

MBHASHE LOCAL MUNICIPALITY



Draft Reviewed Integrated Development Plan 2019-2020

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Contents

PREFACE	4
EXECUTIVE MAYOR'S FOREWORD	4
MUNICIPAL MANAGER'S MESSAGE	7
CHAPTER 1	8
SECTION 1 : BACKGROUND	9
1.1 LEGISLATIVE FRAMEWORK	9
1.2 WHAT IS INTEGRATED DEVELOPMENT PLAN (IDP) ?	9
1.3 ALIGNMENT WITH OTHER PLANS	10
1.4 POWERS AND FUNCTIONS	133
SECTION 2	177
BENEFITS OF IDP	177
SECTION 3	188
PUBLIC PARTICIPATION	188
CHAPTER 2	2121
2.1 VISION, MISSION & CORE VALUES	2121
2.1.1 VISION	2121
2.1.2 MISSION	2121
2.1.3 CORE VALUES	2121
2.1.4 BATHO-PELE PRINCIPLES	2121
2.2 IDP PROCESS	244
CHAPTER 3:	333
SECTION 1: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY	333
3.1. INTRODUCTION	333
3.1.1 Demographic Profile	344
3.1.2 Socio–Economic Profile	344
SECTION 2: ANALYSIS	41
3.2 LEGAL FRAMEWORK	41
3.3 LEADERSHIP GUIDELINES	49
3.4 STAKEHOLDER ANALYSIS	49
3.5 SITUATIONAL ANALYSIS	51
3.5.1 KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEV.	51
3.5.2 KPA 2 :SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT	843
3.5.3 KPA 3 :LOCAL ECONOMIC DEVELOPMENT	15050
3.5.4 KPA 4 :MUNICIPAL FINANCIAL VIABILITY	199199
3.5.5 KPA 5 :GOOD GOVERNANCE & PUBLIC PARTICIPATION	29090
CHAPTER 4	315315
OBJECTIVES & STRATEGIES	315
CHAPTER 5	34948
PROJECTS	34948
PROJECTS BY OTHER SECTOR DEPARTMENTS	37271
CHAPTER 6	399398

PERFORMANCE MANAGEMENT SYSTEMS	399398
CHAPTER 7: FINANCIAL PLAN 2018/19	403402
CHAPTER 8	418418
IDP APPROVAL	418418

PREFACE

EXECUTIVE MAYOR'S FOREWORD



Let me once more present Mbashe Local Municipality's second review of the Fourth Generation IDP for 2019-2020. We plan to achieve a status of promoting Comprehensive Rural Development whilst encouraging Local Economic Development to improve the quality lives of our people by year 2030.

In his State of the Nation Address the President of the Republic the Honourable Mr. Matamela Cyril Ramaphosa recommitted the country to economic growth, job creation, clean government and infrastructure development. He further committed his government to realize the National Development Plan objectives.

He reiterated that leaders should lead by example and avail themselves to be in the service of the people in the spirit of Thuma Mina. That for starters we should go back to basics where everything matters.

He further reiterated on commence of the new dawn and the fourth industrial revolution. The use of ITC to advance development is key to the success of our country. We have taken developments in the political landscape and have endorsed the characterisation of 2019 as the new dawn.

The 2019/20 financial year is the third year of the Fourth Generation of the IDP. The adoption of the IDP and Budget Process has resulted in the reviewed IDP and the adoption of the Budget and the budget related policy. We are clear of the local government mandate as per the Constitution and we have made a political and administrative decision to ensure that we move the municipality from one level to the next.

The South African economy is under pressure, more sustainable jobs are required, growth in the average annual percentage growth of the GDP, control of inflation as well as management of commodity prices and interest rate increases are of high significance to protect and provide decency of living conditions of the people. This will be achieved by building synergies and coordination in Mbashe Local Municipality as the hallmark of our endeavours to achieve institutional effectiveness and efficiency.

Chapter 4 of the Municipal Systems Act 32 of 2000 makes community participation in the affairs, programmes and activities of the municipality a legal obligation. This IDP is therefore the culmination of a lengthy process of consultation with the local community. As we celebrate twenty five (25) years of our democratic dispensation, the communities of Mbashe require us to build the kind of administrative architecture that is responsive and orientated towards meeting their needs and aspirations as enshrined in the Constitution.

In its strategic session resolutions Mbashe will strive to build prosperity, eradicate poverty and promote social, political and economic empowerment of all its people through delivery of quality services, community participation, local economic development and smart administration.

Accordingly, this IDP carries the aspirations of the masses of our community which the 2019/20 Budget must seek to finance. Therefore, this IDP must be seen as a beacon of hope that will continue to guide us over the next financial year in our collective endeavours of building a better life for all our communities.

As our vision and the key strategic objectives alludes, processes built around a model of better, cost efficient and quicker turnaround times in all service delivery fronts are targeted. We are mindful of resource requirements to achieve this, especially fleet, tools and equipment. We have concurred during the review that the priorities as identified remain the same as per the original IDP and we have further concurred on the priorities for 2020/21.

We are committed to embrace the spirit of back to basics, good governance and the provision of sustainable and cost effective services. We are also committed to the principle of participatory democracy in which our communities contribute to the development of the municipality.

It is clear that Mbhashe Local Municipality has achieved major success during the past decade – in many instances under very difficult circumstances. There were many lessons to be learnt along the road. The municipality is now much better equipped and geared towards service delivery than before. Given the current institutional memory, human resources and financial capacity of the Municipality, this IDP seeks to harness synergies and opportunities in the advances made towards the realization of the all-important goal of a better life for all.

Our IDP, in its strategic thrust, gives expression to our first generation Growth and Development Strategy, which is for the holistic development of the Municipality. Alignment of the two with the 2016 Election Manifesto, which is the guiding light of the Municipality, finds expression in the projects entailed in this document.

This IDP together with its projects and implementation focus relates more strongly to the capital budget. The infrastructure operations and maintenance provide certainty of service availability. Municipality commitment through MIG allocation is a great initiative that we should welcome. Roads and electricity are so critical in our municipality, they are in the public eye. With climate change and the heavy rainfalls experienced in recent times, the capacity, durability and replacement of roads are now receiving priority.

The backlog in infrastructure development far exceeds the resources or budget that is available to deal with all at once. This compels us to make tough and difficult choices in line with the demands by the communities. We have to reach common ground to set priorities that would tackle the most of fundamental needs in the municipality.

Our Municipality is now in the business of delivering quality services and steering this ship away from troubled waters. This effort was rewarded by an Unqualified Audit Opinion from the Auditor-General on the last financial year, a feat we aim to reproduce in all successive years and even go higher

Our ratings have significantly improved, from a negative outlook to a stable economic outlook. This is, therefore, a welcome recognition as it validates our commitment to bringing meaningful change through clean governance in the Mbhashe Municipality. Not only does our financial status put us on the map as an administratively fit institution, but also as a strategic economic destination for prospective investors, both domestically and abroad. New investments are what our Municipality needs for growth and development, especially in the area of job creation.

Our Development Strategy enhances government efficiency and we improve efficiencies on several fronts to ensure that we are a responsive Municipality at the disposal of our people. For example, there is a fully functional Municipal Public Accounts Committee (MPAC) as well as an active Municipal Audit Committee which ensured that the municipality meets the goals it has set for itself in an effective and efficiently at the lowest cost possible. We have the obligation to provide our staff with the necessary skills by providing necessary trainings.

To successfully deliver on this IDP Review and the Budget, various policies have been reviewed and these are aimed at making processes and procedures much simpler, easy to implement and comply with and support the strides and challenges our communities are experiencing.

We need all hands-on deck and push back the frontiers of silo-mannerism of working and closing gaps between management and the general workforce.

The municipality will continue to work in collaboration with government departments and other entities to provide desired services to the communities of Mbhashe.

Our IDP and 2019/20 Budget will go a long way in improving the quality of life of our community by broadening accessibility and alleviating poverty.

We are grateful to the community of Mbhashe for their unwavering support. All meetings were successful, venues filled and many overflowing, just to listen to the plans your elected public representatives have proposed and giving us the approval.

I thank fellow councillors, the administration, and the support staff in our political offices together with our media partners.

Together, we can move Mbhashe Forward.

**HONOURABLE EXECUTIVE MAYOR
CLLR S.N.JANDA**

MUNICIPAL MANAGER'S MESSAGE



Dear Mbhashe Citizens

As we come together across our expansive municipality- collectively bound under the premise of service delivery and good governance in the development of 2019-2020 Integrated Development Plan (IDP). This is the second review of the five year document which is conducted in line with the council mandate period of five years. I am inordinately grateful for the task bestowed to me by the Mbhashe Municipal Council, and at the same time, humbled by it. My overarching responsibility is to be an accounting officer of the municipality as contemplated in the array of legislative frameworks. It thus entails ensuring adequate administrative performance, expeditious service delivery and fiduciary. Taking this into cognisance, the municipality unrelentingly subscribes to the principles of Batho Pele – putting people first. It's a service preamble standard introduced by the National Government in 2002 having regard of the service delivery capacity challenges which beset the government. Likewise, the municipality takes important cognisance of the Back to Basics pillars; the Back to Basics programme aims at supporting and continuously monitors municipalities in terms of realising the objects of Local Government as set out on section 152 of the Constitution of the Republic of South Africa (1996). The municipality's developmental ambitions are articulated on the five year Integrated Development Plan (IDP) which is a principal strategic planning instrument guiding and informing all planning, budgeting, administrative and decision-making in the municipality.

I aim to use diligently this responsibility to improve the quality of life of people within the municipal area of jurisdiction which should stand the municipality in good stead in achieving its vision and mission of being a developmental municipality. Having said that, I heavily rely on the collective efforts of both staff and community members. To this end, community members are encouraged to participate in municipal business as much as possible and to be at the forefront of council business. Mbhashe Municipality has made significant strides in ensuring a better life for all its citizens and continues to eradicate all service delivery backlogs in terms of roads infrastructure and electricity. However, there is still a lot that ought to be done to make this thriving municipality better. The municipality has targeted improved revenue collection in the next financial year and a forecasted local economic growth. It is the prerogative of the municipality to implement projects budgeted for each financial year after being extracted from the 5 year IDP in the ensuing years. I therefore invite you to partner with us to make this municipality a better place to live.

I strongly believe that the municipality has the potential to accomplish great things in the future.

Yours in good governance

Mr. M. Nako
Municipal Manager

CHAPTER 1

SECTION 1: BACKGROUND

1.1 LEGISLATIVE FRAMEWORK

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

- ❖ A vision of the long-term development of the area.
- ❖ An assessment of the existing level of development which must include an identification of the need for basic municipal service.
- ❖ Municipality's development priorities and objectives for its elected term.
- ❖ Municipality's development strategies which must be aligned with national, provincial sectoral plans and planning requirements.
- ❖ Spatial development framework which must include the provision of basic guidelines for a land use management system.
- ❖ Municipality's operational strategies.
- ❖ A Disaster Management Plan.
- ❖ Financial Plan.
- ❖ The key performance indicators and performance targets.

a) The Municipal Planning and Performance Management Regulations (2001) set out the following further requirements for the IDP:

- ❖ An Institutional Framework for implementation of the IDP and to address the Municipality's internal transformation.
- ❖ Investment initiatives that should be clarified.
- ❖ Development initiatives including infrastructure, physical, social and institutional development.
- ❖ All known projects, plans and programmes to be implemented within the Municipality by any organ of state.

b) In addition, the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) provides for closer alignment between the annual budget and the compilation of the IDP. This can be understood as a response to the critique that IDP's took place in isolation from financial planning and were rarely implemented in full. Specifically, section 21 (1) of the Act requires that a municipality co-ordinates the process of preparing the Annual Budget and the IDP to ensure that both the budget and IDP are mutually consistent.

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

1.2 WHAT IS INTEGRATED DEVELOPMENT PLAN (IDP)?

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

Mbhashe Local Municipality has already developed four IDPs, from 2002 – 2007, 2007-2012, 2012 – 2017 and 2017 – 2022. The Municipality is now on its second (2nd) reviewal of the 2019-20 IDP in accordance with section 34 of the Local Government Municipal Systems Act 32 of 2000.

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

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

1.3. ALIGNMENT WITH OTHER PLANS

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

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

Preamble

The Local Government elections of 2016 ushered a new political dispensation with a mandate that sets the tone for the development of the five year IDP (2017 -2022).

The Municipality is rural in its nature characterized by high levels of poverty, unemployment and the low levels of education. It is further engulfed, like the rest of the country, with HIV and AIDS pandemic affecting mostly the economically active people and the youth. In its last term, council emphasized as its overarching local economic development strategy, which it believed would be the anchor for economic development of the municipality.

The term of council started in August 2016. In crafting the course of the future the new council needs to define its overarching strategy towards sustainable service delivery. In so doing the municipality took into account the national, provincial, district and local contexts including what is contained in ***Outcome 9: A Responsive, Accountable, Effective and Efficient Local Government System.***

The Legal Context of the Overarching Strategy

The strategy is developed with the following pieces of legislation forming basis thereof: ***Mbhashe Local Municipality –2017/2022 Intergrated Development Plan***

- Constitution of the Republic of South Africa No. 108, 1996
- Development Facilitation Act, 1995 (Act No 67 of 1995)
- Local Government: Demarcation Act, 1998 (Act No 27 of 1998)
- White Paper on Local Government of 1998
- Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), as amended
- Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998), as amended
- Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) and Regulations
- Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005)
- Municipal Property Rates Act 6 of 2004
- Mbhashe Policies Strategies and By-Laws

The National Context

The Mbashe strategy is informed by the five national key performance areas namely:

- Municipal transformation and institutional development;
- Basic service delivery and infrastructure development;
- Local economic development;
- Financial viability and management; and
- Good governance and public participation.

Spatial Planning has also become one of the key areas that municipalities must consider as vital. Mbashe takes into account interventions proposed by the National Planning Commission, outcome 9 and Back to Basics.

National Policy Framework includes the following but not limited to

- Reconstruction and Development Programme (RDP);
- National Development Strategy (NDS); and
- Spatial Development Framework (National Spatial Development Perspective)

Provincial Context

The Provincial Growth and Development Programme (PGDP 2004/2014), whose objectives includes the development of human capital, infrastructural development and systematic eradication of poverty, emphasises the following:

- Diversification of Manufacturing Sector.
- Agrarian Transformation.
- strengthening of food security.
- Pro-poor programming.

The municipality will also consider the provincial strategic framework which proposes amongst other things the delivery agreement of the Executive Mayors

The Municipality considers the above and other policies and programmes that the provincial government develop up with in addressing the challenge of providing better life for all.

District Context

The Municipal Strategy considers the programmes of the district including its Integrated Development Plan, the District Growth and Development Strategy, Amathole Regional Economic Development Strategy (AREDS) as well as the advantages that are brought about by Amathole District Municipality including its development agency Aspire.

Local Context

The Municipality utilizes the IDP as the basis for the development and other strategic documents such as:

- Master plan vision 2025
- Strategic Environmental Assessment 2009
- Spatial Development Framework 2015/2020

1.4. POWERS AND FUNCTIONS

- Section 83 (1) of the Structures Act states: A municipality has the powers and functions assigned to it in terms of Sections 156 and 229 of the Constitution
- The Constitution states in Section 156(1) that a municipality has executive authority in respect of, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5.

These functions are contained in the table below

Functions of Mbashe	Definition	Capacity to perform
Air pollution	The control and monitoring of air pollution that adversely affects human health or well-being or the ecosystems useful to mankind, now or in future.	No
Beaches and Amusement facilities	The area for recreational opportunities and facilities along the sea shore available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.	Yes
Billboards and display of advertisements in public places	Manage, facilitate and collect rentals from all billboards within the jurisdiction of Mbashe Local Municipality.	Yes
Building regulations	Development of by-laws, enforcement of by-laws, approval of building plans according to National Building Regulations	Yes
Cemeteries, funeral parlours and crematoria	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains.	Yes
Child care facilities	Facilities for early childhood care and development which fall outside the competence of national and provincial government	Yes
Cleansing	The cleaning of public streets, roads and other public spaces either manually or mechanically	Yes

Control of public nuisance	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community	Yes
Control of undertakings that sell liquor to the public	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses , and includes an inspection service to monitor liquor outlets for compliance to license requirements in as far as such control and regulation are not covered by provincial legislation	Yes
Disaster	Responsible for the co-ordination of Disaster Management	Yes
Facilities for the accommodation, care and burial of animals	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration requirements and/or compliance with any environmental health standards and regulations	Yes
Fencing and fences	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads	No
Firefighting Services	Provision of firefighting services and resources	No
Housing	Facilitation of the Housing development, with key focus on beneficiary identification, town planning matters, building plans and stakeholder engagement	Yes
Licensing of dogs	The control over the number and health status of dogs through a licensing mechanism.	No
Local sport facilities	The provision, management and/or control of any sport facility within the municipal area.	Yes
Local Tourism	Tourism development and promotion	Yes
Markets	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.	No

Municipal abattoirs	The establishment conduct and/or control of facilities for the slaughtering of livestock.	No
Municipal Airports	Provision and management of facilities	No
Municipal Health Services	Water quality monitoring, food control, waste management, health surveillance of premises, surveillance and prevention of communicable diseases, vector control, environmental pollution control and disposal of the dead	No
Municipal parks and recreation	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but exclude sport facilities.	Yes
Municipal Planning	The compilation and implementation of and Integrated Development Plan in terms of the Systems Act.	Yes
Municipal Public Transport	Provision of services and infrastructure and regulation of the passenger transport services	No
Municipal Public Works	Provision of community facilities other than schools and clinics	Yes
Municipal Roads	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, for purposes of a local municipality, includes a street in build-up areas.	Yes
Pontoons and ferries	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matter related thereto, and matters falling within the competence of national and provincial governments	Yes
Pounds	The provision, management and control of any area /facility set aside by the municipality for the securing of any animal or object confiscated by the municipality	Yes
Public Places	The management, maintenance and control of any land or facility owned by the municipality for public use	Yes

Storm water	The management of systems to deal with storm water in built-up areas	Yes
Street lighting	The provision and maintenance of lighting for the illuminating of streets	Yes
Street trading	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve	Yes
Trading regulations	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation	Yes
Traffic and parking	The management and regulation of traffic and parking within the area of the municipality including but not limited to, the control over operating speed of vehicles on municipal roads.	Yes

Agency Functions

- Libraries – Department of Sports, Recreation, Arts & Culture (DSRAC))
- Vehicle and Driver licensing – Department of Transport (DoT)

SECTION 2

BENEFITS OF IDP

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

PUBLIC PARTICIPATION

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

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

- ❖ The Amathole District Municipality placed a blanket notice on the Local newspaper (Daily Dispatch) inviting interested parties to participate in the Representative Forums (Mbhashe Local Municipality being one).
- ❖ Languages for medium of communication will be English and Xhosa.
- ❖ National and Community radios will be used including Umhlobo Wenene, UNITRA Community Radio, and Khanya Community Radio.
- ❖ Use of Local circulating Newspapers, Isolezwe.
- ❖ Announcements in churches, schools, community activities like Imbizo's and weddings.
- ❖ Advertisements notifying and inviting the public, either in the Daily Dispatch or Isolezwe.

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

The Public Participation & Petition Strategy was developed in April 2015 and is reviewed on an annual basis. The communities participate in the IDP process through the Representative Forum that is generally attended by all Councillors, Traditional Leaders participating in the Council, IDP Steering Committee members, organised groupings and interest groups, sector departments operating within Mbhashe Municipal area, All Ward Committees and Community Development Workers. After the tabling of the draft IDP/Budget to the Council, road shows to all the wards are undertaken, where members of the community are assisted in the form of transport and catering, to attend these meetings.

The Mayoral Imbizo's are being organised per unit, the municipality starts analysing the situation and the status quo of service delivery progress. The Imbizo's also give opportunity to the members of the communities to identify three priorities per each ward which need to be looked at during the planning and identification of projects by the municipality.

Participation takes place through the established structures in the municipality such as Ward Committees, the IDP Rep Forum, War rooms.

The Council established these structures to encourage community members to contribute in the decision- making processes and also to advise the Council on various matters to ensure that proper decisions are taken to enhance the development of Mbhashe. This is also a feedback session with regard to infrastructural developments.

3.1 Legal Requirements

Section 152 of the Constitution places the participation of communities at the centre of service delivery and other matters of Local Government.

3.1.1 Constitutional Mandate

3.1.2 National Framework

3.1.3 Municipal By-laws

3.1.4 Principles of Participatory Democracy

3.2 Ward Committees

Ward committees have been elected in all wards in the beginning of the new term of council. Ward secretaries have been elected in all wards. All the ward committees have been inducted to ensure that they are able to do their job. No trainings have been conducted yet but there are plans in place. Ward committees also form part of the war rooms. The municipality currently has been assisted by the District in the establishment of ward operational plans.

3.3 Vehicles for Participation

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

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3.4 Council Meetings and support

All council meetings are being advertised and are always open to the public. To ensure optimum functionality of the council and its structures, Mbhashe municipality has a unit that is dedicated to support the work of the council and is responsible for coordinating effective functioning of the Council and its committees. The Council Support Unit takes and files minutes in all meetings of the council and its committees. A register of resolutions of the council is compiled and maintained.

3.5 COMMUNICATIONS, MARKETING AND CUSTOMER CARE

The Communications Unit is responsible for co-ordinating all communications activities in the Municipality and is the Municipality's first line of contact with the media. The municipality has developed the communication and marketing strategy in 2016/2017 financial year.

In this regard the Communications Unit supports and co-ordinates all communication efforts with the aim of enabling the Mayor and Municipal Manager to perform their functions as Chief Communicators;

The communications unit produces publications for information dissemination, implementing and managing communication actions such as: events /programmes, advertising, design and printing of communication materials, audio-visual production, and marketing and communication research.

All petitions are received by Customer Care and registered, although housed in BTO, 2019/20 the Customer Care Section will be placed under Communications department. The petitions/complaints are recorded and an update is sent to Public Participation office. A quarterly report is prepared to the Speaker's Office to find its way to the Petitions Committee. There is only a manual system that attends those petitions/ complaints, therefore it is encouraged for an electronic system to be developed.

2.1 VISION, MISSION & CORE VALUES

Based on the current Council's priorities, Mbhashe's vision, mission and values were revised and have been workshoped and adopted by Council on the 31 March 2017.

2.1.1 VISION

"A municipality that excels in promoting social cohesion, stimulates economic growth and sustainable development"

2.1.2 MISSION

By becoming an effective and efficient municipality with accountable leadership that is able to involve communities in the provision of quality services.

2.1.3 CORE VALUES

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

- ❖ Commitment
- ❖ Accountability
- ❖ Teamwork
- ❖ People centred development
- ❖ Discipline and respect
- ❖ Environmental friendly
- ❖ Service excellency

2.1.4 BATHO-PELE PRINCIPLES

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

- ❖ Promoting and maintaining high standards of professional ethics;
- ❖ Providing service impartially, fairly, equitably and without bias;
- ❖ Utilising resources efficiently and effectively;
- ❖ Responding to people's needs; the citizens are encouraged to participate in policy-making; and
- ❖ Rendering an accountable, transparent, and development-oriented public administration.

The Batho Pele principles are as follows:

Consultation

There are many ways to consult users of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer

representative bodies, NGOs and CBOs. Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.

Setting service standards

This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards. Required are standards that are precise and measurable so that users can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorise a housing claim, to issue a passport or identity document, or even to respond to letters.

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

Increasing access

One of the prime aims of Batho Pele is to provide a framework for making decisions about delivering public services to many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the distribution of existing services. Examples of initiatives by government to improve access to services include such platforms as the Gateway, Multi-Purpose Community Centres and Call Centres.

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

Ensuring courtesy

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

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

Providing information

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

Openness and transparency

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge. It is anticipated that the public will take advantage of this

principle and make suggestions for improvement of service delivery mechanisms, and to even make government employees accountable and responsible by raising queries with them.

Redress

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

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

Value for money

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

2.2 IDP PROCESS

i) Introduction

Following the local government elections of the new council on 3rd August 2016 the municipality embarked on a process of formulating its five year integrated development plan (IDP) 2017 - 2022. This document outlines the programmes and development commitments that will be delivered during the term of the current council. The IDP supersedes all other plans of a municipality. The municipality is embarking on the reviewal of the IDP for the 2019/20 financial year. The municipality is adhering to the Process Plan for IDP/Budget which was adopted by the Council in its ordinary meeting of 30 August 2018.

ii) The Process Plan

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

iii) Organisational arrangements

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

iv) IDP/Budget/PMS Representative Forum

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

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

Action Plan

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

ACTIVITY: JULY 2018 – JUNE 2019 Preparation phase / Pre-planning				
IDP	PMS	BUDGET	DATE	
Compilation of Draft IDP, PMS and Budget Process Plan Commences			01/07/2018	Senior Manager Operations
	Development of Performance Agreements for S56 Managers		01-31/07/2018	Senior Manager Operations
	Draft Annual Report Working Session		14/07/2018	Senior Manager Operations
	Submission of Performance reports and performance information Q4 to Internal Audit		19/07/2018	Municipal Manager
		Budget Steering Committee to discuss rollovers, savings declarations and new applications	30/07/2018	CFO

	Submission Performance Agreements for S56 Managers to Provincial Treasury	Submit to National Treasury the following documents: Quarterly budget returns, Budget locking certificate, SDBIP for 2018/19, Grants Reports as per approved NT template, Section 66 report Section 52(d) report, Quarter 4 SCM report for 2017/18	31/07/2018	Senior Manager Operations CFO
AUGUST 2018				
IDP Steering Committee Meeting - to discuss and finalize Draft IDP, PMS and Budget Process Plan 2019-20 and Draft Annual Report			13/08/2018	Municipal Manager
IDP, PMS and Budget Representative Forum to present draft IDP, PMS and Budget Process Plan 2019/20, PMS Framework and Annual Performance			16/08/2018	Portfolio Heads
Tabling to MAYCO of the Draft 2019/20 Process plan, 2017/18 Draft Annual Report and Annual Performance Report		Annual Financial Statements to MAYCO	20/08/2018	Municipal Manager
Council Meeting - Adoption of the IDP/Budget Process Plan	Adoption of Draft Annual Report	Annual Financial Statements and Annual Performance Assessment Information Report & Draft Annual	30/08/2018	Executive Mayor

		Report submitted to Auditor General Submission of Conditional Grants Unspent Rollover Application		
SEPTEMBER 2018				
Review of Situational Analysis			01-30/ 09/2018	Senior Manager: Operations
Advertise IDP/Budget/PMS Process Plan on local newspaper			03/09/2018	Senior Manager: Operations
Submission of draft Annual Report to MPAC for verification			06/09/2018	Senior Manager: Operations
Submission of IDP/Budget/PMS Process Plan to ADM, COGTA			07/09/2018	Senior Manager: Operations
IGR Clusters			11.12,13/09/2018	Portfolio Heads
IGR Forum			26/09/2018	Executive Mayor
ADM IDP/Budget/PMS Rep Forum			27/09/2018	Executive Mayor, ID Practitioners
Submission of personnel request forms			28/09/2018	HODs
OCTOBER 2018				
IDP/Budget/PMS Steering Committee Meeting – Directorate Situational			08/10/2018	Municipal Manager

Analysis review, Executive Mayoral Imbizos				
	Audit Committee Meeting - Presentation of the Draft Annual report, AG audit status Q1 Performance report		09/10/2018	Municipal Manager
Mayoral Imbizo - Roadshows			23,24,25/10/2018	
		Special Council meeting - Tabling of Section 52 Financial performance report Submission of Quarterly budget returns	30/10/2018	Executive Mayor
MPAC Roadshows on Draft Annual Report			31/10/2018	MPAC Chairperson
NOVEMBER 2018				
MPAC Roadshows on Draft Annual Report			/01,02/11/2018	MPAC Chairperson
		Budget Steering Committee Directorate submission of budget requests	05/11/2018	HODs
IGR Clusters			12,13,14/11/2018	Portfolio eads
	Finalisation of assessment of Annual Report by MPAC		13/11/2018	Municipal Manager
IDP/ Budget Rep Forum - presentation of the draft situational and needs analysis			21,22,23/11/2018	Senior Manager Operations
ADM IDP/ Budget Rep Forum - presentation of the			22/11/2018	Executive Mayor, IDP Practitioners

draft situational and needs analysis				
DECEMBER 2018				
Departmental Strategic Planning			04,05,06/12/2018	HODs
IGR Forum			11/12/2018	
	Council Meeting – Tabling of audited Annual Report and Financial Sttements Adoption of Oversight Report		12/12/2018	Executive Executive Mayor
	Publication of the oversight report		14/12/2018	Senior Manager Operations
JANUARY 2019				
		Budget Steering Committee	09/01/2019	Executive Mayor
Technical Strategic Session Refinement of Objectives, Strategies and Municipal priorities		compile and finalize Mid-year report, adjustment budget and Revised SDBIP	14,15,16/01/2019	Municipal Manager
	Performance Audit Committee - Q2 performance reports and mid-term performance reports		17/01/2019	Municipal Manager
	Submission of performance information, Q2 – mid-term performance reports to Audit Committee		17/01/2019	Municipal Manager
FEBRUARY 2019				
IDP/PMS/Budget Steering Committee - Reviewal of the strategies and objectives, setting up new objectives, strategies based on new priorities and budget adjustment			04/02/2019	Municipal Manager
Institutional Strategic Sessions - Reviewal of the strategies and objectives,			05,06,07-/02/2019	Executive Executive Mayor

setting up new objectives, strategies based on new priorities and budget adjustment				
IGR Clusters Forum Draft Strategies and objectives and programs, Presentation of project plans from Sector Departments			19,20,21/02/2019	Portfolio Heads
ADM IDP/Budget/PMS Rep Forum			22/02/2019	Executive Mayor, Municipal Manager
IGR Forum			28/02/2019	Executive Mayor
MARCH 2019				
		Budget Steering Committee – discussions on Budget adjustment	08/03/2019	Executive Mayor
		Mid-year budget and performance assessments visit by Provincial Treasury	03/2019	CFO
IDP/Budget/PMS Rep Forum - Presentation of Reviewed Draft IDP 2017-2022			05,06,08/03/2019	Executive Executive Mayor
ADM IDP/Budget/PMS Rep Forum - Presentation of Reviewed Draft IDP 2019-2020 for adoption			14/03/2019	Executive Executive Mayor
Ordinary Council Meeting – Tabling of Reviewed Draft IDP and Budget 2019-2020, Draft Procurement Plan, Tariffs, policies for approval and Organizational Structure		Table Q3 performance report including financial performance analysis report to Council	27/03/2019	Executive Mayor

APRIL 2019				
Advertisement of the draft reviewed IDP and Budget Submission of Reviewed IDP document and Budget, to ADM, Provincial and National Treasury and the MEC for Local Government and Traditional Affairs			04-12/04/2019	Senior Manager Operations
IDP/Budget Roadshows - Public Comments Phase presentation of the Draft IDP and Budget to the communities for comments			09 12/04/2019	Executive Executive Mayor
	Submission of Performance reports and performance information of the Q3 to Strategic		07/04/2019	Senior Manager Operations
IGR Clusters			23,24,25/04/2019	Portfolio Heads
	Submission of Performance reports and performance information of the Q3 to Special Council	Tabling of Section 52(d) report	30/04/2019	Executive Mayor
MAY 2019				
IDP/Budget/PMS Steering Committee – adjustments to the Draft IDP and Budget considering inputs from the public			06/05/2019	Senior Manager: Operations

IGR Forum			09/05/2019	Executive Mayor
ADM IDP/Budget/PMS Rep Forum			17/05/2019	Executive Mayor, IDP Practitioners
Technical Session, finalization of the SDBIP			27,28,05/2019	Senior Manager: Operations
Tabling of final Draft IDP and Budget to Ordinary Council Meeting			29/05/2019	Executive Mayor
ADM IGR			31/05/2019	Executive Mayor, Municipaal Manager
JUNE 2019				
		MTREF Budget, budget related policies, published on council website	03-05/06/2019	CFO and Senior Manager Operations
Advertisement of Final IDP, Budget and Tariffs			07/06/2019	Senior Manager Operations and CFO
	Submission of Draft SDBIP to EXECUTIVE Executive Mayor for Approval		13/06/2019	Municipal Manager
Facilitate printing of the IDP for 2019-20			24/06/2019	Senior Manager Operations and CFO
	SDBIP advertised and submitted to Provincial and National Treasury & MEC for COGTA, AG & ADM		24/06/2019	Municipal Manager

SECTION 1: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY**3.1. INTRODUCTION**

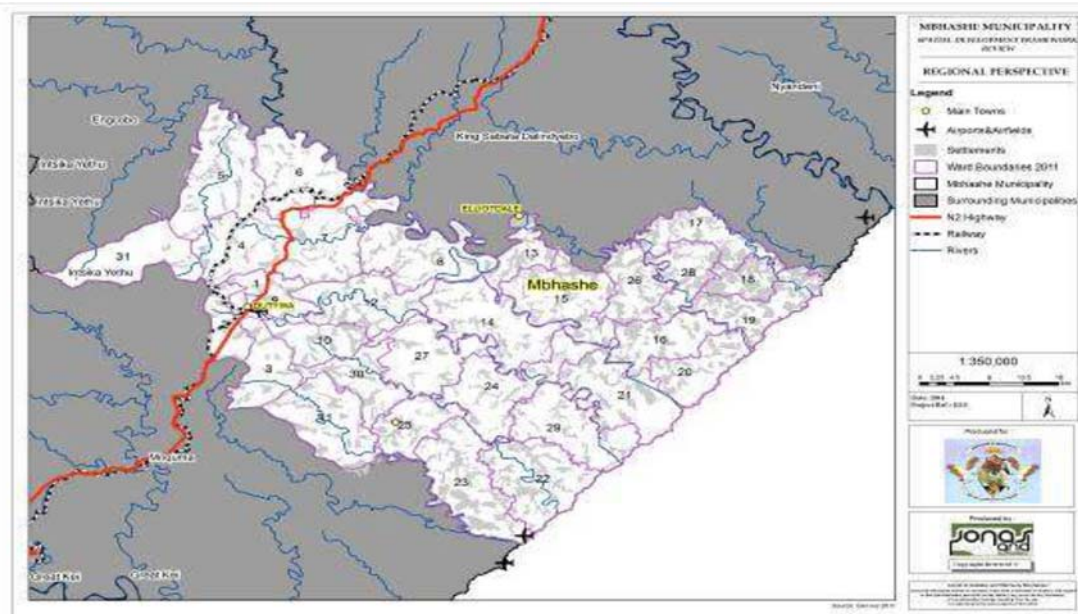
Mbhashe Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 32 wards with 63 Councillors and 12 traditional leaders. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mphaku River in the north along the Indian Ocean.

Mbhashe occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km² in extent (after the last national elections). It is estimated that the new additions of few villages from IntsikaYethu and Mnquma could be estimated to about 200 square kilometres of land.

There are three main urban centres, namely Dutywa, Gatyana (formely Willowvale) and Xhorha (formerly Elliotdale) and Dutywa being the administrative head centre of the municipality.

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

Map 1



3.1.1 Demographic Profile

Understanding that demographics are essential for future planning as they allow for grasping issues of scale and supply-demand relationships. Without a consideration of demographic profiles, it becomes difficult to plan or forecast future development scenarios. The various sources of statistics used in this document have their own limitations as does all statistical sources and therefore must be understood in context. Largely, statistics in this document is used to provide or analyse trends and inform likely outcome interventions that are suggested in Chapter 4 dealing with development objectives, strategies and possible interventions

3.1.2 Socio–Economic Profile

❖ Population Size and Distribution

Mbhashe Local Municipality (EC 121) has total population of 274 000 with a household of 67 700 resulting to a household size of 0,5 in 2018 according to HIS Markit Regional eXplorer version 1692. This equates to an average annual growth rate of 1.12% in the number of households from 2008 to 2018. With an average annual growth rate of 0.28% in the total population.

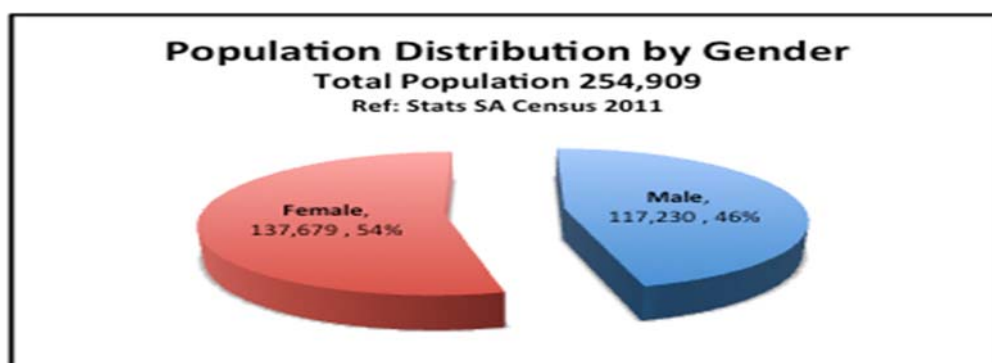
Table 4: Population size

	2001	2011	2018
Total Population	253 372	265 000	274 000
Total Household	53 199	60124	67 700
Household Size	4.76	4.24	0.5

(Source: IHS Markit Regional eXplorer version) 1692

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

Figure 1: Population distribution by Gender



❖ Population Projection

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

Table 5: Population projection till 2026

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

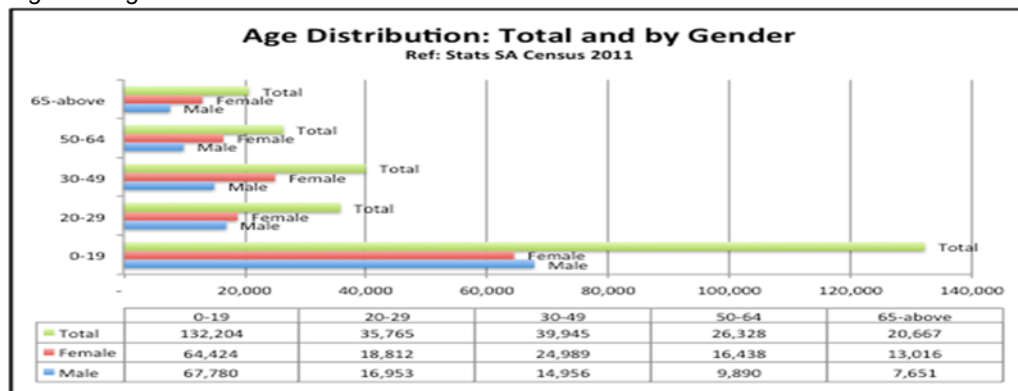
❖ Age Distribution

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

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

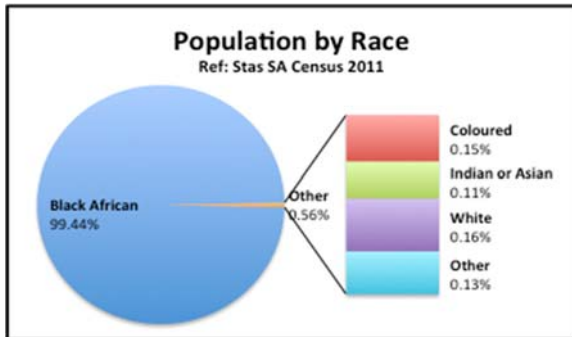
This indicates that the planner has to find a way out of improvement of health and safety of males and capacity improvement of females.

Figure 2: Age distribution



❖ **Population Distribution by Race**

Figure 3. Population By Race

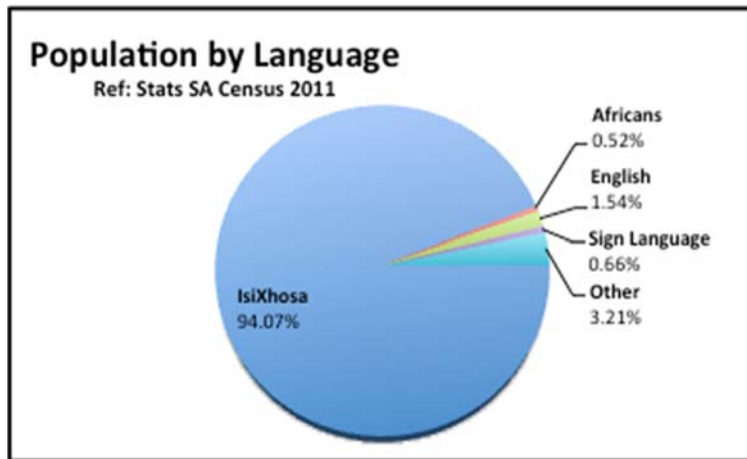


Stats SA Census 2011 reveals that 99.44% (Figure 2.4: Race distribution) of the population is Black African. The distribution according to race is shown in the figure on the right.

❖ **Language of the Population**

94% of Mbashe population is IsiXhosa speaking following by other (3.21%), other than English (1.54%) and Africans (0.52%). Another 0.66% is using sign language (dumb). The table and figure below give an overall view of the situation.

Figure 4: Language by population



6: Language by population

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

Table 7: Literacy rate

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

Mbhashe owns one of the highest numbers of illiterate populations in the province of the Easter Cape. 60% of its population is illiterate followed by ordinary schooling (Grade R who attended a formal school; Grade 1-12 learners and learners in special classes) of 37%. Only 0.62% has University degrees. The details are given in the table at right, which is further elaborated in the following figure. This causes a high pressure to government as well as the population to engage this population in any formal economic activities.

Figure 5: Literacy rate – graphical

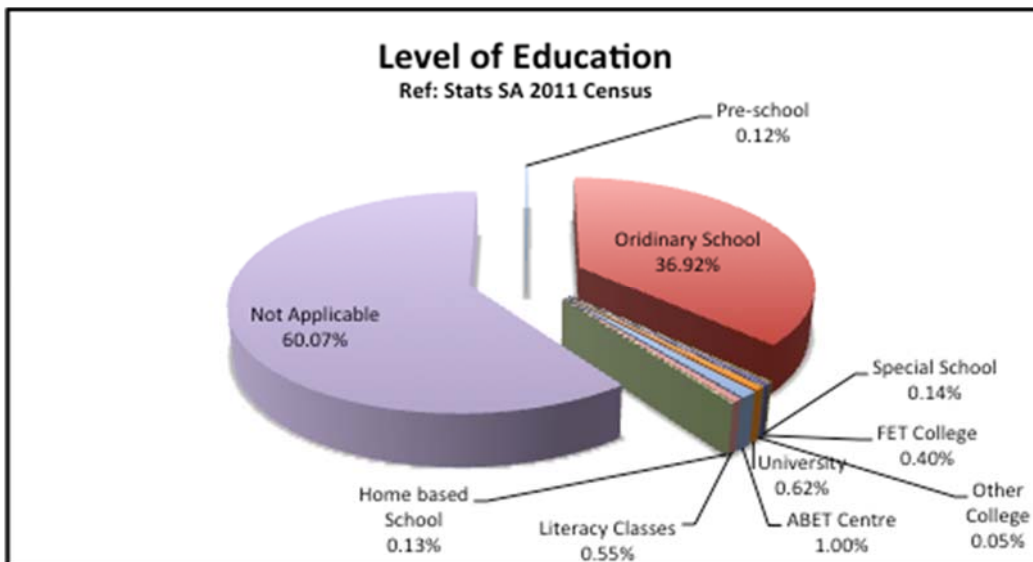


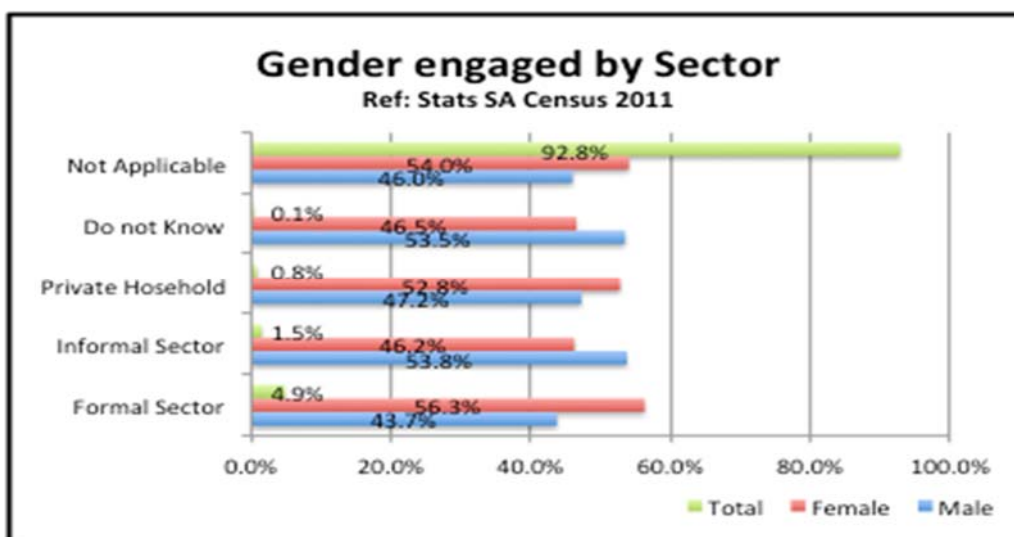
Table 8: Employment per sector by Gender

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

Mbhashe is earmarked as populated with the highest number of poor population in the province of Eastern Cape, which is again revealed by the 2011 Stats SA Census that identifies that the unemployment rate as 93%. This is the result of high illiteracy rate (ref: article 2.6). Only 5% of population engaged in the formal sector and at 1% in each of informal and private households. The table at the above shows the number of population engaged in various available sector of employment opportunity in the Mbhashe Municipality.

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

Figure 6: Gender analysis of employment by sector



❖ Level of Household Income

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

Figure 7: Level of household income

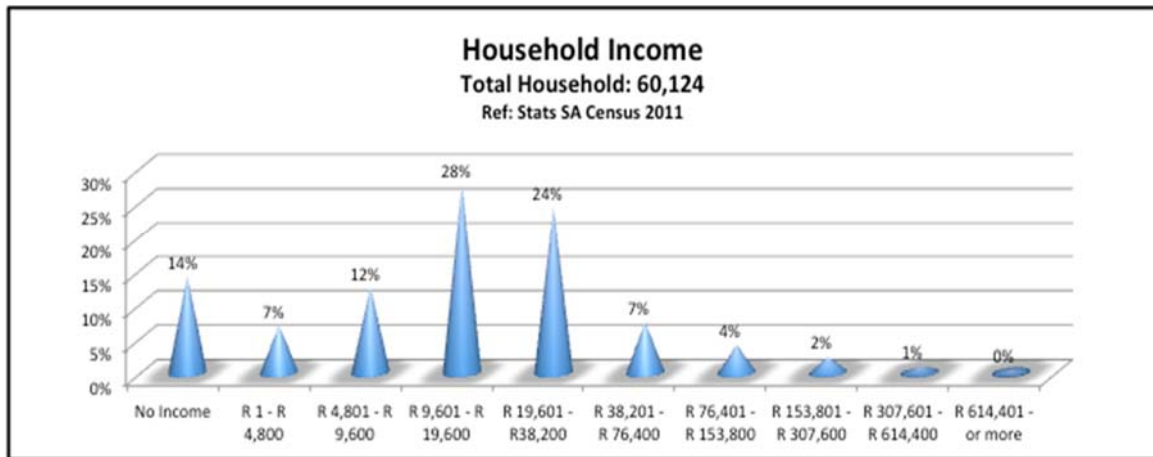


Table 9: Dwelling by house type

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

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

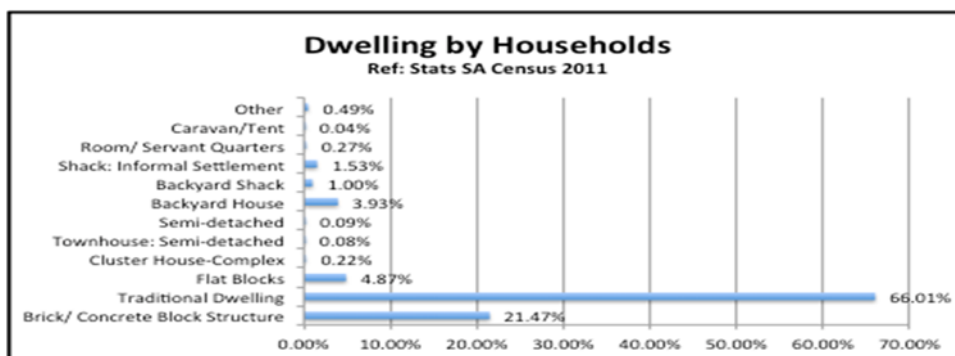


Figure 8: Dwellings by house type

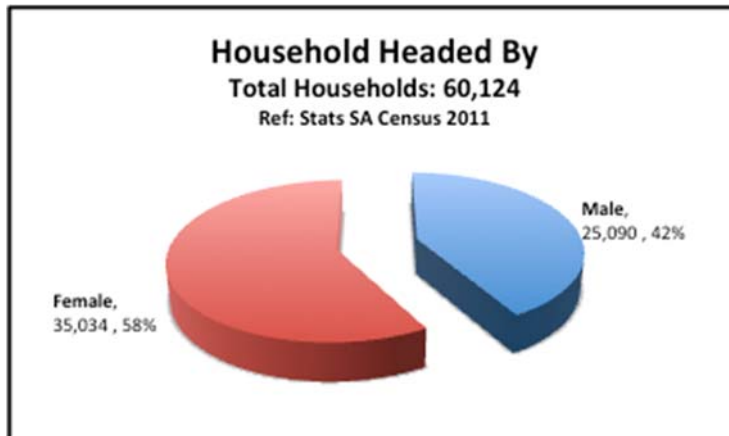


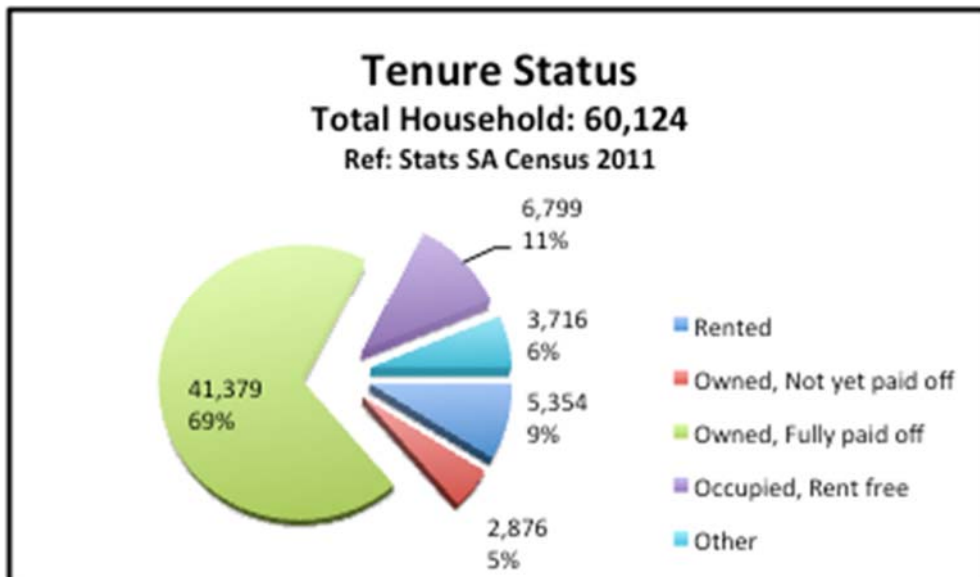
Figure 9: Household heads

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

❖ Tenure Status

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

Figure 10: Tenure status



SECTION 2: ANALYSIS

3.2 LEGAL FRAMEWORK ANALYSIS

LEGISLATION/ POLICY	PROVISION
Sustainable Development Goals (SDG)	The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.
Constitution of the Republic of South Africa, 1996	“A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.”
National Development Plan; vision 2030	<p>On inclusive and intergrated rural economy</p> <ul style="list-style-type: none"> • By 2030, South Africa’s rural communities should have greater opportunities to participate fully in the economic, social and political life of the country <p>On an economy that will create more jobs</p> <ul style="list-style-type: none"> • By 2030, the economy should be close to full employment; equip people with skills they need, ensure that ownership of production is less concentrated and more diverse and be able to grow rapidly; providing the resources to pay for investment in human and physical capital
ANC Manifesto	<p>On Local Economy and Job Creation; the ANC Manifesto emphasis on development and strengthening of local economies to create jobs and promote job placements especially the youth through:-</p> <ul style="list-style-type: none"> • Re orientating local economies to become effective centres of production, information processing and economic and spatial development. • Strengthening structures of Local Economic Development. • Developing sports and recreational facilities to grow local economies. • Ensuring that municipalities incorporate science and technology into their programmes as catalysts for local economic development and deploy innovations such as the hydrogen fuel cell technology. • Up scaling cooperatives to mainstream economic development. • Ensuring that all municipalities develop special programmes targeting youth Co-operatives and enterprises. • Developing the productive and creative skills of young people for economic projects and activities in municipalities. <ul style="list-style-type: none"> • Promoting local procurement of goods and services to increase local production. • Encouraging the growth of SMMEs and cooperatives through centralised government procurement

	<ul style="list-style-type: none"> • Maintaining all municipal infrastructure and facilities. • Encouraging local businesses to target young people and to take advantage of programmes to promote youth employment. • Upscaling the Community Work Programme to provide initial exposure to work opportunities to unemployed young people. • Ensuring the Expanded Public Works Programme takes advantage of the Municipal Infrastructure Grant to create labour absorbing activities and work opportunities. • Expanding broadband access in local government, including through free Wi- Fi areas. • Providing residents with information about programmes on sustainable agriculture and rural development. • Assisting rural smallholder farmers to access municipal land for food production and sustainable agriculture. • Collaborating with farmers to create better working and living conditions for farm workers. • Working with traditional leaders to ensure that communal land under the trusteeship of traditional leaders is accessible and available for development and economic growth.
National Framework for LED 2014-2019	<p>The vision as set out by the Framework is:</p> <p>“Competitive, sustainable, inclusive local economies world-class and dynamic places to live, invest, and work; maximizing local opportunities, addressing local needs, and contributing to national development objectives”</p>
1998 Local Government White paper	<p>The paper introduced the concept of developmental local government; i.e. the “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of lives.”</p>
Municipal Systems Act (2000)	<p>In this piece of legislation the Integrated Development Plan is seen as the key instrument to achieve organic, sustainable local economic development; as well as regulate municipal expenditure in respect of LED and build municipal partnerships for LED.</p>
Regional Industrial Development Strategy	<p>The RIDS Strategic Intent is outlined as follows:-</p> <ul style="list-style-type: none"> • To enable all areas in the SA economy to attain their optimal economic potential by facilitating local development embedded in a regional/district through linkages within existing and latent industrial and economic base. • To stimulate investments that will promote sustained high growth in a local community

	<ul style="list-style-type: none"> • To focus on a region’s potential and identify what local stakeholders can and need to do to ensure their local community reaches its potential • To assess a community’s comparative advantage, identify new or existing market opportunities for businesses, and reduce obstacles to business expansion and creation • To have an impact on the economic viability districts • To create new jobs, help communities retain existing jobs, help businesses access capital. • To contribute to a broader national framework with a spatial dimension, in order to increase each region’s global competitiveness.
Back to Basics	<ul style="list-style-type: none"> • B2B Approach primary goal is to improve performance of the municipalities in line with the National and Provincial Development Plans. • To facilitate integrated planning and participation by sector departments in the various workstreams for implementation of B2B. • To ensure that sector departments strategic plans are aligned with B2B and IDPs. • To enhance integrated service delivery support, monitoring and evaluation of support provided to municipalities

Area	Legislation	Linkage/PROMOTION
Integrated planning	a) The Local Government: Municipal System Act, 2000 (Act 32 of 2000) as amended	<p>This act compels municipalities to draw up the IDP's as a singular, inclusive and strategic development plan. In terms of this Act, a municipality produces an IDP every five years comprising of the following components</p> <ul style="list-style-type: none"> (i) A vision of the long-term development of the area. (ii) Municipality's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements. (iii) Municipality's development priorities and objectives for the Council elected term. (iv) An assessment of the existing level of development which must include an identification of the need for basic municipal service. (v) Spatial development framework which must include the provision of basic guidelines for a land use management system. (vi) The key performance indicators as determined by COGTA and performing targets.
Community safety	<ul style="list-style-type: none"> • Criminal procedure Act 51 of 1977 	To make provision for procedures and related matters in criminal proceedings
	<ul style="list-style-type: none"> • National Road Traffic Act 93 of 1996 	To provide for road traffic matters
	<ul style="list-style-type: none"> • South African police Service Act 68 of 1995 	Establishment of municipal police and related matters
Waste Management	<ul style="list-style-type: none"> • National Environmental Management Act 107 of 1998 	To provide for co-operative, environmental governance by establishing principles for decision making on matters affecting the environment, institutions that will promote co-operative governance and procedures for coordinating environmental functions exercised by organs of states, and to provide for matters connected therewith.

	<ul style="list-style-type: none"> • National Environmental Management Waste Act 59 of 2008 	To reform the law regulation waste management in order to protect health and environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecological sustainable development and matters connected therewith
Child and youth care	<ul style="list-style-type: none"> • Children’s Act 38 of 2005 	To provide for the early childhood development, child and youth care centers.
Cemeteries, Funeral Parlors and Crematoria	Funeral, Burial and Cremation Services Act of 2002	To provide for establishment licenses and operation of funeral polours, burials and cremations
Animal Pound	National Animal Pounds Bill of 2013	To establish National norms and standards in order to maintain consistency relating to pound and impounding of animals
Air Pollution	Air Quality Act 39 of 2004	To reform the law regulating air quality in order to protect environment by providing reasonable measures for prevention of pollution and ecological degradation and for securing ecological sustainable development and matters connected therewith
Beaches and Amusement	National Environmental Management: Integrated coastal Management Act 24 of 2008	To establish a system of integrated coastal and estuarial management in the republic including norms, standards and policies in order to promote the conservation of the coastal environment and maintain the natural attributes of coastal land scapes and seascapes
Libraries	Libraries and information services Act 6 of 2003	To provide for the establishment of the administration and control of library and information services in the province
Roads and Storm Water	<ul style="list-style-type: none"> • The South African National Roads Agency Limited and National Roads Act 7 of 1998 	To ensure compliance on all roads standards
	<ul style="list-style-type: none"> • Infrastructure Development Act 23 of 2014 	To provide for the facilitation and coordination of public infrastructure development

	<ul style="list-style-type: none"> National Land Transport Act 5 of 2009 	To provide further the process of transformation and restructuring the national land transport system
Electricity	Electricity Act 18 of 2015	To provide for continuity existence of electricity control board and for control of the generation and supply of electricity and for matters connected therewith
Budget Planning	Municipal Finance Management Act, 2003 (Act 56 of 2003)	The MFMA provides for closer alignment between the annual budget and the compilation of the IDP. This can be understood as a response to the critique that IDP's took place in isolation from financial planning and were rarely implemented in full as a result. Specifically, section 21 (1) of the Act requires that a municipality co-ordinates the process of preparing the Annual Budget and the IDP to ensure that both the budget and IDP are mutually consistent. Key to ensuring the co-ordination of the IDP and Annual Budget is the development of the Service Delivery Budget and Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Mayor of a municipality for implementation of service delivery and Annual Budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.
Planning and Performance management	C) The Municipal Planning and Performance Management Regulations (2001)	<p>This framework set out the following requirements</p> <ul style="list-style-type: none"> (i) An Institutional Framework for implementation of the IDP and to address the Municipality's internal transformation. (ii) Investment initiatives that should be clarified. (iii) Development initiatives including infrastructure, physical, social and Institutional development. (iv) All known projects, plans and programmes to be implemented within the municipality by any organ of state.

National Developmental Plan	d) The National Development Plan (NDP) vision 2030	<p>The NDP outcome 9 which stating the responsive, accountable, effective and efficient developmental local government system. The NDP envisages that by 2030 South Africa will be a state that is capable of playing a developmental and transformative role in broad terms such a state intervenes to support and guide development in such a way that benefits society and particularly the poor. The NDP priorities to achieve the vision are as follows</p> <ul style="list-style-type: none"> (i) Members of society have sustainable and reliable access to basic services (ii) Sound financial and administrative management (iii) Intergovernmental and democratic governance arrangements for a functional system cooperative governance strengthened (iv) Promotion of social and economic development (v) Local public employment programmes expanded through the Community Works Programme
Special Programmes (SPU)	<p>National Youth Policy 2020</p> <p>Children’s Act 38 of 2005</p> <p>White Paper on an Integrated National Disability</p> <p>Older Person’s Act 13 2006</p> <p>Women Empowerment And Gender Equality Act, 2014</p> <p>National Strategic Plan (NSP) on HIV,</p>	<p>The policy provides guide for:</p> <ul style="list-style-type: none"> • Consolidated and integrated youth development into the mainstream of government policies, programmes and the national budget • Strengthening of the capacity of key youth development institutions and ensuring integration and coordination in the delivery of youth services. • Building the capacity of young people to enable them to take charge of their own well-being by building their assets and realising their potential. • Strengthening of a culture of patriotic citizenship among young people and to help them become responsible adults who care for their families and communities. • Fostering a sense of national cohesion, while acknowledging the country’s diversity, and inculcate a spirit of patriotism by encouraging visible and active participation in different youth initiatives, projects and nation building-activities.

	<p>STi and TB (2012-2016)</p> <p>Military Veterans Act 18 of 2011</p>	<ul style="list-style-type: none"> • Gives effect to certain rights of children as contained in the Constitution. • This prescribes on what can be contributed to the development of disabled people and to the promotion and protection of their rights. • The act aims to establish a society of the older persons who are content, dignified, possessed of a high sense of self-worth and optimising their potential as well as to ensure that they enjoy all opportunities besides being given the care and protection as members of a family, society and the nation.
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3.3 LEADERSHIP GUIDELINES

Mbhashe Local Municipality has already produced four full five year IDPs, from, 2002 – 2007, 2007-2012, and 2012 – 2017, 2017-22. The Municipality has now reviewed the 2019 - 20 IDP for the 2nd time in accordance with section 34 of the Local Government Municipal Systems Act 32 of 2000.

A five year IDP supports a single, integrated planning process, with clear demarcation between long-term, medium term and short term planning. The five year IDP should therefore be understood as an interpretation of strategy and political priorities into a detailed Integrated Plan that is to become the business plans, in this context, are seen as implementation tools. The municipality in developing the document should make an important contribution towards creating a human society which require all councillors and officials to work together and selflessly to improve service delivery and to address service backlogs

Following the election of the new council in 2016 the municipality embarked on a process of formulating its five year integrated development plan (IDP) 2017 -2022. This document outlines the programmes and development commitments that will be delivered during the term of the current council. The IDP supersedes all other plans of a municipality. The following were priorities that were identified by the municipal leadership in the next five years.

- ❖ Poverty eradication
- ❖ Improvement on the illiteracy rate
- ❖ Reduce unemployment
- ❖ Build active citizen

3.4 STAKEHOLDER ANALYSIS

Legislative Framework

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) regulates the participation of communities in the affairs of the municipality.

Mbhashe Municipality reviewed a public participation and petition strategy in compliance with the requirements of the Act and these are being implemented within the municipality.

Mechanisms for Community Participation

The following are the mechanisms to engage and involve the community members in the development, review, implementation of the IDP and other affairs of the municipality:

IDP Representative Forum: is a forum of representatives of various stakeholders of the municipality, where issues of planning, implementation, reporting and accountability are discussed

Mayoral Outreaches: including meetings with the various stakeholders such as business community, the faith / religious organisations, rate payers of the municipality and other stakeholders.

Inter-government Relations Forum: is a platform where meetings with national and provincial government department, the Parastatals, the institutions of higher learning and the local further education and training college are convened

Ward Committee: meet monthly in their respective voting stations and quarterly for the ward

Community Development Workers: They have been deployed in all the municipal wards and they assist in the co-ordination of service delivery, development and reviewal of the Integrated Development Plan.

CDWs assist in the service delivery audits that are undertaken by the municipality and other stakeholders.

Mayoral Imbizos: held at ward level and are convened by the Executive Mayor.

MAYCO and the community members for reporting on past projects, status of the current projects and prioritization of community needs for the next financial year.

Mbhashe Newsletter: is issued quarterly where news articles about service delivery and the people of Mbhashe are published.

3.5 SITUATIONAL ANALYSIS

3.5.1 KPA 1 – MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

➤ ORGANISATIONAL STRUCTURE AND ESTABLISHMENT PLAN

Section 66 of the Municipal Systems Act (act No.32 of 2000) requires that a municipal manager to a policy framework determined by the municipal council and subject to any applicable legislation, establish a mechanism, to regularly evaluate the staff establishment of a municipality and if the staff establishment requires amendment the approval of the Council shall be obtained.

Mbhashe Local Municipality is divided into two levels namely; Political and Administrative structure. The administration is accountable to Political Structure.

➤ Political Structure

The municipality is governed by its council led by the Executive Mayor and chaired by the Speaker. The political seat is at Dutywa. There are section 79 committees established to assist council in governing the work of line functional administration and section 80 committees which assist the executive committee to function. The councillors signed a code of conduct on their first induction meeting in August 2016 and the declaration is being signed annually in the beginning of each financial year. The Council also established the rules committee chaired by the Speaker which developed the rules of order for the council and its function which also enforces the implementation of rules in the council and adherence to the code of conduct by councillors.

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

- ❖ Mayoral Committee
- ❖ Municipal Public Accounts Committee
- ❖ Audit and Performance Audit committee
- ❖ Women's Caucus
- ❖ Ethics and Rules Committee

Section 80 committees are as follows:

- ❖ Municipal Transformation & Institutional Arrangement
- ❖ Service Delivery and Infrastructure
- ❖ Local Economic Development
- ❖ Financial Viability and Management
- ❖ Good Governance and Public Participation

All the above committees are sitting on a quarterly basis.

MPAC is fully functional playing the role of an oversight. The structure is proactive in interrogating a Draft Annual Report and having inputs that are brought to Council for noting. The structure also leads in the Annual Report Roadshows and prepares an Oversight Report that talks to the developed Annual Report and submit the assessment results to the Council.

Other Committes:

- ❖ Remuneration Committee
- ❖ Local Labour Forum
- ❖ Training Committee
- ❖ Employment Equity Committee
- ❖ Occupational Health and Safety Committee
- ❖ Sport Committee

➤ **Administrative Structure**

The Political and administrative seat of Mbhashe Local Municipality is situated in Dutywa Main Offices. The municipality extends its services by having a functional staffed units in Gatyana and Xhora. In these two units the following functions are being implemented:

- ❖ Waste Management
- ❖ Budget & Treasury Office
- ❖ Infrastructure Maintanance
- ❖ Public Participation and
- ❖ Special Programs Unit

Each Unit has a Manager that oversees administrative issues on functions undertaken and they are required to submit quarterly reports to the Municipal Manager and the reports are discussed in the management meetings.

Mbhashe Local Municipality has a signed and an approved Organisational structure by the Council, which reflects 270 staff compliment. The municipality has 113 post in the approved organogram. The total staff compliment is currently 270 and 25 vacancies. The recruitment processes for vacant positions have commenced and one vacant positions for senior manager have to be filled.

The Municipal Manager of the institution is employed in terms of section 56, whilst the senior management is employed in terms of section 54.

The municipality has three levels of management and are as follows;

- ❖ Top Management (constituted by Senior Managers)
- ❖ Middle Management (constituted by Managers reporting to Senior Managers)
- ❖ Operational Management (constituted by Officers Supervisors Team leaders)

Top Management is responsible for Strategic Planning of the institution, in doing that Middle Management forms part of the processes for Strategy Development. This is done to build capacity and to promote participation and innovation.

Administratively, the municipality consists of the following six departments

OFFICE OF THE MUNICIPAL MANAGER

- ❖ Units Management
- ❖ Special Programmes
- ❖ Communications
- ❖ Strategic Planning and Performance Management
- ❖ Council Support
- ❖ Public Participation
- ❖ Legal and Risk Services
- ❖ Internal Audit

CORPORATE SERVICES

- ❖ Human Resources Management
- ❖ Facilities
- ❖ ICT and Records Management

DEVELOPMENTAL PLANNING

- ❖ Local Economic Development
- ❖ Land Use Management
- ❖ Human Settlements
- ❖ Environmental Management
- ❖ Property management
- ❖ Building controls

INFRASTRUCTURAL DEVELOPMENT AND MAINTENANCE

- ❖ Roads & Stormwater
- ❖ Electricity
- ❖ Civil & Building Works
- ❖ Mechanical works

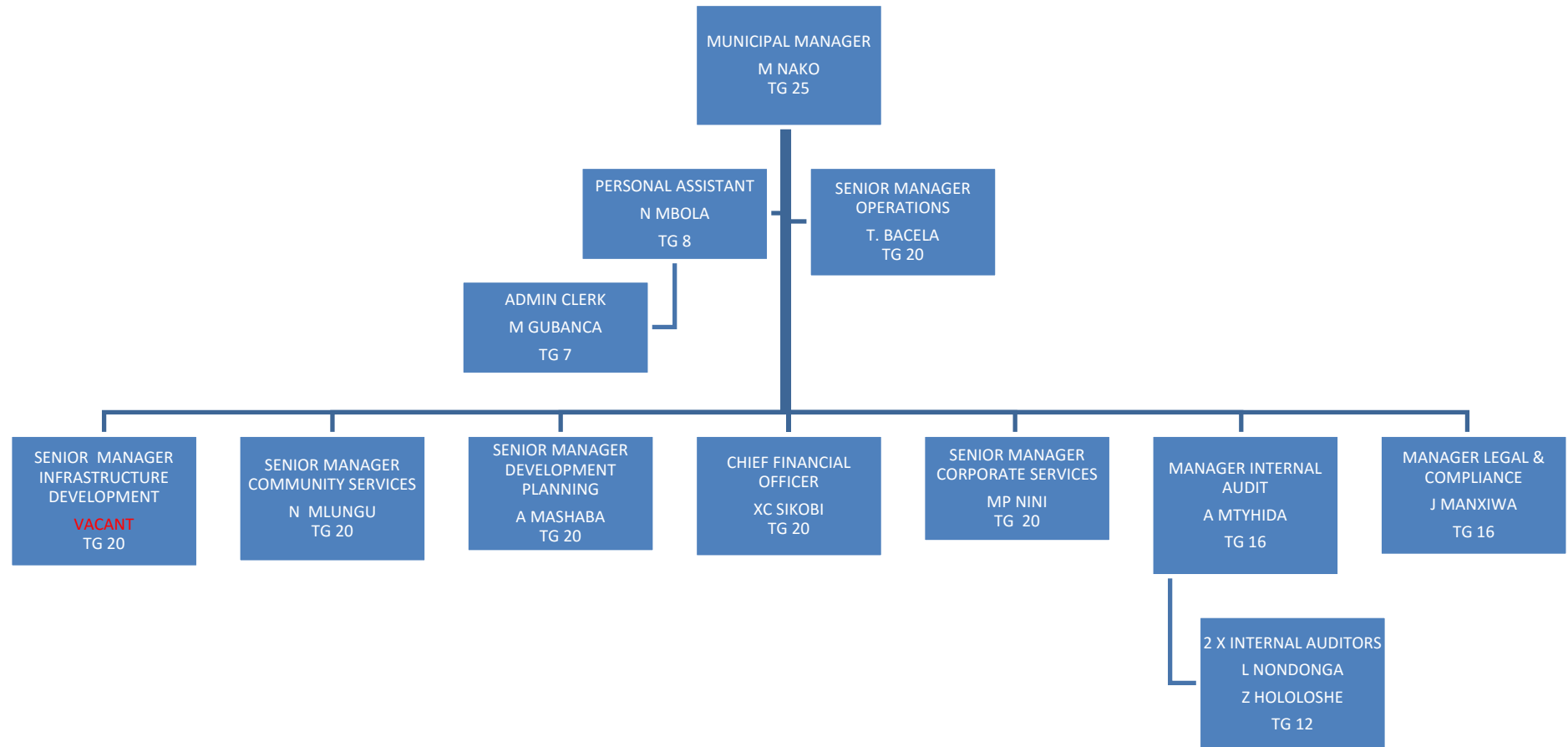
COMMUNITY SERVICES

- ❖ Waste Management
- ❖ Traffic Management and Law Enforcement
- ❖ Expanded Public Works Programme
- ❖ Community Facilities
- ❖ Free Basic Services
- ❖ Disaster coordination

BUDGET & TREASURY OFFICE

- ❖ Budget Planning
- ❖ Expenditure management
- ❖ Revenue Management
- ❖ Supply Chain Management
- ❖ Financial Reporting
- ❖ Customer Care
- ❖ Asset and Fleet Management

Diagram 1: Organisational Structure



As per approved structure, Mbashe Local Municipality has six (6) senior managers that reports directly to Municipal Manager. These are, Senior Manager Corporate Services, Senior Manager Community Services, Senior Manager Operations, Senior Manager Infrastructure, Senior Manager Development Planning and Chief Financial Officer who are Section 56 Managers. The Municipal Manager and other five positions are currently filled. The position of the Senior Manager Infrastructure will be filled on the 15th June 2019.

Task Grade	MM's Office			BTO			PLAN & DEV			INFRASTRUCTURE			CORPORATE SERVICES			COMMUNITY SERVICES			OVERALL TOTALS	
	Number of Posts	Filled Posts	Vacancies	Number of Posts	Filled Posts	Vacancies	Number of Posts	Filled Posts	Vacancies	Number of Posts	Filled Posts	Vacancies	Number of Posts	Filled Posts	Vacancies	Number of Posts	Filled Posts	Vacancies	TOTAL POSTS	TOTAL FILLED
25	1	1	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	1
20	1	1	0	1	1	0	1	0	1	1	1	0	1	1	0	1	1	0	6	5
16	2	2	0	1	1	0	0	0	0	2	2	0	1	1	0	0	0	0	6	6
14	8	4	4	3	1	2	2	1	1	0	0		1	1	0	2	2	0	16	9
12	13	6	7	8	5	3	9	5	4	14	9	5	9	7	2	8	6	2	61	38
11	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
10	4	2	2	2	1	1	3	3	0	6	4	2	0	0	0	6	4	2	21	14
8	5	4	1	4	4	0	1	1	0	1	1	0	1	1	0	3	1	2	15	12
7	17	10	8	11	9	2	1	1	0	0	0	0	15	7	8	45	28	17	89	55
6	1	1	0	1	1	0	0	0	0	39	24	16	1	1	0	21	16	5	63	43
5	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
4	0	0	0	6	4	2	0	0	0	4	0	4	0	0	0	20	18	2	30	22
3	0	0	0	3	3	0	0	0	0	0	0	0	13	10	0	61	51	11	80	64
	54	33	22	40	30	10	18	12	6	67	41	27	42	29	10	167	129	38	390	270
		39%			25%			33%			39%			45%			23%			44.81%
VACANCIES		21			10			6			26			13			38			121
% of Total posts		57%			76%			76%			75%			71%						93.00%

Diagram 3: Workforce Analysis

Municipal Profile

Table below reports the total number of employees and legislators (including employees with disabilities) in each of the following occupational levels:

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupation Category	Occupation	AF	AM	People with Disability		Total	<35	35-55	55>	Total	Non SA
				AF	AM						
LEGISLATORS				AF	AM						
LEGISLATORS	Mayor	0	1	0	0	1	0	1	0	1	0
LEGISLATORS	Speaker	1	0	0	0	1	0	1	0	1	0
LEGISLATORS	Chief Whip	0	1	0	0	1	0	1	0	1	0
LEGISLATORS	Mayoral Committee	6	3	0	0	7	0	7	0	7	0
LEGISLATORS	Councillors	21	32	0	0	53	2	49	2	53	0
LEGISLATORS	Chiefs	2	10	0	0	12	0	0	2	12	0
LEGISLATORS Totals		29	46	0	0	75	2	57	5	75	0
MANAGERS	Municipal Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	CFO	0	1	0	0	1	0	1	0	1	0

MANAGERS	Senior Manager Planning	0	1	0	0	1	0	1	0	1	0
MANAGERS	Senior Manager Corporate	0	1	0	0	1	0	1	0	1	0
MANAGERS	Senior Manager Infrastructure	1	0	0	0	1	0	1	0	1	0
MANAGERS	Unit Manager	1	0	0	0	1	0	1	0	1	0
MANAGERS	Unit Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Chief Traffic &Law enforcement	0	1	0	0	1	0	1	0	1	0
MANAGERS	Community Service Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Legal Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Council Support Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Internal Audit Manager	0	1	0	0	1	0	1	0	1	0

MANAGERS	Communications Manager	1	0	0	0	1	1	0	0	1	0
MANAGERS	HR Manager	1	0	0	0	1		1	0	1	0
MANAGERS	IT Manager	0	1	0	0	1	1	0	0	1	0
MANAGERS	PMU Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Maintenance Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Land and Housing Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	LED Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Town Planner Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	SCM Manager	0	1	0	0	1	1	0	0	1	0
MANAGERS	Finance Manager	0	1	0	0	1	1	0	0	1	0
MANAGERS TOTALS		4	18	0	0	22	4	18	0	22	0
PROESSIONALS	Public Participation officer	1	0	0	0	1	0	1	0	1	0

PROFESSIONALS	Senior Committee Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	IDP Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Internal Auditors	0	2	0	0	2	1	1	0	2	0
PROFESSIONALS	SPU Officer	0	1	0	0	1	0	1	1	1	0
PROFESSIONALS	Accountant/Finance &Admin Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	ISD Officers	2	0	0	0	2	2	0	0	2	0
PROFESSIONALS	Housing Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Tourism Officer	0	1	0	0	1	0	1	0	1	0
PROFESSIONALS	Agriculture Officer	0	1	0	0	1	0	1	0	1	0
PROFESSIONALS	Environmental Officer	1	0	0	0	1	1	0	0	1	0
PROFESSIONALS	Building inspectors	2	1	0	0	3	1	2	0	1	0
PROFESSIONALS	EPWP Coordinator	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Community Services Officers	2	1	0	0	3	0	3	0	3	0

PROFESSIONALS	Revenue Accountant	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Budget Accountant	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Payroll Officer	1	0	0	0	1	1	0	0	1	0
PROFESSIONALS	Expenditure Accountant	0	1	0	0	1	1	0	0	1	0
PROFESSIONALS	Procurement officers	1	1	0	0	2	1	1	0	2	0
PROFESSIONALS	Free Basic Services Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	HR Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	HRD Officer	1	0	0	0	1	1	0	0	1	0
PROFESSIONALS	Labour Relations Officer	0	1	0	0	1	0	1	0	1	0
PROFESSIONALS	Registry/Records Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Admin officer	0	1	0	0	1	1	0	0	1	0
PROFESSIONALS TOTALS		21	11	0	0	32	10	22	0	32	0

TECHNICIANS AND ASSOCIATION PROFESSIONALS	ICT Technicians	1	1	0	0	2	0	2	0	2	0
TECHNICIANS AND ASSOCIATION	Quantity Surveyor technician	1	0	0	0	1	0	1	0	1	0
TECHNICIANS AND ASSOCIATION	PMU Technicians	2	1	0	0	3	1	2	0	3	0
TECHNICIAN AND ASSOCIATION	Mechanical Technician	0	1	0	0	1	1	0	0	1	0
TECHNICIAN AND ASSOCIATION	Electrical Technician	0	1	0	0	1	0	1	0	2	0
TECHNICIAN AND ASSOCIATION	Foreman's	1	2	0	0	3	1	2	0	3	0
TECHNICIAN AND ASSOCIATION	Electrical artisan	1	1	0	0	2	0	2	0	2	0
TECHNICIAN AND ASSOCIATION TOTALS		6	7	0	0	13	3	10	0	13	

CLERICAL SUPPORT WORKERS	Municipal Executive personal assistant & Secretary	1	1	0	0	2	2	0	0	2	0
CLERICAL SUPPORT WORKERS	Mayors Executive personal assistant & secretary	2	0	0	0	2	0	2	0	2	0
CLERICAL SUPPORT SERVICES	Speaker' personal assistant & secretary	1	1	0	0	2	2	0	0	2	0
CLERICAL SUPPORT SERVICES	Executive Secretaries	6	0	0	0	6	5	1	0	0	0
CLERICAL SUPPORT SERVICES	Principal and Committee clerks	2	2	0	0	0	0	4	0	4	0
CLERICAL SUPPORT SERVICES	Receptionist	2	0	0	0	0	2	0	0	2	0
CLERICAL SUPPORT SERVICES	Registry Clerk	2	1	0	0	3	0	3	0	0	0
CLERICAL SUPPORT SERVICES	SCM Clerks	2	0	0	0	2	2	0	0	2	0

CLERICAL SUPPORT SERVICES	Payroll clerk	0	1	0	0	1	0	1	0	1	0
CLERICAL SUPPORT SERVICES	Budget junior accountant	1	0	0	0	1	1	0	0	1	0
CLERICAL SUPPORT SERVICES	Junior expenditure accountant	1	0	0	0	1	1	0	0	1	0
CLERICAL SUPPORT SERVICES	Junior revenue accountant	1	0	0	0	1	1	0	1	1	0
CLERICAL SUPPORT WORKERS	Fleet clerk	0	1	0	0	1	0	1	0	1	0
CLERICAL SUPPORT WORKERS	Asset Clerk	0	1	0	0	1	0	1	0	1	0
CLERICAL SUPPORT WORKERS	HR Clerks	1	1	0	0	1	0	2	0	2	0
CLERICAL SUPPORT WORKERS	SPU coordinators	1	1	0	0	2	2	0	0	2	0

CLERICAL SUPPORT WORKERS	Property clerk	1	0	0	0	1	0	1	1	1	0
CLERICAL SUPPORT WORKERS	Supervisors	1	0	0	0	1	0	1	0	1	0
CLERICAL SUPPORT WORKERS TOTALS		25	10	0	0	35	18	17	0	35	0
SERVICE AND SALES WORKERS	Cashiers	3	0	0	0	3	1	2	0	3	0
SERVICE AND SALES WORKERS	Customer Care	1	0	0	0	1	1	0	0	1	0
SERVICE AND SALES WORKERS	Commander & Law enforcement officers	2	9	0	0	12	11	0	1	12	0

SERVICE AND SALES WORKERS	E-Natis clerks	2	0	0	0	2	1	1	0	12	0
SERVICE AND SALES WORKERS	Traffic officers	1	5	0	0	6	4	2	0	6	0
SERVICE AND SALES WORKERS	Traffic Wardens	1	2	0	0	3	1	0	0	3	0
SERVICE AND SALES WORKERS	Licencing examiner	2	0	0	0	2	0	2	0	2	0
SERVICE AND SALES WORKERS	Senior traffic officers	0	2	0	0	2	1	1	0	2	0
SERVICE AND SALES WORKERS	Superintendent Licensing	0	1	0	0	1	0	1	0	1	0

SERVICE AND SALES WORKERS	Superintendent traffic	0	0	0	0	1	0	1	0	1	0
SERVICE AND SALES WORKERS Totals		12	19	0	0	31	20	10	1	33	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	TLB operator	0	3	0	0	3	0	3	0	3	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Excavator operator	0	3	0	0	3	2	1	0	3	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Grader operator	0	2	0	0	2	0	1	1	2	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Dozer operator	0	2	0	0	2	0	2	0	2	0

PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Truck drivers	0	5	0	0	5	1	3	1	5	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Road artisans	0	3	0	0	3	0	2	1	3	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Roller operator	0	1	0	0	1	1	0	0	1	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Plant operators	0	5	0	0	5	3	2	0	5	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Driver	0	2	0	0	2	1	1	0	2	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Mayors Driver	1	1	0	0	2	0	2	0	2	0
PLANT AND MACHINE OPERATORS	Speaker's Driver	0	1	0	0	1	0	1	0	1	0

PLANT AND MACHINE OPERATORS TOTALS		0	29	0	0	29	8	18	3	29	0
ELEMENTARY OCCUPATION	Garden caretaker/messenger	0	1	0	0	1	0	0	1	1	0
ELEMENTARY OCCUPATION	Office cleaners	5	0	0	0	5	2	3	0	5	0
ELEMENTARY OCCUPATION	Messengers	1	2	0	0	3	0	3	0	3	0
ELEMENTARY OCCUPATION	Waste collection	23	58	0	0	81	24	47	10	81	0
ELEMENTARY OCCUPATION	Animal attended	0	3	0	0	3	0	3	0	3	0
ELEMENTARY OCCUPATION	Care taker	0	3	0	0	3	0	3	0	3	0
ELEMENTARY OCCUPATION	Team leaders	0	18	0	0	18	6	12	0	18	0
ELEMENTARY OCCUPATION	Supervisor	0	13	0	0	13	0	12	1	13	0
ELEMNTARY OCCUPATION TOTALS		29	98	0	0	127	32	83	12	127	0

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESS
DECISION MAKING	<ul style="list-style-type: none"> • Employee engagement (Established structures) • Clear process flow • Existing procedures • Institutional calendar • Staff meetings • Resolution register 	<ul style="list-style-type: none"> • Poor communication • Non-compliance • Poor implementation of resolutions
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Municipal stability 	<ul style="list-style-type: none"> • Community Protests

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESS
SUPERVISION	<ul style="list-style-type: none"> • All levels of Supervisor position are filled • Segregation of duties • Monthly Reports 	<ul style="list-style-type: none"> • Poor accountability • Fear of taking decision • Fear of acting on transgression • Capacity building
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Career growth • Improved service delivery • Improved revenue collection 	<ul style="list-style-type: none"> • Staff turnover • Political interference

➤ Human Resources

The municipality has a Human Resources Strategy that was developed by Amathole District Municipality through Municipal Support Unit (MSU) for 2013-2017. The human resources strategy was adopted by council on the 29th May 2013 and is reviewed on an annual basis. The HR strategy considerations focus on building systematic human resource practices that improve employees' motivation and skills. The strategy also focuses more on selecting the right employees to do the job, managing their activities and motivating them to stay with the municipality. The purpose of generating these strategies is to mitigate the threats and weaknesses which human resources and the municipality is faced with by among other things, taking advantage of the identified opportunities and capitalising on the identified strengths. With the development of the HR strategy the entire municipality has been able to understand the skills development dynamics including the skills development initiatives accordingly in order to improve on service delivery. The municipality is in a process of reviewing the HR Strategy with the assistance of CoGTA in the Province including Amathole DM.

One of the key issues that can make the municipality as the employer of choice is to offer competitive salaries and financial reward that can be viewed as a major differentiation in being an employer of choice; work/life balance plays a major role in addressing the more intrinsic needs of employees. The municipality has monthly departmental meetings and quarterly staff meetings hosted by the municipal manager with the MAYCO invited. The staff meeting allows employees to interact with the municipal leadership. The municipality has adopted a reviewed Performance Management Framework. The performance of the municipality is viewed on a quarterly basis where departments are required to present evidence to support quarterly performance. After those presentations to the Municipal Manager, they are presented to TROIKA by head of department. Remedial actions have to be presented together with performance to mitigate shortfalls. The current challenge is that, the municipality has not yet cascaded the system to all employees and no performance rewards conducted. Staff satisfaction survey was conducted by PriceWaterhouseCoopers in 2016, the employer must evaluate the staff morale from time to time. Sporting activities and wellness programs have been rolled out for employees.

In terms of Section 67(1) and specifically Section 67(1)(d) of the Local Government Municipal Systems Act (Act 32 of 2000), the Municipality is compelled to “develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including (d) “the monitoring, measuring and evaluating of performance of staff.”

An Individual Performance Management policy has been developed and adopted by the Council. Mbhashe Local Municipality has not yet cascaded down the implementation of Individual performance management.

HUMAN RESOURCE PLAN

Mbhashe Local Municipality has got a five year plan, which is reviewed annually which was adopted by the Council in 2019. It links, integrates and co-ordinates all development plans of the municipality, aligns the resources and capacity of the municipality with the implementation plan. It also forms part of the policy frameworks which constitute the general basis on which the annual budget must be based and is compatible with the National and Provincial development plans and planning requirements.

Personnel Administration is attending to the administration of all employee contracts, benefits and conditions of service as well as all administration and procedures incidental to employee appointments and terminations. Induction programmes are conducted quarterly to all employees. Job Evaluation process of 43 job has been finalised. Mbhashe Local Municipality has established its own Job Description writing Committee. Job description writing training was conducted. Twenty-two Job description has been forwarded to the District for evaluation purpose.

SWOT ANALYSIS

FACTOR	STRENGHT	WEAKNESS
HR Plan	Draft HR plan HR policies and procedure Manuals in place HR Department fully staffed	HR plan not yet implemented Awareness
	OPPORTUNITIES	THREATS
	Support from COGTA and Amathole District Municipality for review Functional IGR	Change in legislation
STAFF MEETINGS	STRENGHTS	WEAKNESS
	High employee morale Good source of Information Good Employer – Employee relations	Lack of self confidence
	OPPORTUNITIES	THREATS
	Good municipal image Improved perception	Industrial actions
EMPLOYEE BENEFITS	STRENGHTS	WEAKNESS
	Well defined benefit Low turnover rate	Not all employees are taking the opportunities
	OPPORTUNITIES	THREATS
	Promote Municipal image Attraction of potential employees	Legislation
RECRUITMENT & SELECTION	STRENGHTS	WEAKNESS
	Policy exist Existing recruitment panel Security vetting in senior posts Verification of qualifications for all posts	Delays in verification of qualifications

	OPPORTUNITIES	THREATS
	High rate of employment Poverty alleviation	Legislation Delays in verification of qualifications
PERFORMANCE MANAGEMENT	STRENGTHS	WEAKNESS
	Performance management framework exists Quarterly reporting Individual Assessments conducted	No performance rewards
	OPPORTUNITIES	THREATS
	Increased public participation Improved municipal image Improved services delivery Improved revenue collection	Loss of grants funding Service delivery protests
RETENTION	STRENGTHS	WEAKNESS
	Retention policy exists Benefits are there to encourage stay	Rural nature of the municipality
	OPPORTUNITIES	THREATS
	Attraction of skilled employees	Market related salaries

➤ Employment Equity Plan (EEP)

The municipality has an employment equity plan (EEP) in place which was adopted together with the IDP and budget in the council meeting of 29 May 2013 and the duration of the plan was from 2013 to 2018. The EEP of the municipality was evaluated by the Department of Labour and was found to be not compliant as a result a draft EEP has been reviewed. The EEP is to ensure the implementation of employment equity as well as affirmative action in all occupational levels and categories of its workforce. The EEP sets out the measures to be taken to ensure legal compliance with Employment Equity Act. Furthermore it includes the objectives, activities, numerical goals and targets to progressively move towards achieving representatively of the designated groups across the organisational structure. The municipality did submit the Employment Equity (EE) Report to the Department of Labour in January 2018. Employment Equity Committee meetings are sitting monthly.

As an employer designated in terms of the Employment Equity Act (Act 55 of 1998), the Mbhashe Local Municipality is under legal obligation, in terms of Section 20(1) of the Act to draft an Employment Equity Plan, for a period between 1 and 5 years in duration, effective from 1 July 2019.

The Mbashe Local Municipality's Employment Equity Plan for the period in question is informed by:

- ❖ the relevant stipulations in the Employment Equity Act,
- ❖ the strategic priorities of the municipality as captured in the Integrated Development Plan (IDP),
- ❖ the Codes of Good Practice on the "Employment Equity Plans", "HIV/AIDS and Employment", as well as "Employment of people with disabilities";
- ❖ the previous Employment Equity Plan of the municipality as submitted to the Department of Labour

Mbashe Local municipality has an adopted plan for 2019 to 2024 and Employment Equity Progress Report is submitted annually to the Department of Labour.

Employment Equity Committee is established according the Act, to monitor progress in the implementation of the plan. The committee sits on quarterly basis according to planned Municipal calendar.

SWOT ANALYSIS	STRENGTHS	WEAKNESS
	Employment equity policy exists Report submitted annually Employment equity committee functional	Affirmative action measures not implemented
	OPPORTUNITIES	THREATS
	Attraction of designated groups Elimination of unfair discrimination	Change in legislation

➤ Labour Relations

The municipality appreciates workplace stability owing to good relations for the past financial year with organised labour, who have conducted themselves as true partners in service delivery and expressed faith in resolving issues. The municipality has established the Local Labour Forum (LLF) in order to maintain the stability with organised labour. The purpose of this structure is to consult, negotiate on matters of mutual concern pertaining to the workplace. The meetings of the Local Labour Forum are used to deal with issues emanating both from the employer and the unions. The Local Labour Forum is scheduled to sit on a monthly basis as per the adopted municipal calendar and when a need arises, but because of some other pressing issues, it doesn't sit monthly. Workshops have been conducted and others are planned. LLF is the structure used for consultation with labour on issues of mutual concerns. The Code of Conduct was presented to employees and employees have signed them together with the declaration of interest's forms during the induction workshop. Local Labour Forum is one of Mbashe Local Municipality structures that consist of Employer and Employee components.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESS
CONSULTATION	Establishes structures Existing procedures Staff meetings Functional Local Labour Forum	No Quorum in some meetings leading to postponements
	OPPORTUNITIES	THREATS
	Municipal stability	Centrally negotiated disagreements

➤ Specialists Skills

The Workplace Skills Plan and Annual Training report are developed and submitted annually to LGSETA. Its implementation is done according to the recommendation of the Training Committee. Training Committee sits quarterly as per adopted institutional calendar and when needs arises. The Workplace Skills Plan is monitored by Corporate Services and Training Committee and reports are submitted quarterly to Training Committee, District Municipality and LGSETA.

The municipality through skills audit identified skills gap in the elementary employment category on plumbing skill. The Municipality does not have scarce skill policy in place where it will guide the municipality on how to go about on addressing scarce skills requirements. The municipality has to develop the policy as to be able to identify, attract and retain scarce skills. An initiative of submitting grant application to Local Government Sector Education and Training Authority (LGSETA) for plumbing learnership for 20 unemployed learners in preparing to have such scarce skill within Mhashe area have been submitted.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESS
TRAINING AND DEVELOPMENT	<ul style="list-style-type: none"> • Workplace skills plan exists • Education, training and development policy exists • Training committee established • Skills audit conducted to employees 	<ul style="list-style-type: none"> • Trainings outside approved WSP • Budget constraints
	OPPORTUNITIES	THREATS

	<ul style="list-style-type: none"> • HRD Forum • Attraction of skilled personnel • TVET Colleges exist in all units (Dutywa, Gatyana and Xhora) 	<ul style="list-style-type: none"> • Municipal employees leave for greener pastures
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➤ **Employee Wellness and Occupational Health & Safety (OHS)**

OHS is the critical component of our strategic position in the municipality and it is the desire of the municipality to enhance it throughout its business partners and community members. It is therefore the municipal business to maintain a safe and healthy working environment for the betterment of the institution and its surroundings. The objectives of the Employee Wellness and Occupational & Safety are to promote health by providing the employee with ongoing education, information and communication in all health related aspects. The municipality also encouraged its employees to be proactive about their health and modify their lifestyle for their own benefits. The municipality is also ensuring that a safe working environment for all the employees in the workplace is maintained. It was identified during the wellness programmes that some employees are suffering from chronic diseases. The follow ups were done for those employees that were affected by these diseases and the attendance has been good. Wellness sessions were held for employees and councillors. Programs specific to either male or female health were held and these also targeted both employees and councillors. A Family day session was held where employees with their families were invited to an event where games were played. There was enthusiasm shown by employees on the programs.

Occupational Health and Safety committee is meeting quarterly and is producing assessment reports that are submitted to Management up to Council. There has been a notable reporting of injuries on duty which involved several injuries which included EPWP employees. With regards to that, the municipality further strengthened OHS awareness campaigns with a particular focus to EPWP.

Protective clothing for staff members has been purchased and Fire extinguishers have been provided for municipal buildings, vehicles and yellow fleet so as to comply with OHS Policy. Workshops and awareness sessions were held for employees in service delivery departments. Training was held for Occupational Health & Safety that was targeting managers and technicians responsible for day to day service delivery activities of the municipality. First Aid training took place for operators and supervisors within the service delivery departments and other departments.

The Occupational Health and Safety function is primarily focused on (i) Creating and maintaining a safe working environment and (ii) Preventing workplace accidents. A major obstacle in achieving these objectives was the dormant (departmental) safety committees and the lack of awareness and capacity amongst members of staff to fulfill the responsibilities of Safety Representatives.

Occupational Health and Safety policy is in place and is reviewed. Health and Safety Committee are in place and they meet on quarterly basis and submit qualitative and quantitative reports.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESS
WELLNESS	<ul style="list-style-type: none"> • Appointed Wellness Service Provider • Reduction of absenteeism • Improved morale • Increased number of employees with medical aid • Help employees deal with issues outside of the workplace • Attendance of all injuries on duty 	<ul style="list-style-type: none"> • Unsatisfactory attendance of events by employees
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Reduced socio-economic problems 	<ul style="list-style-type: none"> • Societal factors
OHS	STRENGTHS	WEAKNESS
	<ul style="list-style-type: none"> • Effective OHS Committee exists • More protected workplace (fire extinguishers, signs, first aid kits) • Employees capacitated on OHS through trainings and awareness sessions • Commitment of employer towards OHS 	<ul style="list-style-type: none"> • Protective clothing (not sufficient, poor use) • No sufficient training on use of work equipment
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Compliance in legislation 	<ul style="list-style-type: none"> • Theft of equipment • Selling of protective clothing

➤ **Records Management**

As part of the support functions for the success of Mbhashe Local Municipality in order to fulfill its statutory functions outlined in the Municipal Structure Act, it is key that the support mechanisms outlined in the Municipal Systems Act be put in place. The goal of the auxiliary services is to provide an efficient service to both internal and external stakeholders through record keeping. Records management is a process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance. Sound records management implies that records are managed in terms of an organizational records management programme governed by an organizational records management policy.

A well-organized file plan enables an organization to find information easily. Records that are correctly filed and stored are easily accessible, and this facilitates transparency,

accountability and democracy. The orderly and efficient flow of information enables the organization to perform its functions successfully and efficiently.

The National Archives and Records Service of South Africa Act, 1996 provides the legal framework according to which the National Archives and Records Service regulates the records management practices of all governmental bodies. The municipality runs a registry in compliance with legislative requirements and this facility is used efficiently and effectively to promote good governance and service delivery goals of the municipality.

The National Archives and Records Services, in terms of its statutory mandate, requires governmental bodies to put the necessary infrastructure, policies, strategies, procedures and systems in place to ensure that records in all formats are managed in an integrated manner. The municipality is intending to procure an electronic records management system. Training of users and review of records management policy has been conducted to enhance good use of the facility. Document management workshops were held and were facilitated by both the Provincial Archives and by Registry Officer. These workshops were targeting users and champions. File Plan was approved by Provincial Archives and disposal requests were approved. Storage facilities were purchased to enhance storage and safe keeping of documents.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESS
DOCUMENT MANAGEMENT	<ul style="list-style-type: none"> • Records Management Policy exists • Approved file plan • Storage facilities available • Capacitated staff • Continuous workshops and inductions for users • Compliance with legislation 	<ul style="list-style-type: none"> • Under utilisation of Registry • Access not restricted • No electronic records management system • Inadequate ventilation supply
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Promotion of municipal image • Accessibility of public documents through Registry • Quick information dissemination 	<ul style="list-style-type: none"> • Misuse of information • Community protests • Changes in legislation

➤ **Facilities Management**

Office accommodation is a problem that is prevalent at Mbhashe municipality. There are delays in building the second phase of the municipal offices due to the Land Claims. As a result of office space shortage the municipality used three buildings within Dutywa town and

using TRC halls in other two towns. The municipality purchased two park homes, one for Xhorha unit and the other one for Dutywa.

The municipality has installed new plumbing system at the workshop changing rooms and offices. Water tanks have been provided with pumps that are linked to existing water system (5000L and 10 000L) to all Dutywa municipal offices including the executive house.

Lift in main office is functioning well and is being serviced regularly. Electricity backup is provided through a generator for main office in Dutywa and there are plans for purchasing of 3 additional generators for Units and Dutywa Town Hall.

SWOT ANALYSIS

FACTOR	STRENGTHS	WEAKNESS
OFFICE SPACE	<ul style="list-style-type: none"> • Municipal Facilities Policy in place • Approved office building and funding • Additional temporary offices purchased 	<ul style="list-style-type: none"> • No sufficient offices • Low Productivity • Poor ventilation in some offices • Confidentiality due to lack of storage space
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Improved service delivery • Improved corporate image 	<ul style="list-style-type: none"> • Environmental factors during construction • Land claims

➤ Information and Communication Technologies (ICT)

Corporate services is also responsible for ICT Section and ensures effective and efficient tool of lowerings costs to leverage service delivery through ICT enabled equal access to municipal information and services. Mbhashe Municipality IT Environment supports about +-180 users consisting of Administrative staff, Councilors. The municipality have six offices namely:

- ❖ Main Municipal Office
- ❖ Municipal Town Hall Offices
- ❖ Free Basic Services and Customer Care
- ❖ Municipal workshop
- ❖ Offices in Gatyana
- ❖ Offices in Xhorha
- ❖ Dutywa TRC hall

Municipal Website

- ICT section is responsible for updating and uploading the municipal website and the registered domain address is www.mbhashemun.gov.za.

Municipal Systems

- ❖ Telephone System
- ❖ Cibecs Backup System
- ❖ Venus and Payday
- ❖ SAGE Evolution
- ❖ Endpoint Antivirus
- ❖ Microsoft Volume Licence
- ❖ Mimecast Email Solution
- ❖ AMS (Asset Management System)
- ❖ Bulk sms system

Equipped and Secured Server Room Infrastructure

- ❖ Biometric Access Control
- ❖ Firewall
- ❖ CCTV Cameras,
- ❖ UPS System
- ❖ Airconditioner
- ❖ System Servers
- ❖ Fire Suppression System

Network Infrastructure

- ❖ All municipal offices are networked
- ❖ VPN and Internet Solution

Training for IT Staff is needed more frequently as their training plans are informed by new technology and IT roadmaps for business continuity. Additional capacity needed for ICT.

ICT Section ensures effective and efficient tool of lowering costs to leverage delivery through ICT enabled access to municipal information and services enabled equal access to municipal information and services. Mbashe ICT supports +-180 users consisting of administrative staff and councillors.

The Mbashe Local Municipality ICT Governance Framework illustrated is based on COBIT® 5, ISO 27001, ISO 27002, ISO 38500 and other international standards and best practice guidelines.

The full framework comprises a set focus areas within each of four COBIT® -based capabilities, which are, in turn, supported by a set of enablers, influenced by factors such as Departmental Strategy and the regulatory environment, and informed by the CGICTF Guidelines, King III, ISO 38500, COBIT 5 and applicable generally accepted good practices and standards. These components are described in more detail in the following sections.

The successful implementation of a Corporate Governance of ICT system leads to continuous improvement in the creation of value to the municipality. ICT delivery must be assessed on an on-going basis to identify gaps between what was expected and what was realised. Assessments must be performed coherently and encompass both:

- a) The Corporate Governance of ICT (ICT contribution to realisation of Municipal value);
and
- b) Governance of ICT. (Continuous improvement of the management of ICT).

ICT POLICIES

- ❖ ICT disaster management policy
- ❖ Applications patch management
- ❖ ICT disaster recovery – business continuity plan information
- ❖ ICT- e-mail policy
- ❖ ICT governance framework
- ❖ Records management policy
- ❖ ICT service level agreement management policy
- ❖ ICT- user access management policy
- ❖ Telephone management system policy
- ❖ ICT- security management policy
- ❖ ICT change management policy
- ❖ ICT- cellular phone and data cards policy

SWOT ANALYSIS

FACTOR	STRENGTHS	WEAKNESS
Municipal Systems	<ul style="list-style-type: none"> • Policies and Procedure Manuals in place • Disaster Recovery Plan • VPN and Internet in place • HR and Finance system • Firewall • Backup solutions (Cibecs) • Backup generator and Server room UPS's 	<ul style="list-style-type: none"> • Centralisation of Municipal system • Non implementation of Corporate Governance Framework • Poor network infrastructure • Disaster Recovery Site and a failover • No system in place (TCS) for traffic fines • Management of Service Level Agreements • No UPS's for network cabinets
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Interaction between municipality and stakeholders 	<ul style="list-style-type: none"> • Changes in legislation • Rapid change of technology

Adopted & Reviewed Coporates Services Policies

- ❖ Recruitment and Selection
- ❖ Leave Management
- ❖ Abscondment
- ❖ Attendance and Punctuality
- ❖ Acting Allowance
- ❖ Bereavement
- ❖ Bursary for non-employees
- ❖ Study Assistance

- ❖ Exit Management
- ❖ Dress Code
- ❖ Sexual Harassment
- ❖ Employee Induction
- ❖ Employment Equity
- ❖ Training and Development
- ❖ Incapacity
- ❖ Internship
- ❖ Job Evaluation
- ❖ Councillor and Employee Wellness
- ❖ Occupational Health and safety
- ❖ Overtime
- ❖ Travel and subsistence
- ❖ Smoking Policy
- ❖ Sports and recreation
- ❖ Transfer and demotion
- ❖ Whistle Blowing
- ❖ Workplace HIV
- ❖ Placement
- ❖ Individual Performance Management
- ❖ Disability

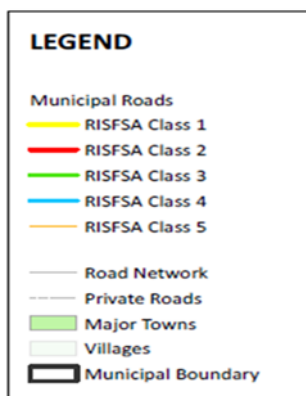
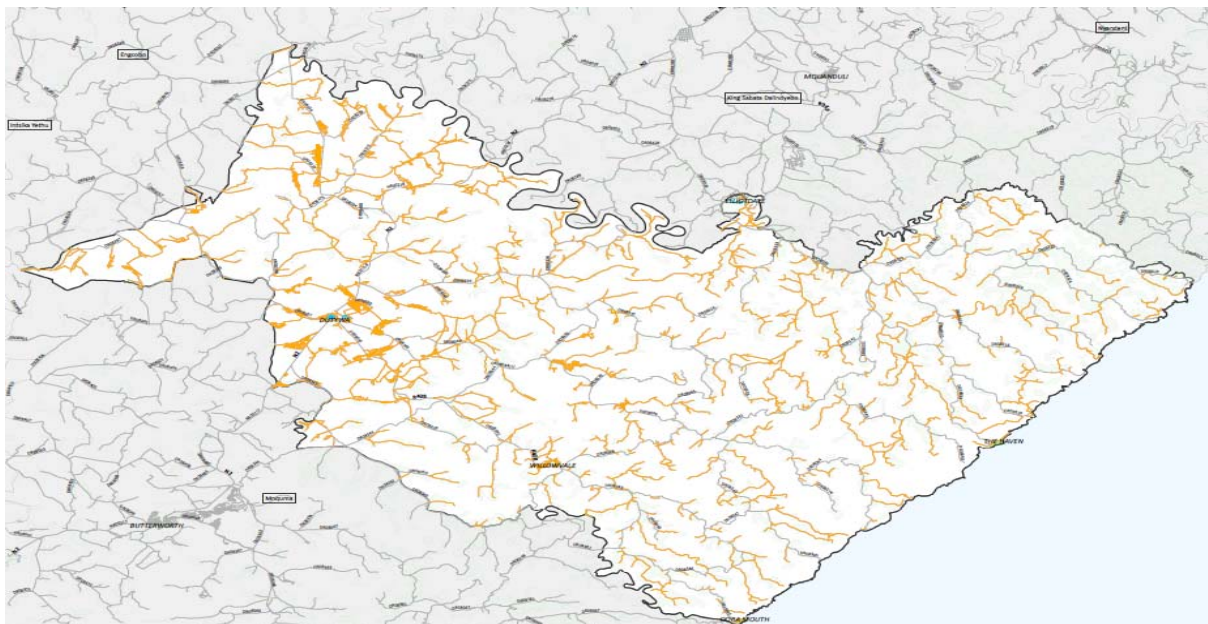
3.5.2 KPA 2 – SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

➤ Roads and Storm Water

The System for Rural Roads Asset Management System, lies with the Amathole District Municipality therefore Mbashe Local Municipality depends on information from the District.

Rural Road Asset Management System (RRAMS) indicates that the total length of road network in the entire Mbashe Municipal area is 2696.37km. The total length for National Roads is 40.60 km, total length for Provincial Roads is 776.53km of which 684.93km is unsurfaced, and the total length for Municipal Access Roads is 1879.78km.

RRAMS indicated that Mbashe municipality has huge roads backlog especially on Class 4 and 5 which is the Public Municipal Roads and Non-motorized Access Ways. The total km for municipal roads class 5 is 1862.49km wcreatorshich is 80% of Class 5 are backlogs.



There is a Roads Forum that was established in 2012 chaired by Infrastructure Services Portfolio Head. The committee is not functioning well due to non-attendance and coordination by the former Department of Roads & Public Works currently Department of Roads & Transport.

The following Sector Departments are participating in the forum:

- ❖ Department of Roads and Transport (Amathole District Roads Maintenance)
- ❖ Department of Public Works (Amathole District EPWP)
- ❖ Amathole District (RRAMS)
- ❖ SANRAL
- ❖ Department of Rural Development and Agrarian Reform
- ❖ Department of Education (Mbhashe District Office)
- ❖ Department of Health (Mbhashe District Office)
- ❖ Corporative Governance and Traditional Affairs

Participation of sector departments and other stakeholders in the Roads Forum is encouraged. The sitting of forums is required to sit quarterly as per the municipal requirements.

Mbhashe Municipality has purchased roads machines. All machines are operating; each municipal unit is having its full set of road machines with some of capital project being implemented internally to fast track backlogs and to increase municipal revenue. Municipality is undertaking a flexible routine roads maintenance schedule for all access roads. The Municipality has advertised for the appointment of service provider that will be responsible for both repairing and maintaining plant so as to fast track repairing processes to avoid delays on service delivery. The mechanical service provider will be appointed for the period of 3 years.

EXISTING PLANT

DUTYWA

Plant Description	Dutywa
Grader	1
Padfoot roller	1
Smooth roller	1
Backhoe loader	1
Tipper trucks	1
Excavator	1
Jaw Crusher	1
Lowbed horse	1

Watercart	1
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GATYANA

Grader	1
Padfoot roller	1
Smooth roller	1
Backhoe loader	1
Tipper trucks	1
Dumper trucks	1
Front-end loader	1
Watercart	2

ELLIOTDALE

Dozer	1
Backhoe loader	1
Watercart	1
Grader	1
Ped footer	1
Smooth roller	1
TLB	1
Excavator	1
Dumper Truck	1

MUNICIPAL PLANT

Grader	2
Backhoe loader	1
Watercart	1

Smooth roller	1
Lowbed	1
4 Ton truck	1

Mbhashe municipality is a rural Municipality that entirely relies on Grant in order to deliver services to its communities. Mbhashe municipality receives Municipal Infrastructure Grant (MIG) for implementing infrastructure capital projects such as construction of roads and storm water, public community facilities, sport facilities, LED facilities etc. MIG is received through the establishment of PMU sub directorate which is working under a three year capital plan that is abstracted from the IDP of which its budget is also reflected in the IDP (See project list of the three year Capital Plan). As per the DORA, MIG original budget for 2017/2018 financial year was R61,027, 000.00 and during mid-year was adjusted to R58,027,000.00 and for 2018/2019 financial year is R70, 192,000. Through this grant the municipality has managed to construct and complete 60 KM of graveled access roads throughout Mbhashe Area over the previous three financial years and maintain 691 Km. it is important to note that the municipality has been achieving 100% in the expenditure of all in kind grants for the past two Financial Years, as a result the Municipality has received additional funding of 10M from COGTA to be spent on MIG projects towards the end of 2016/17 Financial Year. The Municipality spent 100% of that amount by end of the said year. The Municipality is fully capacitated in terms of personnel; there is functional 1x PMU Manager, 3x PMU Technicians, 1x Quantity Surveyor, 2x ISD officers and 1x financial accountant. There are also functional roads foremen in each unit each with a full team of operators so as to ensure that each unit has its own plant in order to fast-track the process of eliminating roads backlog.

During 2015/2016 financial year the Eastern Cape Provincial Treasury (PT) has committed in-kind budget amounting to R70million for re-graveling and maintenance of 140km Mbhashe Rural access Roads leading to schools and health facilities which has assisted in road backlog eradication. Eastern Cape Provincial Treasury has indicated another in-kind budget for 2018/2019 financial year.

However, it has been indicated that there is still a huge backlog due to limited funding as the municipality is only relying on grants for the development of roads infrastructure. An Infrastructure Master Plan (IMP) was developed clearly analyzing the existing infrastructure per village in each ward and recommendation of manual designs for infrastructure maintenance. Infrastructure Maintenance Policy has been developed with a 3 year Roads Maintenance Plan being reviewed annually. The municipality does not have a separate storm water plan but uses Infrastructure Maintenance Plan when dealing with storm water.

Most of Provincial Roads which are District Distributors are in bad conditions they need upgrade, routine maintenance, re-gravelling and major repairs on minor structures and bridges. There is a high level of deteriorated district roads within the municipal area which results in horrific roads accidents.

The following district roads are poorly maintained and are not safe: Gatyana to Dwesa, Gatyana to Kob-Inn, Gatyana to Elliotdale, Xhorhato Madwaleni, Xhorhato Haven, N2 to

Elliotdale, N2 to R61 via Clarkeburry, Madwaleni to Mount Pleasant, Thafalehashe to Bafazi. As indicated Mbhashe Municipality comprises of three towns namely Dutywa, Gatyana, and Elliotdale. Xhorha and Gatyana areas are located along the Indian Ocean Coastal Belt as described in the locality map, which is major tourism destination in Mbhashe Municipal Area. The roads leading to these destinations areas are gravel which requires heavy maintenance as they are in rainy areas.

There are other provincial roads leading to rural hospitals namely Madwaleni Hospital, Zithulele Hospital viaThafalehashe and Mjanyana Hospital, which also require major upgrades and rehabilitation. As a result of poor road network, communities experience difficulties in accessing health facilities and schools. Mbhashe Municipality is rich with heritage and there are main routes leading heritage sites but roads are in bad state which limits visits by tourists.

It is also important to note that as from 2012 SANRAL has been constructing paved non-motorized ways such as sidewalks, cyclist's routes and access roads along N2. The main objective of these routes is to ensure roads safety along National Routes and safe intersection to National Road. The following Routes have been constructed:

- Nywarha Villages
- Colosa Villages
- Ngxakaxha, Qora, Gwadana Villages

Mbhashe Local Municipality has embarked on constructing non motorized ways such as paving in all three towns and has budgeted for the next three years.

Water and Sanitation

Mbhashe Municipality is not a Water Service Authority (WSA) nor is a Water Service Provider (WSP), Amathole District Municipality (ADM) responsible for both WSA & WSP. ADM has WSP satellite units to serve Mbhashe Municipality in each unit. Through District Engineering Forum and Water Forum that are facilitated by ADM there is an integration and information for the planned and implemented projects.

Challenges

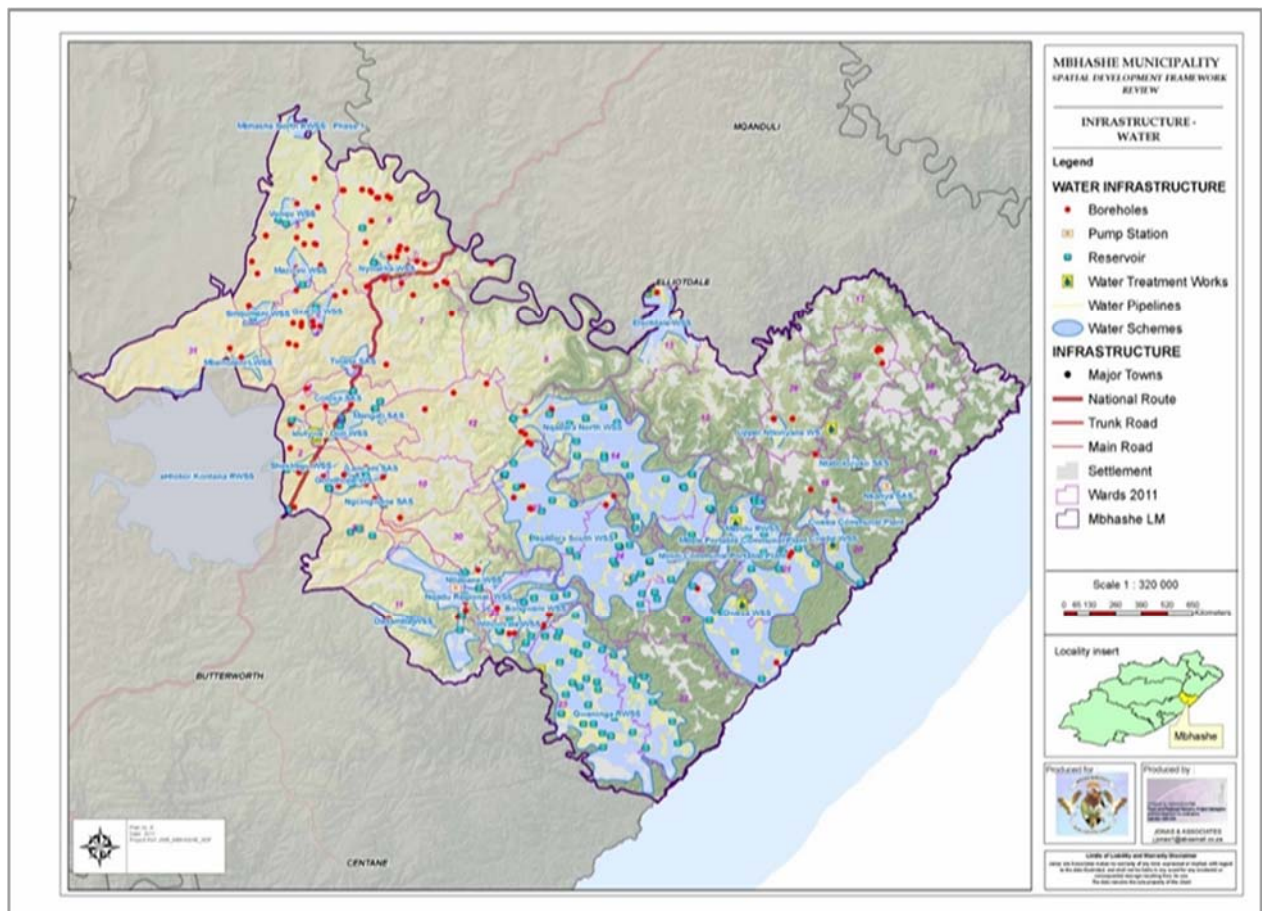
- ❖ Old water services infrastructure in all three towns (Dutywa, Elliotdale, and Gatyana).
- ❖ Shortage of drinking water supply especially in Dutywa town..
- ❖ Lack of Bulk infrastructure in all three towns (Dutywa, Elliotdale, Gatyana)
- ❖ Lack of waste water treatment plant in Xhorha and Gatyana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

Remedial Action

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

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

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



WATER	STRENGTH	WEAKNESS
	<ul style="list-style-type: none"> • Newly built infrastructure (dams) • Decentralized water service provider (WSP) in all units • Functional District Wide Infrastructure Forum (DWIF) 	<ul style="list-style-type: none"> • Mbhashe not a WSP • Aging infrastructure especially in towns • Non-functional water schemes
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Economic growth • Sustainable work opportunities 	<ul style="list-style-type: none"> • Scarcity of water in Dutywa town • Effects of climate change • Inadequate bulk infrastructure • Villages without water schemes are not serviced at all (water carting)

➤ Electricity

Mbhashe Local Municipality is not a licensed distributor of electricity; ESKOM is the licensed distributor of electricity in the whole area of Mbhashe LM. There is an ambition for the Municipality to become a licensed distributor for urban areas so as to increase municipal revenue. Mbhashe LM is receiving Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification. There are two electrification projects that are being implemented by Mbhashe Municipality (Shixini and Ntsimbakazi Electrification Programme) and they are both funded by INEP.

At the end of 2014/2015 financial year and beginning of 2015/2016 Mbhashe Municipality has been faced with community service delivery protest in different wards where each ward wanted to be the first priority in the electrification Programme, as a results the Municipality requested to Department of Energy for the use of own funds for electrification Programme to accelerate the household connections as the allocation was not enough. This decision was taken by the Council due to high level of community unrest so as to be reimbursed by Department of Energy in the following financial years. In 2017/18 Financial Year the Mbhashe Municipality received R14million allocation from INEP for electrification programme.

As at 2017/2018 financial year, there were about 775 households remaining at Shixini and 458 households remaining in Ntsimbakazi with the total of 560 households for both Shixini

and Ntsimbakazi being planned to be electrified by the end of Financial Year. With the completion of the 57km of new feeder lines from the Mbhashe Substation to Shixini and the installation of a Voltage regulator, there is now sufficient network capacity to complete the remaining beneficiaries in Shixini and Ntsimbakazi thus completing the Projects.

According to Eskom the total number of backlog in the whole of Mbhashe Area is 18158 households this is inclusive of Historic backlog, household extensions and infills, however the electrification backlogs is about 25375 households as per the municipal updated list per village per ward as of July 2016 (Ntsimbakazi and Shixini included). The most electrification backlog in our municipality is in Xhorha and Eskom electrification plan indicates that some villages in Xhorha will not be electrified in the next three years.

In the new municipal demarcations there are additional electrical backlogs in Gatyana (included in the backlogs). These villages were falling under Mnquma Municipal jurisdictions and electrification budget. There is an implemented electrification project by Eskom under Mnquma Municipality called Mhlahlane Project which covers all these villages. These villages are very close to Gatyana Town and Shixini Electrification Project which is implemented by Mbhashe Municipality is trying to address the backlogs.

Village Code	Village Name	Affected Municipality	No. of Households
23727A5	Gojela	Mbhashe	137
22012B2	Gojela	Mbhashe	65
22012B3	Sebeni	Mbhashe	119
22012B4	Sebeni	Mbhashe	178
TOTAL Mbhashe			499
21112B3	KwaMgwebi	Mnquma	79
22012C3	Mhlahlane	Mnquma	76
21112C5	Gcorha	Mnquma	121
21112C4	Mamfeneni	Mnquma	29
20161B4	Dala	Mnquma	70
20161D2	Lalini	Mnquma	83
20161D4	Bawana	Mnquma	69
20163D4	Mente	Mnquma	68
TOTAL Mnquma			595
TOTAL HOUSEHOLDS			1094

Solar Panels: Due to electricity infrastructure capacity problems in the municipality especially in Elliotdale, the non-grid electrification has been introduced by DOE to address the need, as it will take some time to build or construct the required infrastructure to electrify the outstanding villages. Mbashe Local Municipality became one of the municipalities in the Eastern Cape to provide the communities with the Solar System (non-grid electrification). Department of Energy (DOE) and Mbashe Municipality signed a memorandum of understanding. The agreement commenced from 1st July 2014 to 30 June 2016 and is reviewed. The purpose of the MOU is to supply alternative energy by installing solar to households that will not be electrified in the next three years. DOE appointed contractors to install solar system for unelectrified households in 2014/2015, 2015/2016 & 2017/2018 financial years. There are five wards that are benefiting in the first and second batch namely ward 8, 17, 18, 19 & 15,16 which were prioritised by the Council. Mbashe Municipality with assistance of Department of Energy and Department of Small Business and Enterprise had established six (6) Non Grid Cooperatives. There are five people per cooperative and 1 coop per 500 households.

Community Street Lighting: Mbashe Local Municipality is responsible for community street lighting to ensure safety to its communities. The existing infrastructure for the street lights in towns is owned by ESKOM. The Municipality only installed street lights on existing ESKOM infrastructure, now the Municipality is aiming at separating street lights from ESKOM infrastructure. Municipality is maintaining the existing street lights and install additional where necessary.

In the 2015/2016 and 2016/2017 financial year the municipality committed budget to install High Mast to all the beaches , townships and rural areas with high rate of crime. The purpose to install High Mast to all of beaches is to improve safety and attract tourists. The project for the installation of High Mast has been completed before end of 2014/2015 financial year; however there were environmental issues as a result out of 6 high masts installed 4 were removed and 2 were modified. In 2016/2017 financial year municipality planned for additional three high masts in different villages and to rectify the high masts along the environmental protected areas.

SWOT ANALYSIS

ELECTRICITY	STRENGTHS	WEAKNESSES
	OPPORTUNITIES	THREATS

	<ul style="list-style-type: none"> Enhanced community safety 	<ul style="list-style-type: none"> Limited funding to address historical backlog Community unrests
SOLAR	STRENGTHS <ul style="list-style-type: none"> Providing alternative energy Reduced electricity demands on service delivery 	WEAKNESSES <ul style="list-style-type: none"> Low energy capacity Damaged panels due to poor household structure Damaged panels due to bad weather conditions
	OPPORTUNITIES <ul style="list-style-type: none"> Enhanced rural development Enhanced community safety Serves as back up energy Job creations 	THREATS <ul style="list-style-type: none"> Delays on maintenance due to turnaround time Community reluctance on accepting installations
STREET LIGHTING	STRENGTHS <ul style="list-style-type: none"> Community safety Improving rural development Readily available material for maintenance Adequate street lights 	WEAKNESSES <ul style="list-style-type: none"> Electricity cable combined with ESKOM infrastructure.
	OPPORTUNITIES <ul style="list-style-type: none"> Underground cabling Alternative energy for street lights and high mast 	THREATS <ul style="list-style-type: none"> High ESKOM bills Effect of climate change

➤ **COMMUNITY SERVICES SITUATION ANALYSIS**

Community Services forms part of the six directorates of Mphashe with the following key focus areas:-

- ❖ Solid waste management
- ❖ Other Social Services (Education, Health, etc)
- ❖ Community Safety
- ❖ Community Facilities
- ❖ Short term employment initiatives
- ❖ Disaster management
- ❖ Free Basic Services

SOLID WASTE

Mphashe municipality is responsible for providing refuse management services to its area of jurisdiction. Waste Management Services is the main municipal service rendered by Mphashe and as such should receive the requisite attention from the institution. However the municipality deals with general waste and liquid waste is managed at the district level. The municipality is using Community Services Officers to implement Waste Management Functions (Waste collection, Education, transportation and disposal).

Since the establishment of Mphashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Gatyana and Xhorha only. Rural areas were generally using a range of temporary mechanisms such as own dump within the yard, and illegal dump sites. In 2015/16, Mphashe piloted the provision of the rural waste to the twelve (12) wards of Dutywa, covering an estimated twenty thousand (20 000) households. In the 2016/17 financial year, the rollout of rural waste management was extended throughout the Mphashe area, covering all the households of Mphashe.

A number of businesses (Dutywa – Mpumalanga, Super spar & Ncedabantu. Gatyana – Msengeni. Xhorha– Spar & Boxer) collect and dispose their own waste and as such demand not to be charged for refuse removal. The downside of this arrangement is that we lose some revenue through service charges, and continue to have unwanted waste in the landfill sites. It is discouraged that individual establishments managed their own waste; alternatively, they may obtain permits from the Municipality for such purposes.

Although the Census 2011 information identifies Mphashe LM as providing the waste management services to only 4% of the total Mphashe households, there has been a drastic change in the 2016/17 financial year. Full coverage of the area, including the rural areas, at an acceptable level of service (a minimum of five times a week in the case of urban centers and the surrounding low cost and informal settlements; three times a week in the case of rural areas), has been achieved. This arrangement far surpasses the national norm and standard of a minimum of once a week.

It is also worth noting that the National Waste Management Strategy enjoins all the Municipalities to have achieved waste management coverage by 2016 as follows:-

95% of urban households

75% of rural households

80% of waste disposal sites have permits

80% of Municipalities running local waste awareness campaigns

80% of schools implementing waste awareness programmes

Using the above figures as a measure of success, Mphashe LM has achieved universal coverage on waste management services. The National Waste Management Strategy (NWMS) sets the target for 100% access to the basic waste management services by all at 2020. Something outstanding is to further improve the quality of service provided. The roll out of the waste management services to rural areas comes with the challenges of monitoring of the provision of the services, noting the vastness of the area. The roll out further introduces a new mind-shift, in that historically, we have been providing waste management services to urban and peri-urban areas only. The municipality has since expanded its waste services to rural areas (Rural Waste) thus includes all the wards (32) of Mphashe L.M. through EPWP program this is one of the targets in the (NWMS). Waste services also done in Madwaleni Hospital though there's no SLA in place at the moment.

A number of separation and sorting of waste initiatives by various Co-operatives are supported by the Municipality through the EPWP programme. These initiatives are found in Dutywa – Cholakonke, Gatyana – Nonyameko Mdyesha and in Xhorha– Luja Matebese Co-operatives. Unfortunately, these separation and sorting initiatives have not yet been turned into full recycling initiative. These initiatives are also a platform to capacitate communities on waste management issues (Awareness campaigns such as Thuma mina green deeds and Rural Waste projects which were done in the 3rd quarter of 2018/19 FY).

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

Department of Environmental Affairs (DEA)'s Environmental Protection and ADM and COGTA Programmes (EPIP) - working for the Coast programme, focusing along the Mphashe coastal line with regard to sand dune rehabilitation, waste management services, maintenance of the leisure facilities along the coast

CWP – funded by COGTA and covering all the Xhorhawards and Ward 11 of Gatyana. Such a programme helps with the households gardening, maintaining of the community facilities and other useful work as identified by the implementers of the programme

Landfill Sites Management:- There are three landfill/dumpsites located in each unit managed by the municipality (Dutywa, Gatyana and Elliotdale). These sites were created during the times of the TRC/ TLC, where each unit was administered by a separate authority. The main challenge is still with the management and operation of the landfill sites. Currently, Dutywa and Gatyana sites are licensed for closure and as part of the process of closure, both sites have been fully fenced in. Some of the municipal waste get disposed in Bika Regional Solid Waste Diposal Site in Butterworth. It is anticipated that in the interim, it shall be utilized by both Dutywa and Gatyana.

In the case of Elliotdale, the site is permitted to operate and after the failure of the appointed contractor and his subsequent dismissal, the project is now done in-house and anticipated to be completed at the end of the 2017/18 financial year. The budget sufficiency may be a crippling factor.

Recycling initiatives:- Presently there are not recycling initiatives that are taking place in Mphashe, except for the separation and sorting initiatives. All the three Cooperatives are assisted with ten (10) EPWP personnel for Dutywa and five (05) for each other Cooperative:- Dutywa – Cholakonke Co-operative that separate and sort recyclable materials at source as well as at the Landfill site of Dutywa.

Nonyameko Mdyesha – a co-operative doing separation and sorting in Gatyana and

Luja Co-operative – this co-operative is separating and sorting the recyclables in Xhorha landfill site.

Policy framework:- As provided for in the NEMWA, the Integrated Waste Management Plan (IWMP) should be developed for a five year period and reviewed annually. The IWMP was adopted in 2015/16 FY, and it is implemented through the municipal Service Delivery and Budget Implementation Plan (SDBIP).

By-laws on waste and related subjects have been approved by the Council and promulgated in the government gazette, in 2012 and plans are afoot to review some of the bylaws. The establishment of the Law Enforcement unit and the appointment of the Environmental Officer (Development Planning) have provided hope for an effective enforcement, regulation and monitoring of the by-laws. By-Laws are enforced through Environmental officer with the assistance of Law Enforcement and SAPS.

The following waste related by-laws have been promulgated, among others:-

By-law on the control of landfill sites

By-law on the refuse removal and littering

Waste Management forum:- These structures are created as a platform for sharing information and awareness. They exist at ward, unit, Mbhashe as well as District level. The ward structures would sit monthly, unit structures bi-monthly, whilst the Mbhashe structure sits quarterly before the ADM waste forum meeting. ADM coordinates the district forum whilst Mbhashe coordinates all local waste forum meetings.

Priorities for the 2017-2022:-

All landfill (transfer stations) sites are licensed and operated according to permit conditions.

Final closure and rehabilitation of the Dutywa and Gatyana landfill sites

Upgrade of Xhorhalandfill site according to the permit conditions

Develop procedure manuals for the management of landfill sites/ transfer stations.

Waste forums (Ward, Unit and Mbhashe wide) are coordinated for waste awareness purpose, whilst ADM waste forum is attended by Mbhashe LM;

Improve on the efficiency, economy and adequacy of the provision of waste management throughout Mbhashe

Alignment between waste by-laws, IWMP and the general waste management practices

Improve on waste data collection and reporting to the Waste Information System.

SWOT ANALYSIS

WASTE MANAGEMENT SERVICES	STRENGTHS	WEAKNESSES
	Full coverage waste collection Upgrade of Xhorhalandfill site Licensed landfill sites (Xhorhapermitted for operation; Dutywa and Gatyana permitted for closure) Adequately equipped and resourced (vehicles and personnel) Beautification programmes implemented	Unsystematic provision of services Lack of monitoring in rural areas Poor access control in the landfill site may lead to improper disposal

		No procedure manuals for the operations of the landfill sites. Policy/ bylaw non-alignment
	<p>OPPORTUNITIES</p> <p>Increased separation and sorting of waste Enhanced aesthetic value of the Municipality Job opportunities Infrastructure development through waste (Ngcingwane Pre School)</p>	<p>THREATS</p> <p>Population growth New stream of waste (disposable nappies) Illegal dumping Some businesses handling their own waste</p>

HEALTH SERVICES

HEALTH SERVICES FACILITIES THAT EXIST IN MBHASHE

At Mbashe Sub District (Mbashe Municipal area) there are 29 residential clinics, 3 are Community Health Centres (CHC) and 1 District hospital which is Madwaleni hospital, 6 mobile clinics and 7 functional health posts. The table below reflects the clinics per Sub area as Mbashe has 3 Sub Areas namely Elliotdale, Gatyana and Dutywa:-

AREA	NAME OF FACILITY
Xhorha	Hobeni clinic
	Nkanya clinic
	Mpame clinic
	Khotyana clinic
	Melitafa clinic
	Mqhele clinic
	Soga clinic
	Bomvana clinic
	Vukukhanye Gateway Clinic
	Xhora CHC
Madwaleni Hospital	
Dutywa	Lota clinic
	Bolotwa clinic
	Nyhwara clinic
	Gwadana clinic
	Sundwana clinic
	Nqabeni clinic
	Keti clinic
	Taleni clinic
	Nqabarha clinic (Dutywa)
Dutywa CHC	
Gatyana	Nqadu clinic
	Fort Malan clinic

	Mahasana clinic
	Jingqi clinic
	Kwa-Mkholoza clinic
	Msendo clinic
	Nqabarha clinic (Gatyana)
	Gwadu clinic
	Badi clinic
	Gwadu clinic
	Gatyana CHC

➤ **TRENDS IN THE HIV/AIDS STATISTICS OVER THE PAST YEARS**

Indicators	Actual output 2014/15	Actual output 2015/16	2016/17 output as at end October 2016
Adults started on ART	978	3559	433
Children started on ART	23	118	10
Adults remaining on ART	11 257	13 156	14 976
Child remaining on ART	662	705	744
Total Remaining on Treatment	11 919	13 861	15 720
Male condom distribution	47 condoms per male per year	73 condoms per male per year	88 condoms per male per year
Female condom distribution	1.2	1.8	0.7

➤ **IMPACT OF SUCH CHANGES, IF ANY TO EMPLOYMENT AND DEVELOPMENT**

The statistics above shows that community members are coming for testing and the number of people that are put on treatment is increasing

The condition is affecting all age groups but those that are in an employment are more susceptible as a result they are more affected. Employment opportunities therefore are decreasing because of ill health.

Discrimination is discouraged and during employment processes everyone is employed irrespective of the status as long as he/she is qualifying in terms of post requirements

SWOT ANALYSIS FOR HEALTH SERVICES

<p>STRENGTHS</p> <ul style="list-style-type: none"> Existing hospitals and clinics Functioning IGR structures Gatyana CHC has obtained a silver status with 80% in provision of quality services as per ideal clinic status model All clients eligible for Anti-Retroviral Therapy (ART) are provided with treatment in all facilities Provision of single dose therapy to people living with the virus is done in all facilities <p>The best performing Sub District in HIV/AIDS, TB and Mother, Child and Women's' Health Programmes (2014/15) 24 hour services are provide at Dutywa, Gatyana and XhorhaCHCs 25 facilities have computers installed for Health Patient Registration System (HPRS) project 31 facilities are signed off, meaning that they are capturing client data directly in computers rather than using registers (ART programme)</p>	<p>WEAKNESSES</p> <ul style="list-style-type: none"> Poor access to health facilities Shortage of professional personnel Emergency medical rescue services not easily accessible HIV and AIDS is still posing a big problem despite the efforts made by the Departments and the entire Government to combat this epidemic. Poverty related diseases like malnutrition, waterborne diseases like diarrhoea as a result of poor or no infrastructure. Low rate of family planning High number of defaulters on ART programme <p>Ante Natal Care (ANC) before 20 weeks rate is still a major challenge as there are still pregnant mothers who are concealing their pregnancies due to cultural beliefs and social pressures Unsecured and continuing break-ins at the facilities. Unreliable and insufficient electricity (vaccine storage). Limited awareness on the usage of female condoms Transport is not enough as even the one that is allocated in the Sub District get in and out of the garage for repairs because of bad roads especially in Xhorhaarea. The demands for transport to enable the staff to visit clients at home is high but the Sub District is unable to meet these demands due to the alluded reason. Poor communication channels (lack of telephone lines)</p>
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> Rural community service program for professional personnel TB management had improved in the past years and the Sub District has been leading in its management but now a decline is noticed considerable with low TB screening rate 	<p>THREATS</p> <ul style="list-style-type: none"> Poor services No health education in schools (high teenage pregnancy) High unemployment rate Poor roads leading to facilities Poor water supply and poor sanitation

COMMUNITY SAFETY

The Department of Safety and Liaison has a responsibility to oversee the South African Police Service, to build community police relations and to engage communities on programmes promoting community safety and social cohesion. This is realized through visits to police stations, strengthening functionality of CPFs and crime awareness campaigns. The Department of Safety and Liaison's Amathole District office is located in East London overseeing police stations across the district, Mbashe included. It should be highlighted that police alignment is not fully according to municipal boundaries. Mbashe Local municipality has three Police Stations namely, Dutywa, Gatyana and Elliotdale. Xhorha Police Station still falls under OR Tambo District as per police demarcations. All these police stations are within rural areas where infrastructure is inadequate and hampers effective police service delivery.

Engagements with SAPS and CPFs indicate that liquor and drugs are playing a major role in the commission of crime. People are assaulting each other while drunk coming from the taverns and shebeens. There is a huge challenge of faction fights in the area of Mbashe which result in high murder rate. Elderly women and children are most victims of rape and ladies from taverns also get raped. Elderly women are also target where they are killed in their homes. Perpetrators are mostly known to the victims. Stock in some areas is stolen in the grazing lands and some in the kraals. Foreign nationals have been targeted for business robberies as it is known that they don't bank their money.

The Department of Safety and Liaison has embarked on a number of community mobilization programmes focusing mainly on faction fights and substance abuse especially amongst the youth. During the 2016/17 financial year School Safety Programmes have been intensified by actively engaging and involving learners from Mathumbu, Badi and Xolilizwe Senior Secondary Schools. Safety Ambassadors from these schools have been identified and capacitated to champion safety issues at the respective schools. School Safety has continued to be the focus even during 2017/18 financial year. Through the EPWP programme the department has deployed Safety Patrollers at Dinizulu Senior Secondary School.

This office always pleads for active involvement of all relevant stakeholders especially the municipalities in the fight against crime. The non-enforcement of bylaws for liquor trading is posing as a major challenge. Establishment and functionality of Community Safety Forum (CSF) by all municipalities can be of great assistance as that is the platform of coordinated and integrated efforts in the fight against crime at a local level. It is so fortunate that Mbashe LM has a functional CSF as led by Portfolio Head – Community Services. It is always encouraged and necessary that the municipality prioritize issues of community safety, include it in the planning and budgeting processes such as IDP.

Most areas are dark and bushy especially in Gatyana town which makes it easy for criminals to commit their evil acts. Bad roads in all the areas is a problem as that affects response times for the police and life span of police vehicles.

The Mbashe LM safety and security section is comprised of traffic, licensing, law enforcement and rescue services. The situation has greatly changed for the better. The section is now fully functional and operating at full capacity. In the recent past, we have seen a number of improvements, like increased revenue generation, extended visibility of the officers, high success rate of drug bursts and illegal weapons. In Mbashe, there is now the rule of law.

In the licensing unit, an appointment of the Superintendent has been finalized in the 2016/17 financial year. The Drivers Learners Testing Center (DLTC) and Registering Authority (RA) for Dutywa have been approved and started to operate. It is the intention of the Department to open the Learners' license in Elliotdale.

A fairly new function is the rescue services (life guards) which is provided on an ad hoc basis. There is need for a paradigm shift, in an attempt to consider broadening the service from simple lifeguards to rescue services.

The Community Safety forum (CSF) was established in 2013 and has been operating fairly well since. The Mbashe CSF has been identified as the most effective and operating CSF in the Province, to a point that it has been identified as a Provincial Champion on CSF. The Community Safety Plan is reviewed and implemented annually as a result there was a session held at Coffee Bay where the municipality was assisted by GIZ, SALGA, OR Tambo district Municipality and the department of Safety and Liasing.

The participation of the sector departments and other stakeholders in the CSF is encouraging. A number of engagements with other law enforcement agents like the Provincial Commissioner of SAPS, Public Order Policing Unit (POPS) – Mthatha and Komani have been the highlight of the work of this section.

Dutywa crime statistics as per Crime Stats SA

CONTACT CRIMES (CRIMES AGAINST THE PERSON)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Murder	51	49	45	46	47	55	49	66	57	58	58	57
Sexual Offences	75	87	84	97	97	85	83	130	115	127	128	131
Attempted murder	27	15	19	15	22	22	12	6	22	13	15	23
Assault with the intent to inflict grievous	430	366	327	247	206	199	191	192	192	166	205	195

bodily
harm

Common assault 193 135 104 70 54 73 72 61 49 43 69 69

Common robbery 57 60 22 19 21 26 3 13 12 9 13 18

Robbery with aggravating circumstances 111 73 62 67 79 71 56 57 83 119 127 118

CONTACT-RELATED CRIMES

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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Arson 7 13 3 17 5 4 6 8 8 9 5 7

Malicious damage to property 95 79 56 62 56 81 67 61 67 51 78 87

PROPERTY-RELATED CRIMES

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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Burglary at non-residential premises 23 25 28 43 48 35 53 80 84 89 98 88

Burglary at residential premises	316	232	159	124	139	123	122	119	137	119	115	137
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Theft of motor vehicle and motorcycle	19	24	20	30	26	31	31	29	26	28	30	21
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Theft out of or from motor vehicle	45	44	35	36	35	38	46	59	78	56	57	46
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Stock-theft	184	132	126	121	80	91	84	83	73	80	82	75
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CRIME DETECTED AS A RESULT OF POLICE ACTION

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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Illegal possession of firearms and ammunition	27	17	9	21	32	24	17	26	45	49	37	34
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Drug-related crime	83	135	88	89	112	146	238	287	291	310	354	347
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Driving under the influence of alcohol or drugs	22	16	54	36	12	75	38	24	20	36	12	23
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OTHER SERIOUS CRIMES

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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All theft not mentioned elsewhere 274 231 160 126 103 122 115 128 112 147 147 131

Commercial crime 54 37 30 59 56 85 65 141 100 99 80 95

Shoplifting 97 89 73 42 48 42 30 35 38 44 32 23

SUBCATEGORIES OF AGGRAVATED ROBBERY

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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Carjacking 10 2 1 1 5 4 8 4 14 7 5 12

Truck hijacking 0 0 0 0 0 0 1 1 3 1 1 3

Robbery at residential premises 7 4 0 6 26 18 11 7 23 29 15 23

Robbery at non-residential premises 2 0 0 4 18 16 13 12 23 39 50 30

OTHER CRIMES CATEGORIES (*Not reported in 2016)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Culpable homicide	31	26	30	36	34	27	24	33	33	24	39	
Public violence	0	1	0	1	1	1	0	0	0	2	1	
Crimen injuria	5	12	9	3	6	4	16	2	8	7	16	
Neglect and ill-treatment of children	5	2	1	2	2	3	1	0	0	1	0	
Kidnapping	0	5	3	2	2	4	1	2	4	2	6	

CRIME DETECTED AS A RESULT OF POLICE ACTION

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sexual offences as result of police action											0	0

SUBCATEGORIES OF AGGRAVATED ROBBERY

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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Bank robbery	0
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Robbery of cash in transit	0
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SAFETY AND SECURITY SWOT ANALYSIS

LAW ENFORCEMENT AND RESCUE SERVICES	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> Adequately resourced (equipment and personnel) Functional community safety forum Well trained personnel Functional street lighting and high masts Good working relations with other law enforcement agency 	<ul style="list-style-type: none"> No system of tracing offenders and force them to pay (debt collection) Poor town planning and zone plans (allowing hardware's in N2)
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> Expansion of businesses Economic development Job opportunities Extension of services to previously disadvantaged areas Attraction of skills and professionals into the area 	<ul style="list-style-type: none"> Taxi violence Competition as against cooperation Street lights shut down and tempering
TRAFFIC SERVICES	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> Adequately resourced (equipment and personnel) Functional transport forum Well trained personnel Good working relations with other law enforcement agency Free flow of traffic Controls in place for early detection of fraud and corruption 	<ul style="list-style-type: none"> No system of tracing offenders and force them to pay (debt collection) No one-stop shop centre for traffic services (limited space in the town hall) Poor town planning and zone plans (allowing hardware's in N2)

	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Expansion of businesses • Economic development • Job opportunities • Extension of services to previously disadvantaged areas 	<p>THREATS</p> <ul style="list-style-type: none"> • Taxi violence • Competition as against cooperation
LICENSING	<p>STRENGTHS</p> <p>Functional DLTC Adequately resourced (equipment and personnel) Functional Transport Forum Well trained personnel Good working relations with regulating department (Department of Transport and other municipalities) Controls in place for early detection of fraud and corruption</p>	<p>WEAKNESSES</p> <p>Not providing full services (Registering Authority not provided)</p>
	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Expansion of businesses • Economic development • Job opportunities • Extension of services to previously disadvantaged areas 	<p>THREATS</p> <ul style="list-style-type: none"> • Taxi violence • Competition as against cooperation • Fraud and corruption

COMMUNITY FACILITIES

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

Halls: - The municipality has been constructing multi-purpose community halls in many of its wards to aid communities with proper spaces for their meetings and functions. These facilities are constructed through the use of MIG and once finished, they are owned, operated and maintained by the municipality. The key challenge so far has been the lack of adequate funds to constantly maintain and offer security services to our facilities. It is proposed that once completed (renovation and construction), these halls should be handed over to the Community based Committee for day to day administration and management. Lately, we have seen some social issues relating to the role of the community in the management and administration of these facilities. An attempt to develop a clear policy framework, in consultation with the communities, to guide the management and administration of these facilities, has fallen face down in the 2016/17. A further attempt should be engaged in the 2017/18 financial year and solicit the support of the Ward

Councillors. An assessment report of all the community halls in Mbashe has been done and estimated costs of repairing the community halls is around R21m (in terms of the 2015/16 prices).

The following is the list of the Community Halls and their location:-

WARD	NAME OF THE HALL	VILLAGE	UNIT	OWNERSHIP	Electricity (YES/NO)
1.	TRC	Dutywa town	Dutywa	Mbashe	yes
	Town hall	Dutywa town	Dutywa	Mbashe	yes
2.	Mamfeneni Community Hall	Mamfeneni	Dutywa	Mbashe	yes
3.	Qelane Community Hall	Qelane	Dutywa	Mbashe	Yes
4.	Timane Community Hall	Timane	Dutywa	Mbashe	Yes
	Ntshingeni Community Hall	Ntshingeni	Dutywa	Mbashe	Yes
	Gxarha Community Hall	Gxarha	Dutywa	Mbashe	Yes
	Mputi Community Hall	Mputi	Dutywa	Community	yes
	Xeni Community Hall	Xeni	Dutywa	Mbashe	Yes
5.	Silityiwa Community Hall	Silityiwa	Dutywa	Mbashe	Yes
	Bolotwa Community Hall	Bolotwa	Dutywa	Mbashe	Yes
6.	Nqabane Community hall	Nqabane	Dutywa	Mbashe	Yes
7.	Old Idutywa Community Hall	Komkhulu	Dutywa	Community	No
	Ward 7 Community Hall	Candu	Dutywa	Mbashe	Yes
	Old Idutywa Community Hall	Cilo	Dutywa	Mbashe	Yes
8.	Gem Community hall	Gem	Dutywa	Mbashe	Yes
9.	Mangati Community Hall	Mangati	Dutywa	Mbashe	No
	Govan Mbeki	Govan Mbeki	Dutywa	Mbashe	Yes
	Notinara Community Hall	Mthuvi	Dutywa	Mbashe	No
10.	Bangiso Community Hall	Bangiso	Dutywa	Community	Yes
	Siwendu Community Hall	Auckland	Dutywa	Mbashe	Yes
11.	Nqadu Community Hall	Komkhulu	Gatyana	Community	Yes
12.	Nqabara Community Hall	Nqabara	Dutywa	Mbashe	Yes
13.	Sport Ground Community Hall	Xhorhatown	Elliotdale	Mbashe	Yes
	Indoor Sports Hall	Xhorhatown	Elliotdale	Mbashe	Yes
	Town Hall	Xhorhatown	Elliotdale	Mbashe	Yes
	Kasa Community Hall	Kasa	Elliotdale	Mbashe	Yes
14.	Ramra Community Hall	Mfula	Gatyana	Mbashe	No
	Mbhangcolo Community Hall	Upper Mbhangcolo	Gatyana	Mbashe	No

15.					
16.	Maganyela community Hall	Manganyela	Elliotdale	Mbhashe	No
	Qotongo Community Hall	Mt Pleasant	Elliotdale	Mbhashe	No
17.	Ntsingizi Community Hall	Ntsingizi	Elliotdale	Community	Yes
18.					
19.	Ward 19 Community Hall	Mpame	Elliotdale	Mbhashe	No
	Manzibomvu Community Hall	Manzibomvu	Elliotdale	Mbhashe	No
20.	Lower Desi Community Hall			Community	Yes
21.	Mpozolo Community Hall	Mpozolo	Gatyana	Mbhashe	Yes
22.	Beechamwood Community Hall	Mahasane	Gatyana	Mbhashe	Yes
23.	Bojini Community Hall	Bojini	Gatyana	Mbhashe	Yes
24.					
25.	Gatyana TRC Hall	Gatyana town	Gatyana	Mbhashe	Yes
	Gatyana Town Hall	Gatyana town	Gatyana	Mbhashe	Yes
	Gatyana Indoor Sport Center	Gatyana town	Gatyana	Mbhashe	Yes
26.	Shinira community Hall	Shinira	Elliotdale	Mbhashe	No
	Dabane Community Hall	Dabane	Elliotdale	Mbhashe	No
27.	Fort Malan Community Hall	Fort Malan	Gatyana	Mbhashe	Yes
	Mhlohlozi Community Hall	Mhlohlozi	Gatyana	Mbhashe	No
28.	Mqhele Community Hall	Mqhele	Elliotdale	Mbhashe	No
	Nqayiya Community Hall	Nqayiya	Elliotdale	Mbhashe	No
	Mtakazo Community Hall	Mkatazo	Elliotdale	Mbhashe	Yes
29.	Badi Community Hall	Badi	Gatyana	Mbhashe	Yes
30.	Weza Community Hall	Weza	Gatyana	Mbhashe	Yes
	Ntlabane Community Hall	Ntlabane	Gatyana	Mbhashe	Yes
31.	Sikhobeni Community Hall	Sikhobeni	Dutywa	Mbhashe	Yes
	Mbewuleni Community Hall	Mbewuleni	Dutywa	Mbhashe	Yes
32.	Nobangile Community Hall	Gusi	Elliotdale	Traditional Council	Yes
	Qatywa Community Hall	Qatywa	Elliotdale	Mbhashe	No

Sports fields:- As is the case with the halls, these facilities are scattered throughout the Municipality, with some located in urban centers, whilst others are placed at ward centers. These facilities are poorly managed with no personnel attached to them. On this front, it is worth noting that one sports field located in Ngxakaxa (Ward 2) was constructed by the local private businessman. A need for the central up-to-date sport fields in the urban centers of the units has been expressed.

In addition, tenders are out for the construction of the state of the art sports facilities in wards 13, 25 and 1. The preliminary design has been submitted to Corporate Governance and Traditional Affairs EC through District Appraisal Committee and to

Department of Sport, Recreational, Art and Culture Eastern Cape (DSRAC) for the funding of the Ngxakaxa/ Ngumbela Sports field.

Ablution facilities:- These communal facilities are generally placed in the urban centers of Dutywa, Gatyana and Elliotdale. The Xhorhaand Dutywa ablutions have been renovated and in a fair state. Gatyana and Xhorhaare currently serviced by the septic tanks and VIPs as a form of sanitation. A state of the art public ablutions have been constructed in Dutywa, thereby ensuring a fair number of these facilities in this area. A nominal fee is charged to the members of the public who uses these facilities.

Pounds: - We also own, operate and manage municipal pounds in all the three units. In recent times, the pound section has seen a lot of improvement with increased revenue through the conducting of the pound sales in all the units. A state of the art pound, the first of its kind in the province, has been constructed in Dutywa under Ward 1 and is currently operational. Recently, we have seen a number of incidents of vandalism, break-ins and hold-ups in these facilities. Such incidents call for improved security and safety. From time to time, we struggle with the animal feed and medication for the sick. This calls for a comprehensive plan to deal with these issues.

Cemeteries:- Cemeteries are a core competence of Mbashe municipality and its role is largely to plan and ensure provision of land for burial as well as support with such services as registrations and mobilization of resources for fencing of facilities. Lack of funds is often cited as a reason why there is poor maintenance of cemeteries across all wards. Cemeteries are currently categorized into urban and rural (communal and private). All the communal cemeteries should be the responsibility of the Municipality, whilst the private cemeteries become the responsibility of the families concerned. The fencing and provision of guard houses to the urban cemeteries of Dutywa, Gatyana and Xhorhahas been completed. Such an improvement in the cemeteries would induce better management of this function. In the case of rural communal cemeteries, data (location, size and costing) has been collected. The fencing of these facilities has started with ten (10) of these facilities fenced in the 2017/18.

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

Child care facilities:- The Municipality has a responsibility of providing the child care facilities. In the 2016/17 financial year, a sample of 60 ECDCs was assessed on the state of the buildings and suggest what needs to be done. The study has found out that these facilities are at different levels of disrepair, with some made out of zinc, some blocks and

others with mud and zinc. An amount of R1m has been set aside in the 2017/18 financial year for the construction of the ten (10) centers.

From our interaction with the existing ECD structures of Dutywa, Xhorha and Gatyana, the following has been established:-

UNIT	NO OF ECDCs	FUNDED ECDCs	NON FUNDED ECDCs
Dutywa	85	23	62
Gatyana	70	28	42
Elliotdale	76	30	46
Total	231	81	150

The Department of Education (DoE) and Department of Social Development (DSD) are currently involved in assisting on the operations and funding of the ECDCs. DSD is currently the sole funder of these centers and the list of funded ECDCs is reviewed annually. The mandate of the municipality is limited to provision of the ECDC facilities (buildings, indoor and outdoor playing facilities, as well as furniture).

LIBRARIES:-This is the concurrent function of the National and Provincial governments. The Department of Sports, Recreation, Arts and Culture (DSRAC) has since entered into a memorandum of agreement with local municipalities, including Mphashe to manage and administer these facilities. Currently the Municipality has six (06) fully operational libraries that are within Mphashe Jurisdiction area namely: Dutywa, Gatyana, Elliotdale, Bolothwa, KwaNomaka Mbheki and kwaNtshunqe Libraries. Lower Mbangcolo and Nqabara Libraries are not yet operational.

The conditions of the libraries are not satisfactory and all of them need an immense facelift in order for them to be in an acceptable level. Additional three (3) Librarians have been appointed by DSARC for Gatyana, kwaNomaka Mbheki and KwaNtshunqe Libraries. DSRAC has transferred an amount of R500 000.00 for the running of libraries in the current year in order to give effective and efficient library services to the communities, DSRAC should increase the budget so that it can cover all the expenditure in relation to libraries.

SWOT ANALYSIS

COMMUNITY HALLS	STRENGTHS <ul style="list-style-type: none"> • Construction and maintenance • Assessment of community halls done 	WEAKNESSES <ul style="list-style-type: none"> • Not enough budget • Poor management
	OPPORTUNITIES <ul style="list-style-type: none"> • Enhancing community cohesion • Serving as multi- purpose centres 	THREATS <ul style="list-style-type: none"> • Community seem not to understand their role • Vandalism • Effects of climate change
SPORTS FIELD	STRENGTHS <ul style="list-style-type: none"> • Almost every village has a sports field • Participation of youth in sporting activities 	WEAKNESSES <ul style="list-style-type: none"> • No database of the existing sports fields • Limited budget

		<ul style="list-style-type: none"> • Poor management • Existing sports fields mainly accommodate soccer
	OPPORTUNITIES <ul style="list-style-type: none"> • Healthy living style • Platform for youth mobilisation • Crime reduction • Talent exposure 	THREATS <ul style="list-style-type: none"> • Non-Availability of suitable land for sport field • Poor organised sport structures at community level.
ABLUTION FACILITIES	STRENGTHS <ul style="list-style-type: none"> • There is budget for maintenance • Clean and hygiene facilities 	WEAKNESSES <ul style="list-style-type: none"> • Inadequate in relations to population volume • Continuous water interruptions
	OPPORTUNITIES <ul style="list-style-type: none"> • Source of revenue • Cooperative support 	THREATS <ul style="list-style-type: none"> • Business complexes not providing public ablutions • Lack of waste water treatment works
POUND	STRENGTHS <ul style="list-style-type: none"> • There is budget for maintenance • Dutywa pound under construction • Control of stray animals • Personnel and equipment 	WEAKNESSES <ul style="list-style-type: none"> • Poor controls • Civil claims and litigations
	OPPORTUNITIES <ul style="list-style-type: none"> • Source of revenue • Cooperative support 	THREATS <ul style="list-style-type: none"> • Break ins by aggrieved communities
CEMETERIES	STRENGTHS <ul style="list-style-type: none"> • Urban cemeteries fenced • Personnel to look after urban cemeteries • Budget available for assessment 	WEAKNESSES <ul style="list-style-type: none"> • No data base for communal cemeteries
	OPPORTUNITIES <ul style="list-style-type: none"> • Extension of services to previously disadvantaged communities • Community dignity and satisfaction 	THREATS <ul style="list-style-type: none"> • Unauthorised burials in formal cemeteries • Limited space
BEACHES	STRENGTHS <ul style="list-style-type: none"> • Beautiful coastal line 	WEAKNESSES <ul style="list-style-type: none"> • Unsafe walkways

	<ul style="list-style-type: none"> • Environmental friendly 	No proper planning about the beach
	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Economic development • Tourism attraction 	<p>THREATS</p> <ul style="list-style-type: none"> • Illegal sand mining • Illegal fishing and poaching • Unauthorised settlements • Lack of infrastructure in the beaches • Overregulated space
CHILD CARE FACILITIES	<p>STRENGTHS</p> <ul style="list-style-type: none"> • Assessment on ECDCs buildings done • Functional ECDC forum • Provision of material • Budget availability • Information on the existing ECDC for planning 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Old and dilapidated buildings • Lack of cooperation with the relevant sector departments
	<p>OPPORTUNITIES</p> <p>Improved education system</p>	<p>THREATS</p> <ul style="list-style-type: none"> • Dysfunctional ECDC • No control and regulation on establishment • High staff turnover
LIBRARIES	<p>STRENGTHS</p> <ul style="list-style-type: none"> • Functional library structure • Capacitated in terms of personnel • Library awareness programs • Internet and WiFi services 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Limited funding of the operations of the Libraries • Lack of movable assets such as motor vehicle.
	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Literacy improvement • Source of information 	<p>THREATS</p> <ul style="list-style-type: none"> • Inadequate books and periodicals • Old and dilapidated buildings
PARKS AND OPEN SPACES	<p>STRENGTHS</p> <ul style="list-style-type: none"> • Some facilities in place • Aesthetic value created through these facilities • The existing facilities are fully utilised 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Limited internal funding • Skill and capacity to operate and manage the existing facilities
	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Existing open spaces • External funding potential 	<p>THREATS</p> <ul style="list-style-type: none"> • Stringent funding conditions

JOB CREATION

SHORT TERM JOB CREATION INITIATIVES

The short term job creation opportunities are created through the Expanded Public Works Programme (EPWP) and Community Works Programme (CWP). The EPWP is funded through internal sources and the Integrated EPWP Incentive Grant allocated by the National Department of Public Works, whilst the CWP is managed and funded by the Cooperative Governance and Traditional Affairs (COGTA) Department. The EPWP is wholly managed internally and is rollout throughout the 32 wards of Mbashe, whilst the CWP is implemented in all the Xhorhwards and ward 11 in Gatyana. In the 2016/17 financial year, the two programmes provided not less than 2000 job opportunities. The majority of these job opportunities are found in rural waste management and CWP.

SWOT ANALYSIS

JOB CREATION	STRENGTHS <ul style="list-style-type: none"> • EPWP policy adopted • Job creation • Skills development • Partnership with COGTA through CWP 	WEAKNESSES <ul style="list-style-type: none"> • Community unrests on selection of participants • Program not fully institutionalised
	OPPORTUNITIES <ul style="list-style-type: none"> • Community trust and dignity • Qualification as the Free Basic Service 	THREATS <ul style="list-style-type: none"> • Limited funding • Reliance on sector departments on the approval of allocations

DISASTER MANAGEMENT

With the amendment in the Disaster Management Act, there has been an increased role of the Local Municipalities with regard to the Disaster Management. In the past, the Local Municipalities were empowered only to report and to a very limited extent, coordinate the disaster activities within their jurisdiction.

Mbashe Local Municipality has embraced the new role by developing a Disaster Management policy adopted in 2016. It has been reviewed by Council and adopted in May 2018.

The policy entails:

- Mbashe Local Municipality is directly responsible for the coordination of disaster within the Municipality, where the process of dealing with emergency procurement is covered in the SCM policy.
- The Disaster Management Co-ordinator will be responsible to ensure any changes to the operations and maintenance of the plan are communicated to Council and other key stakeholders.

c) A Disaster Council Committee appointed and approved by Council together with the duly appointed Disaster Management Co-ordinator, will oversee, control and co-ordinate all Disaster operations within the Municipality.

Mbhashe LM plays a role of coordinating of all government departments to pledge their support in the event of a disaster.

Further, there is a dedicated budget to assist the disaster victims, wherein the following has been agreed on:-

Support first and foremost the destitute and homeless victims;

A list of all disaster victims, including the progress in as far as the support provided is concerned shall be kept updated by the section.

The reporting of the disaster incidents to be made through the Ward Councillor for proper coordination;

The turnaround times have been agreed as follows:-

Assessment to be done within reasonable time.

FREE BASIC SERVICES

A unit has been created to manage this function, despite the fact that it is still populated by one official, working with EPWP employees. The first task was to compile the indigent register that should be reviewed and updated annually. It is anticipated that once compiled, all government departments and State agents shall utilize this register to support the indigent within Mbhashe.

In compiling the Indigent Register, a visit to all the Voting Districts of Mbhashe was conducted in the 2017/18 financial year. It is anticipated that those left out of the register, irrespective of the reasoning for such exclusion, may either approach the office for registration or wait for the next round of reviewal and updating of the register.

INDIGENT SUPPORT

The municipality developed and adopted an Indigent Policy which was reviewed in May 2018. A portion of the Equitable Share is used to provide Free Basic Electricity and alternative energy to indigent households. In terms of the policy a household whose monthly income is less than two state grants qualify to be an indigent.

During the 2015/2016 financial year the municipality provided a range of free basic service to assist our most vulnerable citizens, these services are:

2864 households benefited from Free Basic Electricity (50 kilowatts tokens supplied by Eskom).

Free basic refuse removal service is available to indigent consumers, living in rural areas, informal settlements residents.

The municipality has not subsidized urban indigent households for property rates and refuse collection due to the indigent register not being updated.

The municipality is currently in the process of developing a credible indigent register that will be used as a basis for providing free basic services to the needy households by conducting the following:

- ❖ Updating the Indigent Register by collection data and conducting registration campaigns.
- ❖ Verification of the list of beneficiaries on the ESKOM list

- ❖ Liaise with Eskom on monthly basis to ensure provision of 50 KWH to indigent households.

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
INDIGENT SUPPORT	<ul style="list-style-type: none"> • There's a guaranteed funding source from the equitable share • Increased support for rural waste removal for indigent households 	<ul style="list-style-type: none"> • Inadequate strategy to support indigent households • Lack of credible indigent register
	OPPORTUNITIES <ul style="list-style-type: none"> • Attracting and enhancing indigent support from other government spheres and organisations through IGR structures 	THREATS <ul style="list-style-type: none"> • High unemployment and poverty levels within the municipal area

HUMAN SETTLEMENTS DEVELOPMENT

The municipality is not responsible for the development of houses, it only relies on the Department of Human Settlements upon lodging applications to the Department based on the Housing Needs Register.

EMERGENCY HOUSING

Emergency houses are used as temporary structures whenever there is a disaster affecting the destitute families. Poverty levels are high in the municipality and as a result there are many destitute households. This has led to the municipality applying for destitute housing from the Department of Human Settlements.

HOUSING FOR DESTITUTES

Currently:

Fifteen (15) units for destitutes in Elliotdale (ward 15 & 20) have been completed in 2017/18 financial year. Construction of Thirty (30) destitute houses in Elliotdale (Madwaleni) is still underway. There are 100 units for destitutes and 10 temporal structures scattered across Dutywa and have been delivered.

More applications are made for destitute housing with the aim to eradicate housing backlog to the destitute.

NATIONAL HOUSING NEEDS REGISTER

The Minister and MEC of Human Settlements recognized the need for a single integrated registration (National System) web based, which is for planning and budgeting. The purpose of this register is to replace housing waiting list.

The municipality needs to form an Allocation Committee as to allocate beneficiaries when there is a housing project using the needs register.

Currently:

The ward committees have collected the information using the questionnaires and surveys, previously the municipality employed and trained six (6) Data Capturers, however their contracts have since expired. They have captured 22 388 beneficiaries onto the system.

HOUSING PROJECTS (LOW COST HOUSING)

AREA	NUMBER OF UNITS	LOCATION	STATUS
DESTITUTE HOUSING	130	Mbhashe Wide	More applications are made for destitute housing with the aim to eradicate housing backlog to the destitute
Govan Mbeki Township	427 households	Dutywa South East	Complete
Dutywa Extension 8	<u>753 households</u>	<u>Dutywa South East</u>	<u>Complete. Department and the Municipality are busy with the Conveyancer in order to issue the outstanding Title deeds. Manxiwa and Co has been appointed for 99 Title Deeds.</u>
Willowvale extension 1	<u>97 households</u>	<u>Willowvale South-East</u>	<u>On Tender processes by Provincial Department of Human Settlement.</u>
Elliotdale – Walter Sisulu Township	<u>292 households</u>	<u>Elliotdale North-West</u>	<u>On Tender processes by Provincial Department of Human Settlement.</u>
Elliotdale Rural	<u>5000 households</u>	<u>Wards 17, 18, 26</u>	<u>Completed. Only 16 outstanding houses.</u>
Elliotdale Rural 3000 units & Mngazana	<u>3000</u>	<u>All Elliotdale Rural Wards</u>	<u>2000 still being negotiated between community and Department of Human Settlement. 1000 is yet distributed amongst the Elliotdale wards</u>
Nqadu Village	<u>1380</u>		<u>Funding request has been prepared. Beneficiaries have been pre-screened.</u>

SWOT ANALYSIS: LOW COST HOUSING

Priority Issues:

In terms of the Spatial Development framework, land is made available for more low cost housing development in all three units. However, there are serious challenges like land invasion, land claims and lack of infrastructure services like water and sanitation. The housing register shows that there is a huge demand for housing. Currently, there are plans in place

for more low cost housing development in Dutywa zone 14, Xhora extension 5 & 6 and Willowvale.

More challenges include slow process of transfers i.e. Title Deeds transfers and Incomplete Housing Register.

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Land availability • High housing demand 	<ul style="list-style-type: none"> • Stopping of the rectification process • Land invasion • Land claims affecting future housing development
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Plans in place 	<ul style="list-style-type: none"> • Slow process of transfers i.e. Title Deeds transfers • Incomplete Housing Register

MIDDLE INCOME HOUSING

Dutywa town in particular is unbearably over populated. This has burdened the infrastructural planning in town more especially sewerage, water and electricity. This is a result of an increase of schools around town especially the private schools.

Residents responded by converting their residential houses into boarding hostels. However, there are planned projects to help curb the situation.

Priority Issues:

PLANNED PROJECTS

PROJECT	UNITS	LOCATION	STATUS
Dutywa Extension 7 (Middle Income)	312	Dutywa North	EIA being finalized.
Dutywa Extension 3	264	Dutywa North-East	EIA being finalized.
Willowvale Extension 5	241	Willowvale South – West	Sites sold as is
Elliotdale Extension 6	400		Revalidation of the general plan is currently on progress. MEC funding approval obtained.
Elliotdale Extension 5	102		Revalidation of the general plan is currently on progress
Dutywa – Mzamomhle Township	1050	Dutywa South – West	Township approved
Bachelor flats (rental housing)		Mzamomhle Township	On planning stage

Community Rental Units (CRU)		Extension 8	The Department of Human Settlement has commissioned a study on the Community Rental Units (CRU) for the Mbashe area. Awaiting study results.
A student village (rental housing)			Seeking a new developer after the failed one

SWOT ANALYSIS: MIDDLE INCOME HOUSING

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Land availability • Revenue generation • Contribution to Economic Development of the region • High Housing demand 	<ul style="list-style-type: none"> • Land claims from nearby communities • Land invasions from the same communities • There's no infrastructure (water, sanitation, road network) and internal reticulation
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Township plans in place 	<ul style="list-style-type: none"> • No proper planning for Infrastructure needs

Priority Issues

There will be sites sold for revenue generation in all units, Xhora extension 5, extension 3 & 7 in Dutywa and extension 4 in Gatyana. This will contribute to the Economic Development of the region.

However, there are challenges of land invasion in municipal commonages in Xhora, Gatyana and Dutywa.

➤ SPATIAL ANALYSIS

SPATIAL RATIONALE

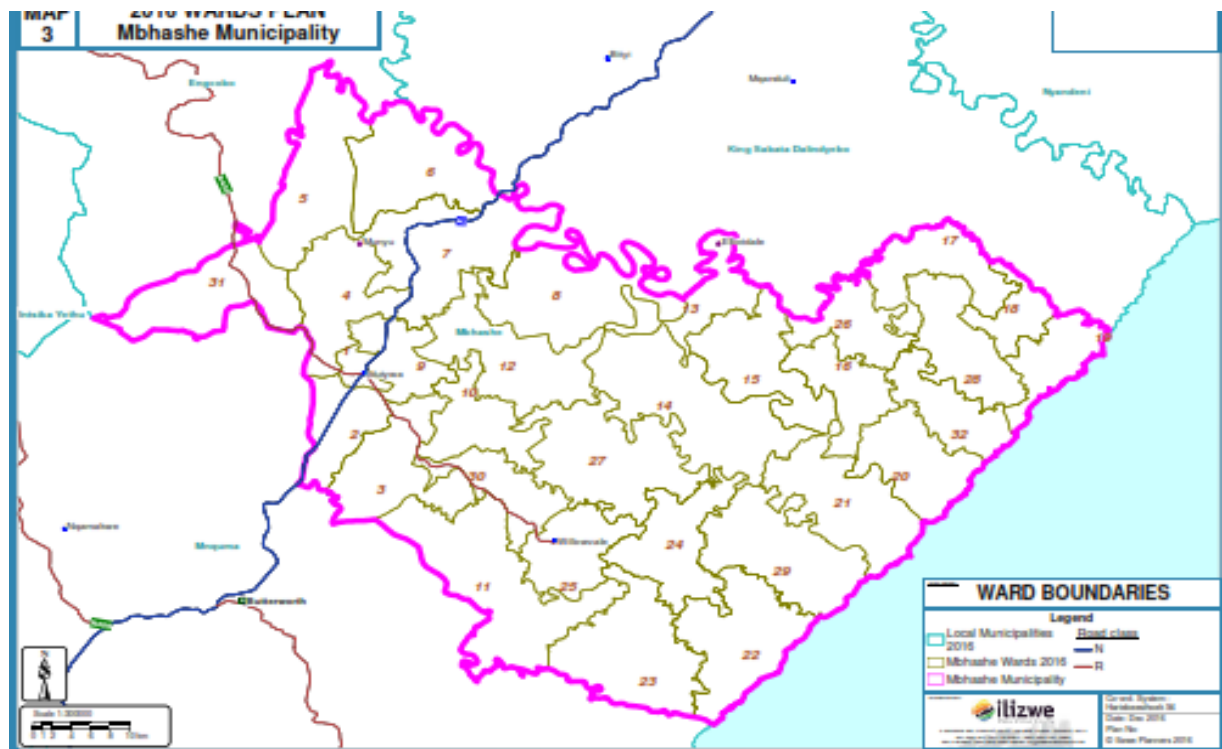
1. Spatial Description of Mbashe Local Municipality

Mbashe local municipality is located within the eastern extent of the Eastern Cape Province, within the area of jurisdiction of the Amathole District Municipality. The Municipal boundary forms the Northern boundary of the Amathole District, bordering the O.R Tambo District.

Regional Perspective is indicated on the plan below



The Locality Plan for Mbashe Wards



Mbashe covers an area of 3030.47 km² (Source: Statssa 2011) and comprises 32 wards, represented by 63 councilors. The entire extent of Mbashe is situated within the former Transkei and is bordered by the following municipalities:

King Sabata Dalinyebo – to the East

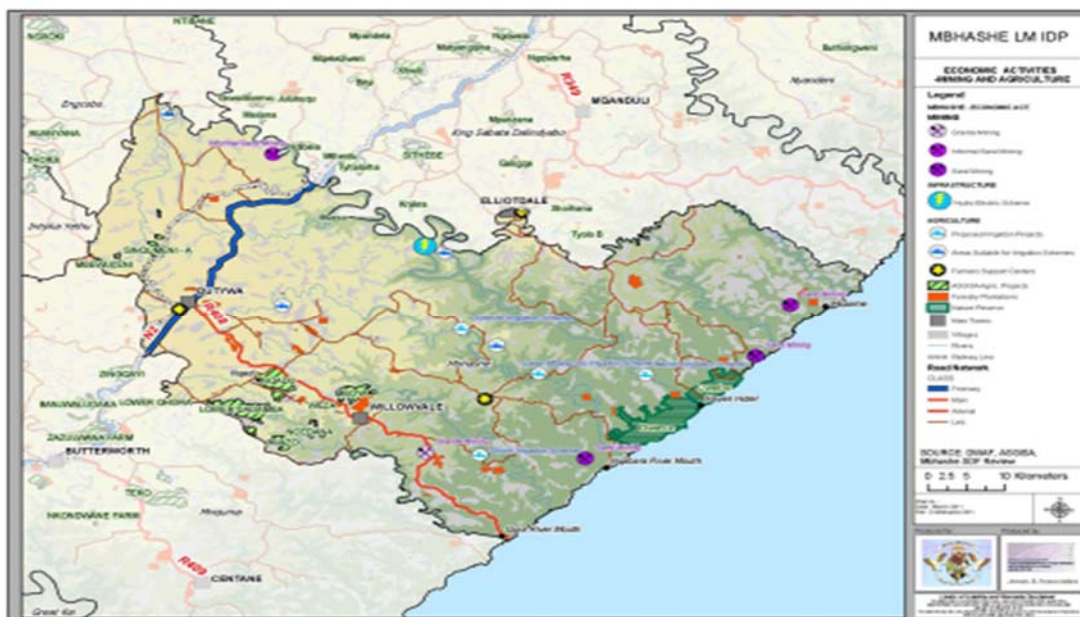
➤ Engcobo – to the North –West

- Mnguma – to the South
- Intsika Yethu – to the South –West

2. LAND USES

2.1 Mining and Agriculture

The map below depicts the areas with natural resources possible for mining sand along the coast and along rivers (Mbhashe & Nqabarha) and granite in areas such as Luvundu & Weza. Agricultural activities are more concentrated, due to high rainfall along the coast.



2.2 DIFFERENT LAND USES FOR DUTYWA, WILLOWVALE AND ELLIOTDALE

After a long consultative process of crafting the municipality’s five year SDF, different land use proposals were suggested and approved for the towns of Dutywa, Elliotdale and Willowvale.

DUTYWA

These were the proposed different land uses for Dutywa; commercial, residential, educational, institutional, business, general residential, government , industrial, municipal, open space, public garage, special residential, special zone and undetermined. All the above mentioned uses are strategically located in order to achieve the objectives of the land use scheme for Mbhashe.

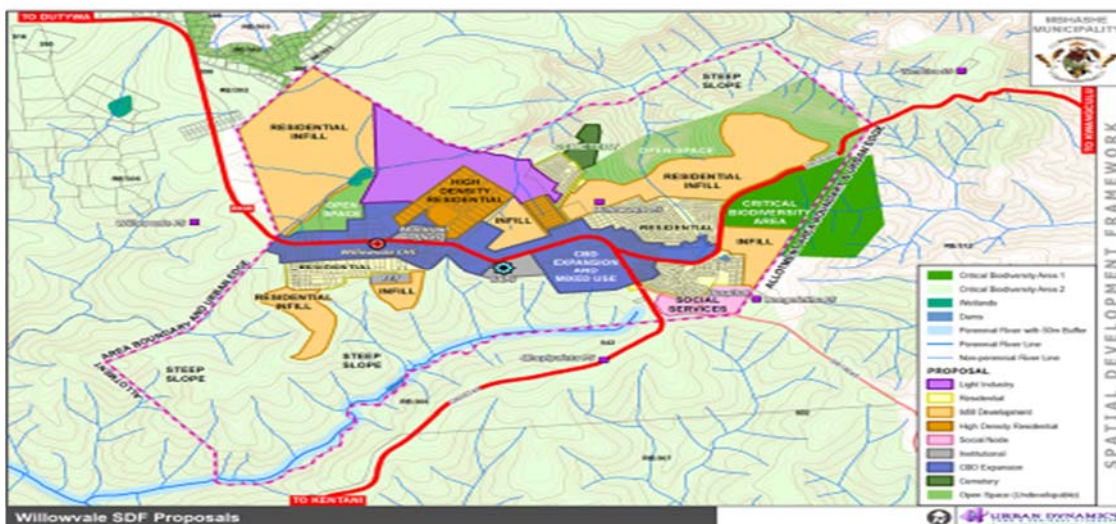
In order to increase the revenue for Dutywa, Gatyana& Xhora, a number of business sites were proposed along the proposed and the urban edge/CBD has also been increased. The

Industrial areas in Dutywa were proposed along the railway line, in Gatyana along the Urban Edge. Mixed Residential areas were promoted for social cohesion.

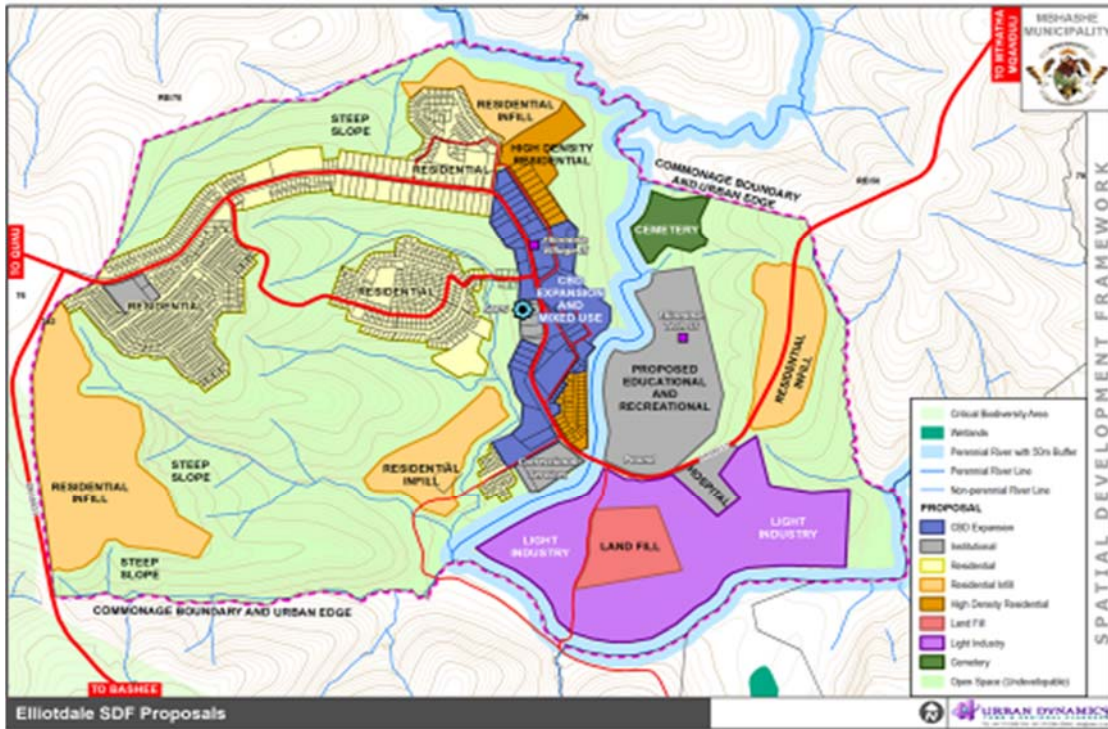


WILLOWVALE

These were the proposed different land uses for Willowvale; commercial, residential, educational, institutional, business, general residential, government , industrial, municipal, open space, public garage, special residential, special zone and undetermined. All the above mentioned uses are strategically located in order to achieve the objectives of the land use scheme for Mphashe.

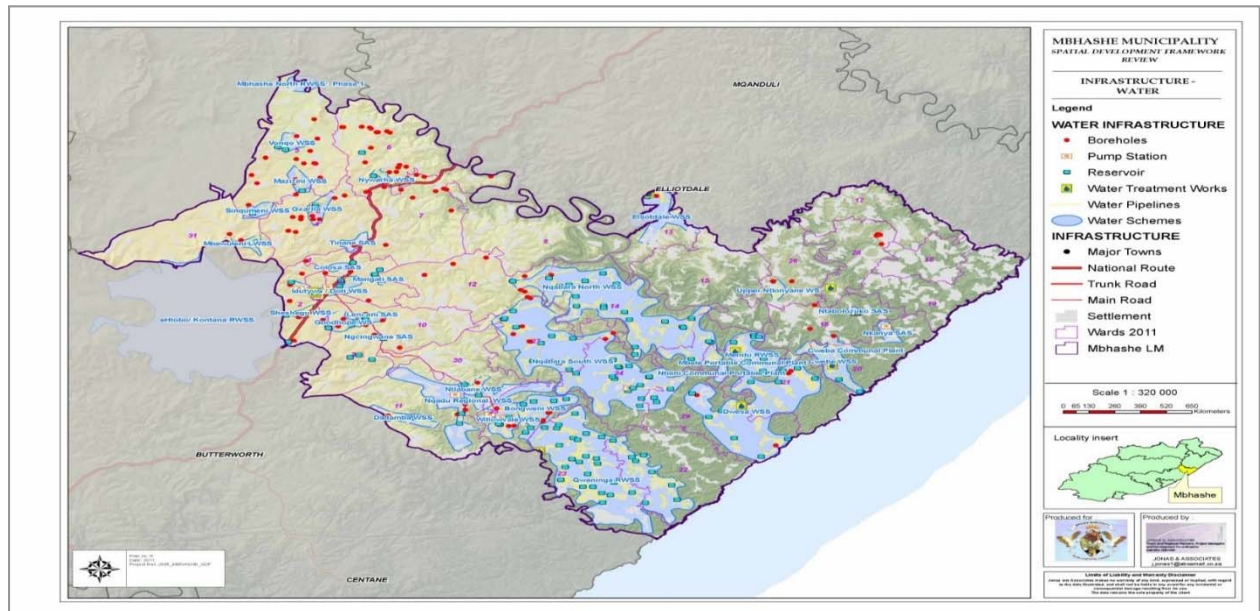


ELLIOTDALE



WATER

Current availability of water infrastructure and networks is reflected below.



In the Eastern part of Mkhlashe there are water schemes and few boreholes because of higher rainfall. In the western part there are more boreholes because of lower rainfall.

TENURE STATUS

The municipality is pre-dominantly rural with approximately 97% of its land falling under the jurisdiction of Traditional Authorities. There are three main types of land tenure in Mbashe Municipality which can be divided into municipal, private and state land. Apart from privately owned land in the three urban centres, namely, Dutywa, Gatyana and Xhora, a large part of land in the Municipal area is owned by the state on behalf of the occupants (communal land) and state forests.

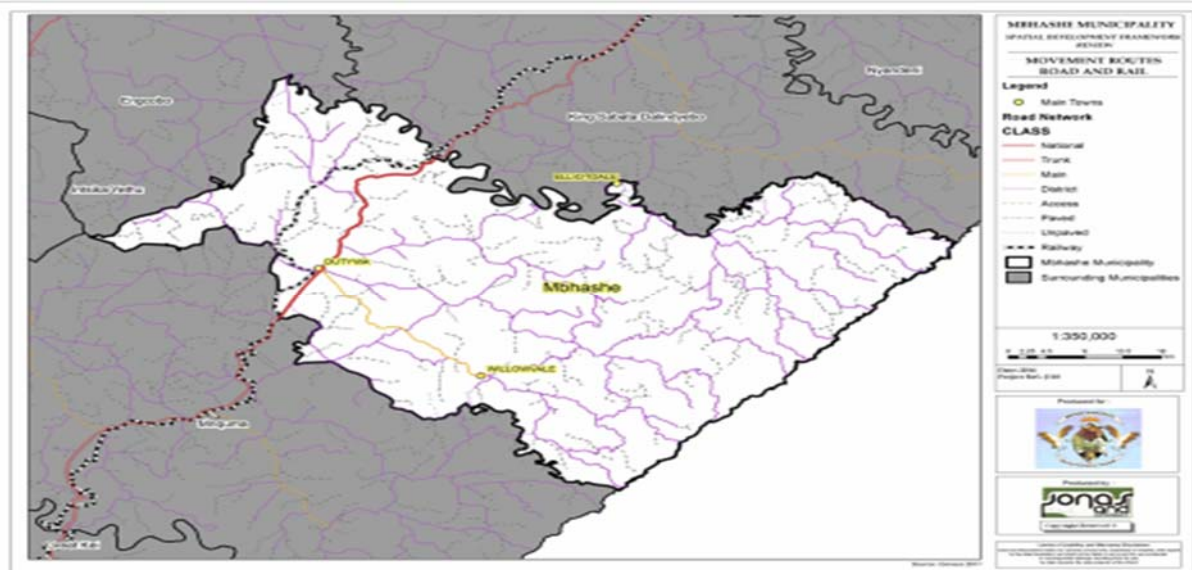
Urban Areas

The functions pertaining to land administration in urban centres is undertaken by the Municipality in terms of The Eastern Cape Province is still in a process of developing the provincial legislation that will be aligned with the new Act, Spatial Planning and Land Use Management Act (SPLUMA). The functions pertaining to land administration in urban centres is undertaken by the Municipality in terms of SPLUMA.

Rural areas

The land administration in rural areas consists of a range of existing systems that can be described as ranging from Traditional, Customary to legislated or formal. The “formalization” incorporated an administrative role for government structures that resulted in the issuing of “Permission to Occupy” (PTO) certificates. Challenges however exist where certain traditional leadership rejects the implementation of SPLUMA.

Major Transport Routes



The road network in Mbashe as shown on the plan above, can be broadly classified as follows:

□The N2 National Road, which runs from Mnquma Municipality to King Sabata Dalinyebo Municipality and passes through Dutywa.

District roads (Trunk and Main Roads) connecting Dutywa to Gatyana and Ngcobo. Local access roads connecting the district roads with the various rural villages and coastal Destination.

LAND RESTITUTION

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

The status of land claims in Mbashe LM has currently 29 lodged claims only four has been settled and there are 25 outstanding claims.

District	Lodged Claims	Settled Claims	Outstanding Claims
Gatyana	12	1	11
Xhora	04	1	03
Dutywa	13	2	11
Total	29	4	25

Distributed as follows:-

No.	NAME OF CLAIM	AREA	STATUS
1.	Maude Stofile	Dutywa	Research
2.	Daniel Kleinhans	Dutywa	Research
3.	Kreschmer Spargs (12 properties)	Dutywa	Settled
4.	Mfanelo Ndwandwa	Dutywa	Research
5.	Lubabalo Potelwa	Dutywa	Research
6.	Limakhwe Clan (2 properteis)	Dutywa	Research
7.	Ngxakaxa Community	Dutywa	Verification
8.	Cecil Dlova	Dutywa	Research
9.	Xolilizwe Sigcawu	Dutywa	Research
10.	Pakamisa Limekhaya	Dutywa	Settled
11.	Mbelo Community	Dutywa	Research
12.	Mangathi Community	Dutywa	Court Case

13.	Mputi Community	Dutywa	Valuation
14.	Bhonxa Community	Gatyana	Valuation
15.	Joseph Ndinisa	Gatyana	Research
16.	Wilfred Van Meyer	Gatyana	Research
17.	Vuyiswa Lwana	Gatyana	Research
18.	Griffiths Manxiwa	Gatyana	Research
19.	Mvuyo Ndzo	Gatyana	Research
20.	Nontobeko Ndinisa	Gatyana	Research
21.	Xolilizwe Sigcawu	Gatyana	Research
22.	Dwesa Cwebe Nature Reserve	Gatyana	Settled
23.	Xolilizwe Sigcawu	Gatyana	Research
24.	Zalisile Matikinca	Gatyana	Research
25.	Namba Community	Gatyana	Research
26.	Mwana and Hlakothi Community	Xhora	Verification
27.	Jako Family	Xhora	Settled
28.	Thafalehashe	Xhora	Research
29.	Gcaleka Nation	Xhora	Research

The four (4) settled claims are the following:-

- 1) Krestchener Spargs (12 properties) in Dutywa
- 2) Pakamisa Limekhaya in Dutywa
- 3) Jako Family in Elliotdale
- 4) Dwesa-Cwebe

However, the three (3) communities that are in the stage of valuation; these are:-

- 1) Mputhi in Dutywa
- 2) Mangathi in Dutywa
- 3) Bhonxa (Commonly known as Ciko) in Willowvale

CLAIMS AGAINST ERF 1 (DUTYWA COMMONAGE)

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

However, the current state is that the claims may be invalid as the commonage areas were determined prior 1913 – the passing of the Land Act of 1913.

Mputi Land Claim

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

Mangati Land Claim

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

Ngxakaxa Land Claim

The Ngxakaxa Community lodged a land claim through land claims in an area described as Erf 1 – Dutywa which now forms part of the commonage and whose legal title deed belongs to Mbhashe Local Municipality. The matter has been resolved with an option of financial compensation.

Bhonxa

The Land Claim Commission assisted by the Surveyor General's office have done the surveying of the land under claim and also investigating the correctness of the claim made by the Bhonxa Community (Commonly known as Ciko). The claim is under evaluation but the Chief assisted by the community are defiantly demarcating the land in question. The land under claim is part of Erf 130 in Willowvale commonage.

LAND INVASIONS

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

The Willowvale commonage is invaded from all the three corners by the following communities, Nkxankxashe, Bhonxa (Ciko) and Weza. However the municipality also drafted and adopted a policy on land invasion. The current policy allows for negotiations and not to resolve land issues through the courts of law. The Elliotdale commonage is also under severe land invasion by the people under the leadership of traditional leaders. The Dutywa

commonage was invaded by a settlement called 'Doti" and has been the case for more than 10 years now. We are looking forward at the settlement of the land claims which will lead to the formalisation of the Doti area.

SWOT ANALYSIS: LAND INVASIONS AND LAND CLAIMS

OPPORTUNITIES	WEAKNESSES
<ul style="list-style-type: none"> • Court order; to speed up land claims • Invalidity of some of the claims 	<ul style="list-style-type: none"> • Land not transferred to the municipality
STRENGTHS	THREATS
<ul style="list-style-type: none"> • Land invasion policy available 	<ul style="list-style-type: none"> • Invaders not using legal route

Priority Issues:

Land invasion policy has been developed by the municipality in order to minimise land invasions. Through research done by land claims commission some of the claims lodged were found to be invalid.

The municipality has been restricted from developing any land parcels through court order obtained by Mangati. Another restriction is that some of the invaded land is not legally owned by the municipality as it belongs to the national and provincial departments of Public Works.

LAND OWNERSHIP IN URBAN AREAS

Land ownership in Dutywa, Elliotdale and Willowvale is depicted on the plans below. Ownership is categorized as municipal, private or state land.

DUTYWA



XHORHA



GATYANA



SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The municipality reviewed the SDF in line with SPLUMA and was adopted by Council during May 2017. In consistent with SPLUMA there are programs on LSDFs completed in ward 27, 32, & 08, localities respectively. The municipality will extend the scope with regard to the development of the LSDF in all the rural areas of the Municipality in an attempt to manage the land use in those areas as stipulated in the Act (SPLUMA).

However, the municipality has managed to establish its own Municipal Planning Tribunal with the following areas of specialization:-

- (a) Registered Professional Urban and Regional Planner
- (b) Registered Engineer
- (c) Registered Environmentalists
- (d) Registered Attorney and a
- (e) Development Economist (from the municipality)

The authorized official Town Planner is appointed and the Land Development Officer is not yet appointed but it is budgeted for 2018/19 financial year.

All the nominees for the Municipal Planning Tribunal (MPT) were gazetted. The Council has also taken a resolution to make an Executive Committee an Appeal Authority and has been gazetted. The SPLUMA By-laws were also approved by council and have since been gazette.

Status of LUS and SDF within Mbhashe Local Municipality

AREA	LAND USE SCHEME	SPATIAL DEVELOPMENT FRAMEWORK
Mbhashe LM	On reviewal process	Available and is aligned with SPLUMA
Amajingqi	N/A	Final document is available (LSDF)
Ntshatshongo A/A	N/A	Final document is available (LSDF)
Ward 8	N/A	Draft available
Ward 32	N/A	Draft available

SPATIAL PLANNING: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Piloting LSDF to certain areas 	<ul style="list-style-type: none"> • Funding for LSDF across the municipal area
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Proper planning • Potential for economic growth • Creating nodal points 	<ul style="list-style-type: none"> • Resistance from Chiefs • Lack of security of tenure • Unplanned developments • Land degradation • Reduction of the arable land

Priority Issues

LSDFs has been piloted in the following wards; ward 22, ward 08, and ward 32. Local SDFs provide for proper planning in terms of the land use management in our local space. It also highlights, preserve and promotes areas with potential economic growth.

Failure to fully implement LSDFs is mostly the concerns of the traditional leaders as aligned with SPLUMA. Reduction of arable land is a threat, due to traditional leaders subdivide land with agricultural potential.

Status of LUS and SDF within Mbhashe Local Municipality

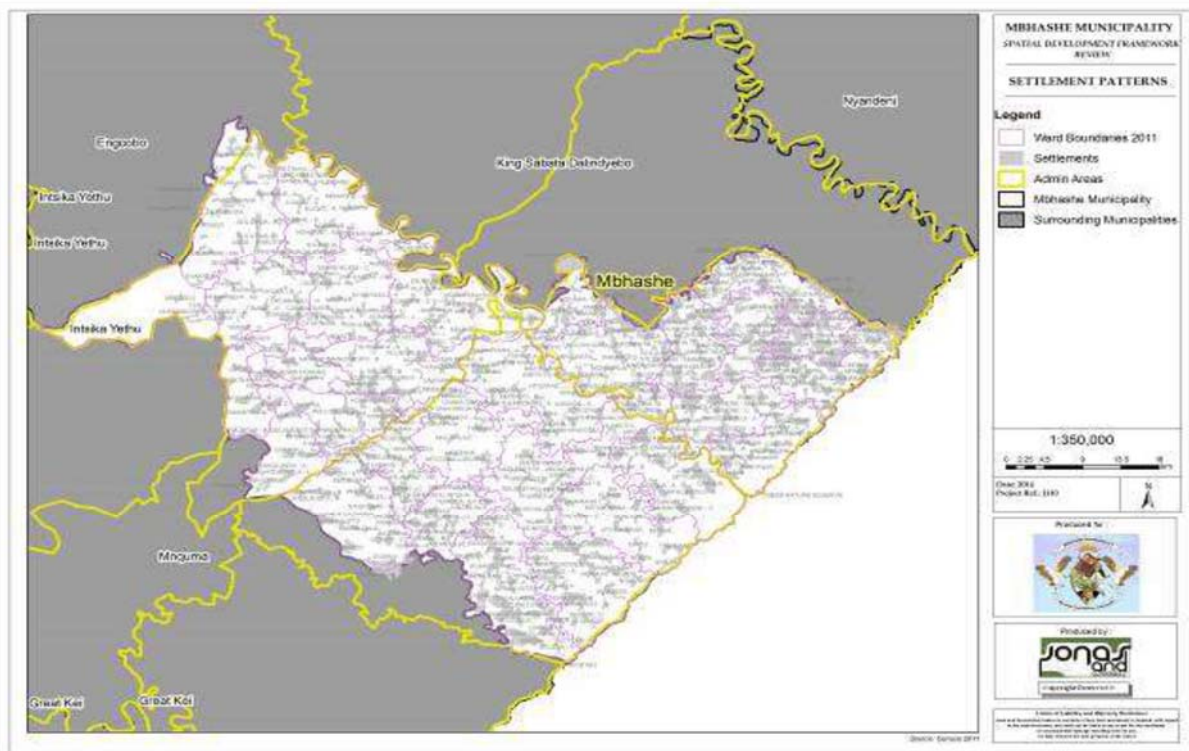
Area	Land Use Scheme	Spatial Development Framework	Spluma By-Laws
Mbhashe LM	To be reviewed	Available to be aligned with SPLUMA	Final SPLUMA By-law approved by Council (Gazetted)
Amajingqi	N/A	Draft available (LSDF)	Final SPLUMA By-law approved by Council (Gazetted)
Ntshatshongo A/A	N/A	Draft available (LSDF)	Final SPLUMA By-law approved by Council (Gazetted)

SPATIAL PLANNING: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Piloting LSDF to certain areas 	<ul style="list-style-type: none"> • Funding for LSDF across the municipal area
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Proper planning • Potential for economic growth • Creating nodal points 	<ul style="list-style-type: none"> • Resistance from Chiefs • Lack of security of tenure • Unplanned developments • Land degradation • Reduction of the arable land

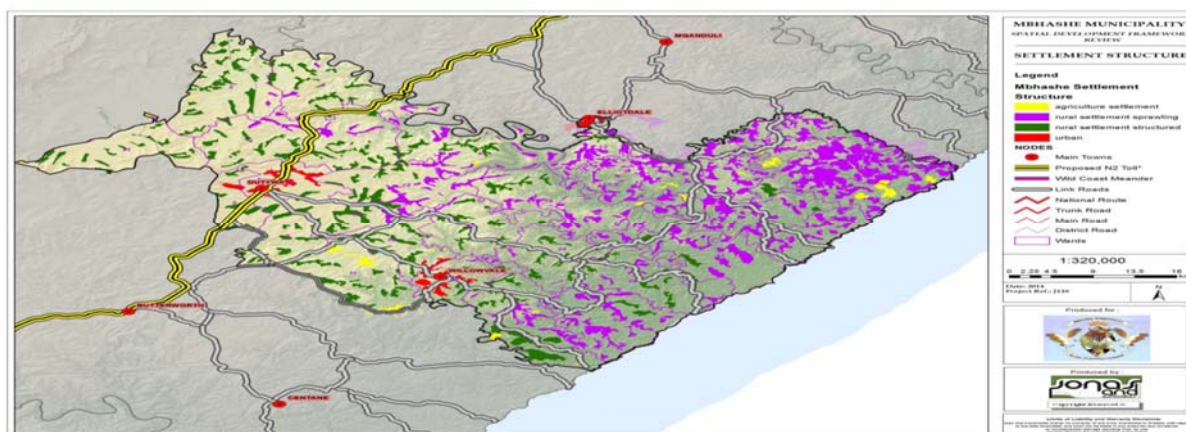
SETTLEMENT PATTERNS

Settlement patterns include towns (urban nodes), rural settlements within traditional administrative areas as depicted below.



RURAL SETTLEMENTS

The entire municipal area falls within the former Transkei homeland area, with a settlement pattern that reflects a predominantly rural character. Rural settlements dominate the municipal area (accommodating 97% of the population). These settlements are scattered throughout the entire municipal area and are surrounded by communal grazing land, and in some instances – arable lands.



The levels of service are generally low, with the majority of residential structures being self-built. There is an increased influx of rural settlers on the periphery of towns (especially north of Dutywa) and along main routes (such as N2) and this results in low density rural settlement. Accessibility and improved mobility in terms road transport are the main driving forces behind this trend. The sprawl or creep of settlements has a number of negative implications, including:

- Illegal access from main routes, due to lack of secondary roads)implications for traffic safety
- Higher concentration of pedestrians and commuters along these routes, designed for high speed travelling (implications for traffic safety)
- Higher concentration of animals including domestic (dogs), livestock (cattle, sheep, pigs and goats) along these routes
- High costs implications for provision of service infrastructure

Coastal Resort/ Cottage Developments

There are a number of localities that are concentrated along the coastal belt. Unauthorized cottage/ coastal developments that took place after a moratorium was placed on developments within 1km coastal strip are regarded as illegal. The wild coast tourism development policy was formulated and gazetted in February 2001. The policy provides a basic framework for tourism development for one kilometer coastal strip above the high water mark. The Wild Coast Spatial Development Framework depicts spatial development recommendations for all coastal wards.

URBAN SETTLEMENTS

Urban settlements are comprised of the towns of Dutywa, Xhorhaand Gatyana. They are accommodating 3% of the total population. These towns fulfil the role of the main service centers to the surrounding hinterland. There is the presence of informal settlements in the three towns except Elliotdale. Dutywa has 378 informal households, Gatyana approximately 201 households.

Nodal Development Points

- Settlement Nodes- Dutywa, Gatyana and Xhorha classified as level 2 nodes, Fort Malan is classified as Level node
- Tourism Zones- Qhora Mouth (Kobb Inn), Haven Hotel/ Mbashhe Point, Breezy point, Collywobbles Cape Vulture Conservation Project. Nqabara and Xora are not yet formally approved in terms of the Wild Coast SDF)
- Corridors – the N2 – Kei Rail Corridor
- Urban Edge
- Open Space / Conservation

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) was assented to by the President of the Republic of South Africa on 5 August 2013.

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

- 1) To address racially based pre 1994 planning legislation and deal with new political realities
- 2) To repeal multiple laws and systems created by old order legislation (fragmentation

across 4 provincial administrations, homelands etc.)

3) Address the unsustainable development patterns fuelled by inefficient, unsustainable and incoherent planning system.

The following are the objectives of SPLUMA

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

SPLUMA (Town Planning) By-Laws

Workshops on SPLUMA (Town Planning) have been conducted to the council and councillors, the council has adopted the SPLUMA by-laws in the 2017/18 financial year.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • By-laws have been gazetted • Council resolution of setting up own Tribunal 	<ul style="list-style-type: none"> • Capacity at a local level which will be able to carry the mandate in terms of the Act • Envisaged resistance from chiefs and headmen in misinterpreting the law confusing with reduction of their status
OPPORTUNITIES	THREATS

<ul style="list-style-type: none"> • Quicker approvals of land use development plans (rezoning, subdivision) • Reducing red tape • Encourage private business 	<ul style="list-style-type: none"> • Lack of response from interested person's to serve on MPT
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Rezoning

Development Planning has embarked on a process of finalizing the land use regulation document by means of proper land use zones. This project will help minimize the illegal land use zones as per individual erven

Subdivisions

The department is currently busy with the surveying of all land that has not been surveyed. The objective is to allocate the Erf number to all municipal owned land and to regulate illegal demarcation of municipal commonage. However, negotiations about the date for relocation are still in place with the affected parties, in this case, the shack owners.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Identified erven that need rezoning • Reduce non-conforming use of land 	<ul style="list-style-type: none"> • No updated land use schemes
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Generation of revenue 	<ul style="list-style-type: none"> • Resistance from homeowners to rezone

LEASES AND LEASE AGREEMENTS

Current status

The municipality is generating income through leases on the municipal immovable property. The leases vary from one (1) year leases to fifty (50) year leases. The leasing of land is used mainly for business which is beneficial to the municipality. With the current lease agreements there are gaps identified which the municipality is undertaking moving forward. There's great improvement on the leases renewed and compliance is adhered to;

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Revenue generation • Upliftment of SMMEs • Boost manufacturing 	<ul style="list-style-type: none"> • Land claims
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Land availability 	<ul style="list-style-type: none"> • Lease conditions not strictly adhered to • Renewals not done as early to give space for re-evaluation • Leases not fully complying with legislation

LAND AUDIT PURPOSE

- ❖ Ensure all properties appear on the valuation roll
- ❖ Ensure all properties have title deeds
- ❖ Ensure all properties are on the billing system
- ❖ Ensure all properties are correctly zoned
- ❖ Ensure all properties are correctly captured in terms of ownership status and size as they were in the deed of sale
- ❖ Ensure that the municipality is not losing revenue on state and privately owned properties

The municipal land audit was done and completed with the assistance from the ADM in 2013. This project was done so that the municipality can effectively undertake municipal functions needed to have a spatial register of all properties that lie within the municipal area of jurisdiction.

The process continued in the year 2015/16 and in year 2016/17 which resulted in the following result:-

No.	Category	Number of properties affected
1.	Non-conforming (Government and Municipal)	35
2.	Non-conforming (Privately owned)	386
3.	Surveyed but no title deeds (RDP houses)	753

4.	Surveyed but no title deeds (Privately owned)	120
5.	Surveyed but no title deeds (Government and Municipal)	25

The current activities being undertaken for each category are the following:-

CATEGORY	ACTION TAKEN
Non-conforming (Government and Municipal)	Council approved rezoning of the 35 properties (to be finalised before end of second quarter). The report was submitted to Township Board and awaiting MEC approval.
Non-conforming (Privately owned)	Service provider to assist with rectification of the 386 properties has been recently appointed
Surveyed but no title deeds (RDP houses)	Conveyancer appointed to do transfers on RDP houses (to be complete before the end of 2016/17)
Surveyed but no title deeds (Privately owned)	Reminder letters sent to property owners to register properties on deeds office
Surveyed but no title deeds (Government and Municipal)	Surveying and registration of the properties underway (to be complete before end 2016/17).
Other considerations:	<p>1). The council should agree on the user pay system where “users” will be made to pay for the rates thus included in the SV 3</p> <p>2) New properties have emerged on the deeds search and will therefore be include in SV3 which has already began.</p>

Policies and By-laws related to land use

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

GEOGRAPHICAL INFORMATION SYSTEM (GIS)

The municipality does not have a specific GIS unit however shared services with the ADM are used. Whilst the municipality does not have the GIS unit; municipal employees have been trained in GIS use and have the system uploaded on their hardware. The GIS unit role within the municipality is to provide adequate, current spatial information, safeguarding of spatial information, the distribution, sharing of spatial information and development of GIS skills. Mbhashe Municipal users of GIS can access applications and spatial information through a web based application.

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

REMOVAL OF ILLEGAL STRUCTURES

Illegal structures are scattered across the municipality and in the properties of the ratepayers. With the use of the by-laws; the municipality intends to remove the illegal structures in the current year.

OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Safe and beauty towns	<ul style="list-style-type: none">• Difficulty in relocating shacks as there's resistance from rate payers• There's a consistent resistance from the community and shack dwellers on the removal of the shacks.• There's currently no land available to relocate shacks to as the municipality faces the land claim as reported before.
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Attract investors	<ul style="list-style-type: none">• No immediate response on illegal structures

STATE PROPERTIES

Current status

The municipality has begun a process of identifying houses belonging to other departments or parastatals that are unused or less productive. These departments mostly owe the municipality monies for rates and services.

Most of the properties belong to the Department of Public Works, Transnet and the Department of Rural Development and Land Reform. The majority of these properties are in a state of decay. The departments have promised to dispose some of these buildings to the Municipality; however the negotiations are still in place.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Enough data on the properties	<ul style="list-style-type: none">• Non enforcement of by-laws
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Building space• Revenue generation	<ul style="list-style-type: none">• Illegal occupation of government buildings• These houses and buildings are mostly in a state of decay and will be expensive to renovate or reconstruct.• Invasion on state land

BUILDING CONTROLS

The municipality with the assistance of the ADM has completed a project where all building plans were scanned and uploaded into the GIS system. With more improved institutionalized system, there has been great improvement in the building application processes and inspection. Households are complying with building regulations with very few individuals who don't abide by the rules but tracked down to conformity.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Enough staff to building controls• Uploading of plans to GIS system	<ul style="list-style-type: none">• No regular inspections
OPPORTUNITIES	THREATS

<ul style="list-style-type: none"> • Safe, secure and beautiful town 	<ul style="list-style-type: none"> • still non-compliance with building regulations resulting from ignorance and lack of information
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➤ **ENVIRONMENTAL ANALYSIS**

LEGISLATION

The Environmental Management Section is derived from Chapter 2 Section 24 of the Bill of Rights which aims to protect and promotes fundamental human rights, including an environmental right.

The National Environmental Management Act (No. 107 of 1998, NEMA) provides for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment of Mbhashe.

This act allows for the development of Specific Environmental Management Acts, and it is through this provision that the following Acts with their aims are applied in the section:

SIZE AND LOCATION

The municipality is located at the South Eastern boundary of the Amathole District Municipality in the Eastern Cape and is named after the Mbhashe River that twists and meanders into the Indian Ocean, cutting through the three towns, namely Xhora (Elliotdale), Gatyana (Gatyana) and Dutywa. It is bound by the coastline, flowing from the Mncwasa River in the north to the Qhora River in the south along the Indian Ocean. With a total area of 3, 169 km², the location of Mbhashe in terms of GPS Coordinates in the South African Map sits at 32.1621° South 28.7664° East.

CLIMATIC CONDITIONS

The steep altitudinal gradients from the coast to the escarpment, gives rise to strong climatic changes across the Mbhashe region .The area has a relatively high average rainfall, with the coastal and mountain regions receiving over 1000mm per annum. The region has a temperate of high sub-tropical temperatures along the coast in summer. The summer rainy seasons are sub tropically warm and pleasant, while the winters are mild.

High temperatures in January (mid-summer) reach about 400C, and in June (winter) about 210C, with lows of 17 and 90C respectively.

The region experiences climatic extremes in the form of storms, lightning’s and floods which have resulted in soil erosion and deep crevices.

TOPOGRAPHY

The region has a fragmented topography and comprises of undulating landscapes towards the coast and flat grasslands inland. The coastal terrain is therefore mountainous with steep valleys, whereas in land the flat grasslands suffer from drought and eroded lands. The diversity of topography does however create many different opportunities for a great diversity of ecosystems and their inhabitant plant and animal species. The topography, however, also poses a multitude of challenges to development as accessibility is limited and settlement has taken place in a dispersed and haphazard manner.

GEOLOGY

There is great variety in the geology of the region as different portions of sedimentary and igneous layers are exposed during the transition from the high-altitude Mountains in the North- Eastern side to the coast in the east.

The area around Idutywa is largely underlain by Mesozoic sediments of the Karoo Supergroup. The sedimentary rocks were intruded by numerous dykes, sills and inclined sheets of dolerite (*Jd*) during the Jurassic.

In summary the types of rocks found in Mbashe are:

- ❖ Igneous rocks
- ❖ Sedimentary rocks
- ❖ Dolerite Rocks
- ❖ Shale and Sand stones
- ❖ Soils

Soils are mostly red-yellow apedal freely drained soils and are vulnerable to erosion as they originate from their easily weathered parent material on the north western part of Mbashe. Coastally, the soils are rich for agricultural activities which prove high soil fertility and rich in nutrients which is influenced by the coastal climate.

BIODIVERSITY:

Vegetation of any region is determined by the two factors; climate and soil types. Generally, Mbashe is dominated by the grassland biome inland, but also has biome types like the Transkei coastal belt grasslands, scarp forest along the coast and the Indian Ocean coastal belt, which forms part of the Maputo-Pondoland Albany Hotspot (MPAH). The hotspot is the remarkable meeting point of six major vegetation types with unique species and ecosystems.

The biodiversity of Mbashe shows that most of the natural and near-natural landscapes are located along the coast and adjacent interior. The more degraded areas are found in the north-western portion of Mbashe with too much disturbance caused by overgrazing and burning of grasslands on the biodiversity occurring on that particular area. The decreased spatial extent of the Grassland Biome is also likely to be reduced due to the invasion of alien trees, bush encroachment and woody species. This would ultimately lead to a shift towards Savanna type characteristics.

Currently Mbashe hosts, the beauty of two joint Protected Areas declared as Nature Reserves and Marine under the protected areas Act. The Dwesa- Cwebe Nature Reserves encompasses pristine biodiversity of the coastal flora and fauna.

Mbashe also has a strong potential of an area known to be a habitat to the Threatened Cape Vulture (*Gyps coprotheres*). The area of Sundwana (Collywobbles) is an ancestral vulture colony occurring along the cliffs of the



complex gorge formed by the meandering Mbhashe River. This Vulture is endemic to South Africa.

Ecological Infrastructure:

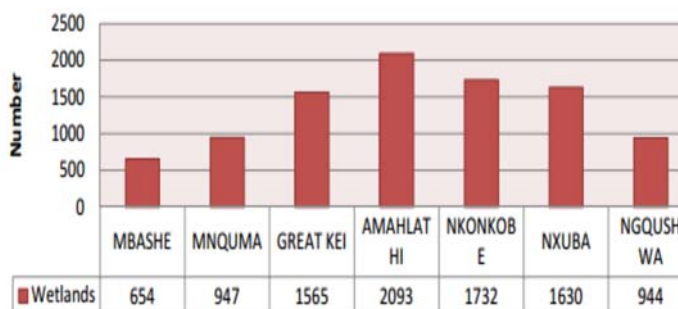
Ecological infrastructure refers to naturally functioning ecosystems that deliver valuable services to people, such as water and climate regulation (**Source: SANBI**).

1) Rivers:

The largest river is the Mbhashe followed by the Nqabara and then the Ntlonyana. The Mbhashe River has got a catchment of about 6.030 km², sourcing its water from the Drakensberg Mountains and draining to the Indian Ocean. It has a mean annual precipitation of 810mm and a natural mean annual runoff of 1 129 million m³.

2) Wetlands:

The Mbhashe area that is covered by wetlands is approximately: 2609.6ha and in numbers it has 654 wetlands which vary in terms of conditions.



3) Estuaries:

There are 12 estuaries in the Municipality covering an area of 586ha, three of which are each greater than 100ha in extent.

The Mbhashe, Xora and Nqabara estuaries are rated No. 2, 5 and 15 respectively in terms of conservation importance of the Wild Coast estuaries.

4) Ground water:

LOCAL MUNICIPALITY	POPULATION AFFECTED	NATURE/EXTENT OF WATER PROBLEM	TOTAL COST ESTIMATES INCL. VAT
Mbhashe	125 000	Unequipped boreholes and contamination of perennial springs.	R1 902 900

Water resources are being impacted on by poor land use management, increasing development and low levels of municipal servicing. Large catchments such as the Mbhashe are particularly affected.

Illegal sand extraction is occurring on the Mbashe river floodplain and other rivers, resulting in water quality impacts and destabilisation of river banks and reduced flood attenuation capacity.

STATUS QUO

Climate Change Strategy:

A climate change strategy is being developed for the Mbashe Local Municipality; a draft version has been submitted.

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

- An approximate increase in median temperate of 1.8 - 2 Degrees Celsius during the summer months and approximately 1.6 – 1.8 Degrees Celsius increase during winter
- An increase in winter monthly rainfall by 10 - 15 mm and 25 - 50 mm in the summer

The above climate changes could imply that Mbashe Municipality is faced with:

- More frequent and severe flooding as a result of higher intensity storm events and possibly more frequent hail events. This will and will impact on human settlements, infrastructure, human health and place a greater burden on particularly impoverished communities.



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

Planning for Climate Change within the Mbashe Municipality

Planning for Climate Change takes on two paradigms – climate change mitigation and climate change adaptation.

Climate Change Mitigation:

Involves those activities that assist in reducing the rate of change to the climate. This is a global responsibility and is aimed at limiting the generation of greenhouse gases. (less air pollution)

Climate Change Adaptation

Refers to those activities which we undertake in response to a changing climate.

The emphasis on this chapter is to provide planning guidance to the Mbashe Municipality in relation to Climate Change Adaptation.

The EMS has embarked on developing an Air Quality Management Plan (AQMP) for the municipality during 2019/20 financial year so as to comply with the Air Quality Management Act, however it must be noted that the municipality is not a licensing authority for Air Quality Management.

LAND REHABILITATION

Mbashe Local Municipality much like in other provinces in South Africa is plagued with unlawful sand and gravel mining activities which have had dire negative social and environmental impacts and therefore, the municipality would like to develop a plan to rehabilitate these illegal mines in order to minimize the impacts which have resulted from these activities. To the extent that one truck which entered the Jotela Beach illegally was overwhelmed by waters and couldn't come back. This has put the beach goers under a state of risk. Secondly, several dongas have emanated from nature due to climate change and soil erosion

This compelled the municipality to have the two pronged strategy that will help deal with the degraded landscapes. These are:-

LAND REHABILITATION PROGRAMME

This programme is aimed at eradicating dongas using stones collected from nearby rivers. This is implemented using EPWP and is piloted in five (4) wards i.e. 31, 04, 05, 06 and ward 12.

DEVELOPMENT OF REHABILITATION PLANS

The plan addresses all the areas associated with halting any further illegal operations, of which rehabilitation and revegetation forms a component. As such the post-mining land use and objectives for closure are relevant to rehabilitation and revegetation.



The first step in developing the overall mine rehabilitation strategy is to identify potential post mining land use options and establish key objectives for closure to be incorporated in the

project design. The most likely post-mining land uses are, expansion areas for housing, grazing land and open space /recreation, with management of the land being returned to the pastoral leaseholders on completion of closure, decommissioning and rehabilitation.

TREE PLANTING

Tree planting programme is prioritised and is regarded as part of the broader climate change mitigation strategy. To date the municipality has distributed and planted 1000 indigenous trees to various communities. Prioritised in this programme are the schools, clinics and households.

COASTAL MANAGEMENT

In the financial year 2015/16 the municipality developed the coastal management plan with the assistance of (DEA) to guide development along the coast in line with other municipal planning instruments like SDF.

A Coastal Management Programme (CMP) is a coherent policy directive for the management of the coastal zone (Source: Republic of South Africa, Department of Environmental Affairs, 2013). It allows for the effective implementation of integrated coastal management by providing detailed guidelines, plans and interventions across various aspects and functions relevant to the coastal zone, such as socio-economics, biophysical environment, and development, among others.

The Integrated Coastal Management Act specifies an alignment of CMPs across the three spheres of government, namely national, provincial and local. In other words, the MCMP must be “nested” within a provincial CMP, and a provincial CMP must be “nested” within a national CMP (**Oceans and Coasts Branch of the Department of Environmental Affairs, 2012**). This “nested” framework ensures the assignment of the appropriate scope and focus to the corresponding government sphere.

The objectives of the CMP specific to Mbashe

- ❖ Coastal cleanup (solid waste, debris, alien eradication)
- ❖ Provision and maintenance of existing infrastructure (ablution facilities)
- ❖ Identification of environmental, heritage and recreational values
- ❖ Alignment and identification of opportunities related to ocean economy
- ❖ Prioritization public spaces and public launch sites
- ❖ Monitoring and ensuring compliance with environmental related by-laws and legislation

WETLANDS MANAGEMENT

“Wetlands are land which is transitional between terrestrial and aquatic systems, where the watertable is usually at or near the surface, or the land is periodically covered with shallow

water, and which land in normal circumstances supports or would support vegetation typically adapted to life in saturated soil". **National Water Act No. 36 of 1998.**

Table ..: (Condition of wetlands in Mbhashe)

Conditions	Area (ha)	% Wetland Areas
Natural / Good Condition	60.6	15.2%
Moderately Modified Condition	100.3	25.2%
Heavily / Critically Modified condition	237.2	59.2

Source: NFEPA (2011)

However the municipality is in the process of the assessment of the Wetlands in the financial year 2016/17. The process will lead us to rehabilitation of these wetlands and water catchments for the provision of fresh water to our communities.

ENVIRONMENTAL IMPACT ASSESSMENT:

Environmental Impact Assessment are done as part of the planning stage of the projects that trigger any activity in the listing notices. From stadiums, housing development to access roads. For 2018/19, there are six EIA applications lodged to the Provincial Department of Environmental Affairs.

ENVIRONMENTAL COMPLIANCE

The municipality is still lacking in terms of ensuring environmental compliance and monitoring environmental related compliance. Two reasons for this are the following:-

- 1) No effective environmental management inspectorate
- 2) No by-laws in place,

However, the municipality has identified several by-laws that are required in order to ensure environmental compliance. These are all in the process of development. The examples of such by-laws are the following:-

- ❖ Beaches and launch sites by-laws like fires, fireworks, vehicle entrances, sleeping
- ❖ and camping within coastal zone
- ❖ Control of boat launch sites
- ❖ Prevention of illegal mining

INSTITUTIONAL FRAMEWORK

The coordination of the environmental programs is done through a section in the Development planning directorate. Currently there's only one Environmental Officer reporting to the Senior Manager in the department.

Environmental Management is part of the Development Planning Committee with the terms of reference as the following:-

- ❖ Environmental management
- ❖ Co-ordination of the LED and Environment Cluster (sector departments and ADM)

Some of the functions of the committee with regard to Environment include: -

Planning, monitoring and ensuring compliance with environmental related plans

- ❖ Develop and ensure implementation of climate change mitigation strategies
- ❖ Deal with land rehabilitation for agricultural purposes and human settlement planning

SWOT ANALYSIS:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Recycling initiatives • Development of Climate change strategy in line with the Sustainable development goals • Collywobbles area with endemic threatened species. (Cape Vulture) • Environmental Awareness Programmes • The MPA provides for protection of marine species • Natural environment that is worthy of conservation and has economic value. • Harvestable resources – subsistence fishing, mussels, etc. provide local food security, fishing is a popular recreational activity for tourists. 	<ul style="list-style-type: none"> • Lack of Integration on planning and designing phase within the institution. (EIA) • Lack of management of Agricultural land • No Strategic Environmental Assessment (SEA) in place • Lack of support for Recycling initiatives • No monitoring on beaches • Lack of Policies (Environmental Management Systems) • General low fertility of soils in certain parts of the LM • Uncontrolled use of natural resources (water, animal hunting, trees for wood) by the rural poor impacts on the biodiversity • Increase in the number of informal and unplanned settlements some of which occurs on environmentally sensitive areas • Inadequate landfill sites • Lack of funding for support of protected areas • No Estuary Management Plan

	<ul style="list-style-type: none"> Limited capacity for enforcing national ban on beach driving
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Recognized area with Tourism growth opportunities Natural beach areas / Blue Flag Beach Statuses Gaining a status of a private land to enhance tourism Potential for increased ecotourism development along the coast (aquaculture) Green Economy High potential for sustainable harvesting of marine resources for local food security. Sustainable human settlement development 	<ul style="list-style-type: none"> Low to Moderate Water Quality Changes in climatic conditions Degraded Coastline and inland due to sand mining Invasive alien species Waste Water Treatment polluted Loss of grassland to bush encroachment Disasters (floods, lightning, tsunamis, rising sea levels Pollutants, sediment and poor quality water from these catchments may threaten the integrity of the coastline in the medium to long term as a result of inland development and agricultural land uses. High siltation rates in the Mbhashe River due to Eskom electricity generating procedures. Management of Agricultural Land for food security

3.5.3 KPA 3- LOCAL ECONOMIC DEVELOPMENT (LED)

➤ Local Economic Development

The background section of the report specifies the Socio-Economic and demographic trends facing Mbhashe as per the 2011 Stats SA outcomes. This section aims to elaborate on some of the salient points which the municipality will need to consider before carrying out the sector analysis.

THE POLICY AND LEGISLATIVE CONTEXT

Policy and legislation becomes imperative to provide and guide, inform legislative mandate and policy direction through aligning national, provincial and local government Medium Strategic Frameworks.

Table 1: Policy and legislative context

LEGISLATION / POLICY	PROVISION
Sustainable Development Goals (SDG)	The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.
Constitution of the Republic of South Africa, 1996	“A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.”
National Development Plan; vision 2030	On inclusive and integrated rural economy By 2030, South Africa’s rural communities should have greater opportunities to participate fully in the economic, social and political life of the country On an economy that will create more jobs By 2030, the economy should be close to full employment; equip people with skills they need, ensure that ownership of production is less concentrated and more diverse and be

	<p>able to grow rapidly; providing the resources to pay for investment in human and physical capital</p>
<p>ANC Manifesto</p>	<p>On Local Economy and Job Creation; the ANC Manifesto emphasis on development and strengthening of local economies to create jobs and promote job placements especially the youth through:-</p> <p>Re orientating local economies to become effective centres of production, information processing and economic and spatial development.</p> <p>Strengthening structures of Local Economic Development.</p> <p>Developing sports and recreational facilities to grow local economies.</p> <p>Ensuring that municipalities incorporate science and technology into their programmes as catalysts for local economic development and deploy innovations such as the hydrogen fuel cell technology.</p> <p>Up scaling cooperatives to mainstream economic development.</p> <p>Ensuring that all municipalities develop special programmes targeting youth Co-operatives and enterprises.</p> <p>Developing the productive and creative skills of young people for economic projects and activities in municipalities.</p> <p>Promoting local procurement of goods and services to increase local production.</p> <p>Encouraging the growth of SMMEs and cooperatives through centralised government procurement</p>

	<p>Maintaining all municipal infrastructure and facilities.</p> <p>Encouraging local businesses to target young people and to take advantage of programmes to promote youth employment.</p> <p>Upscaling the Community Work Programme to provide initial exposure to work opportunities to unemployed young people.</p> <p>Ensuring the Expanded Public Works Programme takes advantage of the Municipal Infrastructure Grant to create labour absorbing activities and work opportunities.</p> <p>Expanding broadband access in local government, including through free Wi- Fi areas.</p> <p>Providing residents with information about programmes on sustainable agriculture and rural development.</p> <p>Assisting rural smallholder farmers to access municipal land for food production and sustainable agriculture.</p> <p>Collaborating with farmers to create better working and living conditions for farm workers.</p> <p>Working with traditional leaders to ensure that communal land under the trusteeship of traditional leaders is accessible and available for development and economic growth.</p>
<p>National Framework for LED 2014-2019</p>	<p>The vision as set out by the Framework is: “Competitive, sustainable, inclusive local economies world-class and dynamic places to live, invest, and work; maximizing local opportunities, addressing local needs, and contributing to national development objectives”</p>

<p>1998 Local Government White paper</p>	<p>The paper introduced the concept of developmental local government; i.e. the “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of lives.”</p>
<p>Municipal Systems Act (2000)</p>	<p>In this piece of legislation the Integrated Development Plan is seen as the key instrument to achieve organic, sustainable local economic development; as well as regulate municipal expenditure in respect of LED and build municipal partnerships for LED.</p>
	<p>The RIDS Strategic Intent is outlined as follows:-</p> <ul style="list-style-type: none"> To enable all areas in the SA economy to attain their optimal economic potential by facilitating local development embedded in a regional/district through linkages within existing and latent industrial and economic base. To stimulate investments that will promote sustained high growth in a local community To focus on a region’s potential and identify what local stakeholders can and need to do to ensure their local community reaches its potential To assess a community’s comparative advantage, identify new or existing market opportunities for businesses, and reduce obstacles to business expansion and creation To have an impact on the economic viability districts

	<p>To create new jobs, help communities retain existing jobs, help businesses access capital.</p> <p>To contribute to a broader national framework with a spatial dimension, in order to increase each region's global competitiveness.</p>
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- ❖ Agriculture and Rural Economic Development (Agri-development and Agro-processing)
- ❖ Enterprise Development (Business Attraction and Retention, Co-operatives Development)
- ❖ Tourism, Heritage Development
- ❖ Ocean Economy and Coastal Development
- ❖ Research and Development

Mbhashe economic size is estimated to be approximately R684 million. The Mbhashe Local economy has a competitive advantage in Agriculture, Tourism and Ocean Economy, Community Services, Construction and Trade. However, the existing potential in these comparative and competitive advantages has yet to be realized. More needs to be invested in unleashing this potential for local economic development benefits. While more jobs were realized in the community services, this sector is not a sustainable sector for job creation.

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

- ❖ N2 Highway.
- ❖ Umzimvubu Catchments Dam.
- ❖ Wild Coast Meander.
- ❖ Agro-processing.

The Eastern Cape Provincial Development Plan (ECPDP, 2030) states, "The Mbhashe region, which has good potential for expanded agricultural production. This is due to the many industrious communities already mobilised through government-supported farming programmes and investments in the area. The Agri-Park is supported by the national and provincial departments of rural development, as well as research institutions"

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

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

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

Mbhashe LM's economy, like that of the Eastern Cape and the whole country has experienced a negative growth between 2008 and 2010, this poses a huge risk for a rural economy which is already volatile in nature. Thus, the need to focus on sustainable economic models through consideration of skills transfer and development will be key to ensure stability through periods of economic uncertainty.

The agriculture sector, between 2008 and 2010 has created a considerable amount of jobs. The same period saw stagnation in employment in mining & quarrying and a marginal growth in manufacturing sector which can be attributed to the imbalance between the supply and demand of the manufactured goods or lack of manufacturing entities. This trend informs us that the manufacturing sector presents some opportunity for Mbhashe and needs to be explored for further opportunity and expansion.

In the non-goods producing sectors, general government employment and community services sectors have seen a consistent increase between 2008 -2010. The introduction of labour intensive programmes such as expanded public works programmes, learnerships and apprenticeships have also contributed to employment within these sectors: the wholesale and trade sector has been in boom over the same period, with close to 47% of the working population absorbed in this sector.

Despite the wholesale sector which has been a relatively low wage sector it maintains a high labour absorption compared to the transport, business services and finance sectors, this directs us to consider other labour intensive sectors such as light industrial and manufacturing.

The current level of poverty together with the HDI implies that a big percentage of the Mbhashe LM population has no access to credit, are unable to finance their children's education and use child support grant as a source of income, the high poverty rate has resulted in aggravated levels of poor health, child malnutrition and lower levels of education.

About 91.9% of Mbhashe GDP growth was driven largely by the non-basic sector (community services, construction, finance, electricity, transport & retail sectors), whilst the basic sector (agriculture, manufacturing & mining) has contributed about 8.1%.

There is therefore an economic imbalance as the basic sector should be the prime stimulant for economic growth. The Mbhashe Local Municipality economy is therefore imbalanced and does not produce sufficient goods to support the non-basic sector and employment. It imports more than 80% of goods sold in the wholesale and trade sector from other regions or economies.

MBHASHE AT A GLANCE

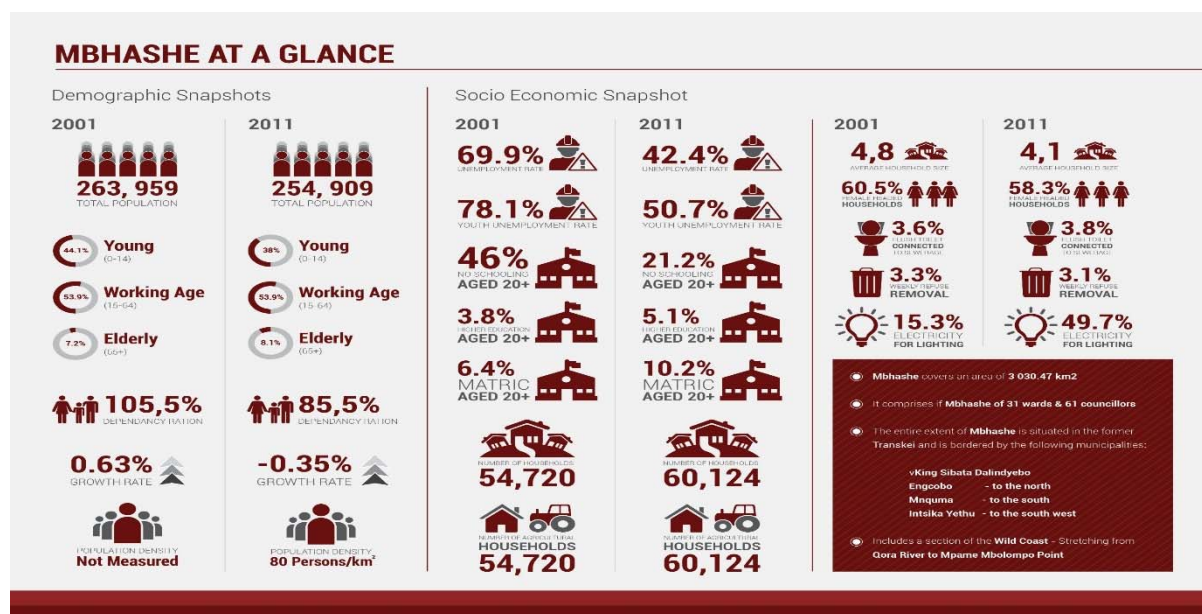


Figure 1: Mbhashe Municipality at glance

The Economic Outlook and Employment.

The current age profile implies that the active labour force (25-64) which constitutes 34% of the population must work and support 64% of the population. (Age groups 0-14, 15-25 and 65 and above are an economically dependent burden). The challenge of a larger section of the population been economically unproductive has resulted in high levels of economic dependency on the working class and social grants According to Stats SA 2011, just over 21.2% of the population, aged 20 years and older has no form of schooling.

Such is extremely alarming as the low level of literacy directly contributes to the poor economic performance of Mbhashe. The number of people with less than Grade 12 has decreased by 13% from 2010 to 2011 whilst the number of pupils who did not proceed to tertiary level has decreased by 4% over the same period. The number of people with no schooling was standing at 29% in 2011.

It is important to take consideration of this as there may be more demand for skills training centres, artisan development, FET colleges etc. The sector analysis will thus need to engage with schools and residents within Mbhashe to understand their needs.

The Economic Growth Rate.

Mbhashe’s Economic Growth Rate in 2011 was - 0,35%. The negative growth rate implies that the economy is still in recession and does not stimulate growth as illustrated in figure 1 below.

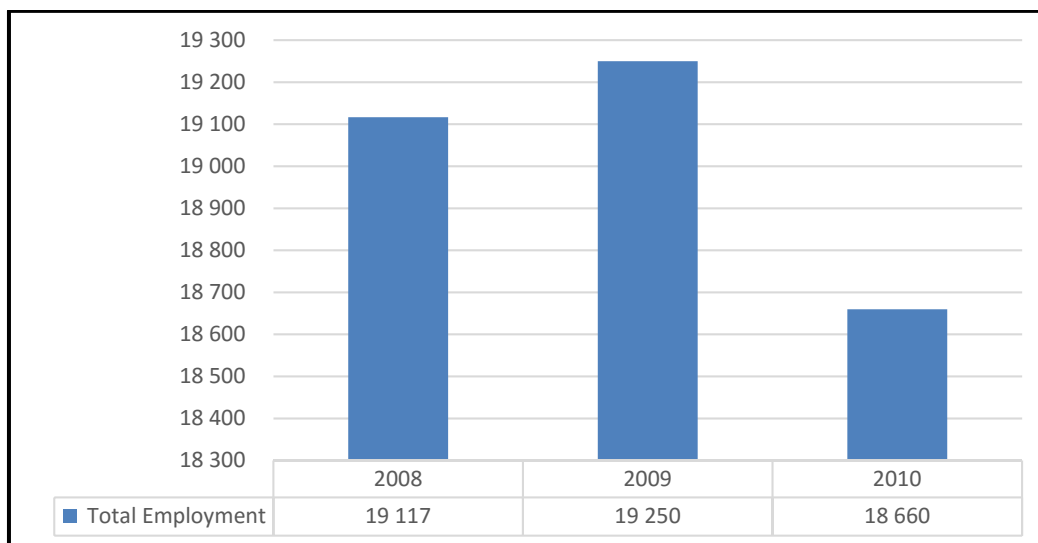


Figure 2: Employment Growth/Decline

Mbhashe LM’s economy, similar to that of the Eastern Cape and the whole country has experienced a negative growth between 2008 and 2010. This was a factor of a global recession which was characterized by business cycle contraction. Production as a GDP measure was very subdued in many parts of the global economy with the Mbhashe LM’s economy not immune to this phenomenon.

Employment in Goods Producing Sectors.

Strong basic sector ensures that the economy is stable and diversified. Ensures that employment is created for low skilled labourforce and has a high labour absorption capacity as illustrated in figure 2 below.

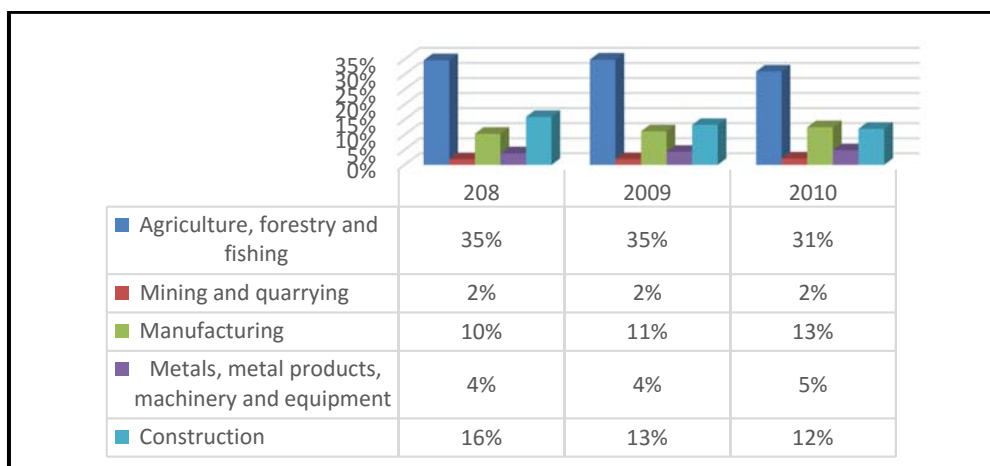


Figure 3: Employment by Basic Sectors

The above data indicates that agriculture, between 2008 and 2010 has created a considerable amount of jobs, albeit there being a marginal shift. The same period saw stagnation in employment in mining & quarrying and a marginal growth in manufacturing sector which can be attributed to the imbalance between the supply and demand of the manufactured goods or lack of manufacturing entities.

Some of the external factors that can be attributed to the supply and demand imbalance have been a noticeable increase in prime interest rates which were seating at between 10.5%-11.0% in the last quarter of 2009 (www.statssa.co.za).

Employment in the construction sector has been declining at an average of 1% - 2% pa from 2008 to 2010 from a less-competitive position.

Employment in Services Sectors.

The non-basic sector requires a strong and sustainable basic sector to be sustainable. A weaker basic sector implies that the economy imports most of its production and trade inputs from other economies.

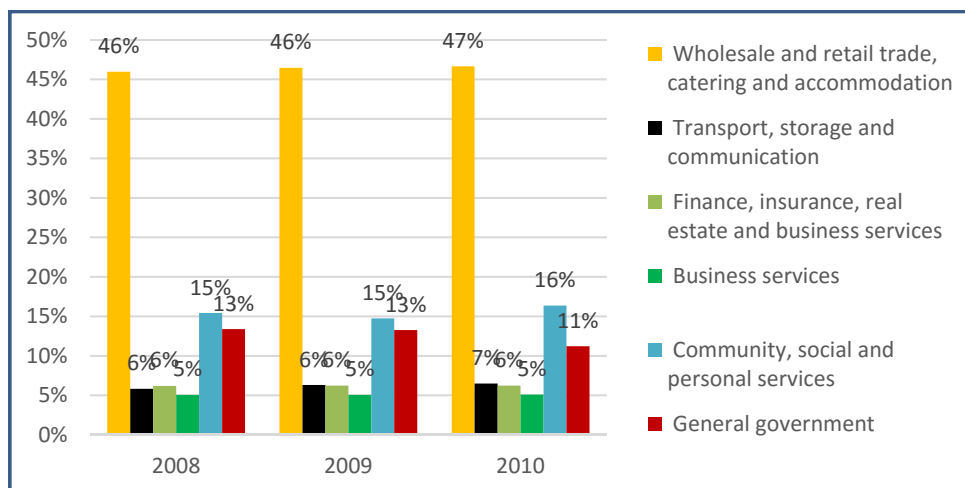


Figure 4: Employment in Non-Basic Sectors

In the non-goods producing sectors, general government employment and community services sectors have seen a consistent increase of about 1% from 2008 to 2010. There are various factors that contribute to this including the introduction of labour intensive programmes such as Expanded Public Works Programmes, Learnerships and Apprenticeships.

The wholesale and trade sector has been boom over the same period, with close to 47% of the working population absorbed in this sector. Despite it being generally a low wage sector, the wholesale and retail trade sector shows a high labour absorption compared to the transport, business services and finance sectors in the same period.

Rate of Poverty.

The municipality saw a marginal decline in the number of people living in poverty between 2008 and 2010, consistent with Amathole DM and Mnquma LM. Despite this decrease, more than half of the population is still categorized as poor in this part of the region.

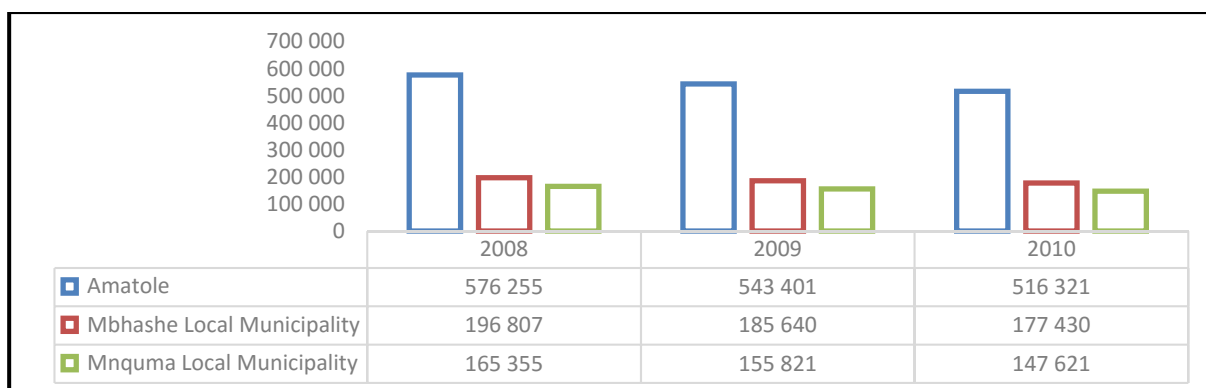


Figure 5: Number of people living in poverty

The total population living in poverty at Mbhashe was seating at 66% of the total population in 2010. The poverty levels have decreased by 1% from 2010 to 2011. The level of poverty within the Mbhashe LM is in keeping with its human development index and dependency ratio. With more than half of the population at 66% in 2010 living in poverty, the poverty level is considered widespread.

The current level of poverty together with the HDI implies that a big percentage of the Mbhashe LM population has no access to credit, are unable to finance their children's education and use child support grant as a source of income. These factors also contribute to a lower per capita growth because of the income disparities. The high poverty rate if it remains unabated will result into aggravated levels of poor health, child malnutrition and lower levels of education. These factors will jointly lower economic productivity and result in a slow growth economy.

The Human Development Index.

The HDI attempts to rank the population development on a scale of Zero (0) (lowest human development) to 1.0 (highest human development) based on the following human development goals;

- ❖ Longevity as measured by life expectancy at birth;
- ❖ Knowledge as measured by a weighted average of adult literacy and means of schooling;
- ❖ Standard of living as measured by real gross per capita gross domestic product.

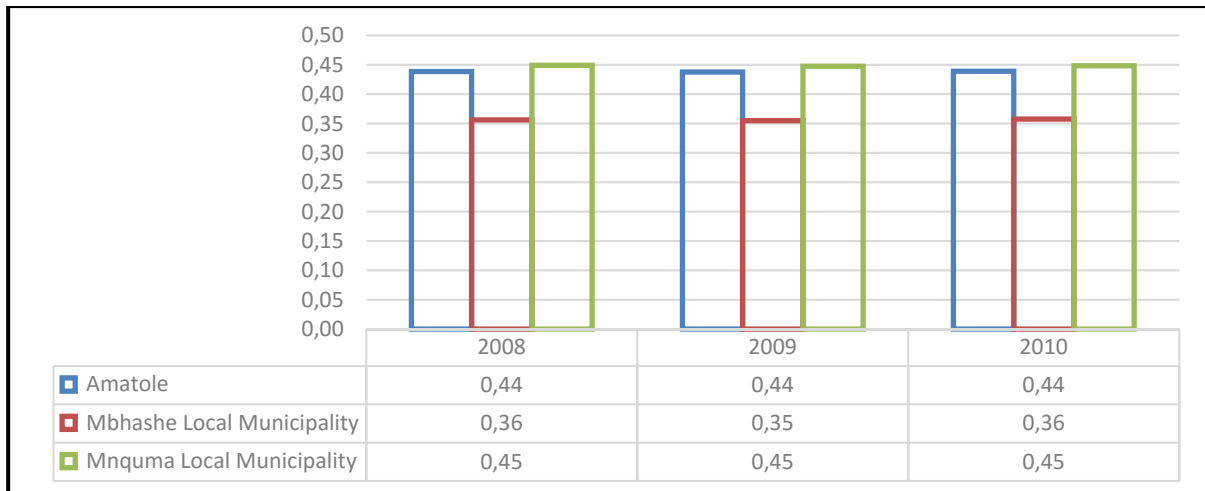


Figure 6: Human Development Index

The more the HDI is close to 1(one), the better is the human development in the area. The HDI in Mbhashe decreased from 0.36 in 2008 to 0.35 in 2009, and remained constant at 0.36 until 2010. With the balance of probabilities the HDI remained constant at 0.4 throughout this period and is considered below medium HDI by international standards.

Mbhashe's HDI can only rise with an increase in per capita income. The Mbhashe LM together with its development partners (government and the private sector) needs to intensify investment efforts in in primary health and education, which will in turn increase the HDI and ultimately raise productivity.

Economic Size, Structure and Performance.

The economy of Mbhashe LM is divided into basic and non-basic sectors. The basic sector consists of firms whose economic activities depend on external economic conditions or factors. This sector include three sectors namely the public sector, tourism, manufacturing sector and the agriculture/agro-processing sector. These sectors produce goods largely for sale outside their respective economies and thus depend on external demand.

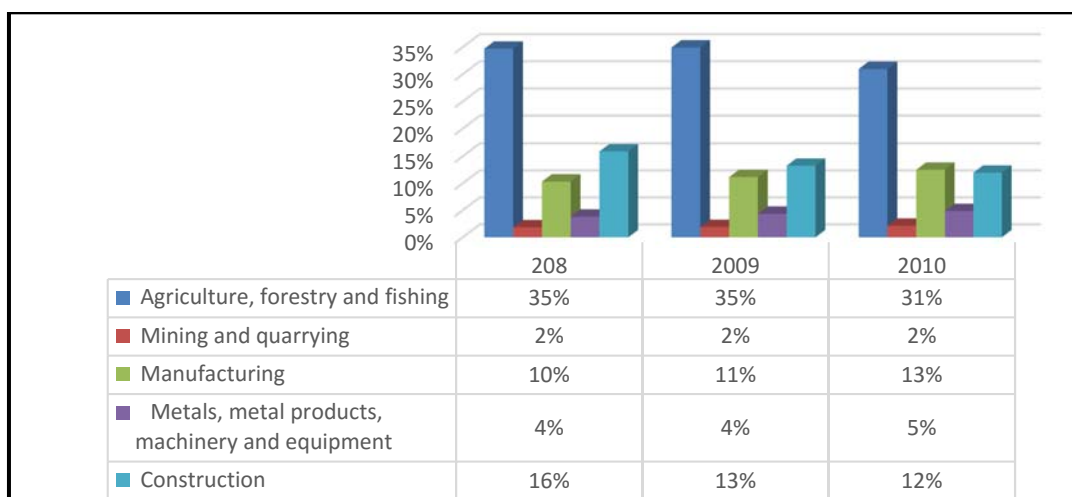


Figure 7: Employment by Basic Sectors

The non-basic sector consists of firms whose economic activities depend on basic sector. This sector include three sectors namely the wholesale and retail sector, transport sector, finance sector and business services sector, etc.

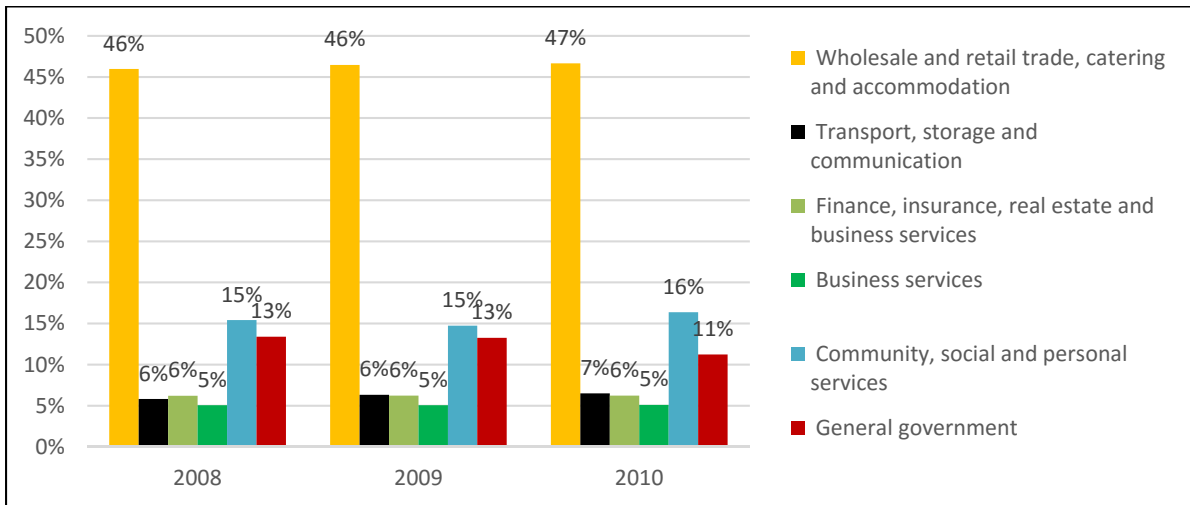


Figure 8: Employment in Non-Basic Sectors

Mbhashe LM's Sectorial Contribution to GDP.

About 91.9% of growth was driven largely by the non-basic sector (*community services, construction, finance, electricity, transport & retail sectors*), whilst the basic sector (*agriculture, manufacturing & mining*) has contributed about 8.1%.

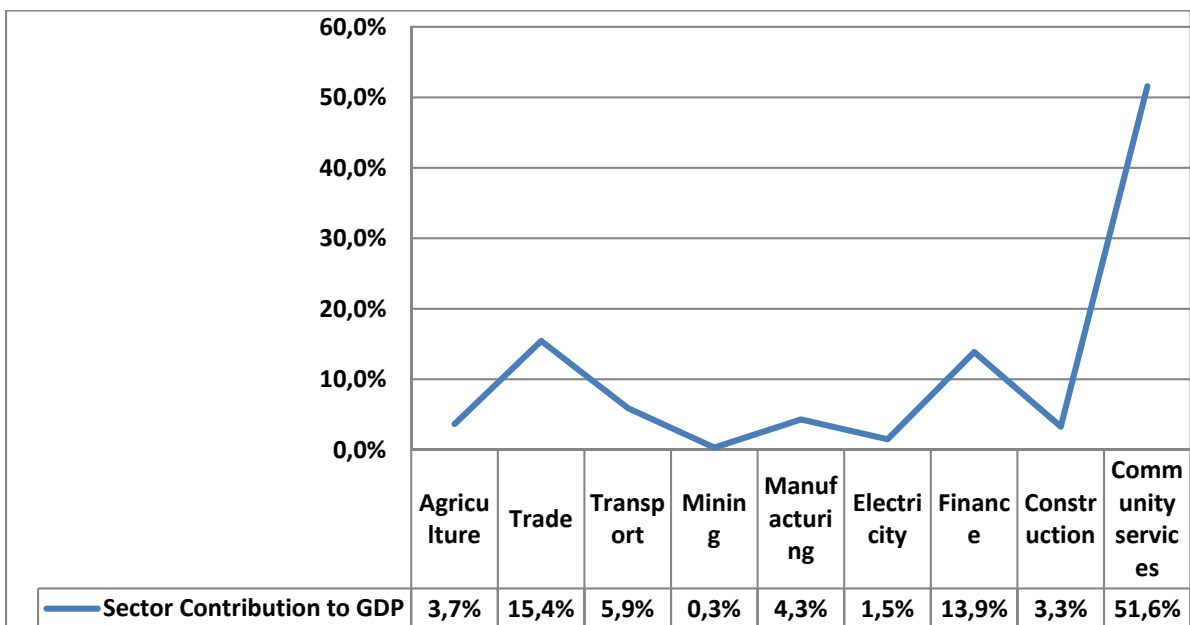


Figure 9: Sector Contribution to Mbhashe LM GDP-2011

Sector Identification and Classification

To determine and identify which sectors that have a high concentration, with a higher labour absorption rate, a technique known as a “*Location Quotient*, (“LQ”) has been used to analyze the available employment data which was captured in the LED strategy.

The outcomes of the Location Quotient should be understood and interpreted as follows;

- ❖ Location Quotient = 1.0 means that the sector has the same labour absorption rate compared to the Reference Economy.
- ❖ Location Quotient <1.0 means that the economy cannot meet the local demand for jobs in a sector.
- ❖ Location Quotient >1.0 means that employment in the sector is greater than what is expected.

Table 2: Economic Sector Quotient

Sector	Location Quotient	What does this mean?
Agriculture, Forestry and Fishing.	> 1.0	Employment in the agriculture, forestry and fishing sector, is greater than expected. The sector performed better than the provincial average in the same period and should be prioritized as a possible targeted economic sector
Manufacturing Sector.	< 1.0	Employment in the manufacturing sector, is less than what is expected. The sector is not even meeting local demand for jobs. Such can be attributed poor demand for goods produced in this sector.
Wholesale and Retail Sector.	> 1.0	Employment in the W&R sector, is greater than expected. It should be prioritized as a possible targeted economic sector
Community Services Sector	>1.0	Local employment in this Sector, is greater than expected

Source: LED strategy 2015

There is therefore an economic imbalance as the basic sector should be the prime stimulant for economic growth. The Mbashe LM economy is therefore imbalanced and does not produce sufficient goods to support the non-basic sector and employment. It imports more than 80% of goods sold in the wholesale and trade sector from other regions or economies.

Mbhashe LM's Economic Classification.

In order to determine and identify which sectors that have a high concentration, with a higher labour absorption rate, a technique known as a "Location Quotient, ("LQ") has been used to analyze the available employment data. The employment data that has been used is the employment data that was collected and published by Global Insights in 2009 & 2010 for sectors that have been shown in the figure below.

The location quotient will be shown as a ratio between the percentage of employment in the sectors within the Mbhashe LM's local economies ("municipalities") and compare it to the percentage of employment in the same sector in a different economy.

The outcomes of the Location Quotient should be understood and interpreted as follows;

- ❖ Location Quotient = 1.0 means that the sector has the same labour absorption rate compared to the Reference Economy.
- ❖ Location Quotient <1.0 means that the economy cannot meet the local demand for jobs in a particular sector.
- ❖ Location Quotient >1.0 means that employment in the particular sector is greater than what is expected.

Location Quotient for Basic and Non-Basic Sectors.

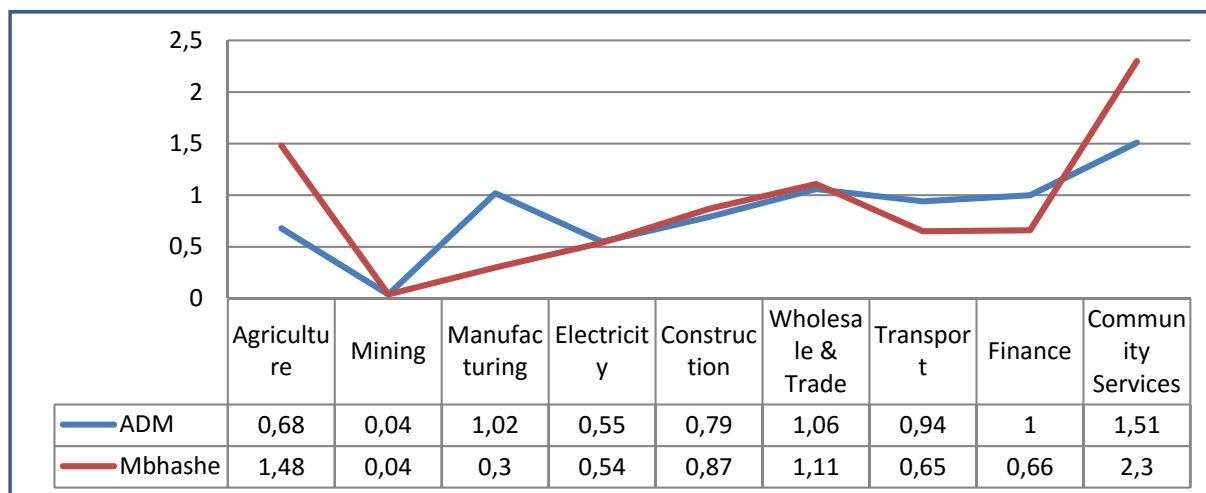


Figure 10: Location Quotient for Basic and Non-Basic Sectors

Agriculture, Forestry and Fishing.

The LQ > 1.0, which means that local employment in the agriculture, forestry and fishing sector, is greater than expected and it is therefore assumed that this "extra" employment is basic. The sector performed better than the provincial average in the same period and should be prioritized as a possible targeted economic sector going. Additional efforts such as proper planning, adequate resourcing and implementation of turnkey programmes and projects will improve the agricultural futures in the locality.

Manufacturing Sector.

The LQ < 1.0, which suggests that employment in the manufacturing sector, is less than what is expected for this sector. Therefore, the sector is not even meeting local demand for jobs. The trend can be attributed to subdued demand for commodities or goods produced in the sector due to either higher prices or availability of alternate goods.

Wholesale and Retail Sector.

The LQ > 1.0, which means that local employment in the W&R sector, is greater than expected and it is therefore assumed that this "extra" employment is basic. The sector performed in line with the provincial average in the same period and should be prioritized as a possible targeted economic sector going. Additional efforts such as provision of critical infrastructure and sector specific programme need to be put in place to help sustain the sector going forward.

Community Services Sector.

The LQ > 1.0, which means that local employment in this Sector, is greater than expected and it is therefore assumed that this "extra" employment is basic.

Summarised Analysis of the Location Quotient.

It is clear from the above graphic("Location Quotient-2010") that the economic base within Mphashe Local Municipality is quite narrow, dominated by the community services, which is driven largely by government employment and the retail trade sector which characteristically is a low wage sector. Various strategies would have to be introduced and developed in order to create enablers for development and growth of the above sectors in a manner that would ensure their growth and sustainability.

Various principal caveats would need to be further research and tailor-made to meet the prevailing economic circumstances within the Mphashe Local Municipality and its local economies. One such caveat should be the "Economic Re-Industrialization & Agricultural Development". This approach would entail the re-building of the regions industrial stock through leveraging of existing government tax incentives and financing of economic infrastructure. It will also re-focus the regional economic development programmes targeting sectors where the region must regain competitive in order to propel economic growth.

Through this approach, the Mphashe Local Municipality shall attempt transform its economy to new industrial and economic activities and should identify "sunrise strategies" that would produce new jobs and ensure enterprise creation and sustainability.

The second approach would be the coordination of regional and local economic development efforts. Central to this approach would be the development of an industrial strategy and action plan which shall be developed to take advantage of the national resources and should localize approaches contained on the New Industrial Policy Action Plan ("IPAP"), the New Growth Path, ("NGP") and the National Development Plan ("NDP")

GROSS VALUE ADDED BY REGION (GVA-R)

The Mbhashe Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Mbhashe Local Municipality

Sector	Mbhashe	ADM	EC	National	Mbhashe as a % of District	Mbhashe as a % of Province	Mbhashe as a % of National
Agriculture	0.0	0.7	5.9	94.4	7.0%	0.82%	0.05%
Mining	0.0	0.0	0.5	306.2	33.6%	3.47%	0.01%
Manufacturing	0.1	2.0	36.3	517.4	5.8%	0.32%	0.02%
Electricity	0.1	0.5	6.2	144.1	18.2%	1.41%	0.06%
Construction	0.1	0.9	13.2	154.3	15.1%	1.04%	0.09%
Trade	1.2	5.5	61.5	589.7	21.4%	1.93%	0.20%
Transport	0.2	1.7	27.5	389.2	11.5%	0.70%	0.05%
Finance	0.5	4.7	60.5	781.7	10.1%	0.79%	0.06%
Community Services	1.5	9.1	89.7	894.1	16.3%	1.66%	0.17%
Total Industries	3.7	25.1	301.2	3 871.2	14.9%	1.24%	0.10%

In 2016, the community services sector is the largest within Mbhashe Local Municipality accounting for R 1.48 billion or 39.6% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Mbhashe Local Municipality is the trade sector at 31.7%, followed by the finance sector with 12.7%. The sector that contributes the least to the economy of Mbhashe Local Municipality is the mining sector with a contribution of R 15.8 million or 0.42% of the total GVA.

➤ **Economic Comparative And Competitive Advantage**

The Absolute advantage

Our municipality believes it has absolutely more efficient at production of the following compared to nearby municipalities. These are:-

- ❖ Crop production
- ❖ Sheep farming
- ❖ Eco-tourism

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

Comparative advantage / Competitive advantage

The ability of the municipality to produce a particular good / product or service at a lower marginal and opportunity cost over another good / product. Comparative advantage measures efficiency in terms of relative magnitudes.

There are five sectors with high potential for development:

- ❖ Agriculture (including forestry and fisheries), particularly intensive and irrigated horticulture.
- ❖ Tourism, including eco-tourism, heritage, conferences and sports.
- ❖ Small scale manufacturing, particularly diversification from agriculture, brickmaking, bakeries and new-generation products.
- ❖ Construction related to infrastructure, new property developments and the upgrading of human settlements.
- ❖ Ocean Economy- marine tourism.

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

➤ **Aquaculture Farming / Maritime Culture**

Aquaculture is the farming of aquatic organisms such as fish, shellfish and even plants. This refers to the cultivation of both marine and freshwater species and can range from land-based to open-ocean production.

However; there's a great potential for fish farming programme in the area. Currently there are two communities under development trusts that showed interest in the project. They are Nqabara Development Trust and Mahasana Development Trust. The pre-feasibility study was conducted in the Mahasana area. Currently the business plan is being developed with the interested private investor who will later partner with the community through the trust.

Mining and Quarrying

Mbhashe has a potential for stone mining, sand mining and granite. These resources; granite to be specific is found in some parts of Mbhashe such as in Luvundu, Bojini and Weza areas.

However, there's little done in this sector to help change the economic situation of the people in the area. What is common is the illegal mining of sand by some business people. Their actions lead to degradation of land in various parts of the region and there's no policing of the area which is usually in the coast so as to safeguard land degradation.

Fishing / Recreational Fishing

The municipality once conducted a study on fishing; the study showed there's major potential in this industry as there's little done on this sector. All wards that form the coastal belt in the Mbashe area are encouraged to acquire fishing permits from the relevant Department. There has been progress in the area as more SMMEs have acquired licences and doing legal fishing. Mbashe boasts with the wild coast full of large river mouths and seas. These are all the areas where different forms of fishing can take place. The area covers the area between the Qhora River and Zithulele River. There are different types of fish available in the area but the control on use is still in the hands of the Department of Agriculture, Forestry and Fisheries – Marine and Coastal Management. The study showed that the following projects can be undertaken in the areas mentioned:-

Table 1: *Potential matrix for fishing opportunities*

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

Source: *Mbashe LED strategy (2015)*

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

THE LED STRATEGY (2015)

The LED Strategy adopted by Council in 2015, deals with economic development as a theme that cuts across all that happens in Mbashe Local Municipality. Whilst administrative boundaries may be tightly drawn in terms of local municipalities that fall under the Amathole DM, partnerships and trade across municipal boundaries are encouraged particularly in support of the concept of *Wall-to-Wall Municipalities* as is contained in the South Africa Constitution.

The Mbashe LED Strategy is focused more on creating an enabling environment by developing programmes and making available resources to support projects that will in turn be identified by local businesses, entrepreneurs and residents at large. Mbashe Local Municipality is in some competitive position. Its economic capital, Idutywa lies along a busy and lucrative N2, and is a gateway between the various powerhouses such as Durban, Umtata and East London. The Mbashe LM's Integrated Development Plan (IDP) refers to five (5) areas of investment, which for the purposes of the strategy are referred to strategic thrusts.

The Strategic Thrusts formulated as part of this document are based on the current economic situation Mbashe LM finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the Municipality. The Thrusts, therefore, enable an integrated approach towards taking maximum advantage of the identified opportunities. The Thrusts also allow the appropriate linkage of projects and initiatives to ensure more focused and coordinated facilitation of development in the Municipality.

While issues such as the development and upgrading of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does take place, these matters are considered to be supportive elements that will not, of its own, result in the development of the economic base and have, therefore, not been included in the Strategic Thrusts. Rather, the Thrusts identified in this document focus on the actual unique opportunities where potential for economic development and growth lies.

The 5 key Strategic Thrusts are:-

- Thrust 1: Agriculture Development.
- Thrust 2: Enterprise Development.
- Thrust 3: Tourism Development.
- Thrust 4: Skills Development
- Thrust 5: Spatial Land Use Management

Strategic Thrust 1: Agricultural Development

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

Sheep farming

Mbashe contains arguably the richest land for livestock in the Amathole district. About 250 000 sheep are recorded in Mbashe. (Source: Stats-SA - Livestock survey; 2015) Public private partnerships and improved farming methods can expand commercial livestock farming in the Mbashe areas.

Cattle farming

Cattle are spread all over the Mbashe area whilst main focus is on improvement on quality of cattle for meat and skin for leather production. Every year, the Department of Agriculture and the municipality plan for the known and the unknown outbreaks of diseases in animals. A number of workshops named “information days” are conducted for the farmers, Chiefs and the councillors on the current farming methods and animal health. To ensure market access, the municipality is engaging big business in the wool industry for possible partnership with farmers. Currently, they are assisting farmers with training and information sharing.

Goats

Goats are largely in the Gatyana area about 32 000 (Source: Stats-SA - Livestock survey; 2015) and small projects that are aimed at improving quality for milk production have started there. Twenty (20) small stock dipping tanks have been renovated across Mbashe in the past five years.

Piggery

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

Poultry

For the past 10 years the municipality has assisted small poultry farmers to grow chicken and sell for profit, which was done as a poverty relief programme. In the year 2006, the municipality commissioned the services of the Agricultural Research Council (ARC) to investigate why the poultry projects failed and could not graduate to a viable business. The major cause for concern was the readiness of the market immediately when the product is ready for sale. The department of Social Development has funded a lot of projects in the poultry industry but there were challenges in growing the industry.

Citrus Fruit

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

The municipality together with the communities in the Gatyana and Xhora area has started the citrus fruit production in households. Only 200 fruit trees were distributed in the year 2015/16 due to drought however more will be distributed in 2016/17.

Crop Production

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

Maize Production

Size of the land available for maize production is 12 thousand hectares. The utilized size for maize production is less than 4 000 hectares covering 44 villages. Maize is the mostly utilized crop/grain in the Mbhashe area mainly because many of the households consume it as their staple food. About 32 wards of Mbhashe have been provided with fencing materials in financial years starting 2011/12 up to date. This is done to avoid intruding animals. Whilst there's no scientific study conducted, this assistance has encouraged more farmers to go back to the ploughing fields again.

Vegetable Production

Vegetable production is another area where households source food from, in the form of community gardens and own gardens. Several projects and co-operatives are now irrigated and are producing enough for selling in the local market.

These projects have created jobs for some who were jobless and are now earning ±R600 a month from income generated through vegetable production. To ensure access to the market, the Local Food Production Unit located in Duff (ward 9) was established. To encourage vegetable production at households, the municipality is providing seeds and seedlings to Siyazondla groups and to some households.

HIGH VALUE PRODUCTS (HVP)

Agri-Park

Agri-Parks are located in centralised places within a District Municipality that are able to service and interact favourably with agricultural activities within the district. The Agri-Hub, by necessity, is located in an area that can serve as a link between district agricultural production and markets, and supply inputs from service and product providers towards the agricultural producers.

Agri-Hub, ultimately, need to possess sufficient physical and social infrastructure to accommodate:

- ❖ Storage/warehousing facilities (cold storage, dehydrators, silos etc.)
- ❖ Agri-processing facilities (mills, abattoirs, juicing, etc.)
- ❖ Enterprise development areas: lease space to high intensity start-up industries that can benefit from the inputs of outputs of the Agri-Hub, i.e. piggeries, tunnel grown crops, bio-gas production etc.
- ❖ Large scale nurseries to supply agricultural production initiatives.
- ❖ Packaging facilities for national and international markets.
- ❖ Weighing facilities

- ❖ Logistics hubs for collection of goods from the FPSUs
- ❖ Transport service workshops and spare parts for larger maintenance tasks of Agri-Hub and FPSU equipment.
- ❖ Agricultural technology demonstration parks to train farmers in the Agri-Park catchment area on new technologies in terms of fertilizers, plants and seeds, irrigation, energy use and farm implements
- ❖ Soil testing laboratories.
- ❖ Accommodation for extension training and capacity building program
- ❖ Housing and recreational facilities for workers and Agri-Hub staff.
- ❖ Business, marketing and Banking facilities, (ICT)
- ❖ Rural development organisation offices.

Within the Amathole District, the place earmarked for Agri-park is Butterworth in the Mquma Local Municipality. However, Mbhashe had already established its own Agri-Park courtesy of the partnership between UFH and Department of Rural Development Agrarian Reform. This will be turned into the Local Farmer Production Unit. The Farmer Production Support Unit (FPSU) is a rural outreach unit connected with the Agri-Hub. The FPSU serves as a resource node in areas isolated away from the main Agri-Hub, serving the surrounding community.

The FPSU is detailed with collecting primary production from agricultural initiatives in the area, storing this product, engaging in small-scale processing operations for the local market, and providing extension services to surrounding operations (including mechanisation). In more detail, FPSU are multiple centres within a district that provide:-

- ❖ Agricultural input supply control (quality, quantity, timeous deployment of inputs)
- ❖ Mechanization support (tractor driving, ploughing, spraying, harvesting etc.)
- ❖ Machinery, servicing workshop facilities.
- ❖ Primary produce collection.
- ❖ Weighing of produce and stock.
- ❖ Sorting of produce for local and other markets.
- ❖ Packaging of produce for local market
- ❖ Local storage.
- ❖ Processing for local markets (small-scale mills etc.)
- ❖ Auction facilities for local markets
- ❖ Provide Market information on commodity prices (ICT).
- ❖ Extension support and training
- ❖ Local logistics support (delivery of farming inputs, post-harvest transportation, transportation to local markets, etc.)
- ❖ Small Business Development and Training centre.
- ❖ Banking

The Mbhashe FPSU can be found at Duff Location in Ward 9 (Dutywa). These programmes form part of the Comprehensive Rural Development Programme (CRDP), and Agri-Villages. The FPSU is considered as High Impact programme because of the scale of involvement and the income to be generated by Mbhashe crop farmers, Siyazondla groups and co-operatives. The FPSU is set to change the Mbhashe rural landscape and usher in real economic transformation.

The ADM Agri-Park and Duff FPSU serving as catalyst will further facilitate development of local agricultural economies that are community driven thus meeting basic human needs as its driver, ensuring on and off farm infrastructure development and contributing to the emergence of rural industrialists.

Strategic objectives of the Agri-Park as envisaged by Department of Rural Development and Land Reform (DRDAR) are:-

- ❖ Promote skills of, and support to small holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanisation inputs
- ❖ Encourage producer ownership of the majority of Agri-Parks equity of 70% with state/commercial interest of 30%
- ❖ Bring under-utilized land especially in communal areas into full production over the next three years and expand irrigated agriculture.
- ❖ The impact of Agri-Parks on Small Town Regeneration. The Agri-Parks will offer the following direct benefits to the small towns:-
 - ❖ Location near to an Agri-hub can provide employment and entrepreneurial opportunities to residents of small towns
 - ❖ Opportunities for capacity building and to acquire new skills sets e.g. unemployed mine workers may be targeted to work in any number of business opportunities that occupy a park.
 - ❖ Basic services may be improved due to the influx of new people attracted by the Agri-park investments
 - ❖ Other vital services such as transport, health and education may also be improved or developed. Economic growth in key Agri-park areas would generate additional resources (e.g. through property tax and services to local authorities), but may also put pressure on infrastructure due to an increasing population.
 - ❖ Economic diversification often deepens in areas of agglomeration and decreases in areas without agglomeration benefits and therefore small towns within the realm of the Agri-parks may also experience such diversification;
 - ❖ Areas with higher than national average growth act as a magnet for high level skills whilst areas of economic decline export such skills. The Agri-park development may potentially retain skilled people from these towns.

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

Macadamia

The industry promotes an approach where partnerships with Chiefs, Rural communities and municipalities are established. Presently, the Eastern Cape Macadamia Industry is working on securing funding support for a second 300ha macadamia project located here in Mbhashe involving AmaJingqi Community. The macadamia nuts have been researched and found suitable for some areas of ward 22. This project may expand to all the areas surrounding Amajingqi like Mgwebi, Jujura and others where the snow does not fall.

Approximately 300 hectares have been identified within the AmaJingqi community rigged and planted. The target is to plant 50 hectares during 2015/16 financial year and the remaining 250 hectares will be planted during 2016-2017. There are about 105 people who got full employment in the project as at end October 2016. At full capacity the factory will create 2200 jobs and a total wage bill of R66.3 million per annum for approximately 80 years. In addition to the jobs; the community will benefit through rental fees for 80 years. Already there are many communities seeking expansion of the macadamia within Mbhashe and especially along the coastal line. Earmarked for this project is the overseas market and once taken ground this will generate a lot of revenue for the area and will have long lasting impacts for social life in the area.

Sorghum

Sorghum is another High Value Project which is regarded as one of the products that can help grow the economy of the region. The initiative came from a youth co-operative called, "Nondobo Youth Co-operative" and Lubomvini. This pilot program of the Sorghum won the support from several government departments and parastatals and the private sector like Anglo American. The municipality has funded the general tree removal in the area. To sustain the programme, a total of 12000 tons is needed. For purposes of crop rotation, soya beans will be used. Participating villages include youth co-ooeratives from various areas such as Old Idutywa (200ha); Duff (180ha); Rwantsini; Upper Falakahla; Gam-Gam; Fort Malan; Chizele; Tyelekebende; Mfula; Lubomvini and Mnandi.

Moringa

Another new venture is the Moringa Trees in the Bojini area of Gatyana. The community through its community development trust is engaging a private sector for partnership agreement. The Moringa tree is doing real good in South Africa, bringing sustainable business as well as uplifting the health and feeding of communities. The Moringa tree, also known as the horseradish tree is being called the miracle or magic tree. The trees will be planted using 150ha from the area of Bhojini and Ligwa.

Lemon Grass / Essential Oil Production

Another new venture is the Lemon grass at Bulungula and Ku-Folokwe A/A at Elliotdale. The community through its women co-operative is engaging a private sector for partnership agreements. The Lemon grass is doing real good in South Africa, bringing sustainable business as well as for cosmetics industry.

There's a lemon grass woman cooperative (Bulungula Essential Oils Co-operative) in the area, which has a huge market for the produce and they confirmed that any lemon grass produced organic they're willing to buy it, in order to fill up their lemon grass market demands, i.e. the Cape Natural Tea producers. The youth of Folokhwe village want to take this privilege as the great alternative to generate income for them or ourselves and others who are interested as we go on.

➤ **Agricultural Infrastructure**

Shearing Sheds

There are approximately 44 shearing sheds mostly in the Dutywa area where there are plenty of sheep (250 000 as recorded by Stats-SA 2015). However, there's a huge backlog in the shearing sheds construction as many communities are in demand. The construction and renovation of shearing sheds is done under the programme of "livestock improvement programme". The shearing season (2016) recorded an amount above R3.5m is wool sales. However, there was an increase in the subsequent year 2017, with sales amounting to R4 815 230 in Dutywa, R259 534 in Gatyana and R181 190 in Gatyana. With the availability of shearing sheds and equipment the woolgrowers could generate large sums of money from the wool sales.

Dipping Tanks

There are almost 400 cattle dipping tanks which were all built by the then Transkei homeland government and some by the provincial department of Agriculture. These dipping tanks become old and could not be used optimally. The municipality then budgets through a programme called "Livestock improvement" to renovate the dipping tanks. In the year 2015/16 financial year five dipping tanks were renovated and more are planned for 2016/17 financial years. The MOU between the municipality and the DRDAR are currently being drawn where the municipality will provide material and farmers will do the dipping tanks on their own.

Fencing of Arable Land

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

SWOT ANALYSIS (AGRICULTURAL DEVELOPMENT)

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> • Availability of arable land • High quality of existing soils for crop production • Good flowing rivers and availability of water resource • Access to availability technical support by Agriculture • Existence of support institutions like ECRDA, Land Bank and Uvimba to resource agricultural programmes • Favourable climate • Suitable lands for livestock production (Idutywa said to have over 300 000 sheep and highest concentration of sheep livestock in Amathole) • Abundance of base assets – livestock, people, land, skill etc • Access to input support by government – Tractors, Seeds, Bulls etc. 	<ul style="list-style-type: none"> • Lack integration in planning and implementation programmes • Agriculture not seen as fashionable employment sector by especially young people • Lack of entrepreneurship & value chain production – Agro-processing • Poorly developed infrastructure and non-existent services • Lack of funds • Prevalent soil erosion, land invasions and veld fires • Bad infrastructure – roads leading to areas with potential like Nqabara and Elliodale • Lack of development of the commercial farming sector – • Poor road conditions make it difficult to access the market for the produce leading to a total closure of some of the project • Along the Mbhashe and Nqabara rivers there are valleys which are suitable for maize production but the limitation is extreme bad conditions of road; making it difficult to reach the ploughing fields by an auto-mobile. • Inability to create sustainable markets for the produce. • Low amount of rain in other areas.

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
	<ul style="list-style-type: none"> • There's still lack of assistance on funding for the inputs like fertilizer • Market for the products • Training for the projects • Failure of the projects to be sustainable • Suppliers could not meet the required quantity at the required time. • The Strategic Environment Assessment conducted in 2009 showed there is not enough grazing land. • The absence of the Spatial Development Framework for the rural areas makes the chiefs and headmen to relinquish the grazing land to the high demand for land for households. This is hitting negatively to the plans for the improvement of wool in the area and the fight to push back the frontiers of poverty. • Animal diseases. • There's a visible amount of skills shortage in the animal farming industry • Lack of water - stock dams • Silted water dams.

Source: Mbashe LED strategy (2015)

STRATEGIC THRUST 2: ENTERPRISE DEVELOPMENT

There are other several opportunities and initiatives undertaken by the people in every ward of Mbashe. These initiatives are apart from the common agricultural initiatives which people

engage themselves in for subsistence purposes. A range of financial institutions that issue finances are called to present to the SMME's.

These initiatives range from:-

Brick Making and Manufacturing

Brick making which is common with sole proprietorships and co-operatives. Whilst there are such initiatives there's a lot of brick that is imported from areas like East London. Having identified the challenge; the municipality took the initiative to have an accredited training programme for brickmaking co-operatives. The two main challenges however are:-

- ❖ Not all have been trained due to distance from training centres.
- ❖ Machinery used is old.
- ❖ Bricks need to be SABS approved

➤ **Bakery Confectionery Services**

The school feeding scheme gave the opportunity for the establishment of co-operatives in the bakery industry. As a result, a number bakery co-operatives have emerged and have brought self-employment to many previously employed. Other co-operatives and SMMEs include welding, fencing, woodwork / carpentry and others involved in agro-processing like Jam making

➤ **Agro-Processing**

Wool Production

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

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

Maize and Maize Milling

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

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

➤ **Enterprise Development**

• Smme Database

A database of the SMME's has been maintained by the municipality and the LED unit has a database of other SMMEs for the purposes of providing assistance to capacitate the SMMEs.

Different SMMEs the municipality identified are the following:-

- ❖ Service providers
- ❖ Several workshops are planned to assist emergent SMME to fill in necessary documents that are required to tender
- ❖ Co-operatives (who are not necessarily providing services to the municipality)
- ❖ Cooperatives have been trained in almost all the financial years on different aspects.

The concentration has started to be on their ability to produce more in both quantity and quality and be able to market those products.

- ❖ Medium Enterprises in the second economy (largely in the retail sector)
- ❖ Manufacturers like brickmakers, bakeries etc
- ❖ Services sector industries like saloons
- ❖ Informal traders

The informal traders have been supplied with tools of trade such weather jackets, gazebos and hawker stalls. The hawker stalls are budgeted from MIG starting from the 2014/15 financial year.

• Supply Chain Management

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

• Incubation Programme

The municipality adopted the Contractor Incubation policy. The purpose of the incubator programme therefore is to create an enabling environment within which selected existing contracting enterprises can develop into sustainable contracting enterprises.

The policy objectives are:-

- ❖ To provide opportunities to contractors to achieve sustainability,
- ❖ The Incubator Programme targets projects within the R30 000 to R1.5 million range and this range is therefore where the incubator programme will focus.
- ❖ Preference will be applied in the accessing of work so that enterprises owned and controlled by local, blacks, women and the disabled persons are advanced.
- ❖ Ten SMMEs are earmarked to benefit from this program in the year 2018/19.

- Red Tape Reduction

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

- Investment Attraction, Retention And Expansion

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

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

Key outcomes:

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

The municipality is currently in a process of developing investment atlas as means to package economic opportunities for exploitation. SMME Tradeshow and Enterprise information workshops as means create enabling investment climate is amongst key investment initiatives prioritised by the municipality.

SWOT ANALYSIS: SMME

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> • Favourable land values for production space • Abundance of labour inputs 	<ul style="list-style-type: none"> • General low interest in self-employment • Lack of skills

<ul style="list-style-type: none"> • Availability of raw material inputs • Access to support from government • Prioritization by EC PGDS • Proven untapped potential demand in Forestry, Agriculture and Tourism • Strong appetite for involvement by locals • Market demand • Significant contributor to employment creation • Easy access to entry – no strict barriers • Availability of support from various sources within and outside government – ECDC, SEDA, SETAs, Training Institutions, Bus Forums etc. 	<ul style="list-style-type: none"> • Lack of machinery and infrastructure to support factory production • Poorly developed value chain production processes and systems • Lack of appropriate skills and knowledge of the sector • Poor regulation • Unreliable service provision – water, electricity, sanitation, refuse etc. • Lack of care for aesthetics by operators and owners • Environmental degeneration potential • Lack of cooperation • Poorly organized businesses and processes • High degree of survivalist rather than growth oriented entrepreneurs – high failure rate of ventures
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Source: Mbhashe LED strategy (2015)

STRATEGIC THRUST 3: TOURISM DEVELOPMENT

Local economy has a competitive advantage in Tourism. Tourism potential can be elicited in:

- ❖ Heritage Tourism Development.
- ❖ Coastal and Ocean Development.
- ❖ Craft Development.
- ❖ Tourism Events and Shows and Festivals.

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

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

Activities include the following:-

- ❖ Heritage Tourism
- ❖ Coastal and Ocean Development
- ❖ Craft Development
- ❖ Tourism events and shows
- ❖ Heritage Tourism Development

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

There are sites which have been identified for development such as signage, access improvements, information displays and other anchor projects linked to the heritage and tourism development such as the Visitor Information Centre for Dutywa. Such sites are identified:-

- ❖ King Hintsa's grave
- ❖ King Sarhili's grave
- ❖ Sinqumeni caves
- ❖ Fort Bowker
- ❖ Fortmalan Memorial
- ❖ Fort Beechamwood
- ❖ Liberation Route
- ❖ Mazizi Maqhekeza Heritage site

There are other places identified in the Liberation Heritage Route which is a National Project that seeks to establish a route based on the war against colonialism and national oppression. Projects included in the liberation route include developing and conserving the notorious "White House" at Dutywa which was used as a place of torture for many activists of the time. The other important project is the development of the Mazizi Maqhekeza Resource Centre as an honour to the former Umkhonto Wesizwe freedom fighter.

- Coastal/Nodal Development

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

Table

NODE	Description	AREA	STATUS QUO
1 st order	Areas that in terms of low environmental sensitivity and existing infrastructure and/or the feasibility of		A craft centre has been constructed in the area.

	<p>providing infrastructure can accommodate intensive development. Actual or proven potential supply of municipal services such as bulk water, sewerage and waste management is a basic condition for any area to have 1st Order Node status. Developments that do not need to be in the coastal zone should however still wherever possible be placed outside the immediate coastal zone, inclusive of a buffer with estuaries.</p>		<p>The long term proposal was for the development of the cultural village</p>
2 nd order	<p>Areas with significant constraints to development, e.g. and which can accommodate moderate levels of tourism, resort and cottage development. One key difference between a Second Order Node and a Third Order Node would be that in a Second Order Node more than one fairly substantial development could take place, while in a Third Order Node only one development will generally be permitted.</p>	Jotela and Kulofolokwe Dwaai Community Lodge	Still following planning processes
		Tenza	Fish farming and a lodge are earmarked for the area.
		Nqabarha Lodge	Project has been completed and its operating
		Haven Hotel	Renovations were done and completed in 2012
		Nkanya Estuary Lodge	Construction of six chalets has started.
		Qatywa Chalets Lodge	Construction is currently under way

Protected area	Formally proclaimed Protected Areas. These areas are included for mapping purposes, but are not subject to the Environmental Management Framework (EMF), but to the policies of the applicable Management Agency.	Dwesa – Cwebe area	Dwesa Chalets and Haven Hotel
Other	Other recreational facilities	Dutywa Conference & Recreational facilities	Feasibility study was done and completed, looking for a developer

Source: Mbashe LED strategy (2015)

➤ **Eco-Tourism Development**

Dwesa- Cwebe Nature Reserve

AmaJingqi World Heritage Site – Natural / Cultural

Tenza beach, Blue Flag Pilot

Qatywa beach, Blue Flag Pilot

➤ **Agro-Tourism Development**

The agro-Tourism is a new industrial form promoted by expenses of healthiness, in which it centers on the leisure wellness to change to another atmosphere of completed devotion, to create a pace of slow life and to achieve a peaceful mind-state.

Tourist agriculture: Literally, the agriculture comes the first before the tourism. The current agricultural entities should be transformed while adding some tourist factors.

Agro-Tourism: A newly-built entity led by the design of tourism production.

1. A carrier: Entity of the agricultural production

2. Products

- ❖ Production of agricultural product satisfying the ornamental demands and demands of consumption of material life for urban and rural residents.
- ❖ Production of leisure product: Agriculture, experience, sightseeing, enjoying, popularization of technology, education and cultural exchange.
- ❖ Leisure / Recreational Tourism Development
- ❖ Boat launch sites- Qora, Nqabarha, Mpame and Xhora Mouth

➤ **Craft Development**

Mbhashe Craft Development initiative was launched in 2004, and the structure of Mbhashe Crafters association was established in 2011. Individual craft projects are advised to register as co-operatives so that they are able to trade. Workshops in partnership with SASSA were conducted with the aim of encouraging them to properly register and get into database of the agency and other departments for purposes of supplying clothing. Currently approximately 50 crafters that are official co-operatives.

Opportunity is given to crafters to showcase in areas like Grahamstown Arts Festival, MACUFE, Tourism Indaba, Tourism Imbizo and any other area where craft material is strongly marketed.

➤ **Tourism Events and Exhibition Shows and Festivals**

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

- ❖ Mazizi/Maqhekeza Memorial Heritage Festival
- ❖ Umbono Wesizwe Heritage Festival
- ❖ Boxing sport tourism event
- ❖ Horse Racing Sport Tourism Event
- ❖ Cultural and craft festival

SWOT ANALYSIS: TOURISM SECTOR

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> • Endowed with natural beauty resources – Dwesa-Cwebe Nature reserve, the coast etc. • Part of Wild Coast SDI. • Powerful natural and historic attraction sites & areas • Existence of market interest for local offerings (The area is very rich in cultural heritage as it boasts things like San paintings, King Sarhili's grave & Sinqumeni caves) 	<ul style="list-style-type: none"> • Access to market for crafters • Common veld fires • Poor weaknesses infrastructure • Inadequate accommodation facilities • Poor transport systems • Lack of marketing • Poor management skills • Unskilled labour • Crime, access to finance

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
	<ul style="list-style-type: none"> • Unemployment • Natural disasters • Poor conservation methods • Land tenure systems & land claims • Poor infrastructure • Undeveloped tourism offerings – sites for Vulture Views, historic graves “Hintsas”, Famous Mvezo traditional authority and others are not fully and creatively developed as tourism offerings to elicit good revenue • There’s no easy access to the coastal resorts because of poor road conditions • Not easy to get developers • Crime • Some local communities are not interested on heritage sites especially the affected communities • Vandalising of heritage sign boards by local communities is also a challenge

Source: Mphashe LED strategy (2015)

➤ **Green Economy**

The municipality has no Green Economic Strategy but seeks to derive one in the next financial year (2018/19). The municipality seeks to mobilize resources from other departments such as Department of Environmental Affairs for the strategy development. Whilst there is no strategy in place; the municipality is encouraging programmes and projects on green economy. Currently, the municipality has installed solar power for lighting in 2000 households in the Xhorha area (Ward 19) and Msikithi.

In partnership with World Vision; the municipality is also providing water tanks to the needy households. Other initiatives are taken to curb the environmental degradation of the land; such as land rehabilitation, tree planting, removal of alien species. There are projects on

awareness that are conducted annually for communities to capacitate on environmental issues.

➤ **Ocean Economy And Coastal Development**

Oceans Economy Intervention Key Focus Areas

- ❖ Marine Transport and Manufacturing
- ❖ Offshore Oil and Gas Exploration
- ❖ Aquaculture Farming
- ❖ Marine Protection Services and Ocean Governance
- ❖ Small Harbours Development
- ❖ Coastal and Marine Tourism.
- ❖ Skills Development and Capacity Building - Research, Technology and Innovation

Mbhashe Municipality has developed strategies to unlock coastal and marine tourism with key emphasis on key initiatives to drive development of blue flag programme, aquaculture farming and coastal infrastructure development opportunities guided by the Eastern Cape Marine Tourism Strategy, 2016.

Projects prioritized for investment are the following:-

- ❖ Tenza Development Precinct, Proposed Tenza Beach Development;
- ❖ Gcalekaland Cultural Village at Kob Inn;
- ❖ Dwayi / Jotela Development Precinct for Resort Development;
- ❖ Dwesa-Cwebe Nature Reserve for Abalone Farming and Tourism Development;
- ❖ Mncwasa Small harbour development for fish farming and processing;
- ❖ Qatywa Community Lodge and Nkanya Development Precinct.

➤ **Small Towns Economies**

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

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

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

- ❖ Pending land claims
- ❖ Shortage of bulk infrastructure
- ❖ Reluctance of the private land owners to relinquish land for development

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

Xhora Implementation Plan (High Priority Projects)

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

Source: Mbhashe LED strategy (2015)

Dutywa Implementation Plan

Key Development Interventions and Areas

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

These are:

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

➤ **Transport / Trade**

Development of four Integrated Taxi-Commercial Nodes associated with the entry/exit points into/from Dutywa along the four main taxi routes (i.e. East London, Ngcobo, Mthatha and Gatyana). This should include ablution facilities at each.

The development of a Central Square/ Market-place focussing on the former Central Square of Dutywa. This central space is presently badly utilised and reduces the quality of the urban environment in town as well as adding to the congestion and dysfunctional nature of the CBD.

➤ **Tourism Resource Centre**

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

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

Gatyana Precinct

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

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

• **Related To Water Services**

The current supply of raw water to the Gatyana Water Treatment Works is reportedly adequately catered for in planning to supply the existing demand in the town. Future planning indicates that certain additional sources of supply would need to be added into the system to secure the adequate provision of water for future extensions. In the interim, a priority with regard to Water Supply is the implementation of a Water Conservation & Demand Management Programme, which is to aim to achieve a reduction in unaccounted-for-water 0.1 million m³ per annum. A specific issue challenging the town at present is the lack of a Waterborne Sewerage System. This was initiated but has been prevented from being completed to function by a land invasion that has prevented the completion of the Works infrastructure. Finalisation of a workable Solid Waste Management solution: either operationalizing the planned Transfer Station system as a matter of urgency or – in the interim

– developing properly a fully managed local waste disposal site, which is the preferred option of the local stakeholders.

Mbhashe Municipality Gatyana Rural Precinct

Taxi Facility

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

Road Network Infrastructure

The current road network is inadequate for the town's needs, especially given its function as a public transportation hub as well as a commercial centre that draws larger delivery vehicles. In addition, roadside parking is inadequate for the needs of road users and the volume of users in the central business and service districts.

A full assessment and re-design of the town's road networks is required. Aside from the Main Road, the circulation roads (especially to the south of the Main Road) also need to be upgraded and certain intersections need to be re-designed to permit heavy vehicles to turn into and out of the Main Road. It is crucial that a proper operations and maintenance schedule for the town's road network is developed and implemented to prevent periodic deterioration and the consequent need to re-build roads.

Craft Centre Hubs

As it is recognised that the town functions as a hub for social and cultural events in the sub-region (catchment) it services, this facility is deemed to be of particular importance by the stakeholders who were consulted in the course of the project work. As such, the facility needs to be extended and fully developed to function as a higher order sports facility that serves a broad catchment population.

➤ Rural Development Initiatives

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

Mbhangcolo (Proposal for Agriculture and Agri Value Chain)

Mbhangcolo Area is situated on the wild coast of Gatyana Town in the Eastern Cape. The area covers seven locations and is endowed with the beautiful landscape, the Mbongo Mountain, rivers such as Mbhashe, Mbhangcolo, Ntsimbakazi and Nqabarha. Also; the area

is known for its heritage site - the King Hintsa's gravesite. With all these natural endowments there's potential for development of the area into an industrial base. The people of Mbangcolo have formed and registered a trust called "Mbangcolo Development Trust".

The proposal development include:-

- ❖ Agricultural development to include tunnel farming, hydroponics and aqua-hydroponic farming

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

Nqabarha (Proposal for Multi-Purpose Centre and Agricultural Development)

The Nqabarha Area is situated on the Wild Coast of Gatyana Town in the Eastern Cape, a beautiful and almost pristine estuary surrounded by coastal lowland forests characterised the natural resource assets of the area. There are thirteen villages involved in this development that form the greater Nqabarha Administrative Area.

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

The development include:-

- ❖ Construction of a shopping / village square
- ❖ Office infrastructure
- ❖ Farming production
- ❖ Planting of Soya beans for diesel

Ntshatshongo

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

The area has started means to confront food insecurity as well as unemployment. To this end the area has identified beef as a spearhead project in this fight. For this to happen there's a need for grazing camps. DEA has identified the need to eradicate invasive wattle and utywala bentaka, the Department of Environment Affairs is already in the area but with a limited mandate to focus only along the river Nqabara. Five cooperatives will be established. These are for Beef, Goats, Piggery, Haw-Haw Tea and Maize. However, there's still a need for the co-operatives registration, training and funding mobilization in this regard.

Hobeni Rural Development Intervention Program

Government of South Africa introduced the Outcomes Approach as a Programme of Action to realise service delivery. Department of Rural Development and Land Reform (DRDLR) and Department of Agriculture Forestry and Fisheries (DAFF) prioritise its efforts on 6 Outcomes: 4 - Decent employment through inclusive growth; 5 - A skilled and capable workforce to support an inclusive growth path; 6 - An efficient, competitive and responsive economic infrastructure network; 7 - Vibrant, equitable, sustainable rural communities with food security for all; 8 - Sustainable human settlements and an improved quality of household life; 10 - Environmental assets and natural resources that are well protected and enhanced.

According to Stats SA; food access in the Eastern Cape with an approximately 6 693 000 population, 2 185 930 population have inadequate access to food (33%) (Stats SA).

It is against this background that the Department of Rural Development and Land Reform (DRDLR) has initiated programmes aimed at improving food security under the following programmes:

“One Household One Hector” 1HH1H,

“One Household Two Dairy Cows” 1HH2Dairy Cows,

“One Rural Ward One Integrated Development Centre” 1RW1IDC,

“Land Rights Management Committees”.

“One Household One Hector” 1HH1H, and “One Household Two Dairy Cows” 1HH2Dairy Cows,

Objectives of the programmes:

- ❖ Contribute to the reduction of Poverty in rural areas;
- ❖ Revive a calibre of highly productive Black Commercial Smallholder Farmers;
- ❖ Build a sense of security of tenure; increase the involvement of individual households in the production activities;
- ❖ Create sustainable employment opportunities in rural households;
- ❖ Create viable rural small to medium agricultural enterprises;
- ❖ Build competences and broaden the skills base for targeted households and communities;
- ❖ The Restoration of the Social Capital and beauty of uBuntu as the currency that cements Social Cohesion among rural households;
- ❖ Rebuilding the sanctity and dignity of family life as the most critical success factor in the Rural Socio-Economic Transformation efforts of the state.

South Africa has 44 District Municipalities and each district should have at least 5 sites. 22 sites identified and being implemented as pilot sites for 2016/17 financial year in the Eastern Cape.

ADM has 5 sites identified under Farm dwellers at Komga area during 2016/2017. In Mbhashe Municipality, Hobeni site has been identified, fenced for maize production of 200 hectares.

Mahasana Proposals

The community of Mahasana in response to growing interest to Tenza beach agreed to approach the municipality for assistance in support to development of a single plan that addresses the needs of the area. Large numbers of people visit this area regularly with more numbers on holiday seasons. The biggest challenge they experience is accommodation and such related facilities.

The concept proposes the following:-

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

Aqua-Culture Farming: People in the area interested in fishing and many do this daily. They need assistance to formalise this and create jobs for themselves. A study was done towards establishment of a fish farm (Aquaculture) in the area.

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

As a result of the above proposed developments for the area, Mbhashe Municipality supports the community and in so doing proposes the 1st or 2nd order node for the area in terms of Wild Coast EMP.

LED PARTNERSHIPS

Humana People to People in South Africa

Humana is a member – organization of the Federation of Association connected to the International People to people Movement. HPP in South Africa is a Section 21 Company and is also registered as a non- profit organisation.

The organisation established its operation in South Africa in 1995 and works with disadvantaged communities to secure improvements of their economic situation, education, health and social well-being. All programmes involve communities in contributing towards their own development, by establishing local structures and training and empowering these to be self- reliant and self- deciding bodies and is today operating in five provinces reaching

more than 2 million people. The LED Department recommends therefore that this organization be on the Mbhashe IDP.

Eastcape Macadamia Farming

The Amajingqi Traditional Council under the leadership of Chief Ngwenyathi Dumalisile) driven by their determination to participate in the mainstream economy, formed a partnership with a private company to develop a Macadamia nuts project in 12 of the 22 villages (who accepted the Macadamia Initiative). Today, this partnership is known as Amajingqi Macadamia Farming (Pty) Ltd (AMF). Shareholding in AMF is as follows:

- ❖ 51% belonging to the 12 Amajingqi villages represented by the Amajingqi Investment Trust (AIT); and
- ❖ The remaining 49% belonging to East Cape Macadamia (Pty) Ltd (ECM).

Agricultural Research Council

ARC is a government institution designed to assist with research and development in Agriculture. With animal Production as their main focal point, it has several satellite stations strategically positioned throughout the country.

This research focus area carries out primary and secondary research, development and technology transfer with respect to Animal Breeding and Improvement, Rangelands and Nutrition, and Food Science and Technology to improve productivity and sustainable resource utilisation.

Mbhashe Municipality is one of those municipalities which got assistance from the ARC. This dates back in the year 2005 where a full study was made by ARC on Poultry Farming in the area culminating in poultry farmers being trained by ARC in their head offices in Pretoria.

Today, ARC is running some projects in the Mbhashe Municipal area under the Economic Support Competitiveness Project (ESCP), Assisted Reproductive Technologies Project and Kaonafatso ya Dikgomo Scheme (KyD).

➤ Economic Support Competitiveness Project

ARC has constructed a fully-fledged dipping (dip tank with separating kraal (by-pass), Neck Clamp, loading ramp and evaporation pen in Shixini.

ARC also constructed a seedlings nursery in the same vicinity through the ESCP projects.

Through the ESCP project ARC has refurbished animal handling infrastructure (dip tanks) and provided neck clamps in the following areas.

- ❖ Ngadla/Mahasana
- ❖ Hobeni
- ❖ Xobo (Revamped unfurnished dip tank and provided neck clamp)
- ❖ Mputi

Dipping tanks will help improve the animal health status of cattle in the areas and the neck-clamps and other facilities will help ease animal handling and loading.

Our aim is to revive the culture of using dipping tanks as a "meeting place" for our small holder farmers.

➤ **Assisted Reproductive Technologies Project (ART)**

Also known as the ART project, the project aims to provide superior genetically Nguni semen for our small holder farmers, in order to complement bull programs offered by the department in our villages. Nguni semen is being used for this purpose at the moment, based on its advantages for the targeted environment (villages).

Kaonafatso ya Dikgomo Scheme (KyD)

This is as scheme funded by the state to train farmers on record keeping, animal identification, ear tagging etc. Farmers participating are registered on the ARCs database in INTERGIS in Bloemfontein, the scheme is currently implanted in the whole municipal area and the entire province.

➤ **Institutional Framework**

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

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

LED Committee of Council

The council has four section 79 committees described as:-

- ❖ Local Economic Development Committee
- ❖ Service delivery Committee
- ❖ Good Governance Committee
- ❖ Municipal Transformation Committee
- ❖ Financial Viability Committee

LED Committee the terms of reference are as follows:-

Terms of Reference

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

- ❖ Local Economic Development;
- ❖ Tourism;
- ❖ Agriculture;
- ❖ SMMEs
- ❖ Fisheries
- ❖ Facilitate the capacity building and accessing of resources, technology and other productive forces by SMME's in all spheres in particular agriculture.
- ❖ Initiative and monitor an investment code consistent with the national and provincial frameworks.
- ❖ Ensure the implementation of the urban renewal and rural development strategies informed by local needs and dynamics.
- ❖ Functions
- ❖ To give direction in the formulation of policy for commercial, tourism and agricultural development;
- ❖ To develop a comprehensive economic development programme with clearly defined parameters;
- ❖ To facilitate the assertion of local government as the center of coordination of economic development;
- ❖ To coordinate an inter-departmental economic development cluster for synergizing of governmental programme in economic development;
- ❖ To develop guidelines for public-private sector economic partnerships;
- ❖ To coordinate the evolution and activity of local "Investment Council";
- ❖ To consider applications for the amendment of certificates of registration to provide for changes in trading names and types of commodities sold;
- ❖ To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

LED Staff

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

- ❖ Reporting to Senior Manager: Development Planning is LED Manager.
- ❖ Reporting to LED Manager are three officers viz:
- ❖ LED Officer: Agricultural Development
- ❖ LED Officer: Tourism Development
- ❖ LED Officer: Enterprise Development
- ❖ LED Officer: Investment promotion

LED Capacity Building Programmes

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

Internships: There are four students under the internship programme who are paid by Mbhashe Municipality. The internship programme has been extended for two year duration and LED unit also provide opportunities for students a chance to gain practical experience through in-service training and practical working experience.

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

STAKEHOLDER ENGAGEMENT

LED Stakeholder Forum

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

- ❖ Community Development Trusts.
- ❖ Section 21 companies.
- ❖ A range of Community Development Trusts.
- ❖ Mbhashe Business Forum.

Business Investor Forum

The Vision of the proposed Business Investor Forum is to *establish partnerships between MLM and Private sector in order to Facilitate Economic Growth in the Mbhashe area by promoting the area as a Prime investment destination in Eastern Cape and within South Africa.*

Purpose

It is against the above background that the Mbhashe Local Municipality in collaboration with the Local Business Forum calls for the formation of a Business Investor Forum.

Overall Objectives are envisaged as follows:

- ❖ To promote, retain existing and attract new investments to MLM;
- ❖ To agree on the need and the process towards the establishment of key strategic local industries within Mbhashe;
- ❖ To identify and agree on the type of manufacturing operations which constitute strategic industries;

- ❖ To determine the mechanism through which these industries should be established;
- ❖ To facilitate networking and promotion of cross-municipal business collaboration and partnership;
- ❖ To learn and share experiences on best policy practices for stimulating investment in manufacturing; and
- ❖ To sensitize businesses representatives, academia, development partners, research organisation and public on National/Provincial/Local Investment policy interventions and measures in support for businesses in the area.

The Investor Forum

An Investors Forum is the congregation of Policy Makers, Municipal Representatives, representative Entrepreneurs and Business People, etc. from the local area, who gather to discuss and contribute towards the long term sustainability of the jurisdiction that they work/operate within.

Areas of Discussion to be considered by the Forum:

- ❖ A One Stop Shop that will facilitate the Investment or Expanding process;
- ❖ A Municipal Mandate offering: Land Availability and Services, Tax Holidays, and Assistance with Bulk Services Contributions;
- ❖ Assist with Local Government processes and the turnaround time for these processes. [Red Tape];
- ❖ Assist with Labour sourcing via an updated Data Base;
- ❖ Offer a New Prospectus with all the Information needed to re-allocate to our Beautiful Region;
- ❖ Assist with Government Funding from Department of Trade and Industry (DTI), Industrial Development Corporation (IDC) and other Government and Foreign Funding.

We are committed to the Vision of the investor forum and to the achievement of our Goals. This in return will ensure enough job opportunities, alleviation of poverty, a stable environment and sustainable living conditions for the residents of the Mbashe Region.

Composition of the Business Forum:

This composition of the Business Forum should be limited, initially, to a total of ten (10) people. The idea will be to keep the discussions on focus as the build up to the Investor Conference of Mbashe Municipality will be the Primary Focus.

The following Institutions should have representation on the Forum:

- ❖ Mbashe Municipality (Official);
- ❖ Mbashe Municipality (Political);
- ❖ Local Business Association/Chamber of Commerce; (Max 2 people);
- ❖ Department of Economic Development and Environmental Affairs;
- ❖ Local Entrepreneurs Representative;
- ❖ Local Tertiary Education representative;
- ❖ Major Local Industry representative;
- ❖ SMME Representative;
- ❖ Prominent Business Person (Max 2).

SECTION 21 COMPANIES

- ❖ Local Tourism Organisation.
- ❖ Mbhashe Farmers Association.

These two organizations were registered as section 21 companies but both are regarded as non-functional. However, the municipality is working closely to ensure that they become functional again. For operations they presently rely on the municipality at the time the assistance is needed. The municipality also intends to make them separate entities and work independently and closely with the municipality.

Above all the institutions that work with and closely with the municipality in implementation of LED programmes and projects, there's a structure that involves many other stakeholders i.e. the LED forum. However, the structure is not as functional as expected.

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

- ❖ Mbhashe LED standing committee Councillors
- ❖ Mbhashe LED Officials
- ❖ Local Tourism Organisations.
- ❖ Community Trusts.
- ❖ Co-operative Forum
- ❖ Mbhashe Farmers Association.
- ❖ Community Based Organisations dealing with LED.
- ❖ Government institutions dealing with economic development
- ❖ Mbhashe Business Forum

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

3.5.4 KPA 4- MUNICIPAL FINANCIAL VIABILITY

➤ Budget & Financial Reporting

(i) Budget Planning

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

The Municipality's budget is done in-house guided by relevant legislation and circulars from National Treasury. The municipality's budget section has been capacitated and the vacancies have been filled.

The municipal has implemented mSCOA with effect from 01 July 2017 as required by National Treasury mSCOA regulations after following the legislative process:

- ❖ Council resolution on mSCOA implementation passed in March 2017
- ❖ Adoption of the mSCOA implementation plan by Council in March 2017, which was continuously monitored as part of quarterly reports to Council.
- ❖ Each department has a dedicated mSCOA Champion who are part of the budget planning, with the Finance Manager being the overall mSCOA Champion.
- ❖ The oversight of mSCOA implementation plan is done by the Audit Committee and Council on a quarterly basis.

Challenges

- ❖ Alignment of the IDP to mSCOA budget.
- ❖ Inadequate funding resulting in the limited budget to cover the needs of the municipality.
- ❖ Complexities around the implementation of mSCOA.
- ❖ Inefficient reporting due to quality of reports from the system.

(ii) Financial Reporting

This section deals with financial reporting in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and the various circulars that are published to assist thereto. The municipality followed this process in the preparation of the Annual Financial Statements (AFS):

- ❖ An AFS Preparation Plan (AFS Road Map) was adopted by the council in its July 2018 sitting. An illustration is provided below
- ❖ The AFS and supporting schedules were then prepared in-house
- ❖ The municipality used the services of external service provider to assist in compilation of the accounting file and reviewing key control reconciliations
- ❖ The quality review was conducted by the Internal Audit Unit and Audit Committee before submission to Auditor General.

In-line with the MFMA Section 126 it is important to mention that the municipality has complied and submitted the AFS to the Auditor General by 31st August over the past three years.

The municipality has developed an action plan for the development of AFS, however this plan had gaps as the municipality continued having findings on the quality of AFS that are submitted for audit purposes on the 31st of August each year. This has resulted in the AFS having material misstatements which is a contravention with Section 122 of the MFMA, these misstatements were subsequently corrected and an audit file is compiled and maintained.

Section 52(d) and section 72 reports are submitted to all committees of Council and adopted by Council. The reports are further submitted to Provincial Treasury and National Treasury in line with the requirements of the MFMA.

SWOT ANALYSIS

Factors	STRENGTHS	WEAKNESSES
Budget planning & Financial Reporting	<ul style="list-style-type: none"> • Internal capacity • Improved audit outcome • Funded budgets 	<ul style="list-style-type: none"> • Limited financial resources • AFS with material misstatements • Non-compliance with laws and regulations • Overspending of budgeted funds
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Clean Audit • Improved public confidence in municipality due to good audit outcomes. • Improved public participation in budget planning process • Ability to secure credit from financial institutions 	<ul style="list-style-type: none"> • Changes in reporting framework introduced by National Treasury • Inadequate resources to deal with increasing service delivery demands • Economic recession • Fiscal fluctuation

**PROPOSED PROGRAMME FOR THE COMPILATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDING
30 JUNE 2018**

Version 1

Date: 20 June 2018

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
1. BUDGET FOR 2017/2018						
1.1	Balanced Budget 2017/2018	<p>Confirm/verify budget on System (Sage Evolution) to budget approved by Council.</p> <p>Prepare a comprehensive mSCOA project file</p> <p>Obtain council resolution for the approval of budget.</p>	30 June 2018	Budget Accountant		<p>Budget Approval Council Resolution.</p> <p>Recon of System captured budget vs Attachment to council report.</p> <p>mSCOA project file</p>

1.2	Budget Adjustment s and Orders	Determine cut-off date (15 June 2018) for placement of orders and ensure ALL departments are informed.	15 June 2018	SCM Manager		Signed Memo
1.3	Over Expenditure	<p>Identify all the overspent line items</p> <ul style="list-style-type: none"> • Forward the report to the departments <p>Identify all the line items to fund the overspent votes</p> <p>Compile a virement list for approval by the Accounting Officer</p> <p>Compile a report on budget amendments for approval by the Council.</p>	13 July 2018	Budget Accountant		Report on Budget vs Actual Expenditure

		<p>Process all the budget amendments approved by Council</p> <p>(Minimising of the unauthorized expenditure)</p>				
1.4	<p>Approved Virement Report</p>	<p>Virement Report to be prepare in line with the Budget vs Actual Report.</p>	<p>15 July 2018</p>	<p>Budget Accountant</p>		<p>Virement Report</p>

1.5	Irregular Expenditure	<p>Identify monthly vouchers where supply chain management processes have not been complied with.</p> <p>Determine the figure for inclusion in the Annual Financial Statements</p> <p>Determine the figure for the Council approval</p> <p>(Disclosure of the irregular expenditures)</p> <p>Compilation of the Contract Register (detailing all the awarded contracts with its status as at 30 June 2018)</p>	<p>20 July 2018</p> <p>31 July 2018</p> <p>31 July 2018</p> <p>20 July 2018</p>	<p>SCM Manager</p> <p>CFO</p>		<p>Irregular Expenditure Report</p> <p>AFS Disclosure Note</p> <p>AFS Disclosure Note</p> <p>Contract Register</p>
1. EXTERNAL CONFIRMATION						

2.1	Confirmation from financial institutions	Request bank confirmation certificates from all financial institutions for bank accounts & investments held.	08 July 2018	Finance Manager	Received FNB and ABSA	Request Letter
2.2	Confirmation from financial institutions	Progress confirmation on request from bank. Must receive certificates no later than 31 July 2018.	20 July 2018	Finance Manager / CFO	Received FNB and ABSA	Bank Confirmation Certificates

PROPOSED PROGRAMME FOR THE COMPILATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2018

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
3. BALANCE SHEET						
3.1	Trial balance - Opening balances	<ul style="list-style-type: none"> Agree / verify opening balance for final trial balance at 30 Jun 2018 to audited balance sheet. 	08 July 2018	Finance Manager		Recon on 2016/18 Audited TB against system report.
3.2	Long-term liabilities	<ul style="list-style-type: none"> Identify long term liabilities 	08 July 2018	Finance Manager		Liability Reconciliation

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
		<ul style="list-style-type: none"> • Reconcile long term liabilities and prepare schedule • Determine short term portion of long term liabilities. 				
3.3	Provisions	<ul style="list-style-type: none"> • Ensure leave taken until 30 June 2018 captured on leave report. • Review the leave register and assist with the reconciliations. • Calculate the leave pay accrual as at 30 June 2018 in terms of GRAP 19. 	<p>08 July 2018</p> <p>20 July 2018</p> <p>20 July 2018</p>	<p>Senior Manager : Corporate Services /HR Manager</p> <p>Finance Manager/ Expenditure Accountant</p>		<p>Leave Report</p> <p>Leave Recon</p> <p>Bonus Provision</p>

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
		<ul style="list-style-type: none"> Calculate the staff bonus provision as at 30 June 2018 in terms of GRAP 19. 				
3.4	Contingent Liabilities	<ul style="list-style-type: none"> Identify any prospective litigations with regards to contracts Prepare the list to Budget & Treasury Office 	20 July 2018	Legal Manager		Litigations Register
3.5	Landfill Site	<ul style="list-style-type: none"> Rehabilitation of the land fill site Provision for Landfill site disclosed 	31 July 2018	Senior Manager: Community Services		Expert Report on Rehabilitation of Landfill Site
3.6	Trade & other payables	<ul style="list-style-type: none"> Write letters to creditors/consultants, requesting that invoices/statements dated up to 30 June 2018 should be submitted not 	08 July 2018	SCM Manager		Proof of correspondence to service providers.

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
		later than 28 June & also 8 July 2018.				Accrual list as at 30 June 2018
		<ul style="list-style-type: none"> • Print Outstanding Orders • Reports and update the commitments for accruals. 	30 June 2018 15 July 2018	SCM Manager		Outstanding Orders Report Accrual Listing
		<ul style="list-style-type: none"> • Finalise Orders Listing. • All invoices received to be recorded in the accounting system. • Clear all suspense accounts • Creditors outstanding at 30 June 2018 should be reconciled (list = control account). • Review the creditors recons for adequacy 	30 June 2018 20 July 2018	SCM Manager / Finance Manager CFO		Order Listing Invoice Register Updated GL Account Creditors Age Analysis Creditors Recon

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
		<ul style="list-style-type: none"> Write back stale cheques. 				Bank Recon
3.8	Retention	<ul style="list-style-type: none"> Retention register reconciled and balanced to ledger. 	20 July 2018	PMU Accountant & Manager/Senior Manager Technical Services/Finance Manager/SCM Manager /CFO		Retention Register
3.8	Unspent conditional grants	<p>Conditional grants:-</p> <ul style="list-style-type: none"> Verify receipt of all grants to DORA Verify expenditure against specific grants Verify unspent grants as liabilities 	20 July 2018	PMU Accountant / Finance Manager / CFO		Grants Recon

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
3.9	Property, plant and equipment	Update Asset Register:- <ul style="list-style-type: none"> • To include all new acquisitions (various votes). • All write offs per auction. • All write offs approved by Council. • Inventory list per office. • Physical verification per office. • Confirm rollovers with Technical Department • All immovable assets included in the asset register • Reconcile carrying value of assets 	20 July 2018 (Draft Grap Asset Register)	SCM Manager/CFO/ Technical Department		Updated FAR
		<ul style="list-style-type: none"> • Review the work performed by the service provider 	31 July 2018 (Final Asset Register)			

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
	Intangible Assets & Lease Agreements	<ul style="list-style-type: none"> Identify any intangible assets e.g. Financial Management Accounting system, Software etc Identify any lease agreements e.g. Photocopying Machine, Cell Phone service providers(Vodacom, Mtn, Cell C etc) 	20 July 2018	Expenditure Accountant		Updated FAR
3.10	Investments	<ul style="list-style-type: none"> Reconcile investments and accrue the necessary interest provisions. Prepare schedule to reconcile interest earned to that stated per bank confirmations Review the investment reconciliations 	15 July 2018	Revenue Accountant / Finance Manager / CFO	review.	Investment Register

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
3.11	Long term receivables	<ul style="list-style-type: none"> • Reconcile other loans. • Calculate short-term portion (Study bursaries where the staff member has not met the conditions) 	31 July 2018	Finance Manager/Corporate Services/CFO		Register of Receivables & Recons
3.12	Inventory	<ul style="list-style-type: none"> • Carry out inventory verification • Submit report to Council and obtain approval for shortages/surpluses • Reconcile inventory counted to register 	30 June 2018 04 July 2018	SCM Manager / Finance Manager / CFO		N/A

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
3.13	Debtors/Revenue	<p>Consumer debtors (vote):-</p> <ul style="list-style-type: none"> • Ensure that balance reconciles to control list. • Ensure that debtors outstanding at year-end are accurately aged. • Calculate and discuss provision of doubtful debts with CFO. <p>Sundry debtors (vote):-</p> <ul style="list-style-type: none"> • Ensure that balances reconcile to control list. • Ensure that debtors outstanding at year-end are accurately aged. • Identify any credit balances and investigate them • Prepare the proposed journals to Debtors received in advance 	<p>30 June 2018</p> <p>15 July 2018</p> <p>15 July 2018</p> <p>15 July 2018</p>	<p>Finance Manager /Expenditure Accountant</p>		<p>Debtors Age Analysis</p>

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
		<ul style="list-style-type: none"> • Compile the discounting note with relevance to GRAP <p><u>Revenue</u></p> <ul style="list-style-type: none"> • Review revenue if it is informed by valuation roll • Reconcile grant revenue to expenditure incurred. • Reconcile the revenue to DORA. 				Revenue Recon
3.14	Bank and Cash	<p>Bank reconciliation:-</p> <ul style="list-style-type: none"> • Report on June 2018 Recon. • Complete bank reconciliation as at 30 June 2018. • Ensure that past 12 months Bank reconciliation have been signed and on file. 	Interim 08 July 2018 Final 15 July 2018	Budget Accountant / Finance Manager		Bank Recon

	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
		<ul style="list-style-type: none"> • Receipt all outstanding deposits. • Reverse all outstanding cheques older than 6 months. <p>Cash float & petty cash</p> <ul style="list-style-type: none"> • Obtain certificates for all cash points • Ensure petty cash float reimbursed 				

Item	Subject	Activity	Target Date	Responsible Official	Progress	Evidence to be submitted
3.15	Suspense Accounts	<ul style="list-style-type: none"> • Ensure that the Vat Registration Letter is on File • Reconcile VAT GL accounts. • Ensure that Vat Reconciliations are on file and signed by the Municipal Officials 	15 July 2018	Finance Manager/Expenditure Accountant/ CFO		Vat Recon
		<ul style="list-style-type: none"> • Clear Salaries control accounts. • Perform monthly reconciliation of payroll • Process necessary journal entries 	15 July 2018	Payroll Officer/Corporate Services/Finance Manager/Expenditure Accountant/ CFO		Payroll Recon
4. YEAR-END TRANSFER JOURNALS						
4.1	Preparation of journals	<ul style="list-style-type: none"> • Identify all previous year journals for Council Approval • Identify all Year end journals 	15 July 2018 31 July 2018	Finance Manager / Expenditure Accountant/ CFO		Journal File.

		<ul style="list-style-type: none"> Journals to be prepared & reconciled with Financial Statements. 				
5. COMPILATION OF FINANCIAL STATEMENTS						
5.1	Template	<ul style="list-style-type: none"> Load Trial Balance as at 30 June 2018 and update the AFS Template. 	30 June 2018	Finance Manager/CFO		Caseware File
5.2	Budget Summary	<ul style="list-style-type: none"> Budget summary 2016/18. 	15 July 2018	Finance Manager/CFO		
5.3	Accounting Policy	<ul style="list-style-type: none"> Complete Accounting Policy. 	15 July 2018	Finance Manager/CFO		
5.4	Loans	<ul style="list-style-type: none"> Complete Annexure A (Loans). 	15 July 2018	Finance Manager/CFO		
5.5	Fixed Assets Analysis	<ul style="list-style-type: none"> Complete Annexure B & C (Fixed Assets Analysis). 	22 July 2018	Finance Manager/CFO/		
5.6	Operating Income & Expenditure	<ul style="list-style-type: none"> Complete Annexure D & E (Operating Income & Expenditure). 	15 July 2018	Finance Manager/CFO		
5.8	Disclosures in terms of the MFMA	Ensure compliance with MFMA iro disclosures under notes to financial statements:-	15 July 2018			

		<ul style="list-style-type: none"> • Councillor's remuneration. • Remuneration (Strategic Managers). • Statutory deductions • Arrear Councillors accounts • Property Rates • Other disclosures as specified by MFMA. 				
5.8	Draft Financial Statements	<ul style="list-style-type: none"> • Finalise draft Financial Statements. 	08 August 2018	Finance Manager/CFO/ MM		
Review of financials						
5.9	Submission for Quality Review	<ul style="list-style-type: none"> • Quality Review of AFS by the Internal Audit Unit • Audit Committee Meeting 	13 August 2018 15 August 2018	Finance Manager/CFO/ MM		

5,10	<p>Submission to Standing Committee Budget & Treasury</p> <p>Submission of AFS to the Council</p>	<ul style="list-style-type: none"> • Submission of AFS to Standing Committee Finance for Noting Bind and make copies. • Submission of AFS to Mayoral Committee • Tabling of AFS for noting 	<p>17 August 2018</p> <p>21 August 2018</p> <p>29 August 2018</p>	CFO/Accounting Officer		
5.11	Submission to AG and relevant authorities	<ul style="list-style-type: none"> • Bind and make copies. • Submit copies to Office of the Auditor General and relevant authorities 	31 August 2018	CFO/Accounting Officer		

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

2017/18	2016/2017	2015/2016
Unqualified Audit Opinion	Unqualified Audit Opinion	Qualified Audit Opinion

Audit Action Plan Template

MBHASHE LOCAL MUNICIPALITY										
Audit opinion										
AUDIT FINDINGS: ACTION PLAN MONITORING TOOL FOR 2018/2019 FINANCIAL YEAR										
AUDIT CHAMPION: INTERNAL AUDIT MANAGER										
No.	Reporting Area	Findings	Description	Action Plan	Start Date	Completion Date	Person Responsible:	Progress	Portfolio of evidence	Internal Auditor's Comment

Iss.1 7	Cash and cash equivalent	Incorrect bank reconciliations	<p>The incorrect bank reconciliation has been submitted for the main trade FNB bank account. The reconciliation does not show the balance per the cash book, reconciling items and the final balance as per the bank statement. After we have received the auditee responded to the above, the following was identified:</p> <p>No bank reconciliation has been submitted for trial balance accounts included in cash and cash equivalents amounting to R2 533 414 relating to the main FNB bank account. The cause of the issue is that some revenue transactions were double accounted for and that the auditee was not aware of this. These accounts should be zero at year end.</p>	Perform monthly bank reconciliations.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
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Iss.8 0	Cash and cash equivalent	Non-disclosure of pledges amounting	The nature of the issue is that the auditee did not disclose pledges/notices amounting to R100 000 as per the bank confirmation for FNB Primary Bank account as required by GRAP 104.109. The cause of the issue is that the auditee did not check that all disclosures as required by GRAP 104 was disclosed in the AFS. The impact of the issue is non-disclosure of pledges/notices amounting to R100 000.	Request bank confirmations from the bank on quarterly basis to ensure all balances associated with the municipal accounts are reflected in the bank reconciliations.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
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Iss.7 5	Cash flow statement	Incorrect amounts used in calculation of the cash flow statement	<p>A few issues have been identified in the cash flow statement.</p> <p>See below for the nature of the issues:</p> <p>Sale of goods and services line item:</p> <ul style="list-style-type: none"> • License and permits revenue has been included as part of "Other receipts", while it should have been included as part of "sale of goods and services". • Only the closing balance of consumer debtors has been included in the 'sale of goods and services' line item, instead of the movement in the consumer debtors which was an outflow of cash. <p>Suppliers:</p> <ul style="list-style-type: none"> • The amount of cash paid for suppliers have been calculated incorrectly. <p>Interest</p> <ul style="list-style-type: none"> • The interest received from trading has not been included in the cash flow statement <p>Employee cost</p> <ul style="list-style-type: none"> • The employee cost has not been calculated accurately. 	Balance the cash flow statement on half yearly AFS.	31-Jan- 19	31- Mar- 19	Name: X. Sikobi Position: CFO			
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Iss.1 30	Commitments	Differences identified between the Commitment register and the Auditors recalculation	Differences were identified between the Outstanding commitments in the Commitment register and the Auditors recalculation as follows: Please refer to the detailed audit report for the detailed differences as per the table provided	Updated Commitment Register to be included in the quarterly financial report that is submitted to Internal Audit for quality review.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
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Iss.1 23	Commitments	Contingent Liabilities: Difference between legal confirmation and amounts disclosed in the AFS	During the audit of contingent liability the following differences were identified between the legal confirmations and amounts disclosed in the AFS: Details Attorney Amount per legal Confirmation Amount per AFS Differenced Moses Mbambo vs MLM S. Nginda 500 000.00 400 000.00 100 000.00 V.Nosilela vs MLM S. Nginda 905 492.06 902 492.00 3 000.06 Balintulo vs Mbhashe LM Vitshima 3 000 000.00 3 112 651.00 (112 651.00) Total 4 405 492.06 4 415 143.00 9 650.94	Ensure the Legal Manager provides the legal confirmations on a quarterly basis. The contingent liabilities to be included in the quarterly financial report that is submitted to Internal Audit for review.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
Iss.7	Planning- Employee Related Cost:	No payroll reconciliation are performed	No monthly reconciliations are performed for payroll relating to remuneration of employees on a monthly basis. The cause of the above finding is due to challenges in implementation of mSCOA.	Perform monthly payroll reconciliations	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			

Iss.6 3	Employee Costs	Amounts disclosed per category of key managemen t personnel not accurate	The nature of the issue is that the remuneration disclosed in Note 25 for key management personnel is not accurate and does not agree to the payroll reports. These amounts are also disclosed incorrect in note 36 Related Parties.	Prepare a quarterly schedule of expenditure on key management personnel. Reconcile the schedule to payroll reports for accuracy.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
Iss.7 6	Employee Costs	HR Compliance : No signed job descriptions for general assistants	The nature of the issue is that there is no signed job description for the following staff members:	Management agrees with the finding. Attempts will be done to persuade the union for the signatures.	23-Oct-18		Name: MP Nini Position: Senior Manager Corporate Services			

Iss.1 0	General Controls	IT General Control: IT environment	<p>During the audit of General IT controls, the following control deficiencies were noted:</p> <ol style="list-style-type: none"> 1. No proof that responsibilities of the IT security officer were delegated; 2. Not all Service Level Agreements (SLA) of IT function have been signed; 3. No evidence of monitoring of SLAs by the IT management; 4. No formally approved security policy; 5. The absence of periodic review of user/employee access; 6. The absence of independent reviews of the activities of the person responsible for granting user access privileges; 7. There are no formal processes in place to manage the granting of access to financial systems; 8. No link noted between the Master Systems Plan (MSP) and the expenditure incurred in the financial year 2017/18 	<ol style="list-style-type: none"> 1. No proof that responsibilities of the IT security officer were delegated; disagree with the finding- please see attached Delegation letter of ICT Security Responsibilities. With regard to dedicated person for ICT Security that is in line with business requirements and good practise will be proposed on review of municipal structure for the next financial year. 2. Not all Service Level Agreements (SLA) of IT function have been signed; disagree with the 	17-Oct-18		Name: Mr. S.A Mashologu Position: ICT Manager			
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			<p>audit.</p> <p>9. Master Systems Plan (MSP) dated June 2013, not all the minimum requirements have been included, e.g. the organisation's aims and objectives pertaining to IT, the structure of the IT environment, purpose of the IT environment.</p> <p>10. No formal document process for granting access to users on the system.</p> <p>11. Draft Backup standards and procedures not all the minimum requirements have been included e.g. archival requirements, special media considerations.</p> <p>12. No review is being done to monitor access privileges.</p> <p>13. No processes in place for independent review of the person responsible for granting access to the users within the Municipality.</p>	<p>finding- please see attached SLA's of existing valid contracts (Cibecs signed SLA, signed Microsoft licenses, signed Vodacom SLA for Cell phone Contract, Mimecast mbhashe SLA and Mbhashe SLA SAGE Systems)</p> <p>3. No evidence of monitoring of SLAs by the IT management; disagree with the finding- please see attached ICT Service Provider SLA reviews</p> <p>4. No formally approved security policy; disagree with the finding- please see attached</p>						
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				<p>information & communication technology security management policy</p> <p>5. The absence of periodic review of user/employee access; agree with the finding</p> <p>6. The absence of independent reviews of the activities of the person responsible for granting user access privileges; agree with the finding</p> <p>7. There are no formal processes in place to manage the granting of access to financial systems; agree with the finding</p> <p>8. No link noted</p>						
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				<p>between the Master Systems Plan (MSP) and the expenditure incurred in the financial year 2017/18 audit. agree with the finding</p> <p>9. Master Systems Plan (MSP) dated June 2013, not all the minimum requirements have been included, e.g. the organisation's aims and objectives pertaining to IT, the structure of the IT environment, purpose of the IT environment. agree with the finding</p> <p>10. No formal document process for granting access</p>						
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				<p>to users on the system. disagree with the finding- please see attached Access forms for ICT Infrastructure and ICT System-remote access form</p> <p>11. Draft Backup standards and procedures not all the minimum requirements have been included e.g. archival requirements, special media considerations. agree with the finding</p> <p>12. No review is being done to monitor access privileges. agree with the finding</p> <p>13. No processes in place for independent</p>						
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				<p>review of the person responsible for granting access to the users within the Municipality. disagree with the finding- please see attached Access form for ICT Infrastructure (Please for Head ICT: is for review of the person granted access to users)</p>						
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Iss.9 4	Back to basics	Ward level implementat ion plan and monthly reports not provided	During the audit the following was noted: 1. The municipality does not have ward level improvement plans to address the basic concerns from ward committees. 2. No evidence provided to confirm that the Back to Basics reports were submitted to CoGTA for December 2017, January 2018, March 2018, May 2018 and June 2018.	Management agrees with the finding, auditors' recommendation will be implemented in the next financial year.	01- Nov-18		Name: Ms. T Bacela Position: Senior Manager: Operations			
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Iss.7 3	Related parties disclosure	: Non-disclosure of provision for doubtful debt required by GRAP20	The nature of the issue is that the municipality did not disclose the provision for doubtful debt and the movement in the provision for doubtful debt (expense) relating to the receivable balance of the related party Jafta MJ (K.K Supermarket) in note 36 of the annual financial statements as required by GRAP 20 paragraph 27 (c) and (d).	Ensure the debt owed by councillors forms part as a separate disclosure on Section 52d report in order to enhance accuracy.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
Iss.1 27	Unauthorised, Fruitless and wasteful expenditure	Prior years unauthorised, fruitless and wasteful expenditure has not been investigated	Prior year unauthorised, fruitless and wasteful expenditure has not been investigated by the municipality and there is no evidence provided to the auditors to ensure that steps have been taken regarding the investigation of these expenditure.	Engage MPAC to finalize the investigation on Unauthorised and Fruitless & Wasteful Expenditure	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			

Iss.4	Control Environment	Audit Findings Tracker: Management does not regularly implement or resolve internal audit findings	Obtained and inspected the internal audit findings tracker document updated as at 31 March 2018 that is being used to track internal audit findings raised by internal audit department for the financial year end 2015/16 and it was confirmed that the status of the issues raised by the unit as at 31 March 2018 are not implemented timeously nor resolved by the respective departments as per the summary of findings documented in the tracker document below:	Management acknowledges the finding, this was due to capacity constraints at the time, the status has improved at year end.	19-Sep-18		Name: X. Sikobi Position: CFO			
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Iss.1 01	:Capital commitments:Immovable Assets	Property, Plant and Equipment: WIP Additions error	<p>During work in progress additions a number of projects were identified where expenditure was incurred however not all documentation requested, was provided. These projects included:</p> <ul style="list-style-type: none"> - MBH/PSP0015/2014/15: Construction of Idutywa Animal Pound - MBH/PSP/0015/2014/15: Construction of Ward 01 Sports Field - MBH/MIG/052/2014/15: Construction of Mbewuleni Access Road - MBH/MIG/052/2014/15: Construction of Sihlabeni Access Road <p>The total documentation not provided was R 2 529 891.</p> <p>Furthermore during the testing of the following project: MBH/INFRA/0040/2016-17: Installation of Highmast Lights, it was identified that VAT pertaining to one of the</p>	Develop a file plan to support transactions included in the contract register and improve record management.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
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			<p>tax invoice was incorrectly capitalised to the asset. Furthermore, the project was not verified. The disagreement of the balance was projected amount of R 50585,58</p> <p>Further during the testing of the following project: MBH/INFRA/0021/2016-17: Paving of Sidewalks Using Interlocking Blocks - Elliotdale, it was identified that the total payments per the WIP register are understated by an extrapolated amount of R 91 935,88.</p>							
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Iss.1 03	:Capital commitments:Immovable Assets	Property, Plant and Equipment: Land and Building verification error	1. During the verification of land and buildings, a property, asset number 'C09300010000142800008, R168133, could not physically verified. 2. Furthermore, the following properties did not appear on the Title Deed search:- Erf 'C09300010000131200000, Asset ID 21008, R258 960;- Erf 'C09300010000131200000, Asset ID 21009, R170 400;- Erf C09300010000403600000, Asset ID 21011, R126 500; and- Erf C09300010000403600000, Asset ID 21012; R6 473 639.3. Lastly included in the sample selected, was a number of temporary structures and therefore these structures would not appear on the title deed search, these assets are listed below: - 21013, R159 309;- 21014, R227 196; and	1. Ensure all assets have a clear identifiable description in order to improve the physical verification project. 2. Finalise the registration of Main building ERF	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO Name: CB. Mqingwana Position: SM: Developmental Planning			
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Iss.1 00	Movable Assets	Property, Plant and Equipment: Classificatio n error pertaining to Other assets	During testing of other assets, it was identified that some additions identified relate to components of roads and road signs. These assets are components of road projects and therefore should be classified as infrastructure assets.	Perform a quarterly reconciliation between the fixed asset register & the General Ledger.	31-Jan- 19	30- Jun- 19	Name: X. Sikobi Position: CFO			
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Iss.1	Operating Expenditure	Records Reviews: Discrepancies identified on monthly reconciliations	<p>1. During the Quarterly reviews, the following reconciliations for July 2017 to March 2018 were not provided:</p> <p>1.1 Debtors reconciliation; and</p> <p>1.2 Bank reconciliations</p> <p>2. Furthermore, in Q1 there was no signature of the senior official on the following reconciliations performed for July to September 2017 to ensure that they were reviewed:</p> <p>2.1 expenditure credit reconciliations; and</p> <p>2.2 VAT reconciliations.</p> <p>The cause of the above finding is due to challenges in implementation of mSCOA.</p>	Perform monthly reconciliations in line with monthly Section 71 reports.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
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Iss.1 1	Operating Expenditure	Expenditure : Difference noted on lease rentals between GL and amount recalculated	Obtained the signed master lease agreements and corresponding lease schedules between the Municipality and NRG, West Bank and Fleet Africa. Re-performed the calculation of the annual lease rental amount per the GL and a difference of R1 786 613 was identified, between the amount re- calculated and the amount recorded as per the General Ledger.	Lease rentals to be seperately disclosed in the Section 52d Reports.	31-Jan- 19	30- Jun- 19	Name: X. Sikobi Position: CFO			
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Iss.2 1	Operating Expenditure	Expenditure : Internal control deficiencies identified	<p>During the audit of expenditure, the following discrepancies were identified:</p> <p>1. An invoice from Mellows Fried Chicken and Foods for the amount of R4250 dated 13/06/2018, it has been noted that the invoice is stamped as received on 02/07/2018. Per inspection of the remittance advice attached, noted that the payment was loaded onto the system on 30/06/2018 which is before the invoice is acknowledged as received.</p> <p>2. On inspection of payment made to SALGA, invoice dated 08/06/2018 amounting to R5 000, it has been noted that the signatory appearing on the purchase order could not be verified on the specimen signatures obtained from the municipality.</p> <p>3. Upon inspection of payment made to Lithaba-Basadi Investments amounting to R41 467,54 with invoice</p>	<p>1. Develop a procedure manual for expenditure management and monitor it on the monthly basis.</p> <p>2. Perform monthly creditors reconciliations.</p>	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
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			No.HOF0025418 07/08/2017, discovered requisition approved.	dated it that was the not								
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Iss.3 3	Operating Expenditure	Expenditure : Non- compliance with 30 days payment period	During audit of expenditure, it has been noted that the following payments were not done within 30 days payments period:	Strict monitoring of the cash flow management on a monthly basis.	31-Jan- 19	30- Jun- 19	Name: X. Sikobi Position: CFO			
Iss.5 0	Operating Expenditure	Expenditure : Invoices with dates that fall in the prior financial year and not acknowledg ed date receive d	During expenditure testing, it was identified that the following invoices, as per the invoice dates have been recorded in the incorrect accounting period as expenses, which relates to services rendered in the 2016/17 financial year: Details of the G4S invoice are as follows:	1. Develop a procedure manual for expenditure management and monitor it on the monthly basis. 2. Perform monthly creditors reconciliations.	31-Jan- 19	30- Jun- 19	Name: X. Sikobi Position: CFO			

Iss. 72	Operating Expenditure	Expenditure : Non-Compliance with the SCM processes	Per inspection of the vouchers related to the Refuse removal expense account, noted that all the vouchers did not have 3 quotations attached as required by the Municipality SCM policy for amounts between R2 000 and R30 000. Details of the vouchers inspected are as follows:	Develop a file plan to support transactions recorded through supply chain management and improve record management.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
(Iss. 36)	Pre-determined objectives:AO PO:	Indicators are not well defined	During the audit of Predetermined Objectives we discovered that the target is not specific, since the indicator refers to "Number of surface roads maintained", whereas the target refers to "Kms" instead of "Number"	Management agree with the finding and we have since corrected it in the current financial year (2018/19)			Name: T. Bacela Position: Senior Manager: Operations			

(Iss. 38)	Pre-determined objectives:AO PO:	Reported achievement not consistent with planned and reported targets	During the audit of Predetermine Objectives we discovered that the reported achievement of the following indicators was calculated using a basis that was different to the basis disclosed in the planned indicator and target.	<ul style="list-style-type: none"> • SDI 1.11 Management does not concur with the finding as the target was not met and the actual performance was reported as at end of 30 June 2018 • SDI 1.20 Management concur and will adjust the actual achievement in the APR • SD 2.3 Management concur and will adjust the actual achievement in the APR • SD 2.9 Management concur and will adjust the actual achievement in the APR • SD 5.1 Management concur and will 	08-Oct-18		Name: T BACELA Position: SM: OPERATIONS			
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				<p>adjust the actual achievement in the APR</p> <ul style="list-style-type: none"> • SD 8.1 Management concur and will adjust the actual achievement in the APR • LED 1.4 Management concur and will adjust the actual achievement in the APR • LED 1.6 Management concur and will adjust the actual achievement in the APR • LED 1.10 Management does not concur with the finding as the target was not met and the actual performance was reported as at end of 30 June 2018 						
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				<ul style="list-style-type: none"> • LED 4.2 Management concur and will adjust the actual achievement in the APR • LED 8.1 Management concur and will adjust the actual achievement in the APR <p>From Coaf 14 KPA 2: Service Delivery & Infrastructure Development</p> <p>SD1.7.1 Number of formal bridges constructed</p> <p>SD1.7.2 Number of formal bridges constructed</p> <p>SD1.10 Number of high masts installed</p> <p>SD1.13 Number of Sports field constructed</p>						
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				SD1.30 Number of transfer stations constructed SD1.30 Number of landfill sites upgraded KPA3: LED1.3 Number of village associations assisted with maize production inputs. LED1.4 Number of farming projects assisted with fencing inputs LED1.6 Number of village farming associations assisted with stock remedy LED1.7 Number of village feedlots assisted LED1.8 Number of dipping tanks renovated						
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				<p>LED1.9 Number of shearing sheds built or renovated</p> <p>LED1.10 Number of boreholes renovated and drilled</p> <p>LED2.4 Number of information days held</p> <p>LED3.1 Number of people employed through EPWP</p> <p>LED4.2 Number of SMME's linked to formal markets through exposure</p> <p>LED5.2 Number of SMMEs supported</p> <p>LED5.2.2 Spending towards local SMMEs</p> <p>LED5.3 Number of co-ops funded, trained and</p>						
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				<p>assisted LED5.3 Number of informal traders supported LED7.1 Number of events hosted and participated on LED7.2 Number of tourists destination with clear signage LED7.3 Number of tourism infrastructure projects facilitated and support LED8.1 Number of heritage properties developed</p> <p>Indicators under SDI and LED KPA reflected above will be adjusted to ensure that planned targets are consistent to</p>						
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				the reported target.							
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(Iss. 42	Pre-determined objectives:AO PO:	AOPO: Indicators and Targets not reported in the APR)	<p>During the audit of Predetermined Objectives we discovered that the following indicators and target from the SDBIP were not reported in the APR</p> <p>KPA2: Service Delivery & Infrastructure Development</p> <p>NO Planned indicators per SDBIP Reported indicators per APR Planned targets per SDBIP Planned targets per APR Reported actual achievement per APR</p> <p>1 SD1.3 SD1.3 Number of KM of gravel roads upgraded Not reported 1 N/A N/A</p> <p>2 SD1.18 Number of boreholes constructed Not reported 2 N/A N/A</p>	<p>SD1.25 Number of Communal cemeteries fenced</p> <p>SD1.26 Number of parks constructed</p> <p>Management does notes the finding however these targets were removed from SDBIP hence they are not reported in the SDIP and APR (SD 1.25 & 1.26)</p> <p>From Coaf 14</p> <p>SD1.17 Number of municipal offices upgraded</p> <p>SD1.18 Number of boreholes constructed</p> <p>SD1.22 Number of cemeteries fenced</p>	08-Oct-18		Name: T BACELA Position: SM: OPERATIONS			
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				<p>SD1.23 Number of Communal cemeteries fenced</p> <p>SD1.24 Number of parks constructed</p> <p>Concur with the finding and the targets will be reported upon in the adjusted APR</p>						
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(Iss. 64)	Pre-determined objectives:AO PO:	Performance Information not properly presented and disclosed	During the audit of Predetermined objectives we discovered that the following Performance information is not properly presented and disclosed: KPA2: Service Delivery & Infrastructure Development	Concur with the finding, and the indicators will be adjusted in the adjusted APR. New Note	08-Oct-18		Name: T BACELA Position: SM: OPERATIONS			
(Iss. 121)	Pre-determined objectives:AO PO:	Cannot determine the period of the information	We cannot be able to determine whether the information provided relates to the current year or the previous year as there are no dates on the delivery notes KPA3: Local Economic Development LED 1.3 Number of village associations assisted with maize production inputs	Management concurs with the finding and will ensure that the reported information has dates.	11-Nov-18		Name: T BACELA Position: SM: OPERATIONS			

(Iss. 126)	Pre-determined objectives:AO PO:	Reported information, inaccurate, incomplete and not supported	During the audit of Performance Information I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report KPA 2 Service Delivery & Infrastructure Development	Management concurs with the finding and will adjust in the APR after verifying.	11-Nov-18		Name: T BACELA Position: SM: OPERATIO NS			
(Iss. 2)	Procurement and contract management	Records Reviews-SCM: BAC composition – Non-compliance with SCM regulation 29(2)	During the audit of competitive bids awarded during the year under review(performance of quarterly records reviews) it was discovered that the Bid Adjudication Committee for the following awards do not consist of the Supply chain management practitioner as required by SCM regulation 29(2)(ii).	Ensure the composition of Bid Committees is always in compliance with SCM Regulations through the review by the Bid Adjudication Committee.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			

(Iss. 12)	Procurement and contract management	SCM: Execution-BAC composition	During the audit of competitive bids awarded during the year under review it was discovered that the Bid adjudication committee does not consist of the Supply Chain Management practitioner as required by SCM regulation 29 (2)(ii). The following are the Bids affected:	Ensure the composition of Bid Committees is always in compliance with SCM Regulations through the review by the Bid Adjudication Committee.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
(Iss. 25)	Receivables	Receivables : Omission of disclosure required by GRAP104	The nature of the finding is that the disclosure required by GRAP129(a) has not been disclosed in the financial statements. The entity has not disclosed the amount of debt which is overdue but not impaired. The cause of the finding is that the municipality was not aware of the disclosure requirement. The impact of the finding is that the disclosure in the financial statements relating to receivables are not complete. The following disclosure should be included: The	Review the Caseware template to ensure it complies with all the GRAP requirements.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			

			ageing of debt which is overdue, but not impaired.							
(Iss. 27)	Receivables	Calculating provision for debt impairment on net receivables balance and not debit balances	The nature of the issue is that the provision for debt impairment is incorrectly calculated on the net receivables balance per the debtor age analysis, instead of only on the debit balances per the age analysis.	Review the impairment calculation during the preparation of half-yearly AFS.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
(Iss. 5)	Revenue	Planning-Revenue and Receivables : No reconciliation are performed	No monthly reconciliations are performed on the debtors age analysis and cash receipts for all the months up to March 2018.	Perform monthly debtors reconciliations	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			

(Iss. 19)	Revenue	Revenue in the general ledger and AFS does not agree	Revenue relating to the following, as per the annual financial statements does not agree to the underlying accounting records: Revenue Type Amount per General ledger/TB Amount per AFS Difference Interest earned 2 496711.62 2 486446.53 10 265.09 Total 10 265.09	Review and confirm the interest raised during each billing cycle.	01-Feb-19	30-Jun-19	Name: X. Sikobi Position: CFO			
(Iss. 57)	Revenue	Part B of property Register not provided	During the audit of revenue, we could not be provided with evidence that the municipality has PART B of the property register as required by law. This was due to lack of management oversight to ensure that PART B of the property register is prepared. This is non-compliance with section 23 of the Municipality Property Rates Act.	In agreeing with the finding; the municipality through the policy on Property Rates has had difficulties in establishing which properties fall into Categories listed in Section 23; Subsections (3) to (5). This was due to inaccuracies and	30-Oct-18		Name: CB Mqingwana Position: SM: Developmental Planning			

				incompleteness of the Indigent Register; however the indigent register will be complete in the year 2018/19. This will allow the valuation roll to comply with the Municipal Property Rates Act the Municipal Policy on Rates.						
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(Iss. 77)	Revenue	Revenue not fairly presented and disclosed	<p>Revenue disclosed in the face of the Statement of Financial Performance is not separately presented as Revenue from Exchange Transactions and Revenue from Non-exchange transactions.</p> <p>Revenue presented in the Face of the financial statement is thus not consistent with the prior year Audited Annual financial statements presentation. This is due to lack of management reviews of the financial statements to ensure that there is consistency between the current year and prior year presentation of Revenue and the applicable requirements have been met for the presentation of Revenue. The impact is non-compliance with applicable disclosure requirements.</p>	<p>Review the Caseware template to ensure it complies with all the GRAP requirements.</p>	31-Jan-19	30-Jun-19	<p>Name: X. Sikobi Position: CFO</p>			
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(Iss. 82)	Revenue	Interest from Investments not complete	1. During the audit of revenue, it was noted that interest from Investments as per the bank confirmations differs to the one on the General ledger. The following table summarises the interest earned as per bank confirmations per account.	Request bank confirmations from the bank on quarterly basis to ensure all balances associated with the municipal accounts are reflected in the municipal records.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			
(Iss. 83)	Revenue	Late Submission of VAT 201 July 2017	The nature of the issue is that VAT 201 relating to the July 2017 VAT period was submitted after the required deadline. VAT Period Date submitted as per the SARS VATSA statement of account Date of Submission as per VAT 201 Jul-17 08/09/2017 08/09/2017	Ensure the vat returns are submitted timeously.	31-Jan-19	30-Jun-19	Name: X. Sikobi Position: CFO			

(Iss. 84)	Revenue	VAT Receivable: Balance Difference	<p>The nature of the issue is that the amount per the receivable balance includes an amount that has been assessed and denied by SARS to an amount of R341 594.48.</p> <p>In light of the current economic conditions, its it considered unlikely that amounts which have been assessed will be refunded at a later stage. The cause of the issue is that management has not written off the VAT receivable balance relating to amounts which have been assessed. The impact of the difference is that the VAT receivable balance per the Annual financial statements are overstated by R341 594.48.</p>	Follow up on all disallowed invoices to resubmit for collection.	01-Mar-19	30-Jun-19	Name: X. Sikobi Position: CFO			
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➤ Revenue and Debt Management

(i) Debt Management

Credit Control and Debt Management Policy has been reviewed in 2017/2018 financial year and is in line with best practices. This policy was approved for implementation in the 2018/19 at 30 May 2018. SAGE Financial System is used for billing customers on monthly basis. Billing is based on Valuation Roll that came into effect on the 01 July 2014 which covers the financial years 2014/2019. There has been supplementary valuation on an annual basis which have contributed to an increase in annual rates billing.

Accounts Receivable Age Analysis									
Mbhashe Local Municipality									
	Report Date:		31-Jan-19						
Accounts Receivable Age Analysis									
Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance	
Group By Group: BUS (BUSINESS)	3,994,579.63	82,299.69	119,465.84	99,823.95	70,636.69	69,603.47	130,697.56	4,568,836.67	19%
Group By Group: GOV (GOVERNMENT)	4,778,298.74	358,218.17	363,127.16	(1,296,643.88)	101,104.38	(169,136.71)	753,613.55	4,888,581.41	20%
Group By Group: MUN (MUNICIPAL)	92,988.42	3,165.40	3,508.57	3,470.89	3,133.52	3,342.31	3,889.77	113,498.88	0%
Group By Group: OTH (OTHER)	1,716,690.56	30,348.45	30,833.13	30,407.80	(109,985.52)	33,562.65	63,795.30	1,795,652.37	7%
Group By Group: POW (PLACE OF WORSHIP)	20,345.78	2,105.01	2,122.01	2,139.95	2,363.35	2,472.65	2,972.04	34,520.79	0%
Group By Group: PSI (PUBLIC SERVICE INFRASTRUCTURE)	15,623.05	3,470.16	3,501.18	3,515.13	3,515.13	(956.80)	10,730.45	39,398.30	0%
Group By Group: RES (RESIDENTIAL)	11,680,878.65	210,402.96	204,872.09	213,739.59	220,424.28	190,732.54	254,485.97	12,975,536.08	53%
GRAND TOTAL	22,299,404.83	690,009.84	727,429.98	(943,546.57)	291,191.83	129,620.11	1,220,184.64	24,416,024.50	

(ii) Valuation Roll

In the 2018/19 financial year, the municipality has initiated the compilation of the new General Valuation Roll for 2019/24 by appointing Sizanane Consulting. There were delays in the public participation process resulting in the request for extension of the 2014/19 Valuation Roll which was granted by the MEC: Local Government in January 2019. The existing Valuation is published in the municipal website, www.mbhashemun.gov.za. The new implementation date for the General Valuation Roll is expected to be 01 July 2020. The GV Project Plan is tabulated in the table below:

MILESTONE	START	END	RESPONSIBILITY
1. PROMULGATION OF DATES IN THE GAZETTE BY THE MINISTER FOR PROJECT INITIATION			
<ul style="list-style-type: none"> A date determined by the Minister by Notice in the Gazette for submission of project plan to MEC by municipality: Date of submission 11/10/2016 Section 81 (1B) (a) 	24/08/2016	25/09/2016	Not Applicable to the Municipality
1.1 VALUATION FOR THE NEXT GENERAL VALUATION IN TERMS OF SECTION 31			
Date of valuation 1st July 2023 Date of implementation 1st July 2024 of the next general valuation	24/08/2016	25/09/2016	Not Applicable to the Municipality
1.2 DATES OF SUBMISSION OF PROGRESS REPORTS			
Dates of submission of monthly and quarterly reports to the Municipal Manager and MEC respectively in terms of section 34 (Aa) 7th of each month 31 October 2017 13 January 2018	24/08/2017	25/09/2017	Not Applicable to the Municipality for 2017

17 April 2018			
15 July 2018			
30 October 2018			
30 January 2019			
31 April 2019			
31 July 2019			
31 October 2019			
2. GENERAL VALUATION & PREPARATION OF VALUATION ROLL			
<ul style="list-style-type: none"> A municipal intending to levy rate on properties must cause general valuation to be made of all properties of Section 30 (A Council Resolution required) Determination of date of valuation and date of implementation for its general valuation in terms of Section 31. Date of valuation will be 1st July 2018 and date of implementation 1st July 2019 of the comprehensive valuation roll 	13/312/2017	13/12/2017	Municipal Manager, CFO & Municipal Council

3. SUPPLY CHAIN MANAGEMENT PROCESSES			
• Budget allocation for compilation of Municipal Valuation Roll	01/03/2018	31/05/2018	Chief Financial Officer
• Review of Tender Specification to secure services of a Private Valuer and Data Collectors	05/01/2018	31/01/2018	Chief Financial Officer & Provincial Valuers
• Expected Specification Approval date	01/02/2018	15/02/2018	Municipal Manager &CFO
• Advertisement date	28/02/2018	28/02/2018	Municipal Manager &CFO
• Briefing Session date	15/03/2018	15/03/2018	Municipal Manager &CFO
• Tender closing date	31/03/2018	31/03/2018	Municipal Manager &CFO
• Date of Evaluation	15/04/2018	15/04/2018	Municipal Manager &CFO
• Date of adjudication	20/04/2018	20/04/2018	Municipal Manager &CFO
• Approval of the winning bidder	01/05/2018	01/05/2018	Municipal Manager &CFO
• Date of final award of a contract	01/05/2018	01/05/2018	Municipal Manager &CFO
• Receive letters of acceptance	01/05/2018	01/05/2018	Municipal Manager &CFO
• Contracted on a Service Level Agreement i.t.o. Section 33	01/05/2018	01/05/2018	Municipal Manager &CFO

4. DESIGNATION AS A MUNICIPAL VALUER			
<ul style="list-style-type: none"> • A municipality must before the date of valuation designate a person as municipal valuer. • A municipality issue the person designated as its municipal valuer an identity card Section 33 Municipal Council (A resolution is required for the designated) 	01/06/2018	01/06/2018	Municipal Manager, CFO & Municipal Council
5. DESIGNATION OF MUNICIPAL OFFICIALS OR PERSONS AS DATA – COLLECTORS TO ASSIST THE VALUER			
<ul style="list-style-type: none"> • The municipal manager may designate officials of the municipality or persons who are not officials of the municipality as data collectors to assist the valuer with the collection of data and other related work. • A municipality must issue to the person designated as a data – collector an identity card Section 36. 	01/06/2018	01/06/2018	Municipal Manager, CFO & Municipal Council
6. PRESCRIBED DECLARATION			
<ul style="list-style-type: none"> • Before assuming office, the valuer of a municipality or his assistants must make the prescribed declaration before a commissioner of oath regarding the performance of office and lodge a certified copy of such declaration with the municipal manager. 	30/06/2018	01/07/2018	Municipal Manager

7. PUBLIC PARTICIPATION			
<ul style="list-style-type: none"> • Publish Notice: newspapers and Radio used for conducting general valuation. • Communicate the public through large banners created and leaflets. • Dissemination of information to communities through the PA system. • Municipal Valuer introduced to the Council and he should explain valuation processes to the Council and to the communities. 	01/07/2018	30/09/2018	Municipal Manager & CFO

1. DOCUMENTATION OF DESK TOP DATA COLLECTION

Data Acquisition and Deeds downloads	09/08/2018	09/08/2018	Municipal Valuer
Data Design	09/08/2018	09/08/2018	Municipal Valuer
Aerial Photography	09/08/2018	09/08/2018	Municipal Valuer
Valuation Rolls (Previous)	09/08/2018	09/08/2018	Municipal Valuer
Cadastral Import and Update	09/08/2018	09/08/2018	Municipal Valuer
Spatial and Update	09/08/2018	09/08/2018	Municipal Valuer
Printing Diagram	09/08/2018	09/08/2018	Municipal Valuer
Check for missing Cadastral	09/08/2018	09/08/2018	Municipal Valuer
Deliver First Preliminary Report	09/08/2018	09/08/2018	Municipal Valuer
Capture and update	09/08/2018	09/08/2018	Municipal Valuer
Payment of Report	09/08/2018	09/08/2018	Municipal
Finalisation of Land audit	09/08/2018	09/08/2018	Municipal Valuer
Property Register Developed	09/08/2018	09/08/2018	Municipal Valuer
Public Service Infrastructure Registers Created	09/08/2018	09/08/2018	Municipal Valuer
Development of Valuation System up and running	09/08/2018	09/08/2018	Municipal Valuer
Maintenance and update of data Report	09/08/2018	09/08/2018	Municipal Valuer
Preliminary Report	09/08/2018	09/08/2018	Municipal Manager, CFO & Valuation Services
▪ DEVELOPMENT OF RATES POLICY			
Initiate Action on Policy Development	09/02/2018	09/03/2018	Municipal Valuer, Valuation Services & CFO

Draft Policy and By- Laws (Support)	09/02/2018	09/03/2018	Municipal Manager & CFO
Submit draft policy (Support)	09/02/2018	09/03/2018	Municipal Manager & CFO
Refer comments to Municipal Valuer	09/02/2018	09/03/2018	Municipal Manager
▪ DATA COLLECTION			
Engagement of Data collectors (independent company) to render the service	09/08/2018	09/08/2018	Municipal Valuer & Data Collectors
All category of properties (sketches, maps subdivision and consolidations)	09/08/2018	09/08/2018	Municipal Valuer
Field data quality control	09/08/2018	09/08/2018	Municipal Valuer
DATA CAPTURE			
Capture Residential Data	15/12/2018	13/05/2019	Data Collectors
Manage quality control	15/12/2018	13/05/2019	Municipal Valuer
Capture Non – Residential Data	15/12/2018	13/05/2019	Data Collectors
Capture other Non – Urban data	15/12/2018	13/05/2019	Data Collectors
PUBLIC PARTICIPATION (PUBLIC AWARENESS PROGRAMME) PROPERTY VALUE AND PROPERTY RATES			

Road show to be concluded to communities explaining how market value is determined how to objection etc. in compliance with Section 49 and 53. Processing of Appeals and objections Community participation in development of Rates Policy	15/12/2018	31/05/2019	Municipal Valuer, Municipal Public Participation Units, Dept. Valuation Services and Municipality
DATE OF VALUATION			
A municipality must determine a date that may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented: Date of valuation is 01/07/2018. The General Valuation must reflect the market value of the properties determined in accordance with market conditions which applied as at the date of valuation. Any other applicable provisions of the Act, such as Section 45 and 46	01/07/2018 31/05/2018	01/07/2018 03/07/2018	Municipal Council Municipal Valuer
MARKET SURVEY AND MARKET CONDITIONS (VALUATION REPORT)			
Identify Comparables for determination of market value for various category of properties	31/05/2018	03/07/2018	Municipal Valuer
Break down into blocks and units	31/05/2018	03/07/2018	Municipal Valuer

Inspect Comparables for various type of category of properties	31/05/2018	03/07/2018	Valuer / Provincial Valuer
Analysis Comparables	31/05/2018	03/07/2018	Valuer / Provincial Valuer
Presentation of the comparable market data analysis to Municipality and Provincial Valuers	04/07/2018	11/07/2018	Municipal Valuer
▪ SUBMISSION OF VALUATION REPORT			
<ul style="list-style-type: none"> • Technical Valuation Report before valuing all properties in terms of Sections 30, 31, 45 and 46 to the Municipal Manager and Provincial Valuer. • Conduct monitoring and compliance in terms of the Act (MPRA) in various type / category of properties been valued in accordance with general recognised valuation practices, methods and standards for the valuation roll. • General basis of valuation Section 46. • Establish accuracy of the market value determine in terms of comparable utilised for various categories of properties. 	31/05/2018	03/07/2018	Municipal Manager & Valuation Services
▪ DETERMINATION OF MARKET VALUE AND VARIOUS TYPES OF PROPERTIES			

Conduct property Valuation for Residential, Rural and Urban properties	03/07/2018	15/11/2018	Municipal Valuer/ Valuation Services
Value the Business and Commercial properties	03/07/2018	15/11/2018	Municipal Valuer/ Valuation Services
Value the farms in the new Municipality	03/07/2018	15/11/2018	Municipal Valuer/ Valuation Services
Valuation of P.S.I and government properties	03/07/2018	15/11/2018	Municipal Valuer/ Valuation Services
Valuation of Special properties and trading station in rural areas	03/07/2018	15/11/2018	Municipal Valuer/ Valuation Services
Verification of the data and site inspections analysis of values determined	03/07/2018	15/11/2018	Municipal Valuer / Valuation Services
Inspect comparables consolidate data for the draft valuation roll	03/07/2018	15/11/2018	Municipal Valuer/ Valuation Services
▪ VALUATION QUALITY ASSURANCE			
Municipality Examines Report	15/11/2018	15/12/2018	Provincial Valuers / Municipal Valuer
Financial adjustment to values	15/11/2018	15/12/2018	CFO, Valuer / Provincial Valuers
Final Correction	15/11/2018	15/12/2018	CFO, Municipal Valuer / Provincial Valuers

▪ SUBMISSION OF A CERTIFIED VALUATION ROLL			
Prepare draft Valuation Roll	15/11/2018	15/12/2018	CFO & Municipal Valuers
Edit Valuation Roll	15/11/2018	15/12/2018	Municipal Valuers
Submit certified Valuation Roll.	31/01/2019	31/01/2019	Municipal Valuer
▪ PUBLIC NOTICE OF VALUATION ROLL			
<ul style="list-style-type: none"> • Publication of valuation roll in a prescribe form in a Provincial Gazette for inspection. 	31/01/2019	31/03/2019	Municipal Manager & CFO & Municipal Valuer
<ul style="list-style-type: none"> • Service Notices in terms of Section 49 by ordinary mail that contains an extract of the valuation roll 	31/01/2018 01/04/2019	31/03/2019 30/04/2019	Municipal Manager & CFO
<ul style="list-style-type: none"> • Municipal Valuer consider the objections 	21/02/2019	28/02/2019	Municipal Manager & CFO
<ul style="list-style-type: none"> • Notice published in the Provincial Gazette on the 21/02/2019 			
<ul style="list-style-type: none"> • Once a week for a week for two consecutive weeks in the media 			
▪ ADJUDICATION OF OBJECTIONS SECTION 49			
<ul style="list-style-type: none"> • Municipal Council lodge objection to values determined over / undervalued properties 	21/02/2019	31/04/2019	Municipal Valuer & Municipal Manager
<ul style="list-style-type: none"> • Council lodge objection to values determined over / undervalued properties 	21/02/2019	31/03/2019	CFO & Municipal Valuer

<ul style="list-style-type: none"> • Receive objections • Capture objections • Attend objections • Pronounce judgement on objections Section 53 Notice • Communicate outcome of objections to municipality • Communicate outcome of objections to objectors 	<p>21/02/2019</p> <p>21/02/2019</p>	<p>31/03/2019</p> <p>31/03/2019</p>	<p>Municipal Valuer</p> <p>Municipal Valuer</p> <p>Municipal Valuer</p>
<p>▪ DATE OF IMPLEMENTATION OF THE VALUATION ROLL</p>			
<ul style="list-style-type: none"> • Municipal Council adopts by-Laws and Rates Policy Valuation Roll and Rates Policy together with municipality budget take effect 	<p>30/04/2019</p>	<p>31/05/2019</p>	<p>Municipal Valuer & Municipal Manager</p>
<p>▪ PROMULGATION OF RATES POLICY IN PROVINCIAL GAZETTE AS CONTEMPLATED IN SECTION 12 & 13 OF THE MUNICIPAL SYSTEM ACT</p>			
<p>Promulgation of adopted Rates Policy in the Gazette through By – Law (Section 12 & 13 of the Municipal System Act)</p>	<p>31/05/2019</p>	<p>30/08/2019</p>	<p>Municipal Manager, CFO & Valuation Services</p>

Promulgation of Resolutions levying of rates by the Municipal Council be gazetted annually in the Government Gazette	31/05/2019	30/08/2019	Municipality, CFO & Valuation Services
<ul style="list-style-type: none"> ▪ PROCESS FOR ADOPTING RATES POLICY 			
<ul style="list-style-type: none"> • Before a municipality adopts its rate policy it must follow a process of community participation in accordance with Chapter 4 of Municipal System Act • Municipal Manager must display the draft rates policy for a period of at least 30 days at municipalities Head office and Satellite offices. • Rates Policy must be on a website if available • Advertise in the media a Notice • Invite the Local Community to submit comments and representations to municipality 	31/01/2019	31/03/2019	Municipal Manager, CFO & Municipal Council
<ul style="list-style-type: none"> ▪ ADJUDICATION PROCESS (APPEALS) 			
Notify MEC to set up Appeal Board	22/02/2019	30/08/2019	Valuation Services
Advertise Appeal Process	02/07/2019	03/08/2019	Chairperson of the Appeal Board
Receive Appeals from the Municipal Manager	02/07/2019	03/08/2019	Municipal Manager / Municipal Valuer

Prepare packs for appeals	02/08/2019	14/08/2019	Secretariat of the Appeal Board
After the appeal has being forwarded to the Chairperson the meeting should be convene within 60 days	02/08/2018	30/09/2019	Chairperson of Valuation Appeal Board
Prepare defence to appeals	03/08/2013	30/08/2019	Municipal Valuer
Appeal Board Adjudication	02/09/2019	28/09/2019	Appeal Board
Communicate Appeal Board decision to objectors	01/09/2019	10/10/2019	Municipal Manager, Municipal Valuer & Secretary Appeal Board
Submit final certificate report to Municipal Manager	09/10/2019	15/10/2019	Appeal Board
Submit all records to Municipality	15/10/2019	31/10/2019	Chairperson / Appeal Board
▪ FINAL SUBMISSION			
General Valuation Process closes	31/10/2019	31/10/2019	Municipal Manager & Valuation Services

(i) Revenue Management

REVENUE EARNED IN 2018/2019 AND 2017/2018 FINANCIAL YEARS

The sources of municipal revenue include the following:

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

The municipality has adopted a conservative budget with a clear emphasis on budgeting for realistic revenue targets that respond to the depressed economic conditions.

The municipality has identified the dangers of not setting targets that are not 100% achievable, which include liquidity challenges that have been experienced in the past few years. This is a sole reason for reducing the own revenue projections so as to achieve 100.

Financial Year	Budget	Actual	%
2018-2019	R 33 750 000	R 24 314 520	72%
2017-2018	R 59 677 720	R 49 329 020	83%

REVENUE SUMMARY REPORT AS AT 31 JANUARY 2019				
REVENUE SOURCE	BUDGET	TOTAL	BALANCE	%
POS-BUILDING PLANS	150,000.00	337,151.87	(187,151.87)	225%
POS-BILLBOARD RENTAL	250,000.00	123,964.41	126,035.59	50%
POS-HALL HIRE	150,000.00	94,638.00	55,362.00	63%
POS-LEARNER AND DRIV	3,000,000.00	831,194.00	2,168,806.00	28%
POS-POUND FEES	500,000.00	145,647.00	354,353.00	29%
POS-PUBLIC TOILETS	350,000.00	243,347.32	106,652.68	70%
POS-RENTAL OF COMMON	1,100,000.00	1,035,848.48	64,151.52	94%
POS-SUNDRIES	500,000.00	63,146.16	436,853.84	13%
POS-SALE OF LAND	500,000.00	175,912.56	324,087.44	35%
POS-TENDER DOCUMNTS	500,000.00	200,714.00	299,286.00	40%
POS-TRAFFIC FINES	3,000,000.00	922,000.00	2,078,000.00	31%
VAT RECOVERY	8,750,000.00	11,337,200.22	(2,587,200.22)	130%
PRCEEDS FROM MIG	5,000,000.00	426,749.14	-	9%
INTEREST ON INVESTMENTS	3,000,000.00	1,392,593.26	1,607,406.74	46%
	26,750,000.00	17,330,106.42	4,846,642.72	65%
DIRECT DEPOSITS		0.00	(0.00)	
PROPERTY RATES	5,700,000.00	6,847,251.63	(1,147,251.63)	120%
REFUSE REMOVAL	1,300,000.00	137,163.54	1,162,836.46	11%
GRAND TOTAL	33,750,000.00	24,314,521.59	9,435,478.41	72%

AN EXTRACT FROM THE AFS FOR THE PERIOD ENDING 30 JUNE 2018

REVENUE REPORT FOR MBHASHE MUNICIPALITY FOR 17/18 FINANCIAL YEAR				
OWN REVENUE				
	BUDGETED	TOTAL AMOUNT	BALANCE	% Acc/Budg
SALE OF LAND	500,000.00	226,525.21	273,474.79	45%
RATES & REFUSE	6,513,202.00	8,457,200.70	(1,943,998.70)	130%
HALL HIRE	153,397.00	115,807.82	37,589.18	75%
BULDING RENTALS	139,948.00	105,103.00	34,845.00	75%
FINES-TRAFFIC	5,000,000.00	2,146,679.17	2,853,320.83	43%
CEMETARY FEES	3,264.00	3,675.44	(411.44)	113%
PUBLIC TOILETS	150,000.00	293,092.68	(143,092.68)	195%
RENTALS COMMONAGE	1,200,000.00	1,245,965.04	(45,965.04)	104%
INTEREST BANK	8,678,662.00	3,000,404.88	5,678,257.12	35%
ADMIN FEES	500,000.00	360,583.14	139,416.86	72%
POUND FEES	500,000.00	502,955.76	(2,955.76)	101%
SUNDRIES/FINANCE	500,000.00	1,523,363.07	(1,023,363.07)	305%
BUILDING PLAN	150,000.00	145,430.51	4,569.49	97%
PROCEEDS FROM MIG	7,425,000.00	6,687,547.50	737,452.50	90%
BILL BOARDS RENTAL	250,000.00	343,828.43	(93,828.43)	138%
VAT RECOVERY	25,000,000.00	23,023,713.19	1,976,286.81	92%
CHAIR /TABLE HIRE	14,247.00	-	14,247.00	0%
LEARNERS LICENCE& ISSUE	3,000,000.00	1,147,145.00	1,852,855.00	38%
TOTALS	59,677,720.00	49,329,020.54	10,348,699.46	83%
GRANTS				
	BUDGETED	TOTAL AMOUNT	BALANCE	% Acc/Budg
LIBRARY GRANT	350,000.00	350,000.00	-	100%
ELECTRIFICATION	14,000,000.00	14,000,000.00	-	100%
EQUITABLE SHARE	218,025,000.00	218,025,000.00	-	100%
MUNICIPAL INFRASTRUCTURAL GRANT	61,027,000.00	58,027,000.00	3,000,000.00	95%
SUBSIDIES:LOCAL GOV FINANCE MGT GRANT	1,700,000.00	1,700,000.00	-	100%
EPWP	4,236,000.00	4,236,000.00	-	100%
TOTALS	299,338,000.00	296,338,000.00	3,000,000.00	99%

THE TABLE BELOW DEPICTS GRANTS RECEIPTS FOR 2018/19 AND 2017/18

GRANT	2018/2019			2017/2018		
	FINAL BUDGET 2018/19	ACTUAL 2018/19	VARIANCE 2018/19	FINAL BUDGET 2017/18	ACTUAL 2017/18	VARIANCE 2017/18
Finance Management Grant (FMG)	1 770 000	1 770 000	0	R 1 700 000	R 1 700 000	0
Municipal Infrastructure Grant (MIG)	70 192 000	51 217 000	18 975 000	R 61 027 000	R 58 027 000	3 000 000
Integrated Electrification Programme (INEP)	8 946 000	8 946 000	0	R 14 000 000	R 14 000 000	0
Expanded Public Works Program (EPWP)	5 015 000	5 015 000	0	R 4 236 000	R 4 236 000	0

The variance on 2018/19 for MIG is the last trench expected to be received in March 2019.

The municipality has opened dedicated call accounts for the above conditional grants, the details of these accounts are as follows:

	Bank	Account Type	Acc name	Status	Acc number
1	FNB	Call Account	EPWP Call Account	Active	62562355373
2	FNB	Call Account	FMG Call Account	Active	62562352410
3	FNB	Call Account	INEP Call Account	Active	62562829188
4	FNB	Call Account	MIG Call Account	Active	62562827364

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
Revenue Enhancement Debt Management	<ul style="list-style-type: none"> Ability to generate own revenue through the acquired plant machinery GVR being updated Land Audit report being revitalized. 	<ul style="list-style-type: none"> Low revenue base Largely dependent on Grant Funding Poor credit control Low collection rate Non-alignment of the GVR with billing system Non-optimal utilization of Investment Properties Poor tariff setting methods which lead to unsustainability service delivery. Non-alignment of the billing database with indigent register
	OPPORTUNITIES <ul style="list-style-type: none"> Increased revenue = increase in municipal grading Ring fencing of billable revenue sources to fast track basic service delivery Ability to attract new investments Introduction of incentive scheme to enhance debt collection Revenue generation alternative sources of funds 	THREATS <ul style="list-style-type: none"> Providing services at a loss Recoverability of debt which impacts on the self-sustainability of the municipality Non-payment culture from communities and government departments Inadequate land use management controls Fraud and theft Billing queries due to integration of debtors information into the new financial system.

➤ Expenditure and Payroll Management

(i) Expenditure Management

Expenditure Management deals with the payments of service providers in line with Section 65 of the MFMA on monthly basis. Expenditure reports are approved by council on a quarterly basis in line with Section 71 and Section 52(d) of the MFMA. The municipality is paying service providers weekly to accelerate the expenditure trends as well assisting SMMEs. The municipality generates orders for all suppliers including the suppliers appointed through the competitive tender process.

(ii) Payroll Management

Payroll Management deals with the payment of salaries and allowances to Councillors and Employees in line with Section 66 of the MFMA. The section also is responsible for Income Tax administration of the municipality and deductions paid to third parties. All the vacancies in the payroll section have been filled. In order to comply with mSCOA, the municipality has changed its payroll system from Payday to SAGE VIP and went live on the November payroll run.

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
Value for money expenditure	<ul style="list-style-type: none"> • Ability to meet short-term and long-term obligations • Compliance with relevant tax obligations and laws • Good spending on capital conditional grants 	<ul style="list-style-type: none"> • Occurrence of fruitless and wasteful expenditure • Spending outside the approved budget resulting in unauthorized expenditure • Lack of implementation and monitoring of controls and procedures • Lack of monitoring and reviewing of payroll inputs. • Late submission of inputs to the payroll section results in lack of proper reviewing and monitoring, thus resulting in errors not detected timeously. • Inability to perform creditor's reconciliation on the system may result in duplicate payments and delays in paying suppliers.
	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Economic growth and development within the municipal area for SMMEs 	<p>THREATS</p> <ul style="list-style-type: none"> • Interest penalties • Non-compliance with the MFMA • Payment of suppliers through sundry payments exposes the municipality to the risk of fraud as banking details may be fraudulently altered. • Unsuccessful data migration from Payday to SAGE VIP.

EXPENDITURE INCURRED IN 2018/2019 AND 2017/2018 FINANCIAL YEARS

Financial Year	Budget	Actual	%
2018-2019	R 345 164 000	R 183 124 785	53%
2017-2018	R 373 343 274	R 344 066 798	92%

The expenditure for 20181-2019 is for the period up to end of February 2019.

AN EXTRACT FROM THE AFS FOR THE PERIOD ENDING 30 JUNE 2018

BUDGET VS ACTUAL PERFORMANCE REPORT AS AT 30 JUNE 2018				
	BUDGET	ACTUAL	VARIANCE	% SPENT
INFRASTRUCTURE	94,131,021.16	90,383,999.52	3,747,021.64	96%
CORPORATE SERVICES	24,281,925.12	17,798,326.45	6,483,598.67	73%
BUDGET & TREASURY	58,521,122.60	54,697,394.76	3,823,727.84	93%
DEVELOPMENT PLANNING	20,409,012.12	14,110,539.14	6,298,472.98	69%
COUNCIL AND EXECUTIVE	8,667,151.56	6,934,380.75	1,732,770.81	80%
COMMUNITY SERVICES	22,308,304.56	18,925,779.67	3,382,524.89	85%
PERSONNEL	145,024,736.71	141,216,378.31	3,808,358.40	97%
	373,343,273.83	344,066,798.60	29,276,475.23	92%

EXPENDITURE AS AT FEBRUARY 2019

Department	Revised Budget	Actual YTD	Available Budget	% SPENT
Personnel Budget	138,372,710.95	64,802,633.87	73,570,077.08	47%
Infrastructure	99,671,497.48	57,591,663.54	42,079,833.94	58%
Community Services	29,185,430.13	12,398,640.31	16,786,789.82	42%
Developmental Planning	16,690,835.13	9,771,220.28	6,919,614.85	59%
Operations	19,943,926.31	15,656,273.97	4,287,652.34	79%
Corporate Services	17,549,600.00	5,148,384.54	12,401,215.46	29%
Budget & Treasury	26,250,000.00	17,755,968.85	8,494,031.15	68%
	347,664,000.00	183,124,785.36	164,539,214.64	53%

THE TABLE BELOW DEPICTS GRANTS PERFORMANCE FOR 2018/19 AND 2017/18

GRANT	2018/2019			2017/2018		
	FINAL BUDGET 2018/19	ACTUAL 2018/19	VARIANCE 2018/19	FINAL BUDGET 2017/18	ACTUAL 2017/18	VARIANCE 2017/18
Finance Management Grant (FMG)	1 770 000	1 353 732	76%	R 1 700 000	R 1 700 000	0
Municipal Infrastructure Grant (MIG)	70 192 000	43 151 348	61%	R 58 027 000	R 58 027 000	0
Integrated Electrification Programme (INEP)	8 946 000	8 946 000	100%	R 14 000 000	R 14 000 000	0
Expanded Public Works Program (EPWP)	5 015 000	3 023 470	61%	R 4 236 000	R 4 236 000	0

The municipal capital budget is comprised of conditional grants, namely MIG. The spending for 2017/18 was 100% and for 2018/19 the municipality is on track to spend 100% as it is at 61% at end of February 2019.

➤ Supply Chain Management

The Municipality has a dedicated unit that deals with the Supply Chain Management in line with Chapter 11 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) as well as the Supply Chain Management Regulations, 2005. The Supply Chain Management Policy has been reviewed and adopted in May 2018 financial year to ensure compliance with the relevant legislation. The following committees are in place in line with Supply Chain Management Regulations:

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

(i) Demand and Acquisition of Goods and Services

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

(ii) Contracts Management

The section deals with overall management of procurement contracts and performance of service providers.

This is done through maintaining a contracts register and commitments register.

There was identified new irregular expenditure for 2017/18 due to the implementation of the Rural Waste Project under Community Services.

SWOT ANALYSIS		
FACTORS	• STRENGTHS	• WEAKNESSES
Procurement management	<ul style="list-style-type: none"> • Centralisation of Supply Chain Management • Electronic requisition system in place 	<ul style="list-style-type: none"> • Lengthy procurement processes • Lack contract management • Lack of declaration of interests by municipal employees • Inadequate project management that ensures reporting of performance to SCM on a monthly basis. • Use of suppliers not listed in the approved database • Poor planning from user departments
	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Economic growth and development within the municipal area for SMMEs through the new PPPF Regulations • Central Supplier Database (CSD) 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Fraud and corruption • False declarations by service providers

➤ **Asset Management**

The division is responsible for:

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

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

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
Asset management	<ul style="list-style-type: none"> • Credible and GRAP compliant asset register • Electronic Asset Management System in place 	<ul style="list-style-type: none"> • Inadequately staffed asset management unit which comprises of 2 employees. • Reliance on external consultants for asset register preparation • Asset Management system that is under-utilised by the users. • Inadequate insurance cover of municipal assets
	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Utilising of assets as leverage to raise or access funding from external sources 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Theft of municipal asset • Obsolete and impairment of municipal assets.

➤ **FLEET MANAGEMENT**

In order for the council to function and execute its core responsibility, a requirement being a support aid in the form of fleet was identified. This is a support aid which requires both acquiring and then maintaining. In the process of ensuring the MFMA provision are enhanced including property management process the municipality ensures that adequate control of allocated vehicles is always enhanced in a manner that designed officials within department also prioritize the issuing of vehicle trip authorities and submission of accurate logbooks and petrol slips. It became clearly evident that the appointment of a dedicated official was necessary to manage the fleet operations as well as to implement the policy on maintenance and monitors the movement of vehicles. The office of fleet management is making sure that fleet procedure manuals are enforced, valued and adhered by fleet users. The municipality entered into an operating lease rental agreement with for provision of 19 vehicles, which have

gone a long way to address the shortages of vehicles. The monitoring of fleet has been enhanced due to the utilization of the fleet management system.

3.5.5 KPA 5- GOOD GOVERNANCE & PUBLIC PARTICIPTION ANALYSIS

Good Governance and Public Participation is in the Office of the Municipal Mnager with Senior Manager Operations heading the Department. Its main objective is

- ❖ To ensure clean and accountable governance in the municipality
- ❖ To ensure a coordination of integrated planning, implementation, monitoring and evaluation
- ❖ Mainstreaming of Special programmes into Mbhashe programmes
- ❖ To promote effective communication of Mbhashe’s business to its stakeholders
- ❖ To deepen local democracy through community participation

➤ COMMUNITY PARTICIPATION

As the first pillar in Back to Basics, the municipality is continuously improving on mechanisms of making sure that the community participates in the affairs of the municipality

SWOT ANALYSIS	
<p>STRENGTHS</p> <ul style="list-style-type: none"> • Mayoral Imbizos conducted in all 32 wards • community participation in IDP processes • involvement of the municipality in establishment of war rooms • effective public participation and petition strategy 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Minimal education in the benefetits of community participation in municipal affairs
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Harmony in Communities 	<p>THREATS</p> <ul style="list-style-type: none"> • Lack of interests on municipal activities • Protests

➤ **COUNCIL SUPPORT**

The unit under the office of the Municipal Manager is mostly responsible to support council and all its structures.

<p>STRENGTHS</p> <ul style="list-style-type: none"> • The unit is responsible to coordinate effective functioning of the Council and its committees. • Provision of tools of trade to the councillors and ward committees • Developed resolution register • Willingness of internal stakeholders on change management such as the use of electronic version instead of hard 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Monitoring of implementation of resolutions of the council. • Experienced personnel in the unit
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • To stick to the calendar of events • One reporting format for the whole municipal structures • Clear conducting of the meetings • Minimize the expenditure on use of papers 	<p>THREATS</p> <ul style="list-style-type: none"> • The duplication of resolutions • Adherence to the dates in the calendar to avoid expenditure and non – compliance • The community unrest due to incorrect recording of the resolutions.

FRAUD AND RISK MANAGEMENT, COMPLIANCE AND LEGAL SERVICES

Risk Management within the Municipality is considered to be in a developmental stage. A Risk Management Framework has been approved and a risk identification process conducted. Code of conduct is signed by all staff members. This assists to inculcate ethos of adherence to a set of Ethics and good conduct. Fraud and corruption which is a challenge to all government institutions and this institution is not spared either. Measure to fight this must be introduced to promote good corporate governance. The recently adopted fraud and prevention plan will assist the management in mitigating the corruption and apply consequences of fraud as stated in the plan.

Since the appointment of the external Committee Chairperson at the beginning of June 2016, the Committee has met on a quarterly basis. In line with good governance, the Committee meet on a quarterly basis and issue a report for submission to the Municipal Manager and the Audit Committee after each meeting.

COMPLIANCE AND LEGAL SERVICES

The municipality had appointed a manager that is responsible for legal services and assisting the municipality on the matters of compliance. The legal unit has to advise the municipality on reviewing and drafting of contractual documents and also providing both informal formal legal advices. There was an employee who was appointed in the establishment of the unit and the employee only stayed for one month and the municipality was able to appoint the new manager and the risk officer will be appointed in the current financial year. A litigation register is updated monthly and forms part of standing documents to the management, Good Governance Standing Committee and eventually Council.

The Legal and Compliance Manager is also responsible for risk management. The position of the risk officer is approved in the new organogram of the municipality. Risk awareness will be conducted during each quarter for all municipal employees.

<p>STRENGTHS</p> <ul style="list-style-type: none"> • The established Risk Management Committee • The commitment by the Chairperson on risk mitigation • The arrival of the manager assisted the municipality to develop the litigation register and the management is able to track any legal cases against the municipality. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Slow pace on implementation of action plans from the management letter and implementation of Internal Audit Recommendations. • No Performance Specialist in Audit Committee
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • To minimise the risk and fraud to the municipality • To save on the expenditure done by the municipality • Building the public confidence 	<p>THREATS</p> <ul style="list-style-type: none"> • Institutional Memory • Litigation to the municipality

➤ POLICIES AND BY-LAW

As part of compliance, the development or reviewal of policies is coordinated in the office of the Municipal Manager under the guide of legal services.

The following policies have been developed or reviewed in 2018. Council has been workshopped on all the policies and they have been taken to Council for adoption on 30 May 2018.

DEPARTMENT	POLICY	DEVELOPED 2019/20	REVIEWED 2019/20
Infrastructure	Infrastructure Policy& Maintenance Plan		X
	ISD Policy		X
BTO	Property Rates Policy		X
	Credit Control & Debt Collection Policy		X
	Petty Cash Policy		X
	Supply Chain Management Policy		X
	EFT Policy		X
	Tariff Policy		X
	Credit Control and Debt Collection Policy		X
	Virement Policy		X
	Borrowing Policy		X
	Long Term Financial Planning Policy		X
	Investment Policy		X
	Policy on Planning and Approval of Capital Projects		X
	Management of Accumulated Surplus/Deficit and Bad Debts		X
	Policy on the Write-Off of Irrecoverable Debt		X
	Related Party Policy		X
	Commodity Based Procurement Policy		X
	Infrastructure Procurement and Delivery Management Policy		X
	Supply Chain Process Turn Around Policy		X
	Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy		X
	Asset Management Policy		
Developmental Planning	Sale & Disposal Municipal Land Policy		X
	Prevention of Land Invasion Policy		X
	Street and Street Naming Policy		X
	Informal Settlement & Upgrading Policy		X
	Replacement of Beneficiary Policy		X
	Incubation Policy		X
	Lease Policy		X
Community Service	Liquor Trading by –Law		X
	Animal Pound Policy		X
	Vehicle impoundment policy		X
	Cemetery Policy		X
	Indigent Policy		X
	EPWP Policy		X
Corporate Services	Records Management Policy		X
	Cell phone and data card policy		X
	ICT Change Management Policy		X
	ICT Governance Framework		X
	ICT SLA Management Policy		X
	ICT disaster recovery plan		X
	ICT Management Policy		X
	Email Policy		X

	Telephone Management Policy		X
	User Access Management Policy		X
	Transfer and demotion policy		X
	Leave Management Policy		X
	Bereavement Policy		X
	Training & Development Policy		X
	ICT Incident & problem management policy	X	
	Acting Allowance Policy		X
	Overtime Policy		X
Operations	Risk Management Policy		X
	Fraud Anti – Corruption Policy		X
	SPU Strategy		X
	SPU Policy		X
	Internal Audit Charter		X
	Internal Audit Framework		X
	Audit Performance Audit Committee Charter		X
	Combined Assurance Framework	X	
	Communications & Social Media Policy		X
	Performance Management Framework		X
	Public Participation Strategy		X
	IGR Framework		X
	Ward Committee Policy	X	
	Rules of Order Policy	X	

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
Policies	<ul style="list-style-type: none"> • Smooth operations • A product of consultation 	<ul style="list-style-type: none"> • Implementation • Review • Delays in adoption • Awareness
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Stability • Improve municipal perception by society 	<ul style="list-style-type: none"> • Changing legislation • Court orders

INTERGRATED PLANNING, IGR AND INSTITUTIONAL PERFORMANCE

Integrated planning is a planning method to help municipalities develop a coherent, long term plan for the coordination of all development and delivery in their area. Municipalities face huge challenges to develop sustainable settlements that meet the needs and improve the quality of life of local communities. In order to meet these challenges, they will need to understand and develop a concrete vision for the area and then develop the strategies and plans to realize and finance that vision in partnership with other stakeholders.

Performance management is a system that is used to make sure that all parts of the municipality work together to achieve the goals and targets of what has to be done to make sure the goals are achieved. The municipality established the performance evaluation panel which is assessing the individual senior managers started in 2016/17 financial year. The committee is composed of the people stated in the performance regulations for senior managers. Every department and staff member should be clear what they have to do and how their performance will contribute to achieving overall goals and targets.

Mbhashe municipality participates and coordinates the local **Intergovernmental Relations** forum (IGR) within the jurisdiction of Mbhashe. The IGR forum provides for the seating of various sector departments to plan and address issues of mutual concern in service delivery in the municipal jurisdiction. The municipality established five clusters of the IGR which are sitting two weeks before the full IGR and the municipality managed to its four meetings in the past financial year

<p>STRENGTHS</p> <ul style="list-style-type: none"> • The planning that deals with all the phases of the IDP • Consistent consultation with the stakeholders • The functional IGR • Developed terms of reference 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Lack of integration between formal reporting and reporting to communities • Proper monitoring of the procurement plans in order to adhere to the targets set
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Integrated programmes by all sectors of government • Addressing challenges that faced our communities in an integrated way • Mobilization of scarce resources 	<p>THREATS</p> <ul style="list-style-type: none"> • Duplication of resources to one area • Incomplete projects and programmes

MEC COMMENTS ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW-2018/19

After the assessment of Mbhashe 2018/19 IDP by the Department of Cooperative Governance an assessment report was sent by the office of the MEC reflecting how the municipality has performed and below is a detailed report on the assessment results.

1. Introduction

The annual assessment of Integrated Development Plans by provincial government is important, as it is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32, of 2000 (MSA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. Furthermore it provides an indication of the ability and readiness of municipalities to deliver on the legislative and Constitutional mandate. It is always beneficial for this assessment to embrace representation of municipalities at the level of s56 or middle managers to enable engagement between municipalities and assessors and even with peers for sharing of best practices and mutual understanding of requirements as well as arrangements for further support in identified areas of weaknesses.

2. Role Players in the Reviewed Final 2018/19 IDP assessment process

This report encapsulates MEC comments on behalf of Department of Co-operative Governance & Traditional Affairs), as provided by both Provincial and National departments on the reviewed Final Integrated Development Plan (IDPs).

The government sectors which took part in this year's assessment are as follows: Office of the Premier, Department of Economic Development, Environmental Affairs and Tourism, Department of Health, Eastern Cape Socio Economic Consultative Council, Department of Public Works, Department of Water & Sanitation, Department of Social Development, Department of Home Affairs, Department of Safety & Liaison, Department of Environmental Affairs, Eastern Cape Parks & Tourism Agency, East London Industrial Development Zone and Eastern Cape Development Corporation

3. IDP Assessment Methodology

The Department embarked on a District Cluster Approach where municipalities were assessed per municipal district area. Mbhashe Local Municipality was assessed together with all municipalities within the Amathole District on the 19 February 2019. The main purpose of the assessment was to:

- ❖ Ensure the alignment of priorities in all spheres of government;
- ❖ Ensure that integrated development plans are responsive, realistic and implementable;
- ❖ Identify areas of weaknesses in municipalities for the targeted intensive support.
- ❖ Promote consciousness of devolved powers and functions and legal compliance by municipalities, Sector Departments and State Owned Enterprises; and
- ❖ Provide departments an opportunity to realise the importance of submission of Sector Plans for incorporation in IDPs.

Six Commissions were established to deal with the five Key Performance Areas (KPA) indicated below including the Spatial Planning, Land, Human Settlement and Environment Management. All municipalities participated in the commissions. The main aim for this approach is for observation and pollination of good practices from peer groups. All sector departments allocated themselves in these commissions according to their constitutional mandates.

Key Performance Areas	
KPA 1	Spatial Planning, Land, Human Settlement and Environment Management
KPA 2	Basic Service Delivery
KPA 3	Financial Planning and Budgets
KPA 4	Local Economic Development
KPA 5	Good Governance and Public Participation
KPA 6	Institutional Arrangements

4. Assessment Findings on the 2018/19 Final IDP

The overall findings on the Final IDP 2018/19 of the Mbashe Local Municipality can be summarized as follows:

- ❖ The municipality has tabled, adopted and submitted its 2018/19 Reviewed Integrated Development Plan for assessment, which our department has undertaken during the week of 18 – 22 February 2019;
- ❖ The municipality has conformed to the Council approved process plan;
- ❖ The municipality has conformed to the core components of an IDP as prescribed by section 26 of Municipal Systems Act (MSA);
- ❖ The municipality will make reference to the Individual IDP Assessment & Analysis Report in relation to the details of findings on gaps and improvement measures relating to all six KPAs;
- ❖ An overview of the assessment is set out below to provide the Municipality with a synopsis of scoring

Each commission has allocated an objective overall rating per Key Performance Area. The ratings ranged from low, medium to high within the following context:

Score/ Rating	Performance Description	Action Required
Low	Poor	Immediate and intensive intervention
Medium	Satisfactory	Minimum support required
High	Good	Benchmarking

The Comparative KPA Ratings with the recent 2018/19 IDP Assessment Ratings for your municipality are as follows:

KPA	RATING 2017/2022 IDP	RATING 2018/19 IDP REVIEW
Spatial Planning, Land, Human Settlement and Environmental Management	High	HIGH
Basic Service Delivery	High	HIGH
Financial Planning and Budgets	Medium	HIGH
Local Economic Development	High	HIGH
Good Governance & Public Participation	High	HIGH
Institutional Arrangements	High	HIGH
Overall Rating	HIGH	HIGH

Let me now take this opportunity to congratulate you for developing a credible IDP. It has been noted with delight that your municipality has received HIGH rating on all six KPAs and has also retained an overall **HIGH** rating score in the recent 2018/19 IDP assessment.

I trust that the above submission will be of great value to your institution, all stakeholders and your communities during development planning process to ensure production of a responsive IDP that will facilitate the improvement of the lives of the people through accelerated visible and tangible services provision.

In the past three years the municipality has obtained an overall rating of High. Issues raised in the the MEC Comments have been prioritized in the contribution of having a credible IDP.

Year	2016/17	2017/22	2018/19
Rating	High	High	High

Issues that have been raised in the assessment above have been discussed and an action plan has been adopted by management to be looked at in the reviewal of the 2019/20 IDP. A lot of improvement has been seen on findings compared to the assessment made in the 2017-2022 IDP.

AUDITOR GENERAL'S FINDINGS ON PREDETERMINED OBJECTIVES

In the 2017/18 audit by the Auditor general, the the under mentioned findings on predetermined objectives were observed, hence the action plan to deal and improve on the issues raise

/(Iss.36)	Pre-determined objectives:AOPO:	Indicators are not well defined	During the audit of Predetermined Objectives we discovered that the target is not specific, since the indicator refers to "Number of surface roads maintained", whereas the target refers to "Kms" instead of "Number"	Management agree with the finding and we have since corrected it in the current financial year (2018/19)	Name: T. Bacela Position: Senior Manager: Operations
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(Iss.38)	Pre-determined objectives:AOPO:	Reported achievement not consistent with planned and reported targets	During the audit of Predetermine Objectives we discovered that the reported achievement of the following indicators was calculated using a basis that was different to the basis disclosed in the planned indicator and target.	<ul style="list-style-type: none"> • SDI 1.11 Management does not concur with the finding as the target was not met and the actual performance was reported as at end of 30 June 2018 • SDI 1.20 Management concur and will adjust the actual achievement in the APR • SD 2.3 Management concur and will adjust the actual achievement in the APR • SD 2.9 Management concur and will adjust the actual achievement in the APR • SD 5.1 Management concur and will adjust the actual achievement in the APR • SD 8.1 Management concur and will adjust the actual achievement in the APR • LED 1.4 Management concur and will adjust the actual achievement in the APR • LED 1.6 Management concur and will adjust the actual achievement in the APR • LED 1.10 Management does not concur with the finding as the target was not met and the actual performance was reported as at 	Name: T BACELA Position: SM: OPERATIONS
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				<p>end of 30 June 2018</p> <ul style="list-style-type: none"> • LED 4.2 Management concur and will adjust the actual achievement in the APR • LED 8.1 Management concur and will adjust the actual achievement in the APR <p>From Coaf 14</p> <p>KPA 2: Service Delivery & Infrastructure Development</p> <p>SD1.7.1 Number of formal bridges constructed</p> <p>SD1.7.2 Number of formal bridges constructed</p> <p>SD1.10 Number of high masts installed</p> <p>SD1.13 Number of Sports field constructed</p> <p>SD1.30 Number of transfer stations constructed</p> <p>SD1.30 Number of landfill sites upgraded</p> <p>KPA3:</p> <p>LED1.3 Number of village associations assisted with maize production inputs.</p> <p>LED1.4 Number of farming projects assisted with fencing inputs</p>	
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				<p>LED1.6 Number of village farming associations assisted with stock remedy</p> <p>LED1.7 Number of village feedlots assisted</p> <p>LED1.8 Number of dipping tanks renovated</p> <p>LED1.9 Number of shearing sheds built or renovated</p> <p>LED1.10 Number of boreholes renovated and drilled</p> <p>LED2.4 Number of information days held</p> <p>LED3.1 Number of people employed through EPWP</p> <p>LED4.2 Number of SMME's linked to formal markets through exposure</p> <p>LED5.2 Number of SMMEs supported</p> <p>LED5.2.2 Spending towards local SMMEs</p> <p>LED5.3 Number of co-ops funded, trained and assisted</p> <p>LED5.3 Number of informal traders supported</p> <p>LED7.1 Number of events hosted and participated on</p> <p>LED7.2 Number of tourists destination with clear signage</p>	
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				<p>LED7.3 Number of tourism infrastructure projects facilitated and support</p> <p>LED8.1 Number of heritage properties developed</p> <p>Indicators under SDI and LED KPA reflected above will be adjusted to ensure that planned targets are consistent to the reported target.</p>	
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(Iss.42	Pre-determined objectives:AOPO:	AOPO: Indicators and Targets not reported in the APR)	<p>During the audit of Predetermined Objectives we discovered that the following indicators and target from the SDBIP were not reported in the APR</p> <p>KPA2: Service Delivery & Infrastructure Development</p> <p>NO Planned indicators per SDBIP Reported indicators per APR Planned targets per SDBIP Planned targets per APR Reported actual achievement per APR</p> <p>1 SD1.3 SD1.3 Number of KM of gravel roads upgraded Not reported 1 N/A N/A 2 SD1.18 Number of boreholes constructed Not reported 2 N/A N/A</p>	<p>SD1.25 Number of Communal cemeteries fenced SD1.26 Number of parks constructed</p> <p>Management does notes the finding however these targets were removed from SDBIP hence they are not reported in the SDIP and APR (SD 1.25 & 1.26)</p> <p>From Coaf 14</p> <p>SD1.17 Number of municipal offices upgraded SD1.18 Number of boreholes constructed SD1.22 Number of cemeteries fenced SD1.23 Number of Communal cemeteries fenced SD1.24 Number of parks constructed</p> <p>Concur with the finding and the targets will be reported upon in the adjusted APR</p>	<p>Name: T BACELA Position: SM: OPERATIONS</p>
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(Iss.64)	Pre-determined objectives:AOPO:	Performance Information not properly presented and disclosed	<p>During the audit of Predetermined objectives we discovered that the following Performance information is not properly presented and disclosed:</p> <p>KPA2: Service Delivery & Infrastructure Development</p>	Concur with the finding, and the indicators will be adjusted in the adjusted APR. New Note	Name: T BACELA Position: SM: OPERATIONS
(Iss.121)	Pre-determined objectives:AOPO:	Cannot determine the period of the information	<p>We cannot be able to determine whether the information provided relates to the current year or the previous year as there are no dates on the delivery notes</p> <p>KPA3: Local Economic Development</p> <p>LED 1.3 Number of village associations assisted with maize production inputs</p>	Management concurs with the finding and will ensure that the reported information has dates.	Name: T BACELA Position: SM: OPERATIONS

(Iss.126)	Pre-determined objectives:AOPO:	Reported information, inaccurate, incomplete and not supported	<p>During the audit of Performance Information I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report</p> <p>KPA 2 Service Delivery & Infrastructure Development</p>	Management concurs with the finding and will adjust in the APR after verifying.	Name: T BACELA Position: SM: OPERATIONS
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2.8.5 SPECIAL PROGRAMS

The Special Programmes Unit (SPU) is located in the office of the Municipal Manager and has a dedicated SPU Officer assigned to manage this function and assisted by 2 SPU Unit Coordinators, one based in Xhorha and the other is assigned to both Gatyana and Dutywa. The focal priority area for SPU is:

- ❖ Youth
- ❖ Gender
- ❖ HIV/AIDS
- ❖ People With Disability
- ❖ Older Persons
- ❖ Children
- ❖ Sport
- ❖ Military Veterans

The SPU facilitates the integration and mainstreaming of the designated groups into the development of the Municipality by;

Creating the necessary / conducive environment both internal and external through establishment of structures that will promote participation of Youth, Gender issues, Persons with Disability, Children, Older Persons and HIV/AIDS infected individuals in our local Municipality.

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Memorandum of Understanding between Mbhashe Municipality and NYDA for establishment of 2 NYDA Local Youth Offices. (Xhorha and Dutywa) • Developed and Implemented SPU Strategy with Action Plans • Coordinated Mayoral Cup Tournament to achieve Social Cohesion • Functional Older Person's Forum • Memorandum of Understanding between Mbhashe Municipality and 	<ul style="list-style-type: none"> • Lack of Developed Policies relating to vulnerable groups to support SPU Strategy. • Non-existence of Local AIDS Council for coordination of HIV/AIDS, TB and STI issues and development of Local Implementation Plan for HIV/AIDS, TB and STI. • Non-existence of Persons with Disability Forum • Non-existence of Gender forum

<p>World Vision for advocacy of Children's programme.</p> <ul style="list-style-type: none"> • Budget allocation for Vulnerable groups programmes • Sport Coordinator to be recruited for coordination of Sport. 	<ul style="list-style-type: none"> • Lack of good working relations between SPU, LED, other municipal departments. • Shortage of Personnel within the Section. • Lack of Functioning Local South African Youth Council Organization (SAYC) for coordination of Youth developmental programmes.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Availability of Policy Development Guidelines from National and Provincial level that can assist in the development of policies. • Support and assistance available from National and Provincial Government. • Coordinated Local Implementation Plan for HIV/AIDS, TB and STI which is being developed which is linked to National Strategy. 	<p>THREATS</p> <ul style="list-style-type: none"> • Lack of Maximum participation by vulnerable groups due to non-availability of structures at Ward level. • Lack of proper coordination and integrated Sport programmes and events which are being held within the Municipality and other stakeholders such as Mbashe Sport Council, Imiganu Traditional Council, Nqadu Great Place and SAPS. • Non accessibility of some offices to people with disability

2.8.6 INTERNAL AUDIT

Based on the legislative mandate of section 165 of the MFMA, Mbashe Local Municipality has established an Internal Audit Unit since 2008. Mandate of the unit is to assist the municipality by reviewing the existing internal controls for its efficiency and effectiveness. This includes providing advice to the accounting officer and audit committee on matters relating to internal audits, internal controls, accounting procedures and practices, risk and risk management, performance management, loss control, and compliance with applicable legislation. The unit is governed by the by the Institute of Professional Practice for Internal Auditors (IPPIA). The municipality have the new audit committee started on the July 2016 for period of three and is composed of four members including performance audit. It operates in accordance with an approved and updated Internal Audit Charter. Detailed content in regards to its responsibilities, code of conduct, authority and scope is explained in the Internal Audit Charter.

Function	Strength	Weaknesses	
Internal Audit	<p>Mandate of the unit is to assist the municipality by reviewing the existing internal controls for its efficiency and effectiveness.</p> <p>The following strength are recognized under the internal audit department:</p> <ul style="list-style-type: none"> ➤ Established internal audit committee appointed by the council with independent members which are not employees of the municipality ➤ Required and relevant internal audit(IAT, PIA) qualification to the staff as required by the internal audit standards and other professions ➤ The direct responsibility comes from the internal audit and audit committee charter which is approved by the audit committee chairperson for implementation ➤ Risk based internal audit plan which is aligned with priorities as detailed 	<p>Challenges under the internal audit unit:</p> <p>An analysis of the internal audit workforce at Mbhashe indicates a gap in the collective skills of staff.</p> <p>The following table describes the gaps. There is also a challenge of non-availability of the IT system to be used during audit engagements.</p>	
		Description	Skills required
		Financial Auditing(GRAP)	<p>Necessary skills for the audit of GRAP complaint audit on the financial information.</p> <p>This relates to the monthly, quarterly, mid-year and annual financial statements</p>
		IT Auditing and risk assessment	<p>Skills in regards to IT governance and general controls are available. Skills gap is in the application controls.</p>
		Infrastructure Asset Management	<p>Skill gap in auditing financial</p>

	<p>IDP of the institution/municipality</p> <ul style="list-style-type: none"> ➤ Effective structure of reporting, where administratively, the unit is reporting Municipal Manager and functionally to the audit committee ➤ Opportunity to discuss internal audit reports with management before they are discussed with the internal audit committee ➤ As a form of compliance, Internal auditors are members of the institute of internal audit south Africa <p>Other critical success factors are:</p> <ul style="list-style-type: none"> ➤ Internal audit plan is aligned with the strategic risk areas facing the organisation ➤ Internal audit plan is prepared in consultation with management ➤ Matches assurance with available resources 		<p>aspects, systems and infrastructure operations</p>
		<p>Fraud Investigations</p>	<p>Internal Audit is facilitating in ensuring that FRAUD prevention strategies are in place and implemented.</p> <p>There is no forensic auditor at MLM</p>
	<p>Opportunity</p>	<p>Threats</p>	
	<p>These are the direct and indirect opportunities that can/will have relatively impact to improve and</p>	<p>These are the direct impacts that will negatively affect functioning of the internal audit unit to achieve its mandate:</p>	

	<p>contribute to the performance of the unit within the municipalities:</p> <ul style="list-style-type: none"> ➤ Review of the systems, financial and non-financial controls improve the compliance matter as required by National treasury, auditor general and other stakeholders ➤ Good governance and risk management contributes to achievement of the municipal objectives ➤ Effective three lines of defence (management, internal audit and auditor general) as being recommended by the internal audit unit contribute to the improvement of municipal opinion as per the auditor general report ➤ Effective relationship between the internal audit and auditor general ➤ Improved audit opinion contribute to image of municipality 	<ul style="list-style-type: none"> ➤ As per section 87 of the External assessment of the internal audit unit by the independent consultant for quality assurance can result to the non-compliance which can be identify by auditor general and national treasury ➤ Non availability of the internal audit system (Teamate) will impact on the efficiency of the unit. ➤ Non marketing of the internal audit within the institution ➤ Slow implementation of the internal audit/audit committee recommendations ➤ Change of internal audit scope work as an interference by management ➤ Co-sourcing of the internal audit unit ➤ Reliance of the external audit to the work of internal audit
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	<ul style="list-style-type: none">➤ Opportunities that the audit report can be used by the source funders➤ Quarterly oversight report by audit committee chairperson to the council promote efficiency and effectiveness of service delivery activities	
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2.8.7 PUBLIC PARTICIPATION

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

The Public Participation & Petition Strategy has been developed and will be reviewed on annual basis. The strategy also include the process on how to manage the petitions that are delivered to the municipality. The management has developed the follow up log in order to manage the petitions and the public participation and petitions committee was also established during the establishment of section 79 committees in 2016. The communities participate in the IDP process through the Representative Forum that is generally attended by all Councillors, Traditional Leaders participating in the Council, IDP Steering Committee members, organised groupings and interest groups, sector departments operating with Mphashe Municipal area, Secretaries of the Ward Committees and Community Development Workers. After the tabling of the draft IDP/Budget to the Council, road shows to all the wards are undertaken, where members of the community are assisted in the form of transport and catering, to attend these meetings. The Mphashe municipality has developed the twenty seven by-laws (27) and the public participation meetings were conducted during the development process. The municipality managed to gazette nine (9) in 2012. In 2013 Amathole District Municipality assisted the municipality in gazetting the remaining by-laws. The only challenge is the enforcement of by-laws due to capacity

Traditional Leaders

The municipality has 12 Traditional leaders participating in the activities of the council and their contribution in the affairs of the council is easily noticeable. Currently the traditional leaders were identified by their traditional authorities and are receiving a sitting allowance of R3 500 per month. They participate in the council structures and forums meetings such as IGR and IDP forums for the development and reviewal of the strategic document.

All traditional Leaders around Mphashe form part of the processes of development and in the affairs of the community involvement, they are one of the stakeholders consulted and invited to participate. The traditional leaders also form part of section 80 committee meetings that are held quarterly.

Community Development Workers

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

Challenges

- ❖ CDW's work may be unnoticed because of lack of coordination on the part of the

municipality and.

- ❖ Posts of CDWs (44%) are still left unfilled by the COGTA and this results in some wards living without CDWs for a long time.

Remedial Action

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

Ward Participation

Ward committees have been elected in all wards during the beginning of the term in 2016. The municipality had developed a reporting template whereby all ward committees will use for reporting. The ward committees are submitting reports to the office of the Speaker on a quarterly basis coordinated by Public Participation. Their reports form part of the Speaker's report to Council. The municipality has budgeted for the training of ward committees in order to build their capacity as to assist in service delivery.

Operation Masiphathisane (War Rooms)

Since the launch of Operation Masiphathisane, Mbashe Municipality has launched War rooms in 30 wards. Ward 1 and 11 are still outstanding. War Rooms have Ward Councillors as chairpersons and CDWs as secretaries. War room committees were formed, inclusive of all stakeholders in the ward. The functionality of these war rooms is however still a challenge due to a number of factors. Some wards do not even have the infra structure to meet. Government departments have limited personnel to avail themselves to all wards. The high vacancy rate of CDWs is also a handicap as 44% of the wards do not have CDWs. The local War room is still to be launched.

CHAPTER 4

OBJECTIVES & STRATEGIES

KPA1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
Human Resources	To provide and enhance skills among the Councilors, Traditional Leaders, Ward Committees, unemployed youth and employees to ensure effective service delivery by 2022	MTI 1	By implementing training programs as per approved skills development plan (WSP, SETA, SALGA, TVET)	Number of formal qualifications registered as per approved skills development plan (WSP, SETA, SALGA, TVET)	MTI 1.1	Building Institutional resilience and administrative Capability	57	6 formal qualifications registered as per approved skills development plan (WSP, SETA, SALGA, TVET)	13	11	Senior Manager : Corporate Services
				Number of learners participating in internship programs (Youth, women and other groups)	MTI 1.2	Building Institutional resilience and administrative Capability	109	23 learners participating in internship programs (Youth, women)	50	50	Senior Manager : Corporate Services

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
								and other groups)			
	To attract, retain human capital of Mbhashe that will ensure effective and efficient service delivery by 2022	MTI 2	By reviewing organizational structure	Number of organogram submitted to Council	MTI 2.1	Building Institutional resilience and administrative Capability	1	1 Organogram submitted to Council	1	1	Sm: Corporate Services
By maintaining a low vacancy rate			Number of employees recruited in 2019/20	MTI 2.2	Building Institutional resilience and administrative Capability	267	20 employees recruited in 2019/20	20	20	Sm: Corporate Services	
By organizing or coordinating assistance programs for Councilors, Traditional Leaders and Employees			Number of Wellness programs organized or coordinated	MTI 2.3	Building Institutional resilience and administrative Capability	16	4 Wellness programs organized or coordinated	4	4	Sm: Corporate Services	

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
	To ensure monitoring and evaluation of IDP to improve institutional performance by 2022	MTI 3	By coordinating performance reporting, monitoring and evaluation.	Number of individual assessment reports submitted to Management	MTI 3.1	Building Institutional resilience and administrative Capability	1	4 individual assessment reports submitted to Management	4	4	Sm: Corporate Services
			By improving performance through monitoring and evaluation of reports	Number of quarterly organizational performance reports submitted to Council	MTI 3.2	Good Governance	12	6 quarterly organizational performance reports submitted to Council	6	6	Sm : Operations
			By developing annual report	Turnaround time for the submission of 2018/19 final and audited annual report submitted to AG, Provincial Treasury and COGTA	MTI 3.3	Good Governance	2	2018/19 Annual Report submitted to AG by 31 August 2019 and to PT & COGTA by 5 th of September 2019	2019/20 Annual Report submitted to AG by 31 August 2020 and to PT and COGTA	2020/21 Annual Report submitted to AG by 31 August 2021 and to PT and COGTA	Sm : Operations

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
	To create conducive working environment for employees by 2022	MTI 4	By complying with labour related Legislations	Develop a report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity)	MTI 4.1	Building Institutional resilience and administrative Capability	3	Developed report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity)	Developed report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity)	Developed report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity)	Sm: Corporate Services
Facilities Management			By maintaining Municipal facilities	Number of municipal facilities maintained (Dutywa TRC, Dutywa Town hall, Executive House, Workshop Offices, Xhorha	MTI 4.2	People First	9	6 municipal facilities maintained (Dutywa TRC, Dutywa Town hall, Executive House, Workshop	6 municipal buildings maintained	3 municipal buildings maintained	SM: Corporate Services

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
				and Gatyana Offices)				Offices, Xhorha and Gatyana)			
		MTI 4		Number of developed and approved Municipal drawings for the existing main building (Customer Care)	MTI 4.3		0	1 developed and approved municipal drawings for the existing main building. (Customer Care)	1 developed and approved municipal drawings for the existing main building. (Customer care)	1 developed and approved municipal drawings for the existing main building. (Customer care)	SM: Corporate Services
				Number of carpots installed in Dutywa -Tesko Building)	MTI 4.4		54	1 carpot installed in Dutywa - Tesko Building	5 carpots installed in Gatyana and Elliotdale	4 carpots installed in Gatyana and Elliotdale	SM: Corporate Services

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
				Number of generators installed at Dutywa unit(Town Hall and Tesko)	MTI 4.5		2	2 generators installed at Town Hall and Tesko	1 generators installed	1 generators installed	Sm: Corporate Services
	To create conducive working environment for employees by 2022		By providing alternative water supply to municipal facilities	Number of municipal facilities provided with water tanks at Xhora	MTI 4.6		3 Water Tanks	1 municipal facility provided with water tank at Xhora	1 municipal facility provided with alternative water supply	1 municipal facility provided with alternative water supply	Sm: Corporate Services
ICT	To ensure an integrated, stable and responsive ICT infrastructure by 2022.	MTI 5	By ensuring Business Continuity	Number of functional disaster recovery sites	MTI 5.1	Building Institutional resilience and administrative Capability	1	1 functional Disaster Recovery Site	1 functional Disaster Recovery Site	1 functional Disaster Recovery Site	Sm: Corporate Services
				Fully functioning of ICT communication solutions	MTI 5.2	Building Institutional resilience and administrative	0	Fully functional ICT Communication Solutions	Fully functional ICT Communication Solutions	Fully functional ICT Communication Solutions	

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
						ve Capability					

KPA 2: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

FOCUS AREA	OBJECTIVE	OBJ No.	STRATEGY	INDICATOR	IND No.	B2B PILLAR	BASELINE	2019/20	2020/21	2021/22	ACCOUNTABLE OFFICIAL
				Number of Kms of gravel roads constructed (Wards – Completion 26,3,27)	SD1.1			5 kms of gravel roads constructed in each Ward (26,3&27)	5 kms of gravel road constructed in Wards	5 kms of gravel road constructed in Wards	Sm: Infrastructure
				(Wards – New2,4,12,14,17,7,25&28)	SD 1.1.1			5kms of gravel road constructed in each ward (17,7,25&28)	5kms of gravel road constructed in other wards	Sm: Infrastructure	Sm: Infrastructure
					SD 1.1.2			5 kms of gravel roads constructed	5kms of gravel road constructed	5kms of gravel road constructed	Sm: Infrastructure

							in each Ward (2,4,12 &14)	ed in other wards	ted in other wards	
			By maintaining gravel roads and storm water facilities	Number of Kms of gravel roads with storm water facilities maintained in each unit (Willowvale, Elliotdale and Dutywa)	SD 1.2	799	300 kms of gravel roads with storm water facilities maintained in each Unit (Gatyana, Xhorha and Dutywa)	Kms of gravel roads with storm water facilities maintained in other wards	Kms of gravel roads with storm water facilities maintained in other wards	Sm: Infrastructure
			By upgrading of gravel roads	Number of Kms of gravel roads upgraded in Ward 9	SD 1.3	5km	9,2 kms of gravel road upgraded in Ward 9	3km of gravel roads upgraded in other wards	3km of gravel roads upgraded in other wards	Sm: Infrastructure
			By upgrading of storm water culverts and channels	Number of storm water culverts installed and channels upgraded in each unit (Gatyana, Xhorha and Dutywa)	SD 1.4	10	12 storm water culverts installed and 8 channels upgraded in each unit (Gatyana, Xhorha and Dutywa)	20 storm water culverts and channels upgraded	20 storm water culverts and channels upgraded	Sm: Infrastructure

			By maintaining surfaced roads	% of surface road maintained as per the assessment report (Wards 1,13,25)	SD 1.5		11km (Road network)	100% of surface road maintained as per the assessment report (Wards 1,13,25)	11kms of surfaced roads maintained	11kms of surfaced roads maintained	Sm: Infrastructure
			By paving square metres in identified areas	Number of square meters of roads paved in (Wards 1,13,25)	SD 1.6		10000 m2	8000m2 of roads paved in (Wards 1,13,25)	10000m2 of roads paved	10000m2 of roads paved	Sm: Infrastructure
			By constructing motorist bridges structures	Number of motorist bridges constructed at Qinqana	SD 1.7		20	1 motorist bridge constructed at Qinqana	1 motorist bridge constructed in Vinindwa	1 motorist bridge constructed in Vinindwa	Sm: Infrastructure
			By providing grid electricity to qualifying households	Number of households assisted with provision of grid energy (Wards 14,27)	SD 1.8		35309	426 households assisted with grid energy Wards (14,27)	426 households assisted with alternative energy.	426 households assisted with alternative	Sm: Infrastructure

									ve energy.	
			By upgrading street lights in all towns	Number of street lights upgraded at Gatyana	SD 1.9	610	55 street lights upgraded at Gatyana	50 street lights upgraded	50 street lights upgraded	Sm: Infrastructure
			By maintaining street lights in all towns	% of street lights and highmast maintained as per the assessment report (Wards 1,13,25)	SD 1.10	610	100% of street lights and highmast maintained as per the assessment report (Wards 1,13,25)	610 street lights maintained	610 street lights maintained	Sm: Infrastructure
			By constructing Sport facilities	Number of Sports facilities in construction at ward 13 & 25	SD 1.11	0	Grand stand and parking area (ward 25)	N/A	N/A	Sm: Infrastructure
					SD 1.11.1		Bulk earthworks and fencing	N/A	N/A	

							complete (Ward 13)			
			By constructing community halls	Number of community halls constructed (New) (Ward 20 Manganyela & 21 Dutch) Mdwaka and Madwaleni completion	SD 1.12	56	2 community halls constructe d (Mangany ela & Dutch	2 communit y halls construct ed	2 commu nity halls construc ted	Sm: Infrastruct ure
					SDI 1.12.1		2 community halls completed (Mdwaka and Madwaleni)	2 communit y halls complete d	2 commu nity halls complet ed	Sm: Infrastruct ure
			By constructing Municipal offices	Number of superstructure completed at Ward 1	SD 1.13	4	1 superstruct ure completed at Ward 1	1	1	Sm: Infrastruct ure
			By maintaining public ablutions	Number of ablution facilities maintained in each ward (Dutywa,Gatyana and Xhora)	SD 1.14	5	1 ablution facilities maintained in each (Dutywa, Gatyana and Xhora)	2 ablution facilities maintaine d	2 ablution facilities maintain ed	Sm: Infrastruct ure

			By constructing ECDCs	Number of reports on the assessment of ECDCs at Xhora, Gatyana and Dutywa	SD 1.15		5	1 report on the assessment of ECDCs Xhora, Gatyana and Dutywa	3 ECDCs constructed	5 constructed	Sm: Community Services
			By constructing transfer station	Number of transfer stations constructed at Ward 9	SD 1.16		0	1 transfer station constructed at Ward 9	1	1	Sm: Infrastructure
			By upgrading landfill site	Number of landfill sites upgraded at Xhorha W13	SD 1.17		1	1 landfill site upgraded at Xhorha W13	0	0	Sm: Infrastructure
			By providing LED infrastructure	Number of reports on the assessments conducted for LED infrastructure projects in (ward 2-32)	SD 1.18		42	4 reports on the assessments conducted for LED infrastructure projects in (ward 2-32)	5	5	Sm: Developmental Planning
To provide effective and affordable services to the communities	SD 2		By providing waste management services in an	Number of households serviced	SD 2.1		60124	60124 households serviced	60124 households serviced	60124 households serviced	Sm: Community Services

	by 2022		environmental friendly and sustainable manner to all households of Mbashe							
			By providing rescue services during peak seasons along the Coast.	Number of beaches provided with life rescue services during peak seasons at ward 19(2),20 (2),21 (2), 22,29, 32(2)	SD 2.2	10	10 beaches provided with life rescue services during peak seasons at ward 19(2),20 (2),21 (2), 22,29, 32(2)	10 beaches provided with rescue services	8 beaches provided with rescue services	Sm: Community Services
			By supplying rural sport field with equipment	Number of wards supported with equipment at Gatyana- 11,14,21,22,23,24,25,27,29,30 Xhora – 13,15,16,17,18,19,20,26,28,32	SD 2.3		20 Wards supported with sport field equipment at Gatyana- 11,14,21,22, 23,24,25,27, 29,30	31 Wards supported with sport field equipment	31 Wards supported with sport field equipment	Sm: Community Services

								Xhora – 13,15,16,17, 18,19,20,26, 28,32			
Human Settlements	To Facilitate the development of sustainable and viable human settlements by 2022	SD 3	By facilitating the Provision of appropriate houses to destitute households.	Number of applications from each unit Dutywa, Xhorha and Gatyana submitted to Provincial Department of Human Settlements.	SD 3.1		0	1 Application in each unit Dutywa, Xhorha and Gatyana submitted to Provincial Department of Human Settlements	2 informal settlement upgraded in Ward 1, 25	2 informal settlement upgraded in Ward 1, 25	Sm: Developmental Planning
			By Establishing new townships for human settlements development	Number of townships established at Ward 1,25	SD 3.2	2	2 townships established at Ward 1 & 25	1 townships established	1 township established	Sm: Developmental Planning	

KPA 3: LOCAL ECONOMIC DEVELOPMENT

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO	BASELINE	2019/20	2020/21	2021/22	RESPONSIBLE OFFICIAL
Agricultural development and food security	To promote agrarian reform and increase food security to farming households by 2022	LED 1	By giving assistance to emerging farmers in primary production	Number of programs implemented to assist emerging farmers at ward 2-32) (Crop production and Stock remedy)	LED 1.1	10	2 programs implemented to assist emerging farmers at ward 2-32 (Crop production and Stock remedy)	10 wards with agricultural profiles conducted	10 wards with agricultural profiles conducted	Sm: Developmental Planning
			By capacitating farmers to meet quality and safety requirements	Number of agricultural information days held for farmers in three units (Gatyana, Dutywa, Xhorha)	LED 1.2		10 agricultural information days held for farmers in three units (Gatyana, Dutywa, Xhorha)	10 agricultural information days held for farmers at ward 2-32 as per the concept document	10 agricultural information days held for farmers at ward 2-32 as per the concept document	Sm: Developmental Planning
Agro-processing	To ensure use of agricultural value chain to stimulate local economic development in deprived areas by 2022	LED 2	By encouraging value chain and value addition through support given to emerging enterprises	Number of High Value Crop enterprises supported with funding/ inputs as per approved business plan	LED 2.1	6	1 High Value Crop enterprises supported with funding/ inputs as per approved business plan	1 High Value Crop enterprises supported with funding as per approved business plan	1 High Value Crop enterprises supported with funding as per approved	Sm: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO	BASELINE	2019/20	2020/21	2021/22	RESPONSIBLE OFFICIAL
			and high value crops	(Ligwa Moringa)					business plan	
Job creation	To reduce poverty and unemployment through viable and sustainable job creation strategies by 2022	LED 3	By facilitating short term employment through EPWP projects implementation	Number of participants on short term employment opportunities (EPWP and CWP)	LED 3.1	2579	627 participants on short term employment opportunities (EPWP and CWP)	1000 on short term employment opportunities (EPWP and CWP)	1000 on short term employment opportunities (EPWP and CWP)	Sm:Community Services,
Investment Promotion	To encourage investment through viable investment strategies by 2022	LED 4	By promoting investment	Number of marketing tools for profiling agricultural, tourism and marine investment opportunities	LED 4.1	1	2 marketing tools for profiling agricultural, tourism and marine investment opportunities	2 marketing tools for profiling agricultural, tourism and marine investment opportunities	2 marketing tools for profiling agricultural, tourism and marine investment opportunities	Sm: Developmental Planning
Enterprise support SMME and development	To ensure reduction of employment rate through development and capacitation of enterprises by 2022	LED 5	By installing hawker stalls	Number of hawker stalls installed in Dutywa and Willowvale	LED 5.1	85	250 hawker stalls installed in Dutywa and Willowvale	60 hawker stalls installed	60 hawker stalls installed	Sm:Infrastructure Services
			Capacitation and support of all forms of SMMEs	Number of SMME's supported with tools of trade as	LED 5.2	135	40 SMME's supported with tools of trade as per	50 SMME's supported with tools of trade as per	50 SMME's supported with tools of trade as	Sm: Developmental Planning;

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO	BASELINE	2019/20	2020/21	2021/22	RESPONSIBLE OFFICIAL
				per approved concept plan in (Dutywa, Gatyana & Xhorha)			approved concept plan in (Dutywa, Gatyana & Xhorha)	approved concept plan	per approved concept plan	Sm:Infrastructure Services
			Support of local SMMEs through procurement	% of the Mbhashe budget to be allocated to SMMEs	LED 5.3	0	30% of the Mbhashe budget to be allocated to SMMEs	30% of the Mbhashe budget to be allocated to SMMEs	30% of the Mbhashe budget to be allocated to SMMEs	Sm: Developmental Planning
			By conducting and hosting roadshows	Number of roadshows conducted in each unit for SMMEs as per approved concept plan(Dutywa , Xhora & Gatyana)	LED 5.4	4	1 roadshow conducted in each unit for SMMEs as per the approved concept plan(Dutywa , Xhora & Gatyana	4 roadshows conducted for SMMEs as per approved concept plan	4 roadshows conducted for SMMEs as per approved concept plan	Sm: Development Planning
Ocean Economy and Fisheries Development.	To ensure the unlocking of marine economic opportunities by 2022	LED 6	By supporting marine economy activities.	Number of marine economic initiatives supported as per approved concept at	LED 6.1	4	2 marine economic initiatives supported as per approved concept document(2 marine economic initiatives supported as per approved concept document(2 marine economic initiatives supported as per approved concept document(Sm: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO	BASELINE	2019/20	2020/21	2021/22	RESPONSIBLE OFFICIAL
				Mncwasa & Tenza			Mncwasa; Tenza,)	Mncwasa; Tenza, Qhorha and Qatywa	Mncwasa; Tenza, Qhorha and Qatywa	
Tourism Growth and Development.	To position and promote Mphashe as a tourist destination of choice by 2022	LED 7	By using different marketing tools to market Mphashe as tourism destination	Number of events hosted and participated on(Horse Racing, Beach Festival, Grahamstown Festival and Tourism Indaba)	LED 7.1	4	4 events hosted and participated on (Horse Racing, Beach Festival, Grahamstown Festival and Tourism Indaba)	4 events hosted and participated on	4 events hosted and participated on	Sm: Developmental Planning
			By supporting tourism programmes	Number of beaches where water testing will be conducted to maintain blue flag status (Tenza & Xhora Mouth)	LED 7.2	5	2 beaches where water testing will be conducted to maintain blue flag status (Tenza & Xhora Mouth)	2 tourism programmes supported as per approved concept plan	2 tourism programmes supported as per approved concept plan	Sm: Developmental Planning
				Number of tourism operators supported with exposure/	LED 7.3	5	3 tourism operators supported with exposure/training/ funding as	3 tourism operators supported with exposure,	3 tourism operators supported with exposure,	Sm: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO	BASELINE	2019/20	2020/21	2021/22	RESPONSIBLE OFFICIAL
				training/funding as per approved concept document			per approved concept document	training and funding as per approved concept	training and funding as per approved concept	
Heritage management	To Develop and maintain heritage properties/resources to attract tourists by 2022	LED 8	By developing heritage properties	Number of heritage properties upgraded at ward 21 as per the approved plan	LED 8.1	5	1 heritage property upgraded at ward 21 as per the approved plan	5 heritage properties maintained / developed as per approved concept	5 heritage properties maintained / developed as per approved concept	Sm: Developmental Planning
			By maintaining heritage properties	Number of heritage properties maintained as per approved concept plan at King Hintsa, Esinqumeni Caves, Miller mission, Sarhili and Fort Malan Memorial	LED 8.2		5 properties maintained at maintained as per approved concept plan at King Hintsa, Esinqumeni Caves, Miller mission, Sarhili and Fort Malan Memorial	Number of heritage properties	Number of heritage properties	Sm: Developmental Planning

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Priority Area	Objective	OBJ No.	Strategy	Indicator	IND No	B2B	Baseline	2019/20	2020/21	2021/22	RESPONSIBLE OFFICIAL
Budget and Reporting	To ensure compliance with budget and reporting regulations by 2022	MFV 1	By Budgeting according to IDP priorities	% alignment of 2020/21 Budget to approved IDP	MFV 1.1	Putting people first	Aligned Budget vs IDP	100% alignment of 2020/21 Budget to the approved IDP	100% alignment of 2020/21 Budget to the approved IDP	100% alignment of 2021/22 Budget to the approved IDP	CFO
			By ensuring budget process and format is in compliance with budget & reporting regulation.	Number of Monthly financial reports (Sec 71 , 52 and grant reports) submitted to Mayor and Treasury on the 10th working day of each month	MFV 1.2	Governance	mSCOA compliant schedule A budget version	28 Monthly financial reports (Sec 71 , 52 and grant reports) submitted to Mayor and Treasury on the 10th working day of each month	28 Monthly financial reports (Sec 71 , 52 and grant reports) submitted to Mayor and Treasury on the 10th working day of each month	28 Monthly financial reports (Sec 71 , 52 and grant reports) submitted to Mayor and Treasury on the 10th working day of each month	CFO
			By ensuring effective	Financial Viability as expressed	MFV 1.3	Sound financial	0	'1:1	'1:1	'1:1	CFO

			compliance through credible financial planning, management and reporting	by Cost Coverage Ratio $(B+C) \div D$ B represents all available cash at a particular time C represents investments D Represents monthly fixed operating expenditure, financial viability and Cost Coverage Ratio $(B+C) \div D$		management					
	To achieve sound financial management through	MFV 2	By compiling AFS that fairly present	Number of recurring material audit queries	MFV 2.1	Governance	2017/18 unqualified opinion	Zero recurring material audit queries raised by AG	Zero material audit queries raised by	Zero material audit queries raised by	CFO

Revenue Management	accountability and transparency		the financial position, financial performance and cash flows.	raised by AG on the 2018/19 Annual Financial Statement.				on the 2018/19 Annual Financial Statement.	AG on the 2019/20 Annual Financial Statement.	AG on the 2020/21 Annual Financial Statement.	
	To ensure maximization of revenue collection	MFV 3	By ensuring that all valued properties are billed timeously.	% of billable properties included in the municipal billing system as per the supplementary Valuation Roll	MFV 3.1	Sound financial management	General valuation roll 2014-19	100% billable properties included in the municipal billing system as per the supplementary Valuation Roll	100% billable properties included in the municipal billing system as per the supplementary Valuation Roll	100% billable properties included in the municipal billing system as per the supplementary Valuation Roll	CFO
			By full implementation of the credit control policy	% of billed income collected	MFV 3.2			Implementation of the credit control policy	80 % of billed income collected	80 % of billed income collected	80 % of billed income collected

Indigent Support (Free basic Services)	To alleviate poverty to improve quality of household life by 2022.	MFV 4	By investigating and advising on poor households to participate in indigent support program.	Number of indigent registers updated	MFV 4.1	Sound financial management	Indigent register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	Sm: Community Services
			By Utilizing equitable share to support Indigent Households.	% spent on the allocated equitable share portion towards free basic services	MFV 4.2	Sound financial management	3.8%	100 % spent on the allocated equitable share portion towards free basic services	100 % spent on the allocated equitable share portion towards free basic services	3.8 % portion of equitable share allocated for free basic services	Sm: Community Services and Sm: Infrastructure
Expenditure Management	Efficient, cost-effective and transparent Supply Chain Management system by 2022.	MFV 5	By complying with Supply Chain Regulations and National Treasury Guidelines	% incurred of irregular expenditure on new procurement	MFV 5.1	Sound financial management	0% in 2018/19	0% of new Irregular expenditure incurred on new procurement	0% Irregular expenditure incurred on new awards	0% Irregular expenditure incurred on new awards	CFO
				% expenditure of capital	MFV 5.2	Sound financial	100% in 2018/19	100% expenditure of capital	100% expenditure of capital	100% expenditure of capital	Sm: Community Services ,

			on procurement processes.	budget on received conditional grants		managem ent		budget on received conditional grants.	budget on received conditional grants.	budget on received conditional grants.	Sm: Infrastructure and CFO
			By ensuring timeous payment of creditors in compliance with MFMA	Turnaround time taken for paying creditors	MFV 5.3	Sound financial managem ent	45 days	30 days time taken for paying creditors	30 days time for paying creditors	30 days time for paying creditors	CFO
			Implementation of work place skills plan	% spent on allocated WSP grant	MFV 5.4	Governanc e	100%	100% spent on allocated WSP grant	100% spent on WSP	100% spent on WSP	SM: Corporate Services
Asset Managem ent	To manage, control and maintain all assets of the municipality by 2022	MFV 6	By allocating budget provision for repairs and maintenance of assets to be in line with NT norms.	% of the operational budget allocated for repairs and maintenance	MFV 6.1	Sound financial managem ent		8% of the operational budget expenditure allocated for repairs and maintenance.	8% of the operational budget expenditure allocated for repairs and maintenance	8% of the operational budget Expenditure allocated for repairs and maintenance	CFO

			By regular updating the existing Asset Management System	Updating GRAP compliant asset register	MFV 6.2		Asset register	Updated GRAP compliant asset register	GRAP compliant asset register	GRAP compliant asset register	CFO
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KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

FOCUS AREA	OBJECTIVE	OBJ No.	STRATEGY	INDICATOR	IND No.	B2B PILLAR	BAS ELINE	2019/20	2020/21	2021/2022	RESPONSIBLE OFFICIAL
Governance	To ensure clean and accountable governance in the municipality by 2022	GGP1	By identifying, assessing, managing and monitoring fraud and risk exposure to the institution.	Number of updated registers (Fraud, Risk, ICT and Strategic) submitted to the Risk Committee.	GGP 1.1	Good governance	9	9 quarterly risk registers, fraud , ICT , operational (6) and 1 Strategic Risk register submitted to the Risk Committee	9 quarterly fraud , ICT , operational (6) risk registers and 1 Strategic Risk register submitted to the Risk Committee	9 quarterly fraud , ICT , operational (6) risk registers and 1 Strategic Risk register submitted to the Risk Committee	ALL Senior Manager's
			By conducting fraud awareness to employees	Number of fraud awareness workshop conducted per department	GGP 1.2	Good governance	1	1 fraud awareness workshop conducted in all 6 departments	1 awareness conducted in all 6 departments	1 awareness conducted in all 6 departments	Sm: Operations
			By developing municipal litigation register.	Number of reports on legal matters (litigations) and their status with financial implications and legal opinion	GGP 1.3	Good governance	18/19	1 report on legal matters and their status with financial implications and legal opinion	1 report on legal matters and their status with financial implications and legal opinion	1 report on legal matters and their status with financial implications and legal opinion	Sm: Operations

			By conducting audits as per approved Internal Audit Annual Plan	Number of audit reports produced as per approved Internal Audit Plan submitted to the Audit committee	GGP 1.4	Good governance	26	14 Internal Audit reports produced as per the Audit Plan submitted to the Audit Committee	14 Internal Audit reports produced as per the Audit Plan submitted to the Audit Committee	14 Internal Audit reports produced as per the Audit Plan submitted to the Audit Committee	Senior Manager Operations
				Number of Audit Committee meetings held in 2019/20 FY (Ordinary and Performance)	GGP 1.5	Good governance	8	8 Audit Committee meetings held in 2019/20 FY (Ordinary and Performance)	8 Audit Committee meetings held in 2019/20 FY (Ordinary and Performance)	8 Audit Committee meetings held in 2019/20 FY (Ordinary and Performance)	Senior Manager Operations
			By coordinating the sitting of council oversight structures	Number of meetings held by council structures in 2019/20	GGP 1.6	Good governance	44	51 meetings held by council structures in 2019/20	50 meetings held by council structures in 2020/21	50 meetings held by council structures in 2021/22	Senior Manager Operations
				Implementation of all council resolutions due for the period under review	GGP 1.6	Good governance	New	Implementation of all council resolutions due for the period under review	80% implementation of council resolution	80% implementation of council resolution	Senior Manager Operations
			By ensuring effective functionality of satellite units	Number of reports on the functionality of Satellite	GGP 1.7	Good governance	0	8 reports on the functionality of Satellite	8 reports on the functionality of Satellite	8 reports on the functionality of Satellite	Senior Manager Operations

				Offices(Gatyana and Xhorha)submitted to Management				Offices (Gatyana and Xhorha) submitted to Management	Offices (Gatyana and Xhorha)	Offices (Gatyana and Xhorha)	
Governance	To ensure compliance with legislation as per Section 11 (3)(a) of Municipal Systems Act	GGP 2	By developing and reviewing Institutional policies, strategies, plans and by-laws	Number of policies developed	GGP 2.1	Good governance	71	4 policies developed	3 policies developed	3 policies developed	Sm: Corporate Services and Sm: Developmental Planning
				Number of strategies/ plans developed	GGP 2.2	Good governance	15	9 strategies/ plans developed	5 strategies/ plans developed	5 strategies/ plans developed	Sm: Corporate Services , Sm: Operations, Sm: Infrastructure and CFO
				Number of reviewed policies	GGP 2.3	Good governance	71	38 policies reviewed	40 policies reviewed	40 policies reviewed	All Sms
				Number of reviewed strategies/ Plans	GGP 2.4	Good governance	15	15 reviewed strategies and Plans	15 reviewed strategies and Plans	15 reviewed strategies and Plans	Sm: Corporate Services, Sm Community Services

											Sm: Operations and CFO
Real Estate/Property's management	Ensure that all municipal properties are properly registered and effectively used by 2022	GGP 3	By continually updating lease register	Number of property lease registers updated	GGP 3.1		1	1 property lease register updated	1 property lease registers updated	1property lease registers updated	Sm: Developmental Planning
			By monitoring lease contracts entered into	Number of reports generated on municipal lease contracts	GGP 3.2		1	4 reports generated on municipal lease contracts	4 reports generated	4 reports generated	Sm: Developmental Planning
Environmental Planning	To ensure adherence to sound environmental practises and to protect environmentally sensitive areas by 2022	GGP 4	By Implementing climate change mitigation strategy	Number of programs taken towards climate change and mitigation measures.	GGP 4.1		2	3 programes undertaken towards climate change and mitigation measures.	5 area covered with land rehabilitation	5 area covered with land rehabilitation	Sm: Developmental Planning
			By implementing the coastal management plan	Number of programs implemented as per Coastal management plan	GGP 4.2			3 programmes on Coastal Plan management	3 programmes on Coastal Plan management	3 programmes on Coastal Plan management	Sm: Developmental Planning
Building Plans	To ensure compliance with NBR and any applicable	GGP 5	By complying with National Building regulations and standards when	Turnaround time taken to approve submitted building plans	GGP 5.1	1		90 days time taken to approve submitted building plans	90 days time taken to approve submitted building plans	90 days time taken to approve submitted	Sm: Developmental Planning

	legislation by 2022		approving building plans applications as per the check list							building plans	
Spatial Planning / Land use management	Ensure maximum and adequate land use management practises by 2022	GGP 6	By developing coherent spatial plans	Number of draft LSDF developed for ward 20 and 23	GGP 6.1		2	2 draft LSDFs developed for ward 20 and 23	2 draft LSDF developed for ward 19 and 22	2 draft LSDF developed for ward 19 and 22	Sm: Developmental Planning
			By surveying properties	Number of surveyed properties in Ward 1, 13, 25	GGP 6.2		135	10 surveyed properties in Ward 1, 13, 25	10 surveyed properties in Ward 1, 13,25	10 surveyed properties in Ward 1, 13,25	Sm: Developmental Planning
			By conducting Land Audit	Number of land Audits conducted	GGP 6.3		1	1 land Audit conducted	1 land Audit conducted	1 land Audits conducted	Sm: Developmental Planning
Inter- Governmental Relations	To strengthen and ensure coordination of integrated and joint planning with spheres of government by 2022.	GGP 7	By strengthening the functionality of IGR	Number of IGR meetings coordinated	GGP 7.1	Good governance	4	4 IGR meetings coordinated	4 IGR meetings coordinated	4 IGR meetings coordinated	Sm: Operations
SPU	To mainstream special programs into the municipality by 2022	GGP 8	By implementing SPU strategy	Number of programs implemented for designated groups	GGP 8.1	Putting People First	40	15 Programmes for Designated groups to be implemented	15 Programmes for Designated groups to be implemented	15 Programmes for Designated groups to be implemented	Sm: Operations

										implemented	
				Number of training interventions implemented as per skills development plan (WSP and other government institutions)	GGP 8.2	Putting People First	60	10 training interventions implemented as per approved skills development plan (WSP and other government institutions)	10 training interventions implemented as per approved skills development plan (WSP and other government institutions)	10 training interventions implemented as per approved skills development plan (WSP and other government institutions)	Sm: Corporate Services
				Number of career Exhibition coordinated in 3 towns (Dutywa, Gatyana and Xhorha)	GGP 8.3	Putting People First	3	3 career Exhibitions coordinated in Dutywa, Gatyana and Xhorha	3 career EXPO coordinated in Dutywa, Gatyana and Xhorha	3 career EXPO coordinated in Dutywa, Gatyana and Xhorha	Sm: Corporate Services
				Number of calendar days commemorated	GGP 8.4		7	8 calendar days commemorated	8 calendar days commemorated	8 calendar days commemorated	Sm: Operations
SPU	To mainstream special programs into the municipality by 2022		By implementing annual plans of designated groups in line with HIV/AIDS, STI and TB Strategy	Number of programmes as per HIV/AIDS, STI and TB strategy Implementation plan	GGP 8.5	Putting People First	4	4 programmes as per HIV/AIDS, STI and TB strategy Implementation plan	4 programmes as per HIV/AIDS, STI and TB strategy Implementation plan	4 programmes as per HIV/AIDS, STI and TB strategy	Sm: Operations

			Implementation Plan							Implementation plan	
Integrated planning and reporting	To ensure strategic development, coordinated, integrated planning, budgeting, reporting and legislative compliance on governance matters by 2022	GGP 9	By coordinating development and alignment of IDP	Date on which the 2020/21 reviewed IDP is submitted to Council for approval	GGP 9.1	Governance	2019-20 IDP	2020/21 IDP submitted to Council for approval by 31st May 2020	2021/22 IDP submitted to Council for approval by 31st May 2021	2021/22 IDP submitted to Council for approval by 31st May 2022	Sm: Operations
			By developing SDBIP	Number of days by which the 2020/21 SDBIP is submitted to the Mayor for approval	GGP 9.2	Governance	SDBIP 2018/19	2019/20 SDBIP submitted to the Mayor for approval within 28th days after approval of the budget	2020/21 SDBIP submitted to the Mayor for approval within 28th days after approval of the budget	2020/21 SDBIP submitted to the Mayor for approval within 28th days after approval of the budget	Sm: Operations
Communication	To enhance and promote communication in all municipal activities	GGP 10	By implementing communication strategy and communication plan	Number of programs implemented as per communication plan	GGP 10.1	Governance	32	4 programs implemented as per communication plan	10 programs implemented as per communication plan	16 programs implemented as per communication plan	Sm: Operations
				Number of developed newsletter	GGP 10.2	Governance	4	4 newsletters developed	4 newsletters developed	4 newsletters developed	Sm: Operations

			By managing customer queries	Updating customer care register	GGP 10.3	Putting people first	1	Updated Customer Care Register	Updated Customer Care Register	Updated Customer Care Register	Sm: Operations
			By improving branding and signage of municipal properties	Number of municipal facilities branded (Pound, Xhora Park Homes, Gatyana offices and main building)	GGP 10.4	Good governance	19	5 Municipal facilities branded (Pound, Xhora Park Homes, Gatyana offices and main building)	10 Municipal Assets branded	10 Municipal Assets branded	Sm: Operations
Public participation	To ensure that all stakeholders participate in the affairs of the municipality by 2022.	GGP 11	By strengthening of community participation	Number of status quo reports on functionality of Ward Committees	GGP 11.1	Putting people first	1	4 status quo reports on functionality of Ward Committees	4 status quo reports on functionality of Ward Committees	4 status quo reports on functionality of Ward Committees	Sm: Operations
				Number of Public Participation programs coordinated	GGP 11.2	Putting people first		4 Public Participation programs coordinated	4 Public Participation programs coordinated	4 Public Participation programs coordinated	Sm: Operations
				Number of PSC meetings convened or established	GGP 11.3	Good Governance		17 PSC meetings convened or established	17 PSC meetings convened or established	17 PSC meetings convened or established	Sm: Infrastructure, Sm: Community Services, Sm: Developmental Planning

				Number of community imbizo's held in each unit (Dutywa, Xhorha and Gatyana)	GGP 11.4	Putting people first	35	1 community imbizo held in each unit (Dutywa, Xhorha and Gatyana)	3 community imbizo's held in 3 towns (Dutywa, Xhorha and Gatyana)	3 community imbizo's held in 3 towns (Dutywa, Xhorha and Gatyana)	Sm: Operations
				Number of fora meetings (Community Safety, LCF & Transport) held in 2019/20	GGP 11.5	Putting people first	12	12 fora meetings (Community Safety, LCF & Transport) held in 2020/21	4 fora meetings (Community Safety etc) held in 2021/22	4 fora meetings (Community Safety etc) held in 2021/22	Sm: Community Services, Sm: Operations and Sm: Infrastructure

CHAPTER 5

1.1 MBHASHE 2019/20 PROJECTS

KPA1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

PROJECT	WARD	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	
Training and Development for Employees	Institutional	R 800 000	R 870 000.00	R 900 000	Equitable Share
Training and Development for Councillors and Traditional Leaders	Institutional	R 400 000	R 500 000	R 550 000	Equitable Share
Study Assistance	Institutional	R 300 000	R 2000 000	R 2 500 000	Equitable Share
CPMD	Institutional	R 70 000	R 70 000	R 70 000	Equitable Share
Ward Committes Training	Institutional	R 250 000	R 250 000	R 250 000	Equitable Share
Literacy Development	Institutional	R 100 000	R 500 000	R 650 000	Equitable Share
Career Exhibition	Institutional	R 150 000	R 200 000	R 250 000	Equitable Share

PROJECT	WARD	2019/20	2020/21	2021/2022	SOURCE OF FUNDING	
		AMOUNT	AMOUNT	AMOUNT		
Unemployment programmes	Community	Institutional	R 950 000	R 4 500 000	R 5 000 000	Equitable Share
Organogram		Institutional	R 0	R 0	R 0	
Recruitment & Selection		Institutional	R 400 000	R 1 167 000	R 1 167 000	Equitable Share
Retirement send off		Institutional	R 50 000	R 170 000	R 397 950	Equitable Share
Remuneration of Personnel and Councillors		Institutional	R 146 744 266.95	R 150 000	R 152 000	Equitable Share
Performance Management		Institutional	R 0	R 0	R 0	Equitable Share
Policy Development		Institutional	R 0	R 0	R 0	n/a
Policy Review		Institutional	R 0	R 0	R 0	n/a
Local Labour Forum		Institutional	R 0	R 0	R 0	n/a
Occupational Health & Safety		Institutional	R 200 000	R 500 000	R 550 000	Equitable Share
Personal Protective Equipment		Institutional	R 200 000	R 220 000	R 250 000	Equitable Share
Medical Surveillance		Institutional	R 650 000	R3.5 M	R4 M	Equitable Share

PROJECT	WARD	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	
Compliance with Legislation	Institutional	R 1 500 000	R 1 500 000	R 1 500 000	Equitable share
Employee wellness programs	Institutional	R 300 000	R2.5M	R3M	Equitable Share
Bereavement support	Institutional	R 100 000	R 60 000	R 70 000	Equitable Share
Network Infrastructure on Municipal offices/buildings	Institutional	R 150 000	R 300 000	R 300 000	Equitable Share
Internet Connectivity on Municipal offices-VPN(Virtual private network)	Institutional	R 2 000 000	R 1 000 000	R 1 000 000	Equitable Share
Maintenance of ICT Equipment	Institutional	R 50 000	R 100 000	R 100 000	Equitable Share
ICT License Renewal	Institutional	R 1 000 000	R 2 000 000	R 2 000 000	Equitable Share
Website management	Institutional	R 50 000	R 100 000	R 100 000	Equitable Share
Printers	Institutional	R 1 500 000	R 1 500 000	R 1 500 000	Equitable Share
Computers	Institutional	R 500 000			
IT Master Plan-IT Strategic Plan	Institutional	R 200 000	R50 000	R50 000	Equitable Share

PROJECT	WARD	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	
Registry Management	Institutional	R 300 000	R500 000	R500 000	Equitable Share
Traffic Management System	Institutional	R 400 000	R150 000	R150 000	Equitable Share
Disaster Recovery site establishment	Institutional	R 2 500 000	R2000 000	R2000 000	Equitable Share
Dutywa Main Building	Institutional	R500 000	R500 000	R500 000	Equitable Share
Staff Accomodation	Institutional	R200 000	R200 000	R200 000	Equitable Share
Dutywa TRC Offices	Institutional	R150 000	R150 000	R150 000	Equitable Share
Executive House	Institutional	R100 000	R100 000	R100 000	Equitable Share
VIC Offices	Institutional	R100 000	R100 000	R100 000	Equitable Share
Elliotdale Municipal Offices	Institutional	R200 000	R200 000	R200 000	Equitable Share
Willowvale Municipal Offices	Institutional	R400 000	R400 000	R400 000	Equitable Share

PROJECT	WARD	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	
Customer Care Building	Institutional	R150 000	R150 000	R150 000	Equitable Share
Drawing plans for municipal building	Institutional	R100 000	R100 000	R100 000	Equitable Share
Carpots (New & Maintenance)	Institutional	R100 000	R100 000	R100 000	Equitable Share
Maintenance of the lift	Institutional	R1000 000	R1000 000	R1000 000	Equitable Share
Water Consumption	Institutional	R1000 000	R1000 000	R1000 000	Equitable Share
Provision of Electricity		R1 200 000			
Generator (new and maintenance)	Institutional	R400 000	R400 000	R400 000	Equitable Share
Cleaning material	Institutional	R500 000	R500 000	R500 000	Equitable Share
Airconditions	Institutional	R150 000	R150 000	R150 000	Equitable Share
Furniture	Institutional	R200 000	R200 000	R200 000	Equitable Share

KPA 2: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

Project Name	WARD	2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Hawker Stalls: Dutywa	1&25	R 59 723.96	MIG	N/A	N/A	N/A	N/A
Municipal Offices	1	R6 611 648.94	MIG	N/A	N/A	N/A	N/A
Xhora Mouth to Ndalatha Access Road	19	R2 400 682.19	N/A	N/A	N/A	N/A	N/A
Qingqana Bridge	17	R178 116.74	N/A	N/A	N/A	N/A	N/A
Sport Facilities Ward 1	1	N/A	MIG(construction)	R7 256 010.18	MIG(construction)	N/A	MIG(construction)
Sport Facilities Ward 13	13	R6 768 670.78	MIG(construction)	R 6 447 884.06	MIG(construction)		MIG(construction)
Sport Facilities Ward 25	25	R6 928 039.64	MIG(construction)	R2 100 789.00	MIG(construction)		MIG(construction)
Tayi to Qwili Access Road	26	R5 581 898.62	MIG(construction)	R5 581 898.62	MIG(construction)	N/A	N/A
Lencane- Newtown	3	R171 467.05	MIG(construction)	N/A	MIG(construction)	N/A	N/A

Project Name	WARD	2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Laza to Makaka	27	R218 751.71	MIG (construction)	R1 741 262.50	MIG(construction)	N/A	N/A
Upgrading Of Govan Mbeki	9	R3 869 472.22	MIG (construction)	R1 741 262.50	MIG (construction)		MIG (construction)
Mndwaka Community Hall	18	R2 479 859.12	MIG (construction)	R164 442.03	MIG (construction)	N/A	N/A
Madwaleni Community Hall	32	R2 120 744.09	MIG (construction)	N/A	N/A	N/A	N/A
Hesha To Matyamini	17	R1 621 982.38	MIG (construction)	R1 135 387.67	MIG (construction)	N/A	N/A
Mqhele To Mrabe	28	R2 339 955.85	MIG (construction)	R2 302 133.00	MIG (construction)	N/A	N/A
Upgrading Of Ngumbela Sportsfield	2		DSRAC				
Lusizini To Zimpuku	2	R1 568 112.58	MIG (construction)	R1 097 678.80	MIG (construction)	N/A	N/A
Munyu To Gxara	4	R1 793 772.37	MIG (construction)	R1 255 640.66	MIG (construction)	N/A	N/A
Lower Falakahla To Singeni	12	R1 530 861.77	MIG (construction)	R3 572 010.79	MIG (construction)	N/A	N/A
Bikane Access Road	14	R1 774 727.49	MIG (construction)	R1 242 309.24	MIG (construction)	N/A	N/A

Project Name	WARD	2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Mngazana Access Road	16	R2 172 689.68	MIG (construction)	R3 890 539.45	MIG (construction)	N/A	N/A
Mbelo Access Road	7	R1 567 037.61	MIG (construction)	R3 634 109.20	MIG (construction)	N/A	N/A
Town To Ntlulabokwe Access Road	25	R2 282 889.66	MIG (construction)	R2 457 890.00	MIG (construction)	N/A	N/A
Mpume (Dutch) Community Hall	21	R1 547 066.84	MIG (construction)	2 692 000.00	MIG (construction)	N/A	N/A
Manganyela Community Hall	20	R1 547 066.84	MIG (construction)	2 692 000.00	MIG (construction)	N/A	N/A
PMU Admin		R2 856 761.90		R3 165 550.00			
Macirheni - Phelandaba	8	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)	N/A	N/A
Bam –Zenzele A/R	11	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Riverview-Langeni	13.	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Mhlahlane Sps - Chibini	19	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Matolweni to Kulozulu	30	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A

Project Name	WARD	2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Mpume to Gate	29	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Fumbatha Access Road	22	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Zanohlanga	5	N/A	N/A	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)
Mtonga to Mantlaneni Access Road	23	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Machani to Taleni SPS Access Road	10	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
N2 TO Nimrod via Madaka Access Road	6	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Tywaka	27	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Nowonga/Pungula	26	N/A	N/A	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)
Jakanaye To Gwebityala	18	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Cizama to Singeni	5	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Mkatazo to Folokwe	28	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)

Project Name	WARD	2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Sikhobeni to Caba	31	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Gravel Road Maintenance	ALL	R 13 280 000	Equitable share				
Upgrading of stormwater	ALL	R 500 000	Equitable share				
Surface roads maintenance	1,13 &25	R 1 510 000	Equitable share				
Paving of sidewalks (internal streets)	1,13 &25	R 4 200 000	Equitable share				
Shixini and Ntsimbakazi electrification projects	14,23,24 & 27	R 15 081 000	Equitable share				
Installation of high mast		R 300 000	Equitable share				
Updrading of street lights in Willowvale	25	R 3 550 000	Equitable share				
Maintenance of streetlights	1,13 &25	R 1 200 000	Equitable share				
Construction of EDC's	23,32	-	Equitable share				
Christmas Lights	1,13 &25	-	Equitable share				

Project Name	WARD	2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Construction of transfer station (Dutywa)	9	R 1 792 043.28	Equitable share				
Upgrading of landfill site (Elliotdale)	15	R 9 652 421.73	Equitable share				
Animal Pound Management		R300 000					
Municipal Emergency Housing Grant		R5 284 162					
Supply of chairs		R200 000					
Waste Mangement Services	All	R 3 000 000	Equitable Share	R 8 000 000	Equitable Share	R 8 000 000	Equitable Share
Management and operation of Sports Facilities	All	R 200 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share
Law enforcement Operations	All	R 700 000	Equitable share	R 2 000 000	Equitable share	R 2 000 000	Equitable share
Security Services	1,13,25	R 7 000 000	Equitable share	R 10 000 000	Equitable share	R 10 000 000	Equitable share
Life guards	All	R 600 000	Equitable share	R 1 000 000	Equitable share	R 1 000 000	Equitable share
EPWP Support	All	R 5 630 000	n/a	n/a	n/a	n/a	n/a

Project Name	WARD	2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Free basic services	All	R 6 500 000	Equitable share	R 5 000 000	Equitable share	R 5 000 000	Equitable share
Library costs		R 500 000	DSRAC				
Disaster mitigation	All	-	Equitable share	R 1 200 000	Equitable share	R 1 500 000	Equitable share
Maintenance of Community Halls		R1 000 000					
Weekend work & Public holidays	Instituti onal	R500 000					
Protective Clothing – Law Enforcement	Instituti onal	R500 000					
Indigent Support	All	-	Equitable share	R 850 000	Equitable share	R 900 000	Equitable share

PROJECT	WARD	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	Funding Source
SDF & LSDF	8,19,22,32	R 550 000	R 800 000	R 800 000	Equitable Share
Surveying	1,25,13	R 400 000	R 500 000	R 500 000	Equitable Share
Land Use scheme	1,13,25	R130 000	N/A	N/A	Equitable Share
Property Groundtruth (property verification)	All	N/A	R 30 000	R 30 000	Equitable Share
Upgrading of informal settlements	9,1,25	R 200 000	R 300 000	R 300 000	Equitable Share
Housing for destitute	Xhora wards	R 70 000	R 70 000	R 70 000	Equitable Share
Township establishment	1,13,25	R 500 000	R 415 000	R 415 000	Equitable Share
Rezoning of Properties	1,13,25	R300 000	N/A	N/A	
SPLUMA implementation (MPT)	All	R 240 000	N/A	N/A	Equitable Share

Land rehabilitation & Storm water drainage control systems (Gabions)	8,6,31&1	R 330 000	R 330 000	R 330 000	Equitable Share
Tree planting and urban greening	1,13.25	R 1 000 000	R 490 000	R 490 000	Equitable Share
Alien Plants removal	27,13,25,3	R 200 000	R 470 000	R 470 000	Equitable Share
Environmental Forums & Conferences	All	R 90 000	R 90 000	R 90 000	Equitable Share
Environmental awareness and signage	1,13,25,22,29,20,32,19	R 200 000	R 200 000	R 235 000	Equitable Share
Environmental Management Framework	All	R220 000	R150 000	R150 000	Equitable Share
Feasibility studies – sand mining	All	-	R 320 000	R 320 000	Equitable Share
Blue Flag Beach Awareness	22,32	R 80 000	R 50 000	R 50 000	Equitable Share

KPA 3: LOCAL ECONOMIC DEVELOPMENT

PROJECTS	WARD	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	Funding Source
Maize production	All	R 1 500 000	R 2 800 000	R 3 000 000	Equitable Share
Fencing (Ncihana, Bolotwa, Xobo, Nkelekethe, Ngcingwane)	13,05,08,27,2	-	R 500 000	R 500 000	Equitable Share
Xhora Nursery ward 13 ; Ward 22 nursery	13,22	-	R 300 000	R 300 000	Equitable Share
Stock remedy	All	R500 000	R 680 000	R 680 000	Equitable Share
Sundwane feedlots	8	-	R 200 000	R 200 000	Equitable Share
Fort Malan feedlots	27		R 200 000	R 200 000	Equitable Share
Shearing sheds equipment	13,26,30,31	-	R 595 000	R 595 000	Equitable Share
Livestock commercialisation	29, 24	-	R 280 000	R 280 000	Equitable Share

Agric Information Days	All	R 200 000	R 450 000	R 450 000	Mbhashe
High Value Product (HPV) Thandela	23	N/A	R 500 000	R 500 000	Equitable Share
HPV Nondobo Mfezane	14,27	N/A	R 271 500	R 271 500	Equitable Share
HPV – Bulungula Lemon Grass	19	N/A	R 1 000 000	R 1 000 000	Equitable Share
HPV – Ligwa Moringa	23	R 625 000	R 625 000	R 625 000	Equitable Share
Macadamia Expansion (Feasibility Studies)	All	N/A	R 300 000	R 300 000	Equitable Share
Investment brochure	All	R 100 000	R 49 000	R 49 000	Equitable Share
Hawker Support	1, 13,25	R 150 000	R 161 000	R 161 000	Equitable Share
Co-operatives development	All	R800 000	R 1 345 000	R 1 345 000	Equitable Share
SMME Support and development	All	R 50 000	R 50 000	R 50 000	Equitable Share

Marine Economic initiatives support (Mncwasa fishery, Tenza,)	19,22	R 500 000	R750 000	R750 000	Equitable Share
Internal events	All	R500 000	N/A	N/A	Equitable Share
External events	All	R100 000	R835 000	R835 000	Equitable Share
Blue flag beach awareness and water testing	22, 32	R80 000	R250 000	R250 000	Equitable Share
Supporting Game parks – Sundwane and others	8, 14, 24	N/A	R300 000	R300 000	Equitable Share
Supporting of Tour Guides	22,29,21,20,32 ,19	R100 000	R250 000	R250 000	Equitable Share
Tourism Hiking Trails	22,29,21,20,32 ,19	R10 000	R10 000	R10 000	Equitable Share
Supporting tourism operators (community trust and visitor information centre)	1, 8, 22	R20 000	R170 000	R170 000	Equitable Share

Craft development	All	R215 000	R215 000	R215 000	Equitable Share
Liberation Heritage Route	All	R 100 000	R350 000	R350 000	Equitable Share
Maintenance of heritage sites (EPWP)	3, 8, 20, 21, 22, 23, 29, 27	R50 000	R250 000	R250 000	Equitable Share
Film / Music Industry	All	N/A	R200 000	R200 000	Equitable Share
Forestry development	11	N/A	R150 000	R150 000	Equitable share

KPA 4: FINANCIAL VIABILITY AND MANAGEMENT

PROJECTS	WARD	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	Funding Source
mSCOA Implementation	Institutional	R 950 000	R500 000	R300 000	Equitable Share
Financial Management Support	Institutional	R 600 000	R 500 000	R 500 000	Equitable Share
Annual Financial Statements Preparation	Institutional	R 1 100 000	R 1 248 000	R 1 250 000	Equitable Share
Financial Management Grant	Institutional	R 1 770 000	R2 215 000	R 3 000 000	FMG
Data Validation	Institutional	R 315 000	R 100 000	R 100 000	Equitable Share
General Valuation Roll	Institutional	R 1 200 000	R 200 000	R 200 000	Equitable Share
Revenue Enhancement Strategy	Institutional	N/A	N/A	N/A	Equitable Share
Debt Collection	Institutional	R 300 000	R 200 000	R 100 000	Own Revenue
Customer Care Management	Institutional	R 140 000	R 100 000	R 100 000	Equitable Share
Expenditure & Payroll Management	Institutional	R 2 610 000	R 710 000	R720 000	Equitable Share
Implementation of SCM System	Institutional	R 200 000	R 300 000	R 300 000	Equitable Share

GRAP compliant Asset Management	Institutional	R 3 100 000	R 1 000 000	R 1 000 000	Equitable Share
Fleet Management	Institutional	R 12 000 000	R 8 000 000	R 8 000 000	Equitable Share
Depreciation – Movable Assets	Institutional	R 5 000 000	R 5 500 000	R 5 570 000	Equitable share
Depreciation – Immovable Assets	Institutional	R 50 000 000	R 50 000 000	R 50 000 000	Equitable share
Debt Impairment	Institutional	R 1 200 000	R 1 200 000	R 1 200 000	Equitable share
Annual Regularity Audit	Institutional	R 5 000 000	R 5 000 000	R 5 000 000	Equitable share

KPA 5: GOOD GOVERNANCE

PROJECT	WARD	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	FUNDING SOURCE
Review PMS Framework	Institutional	R0	R0	R0	N/A
Performance Reporting	Institutional	R0	R0	R0	N/A
Development of Annual report	Institutional	R 200 000	R0	R0	Equitable share
Risk Management	Institutional	R 100 000	R55 000	R55 000	Equitable share
Fraud Awareness	Institutional	R 80 000	R 100 000	R 80 000	Equitable share
Legal cases	Institutional	R 3 000 000	R 2 000 000	R 1 000 000	Equitable share
IA Plan	Institutional	R0	R0	R0	n/a
Internal Audits assignments	Institutional	R 850 000	R550 000	R570 000	Equitable share
Audit awareness to the municipality for internal and external audit	Institutional	R0	R0	R0	Equitable share
Coordination of Audit Committee Meetings	Institutional	R 200 000	R 700 000	R 700 000	Equitable share
Coordination of Auditor General's annual audit	Institutional	R0	R0	R0	n/a
Reviewal of Internal Audit documents(Internal Audit methodology; audit charters and IA framework)	Institutional	R0	R0	R0	n/a
Internal Audit books and publications	Institutional	R0	R 15 000	R 15 000	Equitable share
Membership fees for Internal Auditors	Institutional	R 8 970	R 8 970	R 8 970	Equitable share

Convening of oversight structures meetings	Institutional	R 900 000	R450 000	R600 000	Equitable share
SALGA	Institutional	R1 300 000	R1 100 000	R1 100 000	Equitable share
Women's caucus	Institutional	R 80 000	R 90 000	R 92 000	Equitable share
Whippery Programme	Institutional	R 100 000	R 120 000	R 130 000	Equitable share
MPAC	Institutional	R 100 000	R 150 000	R 180 000	Equitable share
Mayoral Incidents	Institutional	R 500 000	R500 000	R500 000	Equitable share
Engagement Meetings	Institutional	R 232 338.04	N/A	N/A	Equitable share
Cordination of the development and reviewal of policies/plans/strategies and by-laws	Institutional	R 700 000	R 750 000	R 800 000	Equitable share
Co-ordination of IGR meetings	Institutional	R 50 000	R 50 000	R 52 000	Equitable share
Reviewal of HIV/Aids, STI & TB Strategy implementation Plan	Institutional	R5 000	R0	R0	Equitable share
Programmes as per HIV/Aids, STI & TB Strategy Implementation Plan	Institutional	R100 000	R150 000	R120 000	Equitable share
Review And Mainstreaming Of SPU Strategy	Institutional	R 5 000	R0	R10 000	Equitable share
Programmes for Designated groups as per SPU Strategy	Institutional	R 894 000	R 900 000	R 1 000 000	Equitable share
Development of IDP	Institutional	R 1 100 000	R750 000	R780 000	Equitable share
Development of SDBIP	Institutional	R 215 000	R0	R0	Equitable share
Implementation of Communication strategy	Institutional	R 900 000	R0	R0	Equitable share

Branding of the municipality	Institutional	R 500 000	R300 000	R30 000	Equitable share
Development of Newsletters	Institutional	R 400 000	R280 000	R280 000	Equitable share
Marketing and Advertisement	Institutional	R 350 000	R350 000	R380 000	Equitable share
Public Participation	Institutional	R 970 000	R 970 000	R 990 000	Equitable share
Conduct Community Imbizo's	Institutional	R400 000	R450 000	R470 000	Equitable share

5.2 PROJECTS BY OTHER SECTOR DEPARTMENTS

ADM - 2019/20 MBHASHE WATER AND SANITATION PROJECTS

MIG GRANT

PROJECT NAME	PROJECT TYPE	2019/20
Sundwana Water Supply Scheme, Sundwane water supply scheme including other villages	Water	16,964,700
Mncwasa Regional Water Supply Scheme Phase 4	Water	7,737,069
Mgwali North Water Supply Scheme	Water	4,241,175
Mgwali South Water Supply Project; Mgwali South Water Supply Phase B	Water	16,964,700
Idutywa East Water Supply Scheme Phase 2, Idutywa east water supply project	Water	2,968,822
Mbhashe Region 3B Sanitation Project	Sanitation	298,253
Mbhashe Region 2C Sanitation Project	Sanitation	852,726
Mbhashe Area Wide Sanitation: Mbhashe Region 1 Sanitation; Mbhashe Region 1b Sanitation Project	Sanitation	14,397,113
Mbhashe Elliotdale Region 2B Sanitation Project	Sanitation	12,579,051
Mbhashe Region 2D Sanitation Project	Sanitation	4,241,175
Ward 31 Water Supply Scheme	Water	4,241,175
Bende Water Supply Scheme	Water	5,937,645
Shixini Water Supply Scheme	Water	4,241,175
Elliotdale Waste Water Treatment Works Feasibility Study	Sanitation	561,800
Sewage Reticulation in Willowvale	Sanitation	1,000,000

Mbhashe Area Wide Sanitation: Mbhashe Region 2 Sanitation Project	Sanitation	1,000,000
SUB TOTAL		98,226,579

ADM 2019/20 WSIG GRANT PROJECTS FOR MBHASHE LM

PROJECT NAME	2019/20 Water Supply Rev 1 allocation
Dutywa Borehole Refurbishment	1,000,000.00
Dutywa Waste Water Treatment Works	-
Dutywa Water Treatment Works	-
Idutywa East - Interim Water Supply	-
Mbhashe North Water Supply	-
Sewer Pump Stations – Mbhashe	-
Water Loss Reduction Programme: Mbhashe	2,500,000.00
Water Pump Stations – Mbhashe	-

DEPARTMENT OF SAFETY AND LIAISON – 2019/20 PLANNED PROJECTS

Activity	Venue and Time	Budget
Social Crime prevention programmes	Elliotdale	R35 000
Unannounced Visits	Elliotdale Dutywa	NCI
Policing Accountability engagement	Dutywa –	R20 000
Support municipalities with functioning of CSF		

DEPARTMENT OF ENVIRONMENTAL AFFAIRS (DEA) 2019/20 PROJECTS

REGION	MUNICIPALITY	PROJECT NAME	PROJECT DESCRIPTION	FOCUS AREA	BUDGET
Amathole	Mbhashe	EC-AmaJingqi Traditional Council	AmaJingqi Traditional Council to establish game ranching facility through erection of a game fence, water supply and adminbuilding and a lodge	Biodiversity Economy	20 000 000
Amathole	Mbhashe	AmaXhosa Royal Kingdom	Development of a lodge(thatch roof), construction of the conference centre, construction chalets, but infrastructure, hiking trails, swimming pool, alien clearing and land rehabilitation	People and parks	35 000 000
Amathole	Mbhashe	EC- Establishment of recreational parks in Willowvale	Development of recreational park including fencing braai facilities, picnic benches, bins. Installation of play equipment, ablution facilities, planting of grass and indigenous trees. Installation solar powered lighting	GOMS	20 000 000
Amathole	Mbhashe	EC – WtFC IP Coastal Structure Refurbishment and Blue Flag	Installation of 10 sign boards per blue flag for all four beaches. Four Lifeguard Towers for all 4 ADM Blue Flag beaches, Refurbishment of Ablution Facilities, Construction of Boardwalk and Construction of Braai Stands	Working for the Coast	10 000 000
TOTAL					85 000 000

2019/20 PROJECTS BY DEPARTMENT OF SPORT RECREATION ARTS AND CULTURE (DSRAC)

SPORT & RECREATION

- Participate in Athletic club District Rural Road Race, Ebhotwe Traditional Council Nqadu Great Place, November 2019 budget R30 000
- Mqhele Sport Day May 2019 ward 17 budget R24 000
- Vongqo Sports Day Mbashe October 2019
- Hub Festival Ngqaqeni Hub May 2019 budget R17 000
- Hub Festival Colley Wobbles July 2019 budget R10 000
- Hub Festival Mqhele November 2019 budget R10 000
- Traditional Horse Race Festival -5km Fun Run Dutywa September 2019 budget R45 000
- Recreation Community Festival Elliot dale October 2019 budget R20 000

2019/20 PROJECTS BY DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM (DRDAR)

PROJECT	AREA	BUDGET
Cropping Plan - Vegetable	All 32 wards	R100 000

2019/20 Mbhashe Projects by ESKOM

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H	YTD Capex	YTD H/H
Mbhashe	Elliotdale Rural Phase 2B	Households	Cwebe,mnqwaneni, Manganyela, Hobeni,Lalini,Dingata	R11 891 959	387	R2 372 043	1
	Elliotdale Rural Phase 3	Households	Qatywa,Nkanya B2	R10 724 122	420	0	0
	Elliotdale Rural Phase 3 Link line	Infrastructure		R 3 687 826	0	0	0
	Elliotdale Rural Phase 4	Households	MndwakaA5, mndwakaA7,medi,bufumba	R15 314 678	450	0	0
	Elliotdale Rural Phase 4 link line	Infrastructure		R 2 657 727	0	0	0
	Elliotdale Rural Phase 5	Households	mathunziniD1,ebefumbaD3, ngqatyanaA2,mtshekelweniB1 ngqatyanaC3, Manzi, Mditshwa, Gonco, Ntlonyana	R31 398 928	953	R7 620 814	0
	Elliotdale Rural Phase 6	Households	Gobisandla,bumbane, HobeniC2,TsholoraC2,ntlonyan aD5	R18 175 839	541	R2 787 371.64	0
	Mbhashe Infills type 1	Households	Various	R 1 854 451	375	R1 385 748	258
	Mbhashe Ward Ext Phase 1	Households	Collewable, Naki ,Thompson	R 3 358 237	134	R 155 868	0
	Mbhashe Ward Ext Phase 2	Households	Gosani/PolarPark, Drayini, Gqubeni,zizamele,mazizini	R 3 206 087	139	R 2 717	0
Mbhashe Total				R102 269 854	3399	R16 172 015	259

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Elliotdale Phase 2B Rural	Households	Manganyela, Manganyela/Hobeni	R 7 200 000.00	300
	Elliotdale Phase 3 Rural	Households	Qatywa , Zwelitsha, NkanyaA2 MabolobeniA3	R 13 920 000.00	580
	Elliotdale Phase 3 Link line Rural	Infrastructure		R 1 400 000.00	0
	Elliotdale Phase 4 Rural	Households	Kulombethe21100B2, Lower bufumba 21100B1, nditya 22024C6, Lubanzi 23715C1,Xwagu	R 13 992 000.00	583
	Elliotdale Phase 4 link line Rural	Infrastructure		R 2 800 000.00	0
	Elliotdale Phase 5 Rural	Households	Kwa-Thembu21102B1, Ebufumba21100A3,Mavundleni21100 C6,Mavundleni21100D3, Kulohetsha21100A4, Majola/Mt pleasant,	R 13 200 000.00	550
	Elliotdale Phase 5 Link line Rural			R 2 800 000.00	0
	Elliotdale Phase 6 Rural	Households	Tsholora C2,tsholoraD1, MtshayelweniD3,Mbot yiB4,EmantshilibeniA3,EmbhasheA1 Mandluntsha.	R 13 200 000.00	550
	Elliotdale Link line Rural 6	Infrastructure		R 1 120 000.00	0
Total Elliotdale area				R 69 632 000.00	2563

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Mbhashe Infills type 1	Households	Various	R 5 760 000.00	1200
	Mbhashe Ward Ext Phase 1	Households	Thaleni,Gwadana Mission,Tyholomi,Gquphu, Khosovo	R 4 200 000.00	200
	Mbhashe Ward Ext Phase 2	Households	Drayini,new rest,maxelegwini,nxanxashe, mazizini,ncedane.	R 4 200 000.00	200
	Pre –Eng Costs	Pre-Engineering	-	R 1 919 614.00	0
	Mbhashe schedule 5B Pre-Eng	Pre-Engineering	-	R 995 652.00	0
Mbhashe Total				R 86 707 266.00	4163

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Elliotdale Rural Phase 2B	Households		R 5 100 000.00	200
	Elliotdale Rural Phase 3	Households	MakwayiniD3, MkhathaliB6, Kwa-TsheziD4, KwafolokweD6, KwafolokweD5, NgazanaA3	R22 950 000.00	900
	Elliotdale Rural Phase 3 Link line	Infrastructure		R 1 800 000.00	
	Elliotdale Rural Phase 4	Households	KhotyanaD8, khotyanaD7, KwaNkumbaD6, MncwasaD5, MpameB4, NxulumeB2, MarhashuB3, NxulumaB5, EduthumaD1, Xwagu	R22 950 000.00	900

	Elliotdale Rural Phase 4 Link line	Infrastructure		R 1 800 000.00	
	Elliotdale Rural Phase 5	Households	JeeveniC4, QinqanaD1,MdeniB2, KulowawaC7, EmpakamaC1, KuchebaC5,KuChebaC5	R22 950 000.00	900
	Elliotdale Rural Phase 5 Link line	Infrastructure		R 1 800 000.00	
	Elliotdale Rural Phase 6	Households	Mnyameni21104C1, MngazanaA4, MngazanaA2, MkhwezweniA1, MakhamesaA2, XhwiliB3, MbeluB4, MpozoloStoreA4	R15 300 000.00	600
	Elliotdale Rural 6 Link line	Infrastructure		R 1 800 000.00	
Total Elliotdale				R94 4450 000.00	3500

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Mbhashe Infills type 1	Households	Various	R 900 000.00	150
	Mbhashe Ward Ext Phase 1	Households	Gem,Tshwati,Xobo,Xabajiyane	R 5 000 000.00	200
	Mbhashe Ward Ext Phase 1 Link line	Infrastructure	-	R 1 200 000.00	0
	Mbhashe Ward Ext Phase 2	Households	Ntshingeni, Upper Dadamba,Lower Dadamba,Botwe,Upper Ngadu,Zenzele	R 5 000 000.00	200
	Mbhashe Ward Ext Phase 2 Link line	Infrastructure		R 1 200 000.00	0
	Pre –Eng Costs	Pre- Engineering		R 2 500 000.00	0

	Schedule 5B Pre-Eng	Pre-Engineering		R 995 652.00	0
Mbhashe Total				R 113 245 652.00	4050

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Elliotdale Rural Phase 3	Households	NgazanaA3, NqileniC1, NkanyaA1	R25 200 000.00	900
	Elliotdale Rural Phase 3 Link line	Infrastructure		R 1 920 000.00	
	Elliotdale Rural Phase 4	Households	ManzamnyamaA1, MgababaA2, MpameC4, MpameD1, LumnkwanaC2, KwabothoA3, ZithuleleA1	R25 200 000.00	900
	Elliotdale Rural Phase 4 link line	Infrastructure		R 1 920 000.00	
	Elliotdale Rural Phase 5	Households	EbufumbaA5, MkhambiD1, GambusheA3, NkwaliniD2	R25 200 000.00	900
	Elliotdale Rural Phase 5 link line	Infrastructure		R 1 920 000.00	
	Elliotdale Rural Phase 6	Households		R12 600 000.00	450
	Elliotdale Rural Phase 6 Link line	Infrastructure		R 1 920 000.00	0
Total Elliotdale				R95 880 000.00	3150

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Mbhashe Infills type 1	Households		R 2 100 000.00	300
	Mbhashe Ward Ext Phase 1	Households		R 8 400 000.00	300

	Mbhashe Ward Ext Phase 1 Link line			R 1 920 000.00	0
	Mbhashe Ward Ext Phase 2	Households		R 8 400 000.00	300
	Mbhashe Ward Ext Phase 2 Link line			R 1 920 000.00	0
	Pre –Eng Costs	Pre-Engineering		R 2 800 000.00	0
	Schedule 5B Pre-Eng	Pre-Engineering		R 992 657.00	0
Mbhashe Total				R 122 412 657.00	4050

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Elliotdale Rural Phase 3	Households	Nditya 22022D1, Makwayini 22022D2, MbotyiA2, Mqojweni D7, Makwayini22022D2	R 7 800 000.00	300
	Elliotdale Rural Phase 3 Link line	Infrastructure		R 1 800 000.00	0
	Elliotdale Rural Phase 4	Households	Skolotha, twalimofu, Ntilini, Nkumba22024C24, Phuthuma, Xwangu	R8 918 000.00	343
	Elliotdale Rural Phase 4 link line	Infrastructure		R 1 800 000.00	
	Elliotdale Rural Phase 5	Households	Kwamhlothe21100A2, bufumba21100A1, sidabekweni21100B3	R 7 800 000.00	300
	Elliotdale Rural Phase 5 link line	Infrastructure		R 2 059 800.00	
Total Elliotdale				R30 177 800.00	943

Municipality	Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H
Mbhashe	Elliotdale Rural Phase 3	Households		R 8 100 000.00	300
	Elliotdale Rural Phase 3 Link line	Infrastructure		R 1 800 000.00	0
	Elliotdale Rural Phase 4	Households	Skolokotha, twalimofu, Ntilini, Nkumba22024C24, Phuthuma	R 8 100 000.00	300
	Elliotdale Rural Phase 4 link line	Infrastructure		R 1 800 000.00	
	Elliotdale Rural Phase 5	Households	EntlantsanaC3, EbufumbaC2, Gwenteshe	R10 637 600.00	394
	Elliotdale Rural Phase 5 link line	Infrastructure		R 1 800 000.00	
Total Elliotdale				R31 837 600.00	994

2019/20 PROJECTS BY DEPARTMENT OF HUMAN SETTLEMENTS

REGION	MUNICIPALITY	PROJECT NAMES	HSS NO.	INSTRUMENT	SITES	UNITS	RECT	TRANSFER	BUDGET
Amathole	Mbhashe	Elliotdale - 292 subs (Phase 1)	C97120009/2	1.5a Rectified RDP stck 1994-2002	-	-	-	-	100 000
Amathole	Mbhashe	Willowvale - 97 subs (- 53 Rectification)	C99010026/2	1.5a Rectified RDP stck 1994-2002	-	-	-	-	200 000
Amathole	Mbhashe	Elliotdale - 292 subs (Phase 4) - New Top structures	C97120009/4	2.2c IRDP:Top Structure Construction	-	-	-	-	100 000
Amathole	Mbhashe	Elliotdale - 292 subs (Phase 3) New - Services	C97120009/3	2.2a IRDP 1:Planning and Services	-	-	-	-	100 000
Amathole	Mbhashe	Dutywa - 100 Destitutes 90 Units	C13010003/1	4.2 Rural Housing: Communal land rights	25	25	-	-	4 665 000
Amathole	Mbashe	Willowvale - Ngqaqini Destitute 50 Subs	C17070002/1	4.2 Rural Housing: Communal land rights	-	-	-	-	100 000
Amathole	Mbhashe	Elliotdale -400	C18080002/1	2.2b IRDP : Planning and Services INFORMAL SETTLEMENTS	-	-	-	-	500 000
TOTAL									R5 765 000

2019/20 PROJECTS BY SASSA/SOCIAL DEVELOPMENT

ADDED NEW ECDCs FOR 2019/2020

No	District	Local Municipality	Locality	Ward	Pat No.	Project Name	Activity	Max	Rates	Days	Budget
1.	Amathole	Mbhashe	Nkelekethe A/A Willowvale	27	2015	Msengeni DCC	Day Care	20	15	264	R79 200
2.			Ntlabane A/A Willowvale	30	1991	Mboya DCC	Day Care	20	15	264	R79 200
3.			Taleni A/A Dutywa	10	1801	Sinobuntu DCC	Day Care	20	15	264	R79 200
4.			Khethi A/A Dutywa	31	1547	Lilitha DCC	Day Care	20	15	264	R79 200
5.			Dingata A/A	16	1590	Thobigunya DC	Day Care	20	15	264	R79 200
6.			Doti Location Dutywa	10	1630	Lukhanyiso DC	Day Care	20	15	264	R79 200
GRAND TOTAL								2616			R10 351 410.00

ADDED NEW SERVICE CENTRE'S FOR OLDER PERSONS IN 2019/20 FY

FAC NO.	PROJECT NAME	WARD	DISTRICT MUNICIPALITY	LOCAL MUNICIPALITY	ALLOCATION
1621	Ilingelihle service centre	29	Amathole	Mbhashe	R 137 608.00
70	Phakamani cuntsula Service Centre	13			R 74 028.00
1815	Masiphathisane Service Centre	2			R 152 000.00
				TOTAL	R1 782 486.00

EARLY CHILDHOOD DEVELOPMENT: INFRASTRUCTURE FUNDING

No	District	NAME OF THE CENTRE	ADDRESS OF THE CENTRE	FACILITY NUMBER	REPLACED BY	FACILITY NUMBER	STATUS OF REGISTRATI ON	VALIDITY OF CERTIFICATE
1.	Amathole	Zama ECDC	Mqonci A/A Dutywa 5000	1530	Not replaced	10003	Active	2020/10/28
2.		Takalani ECDC	Mbewuleni A/A Dutywa	1534	Not replaced	9997	Active	2020/08/30
3.		Nomzamo ECDC	Gwadana A/A Dutywa	1512	Siyazama Ngxakaxa	1502	Active	2020/09/06
4.		Qora ECDC	Qora A/A Dutywa - 5000	1493	Mtomboti ECDC	1537	Active	2020/08/30
5.		Kuyasa ECDC	Qora, Dutywa - 5000	1497	Nomzamo	1512	Active	2020/07/31
6.		Mzokhanyo ECDC	Gxara A/A, Dutywa - 5000	1531	Sivelile ECDC	1594	Active	2020/08/30
7.		Kanyisa ECD	Esinqumeni A/A, Dutywa	1513	Ncedolwetu ECDC	1599	Active	2020/08/30
8.		Matolweni ECD	Mndwaka A/A, Elliotdale 5070	1529	Msintsana ECDC	2456	Active	2019/10/25

COMMUNITY DEVELOPMENT PROJECTS (SASSA/SOCIAL DEVELOPMENT)

PROJECT NAME	LOCALITY	WARD	NATURE	ACTIVITY	RECOMMENDATION	BUDGET
WOMEN DEVELOPMENT						
1. Bulungula Essential oil	Bulungula	19	Women Development	Soup manufacturing	Recommended	R115 000
8. Mbombela Primary Cooperative Limited	Mpume	29	Women Development	Broilers	Recommended	R180 000
9. Sakhuxolo Farming and Trading Co-operative	Ntabeni	06	Women Development	Food Gardens	Recommended	R100 000
SUSTAINABLE LIVELIHOOD						
10. CNDC of Khulasande – Dabane Programme	Dabane	15	CNDC	Nutrition	Recommended	R700 000
11. Qinqana North Community Gardens	Qinqana	17	Sustainable Livelihood	Food Gardens	Recommended	R 25 000
YOUTH DEVELOPMENT						
12. Mndende Multi purpose Co-operative	Ntlonyana	16	Youth development	Food Gardens	Not Recommended	
13. Ntinga Njengokhozi Youth Co-operative	Sinqumeni	04	Youth development	Fence Manufacturing	Recommended	R340 000
TOTAL						R1 460 000

EPWP PROJECT BY DEPARTMENT OF SOCIAL DEVELOPMENT

The volunteer are working on different programmes which are: HIV/AIDS, Early Child Development programme, Victim Empowerment, Substance Abuse, NYS, Change Agent and General Workers and received a monthly stipend monyhly.

PROGRAMME	NUMBER OF VOLUNTEERS	ANNUAL BUDGET
VEP	51	R1 301 952.00
SERVICE CENTRES	26	R 374 400.00
SUBSTANCE ABUSE	18	R 399 600.00
HIV/AIDS	20	R 491 040.00
ECD (90 practitioners & 89 cooks)	179	R2 907 600.00
04 NYS, 02 CHANGE AGENTS & 03 GENERAL WORKERS	09	R 218 760.00
TOTAL BUDGET		R5 693 352.00

➤ **WARD PLANS**

Soon after the new council was sworn in, Mayoral Imbizos were held all over Mbashe. The Honourable Executive Mayor assisted by the Mayoral Committee visited all 32 wards in Mbashe to source out amongst other things what the community's priorities are. In November 2017. All Ward Committees through Ward Councilors started on a project of profiling each village in each ward. Information was sourced on the availability of infrastructure, roads, schools, health facilities.

The table below lists 3 priorities per ward and additional requests from communities which will remain unfunded in the next financial years up to 2022. In each IDP reviewal it has been agreed with communities that prioritization of projects will come out of the lists submitted unless changes come from the wards. However, any additional funding will assist in making sure that some of these plans do come to fruition. During May 2019, Public Participation will be assisting ward committees in developing community ward based plans in preparation for 2019/20.

3WARD	PRIORITIES	ADDITIONAL PRIORITIES
01	1.Electronic pump for windmill 2.Community Hall 3.Seedlings and Fertilizers	
02	1.Sofuthe to Ndakeni access road 2.Ndakeni dipping tank 3.Dam @ Goodhope	4.High mast at Goodhope 5.Water (Mamfeneni and Upper Qhora loc) 6.Good hope community hall 7.Fencing of meal fields @ Ndakeni 8.Toilets (Upper Qhora) 9.Fencing of Mamfeneni community Hall 10.Electricity(infills) 11.Ndakeni Community Hall
03	1.Tyholomi dipping tank 2.Bridge @mpepheni location 3.Nkolweni access road (new)	4.Gwadana mission to mahliwane access road 5.Morrison to magqazeni access road 6.Mpepheni via topiya voting station to tyholomi access road 7.Fencing of nxukhwebe ploughing fields 8.Water at lencane and matolweni 9.Water at nkolweni,mahliwana and mavata 10.Toilets at lencane,matolweni, mpepheni and qelana 11.Electricity in whole ward (infills)
04	1.Access road from maxhama-pakamile sps 2.Shearing shed- Gxara a/a,Zamuxolo,Timane,Mangwevini,Zwelakhe,Rwan tsini 3.Fencing @Gxarha & Zamuxolo	4. Maxham access road 5. Shearing shed

<p>05</p>	<ol style="list-style-type: none"> 1. Cizama to singeni access road. 2. Jadezweni bridge. 3. Mbagi shearing shed. 	<ol style="list-style-type: none"> 4. Nyakatha to hololoshe access road. 5. Fencing at zanohlanga and vinindwa. 6. Taps at upper bolotwa. 7. Windmill at bolotwa. 8. Hall at mazizini. 9. Dongas in vinindwa graveyard. 10. Nyakatha shearing shed 11. Bolotwa hall phase 2 12. Mbagi access road from four corner to skhom. 13. Funding of jadezweni co-ops. 14. Fencing at mazizini and singeni. 15. Shearing shed at upper bolotwa. 16. Zanohlanga community hall.
<p>6</p>	<ol style="list-style-type: none"> 1. Water- Machibini, Bethane/Njemane, Ntlakwesopro Machibini-windmill needed. 2. Bridges: N2-Madaka and Nyandeni - Makhobokeni 3. Electrification – Nimrod Location 	<ol style="list-style-type: none"> 4. Nqabane Clinic 5. Access Road – Mhuku to Machibini 6. Access Road - Luxeni to Nyandeni 7. Access Road – Lotha Clinic to Machibini 8. Makhobokeni shearing shed
<p>7</p>	<ol style="list-style-type: none"> 1. Mbelo needs water and sanitation 2. Mbelo access road 3. Thamsanqa access road 	<ol style="list-style-type: none"> 4. Ludondolo community hall 5. Gungululu access road 6. Mhala access road maintenance
<p>8</p>	<ol style="list-style-type: none"> 1. Phelandaba to Macirheni access road 2. Naki - Dale access road 3. Maintenance – Jem Community Hall 	<ol style="list-style-type: none"> 4. Fencing - @ xobo, bangani, chaphaza-halube and ndulwini 5. Maintenance of access roads @ maqundeni-Chaphaza, maqhinebeni –ngcolosa, sitishini – Krweceni, old dale school, bhavuma & khanya 6. Shearing sheds @ Gxogxa, Bhavuma, Laphumilanga, Nomatye and Nweleni 7. Renovation of shearing sheds @ Sundwane Xobo, Naki, Dale

9	<ul style="list-style-type: none"> 1.Fencing of fields at Dubisiko, Mangathi 2.Sizini access road 3.Surfacing at govern Mbeki township 	<ul style="list-style-type: none"> 4.Komkhulu access road 5.Govern Mbeki to Doti access road 6.EXT 8 provision of water and street light 7.Auckland streetlights
10	<ul style="list-style-type: none"> 1. Machani - Taleni JSS access 2. road -NEW 2.Bomela swing bridge 3.Taleni – Mtuvi access road - MAINTENANCE 	<ul style="list-style-type: none"> 4.Magqabi swing bridge 5.Noholland-mbukuqu access road 6.Water all wards 7.Dams all wards 8.Fencing of mealie-fields @ Rhwantsini, Machani,Mtuvi,Willow-Zembe,Bende-Qakazana 9.Shearing sheds -all wards 10.Sport fields- all wards 11.Houses- all wards
11	<ul style="list-style-type: none"> 1. Weza dam 2. Ncedana Community Hall 3. Bonke Moringa Agricultural Coop 	<ul style="list-style-type: none"> 4.RDP houses 5.Ncedana dip not complete 6.Sheep dipping tank not done 7.Bridge trough to Nkanga 8.Madluntsha access road 9.Qgunce dipping tank for renovations 10.Bonde access road & dipping tank
12	<ul style="list-style-type: none"> 1.Mangwevini- access road 2.Thethiswayo/ Nqabarha river bridge 3.Mobile clinics: Lower Falakahla, Zomtsha, Bomela, Jem 	
13	<ul style="list-style-type: none"> 1.River view to Langeni access road 2.Fameni community hall 3.Water- whole ward 	<ul style="list-style-type: none"> 4.RDP houses 5.Renovation of river view dipping tanks 6.Finishing of electricity for Gwentesh, Mnyameni and Nongathi locations
14	<ul style="list-style-type: none"> 1. Access roads-Bikane 2. Access Road -Hlakothi-Ngakwamkwane 3. Access Road -Sunduza-Lukhozana 	
15	<ul style="list-style-type: none"> 1.Mtshayelo,Sholora J.S.S to Gombe access road 	<ul style="list-style-type: none"> 4.Community hall @ Xhuba (in progress)

	<ul style="list-style-type: none"> 2.Gwelani access road 3.Bobani access road 	5. Electrification @Tsholorha
16	<ul style="list-style-type: none"> 1. Access roads –Mngazana 2. Access Road -MT pleasant to Maqocweni 	
17	<ul style="list-style-type: none"> 1. Access road from Manzi to Ngangolwandle school 2. Access road at Lower Bufumba needs maintenance 3. Ntsingizi hall need maintenance (ceiling retaining water on rainy days) 	
18	<ul style="list-style-type: none"> 1. Jikanaye via Nkonxeni to Gwebityala Access road 2. Sport field at Mndwaka (xakaxa village) 3. Mndwaka community hall 	
19	<ul style="list-style-type: none"> 1. Mhlahlane SPS – Chibini Access Road 2. Coastal development from Lubanzi to Bulungula 3. Mpame Shearing shed 	
20	<ul style="list-style-type: none"> 1. Hobeni high school should appear in the IDP there is a donor who is prepared to build it. 2. Dipping tank at lower Mbhanyana-renovations. 3. Access roads : Bhula to Hobeni. 	<ul style="list-style-type: none"> 4.Makhameni to lalini 5. Mgqadaza to Komkhulu to Ngxabane 6. Ploughing to be assisted. 7. Training centre for youth. 8.Nature gate to ocean
21	<ul style="list-style-type: none"> 1. Community hall at Mpume (Dutch) 2. Dipping tank at Ngoma 3. Access road from main road to Komkhulu 	
22	<ul style="list-style-type: none"> 1. Fumbatha, Mandluntsha Zigwinta access road (Ngadla) 2. Jotelo dipping facility 3. Lower Jotela ECDC centre 	<p>ROADS NETWORKS</p> <ul style="list-style-type: none"> 1. Fumbatha, Mandluntsha Zigwinta access road (Ngadla) 2. Jongibandla/kwadumezweni to Ediphini access road (Zanemvula) 3. Esityabeni access road (Chamshe) 4. Kwantloko to Kwadubula access road (gojela)

		<p>5. Qangu access road (Chamshe)</p> <p>6. esihlanini to goqo jss access road (goqo) 7. maxixibeni access road (nquba)</p> <p>8. ntshingeni access road (hlabizulu)</p> <p>9. kulodwenga access road (dumalisile)</p> <p>10. Nombewu access road (Chamshe)</p> <p>11. Nocekedwa bridge to Sebeni (Beechamwood)</p> <p>12. Msizilweni access road (Hlabizulu)</p> <p>13. Xazini access road (Zanemvula)</p> <p>14. Mtshayelweni access road (Ngadla)</p> <p>15. Chamshe to Nquba access road</p> <p>16. Nompha access road</p> <p>17. Mgxabakazi to Nompha access road with a bridge</p> <p>18. Road surfacing from Willowvale to Tenza beach via Dumalisile.</p> <p>19 road surfacing from Badi store to Tenza beach</p> <p>COMMUNITY FACILITIES</p> <p>1. Jotelo foot bridge for school kids to Ngadla J.S.S</p> <p>2. foot bridge in esihlanini to Goqo J.S.S</p> <p>3. Ngadla sport grounds</p> <p>4. Dumalisile sport grounds</p> <p>5. Chamshe sport grounds</p> <p>6. Zamalek sport grounds</p> <p>7. Ngadla clinic</p> <p>8. Upgrading of existing schools to accommodate our quality education programme.</p> <p>9. a primary school in Jotelo</p>
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		<p>EARLY CHILDHOOD DEVELOPMENT CENTRES</p> <ol style="list-style-type: none"> 1. Nompha ECDC centre 2. Nowaka ECDC centre 3. folokwe ECDC centre 4. Ndlelibanzi ECDC centre 5. Lower Jotela ECDC centre 6. Upper Jotela ECDC centre 7. fumbatha ECDC centre 8. Mgwevu ECDC centre 9. mtshayelo ECDC centre 10. sebeni ECDC centre 11. sihlanini ECDC centre 12. Qangu ECDC centre 13. Msizilweni ECDC centre <p>LED, AGRICULTURE, TOURISM AND HERITAGE RELATED PROPOSALS</p> <ol style="list-style-type: none"> 1. farmers support centre (tractors, Agric implements, stock feed and fertilizers) 2. Tenza beach accommodations, conference facility and fish farming boutique. 3. beechamwood trading, food preservation and storage and distribution centre 4. Johannes Notyhawe community library and heritage centre 5. Tenza beach sea water swimming pool and jungle gym for kids 6. Fencing, marking and clearing of fort beechamwood.
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		<ul style="list-style-type: none"> 7. erection of a story board in Johannes Notyhawa community hall 8. Jotelo dipping facility 9. fencing of a maize ploughing project in Jotelo 10. Game farming in Ngqabarhana/shixini. <p>human resource development</p> <ul style="list-style-type: none"> 1. computer training 2. training of artisans 3. abet training 4. bursaries
23	<ul style="list-style-type: none"> 1. Mcinga to Mgwebi access road 2. Ligwa project 3. Mntongana to Mantlaneni Access Road 	<ul style="list-style-type: none"> 4. Deforestation @Ngxutyana A/A, Mgwebi, Nobebele A/A, Sunshine (Gora) 5. Maintenance of Nobebele access road 6. Hadi, nebelele & mhabumvomvu sport field 7. Luvundu access road 8. Hadi electrification 9. Qwaninga skill centre
24	<ul style="list-style-type: none"> 1. Community hall 2. Mbityana access road 3. Upper Gwadu and Ntilini swing bridge 	<ul style="list-style-type: none"> 4. Sanitation 5. Infills electrification 6. Multipurpose sport field/centre (lower Gwadu) 7. Mbozi village electrification 8. Mbityana access road 9. Dam scooping lower Gwadu 10. Baqo toilets and water (water and sanitation)
25	<ul style="list-style-type: none"> 1. Access road from town via Ntlulabokhwe to Zwelilungile J.S.S 2. Mqothwane Bridge 3. High Mast at Maxelegwini 	

26	<p>1.Tayi to Qwili access road</p> <p>2.Nowonga /Pungula community hall`</p> <p>3.Shearing shed @ Ngqatyana</p>	<p>4. Mhlabunzima ECDC (Dabane)</p> <p>5.Ngqwangele shearing shed</p> <p>6.Kulonginza dipping tank</p> <p>7.Nowonga/Pungula shearing shed</p> <p>8.Ngqwangele sport field</p> <p>9.Dams whole ward</p> <p>10.Community hall @Nqgatyana</p> <p>11.Nowonga/Pungula sport field</p> <p>12.ECDC @ Nqgwangele(kumajola)</p> <p>13. Fencing of mealie fields @ Pungula-Nowoga and Ngqwangele</p> <p>14.Ntlonyana farmers association- stock remedy-stock feed-water pump-sprinkler irrigation for the</p> <p>15.Project Access road from Bhaxa to Zilangweni access road</p> <p>16. Renovations – Shinirha Community Hall</p>
27	<p>1.Tywaka access road</p> <p>2.Lazamakaka access road (in progress)</p> <p>3.Electrification Gxakagxaka (in progress)</p>	<p>4. Lubomvini Sport ground</p> <p>5. Slab at Ntilini bridge/Nkelekethe</p> <p>6. Gwadu sport ground</p> <p>7. Mfezane sport ground</p> <p>8. Clinic Mfezane</p> <p>9. Fort Malan- Mabobodi village access road</p> <p>10. Access road to Komkhulu- fort Malan</p> <p>11. Electrification of Nkelethe</p> <p>12. Ntilini maintenance of access roads</p> <p>13. Infills electrification-Mhlohlozi</p> <p>14. Lubomvini access road</p>
28	<p>1. Mqhele Store – Mrhale Access Road</p>	

	<ul style="list-style-type: none"> 2. Fencing of Madwaleni & Mqhele 3. Renovation of Sports Field 	
29	<ul style="list-style-type: none"> 1. Mpume to gate Access Road 2. Nqabarha to Ntubeni Access Road 3. Dipping tanks- Nkatha 	<ul style="list-style-type: none"> 4. Nkhatha, Mhlanga, Kunene Access Road 5. Dipping tanks, Nondobo, Nqabarha, Mevana
30	<ul style="list-style-type: none"> 1. Matolweni to Kulozulu J.S.S Access Road 2. Gangatha playground 3. Ntlabane-gangatha dipping tanks 	
31	<ul style="list-style-type: none"> 1. Sikhobeni – Chaba - Mbewuleni 2. Mbewuleni – Jojweni access road 3. Zundawana Hall 	
32	<ul style="list-style-type: none"> 1. Community hall@ Madwaleni 2. Sport field @ Vuyisile 3. Notofa to Xanase road 	<ul style="list-style-type: none"> 4. Caweni to Maxhama access road 5. electricity @ Nkanya and Qatywa 6. Xanase to Sundwana access road 7. Bhakaneni to palini road 8. Madwaleni to nkanya lodge(tar) 9. Xanasi to Sundwani Access Road 10. Tubeni to Nomswempezo access road clinic to Ntlokweni road 11. Nonyenza to Thafeni road 12. Manganyela to Nobangile school Kalweni to Chwebeni Nkanya to Sundwani Gulu to Madwaleni 13. Fixing of water pipes – tombo, nonyenza, sundwane 14. Sportground- Madwaleni, Nkanya, Gusi 15. Dipping tank – madwaleni, qatywa 16. ECDC 17. Electricity- Nkanya, Qatywa 18. Toilets project incomplete

		19.Ubuqholo programme 20.stock remedy 21..ECDC @ Maxhama 22..Mncikanana to Mpenge road
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CHAPTER 6

PERFORMANCE MANAGEMENT SYSTEMS

The municipality has a PMS unit that is responsible for the coordination of institutional performance. The unit has got one employee which is the PMS Coordinator. The Systems Act requires municipalities to develop a performance management system.

The municipality should also set targets, monitor and review performance based on indicators linked to their IDP.

Publish an annual report on performance for the councillors, staff, the public and other spheres of government.

Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.

Involve the community in setting indicators and targets and reviewing municipal performance.

However, the following challenges continue to hinder the progress with regard to implementation of Individual Performance Management System within Mbhashe Local Municipality:

- ❖ Non co-operation of some supervisors in the implementation of the system
- ❖ The value of the performance rewards that are approved are perceived by many employees to be of a very low standard, as a result, it does not motivate or encourage them to perform beyond the set standards
- ❖ Low morale of staff
- ❖ Inaccessibility of some of employees to computers especially those in Satellite offices has a negative impact in the implementation of the system because in designing/developing the performance/action plans computers are utilised.
- ❖ Limited capacity in District on PMS function
- ❖ Absence of uniform electronic PMS in LM's
- ❖ Minimal quality checking of information

The Mbhashe Municipality in responding to the requirements developed the following tools aimed at operationalizing its PMS.

- ❖ Performance management framework
- ❖ Performance contracts and agreements
- ❖ SDBIP
- ❖ Annual performance report

The Mbhashe Local Municipality reviewed and adopted a performance management framework represented as revised in this document. On this exercise, the municipality was financially assisted by Amathole district municipality. The outlines of the Framework includes; objectives, principles, process, procedures and the model that guides how the municipality implements its performance planning, monitoring, review, reporting, auditing and evaluation. It further, identifies the key stakeholders and their respective roles in the managing of municipal performance management.

In August 2001 regulations on municipal planning and performance management were published by the Department of Provincial and Local Government (dplg) to further explain the requirements of the LG Municipal Systems Act 32 of 2000.

Organizational Performance Management

Mbhashe has improved its performance management system through the use of an Electronic system called E-perform which was introduced in 2011. E-Perform acts as catalyst for the inculcation of performance management across the organisation and can be applied at all levels. However, currently it is being successfully applied at an institutional and top tier management levels. There are plans in place to cascade the system to lower levels.

Individual Performance Management

According to PMS Framework, all municipalities are required to cascade Performance Management to all levels of employees in the municipality. This will ensure that all employees below the Section 56 managers are also held accountable for performance. An Employee Performance Management Policy was adopted in 2011 and reviewed in 2013.

Mbhashe is currently cascading Performance Management System to all levels below the s56 Managers, using the following tools as means of planning, monitoring, and review and reporting individual performance:

- ❖ Accountability Agreements, Performance Plans, Personal Development Plans (Task Grade 11-20)
- ❖ Performance Promises, Action Plans and Personal Development Plans (Task Grade 1-10).

Accountability Agreements and Performance Promises are currently being implemented in a manner that ensures the creation of an interface between Service Delivery and Budget Implementation Plan and individual performance. Individual performance reviews are conducted at the end of each quarter. Annual assessment to determine who should get the performance rewards are conducted at the end of the fourth quarter.

According to the regulations a municipal PMS must ensure that it:

- a) Complies with all the requirements set out in the Municipal Systems Act;
- b) Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- c) Clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- d) Clarifies the processes of implementing the system within the framework of the integrated development planning process;
- e) Determines the frequency of reporting and the lines of accountability for performance;
- f) Relates to the municipality's employee performance management processes;
- g) Provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):

- a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) The percentage of households earning less than R1100 per month with access to free basic services;
- c) The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) The number of jobs created through municipality's local economic development initiatives including capital projects
- e) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- f) The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- g) Auditing of performance reports at least twice annually the council will be required to receive and endorse municipal performance reports for submission to the audit committee. These reports must be prepared by the management team and received by council by the same deadlines for review mentioned earlier.

The Regulations specify that any auditing must include assessment of:

- ❖ The functionality of the municipality's Performance Management System;
- ❖ The compliance of the system with the legislation; and
- ❖ The extent to which performance measurements

Audit Committee

The Municipal Council must ensure that the mandate of the audit committee includes the responsibility for auditing performance reports at least twice annually. It is suggested that before the municipal performance report is tabled to the audit committee, it must be seen by the internal auditor for his/her advice. This will minimise possibilities for adverse outcome opinions on the report.

In composing the municipal audit committee Council must ensure that:

- a) All members of the audit committee should not be councillors of the municipality
- b) Chairperson of the Audit Committee is neither a councillor nor an employee of the municipality;
- c) Members of the Audit Committee have credibility within the communities and organs of civil society; and the
- d) The operation of the audit committee must be governed by Municipal Finance Management Act, Section 166 and also the National Treasury regulations, section 3 as follows, the performance audit committee will:
 - e) Review the quarterly reports submitted to it by internal audit unit;
 - f) Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
 - g) Assess whether the performance indicators are sufficient;
 - h) At least twice during a financial year submit an audit report to the municipal council.

- i) The audit committee should also be tasked with assessing the reliability of information reported. In order to fulfil its function, a performance audit committee may in accordance with the regulations:
- j) Communicate directly with the Council, Municipal Manager or internal; and external auditors of the municipality concerned;
- k) Access any municipal records containing information that is needed to performance its powers;
- l) Request any relevant person to attend any of its meetings, and if necessary to provide information requested by the committee; and
- m) Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

CHALLENGES ARE AS FOLLOWS:

- ❖ The issue of Annual Management and Staff awards has not been incorporated for in the existing framework.
- ❖ The framework does not talk to the budget for performance awards and rewards in the current financial year.

INDIVIDUAL PERFORMANCE ASSESSMENTS

The individual performance assessment is in the process being cascaded down to the lower levels of employment. All the required documentation required to enable the process of assessment has been signed by all employees. Workshops aimed at capacitating users and respective management team have been conducted. Further capacity building workshops will be conducted to entrench full understanding and buy in of the system. 2019/20 financial year has been targeted for the implementation of this system.

7.1. INTRODUCTION AND BACKGROUND

Section 26 of the Local Government: Municipal Systems Act (Act No 32 of 2000) as amended lists the core components of an Integrated Development Plan for all municipalities and section 26(h) requires the IDP to include a Financial Management Plan which “must include a budget projection for at least the next three years”. Mbhashe Municipality has prepared this Financial Plan for 2018/19 in compliance with Section 26(h) of the Municipal Systems Act, as amended. The IDP is a guiding document for the Municipality’s 2018/19 budget planning process. The IDP’s outcome is the alignment of all departmental planning processes to the mission and vision of the Municipality in achieving its long-term strategic goals. Therefore, the Financial Plan ensures that the objectives of the IDP are achieved over its implementation period, and also strives to ensure that scarce resources are obtained timeously and allocated to the relevant projects in line with the key targets of the IDP. The fundamental goal of the Municipality in all its processes is to enhance service delivery to its community and contribute to improved socio-economic activities for its citizens. The municipality has complied fully in the implementation of the Municipal Regulations on a Standard Chart of Accounts (*mSCOA*) since 01st July 2017. The financial plan includes an Operating Budget and Capital Budget for the 2018/19 MTERF period which is informed by the Integrated Development Plan priorities and strategic direction of the Municipality.

7.2. OVERVIEW OF THE MEDIUM TERM REVENUE AND EXPENDITURE BUDGET

Each department in the Municipality had to review the business planning process, setting of priorities and targets to compile the 2018/19 MRTEF operational and capital budgets. The application of sound financial management principles for the compilation of Mbhashe Municipality’s Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The table below shows a summary of Mbhashe Municipality’s 2018/19 MTERF budget.

DETAILS	REVISED BUDGET CURRENT YEAR 2017/18	PROJECTED FORECAST BUDGET YEAR 2018/19	PROJECTED FORECAST OUTER YEAR 2019/20	PROJECTED FORECAST OUTER YEAR 2020/21
TOTAL INCOME	R 361 556 108	R 345 064 000	R 349 860 050	R 363 583 953
TOTAL EXPENDITURE	R 432 566 452	R 416 074 344	R 424 420 911	R 441 812 857
SURPLUS/(DEFICIT) for the year	(R 71 010 344)	(R 71 010 344)	(R 74 560 861)	(R 78 288 904)

Total operating revenue has decreased by 5% for the 2018/2019 financial year when compared to the 2017/2018 Revised Budget and will also increase by 1 % and 4% for both outer years respectively.

Total expenditure for the 2018/2019 financial year has been appropriated at R416.7 million. When compared to the 2017/2018 Revised Budget, operational expenditure has decreased by 4% per cent in the 2018/2019 budget year and grown by 2% and 4 % each on the respective outer years of the MTREF.

7.2.1 Operational Budget

The following table represents the 2018/19 MTREF Operational Budget:

Description	2014/15	2015/16	2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source								
Property rates	6,314,558	7,701,146	4,032,478	4,246,202	5,246,202	5,700,000	5,985,000	6,284,250
Service charges - refuse revenue	1,820,166	1,322,908	474,527	1,267,000	1,267,000	1,300,000	1,365,000	1,433,250
Rental of facilities and equipment	1,015,779	1,560,004	1,894,531	50,907,592	8,332,592	6,500,000	6,825,000	7,166,250
Interest earned - external investments	9,068,446	9,004,105	5,111,777	11,678,662	9,878,662	3,000,000	3,150,000	3,307,500
Interest earned - outstanding debtors	-	-	82,957	-	-	-	-	-
Fines, penalties and forfeits	392,313	2,208,895	3,098,393	8,000,000	8,000,000	6,000,000	6,300,000	6,615,000
Licences and permits	742,726	731,769	1,415,198	-	-	-	-	-
Transfers and subsidies-Operational	169,880,286	197,685,874	214,240,860	225,761,000	225,761,000	232,176,000	238,430,550	250,263,578
Transfers and subsidies-Capital	50,640,000	92,311,536	82,745,000	75,027,000	75,027,000	79,138,000	75,992,000	76,111,000
Other revenue	5,761,249	4,852,273	72,717,363	43,243,652	28,043,652	11,250,000	11,812,500	12,403,125
Total Revenue	245,635,523	317,378,510	385,813,084	420,131,108	361,556,108	345,064,000	349,860,050	363,583,953
Expenditure By Type								
Employee related costs	43,316,669	79,490,942	120,917,690	112,994,309	125,273,119	114,677,577	13,492,000	13,504,600
Remuneration of councillors	21,814,912	23,984,032	23,319,930	22,279,518	22,790,708	24,108,889	25,314,332	26,582,049
Debt impairment	2,554,155	2,084,685	458,257	1,010,344	1,010,344	1,010,344	1,060,861	1,113,904
Depreciation & asset impairment	58,473,922	69,116,580	68,997,678	70,000,000	70,000,000	70,000,000	73,500,000	77,175,000
Finance charges	3,835,823	15,294,347	9,121,966	-	-	-	-	-
Project Expenditure	74,776,182	138,696,400	174,102,555	205,990,141	151,506,481	127,139,535	235,061,718	247,386,304
Loss on disposal of PPE	2,281,325	2,517,045	-	-	-	-	-	-
Capital Expenditure	50,640,000	92,311,536	82,745,000	77,867,140	61,985,800	79,138,000	75,992,000	76,111,000
Total Expenditure	257,692,988	423,495,567	479,663,076	490,141,452	432,566,452	416,074,344	424,420,911	441,872,857

From the above table it can be seen that the total revenue equates to R 345.1 million for the 2018/19 financial year (inclusive of operating and capital grants and subsidies). The total operating expenditure is in the excess of R 416.1 million (including non-cash items) for the same financial year, resulting in an operating deficit of around R71. Million made up of non cash items. The current revenue and expenditure trends have informed the following assumptions:

- ❖ Average decrease of 5 per cent on total income over the MTREF period.
- ❖ Property Rates budget has increased by 5% across the 2018/19 MTREF
- ❖ Employee related costs have increased by 7% in the budget year and increased at an average of 5 per cent per annum over the outer years also.
- ❖ Interest on investments decreased by 70% 2018/19 financial year and increase by 5% in the outer years.
- ❖ The municipality remains grant dependent with its revenue base comprising of 90 per cent of grants and subsidies income and 10 per cent own revenue in the budget year.

7.2.2 Budget and treasury office policies

The Municipality's budget process is guided and governed by the relevant legislative frameworks, strategies and related policies. The Budget and Treasury Office has reviewed the following policies for adoption by Council before the end of the 2017/2018 financial year. The policies are set to provide a sound financial base and assist in the achievement of Budget and Treasury Office's respective IDP priorities.

- ❖ Supply Chain Management policy
- ❖ Asset Management Policy
- ❖ Credit Control and Debt Collection Policy
- ❖ Banking Policy
- ❖ Tariff Policy
- ❖ Property Rates Policy
- ❖ Virement Policy
- ❖ Creditors, Councillors and Payments Policy
- ❖ Petty cash policy
- ❖ Borrowing Policy
- ❖ EFT Policy
- ❖ Funding and Reserves Policy
- ❖ Long-Term Financial Planning Policy
- ❖ Policy on Planning and Approval of Capital Projects
- ❖ Related Party Policy
- ❖ Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
- ❖ SCM Process Turn-around Policy
- ❖ Commodity Based Procurement Policy
- ❖ Investment Policy
- ❖ Infrastructure Procurement and Delivery Management Policy
- ❖ Management of Accumulated Surplus/Deficit and Bad Debts Policy

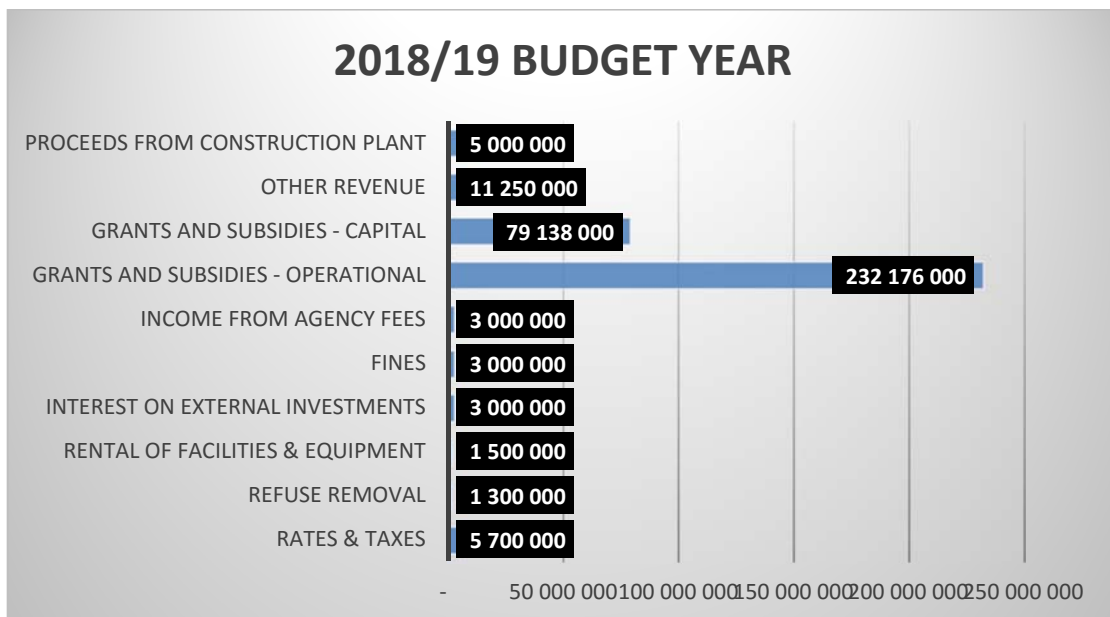
- ❖ Payroll Management and Administration Policy
- ❖ Fleet Management Policy
- ❖ Write- off of irrecoverable Debts Policy

Budget and Treasury Office is reviewing its policies annually due to changes in the municipal environment and to ensure that changes in legislation, IDP priorities and administrative processes are aligned to its policies.

7.2.3 Revenue Strategies

For Mphashe Municipality to continue improving the quality of services provided to its community it needs to generate the required levels of revenue. Due to the rural nature of the Municipality, it becomes difficult to raise own revenue therefore, strong revenue management is fundamental to the financial sustainability of the municipality. The Municipality is currently faced with development backlogs, low household income levels with only 39% of household earning a monthly income equal to or higher than R3 000 and lack of human resource capacity. This has made it difficult for the Municipality calculating tariff increases and balancing expenditures against realistically anticipated revenues.

Mphashe Municipality’s main sources of revenue that are substantial are from the levying of assessment rates and service charges for refuse removal. The figure below indicates the Municipality’s main sources of revenue that are funding the 2018/2019 operation budget year.



The municipality’s revenue strategy is built around the following key components:

- ❖ National Treasury’s guidelines and macroeconomic policy;
- ❖ Growth in the municipality and continued economic development;
- ❖ Efficient revenue management, which aims to ensure a 100% annual collection rate for property rates after the implementation of the Council resolution on debt write-off and on refuse removal charges overtime;

- ❖ Achievement of full cost recovery of specific user charges especially in relation to trading services;
- ❖ Using our own plant machinery for construction of roads and thus generating own revenue
- ❖ Determining the tariff escalation rate by establishing the revenue requirement of each service;
- ❖ The Municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004);
- ❖ Increase ability to extend new services and recover costs;
- ❖ Establishing and maintaining a fully functional DLTC and RA;
- ❖ The municipality's Indigent Policy and rendering of free basic service

Due to the current constraints and challenges facing the Municipality, the Municipality has decided to embark on a review of its revenue enhancement strategies which resulted in an allocation of a budget of R 200 000 in the 2018/19 financial year. Amongst the revenue strategies to be explored will be the Drivers Licence Testing Centre (DLTC) which is operating already and Registering Authority (RA). The municipality has also acquired three sets of plant machinery and these will also contribute a great deal in own revenue generating with a projection of R 5 000 000 in the 2018/19 financial period. The municipality has appointed a debt collector to follow up on all long outstanding debts, and in the previous periods the debt collector has performed tremendously, as the municipality has an average of 80% collection rate.

During the current financial year of 2018/2019, the Municipality developed revenue enhancement strategies which focused mainly on the following factors:

- Accuracy of billing information which included the implementation and continuous monitoring of the data cleaning exercise's recommendations and day-to-day operations of revenue generating departments;
- Implementation of an Indigent Register with focus on the development of memorandums of understanding with the following stakeholders:
 - ❖ Eskom
 - ❖ The South African Social Security Agency
 - ❖ House of Traditional Leaders Association
 - ❖ Eastern Cape Provincial Government
- Pay point management with emphasis on the accessibility of customer billing information from Municipality's satellite offices in Gatyana and Xhorha towns;
- Customer Care Management with focus on an integrated customer care centre
- Tariff structure review with emphasis on cost reflective tariffs to be applied on Municipal revenue generating services;
- Municipal property leases focusing on the registration of Municipal property occupants as debtors to the billing database to ensure application of debt collection processes once rental is overdue;
- Appointment of a debt collector to assist the Municipality collect outstanding debt;
- Upgrading of the Municipality's traffic services with DLTC and RA

- Improvement in the impounding of livestock with a development of policy and by-laws on auctioning of livestock;
- Review of asset management policy and strategy;
- Alignment of the Revenue Enhancement Strategy with the LED Strategy; and
- Utilising our own plant machinery to construct MIG funded roads and thus maximising the opportunity costs that comes with redistribution of.

In implementing the revenue enhancement strategy, the following activities have been earmarked over the 2018/2019 MTREF period:

- ❖ Improvement in the administration of contracts of sales and leases in respect of municipality's immovable properties by implementing the recommendations of the data cleansing exercise to assist the Municipality in verifying all municipal property leases to ensure compliance and enforcement and noting of common problems.
- ❖ The Municipality has appointed a debt collector to improve revenue collections and implementation of the Municipality's debt collection policy.
- ❖ The Municipality has generated revenue during the 2017/2018 financial year on pound fees through auctions and is in a process of developing a pounding policy. The Municipality is considering opening pound centres in the Xhorhaand Gatyana town areas to enhance revenue.
- ❖ There was also a disposal of movable assets during 2016/17 through an auction held.
- ❖ Currently, Eskom is the distributor of electricity within the Mbhashe area of jurisdiction. The Municipality is current exploring an application of an electricity distribution license to the National Energy Regulation of South Africa. Electricity distribution by the Municipality can generate additional revenue and can also act as a debt collection mechanism.
- ❖ Utilise the plant machinery for construction of access roads and thus generate revenue.

7.2.4 Equitable Share

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution. In terms of these provisions, local government is entitled to an equitable share of nationally raised revenue to enable municipalities to provide basic services to low-income households and to assist municipalities in maintaining functioning administrations.

Equitable share takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. According to the Division of Revenue Act (DoRA), the equitable share allocation comprise of the following components:

- ❖ Basic services component
- ❖ Development component
- ❖ Institutional support component
- ❖ Revenue Raising Capacity
- ❖ Correction and stability factor

DESCRIPTION	REVISED BUDGET CURRENT 2017/18	BUDGET YEAR 2018/19	BUDGET YEAR 2019/20	BUDGET YEAR 2018/19
EQUITABLE SHARE	R 218 025 000	R 225 391 000	R 243 648 000	R 260 961 000
FREE BASIS SERVICES	R 8 135 300	R 9 015 640	R 9 745 920	R 10 438 440
FREE BASIC SERVICES as % of Equitable Share Allocation	4%	4%	4%	4%

It should be noted that the basic services component support poor households earning less than R2 300 per month based on the Census 2011 data. This is an income threshold that is less than the qualification threshold as stipulated in the Municipality's Indigent Policy. It also distinguishes between poor households currently receiving municipal services and those provided with lesser municipal services or no services. The municipality should prioritise its budget towards poor households and national priorities such as free basic services and the expanded public works programme.

The equitable share allocation analysis is shown in the table below:

From the table above, the equitable share is showing a growth of 3 per cent in 2018/19 financial year compared to the allocation of R218 million in 2017/18 Budget period.

The municipality is currently providing alternative energy sources for non-electrified areas in the rural areas through maintenance of solar systems as per the indigent policy. The municipality also provides a subsidy for prepaid electricity in rural areas for registered indigents through an agreement with Eskom. The table above shows that an average of 5 per cent of the total equitable share is allocated to subsidise for the provision of free basic services including the pre-paid electricity and provision of alternative sources of energy to qualified indigent households. With more than 60 per cent of the total household population within the Municipality earning less than R 3000, it is anticipated that the indigent subsidy currently provided might not be sufficient to cover all indigent households once the registration process is complete. The municipality has also embarked on extending its waste management programme to rural communities through the rural waste collection programme.

i. Operating Grants and Subsidies

GRANTS	REVISED BUDGET CURRENT YEAR 2017/18	PROJECTED FORECAST BUDGET YEAR 2018/19	PROJECTED FORECAST BUDGET YEAR 2019/20	PROJECTED FORECAST BUDGET YEAR 2020/21
MIG	58 027 000	70 192 000	59 992 000	63 311 000
EQUITABLE SHARE	218 025 000	225 391 000	243 648 000	260 961 000
ELECTRIFICATION	14 000 000	8 946 000	16 000 000	12 800 000
EPWP	4 236 000	5 015 000	NIL	NIL
FMG	1 700 000	1 770 000	1 770 000	1 770 000
LGSETA	100 000	NIL	NIL	NIL
LIBRARY SUBSIDY	350 000	NIL	NIL	NIL

With the promulgation of the Division of Revenue Act, 2013, cognisance needs to be taken of the following operating grant and subsidies allocations:

From the table above, it is evident that Equitable Share still remains a significant operating grant funding source for the implementation of free basic services amongst others.

1.2.5 Expenditure Management

A major strategy related to the outcome of this financial plan was aligned to generating further operational gains and efficiencies to ensure the Municipality undertakes detail financial planning aligned to budgeting for improved service delivery. The operating expenditure budget is a direct product of this initiative, of which operational capacity created has been directed to the capital affordability limitations.

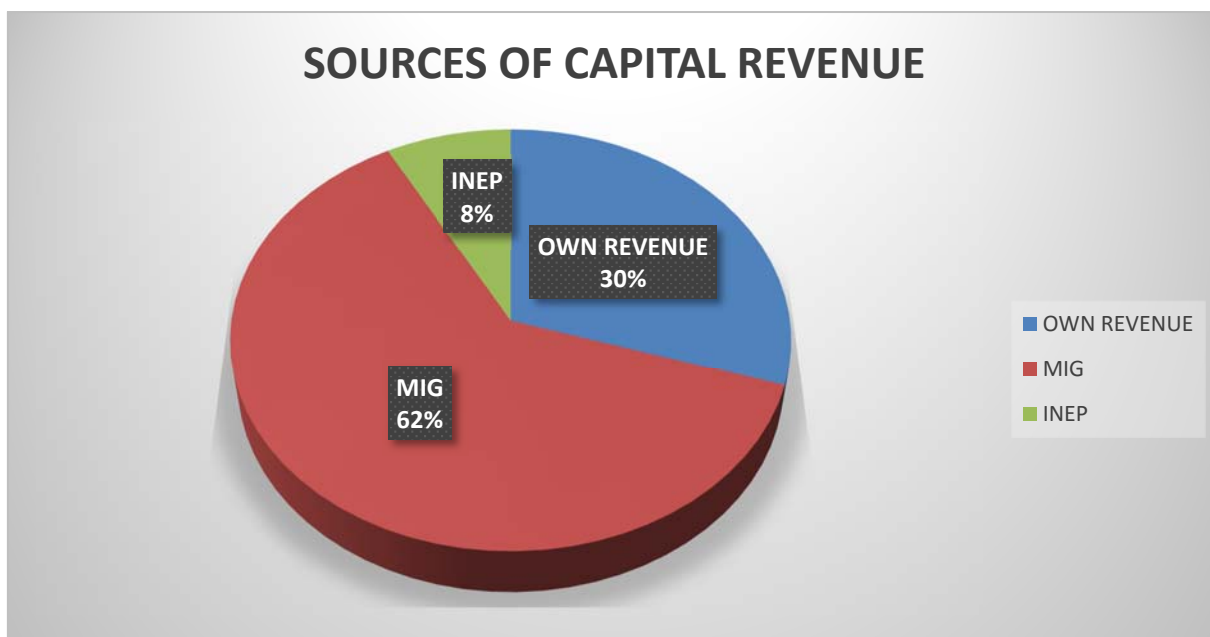
Total operating expenditure is estimated to increase by an average of 13 per cent over the 2018/2019 MTERF budget period with total income expected to increase by an average of 15 per cent over the same period. The operating surplus margins are very low and may affect the sustainability of the Municipality. The Municipality has reviewed its Supply Chain Management Policy to ensure that procurement processes are implemented in compliance to SCM regulations and therefore minimize the occurrence of irregular expenditure.

1.2.6 Municipal Infrastructure Grant

The MIG supports the broader objectives of the Municipality in the delivery of basic services to poor households and the alleviation of poverty. With the maintenance of access roads and construction of community halls, the economic development of Mbhashe Municipality is stimulated and also contributes to job creation. The largest infrastructure transfer for the 2018/19 financial year remains the Municipal Infrastructure Grant with a total budget of over R70 million.

7.2.7 Sources of Capital Expenditure

The figure below is graphic illustration of the sources of funding for the capital expenditure for the 2018/19 financial year:



The figure above shows that the Municipality is funding its capital expenditure to the equivalence of 30% per cent from its own revenue sources and the rest from grant allocations for the 2018/19 financial year. The municipality is investing on assets to ensure that basic service delivery to its community is achieved.

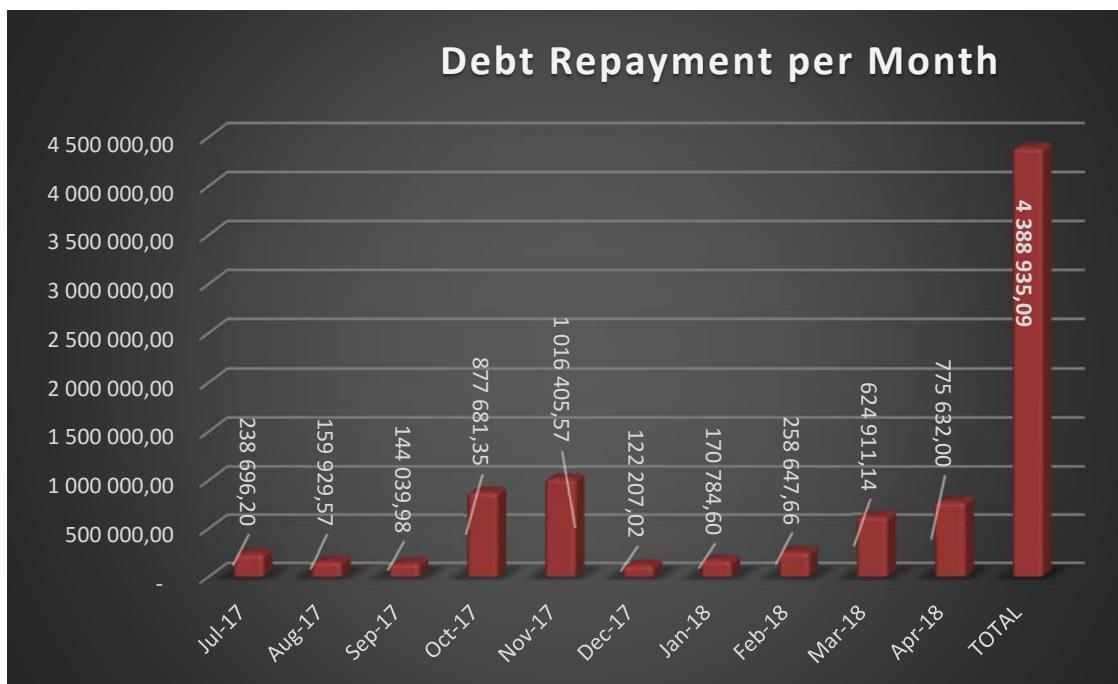
Sustainability of the Municipality

One of the Key Performance Areas of the Municipality in the IDP process is on Financial Viability which also contributes in assessing municipality's long-term sustainability. In assessing the Municipality's liquidity position, the Municipality has applied the following mechanism to assess the cash position of the Municipality to support the implementation of the 2018/19 MTREF budget.

- ❖ Debt collection rate
- ❖ Liquidity ratio

7.2.8 Debt Collection Rate

The graph below illustrates the relationship between billing and receipts for Municipal rates and refuse services monthly between July 2017 and April 2018.



The municipality has a combination of customers who pay their rates annually and those that pay monthly, included in the graph above old outstanding debts that have been collected with the help of the debt collector. This is evident in the graph above where the amount collected is more than one million rands during the month of November 2017 where the Department of Public Works paid its annual rates and long outstanding debt.

The gross debt value had decreased by 76.6% from 2014/15 to 2016/17, this is the result of the data cleansing exercise and the appointment of a debt collector.

1.2.10 Liquidity Ratio

The municipality had a liquidity ratio of 0.60:1 which was below the norm as at 30 June 2017. The liquidity ratio provides an indication of the municipality's ability to pay its short term debts in the short- term (viability of an entity). The ratio indicates how many times the current assets, if liquidated, pay the current liabilities. The norm (considered acceptable) is 2:1 i.e. the current assets are double the current liabilities. The municipality had entered into 3 year debt to acquire construction plant machinery, this affected the liquidity status of the municipality in the short term, but have increased its capacity to deliver services to the communities. The debt has been settled in full and there is anticipated improvement to the liquidity status in 2018/19.

The ratio as at 30 June 2017 focused on the following:

Current Assets:	- Receivables from exchange and non-exchange transactions - R 599 820	Current Liabilities:	- Finance Lease Obligation - R 11 225 009
	- VAT Receivable - R 9 326 286		- Payables from exchange transactions - R 31 561 735
	- Consumer Debtors - R 2 486 573		- Employee Benefit Obligation - R 544 181
	- Cash and Cash Equivalent - R 13 635 479		- Provisions
			- Bank Overdraft

As part of the budgeting process, the Municipality budgeted approximately R2 million over the MTEF period on projects earmarked to improve the audit opinion especially around property plant and equipment and preparation of annual financial statements.

7.2.11. Conclusion

Operational efficiencies, including revenue enhancement, improved debt collection, effective and efficient Supply Chain Management processes as well as capital infrastructure-expansion and various planned construction and property development programmes will lead to long-term sustainability of the municipality and sustainable service delivery for the municipal community as a whole.

Improvement in the Municipality's human resources capacity by filling in all critical service delivery and administrative driven positions will contribute positively to the sustainability of the Municipality. This should be done hand-in-hand with the refinement of processes and procedures followed by municipal staff in performing their day-to-day operations. In order for the Municipality to improve its overall performance, it is important to implement Performance Management System with clearly defined processes (roles and responsibilities) and measurable outputs (targets, monitoring and review performance), amongst other to ensure compliance to the requirements of the Municipal Systems Act. The municipality is right on track in terms of meeting the 01st July 2017 deadline for (*mSCOA*) implementation.

Section 26 of the Local Government: Municipal Systems Act (Act No 32 of 2000) as amended lists the core components of and Integrated Development Plan for all municipalities and section 26(h) requires the IDP to include a Financial Management Plan which, "must include a budget projection for at least the next three years". Mbhashe Municipality has prepared this Financial Plan for 2015/2016 in compliance with Section 26(h) of the Municipal Systems Act, as amended.

The IDP is a guiding document for the Municipality's 2015/2016 budget planning process. The IDP's outcome is the alignment of all departmental planning processes to the mission and vision of the Municipality in achieving its long-term strategic goals. Therefore, the Financial Plan ensures that the objectives of the IDP are achieved over its implementation period, and also strives to ensure that scarce resources are obtained timeously and allocated to the relevant projects in line with the key targets of the IDP. The fundamental goal of the Municipality in all its processes is to enhance service delivery to its community and contribute to improved socio-economic activities for its citizens. The financial plan includes an Operating Budget and Capital Budget for the 2015/2016 MTERF period which is informed by the Integrated Development Plan priorities and strategic direction of the Municipality.

CHAPTER 8

IDP APPROVAL

The process of approval for this IDP involved a series of consultative meetings with all stakeholders including all wards, representative forum members, sector departments, internal departments, the district municipality and MEC for Local Government. A draft IDP was tabled to Council on 29 March 2018 and thereafter was used to solicit comments from various municipal stakeholders through IDP and Budget roadshows in April 2018.

This being the final IDP document, tabled to council on 29 May 2019 and marketed to all relevant audiences to ensure continuous buy-in and support for IDP implementation. Copies will also be forwarded to relevant authorities such as the MEC for Local Government in the province, the District Municipality and other development agencies. These stakeholders will be lobbied to contribute to the development agenda of the municipality, National and Provincial Treasury Auditor General.