DATE: NOVEMBER 2012




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 This data is for information purposes only  
 no liability shall devolve upon the local authority  
 or it's officials though the use thereof.

# **BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

## **ROADS, STORM WATER AND PUBLIC TRANSPORT**

### **Adoption**

The Storm Management Plan for Ngqeleni and Libode Towns was adopted by Council on 31 May 2013 and covers the following areas;

### **Storm Water Management**

#### **Scope of Study**

The study has the following aim:

- Review existing storm water reports, storm water maps, studies, soil maps, and other rainwater data.
- Review available drainage information in the study area.
- Identification of any storm water hazards/flood risks within the study area.
- Evaluation of potential implementation constraints and development of possible storm water drainage mitigation. Provide relevant information for the planning and design of future storm water drainage and furniture.
- Provide suitable detailed storm water layout and cost estimates.

#### **Objective of Study**

- This storm water management plan has the following objectives:
- To protect all life and property from damage by storm water and floods.
- To prevent or better manage erosion of soil by water.
- To improve the quality of life of the Libode Town and the affected surrounding communities.
- To conserve the natural environment and to protect and enhance water resources in the catchments.

#### **Study area observations and discussion**

##### **Flood Risk**

The current state of development tends to reduce the natural rainfall infiltration and increase storm runoff in areas where there is less or no permeability. Downstream flood damage risks will increase unless adequate management of flood runoff is provided by the municipality either collectively and/or individually.

The design of the major storm water system must address this issue as far as possible, but it is important to note that each type of land-use and its associated runoff must be catered for in the process of design such that the current state of development's flood risks are no greater than the future development flood risks.

The hydrological analysis will advise the degree to which the municipality will have to provide adequate storm water drainage to ensure that flooding risks are minimized even after land-use changes in the process of development.

##### **Storm water Management Philosophy**

The major storm water system consists of culverts, pipe conduits. It includes V-drains and natural beams to control storm water. Roadways and their associated drainage structures may form part of the major storm water system if they result in a significant deflection of storm water from its natural overland flow path.

The minor storm water system consists of any measures provided to accommodate storm water runoff within sites and road reserves and convey the runoff to the major storm water system. These measures include conduits, berms, channels, road verges and small watercourses. Storm water runoff should not be concentrated to an extent that would result in any damage to the environment during storms with a probability frequency more than 1:10 years and would result in only minor, repairable damage in storms with a probability frequency more than 1 in 20 years. All elements of the built and natural environment must be able to withstand a 1: 20 year storm event without significant consequential loss and risk to property and life.

Note that a “storm frequency” equates to a “probability of occurrence” of a storm event that should be used to assess the annual budget or insurance provision for remedial works, should the event occur.

In all catchments, the water courses and built storm water infrastructure must be maintained in a clean state, free of any rubbish, debris and matter likely to pose any pollution threat to the lower reaches of the water courses.

The Storm water Management Philosophy for the Nyandeni Local Municipality encourages residents, technical officials and property owners to do the following:

- Maintain adequate ground cover at all places and at all times to negate the erosive water.
- Prevent concentration of storm water flow at any point where the ground is susceptible to erosion.
- Reduce storm water flows as much as possible by the effective use of attenuating devices.
- Ensure that their land-use practices do not increase the rate of storm water flow above that which the natural ground can safely accommodate at any point in the sub-catchments.
- Ensure that all storm water control infrastructure are kept in a safe and aesthetic manner in keeping with the overall environment landscape for the area.

### **Storm water Runoff Control**

When formal underground storm water systems are provided in the overall municipality for the acceptance of storm water drainage from private properties, it is important that the peak runoff rate from private properties do not exceed the hydraulic capacities of the elements in the major storm water system. The following are general guidelines for storm water control from private properties.

#### **Buildings**

- a) Any building will inevitably result in some degree of flow concentration, or deflection of flow around the building.
- b) The owner shall ensure that the flow path of the storm water on his site is adequately protected against erosion and is sufficiently roughened to retard storm water flow to the same degree, or more, as that found in the natural
- c) Where the construction of a building causes a change in the natural environment of the site that might result in soil erosion, the risk of soil erosion by storm water must be eliminated by the provision of approved artificial soil stabilisation devices, or alternative grassing suited to the changed conditions on the site.
- d) Where a piped storm water system exists, an on-site storm water drainage system should be connected to this external system. Any inlet to a piped system shall be fitted with a screen, or grating to prevent debris and refuse from entering the storm water system. This must be done immediately on installation of the pipe system.
- e) No building works, earthworks, walls or fences may obstruct or encroach on a watercourse inside or outside the site without approved plans that do not compromise the objectives of the Storm water Management Plan. Pre-development state of the site.

#### **Roof Drainage**

- a) Building designs must adopt the One-Planet-Living-10 principles and rainfall runoff from roofing and other areas, not subjected to excessive pollution, must be efficiently captured for re-use where possible for on-site irrigation and non- portable water uses.
- b) Where ground conditions permit, rainwater runoff that is not stored and utilised on site must be connected to infiltration galleries or trenches designed to maximise groundwater recharge. Infiltration facilities must be large enough to contain at least the first hour of a minor storm's runoff without overflowing.
- c) Infiltration trenches must be aligned along the contour on the downstream side of the property such that any spillage during major storms results in sheet overland flow.
- d) Where a piped storm water system has been provided to a property, surplus runoff should be connected to this system. Garden and other debris must be trapped on screens or gratings before entering the municipal storm water system.

#### **Parking Areas and Yards**

- a) Any external parking area, yard or other paved area must be designed to attenuate storm water runoff from a major storm to an acceptable degree.

b) Any area described in (a) must discharge rainwater flowing over, or falling onto its surface, in a controlled manner either overland as sheet flow, or into a detention facility, or infiltration gallery suitably sized to accommodate minor storm runoff.

#### **Driveways**

- a) Driveways shall not be constructed to deflect or channel runoff onto a roadway, or to concentrate runoff along a particular path that is not a natural water course, without prior consent.
- b) Driveways and paths should be designed and constructed such that the rate of flow of storm water across and along the driveway or path is not increased when compared with the pre-development state.
- c) Where the driveway joins the road, the driveway must not obstruct the flow in any open channel, whether line or unlined, found along the road verge.

#### **Private Roads**

- a) The principle of overland flow should apply to roadways where possible and roads should be designed and graded to avoid concentration of flow along and off the road.
- b) Where flow concentration is unavoidable, measures to incorporate the road into the major storm water system should be taken, with the provision of detention storage facilities at suitable points.
- c) Inlet structures at culverts must be designed to ensure that the capacity of the culvert does not exceed the pre-development storm water flow at that point and detention storage should be provided on the road and/or upstream of the storm water culvert.
- d) Outlet structures at a road culvert or a natural watercourse must be designed to dissipate flow energy and any unlined downstream channel must be adequately protected against soil erosion.

## **CHAPTER 4: ORGANIZATIONAL ANALYSIS**

### **Location of Departments**

Nyandeni Main Municipal Offices are based in Libode approximately 30km from Mthatha, with a Satellite Office based in Ngqeleni. All departments are located in one central area in Libode (Main Offices). However, due to the organizational growth there is a huge shortage of space for both offices and boardrooms. In addressing the challenge a phased-in approach is proposed starting with the expansion of Ngqeleni Offices. Details of which will be teased out during the consultation process.

Nyandeni Local Municipality is seen as a key component of the Provincial Government of the Eastern Cape and the South African Government in managing and providing effective governance to all of the population within the municipality's jurisdiction. Consequently, a significant component of the Nyandeni Local Municipality core competence will be built around the Government role.

The South African Government has five key roles in the promotion of effective governance and Nyandeni Local Municipality as the local governance arm of National and Provincial Government must also support these roles. These include the following:

- a) Facilitation and Implementation;
- b) Coordination;
- c) Planning and Policy Making;
- d) Regulation and Monitoring; and
- e) Development Promotion.

Nyandeni Local Municipality is an integral component of Provincial and National Government and consequently has a critical role in the development and execution of local government strategy and strategic objectives. Overall, Nyandeni Local Municipality possesses the competency and capability to translate many of Government's vision and related legislation and policy into a blueprint framework through its Integrated Development Plan document.

### **Expansion of Municipal Offices in Ngqeleni**

The municipality has adopted a phase-in approach in expanding Ngqeleni Offices this approach is informed by limited resources in funding the project.

#### **4.1 Organisational review**

The institutional capability of Nyandeni Local Municipality is informed by overall organizational functioning, the interventions of management to engage in organizational leadership, development and management of organizational systems and processes to promote effective operations and service delivery through optimum use of resources. It is intended to inform Nyandeni Local Municipality's organizational strategy to enhance service delivery to key customers/stakeholders.

Nyandeni Local Municipality is represented by two components in terms of its organization and service delivery outcomes. These are the political structures represented by the politically elected councilors and the administrative structure represented by the Municipal Manager, the management team and municipality employees.

#### **4.2 Organizational competency status**

Nyandeni Local Municipality possesses the required competencies amongst staff as well as the required number of staff to perform its core functions. However, there exists an urgent need to redesign the organizational structure to ensure that the appropriate numbers of staff are placed on an organizational structure that is aligned to the organizational strategy and key strategic objectives. There is a need for a significant increase to core local

government professionals, management, technical and functional posts as well as the enhancing the levels of competence to enable Nyandeni Local Municipality to develop and enhance the necessary institutional capacity and capability to deliver on its strategic objectives.

#### **4.3 Functions assigned to the municipality that are being performed or not performed**

Section 156 of the Constitution<sup>1</sup> provides for the powers and functions of municipalities and states that a municipality has executive authority in respect of, and has the right to administer:

- a) *the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and*
- b) *Any other matter assigned to it by national or provincial legislation.*

As indicated above a municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.

Specific functions and the way that the responsibilities for these functions are allocated to the 3 different spheres of government are detailed in Schedules 4 and 5 of the constitution. Schedules 4B and 5B identifies those functions allocated to local government.

These Schedules read together with section 84 of the Local Government: Municipal Systems Act provide further for the distinction between those services which can be delivered by district municipalities and those which can be run by the local municipalities.

The Nyandeni Municipality has been allocated powers and functions in terms of the Constitution and the Municipal Structures Act no 117 of 1998. Accordingly, Nyandeni has been granted executive authority over its area of jurisdiction.

Section 85 of the Structures Act provides further that the MEC for local government in a province may, adjust the division of functions and powers between a district and a local municipality as set out in section 84 by allocating, within a prescribed policy framework, any of those functions or powers vested-

- a) *in the local municipality, to the district municipality; or*
- b) *in the district municipality (excluding a function or power referred to in section 84 (1) (a), (b), (c), (d), (l), (o) or (p), to the local municipality.*

Provincial Notice No. 23 of 2003 dated 5 May 2003 deals with the adjustment of functions and powers between district and local municipalities in terms of section 85(1) of the Structures Act.

The notice provides as follows:

1. *that O.R. Tambo District Municipality performs the following local functions in respect of Nyandeni Local Municipality:*
  - a. *Municipal planning;*
2. *that NLM performs the following district functions in its local area:*
  - a. *84(1)(e) Solid waste disposal sites, in so far as it relates to-*
    - (i) *the determination of a waste disposal strategy;*
    - (ii) *the regulation of waste disposal;*
    - (iii) *the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district*
  - b. *84(1) (l) the establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.*

- c. 84(1) (n) *Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.*

The table below illustrates the powers and functions that the Nyandeni Local Municipality is authorized to perform in terms of Part B of Schedules 4 and 5 of the Constitution.

Part B of Schedule 4	Part B of Schedule 5
1. Air pollution 2. Building regulations 3. Child care facilities 4. Electricity and gas reticulation 5. Fire-fighting services 6. Local tourism 7. Municipal airport 8. Municipal planning 9. Municipal health services 10. Municipal public transport 11. Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping 12. Municipal public works only in respect of the needs of the municipalities 13. Storm water management system 14. Trading regulations 15. Water and sanitation services (limited to potable water supply system, domestic waste water and sewerage disposal system)	16. 16. Beaches and amusement facilities 17. 17. Billboards and display advertisement in public places 18. 18. Cemeteries, funeral parlours and crematoria 19. 19. Cleansing 20. 20. Control of public nuisance 21. Control of undertakings that sell liquor to the public 22. Facilities for the accommodation care and burial of animals 23. Fencing and fences 24. Licensing and controlling of undertakings that sell food to the public 25. Local amenities 26. Local sport facilities 27. Markets 28. Municipal abattoirs 29. Municipal parks and recreation 30. Municipal roads 31. Noise pollution 32. Pounds 33. Public places 34. Refuse removals, refuse dumps and solid waste disposals 35. Street trading 36. Street lighting 37. Traffic and parking

Of the 39 functions listed in Parts B of Schedules 4 and 5 of the Constitution, Nyandeni has been allocated 34 functions which it is required to deliver on, the following 21 functions are being performed by Nyandeni Local Municipality:

Part B of Schedule 4	Part B of Schedule 5
1. Solid waste 2. Municipal planning 3. Storm water management system 4. Municipal public transport 5. Trading regulations 6. Local Tourism 7. Building regulations 8. Electricity reticulation (agency) 9. Child Care Facilities	10. Cemeteries, funeral parlours and crematoria – including the DM function 11. Cleansing 12. Local sport facilities 13. Municipal parks and recreation 14. Municipal roads 15. Pounds 16. Public places 17. Refuse removals, refuse dumps and solid waste disposal 18. Traffic and parking 19. Municipal public works 20. Beaches and amusement 21. Billboards and display advertisement in public places 22. Street trading

Part B of Schedule 4	Part B of Schedule 5
	23. Control of undertakings that sell liquor to the public 24. Street lighting

The table below reflects function that NLM is authorized to perform but is not performing:

Part B of Schedule 4	Part B of Schedule 5
1. Air pollution 2. Child care facilities 3. Electricity and gas reticulation (not authorized but included in new organizational design) 4. Fire-fighting services 5. Municipal airport 6. Municipal public transport 7. Pontoons and ferries 10 Electrification reticulation	11. Control of public nuisance 12. Fencing and fences 13. Markets 14. Municipal abattoirs 15. Noise pollution

#### 4.4 Effectiveness of the legislative function

The administration, as appropriately delegated, has a responsibility to support the Council in exercising its powers and functions, including drafting of by-laws for approval by Council. By laws are developed annually as need arises

#### 4.5 System of delegation within the municipality

Council delegates where appropriate the responsibility to exercise legislative and executive authority to the relevant structures of the municipality. A delegation framework and register has been developed and approved by council on the 31 May 2016

#### 4.6 Extent of service delivery by the municipality

Nyandeni Local Municipality is enhancing its service delivery by executing the following:

- Developing a performance culture at all levels of the organization which is able to clearly indicate a tangible influence on the key stakeholders within the municipality's area of jurisdiction in terms of poverty reduction and enhancement of the quality of life through the development and execution of an effective sustainable economic development and a job creation strategy;
- The efficient use of networks and internal human resources through the delivery of outcomes as opposed to engaging in significant planning and talk without outcomes to show for effort;
- Improving governance throughout the organization through controls, accuracy, punctuality, knowledge, professionalism and work ethic;
- Building a team-based organization that is people-oriented with a strong focus upon *Batho Pele*, with a general respect and a passion to deliver a quality service to all stakeholders. This includes developing a strong collective culture in terms of Nyandeni Local Municipality organizational building;
- Integrity: ethics, honesty, non-corruptive behavior;
- Innovation to face challenges and offer new solutions through a high intensity and work ethic;

- A commitment to its constituents, the majority of whom are poor and unemployed who live within the boundaries of the municipality's area of jurisdiction.

## 4.7 Organizational structures, systems, processes and personnel capacity

### 4.7.1 Organizational Structures

#### REVIEW AND ADOPTION OF THE ORGANIZATIONAL STRUCTURE

The organizational structure was reviewed and approved by Council on 11 December 2014 with a council resolution No. 2209 Of 2014

Our Integrated Development Plan is aligned to our organizational structure and is a key institutional factor that determines the institutional capacity and capability of our municipality in order for it to deliver on its vision, mission, strategy and strategic objectives.

Our organizational structure and design has been strongly influenced by the development and optimization of competencies and capability. This will positively impact on the capacity requirements for Nyandeni Local Municipality to deliver on its key outputs. The diagram below shows how the Nyandeni Local Municipality is structured in terms of the different levels of government and the structures within the Municipality.

#### Nyandeni Local Municipality

Political Structures	Administrative Structures
<ul style="list-style-type: none"> <li>• Executive Committee</li> <li>• 61 Councillors</li> <li>• 31 Wards</li> </ul> <p><b>Council Standing Committees</b></p> <ul style="list-style-type: none"> <li>• Infrastructure Development</li> <li>• Corporate Services</li> <li>• Budget &amp; Treasury</li> <li>• Human Settlement and Rural Development</li> <li>• Local Economic Development</li> <li>• Community Service</li> <li>• Public Safety</li> <li>• Special Programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal Manager</li> <li>• Corporate Services</li> <li>• Budget and Treasury Office</li> <li>• Community Services</li> <li>• Planning and Development</li> <li>• Infrastructure Development</li> </ul>

#### Political Structures

At the political level, the organization is based upon a strong programme management model and a politically orientated governance approach, combined with competencies in community based engagement, development and stakeholder mobilization. This is complimented by the leadership and executive management structures primarily at a political level. These structures are used to make decisions and inform high level planning for the achievement of desired objectives of Nyandeni Local Municipality.

#### Section 79 Committees

- Municipal Public Accounts Committee (MPAC)
- Ethics and Members Interest Committee
- Public Participation and Petitions Committee
- Women's Caucus

## **OVERSIGHT COMMITTEES**

- Performance and Audit Committee
- Risk Management Committee

## **Administrative Structures**

Nyandeni Local Municipality structure is hierarchical based on functional silos represented by five departments which are supposed to be in aligned to the four core focus areas of the Municipality. The Nyandeni Local Municipality organizational structure is divided into five functional departments as follows:

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

Each Department represents a functional area of work and is further divided into sub-functional components. The five key focus areas attempt to create integration. This integration demands a value chain response from each department in terms of its deliverables. This is one of the structural components / deficiencies that will unlock organizational integration and consequently the linkages between departments within Nyandeni Local Municipality.

### **4.7.2 HR Strategy, Systems, processes and personnel capacity**

The following systems, structure and process exist within the Nyandeni Local Municipality:

#### **4.7.2.1 Systems**

- Formal budget monitoring and control systems in place. Thus, budget control and management of operating expenditure is enhance;
- Impact assessment and benefits realization from the introduction of financial system; and
- Adequate management information systems and reporting tools.
- HR Strategy that is aligned to the organizational goals

#### **4.7.2.2 Local Labour Forum**

Local Labour Forum is in place and convenes on a quarterly basis to address labour related issues as well as implementation of Bargaining Council Agreement. It is constituted by Union and Employer representatives. In the last financial it had convened 8 times

Key responsibilities of the Labour

- Conflict moderating Forum
- It serves a forum for bargaining at a decentralized

## **OFFICE OF THE MUNICIPAL MANAGER**

Office of the Municipal Manager performs the following focus areas

- Legal Services
- Internal Audit
- Council Affairs
- Communication
- Risk Management

- Municipal Planning
- Intergovernmental Relations
- Special Programmes
- Public Participation

## **COMMUNICATION**

The Internal Communication Unit is headed by Manager Communications and is supported by the Communication Officer and Clerk. The unit has played an important role in the branding of the work performed by Nyandeni Local Municipality. The branding is an important vehicle to create awareness about Nyandeni Local Municipality amongst the communities. In addition, the core function of the Unit is to ensure effective communication to all stakeholders.

### **Key Functions**

- Responsible for developing communications strategy
- Municipal branding
- Media liaison
- Presidential Hotline and complaints management system
- Public Participation

## **LEGAL SERVICES**

This unit provides critical support in the management and administration of legal matters that affects the municipality. It is also responsible for contract management and development and review of municipal bylaws. Furthermore, the unit is responsible for the development and review of effective systems of delegation

## **COUNCIL AFFAIRS**

Council Affairs provides administrative support to the Standing Committees, Section 79 Committees, Executive Committee and Council plays a pivotal role in ensuring that these structures achieve their mandate.

## **MUNICIPAL PLANNING**

Responsible for coordination of Integrated Development Planning, Annual Budget process plan, Intergovernmental Relations and institutional performance management

## **4.8 CORPORATE SERVICES**

Nyandeni Local Municipality will continue to develop the necessary institutional capacity and organizational culture required to mobilize the workforce towards the necessary performance levels. The Human Resources function is geared up in executing the necessary Human Resources processes, systems and policies that will ensure effective institutional development of Nyandeni Local Municipality. Human Resources Development, transformation, mobilization and the need to create a motivated, competent and effective workforce is the responsibility of all levels of organizational leadership and management.

## **LEGISLATION**

- Skills Development Act 97 of 1997
- Skills Development Levies Act 9 of 1999
- Basic Conditions of Employment Act 75 of 1997
- Employment Equity Act 55 of 1998
- Labour Relations Act 66 of 1995
- Occupational Health and Safety Act
- Compensation for Occupational Injuries and Diseases Act,
- State Information Technology Agency Act, 1998

The support functions of the Corporate Services Department include the following:

- Human Resources Management
- Human Resources Development
- Integrated Employee Wellness (OHS, EAP & HIV/AIDS)
- Employment Equity
- Information Communication Technology
- Records Management
- Facilities Management
- Customer Care

The Corporate Services Department is also responsible for Support Services Function which range from Switchboard Services, Office Accommodation, facilities management; office automation and Registry/Archives Management. The Support Services Function is in a position to support with the necessary levels of capacity, competence, technology and resources.

### **Work Place Skills Plan**

The municipality needs to create a skilled workforce to ensure a sustainable economic development and also redress the pool of unskilled workers.

The main focus of the Human Resources Department is to ensure that as many staff members as possible from the officer level at BTO to top management level for all departments obtain the Municipal Minimum Competency Training which is required in terms MFMA section 83,107 and 119- Gazette 29967 of 15 June 2007.

Skills development of employees, Councillors is one of the NLM's priorities. NLM annually develops WSP which sets out training needs for staff, Councillors as well as unemployed.

HRD programmes such as learnerships, in-service training, internship, skills programmes and bursaries initiated.

### **Employment Equity Policy**

Employment Equity Policy was reviewed and adopted by council during Ordinary Council Meeting held on 16 July 2014

### **Employment Equity Plan**

Employment Equity Plan is in place and implemented. Employment Equity Report is submitted online to the Department of Labour annually.

All Nyandeni employees are Africans even though the employment Equity Plan caters for other races, the challenge is the other races do not apply which is why they are not represented.

In terms of the Eastern Cape Socio Economic Consultative Council (ECSECC) Demographics 2011 (Race), it shows a high percentage of Africans (98.86%) and low percentages of Whites (0.57%), Coloureds (0.48%) and Indians (0.09%). Currently the workforce is made up of Africans at 99.64%. The Nyandeni Employment Equity Plan caters for other races but they do not apply which is why they are not represented.

This therefore means that the Municipality still needs to appoint more Black Females and Coloureds.

The number of female employees in the workforce profile shows a low percentage of 44.% compared to that one of male employees which shows 56.%. The workforce of Nyandeni Municipality is dominated by males. In terms of ECSECC Demographics 2011 (Gender) Females dominates at 52.50% and Males are at 47.50%. There is still a need to appoint more female employees in order to reach 52.50%. The Employment Equity Plan must address this need in the vacant posts that still need to be filled. The Nyandeni

Municipality budgets for Employment Equity and it should not stop the practice. This will assist to attract the kind of caliber of females that we need so that equity is not compromised.

## **JOB DESCRIPTIONS**

Job descriptions are in place. The responsibility of updating job descriptions is incorporated into Senior Managers' Performance Agreements.

## **PERFORMANCE MANAGEMENT SYSTEM, MONITORING AND EVALUTION**

### **Performance Management Policy and Procedure Manual**

Performance Management Policy has been reviewed and adopted by council on 16 July 2014

### **Performance Agreements**

The Municipal Manager and all Senior Managers have signed Performance Agreements for 2015/2016 . Accordingly, Performance agreements for the Municipal Manager and All Senior Managers for 2016/2017 have been signed

Individual performance management system is currently implemented at top management Level. The performance assessment reviews for the Municipal Manager and Senior Managers for 2014/2015 has been conducted, to this end, a final report was submitted to council on 31 May 2016 for adoption as well COGTA EC

Quarterly Performance Assessments are conducted to review the work done against the pre-determined objectives and targets. All compliance reports are submitted on time to relevant authorities, these reports includes MFMA S52 (d) reports, s71, s72 and s121 reports

The Mid - year individual assessment reviews for the Municipal Manager and Senior Managers will be conducted from 1-3 June 2016.

Government in its Policy Framework for Government-Wide Monitoring and Evaluation System notes that the government major challenge is to become more effective therefore M & E processes can assist the public sector in evaluating its performance and identifying the factors which contribute to its service delivery outcome.

The monitoring involves collecting, analysis, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management. But most critically, the monitoring aims to provide managers, decision makers and other stakeholders with regular feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected.

In accordance with the above framework the municipality has established Monitoring and Evaluation Unit in the Office of the Municipal Manager. The unit is charged with the responsibility to track progress in the implementation of the approved SDBIP, identify deviation and suggest corrective measures. The unit will go a long way in ensuring that in year monitoring is effective

## **EMPLOYEE HEALTH AND WELLNESS**

The components of the EHW include:

- OHS
- EAP; and
- HIV/AIDS

EAP deals with life skill empowerment, change management, substance abuse, disability and incapacity. NLM complies with the requirements of OHS, COIDA Acts to provide health and safety to employees, Cllrs and customers.

Key programmes includes, health screenings, observations of national health days, awareness campaigns on health

## HIV/AIDS IN THE WORKPLACE

Awareness raising done through World AIDS Day commemoration, candle light memorials, workplace educational sessions, aerobics and sport. This is used as a marketing tool for the programme with the goal of involving all NLM employees.

## HUMAN RESOURCES PLAN

Human Resource planning is the process of ensuring that an organisation has the right number of people, the right kind of the people, in the right places, at the right time doing things that are economically most useful for the municipality. It is not the case in terms of the current gap i.e. there is a number of posts that are not filled and the shortage of offices in those posts that the municipality has budgeted for hence the municipality has to prepare an HR Plan that will come up with solutions to the challenges we encounter. This is accomplished by identifying the gaps in the Human resource in terms of the current number of employees, their skills, competencies, knowledge of the Municipal intentions and the future needs. The department's mandate is derived from the Recruitment & Selection Policy, Succession Planning Policy, Employment Equity Plan and Retention Strategy.

## CRITICAL AND SCARCE SKILLS

In accordance with the municipal development strategy and priorities and the development trajectory which is aligned with National and Provincial Development Plans, the following critical skills have been identified

1. Construction Project Manager
2. Civil Engineering Technologist
3. Urban and Regional Planner
4. Compliance (Risk) Officer
5. Civil Engineering Technician
6. Chief Information Officer
7. ICT Technician
8. Building Construction Supervisor
9. Plumber
10. Electrician
11. Fire Fighter
12. GIS Specialist
13. Legal Advisor
14. Chief Financial Officer
15. Environmental Specialist

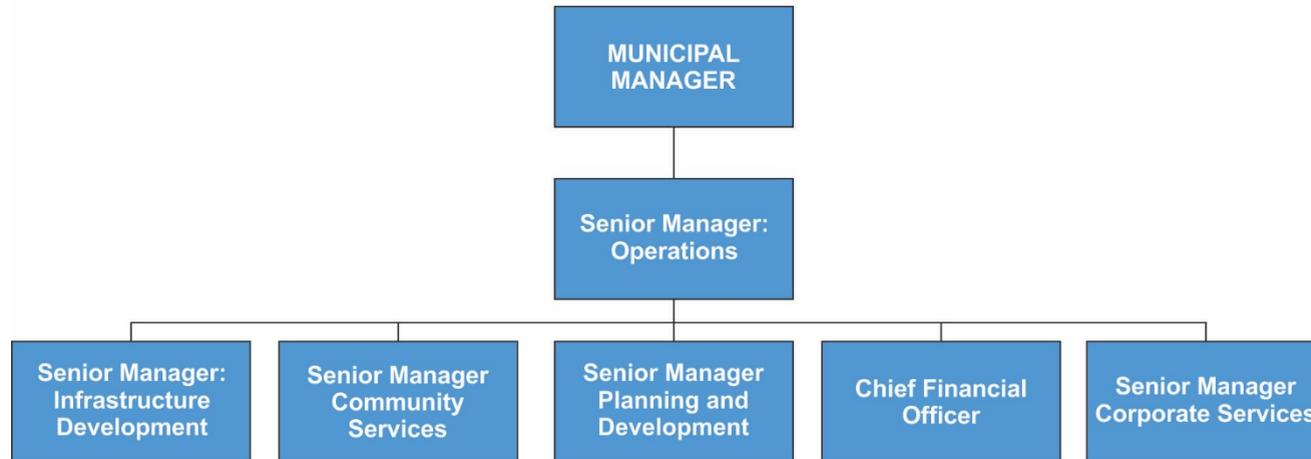
To this end, the municipality has partnered through Service Level Agreements with University of Fort Hare, Walter Sisulu University, Tsolo Agricultural College other Technical Vocation Education and Training Institutions to train unemployed people and municipal officials.

## GRANTS RECEIVED FROM LGSETA

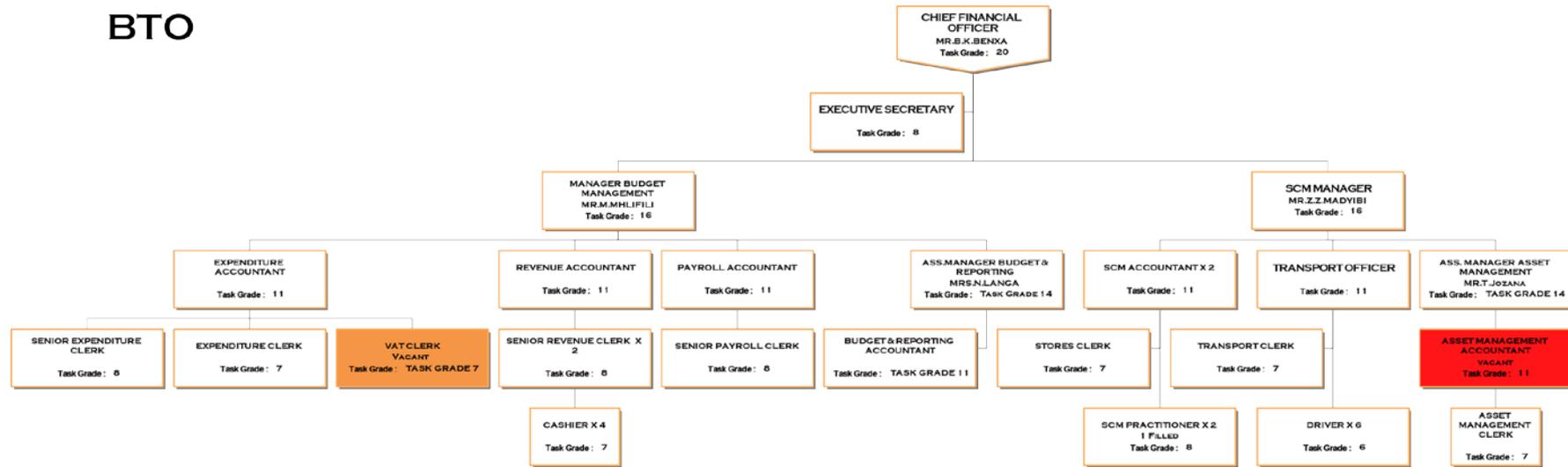
Type of grant	2015/2016	2016/2017
Mandatory	45800.00	
Mandatory	40316.23	
Discretionary	2688.00	
Mandatory	49959.15	
Mandatory	36474.40	
Discretionary		66557.00
Mandatory		50181.63
Mandatory		34207.50
Discretionary		123530.40
Discretionary		124200.00
<b>TOTAL</b>	<b>175237.78</b>	<b>398676.53</b>

**CODE OF CONDUCT FOR COUNCILLORS AND MUNICIPAL OFFICIALS**

**MACRO STRUCTURE**



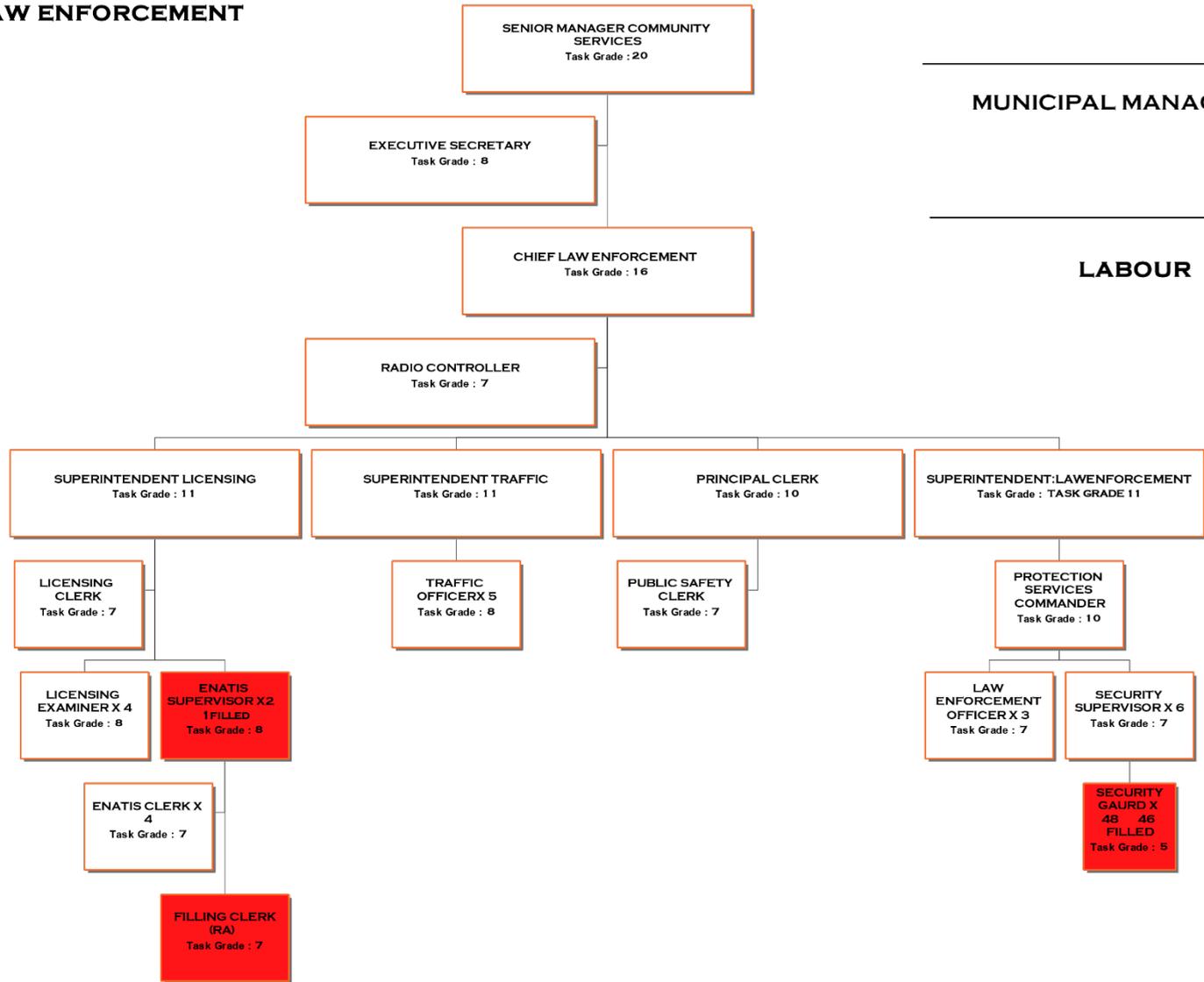
BTO



MUNICIPAL MANAGER

SAMWU REP.

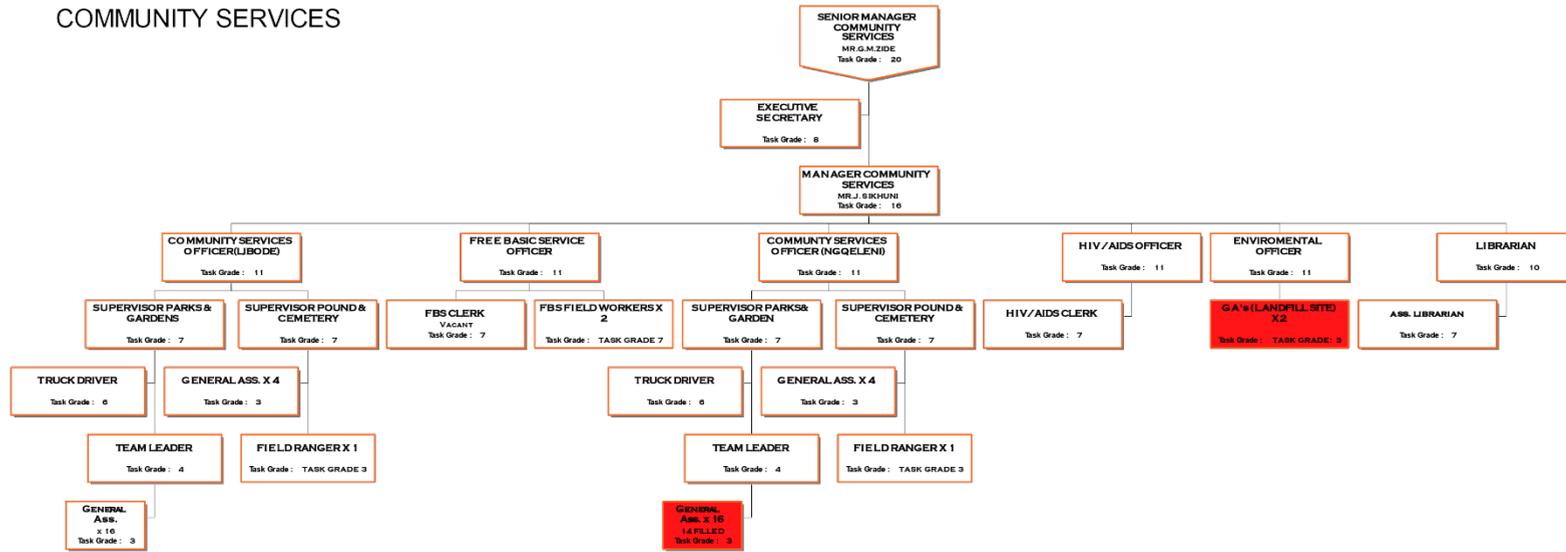
**C.S. -LAW ENFORCEMENT**



MUNICIPAL MANAGER

LABOUR

# COMMUNITY SERVICES



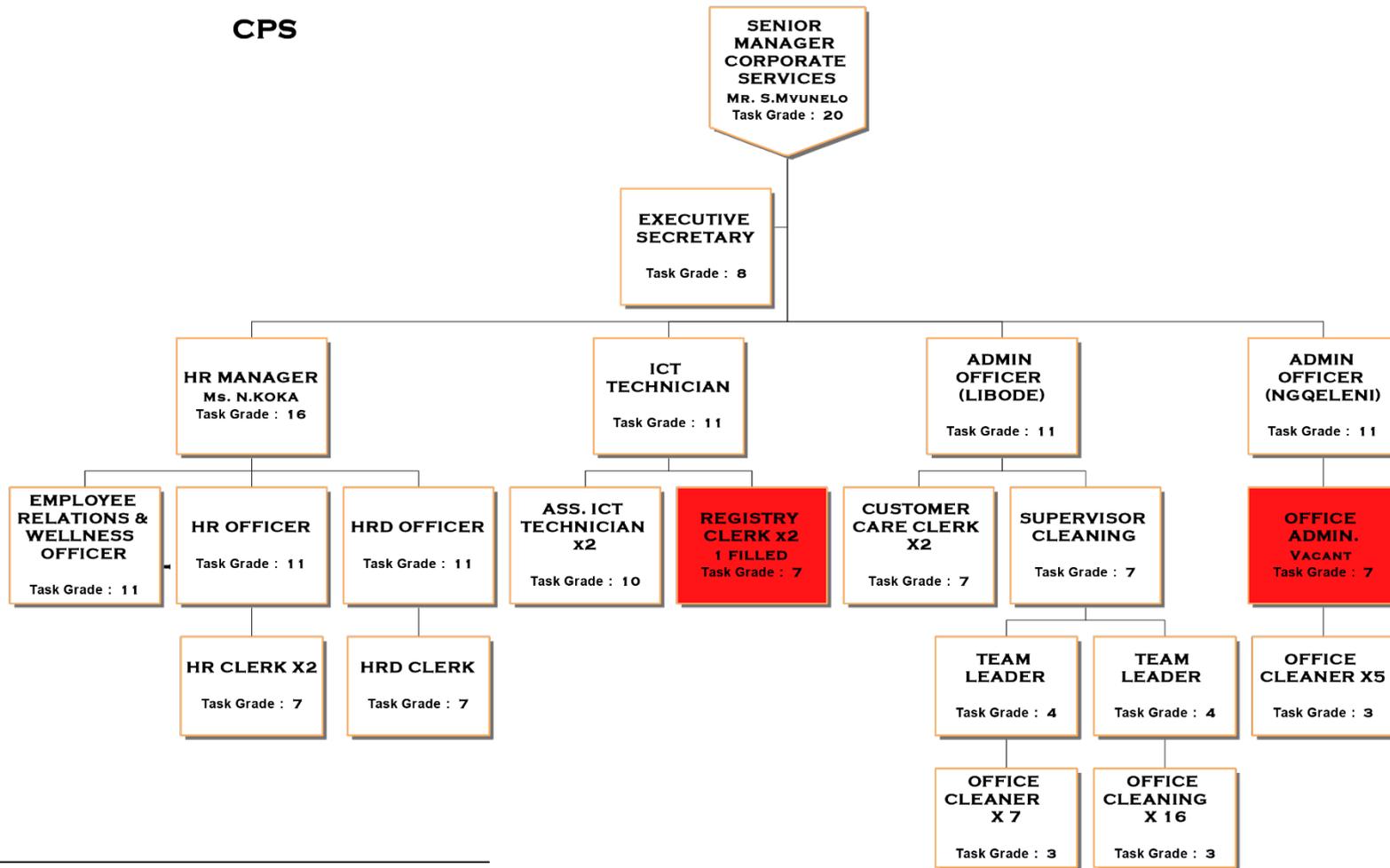

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MUNICIPAL MANAGER

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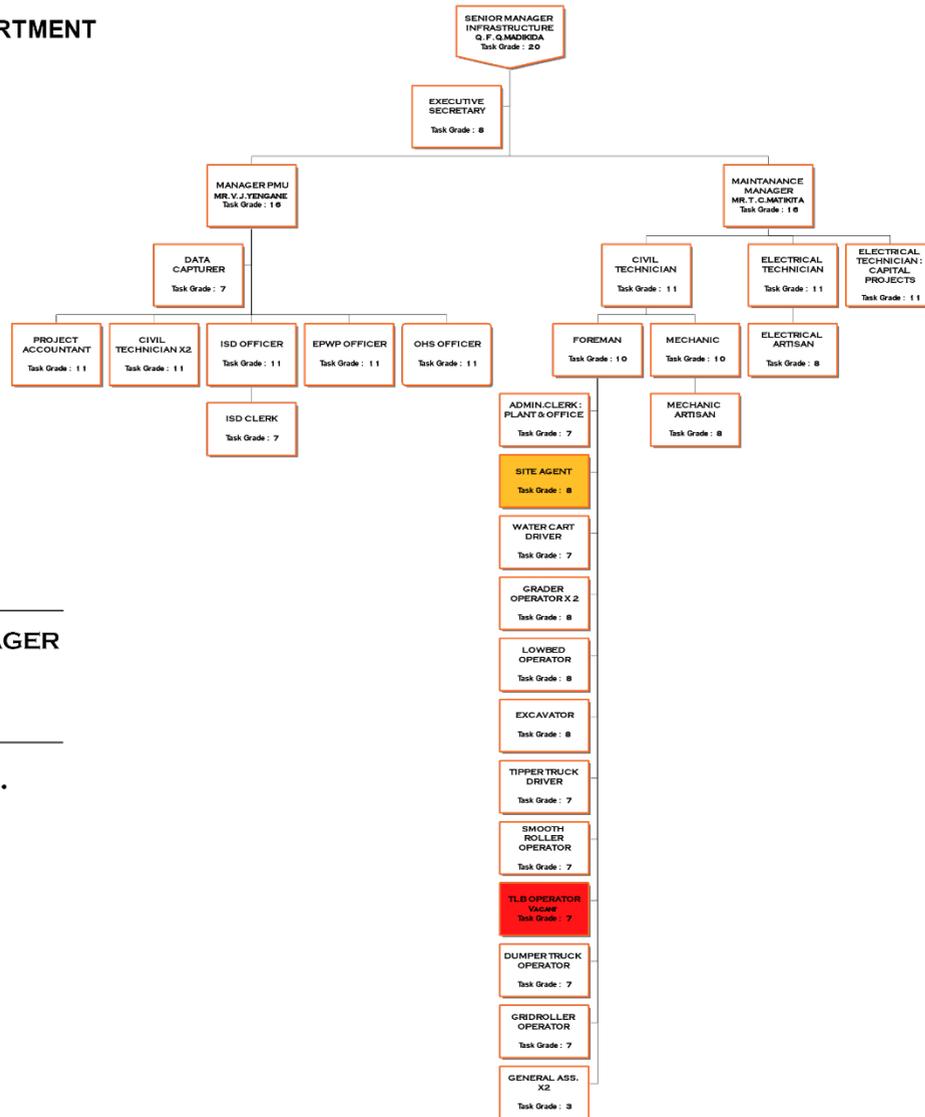
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**MUNICIPAL MANAGER**

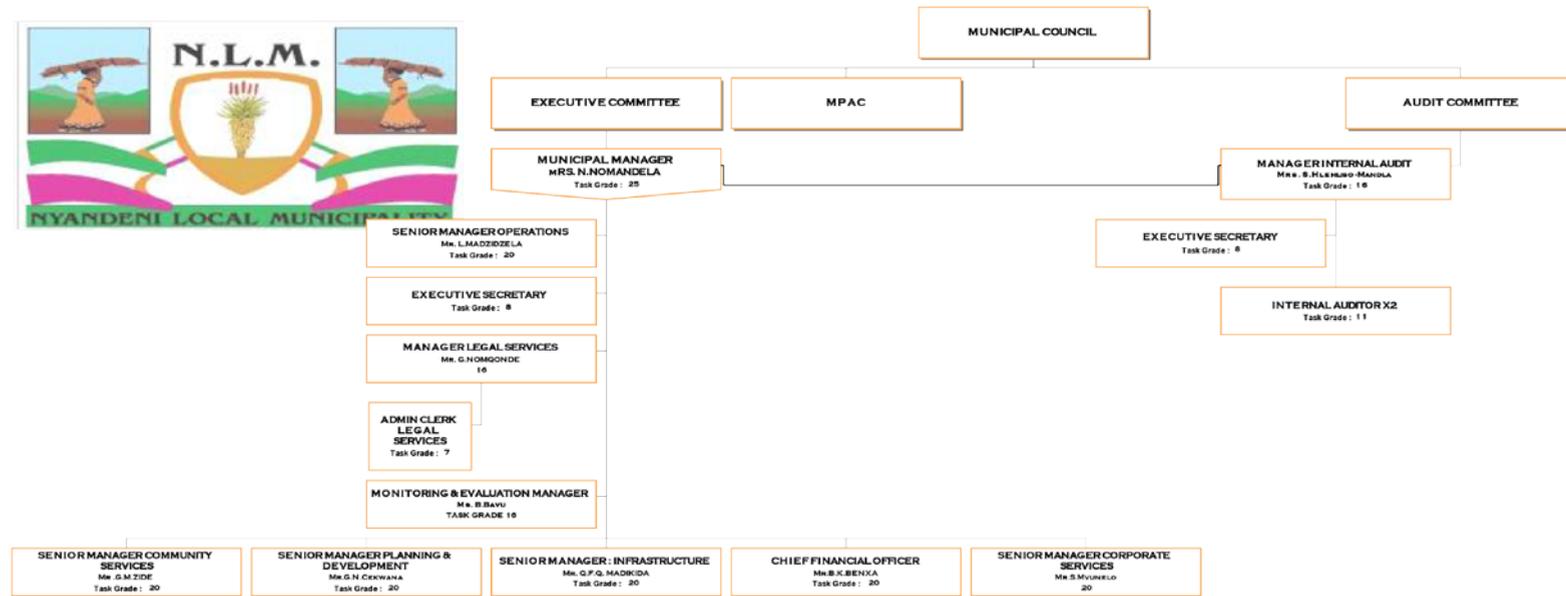
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# INFRASTRUCTURE DEPARTMENT



MUNICIPAL MANAGER

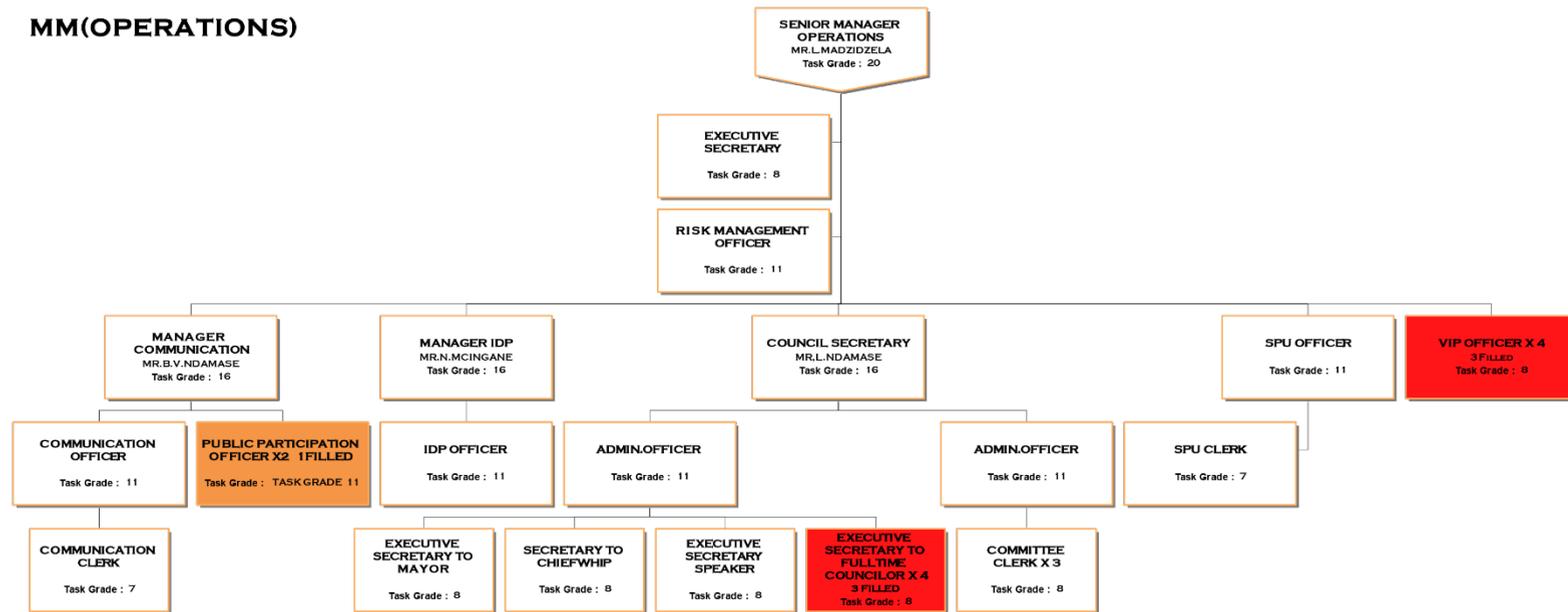
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MUNICIPAL MANAGER

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## MM(OPERATIONS)



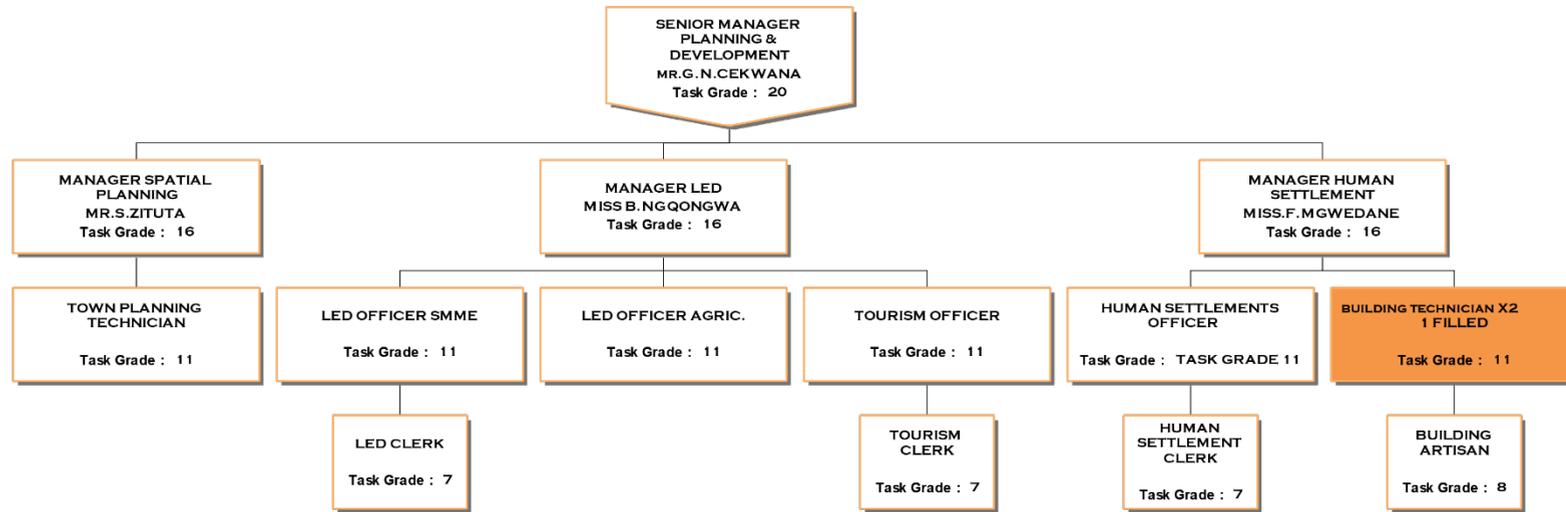

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## MUNICIPAL MANAGER

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## PLANNING & DEVELOPMENT



**MUNICIPAL MANAGER**

**SAMWU REP.**

### Status of top management

Name	Position	Status	Date of appointment	Contract expiry date
N Nomandela	Municipal Manager	Filled	3 Sept. 2012	5 yrs
B Benxa	Chief Financial Officer	Filled	4 June 2012	5 yrs
Q Madikida	Senior Manager Infrastructure	Filled	01 March 2016	5 yrs
G Cekwana	Senior Manager Planning & Development	Filled	1 May 2012	5 yrs
G Zide	Senior Manager; Community Services	Filled	1 April 2013	5 yrs
S Mvunelo	Senior Manager Corporate Serv.	Filled	01 October 2015	5yrs
L Madzidzela	Senior Manager Operations	Filled	1 March 2014	5yrs

### Status of Middle Management

Name	Designation	Status	Date of appointment	Contract expiry date
B Ngqongwa	Manager LED	Filled	1 March 2014	Permanent
	Manager Town Planning	Vacant	Vacant	
G Nomqonde	Manager Legal Services	Filled	1 February 2014	January 2019
F Mgwedane	Manager Human Settlements	Filled	01 January 2015	permanent
J Sikhuni	Manager Community Services	Filled	January 2015	Permanent
J.Yengane	PMU Manager	Filled	2 April 2013	Permanent
S Maqkeza	Chief Law Enforcement	Filled	1 May 2011	May 2016
N Mcingane	Manager IDP	Filled	06 January 2015	Permanent
M Mhlifili	Manager Budget	Filled	1 September 2012	Permanent
Z.Z Madyibi	Manager SCM	Filled	4 February 2013	31 January 2018
L. Ndamase	Council Secretary Manager	Filled	October 2013	Permanent
B.V. Ndamase	Communications Manager	Filled	3 October 2013	Permanent
N.Koka	HR Manager	Filled	May 2013	April 2018
S. Mandla	Internal Audit Manager	Filled	6 August 2012	Permanent
J Mabuya	M & E	Filled	1 March 2017	Permanent



**FUNDED POSTS NOT FILLED FOR MORE THAN 3 MONTHS**

- SCM Practitioner
- eNatis Supervisor
- Filing Clerk
- Secretary to the BTO Portfolio Head
- VIP Officer
- M & E Manager
- Cashier
- Registry Clerk
- Office Administrator
- General Assistant
- FBS Clerk
- Field Ranger
-

<b>HUMAN RESOURCES DEVELOPMENT ANNUAL REPORT</b>					
<b>TOTAL EXPENDITURE</b>				<b>R 2 098 457.10</b>	
<b>Training Intervention</b>	<b>BENEFITIARIES</b>				
	<b>Departments</b>	<b>Gender</b>		<b>Levels</b>	
		<b>Female</b>	<b>Male</b>	<b>Amount</b>	
Basic Computer Literacy	Plann and Dev., Comm. Services,	7	5	11,7,3	R 55 697.04
Customer Care	Infrastructure Dev.,CPS,BTO,MM,Comm.Servi ces	9	2	11,8,7,3	R 35 828.54
House Keeping	CPS, Comm. Services	15	5	7,4,3	R 68 377.00
Report Writing	Plann and Dev.,MM,Comm.Services	8	1	11,8,7	R 23 235.84
Employment Equity Training	CPS,MM, Comm. Services	9	3	20,16,11,7,5	R 51 600.00
Report Writing Skills	CPS,MM	2		8,7	R 2 858.82
Local Government Law and Administration- 2 <sup>nd</sup> Year	MM		1	16	R30250.00
Local Government Law and Administration- 4 <sup>th</sup> Year	MM		1	8	R 27 225.00
Bachelor of Public Administration	MM,Plann. And Dev.,Comm. Serv.	1	2	16,11,8	R 135 000.00
Honours in Public Administration	CPS,BTO	1	1	20,16	R100000.00
MPA	MM	1		25	R36500.00
<b>TOTAL</b>		<b>53</b>	<b>21</b>		<b>R 399 822.24</b>
<b>TRAINING FOR COUNCILLORS</b>					
<b>Training Intervention</b>	<b>BENEFICIARIES</b>				
	<b>Departments</b>	<b>Gender</b>		<b>Levels</b>	
		<b>Female</b>	<b>Male</b>	<b>Amount</b>	

Basic Computer Literacy	Council	7	9	Concillors	R 74 262.72
Basic Computer Literacy	Traditional Leaders	2	9	Traditional Learders	<b>R 69 172.18</b>
Report Writing	<b>Council</b>	<b>3</b>	<b>4</b>	Councillors	<b>R 18 072.32</b>
Employemn Equity Training	<b>Council</b>	<b>1</b>		Councillor	<b>R 4 300.00</b>
Local Government Law and Admnistration- 2 <sup>nd</sup> Year	<b>Council</b>		<b>2</b>	<b>rs Councillo</b>	<b>R 61 000.00</b>
Local Government Law and Admnistration- 3 <sup>rd</sup> Year	<b>Council</b>	<b>4</b>		<b>rs Councillo</b>	<b>R 113 740.00</b>
Local Government Law and Admnistration- 4 <sup>th</sup> Year	<b>Council</b>	<b>4</b>	<b>2</b>	<b>rs Councillo</b>	<b>R 163 350.00</b>
Bachelor of Publiic Administration	<b>Council</b>		<b>2</b>	<b>r Councillo</b>	<b>R 90 000.00</b>
MPA	<b>Council</b>	<b>1</b>	<b>2</b>	<b>rs Councillo</b>	<b>R 170 000.00</b>
<b>TOTAL</b>		<b>22</b>	<b>30</b>		<b>R 763 897.22</b>
<b>TRAINING OF UNEMPLOYED</b>					
<b>Training Interverbtion</b>	<b>Beneficiaries</b>				
	<b>Departments</b>	<b>Gender</b>		<b>Levels</b>	<b>Amount</b>
		Female	Male		
Traffic Officer Training ( Paid by Municiplity)	Members of the Community	2	7	N/A	R 189 000.00
Basic Computer Literacy	MM,Infrastructure	2	1	Interns	R 13 924.26
Customer Care	CPS,MM	9	1	Interns	R 3 257.14
Report Writing	MM	3	1	Interns	R 10 327.04
Crop Production	Members of the Community	6	7	N/A	R 54 600.00
Handyman Training	Members of the Community	3	7	N/A	R 135 000.00
Paving Training	Members of the Community	20	22	N/A	R 149 260.00
New Venture Creation	Members of the Community	35	7	N/A	R 189 557.49
	MM,CPS,Comm. Services, Infrastructure Dev.,Planning and Dev.,				
Job Hunting Skills		23	12	Interns	Depart of La

Municipal Finance Management programme	BTO	2	1	interns	R 145 500.00
Report Writing Skills	Members of the Community	29	3	Interns	R 44 311.71
Basic Computer Literacy	Members of the Community	1	4	Interns	OR Tambo
Professional Cookery, Accommodation and Food Beverages	Members of the Community	24	19	N/A	CATHSSE TA
<b>TOTAL</b>		<b>159</b>	<b>92</b>		<b>R 934 737.64</b>

## INFORMATION COMMUNICATION TECHNOLOGY

The unit is responsible for the planning and maintenance of ICT infrastructure, development and maintenance of the municipal website, end user support and coordination of the ICT Steering Committee. The unit has rolled out a data and voice network which connects the three main municipalities in Libode and Ngqeleni.

The municipality is also seeking to provide support to Monitoring of existing Government School Computer Labs, due to the number of request for assistance that we get from government schools we decided to form a committee with government school principals (ICT Teachers) where we will decide a way of monitoring these computer labs and provide all the assistance that we can provide.

## ICT MANAGEMENT

ICT Governance is defines as 'specifying the decision rights and accountability framework to encourage desirable 143behaviour in the use of IT. The complexity and difficulty of explaining IT governance is one of the most serious barriers to improvement.'

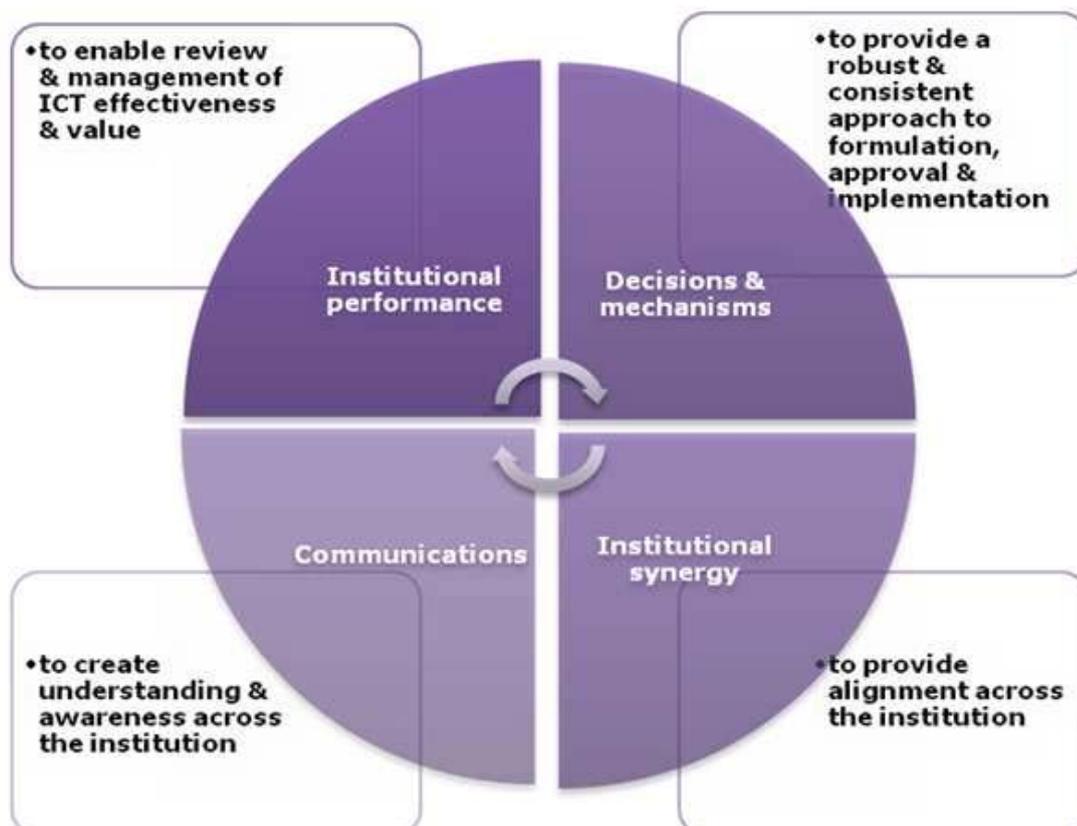
ICT governance is about who makes decisions while management is about making and implementing the decisions. Effective ICT governance for the Municipality will answer three questions:

- What decisions must be made
- Who should make these decisions
- How are they made and monitored

## HOW IS ICT GOVERNANCE USED IN THE MUNICIPALITY?

The variations in institutional structures, the different cultures influencing management styles and the ubiquitous nature of ICT within every department leads to wide ranging differences in ICT governance.

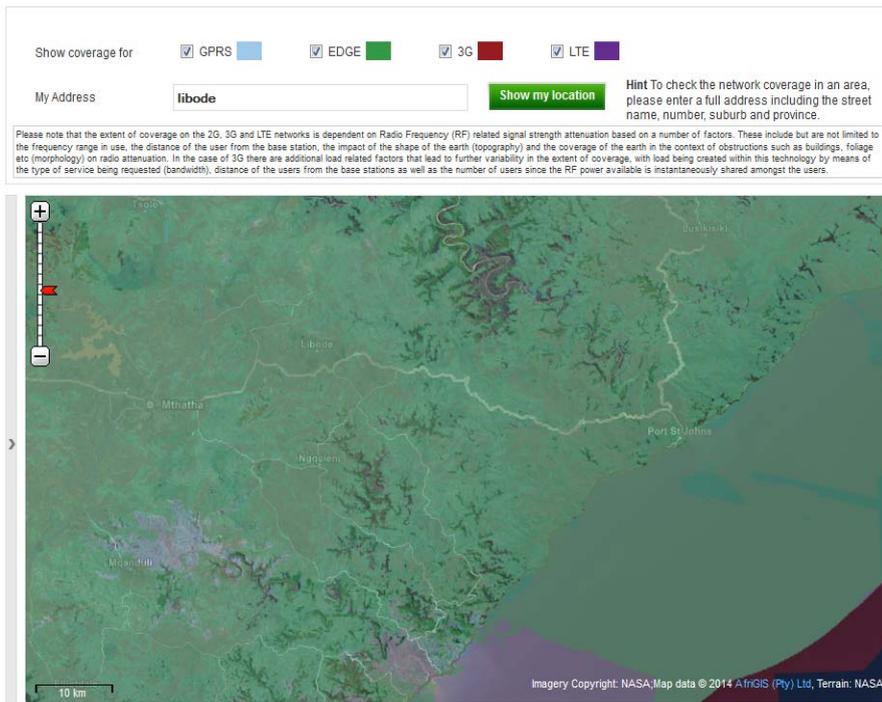
However, research findings can be used to highlight the practices that have been found to improve the delivery of strategic ICT. This is presented in these findings across 4 areas as follows:



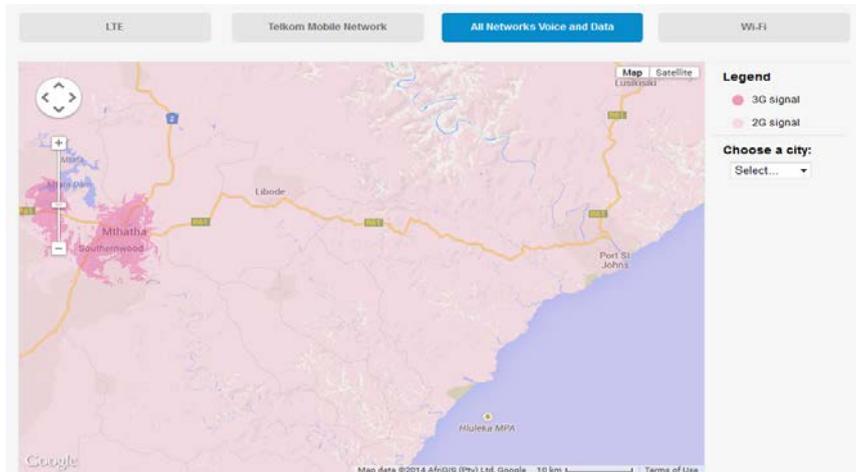
**The following ICT Governance policies were developed and adopted by council on 31 May 2016 in terms of section 11 (2) of the Municipal Systems Act 32 of 2000**

Approved polies	1. ICT Governance Framework
	2. ICT Network Security Policy
	3. Acquisition of Computer Equipment Policy
	4. ICT User Account Management Policy
	5. ICT Facilities and Environmental Controls Policy
	6. Internet, Email and Intranet Usage Policy
	7. Acceptable Use of ICT Resources Policy
	8. ICT Change Management Policies and Procedures
	9. ICT Risk Management Policy

## Vodacom Network coverage



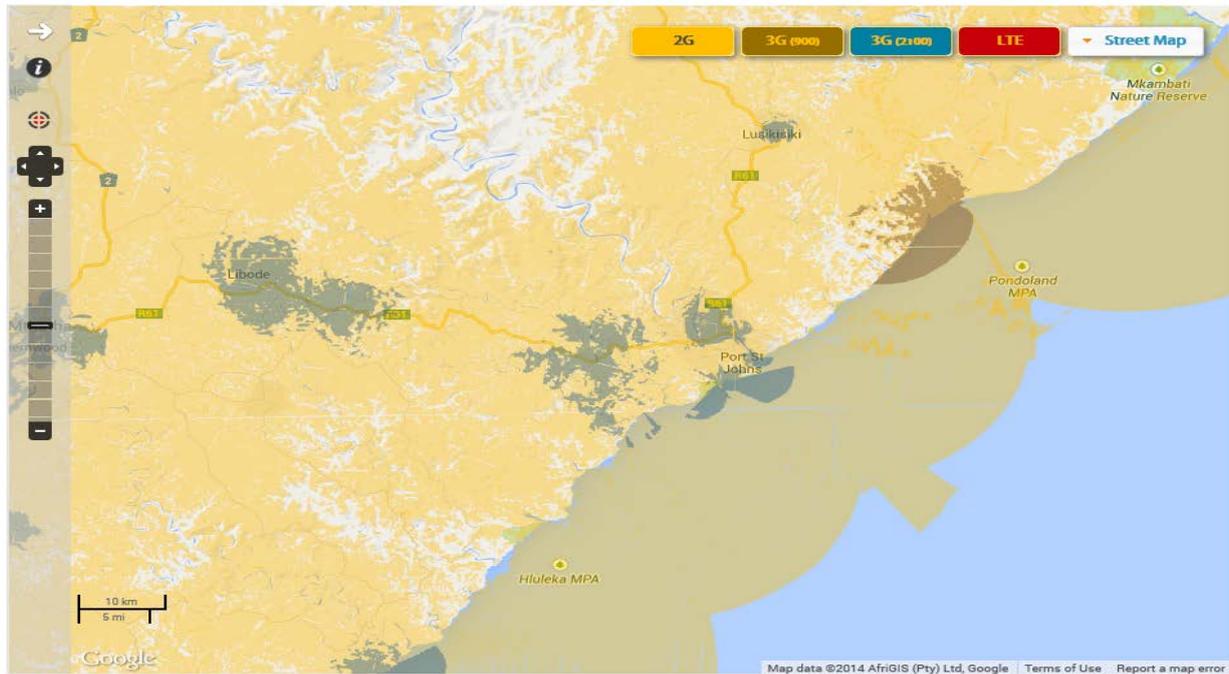
## Telkom Coverage



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Network infrastructure around Nyandeni is still a challenge in attracting potential investors and providing support to our residents. Currently there is 2G coverage under Nyandeni LM that covers all our geographic infrastructure, which needs to be upgraded to meet the current telecommunication infrastructure support.

### **Internal Municipal Network**

Currently our municipality has upgraded the network connectivity within its own existing buildings through Vodacom business network.

Challenges with the current network

- Shortage of permanent employees to provide the required network support.
- Back-up link to enables the municipality to be online 24 hours a day,

### **Disaster recovery**

The municipality has purchased a Cibex data back-up software that automates data back-up in our laptops and desktops. Currently the municipality has implemented (procured) an offsite data backup that ensures that our municipal data is being backed up in a secondary storage that will enable the municipality to recover the data in case of any natural disaster or man-made disaster that may occur.

### **RECORDS MANAGEMENT AND ARCHIVING**

Archiving and Document Management is regulated by the Promotion of Access to Information Act (PAIA) and National Archives and Record Service of South Africa and the Records Management Policy and Procedure Manual and as such it deals with overall document management of the institution. The impending need for proper document management has necessitated that Nyandeni Local Municipality integrate its systems to ensure that there is compliance with the relevant Acts and that we properly document institutional information assets. The current implementation of Electronic Document Management Systems (EDMS) bears testimony to the fact that the institution is going with times with regards to contemporaneous issues around archiving, the project has not reached its entirety, currently the change management and mentoring is being implemented. The department is in the process of disposing old document to provide space for archiving the required documents.

## **5.1 Budget and Treasury Office**

Nyandeni Local Municipality strives to build a strong institutional competence in terms of its capability to manage the finances and Supply Chain Management processes of the organization. Working together with other spheres of

government and state owned agencies, systems have been put in place to improve systems, business process and procedures.

In doing business, the institution will strive to ensure efficiency and effectiveness. The Budget and Treasury Office will provide support and guidelines for financial management and business planning to Line Managers so as to improve the effectiveness and optimization of resources in terms of business operations.

## 5.1 Community Services

The Community Services Department plays a key role in the delivery of a broad spectrum of Social Services to the Nyandeni Local Municipality. Some of the core functions of this Department include the following:

- a) HIV AND AIDS and health related matters
- b) Safety and Security;
- c) Parks and public spaces
- d) Cleansing;
- e) Refusal Removal and Solid Waste Disposal;
- f) Early Childhood Development
- g) Sports, Arts and Culture;
- h) Traffic and Parking; and

The organizational structure is aligned to support the effective delivery of the mandate in terms of the Integrated Development Plan. Additional project, programme and technical skills are required if Nyandeni Local Municipality is to add to the quality and service levels offered to the community.

## 5.1 Infrastructure Development

Infrastructure Department is the foundation upon which the infrastructure of the entire Nyandeni Local Municipality is sustained and managed. It is responsible for the key areas as follows:

- a) Electricity;(maintenance of street lights and electrification of households)
- b) Construction and maintenance of Access Roads;
- c) Public Amenities;
- d) Storm water management

### Institutional Social Development Officer

In line with norms and standards the municipality has established the Institutional Social Development Office and appointed ISD Officer. The purpose of the Unit is to conduct social facilitation and public participation before the commencement of the projects. The aim is to mitigate potential community protests and misunderstanding that could impact the projects negatively

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

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During the 2016/17 Council has resolved to develop a Good Governance Framework that encapsulate the following governance issues

- Synergy and alignment in the manner that the municipality executes its Constitutional obligations;
- Decision making that is not only consistent with statutory and policy requirements, but also upholds Constitutional principles and the values of the Nyandeni Local Municipality,

Accordingly, the objectives of the framework will be to

- to outline the processes to be followed in decision making;
- to document roles and responsibilities of political and administrative structures, the relationships within these structures, office bearers, managers and officials; and
- to outline the authority of office bearers and managers.

Key principle of good governance is the establishment of ethical leadership within the institution by doing the following

- The need to clearly define the roles and responsibilities of leadership and individual leaders in the organization
- The embedding within the leadership of an ethical culture based on the vision and values of the institution and the Constitutional principles

**The King III report defines good governance as follows:**

“Good corporate governance is essentially about effective, responsible leadership. Responsible leadership is characterised by the ethical values of responsibility, accountability, fairness and transparency”.

**Council ascribes to the following principles of Good Governance**

Principles	Detail
Openness and Transparency	Decision should be taken and enforced in accordance with legislation and law
	There should be access to information by public
Rule of Law	Council should abide by the rule of law
Innovation and openness to change	Council should embrace new and efficient solutions
Ethical Conduct	Public good to be placed before individual interest
	There should be effective measures to combat corruption
Competency and capacity	Competency of those who delivery governance to be continuously strengthen to improve output
Sustainability and long term orientation	Needs of future generations have to be considered in policies
Sound financial management	Prudence to observed in financial management
	Planning and Budgeting to done in consultation with citizens
	Risk to be properly estimated and managed
	Charges should not exceed to cost of services
Accountability	Decision makers must take responsibility for their decisions
	There should be effective remedies for maladministration, including consequence management

**5.1 Political governance**

- Nyandeni Local Municipality is a Collective Executive System combined with a ward participatory system and has Eight Standing Committees which are chaired by Political Heads. The Political and administrative seat is situated in Libode
- Council meetings are opened to the public
- Ordinary Council meetings take place at least once per quarter
- Special Council meetings are convened only when important issues arise that requires urgent and immediate attention
- Council has 32 wards as per the demarcation.

**Governance Structures**

Structure	Function
Council	Pass policies, Annual budget, IDP and tariffs
Executive Committee	To identify the needs of the community Review and evaluate those needs in order of priority Recommend to the municipal council strategies, programmes and services to address priority needs Recommend or determine best methods, including partnership and other approaches to deliver those strategies, programmes and services
Standing Committees	Defined in terms of section. 80 of the Structures Act as Committees to assist Executive Committee or Executive Mayor
Municipal Public Accounts Committee	Appointed in terms of section. 79 of the Municipal Structures Act: section.79 (1) A Council may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers.

	<p>To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on annual report</p> <p>To examine the financial statements and audit report of the municipality</p> <p>To promote good governance, transparency and accountability on the use of municipal resources</p> <p>To perform any other functions assigned to it through a resolution of council within its area of responsibility</p>
Audit Committee	It is appointed in terms of section 166 of the MFMA

**Political Parties and traditional leaders represented in Council**

Party	Total Seats	Ward Seats	PR Seats
African National Congress	54	32	22
UDM	3	-	4
DA	3		3
EFF	3		3
Traditional leaders	13	-	-
<b>Total</b>	<b>76</b>	<b>31</b>	<b>30</b>

**COUNCIL STANDING COMMITTEES**

Structure	Delegated Function	Executive Committee Member Responsible
Corporate Services Standing Committee	Human Resource Development Administration Health and Wellness Maintenance of municipal buildings	Cllr. T Mathika
Budget and Treasury Standing Committee	Income and Expenditure Supply Chain Management Assets and Fleet Management Financial viability and Management	Cllr. Z Mevana
Human Settlement , Spatial development and Disaster management	Spatial Planning Land Use Management Human Settlement Fire Fighting Natural Disasters Provision of Responsive Material	Cllr. P Godongwana
Infrastructure development Services	Construction of access roads Maintenance of access roads Electricity	Cllr. Z Nondlevu
Local economy and Rural development	LED and Tourism SMME and Cooperative Agriculture and forestry	Cllr. N Thiyeka
Special programmes and Social Services , Sports, Arts and Culture	Special Programmes Sports and Recreation Adult programmes Youth programmes Children's programmes Women programmes Sports Arts and Culture	Cllr Zondani

Structure	Delegated Function	Executive Committee Member Responsible
Community Services	Waste management Social programmes (SASSA, DOSD, DOH, any government Department charged with basic services delivery) HIV/AIDS Free Basic Services Public Amenities (libraries, cemeteries, pounds) Early childhood Development	Cllr W Ngaveli
Planning, IGR and Research	PLANNING Research IGR	To be filled

### 5.1.2 Municipal Public Accounts Committee

- Municipal Public Accounts Committee was established in terms of section 79 of the Local Government: Municipal Structures Act, its main purpose is to perform and exercise oversight over the executive functionaries of council and to ensure good governance in the municipality
- Council has determined functions of the committee and agreed on the terms of reference
- The Position of MPAC Chairperson has been designated a fulltime position and comprised of 8 members including opposition parties

#### Functions of MPAC

- To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on annual report, Mid-year performance assessment report and IDP Process Planning
- To examine the financial statements and audit report of the municipality
- To promote good governance, transparency and accountability on the use of municipal resources
- To perform any other functions assigned to it through a resolution of council within its area of responsibility

### ACHIEVEMENTS

- Since its inception in 2011 the Municipal Public Accounts Committee has diligently compiled Five Oversight Reports for 2010/11, 2011/2012, 2012/2013, 2013/2014, 2014/2015 and 2015/16 financial years which were adopted without reservations.
- Conducted oversight and compiled a report on Mid-year performance information report
- The Committee has been invited to the Eastern Cape Provincial Colloquium held in Port Elizabeth to present a good practices and share its understanding of Oversight with the rest of the EC Province MPAC's, together with City of Cape Town, Cacadu District and Ekurhuleni Metro

- ON the 7<sup>th</sup> March 2014 , we are the only local municipality to have been invited alongside four District municipalities to the Political Oversight Good Case Workshop. An assessment tool developed by SALGA was used to evaluate and assess these municipalities and a final three is to be chosen as showcase for the Province

### 5.1.3 Participation of Traditional Leaders in Council

The MEC for Local Government and Traditional Affairs gazzetted the Guidelines/Framework for participation of Traditional Leaders in Municipal Councils and the names of the identified Traditional Leaders per Provincial Notice no 42 published in the Provincial Gazette No. 2646 dated 19 October 2011

In fulfillment with the provisions of the above gazette, on 18 November 2011 Council Special Meeting was convened wherein twelve traditional leaders were sworn in. Inter alia, Status of their participation in council is fully expressed in section 7 of the gazette no.2646

To this far, Traditional Leaders have been trained in Basic Computer Skills, Municipal Governance and Legislation. Traditional Leaders are playing a meaningful role in promoting social cohesion and rural development through practical community programmes such as cultural festivals and education awareness

## 5.2 Community and Public Participation

# THE VOICE OF PEOPLE IN NYANDENI



This section records the voice of people in Nyandeni in terms of:

- the difficulties that the local municipality is facing presently;
- the extent to which the municipality is trying to resolve the problem;
- how people in the municipality rate the services that they receive; and the importance of services provided by the municipality.

A question was introduced in the Community Survey 2016 that asked households what they considered to be the main problem or difficulty they were facing in their municipality presently. In addition to collecting data about the actual services and the quality of services that households have access to, asking households what they perceive as their main challenge or difficulty provides policymakers and planners with key data on how households understand or feel about their environment and the services in their municipality.

As can be seen, perceived challenges in municipalities differ vastly by municipalities and the analysis of these challenges is key to understanding and delivering services accordingly in the respective

province and municipalities (People's views on how municipalities are trying to resolve the problem are provided in Annexures 6 and 7).

### *5.2 Difficulties facing the municipality presently and the extent to which the municipality is trying to resolve the problem*

According to the community survey conducted by Stats SA (2016), the top five challenges (in Table 20) that Nyandeni municipality is facing presently are as follows:

- Lack of safe and reliable water supply (47% of the population)
- Inadequate housing (17% of the population)
- Lack of employment opportunity (10% of the population)
- Inadequate road (8% of the population)
- Lack of reliable electricity supply (5% of the population)

In O.R. Tambo district, people's views about the top five challenges facing the District were as follows:

- Lack of safe and reliable water supply (44% of the population)
- Inadequate housing (17% of the population)
- Lack of employment opportunity (9% of the population)
- Inadequate road (9% of the population)
- Lack of reliable electricity supply (8% of the population)

Access to safe and reliable water supply is perceived by almost half of the population as the main challenge currently facing the district. This challenge should reflect in the IDP of the district (and of Nyandeni local municipality) as top priority, or else, it will be an indication that the municipality is targeting wrong challenges.

## Difficulties facing the municipality presently

	O.R.Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Lack of safe and reliable water supply	646 872	158 937	84 339	146 693	94 476	162 427
Cost of water	62 652	15 219	7 070	13 885	7 927	18 551
Lack of reliable electricity supply	111 097	9 633	12 619	15 687	9 641	63 517
Cost of electricity	28 277	1 460	3 013	4 410	1 458	17 935
Inadequate sanitation/sewerage/toilet services	19 681	1 921	5 515	2 273	3 412	6 560
Inadequate refuse/waste removal	3 189	462	89	444	498	1 696
Inadequate housing	236 342	65 793	24 015	51 121	16 707	78 706
Inadequate roads	127 855	22 704	13 748	23 144	26 518	41 742
Inadequate street lights	5 620	322	59	631	240	4 368
Lack of/inadequate employment opportunities	130 956	21 043	11 797	31 510	17 536	49 069
Lack of/inadequate educational facilities	4 495	650	397	598	948	1 903
Violence and crime	22 707	1 303	1 461	3 335	3 830	12 779
Drug abuse	10 091	119	692	3 277	1 870	4 133
Alcohol abuse	5 233	298	644	1 246	704	2 341
Gangsterism	782	252	75	107	41	306
Lack of/inadequate parks and recreational area	873	137	38	318	25	355
Lack of/inadequate healthcare services	10 915	968	552	1 554	752	7 089
Lack of/inadequate public transport	4 958	1 198	332	1 438	456	1 533
Corruption	9 529	563	83	1 105	247	7 531
Other	7 133	102	20	3 761	689	2 560
None	7 869	293	220	3 165	1 033	3 158
Unspecified	258	-	-	-	168	89
<b>Grand Total</b>	<b>1 457 384</b>	<b>303 379</b>	<b>166 779</b>	<b>309 702</b>	<b>189 176</b>	<b>488 349</b>

	O.R.Tambo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD
Lack of safe and reliable water supply	44.4%	52.4%	50.6%	47.4%	49.9%	33.3%
Cost of water	4.3%	5.0%	4.2%	4.5%	4.2%	3.8%
Lack of reliable electricity supply	7.6%	3.2%	7.6%	5.1%	5.1%	13.0%
Cost of electricity	1.9%	0.5%	1.8%	1.4%	0.8%	3.7%
Inadequate sanitation/sewerage/toilet services	1.4%	0.6%	3.3%	0.7%	1.8%	1.3%
Inadequate refuse/waste removal	0.2%	0.2%	0.1%	0.1%	0.3%	0.3%
Inadequate housing	16.2%	21.7%	14.4%	16.5%	8.8%	16.1%
Inadequate roads	8.8%	7.5%	8.2%	7.5%	14.0%	8.5%
Inadequate street lights	0.4%	0.1%	0.0%	0.2%	0.1%	0.9%
Lack of/inadequate employment opportunities	9.0%	6.9%	7.1%	10.2%	9.3%	10.0%
Lack of/inadequate educational facilities	0.3%	0.2%	0.2%	0.2%	0.5%	0.4%
Violence and crime	1.6%	0.4%	0.9%	1.1%	2.0%	2.6%
Drug abuse	0.7%	0.0%	0.4%	1.1%	1.0%	0.8%
Alcohol abuse	0.4%	0.1%	0.4%	0.4%	0.4%	0.5%
Gangsterism	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%
Lack of/inadequate parks and recreational area	0.1%	0.0%	0.0%	0.1%	0.0%	0.1%
Lack of/inadequate healthcare services	0.7%	0.3%	0.3%	0.5%	0.4%	1.5%
Lack of/inadequate public transport	0.3%	0.4%	0.2%	0.5%	0.2%	0.3%
Corruption	0.7%	0.2%	0.0%	0.4%	0.1%	1.5%
Other	0.5%	0.0%	0.0%	1.2%	0.4%	0.5%
None	0.5%	0.1%	0.1%	1.0%	0.5%	0.6%
Unspecified	0.0%	-	-	-	0.1%	0.0%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Statistics South Africa (2016 Community Survey)

**Table 20**

The extent to which local municipalities are trying to resolve problem faced by people in the municipality

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Not applicable	Unspecified	Total
O.R.Tambo	734 366	395 685	113 792	157 454	39 593	7 869	8 626	1 457 384
Ngquza Hill	179 326	75 165	24 847	22 538	992	293	218	303 379
Port St Johns	95 012	40 329	11 426	14 998	4 773	220	20	166 779
Nyandeni	139 116	99 071	24 767	36 373	2 978	3 165	4 232	309 702
Mhlonlo	80 303	58 363	13 604	33 241	1 919	1 033	712	189 176
KSD	240 609	122 757	39 148	50 303	28 931	3 158	3 443	488 349
%								
O.R.Tambo	50%	27%	8%	11%	3%	1%	1%	100%
Ngquza Hill	59%	25%	8%	7%	0%	0%	0%	100%
Port St Johns	57%	24%	7%	9%	3%	0%	0%	100%
Nyandeni	45%	32%	8%	12%	1%	1%	1%	100%
Mhlonlo	42%	31%	7%	18%	1%	1%	0%	100%
KSD	49%	25%	8%	10%	6%	1%	1%	100%

Source: Statistics South Africa (2016 Community Survey)

**Table 21**

People response to the extent to which Nyandeni is trying to resolve the problems faced by the municipality is as follows:

- 45% of the population in Nyandeni strongly disagree that the municipality is trying to resolve the problem;
- Another 32% of the population in Nyandeni disagree that the municipality is trying to resolve the problem;
- Only 12% of the population in Nyandeni are in agreement that the municipality is trying to resolve the problem;
- There is a small portion of the population (8%) that are neutral: they neither agree nor disagree; and
- Only 1% of the population in Nyandeni strongly agree that the municipality is trying to resolve the current problems.

Annexures 6 and 7 provide the responses for other local municipalities in the province.

### 5.3 Rating the overall quality of services provided by the local municipality

Table 22 shows that of the 309 702 people living in Nyandeni, more than half (53%) are of the opinion that the quality of public clinic is good while 14% think that the quality of public clinic is poor.

#### Rating the overall quality of services provided by Nyandeni local municipality, 2016

	Good	Average	Poor	No access	Do not use	Unspecified	Total
Quality of public clinic	164333	69454	42518	31913	975	508	309702
Quality of electricity supply services	186367	64863	29804	22617	5550	500	309702
Quality of the local public hospital	156170	73039	48875	27681	3124	813	309702
Quality of the local police services	120943	77720	77529	26572	5891	1046	309702
Quality of refuse removal services	28569	68276	68878	137063	6529	386	309702
Quality of toilet/sanitation services	154287	81230	60653	11337	1449	746	309702
Quality of the local public school	207751	60975	34124	3011	2719	1122	309702
Quality of RDPorgvtsubsidised dwelling	6642	3163	2880	17	296999	-	309702
	Good	Average	Poor	No access	Do not use	Unspecified	Total
Quality of public clinic	53%	22%	14%	10%	0%	0%	100%
Quality of electricity supply services	60%	21%	10%	7%	2%	0%	100%
Quality of the local public hospital	50%	24%	16%	9%	1%	0%	100%
Quality of the local police services	39%	25%	25%	9%	2%	0%	100%
Quality of refuse removal services	9%	22%	22%	44%	2%	0%	100%
Quality of toilet/sanitation services	50%	26%	20%	4%	0%	0%	100%
Quality of the local public school	67%	20%	11%	1%	1%	0%	100%
Quality of RDPorgvtsubsidised dwelling	2%	1%	1%	0%	96%	-	100%

Source: Statistics South Africa (2016 Community Survey)

**Table 22**

### 5.4 How important are the services?

It was indicated in the demographic section that over 80% of the population in Nyandeni is below the age of 35 years. Table 23 shows how education is viewed by 76% of the population as a "very important" instrument to improve the standard of living. There were 725 people in Nyandeni who said education is not important at all. Their honesty is also appreciated.

## How people in Nyandeni view the importance of services received from the municipality

	Very important	Important	Not important at all	Unspecified	Total
Importance of ownership of household assets to improve the standard of living for the household	220 991	86 639	715	1 357	309 702
Importance of education to improve the standard of living for the household	235 509	72 506	725	963	309 702
Importance of employment to improve the standard of living for the household	224 597	80 783	3 109	1 213	309 702
Importance of health to improve the standard of living for the household	227 839	80 234	1 326	302	309 702
Importance of living conditions to improve the standard of living for the household	227 646	80 227	1 490	339	309 702
Importance of safety and security to improve the standard of living for the household	217 239	85 484	6 423	555	309 702

	Very important	Important	Not important at all	Unspecified	Total
Importance of ownership of household assets to improve the standard of living for the household	71.4%	28.0%	0.2%	0.4%	100%
Importance of education to improve the standard of living for the household	76.0%	23.4%	0.2%	0.3%	100%
Importance of employment to improve the standard of living for the household	72.5%	26.1%	1.0%	0.4%	100%
Importance of health to improve the standard of living for the household	73.6%	25.9%	0.4%	0.1%	100%
Importance of living conditions to improve the standard of living for the household	73.5%	25.9%	0.5%	0.1%	100%
Importance of safety and security to improve the standard of living for the household	70.1%	27.6%	2.1%	0.2%	100%

Source: Statistics South Africa (2016 Community Survey)

**Table 23**

### 5.5 Conclusion

An attempt was made to record the voice of people in Nyandeni. Four issues were raised:

- Firstly, the difficulties that the local municipality is facing presently. Access to safe and reliable water supply was perceived by almost half of the population as the main challenge currently facing the district.
- Secondly, the extent to which the municipality is trying to resolve the problem. 45% of the population in Nyandeni strongly disagree that the municipality is trying to resolve the problem
- Thirdly, how people in the municipality rate the services that they receive. More than half (53%) of the population in Nyandeni are of the opinion that the quality of public clinic is good.
- Lastly, 76% of people in Nyandeni said that education is a very important instrument to uplift the living standard of people.

In deepening democracy at local level, Citizen Participation and empowerment is at the centre of the government strategy, to this extend. R800.000.00 has been allocated for undertaking civil society education in all wards, 8 civil society education programmes will be conducted quarterly covering the following topics, roles and responsibilities of citizens in a developmental state, public accountability by politicians and officials and Municipal Finance Management.

### **5.2.1 Public Participation Plan and Policy**

Public Participation Plan and Policy has been reviewed and adopted by Council in 2014 and it is a five plan.

*The Public Participation Plan encapsulates the following key issues*

- Procedures, systems, process, structures in the public participation process
- Public Participation methods and mechanisms

The public participation mechanism includes the following

**Mayoral Imbizos**, these are mayoral public participation meetings conducted by the Executive Committee to provide feedback on municipal performance assessment. For this review, the first Imbizo was conducted on 10-13 November 2015 to solicit community inputs on the 2016/2017 IDP review. Followed by another Mayoral Imbizo conducted on 29 March 2016, the purpose of this Imbizo was to provide a feedback on MFMA section 52(d) report and Annual Report for financial year in ending 30 June 2015

**IDP and Budget Public Hearings** were conducted during the month of April in all 31 wards, the main purpose was to present to communities Draft IDP, Draft Annual Budget, tariffs, 3 year Capital Plan as well as budget policies. The IDP Representative Forum was held on the 18 May 2016 to consult various stakeholders

### **5.2.2. Ward Committee System**

32 Ward Committees (each comprising of 10 members) have been established in terms of section 73 of the Local Government: Municipal Structures Act. Ward Committees have participated in the IDP development process and preparation of the annual budget for 2017-2022

**Ward Councilors is functional, it is serves** as a network to share information, resolve common service delivery challenges, serves as performance monitoring and evaluation platform.

#### **Challenges**

- Reports from ward committees does not reflect problematic areas at ward level so that the municipality is able to intervene, as a consequence the municipality has been experiencing sporadic service delivery protests
- Community satisfaction surveys not conducted regularly to ascertain the level of satisfaction or dissatisfaction thereof

#### **SUPPORT FOR WARD COMMITTEES FUNCTIONING**

- Allocated cell phones to all Ward Committee Members
- R 1500 stipend paid monthly to 32 Ward Administrators
- R 1500 stipend paid monthly to 320 ward committee members (proposed )
- The municipality is further responsible for Ward Committee transport cost
- The municipality is further assisting Ward Committees with wards office management
- All ward committees have been trained on ward governance

#### **FUNCTIONALITY OF WARD COMMITTEES**

Ward Committee seats monthly seats monthly to consider community issues. Village meetings guided by Back to Basics seats monthly and Ward General Meetings are convened quarterly.

Services delivery issues arising from the above mentioned meetings are then submitted to Council through various Council Committees for consideration and resolution

## **WARD BASED PLANS**

The Ward based plans were developed in 2016 for 31 wards, only

### **5.2.3 Community Development Workers**

#### **Community Development workers performance monitoring**

The municipality has 26 CDW's coordinated by CDW Coordinator. Monthly reports are submitted to the CDW Coordinator, who then compile a consolidated monthly report for submission to the municipality and the Department of Local Government and Traditional Affairs (DLGTA).

Reported cases are registered in the case register and referred to the relevant department. When a case has been resolved and concluded, a complainant is being informed about the resolution of that specific case.

#### **Achievements**

24 CDW's are functioning well and participates in the IDP and Budget Processes.

A memorandum of understanding has been signed with the Department of Local Government and Traditional Affairs to strengthen working relations and to ensure effective inter-governmental planning and delivery coordination and to improve the quality of democratic participation in decision making processes

#### **Interventions**

Nyandeni municipal leadership has committed to promoting sound and good governance culture within the organisation. The main focus areas identified for good governance interventions in this term includes but not limited

- Training of new ward committees to improve their effectiveness in advancing goals of public participation
- Provision of dedicated administrative support to CDWs and councillors to aid their role as link between council and communities
- Establishment of sound mechanisms and systems to discourage corruption and ensure functional internal audit
- Continuous engagement with sector departments to improve intergovernmental relations and especially their participation in the implementation of this IDP
- Mobilization and coordination of existing resource capacity to enhance our scale of service delivery and economic growth through such initiatives as establishment of PPPs and participation in district wide initiatives including the realisation of commitments made at the recent Economic Growth Summit held by ORTDM and the recent Investment Conference

### **5.2.4 INTERGOVERNMENTAL RELATIONS**

#### **ADOPTION OF NYANDENI IGR FORUM TERMS OF REFERENCE**

Terms of Reference have been adopted and serve as the guidelines in managing IGR Forum affairs. Technical IGR Forum is in place, its main mandate is to prepare and make recommendations to Political IGR Forum which is chaired by the Mayor or a delegated person.

#### **NYANDENI IGR CLUSTER ESTABLISHMENT**

In accordance with the Eastern Cape Provincial guidelines the following clusters have to be established to co-ordinate and facilitate development in the Nyandeni Municipal Area

<b>Cluster</b>	<b>KPA</b>	<b>Key Departments</b>
Governance and	• Municipal Transformation and	• Nyandeni Local Municipality

Administration	Organizational Development <ul style="list-style-type: none"> <li>● Integrated Development Planning</li> <li>● Municipal Finance Viability and Management</li> <li>● Good Governance and Public Participation</li> <li>● Basic Service Delivery</li> <li>● Performance Management System</li> </ul>	<ul style="list-style-type: none"> <li>● Department of Local Government &amp; Traditional Affairs</li> <li>● Provincial Treasury and Planning</li> <li>● Office of the Premier</li> <li>● OR Tambo DM</li> <li>● ECSECC</li> <li>● SALGA</li> </ul>
Social Cluster	Comprehensive Health Care Education Special Programmes Social Safety Net Safety and Security Victim Empowerment Food Security and Nutrition Sport and Recreation	<ul style="list-style-type: none"> <li>● Nyandeni Local Municipality</li> <li>● Department of Social Development</li> <li>● Department of Health</li> <li>● Department of Home Affairs</li> <li>● Department of Sports, Recreation, Arts &amp; Culture</li> <li>● SASSA</li> </ul>
Economic Growth and Infrastructure Cluster	Local Economic Development Roads Infrastructure Second Economy Interventions Water Resource Management Electricity Environmental Management	<ul style="list-style-type: none"> <li>● Nyandeni Local Municipality</li> <li>● DEDEA</li> <li>● Department of Environmental Affairs</li> <li>● Department of Agriculture</li> <li>● Department of Roads and Transport</li> <li>● Department of Water Affair</li> <li>● Department of Water Affairs and Forestry</li> <li>● Eskom</li> <li>● Telkom</li> <li>● Department of Energy</li> </ul>

These clusters are also indicative of the core organizational competencies required to support the attainment of the Integrated Development Plan. Our Integrated Development Plan matches our resources and capabilities in order to deliver on our mandate.

### Challenges

- Reduced budget allocation for 2016/2017 particularly on energy provision, human settlement
- Non alignment of programs with Government Medium Term Strategic Framework, State of the Province Address
- Information provided is not always adequate to help strategic decision making in unlocking and accelerating service delivery, this can be attributed to the lack of training on IGR
- Fragmented approach in coordination of programmes
- Sub-forum are convened but does not systematically feed into the IGR

### 5.2.5 PRESIDENTIAL HOTLINE AND COMPLAINS MANAGEMENT SYSTEM

The Presidential Hotline services and a public liaison were launched on the 08 October 2009 to address problems that affect individuals and families. Although the programme is functional it remains with challenge such as network interruption,

### Institutional arrangement

The Presidential Hotline and Complains Management System are housed in the Office of the Municipal Manager of which the Council Speaker is the political champion. 2 users have been trained and are responsible for day to day capturing and management of complaints and petitions.

## **5.2.6 SUPPORT TO SPECIAL PROGRAMMES**

### **5.2.6.1 The Special Programmes Unit**

The Special Programmes Unit is located in the Office of the Mayor and is currently has a compliment of 3 staff members and is headed by Senior Manager at the level of Section 57 Manager. The Unit is responsible for policy formulation and coordination

In the main the unit is responsible for mainstreaming of programmes for designated groups, coordination and mobilisation of various sectors, monitoring and evaluation and capacity building

### **5.2.6.2 Liaison and Networking**

In this review we express the commitment to strengthen relations with stakeholders and facilitate cooperation.

Achievement

- Ward Based structures for youth, disable and women's structures have been established
- Women Caucus Established and conferred MSA section 79 Status inter alia, the Committee Chairperson was elected by Council on 29 May 2014

Special Programmes includes HIV and Aids, Children, Youth, Women, Physically challenged and Military Veterans Association.

### **Key programmes includes**

- ✓ Hosting of Annual Mayoral Tournament
- ✓ Observing Annual Youth Month Programmes, including Solomon Mahlangu Lecture
- ✓ Observing of National calendar days
- ✓ Support to HIV and Aids related programmes
- ✓ Mainstreaming Local Economic Development programmes
- ✓ Hosting of Annual Miss Nyandeni to promote youth talent
- ✓ Support to vulnerable youth in school as well campaign against drug abuse

## **5.2.7 SOCIAL COHESION**

The prioritised programmes reaffirms our commitment in building social cohesion, these programmes includes hosting of annual horse racing where young and old, women and men converge to celebrate our cultural diversity. Traditional Fashion is the main signature of the event, this is the opportunity to exhibit diversity of Western Pondoland Culture and Heritage.

The hosting of Annual Mayoral Tournament wherein 31 wards are participating facilitates Ubuntu and coming together of various villages. Young people are kept busy and thus have less time to embark on distractive activities.

Annually the Municipality in partnership with business community, hosts Human Right Road Race (marathon) to mark Human Rights Day. These programs enjoy the interest and participation of citizens across social and class spectrum with an ultimately view of promoting nation building

## **5.2.8 INTER MUNICIPAL RELATIONS**

**Firstly**, Nyandeni local Municipality views Inter-Municipal Relations as a strategic approach in accelerating service delivery, building capacity and improving municipal planning. Nyandeni Local Municipality has established inter Municipal Relations with Amathole District Municipality in the Eastern in the area of Good Governance Framework

A joint workshop was held in November 2013 to establish Protocol Arrangements in accordance with the IGR Framework. The Principle of Good Governance has been accepted as a crucial element towards the success of the local government sector. Amathole District Municipality has a sound “Good Governance Framework” in place. The leadership appreciate and recognise that we can learn and share experience in this area, in this regard, **Secondly**, Nyandeni Local Municipality as collaborated with King Sabata Dalidyebo Local Municipality (KSD) in the area of Integrated Waste Management Delivery. KSD is assisting Nyandeni in the collection of refuse along N2 Road. We intend to extend the partnership to include Roads Safety

#### 5.2.8 COMMUNICATIONS

The Municipality has a functional Communications Unit headed by Manager Communications, supported by Communications Officer and a Clerk. A Communication Forum is functional , amongst other things, it is charged with the responsibility to produce a quarterly news magazine, branding and marketing, Conduct Community Education awareness campaign in all wards to essentially educate people about the concept of a ‘developmental local government”, roles and responsibilities of citizenry in the affairs of local government  
Communication Strategy has been adopted

### 5.3 Municipal Audit

The Accounting officer is responsible for preparation and fair presentation of the financial statements to the Auditor General in a manner required by the Municipal Finance Management Act, 2003 (Act NO. 56 Of 2003)  
In the year ending 30 June 2009 the municipality received a Qualified Opinion with one matter of emphasis. In the year ending June 2010 the municipality received Unqualified Opinion. However, in the ending 30 June 2011 the municipality received a Disclaimer Opinion. For the year ending 30 June 2012 the municipality received Qualified Opinion, whilst in the year ending 30 June 2013 the municipality received Unqualified Audit Opinion. In 2014/2015 financial year the municipality maintained the unqualified Audit Opinion

#### OPERATION CLEAN AUDIT

2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Qualified Opinion	Unqualified Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Anticipated audit outcome is to maintain Unqualified with no matters of emphasis

**AUDIT REPORT OVERVIEW**

	2011/12	2012/13	2013/2014	2014/2015
AUDIT OPINION	Qualified	Unqualified	Unqualified Audit Opinion	Unqualified Audit Opinion
No. of qualification points	3			
	<ul style="list-style-type: none"> <li>✓ <b>Corresponding figures</b></li> <li>✓ <b>Property, plant and Equipment</b></li> <li>✓ <b>Irregular Expenditure</b></li> </ul>	<p>Matters:</p> <ul style="list-style-type: none"> <li>✓ Predetermined objectives</li> <li>✓ Procurement and contract management</li> <li>✓ Internal controls</li> <li>✓ Expenditure</li> <li>✓ revenue</li> </ul>	<p>Matters</p> <ul style="list-style-type: none"> <li>✓ Irregular expenditure</li> <li>✓ Adjustment of material misstatements</li> <li>✓ Achievement of planned targets</li> <li>✓ Revenue Management</li> </ul>	<ul style="list-style-type: none"> <li>✓ The municipality incurred irregular expenditure of R13.9 million during the year under review. All of this irregular expenditure was the result of non-compliance with procurement requirements in previous financial years</li> <li>✓ The municipality incurred unauthorised expenditure of R12,2 million during the year ended 30 June 2015. This unauthorised expenditure was mainly due to overspending the employee related cost and remuneration of councillor votes.</li> </ul>

	2011/12	2012/13	2013/2014	2014/2015
AUDIT OPINION	Qualified	Unqualified	Unqualified Audit Opinion	Unqualified Audit Opinion
				✓ Interest was not charged on all accounts in arrears as required by section 64(2) (g) of the MFMA

## PREPARATION OF THE MUNICIPAL AUDIT FILE

MFMA Circular 50 prescribes that a municipality must before the commencement of the annual audit prepare and submit municipal audit file to the Office of the Auditor General. In accordance with this specific provision, an audit municipal file was compiled and submitted to the Audit Committee to ensure completeness and accuracy. The Audit FILE was duly submitted to the Office of the Auditor General during the audit planning meeting held at municipal offices in April 2016

### 5.3.1 FUNCTIONALITY OF THE AUDIT COMMITTEE

Section 166 of the MFMA requires each municipality to have an audit committee. The audit committee is an independent body which must amongst other things advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to internal financial control and internal audits, risk management and performance management.

Audit Committee is comprised of the following members and will serve for a period of three year from the date of appointment

NAME	DESIGNATION	APPOINTMENT DATE
Mr. S Mbalekwa	Chairperson	30 October 2014
Mr L Galada	Member responsible for internal auditing	30 October 2014
Mr. G.Labane	Member responsible for financial matters	30 October 2014
Adv. T Mqobi	Member responsible for legal matters	05 March 2015

#### Key programmes.

- Monitoring implementation of the auditor general recommendations
- Monitoring implementation of the commitments made with the regards to clean audit
- They provide support to Municipal Public Account Committee ( MPAC)
- Provide recommendations to council based on the reports analysed and ensuring implementation of recommendations
- Monitor and evaluate adherence to internal controls processes and procedures
- Play meaningful advisory role to management

#### The following documents has been approved by Council

- I. Internal Audit Charter approved on the 31 July 2014
- II. Audit and Performance Committee Charter approved on 31 July 2014
- III. Internal Audit Plan approved on 02 September 2014

### 5.3.2 INTERNATIONAL AUDIT UNIT

The municipality has a fully functional Internal Audit Unit and is comprised of the following Manager Internal Audit ,2 x Internal Audit Officers ,Secretary and 2 interns. All the posts are filled

#### Key Programmes approved by the Audit Committee

- ✓ Development of the internal audit strategy
- ✓ Preparation of the annual audit plan
- ✓ Quarterly reports to the audit committee detailing performance against the annual internal audit plan
- ✓ Facilitate the identification, analysis and rating of risk by management
- ✓ Provide support to Audit Committee

### 5.4 RISK MANAGEMENT

The Municipality performs Risk Management functions to ensure compliance with legislation, policies, abide or ensure that strategic objectives are achieved, including fraud prevention. Although risk management is in place, there is a need to conduct continuous awareness campaigns to all levels in the organization to ensure greater participation and ownership by all stakeholders, particularly, the municipal workforce.

To this end, Bongani Mbewu has been appointed as the Risk Management Committee Chairperson with effect from the 05 March 2015 for a period of three years from the date of appointment.

Risk Programmes approved for effective Risk Management are

- a. The Municipal Risk Profile and Risk Register has been compiled
- b. Risk Management Framework approved by Council on 31 May 2016
- c. Audit Committee will be approve Risk Management Committee Charter for 2016/17 financial year in June 2016
- d. Risk Management Policy approved by Council on 31 May2016

### 5.5 FRAUD PREVENTION

The South African Media, particularly print media, has created a “narrative” that local government is the most corrupt sphere of government. In its position paper titled “Tackling The Scourge of the Corruption-Perception, Local Government and the People’ on Anti- Corruption South African Local Government Association assert that “Whatever local government’s protestations of innocence may be, it must learn that as is the case in law, the perceptions about how it deals with corruption is as important as the reality of measures to combat corruption within the sector. Intolerance to corruption must not only be a mantra, it must be seen to be done’

**Fraud Risk Management Policy**, the fraud Risk Management Policy was adopted by council on 31 May 2016

#### **Objectives summarised**

- The Fraud Risk Management Policy of the NLM supports and fosters a culture of Zero Tolerance towards fraud and other acts of dishonesty. In addition, all fraud will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls.
- These prevention controls includes the existing financial and other controls and checking mechanisms as prescribed in the systems, policies, procedures, rules and regulations of the NLM.
- The efficient application of the Municipal Management Finance Act (“MFMA”) and instructions contained in the NLM policies and procedures, circulars and manuals is one of the most important duties to be applied by every employee in the execution of their daily tasks.

#### **Priority programmes**

- Conduct fraud awareness campaign both internally and externally
- Clarify consequence management process, where there is wrong doing
- Support and strengthen Oversight Role by Council

**Whistle Blowing Policy and its objectives (this policy was approved by council on 31 May 2016)**

- To provide guidance for which whistle blowers may in responsible manner disclosure information regarding unlawful or irregular conduct by Councilors, Officials of the Municipality and Service Providers and to provide for the protection of whistle blowers who make a disclosure.
- To provides protection of whistle blowers for disclosures made without malice and in good faith, in defined circumstances in terms of the Protected Disclosure Act, Act 26 of 2000,
- To encourage whistle blowers to raise matters of concern responsibly through the procedures laid down in this policy documents.
- To provide for feedback to the whistle blower following a protected disclosure
- To present means for redress if a whistle blower is dissatisfied with the response of the Municipality to a protected disclosure

**COMPONENT A: AUDITOR-GENERAL REPORTS 2014/15 as at 30 June 2015**

o	AG Finding	Action/Activity	Responsible Person	Date	COMMENT
<b>IRREGULAR EXPENDITURES</b>					
	<ul style="list-style-type: none"> <li>The municipality incurred irregular expenditure of R13.9 million during the year under review. All of this irregular expenditure was the result of non-compliance with procurement requirements in previous financial years</li> </ul>	<ul style="list-style-type: none"> <li>Verify expenditure vouchers on a monthly basis to identify irregular expenditure</li> <li>Identify the reasons for irregular expenditure</li> <li>Forward the report to the Internal Audit Department on a quarterly basis to perform the audit</li> <li>Forward the Irregular expenditure report to the Council on a quarterly basis</li> <li>Perform a detailed investigation to determine whether the irregular expenditure should be recovered or not , from any person or third party</li> </ul>	SCM Manager/CFO	Quarterly	
<b>UNAUTHORISED EXPENDITURES</b>					
	<ul style="list-style-type: none"> <li>The municipality incurred unauthorised expenditure of R12,2 million during the year ended 30 June 2015. This unauthorised expenditure was mainly due to overspending the employee related cost and remuneration of councillor votes.</li> </ul>	<ul style="list-style-type: none"> <li>Confirm the budget availability before the actual procurement</li> <li>Confirm the budget availability of funds before actual payments</li> <li>Perform analysis of budget vs actual for both operational expenditures and capital expenditures to identify any unauthorized expenditures</li> <li>Ensure that the remedial actions are taken to deal with unauthorized expenditures</li> </ul>	Budget Manager/CFO	Quarterly	

o	AG Finding	Action/Activity	Responsible Person	Date	COMMENT
		<ul style="list-style-type: none"> <li>• Ensure that any unauthorized expenditures are approved through the adjustment budget</li> <li>• Forward the report on unauthorized expenditures to the Council for condonement</li> </ul>			
<b>REVENUE MANAGEMENT:</b>					
	<ul style="list-style-type: none"> <li>• Interest was not charged on all accounts in arrears as required by section 64(2) (g) of the MFMA</li> </ul>	<ul style="list-style-type: none"> <li>• Forward the report on OLD DEBT BOOK to the Council for write-off i.e. pre-2006 debtors book</li> <li>• Prepare the debtors analysis book to identify any debtors that cannot be recovered and make recommendations for write off</li> <li>• Forward the recommendation on overall debtors write-off to the Council for approval.</li> <li>• Hold the community meeting with the ratepayers to advise them about the charging of interest on arrears accounts.</li> <li>• Charge the interest on arrear accounts by the 1<sup>st</sup> of March</li> </ul>	Budget Manager/CFO/Accounting Officer	March 2016	

**KPA: FINANCIAL VIABILITY AND MANAGEMENT**

**Objectives**

The objective of the Financial Viability and Management is to secure sound and sustainable management of the financial affairs of the municipality and to comply with the accounting norms and standards.

National Treasury Municipal revenue budget and expenditure review of 2011 expressly states that “municipal councils, mayors and municipal managers are responsible for ensuring that available revenues are collected, that resources are allocated appropriately, and that procurement and service delivery processes are economical, efficient, effective and equitable”.

## 6.1 Financial Policies

The following financial policies were reviewed and adopted by Council on 31 May 2016

Sector Plan	Detail
IDP and Budget Policy	This policy sets out the budgeting principles, which Nyandeni Local Municipality will follow in preparing each annual budget, as well as the Integrated Development Planning process through which the municipality will prepare a strategic development plan, for a five-year period.
Rates Policy	To ensure that property rating in Nyandeni Municipality is carried out in a fair, consistent, considerate and controlled manner, this rate policy is developed in accordance with the provisions of the Local Government: Municipal Property Rates Act, (Act 6 of 2004).
Supply Chain Management Policy	Ensure Supply Chain Management Policy that is fair, equitable, transparent, competitive and cost effective; (c) complies with (i) the Regulations; and (ii) any minimum norm and standards that may be prescribed in terms of section 168 of the Act; (d) is consistent with other applicable legislation;
Fixed Asset Management Policy	This document is provided to assist management and employees of Nyandeni Municipality to implement and maintain consistent, effective and efficient fixed asset management principles. The objective of this document is aimed at: <input type="checkbox"/> Safeguarding the fixed assets of the Nyandeni Municipality to ensure effective use of existing resources <input type="checkbox"/> Emphasizing a culture of accountability over fixed assets owned by the Nyandeni Municipality. <input type="checkbox"/> Ensuring that effective controls are communicated to management and staff through clear and comprehensive written documentation. <input type="checkbox"/> Providing a formal set of procedures to ensure that the Nyandeni Municipality's fixed asset policies are achieved and are in compliance with the Municipal Finance Management Act (MFMA) and National Treasury, GRAP and Accounting Standards Board directions, instructions, principals and Guidelines.
Banking and Investment Policy(cash management)	The policy is aimed at gaining the optimal return on investment, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes

Sector Plan	Detail
Fleet Management Policy	<p>To co-ordinate the management of council transport by means of control measures which are applicable to all political officer bearers, departments, divisions and sections of the Council's operation</p> <p>To prescribe requirements relating to the utilization and maintenance of such transport by employees and political office bearers</p>
Tariff Policy	Guide setting and implementation of tariff
Credit Control and Debt Collection Policy	Guide credit control implementation in line with the MFMA
Indigent Policy	Provision of basic services to communities in a sustainable manner within the financial and administrative capacity of the Council
	To provide guidelines and procedures for the subsidization of basic service charges to indigent households
Insurance Policy	To safeguard municipal assets and minimize risks where there will be a need of replacement due to natural causes

## **6.4. STRATEGY ON REVENUE ENHANCEMENT AND COLLECTION:**

### **6.4.1 Indigents Registration and Policy**

The indigent register has been updated and covers all wards under the jurisdiction of Nyandeni Local Municipality. The municipality will annually update the register and conduct verification process to ensure accuracy and reliability.

#### **Billing/Ability to Collect / Credit Control / Customer Care:**

Approximately 2100 Customers are billed on a monthly basis focusing at Nqgeleni and Libode towns; this numbers is inclusive of Business, residential and government.

Customer Care in respect of Applications, Terminations of Service, and Enquiries/Queries is timeously dealt with. A Systematic Dispute/Query Handling System (statutory requirement) to be introduced to ensure that all queries are dealt with. Customer Care is also a statutory requirement.

#### **Management of the Consumer Database:**

Updating consumer information like telephone numbers, ID numbers, etc. Profiling/ Classification of Debtors; Identifying prescribed debts and irrecoverable debts for write off. Identifying material debt for immediate collection; Revisit consumer application forms. We need to ensure that all tariffs and also the correct tariffs are charged. There are several debtors who are not being charged/fully /correctly charged and council loses income, which it cannot afford.

#### **Identifying Areas for Improvement in Revenue Generation and Collection Processes:**

We need to review the Billing Cycle, Accounts Returned/Undelivered. Alternative sources of revenue and Public-Private-Partnerships should be explored. Grouping of Untraceable Debtors and applying a strategy of appointing a tracer on a "No-trace-no-fee" basis and placing of public notices for such debtors to come to council's offices to arrange.

#### **Training and Mentoring of Staff:**

Setting up and Training on Systematic Debt Collection and Credit Control Procedures, Processes, Legislation, Customer Care and Guidelines in line with approved policies. Training and capacity building is an area that has been neglected and has accounted for low morale.

#### **Expenditure Management**

As important as Revenue Management, is Expenditure Management which is also prescribed per Section 65 of the Municipal Finance Management Act.

In respect of Cash Outflow (Expenditure side) the following is also critical because how you spend is just as important as collecting revenue.

The following areas must be well managed and in certain areas, improved:

- Ensure accurate payments, e.g. no over payments, deduction of discounts.
- Reconciling of Creditors' Accounts.
- Avoid payments before due date.
- Ensure value-for-money in spending.
- Strict Budgetary Control / Fiscal Discipline.
- Better returns on Investments without compromising safety of investments.
- More competitive prices / bidding.
- Review Supply Chain Management Policy in line with the new BBBEEE
- External service provides to render services for non-core functions at cheaper rates.

**Other initiatives:**

- Letters of appreciation for good payers and possible incentives.
- Economic/Skills Profiling of Indigent Debtors to offer work to redeem debts instead of future write off. .
- Interest Write-off Incentive for non-indigent debtors (excluding Government, Councillors and Staff).
- The Mayors' letter to consumers / rate payers informing them about Income and Expenditure of Municipalities and their responsibility to pay. Motivating consumers to pay and thanking those who are paying promptly.
- Newsletters will also be initiated in order to communicate with our clients and thereby improving the image of the municipality. Projects and other achievements will also be communicated to the public. Businesses could advertise in the newsletter to cover (at least partly) our newsletter and account rendering costs.
- Investigation/Audit of all Assessment Rates Accounts based on Land Value only as some property owners are not being charged for improvements. Valuator to expedite process.
- VAT and Creditor's Audit to recover unclaimed/under claimed VAT and overpaid Creditors.
- Conduct customer satisfaction surveys

**6.5. Summary of Operating and Capital Expenditure for MTERF****4.5.1 Table A1 : Budget summary**

EC155 Nyandeni - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	5 259	5 690	5 605	5 690	5 690	5 690	5 690	7 068	7 471	7 889
Service charges	178	188	200	245	245	245	245	260	277	295
Investment revenue	4 743	4 931	7 231	5 618	5 618	5 618	5 618	5 978	8 300	8 831
Transfers recognised - operational	157 576	186 230	245 981	226 856	228 474	228 474	228 474	247 723	245 407	267 769
Other own revenue	4 906	5 333	15 191	48 003	79 003	79 003	79 003	72 244	70 830	70 882
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>172 663</b>	<b>202 372</b>	<b>274 209</b>	<b>286 412</b>	<b>319 030</b>	<b>319 030</b>	<b>319 030</b>	<b>333 273</b>	<b>332 284</b>	<b>355 666</b>
Employee costs	79 836	92 149	104 244	116 929	116 929	116 929	116 929	125 582	134 876	144 856
Remuneration of councillors	15 983	17 014	18 041	19 456	19 456	19 456	19 456	20 895	22 442	24 102
Depreciation & asset impairment	30 481	33 632	31 783	33 753	33 753	33 753	33 753	45 301	49 831	54 814
Finance charges	140	117	140	117	117	117	117	117	124	131
Materials and bulk purchases	4 463	4 938	4 964	20 507	27 787	27 787	27 787	11 789	12 535	13 327
Transfers and grants	-	-	-	5 300	5 300	5 300	5 300	5 639	6 000	6 384
Other expenditure	79 434	85 857	93 200	89 253	99 455	99 455	99 455	103 371	97 596	106 486
<b>Total Expenditure</b>	<b>210 336</b>	<b>233 708</b>	<b>252 373</b>	<b>285 315</b>	<b>302 797</b>	<b>302 797</b>	<b>302 797</b>	<b>312 695</b>	<b>323 404</b>	<b>350 101</b>
<b>Surplus/(Deficit)</b>	<b>(37 674)</b>	<b>(31 336)</b>	<b>21 836</b>	<b>1 097</b>	<b>16 233</b>	<b>16 233</b>	<b>16 233</b>	<b>20 578</b>	<b>8 881</b>	<b>5 565</b>
Transfers and subsidies - capital (monetary allocations)	48 566	61 324	58 809	58 050	58 050	58 050	58 050	94 813	74 232	98 812
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 892</b>	<b>29 988</b>	<b>80 645</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>74 283</b>	<b>115 391</b>	<b>83 113</b>	<b>104 377</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>10 892</b>	<b>29 988</b>	<b>80 645</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>74 283</b>	<b>115 391</b>	<b>83 113</b>	<b>104 377</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	65 660	74 421	82 942	59 147	74 283	74 283	74 283	115 391	83 113	104 377
Transfers recognised - capital	65 660	74 421	77 318	59 147	58 050	58 050	58 050	115 391	83 113	104 377
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	5 624	-	16 233	16 233	16 233	-	-	-
<b>Total sources of capital funds</b>	<b>65 660</b>	<b>74 421</b>	<b>82 942</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>74 283</b>	<b>115 391</b>	<b>83 113</b>	<b>104 377</b>
<b>Financial position</b>										
Total current assets	82 922	75 685	109 071	75 685	75 685	75 685	75 685	107 786	129 875	136 789
Total non current assets	320 035	355 809	406 635	416 441	416 441	416 441	416 441	499 748	566 398	410 518
Total current liabilities	20 539	17 662	20 740	17 396	17 396	17 396	17 396	12 514	10 011	8 009
Total non current liabilities	4 003	4 221	4 711	4 470	4 470	4 470	4 470	16 862	5 364	5 473
Community wealth/Equity	378 414	409 612	490 256	470 260	470 260	470 260	470 260	578 159	680 897	533 825
<b>Cash flows</b>										
Net cash from (used) operating	48 050	64 354	106 775	95 267	95 267	95 267	95 267	187 970	162 467	197 728
Net cash from (used) investing	(56 728)	(73 100)	(71 559)	(59 147)	(74 283)	(74 283)	(74 283)	(115 391)	(83 113)	(104 377)
Net cash from (used) financing	1 431	(1 000)	1 036	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>75 440</b>	<b>65 694</b>	<b>101 947</b>	<b>111 560</b>	<b>96 424</b>	<b>96 424</b>	<b>96 424</b>	<b>174 526</b>	<b>253 881</b>	<b>347 232</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	75 440	65 694	101 947	65 694	65 694	65 694	65 694	101 947	116 947	126 947
Application of cash and investments	1 962	6 946	16 141	7 783	11 032	11 032	11 032	11 777	8 094	6 496
<b>Balance - surplus (shortfall)</b>	<b>73 478</b>	<b>58 749</b>	<b>85 806</b>	<b>57 912</b>	<b>54 663</b>	<b>54 663</b>	<b>54 663</b>	<b>90 170</b>	<b>108 852</b>	<b>120 451</b>
<b>Asset management</b>										
Asset register summary (WDV)	320 035	355 809	406 635	375 448	385 704	385 704	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	908	953	953	953	953	953	1 014	1 014	1 072	1 132
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

## Explanatory Notes

- Table A1 is a budget summary and provides a concise overview of the NLM's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial

Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

**Table A2 : Budgeted financial performance (revenue and expenditure by standard classification)**

EC155 Nyandeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		155 389	184 809	244 702	267 587	298 587	298 587	306 358	307 070	325 130
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		155 389	184 809	244 702	267 587	298 587	298 587	306 358	307 070	325 130
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		309	3 627	2 801	6 780	6 780	6 780	78	82	510
Community and social services		309	300	344	606	606	606	78	82	510
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 327	2 457	6 174	6 174	6 174	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		51 890	75 071	60 133	60 350	60 350	60 350	96 218	94 341	123 916
Planning and development		13	38	105	39	39	39	42	45	47
Road transport		51 877	75 033	60 028	60 311	60 311	60 311	96 176	94 296	123 868
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		13 641	188	25 382	9 745	11 362	11 362	21 344	20 277	25 295
Energy sources		13 463	-	25 000	9 000	9 000	9 000	15 000	20 000	25 000
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		178	188	382	745	2 362	2 362	6 344	277	295
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>221 229</b>	<b>263 696</b>	<b>333 018</b>	<b>344 462</b>	<b>377 080</b>	<b>377 080</b>	<b>423 998</b>	<b>421 771</b>	<b>474 851</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		210 336	228 769	225 201	166 596	170 019	170 019	-	-	-
Executive and council		15 983	17 014	18 041	62 899	62 899	62 899	-	-	-
Finance and administration		194 353	211 755	207 160	103 697	107 120	107 120	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	56 115	56 005	56 005	-	-	-
Community and social services		-	-	-	52 845	52 835	52 835	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	1 624	1 624	1 624	-	-	-
Housing		-	-	-	1 646	1 546	1 546	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	4 938	4 964	51 877	59 105	59 105	-	-	-
Planning and development		-	-	-	16 202	16 297	16 297	-	-	-
Road transport		-	4 938	4 964	35 676	42 808	42 808	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	22 207	10 726	17 662	17 662	-	-	-
Energy sources		-	-	22 207	9 000	14 318	14 318	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	1 726	3 344	3 344	-	-	-
<b>Other</b>	4	-	-	-	-	5	5	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>210 336</b>	<b>233 708</b>	<b>252 373</b>	<b>285 315</b>	<b>302 797</b>	<b>302 797</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) for the year</b>		<b>10 892</b>	<b>29 988</b>	<b>80 645</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>423 998</b>	<b>421 771</b>	<b>474 851</b>

## Explanatory Notes

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile „whole of government“ reports.

**Table A3 : Budgeted financial performance (revenue and expenditure by municipal vote)**

EC155 Nyandeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMINISTRATION- CORPORATE SERVICES		398	-	-	-	-	-	-	-	-
Vote 3 - FINANCE & ADMINISTRATION - BUDGET & TREASURY		154 990	-	-	-	-	-	-	-	-
Vote 4 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 7 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-
Vote 9 - HEALTH		-	-	-	-	-	-	-	-	-
Vote 10 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-
Vote 11 - ELECTRICITY		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-
Vote 14 - INTERNAL AUDIT		-	-	-	-	-	-	-	-	-
Vote 15 - OTHER		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	155 389	-	-	-	-	-	-	-	-
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMINISTRATION- CORPORATE SERVICES		398	-	-	-	-	-	-	-	-
Vote 3 - FINANCE & ADMINISTRATION - BUDGET & TREASURY		154 990	-	-	-	-	-	-	-	-
Vote 4 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 7 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-
Vote 9 - HEALTH		-	-	-	-	-	-	-	-	-
Vote 10 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-
Vote 11 - ELECTRICITY		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-
Vote 14 - INTERNAL AUDIT		-	-	-	-	-	-	-	-	-
Vote 15 - OTHER		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	155 389	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	-	-	-

## Explanatory Notes

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the NLM.

## Table A4 : Budget financial performance (revenue and expenditure)

EC155 Nyandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>											
Property rates	2	5 259	5 690	5 605	5 690	5 690	5 690	5 690	7 068	7 471	7 889
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	178	188	200	245	245	245	245	260	277	295
Service charges - other											
Rental of facilities and equipment		144	86	61	185	185	185	185	126	133	141
Interest earned - external investments		4 743	4 931	7 231	5 618	5 618	5 618	5 618	5 978	8 300	8 831
Interest earned - outstanding debtors				204							
Dividends received											
Fines, penalties and forfeits		59	45	39	56	56	56	56	310	400	426
Licences and permits		3 252	3 274	2 357	5 618	5 618	5 618	5 618	3 000	3 500	3 724
Agency services				61	500	500	500	500	400	426	453
Transfers and subsidies		157 576	186 230	245 981	226 856	228 474	228 474	228 474	247 723	245 407	267 769
Other revenue	2	1 451	1 928	12 469	41 644	72 644	72 644	72 644	68 409	66 371	66 139
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>172 663</b>	<b>202 372</b>	<b>274 209</b>	<b>286 412</b>	<b>319 030</b>	<b>319 030</b>	<b>319 030</b>	<b>333 273</b>	<b>332 284</b>	<b>355 666</b>
<b>Expenditure By Type</b>											
Employee related costs	2	79 836	92 149	104 244	116 929	116 929	116 929	116 929	125 582	134 876	144 856
Remuneration of councillors		15 983	17 014	18 041	19 456	19 456	19 456	19 456	20 895	22 442	24 102
Debt impairment	3	2 418	2 836	5 107	7 000	7 000	7 000	7 000	3 000	3 171	3 349
Depreciation & asset impairment	2	30 481	33 632	31 783	33 753	33 753	33 753	33 753	45 301	49 831	54 814
Finance charges		140	117	140	117	117	117	117	117	124	131
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	4 463	4 938	4 964	20 507	27 787	27 787	27 787	11 789	12 535	13 327
Contracted services		-	497	684	1 096	1 096	1 096	1 096	1 600	1 702	1 811
Transfers and subsidies		-	-	-	5 300	5 300	5 300	5 300	5 639	6 000	6 384
Other expenditure	4, 5	66 692	77 621	87 075	81 157	91 358	91 358	91 358	98 771	92 723	101 326
Loss on disposal of PPE		10 324	4 903	334							
<b>Total Expenditure</b>		<b>210 336</b>	<b>233 708</b>	<b>252 373</b>	<b>285 315</b>	<b>302 797</b>	<b>302 797</b>	<b>302 797</b>	<b>312 695</b>	<b>323 404</b>	<b>350 101</b>
<b>Surplus/(Deficit)</b>		<b>(37 674)</b>	<b>(31 336)</b>	<b>21 836</b>	<b>1 097</b>	<b>16 233</b>	<b>16 233</b>	<b>16 233</b>	<b>20 578</b>	<b>8 881</b>	<b>5 565</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		48 566	61 324	58 809	58 050	58 050	58 050	58 050	94 813	74 232	98 812
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>10 892</b>	<b>29 988</b>	<b>80 645</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>74 283</b>	<b>115 391</b>	<b>83 113</b>	<b>104 377</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>10 892</b>	<b>29 988</b>	<b>80 645</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>74 283</b>	<b>115 391</b>	<b>83 113</b>	<b>104 377</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>10 892</b>	<b>29 988</b>	<b>80 645</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>74 283</b>	<b>115 391</b>	<b>83 113</b>	<b>104 377</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>10 892</b>	<b>29 988</b>	<b>80 645</b>	<b>59 147</b>	<b>74 283</b>	<b>74 283</b>	<b>74 283</b>	<b>115 391</b>	<b>83 113</b>	<b>104 377</b>

## Explanatory Notes:

Total revenue (excluding capital transfers and contributions) is R333,2 million in 2017/18 and escalates to R332,2 million by 2018/19 and to R355,6 million in 2019/20.

## Table A5 : Budgeted capital expenditure by vote and funding

EC155 Nyandeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure - to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMINISTRATION- CORPORATE SE		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE & ADMINISTRATION - BUDGET & TRE		-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 7 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 9 - HEALTH		-	-	-	-	-	-	-	-	-	-
Vote 10 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 11 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 12 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 14 - INTERNAL AUDIT		-	-	-	-	-	-	-	-	-	-
Vote 15 - OTHER		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure - to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	1 139	-	-	-	-	1 000	-	-
Vote 2 - FINANCE & ADMINISTRATION- CORPORATE SE		2 456	2 955	4 293	750	4 627	4 627	4 627	6 672	6 088	1 157
Vote 3 - FINANCE & ADMINISTRATION - BUDGET & TRE		2 481	6 324	-	-	1 003	1 003	1 003	-	1 064	2 865
Vote 4 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	488	8 799	-	-	-	-	-	-	-
Vote 6 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 7 - ROAD TRANSPORT		60 723	64 654	68 015	58 148	68 403	68 403	68 403	96 118	75 961	100 355
Vote 8 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 9 - HEALTH		-	-	-	-	-	-	-	-	-	-
Vote 10 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 11 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 12 - WASTE MANAGEMENT		-	-	696	249	249	249	249	11 600	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 14 - INTERNAL AUDIT		-	-	-	-	-	-	-	-	-	-
Vote 15 - OTHER		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		65 660	74 421	82 942	59 147	74 283	74 283	74 283	115 391	83 113	104 377
<b>Total Capital Expenditure - Vote</b>		65 660	74 421	82 942	59 147	74 283	74 283	74 283	115 391	83 113	104 377
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		4 937	9 279	5 432	750	5 630	5 630	5 630	7 672	7 152	4 022
Executive and council		-	-	1 139	-	-	-	-	1 000	-	-
Finance and administration		4 937	9 279	4 293	750	5 630	5 630	5 630	6 672	7 152	4 022
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	488	8 799	-	-	-	-	-	-	-
Community and social services		-	488	8 799	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		60 723	64 654	68 015	58 148	68 403	68 403	68 403	96 118	75 961	100 355
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		60 723	64 654	68 015	58 148	68 403	68 403	68 403	96 118	75 961	100 355
Environmental protection		-	-	696	249	249	249	249	11 600	-	-
<b>Trading services</b>		-	-	696	249	249	249	249	11 600	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	696	249	249	249	249	11 600	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	65 660	74 421	82 942	59 147	74 283	74 283	74 283	115 391	83 113	104 377
<b>Funded by:</b>											
National Government		48 566	68 749	55 869	58 050	58 050	58 050	58 050	82 472	74 302	74 708
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		17 094	5 672	21 449	1 097	-	-	-	32 919	8 811	29 669
<b>Transfers recognised - capital</b>	4	65 660	74 421	77 318	59 147	58 050	58 050	58 050	115 391	83 113	104 377
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	5 624	-	16 233	16 233	16 233	-	-	-
<b>Total Capital Funding</b>	7	65 660	74 421	82 942	59 147	74 283	74 283	74 283	115 391	83 113	104 377

## Explanatory Notes

When comparing the previous budget of R74,2 million, there is an decrease of R41,1 million which is 55 For the two outer years the there is a decrease to R83 million and increase to R104,3 million.

**Table A6 : Budgeted financial position**

EC155 Nyandeni - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		25 991	18 103	36 028	18 103	18 103	18 103	18 103	36 028	36 028	36 028
Call investment deposits	1	49 448	47 591	65 919	47 591	47 591	47 591	47 591	65 919	80 919	90 919
Consumer debtors	1	3 399	4 978	1 398	4 978	4 978	4 978	4 978	1 398	9 450	7 088
Other debtors		3 923	4 761	5 140	4 761	4 761	4 761	4 761	3 855	2 891	2 168
Current portion of long-term receivables				227					227	227	227
Inventory	2	159	252	360	252	252	252	252	360	360	360
<b>Total current assets</b>		<b>82 922</b>	<b>75 685</b>	<b>109 071</b>	<b>75 685</b>	<b>75 685</b>	<b>75 685</b>	<b>75 685</b>	<b>107 786</b>	<b>129 875</b>	<b>136 789</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		60 473	61 683	61 683	61 683	61 683	61 683	61 683	61 683	61 683	61 683
Investment in Associate											
Property, plant and equipment	3	259 137	293 162	344 293	353 794	353 794	353 794	353 794	436 605	503 096	347 046
Agricultural											
Biological											
Intangible		424	964	659	964	964	964	964	1 459	1 619	1 789
Other non-current assets											
<b>Total non current assets</b>		<b>320 035</b>	<b>355 809</b>	<b>406 635</b>	<b>416 441</b>	<b>416 441</b>	<b>416 441</b>	<b>416 441</b>	<b>499 748</b>	<b>566 398</b>	<b>410 518</b>
<b>TOTAL ASSETS</b>		<b>402 956</b>	<b>431 494</b>	<b>515 706</b>	<b>492 125</b>	<b>492 125</b>	<b>492 125</b>	<b>492 125</b>	<b>607 534</b>	<b>696 273</b>	<b>547 307</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	375	368	479	-	-	-	-	-	-	-
Consumer deposits		10 446	267	269							
Trade and other payables	4	9 284	16 685	19 228	16 685	16 685	16 685	16 685	12 514	10 011	8 009
Provisions		434	343	764	711	711	711	711			
<b>Total current liabilities</b>		<b>20 539</b>	<b>17 662</b>	<b>20 740</b>	<b>17 396</b>	<b>17 396</b>	<b>17 396</b>	<b>17 396</b>	<b>12 514</b>	<b>10 011</b>	<b>8 009</b>
<b>Non current liabilities</b>											
Borrowing		920	552	477	4 221	4 221	4 221	4 221	1 600	1 702	1 811
Provisions		3 082	3 669	4 233	249	249	249	249	15 262	3 662	3 662
<b>Total non current liabilities</b>		<b>4 003</b>	<b>4 221</b>	<b>4 711</b>	<b>4 470</b>	<b>4 470</b>	<b>4 470</b>	<b>4 470</b>	<b>16 862</b>	<b>5 364</b>	<b>5 473</b>
<b>TOTAL LIABILITIES</b>		<b>24 542</b>	<b>21 883</b>	<b>25 450</b>	<b>21 866</b>	<b>21 866</b>	<b>21 866</b>	<b>21 866</b>	<b>29 375</b>	<b>15 375</b>	<b>13 482</b>
<b>NET ASSETS</b>	5	<b>378 414</b>	<b>409 612</b>	<b>490 256</b>	<b>470 260</b>	<b>470 260</b>	<b>470 260</b>	<b>470 260</b>	<b>578 159</b>	<b>680 897</b>	<b>533 825</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		378 414	409 612	490 256	470 260	470 260	470 260	470 260	578 159	680 897	533 825
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>378 414</b>	<b>409 612</b>	<b>490 256</b>	<b>470 260</b>	<b>470 260</b>	<b>470 260</b>	<b>470 260</b>	<b>578 159</b>	<b>680 897</b>	<b>533 825</b>

**Explanatory Notes:**

Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

The municipality cashflow shows a positive position for 2017/18 where current assets reflect an amount of R107,7 million.

Short term call investments increased from R47,5 to R66,9 million in 2017/18. The total assets increased from R492 million in 2016/17 to R607,5 for 2017/18 budget year.

**Table A7 : Budgeted cash flows**

EC155 Nyandeni - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		5 259	5 690	5 605	4 836	4 836	4 836	4 836	7 068	7 471	7 889
Service charges		178	188	200	208	208	208	208	260	277	295
Other revenue		4 906	5 333	4 108	44 261	44 261	44 261	44 261	3 836	4 459	4 744
Government - operating	1	157 576	186 230	245 981	226 856	232 474	232 474	232 474	241 639	245 407	267 769
Government - capital	1	48 566	61 324	58 809	58 050	58 050	58 050	58 050	94 813	74 232	98 812
Interest		4 743	4 931	7 231	5 618	5 618	5 618	5 618	5 978	8 300	8 831
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(173 165)	(199 336)	(215 154)	(244 445)	(250 063)	(250 063)	(250 063)	(159 867)	(171 555)	(184 097)
Finance charges		(14)	(6)	(5)	(117)	(117)	(117)	(117)	(117)	(124)	(131)
Transfers and Grants	1								(5 639)	(6 000)	(6 384)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>48 050</b>	<b>64 354</b>	<b>106 775</b>	<b>95 267</b>	<b>95 267</b>	<b>95 267</b>	<b>95 267</b>	<b>187 970</b>	<b>162 467</b>	<b>197 728</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			1 316						-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (Increase) other non-current receivables									-	-	-
Decrease (Increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(56 728)	(74 416)	(71 559)	(59 147)	(74 283)	(74 283)	(74 283)	(115 391)	(83 113)	(104 377)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(56 728)</b>	<b>(73 100)</b>	<b>(71 559)</b>	<b>(59 147)</b>	<b>(74 283)</b>	<b>(74 283)</b>	<b>(74 283)</b>	<b>(115 391)</b>	<b>(83 113)</b>	<b>(104 377)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		1 611	(513)	1 615					-	-	-
<b>Payments</b>											
Repayment of borrowing		(180)	(486)	(578)					-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1 431</b>	<b>(1 000)</b>	<b>1 036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(7 247)</b>	<b>(9 746)</b>	<b>36 252</b>	<b>36 120</b>	<b>20 984</b>	<b>20 984</b>	<b>20 984</b>	<b>72 580</b>	<b>79 354</b>	<b>93 351</b>
Cash/cash equivalents at the year begin:	2	82 687	75 440	65 694	75 440	75 440	75 440	75 440	101 947	174 526	253 881
Cash/cash equivalents at the year end:	2	75 440	65 694	101 947	111 560	96 424	96 424	96 424	174 526	253 881	347 232

## Explanatory Notes

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. The cash flow of the municipality shows an increase for the 2017/18 MTERF.

**Table A8 : Cash backed reserves / accumulated surplus reconciliation**

EC155 Nyandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	75 440	65 694	101 947	111 560	96 424	96 424	96 424	174 526	253 881	347 232
Other current investments > 90 days		-	-	-	(45 866)	(30 730)	(30 730)	(30 730)	(72 580)	(136 934)	(220 285)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>75 440</b>	<b>65 694</b>	<b>101 947</b>	<b>65 694</b>	<b>65 694</b>	<b>65 694</b>	<b>65 694</b>	<b>101 947</b>	<b>116 947</b>	<b>126 947</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	2 618	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	1 962	6 946	13 523	7 783	11 032	11 032	11 032	11 777	8 094	6 496
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>1 962</b>	<b>6 946</b>	<b>16 141</b>	<b>7 783</b>	<b>11 032</b>	<b>11 032</b>	<b>11 032</b>	<b>11 777</b>	<b>8 094</b>	<b>6 496</b>
<b>Surplus(shortfall)</b>		<b>73 478</b>	<b>58 749</b>	<b>85 806</b>	<b>57 912</b>	<b>54 663</b>	<b>54 663</b>	<b>54 663</b>	<b>90 170</b>	<b>108 852</b>	<b>120 451</b>

## Explanatory Notes.

The municipality have the reserves that are cash backed for 2017/18 MTERF. These reserves are fully funded by the short term call investments that are kept by the municipality in both the FNB Bankers and Standard Bank Bankers.



**PROGRAMME FOR THE COMPILATION OF FINANCIAL STATEMENTS and Draft Annual Report & Performance Information FOR THE YEAR ENDING 30 JUNE 2016**

Item	Subject	Activity	Target Date	Responsible Official	Progress
<b>PART A</b>					
<b>1. BUDGET FOR 2015/2016</b>					
1.1	Management session	Tabling of AFS & compilation of annual performance information road map to management	07 June 2016	MM	
1.2	Draft Council Calendar	Tabling Draft Council Calendar to "Council Programming Committee"		SM: Operations	
1.3	Compilation of MSA S46 Performance Assessment & Draft Annual Reports	All Departments start compiling Evidence based Performance Assessment Information and submit to M&E.	25 July 2016	All Departments	
1.4	Balanced Budget 2015/2016	<ul style="list-style-type: none"> <li>Confirm/verify budget on System (Pro Mun) to budget approved by Council.</li> <li>Compiling the final budget adjustment where necessary.</li> <li>Obtain council resolution for the approval of final adjustment budget.</li> </ul>	05 July 2016	Ass Man B&R/B&R Manager/CFO	
1.5	Central Supplier Database Workshop	<ul style="list-style-type: none"> <li>Issue out an advert for Central Supplier Database Workshop</li> <li>Central Supplier Database Workshop ( Libode and Ngqeleni)</li> </ul>	14 June 2016  20 June, and 21 June 2016	SCM Accountant/SCM Manager  SCM Manager/CFO	
1.6	Cut-off for placement of orders	<ul style="list-style-type: none"> <li>Determine cut-off date for placement of orders and ensure ALL departments are informed.</li> </ul>	24 June 2016	SCM Manager	

Item	Subject	Activity	Target Date	Responsible Official	Progress
1.7	Prevention of unauthorised Expenditure	<ul style="list-style-type: none"> <li>• Identify all the overspent line items</li> <li>• Forward the report to the departments</li> <li>• Identify all the line items to fund the overspent votes</li> <li>• Compile a virement list for approval by the Accounting Officer</li> <li>• Compile a report on budget amendments for approval by the Council.</li> <li>• Process all the budget amendments approved by Council</li> </ul> <p><b>(Minimising of the unauthorized expenditure</b></p> <ul style="list-style-type: none"> <li>• <b>Presentation of the Unauthorised, Irregular Expenditure, List of Disposals, supplementary valuation roll and proposed adjustment budget to the Standing Committee (22 June 2016)</b></li> <li>• <b>Presentation of the Unauthorised, Irregular expenditure, List of Disposals, supplementary valuation roll and proposed Adjustment budgeted to the EXCO (23 June 2016)</b></li> <li>• <b>Tabling of the Report on unauthorized, irregular</b></li> </ul>	21 June 2016	BTO AM/BTO Manager/CFO	

Item	Subject	Activity	Target Date	Responsible Official	Progress
		<b>expenditure, list of disposals, supplementary valuation roll and proposed adjusted budget to the Council (28 June 2016)</b>			
1.8	Approved Virement Report	<ul style="list-style-type: none"> <li>Virement Report to be submitted to the Standing Committee</li> <li>Submit Virement Report to Council.</li> </ul>	28 June 2016	CFO /Accounting Officer	
1.9	Irregular Expenditure	<ul style="list-style-type: none"> <li>Identify monthly vouchers where supply chain management processes have not complied with the legislation.</li> <li>Determine the figure for inclusion in the Annual Financial Statements</li> <li>Determine the figure for the Council Condonement (Disclosure of the irregular expenditures)</li> <li>Compilation of the Contract Register (detailing all the awarded contracts with its status as at 30 June 2016).</li> <li>Review of approved deviations to determine the reasonability of reasons provided for deviations.</li> <li>Any deviations with improper reasons will be included in the irregular expenditure register.</li> </ul>	23 June 2016	SCM Manager Manager/SCM practitioner	
1.10	Accruals and payments	<ul style="list-style-type: none"> <li>To inform all staff to submit overtime claim worked until 30 June 2016 by 8 July 2016.</li> <li>In July there will be one payment run that will be made at the end</li> </ul>	29 July 2016	Payroll accountant/BTO manager/CFO	

Item	Subject	Activity	Target Date	Responsible Official	Progress
		of the month to ensure complete capturing of all invoices.			
1.11	Provision	<ul style="list-style-type: none"> <li>Human resource will prepare a reconciliation of leave taken against the leave forms, perform the audit of the personnel files.</li> <li>BTO will calculate provision for leave based on the leave captured onto the system</li> <li>HR will identify all the overtime relating to June for inclusion in the Salary Provisions</li> </ul>	29 July 2016  15 July 2016	HR Manager/BTO Manager	
1.12	Uploading of the Budget (2016/2017)	<ul style="list-style-type: none"> <li>Uploading of the current year budget (2016/17) into ProMun, Unlocking of the Budget Certificate</li> <li>Submission of the Budget Certificate to Provincial and National Treasury</li> </ul>	15 July 2016	Ass Man B&R/Manager B&R/CFO	
<b>2. EXTERNAL CONFIRMATION</b>					
2.1	Confirmation from financial institutions	<ul style="list-style-type: none"> <li>Request bank confirmation certificates from all financial institutions for investments (FNB and STD)</li> </ul>	05 July 2016	BTO AM/BTO Manager	
2.2	Confirmation from legal services	<ul style="list-style-type: none"> <li>Request legal confirmation for contingent liabilities/assets from municipal attorneys</li> </ul>	05 July 2016	BTO Manager/CFO/Legal Manager	
<b>3. INCOME STATEMENT</b>					
3.1	Revenue	<ul style="list-style-type: none"> <li>Scrutinise all revenue accounts for foreign items and pass necessary journal entries.</li> <li>Ensure all revenue relating to conditional grants is recognized.</li> </ul>	11 July 2016	Revenue accountant/BTO Manager/CFO	

Item	Subject	Activity	Target Date	Responsible Official	Progress
		<ul style="list-style-type: none"> <li>• Reconcile the income to the income register for all other direct income sources.</li> <li>• Recognize the revenue for traffic fines as per GRAP 108.</li> <li>• Reconcile the DLTC income with the DLTC supporting documentation and ensure that only agency fees are disclosed.</li> <li>• Reconcile the valuation roll with the billing system for both rates and refuse.</li> <li>• Prepare schedule supporting all income received with receipt numbers and/or references</li> </ul>			
	Expenditure	<ul style="list-style-type: none"> <li>• Scrutinise the repairs and maintenance account for capital expenditure and vice versa.</li> <li>• Scrutinise all expenditure accounts to identify any misallocations.</li> <li>• Interest paid schedule</li> <li>• Schedule of general expenses with EFT no's.</li> </ul>	11 July 2016	Asset AM/Snr expe clerk/BTO Manager	
	Payroll	<ul style="list-style-type: none"> <li>• Detail disclosure of salary for Section 57 employees</li> <li>• Reconciliation of sub-ledger with control account.</li> </ul>	11 July 2016	Payroll accountant/BTO Manager/CFO	

ITEM	SUBJECT	ACTIVITY	TARGET DATE	RESPONSIBLE OFFICIAL	PROGRESS
<b>3. BALANCE SHEET</b>					
3.1	Trial balance - Opening balances	<ul style="list-style-type: none"> <li>Agree / verify opening balance for final trial balance at 30 Jun 2015 to audited balance sheet.</li> </ul>	15 July 2016	Asset AM/BTO Mng/ CFO	
3.2	Long-term liabilities	<ul style="list-style-type: none"> <li>Identify long term liabilities</li> <li>Reconcile long term liabilities and prepare schedule</li> <li>Determine short term portion of long term liabilities.</li> </ul>	15 July 2016	Asset AM/BTO Mng/ CFO	
3.3	Provisions	<ul style="list-style-type: none"> <li>Ensure leave taken until 30 June 2016 captured on leave report.</li> <li>Review the leave register and assist with the reconciliations.</li> <li>Calculate the leave pay accrual as at 30 June 2015 in terms of GRAP 19.</li> <li>Calculate the staff bonus provision as at 30 June 2016 in terms of GRAP 19.</li> </ul>	15 July 2016	Corporate Services: HR Manager & HR Clerk/ Asset AM/BTO Mng/ CFO	
3.4	Contingent Liabilities	<ul style="list-style-type: none"> <li>Identify any prospective litigations with regards to contracts</li> <li>Prepare the list to Budget &amp; Treasury Office</li> </ul>	20 July 2016	Legal Services/BTO Manager/CFO	
	Audit Committee	<ul style="list-style-type: none"> <li>Approval of Audit Charters</li> </ul>	14 ,15 June 2016	Internal Audit	
3.5	Landfill Site	<ul style="list-style-type: none"> <li>Rehabilitation of the land fill site</li> <li>Provision for Landfill site disclosed</li> </ul>	29 July 2016	Asset AM/BTO Mng/ CFO	

ITEM	SUBJECT	ACTIVITY	TARGET DATE	RESPONSIBLE OFFICIAL	PROGRESS
3.6	Trade & other payables	<ul style="list-style-type: none"> <li>Notifying the departments that invoices/statements dated up to 30 June 2016 should be submitted not later than 15 July 2016.</li> </ul>	15 July 2016	BTO Manager/CFO	
		<ul style="list-style-type: none"> <li>Print Outstanding Orders Reports and update the commitments for accruals.</li> </ul>	15 July 2016	SCM Manager / Ass Man B&R	
		<ul style="list-style-type: none"> <li>Finalise Orders Listing.</li> <li>All invoices received to be recorded in the accounting system.</li> <li>Clear all suspense accounts</li> <li>Creditors outstanding at 30 June 2016 should be reconciled (list = control account).</li> <li>Review the creditors recons for adequacy</li> <li>Write back stale cheques.</li> </ul>	15 July 2016	SCM Practitioner/Expenditure Accountant/SCM Manager/Ass Man B&R	
3.7	Retention	<ul style="list-style-type: none"> <li>Retention register reconciled and balanced to ledger.</li> </ul>	20 July 2016	Project Accountant/PMU Manager/Senior manager technical services/Assset AM/CFO	
3.8	Unspent conditional grants	Conditional grants:- <ul style="list-style-type: none"> <li>Verify receipt of all grants to DORA</li> <li>Verify expenditure against specific grants</li> <li>Verify unspent grants as liabilities</li> </ul>	15 July 2016	Project Accountant/BTO Manager/Ass Man B&R and CFO	
			29 July 2016	Ass Man B&R/ Manager B&R/CFO	

ITEM	SUBJECT	ACTIVITY	TARGET DATE	RESPONSIBLE OFFICIAL	PROGRESS
		<ul style="list-style-type: none"> <li>Application for Roll Over-Unspent Conditional Grants ( DEDEAT- and COGTA-Voting Stations), and submission of application to both Provincial &amp; national Treasuries with AFS</li> </ul>			
3.9	Property, plant and equipment	Update Asset Register:- <ul style="list-style-type: none"> <li>To include all new acquisitions (various votes).</li> <li>All write offs per auction.</li> <li>All write offs approved by Council.</li> <li>Inventory list per office.</li> <li>Physical verification per office.</li> <li>Confirm rollovers with Technical Department</li> <li>All immovable assets included in the asset register</li> <li>Reconcile carrying value of assets</li> </ul>	15 July 2016 (Draft Grap Asset Register by Aurecon)  Uploading of Asset Register on ProMune by RData :05 Aug 2016  31 July 2016 (Final Asset Register)	Asset Man Accountant/SCM Manger/CFO/ PMU Manager/Road Technician/Aurecon/RData/Budget Manager	
		<ul style="list-style-type: none"> <li>Review the work performed by the service provider</li> </ul>	31 July 2016	Asset AM/Budget manager/CFO/Quality Reviewer	
	Intangible Assets & Lease Agreements	<ul style="list-style-type: none"> <li>Identify any intangible assets e.g. Financial Management Accounting system, Software etc</li> <li>Identify any lease agreements e.g. Photocopying Machine, Cell Phone service</li> </ul>	08 July 2016	Senior IT Administrator/Asset AM/Admin Officer/Budget Manager/CFO	

ITEM	SUBJECT	ACTIVITY	TARGET DATE	RESPONSIBLE OFFICIAL	PROGRESS
		providers(Vodacom, Mtn, Cell C etc)			
3.10	Investments	<ul style="list-style-type: none"> <li>Reconcile investments and accrue the necessary interest provisions.</li> <li>Prepare schedule to reconcile interest earned to that stated per bank confirmations</li> <li>Review the investment reconciliations</li> </ul>	15 July 2016	Revenue Accountant/Ass Man B&R/Budget Manager/CFO	
3.11	Long term receivables	<ul style="list-style-type: none"> <li>Reconcile other loans.</li> <li>Calculate short-term portion (Study bursaries where the staff member has not met the conditions)</li> </ul>	15 July 2016	Revenue Accountant/HR Manager/Budget Manager/CFO	
3.12	Inventory	<ul style="list-style-type: none"> <li>Carry out inventory verification</li> <li>Submit report to Council and obtain approval for shortages/surpluses</li> <li>Reconcile inventory counted to register</li> </ul>	27 June 2016  11 July 2016	Senior Revenue Clerk/Stores Clerk/Asset man Clerk/SCM Manager Manager/CFO	
3.13	Debtors/Revenue	<p>Consumer debtors :-</p> <ul style="list-style-type: none"> <li>Ensure that balance reconciles to control list.</li> <li>Ensure that debtors outstanding at year-end are accurately aged.</li> <li>Calculate and discuss provision of doubtful debts with CFO.</li> </ul> <p>Sundry debtors (vote ):-</p> <ul style="list-style-type: none"> <li>Ensure that balances reconcile to control list.</li> </ul>	11 July 2016  15 July 2016	Revenue Accountant/Ass Man B&R/SCM Manger/CFO/BTO Manager/RData	

ITEM	SUBJECT	ACTIVITY	TARGET DATE	RESPONSIBLE OFFICIAL	PROGRESS
		<ul style="list-style-type: none"> <li>• Ensure that debtors outstanding at year-end are accurately aged.</li> <li>• Identify any credit balances and investigate them</li> <li>• Prepare the proposed journals to Debtors received in advance</li> <li>• Compile the discounting note with relevance to GRAP</li> </ul> <p>Revenue</p> <ul style="list-style-type: none"> <li>• Review revenue if it is informed by valuation roll</li> <li>• Reconcile grant revenue to expenditure incurred.</li> <li>• Reconcile the revenue to DORA.</li> </ul>			
3.14	Bank and Cash	<p>Bank reconciliation:-</p> <ul style="list-style-type: none"> <li>• Report on June 2016 Recon.</li> <li>• Complete bank reconciliation as at 30 June 2016.</li> <li>• Ensure that past 12 months Bank reconciliation have been signed and on file.</li> <li>• Receipt all outstanding deposits.</li> <li>• Reverse all outstanding cheques older than 6 months.</li> </ul> <p>Cash float &amp; petty cash</p> <ul style="list-style-type: none"> <li>• Obtain certificates for all cash points</li> <li>• Ensure petty cash float reimbursed</li> </ul>	30 June 2016 Final 15 July 2016	Ass Man B&R/BTO Manager/CFO/RData	

Item	Subject	Activity	Target Date	Responsible Official	Progress
3.15	Suspense Accounts	<ul style="list-style-type: none"> <li>Clear sundry suppliers, reverse the payments against accruals, against provision for future expenses (overtime).</li> <li>Ensure that the Vat Registration Letter is on File</li> <li>Reconcile VAT votes</li> <li>Ensure that Vat Reconciliations are on file and signed by the Municipal Officials</li> </ul>	24 June 2016  15 July 2016	CFO/BTO Manager/Uyakhe	
		<ul style="list-style-type: none"> <li>Clear Salaries control accounts.</li> <li>Perform monthly reconciliation of payroll</li> <li>Process necessary journal entries</li> </ul>	15 July 2016	Payroll Accountant/BTO Manager/R-data	
<b>4. YEAR-END TRANSFER JOURNALS</b>					
4.1	Preparation of journals	<ul style="list-style-type: none"> <li>Identify all previous year journals for Council Approval</li> <li>Identify all Year end journals</li> <li>Journals to be prepared &amp; reconciled with Financial Statements.</li> </ul>	18 July 2016	BTO Manager/CFO	
<b>5. INCOME STATEMENT</b>					
5.1	Revenue	<ul style="list-style-type: none"> <li>Scrutinise all revenue accounts for foreign items and pass necessary journal entries.</li> <li>Ensure all revenue relating to conditional grants is recognized.</li> <li>Reconcile the income to the income register for all other direct income sources.</li> </ul>	11 July 2016	Revenue accountant/BTO Manager/CFO	

Item	Subject	Activity	Target Date	Responsible Official	Progress
		<ul style="list-style-type: none"> <li>Recognize the revenue for traffic fines as per GRAP 108.</li> <li>Reconcile the DLTC income with the DLTC supporting documentation and ensure that only agency fees are disclosed.</li> </ul>			
5.2	Expenditure	<ul style="list-style-type: none"> <li>Scrutinise the repairs and maintenance account for capital expenditure and vice versa.</li> <li>Scrutinise all expenditure accounts to identify any misallocations.</li> </ul>	11 July 2016	Asset AM/Snr expe clerk/BTO Manager	
5.3	Payroll	<ul style="list-style-type: none"> <li>Detail disclosure of salary for Section 57 employees</li> <li>Reconciliation of sub-ledger with control account.</li> </ul>	22 July 2016	Payroll accountant/BTO Manager/CFO	
<b>6. COMPILATION OF FINANCIAL STATEMENTS</b>					
6.1	Template	<ul style="list-style-type: none"> <li>Load Trial Balance as at 30 June 2016 and update the AFS Template .</li> </ul>	22 July 2016	Asset AM/BTO Manager/BTO AM/CFO	
6.2	Budget Summary	<ul style="list-style-type: none"> <li>Budget summary.</li> </ul>	22 July 2016	Asset AM/BTO Manager/BTO AM/CFO	
6.3	Accounting Policy	<ul style="list-style-type: none"> <li>Complete Accounting Policy.</li> </ul>	29 July 2016	Asset AM/BTO Manager/BTO AM/CFO	
6.4	Loans	<ul style="list-style-type: none"> <li>Complete Annexure A (Loans).</li> </ul>	29 July 2016	Asset AM/BTO Manager/BTO AM/CFO	
6.5	Fixed Assets Analysis	<ul style="list-style-type: none"> <li>Complete Annexure B &amp; C (Fixed Assets Analysis).</li> </ul>	29 July 2016	Asset AM/BTO Manager/BTO AM/CFO	
6.6	Operating Income & Expenditure	<ul style="list-style-type: none"> <li>Complete Annexure D &amp; E (Operating Income &amp; Expenditure).</li> </ul>	29 July 2016	Asset AM/BTO Manager/BTO AM/CFO	

Item	Subject	Activity	Target Date	Responsible Official	Progress
6.7	Disclosures in terms of the MFMA	Ensure compliance with MFMA iro disclosures under notes to financial statements:- <ul style="list-style-type: none"> <li>• Councillor's remuneration.</li> <li>• Remuneration (Strategic Managers).</li> <li>• Statutory deductions</li> <li>• Arrear Councillors accounts</li> <li>• Property Rates</li> <li>• Other disclosures as specified by MFMA.</li> </ul>	29 July 2016	Asset AM/BTO Manager/BTO AM/CFO/SCM Manager	
6.8	Performance Agreements for 2015/2016	Submission of Final Performance Agreements			
6.9	Draft Financial Statements	<ul style="list-style-type: none"> <li>• Finalise draft Financial Statements.</li> </ul>	05Aug 2016	Asset AM/BTO Manager/BTO AM/CFO/SCM Manager	
<b>7. REVIEW OF FINANCIALS</b>					
7.1	Submission for Quality Review	<ul style="list-style-type: none"> <li>• Quality Review of AFS by the Appointed Service Provider</li> <li>• Submission to the Audit Committee</li> <li>• Submission Internal Audit</li> <li>• Submission to AG</li> </ul>	05 Aug 2016  19 Aug 2016  05 Aug 2016 31 Aug 2016	Asset AM/BTO Manager/BTO AM/CFO/SCM Manager/MM	
7.2	Management Retreat to present Draft Annual Performance Information & Draft Annual Report	<ul style="list-style-type: none"> <li>• Convene management retreat to present Draft Annual Performance information as well as Draft Annual Report (sec 121)</li> </ul>			

Item	Subject	Activity	Target Date	Responsible Official	Progress
7.3	Draft Annual Performance information as well as Draft Annual Report (sec 121)	<ul style="list-style-type: none"> <li>Completeness and editing</li> </ul>			
7.4	Submission to Standing Committee Budget & Treasury	<ul style="list-style-type: none"> <li>Submission of AFS to Standing Committee Finance for Noting Bind and make copies.</li> </ul>	22 August 2016	CFO/Accounting Officer	
7.5	Submission of AFS & Performance Information to the Special EXCO	<ul style="list-style-type: none"> <li>Tabling of AFS, Annual Performance Information &amp; Draft Annual Report</li> </ul>			
7.6	Submission of AFS and Performance Information to the Council	<ul style="list-style-type: none"> <li>Tabling of AFS, Annual Performance Information &amp; Draft Annual Report</li> </ul>			
7.7	Submission to AG and relevant authorities	<ul style="list-style-type: none"> <li>Bind and make copies.</li> <li>Submit copies to Office of the Auditor General and relevant authorities</li> </ul>	31 August 2016	CFO/Accounting Officer	
7.8	Performance Management	<ul style="list-style-type: none"> <li>Individual Assessment for 2015/2016</li> </ul>			

**1. MUNICIPAL GRAP COMPLIANT ASSET REGISTER**

**2.**

Nyandeni Local Municipality have complied with GRAP 17 in compiling the GRAP Asset Register since 2013/14 financial year.

**3. FINANCIAL RECOVERY PLAN IN PLACE TO ADDRESS CASH FLOW PROBLEMS**

Financial recovery has been developed and adopted by Council, inter alia, progress reports are compiled as part of MFMA S71, and 52d report

**EXPENDITURES:**

**(a) Capital Budget spending patterns for previous years:**

Year	Capital Budget	Actual Spending	Percentage
2014/15	R72 102 000	R67 606 291	94%
2015/16	R78 018 000	R68 617 504	88%

**(b) Percentage of salary budget (Councillors remuneration and employees cost) to operational budget**

Year	Operational Budget	Salaries Spending	Percentage
2014/15	R308 995 000	R109 164 000	35%
2015/16	R305 332 000	R122 285 648	40%

**(c) Percentage of repairs and maintenance on total budget**

Year	Total Budget	Repairs and maintenance Spending	Percentage
2014/15	R284 911 000	R4 938 455	2%
2015/16	R348 757 000	R4 964 487	1.4%

**(d) Percentage on Grants usage**

FMG

Year	Total Budget	Amount Spent	Percentage
2014/15	R1 790 640	R1 790 640	100%
2015/16	R1 600 000	R1 600 000	100%

MSIG

Year	Total Budget	Amount spent	Percentage
2014/15	R934 000	R934 000	100%
2015/16	R930 000	R930 000	100%

INEP

Year	Total Budget	Amount spent	Percentage
2014/15	R12 536 998	R12 536 998	100%
2015/16	R25 000 000	R25 000 000	100%

MIG

Year	Total Budget	Amount spent	Percentage
2014/15	R61 323 903	R61 323 903	100%
2015/16	R58 809 000	R58 809 000	100%

DEDEAT

Year	Total Budget	Amount spent	Percentage
2014/15	R0.00	R0.00	0%
2015/16	R1 800 000	R182 325	10%

LIBRARY SUBSIDIES

Year	Total Budget	Amount spent	Percentage
2014/15	R300 000	R300 000	100%
2015/16	R300 000	R300 000	100%

EPWP

Year	Total Budget	Amount spent	Percentage
2014/15	R1 172 000	R1 172 000	100%
2015/16	R1 219 000	R1 219 000	100%

**REVENUE MANAGEMENT**

**Percentage of income realised per category**

**Debtors Turnover Rate**

2014/2015 =  $\frac{\text{Account receivable}}{\text{Average debtors}}$

$$=$$

2015/2016 =

**Creditors Turnover Rate**

2014/15 =  $\frac{\text{Account payable}}{\text{Average creditors}}$

$$=$$

2015/16 =

**FINACIAL RATIOS (Source: 2015-16 Financial Statements)**

	Current year actual (2015/2016)			Prior year actual (2014/2015)		
Current Assets	109 071 445	=	526%	75 685 144.00	=	429%
Current Liabilities	20 739 637			17 662 325.00		
(Current Assets - Inventory)	108 711 634	=	524%	75 433 551.00	=	427%
Current Liabilities	20 739 637			17 662 325.00		
(Current Assets - Current liabilities)	88 367 808	=	17%	58 022 819.00	=	13%
Total assets	515 706 279			431 494 467.00		
Increase or decrease in long term loans	-	=	0%	-	=	0%
Cash used in capital expenditure for the year	68 437 504			66 687 000.00		
Current consumer debtors	12 238 720	=	218%	14 979 871.00	=	263%
Total revenue billed for services during the year	5 604 890			5 689 786.00		
Current consumer debtors	12 238 720	=	797.00	14 979 871.00	=	960.96
Total revenue billed for services during the year x 365	5 604 890			5 689 786.00		
(Current consumer debtors - Provision for bad debt)	1 370 886	=	24%	4 844 595.00	=	85%
Total revenue billed for services rendered on credit	5 604 890			5 689 786.00		

	Current year actual (2015/2016)		Prior year actual (2014/2015)	
(Current consumer debtors - Provision for bad debt)	1 370 886	= 89.27	4 844 595.00	= 310.78
Total revenue billed for services rendered on credit x 365	5 604 890		5 689 786.00	
Billed revenue levied on consumers	5 604 890	= 183%	5 689 786.00	= 152%
Average debtor balance	3 059 680		3 744 968.00	
Debts written off	6 671 809	= 2.65%	-	= 0%
Total expenditure	252 039 345		200 012 267.00	
Bad debt provision	11 201 849	= 200%	12 766 406.00	= 224%
Billed revenue	5 604 890		5 689 786.00	
Total liabilities	25 450 171	= 5%	21 882 885.00	= 5%
Total assets	515 706 279		431 494 467.00	
Total assets	515 706 279	= 2026%	431 494 467.00	= 1972%
Total liabilities	25 450 171		21 882 885.00	
Total long term debt	4 710 534	= 1.4%	4 220 560.00	= 1.6%
Total operating revenue	333 017 571		263 695 581.00	
Total debt	25 450 171	= 7.6%	21 882 885.00	= 8.3%
Total operating revenue	333 017 571		263 695 581.00	
Long term debt	4 710 534	= 4.41%	4 220 560.00	= 6.56%

	Current year actual (2015/2016)			Prior year actual (2014/2015)		
Cash generated from operations	106 774 643			64 353 985.00		
Total investments	65 919 012	=	13%	47 591 867.00	=	11%
Total assets	515 706 279			431 494 467.00		
Cost of consultants	3 836 178	=	1.5%	4 238 125	=	2%
Total expenditure	252 039 345			228 805 142		
Fruitless and wasteful expenditure (current year)	5 321	=	0.00%	5 947	=	0%
Total expenditure	252 039 345			228 805 142		
Irregular expenditure (current year)	2 300 811	=	1%	13 912 082	=	6%
Total expenditure	252 039 345			228 805 142		
Unauthorised expenditure (current year)	0	=	0%	12 228 021	=	5.3%
Total expenditure	252 039 345			228 805 142		
Unspent grants	2 617 675	=	0.85%	0	=	0%
Total grants	304 790 325			247 553 541		

**Current Ratio**

The municipality had a current ratio of 5.26, which demonstrated that the municipality is in a healthy financial state, where its current assets were almost 4 times the value of the current liabilities. The municipality had a favourable working capital.

**Acid Test Ratio**

The municipality had an acid test ratio of 5.24, which demonstrated that the municipality had assets that could be quickly turned into cash to settle short term obligations. The municipality had an inventory of R359 811 at year end which is not that much material hence the Acid Test Ratio is equal to the Current Ratio.

**Working Capital Ratio**

The municipality had a favourable working capital of R 88 367 808, however the rate of current assets to total assets was 17%, which means 83% of assets were long term in nature. This is however a small change as compared to previous year where the percentage was 87%.

**Financing to Capital expenditure Ratio**

The municipality had a ratio of 0%, as there were no long term loans at year end.

**Gross Debtors to Annual Revenue Ratio**

The municipality had a ratio of 218%. The municipality had a balance of R 12 million of long outstanding debtors. The collection rate is low; the situation is expected to improve after the implementation of credit control policy and collection initiatives.

**Gross debtor days Ratio**

The average number of day the debtors are due was 797 days. This demonstrates that the majorities of municipal debtors are older than 365 days, thus are potentially bad.

**Net debtors to annual revenue Ratio**

The municipality had a ratio of 24%. The collection rate is low, so 76% of debtors were provided for impairment at year end. The situation is expected to improve after the implementation of credit control policy and collection initiatives.

**Net debtor days Ratio**

The average number of days the debtors after provision for impairment was 89 days; the significant decrease as compared to 310 days in previous year, was due to the fact that the municipality wrote off some debtors in the current year.

**Receivables turnover Ratio**

The municipality had a ratio of 183%. This means that the municipality is billing far more than what it is receiving from customers.

**Debts written off as a percentage of total expenditure Ratio:**

The ratio was 2.65%. There were debts written off during the year under review worth R 6 671 809.

**Debtors' impairment Ratio:**

The ratio was 200%. This demonstrates that a majority of debtors are not recoverable and as such have to be provided for impairments. The main contributing factor is the debt from both households and government accounts. The municipality is in the process of implementing and enforcing the credit control and debt collection policy which will reduce the instance of billing indigent debtors.

**Debt Ratio**

The debt ratio is 5%, which means the municipality's assets far exceed the liabilities. Therefore there are no going concern issues for the municipality.

**Debt / net asset position ratio**

The debt ratio is 2026%, which means the municipality's assets far exceed the liabilities. Therefore there are no going concern issues for the municipality.

**Non-current liabilities to revenue Ratio**

The ratio is 1.4%. The long term liabilities of R 4 710 534 is far less than the revenue of R 333 017 571, which means the municipality has sufficient funds to meet its long term liabilities.

**Total debt to annual operating revenue Ratio**

The ratio is 7.6%; this means the revenue sources are sufficient to cover the total debts.

**Debt to cash Ratio**

The ratio is 4.41%; this means the revenue sources are sufficient to cover the total debts.

**Total investments to total assets Ratio**

The ratio is 13% of total assets are investments, which symbolizes the favourable financial position of the municipality. This also demonstrates a moderate level of liquidity.

**Consultancy Ratio**

The total amount spent on consultants was R 3 836 178 which is 1.5% of the total expenditure cost of R 252 039 345. There has been no material change in terms of percentage when compared to the previous year. The municipality continued to generate its own internal capacity during the year. This is the indicator that the municipality is not overly reliant on consultants.

**Fruitless & Wasteful Expenditure Ratio**

The municipality incurred penalty interest on late payment of overdue accounts amounting to R 5 321. This equated to 0.00% of total expenditure balance of R 252 039 345.

**Irregular Expenditure Ratio**

The municipality incurred irregular expenditure amounting to R 2 300 811 during the current year. This equated to 1% of the total expenditure balance of R 252 039 345. Irregular expenditure was mainly due to non-adherence to supply chain regulations. It is notable that there has been a sharp decrease of 81% from prior year Irregular Expenditure balance.

**Unauthorized expenditure Ratio**

The municipality did not incur any unauthorised expenditure during the current year under review.

**Unspent grants Ratio**

The municipality had an amount of R2 617 675 unspent conditional grant in relation to the Voting Stations Grant and Ngqeleni Transfer Station Grant that were not fully spent at year end.

## FINACIAL RATIOS (2014-15 Financial Statements)

	Current year actual (2014/2015)		Prior year actual (2013/2014)			
<u>Current Assets</u>	75 685 144.00	=	429%	<u>82 921 537.00</u>	=	396%
<u>Current Liabilities</u>	17 662 325.00			20 927 581.00		
<u>(Current Assets - Inventory)</u>	75 433 551.00	=	427%	<u>82 762 048.00</u>	=	395%
<u>Current Liabilities</u>	17 662 325.00			20 927 581.00		
<u>(Current Assets - Current liabilities)</u>	58 022 819.00	=	13%	<u>61 993 956.00</u>	=	15%
<u>Total assets</u>	431 494 467.00			406 909 398.00		
<u>Increase or decrease in long term loans</u>	-	=	0%	-	=	0%
<u>Cash used in capital expenditure for the year</u>	66 687 674.00			48 566 000.00		
<u>Current consumer debtors</u>	14 979 871.00	=	263%	<u>13 024 707.00</u>	=	248%
<u>Total revenue billed for services during the year</u>	5 689 786.00			5 259 469.00		
<u>Current consumer debtors</u>	14 979 871.00	=	960.96	<u>13 024 707.00</u>	=	903.89
<u>Total revenue billed for services during the year x 365</u>	5 689 786.00			5 259 469.00		
<u>(Current consumer debtors - Provision for bad debt)</u>	4 844 595.00	=	85%	<u>3 399 175.00</u>	=	65%
<u>Total revenue billed for services rendered on credit</u>	5 689 786.00			5 259 469.00		
<u>(Current consumer debtors - Provision for bad debt)</u>	4 844 595.00	=	310.78	<u>3 399 175.00</u>	=	235.89

	Current year actual (2014/2015)		Prior year actual (2013/2014)	
Total revenue billed for services rendered on credit x 365	5 689 786.00		5 259 469.00	
Billed revenue levied on consumers	<u>5 689 786.00</u>	= 152%	<u>5 259 469.00</u>	= 200%
Average debtor balance	3 744 968.00		2 629 734.50	
Debts written off	<u>-</u>	= 0%	<u>-</u>	= 0%
Total expenditure	228 805 142.00		200 012 267.00	
Bad debt provision	<u>12 766 406.00</u>	= 224%	<u>9 930 164.00</u>	= 189%
Billed revenue	5 689 786.00		5 259 469.00	
Total liabilities	<u>21 882 885.00</u>	= 5%	<u>24 542 047.00</u>	= 6%
Total assets	431 494 467.00		406 909 398.00	
Total assets	431 494 467.00	= 1972%	<u>406 909 398.00</u>	= 1658%
Total liabilities	<u>21 882 885.00</u>		24 542 047.00	
Total long term debt	<u>4 220 560.00</u>	= 1.6%	<u>3 614 466.00</u>	= 2%
Total operating revenue	263 695 581.00		221 228 586.00	
Total debt	<u>21 882 885.00</u>	= 8.3%	<u>24 542 047.00</u>	= 11%
Total operating revenue	263 695 581.00		221 228 586.00	
Long term debt	<u>4 220 560.00</u>	= 6.56%	<u>3 614 466.00</u>	= 8%
Cash generated from operations	64 353 985.00		48 049 994.00	
Total investments	<u>47 591 867.00</u>	= 11%	<u>49 448 474.00</u>	= 12%
Total assets	431 494 467.00		406 909 398.00	

	Current year actual (2014/2015)			Prior year actual (2013/2014)		
Cost of consultants	4 238 125.00	=	1.85%	3 349 831.00	=	2%
Total expenditure	228 805 142.00			200 012 267.00		
Fruitless and wasteful expenditure (current year)	5 947.00	=	0.00%	13 521.00	=	0.01%
Total expenditure	228 805 142.00			200 012 267.00		
Irregular expenditure (current year)	13 912 082.00	=	6.08%	26 841 869.00	=	13.42%
Total expenditure	228 805 142.00			200 012 267.00		
Unauthorised expenditure (current year)	12 228 081.00	=	5.34%	-	=	0.00%
Total expenditure	228 805 142.00			200 012 267.00		
Unspent grants	0	=	0%	5 727 638.00	=	3%
Total grants	247 553 541.00			206 142 362.00		

**Current Ratio**

The municipality had a current ratio of 4.29, which demonstrated that the municipality is in a healthy financial state, where its current assets were almost 4 times the value of the current liabilities. The municipality had a favourable working capital.

**Acid Test Ratio**

The municipality had an acid test ratio of 4.27, which demonstrated that the municipality had assets that could be quickly turned into cash to settle short term obligations. The municipality had an inventory of R251 000 at year end which is not that much material hence the Acid Test Ratio is equal to the Current Ratio.

**Working Capital Ratio**

The municipality had a favourable working capital of R 52 822 019, however the rate of current assets to total assets was 16%, which means 84% of assets were long term in nature. This is however equal to the prior year percentage of 84%.

**Financing to Capital expenditure Ratio**

The municipality had a ratio of 0%, as there were no long term loans at year end.

**Gross Debtors to Annual Revenue Ratio**

The municipality had a ratio of 263%. The municipality had a balance of R 14 million of long outstanding debtors. The collection rate is low; the situation is expected to improve after the implementation of credit control policy and collection initiatives.

**Gross debtor days Ratio**

The average number of day the debtors are due was 960 days. This demonstrates that the majorities of municipal debtors are older than 365 days, thus are potentially bad.

**Net debtors to annual revenue Ratio**

The municipality had a ratio of 85%. The collection rate is low, so 70% of debtors were provided for impairment at year end. The situation is expected to improve after the implementation of credit control policy and collection initiatives.

**Net debtor days Ratio**

The average number of days the debtors after provision for impairment was 310 days; the significant increase was due to the fact that 70% of consumer debtors were impaired.

**Receivables turnover Ratio**

The municipality had a ratio of 152%. This means that the municipality is billing far more that what it is receiving from customers.

**Debts written off as a percentage of total expenditure Ratio:**

The ratio was 0%. There were no debts written off during the year under review.

**Debtors' impairment Ratio:**

The ratio was 224%. This demonstrates that a majority of debtors are not recoverable and as such have to be provided for impairments. The main contributing factor is the old balances that were inherited from the transitional local government and from debtors that are indigent. The municipality is in the process of implementing and enforcing the credit control and debt collection policy which will reduce the instance of billing indigent debtors.

**Debt Ratio**

The debt ratio is 5%, which means the municipality's assets far exceed the liabilities. Therefore there are no going concern issues for the municipality.

**Debt / net asset position ratio**

The debt ratio is 1972%, which means the municipality's assets far exceed the liabilities. Therefore there are no going concern issues for the municipality.

**Non-current liabilities to revenue Ratio**

The ratio is 1.6%. The long term liabilities of R 4 220 560 is far less than the revenue of R 263 695 581, which means the municipality has sufficient funds to meet its long term liabilities.

**Total debt to annual operating revenue Ratio**

The ratio is 8.3%; this means the revenue sources are sufficient to cover the total debts.

**Debt to cash Ratio**

The ratio is 6.56%; this means the revenue sources are sufficient to cover the total debts.

**Total investments to total assets Ratio**

The ratio is 11% of total assets are investments, which symbolizes the favourable financial position of the municipality. This also demonstrates a moderate level of liquidity, but this is reduction of 1% from prior year, as the municipality has used its own investments to fund some operations.

**Consultancy Ratio**

The total amount spent on consultants was R 4 238 125 which is 1.85% of the total expenditure cost of R 228 805 142. There has been no material change in terms of percentage when compared to the previous year. The municipality continued to generate its own internal capacity during the year. This is the indicator that the municipality is not overly reliant on consultants.

**Fruitless & Wasteful Expenditure Ratio**

The municipality incurred penalty interest on late payment of overdue accounts amounting to R 5 947. This equated to 0.00% of total expenditure balance of R 228 805 142.

**Irregular Expenditure Ratio**

The municipality incurred irregular expenditure amounting to R 13 912 082 during the current year. This equated to 6.08% of the total expenditure balance of R 228 805 142. Irregular expenditure was mainly due to non-adherence to supply chain regulations. It is notable that there has been a sharp decrease of 50% from prior year Irregular Expenditure balance.

**Unauthorized expenditure Ratio**

The municipality incurred unauthorised expenditure amounting to R 12 280 081 during the current year. This equated to 5.3% of the total expenditure balance of R 228 805 142. This unauthorised expenditure was mainly due to overspending the employee related cost and remuneration of councillor votes.

**Unspent grants Ratio**

The municipality had no unspent grant at the end of the year under review. This implies that the municipality have fully spent all of its conditional grants and met the conditions of such grants. Any unspent grant related to INEP Electrification Fund from previous year has subsequently been fully spent.

**BUDGETED INCOME REALISED IN THE PAST TWO YEARS****2014/15**

<b>Category</b>	<b>Budgeted income</b>	<b>Realised revenue</b>	<b>Percentage</b>
Service Charges	R 200 000	R 188 415	94%
Rental of facilities and equipment	R 165 000	R 86 237	52%
Fees earned	R 50 000	R 54 422	109%
Commissions received	R 200 000	R 155 808	78%
Profit on investment		R 118 444	
Other income	R 5 387 618	R 6 193 725	115%
Interest on investment	R 5 000 000	R 4 931 298	99%
Property rates	R 5 005 175	R 5 689 786	114%
Government Grants and subsidies	R247 553 638	R247 553 541	100%
Traffic fines	R 50 000	R 44 980	90%
Recoveries		R 650 626	
Transfer from reserves	R 19 300 000	R 19 300 000	100%

**2015/2016**

<b>Category</b>	<b>Budgeted income</b>	<b>Realised revenue</b>	<b>Percentage</b>
Service Charges	R 212 000	R 199 794	94%
Rental of facilities and equipment	R 174 900	R 61 441	35%
Traffic fines	R 53 000	R 38 704	73%
Commissions received	R 212 000	R 173 962	82%
Profit on investment		R 266 930	
Other income	R 1 189 900	R 3 498 784	294%
Interest on investment	R 5 300 000	R 7 231 406	136%
Property rates	R 5 317 061	R 5 604 890	105%
Government Grants and subsidies	R307 408 000	R304 790 325	99%
Donations received		R10 903 681	
Transfer from reserves	R 20 000 000	R20 000 000	100%

## **SYSTEMS OF INTERNAL CONTROLS**

Systems of Internal Controls are in place and includes the following:

1. Financial management system
2. Segregation of duties
3. Payables
4. Procurement Section
5. Stores
6. Disposal of Assets
7. Debtors
8. Property rates
9. Banking and Receipting
10. Petty cash
11. Safes and strong rooms
12. Inventory
13. Pay Roll
14. Investment Register
15. Bank Reconciliation
16. Leave Management
17. Information, Communication Technology
18. Unauthorised, irregular, fruitless and wasteful expenditure

## **SUPPLY CHAIN MANAGEMENT SYSTEM**

### **Supply Chain Management Policy**

Section 112 of the MFMA prescribes that each municipality must have a supply chain management policy that is fair, equitable, transparent, competitive and cost effective and complies with a prescribed regulatory framework for municipal supply chain management.

Nyandeni Municipality has adopted a Supply Chain Management Policy as contemplated in the aforementioned legislative provisions and its regulations. The SCM System is responsible for the following key components:

- Demand management, acquisition management, Logistics management and disposal management
- 

### **The Supply Chain Management Unit**

Nyandeni Local Municipality has a functional Supply Chain Management Unit which is directly accountable to the Chief Financial Officer as prescribed by the MFMA and supported by the approved SCM Policy. **The Unit is composed of the following staff complement:**

- SCM Manager, two SCM Officers, two SCM Practitioners and Stores Clerk

### **Supply Chain Management Bid Committees**

The municipality has functional Bid Committees which are appointed by the Accounting Officer Quarterly and have been trained on SCM.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

### **Training of SCM Staff on Competency levels**

Currently SCM Staff is undergoing training with the University of Fort Hare. Bid Committees are trained two times a year to familiarise them with the reforms introduced by National Treasury.

## **SUPPLY CHAIN MANAGEMENT TURNAROUND TIME**

In line with the SCM policy the average turnaround time for projects above R200 000 is 45 working days while the 7 days quotation is 10 working days.

## **Contract Management**

Contract Management System is in place and composed of the Contract Management Register which encapsulate the following features

- Date of the goods and services advertised
- Appointed details of appointed service providers
- Contract price and related details
- Payment incurred versus awarded prices
- Service Level Agreement signed between the municipality and agencies appointed

## **IMPLEMENTATION OF THE VALUATION ROLL**

The Municipality have the Valuation Roll and updated supplementary valuation roll which is implemented in 2016/2017 but now in the process of appointing a Valuer for development of a Valuation Roll which will be effective from 1 July 2017 .

## **OVERVIEW OF THE BUDGET RELATED POLIES**

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### **TARIFFS POLICY**

**The reviewed tariffs policy was adopted by Council on 31 May 2016**

### **RATES POLICY**

Nyandeni Rates Policy was adopted by Council during is Ordinary Council Meeting held on 31 May 2016 together with the budget annual budget. The aim of the policy is to ensure that property rating in Nyandeni Municipality is carried out in a fair, consistent, considerate and controlled manner, this rate policy is developed in accordance with the

### **BY-LAWS**

Credit Control and Debt Collection Policy promulgated and gazetted to by-law.  
Property Rates Policy promulgated into by-law but in the process of being gazetted.

# 1. PLANNING THE FUTURE OF NYANDENI LOCAL MUNICIPALITY

## Vision

**Drives sustainable socio-economic development through efficient and innovative delivery of services**

## Mission

**Nyandeni will achieve her vision** through a capable institution that:

- provides basic services to all her people
- creates an enabling environment for inclusive economic growth and development; through investments attraction;
- provides efficient integration and coordination of the delivery of infrastructure services

## Council values

The King III report defines good governance as following:

“Good corporate governance is essentially about effective, responsible leadership. Responsible leadership is characterised by the ethical values of responsibility, accountability, fairness and transparency. Section 195 of the Constitution of the RSA, 1996 states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including

- ▶ High standard of professional ethics must be promoted and maintained
- ▶ Efficient, economic and effective use of resources must be promoted
- ▶ Public administration must be development oriented

In line with the Constitution the municipality has adopted the following values, inter alia, in a process of developing service standard charter to give meaning and effect to these values

- a) **Diligence** (self-driven public representative and management team, commitment to serving the people, assertive in representing the interests of Nyandeni inhabitants)
- b) **Promptness** (responding to matters of public and citizens interests within reasonable time including acknowledging and keeping people informed of all municipal processes)
- c) **Integrity** (transparency, honesty, good democratic ethics, impartial on matters of public good and interest and building a public service that transcends political and social boundaries)
- d) **Accountability** (responsible, taking ownership, discipline, efficient and implanting a culture of a demand driven development paradigm)
- e) **Participative** (building a reciprocal relationship between management and all internal stakeholders, between council and administration, between labour and organizational leadership, and between the municipality and its citizens and social formations)
- f) **Responsive** (building a customer friendly municipal environment, ensuring a proactive, flexible, creative and quality conscious service delivery environment)
- g) **Considerate** (implanting a culture of compassionate, caring and emotional intelligent municipal environment that prioritizes its inhabitants, employees and councillors)

## Strategic goals of the municipality

- a) **To ensure sound governance practices within Nyandeni local municipality**
  - a. Improving and strengthening intergovernmental relations
  - b. Collaborative planning
  - c. Fostering strategic partnerships
  - d. By ensuring good corporate practices
  - e. Effective municipal leadership and management
  - f. Wise resource management
  - g. Seamless programme management

- h. Ensuring a stable political environment
  - i. Broadening and deepening local democracy through ward committees and beyond
  - j. Ensure local accountability through continuous reporting system, local imbizos etc
  - k. Implanting a culture of people centred people driven development
  - l.
- b) To provide sustainable services to all inhabitants of the municipality through**
- a. Physical infrastructure provision
  - b. Community and social services
  - c. Effective local economic development planning
  - d. Spatial development planning
  - e. Effective intergovernmental collaboration
  - f. Providing support to business development
  - g. Strategic sector planning and development

## **6.1 Products and services as outlined in the powers and functions**

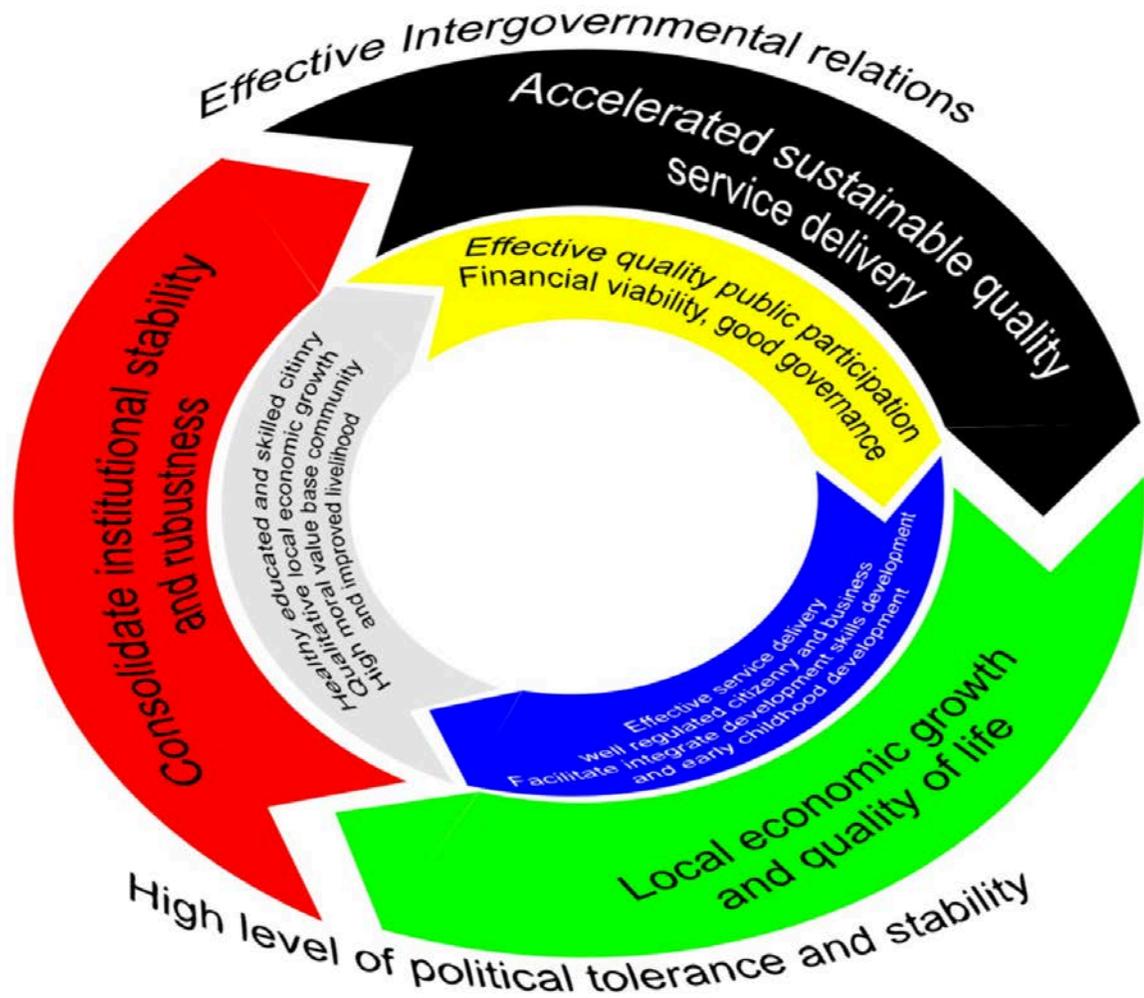
- a) Physical infrastructure**
- a. Municipal buildings
  - b. Plant and equipment
  - c. Community facilities [halls etc]
  - d. Access roads
  - e. Storm water
  - f. Walkways, transport halts etc
  - g. Dams (for grazing and to catalyze agriculture and farming)
  - h. Bulk infrastructure
- b) Social services**
- a. Primary health care
  - b. Library services
  - c. Social amenities
  - d. Public safety
  - e. Early childhood development
  - f. Skills development
- c) Environmental management**
- a. Environmental health management services
  - b. Environmental safety management
  - c. Pollution control and management
  - d. Environmental planning
  - e. Environmental monitoring and compliance
- d) Economic services**
- a. Local economic development planning
  - b. Tourism planning
  - c. Land use management planning and zoning schemes
  - d. Spatial planning
  - e. Agriculture planning
  - f. Transport planning
  - g. Tourism planning
  - h. Business regulations

Within the spirit and context of sound intergovernmental relations, Nyandeni Local Municipality accept and therefore locates its current and future strategic areas of focus within the broad national and provincial planning frameworks in terms of development and growth priorities for the Eastern Cape and nationally. As these broad frameworks embody the qualitative aspects of the national transformation trajectory, they thus inform and underpin our development priorities and strategic direction. Accordingly, the municipality crafted itself a macro-strategy as alluded to earlier and as detailed below.

### **Medium term macro institutional strategy**

Recognizing the numerous and huge challenges it faces, the fact that solutions can potentially be in conflict with or complement each other, as stated above, the municipality conceptualized a medium term macro institutional strategy. The objective of this strategy is to equip leadership and management with a guide on decision making when there are conflicting strategic options. The macro/ overarching strategy will also provide a basis for the allocation of scarce resources. In addition, the macro strategy/overarching strategy will serve as a basis to rally collective energies of all employees and councilors in terms of the strategic direction the municipality is taking. This macro strategy was deduced from myriad institutional deficiencies, advances as well as development challenges. It is presented in the form of a diagram to illustratively communicate the dialectical inextricable interconnectedness of the components.

The diagram summarizes the medium term overarching institutional strategy of the municipality. Municipal objectives and their supporting strategies have been formulated in line with this macro strategy.



The strategy hinges on three dialectically inextricable intertwined components. These are:

- a) Consolidate institutional stability and robustness
- b) Accelerated quality and sustainable service delivery
- c) Local economic growth and quality of life

These key components should, and do overlap, in terms of timing. However there is also some sequence in terms of focus. The initial focus being on building a formidable municipal organisation; thus consolidate institutional stability and robustness which will, as it is being consolidated, be able to contribute towards improving living environments. The municipality will commit resources to ensure such institutional efficacy leads to sound financial management, effective revenue generation and ultimately financial viability. In terms of governance, although the municipality has managed to establish a functional intergovernmental relations cluster system at both political and administrative levels, its impact in terms ensuring effective integrated development planning and management and establishment institutional cohesion between the municipality and all other critical role partners is still to be realised. The aim is to lobby all other local municipalities within the OR Tambo District to institutionalize an intergovernmental regime that emphasized a district – wide municipal support system.

- a) To support all municipalities in **financial administration** in order for them to be financially sustainable.
- b) To support all municipalities on **human resources** related issues for the purposes of sound management systems and a stable environment in terms of their labour force.
- c) To support all municipalities in **administration** for the purpose of effective operations of Council activities.
- d) To support and assist all municipalities on **technical** issues in order for them to manage their projects and to handle the technical aspects thereof.
- e) To support and assist all municipalities in developing and reviewing their **Integrated Development Plans (IDPs)** and the establishment of **Performance Management Framework which embeds a district-wide enjoyment**

These programmes should in the main be an outcome of shared institutional knowledge and cross – municipal – referencing in which outsourcing of certain support functions is the last resort. The ultimate vision is establishment of a shared services centre towards a seamless district institutional regime. The Nyandeni Local Municipality is not oblivious to the fact that current intergovernmental relations within OR Tambo District are experiencing serious challenges.

Over and above this approach towards effective intergovernmental relations, the municipality will strengthen its advocacy and lobbying capacity towards ensuring improvement of IRG. The strategic focus of such a system should be the following key objectives. The other crucial element within this component is systematically building public confidence and a reciprocal relationship between the municipality and its citizenry including all stakeholders within its jurisdiction.

This will lead to an institutional service delivery efficacy where sustainable and quality service delivery should lead to development of a law abiding, citizenry with high moral values. This stable economic and political environment will also lead to improved livelihoods characterized by a healthy and skilled citizenry with high moral values enjoying employment in a robust employment creating economy which will in turn lead to better payment for services, better participation in the activities of the municipality, improved accountability by public representatives and municipal administration to the community. This will lead to a municipality that is characterized by improved financial viability, good governance, and qualitative public participation. Such a municipality should be able to deliver services, regulate citizens and businesses, facilitate development, and provide effective support to all Ward Committees and other organs of development to deepen democracy and thus high levels of political stability.

All of this will have to happen in a context of, and reinforce effective intergovernmental relationships. This positive feedback loop will deliver the vision of the municipality. The reversal of the positive feedback loop, anticipated above, is a real possibility. If the municipality fails to consolidate itself as a robust institution, it will not be able to accelerate service delivery, it will not be able to create the required environment for local economic growth, and it will not be able to contribute towards improving living environments. In turn, livelihoods will not improve, leading to high levels of unemployment with a generally unhealthy and unskilled citizenry with low moral values living in poverty and a lawless local environment. This will in turn erode the legitimacy of the Nyandeni Local Municipality as government. The institution will be characterized by citizen apathy, high levels of non-payment for services, and deteriorating standards of governance. Corruption, in this context, will be inherent and possibly high labour turn – over. Leadership will therefore have to strive to ensure that the feedback loop is not reversed. Difficult choices will have to be made and unpopular strategies will be implemented, where necessary, in support of the positive feedback loop.

In line with this line of strategic thinking, the strategic planning workshop developed a municipal scorecard as presented below.

## **2. Strategic scorecard**

The municipal strategic scorecard was developed as part of the 2011/2012 IDP process. For purposes of this strategic plan, it has not been reviewed. What has been done is a high – level assessment against the national outcomes and the conclusion is that to a greater extent the scorecard covers all essential components that should lead to the municipality achieving these national outcomes.

### **7.1 National outcomes**

For easy reference under listed are the national outcomes alluded to above;

- a) A responsive, accountable, effective and efficient local government system
- b) A developmental – oriented public service and inclusive citizenry
- c) Decent employment through inclusive economic growth
- d) An efficient, competitive and responsive economic infrastructure network
- e) Vibrant, equitable and sustainable rural communities and food security
- f) Improve the quality of basic education
- g) Improve health and life expectancy
- h) All people in South Africa are and feel safe
- i) Sustainable human settlements and improved quality of household life
- j) A skilled capable workforce to support inclusive growth

### **7.2 Provincial priorities**

The high- level assessment of the scorecard was also administered against the provincial objectives to check the extent of confluence with the municipal strategic scorecard. For easy reference, these are listed below;

#### **i. Provincial strategic objectives**

- a) Poverty eradication,
- b) Agrarian transformation,
- c) Diversification of manufacturing and tourism,
- d) Massive infrastructure development,
- e) Human resource development and
- f) Public sector transformation.

#### **ii. Provincial targets (indicators)**

The under listed provincial priorities are extremely impossible to meet by almost all spheres of government. These have been listed for easy reference.

- a) To maintain an economic growth rate of between 5%-8% per annum.
- b) To half the unemployment rate by 2014.
- c) To reduce by 60% and 80% the number of households living below the poverty line by 2014.
- d) To reduce by between 60% and 80% the proportion of people suffering from hunger by 2014.
- e) To establish food and self -sufficiency in the Province by 2014.
- f) To ensure the universal primary education (UPE) by 2014, with all children proceeding to the first exit point in a secondary education.
- g) To improve the literacy rate in the Province by 50% by 2014.
- h) To eliminate gender disparity n education and employment by 2014.
- i) To reduce by two thirds the under five mortality rate by 2014.
- j) To reduce by three quarters the maternal mortality rate by 2014.
- k) To halt and begin to reverse the spread of HIV/AIDS by 2014.
- l) To halt and begin to reverse the spread of tuberculosis by 2014.
- m) To provide clean water to all in the Province by 2014.
- n) To eliminate sanitation projects by 2014.

**ALIGNMENT WITH NATIONAL AND PROVINCIAL PRIORITIES AND PROGRAMME OF ACTION**

Firstly, The IDP has been aligned with Province of the Eastern Cape MTSF Priorities as outlined by the Premier during his State of the Province address  
 Secondly, we have taken into account The Medium Term Strategic Framework which has been translated into practical programmes  
 Thirdly,

OUTCOMES 4 DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH				
Outputs	Key spending programme(national)	Eastern Cape Programme of action	Role of Local Government	Millennium Development Goals
a. Faster and sustainable b. More labour absorbing growth c. Strategy to reduce youth unemployment d. Increase competitiveness to raise net exports and gross trade e. Improve support to small business and cooperatives f. Implement expanded public works programme	<ul style="list-style-type: none"> <li>Investment in industrial development zones</li> <li>Industrial sector strategies – automotive industry, clothing and textiles</li> <li>Youth incentive</li> <li>Development training and systems to improve procurement</li> <li>Skills development and training</li> <li>Reserve accumulation</li> <li>Enterprise financing support</li> <li>New phase of public works programme</li> </ul>	<ul style="list-style-type: none"> <li>Consolidation of Special Economic Zones</li> <li>Promotion of linkages with the minerals producing regions in teh country to promote large-scale industrialisation</li> <li>Positioning the province as the new energy hub through wind energy</li> <li>Focus on trade and logistics infrastructure</li> <li>Focus on infrastructure for rural development, Mzivumbu Multipurpose Project which was launched by the President in April 2014, and Mthatha Air Port a &amp; Wild Coast</li> <li>Payment of Service Providers within 30 days</li> </ul>	<ul style="list-style-type: none"> <li>Create an enabling environment for investment by streamlining</li> <li>Ensure proper implementation of the EPWP and Community Works Programme</li> <li>Improve procurement systems to eliminate corruption and ensure value for money</li> <li>Payment of service providers within 30 days</li> </ul>	Goal 1 (target 1B) Achieve full and productive employment and decent work for all including women and young people

Outcome 6 an efficient, competitive and responsive economic infrastructure network				
Outputs	Key spending programme(national)	Eastern Cape Programme of action	Role of Local Government	Millennium Development Goals
<ol style="list-style-type: none"> <li>1. Improve competition and regulation</li> <li>2. Reliable generation, distribution and transmission of energy</li> <li>3. Maintain and expand road and rail network, and efficiency, capacity and competitiveness of sea ports</li> <li>4. Maintain bulk water infrastructure and ensure water supply</li> <li>5. Information and communication technology</li> </ol>	<ul style="list-style-type: none"> <li>• An integrated energy plan successful independent power producers</li> <li>• Passenger Rail Agency acquisition of rail rolling</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on infrastructure for rural development,</li> <li>• Focus on trade and logistics infrastructure</li> <li>• Focus on infrastructure for rural development, Mzivumbu Multipurpose Project which was launched by the President in April 2014, and Mthatha Air Port a &amp; Wild Coast</li> <li>• Upgrading of R61 and N2</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport</li> <li>• Improve maintenance of municipal road network</li> <li>• Working together with Eskom and DNE expand electrification to all households</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

OUTCOME 7: VIBRANT, EQUITABLE AND SUSTAINABLE RURAL COMMUNITIES AND FOOD SECURITY				
Outputs	Key spending programme(national)	Eastern Cape Programme of action	Role of Local Government	Millennium Development Goals
<ol style="list-style-type: none"> <li>1. Sustainable agrarian reform and improved access to markets for small farmers</li> <li>2. Improve access to affordable diverse food</li> <li>3. Improve rural services and access to information to support livelihoods</li> <li>4. Improve rural employment opportunities</li> <li>5. Enable institutional environment for sustainable and inclusive growth</li> </ol>	<ol style="list-style-type: none"> <li>1. Settle 7000 land restitution claims</li> <li>2. Redistribute 283 592ha of land use</li> <li>3. Support emerging farmers</li> <li>4. Soil conservation measures and sustainable land use management</li> <li>5. Improve rural access to services</li> </ol>		<ul style="list-style-type: none"> <li>• Unleash Massive ploughing programme in all wards to ensure food security and good nutrition to all households</li> <li>•</li> </ul>	<p><b>Goal 7 (Target 7A)</b> Integrate the principles of sustainable development into countries policies and programmes and reverse the loss of environmental resources</p> <p><b>Goal 1 (Target 1C)</b> Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>

## INSTITUTIONAL SCORE-CARD

KPA GOOD GOVERNANCE											
Strategic Focus Area	5 Year Objective	Objective Number	Municipal Strategies	Outcomes Indicator	Output Indicator	Baseline	Annual Targets				
							2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Public Participation	To strengthen public participation with communities	GG 01	Establish functional integrated service delivery model.	Better understanding of the Municipal Affairs measured through surveys.	Number of civic education conducted	Training of trainers for civic education has been conducted	Conduct four civic education	Conduct four civic education	Conduct four civic education	Conduct four civic education	Conduct four civic education

			Decentralised intergovernmental relations through analysis of stakeholder participation	Number of war room established and functional	The masiphathisane(war room) concept was launched in the Province in 2016.	Establish and mornitor war rooms in all 32 wards.	Mornitor war rooms in all 32 wards through regular reports to council.	Mornitor war rooms in all 32 wards through regular reports to council.	Mornitor war rooms in all 32 wards through regular reports to council.	Mornitor war rooms in all 32 wards through regular reports to council.
		Manage complaints and Petitions.	Reduced number of complaints and petitions through analysis of petition register.	Number of complaints and petitions attended.	Complaints register is in place	Attend all complaints and petitions received and Update petition register and submit report quarterly to coucil for noting	Attend all complaints and petitions received and Update petition register and submit report quarterly to coucil for noting	Attend all complaints and petitions received and Update petition register and submit report quarterly to coucil for noting	Attend all complaints and petitions received and Update petition register and submit report quarterly to coucil for noting	Attend all complaints and petitions received and Update petition register and submit report quarterly to coucil for noting
		Stakeholder engagement and mobilization	Improved ward committee and community participation in the processes of the municipality through analysis of reports	Number of Ward committee Meetings and ward community meetings.	Established ward committees in all 32 ward	Convene 12 Ward committee Meetings and four ward community meetings.	Convene 12 Ward committee Meetings and four ward community meetings.	Convene 12 Ward committee Meetings and four ward community meetings.	Convene 12 Ward committee Meetings and four ward community meetings.	Convene 12 Ward committee Meetings and four ward community meetings.



Strategic Planning session for IDP Review		report of strategic inputs	Strategic planning held for IDP development review for 2017/18	convene strategic planning for IDP Review 2018/19	convene strategic planning for IDP Review 2019/20	convene strategic planning for IDP Review 2020/21	convene strategic planning for IDP Review 2021/22	convene strategic planning for IDP Review 2022/23
Improve coordination and collaboration on service delivery by all 3 spheres of government through intergovernmental relations and related for a	Improved participation by all sector departments through intergration of plans on IDP.	Number of forum meetings conducted	IGR forums convened in the 2016/ 17 Financial year	Conduct three (3) IGR forums	Conduct three (3) IGR forums	Conduct three (3) IGR forums	Conduct three (3) IGR forums	Conduct three (3) IGR forums
		Number of social cluster meetings convened	Functional Social Needs Cluster Programme	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings	Coordinate 4 Social Needs Cluster Meetings
		Number of roads forums conducted	Functional Roads Forums	3 roads forum	3 roads forum	3 roads forum	3 roads forum	3 roads forum
		Number of Community Safety Forums Sitings	Functional community safety Forum	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings	Convene 4 Community Safety Forum sittings



		Number of housing forums and consumer educations convened	Functional housing fora	1. Convene 4 housing fora 2. Hold 4 Housing consumer education by June 2018	1. Convene 4 housing fora 2. Hold 4 Housing consumer education by June 2019	1. Convene 4 housing fora 2. Hold 4 Housing consumer education by June 2020	1. Convene 4 housing fora 2. Hold 4 Housing consumer education by June 2021	1. Convene 4 housing fora 2. Hold 4 Housing consumer education by June 2022
		Number of LED fora held	Functional LED fora	Coordinate 4 LED fora	Coordinate 4 LED fora	Coordinate 4 LED fora	Coordinate 4 LED fora	Coordinate 4 LED fora
		Number of communicators fora held	Functional communicators fora	Convene 4 communicators forum meetings	Convene 4 communicators forum meetings	Convene 4 communicators forum meetings	Convene 4 communicators forum meetings	Convene 4 communicators forum meetings
		Number of Transport Forum Sitings	Functional transport Forum	Convene 4 Transport Forum Sitings	Convene 4 Transport Forum Sitings	Convene 4 Transport Forum Sitings	Convene 4 Transport Forum Sitings	Convene 4 Transport Forum Sitings
	Educated support groups through analysis of reports.	Number of Local Aids Council sittings convened.	Established Local Aids Council	Convene 4 Local Aids Council	Convene 4 Local Aids Council	Convene 4 Local Aids Council	Convene 4 Local Aids Council	Convene 4 Local Aids Council

Intermunicipal relations and sector engagements		Number of intermunicipal relations and sector engagements	Number of intermunicipal relations and sector engagements	participate in 40 intermunicipal relations and sector engagements	participate in 40 intermunicipal relations and sector engagements	participate in 40 intermunicipal relations and sector engagements	participate in 40 intermunicipal relations and sector engagements	participate in 40 intermunicipal relations and sector engagements
<b>By involving communities in developmental projects (Institutional Social Facilitation)</b>	<b>Community Involvement in Project Implementation</b>	<b>Annual ISD report produced</b>	<b>Annual Report Developed on ISD (Institutional Social Development)</b>	<b>Development of ISD Annual Report</b>	<b>Development of ISD Annual Report</b>	<b>Development of ISD Annual Report</b>	<b>Development of ISD Annual Report</b>	<b>Development of ISD Annual Report</b>
<b>Review indigent register</b>	<b>Poverty alleviation through subsidy with indigent subsidy</b>	<b>Reviewed indigent register</b>	<b>Approved indigent register is in place</b>	<b>Review indigent register</b>	<b>Review indigent register</b>	<b>Review indigent register</b>	<b>Review indigent register</b>	<b>Review indigent register</b>
Develop a medium to long-term Municipal development strategy vision 2030	Adopted medium to long term plan.	Adopted 2030 vision	Socio-economic analysis and diagnostic report conducted and submitted to Council	Finalize and adopt 2030 vision	Align IDP with 2030 vision.	Align IDP with 2030 vision.	Align IDP with 2030 vision.	Align IDP with 2030 vision.

<b>Legal Services and By-laws</b>	<b>To administer legal matters and By-laws.</b>	<b>GG 07</b>	Monitor and manage litigations	Better management of litigations through litigation register	Updated litigation register	Litigation register is in place	Updated litigation register by adding new cases and deleting finalised ones and submit report to council quarterly for noting.	Updated litigation register by adding new cases and deleting finalised ones and submit report to council quarterly for noting.	Updated litigation register by adding new cases and deleting finalised ones and submit report to council quarterly for noting.	Update litigation register by adding new cases and deleting finalised ones and submit report to council quarterly for noting.	Updated litigation register by adding new cases and deleting finalised ones and submit report to council quarterly for noting.
			Develop institutional contract management.	Centralised contract management	Updated contract register	No centralised contract management.	Develop and update contract register	Update contract register by adding new contracts.	Update contract register by adding new contracts.	Update contract register by adding new contracts.	Update contract register by adding new contracts.
			Coordinate development and reviewal of by-laws.	law and order through enforcement of by-law	gazetted by-laws	18 By-laws in place	Review Four existing By- laws .Two by-laws from BTO and two from Community Services	Develop two new by- laws.	Identify gaps in existing by- laws and Review at least two by laws.	Identify gaps in existing by-laws and Review at least two by laws.	Identify gaps in existing by- laws and Review at least two by laws.

			Develop and Review the delegation register and standing rules and orders	Approved System of Delegations and standing rules and orders	Approved System of Delegations and standing rules and orders	System of delegation and standing rules and orders are in place	Review the System of Delegations and standing rules and orders at least once Annually.	Review the System of Delegations at least once Annually.	Review the System of Delegations at least once Annually.	Review the System of Delegations at least once Annually.	Review the System of Delegations at least once Annually.
Communication, publicity and marketing.	To provide publicity, marketing and media coordination to citizens	<b>GG 08</b>	Marketing and branding of municipality.	easy access and clear directions of service areas of the municipality	number of strategic access areas branded; signage installed and branded municipal assets	marketing and branding is ongoing	1. market and brand all strategic access municipal points (from Port ST Johns, KSD, Mhlontlo boundaries) 2. Install signage to key service nodes 3.brand municipal assets to be inline with logo and vision	1. Install signage to key service nodes 2.brand municipal assets to be inline with logo and vision	1. Install signage to key service nodes 2.brand municipal assets to be inline with logo and vision	1. Install signage to key service nodes 2.brand municipal assets to be inline with logo and vision	1. Install signage to key service nodes 2.brand municipal assets to be inline with logo and vision

			Strengthen customer relations	improved stakeholder interaction through a variety of communication methods	developed and updated stakeholder database and clear improved communication methods	dis-integrated methods of communication and database register not in place	develop stakeholder database with clear contact details and mechanisms for communication	update stakeholder database with clear details and mechanisms for communication	update stakeholder database with clear details and mechanisms for communication	update stakeholder database with clear details and mechanisms for communication	
			Provide accurate, timely and reliable information.	communicate programme and service delivery of the municipality through newsletters	Number of newsletter published and distributed	4 quarterly newsletters are published and distributed	public 4 quarterly newsletters and distribute 40 000 copies	public 4 quarterly newsletters and distribute 40 000 copies	public 4 quarterly newsletters and distribute 40 000 copies	public 4 quarterly newsletters and distribute 40 000 copies	
Internal Audit Services	To strengthen internal controls.	<b>GG 10</b>	Conduct assurance and consulting audits	guided internal audit and audit committee functioning through approved annual audit charter, annual internal audit charter and annual internal audit plan	Approved annual audit committee charter, annual internal audit charter and annual internal audit plan	Fully Functional Internal Unit is in place	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports submitted to audit committee by 30 June 2018	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports submitted to audit committee by 30 June 2019	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports submitted to audit committee by 30 June 2020	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports submitted to audit committee by 30 June 2021	Review Audit Committee Charter, Internal Audit Charter and Internal Audit Plan and reports submitted to audit committee by 30 June 2022

			monitored and improved internal controls	Number of internal audit unit reports submitted as per plan	Internal audit plan had 15 audits	Carry out and report on 16 audit projects as listed in the internal audit plan for the year ending 30 June 2018	Carry out and report on 16 audit projects as listed in the internal audit plan for the year ending 30 June 2019	Carry out and report on 16 audit projects as listed in the internal audit plan for the year ending 30 June 2020	Carry out and report on 16 audit projects as listed in the internal audit plan for the year ending 30 June 2021	Carry out and report on 16 audit projects as listed in the internal audit plan for the year ending 30 June 2022
		Provide support to oversight structures.	effective and efficient oversight through improved audit outcomes	Number of audit committee meetings held	Audit committee is in place	Convene 12 audit committee meetings to perform oversight on Municipal internal controls through internal audit reports by 30 June 2018	Convene 12 audit committee meetings to perform oversight on Municipal internal controls through internal audit reports by 30 June 2019	Convene 12 audit committee meetings to perform oversight on Municipal internal controls through internal audit reports by 30 June 2020	Convene 12 audit committee meetings to perform oversight on Municipal internal controls through internal audit reports by 30 June 2021	Convene 12 audit committee meetings to perform oversight on Municipal internal controls through internal audit reports by 30 June 2022

<b>Institutional Risk Management</b>	<b>To strengthen risk management processes within the municipality</b>	<b>GG 11</b>	Identify, assess, mitigate and monitor municipal risks	guided risk management processes through approved risk management strategy, policy, risk register, risk profile and risk management charter.	Approved risk management policy, risk register, risk profile and risk management charter.	Risk Management systems and risk oversight structure is in place	Review Risk management profile , risk management charter and risk management framework by 30 April 2018	Review Risk management profile , risk management charter and risk management framework by 30 April 2019	Review Risk management profile , risk management charter and risk management framework by 30 April 2020	Review Risk management profile , risk management charter and risk management framework by 30 April 2021	Review Risk management profile , risk management charter and risk management framework by 30 April 2022
			Identify, assess, mitigate and monitor fraud risks	mitigated fraud and corruption	Approved fraud risk management policy, fraud risk management plan and whistle blowing policy	Fraud management systems are in place	Review fraud risk management policy, fraud risk management plan and whistle blowing policy by 30 April 2018	Review fraud risk management policy, fraud risk management plan and whistle blowing policy by 30 April 2019	Review fraud risk management policy, fraud risk management plan and whistle blowing policy by 30 April 2020	Review fraud risk management policy, fraud risk management plan and whistle blowing policy by 30 April 2021	Review fraud risk management policy, fraud risk management plan and whistle blowing policy by 30 April 2022

Council Affairs	To strengthen effective and efficient performance of council	GG 12					Conduct 2 anti fraud awareness campaigns	Conduct 2 anti fraud awareness campaigns	Conduct 2 anti fraud awareness campaigns	Conduct 2 anti fraud awareness campaigns	Conduct 2 anti fraud awareness campaigns
			Provide support to risk management committee .	mitigate risk to desired risk rating (low)	Number of risk committee meeting held	Risk committee is in place	Convene 9 risk management committee meetings by 30 June 2018	Convene 9 risk management committee meetings by 30 June 2019	Convene 9 risk management committee meetings by 30 June 2020	Convene 9 risk management committee meetings by 30 June 2021	Convene 9 risk management committee meetings by 30 June 2022
			Provide political oversight on municipal functions and programs	effective and efficient oversight through improved reports	Number of Standing Committee meetings	Council committees are in place	convene five standing Committee meetings	convene five standing Committee meetings	convene five standing Committee meetings	convene five standing Committee meetings	convene five standing Committee meetings

Open Council Meeting

Bringing Council to the people (accountability)

Number of Executive Committee Meetings (ordinary & special) & Oversight meetings	Executive Committee has been elected and functional	convene four ordinary and seven special executive committee meetings	convene four ordinary and seven special executive committee meetings	convene four ordinary and seven special executive committee meetings	convene four ordinary and seven special executive committee meetings	convene four ordinary and seven special executive committee meetings
Number of Council sittings (ordinary & special)	Council is elected and functional	convene four ordinary and seven special council sittings	convene four ordinary and seven special council sittings	convene four ordinary and seven special council sittings	convene four ordinary and seven special council sittings	convene four ordinary and seven special council sittings
Number of open council meetings	one open council held each year	hold one open Council meeting at Libode	hold one open Council meeting at Ngqeleni	hold one open Council meeting at Libode	hold open Council meeting at Ngqeleni	hold open Council Meeting at Libode
Number of Council Capacity Buildings programmes supported	Council capacity building is ongoing	Provide capacity building to 15 Councillors annually	Provide capacity building to 15 Councillors annually	Provide capacity building to 15 Councillors annually	Provide capacity building to 15 Councillors annually	Provide capacity building to 15 Councillors annually

		Number of Section 79 committee meetings	Section 79 committees in place (women's caucus, public petitions, members' interest, Municipal Public Accounts Committee)	Convene 12 section 79 meetings (in total)	Convene 12 section 79 meetings (in total)	Convene 12 section 79 meetings (in total)	Convene 12 section 79 meetings (in total)	Convene 12 section 79 meetings (in total)
		Number of Councillors' coordinating activities	Councillors attend to various committee work and meetings	Attendance of 80 Councillors annually	Attendance of 80 Councillors annually	Attendance of 80 Councillors annually	Attendance of 80 Councillors annually	Attendance of 80 Councillors annually
Support to traditional leaders in Council coordinating activities	partnership with traditional leaders through participation in Council	Number of support activities	13 traditional leaders are elected	support to 4 traditional leaders activities	support to 4 traditional leaders activities	support to 4 traditional leaders activities	support to 4 traditional leaders activities	support to 4 traditional leaders activities

<b>Institutional Performance Management</b>	<b>To provide a system for measuring institutional performance</b>	<b>GG 14</b>	Develop tools and mechanisms to manage institutional performance	incremental implementation of IDP annually	Signed SDBIP by Mayor	SDBIP for 2016/17 in place	Develop and approve SDBIP by June 2017	Develop and approve SDBIP by June 2018	Develop and approve SDBIP by June 2019	Develop and approve SDBIP by June 2020	Develop and approve SDBIP by June 2022
			Received unqualified audit opinion with no matters of emphasis	value for money	unqualified audit opinion with no material findings	received unqualified audit opinion with no material findings	obtain unqualified audit opinion with no matters of emphasis for 2016/17 audit	obtain unqualified audit opinion with no material findings for 2017/18 audit	obtain unqualified audit opinion with no material findings for 2018/19 audit	obtain unqualified audit opinion with no material findings for 2019/20 audit	obtain unqualified audit opinion with no material findings for 2020/21 audit
			By complying with MFMA /MSA and related regulations, S52(d), S72, S121 & MSA 46 reports		Number of MFMA & MSA reports submitted	Reports have been compiled for 2016/17 Financial year	Compilation of MFMA section 52(D), S72, S121 and Section 46 reports	Compilation of MFMA section 52(D), S72, S121 and Section 46 reports	Compilation of MFMA section 52(D), S72, S121 and Section 46 reports	Compilation of MFMA section 52(D), S72, S121 and Section 46 reports	Compilation of MFMA section 52(D), S72, S121 and Section 46 reports

			By Implementing Performance Management System through formal assesment for S56/57 managers		Number of Section 56/57 Managers assesed for annual peroprmance	Annual Performan ce assesment conducted for 2016/17	Conduct formal assesme nt for annual performance 2016/17	Conduct formal assesme nt for annual performance 2017/18	Conduct formal assesme nt for annual performance 2018/19	Conduct formal assesment for annual performance 2019/2020	Conduct formal assesment for annual performance 2020/2021
					Number of Sectio 56/57 Managers asseed for for Mid Year Performance by set date	Annual Performan ce assesment conducted for 2016/17	Conduct formal assesme nt for Mid- year for senior Mangers 2017/18 Financial year	Conduct formal assesme nt for Mid- year for senior Mangers 2017/18 Financial year	Conduct formal assesme nt for Mid- year for senior Mangers 2018/19 Financial year	Conduct formal assesment for Mid- year for senior Mangers 2019/20 Financial year	Conduct formal assesment for Mid- year for senior Mangers 2020/2021 Financial year
			Provide management oversight on performance	management oversight through audit report	Number of management oversight sittings (managemen t retreat on performance information and policy formulation)	manageme nt oversight is ongoing	convene 6 manage ment oversight sittings	convene 6 manage ment oversight sittings	convene 6 manage ment oversight sittings	convene 6 management oversight sittings	convene 6 management oversight sittings

<p><b>Vulnerable groups and Sports development</b></p>	<p><b>To promote equity and inclusiveness of vulnerable groups</b></p>		<p>To contribute to national development priorities on designated groups (women, youth, disabled, children and elderly).</p>	<p>mainstream special designated groups in the activities of the municipalities through planned programmes and intergration</p>	<p>Number of women programmes supported</p>	<p>Women's Caucus is in place</p>	<p>Support two women programmes (Women's Month and 16 Days of Activism against the abuse of women and children) by 30 June 2018</p>	<p>Support two women programmes (Women's Month and 16 Days of Activism against the abuse of women and children) by 30 June 2019</p>	<p>Support two women programmes (Women's Month and 16 Days of Activism against the abuse of women and children) by 30 June 2020</p>	<p>Support two women programmes (Women's Month and 16 Days of Activism against the abuse of women and children) by 30 June 2021</p>	<p>Support two women programmes (Women's Month and 16 Days of Activism against the abuse of women and children) by 30 June 2022</p>
<p><b>Employment creation (EPWP)</b></p>	<p><b>To provide poverty and income relief through temporary work</b></p>	<p><b>GG 16</b></p>	<p>By providing social support to designated groups</p>		<p>number of children programmes supported</p>	<p>Children provided with school material and gifts in 2015/2016</p>	<p>Support two children programmes by 30 June 2018 (Back to school and Christmas gifts)</p>	<p>Support two children programmes by 30 June 2019 (Back to school &amp; Christmas gifts )</p>	<p>Support two children programmes by 30 June 2020 (Back to school &amp; Christmas gifts)</p>	<p>Support two children programmes by 30 June 2021 (Back to school &amp; Christmas gifts)</p>	<p>Support two children programmes by 30 June 2022 (Back to school &amp; Christmas gifts)</p>
					<p>Number of elderly persons supported</p>	<p>elderly provided with christmas gifts</p>	<p>Support two elderly programmes by 30 June 2018 (Golden games &amp;</p>	<p>Support two elderly programmes by 30 June 2019 (Golden Games</p>	<p>Support two elderly programmes by 30 June 2020 (Golden Games &amp;</p>	<p>Support two elderly programmes by 30 June 2021 (Golden Games &amp; Christmas gifts)</p>	<p>Support two elderly programmes by 30 June 2022 (Golden Games &amp; Christmas gifts)</p>

						Christma s gifts)	& Christma s gifts)	Christma s gifts)		
				Number of youth programs supported	Hosted Miss Nyandeni	Support two Youth programs by 30 June 2018 (Miss Nyandeni , Youth Month Commem oration)	Support two Youth program s by 30 June 2019 (Miss Nyanden i & Youth Month commem oration)	Support two Youth programs by 30 June 2020 (Miss Nyandeni & Youth Month Commem oration)	Support two Youth programs by 30 June 2021 (Miss Nyandeni & Youth Month commemorati on)	Support two Youth programs by 30 June 2022 (Miss Nyandeni & Youth Month commemoration )
				Number of Disabled persons programs supported	Disabled provided with fencing material for two projects and transported to training institution in 2016/17	Support two disabled programs by 30 June 2018 (support one project & facilitate training )	Support two disabled program s by 30 June 2019 (support one project & facilitate training )	Support two disabled programs by 30 June 2020 (support one project and facilitate training )	Support two disabled programs by 30 June 2021 (support one project & facilitate training)	Support two disabled programs by 30 June 2022 (support one project & facilitate training)
				Number of sporting codes supported	Hosted Mayor's Cup and Marathon	Support three sporting programs (Mayors' cup,	Support three sporting program s (Mayors'	Support three sporting programs (Mayors' cup,	Support three sporting programs (Mayors' cup, marathon,	Support three sporting programs (Mayors' cup, marathon,

							marathon , Ntlaza Rugby development)	cup, maratho n, Ntlaza Rugby develop ment)	marathon , Ntlaza Rugby developm ent)	Ntlaza Rugby development)	Ntlaza Rugby development)
Employment creation (EPWP)	To provide poverty and income relief through temporary work		Expanded Public	temporal relief through labour intensive programmes	Number of temporal jobs created	641 temporal jobs created by 2016/2017:	Employ 129 casu als through EPW	Employ 128 casu als through EPW.	Employ 128 casu als through EPW.	Employ 128 casu als through EPW.	Employ 128 casu als through EPW.
			EPWP greenest municipality competition and waste management	poverty alleviation through EPWP	Number of EPWP jobs created	61Jobs created through waste transfer station at Ngqelenii through DEDEAT grant	600 jobs to be created through DEDEAT EPWP grant				
	To contribute towards reduction & the spread of communicable diseases		Provide support to Ward based support groups.	Educated support groups through analysis of reports.	Number of Ward based support groups supported .	Support groups and Local AIDS Council are functional	Review Data base for stakehold er management Support to Ward AIDS Council	Review Data base for stakehold er management Support to Ward AIDS Council	Review Data base for stakehold er management Support to Ward AIDS Council	Review Data base for stakeholder management Support to Ward AIDS Council	Review Data base for stakeholder management Support to Ward AIDS Council
HIV/AIDS & Health Matters			By engaging with relevant departments, NGO's and Local Aids Council Sitings	Guided support groups through programs	Approved guidelines for support groups.	Approved guidelines for support groups are in place	Reviewal and implemen tation of guideline s for	Reviewal and impleme ntation of guideline	Reviewal and implemen tation of guideline s for	Reviewal and implementatio n of guidelines for support groups.	Reviewal and implementation of guidelines for support groups.

							support groups.	s for support groups.	support groups.		
			Conduct awareness campaigns through Inkciyo,uKuthwala and Circumcision . (Education, information and support)	Reduce HIV/AIDS infection.	Number of Awareness Campaigns conducted	Functional HIV / AIDS Unit and awareness campaigns are conducted	Conduct 4 awareness campaigns on community Diseases (HIV & AIDS & TB) (Breast and Cervical Cancer and Prostate allowance) by 30 June 2018	Conduct 4 awareness campaigns on community Diseases (HIV & AIDS & TB) (Breast and Cervical Cancer and Prostate allowance) by 30 June 2019	Conduct 4 awareness campaigns on community Diseases (HIV & AIDS & TB) (Breast and Cervical Cancer and Prostate allowance) by 30 June 2020	Conduct 4 awareness campaigns on community Diseases (HIV & AIDS & TB) (Breast and Cervical Cancer and Prostate allowance) by 30 June 2021	Conduct 4 awareness campaigns on community Diseases (HIV & AIDS & TB) (Breast and Cervical Cancer and Prostate allowance) by 30 June 2022
Emergency & Social Relief	to assist communities interim emergency programmes (when need arises)		provide interim support to disaster and special destitute responses (when need arises)	provision of community safety and stability whilst seeking long-term solutions through disaster risk mitigation	Report on interim support provided for disaster and special destitute response	emergency support is provided	provide interim support to disaster and special destitute response (when need arises)	provide interim support to disaster and special destitute response (when need arises)	provide interim support to disaster and special destitute response (when need arises)	provide interim support to disaster and special destitute response (when need arises)	provide interim support to disaster and special destitute response (when need arises)

Consultancy and professional fees	Knowledge and empowerment		Registration and affiliation to professional bodies	Capacitated human capital to fulfill IDP objectives	Number of seminars attended for professional standardisation	Registration and affiliation is ongoing (SALGA, IIA, IRMSA)	Attend 10 professional bodies' seminars for professional standardization	Attend 10 professional bodies' seminars for professional standardization	Attend 10 professional bodies' seminars for professional standardization	Attend 10 professional bodies' seminars for professional standardization	Attend 10 professional bodies' seminars for professional standardization
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## FINANCIAL VIABILITY

Objective Number	Programmes/Projects/Strategies	Outcomes Indicator (5 year indicator)	Output Indicator (2017-2018)	Baseline	Annual Targets				
					2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
FVM 17	Develop an integrated Revenue enhancement strategy	Increase Revenue Base by 25%	Developed and Approved Integrated Revenue Enhancement Strategy by 30 June 2018	2016-17 Revenue Enhancement Strategy	Integrated Revenue Enhancement Strategy developed and Approved	Reviewed and Implemented Integrated Revenue Enhancement Strategy	Reviewed and Implemented Integrated Revenue Enhancement Strategy	Reviewed and Implemented Integrated Revenue Enhancement Strategy	Report on increased revenue base by 25%

	Increase collection of municipal debt by 75% of outstanding debt	Reduction of debtors book by 75%	Report on reduced debtors book by 15% by 30 June 2018	Debtors Book amount to R14 million	Report on reduced debtors book by 15% by 30 June 2018	Report on reduced debtors book by 15% by 30 June 2019	Report on reduced debtors book by 15% by 30 June 2020	Report on reduced debtors book by 15% by 30 June 2021	Report on reduced debtors book by 15% by 30 June 2022
FVM 18	Implementation of Municipal Property Rates Act	Approved General Valuation Roll by 30 June 2022	Approved General Valuation Roll by 30 June 2018	Supplementary Valuation Roll 3 is available	Approved General Valuation Roll by 30 June 2018	Approved Supplementary Valuation Roll by 30 June 2019	Approved Supplementary Valuation Roll by 30 June 2020	Approved Supplementary Valuation Roll by 30 June 2021	Approved General Valuation Roll by 30 June 2022
FVM 19	Develop realistic and credible Budget	Approved Budget for 2022/23 by Council by 30 June 2022	Approved Budget for 2018/19 by Council	Approved 2016/17 annual budget	Approved Budget for 2018/19 by Council	Approved Budget for 2019/20 by Council	Approved Budget for 2020/21 by Council	Approved Budget for 2021/22 by Council	Approved Budget for 2022/23 by Council by 30 June 2022

	Adhere to budget reforms and DoRA	Budget returns, s 52(d) s71, s72 B schedule, and C schedule submitted to Council, Provincial Treasury and National Treasury	Preparation and submission Budget returns, s 52(d) s71, s72 B schedule, and C schedule	Complied with MFMA statutory reporting in 2016/2017	Preparation and submission Budget returns, s 52(d) s71, s72 B schedule, and C schedule	Preparation and submission Budget returns, s 52(d) s71, s72 B schedule, and C schedule	Preparation and submission Budget returns, s 52(d) s71, s72 B schedule, and C schedule	Preparation and submission Budget returns, s 52(d) s71, s72 B schedule, and C schedule	Budget returns, s 52(d) s71, s72 B schedule, and C schedule submitted to Council, Provincial Treasury and National Treasury
	100% spent on all grants received by the municipality	100% spent on EPWG,MIG,FMG,INEP, STRP(small town revitalisation programme)	100% Expenditure on EPWG(Expanded Public Works Grant),MIG,FMG,INEP	100% spent on EPWG,MIG,FMG,INEP, STRP(small town revitalisation programme)	100% spent on EPWG,MIG,FMG,INEP, STRP(small town revitalisation programme)	100% spent on EPWG,MIG,FMG,INEP, STRP(small town revitalisation programme)	100% spent on EPWG,MIG,FMG,INEP, STRP(small town revitalisation programme)	100% spent on EPWG,MIG,FMG,INEP, STRP(small town revitalisation programme)	100% spent on EPWG,MIG,FMG,INEP, STRP(small town revitalisation programme)

	Payment of creditors within 30 days from receipt of invoice.	Compliance with MFMA S65(2)€ by 30 June 2022	Report on payment on invoices within 30 days by 30 June 2018	Creditors are paid within 30 days	Report on payment on invoices within 30 days by 30 June 2018	Report on payment on invoices within 30 days by 30 June 2019	Report on payment on invoices within 30 days by 30 June 2020	Report on payment on invoices within 30 days by 30 June 2021	Compliance with MFMA S65(2)€ by 30 June 2022
FVM 21	Update the GRAP compliant Asset Register	Approved GRAP compliant Asset Register by 30 June 2022	GRAP Compliant Asset Register by 30 June 2018	2015-2016 GRAP compliant Asset register in place	GRAP Compliant Asset Register by 30 June 2018	GRAP Compliant Asset Register by 30 June 2019	GRAP Compliant Asset Register by 30 June 2019	GRAP Compliant Asset Register by 30 June 2020	Approved GRAP compliant Asset Register by 30 June 2022
	Safeguard the municipal assets through Insurance and provision of adequate security	Municipal assets insured by 30 June 2022	Number of Municipal assets insured by 30 June 2018	Assets are insured with Indwe Risk Insurers	Report on number of Municipal assets insured by 30 June 2018	Report on number of Municipal assets insured by 30 June 2019	Report on number of Municipal assets insured by 30 June 2020	Report on number of Municipal assets insured by 30 June 2021	Municipal assets insured by 30 June 2022

	To enhance internal controls measures in terms of managing Municipal Fleet.	Fully functional and available municipal fleet to enable departments to function without problems.	Report on analysis of repairs and maintenance	Monthly Reports on maintenance are produced	Report on analysis of repairs and maintenance	Report on analysis of repairs and maintenance	Report on analysis of repairs and maintenance	Report on analysis of repairs and maintenance	
<b>FVM 22</b>	Comply with SCM Policy and regulations on acquisition of goods and services	Complied with SCM Policy and Regulations by June 2022	Number of reports on the implementation of the SCM policy prepared and submitted to the Municipal Manager	Reports on implementation of the SCM policy are submitted quarterly to the Accounting Officer	Quarterly Reports on implementation of the SCM policy and regulations	Quarterly Reports on implementation of the SCM policy and regulations	Quarterly Reports on implementation of the SCM policy and regulations	Quarterly Reports on implementation of the SCM policy and regulations	Quarterly Reports on implementation of the SCM policy and regulations

	Strengthen administration of contract management	Proper monitoring of contracts by June 2022	Updated and reviewed contracts and commitments register by June 2018	Contract register is kept and maintained	Updated and reviewed contracts and commitments register by June 2018	Updated and reviewed contracts and commitments register by June 2019	Updated and reviewed contracts and commitments register by June 2020	Updated and reviewed contracts and commitments register by June 2021	Updated and reviewed contracts and commitments register
	Co-ordinate development of municipal procurement plan, monitor implementation and report thereof	Approved procurement plans for implementation by June 2022	Procurement plan developed and implemented by June 2018 and report thereof	Procurement plan developed and implemented in 2016/2017 financial year	Procurement plan developed and implemented by June 2018	Procurement plan developed and implemented by June 2019	Procurement plan developed and implemented by June 2020	Procurement plan developed and implemented by June 2021	Approved procurement plans for implementation
	Establish and maintain the inventory storage system by 2022.	Proper management of stores by June 2022	Fully functional Stores Module on ProMun by June 2018	Stock is reconciled manually	Activated and functional Stores Module on ProMun	Reports on recording and reconciliation of inventory	Reports on recording and reconciliation of inventory	Reports on recording and reconciliation of inventory	Reports on recording and reconciliation of inventory
<b>FVM 23</b>	Develop GRAP Compliant Annual Financial Statements (AFS).	Compliance with MFMA (S122) by set date	Submission of AFS to Treasury, Auditor General by 31 August each year	In-house GRAP AFS submitted by 31 <sup>st</sup> August 2016.	Signed AFS submitted to Auditor General, provincial Treasury and National Treasury	Signed AFS submitted to Auditor General, provincial Treasury and National Treasury	Signed AFS submitted to Auditor General, provincial Treasury and National Treasury	Signed AFS submitted to Auditor General, provincial Treasury and National Treasury	Signed AFS submitted to Auditor General, Provincials Treasury and National Treasury

	Implement integration of MSCOA into the system.	Compliance with MSCOA by the set date	Submission of mSCOA compliant reports to both Provincila Treasury and national Treasury.	SCOA implementation plan is in place	mSCOA reports uploaded to lgdatabase portal	mSCOA reports uploaded to lgdatabase portal	mSCOA reports uploaded to lgdatabase portal	mSCOA reports uploaded to lgdatabase portal	mSCOA reports uploaded to lgdatabase portal
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## INSTITUTIONAL DEVELOPMENT

**KPA- INSTITUTIONAL DEVELOPMENT**

5 Year Objective	Objective Number	Programmes/Projects/Strategies	Outcomes Indicator	Output Indicator	Annual Targets					
					Baseline	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
To provide standard procedures and norms for effective governance and decision making	ID 24	Policy development and review	Improved sound governance through uniform systems and mechanism	Number of human resource management & ICT policies reviewed and adopted by Council	There are 41 policies currently which exists.	Review all 41 policies (Refer to annexures)	Review all 41 policies (Refer to annexures)	Review all 41 policies (Refer to annexures)	Review all 41 policies (Refer to annexures)	Review all 41 policies (Refer to annexures)
				Number of budgeted management policies reviewed and adopted by Council	There are 10 policies currently which exists	Review all 10 policies (Refer to annexures)	Review all 10 policies (Refer to annexures)	Review all 10 policies (Refer to annexures)	Review all 10 policies (Refer to annexures)	Review all 10 policies (Refer to annexures)

		Number executive and council policies reviewed and adopted by Council	There are 9 policies currently which exists	Review all 9 policies (Refer to annextures)	Review all 9 policies (Refer to annextures)	Review all 9 policies (Refer to annextures)	Review all 9 policies (Refer to annextures)	Review all 9 policies (Refer to annextures)
		Number of community services management policies reviewed and adopted by Council						
		Number of infrastructure policies reviewed, developed and adopted by Council	There are 6 policies currently which exists	Develop 1 policy & Review all 6 policies (Refer to annextures)	Review all 6 policies (Refer to annextures)	Review all 6 policies (Refer to annextures)	Review all 6 policies (Refer to annextures)	Develop 1 policy & Review all 6 policies (Refer to annextures)
		Number of planning & development policies reviewed and adopted by Council	There are 3 policies which currently exist	Review all 3 policies (Refer to annextures)	Review all 3 policies (Refer to annextures)	Review all 3 policies (Refer to annextures)	Review all 3 policies (Refer to annextures)	Review all 3 policies (Refer to annextures)

		Council Policy Development and Review session	policies for governance and operations developed to enhance uniformity and equity	Number of Council Policy development and review sessions held	institutional policies are developed and reviewed annually	Convene 1 Policy development and review session annually	Convene 1 Policy development and review session annually	Convene 1 Policy development and review session annually	Convene 1 Policy development and review session annually	Convene 1 Policy development and review session annually
To develop and review an organogram that is aligned to powers, functions and Council priorities	ID 25	Review the Institutional Organogram	Human capital to fulfill IDP objectives	Approved Institutional Organogram by Council	Organogram Reviewed in 2015/16	Review organogram annually	Review organogram annually	Review organogram annually	Review organogram annually	Review organogram annually
		Develop Job Descriptions for all posts in the approved organogram		% of Signed job descriptions for all positions in the approved organogram	All posts in the current Organogram have signed Job Descriptions	Sign 100% of all job descriptions	Sign 100% of all job descriptions	Sign 100% of all job descriptions	Sign 100% of all job descriptions	Sign 100% of all job descriptions
		Reduce the vacancy rate on all funded posts		% Vacancy Rate on all funded posts	Current vacancy rate is 1% (4 of 314 posts)	Reduce vacancy rate to 1%	Reduce vacancy rate to 1%	Reduce vacancy rate to 1%	Reduce vacancy rate to 1%	Reduce vacancy rate to 1%
To build capacity to municipal employ	ID 29	Implement and monitoring of the Work Place Skills Plan (WSP) annually	Capacitated human capital to fulfill IDP objectives	% of approved trainings in the WSP implemented	60% of WSP is implemented	75% of WSP implemented	75% of WSP implemented	75% of WSP implemented	75% of WSP implemented	75% of WSP implemented

ees and unemployed in order to have the required competency levels		Monitore of the implementation of the WSP by the Skills Development & EE Committee to ensure human resource development for enhanced performance against plans			22 employees have been assisted with study assistance	Provide 20 qualifying employees with study assistance	Provide 20 qualifying employees with study assistance	Provide 20 qualifying employees with study assistance	Provide 20 qualifying employees with study assistance
		Registration to professional bodies (HR & ICT)	Number of monitoring meetings of SD and EE convened	functional SD&EE committee inplace	Convene 4 Skills Development & EE Committee meetings	Convene 4 Skills Development & EE Committee meetings	Convene 4 Skills Development & EE Committee meetings	Convene 4 Skills Development & EE Committee meetings	Convene 4 Skills Development & EE Committee meetings
To attract and retain competent personnel	ID 34	Through development and implementation of Human Resource Strategy (Plan)	Number of seminars attended for professional standardisation	Seminars are attended annually	Attend 10 ICT and HR professional bodies' seminars for professional standardization	Attend 10 ICT and HR professional bodies' seminars for professional standardization	Attend 10 ICT and HR professional bodies' seminars for professional standardization	Attend 10 ICT and HR professional bodies' seminars for professional standardization	Attend 10 ICT and HR professional bodies' seminars for professional standardization
			Approved HR Strategy (plan )	Draft HR Strategy (plan) in place	Development and approval of HR Strategy (Plan)	Review HR Strategy (Plan)	Review HR Strategy (plan)	Review HR Strategy (plan)	Review HR Strategy (plan)

To comply with Labour related Legislation and SALGC Main Collective Agreement	ID 35	Implementing the Employment Equity Plan	Compliance with department of labour employer legislation	% of targets achieved in the EE Plan	48% of achieved targets in the EE Plan	To achieve 5+H110% of the EE Plan	To achieve 50% of the EE Plan	To achieve 50% of the EE Plan	To achieve 50% of the EE Plan	To achieve 50% of the EE Plan
	ID 35	Through compliance with Department of Labour by submitting the Employment Equity Report (EER), Occupational health and Safety (OHS) and Return of Earnings to Department of Labour		EE Report is submitted annually	Submitted by 15 January annually	Submit EER by 15 January 2018	Submit EER by 15 January 2019	Submit EER by 15 January 2020	Submit EER by 15 January 2021	Submit EER by 15 January 2022
				Receipt of invoice confirming institutional assessment by DoL	Return of Earnings is submitted annually.	Submission of EE & ROE Report to the DoL annually	Submission of EE & ROE Report to the DoL annually	Submission of EE & ROE Report to the DoL annually	Submission of EE & ROE Report to the DoL annually	Submission of EE & ROE Report to the DoL annually
				Number of LLF meetings convened to discuss employer and employee conditions of service	Functional Local Labour Forum	Convene 4 LLF meetings	Convene 4 LLF meetings	Convene 4 LLF meetings	Convene 4 LLF meetings	Convene 4 LLF meetings
	ID 35	Conduct regular Health and Safety inspections (OHS) on municipal facilities as per OHS Act		Number of OHS inspections conducted	OHS Officer has been employed and OHS committee in place	Convene 4 OHS Committee meeting to monitor compliance with the Act.	Convene 4 OHS Committee meeting to monitor compliance with the Act.	Convene 4 OHS Committee meeting to monitor compliance with the Act.	Convene 4 OHS Committee meeting to monitor compliance with the Act.	Convene 4 OHS Committee meeting to monitor compliance with the Act.
		<b>Comply with OHS (Occupational Health and Safety) Act</b>	<b>Safe Environment in Project Implementation</b>	<b>Annual OHS report produced</b>		<b>Appointment of OHS Specialists</b>	<b>Monitoring of projects compliance with OHS Act</b>	<b>Monitoring of projects compliance with OHS Act</b>	<b>Monitoring of projects compliance with OHS Act</b>	<b>Monitoring of projects compliance with OHS Act</b>

To create an Environment that promotes employee health and wellbeing	ID 36	Develop and implementing Wellness Plan for the 2016/17	Motivated Workforce	An approved Wellness Plan 2016/17 by MM.	Employee health and wellness policy in place	Review and implement the wellness plan	Review and implement the wellness plan	Review and implement the wellness plan	Review and implement the wellness plan	Review and implement the wellness plan
		Establishment of wellness centre		Established wellness centre	None	Pre planning of wellness centre (land and specification)	Costing and design of wellness centre	Construct phase one of wellness centre	Construct phase two of wellness centre	Resourcing wellness centre
To develop functional, reliable and Integrated network and applications that will be policy driven	ID 37	Maintain the offsite backup server to eliminate the loss of information	Number of offsite generated	Number of back-up reports generated by the offsite backup data server	Offsite Backup server in place and hosted by ITNA	12 backup reports generated to ensure functionality of the backup servers.	12 backup reports generated to ensure functionality of the backup servers.	12 backup reports generated to ensure functionality of the backup servers.	12 backup reports generated to ensure functionality of the backup servers.	12 backup reports generated to ensure functionality of the backup servers.
		Number of ICT Steering Committee meetings to provide advice on the ICT good governance	Appropriate use of ICT for efficient service delivery	Number of ICT Steering committee meetings convened	ICT Governance framework, Policies and ICT Steering Committee in place	Convene 4 ICT Steering committee meetings to provide advice on	Convene 4 ICT Steering committee meetings to provide advice on	Convene 4 ICT Steering committee meetings to provide advice on	Convene 4 ICT Steering committee meetings to provide advice on	Convene 4 ICT Steering committee meetings to provide advice on

						good governance	good governance	good governance	good governance	good governance
	Functional Mirror server at Ngqeleni			Established disaster recovery at Ngqeleni Unit	Functional network already exists at Ngqeleni Unit	Maintain disaster recovery server at Ngqeleni Unit	Maintain disaster recovery server at Ngqeleni Unit	Maintain disaster recovery server at Ngqeleni Unit	Maintain disaster recovery server at Ngqeleni Unit	Maintain disaster recovery server at Ngqeleni Unit
	Provide ICT infrastructure and equipment			Upgraded network infrastructure and reliable equipment	Existing old infrastructure and equipment	Upgrading infrastructure and equipment	Upgrading infrastructure and equipment	Upgrading infrastructure and equipment	Upgrading infrastructure and equipment	Upgrading infrastructure and equipment
	Provide access to WIFI to municipal centres for stakeholders	Access to free WIFI in Municipal centres by stakeholders	Number of centres established with free access to WIFI	WIFI is accessible to municipal officials	-	Develop WIFI implementation plan	Pilot WIFI implementation plan	Access free WIFI at main offices		
To comply with national archives and records	Phase in the centralization of records management	Functioning document management system		File plan and record management policy in place	Develop and implement electronic document management system phase 1	Develop and implement electronic document management system phase 1	Develop and implement electronic document management system phase 2	Develop and implement electronic document management system phase 3		

manage ment	Strengthen records management unit	Institutional record management in Libode and Ngqeleni	Established functional records management	2 registry staff in place	Build capacity to registry personnel	-	-	Establish Ngqeleni Archives centre	-
To maintain municipal facilities and office management	Keep municipal building in acceptable conditions as per NHBRC	NHBRC and OHS compliant facility	Existing Municipal facilities	Maintenance of existing buildings	Provide repairs and maintenance of existing buildings as the need arise	Provide repairs and maintenance of existing buildings as the need arise	Provide repairs and maintenance of existing buildings as the need arise	Provide repairs and maintenance of existing buildings as the need arise	Provide repairs and maintenance of existing buildings as the need arise
	Municipal Offices at Ngqeleni	Increased Office Space	Report on Constructed Offices	Workshop under construction	Construction of Phase 1 of Ngqeleni Municipal Offices Upgrade	Construction of Phase 2 of Ngqeleni Municipal Offices Upgrade	Construction of Phase 3 of Ngqeleni Municipal Offices Upgrade		
	Provide office furniture	provision of conducive working environment	Number of offices provided with furniture and equipment	office furniture is ongoing	Provide 10 offices with furniture and equipment	Provide 10 offices with furniture and equipment	Provide 10 offices with furniture and equipment	Provide 10 offices with furniture and equipment	Provide 10 offices with furniture and equipment
	Printing equipment		Number of printing equipment leased	printing equipment is in place	r	leasing of 28 photocopiers and 2 printing equipment	leasing of 28 photocopiers and 2 printing equipment	leasing of 28 photocopiers and 2 printing equipment	leasing of 28 photocopiers and 2 printing equipment

		Cleaning services		Expenditure report on cleaning material	Cleaning material is bought annually	Provide cleaning services for the municipal officials quarterly	Provide cleaning services for the municipal officials quarterly	Provide cleaning services for the municipal officials quarterly	Provide cleaning services for the municipal officials quarterly	Provide cleaning services for the municipal officials quarterly
		Stationery		Expenditure report on stationery	Stationery is bought annually	Provide municipal officials with stationery quarterly	Provide municipal officials with stationery quarterly	Provide municipal officials with stationery quarterly	Provide municipal officials with stationery quarterly	Provide municipal officials with stationery quarterly
		Telecommunication		Expenditure report on telecommunication	Telecommunication support is ongoing	Provide telecommunication to municipal officials with monthly	Provide telecommunication to municipal officials with monthly	Provide telecommunication to municipal officials with monthly	Provide telecommunication to municipal officials with monthly	Provide telecommunication to municipal officials with monthly
To improve customer care services to communities	ID 38	Implementing and maintaining Service Standards	Customer care through realisation of Batopele principles	Approved Service Standard Charter 2016/17 by MM	Customer care policy in place	Conduct 2 awareness and Review of Service Standard Charter	Conduct 2 awareness and Review of Service Standard Charter	Conduct 2 awareness, customer satisfaction survey and Review of Service Standard Charter	Conduct 2 awareness and Review of Service Standard Charter	Conduct 2 awareness and Review of Service Standard Charter

# BASIC SERVICE DELIVERY

Strategic Focus Area	5 Year Objective	Objective Number	municipal Strategies	Outcomes Indicator	Output Indicator	Annual Targets				
						Baseline	2017/2018	2018/2019	2019/2020	2020/2021



Provide burial services		Report on pauper burial	Pauper burial is ongoing	Provide pauper burial as per need	Provide pauper burial as per need	Provide pauper burial as per need	Provide pauper burial as per need	Provide pauper burial as per need
Provide infrastructure for landfill site at Libode and Waste Transfer Station at Ngqeleni.		Constructed landfill site at Libode as per business plan	Conditional licensed Landfill Site at Libode is in place	Construction of Landfill Site in Ward 07 Libode	Compliance Audit of the Landfill Site	Operational Landfill site	Monitor waste information system through reports	Monitor waste information system through reports
		Erected waste transfer station at Ngqeleni as per business plan	There is a Waste Transfer Station Permit in place though there is no operational transfer station at Ngqeleni. DEDEAT funded R1.8million for construction in 2016/17	Finalize construction of waste transfer station in Ngqeleni Ward 21	Implementation of recycling mechanisms at the waste transfer station (Waste Hierarchy)	Registration of waste tonnages to Waste Information System	Monitor waste transfer stations operations	Monitor waste transfer stations operations

Expand and maintain waste collection	Effective and efficient delivery of waste collection services	Number of refuse bags and steel litter bins issued	Drop of centres are in place	Issue out 200 000 refuse bags and 400 steel Litter bins	Issue out 200 000 refuse bags and 400 steel Litter bins	Issue out 200 000 refuse bags and 400 steel Litter bins	Issue out 200 000 refuse bags and 400 steel Litter bins	Issue out 200 000 refuse bags and 400 steel Litter bins
Review, Implement and Reporting of the Intergrated Waste Management Plan		Report on the implementation of the Intergrated Waste Management Plan	Approved and Credible IWMP is in place	Annual implementation of the IWMP report	Monitoring of the Waste Sites as per IWMP	Compliance Audit of the Waste Sites as per IWMP	Review of IWMP	-
To contribute to national programs on eradication of poverty	Food for waste	Number of jobs created	Approved IWMP is in place	Identification and training of the Waste Cooperatives	Pilot of the waste composting as per IWMP	Annual implementation of the IWMP report	Compliance Audit of the Waste Sites as per IWMP	Review of IWMP
Establish and Maintain green parks & open spaces	contribution to cleanliness through open space maintenance and landscaping	Developed Ngqeleni and Libode open spaces.	One Eco park is under construction in Libode, one mini park established at Libode, one open space identified	Identify open spaces in both towns, business planning and costing	Beautification of the identified Open Spaces in both towns	Maintenance of the identified open spaces in both towns	Maintenance of the identified open spaces in both towns	Maintenance of the identified open spaces in both towns

						at Ngqeleni and one open space identified at Libode						
Library & Information Services	To facilitate provision of Library and Information Services	BSD 59	Monitor construction of Ngqeleni and Libode Libraries		Progress reports on the construction of Libode and Ngqeleni Libraries as provided by DSRAC	Two public libraries under construction (Libode and Ngqeleni)	Facilitate handing over of Ngqeleni public library in partnership with DSRAC	Facilitate handing over of Libode public library in partnership with DSRAC	-	-	-	
			Coordinate Library and information services in partnership with DSRAC	Information and knowledge sharing through provision of library services	Number of library awareness's conducted	Four library activities are held annually	Conduct awareness campaigns (World poetry and Book day, National Library week celebrations, National literacy and book week and Career guidance/exhibition)	Conduct awareness campaigns (World poetry and Book day, Library week celebrations, National literacy and book week and Career guidance/exhibition)	Conduct awareness campaigns (World poetry and Book day, Library week celebrations, National literacy and book week and Career guidance/exhibition)	Conduct awareness campaigns (World poetry and Book day, Library week celebrations, National literacy and book week and Career guidance/exhibition)	Conduct awareness campaigns (World poetry and Book day, Library week celebrations, National literacy and book week and Career guidance/exhibition)	Conduct awareness campaigns (World poetry and Book day, Library week celebrations, National literacy and book week and Career guidance/exhibition)
			Provide information and library services in partnership with DSRAC		Number of modular container libraries provided by DSRAC	There is one functional modular library at Ntsundwane and	handover 1 modular library in partnership with DSRAC	-	handover 1 modular library in partnership with DSRAC	-	handover 1 modular library in partnership with DSRAC	

						three established modular libraries					
					Number of community libraries assisted schools/	16 school /community libraries assisted	Access and Support three school / community libraries	Access and Support three school / community libraries	Access and Support three school / community libraries	Access and Support three school / community libraries	Access and Support three school / community libraries
Free Basic Services	To provide indigent households with access to basic services to improve quality of life.	BSD 62	Provide physical access to Municipal services (Free assessment rate, refuse removal ,childheaded households,free basic alternative energy and energy)	Poverty alleviation through subsidy with indigent subsidy	Number of indigent households supported with electricity, alternative energy and gas	Ward 20-1692 households, Ward 25- 1567 household, Ward 26- 2296 households and ward 28 - 477 households has been provided with paraffin and 3333 household has provided with free basic electricity	Provide support to 1500 Indigent households with electricity Coupons (60kwts)	Provide support to 1500 Indigent households with electricity Coupons (60kwts)	Provide support to 1500 Indigent households with electricity Coupons (60kwts)	Provide support to 1500 Indigent households with electricity Coupons (60kwts)	Provide support to 1500 Indigent households with electricity Coupons (60kwts)
						Provide 2000 Indigent households with Alternative Energy (Size 9kg gas and 2 burner Gas stove), and with	Provide 2000 Indigent households with Alternative Energy (Size 9kg gas and 2 burner Gas stove), and with	Provide 2000 Indigent households with Alternative Energy (Size 9kg gas and 2 burner Gas stove), and with	Provide 2000 Indigent households with Alternative Energy (Size 9kg gas and 2 burner Gas stove), and with	Provide 2000 Indigent households with Alternative Energy (Size 9kg gas and 2 burner Gas stove), and with	
						Refill of Gases to 3500 Indigent Households	Refill of Gases to 3500 Indigent Households	Refill of Gases to 3500 Indigent Households	Refill of Gases to 3500 Indigent Households	Refill of Gases to 3500 Indigent Households	

Early Childhood Development Centers	To provide foundation, growth and development of a child through infrastructure provisioning		Provide early childhood Development Centre (ECDC) infrastructure	early childhood Development through provision of infrastructure	Number of ECDC constructed	20 Early Childhood Development Centers are in place	Construct and Support to 5 registered and un-registered ECDC's (Wards 20,32,13, 09, 12)	Construct and Support to 5 registered and un-registered ECDC (Wards 19, 04, 27, 29, 31)	Construct and Support to 5 registered and un-registered ECDC (Wards 08, 14, 23, 15, 16)	Construct and Support 5 registered and un-registered ECDC (Wards 17, 30 and Others)	Construct and Support 5 registered and un-registered ECDC
			host and support early childhood Development Centre (ECDC) forum		Number of ECDC forum sittings and hosted summit	two separate ECDC forum exist	Establish and convene 2 ECDC forums	Host ECDC Summit and convene 2 ECDC forums	convene 2 ECDC forums	convene 2 ECDC forums	convene 2 ECDC forums
Infrastructure Development	Provide integrated transport and mobility	BSD 48	Construction of 300km of gravel wearing course	300 km of Gravel Road	Number of Kilometres Constructed	112 km's constructed	<b>Construction of 60 km's on Projects Below</b>	<b>Construction of 60 km's</b>	<b>Construction of 60 km's</b>	<b>Construction of 60 km's</b>	<b>Construction of 60 km's</b>
							Continuing projects from 2016/17 financial year (Cibeni to Ngojini AR, Mgonondi AR, Jojozi to Ncitwa, Msuzwaneni to Thekwini)				
							Design and Construction of 5 km in Makwalweni to Mzimvubu A/R in Ward 27				

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Construction of 1 km and Bridge at Didi to Ntlaza in Ward 15				
Construction of 6.8 km at Sompá to Ndzuluka A/R in Ward 05 & 27				
Construction of 6 km at Polar Park A/R in Ward 26				
Design and Construction of 5.5 km at Tholeni A/R in Ward 26				
Design and Construction of 6.5 km at Ludaka A/R with Bridge in Ward 25				
Construction of 11 km at Lusizini A/R in Ward 19				
projects to determined	projects to determined	projects to determined	projects to determined	projects to determined



					projects to determined	projects to determined	projects to determined	projects to determined	projects to determined
					projects to determined	projects to determined	projects to determined	projects to determined	projects to determined
					projects to determined	projects to determined	projects to determined	projects to determined	projects to determined
			Design Reports	No Engineer s for Planning	Appointment of 5 Professional Service Providers for 3 year term Engineering				
					<b>maintain 120km of accees roads as per below projects</b>	<b>maintain 120km of accees roads as per below projects</b>	<b>maintain 120km of accees roads as per below projects</b>	<b>maintain 120km of accees roads as per below projects</b>	<b>maintain 120km of accees roads as per below projects</b>
					<b>outsourced mantainanc e projects:</b>				
	Maintenance and rehabilitation of	Acces sible			projects to determined	projects to determined	projects to determined	projects to determined	projects to determined

		600km of gravel wearing course	Road Network	Number of Kilometres Constructed	100 km's maintained	projects to determined	projects to determined	projects to determined	projects to determined	projects to determined	
						projects to determined	projects to determined	projects to determined	projects to determined	projects to determined	projects to determined
						projects to determined	projects to determined	projects to determined	projects to determined	projects to determined	projects to determined
						projects to determined	projects to determined	projects to determined	projects to determined	projects to determined	projects to determined
						Maintain 45 km of access roads with Internal Plant:	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads
						Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads	Maintain 15 km of emergency access roads
						Maintenance of 4 km's	Maintenance of 4 km's	Maintenance of 4 km's	Maintenance of 4 km's	Maintenance of 4 km's	Maintenance of 4 km's
		Increased Machinery for repairs and maintenance	Report on Machines acquired			Acquire a set of Maintenance Equipment (Machinery: Excavator, 2 X Dumper Trucks, 1 Roller, Pedestrian Roller)	Acquire a set of Maintenance Equipment (Machinery : 1 TLB, 1 X Water Truck)	Acquire a set of Maintenance Equipment (Machinery: 1 Grader, 1 Pad foot Roller)	-	-	



						Offices Upgrade	Offices Upgrade		
Provide integrated infrastructure planning and management	Review and implement the intergrated master plans	Revised Plans (Local Intergrated Transport Plan (LITP), Roads Master Plan (RMP), Electricity Master Plan (EMP))	Master Plans Reviewed	Approved Plans (LITP, RMP, EMP)	Reviewal of exisiting plans (LITP, RMP, EMP)	Reviewal of exisiting plans (LITP, RMP, EMP)	Reviewal of Master plans	Reviewal of Master plans	Reviewal of Master plans
	Develop Infrastructure Investment Plan	Developed IIP	Usable IIP	Inexisten ce of Infrastruc ture Investme nt Plan.	Develop of IIP	Review IIP	Review IIP	Review IIP	Review IIP
Provide infrastruc ture	Construction of 10 multi purpose centres	access to social infrast	Number of Multi Purpose Centres Constructed	Existing of 4 communit y halls	Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined

e for includi ve socio economic develop ment			structure			Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined
						Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined
						Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined	Projects to be determined
						Appointment of 6 Professional Service Providers for 3 year term Engineering, Quantity Surveyors, Architects,	Monitor Progress on Design Reports for Multi Purpose Centres	Monitor Progress on Design Reports for Multi Purpose Centres	Monitor Progress on Design Reports for Multi Purpose Centres	Monitor Progress on Design Reports for Multi Purpose Centres
		Construct 10 kms of access road to tourism centres	Accessible economic zones	costed business plan and constructed facilities (as per identified plans)	coordination for projects at the coastline such as, EIA for ablution facilities is ongoing	finalize business plans and costing for coastal infrastructure	construction of coastal tourism infrastructure phase 1	construction of coastal tourism infrastructure phase 2	construction of coastal tourism infrastructure phase 3	construction of coastal tourism infrastructure phase 4
		Construct 10 kms to agricultural centres		Design Report and Number of Kilometres Constructed	None	Develop Designs for Mafini FPSU	Construction of Mafini FPSU Access road	-	-	-

			Identify land and construct Enterprise incubation centres and hawker stalls		Number of Kilometres Constructed	No Existing Ware Houses	Physical planning and costing of warehousing infrastructure in partnership with DEDEAT/EC DC	Construction of surfaced road for Ngqeleni Warehouse	Construction of surfaced road for Libode Warehouse	-	-
			Construct 5 sport fields+D24	Access to Social Infrastructure	Number of Multi Purpose Centres & sportsfield Constructed	Existing of 4 community halls	plan multiple purpose centres and sportsfield	Construction of 2 multipurpose centre's	Construction of 2 multipurpose centre's		Construction of 1 multipurpose centre's
			Provide access to all Municipal amenities (Pounds, Cemetery,)	Access to Municipal Amenities	Number of Kilometres Constructed	Internal Walkways in Cemeteries Paved	Develop Design Report for Libode Pound	Construction of Libode Pound Access Road	Maintenance of Ngqeleni Pound Access Road	-	-
			To coordinate the provision of sustainable rural and urban human settlements in partnership with department of Humman settlement	Habitable integrated humman settlements	Report on provision of humman settlement in Nyandeni in partnership with Department of Humman settlement	Provision of Humman settlement is ongoing	Co-ordinate provision of humman settlement in Nyandeni in partnership with Department of Humman settlement through housing sector forum quarterly	Co-ordinate provision of humman settlement in Nyandeni in partnership with Department of Humman settlement through housing	Co-ordinate provision of humman settlement in Nyandeni in partnership with Department of Humman settlement through housing sector	Co-ordinate provision of humman settlement in Nyandeni in partnership with Department of Humman settlement through housing sector	Co-ordinate provision of humman settlement in Nyandeni in partnership with Department of Humman settlement through housing sector

							sector forum quarterly	forum quarterly	forum quarterly	forum quarterly
Public Safety & Security /Transport	To promote public safety.	BSD 64	Conduct traffic services in line with the relevant Legislations.	voluntary compliance, road safety and revenue generation	Number of learners licenses, driving licenses, renewals and PrDP's issued	There is a Grade B DLTC	1. Issue 6000 Leaners License 2. Issue 3200 Driver License 3. Issue 600 PrDP	1. Issue 6000 Leaners License 2. Issue 3200 Driver License 3. Issue 600 PrDP	1. Issue 6000 Leaners License 2. Issue 3200 Driver License 3. Issue 600 PrDP	1. Issue 6000 Leaners License 2. Issue 3200 Driver License 3. Issue 600 PrDP
					Number of registered and licensed vehicles	Registered and fully operational RA	Register and license 600 Motor Vehicles	Registered Motor Vehicles 600	Registered Motor Vehicles 600	Registered Motor Vehicles 600
			develop and implement road safety plan	voluntary compliance, road safety and revenue	developed and approved road safety plan and progress report on implementation of road safety plan	There is a draft road safety plan	develop and approve road safety plan and conduct 6 road safety programmes	review road safety plan 6 road safety programmes annually	review road safety plan 6 road safety programmes annually	review road safety plan 6 road safety programmes annually

			Provide traffic services	generation	Number of traffic fines issued	1000 Traffic fines have been issued	Issue 200 traffic fines	Issue 200 traffic fines	Issue 200 traffic fines	Issue 200 traffic fines	Issue 200 traffic fines
			develop appropriate systems and mechanisms for physical safe guarding of municipal assets and enforcement of by-laws	safeguarding of municipal assets and maintenance of law and order	Report on the number of transgressions on by-laws enforced and relevant legislation	20 By-laws are in place but were not enforced fully Out of the 20 there are 18 by laws that are enforced	Enforce 14 By-laws & relevant legislation and launch law enforcement unit	Enforce 16 By-laws & relevant legislation	Enforce 18 By-laws & relevant legislation	Enforce 18 By-laws & relevant legislation	Enforce 20 By-laws & relevant legislation
					Report on access control and safeguarding of municipal assets	security services are in place	safeguard all municipal facilities	safeguard all municipal facilities	safeguard all municipal facilities	safeguard all municipal facilities	safeguard all municipal facilities
<b>Energy</b>	<b>To provide access to energy infrastructure</b>	<b>BSD 51</b>	Provide electricity infrastructure to 6500 households.	Access to Electricity	Number of Households With Access to grid Electrification	1243 constructed	Construct Infrastructure for 333 Households in Mngcibe Ward 25 and 195 Households Ward 20: Total is 528	Construction of Infrastructure for 670 Households in Ward 20	Construction of Infrastructure for 1000 Households/extensions	Construction of Infrastructure for 900 Households/extensions	Construction of Infrastructure for 600 Households/extensions

	<b>e by 2022</b>				Number of Households provided with non-grid electrification	700 Households Installed	Install 700 Households in Ward 16 and Ward 17	Install 450 Households	Install 500 Households	Install 550 Households	Install 602 Households
			Construct and install 25 highmast lights at Libode and Ngqeleni.	Public Safety	Number of High masts Installed and maintained	6 High Masts Installed and maintained	Install 5 High Mast in Libode and Ngqeleni Ward 07 and 21	Install 5 High Mast in Libode and Ngqeleni Ward 07 and 22	Maintain 5 High Mast in Libode and Ngqeleni Ward 07 and 23	Maintain 5 High Mast in Libode and Ngqeleni Ward 07 and 24	Maintain 5 High Mast in Libode and Ngqeleni Ward 07 and 25
			Maintain 400 street lights and municipal facilities		Number of Street Lights Maintained	100 Street lights maintained	Maintain 80 Street lights in Libode and Ngqeleni in Ward 07 and 21	Maintain 80 Street lights in Libode and Ngqeleni in Ward 07,15,21	Maintain 80 Street lights in Libode and Ngqeleni in Ward 07,15, 21	Maintain 80 Street lights in Libode and Ngqeleni in Ward 07,12,13,15,21	Maintain 80 Street lights in Libode and Ngqeleni in Ward 07,12,13,15,21
Spatial Planning and Land use Management A62:J68	To provide integrated spatial planning, land use management and built environment	SDF 48	Review and implement Spatial Development Framework.	Facilitated spatial planning to guide development	Approved Spatial development framework (SDF)	Approved 2011 SDF	Review and approve SDF	-	-	-	-
			Institutionalise Geographical Information System.	Spatial mapping of all municipal infrastructure	Functional GIS System & number of users trained	GIS Assessment report is in place	train 4 users on GIS system.	Upload information on the system	Data capturing, maintenance and cleansing	Data capturing, maintenance and cleansing	Data capturing, maintenance and cleansing

	by 2022.	Develop land use scheme.	Facilitate spatial planning to promote development through approval of land use schemes	Developed land use scheme	Transkei zoning scheme is in place	-	Development and approval of Spatial Planning and land use management Bylaw	Development and approval of land use management schemes	Enforcement of land use management scheme	Enforcement of land use management scheme
		Administration of development planning applications.	Facilitated spatial planning processes to promote development through approval of plans,	Report on development planning applications assessed and approved	Town planning ordinance no33 is in place	Assess and approve received development planning applications	Assess and approve received development planning applications	Assess and approve received development planning applications	Assess and approve received development planning applications	Assess and approve received development planning applications

			Regulate, Control and comply with regulations on building standards	Buildings structures in compliance with building regulations standards	Compliant and approved Building plans	Building plans register and Building Standards regulations	Monitor and regulate building plan submission and compliance with building standards regulations and issue compliance certificates	Monitor and regulate building plan submission and compliance with building standards regulations and issue compliance certificates	Monitor and regulate building plan submission and compliance with building standards regulations and issue compliance certificates	Monitor and regulate building plan submission and compliance with building standards regulations and issue compliance certificates	Monitor and regulate building plan submission and compliance with building standards regulations and issue compliance certificates
		SDF 49	Identify and facilitate transfer of 100 property registrations by 2022	Increased municipal property rates revenue	Number of registrations effected and transfers finalized	Deeds download property valuation and municipal land audit 2005	Facilitate transfer of 20 property registrations	Facilitate transfer of 20 property registrations	Facilitate transfer of 20 property registrations	Facilitate transfer of 20 property registrations	Facilitate transfer of 20 property registrations
			Conduct Land audit		Report on audited properties within the municipality	Eastern Cape Land audit	Compile and complete land audit	Update land audit register	Update land audit register	Update land audit register	Update land audit register

			Township establishment (100 units at Ngqeleni, 82 units Libode and 1328 Nomzamo )	Formalised human settlements	Number of new townships established	Approved extension 2 township	Township registration/establishment of proposed extension 6 libode (82 properties)	Township registration/registration of proposed extension 6 Ngqeleni (100 properties) and proposed extension 7 libode (1328 units)	-	-	-
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# LOCAL ECONOMIC DEVELOPMENT

Strategic Focus Area	5 Year Objective	Objective Number	municipal Strategies	Outcomes Indicator	Output Indicator	Baseline	Annual Targets				
							2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Socio - Economic development	To create a conducive environment for economic growth by 2022.	LED 39	Promote sustainable Cooperatives and SMMEs	Well capacitated and empowered SMMEs through trainings conducted	Number of trainings conducted.	LED Strategy in place	60 SMME and Cooperatives trainings conducted	60 SMME and Cooperatives trainings conducted	60 SMME and Cooperatives trainings conducted	60 SMME and Cooperatives trainings conducted	60 SMME and Cooperatives trainings conducted
					Number of SMME/Co-operative incubated		planning and identification of 4 SMME and/cooperative for incubation	Support and incubate 1 SMME/ Cooperative in partnership with	Support and incubate 1 SMME/ Cooperative in partnership with	Support and incubate 1 SMME/ Cooperative in partnership with	Support and incubate 1 SMME/ Cooperative in partnership with

			programme in partnership with ECDC and DEDEAT	DEDEAT and ECDC	DEDEAT and ECDC	DEDEAT and ECDC	DEDEAT and ECDC
Contracted warehouses	Two light industrial business warehouses developed in both towns.	None	Physical planning and costing of warehousing infrastructure in partnership with DEDEAT/ECDC	Construct 1 warehouse at Ngqeleni phase 1	Construct 1 warehouse at Libode phase 1	Construct 1 warehouse at Ngqeleni phase 2	Construct 1 warehouse at Libode phase 2
Formalised informal trading	Number of small towns regeneration initiatives implemented	Small town regeneration Strategy is in place  Municipality has provided Hawkers with Equipment	Coordinate planning for informal trade infrastructure in partnership with DEDEAT	Coordinate provision of informal trade infrastructure with DEDEAT	Coordinate provision of informal trade infrastructure with DEDEAT	-	-

Promote entrepreneurship and access to financial assistance and market.	facilitation of local economies through technical support on bankable business plans and access to funding	Report on strategic partnerships with key partners on access to funding and project marketing	no structured partnerships with key partners on technical assistance to solicit financial assistance and marketing	Engage key strategic partners for planning for business plan development on bankable projects and strategies on access to funding	develop business plans and lobby for funding in partnership with key stakeholders	develop business plans and lobby for funding in partnership with key stakeholders	develop business plans and lobby for funding in partnership with key stakeholders	develop business plans and lobby for funding in partnership with key stakeholders
Develop and sustain agriculture to build food security	Reduction of poverty through food security projects	Number of hectares planted.	1500 hectares planted with maize through farmers and DRDAR partnership	Coordinate planting 1500 hectares with maize in in partnership with DRDAR	Coordinate planting 1500 hectares with maize in in partnership with DRDAR	Coordinate planting 1500 hectares with maize in in partnership with DRDAR	Coordinate planting 1500 hectares with maize in in partnership with DRDAR	Coordinate planting 1500 hectares with maize in in partnership with DRDAR
		Number of small scale projects supported	10 small scale projects supported with inputs.	Support 10 small scale projects with inputs.	Support 10 small scale projects with inputs.	Support 10 small scale projects with inputs.	Support 10 small scale projects with inputs.	Support 10 small scale projects with inputs.
		Number of households supported with farming inputs	320 households supported with	Support 320 households with farming inputs.	Support 320 households with farming inputs.	Support 320 households with farming inputs.	Support 320 households with farming inputs.	Support 320 households with farming inputs.

								farming inputs.							
									Number of agricultural shows hosted and flea market	Hosted 1 agricultural show	Host 1 agricultural show	Host 1 agricultural show	Host 1 agricultural show	Host 1 agricultural show	Host 1 agricultural show
									costed business plan and constructed facilities (as per identified plans)	coordination for projects at the coastline such as, EIA for ablution facilities is ongoing	finalize business plans and costing for coastal infrastructure	coordinate construction of coastal tourism infrastructure phase 1	coordinate construction of coastal tourism infrastructure phase 2	coordinate construction of coastal tourism infrastructure phase 3	coordinate construction of coastal tourism infrastructure phase 4
									Report on support provided to oceans'economy	fish factory is in place at Tshani Mankosi	coordinate support on oceans 'economy initiatives	coordinate support on oceans 'economy initiatives	coordinate support on oceans 'economy initiatives	coordinate support on oceans 'economy initiatives	coordinate support on oceans 'economy initiatives
									Number of hectares on essential oils trial	1ha trials on essential oils conducted	Conduct 1 hectare trials on essential oils at Malungeni	Conduct 1 hectare trials on essential oils at Malungeni	-	-	-

			Report on support for Agri-Parks	ongoing support for Agri-Park initiative	identify and plan the Farmer Production Support Unit (FPSU) & Crop Production in with OTP and OR Tambo District Municipality	Provide support to Farmer Production Support Unit (FPSU) & Crop Production in with OTP and OR Tambo District Municipality	Provide support to Farmer Production Support Unit (FPSU) & Crop Production in with OTP and OR Tambo District Municipality	Provide support to Farmer Production Support Unit (FPSU) & Crop Production in with OTP and OR Tambo District Municipality	Provide support to Farmer Production Support Unit (FPSU) & Crop Production in with OTP and OR Tambo District Municipality
Promote coastal and inland tourism Development through marketing	Contribution of tourism, natural asset and heritage to the economy	Number of Awareness campaigns conducted exhibitions attended, Tourism page on website	Tourism awareness campaigns held annually	Conduct local Tourism Awareness campaigns, exhibition through Tourism Indaba, National Arts festival, S.S Mendi commemoration and development of tourism page on the municipal website.	Conduct local Tourism Awareness campaigns, exhibition through Tourism Indaba, National Arts festival, S.S Mendi commemoration and development of tourism page on the municipal website.	Conduct local Tourism Awareness campaigns, exhibition through Tourism Indaba, National Arts festival, S.S Mendi commemoration and development of tourism page on the municipal website.	Conduct local Tourism Awareness campaigns, exhibition through Tourism Indaba, National Arts festival, S.S Mendi commemoration and development of tourism page on the municipal website.	Conduct local Tourism Awareness campaigns, exhibition through Tourism Indaba, National Arts festival, S.S Mendi commemoration and development of tourism page on the municipal website.	Conduct local Tourism Awareness campaigns, exhibition through Tourism Indaba, National Arts festival, S.S Mendi commemoration and development of tourism page on the municipal website.
		Number of natural assets and heritage sites managed	Ntlangano development plan is in place	Facilitate development of Ntlangano initiative through coordination	Facilitate development of Ntlangano initiative	Facilitate development of Ntlangano initiative			


	and participation in PSC meetings				
Draft wild coast development plan is in place	Participate to other national priority programmes (wild coast development programme) by attending meetings	Participate to other national priority programmes (wild coast development programme) by attending meetings	Participate to other national priority programmes (wild coast development programme) by attending meetings		
Business plan for Working For the Coast Programme is in place	Monitor implementation of Working For the Coast Programme through participation in PSC meeting	Monitor implementation of Working For the Coast Programme through participation in PSC meeting			

**INSTITUTIONAL & FINANCE CLUSTER – PRIORITY PROGRAMMES & PROJECTS**

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2016/17	2017/18	2018/19
	01	N/A	communication strategy	OPEX	R77 761 60	R82 271. 77	R87 043 54

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2016/17	2017/18	2018/19
Good governance & Admin oversight		N/A	Review of institutional policies	OPEX	R848 000	R897 184	R949 220 .67
		N/A	Design website and update	OPEX	R116 176	R122 914.21	R130 043.23
		N/A	Review of procedure manual	OPEX	R104 800	R110 983	R117 198
			Development of municipal by-laws	Opex	R111 088.00	R117 531.10	R124 347. 91
			Legal Fees	Opex	R777 616	R822 717.73	R870 435.36
			Media Liaison Programmes	Opex	R377 720	R399 627.76	R422 806.17
			Municipal Oversight	Opex	R318 000	R336 444	R355 957.75
			Management Oversight	Opex	R424 000	R448 592	R474 610.34
Municipal Planning			Development of Nyandeni Master Plan (2030 VISION)		R530 000	R560 740	R503 262.92
			IDP		R888 704	R940 248.83	R994 783.26
			Back to Basics		R318 000	R336 444	R355 957.75
			Electricity Master Plan		R166 632	R176 296.66	R186 521.86
			Strategic Planning		R888 704	R940 248.83	R994 783.26
Intergovernmental relations	02	N/A	IGR Support	OPEX	R131 083.84	R138 686.70	R146 730.53
Public participation & support to political structures	04	N/A	Support to Traditional Leaders	OPEX	R166 632.	R176 296.66	R186 521.86
			Support for ward admin facilities	Opex	R3 745 887.36	R3 963 148.83	R 4 193 011.46
	05	N/A	Public participation	OPEX	R848 000	R897 184	R949 220.67
			Project launches	Opex	R233 264	R246 793.31	R261 107.32
			Sports and recreation	Opex	R222 176	R235 062.21	R248 695.82
			SPU: Children	Opex	R388 808	R411 358.86	R435 217.68
			SPU: Physical challenged	Opex	R166 632	R176 296.66	R186 521.86
			SPU: Women	Opex	R333 264	R352 593.31	R373 043.72
			SPU: Youth	Opex	R338 352	R357 976.42	R378 739.05
			Outreach programmes/Imbizos	OPEX	R388 808	R411 358.86	R435 217.68
			Sectoral support programme	Opex	R666 528	R705 186.62	R746 087.45
			Poverty alleviation fund	Opex	R333 264	R352 593.31	R373 043.72
	All	Ward Committee Training	Opex	R116 176.	R122 914.21	R130 043.23	
		SALGA Capacity Program		R1 000 000	R1 058 000	R1 119 364	
		Council support		R212 000	R224 296.00	R237 305.17	
	N/A	Compilation of valuation roll	OPEX	R277 720	R293 827.76	R310 869.77	

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2016/17	2017/18	2018/19
Reporting & credit control		N/A	Grap implementation	OPEX	R1 237 232.	R1 308 991.46	R1 384 912.96
			Community Awareness campaign	OPEX	R27 772	R29 382.78	R31 086.98
			Audit fees	Opex	R4 240 000	4 485 920	R4 746 103.36
Asset Management & Information Technology Management		N/A	Compilation of GRAP Asset Register	OPEX	R898 880	R951 015.04	R1 006 173.91
			Financial management system	OPEX	R 912 000	R964 896	R1 020 859.97
			Implementation of Credit Control Bylaw		R255 072.15	R269 866.33	R285 518.58
			APN Solution	OPEX	R222 176	R235 062.21	R248 695.82
			Computer installation		R111 088	R117 531.10	124 347.91
Risk Management		N/A	Develop Risk Management Plan and Risk assessment	Opex	R222 176	R235 062.21	R248 695.82
			Fraud and Prevention		R166 632	R176 296.66	R186 521.86
			Audit Committee Costs	Opex	230 740.80	R244 123.77	R258 228.94
Internal Audit		N/A	Internal Audit costs	OPEX	R314 400	R332 950	R351 595
			Review of procedure manual		R111 088	R117 531.10	R124 347.91
Workplace Skills Plan		N/A	Human resource development fund	OPEX	R2 000 000	R2 116 000	R2 238 728
			Training of interns		R111 088	R117 531.10	R124 347.91
			Public service week		R133 305.60	R141 037.32	R149 217.49
			Science week		R166 632	R176 296.66	R186 521.86
Employee and Wellness		N/A	Employee assistance programme	Opex	R555 440	R587 655.52	R621 739.54
			Occupational health & safety	Opex	R555 440	R587 655.52	R621 739.54
PMS & SDBIP		N/A	Performance management system	OPEX	R55 544	R58 765.55	R62 173 95
			Monitoring and Evaluation		R166 632	R176 296.66	R186 521.86

**Economic & Environment Cluster – Priority Programmes & Projects**

KPA	OBJ NO.	STRATEGY CODE	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
						2016/17	2017/18	2018/19
SDF, , Trading by-laws and Policies)	17			SDF Review	OPEX	R278 000	-	-
				Urban Area Land Audit		R100 000	R105 800	R111 936.40
				Electricity Master Plan	Opex	R157 200	R166 475	R175 797
				Small scale Farming	Opex	R318 000	R336 444	R355 957.75
				Hawker infrastructure		R559 202.99	R591 636.76	R625 951.70
				Support to paving cooperative		R318 000	R336 444	355 957.75
SMME		21 E&EC 01		Tourism Sector Plan review	OPEX	R407 000	R430 606	R455 581.15
				Tourism		R388 808	R411 358.86	R435 217.68
				Tourism Indaba		R111 088	R117 531.10	R124 347.91
				Tourism awareness campaign		R132 544	R140 231.55	R148 364.98
				EPWP		R1 261 000	R1 820 421	R1 422 364.58
				Public debate on tourism		R111 088	R117 531.10	R124 347.91
				Life Guards support	Opex	R600 000	R634 800	R671 618.40
				Arts, culture & heritage promotio	Opex	R200 720	R212 361.76	R224 678.74
				Essential oils	OPEX	R261 088	R276 231.10	R292 252.51
				Malungeni Clay Implementation	Opex	R166 632	R176 296.66	R186 521.86
				Mdumbi Hotel and Conference Centre	To source funding	-	-	-
				Crop production		1 590 000	1 682 220	1 779 788.76
				Hemp production		R106 000	R112 148	R118 652.58
			Development of informal trade sector	Opex	R55 544	R58 765.55	R62 173.95	
			SMME & Cooperatives		R266 569.60	R282 030.64	R298 388.41	
			Strategic partnership		R111 088	R117 531.10	R124 347.91	



**Community Services Cluster – Priority Programmes & Projects**

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2016/2017	2017/2018	2018/2019
Waste & Refuse Collection		3,14,16, 23	Waste Management	CAPEX	R453 283.48	R479 573.92	R507 389.20
		21, 7	Construction of refuse removal Transfer Station in Ngqeleni	MIG/OPEX	R408 040	R432 114	R455 881
		All	Conduct awareness	OPEX	R55 810.61	R59 047.63	R62 354.29
			Tools and equipment		R111 088	R117 531.10	R124 347.91
Cleansing		1,7,16,19,21,24	Refuse bags	OPEX	R223 564.60	R236 531.35	R250 250.16
Pound Management		21&7	Pound services	OPEX SPCA	R291 174.98	R308 063.13	R325 930.79
Cemeteries		4,5,19,20	Cemeteries	OPEX	R104 800	R110 983	R117 198
			Upgrading of cemeteries		R111 088	R117 531.10	R124 347.91
Parks and Open Spaces		21,7	Parks & open spaces	OPEX	R134 435	R142 232.23	R150 481.70
Electrification			Electrification		R9 000 000	R15 000 000	R20 000 000
Free Basic Services			Indigent subsidies	OPEX	R5 300 000	R 5 607 400	R5 932 629
Disaster Management – Fire Fighting		All					
		All	HIV/AIDS	OPEX/	R277 720	R293 827.76	R310 869.77
			Community Liaison programmes	OPEX	R55 544	R58 765.55	R62 056.42
Education, Early childhood, Adult learning programs			Ematholeni : Children First ECD	CAPEX	R1 696 000	R1 794 378	R1 894 852.61
Public Safety			Community Safety Forum	OPEX	R59 432.08	R62 879.14	R66 400.37
Regulations			Environmental Sector Plan	OPEX	-	-	-

KPA	OBJ NO.	WARD NO	PROJECT DESCRIPTION	FUND SOURCE	FUNDING YEAR		
					2016/2017	2017/2018	2018/2019
(Environmental Health)							
Traffic safety			Vehicle registration authority	OPEX	R111 088	R117 531.10	R124 347.91
			Policing equipment	CAPEX	R222 176	R235 062.21	R248 695.82
			Transport forum	OPEX	R77 761.60	R82 271.77	R87 043.54
			Support to arrive Alive campaign	OPEX	R88 870.40	R94 024.88	R99 478.33
			DLTC and ENATIS	OPEX	R388 808	R411 358.86	R435 217.68
			Pauper Burial	OPEX	R10 020	R10 580.21	R11 193.86
			Amenities and community facilities	OPEX	R237 728.32	R251 516.56	R266 104.52
			Uniform traffic section		R55 440	R587 655.52	R621 739.54
			Ematholeni Children First development forum	OPEX	R23 056	R24 416	R25 784
			Public security	OPEX	R144 414.40	R152 790.44	R162 652.28
Library services				DSRAC	R400 000	R400 000	R400 000
			Books and publication	Opex	R33 326.40	R35 259.33	37 233.85

## CAPITAL PROJECTS

CAPITAL PROJECTS 2016/17 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
Access roads	4 km	22	Manqabeni Alternative Surfacing	OPEX	R 3.00 m	Construction Continues from 2015/16
	6.5 km	02	Jojozi to Ncithwa A/R	CAPEX	R 4.86 m	Advert for Construction From 2015/16
	6 km and Bridge	05	Ndayini Phase 2 A/R	CAPEX	R 5.06 m	Advert for Construction From 2015/16
	5.5 km	26	Mafusini to Zincukutwini A/R	CAPEX	R 3.50 m	Advert for Construction From 2015/16
	6 km plus bridge	06	Cibeni to Ngojini Bridge	CAPEX	R 10.35 m	Advert for Construction From 2015/16
	6 km and Bridge	23	Bukhwezeni A/R	CAPEX	R 6.50 m	Advert for Construction From 2015/16
	5,7 km	8	Magcakini A/R	CAPEX	R 4.00 m	Advert for Construction From 2015/16
	14,2 km	31	Renny A/R	CAPEX	R 6.00 m	Advert for Construction From 2015/16
	13,5 km and Bridge	24	Mgojweni to Mabhetshe A/R	CAPEX	R 6.50 m	Advert for Construction From 2015/16
	11,5 km and Bridge	28	Msuzwaneni to Thekwini A/R	CAPEX	R 5.53 m	Advert for Construction From 2015/16
	6 km and Bridge	22	Lower Malahle to Mlatha Access Road (Mgonondi Access Road)	CAPEX	R 7. 60 m	Advert for Construction From 2015/16
	km	27 and 05	Sompa to Ndzuluka A/R	CAPEX	R 4.58 m	Engineering Services Required
	6 km	26	Polar Park A/R	CAPEX	R 5,81 m	Environmental Impact Assessment (EIA) Approved
	5 km	27	Makwalweni to Mzimvubu A/R	CAPEX	R 3.12 m	EIA Approved to be constructed

CAPITAL PROJECTS 2016/17 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
	4.5 km	07	Libode Extension Internal roads (Extension 1&2)	CAPEX	R 9.90 m	Designs Completed
	5 km	21	Ngqeleni Extension 2 Internal roads	CAPEX	R 7.00 m	Designs Completed
	Waste Management	7	Libode Landfill Site	CAPEX	R 3.50 m	Designs Underway
	Public transport	21	Ngqeleni Transport Hub	CAPEX	R 12.05 m	Designs Completed
	Roads life span	7 & 21	Storm water Libode and Ngqeleni	CAPEX	R 2.00 m	Engineering Services Required
		21	Municipal Workshop and Offices	OPEX	R 8.00 m	Professional Services from 2015/16
Safety		07 and 21	Fencing of Libode and Ngqeleni Pounds	CAPEX	R 1.60 m	Ready for Construction
Special Programmes (Youth Development)		03	Ward 03 Multipurpose Centre and Sports field	CAPEX	R 2.00 m	Professional Services Required
		17	Ward 17 Multipurpose Centre and Sports field	CAPEX	R 2.00 m	Professional Services Required
		31	Ward 31 Multipurpose Centre and Sports field	CAPEX	R 2.00 m	Professional Services Required
		16	Ward 16 Multipurpose Centre and Sports field	CAPEX	R 2.00 m	Professional Services Required
		28	Ward 28 Multipurpose Centre and Sports field	CAPEX	R 2.00 m	Professional Services Required
CAPITAL PROJECTS 2017/18 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
SMME Development	Local Development Growth	07 and 21	Informal Trading Infrastructure	CAPEX	To be costed	Professional Services Required
Access roads and Bridges	km	26	Tholeni A/R	CAPEX	R 3.51 m	Scope of Works Completed
	km	25	Ludaka A/R with Bridge	CAPEX	To be costed	Scope of Works Completed
	km	19	Lusizini A/R	CAPEX	R 4.98 m	Scope of Works Completed
	km	07	Thabo Mbeki Internal Streets	CAPEX	R 1.50 m	Planning and Engineering

CAPITAL PROJECTS 2016/17 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
	km	05	Nxukwebe to Mtombetsitsa A/R	CAPEX	R 1.00	Planning and Engineering
	km	08	Chizela to Moyeni A/R	CAPEX	To be costed	Planning
Access roads and Bridges	km	27	Langakazi Low Volume A/R	CAPEX	R 1.00 m	Engineering Services Required
	km	22	Mabomvini to Nkunzimbini A/R	CAPEX	R 5.48 m	Engineering Services Required
	km	06 and 17	Ngqongweni Clinic Linkage A/R	CAPEX	R 4.50 m	Planning and Scope of Works Completed
	km	07 & 30	Ndanya Clinic A/R	CAPEX	To be costed	Planning and Scope of Works Completed
	km	10	Lurhasini A/R	CAPEX	To be costed	Planning and Scope of Works Completed
	km	14	Mqwangqweni No1 to No 2 with Magwaz'phalitshi Bridge (Lujizweni)	CAPEX	R 1.50 m	Engineering Services Required
	Electrification		21	High Mast Street Lights	CAPEX	To be costed
Access Roads and Bridges	km	15	Ngxokweni to Mtyu A/R	CAPEX	To be costed	Environmental Impact Assessment
	km	23 & 28	Ntshazini Bridge to Canzibe Low volume Access road	CAPEX	R 2.50 m	Engineering Services Required
	km	18	Ngidini to Khangisa A/R	CAPEX	To be costed	Planning
CAPITAL PROJECTS 2018/19 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
Special Programmes (Youth Development)		08	Ward 08 Multipurpose Centre and Sports field	CAPEX	To be costed	Planning
		30	Ward 30 Multipurpose Centre and Sports field	CAPEX	To be costed	Planning
		10	Ward 10 Multipurpose Centre and Sports field	CAPEX	To be costed	Planning
		25	Ward 25 Multipurpose Centre and Sports field	CAPEX	To be costed	Planning
		22	Ward 22 Multipurpose Centre and Sports field	CAPEX	To be costed	Planning

CAPITAL PROJECTS 2016/17 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
	km	07	Libode 500 units internal roads alternative surfacing	CAPEX	To be costed	Planning
MAINTENANCE PROJECTS 2016-2017 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
	km	06	Mputshane A/R	OPEX	R 2.58 m	Advert for Construction
	km	28	Ntibane A/R	OPEX	R 2.25 m	Advert for Construction
	km	01	Kalandoda A/R	OPEX	R 2.22 m	Advert for Construction
	km	27	Gqweza A/R	Equitable Share & CoGTA	R 2.11 m	Advert for Construction
Access roads	km	01	Mjobeni A/R	OPEX	R 2.09 m	Advert for Construction
	5 km	16	Mkhankatho A/R	OPEX	R1.84 m	Advert for Construction
	km	10	Ntilini A/R	OPEX	R 2.30	Advert for Construction
	km	13	New Buntingville A/R	OPEX	R 2.40 m	Advert for Construction
	km	20	Gangeni A/R	OPEX	R 1.32 m	Advert for Construction
MAINTENANCE PROJECTS 2017/2018 FINANCIAL YEAR						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
Access roads	km	23	Ward 23 sports ground Levelling	OPEX	Internal Plant	Scope of Works to be developed
	km	03	Chophetyeni to Luthubeni A/R	OPEX	To be Costed	Inception
	km	12	Mthebelezi to Ntapane A/R	OPEX	To be Costed	Inception
	km	20	Goli A/R	OPEX	To be Costed	Inception
	km	25	Lwandile A/R	OPEX	To be Costed	Inception
	km	27	Dungu to Bungu A/R	OPEX	To be Costed	Inception
NATIONAL AND PROVINCIAL PROJECTS						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
Access Roads and Bridges		04	Zinkumbini bridge			
		26	Zixambuzi bridge	Unfunded		
		04	Dalaguba to Mncwili bridge	Unfunded		Needs proper assessment

**CAPITAL PROJECTS 2016/17 FINANCIAL YEAR**

FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
		25	Mamolweni bridge	Unfunded		
	Interchange at Corana	07,08, 12, 09,30	Mthatha to Ngqeleni Intersection (Corana Interchange and Dual Carriage way from Mthatha to Corana)	SANRAL	R 340.00 m	Construction
	Safety Access to R61	07,08, 12, 09,30	Libode Upgrade (Intersections and Interchange at Libode)	SANRAL	R 260.00 m	Construction
Electricity 2016/17 Financial Year						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
<b>Electrification</b>	290 Households (HH)	22 & 23	Bomvana Extensions ( <b>Sezela, Ngqinibeni, Bomvini</b> )	ESKOM	R 4.81 m	Contractor Appointed
	600 HH	26	MTHATHA MOUTH 15/16 ( <b>Nyandeni, Ezincukutwini, Meveni, Ntsimbini, Ngawuza</b> )	ESKOM	R 10.00m	Contractor Appointed
	Link Line	25	MTHATHA MOUTH 15/16 Link Line	ESKOM	R 2.40 m	
	260 HH	02	Ncithwa Extensions ( <b>Siza, Magqingeni, Mahahane, Ncitwa, Ziphondo, Cibeni, Mhlatyana, Tshakude</b> )	ESKOM	R 4.40 m	Contractor Appointed
	Infrastructure	02	Ncithwa Link Line	ESKOM	R 2.10 m	Contractor Appointed
	Pre Engineering	All	Nyandeni Extensions	ESKOM	R 250 000	Planning
<b>Electrification</b>	155 HH	20	Bucula	INEP	R3.50	Ready for Advert for Construction
	7.5 km	20	Ward 20 Infrastructure	INEP	R 1.04 m	Ready for Advert for Construction
	196 HH	25	Mngcibe	INEP	R 4.50 m	Preliminary Design Report Complete
	1450 HH	20, 25, 26	Bucula Remainder, Mvilo, Ngongqelweni, Mdzwina, Goli, Ngojini, Mngcibe Remainder, Tshani, Mankosi, Esikululweni	Unfunded	R 33.35 m	DBSA Funding Application Submitted

**CAPITAL PROJECTS 2016/17 FINANCIAL YEAR**

FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
<b>Electricity 2017/18 Financial Year</b>						
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
<b>Electrification</b>	5750 HH	All	Nyandeni Backlog and Extensions	Unfunded	R 107.80 m	Master Plan Developed
	200		Bomvana Extentions	ESKOM	R 3.80 m	Planning
	N/A	Various	Bomvana Link Line	ESKOM	R 1.00 m	Planning
	500	26	Mthatha Mouth (Esidagadabeni, Ngongo, Meveni)	ESKOM	R 9.50 m	Planning
	N/A	Various	Mthatha Mouth Link Line	ESKOM	R 1.25 m	Designs
	170	02	Ncitwa Extentions (Cibeni, Mhlatyana, Ziphondo)	R 3.32 m	ESKOM	Planning
	N/A	Various	Ncitwa Extention Link Line	R 1.50 m	ESKOM	Planning
	20	Various	Nyandeni Infills	R 240 000	ESKOM	Planning
	N/A	Various	Ngqeleni SWER Line Upgrade	R 3.00 m	ESKOM	Planning
FOCUS AREA	Indicator	WARD NO	PROJECT NAME	FUNDING SOURCE	ESTIMATED BUDGET	COMMENT
Municipal Public Works & EPWP	Jobs Created & Paved Access/ Side Walks	07	Nomandela Drive to Libode Main Street Side Walks	EPWP	R 1,1 million	Planning
		07	Municipal Parking	EPWP		Planning
		21	Ngqeleni Armstrong Street Side Walks	EPWP		Planning
		07	Libode Main Road Side Walks	OPEX	R 1,5 million	Planning
		07&21	Internal Access to Cemeteries			

**Current capital projects (Funded by OR Tambo DM)**

Project Name	Ward	Villages Served	Scope	Progress
Thekwini Regional Phase 2 Water Supply	Ward 23 &26	Njivane, Kwa Madiba, Entsimbini, Goso, Enyandeni, Mpendle, Ntsimbini, Mgawuza, Ezincukuthwini and Mpundweni.	Construction of Storage Reservoirs, Bulk Distribution Mains, Break pressure Tanks, Reticulation Network and Refurbishment of the Nomadolo Pumpstation	88 % Complete
Rosedale - Libode Bulk /1	Ward 7	To Serve the Libode Town	Construction of Bulk Distribution Line from 3Ml Reservoir to Booster Pump Station.	53 % Complete
Rosedale - Libode Bulk /2	Ward 7	To Serve the Libode Town	Construction of Bulk Distribution Line from Booster Pump Station to Command Reservoir.	34 % Complete
Rosedale - Libode Bulk /3	Ward 7	To Serve the Libode Town	Construction of Bulk Distribution Line from Command Reservoir to Libode Town.	15 % Complete
Buthongweni Water Supply	Ward 24 & 28	Kumandeni, Kwazaka, Mhlakotshane, Sigubudu, Mfundweni, Lutshini, Mayalweni, Ngonyameni, Sizindeni, KwaZulu, Sidanda, Lutatweni and Buthongweni	Construction of Reticulation Network and Completion of the Water Treatment Plant.	Project Complete, 100% of the Scope
Ntsonyini - Ngqongweni Water Supply	Ward 6	Ntsonyini, Nohokoza, Ngqongweni and Kulambeni	Construction of Storage Reservoirs, Bulk Distribution mains, and Reticulation lines	90 % Complete
Nqgeleni Dam	Ward 30	Nqgeleni 27 villages	Construction of an earthfill storage dam, gravity main and access road to dam - completion of outstanding work	Site establishment done (2% complete)

Project Name	Ward	Villages Served	Scope	Progress
Ward 3 Sanitation	Ward 13	Buntingville, Mandlovini, Ntsaka and Dumasi	Construction of 1 640 VIP's	1 452 VIP's Complete
Ward 6 A Sanitation	Ward 6 & 27	Mngazi, Ngojini, Cibeni, Mevana, Nkanga, Lukhuni, Gqweza	Construction of 2 920 VIP's	2 603 VIP's Complete
Ward 6 B Sanitation	Ward 6 & 27	Mgwenyane, Ntsonyini, Nohokoza, Kulambeni, Maqanyeni, Nkonkoni, Ntshela, Bungu, Dikela and Lwandlana.	Construction of 2 920 VIP's	1 923 VIP's Complete
Ward 10 Sanitation	Ward 10 & 11	Zikhoveni, Ntilini, Sofaya Villages, Nkanini, Suncity, Ngqwayi	Construction of 1 000 VIP's	986 VIP's Complete
Ward 9A Sanitation	Ward 9,30	Norwood, Ngxanga, Mhlabeni, Diphini	Construction of 2350 VIP's	149 VIP's Complete
Ward 9B Sanitation	Ward 9,18	Mchubakazi, Mabheleni, Vezamandla, Zithathele	Construction of 2350 VIP's	1296 VIP's Complete
Nyandeni Ward 20 A Sanitation	Ward 20	Mdzwini, Xhuth'udwele/Hluleka, Lucingweni, Gangeni, Bhucula, Mvilo, Ngonqelweni, Mjanyana, Khephe/Vinish, Jange and Ntsundwana, Notitsila	Construction of 800 VIP Units / Toilets	218
Nyandeni Ward 20 B Sanitation	Ward 20	Mdzwini, Xhuth'udwele/Hluleka, Lucingweni, Gangeni, Bhucula, Mvilo,	Construction of 800 VIP Units / Toilets	100 Pit linings

Project Name	Ward	Villages Served	Scope	Progress	
		Ngonqelweni, Mjanyana, Khephe/Vinish, Jange and Ntsundwana, Notitsila			
Nyandeni Sanitation	Ward 24A	Ward 24, 28 & 29	Malungeni, Mbange, Godini A/A, Ncedani and Buthongweni.	Construction of 2200 VIP Units/ Toilets	1004
Nyandeni Santation	Ward 24B	Ward 24 & 29	Buthongweni, Zaka and Mahlakotshane	Construction of 2200 VIP Units / Toilets	589
Nyandeni Sanitation	Ward 26A	Ward 26 & 25	Ntsimbini A/A and Gazini	Construction of 1635 VIP Units /Toilets	1438
Nyandeni Sanitation	Ward 26B	Ward 26	Gazini and Mankosi A/A	Construction of 1635 VIP Units / Toilets	156

LM	Project Name	Areas to be Served	Scope	Progress
Nyandeni	Libode sewer and sewer treatment works	Libode Town and Thabo Mbeki township	Construction of sewer network, bulk mains and sewer treatment works	consultant appointed in January 2013

#### DEPARTMENT OF PUBLIC WORKS PROGRAMME

Road Number	Places	Length (km)	Comments	Budget
DR08174	N2 to DR08175 via Nyandeni Great place	24.67	Patch graveling	R4,000,000.00
DR08 301	Kopshop to Libode	15.41	Re-gravelling and repairs to hydraulic structures	R4,000, 000.00

Road Number	Places	Length (km)	Comments	Budget
DR08310	DR18030 to Mamolweni	10	Patch gravelling and attend to hydraulic structures	R1,000,000.00
DR08175	DR08178 to Lukhuni	41.85	Re-gravelling and repairs to hydraulic structures	R4,000,000.00
DR08302	Ngqeleni To Ntlaza	12.88	Patch gravelling and attend to hydraulic structures	R3,000,000.00
DR08029/DR08308	Hluleka road	16	hydraulic structures	R42,000,000.00

#### Maintenance Programme

- Routine maintenance contract.....R1,000,000
- Routine Roads maintenance.....R3,500,000

#### ESKOM ELECTRIFICATION PROGRAMME FOR 2015/2016

Municipality	Project Name	Category	Planned CAPEX	Planned HH Connections
Nyandeni	Bomvana Ext.	Household	R 4,810,000.00	290
	Mthatha Mouth 15/16	Household	R 10,000,00.00	600
	Mthatha Mouth 15/16 Link Line	Infrastr	R 2,400,000.00	
	Ncithwa Ext.	Household	R 4,400,000.00	260
	Ncithwa Exts Link Line	Infrastr	R 2,100,667.00	
	Nyandeni Exts	Pre-Eng.	R 250,000.00	
<b>Total Nyandeni</b>			<b>R 23,960,667.00</b>	<b>1150</b>

#### SANRAL PROJECSTS

LIBODE UPGRADE	<ul style="list-style-type: none"> <li>• Tender awarded to Triamic for R260 million</li> <li>• Contractor on site April 2014</li> <li>• Contract period 22 months</li> <li>• Biggest issue at the moment is land for relocations</li> </ul>
<u>Mthatha to Ngqeleni intersection</u>	<ul style="list-style-type: none"> <li>• Project awarded to Haw &amp; Inglis for R340 million</li> <li>• Contractor on site in October 2013</li> <li>• Contract period 30 months</li> <li>• Busy relocating houses</li> <li>• Constructing bypasses</li> <li>• Constructing the Mthatha and Corana bridges</li> </ul>
<u>St Barnabas and Ntlaza</u>	<ul style="list-style-type: none"> <li>• Contract to be completed in June 2014</li> <li>• 10 SMME are being trained (they currently employ 50 local labour)</li> <li>• Construction of the temporary Hospital entrance has been completed</li> <li>• Biggest challenge is community strike action</li> </ul>
<u>Community development projects</u>	<ul style="list-style-type: none"> <li>• 3 currently under construction</li> <li>• Cover community roads across the Nyandeni Municipal area and are adjacent to the R61, the purpose is to provide all-weather roads to facilitate vehicle movement due to the closing of a number of informal access point and formalising of intersections</li> </ul>

**Department of Education School Building Programme**

SCHOOL NAME	WARD NO
Dalibhunga SSS	26
Mfundweni JPS	28
Pondolwendlevu SSS	14

SCHOOL NAME	WARD NO
Zanokhanyo SSS	30
Waban SSS	17
Bhekizulu SSS	07
Langeni SPS	29
CHB SSS	15
Mangala SSS	01
Dokodela JSS	15
Victor Poto SS	04
Zibingu SSS	02
Smuts Ndamase SSS	02
Bungu JSS	05
Lower Godini JSS	24
Qithi JSS	18
Nomcamba JSS	19
Cibeni SSS	5
Poni JSS	13
Mzamo JSS	29
Phondolwendlovu SSS	14
Xhentse SSS	16
Nontswabu JSS	10
Ntaphane JSS	12
Dokodela SPS	
Mhlanganisweni	

**DEPARTMENT OF SOCIAL DEVELOPMENT PROGRAMMES FOR 2014-2016  
CHILD & YOUTH CARE AND PROTECTION**

PROJECT NAME	LOCALITY	WARD	BUDGET ALLOCATION
MZOMTSHA CHILD & YOUTH CARE CENTRE	NGQELENI - TOWN	-	R1 700.00 PER CHILD ON A MONTHLY BASIS

EARLY CHILDHOOD DEVELOPMENT CENTRES	48 ECDC's ARE OPERATIONAL IN LIBODE & NGQELENI	2, 3, 4, 5, 7, 9, 11, 12, 13, 14, 15, 17, 18, 19, 21, 22, 24, 25 & 26	R15.00 PER CHILD PER DAY PER ATTENDANCE
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**HOUSING PROJECTS ON PIPELINE**

<b>PROJECT NAME</b>	<b>NUMBER OF BENEFICIARIES</b>	<b>CURRENT PROJECT STAGE</b>	<b>PLANNED TOP STRUCTURES</b>
Libode 833 Rectification	833	No Activity	2016-2017 FY
Mankosi 1000	1000	Feasibility Study	2016-2017 FY
Libode 1328	1328	Feasibility Study	2016-2017 FY
Ngcolorha 1000	1000	Feasibility Study	2016-2017 FY
Mgwenyana 1000	1000	Feasibility Study	2016-2017 FY
Qhokama 1000	1000	Feasibility Study	2016-2017 FY

## PROJECTS PLANNED IN THE HOUSING SECTOR PLAN

PROJECT NAME	Ward	PROJECT UNITS	PROJECT TYPE
Thabo Mbeki	07	48	PHP
Msintsini	16	1000	Rural Housing
Lwandile	25	1000	Rural Housing
Zibungu	02	1000	Rural Housing
Mdepha	23	1000	Rural Housing

Bridges			Jange bridge				
			Ngonjini bridge				
			Zinkumbini bridge				
			Zixambuzi bridge				
		21	Maqanyeni bridge				
			Maqanyeni bridge				
			Dalaguba to Mncwili bridge				
			Ntsundwana to Mvilo bridge				
			Malungeni bridge				
		22	Magwaz'iphalitshi bridges			R00 000	R0 000
			Ndlovayiphathwa bridge				
			Mamolweni bridge				
			Magozeni				
			Mthomde				
			Mdlankomo to Mamfengwini (material)				
			Bantini to Godini				
			Ngqongweni to Bedla				
			Bolotwa to Dimanda SSS				
			Didi to CHB				
			Mafusini bridge				
			Luqolweni				
			Guqa to Ngqongwei				
			Mgojweni bridge				
			Mngamnye no 1 to Dikela Springs JSS				
			Polini to Bolotwa bridges				
Telecommunication	58		Promote partnerships for installation of signal networks & telecommunication infrastructure	OPEX	R0 000	R0 000	R0 000

## STATUS OF SECTOR PLANS AND POLICIES

Sector Plan	Detail	Date of approval
<b>IDP and Budget Policy</b>	This policy sets out the budgeting principles, which Nyandeni Local Municipality will follow in preparing each annual budget, as well as the Integrated Development Planning process through which the municipality will prepare a strategic development plan, for a five-year period.	<b>31 May 2016</b>
<b>PMS Policy and Procedure Manual</b>	Provides mechanisms, procedures and guidelines in managing performance, reporting and evaluations	<b>28 March 2012</b>
<b>Public Participation Plan</b>	It guides how public participation is to be achieved, set structures, systems and mechanisms to for engagements.  Critically, the plan has mechanisms to handle and to respond to management of petition and resolutions	<b>June 2014</b>
<b>Rates Policy</b>	To ensure that property rating in Nyandeni Municipality is carried out in a fair, consistent, considerate and controlled manner, this rate policy is developed in accordance with the provisions of the Local Government: Municipal Property Rates Act, (Act 6 of 2004).	<b>31 MAY 2016</b>
<b>Spatial Development Framework</b>	Is a decision –making tool, which ensures that land use management and land development is based on the principle of <b>sustainable development decisions and practices</b>	<b>31 March 2011</b>
<b>LED Strategy</b>		<b>28 March 2012</b>
<b>LED Socio-economic Profile</b>	This document is a rapid strategic review of the local socio-economic environment, providing an overview of geo-political and demographic considerations together with a more detailed analysis and synopsis in respect of the Nyandeni Municipality's local economy's key indicators, structural characteristics, comparative and competitive advantages, opportunities and constraints.  It is designed to present a more reliable statistical baseline to inform local stakeholder choices on local economic development options for the Nyandeni Municipality, leading to the review of the current strategic framework for local economic development (2007) of Nyandeni.	<b>March 2011</b>

Sector Plan	Detail	Date of approval
Fraud Risk Management Policy	In addition to promoting ethical conduct within Nyandeni, the policy is intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption	31 May 2016
Enterprise Risk Management Framework		31 May 2016
Whistle Blowing Policy		31 May 2016
Risk Management Policy		31 May 2016
HR Strategy Key focus areas of the strategy	The Human Resource Plan was developed and adopted by	May 2012
<ul style="list-style-type: none"> <li>• <b>Workforce analysis</b></li> <li>• <b>Employee wellness</b></li> <li>• <b>Occupational health and safety</b></li> <li>• <b>Individual performance management</b></li> <li>• <b>Education, training and development</b></li> <li>• <b>Employment equity and diversity management</b></li> <li>• <b>Recruitment and selection</b></li> <li>• <b>Retention</b></li> </ul>	Facilitate a culture of public service and accountability amongst staff	
	Align roles and responsibilities with priorities and objectives reflected in the Integrated Development Plan (IDP);	
	Organize structures and administration in a flexible way to respond to changing priorities and circumstances;	
	Perform functions through operationally effective and appropriate administrative units;	
<b>Personnel Regulation Policy</b>	To ensure compliance to the occupational Health & Safety legislation.	31 May 2016
	To ensure the effective induction and orientation of newly appointed employees	
	To provide guidelines with regard to staff benefits and allowances for employees.	
<b>Human Resource Development Policy</b>	To create a cultural of life and to provide employees and councilors with opportunities to acquire new skills	31 May 2016
	To improve the quality of workers and their prospects of mobility within and outside the municipality	
	To facilitate the development of a skilled and competent workforce and development	
<b>Disciplinary Policy</b>	To serve as a guide to management and ensures fair and equal treatment of all employees	31 May 2016
	To encourage timely corrective action in the event of an employees behavior providing to be unsatisfactory or unacceptable	
	To ensure that the principles of natural justice are applied before an employee is penalized for misconduct	

Sector Plan	Detail	Date of approval
<b>Induction Policy</b>	To familiarize and introduce new employees and new councilors to the institutional culture, including IDP and budget and related policies	31 May 2016
<b>Employment Equity</b>	The purpose of this policy is to outline the broad principle of employment equity to which the municipality is committed and to describe in general how it seeks to realize equity principles	31 May 2016
<b>Employment Retention Policy</b>	The Municipality is one of the remote rural municipalities with a high rate of unemployment and a shortage of skills in particular	31 May 2016
<b>Occupational Health and Safety</b>	To ensure the compliance with all relevant statutory requirement including the Municipal Safety Regulations and Procedures.	31 May 2016
	To minimize loss through accident or incident.	
	To continually strive for the achievement of the highest level of safety, namely a 5 star rating on the NOSA rating system, and the maintenance thereof once this has been achieved.	
<b>Employee Retention Policy</b>	The Municipality strives to ensure attraction and retention of a cadre of personnel with the necessary competency to enable the Municipality, the retention will periodically reviewed to improve it on par with the dynamics of the labour market	31 May 2016
<b>Housing Sector Plan</b>	Was developed and adopted as a five year horizon plan and is due for review. Department of Human Settlement should provide technical support	August 2015
<b>Youth Development Plan</b>	Identifies key challenges affecting young people, macro strategy to address youth development and implementation plan.  Furthermore, the place encapsulate structures, mechanism and processes for participation of young people in the main stream of the economy	30 May 2011
<b>Tourism Sector Plan</b>	Addresses economic potential of the Nyandeni Municipal Area	September 2010
<b>OUTSTANDING PLANS</b>		
<b>Storm Water Management Plan</b>	Adopted	2013
<b>Integrated Transport Plan</b>	Adopted by Council	2015
<b>Integrated Waste Management Plan</b>	The objective of the IWMP is to manage waste management	May 2013
<b>Roads Master Plan</b>		
<b>Forestry Plan</b>	Department of Water Affairs should provide financial support	
<b>Electricity Master Plan</b>		
<b>Infrastructure Investment Plan</b>	Budget Provision has been made	2017
<b>Agricultural Development Plan</b>	Adopted	2013

Sector Plan	Detail	Date of approval
<b>By laws</b>	<ul style="list-style-type: none"> <li>• Refuse removal bylaw</li> <li>• Waste Management By-law</li> <li>• Public health</li> <li>• Street Trading By-law</li> <li>• Public Space By-law</li> <li>• Parking Ground By-law</li> <li>• Encroachment on property bylaw</li> <li>• Funeral undertakers by-law</li> <li>• Library and Information services by-law</li> <li>• Credit Control and debt collection</li> <li>• Advertising signs</li> <li>• Credit management</li> <li>• Cemetery bylaw</li> <li>• Bylaw relating to nuisances</li> <li>• Public road and miscellaneous</li> <li>• Pound Management Bylaw</li> </ul>	19 May 2010

**HR Policies that were adopted by council on 31 May 2016, Council Resolution Number 2440.**

Ser No	Name of Policy
1.	HRD
2.	Induction
3.	Recruitment & Selection
4.	Placement
5.	HIV /AIDS
6.	Cellphone
7.	Transport
8.	Employee Health &Wellness
9.	Records Management
10.	Employment Equity
11.	Bursary and Other forms of Financial Ass.
12.	Personnel Regulations
13.	Overtime
14.	Sexual Harassment
15.	Leave
16.	Staff Retention
17.	Disciplinary
18.	Strike Management
19.	Incapacity Due to Ill health
20.	Incapacity due to poor performance
21.	Performance Management
22.	Customer Care
23.	Incapacity due to Operational Requirements Policy
24.	Incident Weather Policy
25.	Dress Code Policy
26.	Smoking Policy
27.	Policy on Organizational Establishment
28.	Policy Development Guidelines
29.	Sport & Recreation Policy
30.	Internship Policy
31.	Scarce Skills Policy
32.	Private Work & Declaration of Interest Policy
33.	Whistle Blowing Policy
34.	Policy on Alcohol & Substance Abuse
35.	Employee Retention
36.	Seccession Planning Policy
37.	Probation Policy
38.	Relocation Policy
39.	Termination of Services Policy
40.	Work Attendance policy

## **APPROVAL**

### **7 THE APPROVAL PROCESS**

#### **DECLARATION OF ADOPTION**

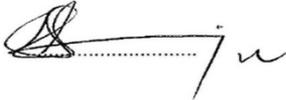
This Reviewed IDP together with the annual budget for 2016/2017 financial year was adopted by Council during its Ordinary Council Meeting held on 31 May 2016

#### **SIGNATURES**



MS. N. NOMANDELA  
MUNICIPAL MANAGER

**DATE: 31 May 2016**



**HON. T. SOKANYILE**

**DATE: 31 May 2016**

**MAYOR**