



# **NKONKOB E MUNICIPALITY**

## **Annual Report:**

**Financial year 2009-2010**

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# PART 1: Introduction and Overview

## Mayor's foreword

2009/2010 financial year has been eventful for Nkonkobe Municipality. We have managed to some extent to meet certain priorities and realise certain objectives outlined in the Integrated Development Plan (IDP). These include inter-alia managing and utilising our limited resources effectively, promoting Local Economic Development and tourism, improving road and infrastructure. To this end we are in the process of establishing a Technical Unit. This is done to build internal capacity of the municipality and to do some projects in-house.

In the financial year under review for the first time we have presented consolidated financial statements for both parent municipality and its entity Nkonkobe Economic Development Agency. The current state of affairs shows improved performance. The expenditure patterns in Municipal Infrastructure Grant (MIG) in the year under review bears testimony to that fact. Nkonkobe municipality as a low capacity municipality is converting to GRAP for the first time.

I have pleasure to present draft annual financial statements (AFS) for 2009/2010 financial year. Municipal Finance Management Act provides that municipality must prepare annual financial statements of the municipality and within two months after the end of the financial year to which those statements relate submit the statements to the Auditor General for auditing. As the municipality we have tried our utmost best to adhere to the Generally Recognised Accounting Practices (GRAP) when preparing these financial statements to produce information reports attuned to specific needs of Nkonkobe community and assure.

The annual Financial Statements for the year under review portrays a bleak picture on financial viability and debt management by Nkonkobe municipality. However financial statements denote a significant improvement on investments as well as acceptable personnel expenditure. The relationship between financial viability and financial management remains a daunting challenge for our municipality.

In the financial year under review Nkonkobe municipality is in the process of formulating and adopting enabling fiscal policies in order to realise the objective of clean audit outcome. Currently there are internal control deficiencies. These include inter-alia risk management policy, asset management policy and proper implementation of performance management systems. We are especially pleased to have a functional audit committee and internal Auditor. This purports that Nkonkobe municipality is willing to strive for clean audit outcomes.

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**A.W Ntsangani**  
**Honourable Mayor**

## **A. The yearly program priorities' statement by the Municipal Manager**

During the year under review, the world was gripped by the stranglehold of a global economic meltdown that caused untold misery and loss for millions of people. While the financial crisis affected the whole world, some countries were lucky enough to escape with only minor cuts and bruises – South Africa being a case in point. The end of 2009 heralded the turnaround in the economic situation with many countries coming out of recession, albeit only on an almost academic level. Developmental programmes were implanted in Nkonkobe Municipality to reduce the impact of economic meltdown.

It is a pleasure to present the Annual Report of Nkonkobe Municipality of the province of the Eastern Cape for the 2009/10 financial year. Nkonkobe Municipality, during the year under review, was charged with the weighty responsibility of providing basic services and promoting community development. As one of the institutions tasked with this mission in terms of section 152 of the Constitution, Nkonkobe Municipality has made considerable strides to comply with the provisions of Act 108 of 1996.

The Municipality was charged with responsibilities of promoting and facilitating job creation through project initiatives by communities, attracting investors to the area, promoting SMMEs, promoting tourism and agricultural development by revitalising irrigation schemes to benefit communities, ensuring that basic services are provided to the optimal for the creation of an enabling social and economic condition for its people, promoting and maintaining safe and healthy environment. Officials strived to deliver on the Municipality's mandate in the year under review. The activities documented in the annual report are a testimony as to how the Municipality and its partners contributed to improving the quality of life of people of Nkonkobe. Promoting SMMEs, working towards clean audits, establishing partnerships, upgrading roads and healthy environment constitute some of our priorities for the coming year.

In addition to complying with statutory requirements of section 121 of the Municipal finance Management Act 56 of 2003, the annual Rep[ort of the Municipality is an important vehicle for accounting to our people/clients, stakeholders, the general public and our principals on our achievements in the field of service delivery and in promoting good and sound governance.

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KC MANELI  
MUNICIPAL MANAGER

## B. Overview of the Municipality

The overview provides an analysis of the socio-economic performance of Nkonkobe Municipality. The aim of this section is to give selected key indicators on demographics, economics, labour, poverty, and access to services that could inform policy decisions in the municipality. The data used in this report was collected mainly from Statistics South African and Global Insight.

**Table 1. Selected key socio-economic indicator, 2008**

INDICATOR	SOURCE	DESCRIPTION	Total
Total population 2007	Community Survey 2007	Number of people	130 100
Total no. of Households	Community Survey 2007	No of Households	34 890
Human Development Index	Global insight	Index 2008	0,51
HIV /AIDS estimates	Global insight	No of people infected in 2008	11216
Gini coefficient	Global insight	Gini Coefficient 2008	0,62
No of people in poverty	Global insight	No of people in 2008	50983
Poverty gap	Global insight	R million	118
No of people with no schooling	Global insight	No of people	11816
Illiterate	Global insight	% of people	30
Population density	Global insight	No of people per km2	31
Urbanisation rate	Global insight	% of people	28
No of house/ brick structures on a separate stand or yard	Community Survey 2007	No of people with access to house/ brick structures on a separate stand or yard	23 062
Piped water (water source)	Community Survey 2007	No of people with access to piped water	6594
Toilet facilities	Community Survey 2007	No of people with access to Toilet facilities	6699

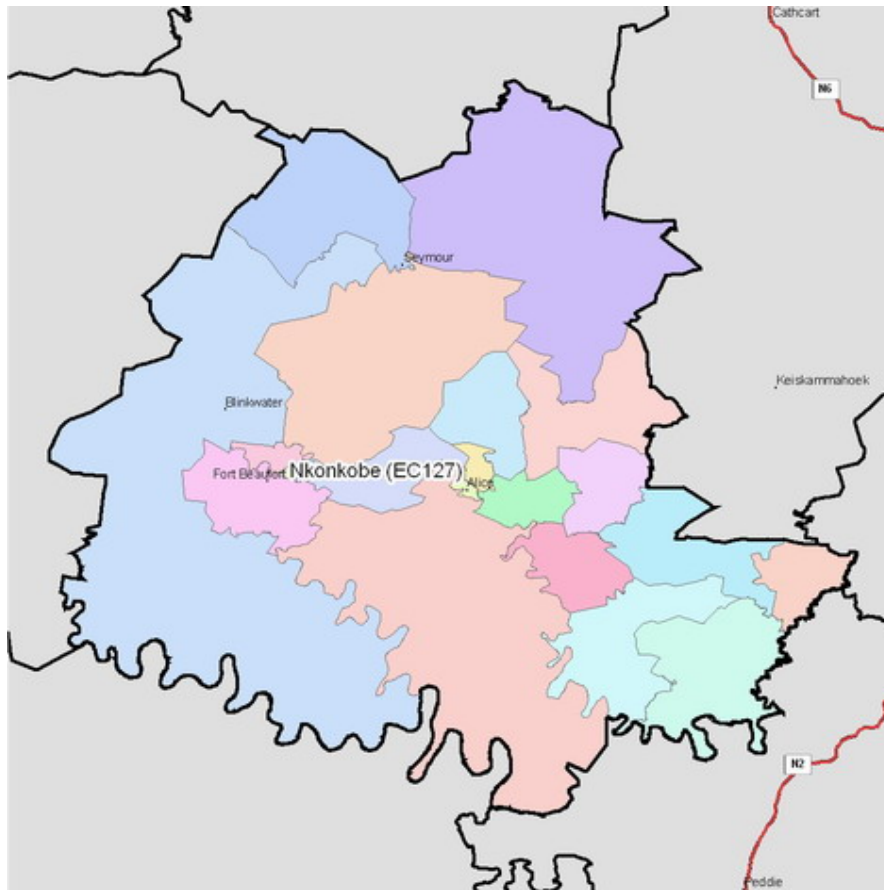
Refuse disposal	Community Survey 2007	No of people with access to Refuse disposal	6420
Electricity (used for cooking )	Community Survey 2007	No of people with access to electricity (used for cooking )	16433
Electricity (used for heating )	Community Survey 2007	No of people with access to electricity (used for heating )	5129
Electricity (used for lighting )	Community Survey 2007	No of people with access to electricity (used for lighting )	27772
No of Unemployed people	Community Survey 2007	Official definition of unemployment in 2007	26829
Unemployment rate	Community survey	%	55
Employment (Formal & Informal )	Community Survey	No of people employed 2007	13398
GDP Growth rate	Global Insight	% of 2008 % of 2009	3,4 % -1,5%
Comparative Advantage	Global Insight	Agriculture/location quotient 200 Community survey	1,08 3,22
Site of Nkonkobe LM	Global Insight	Km2	3725

### (i) Situational Analysis

Nkonkobe Municipality was established in 2000 and is made of now disestablished TLCs i.e. Alice, Middeldrift, Fort Beaufort, Hogsback and Seymour. Alice is a legislative seat and Fort Beaufort is the administrative seat, the latter is situated about 140 km North West of East London on R63 and is approximately 200 km North East of Port Elizabeth. The municipality is the second largest local municipality covering 3 725 km<sup>2</sup>, and constituting 16% of the surface area of the Amatole District Municipality. Nkonkobe municipality is a countryside municipality that sits on the foot of the ever imposing and majestic mountain range of the Winterberg (liNtaba zeNkonkobe).



**Figure 1: Map of Nkonkobe Municipality**



**Table 2: Ward Based Information**

Ward	No. of households	Councillor	Villages
1	1473	G.N. Ngoro	Khulile, Qamdobowa, Mgxotyeni, Ndulini, Qibira, Zigodlo, Ndindwa, Zalaze, Qutubeni
2	1539	R.E. Dawson	Kluklu, Newtown, Fort Beaufort Town
3	1419	N.W. Nxawe	Tyoks, Zwelitsha, Mpolweni, Takalani
4	1647	T .Dekeda	Hillside, Ntoleni, Mlalandle, Ndaba, Siyahlala/Daweti, Kwepileni
5	1431	R.A. Kganedi	Hillcrest, Happy Rest, Town Central, Golf Course
6	1398	W.J. Nika	Ntselamanzi, Fort Hare
7	1443	N.L. Nqana	Tyatyora, Ngwevu, Lamyeni, Nobanda, Mabhele, Rwantsana, Komkhulu, Luzini, Skolweni, Lushington, Hertzog, Tambokiesvlei, Mankazana, Hermest/ White Tennis Court, Lundini, Ekuphumleni,Elukhanyisweni,Khayelitsha,Oakdene, Toll Hotel
8	1851	N.C. Zweni	Lower Blink Water, Fairburn, Picardy, Platform, Ntilini, Cimezile, Teba, Dan, Rietfontein, Sparklington, Buxton, Mt. Pleasant, Mtocwa
9	2001	N.P. Mlamla	Ekuphumleni, Katberg, Maarsdorp, Jurishoek, Phillipton, Readsdale, Blackwood, Seymour, Balfour
10	3461	N.F. Booie	Makhuzeni, Gomoro, Mpundu, Gilton, Guquka, Sompondo, Khayaletu, Nothenga, Hala, Hogsback, Cathcartvale, Worburn
11	1326	L.N.F. Mhlambiso	Binfield, Hopefield, Gcato, MacFarlan, Mazotshweni, Kwezana, Majwareni, Krwakrwa, Lower Ncera, Upper Ncera, Dish, Mkhobeni, Mdlankomo, Mdeni, Mkuthukeni, Ngwangwane, Komkhulu, Siphingweni, Chamama, Machibini, Mqhayise, Zixinene, Ndlovura,
12	1836	V. Ndevu	Ngcothoyi, Magaleni, Bergplaas, Msobomvu, Woburn, Taylor, Melani, Skhutswana, Lower Gqumashe
13	1284	N.J. Lombo	Nkobonkobo, Mavuso, Joji, Lloyd, Phumlani, Khayamnandi, Thembisa, Xolani, Gxwederha, Balura, Lalini, Kwali, Skolweni/ Sheshegu, Mpozisa, Igunya, Masakhane, Lower Sheshegu, Joe
14	1893	Z.M. Rasmeni	Washington, Ngcabasa, Ngqolowa, Qhomfo, Dikidikana, Debe Marele, Phewuleni, Perksdale, Farm- B

15	1476	T Limba	Gubura, Skweyiya- Ncera, Ngqele, Tyutyuza, Jonini-Frances, Jojozi, Dyamala, Upper Gqumashe
16	2289	M.E. Mgengo	Middledrift Town, Lower Regu, Upper Regu/ Nothenga, Mfiki, Zibi, Mabheleni, Ngele, Cildara, Trust no. 3
17	1281	M. Rara	Saki, Gqadushe, Mbizana, Njwaxa, Ngwenya, Sityi
18	1164	N.C. Loki	Debe Nek, Trust no.1, Trust no. 2, Tafeni, James Mama, Mxumbu, Qanda, Qawukeni, Cwaru, Annshaw
19	1209	E.P Kota	Xhukwane, Nonaliti, Mayipase, Ntonga, Zihlahleni
20	1782	S.L. Ngwentle	Ngwabeni, Ngobe, Mgquba, Gaga/ Skolweni, Lenge, Roxeni, Kwezana West, Memela, Lalani, Meva, Sigingqini, Mxelo/Sikolweni
21	4913	L Papu	Zwelitsha, Dubu, Gomma Gomma, Gontsi, Nkukwini, Zwide, Daweti

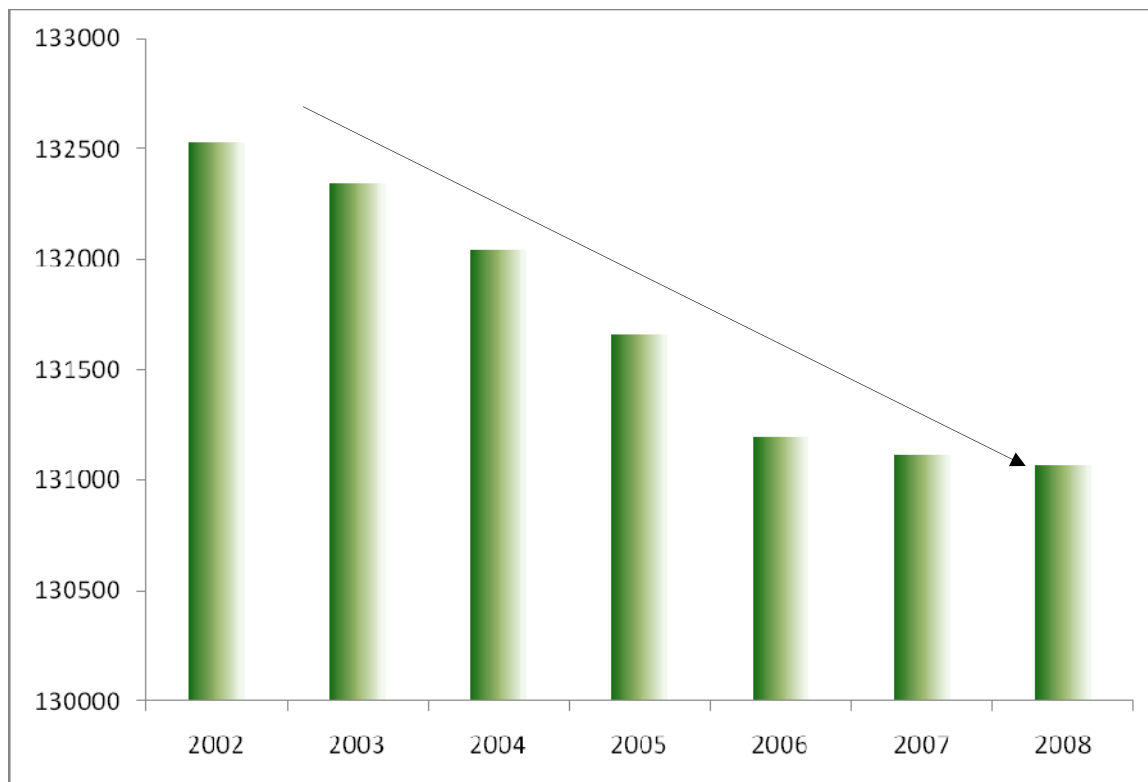
## **(ii) Demographic indicators**

### **(a) Total Population**

According to Global Insight, in 2008, Nkonkobe Municipality had an estimated total population of 131 071 and 28 259 households. There are 21 wards within the Nkonkobe municipal area. Approximately 74% of people living within the Nkonkobe municipal area are indigent. The majority of the population of Nkonkobe (72%) resides in both villages and farms and 28% resides in urban settlements. Urbanisation is mainly concentrated in Alice and Fort Beaufort.

Urbanisation ratio (Urban/rural) has improved from 4.1 in 2001 to 2.6 in 2008.

**Figure 2. Total Population: 2002-2008**



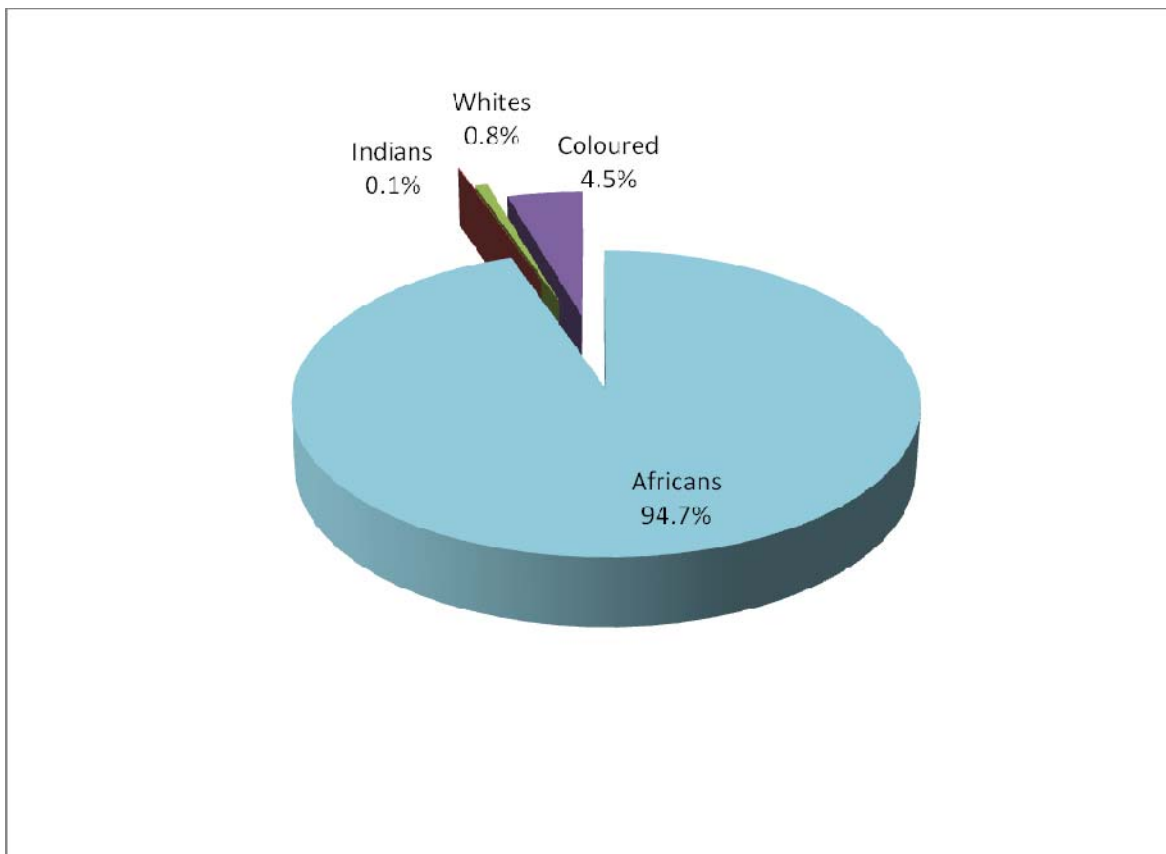
**Source: Global Insight, 2009**

Figure 2 above shows that the population of Nkonkobe municipality is declining. The bar chart shows that from 2002 the population of Nkonkobe municipality has declined from 132500 to 131100 in 2008. There are number of reasons to which this trend may be attributed to. Although not conclusively, HIV/AIDS pandemic may be one of the reasons. There figures on HIV/AIDS in the coming table and graphs below indicate that almost 1000 people have died from Aids related diseases up to 2008 and 16000 have been infected at the same time.

**(b) Population Distribution by Race**

The figure below shows that Africans are the majority in Nkonkobe municipality at 94%. Colored community constitutes the second largest group as they are at 4.5%. Whites are 0.8% and Indians are at 0.1%

**Figure 3: Population Distribution by Race**

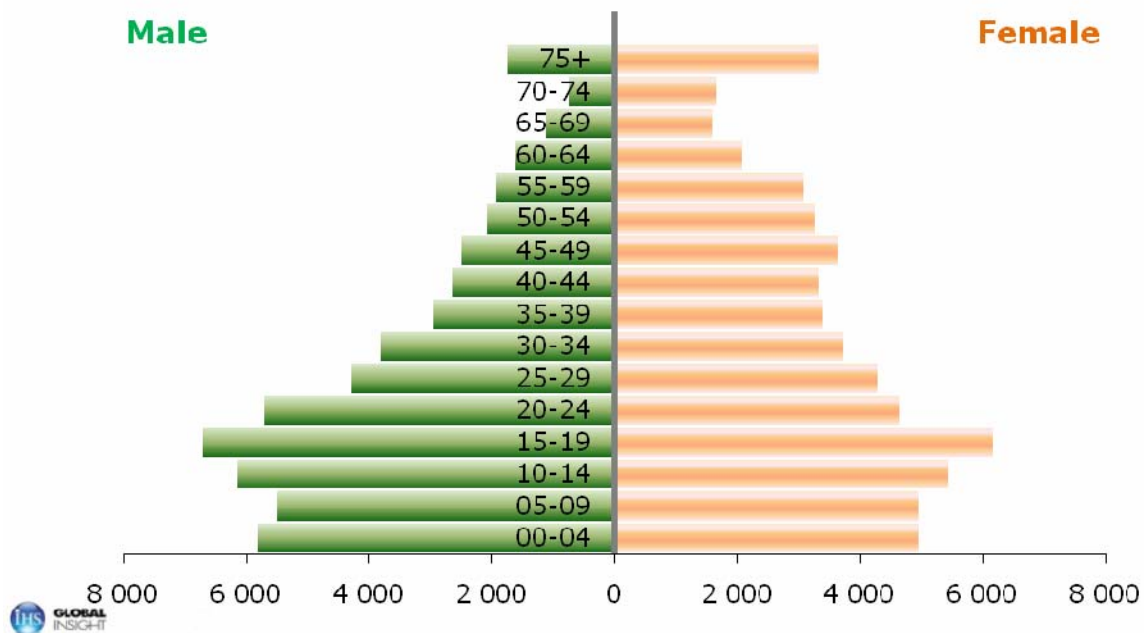


Source: Global Insight 2009

**(c). Population distribution by age**

The graph below shows that people from ages 0-39 are in the majority. The school going age is the biggest number when it comes to age distribution and this means that more resources are needed to cater for this age group. This also poses a serious threat when it comes to HIV/AIDS as this group is the most sexual active group. The graph also tells us that women are in the majority in this municipality as they stand at 60%. The graph gives a clear picture that women are the group with high life expectancy. This is reflected by the fact that there are more women in the age 75 than men.

**Figure 4: Population distribution by Age**



**(c) HIV/AIDS IMPACT**

The population of Nkonkobe is said to be declining and one of the contributors is suspected to be the HIV/AIDS pandemic. The table below shows us that HIV infections are growing, however this growth is happening at a declining rate. Taking for instance the number of infected people from 1995 to 2009 it shows us that the infection numbers are growing. On the one hand when we look at the rate of infections between the same years, it shows us that the has been declining. The table also shows us that there are 1080 people who died due HIV/Aids related diseases.

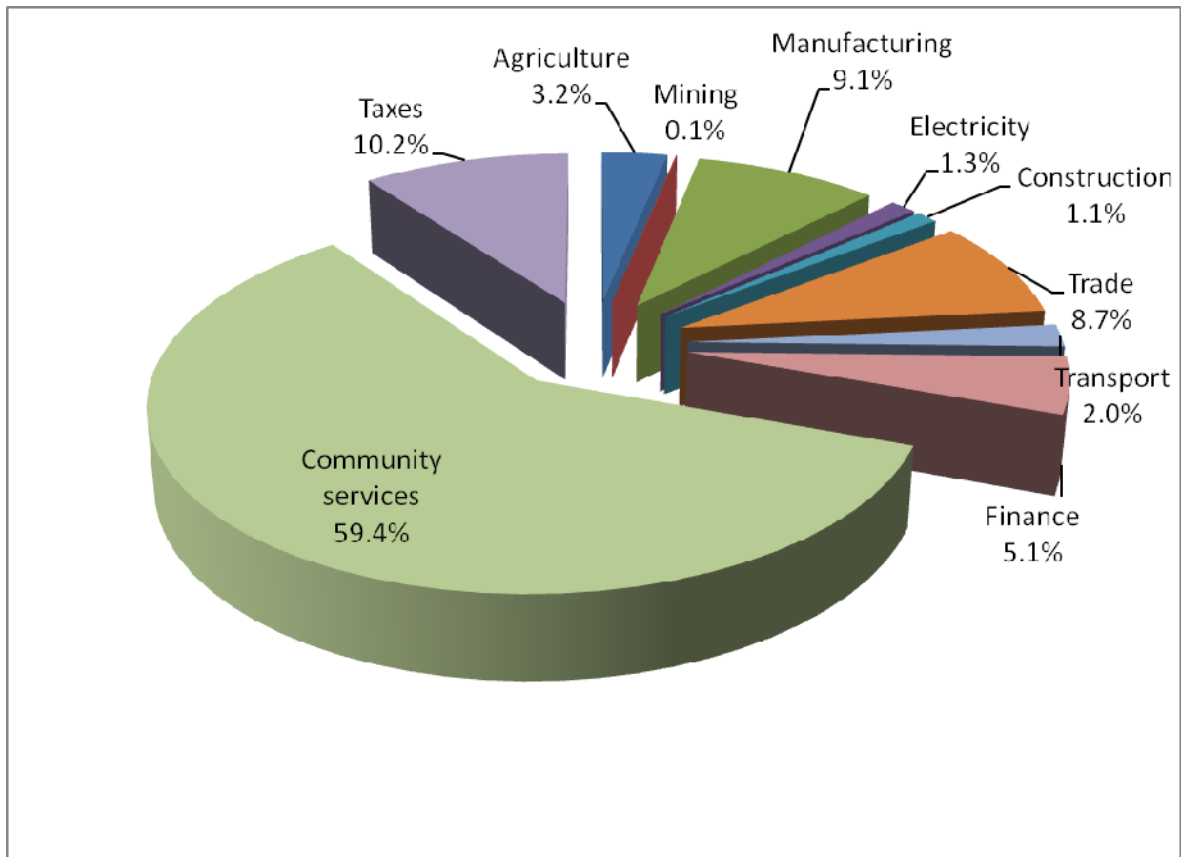
**TABLE 3: HIV/AIDS IMPACT**

	HIV Infected (Number)	HIV related death (Number)	HIV Infected (growth rate)	HIV related death (Growth rate)
1995	2,398	58		
1996	3,719	87	35.5	33.7
1997	5,157	131	27.9	33.4
1998	6,629	188	22.2	30.3
1999	8,041	260	17.6	27.8
2000	9,314	347	13.7	25.2
2001	10,435	448	10.7	22.4
2002	11,648	566	10.4	20.9
2003	12,663	688	8.0	17.8
2004	13,488	784	6.1	12.2
2005	14,174	851	4.8	7.9
2006	14,751	915	3.9	7.0
2007	15,330	975	3.8	6.2
2008	15,819	1,021	3.1	4.5
2009	16,438	1,080	3.8	5.5

**(iii) Socio Economic Analysis****(a) Sectors contribution to the Gross Domestic Product (GDP)**

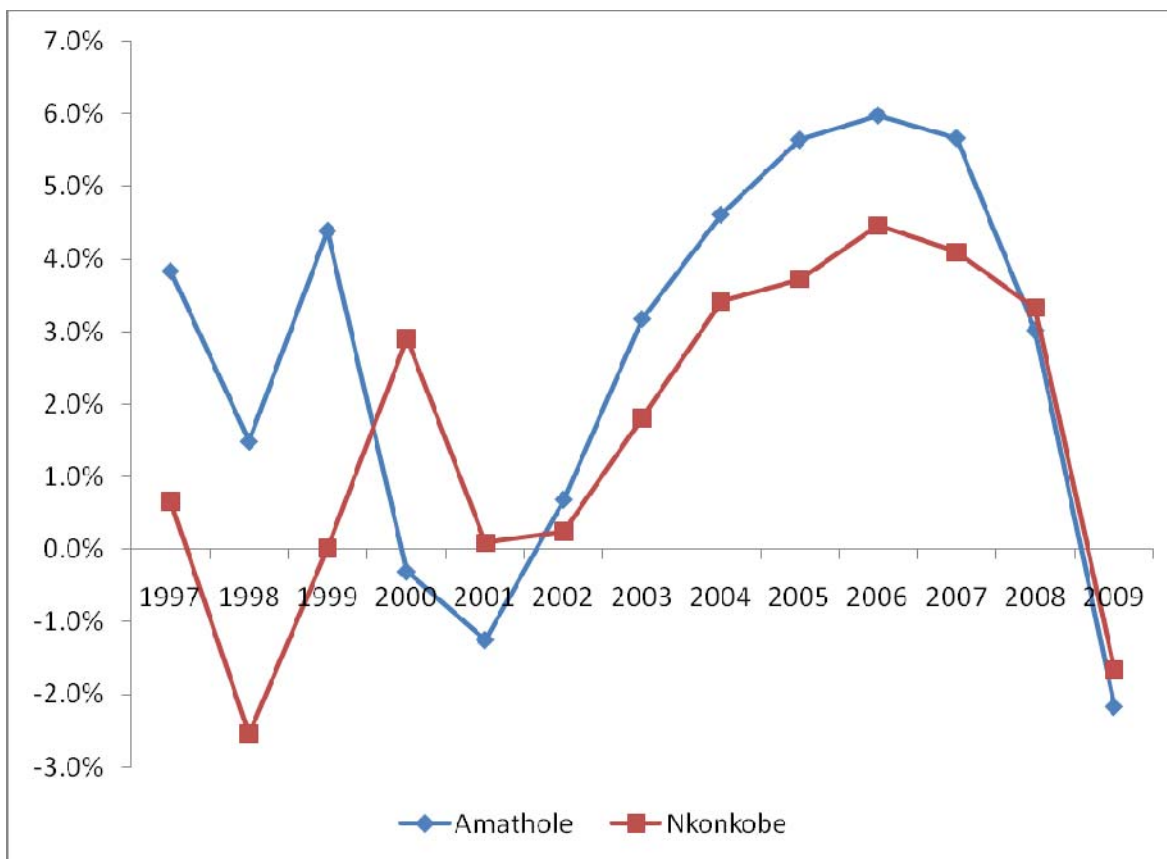
Nkonkobe municipality is largely dependent in the community services as the most contributing sector in its economy. The pie chart below shows that community service contributes 59% to the economy of Nkonkobe municipality. It is also surprising that Agriculture which is seen as the comparative advantage in this municipality is contributing only 3.2% to the economy. It is also very dangerous for the economy of Nkonkobe to depend on government services as these services are not characterized by growth in profit. The sectors that should be encouraged are agriculture and manufacturing which a potential to grow the economy and create more jobs.

Figure 5: Sectors Contribution to the GDP





**Figure 6: GDP Growth Rate**



**Source: Global Insight 2009**

The graph above is the comparison between Nkonkobe municipality and the ADM. The graph depicts that the economy of Nkonkobe has grown more than Amathole District Municipality in the years 1997, 1998, 2002 to 2008. During the recession, Nkonkobe municipality's economy had been hardest heat as it went down more that of the ADM.

**Table 4: Distribution of Employment and GDP**

Distribution of Employment and GDP: 2008		
	Employment	GDP
Agriculture	9.96	3.22
Mining	0.04	0.06
Manufacturing	3.27	9.06
Electricity	0.30	1.31
Construction	4.65	1.09
Trade	13.40	8.65
Transport	3.04	2.00
Finance	1.95	5.06
Community services	53.11	59.37
Households	10.28	10.18
Total	100.00	100

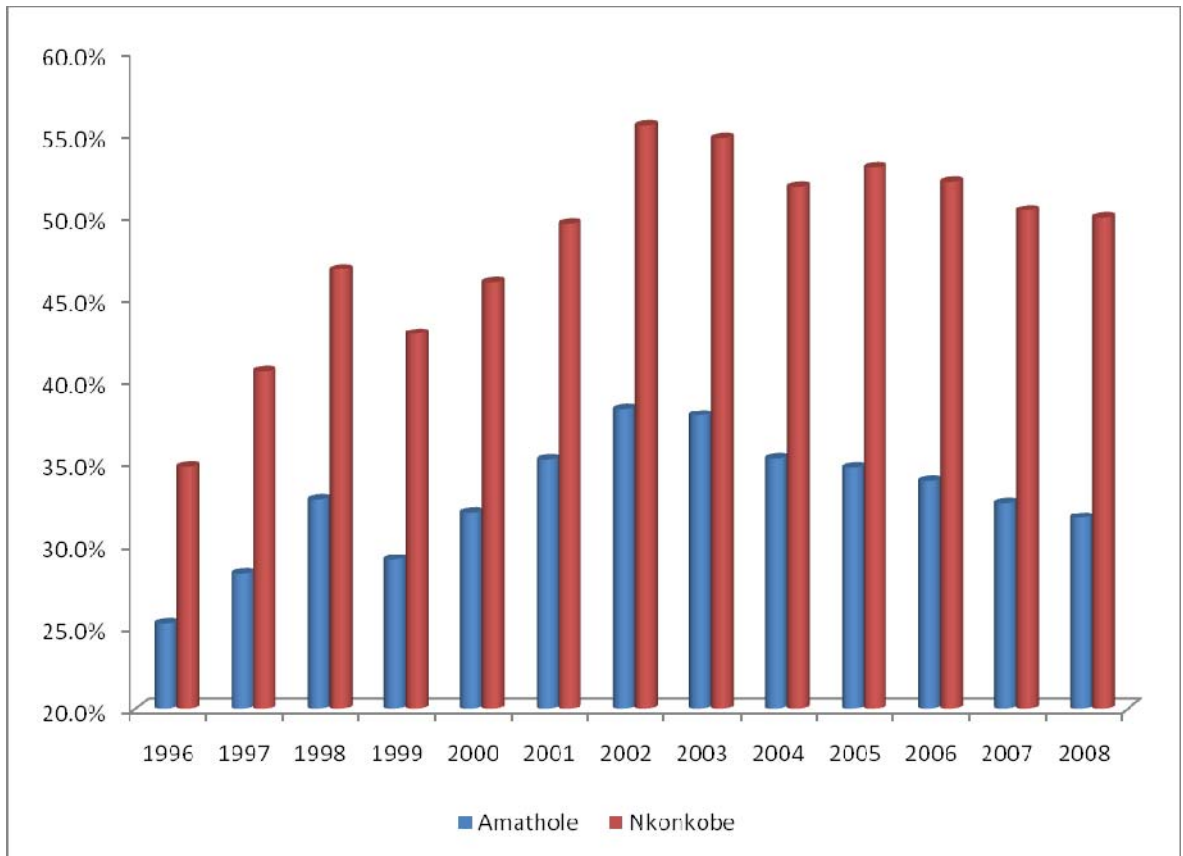
The table above depicts the picture of the contribution of each sector to the economy of Nkonkobe and employment. This table shows us that the community services contribute more in both economy and employment than any other sectors. Community services contribute about 53.11% in employment and 10.18 in the economy of Nkonkobe. This is followed by trade which contributes 13.40 in employment, however this sector contributes less than manufacturing in terms of GDP as it contributes 8.65% whereas manufacturing contributes 9.06 in the GDP. Agriculture is the third largest contributor in employment although it contributes 3.22 in the GDP.

#### **(iv) Labour**

##### **(a) Expanded definition of Unemployment**

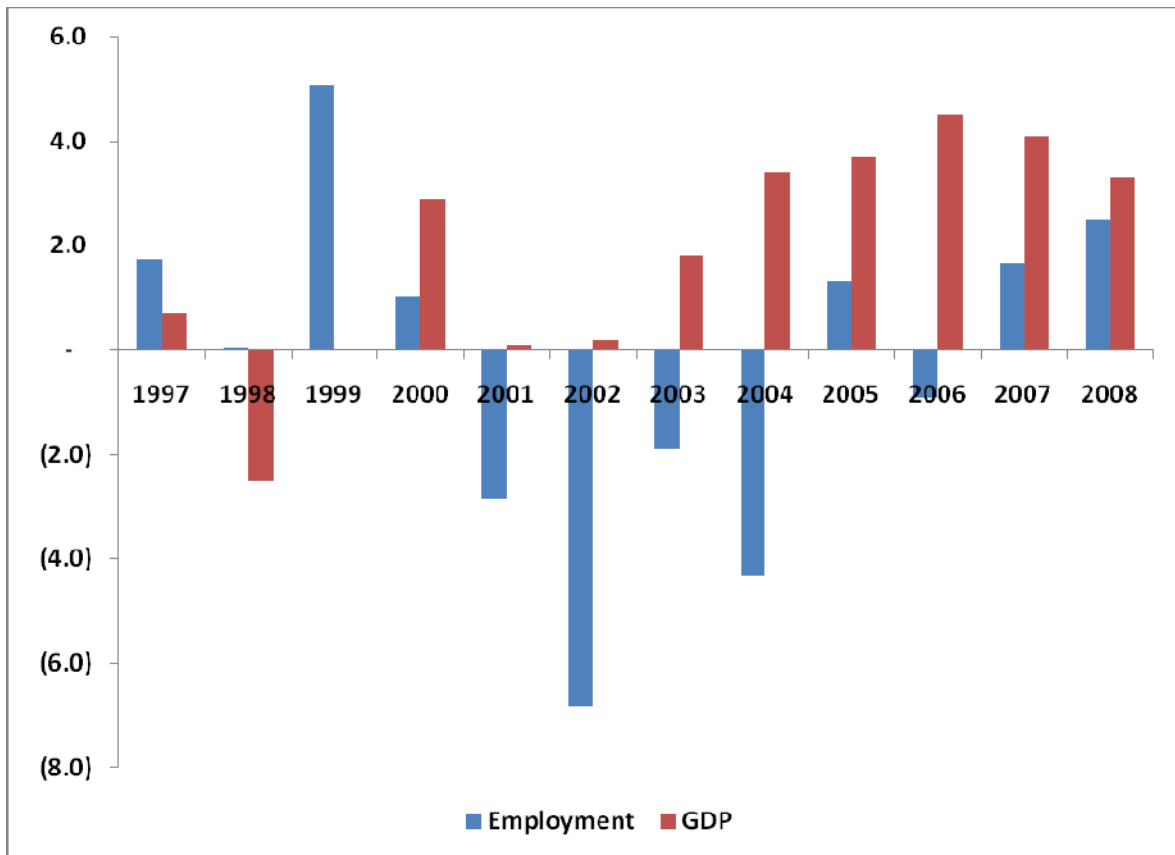
Nkonkobe municipality has the highest rate of unemployment. This is reflected in barchart below where it shown that unemployment rate was at 50% in 2008. In the figure below Nkonkobe municipality is compared with the Amathole district municipality and the comparison shows a very big gap between the two municipalities as Nkonkobe has the highest unemployment rate.

**Figure 7: Expanded definition of Unemployment**



**(b) GDP and Employment Growth Rate**

**Figure 8: GDP and Employment Growth Rate**



**Source: Global Insight 2009**

The figure above gives us the comparison between economic growth and employment in Nkonkobe municipality. The picture painted above is that economy has been growing especially in the years 2000- 2008, however it has not been creating jobs. The growth in economy only created jobs in 2005, 2007 and 2008.

## (v) SOCIAL AND POVERTY STATISTICS

### (a) Human Development Index (HDI) and Gini Coefficient

The table below shows the levels of the HDI and Gini index in Nkonkobe municipality. HDI measures the municipality's achievements in three basic aspects of human development: longevity, knowledge and decent standard of living. Gini Index or Coefficient indicates how equal, income, wealth is distributed among the population. In the table below therefore, HDI is 0.51 in 2008. This is a very bad state as our HDI is too low even though it shows some improvement from 2000 to 2008. It is the same in the Gini index as it is at 0.62.

**Table 5: Human Development Index (HDI) and Gini Coefficient**

	HDI		Gini Coefficient	
	2000	2008	2000	2008
African	0.48	0.50	0.58	0.60
White	0.88	-	-	-
Coloured	0.50	0.53	0.59	0.65
Asian	-	-	-	-
<b>Total</b>	<b>0.49</b>	<b>0.51</b>	<b>0.60</b>	<b>0.62</b>

### (b) Percentage of People Living in Poverty

**Table 6: Percentage of people in poverty**

	1996	2000	2008
African	56.6%	57.7%	43.6%
White	2.1%	2.2%	0.2%
Coloured	69.0%	70.0%	70.2%
Asian			
<b>Total</b>	<b>56.3%</b>	<b>57.4%</b>	<b>44.4%</b>

The table above tells us about the poverty rate in Nkonkobe municipality. Between 1996 and 2000, poverty has increased by 1%, but from 2000 to 2008 the poverty levels have decreased from 57.4% to 44.4%. This can be attributed to the efforts made by the municipality and government at large.

**(c) Poverty Gap**

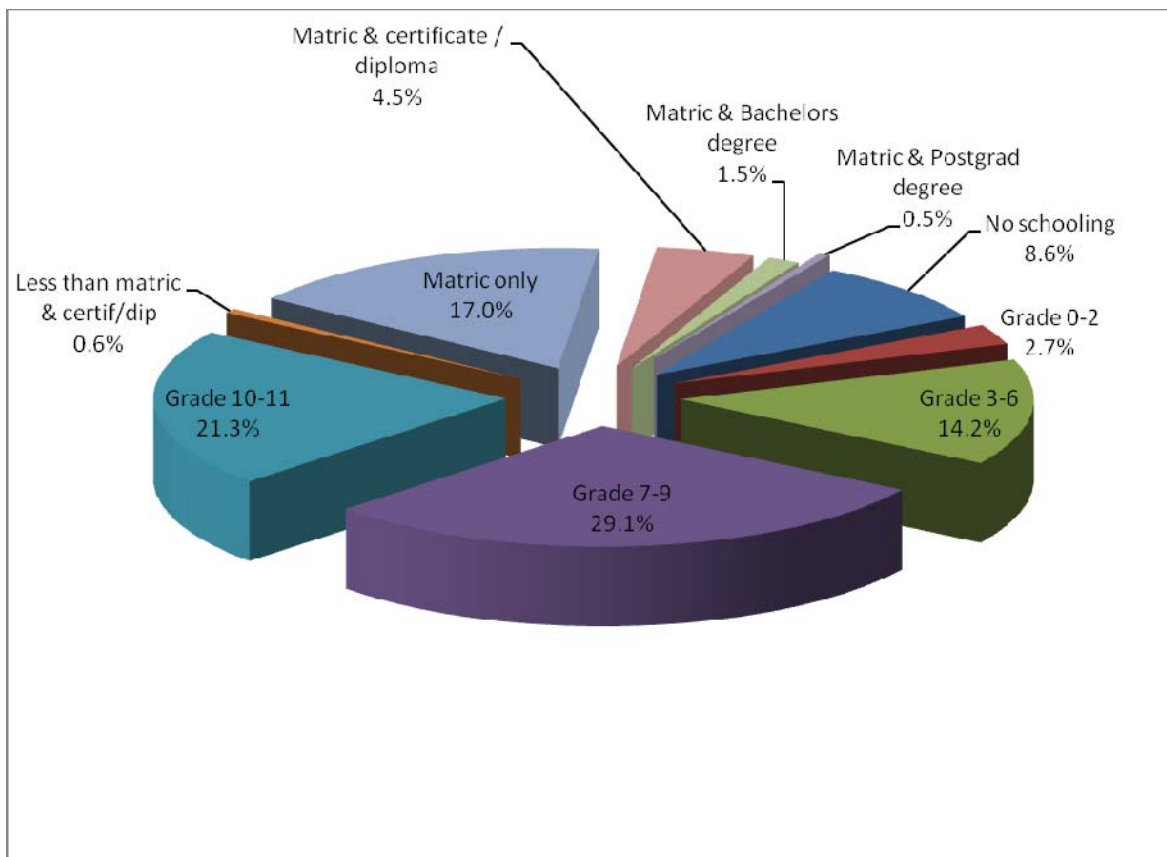
Poverty gap refers to level at the population needs to brought up to the poverty line by means of R million. The poverty gap is said to be at R170m and it has been growing since 1996. This means that the municipality has a huge task of closing that gap which is escalating rather decreasing.

**Table 7 : Poverty gap (R million)**

	1996	2000	2008
African	80	118	166
White	0	0	0
Coloured	2	3	4
Asian	0	0	0
<b>Total</b>	<b>82</b>	<b>121</b>	<b>170</b>

**(d) Education Levels**

**Figure 9 : Education Levels**



The figure above shows the educations levels of the people of Nkonkobe. The majority of people have grade 7-9 and they are at 29.1% followed by those with grade 10-11 and those with matric are at 17%. There are very few people with bachelor’s degree as depicted by this graph.

## 2.6.5 Urbanization Rate

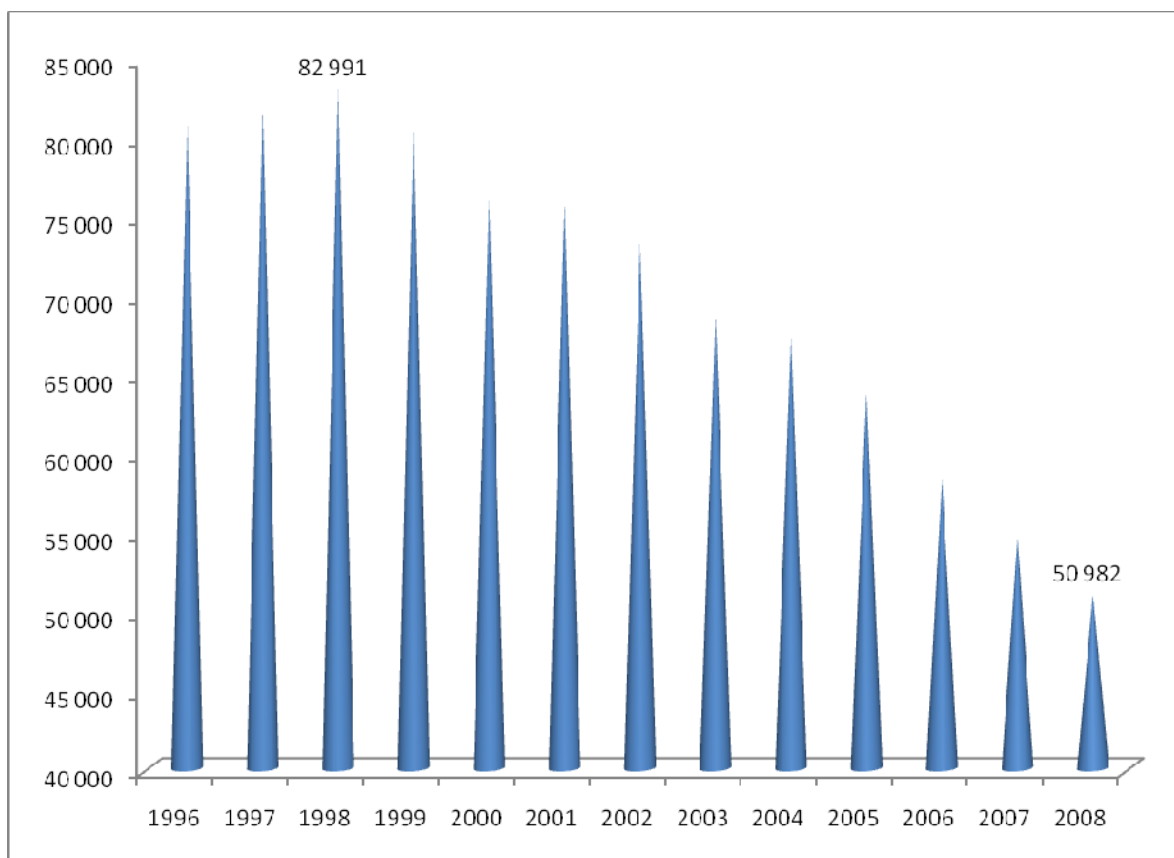
The table below shows the movement of people from rural areas. Urbanization especially for the Africans is very slow. In the table it is clear that from 1996 to 2008 the urbanization rate amongst Africans grew only by 1%. It clearly states that the majority of Africans is found in the rural areas.

**Table 9 :Urbanization rate (% of people living in urban areas)**

	1996	2000	2008
African	24.1%	24.8%	25.0%
White	81.4%	77.5%	78.1%
Coloured	77.6%	86.3%	82.1%
Asian	-	-	-
Total	26.5%	27.6%	28.0%

### (e) Number of People in Poverty

**Figure 10: Number of People in Poverty**



Source: Global Insight 2009

The graph above shows a beautiful picture where the number of people in poverty has been declining since 1996. The number of people in poverty has come to 50982 in 2008 from 82992 in

1998. This might also be attributed to the efforts of Nkonkobe municipality and the social grants from the national government.

**(f) Functional literacy**

The table below shows literacy levels in the municipality. In the table it is very clear that the literacy levels are increasing as sit at 69.9% as at 2008. This means that illiteracy is down to 29,1%

**Table10 :Functional literacy: age 20+, completed grade 7 or higher**

	2000			2008		
	Illiterate	Literate	%	Illiterate	Literate	%
African	27,937	41,203	59.6%	20,132	45,092	69.1%
White	32	1,097	97.2%	26	685	96.4%
Coloured	910	1,768	66.0%	650	2,454	79.1%
Asian	4	47	92.5%	3	50	94.7%
<b>Total</b>	<b>28,884</b>	<b>44,115</b>	<b>60.4%</b>	<b>20,811</b>	<b>48,282</b>	<b>69.9%</b>

**(g). Population density**

**Table 11: Population density (number of people per km<sup>2</sup>)**

	1996	2000	2008
African	36.78	33.84	29.16
White	0.51	0.40	0.23
Coloured	1.16	1.25	1.39
Asian	0.02	0.02	0.02
Total	38.46	35.49	30.80

Population density is 30.80 per km<sup>2</sup> as 2008 as reflected in the table above

**(v) Access to services**

**(a) Annual growth rate (1996 – 2008): access to services and backlog**

**Table 12 : Access to services and backlog**

	Sanitation	Water	Electrical connection	Refuse removal
Access to services	182.9	161.8	40.7	55.4
Backlog	(8.47)	(34.18)	(42.89)	(3.27)

The table above shows the rate at which the municipality has increased sanitation, water, electricity connection and refuse removal since 1996 to 1998. It also shows the rate at which the municipality has decreased or reduced the backlog in the above basic services.



### (b) Number of households with access to basic services

The table below shows the number of households with access to basic services as from 1996. The number of households using flush toilet and piped water inside dwelling has been increasing since 1996, whilst households using electricity for lighting only and those whose refuse is collected weekly by the municipality has decreased. This might be attributed to various factors, for instance in electricity many people are now using electricity for cooking as well.

Table 13 : Access to basic services

	Removed weekly by authority	Piped water inside dwelling	Electricity for lighting only	Flush toilet
1996	3,213	2,893	3,661	2,484
1997	3,984	2,682	5,229	2,919
1998	4,634	2,665	7,810	3,371
1999	4,896	2,745	11,073	3,914
2000	5,221	2,883	13,424	4,317
2001	5,262	3,352	14,316	4,842
2002	5,245	3,207	14,637	5,234
2003	5,188	3,382	12,932	5,362
2004	5,242	3,686	11,819	6,013
2005	5,238	4,323	10,353	6,478
2006	5,030	5,018	8,746	6,502
2007	4,741	5,843	6,789	6,839
2008	4,994	7,574	5,151	7,028

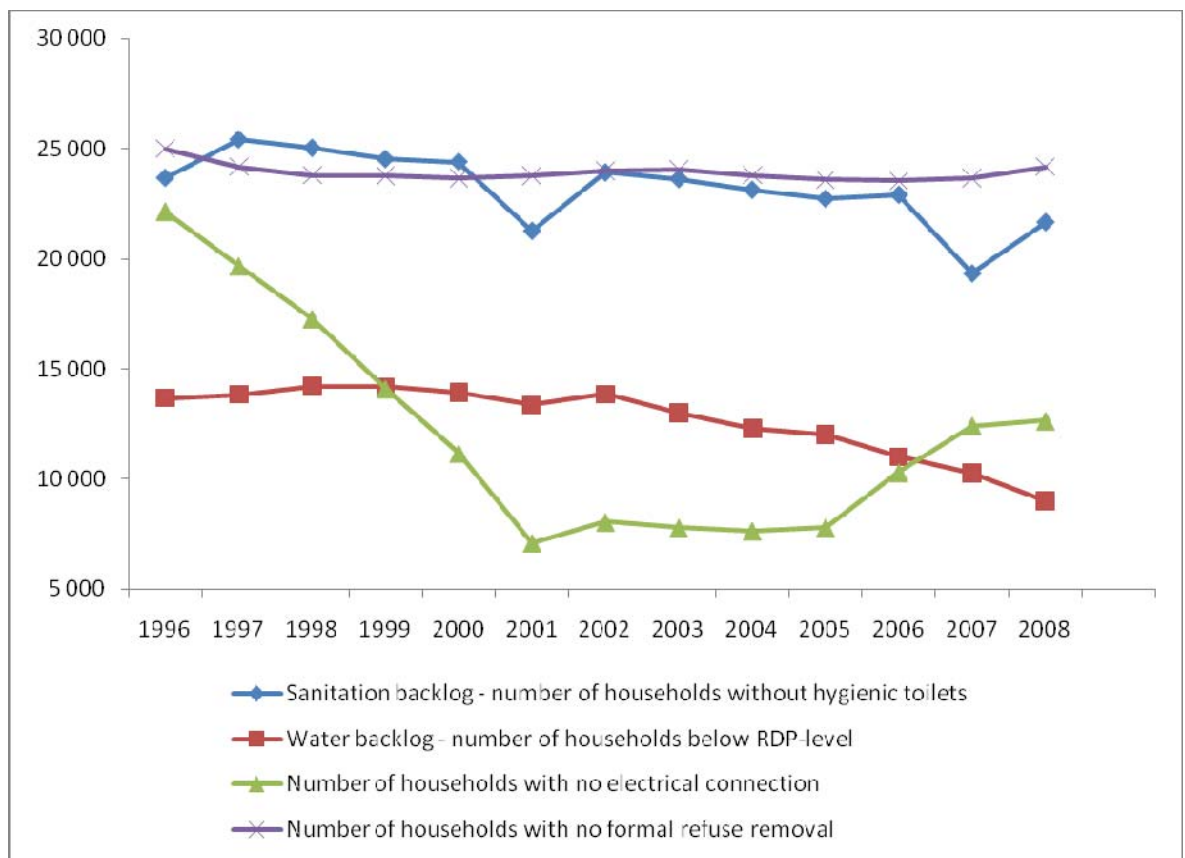
### (c) Backlog in Basic services

The table below depicts the backlog of Nkonkobe municipality in terms of basic services as from 1996 to 2008. Taking a closer look in the table, it shows that water backlog is being reduced as it stands at 9,001 households as at 2008. However sanitation and electrical connection backlog are increasing. This might be caused by the factor that new households are being built. On the refuse removal, backlog is still the same as it was in 1996. The reason is clear; the municipality is not collecting refuse from rural areas.

Table 14 : Backlog in Basic services

	Sanitation backlog - number of households without hygienic toilets	Water backlog - number of households below RDP-level	Number of households with no electrical connection	Number of households with no formal refuse removal
1996	23,668	13,677	22,159	24,994
1997	25,407	13,840	19,674	24,178
1998	25,022	14,222	17,282	23,796
1999	24,521	14,181	14,105	23,761
2000	24,398	13,922	11,183	23,665
2001	21,269	13,383	7,113	23,785
2002	23,915	13,854	8,056	23,989
2003	23,607	13,015	7,804	24,061
2004	23,124	12,278	7,655	23,797
2005	22,726	12,013	7,816	23,592
2006	22,901	11,008	10,307	23,536
2007	19,338	10,254	12,426	23,666
2008	21,664	9,001	12,654	24,178

Figure11: Backlog in Basic services



Source: Global Insight 2009 (The information in the table above has been translated into a graph)

### **C. Executive Summary**

- The main developmental goals and objectives of the municipality were to provide institutional and financial support and ensure institutional stability.
- To ensure that basics services are provided to the optimal for the creating of an enabling social and economic condition for the people of Nkonkobe Municipality.
- To promote and facilitate job creation through initiatives by communities, attract investors to the area, promote SMME development, tourism and to promote agricultural development by revitalizing irrigation schemes to benefit the communities.
- To promote, provide and maintain safe and healthy environment.

#### **Major achievement.**

- Appointment of all S57 managers
- Signing of M.O.U with MTN SA Foundation
- 100% expenditure on MIG Projects
- Obsolete fleet was disposed by means of an auction
- Procurement of new municipal fleet

#### **Main challenges**

- Implementation and adoption of the Evaluation roll was delayed
- Disparities between data cleansing and billing affected revenue collection
- The number of beneficiaries in the Indigent register was too low resulting in the high rate of debtors
- Inadequate refuse collection equipment affected revenue collection

## PART 2: KPA ACHIEVEMENT REPORT

### Chapter 1: Human resource and other organization management –KPA 1

#### 1.1 Presentation of the organizational structure (approved organogram)

##### 1.1.1 Organizational Structure

Printed and attached as annexure 1

##### 1.2 Staff Development initiatives during the financial year

DETAILED DESCRIPTION OF TRAINING INTERVENTIONS			
NO.	TRAINING COURSES	NO. OF CLLRS	NO. OF OFFICIALS
1.	Payroll Training	0	5
2.	Traffic Officers Diploma		2
3.	Advanced Driving (TLB & Grade Operator)	0	4
4.	Local Government Law & Administration	5	
5.	Management Development & Administration		2
6.	Tax Employee 10 (IRP5)		2
7.	Risk Management		16
8.	International Financial Reporting Standards		3
9.	Venus Training		10
10.	GRAP		2
11.	Accounting for Fixed Assets		1
12.	Supply Chain Management		15
13.	IDP	1	1
14.	Budgeting Formats		2

### 1.3 Key HR statistics per functional area

#### 1.3. a Full time staff compliment per functional area

<b>BREAKDOWN OF POSTS PER DEPARTMENT AND DIVISION</b>			
<b>DEPARTMENT</b>	<b>NUMBER OF POSTS PER DIVISION</b>	<b>TOTAL</b>	<b>FILLED</b>
Office of the Mayor	Executive Support Services	3	3
Office of the Municipal Manager	Municipal Manager	1	1
	Executive Secretary	1	1
	Manager-Speakers Office	1	1
	Executive Secretary	1	1
	Manager: Internal Audit	1	1
	Risk Officer	1	0
	Audit Clerk	1	0
	IT Technician	1	0
	<b>TOTAL</b>	<b>11</b>	<b>8</b>
Corporate Services / Human Resources & Administration	Senior Manager: Corporate Services	1	1
	Secretary to the Senior Manager	1	1
	Division: Human Resources	6	2
	Division: Committee Section	8	5
	Division: Fleet	8	6
	Division: Public Relations	2	2
	Division: Administration	21	18
	Division: Legal Services	1	1
		<b>TOTAL</b>	<b>48</b>

Budget & Treasury Office / Finance	Chief Financial Officer (C.F.O)	1	1
	Secretary to the C.F.O	1	1
	Division: Procurement	5	3
	Division: Revenue Collection	16	12
	Division: Expenditure	7	4
	Division : Budget	1	0
	<b>TOTAL</b>	<b>31</b>	<b>21</b>
Engineering Services	Engineering Manager	1	1
	Secretary to the Engineer Manager	1	0
	Division: Electricity	14	11
	Division: Roads	13	7
	Division: Land and Housing	13	7
	Division: PMU	4	3
	Division: Technical	9	0
	Division: Town Planner	1	0
		<b>TOTAL</b>	<b>56</b>
Community Services	Senior Manager: Community Services	1	1
	Secretary to the Senior Manager:	1	1
	Cleansing Manager	1	1
	Auxiliary Manager	1	1
	Division: Primary Health	20	14
	Division: Libraries	16	7
	Division: Protection	29	27
	Division: Traffic and Natis	19	10
	Division: Cleansing & Parks	88	74
	Division: Pound	6	0
	Division: Fire Fighting & Disaster	7	3

	Division: Sport	11	0
	Division: Disaster	1	0
	<b>TOTAL</b>	<b>201</b>	<b>139</b>
Strategic Planning	Senior Manager: Strategic Planning & LED	1	1
	Secretary to Senior Manager	1	1
	5	5	2
	Division: Local Economic Development	2	0
	Division: IDP	1	1
	Division: Tourism	1	0
	<b>TOTAL</b>	<b>11</b>	<b>5</b>
	<b>GRAND TOTAL</b>	<b>367</b>	<b>238</b>

a. Staff complement in the technical services

### 2. Technical staff registered with professional bodies

Technical Service (e.g water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	3	1	2	2

### 3. Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
238	134	44	60

#### 4. Trends on total personnel expenditure

BONUS – ANNUAL	1,628,292.00	98,607.34	1,571,770.58	56,521.42	96%
CASUAL WAGE EMPLOYMENT	1,718,882.00	218,814.61	1,474,241.17	244,640.83	85%
GENERAL ALLOWANCES & H.O.D	364,939.00	17,867.09	136,162.31	228,776.69	37%
HOUSING SUBSIDY ALLOWANCES	393,835.00	46,558.82	385,075.65	8,759.35	97%
REDEMPTION OF LEAVE	1,027,009.00	912,099.05	1,026,097.34	911.66	99%
SALARIES	22,736,665.00	2,337,871.72	21,546,212.46	1,190,452.54	94%
SALARIES: OVERTIME PAID	820,614.00	74,811.94	805,282.49	15,331.51	98%
STANDBY ALLOWANCES	213,737.00	26,042.36	210,200.46	3,536.54	98%
TRAVELLING ALLOWANCES	1,787,284.00	1,35,493.81	1,449,337.14	337,946.86	81%
<b>SUB-TOTAL: EMPL SALARIES &amp; WAGES</b>	<b>308,489.85</b>	<b>38,681,66.74</b>	<b>28,604,379.60</b>	<b>22,446,05.40</b>	<b>92%</b>
<b>EMPL RELATED COSTS-SOCIAL CONTRIBUTIONS</b>					
BARGAINING COUNCIL CONTRIBUTIONS	12,510.00	903.75	10,391.25	2,118.75	83%
GROUP INSURANCES	107,824.00	7,859.76	96,601.92	11,222.08	89%
MEDICAL AID CONTRIBUTIONS BY COUNCIL	1,599,686.00	109,702.83	1,221,581.97	378,014.03	76%
PENSION CONTRIBUTIONS BY COUNCIL	3,637,941.00	288,709.59	3,343,220.18	294,720.82	91%
UNEMPLOYMENT FUND COUNCIL CONTRIBUTI	306,648.00	27,987.36	270,412.36	36,235.64	88%
<b>SUB-TOTAL: SOCIAL CONTRIBUTIONS</b>	<b>5,664,609.00</b>	<b>435,163.29</b>	<b>4,942,207.68</b>	<b>722,401.32</b>	<b>87%</b>
<b>REMUNERATION OF COUNCILLORS</b>					
COUNCIL CONTR.TO RETIRED STAFF MEDIC	151,152.00	11,249.60	110,332.50	40,819.50	72%
COUNCILLOR CELLPHONE ALLOWANCES	450,772.00	40,237.00	110,332.50	40,819.50	72%
COUNCILLOR MEDICAL AID CONTRIBUTIONS	272,476.00	29,295.90	270,649.00	1,826.90	99%
COUNCILLOR MONTHLY ALLOWANCES	6,771,622.00	528,187.40	6,754,642.90	16,979.10	99%
COUNCILLOR TRAVELLING ALLOWANCES	2,176,671.00	178,979.02	2,153,418.84	23,252.16	98%
<b>SUB-TOTAL: REMUNERATION OF COUNCILLORS</b>	<b>9,822,693.00</b>	<b>787,948.92</b>	<b>9,688,533.34</b>	<b>134,149.66</b>	<b>98%</b>



## 5. List of pension and medical aids to whom employees belong

### MEDICAL AIDS

1. BONITAS
2. HOSMED
3. LA HEALTH
4. SAMWUMED
5. KEY HEALTH

### PENSION FUNDS

1. CAPE JOINT RETIREMENT
2. SALA (SOUTH AFRICAN LOCAL AUTHORITIES)
3. GEPF (GOVERNMENT EMPLOYEE PENSION FUND)
4. VERSO

SNPF (SAMWU NATIONAL PROVIDENT FUND)

### **1.4 Senior officials' wages and benefits**

Designation	Basic Salary	Cellphone Allowance	Housing Subsidy	Travelling Allowance	Total
Municipal Manager	375891.3	10200	59290.98	95416.02	540798.3
CFO	222938.5	23410	68577.54	55734.63	370660.6
Strategic Planning Senior Manager	222938.5	12000	62645.14	55734.63	353318.2
Corporate Services Senior Manager	313344.9	12343.85	95911.91	78336.23	499936.8
Engineering Manager	114169.7	12124.48	35185.12	28803.56	190282.9

Community Services Senior Manager	313344.9	5383.44	28799.96	92804.23	565854.2
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### 1.5 Implementation of the Performance Management System (PMS):

The Municipality reviewed and adopted its performance management framework on the 31 May 2010. The institutional performance management was done by means of submission of reports to council. Only section 57 managers signed performance agreements and however no performance reviews were conducted.

### 1.6 Annual performance as per key performance indicators in municipal transformation and organizational development

#### Transformation and organizational development

No.	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	129 from 367	Out of 129 positions 48 positions were filled	40%	Moratorium was placed due to financial constraints
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	100% 3 out of 3	CFO, Engineering Manager and Strategic & LED Manager was during the financial year.	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	80% 4	CPMD	80%	The rest to be accommodated in the next financial year.
4	Percentage of Managers in Technical Services with a	66%	Renewal of contract of one		

	professional qualification	4	Technician		
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)				
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year-term	74%			Training is undertaken as specified by individuals in their Skills Plan.
7	Percentage of councillors who attended a skill development training within the current 5 year term	50%			Individuals selected as per their competency and capability.
8	Percentage of staff complement with disability	0%			
9	Percentage of female employees	50% including female Councillors			
10	Percentage of employees that are aged 35 or younger	30%			

### 1.7 Major challenges and remedial actions in regard to Human Resources & Organizational management

MAJOR CHALLENGES	REMEDIAL ACTION
Retention of staff	Have a retention policy & strategy
Staff that are not well capacitated	Sourcing of funds to train employees & councilors in all operation
Policies that are not tailor made for the local municipality	Reviewal of polices

## **Chapter 2: Basic Service delivery performance highlights (KPA 2)**

### **2.1 Water and sanitation services**

The Amathole District Municipality (ADM) was declared as a Water Services Authority (WSA) in terms of the powers and functions devolved by Local Government Municipal Structure's Act, 117 of 1998. The ADM became responsible for the planning and provision of water services in its area of jurisdiction as from 01 July 2003. The function includes all local municipalities within ADM except for Buffalo City Municipality.

**A detailed report on water services will be tabled in ADM's annual report.**

#### **Challenges and remedial actions**

- There is a huge backlog that still needs to be eradicated
- Water supply is inadequate in most Nkonkobe areas, especially those in rural nodes.

#### **Remedial actions**

- There is a need for water infrastructure construction and upgrading.

### **2.2 Electricity services**

#### **a. Electricity service delivery strategy and main role players**

The Nkonkobe Municipality's primarily supplies electricity to Fort Beaufort Town, Hillside, Newtown and Bhofolo Township. The main, primary and only supplier of electricity to the Nkonkobe Municipality is Eskom. It is the aim of the Electricity Department to supply good clean uninterrupted power to the consumers.

#### **b. Level and standards in electricity services**

To briefly summarize this section, the Municipalities country wide are governed by a national standard for low and high level access to electricity as well as the quality of the electricity supply applied in the Electricity Supply Industry. These standards are set out in the NRS 048-1:1996/047-2:1996/047-3:1996 (Quality of Supply) and NRS 047:1996 (Quality of Service) and NRS 047-1:1999/047-1:1999 (Quality of Service). Unfortunately these documents are too much to be included in this report, (6 booklets in all), but can be viewed at the Electricity Department Offices. It is thus according to these standards that the department gauges the reporting that is done and the standards, goals and targets that are annually set.

**c. Annual performance as per key performance indicators in electricity services**

	<b>Indicator name</b>	<b>Total number of household/customer expected to benefit</b>	<b>Estimated backlogs (actual numbers)</b>	<b>Target set for the f. year under review (actual numbers)</b>	<b>Number of HH/customer reached during the FY</b>	<b>Percentage of achievement during the year</b>
1	Percentage of households with access to electricity services	10 169 100% of Urban Areas	0	0	0	0
2	Percentage of indigent households with access to basic electricity services	20 158 60%	7 500	1 400	12 840	50%
3	Percentage of indigent households with access to free alternative energy sources	N/A	N/A	N/A	N/A	N/A

**d. Major challenges in electricity services and remedial actions**

- The Electrical Section of the Engineering Department, like other departments have problems of staffing, equipment.
- The fortunate part about these problems is that all the problems have been acknowledged identified and the Municipality is overcoming them at present.
- These problems are being addressed in order to fast track service delivery which is the essence of the local government.

**2.3 Sanitation**

The function is performed by the ADM

## 2.4 Road maintenance

### a. Road Maintenance service delivery strategy and main role players

The Municipality's role with regards to road maintenance services delivery is to maintain and upgrade paved roads and unpaved roads in rural areas (internal streets), by tar patching and resealing of damaged surface roads, blading and regravelling of unsurfaced roads and improving stormwater drainage. To assess conditions of municipal roads and implement a maintenance plan and to purchase heavy roads construction equipment. From July 2008 up to June 2009 this section graded about 14.084 km of road, this includes blading of roads in rural villages. A total length of 16000 square.km tar patching was also done. Road maintenance strategy is to extend and improve the road network, including maintenance of existing roads by involving tar patching, resealing of damaged surface roads, blading and regravelling of unsurfaced roads.

### b. Level and standards in road maintenance services

In terms of high-level access to road maintenance by the population, the municipality is currently dealing with that kind of maintenance through the provincial Department of Roads and Transport because there are no funds to perform that kind of services. The only maintenance that the municipality is currently doing is blading the access roads using the only available grader. The maintenance of stormwater is done using the local labourers. Because of budget constraints the municipality has got no road maintenance team, a fully-fledged team. This will be addressed over the coming financial years by purchasing equipment one by one each year.

### a. Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household expected to benefit	Estimated backlogs (actual numbers)	Target set for thr f.year under review(Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	2000	8500	1800	1200	66%
2	Percentage of road infrastructure requiring	10500	15800	1500	1350	90%

	upgrade					
3	Percentage of planned new road infrastructure actually constructed	400	5500	800	580	72.5%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	800	5500	800	580	72.5%

**c. Major challenges in road maintenance services and remedial actions**

Challenges in this section involve around a shortage of equipment eg. two graders, one bomac, one tipper truck and one TLB and due to the capacity problem, the municipality could not meet its target in terms of maintaining rural roads as well as urban roads. The demand for grader services during funerals and other official events worsened the situation. To attend to challenges Engineering Department had requested the Department of roads and transport to assist with the roads rehabilitation.

**d. Water services delivery strategy and main role-players:**

The function is performed by the ADM.

**2.5 Waste management**

**a) Waste management services provided is categorized as follows:**

- Residential (domestic) waste collection
- Trade waste collection
- Street Cleaning
- Garden Waste services
- Sundry waste removal services including removal of illegal dumpings and waste removal from special events
- Managing and refurbishment of landfill sites

The above-mentioned services are rendered in residential areas, businesses, schools and government departments.

## **b. Level and standards in waste management services**

### **1. Domestic waste collection services**

- Weekly black bag/ bins kerbside collection in the following residential areas, Bhofolo Township (FB), Newtown (FB), Alice, Middledrift, Hogsback and Seymour is taking place.
- Refuse is collected in bags or bins provided by the Municipality or Residents
- Four black refuse bags are collected upon payment of services every month.
- No collection services are provided in the rural areas. Residents dispose of their own waste, either on site or in communal pits, where it is either burned or buried.

### **2. Trade waste collection services**

- Trade waste is collected on a daily basis from outside properties .No standard containers are provided and waste is collected from drums, bin, bags and whatever other containers are being used by the businesses/institutions

### **3. Street Cleaning**

- Streets in Fort Beaufort, Alice, Middledrift, Seymour and Hogsback are litter picked on a daily basis
- Litterbins exist in the CBD. These are insufficient and need to be emptied more often.
- No litter picking and street sweeping takes place in the residential areas except when there is a cleaning up campaign.

### **4. Garden Waste Services**

- Garden waste is collected by the Municipality for additional fees in the CBD areas .No collection in the hospital facilities.

### **5. Waste Minimisation**

- There are no recycling, composting or waste minimisation programmes of any significance, although cardboard and bottles are being collected.

### **6. Waste Disposal Sites**

- There are licensed waste disposal site in Alice, Middledrift and Fort Beaufort (waste transfer station), Seymour and Hogsback are in the process of having licensed Waste Disposal Sites
- Integrated Waste management Plan (IWMP)
- The IWMP is not yet adopted by Council as it is in the draft stage



c. Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	8198	5008	0	8198	

e. Major challenges in waste management services and remedial actions

1. Upgrading, maintenance and permitting of solid waste sites
2. Lack of operations in all solid waste sites
3. Non - enforcement of Solid Waste Disposal by-laws
4. Shortage of suitable transport, tools and plant
5. Staffing levels and operational budget not enough
6. No Integrated Waste Management Plan in place (IWMP)

**Remedial Actions**

- Maintenance of the sites should be done more often
- Operators to man the sites should be recruited
- Budget for hiring necessary equipment, including plant should be made available
- All vacant positions should be filled in order to enhance the refuse collection service
- An IWMP to be established is at a draft stage

**Housing and town planning**

**a. Housing and town planning service delivery and main role players**

Nkonkobe Municipality ensure that residents have access to housing through developments of new residents areas and upgrading of informal places taking into consideration the National and Provincial housing legislation and Policy.

The municipality initiate, plan co-ordinate and facilitate housing developments within boundaries of the Council.

All the projects that are implemented are within the council boundary appear in the IDP process.

The National Department of Housing have provided clear and comprehensive guidelines for integrating housing priorities into IDP's and aligning housing planning between Provincial and Local Government.

**b. Level and standards in Housing and town planning services**

The Nkonkobe Municipality will undertake analysis of the current situation with respect to the upgrading of informal places and housing options within the municipal area then identify the appropriate housing needs for the communities in the council area.

The municipality has planned a number of housing projects in the townships and villages under the rural housing program but still awaits the availability of funds from National and Provincial government.

**c. Annual performance as per key performance indicators in housing and town planning services**

	<b>Indicator name</b>	<b>Total number of household/customer expected to benefit</b>	<b>Estimated backlogs (Actual numbers)</b>	<b>Target set for the f. year under review</b>	<b>Number of HH/customer reached</b>	<b>Percentage of achievement during the year</b>
1	Percentage of households living in informal settlements	20%	500	200	200	5%
2	Percentage of informal settlements that have been provided with basic services	20%	500	150	100	10%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	40%	400	250	400	0%

#### **d. Major challenges in housing and town planning services and remedial actions**

Lack of funding and technical staff. The Engineering Department will apply for more funding in order to plan and survey informal land.

### **2.7 Spatial planning**

#### **a. Preparation and approval process of SDF:**

The municipality was assisted by the Amathole District Municipality by appointing a service provider to review its spatial development planning for 2010/2011. This process was completed and the SDF was adopted by the council by 31 May 2010

#### **b. Land use management:**

The municipalities should provide information that indicates effective use of land through the number of applications received and processed in the following categories:

- Rezoning,
- Sub-division,
- Consent use,
- Removal of restrictive conditions
- Township establishments

### **6. Major challenges in spatial planning services and remedial actions**

Most of the land that have been earmarked for development is still on the name of the state. Another aspect is the lack of bulk services in areas where we've got informal settlement and environmental studies is still have to be undertaken. Lack of funds for studies to check the redness of the land on the slope of the land and check the EIA.

### **2.8 Indigent policy implementation**

#### **a. Preparation and approval process of the indigent policy**

The policy was developed and adopted by the council with the ongoing processes.

#### **c. Implementation of the policy**

The municipality is using the national standard indigent form which is filled by those who have been identified as indigent, with the minimum income up to R2,500 per month, also a indigent register is maintained regularly and reviewed as the status of person changes.

## 2.9 Overall service delivery backlogs

Basic service delivery area	30 June 200..			30 June 200..		
	Required	Budgeted	Actual	required	budgeted	Actual
<b>Water backlogs (6KL/month)</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
<b>Electricity backlogs (30KWH/month)</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
<b>Sanitation backlogs</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard						

service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
<b>Road maintenance backlogs</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	n/a	n/a	n/a	2000	2000	1200
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	n/a	n/a	n/a	3000	3000	1800
Spending on new infrastructure to eliminate backlogs (R000)	n/a	n/a	n/a	R 6.1 m	R 6.1 m	R 3.66m
Spending on renewal of existing infrastructure to eliminate backlog (R000)	n/a	n/a	n/a	R 1.2 m	R 1.2 m	R 1.2 m
Total spending to eliminate backlogs (R000)	n/a	n/a	n/a	0	R 7.3 m	R 4.86 m
Spending on maintenance to ensure no new backlogs (R000)	n/a	n/a	n/a	R 950 000	950 000	950 000
<b>Refuse removal</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	5008	0	5008	0	0	0
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	61.0%	0	61.0%	0	0	0
Spending on new infrastructure to eliminate backlogs (R000)	0	0	0	0	0	0

Spending on renewal of existing infrastructure to eliminate backlog (R000)	n/a	n/a	n/a	n/a	n/a	n/a
Total spending to eliminate backlogs (R000)	0	n/a	n/a	n/a	n/a	n/a
Spending on maintenance to ensure no new backlogs (R000)	0	0	0	0	0	0
<b>Housing and town planning</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	1 500	The budget will be allocated by the Dept. Of Housing in Bisho	500	500	The budget will be allocated by the Dept. Of Housing in Bisho.	500
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	1 000	Budget will be allocated by the Dept. Of Human Settlement	500	500	Budget will be allocated by the Dept. Of Human Settlement.	500
Spending on new infrastructure to eliminate backlogs (R000)	1 500	Dept. Of Human Settlement.	500	500	Dept. Of Human Settlement	500
Spending on renewal of existing infrastructure to eliminate backlog (R000)	500	Dept. Of Human Settlement	500	500	Dept. Of Human Settlement	500
Total spending to eliminate backlogs (R000)	1000	Awaiting for the allocation of funds.	1000	1000	Awaiting for the allocation of funds.	1000
Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A

## CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

### 3.1 Brief presentation of LED strategy/plan

The municipality had no LED strategy in the year under review. It is however important to highlight the fact that the municipality in its IDP 2009/2010 has prioritized LED as one of its programmes. The LED program of the municipality prioritized four areas, agriculture, tourism, SMME development and forestry. The main role players were: Department of Agriculture, Department of Economic Development and Environmental Affairs (DEDEA), Social Development and business community. The LED unit was not fully functional as there were only two officials responsible for LED, however the senior manager was appointed to head the department in November 2009. There were no stakeholder forums functioning during the 2009/2010. Processes of establishing an LED forum started towards the end of the year under review. A meeting was called for LED stakeholders to look at the terms of reference for the establishment of the LED forum. The meeting agreed that the forum be established in the first month of 2010/2011 financial year.

### Funding opportunities for LED

The following institutions funded LED initiatives

Institution	Budget	Type of Program
Department of Agriculture	R460,000	Agriculture(2 Irrigation schemes ,Haccop and Katriver, maize production, livestock improvement
Department of Agriculture	R2,000,000	For boreholes and Dam Scooping
Municipal Infrastructure Grant(MIG)	R1,548,801	Local Economic development Infrastructure
Municipal Budget For LED	R1,900,000	LED projects and Community Based Planning Projects
Social Development	R 2,750,000	Poverty alleviation
Dedea	R3,200,000	LED projects
Special Programmes	R319,000	For special programmes

### **3.2 Progress towards achieving the LED key objectives**

#### **a. Improve public and market confidence**

The municipality reviewed its spatial development framework and was adopted on 31<sup>st</sup> of May 2010. The licensing function was under the district municipality; however the municipality paid all the creditors in time in the year 2009/2010. The municipality had the following policies and by-laws to regulate business, street trading by-law, advertising of signs by-law, prevention of nuisance by-law, liquor trading by-law and new property rates by-law. The municipality improved its roads infrastructure for purposes of economic development. Disaster management policy was approved by the council during this financial as way of creating conducive environment towards economic development. Electricity infrastructure was also improved, for example street lights and high must lights were maintained to reduce crime and attract more investment.

#### **b. Exploit Comparative and competitive advantage for industrial activities**

The municipality has engaged the department of Rural development and land reform for the purposes of reviving its irrigation schemes. This led to the initiation of the School nutrition programme which will focus on all schools in Nkonkobe and will involve all farmers in our municipality. The programme is still at its initiation stage. The municipality also started an initiative towards the development of tourism around Maqoma caves. In this initiative all tourism stakeholders have been engaged including the department of Economic affairs as a key partner.

#### **c. Intensify Enterprise support on business development**

The municipality supported SMMEs through its procurement process and provided support by means of training to various cooperatives. The municipality entered into a partnership agreement with MTN in the following areas arts and craft, education, health and business support. The municipality also signed an agreement with National Youth Development Agency where two young people were employed. The two young people employed were outreach officer and the career councillor and the main purpose of the agreement is for the support of the youth of Nkonkobe.

#### **d. Support social investment program**

The municipality supported cooperatives and 21 community based projects. It also assisted 4 irrigations schemes to produce more by providing inputs and equipment. The department under its section for special programs had the following programs in the year under review, Women's Month (August 2009-2010), 16 days of Activism Against Women violence and Child abuse, Disabled month( International Day for disabled people) December 2009-2010, Nkonkobe youth Council, Nkonkobe Disabled forum, Nkonkobe Children's advisory



### 3.3 Annual performance as per key performance indicators in LED

	Indicator	Target set for the year	Achievement level during the year(absolute figure)	Achievement percentage during the year
1	Percentage of LED budget spent on LED related activities	R3,768,746	R2,390,000	63%
2	Number of LED stakeholder forum held	1	1	1
3	Percentage of SMME that have benefited from a SMME support program	30	30 trained by MTN 23 trained by ADM 40 Trained by SEDA	100%
4	Number of Job opportunities created through EPWP	0	0	0
5	Number of job opportunities created through PPP	0	0	0

### 3.4 Challenges regarding LED strategy implementation

The municipality had no LED strategy; however it had an LED programme. The serious challenge was the unavailability of key LED personnel. The Senior Manager Strategic Planning and LED was appointed in November 2009. Since then arrangements have been made to access funding for the development of the LED strategy from the department of Local Government and traditional Affairs. The department has committed to fund this project in 2010/2011 financial year.

## Chapter 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

### 4.1 The audited financial statements

The financial statements or the consolidated financial statements (for municipalities with entities) required must be **audited** and include:

- Statement of financial position (balance sheet),
- Statement of financial performance (operating statement),
- Cash flow statement,
- Statement of changes in net assets
- Supporting notes to the financial statements.
- Remuneration of councillors, Directors, officials, members and officials of municipal entities

### 4.2 Budget to actual comparison

Actual Income and Expenditure 2009/2010 compared to actual Budget.

	BUDGET	ACTUAL	
Salaries, Wages and Allowances	R36,316,841.00	R34,703,832.50	
Councillors Remuneration	R9,822,693.00	R9,699,484.39	
Repairs and Maintenance	R4,033,302.00	R3,150,482.61	
General Expenditure	R31,837,271.00	R20,193,101.42	
Capital Charges	R 866,014.00	R1,371,881.00	
Contributions to fixed Assets			
Contributions to Funds			
Property rates	R -16,000.000	R-2,336,473	
Service charges	-4,670,720	-2,003,086	
Rent facilities	-14,400,630	-201544.61	
Interest earned –outstanding debt	-2,000,000	-3,963,645	
Revenue for agency services	-500,000	-1,717,063	
Other revenue	-3,376,892	-3,911,202	
Fines			

### 4.3 Grants and transfers' spending

Grant Details	Amount Received and spent each quarter							
	Quarter: Sept 09		Quarter: Dec 09		Quarter: Mar09		Quarter: Jun 09	
	Rec	Exp	Rec.	Exp	Rec.	Exp	Rec.	Exp
Equitable Share	R23, 802, 163		R16, 082, 311		R2, 486, 336		R14, 281, 298	
MIG	R 5, 000, 000	R3,361,700	2, 000,000	R8,070,753	2, 000, 000,	R1,894,194	10,075,000	R5,587,610
MSIG	R 735,000.00	R138,520		R170,366		R132,976		R862,395
FMG	R 1, 000,000	R168,498		R199,151		R116,189		R613,254

### 4.4 Meeting of Donors' requirements in respect of conditional grants

During the year in question only the following conditional grants received in the form of cash, Municipal Infrastructure Grant, Municipal Systems Improvement Grant, Finance Management Grant. As conditional grants the bases of spending as the requirement is based on the agreed purpose of allocation. The spending reported in 4.3 is in accordance with the agreed conditions e.g., the spending on the MIG is only on infrastructure related projects.

### 4.5 Municipality long term contracts

The municipality does not have Long Term Contracts as it only has short term contracts which are renewable yearly.

### 4.6 Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget			
		R98,759,112.00	R26,854,314.01	31.38%
2	Salary budget as a percentage of the total operational budget			
		Target set for the year R36,513,549.00	Achievement level during the year R33,546,587.28	Achievement percentage during the year vs the actual revenue 85%
3	Total actual trade creditors as a percentage of total actual revenue			

		Target set for the year (80% and more) R(000)	Achievement level during the yearR 245,998.76	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget			
		Target set for the year 26,685,268	Achievement level during the year 28,683,164	Achievement percentage during the year 107,5%
5	Rate of municipal consumer debt reduction			
6	Percentage of MIG budget appropriately spent			56.28%

#### 4.7 The Audit committee functionality

The audit committee functions as per adopted Terms of Reference by the council; the audit committee was appointed by council on the 28 January but have sat two meetings in financial year under review. The committee has made recommendations to council but the report has not been tabled to council, the internal auditor plays an administrative role to Audit committee.

To summarise some of the recommendations made:

- Risk assessment and the role of internal audit
- Reviewal of the financial system-eVenus and their TOR
- SCM policy and performance measurements, alignment of Procurement procedure to LED programmes.

#### 4.8 Arrears in property rates and service charges

##### Situation of areas in property rates and service charges

Arrears on property rates & services charges as at June 2010 R89, 691, 803

A. Property Rates R 29, 080, 440

B. Services Charge R 60, 611, 362

#### 4.9 Anti corruption strategy

The Municipality is expected to report on the implementation of its anti-corruption strategy during the year under review. The municipality should clearly provide the following information:

- Development stage of the fraud prevention policy;
- Adoption of the fraud prevention policy by the council;

- Number of Awareness workshop conducted;
- Functionality of the fraud cases reporting mechanism;

## Chapter 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

### 5.1 Overview of the Executive and Council functions and achievements;

- **The Statutory duties and functions of the Executive and Council are prescribed by:**
  - The Constitution
  - The Local Government: Municipal Structures Act
  - The Local Government: Municipal Systems Act
  - The Municipal Finance Management Act
  
- **The Executive Committee must:**
  - Identity the needs of the Municipality.
  - Review and evaluate those needs in order of priority.
  - Recommend to the Municipality Council strategies, programmes and services to address priority needs through the Integrated Development Plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.
  
- **The Council must:**
  - Determines the overall strategic policy applicable to the Municipality as a whole which gives macro direction to its executive and which guides the formulation of all the policies.
  - Approves Integrated Development Plan
  - Approves the Performance Management Systems
  - Establishes committees in terms of Section 79 and 80 of the Systems Act
  - Determine the terms of reference of the established committees
  
- Executive Committee led by the Mayor as per the Municipal calendar of the Council held Executive Committee meetings. Special Executive Committee meetings were also held, as there were matters that needed to be discussed and go to council meeting for council to take resolutions. Ordinary Council meetings also set as required by legislation and there were Special Council meetings, which had to sit in order for Council to take resolutions on urgent council business.
  
- Executive and Council Achievements:
  - Establishment of Whips Committee
  - Establishment of Women's Caucus

- Establishment of Rules Committee
- Establishment of Oversight Committee
- Establishment of Audit Committee
- Budget/IDP was adopted on the 31 May 2009 by Council

## **5.2 Public participation and consultation;**

The Municipality in this paragraph is expected to present the mechanisms that were implemented during the year to consult the public and give them opportunity to actively participate in the Municipality activities and Council decision making process. Information is especially expected on

### **Section 4 of the Municipal Systems Act requires that the Municipality:**

- Develop mechanisms, processes and procedures for community participation through its political structures, and other appropriate means established by the municipality;
- Hold consultative sessions with locally recognized community organizations and traditional authorities;

Ensure public meetings and hearings by the municipal council and other political structures and office bearers of the municipality.

- Mayoral Imbizos and implementation of issues raised;
- Public hearings
- Shortage of staff in the office of the Speaker led to lack of public participation in 2009.
- Non-existence of the advisory committee for Public Participation.
- Customer satisfaction surveys
- No customer satisfaction surveys were done.

## **5.3 Ward committees' establishment and functionality**

The Municipality is expected to report on the establishment of ward committees and their functionality. The report on functionality of a ward committee should at least address the following elements:

- Members attendance to meetings;

Municipal Structures Act (Act No. 117 of 1998) provides for the establishment of ward committees. Ward committees are structures created to assist the democratically elected representative of a ward (the councillor) to carry out his or her mandate.

Nkonkobe municipality has 21 wards only one ward has not been holding ward committee meetings due to the non – corporation between the ward councillor & his ward committees.

- Availability of minutes of ward meetings;

Minutes are available & filled per ward kept in the office of the Speaker.

- Written proof of tabling resolutions to Councils;
- Availability of minutes of feedback meetings with communities;
- Some councillors do hold community meetings but they don't submit minutes to the office of the Speaker.
- Availability of Ward committee activity reports
- Ward committees attended training, did a survey in a form of a questioner on service delivery in their respective areas.

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

The Municipality is expected to report on the mechanism put in place to monitor CDW performance.

Beside indicators developed by the Municipality, some of element to consider may include:

- Availability of CDW monthly reports;
- Submission of weekly programmes to CDW Local Coordinator.
- Submission of monthly reports to the CDW Local Coordinator.
- Provide consolidated monthly reports to municipality, ADM and the Dept. of Cooperative Government and Traditional Affairs (E. Cape).
- Quarterly assessment to all CDW's made by District CDW Coordinators.
- Conduct annual performance assessments of all CDW's by Provincial Departments of Cooperative Governance and Traditional Affairs.

#### **Working tools viz: Case Sheets, Mobilization Sheet, and Referral Sheet**

- Number of cases identified and reported by CDWs;
- 165 cases were identified and referred to various government departments for consideration.
- 75 cases were resolved

#### **Number of homes visited by CDW during the FY**

- Since the beginning of Ilima ID distribution 1450 ID;s (June 2009 to June 2010) in Nkonkobe area, the number of uncollected Id's had been reduced.
- Between October 2009 June 2010, 632 food parcels had been delivered to poor families.
- January 2010 to June 2010, 259 People received Child Support Grants and poverty have been reduced
- Revival and strengthening of 86 Community Policing Forums (CPF's) and the Crime rate have been reduced and CPF's structures are operational. People know their rights and willing to report Domestic Violence Cases.



## Participation of CDW's in the Municipality activities e.g. IDP

- Take issues of local concern to the Councilors.
- Has a direct say in the planning, decision making and project implementation that has an impact on their ward
- Increases the participation of local residents in the municipal decision making
- Can monitor the performance of municipalities and take issues of concern to the local ward
- Can identify and initiate projects to improve the lives of people
- Help government achieve the People's Contract of a better life for all
- Coordinate teams of volunteers in community projects
- Helps communities develop and submit proposals for inclusion in IDPs, other spheres of government or donors
- Coordinate inter departmental programmes & encourage integration
- Inform communities about problems in the delivery of basic services
- Liaise with and advocate on behalf of communities with NGOs & donors
- Resolve disputes and refers unresolved disputes to the municipality. Identify community needs and priorities in consultation with communities and make submissions to council.
- Mobilize NGOs, CBOs, business, farmers, women and youth groups etc. to participate and make proposals on IDP and budget for consideration by council
- Mobilize local residents, community initiatives and resources and encourage partnerships and cooperation between municipal government and residents for implementation and maintenance of project.
- Promote transparency and accountability of local government by making IDP a public event and forum for negotiating conflicting involvement of communities/ community representatives in the evaluation of potential service providers, service provision and monitoring of service providers

### 5.5 Communication strategy

- Development stage of the communication strategy

A draft communication strategy was developed with the assistance of Councillors, Ward Committee members, officials, Community Development Workers, Office of the Premier, Department of Local Government and Traditional Affairs, Government Communications and Information Systems together with Amatole District Municipality. Scheduled dates for the review which will result to a final document of a communication strategy could not materialise due to a myriad of challenges such as clash with the Amatole District Municipality's calendar on proposed dates, unavailability of key representatives whose role is to assist in the development of such. Internal problems also hindered the crafting of this document; the tight municipal calendar had its own effect.

- **Human resource available to lead the communication activities**

The communication unit was operating with just one incumbent until February of the year under review. An additional staff member was recruited enabling communication activities to be well attended with limited concerns from both the external and internal public. Prior

to the appointment of this individual, all communication related activities were a responsibility of one.

- **Infrastructural resources available for communication activities**

Inadequate resources are a cause of concern; as a result the unit utilizes service providers. This is with specific reference to challenges experienced in updating the website, printing of a municipal publication and any other material that requires printing. As a means to guard against reliance on service providers, the unit proposed for purchasing of equipment, as these tools will enable the unit to design and print its own material.

## **5.7 Intergovernmental Relations**

The Municipality has experienced myriad challenges in the sitting of IGR meetings as a result a number of meetings were called and postponed either due to non attendance by sector departments non submission of reports as expected of them. Most departments at times were represented by junior officials who have no mandate to take decisions; this affected the effectiveness of the IGR. Stability was reached at some point with departments showing commitment again with the scheduled meetings taking place.

Four meetings were held during the financial year under review, with two special meetings convened to finalise the partnership agreement with MTN SA foundation. The municipality signed a Memorandum of Agreement with MTN SA Foundation, a partnership which focuses on various areas (this information is covered in Chapter under LED).

## **5.8 Legal matters**

### **5.8.1 Setting up of Legal Unit**

The municipality has a legal Services Section within the Corporate Services Department.

#### **Composition of the Legal Unit.**

1. Manager Legal Services

#### **Legal services outsourced**

The following is the list of legal Firms used during the year under review.

1. Adv L Bono and Adv Msizi Clyde Street, Central, Port Elizabeth
2. S.Z Sigabi and Associates 5 Arthur Street, King Williams Town
3. Hanesworth and Nienaber 37 Henrietta Street, Fort Beaufort
4. Drake Flemmier and Orsmond Inc 22 st James Street, East London
5. Smith Tabata Inc Southernwood, East London
6. Nongogo, Nuku Inc, East London
7. Kose Mfazi Inc, East London

### 5.8.2. Management of Litigations

1. Case load management with specific reference to:

a) Favorable cases

Case Name	Recovery Yes/No	Reasons for non recovery
Nkonkobe Municipality Queen Williams	Yes - Dismissed	Adv Bono instructed to proceed with the recovery process and is still busy with such.
Nkonkobe Municipality Trade Mart Auctioneers	Yes - Payment of proceeds effected but a portion outstanding. Smith Tabata is handling the matter.	N/A
Nkonkobe Municipality Malixole Ncume	Yes – Lost case and the Municipality is claiming costs, Smith Tabata Inc are busy with claiming costs from the applicants. The process continues.	Delays with the Taxing Master
Nkonkobe Municipality Vellem	Yes - Case amicably agreed to be dropped	N/A
Nkonkobe Municipality / Kleinbooi	Yes – Employee dismissed from employment but appealed and the appeal was upheld	N/A
Nkonkobe Municipality / Minana	The hearing continued and the employee was found guilty of misconduct. On 13 August 2010 the sanction will be handed down.	N/A
Nkonkobe Municipality / Dastile	No	The hearing will continue on 13 August 2010 and all indications point to the Municipality's favour.
Nkonkobe Municipality / Resha	Yes – The matter has been completed.	N/A

**b) Unfavorable cases**

Case Name	Recovery Yes/No	Reasons for non Recovery
Nkonkobe Municipality Hanabe	No - Lack of personnel to collaborate evidence	Lack of relevant personnel to support available evidence.
Nkonkobe Municipality / S. Mnqayi	No	The matter deals with the transfer of property to Mr S. Mnqayi and it is becoming too complex.
Nkonkobe Municipality Mdila & Williams	No- Non-provision of court date by the high court	Delays by the High Court to provide date.
Nkonkobe Municipality Malixole Ncume & Others	No	Smith Tabata busy with the recovery of funds.
Nkonkobe Municipality / Q. Williams	No	Adv. Bono is still handling process .
Nkonkobe Municipality / TradeMart Auctioneers	Yes a portion thereof	TradeMart refuses to release the second portion until outstanding vehicle papers have been provided.

**2. Case age analysis**

Case Name	Nature of the Case	Date of Committal	Cases beyond 2 years	Reasons for extensive Duration
Nkonkobe Municipality Mdila / Williams	Recouping Funds	February 2009	N/A	Date of the High Court awaited
Nkonkobe Municipality Queen Williams	Fraud & Corruption	September 2008	N/A	Awaiting tax calculations by the Taxing Master
Nkonkobe Municipality Malixole Ncume & others	Claiming costs from applicants.	2008	N/A	Issuing of summons to the applicants.

Nkonkobe Municipality / Mdila	Recouping funds i.t.o. claims for costs incurred.	2008	N/A	Summons were issued to Mdila by Drake Flemmer and Orsmond to recoup the money.
Nkonkobe Municipality / Dastile	Loss of a Council vehicle.	July 2009	N/A	Matter in process.
Nkonkobe Municipality / Minana	Damage to Council vehicle	December 2009	N/A	Matter in process.
Nkonkobe Municipality / Sibobi	Insurbodination and Non Compliance with MFMA	Nov 2008	N/A	Continued requests for postponement from legal representatives.
Nkonkobe Municipality / Kleinbooi	Damage to Council vehicle	2009	N/A	Unavailability of presiding officer, postponement but this matter is completed.
Nkonkobe Municipality / TradeMart	Disposal of Council Property	2008	N/A	Refusal of TradeMart to release outstanding proceeds unless all vehicle documents have been furnished.
John Kanie / Nkonkobe Municipality	Damage to motor vehicle	2009	N/A	The matter was handed to Nongogo, Nuku Inc. This matter is in process.
Masala / Nkonkobe Municipality	Licensing of a motor vehicle	2009	N/A	The matter was handed to Smith Tabata and was sorted out.
New Glenholm & Boldpoint farms	Informal Settlements	2010	N/A	The matter is under discussion with the communities, and ADM.

### 3. Default Judgment

These are no default judgments against the Municipality.

### 4. Prevention mechanism of current litigation

No prevention measures are in place to prevent the current litigation. This is so in that these are no relevant policies in place that are intended to assist the prevention of litigations of this nature.

However the Municipal employees are made aware of the collective. Agreements applicable to the work place and booklets are issued out to employees to familiarize themselves with such. The Municipality is in the process of formulating the litigation strategy.

## **5. Criminal matters emanating from corruption and fraud..**

- 1) Nkonkobe Municipality vs Queen Williams
- 2) Nkonkobe Municipality vs Mdila & Williams
- 3) Other cases of corruption and fraud are still under investigation and it is advisable not to divulge such information at this stage.
- 4) Nkonkobe Municipality vs Mdila
- 5) Considerations of the Hannes Minnaar report on the robbery at the Finance Department, the report is still under scrutiny.
- 6) The considerations of the Forensic report in the Finance Department.

### **5.8.3 Management of Legal Risks**

The Municipality has adopted the fraud and corruption policy but at the same time is in the process of developing a policy on the management of legal risk.

# PART 3- FUNCTIONAL AREAS REPORTING AND ANNEXURE

## A: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

### 1. General information (population statistics)

<i>&lt;Insert name of municipality&gt;</i> <b>GENERAL INFORMATION</b>	
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Reporting Level	Detail	Total	
Overview:	Nkonkobe Municipality was established in 2000 and is made of now disestablished TLCs i.e. Alice, Middelrift, Fort Beaufort, Hogsback and Seymour. Alice is a legislative seat and Fort Beaufort is the administrative seat, the latter is situated about 140 km North West of East London on R63 and is approximately 200 km North East of Port Elizabeth. The municipality is the second largest local municipality covering 3 725 km <sup>2</sup> , and constituting 16% of the surface area of the Amatole District Municipality. Nkonkobe municipality is a countryside municipality that sits on the foot of the ever imposing and majestic mountain range of the Winterberg (liNtaba zeNkonkobe).		
Information:	<i>&lt;Provide statistical information on (as a minimum):&gt;</i>		
1	Geography: Geographical area in square kilometres Note: Indicate source of information: <b>Global Insight</b>	3725km2	
2	Demography: Total population Note: Indicate source of information: <b>Stats SA and Global Insight</b>	130000	
3	Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent: <b>Nkonkobe Municipality Collection forms</b>	20206	
4	Total number of voters	67,313	

5	Aged breakdown:		
	- 65 years and over	<total>	
	- between 40 and 64 years	<total>	
	- between 15 and 39 years	<total>	
	- 14 years and under	<total>	
	Note: Indicate source of information		
6	Household income:		
	- over R3,499 per month	<total>	
	- between R2,500 and R3,499 per month	<total>	
	- between R1,100 and R2,499 per month	<total>	
	- under R1,100 per month	<total>	
	Note: Indicate source of information		

## 2. Finance and Administration function's performance

<b>Function:</b>	<b>Finance and Administration</b>
<b>Sub Function:</b>	<b>Finance</b>

Reporting Level	Detail	Total	
Overview:	The Budget and Treasury Office has a clear and achievable mandate that is to provide a comprehensive financial management services to Council and other departments of council. The Budget and Treasury Office supports the Integrated Development Plan of Nkonkobe Municipality by striving to provide a stable and sustainable financial environment which council can deliver services to all communities in the jurisdiction of Nkonkobe Municipality.		
Description of the Activity:	<p><i>The function of Budget and treasury office within the municipality is administered as follows and includes:</i></p> <p><i>Strategic financial management and reporting internally and externally for all stakeholders. These services extend to include accounting for all funds received, but do not take account of legislative decision making within the jurisdiction of national government. w it is offered to the community&gt;</i></p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Debtor billings: number and value of monthly billings:		R (000s)
	Function - <list function here eg: water, electricity etc>	<total>	<total>



	<p>- Number and amount billed each month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc) and by category</p> <p>Debtors Fun &amp; Cat : Number of Billed Debtors : Amount Billed</p> <p>Electricity : 253 17,270,336</p> <p>Refuse : 8281 4,982,854</p> <p>Rates : 42039 10,097,176</p>	<p>&lt;number&gt;</p> <p>253</p> <p>8281</p> <p>42039</p>	<p>&lt;value&gt;</p> <p>17,270,336</p> <p>4,982,854</p> <p>10,097,176</p>																				
2	<p>Debtor collections: value of amount received and interest:</p> <p>Function - &lt;list function here eg: water, electricity etc&gt;</p> <p>- Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function and by category</p> <p>Electricity : 257 8,957,616</p> <p>Refuse : 8218 1,062,791</p> <p>Rates : 3305 2,692,362</p> <p>Other 15,970,395</p>	<p>R (000s)</p> <p>&lt;total&gt;</p> <p>&lt;received&gt;</p>	<p>R (000s)</p> <p>&lt;total&gt;</p> <p>&lt;interest&gt;</p>																				
3	<p>Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:</p> <p>Function - &lt;list function here eg: water, electricity etc&gt;</p> <p>- Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc) and category</p> <table border="1"> <thead> <tr> <th>Category</th> <th>30</th> <th>60</th> <th>90</th> <th>120</th> </tr> </thead> <tbody> <tr> <td>Electricity</td> <td>1,076,792</td> <td>437,050</td> <td>22,057,972</td> <td>25,103,453</td> </tr> <tr> <td>Property Rates</td> <td>596,381</td> <td>579,34</td> <td>27,417,708</td> <td>29,080,440</td> </tr> <tr> <td>Refuse</td> <td>662,213</td> <td>625,661</td> <td>39,682,408</td> <td>41,518,285</td> </tr> </tbody> </table>	Category	30	60	90	120	Electricity	1,076,792	437,050	22,057,972	25,103,453	Property Rates	596,381	579,34	27,417,708	29,080,440	Refuse	662,213	625,661	39,682,408	41,518,285	<p>R (000s)</p> <p>&lt;total&gt;</p>	
Category	30	60	90	120																			
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4	<p>Write off of debts: number and value of debts written off:</p> <p>- Total debts written off each month across debtors by function (eg: water, electricity etc) and category Note: create a suitable table to reflect write offs each month across debtors by function and category</p>	<p>&lt;number&gt;</p>	<p>R (000s)</p> <p>&lt;value&gt;</p>																				
5	<p>Property rates (Residential):</p> <p>- Number and value of properties rated</p> <p>- Number and value of properties not rated</p>	<p>15340</p> <p>NA</p> <p>NA</p>	<p>R (000s)</p> <p>766,948,132.00</p>																				

Reporting Level	Detail	Total	
	- Number and value of rate exemptions - Rates collectible for the current year		
6	Property rates (Commercial): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	255 <number> <number>	R (000s) 280,857,500.00> <value> <value> R-2, 336,473
8	Property valuation: - Year of last valuation - Regularity of valuation	2009 4 years	
9	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	20 206 <value>	
10	Creditor Payments: <List creditors here> Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days.	R (000s) <value> R68 868.60 R 27698.68 R36108.75 R15810.20 R 28408.80	<age> 90 days 90 days 60 days 30 days 30 days
11	Credit Rating: <List credit rating details here> List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	R (000s) <value>	<date>
12	External Loans: - Total loans received and paid during the year Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.  8237 DBSA  10545 DBSA  00013L WESBANK	R (000s) <received>	R (000s) <paid>  943,233.29  4,308,126.90  1 746.60
13	Delayed and Default Payments: <List delayed and default payments here>	<value>	<date>

	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature		
	Note: This information need not be reported here if reported as notes to the accounts.		

### 3. Planning and Development function's performance

<b>Function:</b>	<b>Planning and Development</b>		
<b>Sub Function:</b>	<b>Economic Development</b>		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
Overview:	Local Economic development is made up of sectors, agriculture, Tourism and SMME development. Its objective is to promote and facilitate job creation through project initiative by communities, attract investors to the area, promote SMME development, tourism and agriculture.		
Description of the Activity:	The function of economic planning / development within the municipality is administered as follows and includes: <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Tourism</li> <li>• SMME and Cooperatives Development</li> </ul> <i>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</i>		
	<i>&lt;List here&gt;</i>		
	The strategic objectives of this function are to: <ul style="list-style-type: none"> <li>• To ensure strategic development oriented planning process in line with legislation and local government key performance areas</li> <li>• To enable community to participate in municipal planning</li> <li>• To achieve greater agricultural output to 40% in 2011</li> <li>• To increase the number in the area by 10% in 2011</li> <li>• To improve ecological integrity of natural resources</li> </ul>		
Analysis of the Function:	<i>&lt;Provide statistical information on (as a minimum):&gt;</i>		
	1 Number and cost to employer of all economic development personnel:	05	R (000s)
	- Professional (Directors / Managers)	1	<cost>

	- Non-professional (Clerical / Administrative)	4	<cost>
	- Temporary	0	<cost>
	- Contract	2	R250000
2	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
3	Detail and cost of incentives for business investment: <list details>		R (000s) <cost>
4	Note: list incentives by project, with total actual cost to municipality for year		
	Detail and cost of other urban renewal strategies: <list details>		R (000s) <cost>
5	Note: list strategies by project, with total actual cost to municipality for year		
	Detail and cost of other rural development strategies: <list details>		R (000s) <cost>
6	Note: list strategies by project, with total actual cost to municipality for year		
	Number of people employed through job creation schemes:		
	- Short-term employment	<number>	
	- Long-term employment	<number>	
6	Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
	Number and cost to employer of all Building Inspectors employed:		R (000s)
	- Number of Building Inspectors	<number>	<value>
	- Temporary		
	- Contract		
	Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package		
	Details of building plans:		
	- Number of building plans approved	<number>	
	- Value of building plans approved	<value>	
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
	Note: Figures should be aggregated over year to include building plan approvals only		
7	Type and number of grants and subsidies received: <list each grant or subsidy separately>	<total>	R (000s) <value>
	Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		

4. Community and social services function's performance

<b>Function:</b>	<b>Community and Social Services</b>			
<b>Sub Function:</b>	<b>All inclusive</b>			

Reporting Level	Detail	Total	
Overview:	<p>The Directorate of Community Services comprises of the following roles and functions:</p> <ul style="list-style-type: none"> <li>• Cleansing</li> <li>• Parks and Garden</li> <li>• Fire Fighting</li> <li>• Sport, Arts and Culture</li> <li>• Fencing and Fences</li> <li>• Pound</li> <li>• Traffic and Parking</li> <li>• Civil Protection</li> <li>• Cemeteries</li> </ul> <p>The municipality also renders the following functions on an urgency basis:</p> <ul style="list-style-type: none"> <li>• Primary Health Care</li> <li>• eNatis</li> </ul>		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p><b>Sport, Arts &amp; Culture</b></p> <p>To encourage and co-ordinate the participation in sport, arts &amp; culture activities by conducting an annual Mayoral Cup Tournament which is aim is to develop youth through sport and to fight crime.</p> <p><b>The key issues for 2009/10Y are:</b></p> <p><i>Mayoral Cup Tournament</i></p> <p><i>Maintenance of sport facilities</i></p> <p><i>Strengthening of Sport Council</i></p> <p><b>Traffic &amp; Parking</b></p> <p>To promote proper road usage and maintain law enforcement by having properly marked roads &amp; signage's</p>		

**Key issues for 2009/10Y are:**

Properly marked the roads

Establish mobile parking meter

Education of road users on National Road Traffic Act

**Civil Protection**

To guard against the vandalism and theft of municipal assets. To work hand in gloves with SAPS in the reduction of crime by 80% by 2014 by conducting crime related awareness's and put security systems in place.

**Key issues for 2009/10Y are:**

To minimise the vandalism and theft of municipal property

To strengthen the functioning of Community Safety Forum

To work hand in gloves with other crime related stakeholders in reducing the crime

**Libraries**

This is the function of the Provincial Government but the Municipality is rendering this function without getting any funding from the Department.

**Key issues for 2009/10Y are:**

To manage the municipal libraries and provide for the creation, education and information of that specific community.

To facilitate and implement operational plan and activities of Libraries and information services

**Fire Fighting**

To deliver a fast and efficient service that will minimize loss to life, property and the environment.

**Key issues for 2009/10Y are:**

To fight and minimise fires

To conduct awareness campaigns so as to educate communities how to fight fires.

**Disaster Management**

To co-ordinate & manage disaster incidents by facilitating disaster awareness's and establishing disaster technical task teams.

**Key issues for 2009/10Y are:**

To distribute building material to the disaster victims with assistance from ADM

To develop a Disaster Risk Management Plan in collaboration with all relevant stakeholders

Primary Health care

The municipality is performing this

## 5. Housing function's performance

<b>Function:</b>	<b>Housing</b>
<b>Sub Function:</b>	<b>N/A</b>

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p><i>Nkonkobe Municipality implement housing projects for beneficiaries within the jurisdiction of the municipality in the urban and rural areas. The role of the municipality is to act as the Support Organisation when the Dept. Of Human Settlement have appointed a Developer to construct houses.</i></p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p><i>Nkonkobe Municipality have to apply for funding allocation for identified housing project within the municipality.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>The municipality to build houses for all eligible beneficiaries under the PHP housing scheme, depending on the allocation of funds from the Dept. Of Human Settlement.</i></p> <p>The key issues for 200X/0Y are:</p> <p><i>Nkonkobe Municipality have been applied for 6 new housing projects which have been provincially approved in 2007i.e Joji, Khayelitsha, Daweti, Bhofolo Phase 2, Lower Blinkwater and Balfour housing projects.</i></p>		
Analysis of the Function:	<p>&lt;Provide statistical information on (as a minimum):-&gt;</p> <p>1 Number and cost of all personnel associated with provision of municipal housing:</p> <ul style="list-style-type: none"> <li>- Professional (Architects/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.</p> <p>2 Number and total value of housing projects planned and current:</p> <ul style="list-style-type: none"> <li>- Current Mt. Pleasant Housing Project.</li> <li>- Planned Joji, Daweti, Bhofolo Phase 2, Lower Blinkwater, Khayelitsha and Balfour.</li> </ul>	<p>1</p> <p>N/A</p> <p>2</p> <p>N/A</p> <p>N/a</p> <p>n/a</p>	<p>R (000s)</p> <p>N/A</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>R (000s)</p> <p>R12m</p> <p>Bhofolo Phase 2=R56m</p> <p>Balfour=R56m</p>



			Lower Blinkwater =R84m Daweti=R12m Joji=R14m Khayelitsha=R14m
	Note: provide total project and project value as per initial or revised budget		
3	Total type, number and value of housing provided: <list details by type of dwelling, see below>	757	R (000s) R27m
	Note: total number and total value of housing provided during financial year		
4	Total number and value of rent received from municipal owned rental units <list details, including number of units handed over to residents>	n/a <total>	n/a <value>
5	Estimated backlog in number of (and costs to build) housing: <list details by type of dwelling, see below>	1 500	R (000s) R82m
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	2000 800 N/A N/A 1 500 2000	
<b>Reporting Level</b>	<b>Detail</b>		<b>Total</b>
7	Type and number of grants and subsidies received: PHP, Mt Pleasant, Mpolweni 163, Alice Golf Course 593, Project Lonk. Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	200	R (000s) R12m
8	Total operating cost of housing function		R 27m

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the 200X/OY budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.>	1` for Mt. Pleasant	6

1. Waste management function's performance

<b>Function:</b>	<b>Waste Management</b>
<b>Sub Function:</b>	<b>Solid Waste</b>

Reporting Level	Detail	Total	
Overview:	The service includes residential waste collection, commercial, street cleaning, garden refuse collection, sundry waste removal services including removal of illegal dumping sites, management of landfill sites and waste from special events.		
Description of the Activity:	<p>The refuse collection function of the municipality is administered as follows:</p> <p>Refuse is collected on a weekly basis in the following residential areas: Bhofolo township, Newtown, Alice, Middledrift, Seymour and Hogsback. Refuse is collected in refuse bags or bins provided by the Municipality or residents themselves.</p> <p>No refuse collection services are rendered in rural areas, residents dispose of their own waste either on site or in communal pits where it is either burned or buried.</p> <p>Cleaning campaigns were conducted in collaboration with other stakeholders such as Amathole District Municipality, Department of Economic Development and Environmental Affairs; World Vision and Forte FM. The areas that were targeted are Seymour and Newtown in Fort Beaufort and Alice CBD.</p> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> <li>- Ensure that refuse is removed and to create a clean and healthy environment</li> <li>- To promote and manage cleanliness of the municipality</li> </ul> <p>The key issues for 2009/10 are:</p> <ul style="list-style-type: none"> <li>- Signing an agreement for the supply of combo utility units (concrete refuse bins) with Combo signs</li> <li>- Successfully conducting cleaning and awareness campaigns in all the Nkonkobe units</li> </ul>		
Analysis of the Function:	<p><i>&lt;Provide statistical information on (as a minimum):&gt;</i></p> <p>1 Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> <li>- Professional (Manager: Cleansing Services)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p><i>R (000s)</i></p> <p>1</p> <p>5</p> <p>0</p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p>	<p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p>

2	<p>Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> <li>- Removed by municipality at least once a week</li> <li>- Removed by municipality less often</li> <li>- Communal refuse dump used</li> <li>- Own refuse dump</li> <li>- No rubbish disposal</li> </ul> <p>Note: if other intervals of services are available, please provide details</p>	<p>&lt;total&gt;</p> <p>Done upon request</p> <p>0</p> <p>0</p> <p>All rural areas</p>	<p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p>
3	<p>Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> <li>- Domestic/Commercial</li> <li>- Garden</li> </ul> <p>Note: provide total tonnage for current and future years activity</p>	<p>Not measured at this point in time, processes to have weighing bridge underway</p> <p>Not weighted</p>	<p>&lt;future&gt;</p> <p>&lt;future&gt;</p>
4	<p>Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> <li>- Domestic/Commercial (number)</li> <li>- Garden (number)</li> </ul> <p>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period</p>	<p>5</p> <p>None</p>	<p>&lt;lifespan&gt;</p> <p>&lt;lifespan&gt;</p>
	<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>
5	<p>Anticipated expansion of refuse removal service:</p> <ul style="list-style-type: none"> <li>- Domestic: refuse collection in residential areas will be expanded in to Hillside and Alice Golf Course in the next financial year. This will be done with the assistance of community waste management cooperatives</li> <li>- Garden refuse collection is done on request</li> </ul> <p>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>	<p>4131</p>	<p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p>
6	<p>Free Basic Service Provision:</p> <ul style="list-style-type: none"> <li>- Quantity (number of households affected)</li> <li>- Quantum (value to each household)</li> </ul> <p>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.</p>	<p>&lt;total&gt;</p> <p>&lt;value&gt;</p>	
7	Total operating cost of solid waste management function		R (000s)

Waste water management

<b>Function:</b>	<b>Waste Water Management</b>
<b>Sub Function:</b>	<b>Sewerage etc</b>

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p><i>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</i></p> <p>These services extend to include <i>&lt;function/area&gt;</i>, but do not take account of <i>&lt;function/area&gt;</i> which resides within the jurisdiction of <i>&lt;national/provincial/other private sector&gt;</i> government. The municipality has a mandate to:</p> <p><i>&lt;List here&gt;</i></p> <p>The strategic objectives of this function are to:</p> <p><i>&lt;List here&gt;</i></p> <p>The key issues for 200X/0Y are:</p> <p><i>&lt;List here&gt;</i></p>		
Analysis of the Function:	<p><i>&lt;Provide statistical information on (as a minimum):&gt;</i></p> <p>1 Number and cost to employer of all personnel associated with sewerage functions:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Number of households with sewerage services, and type and cost of service:</p> <ul style="list-style-type: none"> <li>- Flush toilet (connected to sewerage system)</li> <li>- Flush toilet (with septic tank)</li> <li>- Chemical toilet</li> <li>- Pit latrine with ventilation</li> <li>- Pit latrine without ventilation</li> <li>- Bucket latrine</li> <li>- No toilet provision</li> </ul> <p>Note: if other types of services are available, please provide details</p> <p>3 Anticipated expansion of sewerage:</p> <ul style="list-style-type: none"> <li>- Flush/chemical toilet</li> <li>- Pit latrine</li> </ul>		<p><i>R (000s)</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p> <p><i>&lt;total&gt;</i> <i>&lt;cost&gt;</i></p>

	- Bucket latrine	<total>	<cost>
	- No toilet provision	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
4	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	<b>Cost</b>
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
5	Total operating cost of sewerage function		R (000s)

## 2. Road maintenance's function's performance

Reporting Level	Detail	Total	Cost
<b>Overview:</b>	<b>Construction and maintenance of roads within the municipality's jurisdiction</b>	<b>Km</b>	<b>R</b>
<b>Description of the activity:</b>	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> <li>- Assess conditions of internal municipal roads and implement a maintenance plan.</li> <li>- Apply for funding to extend municipal roads.</li> <li>- Purchase heavy roads construction equipment.</li> <li>- To extend and improve stormwater drainage in all areas.</li> </ul> <p>These services extend to include resealing damaged surface roads, but do not take account of major roads which resides within the jurisdiction of Department of Roads and Transport.</p> <p>The strategic objectives of this function are to:</p> <p>Extend and improve the road network, including maintenance of existing roads.</p> <p>The key issues for 2009/2010</p>		

	<p>Purchase a grader</p> <p>Liase with Department of Roads and transport to assist with the road rehabilitation.</p>		
<b>Analysis of the function:</b>	<p>Number and cost to employer of all personnel associated with road maintenance and construction:</p> <ul style="list-style-type: none"> <li>- Professional (Engineer/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/ Administration)</li> <li>- Non professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul>	<p>0</p> <p>2</p> <p>1</p> <p>8</p> <p>0</p> <p>10</p>	
	<p>Total number, kilometres and total value of road projects planned and current:</p> <ul style="list-style-type: none"> <li>- New bitumenised</li> <li>- Existing re-tarred</li> <li>- New gravel</li> <li>- Existing re – sheeted</li> <li>- Tar patching</li> </ul>	<p>0 km</p> <p>2.7 km</p> <p>0 km</p> <p>0 km</p> <p>31 km</p>	<p>R 0</p> <p>R 6.3 m</p> <p>R 0</p> <p>R 0</p> <p>R 230 000.00</p>
	<p>Total kilometres and maintenance cost associated with existing roads provided</p> <ul style="list-style-type: none"> <li>- Tar</li> <li>- Gravel</li> </ul>	<p>2.7 km</p> <p>134 km</p>	<p>R 230 000.00</p>
	<p>Average frequency and cost of re-tarring, re-sheeting roads</p> <ul style="list-style-type: none"> <li>- Tar</li> <li>- Gravel</li> </ul>		

Reporting Level	Detail	Cost	Total
	Type and number of grants and subsidies received:  - Municipal Infrastructure Grant	R 6.3 m	R 6.3 m
	<b>Total operating cost of road construction and maintenance function</b>		

#### 9. Water distribution function's performance

<b>Function:</b>	<b>Water</b>
<b>Sub Function:</b>	<b>Water Distribution</b>

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include:  <i>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</i></p> <p>These services extend to include <i>&lt;function/area&gt;</i>, but do not take account of <i>&lt;function/area&gt;</i> which sits within the jurisdiction of <i>&lt;national/provincial/other private sector&gt;</i> government. The municipality has a mandate to:  <i>&lt;List here&gt;</i></p> <p>The strategic objectives of this function are to:  <i>&lt;List here&gt;</i></p> <p>The key issues for 200X/0Y are:  <i>&lt;List here&gt;</i></p>		
1	<p><i>&lt;Provide statistical information on (as a minimum):-&gt;</i></p> <p>Number and cost to employer of all personnel associated with the water distribution function:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul>	<p><i>&lt;total&gt;</i></p> <p><i>&lt;total&gt;</i></p> <p><i>&lt;total&gt;</i></p> <p><i>&lt;total&gt;</i></p> <p><i>&lt;total&gt;</i></p> <p><i>&lt;total&gt;</i></p>	<p><i>R (000s)</i></p> <p><i>&lt;cost&gt;</i></p> <p><i>&lt;cost&gt;</i></p> <p><i>&lt;cost&gt;</i></p> <p><i>&lt;cost&gt;</i></p> <p><i>&lt;cost&gt;</i></p>

	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.		
2	Percentage of total water usage per month <Insert table showing monthly water usage >	<volume>	<volume>
	Note: this will therefore highlight percentage of total water stock used per month		
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer		R (000s)
	- Category 1 <insert here>	<volume>	<cost>
	- Category 2 <insert here>	<volume>	<cost>
	- Category 3 <insert here>	<volume>	<cost>
	- Category 4 <insert here>	<volume>	<cost>
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:		R (000s)
	- Category 1 <insert here> (total number of households)	<volume>	<cost>
	- Category 2 <insert here> (total number of households)	<volume>	<cost>
	- Category 3 <insert here> (total number of households)	<volume>	<cost>
	- Category 4 <insert here> (total number of households)	<volume>	<cost>
5	Total year-to-date water losses in kilolitres and rand		R (000s)
	<detail total>	<volume>	<cost>
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	<b>Cost</b>
6	Number of households with water service, and type and cost of service:		R (000s)
	- Piped water inside dwelling	<total>	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	<total>	<cost>
	- Piped water on community stand: distance > 200m from dwelling	<total>	<cost>
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: if other types of services are available, please provide details		
7	Number and cost of new connections:		R (000s)
	<detail total>	<number>	<cost>
8	Number and cost of disconnections and reconnections:		R (000s)
	<detail total>	<number>	<cost>
9	Number and total value of water projects planned and current:		R (000s)
	- Current (financial year after year reported on)	<total>	<cost>
	- Planned (future years)	<total>	<cost>
	Note: provide total project and project value as per initial or revised budget		
10	Anticipated expansion of water service:		R (000s)
	- Piped water inside dwelling	<total>	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	<total>	<cost>
	- Piped water on community stand: distance > 200m from dwelling	<total>	<cost>
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>



	- Rain-water tank	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
11	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	- Piped water inside dwelling	<total>	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	<total>	<cost>
	- Piped water on community stand: distance > 200m from dwelling	<total>	<cost>
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
12	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
13	Type and number of grants and subsidies received:		R (000s)
	<list each grant or subsidy separately>	<total>	<value>
	Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
14	Total operating cost of water distribution function		R (000s)

#### 10. Electricity distribution function's performance

<b>Function:</b>	<b>Electricity</b>
<b>Sub Function:</b>	<b>Electricity Distribution</b>

Reporting Level	Detail	Total	Cost
Overview:	The main concentration of this section is the maintenance and repairs of the electricity network and consumer connections. The municipality only supplies Fort Beaufort Town, Newtown, Hillside and Bhofolo with Electricity. The other towns and rural villages are supplied by ESCOM. The Municipality assists ESCOM with the street light maintenance in the other Towns.		

<p>Description of the Activity:</p>	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>Operation and maintenance of Electricity network.</i></p> <p><i>Provision of free basic Electricity.</i></p> <p><i>Upgrading and replacement of old sections of the Electricity network. Installation of Electricity connections in Residential and Commercial areas.</i></p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p><i>Install Electricity connections in residential and commercial areas of Fort Beaufort Town, Hillside, Newtown and Bhofolo.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To ensure that the existing backlog of Electricity connections outside of Fort Beaufort is reduced in 2010.</i></p> <p>The key issues for 200X/0Y are:</p> <p><i>Reduce backlog of Electricity connections especially in rural areas.</i></p>		
<p>Analysis of the Function:</p>	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>1 Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> <li>- Professional (Consultants/Engineers)</li> <li>- Electrical Superintendent</li> <li>- Senior Electricians</li> <li>- Electricians</li> <li>- Office (Clerical/Administration) Senior Clerk</li> <li>- Electricians Assistants (blue collar, outside workforce)</li> </ul>		<p>R (000s)</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p>

	- Contract (Casuals)	3	<cost>
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	17	
2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer	<b>30,600727</b>	<b>R 4,011,627</b>
	- Residential	Pending	<cost>
	- Commercial	Pending	<cost>
	- Industrial	Pending	<cost>
	- Mining	N/A	<cost>
	- Agriculture	Pending	<cost>
	- Other	Pending	<cost>
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:		R (000s)
	- Household	Pending	<cost>
	- Commercial	Pending	<cost>
	- Industrial	N/A	<cost>
	- Mining	N/A	<cost>
	- Agriculture	Pending	<cost>
	- Other	Pending	<cost>
4	Total year-to-date electricity losses in kilowatt hours and rand		R (000s)
	<detail total>	Pending	<cost>
5	Number of households with electricity access, and type and cost of service:		R (000s)
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	<b>Cost</b>
	- Electrified areas		
	- Municipal	<total>	<cost>
	- ESCOM	<total>	<cost>
	- Alternate energy source		
	- Gas	<total>	<cost>

	- Paraffin	<total>	<cost>
	- Solar	<total>	<cost>
	- Wood	<total>	<cost>
	- Non electrified	<total>	<cost>
	Note: if other types of services are available, please provide details		
6	Number and cost of new connections:		R (000s)
	<detail total>	Pending	<cost>
7	Number and cost of disconnections and reconnections		R (000s)
	<detail total>	Pending	<cost>
8	Number and total value of electrification projects planned and current:		R (000s)
	- Current (financial year after year reported on)	Pending	<cost>
	- Planned (future years)	Pending	<cost>
	Note: provide total project and project value as per initial or revised budget		
9	Anticipated expansion of electricity service:		R (000s)
	<detail total>	Pending	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
10	Estimated backlog in number (and cost to provide) Electricity connection:		<b>R 608,400</b>
	Goma-Goma House connection Backlog	234	
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household.		

	Describe in detail the level of Free Basic Services provided.		
12	Type and number of grants and subsidies received:		<i>R (000s)</i>
	<i>&lt;list each grant or subsidy separately&gt;</i>	<i>&lt;total&gt;</i>	<i>&lt;value&gt;</i>
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
13	Total operating cost of electricity distribution function		<i>R (000s)</i>

11.

## **B: ANNEXURE**

The annexure is made up of the following documents arranged in the sequence below:

5. Full AG reports;
6. Plan of action of the municipality to address findings of the AG report;
7. Approved Municipal Structure (Staff establishment);
8. Council resolutions adopting the Annual Report