

# **NXUBA MUNICIPALITY**



## **ANNUAL REPORT 2009/2010 FINANCIAL YEAR**

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## **Part 1: Introduction and Overview**

### **A. Foreword by the Mayor**



**Cllr. Makhaya Mana**

We as elected champions of development in the Nxuba Municipality area we are grateful for the confidence shown in us during this period of our Annual report for 2009 \ 2010.

For this we pledge our continued commitment to make this area an even better place to habit as well as continuously strive for the better quality of life for all. The institution has gained considerable experience in participatory governance, democratization, social transformation and empowerment. We acknowledge and pledge to strengthen partnership with other spheres of government and other stakeholders and will continue to work towards the sustainability of those relations.

During the past years the focus was mainly on establishment, reconstruction and institutional transformation. This was characterized by various changes at the political leadership and management levels of the council and sporadic incidents of community unrest .The municipality is committed in ensuring that the targets set by the government broadly and the policies such as the Expanded Public Works Programs are fully implemented and monitored to archive the desired result.

One of our fundamental building block for the municipality is the political and administrative stability and it is possible only when councilors, management and staff are focused in one goal, effective service delivery to the people .A number of policies and by laws have been approved to properly regulate and foster an effective, meaningful and a progressive participation of all stakeholders and members of the local community in the affairs of local governance.

As a low capacity municipality in terms of the framework for the implementation of the Municipal Finance Management Act No.56 of 2003, the preparation of annual report has become peremptory in respect of the 2009 \ 2010 financial year. Effort have been made however to make the annual report as informative as possible despite the obvious

challenges Our annual report bears testimony challenges which have pervaded the municipality but also points of concerted effort to attain excellence in service delivery .

I remain confident that there are no challenges that we cannot overcome as a people and I believe all challenges can be matched only by the level of hard work and dedication of all stake holders involved in the socio –economic of the people of this area and it is a pleasure for me to announce that our achievements with regard to the aforementioned are as a result of a good working relationship between everyone in the council and the community.

Honorable Mayor

Councillor Makhaya “Smuts” Mana

## **B: The Yearly Programme Priorities**

As from July 2008 the Municipality with the assistance from Amathole District Municipality introduced Venus Financial System in order to improve its financial management system and reporting mechanisms. Initially, the Municipality experienced some teething problems around the system which were more evident throughout the year. Those challenges experienced are being resolved and the new system will be up and running with few hiccups in the current financial year. This will result in the Municipality being able to plan, implement, monitor and control effectively its budget thereby reducing and eliminating unauthorized expenditure which has been an eyesore for the past years.

The implementation of the new Property Rates Act came into effect on 1<sup>st</sup> July 2009 and was successfully implemented on time. This has been due to the fact that the Municipality started to value all properties in its area of jurisdiction under the year in review. New properties especially farms were for the first time included in the valuation process. This will result in a tremendous increase in revenue for the Municipality. Our communities were greatly involved in all these processes as the beneficiaries of Municipal Services.

More than 3km of our Road Network was paved in the year in question. This was as a result of funding received from Municipal Infrastructure Grant. The beneficiaries of these are the marginalized of our society. In the current financial year the Council will continue improving our Road Network and has taken a conscious decision to priorities the roads that service the township dwellers, the have-nots of our people. We are constantly engaging other spheres of government to increase our allocations, and to come to the party so as to redress the historically backlogs.

In improving our billing system the Municipality has engaged on a data base cleansing exercise. In simple terms this exercise was meant to achieve the following: "The Municipality delivers the right account to the right customer who will constantly pay the right amount to the right Municipal Office". This project has been successfully completed and its results are being implemented. This will have an effect on improving and increasing our collection rate. Also we will be able to have a correct data for our Indigent thereby we be able to give them Indigent support in the form of Free Basic Services.

The past year has been very tough with many challenges especially in the provision of water to our community. This has been exacerbated by the drought that has befallen our area. Though water provision is a district function this has directly affected the running of our Municipality. All the Local Economic Development initiatives supported by our Municipality were directly affected e.g. community gardens, cattle farming and goat farming.

The drought is having a devastating effect on the whole Municipality and this resulted in the Adelaide and Bedford areas being declared disaster areas by the National Government. We are still praying hard for the situation to improve as the drought is still biting our communities.

The issue of “going concern”, the financial difficulties experienced by the Municipality remains the greatest, elusive, difficult challenges our Municipality has ever had. This results in the Municipality not being able to meet its financial obligations thereby failing to provide efficient, effective and economic services as per its constitutional mandate. Are we going to be able to continue operating as the entity providing services to our communities whilst we are faced with these financial challenges? This is the gist of the question. The Nxuba Municipality cannot on its own address these issues; at one moment other spheres of government have to intervene with the sole purpose of giving the necessary support.

The Audit opinion for 2008/09 financial year does not bring any joy to us, especially taking into consideration the 2007/08 opinion which was an improvement for the first time in many years. We regard it as “One step forward and two steps back”. This has been as a result of many factors inclusive of quality of financial statements, the Venus financial system, internal capacity, in competency, lack of funding to name a few. In addressing some of these challenges, the Nxuba Municipality will have to actively hunt for funding, put efficient systems in place, employ competent staff and address issues raised by Auditor General. Sound Intergovernmental relations have to come into play. The Nxuba Municipality remains committed to our communities and we renew our pledge to continue creating a better life for all.

I would like to take this opportunity to thank the Speaker, Councillors, Officials and our esteemed Communities for their support in making this yet another successful year for Nxuba.

M BONGCO  
MUNICIPAL MANAGER

## **C: Overview of the Municipality**

### **Introduction**

Nxuba Municipality includes the areas and functions of the former Adelaide and Bedford Transitional Local Councils, as well as certain rural area of the former Transitional Representative Councils. Both the administrative and legislative seats of Nxuba Municipality are situated in Adelaide. Nxuba Local Municipality is rural and consequently experiences certain challenges which are inherent to such municipalities. Such challenges include, inter alia, the following:

- Huge infrastructural backlogs
- Inadequate revenue base resulting in total reliance on government grants and inability to attract to attend basic service delivery
- Inability to attract the skills required for effective service delivery
- Absence of systems, policies and procedures
- High levels of poverty and unemployment
- An economy that is growing far lesser than the national levels
- A spiral of the HIV and AIDS pandemic

The institutional reconfiguration of Nxuba Local Municipality, the upskilling of the workforce and the reshaping of the strategic focus of the Council are central for the attainment of the ideal of a better life for the people of Nxuba.

### **Municipal Council**

Cllr. M. Mana	-	Mayor / Speaker
Cllr. C. Auld	-	Chairperson: Finance and Estates
Cllr. S. Maseti	-	Deputy Chairperson: Finance and Estates
Cllr. N. Mahleza	-	Chairperson: Community Affairs and Health
Cllr. T. Ngetu	-	Deputy Chairperson: Community Affairs and Health
Cllr. E. M. Mnqamisa	-	Chairperson: Public Works and Trading Services
Cllr X .E Mdlungu	-	Deputy Chairperson: Public Works and Trading Services
Cllr. X. Makhenyane	-	Councillor



## Standing Committees

The Standing Committees are responsible to:

- Appoint a Chairman and a Deputy Chairman for a Committee,
- Delegate either absolutely or conditionally to a Committee any of its powers, duties or functions under this or any other Ordinance, other than those which are required to be exercised or performed by Special Resolution:
- Amend or withdraw any such delegation, provided that any amendment or withdrawal of any such delegation shall not invalidate anything done in pursuance of a decision lawfully taken by such Committee,
- Discharge any or all of the members of a Committee, or
- Discontinue any Committee

## Ward Committees

Four Ward Committees have been established in the Nxuba area – Three Urban Ward Committees and One Rural Ward Committee.

The Ward Committees are represented and chaired by the following Ward Councillors

### 1. **Ward 1: Rural area – Cllr S. Maseti**

This Rural Ward comprises two commercial farm areas and two informal settlements. Each farm is represented by:

- Kroomie - Mr. E. Nomkala
- Tambo - Mr. A. Slatsha

These are the Ward Committee Members from Ward 1 under Councillor Maseti.

- Zandisile Joseph Sono
- Lonwabo Makaka
- Nomatamba Colia Noganta
- Mzwandile Phillip Mayaya
- Jean Lombard
- Ernie Lombard
- Ntombise Mirriam Maqumbu
- Andile Gqalisisa
- Izak Stefanus Klein
- Lukhanyo Dyobela

Informal settlements:

- Adelaide Town - Mrs. J. Lombard
- New Lingelethu - Mrs. N. C. Noganta

## 2. **Ward 2: Urban area - Cllr G. De Lange**

This Ward is made out of the following areas:

- Bezuidenhouville - Mr. B. Moyo
- Old Lingelethu - Mr. B. Moyo

These are the Ward Committee Members from Ward 2 under Councillor G. De Lange

- Bantu Odwa Moyo
- Nobhelu Balangile
- Pumla Maseti
- Hezekiel August
- Patricia De Lange
- Vusumzi Petros
- Kholeka Tshanga

## 3. **Ward 3: Urban area – Cllr N. Mahleza**

Goodwin Park, New Bright, Bedford Town, Lower Phola Park and Bongweni.  
These are the Ward Committee Members from Ward 3 under Councillor N. Mahleza

- Zola Maxwell Maha
- Monday Mbuzeli Katywa
- Nomalizo Gertrude Qengwa
- Nomathamsanqa Ntabeni
- Phumla Irene Tshangana
- Sizwe Ndzube
- Eric Moyakhe Labi
- Pasika Jack

#### **4. Ward 4: Urban area and rural – Cllr E. M. Mnqamisa**

Ndlovini, Khayelitsha, Nonzawakzi, Upper Phola Park and Bedford District  
These are the Ward Committee Members from Ward 4 under Councillor E. M. Mnqamisa

- Nomvula Slinger
- Thozamile Qhalo
- Nompumelelo Ngetu
- Vuyokazi Slatsha
- Zukiswa Mncono
- Nondyebo Gqebe
- Lindikhaya Bhetya
- Sikhumbuza Ngesi
- Thembeka Mgoqi

#### **Frequency of standing committee meetings and ordinary council meetings**

Standing Committee and Ordinary Council Meetings are held once in every second month respectively.

#### **Attendance of meetings**

All Councillors devote much of their time to matters related to their respective portfolios and representation on public bodies.

Ward Committee meetings were not held regularly, since few reports were received from the relevant Ward Committees. Ward Committees were established to improve communication between the Council and the various structures.

#### **Administrative support for council activities**

Councillors are being supported by the Municipal Managers and supporting staff in all Council activities by arranging meetings on behalf of them.

- Attending meetings to explain policies of the Council and any technical information.
- Assisting in interpreting Municipal legislations.
- Organising cultural activities for Youth Day, Women's Day, Freedom Day, etc

## **Spatial and Land Use**

- The Nxuba Municipality is situated at approximately 220 km east of the Nelson Mandela Metropole
- The area is divided into 4 wards (1 rural and 3 urban)
- Mountain terrain and hill with moderate gradients characterises the area
- The study area is mostly underlain by sedimentary rock of the Balfour formation, shallow mudstone and sandstone of the Beaufort group
- Poorly developed soil on rock with limestone is found in the lower lying areas
- Adelaide and Bedford are the main urban centres
- Highest population concentration is found in urban areas
- The rural areas (beyond urban areas) comprise formalised privately owned farms

## **Access to water services**

This is not Nxuba's function anymore; this function is being taken over by ADM at July 2006. The Nxuba Municipality is playing an oversee role.

- The majority of the households have access to portable water:- on-site 67% and public taps, 25%
- There is insufficient bulk water supply for Adelaide
- 20% of the households, most living in Lingelethu and Nyarha, are using bucket systems
- Most households have access to telephones and postal services
- The solid waste site in Adelaide is not permitted in terms of the minimum requirements for a landfill site
- Roads are on average in poor condition
- Erosion is the main problem on the gravel roads (Lingelethu and Nyarha)
- Due to ownership issues, the status of services is unknown in these rural areas (Privately owned farms). The Municipality does not supply any services to these communities.

## **Social Infrastructure**

- 2 Hospitals (in Adelaide and Bedford) and clinics are spread throughout the region
- Educational facilities are spread throughout the area, however the teacher pupil ratio is high:- 1:50 on average
- Sports facilities are within easy reach, but they need upgrading and maintenance
- Recreation facilities in the form of community halls also need upgrading and maintenance
- Magistrate Courts are located in both Adelaide and Bedford
- Crime is relatively low

## **Housing**

- The majority of the population (78%) live in formal structures
- According to PIMSS IDEA 2001, 1 139 households live in informal and traditional houses
- The current need for low-income subsidised housing is estimated at 3 146 units
- The expressed housing need in terms of the Provincial Housing Development Plan is
- 3 000 units
- Land is required for low income housing units

### **b) Socio-economic context**

- There are 24 801 people residing in the Nxuba Municipality
- 5 427 households with the average household size of 4,7 people per household
- 82% of the households live in the urban areas
- Economically active group constitutes 47,0%
- More than half the population is female (53%)
- 62% of the households are headed by males
- A population growth rate of 0,94 has been experienced over the past 5 years;
- There has been an increase in the unemployment rate over the past 10 years from:
  - 36% to 53% - Adelaide District
  - 28% to 39% - Bedford District
- Agriculture, Government and Community services sector employ the majority of the workforce (77%)
- 58% of the households earn less than R 18 000 per annum
- The dependency ratio is 2 people for each employed person
- 71% of the households are living below the minimum living level
- Agriculture, Government and Trade is an important contributor to the GDP of the region

### **c) Major events of the year**

Nxuba events that have affected the working environment within Nxuba Local Municipality include scarcity of water and drought. Amathole District Municipality as a water services authority devised means for the community to receive the basic service of water by transporting water with trucks from neighboring towns.

Social events include the annual celebration of the Bedford Garden Festival which is celebrated during the month of October by both the Amathole District Municipality and Nxuba Local Municipality.

## **D: Executive Summary**

### **Vision**

Nxuba Municipality, a catalyst for a sustainable development for all.

### **Mission**

Nxuba Municipality strives to render services in an integrated manner.

## **Introduction**

Another year of developing new strategies, improving skills, increasing service delivery and generally improving ourselves to excel in Local Government has come to pass. We look back at all the challenges we faced, as we close yet another Chapter in the history of our town and how we managed them together with many opportunities.

This is where our employees build individual and organizational competencies to ultimately increase the performance and long term sustainability of our Town and improve on service delivery all the way.

## **Year under review**

The Nxuba Local Municipality has zoomed in on Social and Economic Development and Environmental Management of the entire municipal jurisdiction. The Administration has fully implemented the Batho Pele principles which were adopted by Council. The scene has been set and the momentum is in place for improved service delivery, greater responsiveness and increased accountability.

The broad development strategies and targets are contained in the respective master plans, which, in turn, are enshrined in the IDP.

Essentially, the IDP has been (and should always be) compiled with a strong focus on service delivery and infrastructure investment with the aim to achieve strategic development goals. In the process we have pursued a more practical IDP, which is holistic in order to enhance municipal performance. The IDP is practical in the sense that ideally it focuses on:

- Dealing with backlogs
- LED initiatives
- How to alleviate poverty
- Socio economic development
- SDF
- Effective use of scarce resources
- Sustainable development
- Coordination between all spheres of Government
- Developing Municipal capacity within the IDP framework.

The successful implementation of the IDP was achieved through the bottom up approach, namely

- Full community participation
- Strengthening community structures
- Engaging local residents
- Providing accountable, transparent and fair representation
- Ensuring a consultative and sustainable process throughout

The establishment of 4 Ward Committees makes it a lot easier to respond more speedily to the Community's needs and aspirations and provide a firm form of support to ensure fair and equitable service delivery.

Currently the Staff Compliment is 148. We place high premium on the communities we serve.

R 3, 624,172 capital budget was spent mainly on infrastructure while R 20, 950,071 was spent on operational matters.

The Nxuba Municipal Administration commits itself to:

- Equal access to services for all
- Ensuring that Trust and Confidence prevail
- Remaining transparent and accountable
- Insisting on best practices for optimal services delivery
- Sound financial management
- Striving towards optimal Local Economic Development with the emphasis on job creation
- Striving to create a platform for change

## **Challenges facing Nxuba Municipality**

### ***Unqualified Audit Report***

The aim is to strive towards an unqualified Audit Report by addressing the issues around Property, Plant and Equipment (Asset Management). We realize this will not and cannot be resolved overnight. However, the matter is being attended to.

### ***Legal Imperative***

In terms of Legal Frameworks, the Municipality must, for each financial year, prepare an annual report in accordance with Section 46 of the Systems Act of 2000 and Chapter 12 of the Municipal Finance Act no. 56 of 2003.

This report has been compiled in relation to:

- A record of activities during the financial year
- Record of performance against the budget of the Municipality
- Provide accountability to the local communities for decisions made throughout the year
- Annual financial statement for the year
- Auditor General's annual report in terms of Section 126 (3) of the Municipal Finance Act and Section 45 (b) of the Municipal Systems Act

## **Part 2: KPA Achievement Reports**

### **Chapter 1: Organizational Transformation and Institutional Development (KPA 1)**

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

- The total number of approved posts per organogram for entire institution is 190
- The total number of vacant posts in the entire institution: 52
- Number of performance agreements and employment contracts of MM and Section 57 Managers submitted to the Department within the prescribed time frame is four.

All senior management positions have been filled which are: Municipal Manager, Chief Financial Officer, Corporate Services and Infrastructure Manager. Performance Agreements have been submitted to the department within the prescribed time frame.



## 1.2 Staff development initiatives during the Financial Year

Nxuba Local municipality has facilitated staff development initiatives which are as follows:

- 33 ward committees-Core Municipal Processes & Service Delivery Module 4
- 1 X Councillor & 4 officials - Executive Leadership Municipal Development Programme
- 1 municipal official –Advanced Local Government Law & Administration
- 2 councillors & 2 officials – Certificate in Local Government Law & Administration
- 2 officials – Certificate Programme in Management Development
- 2 officials – Billing & Debtors training
- 3 officials - Credit Control training
- 2 officials – Budget uploading
- 7 officials – Expenditure year end
- 3 officials – Reporting training
- 2 officials – Billing & loading of supplementary valuations
- 2 officials – Billing year end training
- 2 officials – Billing codes & tariffs
- 2 officials – Debtors, meters & stands

### 1.3 Key HR statistics per functional area

#### a. Full time staff complement per functional area

MM/Section 57 and Line Managers

	Approved positions (e.g. MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	1	1	0
2	Technical Services Manager	1	1	0
3	Chief Financial Officer	1	1	0
4	Corporate Services Manager	1	1	0
	<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>

Functional areas per organogram

**Technical Services**

	<b>Approved positions Managers/Asst. Mgers)</b>	<b>(Ex: Number of approved posts per position</b>	<b>Filled posts</b>	<b>Vacant posts</b>
1	Disaster Management Officer	1	1	0
2	Building Inspector	1	1	0
3	Electrician	2	2	0
4	Superintendent	2	2	0
5	Foreman	2	0	2
6	Housing Officer	1	1	0
	<b>Total</b>	<b>9</b>	<b>0</b>	<b>0</b>

### Budget and Treasury Office

	Approved positions Managers/Asst. Mgers) (Ex:	Number of approved posts per position	Filled posts	Vacant posts
1	Accountant	1	1	0
2	Controller Expenditure	1	1	0
3	Controller Income	1	1	0
4	Controller Budget	1	1	0
5	Supply Chain Management Officer	1	1	0
6	Information Technology Officer	1	1	0
	<b>Total</b>	<b>6</b>	<b>6</b>	<b>0</b>

## Corporate Services Department

	Approved positions Managers/Asst. Mgers) (Ex:	Number of approved posts per position	Filled posts	Vacant posts
1	Human Resources Admin Officer	1	1	0
2	Personnel Clerk	1	1	0
3	Local Economic Development and Tourism Officer	1	1	0
4	IDP/PMS Officer	1	0	1
5	Chief Traffic Officer	1	1	0
6	Traffic Officer	1	1	0
7	Admin Officer (Committees)	1	1	0
8	Librarian	2	2	0
9	Land Use Management Officer	1	0	1
10	Senior Professional Nurse	1	1	0
11	Principal Admin Officer	1	1	0
	<b>Total</b>	<b>12</b>	<b>10</b>	<b>2</b>

### Technical staff registered with professional bodies

<b>Technical Service (e.g. water, electricity etc...)</b>	<b>Total number of technical service Managers</b>	<b>Total number registered in the accredited professional body</b>	<b>Total number pending registration confirmation in the accredited professional body</b>	<b>Total number not yet registered in the accredited professional body</b>
Electricity	2	2	none	none
Building Inspector	1	1	none	none

**b. Staff level of education and skills**

<b>Total number of staff</b>	<b>Number of staff without Grade 12</b>	<b>Number of staff with Senior Certificate only</b>	<b>Number of staff with Tertiary/accredited professionals training</b>
148	78	18	52

**c. Trends on total personnel expenditure**

<b>Financial Years</b>	<b>Total number of staff</b>	<b>Total approved operating Budget</b>	<b>Actual personnel expenditure (salary and salary related)</b>	<b>Total actual expenditure</b>	<b>Percentage of actual personnel expenditure to total expenditure</b>
<b>2007-2008</b>	143	12,240,000	12,302,611	<b>22132453</b>	55.6
<b>2008-2009</b>	148	16,474,760	15,047,480	<b>30,289,694</b>	49,7
<b>2009/2010</b>	150	38,745,433	17,458,338	<b>30,926,875</b>	56.5

**d. List of pension and medical aids to which employees belong**

<b>Names of pension fund</b>	<b>Number of members</b>	<b>Names of medical Aids</b>	<b>Number of members</b>
Cape Joint Pension Fund	32	LA Health	6
Sala Pension Fund	38	Key Health	3
Samwu Providence Fund	35	Bonitas Medical Fund	27
Municipal Councillor Pension Fund	4	Samwu Med	11
Municipal Employee Pension Fund	5	Hosmed	6
Sala 04	1		
Sala Bongco	1		



#### 1.4 Senior officials' wages and benefits

	<b>Municipal Manager</b>	<b>Chief Financial Officer</b>	<b>Technical Services Manager</b>	<b>Corporate Services Manager</b>
Annual Remuneration	321,376	187,357	194,935	178,644
Transport Allowance	13,935	-	-	-
Other	5,735	21,589	17,795	16,031

**1.5 Annual performance as per key performance indicators in municipal transformation and organizational development**

	<b>Indicator name</b>	<b>Total number of people (planned for) during the year under review</b>	<b>Achievement level during the year under review</b>	<b>Achievement percentage during the year</b>	<b>Comments on the gap</b>
1	Vacancy rate for all approved and budgeted posts;	15	15	100%	none
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	none	none	none	none
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	100%	100%	100%	none

4	Percentage of Managers in Technical Services with a professional qualification	4.25%			
5	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	100%	100%	100%	none
6	Percentage of councillors who attended a skill development training within the current 5 year term	100%	100%	100%	none
7	Percentage of staff complement with disability	0,7%			
8	Percentage of female employees	34,75%			
9	Percentage of employees that are aged 35 or younger	36.78%			

## Major Challenges and remedial actions

Challenges that are faced by the human resource and organizational management include the following:

<b>Challenge</b>	<b>Remedial Action</b>
Development of Employment Equity Plan (EEP)	The municipality to request for assistance from Local Government and Traditional Affairs from the development o EEP
No funds for the translation of HR Policies	The municipality to request for assistance from other organs of state
Functionality of Employment Assistance Programme	A new committee should be elected and EAP committees are convened.

## **Chapter 2: Basic Service Delivery Performance highlights (KPA 2)**

### **2.1. Water Services**

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

ADM is the sole provider of the services in terms of powers and functions; however we allow our residence to draw water from our premises when there is a problem with delivery trucks.

#### **b. Major challenges in water services and remedial actions**

Unavailability of water due to drought

ADM has provided trucks in this regard to provide water for the community and Jojo tanks between walking distance from household to household

### **2.2 Electricity services**

#### **a. Electricity services delivery strategy and main role-players**

- Providing public lighting
- Provision of electrical network (transformers, street lights & high mast lights)
- Maintenance of street lights, transformers, meter boxes etc.
- Bill of usage

#### **b. Levels and standards in electricity services:**

- The challenge we are facing is that of electricity theft and non payment of bills of the community
- Households that enjoy free electricity because of faulty prepaid meter boxes that needs to be changed

<b>GEOGRAPHICAL AREA</b>	<b>SUPPLY</b>	<b>STREET LIGHTING</b>
Adelaide Town	100 % Full connection	Street lights
Bezuidenhoutville	100 % Full connection	Street lights
Lingelethu (Old & New)	100 % Full connection	High mast lights
Bedford Town	100 % Full connection	Street lights
Goodwin Park	100 % Full connection	Street lights
Nyarha	100 % Full connection	High mast lights

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

	Indicator name	Total number of household/ customer expected to benefit	Estimated backlogs (actual no)	Target set for the f. year under review (actual no)	No of HH/ customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	98%	0	0	0	100%
2	Percentage of indigent households with access to basic electricity services	BTO				
3	Percentage of indigent households with access to free alternative energy sources	0				

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

- The challenge we are facing is that of electricity theft and non payment of bills by the community
- Households that enjoy free electricity because of faulty prepaid meter boxes that needs to be changed

##### *Remedial Actions*

- To apply for funding to rehabilitate and revamp network
- Municipality should attract skilled staff
- Promote in-house staff to mitigate losses in the form of electric inspectors

#### **2.3 Sanitation services delivery strategy and main role-players**

- ADM is the sole provider of the services in terms of powers and functions

#### **2.4 Road maintenance**

##### **a. Road maintenance services delivery strategy and main role -players**

Municipal staff does maintenance and we engage service providers to do the construction.

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

The roads in the Nxuba area are generally in a very poor condition.

- Adelaide Town:  
The main road is tarred and not in a very poor condition.
- Bezuidenhoutville:  
The main road is paved and the project is 80% complete. Gravel roads are in a very poor condition. The storm water system needs a lot of upgrading.
- Bedford Town:  
The main road is tarred and not in a bad condition. The rest of the town's gravel roads are in a very poor condition. The storm water system needs upgrading.

- Goodwin Park:  
All streets are gravel roads and in very poor to dangerous condition. There is no proper storm water infrastructure.
- Nyarha:  
The access road is tarred and in good condition. All other roads are gravel in poor to very poor condition. There is no proper storm water infrastructure.

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

	Indicator name	Total no of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	No of HH/customer reached	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	50%	50%	-	50%	20%
2	Percentage of road infrastructure requiring upgrade	60%	20km	3km	3000	1%
3	Percentage of planned new road infrastructure actually constructed	1%				
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used	2%	20km	3km		



## **Major challenges in road maintenance services and remedial actions**

- Lack of earthworks machinery e.g. grader, bulldozers, tipper trucks etc.
- Personnel e.g. technicians
- General workforce
- Working tools e.g. spades
- Sabunga pits
- Lack of funding to rehabilitate our internal roads and side walks ( asphalt overlays)
- Lack of cooperation amongst supervisors

## **2.5 Waste management**

### **Solid Waste**

Cleaning services provided are categorized as follows:

- Residential (domestic) waste / refuse removal
- Street cleaning (litter picking and street sweeping)
- Provision and servicing of street bins
- Garden waste removal
- Sundry waste removal services including removal of illegal dumps, waste removal from special events.
- Generally, the towns and townships of Nxuba Local Municipality are provided with scheduled cleaning services once a week.
- The rural villages are not provided with any cleaning services and residents dispose their waste on site or by burning it.
- Per capital waste generation, rates in these communities are very low and settlement densities and stretched are generally such that the environmental impacts associated with on the disposal site are not yet considered significant.
- Waste management efforts in these communities are focused on education and awareness in respect of minimization and proper control on site disposal practice.

Refuse removal is provided in the form of subsidy to every indigent registered customer. The following are the admin units to which the services is rendered

- Adelaide
- Bedford

The quantity of domestic waste generated within communities increases with increased levels of households and affluence. Waste generated in Nxuba Local Municipality is estimated as follows:

- Domestic : 2 200 tons per annum
- Commercial : 1 300 tons per annum
- Rural domestic : 1 140 tons per annum

Total = 4640 tons per annum

## **Challenges**

Upgrading and permitting of solid waste sites

- Improve operation of all solid waste sites
- Plan and implement co-ordinate and property structured waste minimization and education / awareness programmes
- Enforcement of by-laws
- Insufficient management
  - In-adequate management
  - Technical capacity
  - Shortage of transport, tools and plant
  - Staffing levels and operational budget not enough

## **Achievements**

- 100 refuse drums have been installed.

## 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	90%	2%	1%		98%

### d. Major challenges in waste management services and remedial actions

#### **Challenges**

- Un-roadworthy fleet as a result of its old age
- Personnel due to non-replacement of the deceased, retired etc.
- Unaccepted conditions of our landfill sites.
- Roaming animals that cause nuisance to our residence.

#### **Remedial Action**

The municipality should budget for the equipment or source funding from relevant companies, sector departments and the district.

### **2.6 Housing and town planning**

- Nxuba Local municipality does not offer town planning services as it is a low capacity municipality.
- The municipality only focuses on approval of housing plans and rezoning.
- To request R 1 000.000 for refuse truck purchasing from R 20 000.000 green and plant a tree programme

## **Major challenges in housing**

- Staff shortage
- Office space
- Housing projects still blocked
- Housing department to provide funds
- Waiting for unblocking of housing projects

## **2.7 Overall service delivery backlogs table**

### **Spatial planning**

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

The Spatial Development Framework was adopted in the financial year 2008/09 and it was developed by Urban Dynamics. A workshop was organized for ward committees and ward councilors so that they can have a good understanding of their spatial development. The SDF is aligned to the Integrated Development Plan.

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

Nxuba Local municipality does not have Land Use Management System but for the SDF informs all developmental processes in Nxuba, and LUMS will be developed as it is a legislative requirement for any municipality to have its own Land Use Management System.

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

- There is no institutional arrangement for the implementation of the SDF
- As a result of the fact that there is no incumbent responsible for Land Usage Management, it is difficult to say our planning is informed by our spatial development
- The administration of land issues is a critical function which requires urgent filling but due to financial constraints the appointment has been delayed.
- Land issues currently are dealt with by different officials on request and that results in losing focus in very important areas i.e. consolidation of erfes, rezoning etc

- The delay and confusion in delaying with land related matters can drive away potential investors as the post is very crucial

### **Indigent policy implementation**

Indigent Policy for Nxuba Local Municipality is in place and is being implemented.

### **Primary Health Care**

Primary Health Care is the function of the Department of Health; the municipality is doing this function on an agency basis. A Service Level Agreement has been signed between Nxuba Municipality and the Eastern Cape Department of Health for the financial year 08/09. Clinics rendering Primary Health Care are as follows:

- Bezuidenhoutville Clinic
- Nomakhwezi Clinic
- Bedford Town Clinic
- Mzamomhle Clinic

### **Financial support**

- The Department of Health subsidizes this function 100% and the municipality has facilitated in purchasing of Primary Health Bakkie for transportation of medication and visiting of all four (4) clinics.

### **Disease profile**

- TB , HIV/AIDS are the leading diseases in this area , contributing factors being high rate of unemployment, poverty and poor socio economy.
- Diarrhea is seasonal and is very common in winter during orange season.
- Chronic Ailments i.e. High blood pressure, Diabetes, Asthma and Epilepsy are escalating.

## **Services rendered: each facility**

- Minor Ailments
- Ante Natal Care (Pregnant mothers)
- Well Baby Clinic (Immunizations)
- Family Planning
- Sexually Transmitted Infections
- Chronic Ailments (Hypertension, Diabetes etc.)
- Tuberculosis
- Mental Health
- Voluntary Counseling & Testing
- Prevention of mother to Child Transmission
- Preparation and referral of HIV positive clients for Antiretroviral
- Drugs

## **Achievements**

On the 17<sup>th</sup> and 18<sup>th</sup> of March 2009 there was a workshop with Affricate which was held at Hewu hospital about Basic Nutrition of the community which emphasized the importance of home and community gardens. Each clinic had to identify 5 houses that belong to their area of service so that they could start their home vegetable gardens.

On the 8<sup>th</sup> to 10<sup>th</sup> June 2009 Home Based Care workers were trained on Management of Hypertensive and Diabetes. Nurses were trained on introduction of new vaccines to the children and now the Municipality is making use of these vaccines.

## **World AIDS Day**

A big event in partnership with the Department of Health was held at Debe Nek on the

## **Campaigns**

On the 18<sup>th</sup> till the 30<sup>th</sup> August there was a campaign on Vitamin A which was of great success.

## **Challenges**

- Staff turnover
- For 2008/ 2009 this section experienced high resignation of professional nurses due to poor working conditions including,
- Abnormally high workload, disparities in salary scales with those nurses working for the Department of Health and uncertainty about future (provincialisation processes)

- 1) Poor Security Measures
  - Staff at clinics is not safe as they are always prone to attacks either by angry community members or psychiatric patients.
- 2) Poor maintenance of buildings and grounds
  - Buildings, especially roofs and floors are in a very hazardous state both to staff and patients.
  - The Bezuidenhoutville Clinic and Bedford Town Clinic needs renovation and same applies to the grounds as there is no one to maintain the clinic grounds.
- 3) Formation of clinic committees
  - The Department of Health expects each Health Care Facility to have a functional clinic committee to ensure sound and effective management of clinics and clinic committees have been established and are functional

### **Recommendations**

- Uniformity of salaries with the provincial scales.
- A vehicle for the Primary Health Care to be purchased.
- Alarm system to be installed in all four municipal clinics.
- Renovation of clinics.

**Services rendered for the period 07/ 2009 – 06/ 2010**

	<b>Bedford Town</b>	<b>Mzamomhle</b>	<b>Bezuidenhoutville</b>	<b>Nomakhwezi</b>
Minor Ailments	2811	4518	3644	4551
Immunisation	2286	453	628	803
Pregnant Women (Antenatal Clinic)	303	255	232	99
Family Planning	1353	1308	1124	1442
Sexually Transmitted Infections	25	61	21	41
Tuberculosis	295	40	635	104
Voluntary Counseling & Testing	115	192	121	147
Prevention of Mother to Child Transmission	36	15	198	112
Chronics	409	4744	3573	3762
Mental Health	206	260	164	400
Referrals to Doctor	347	134	106	91



## Chapter 3: Municipal LED Framework implementation (KPA3)

### 3.1 Brief presentation of LED strategy /plan

- Nxuba Local Municipality does not have its own LED Strategy but has adopted the Amathole Regional Economic Development Strategy (AREDS).
- Amathole District Municipality has developed a strategy that will form bases for the local municipality to achieve local economic development which is named the AREDS (Amathole Regional Economic Development Strategy). The focus of the AREDS is growth and economic development. This does not imply that poverty alleviation and social safety net activities should be abandoned or neglected. However, these are specifically covered in this sector plan. Actions which align with poverty alleviation and social safety net actions, but which are necessary for economic growth, are presented in this strategy but are not fleshed out or programmed in detail. This includes aspects such as health, education and safety and security.
- The purpose of the AREDS study is to provide a framework which will guide the multiple economic role players in the Amathole District when planning and undertaking interventions that impact the economic development of the district. The purpose of the Strategy itself is proposed as follows:
- The purpose of the Amathole Regional Economic Development Strategy is to increase the number of households that earn an income from employment, and to increase the income per household to above the minimum living level. The former aspect provides a quantitative measure and the latter a qualitative measure.
  - Setting up a LED expertise
- Currently there is one official (LED Officer) responsible for local economic development. Two temporary volunteers will be contracted as from January 2010 till June 2010 to assist in the Visitor Information Centre in information dissemination.
  - The availability of LED expertise
- The incumbent has a certificate in Local Economic Development and a certificate in Local Government Law and Administration. Currently the incumbent is undergoing training in Local Economic Development that is conducted by Thina Sinako.
  - LED stakeholder forum functionality
- LED stakeholder forums are being held quarterly but the focus is on focus groups such as Local Contractors, Agricultural Forums as well as SMME's.
  - Funding opportunities of LED activities
- Institutions that have been active in funding LED activities are the following
- Department of Social Development (Socdev) : Food Security Projects and other SMME's
  - Department of Agriculture (DoA): Siyazondla (give out agricultural inputs like seed, seedling to communities), Comprehensive Agricultural Support Programme

(CASP) (fencing of commonages, construction of dipping tanks, water troughs), funding of piggery, poultry, goats and bringing of bulls for livestock improvement.

- National Development Agency(NDA): funding for co-operatives, Non-profit Organizations (NPO's), Non- Governmental Organizations (NGO's)
- Department of Economic Development and Economic Affairs (DEDEA): funding of co-operatives and projects. It also conducts small business seminars, workshops for small business and awareness workshops.
- Department of Roads and Transport(DoRT): funding of poverty alleviation programs such as household contractor programme
- Department of Recreation Sports Arts and Culture (DSRAC): of a number of social development programmes such as sport programmes, art programmes.
- Office of the Premier (OTP) : agricultural learnership

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

Improve public and market confidence

- Spatial development framework(SDF)/Land Use Management System(LUMS)
- The municipality has a spatial development framework which informs all other plans.

Red tape reduction: Turn-around time for licensing and other business related applications

- Nxuba Local municipality is a plenary type of a municipality and have a council meetings sitting bi-monthly.

Investment and trading by-laws

- Trading by-laws were developed and gazetted and another trading by-law is being sent to the province for promulgation.

Provision and maintenance of quality and reliable infrastructure

- Nxuba Local Municipality has begun the process of paving its streets giving priority to streets that would lead to economic development

Disaster Management

- Nxuba Local Municipality has a fully equipped disaster management centre which is manned by the Disaster Management Officer. The forum is established and is a representative of the population of the area. The disaster management is run concurrently with the fire fighting with assistance from one fire fighting volunteer.
- Disaster Management Awareness Campaigns
- The Disaster Management and Fire Awareness Campaigns were held in Nxuba Local Municipality to Communities and schools
- The Amathole District Municipality and World Vision arranged a disaster Management workshop for stakeholders at Katberg Hotel. The workshop was attended by Sector Departments, ADM, Nxuba and Ngqushwa Municipalities. The purpose of the workshop was to clarify the roles and responsibilities of all stakeholders in disaster management. In the workshop it was resolved that all

municipalities must establish technical task teams that will work hand in gloves when disaster strikes.

**Disaster Management Advisory Forum meetings**

- The Disaster Management meetings were held monthly in Nxuba Local Municipality from the month of July 2009 to April 2010 and were well attended by the Department of Safety & Liaison, Amathole District Municipality, Sector Departments, and Hospitals within the Municipality, Councilors, Ward Committees, Community Development Workers, and Metro Emergency Services.

- Exploit comparative and competitive advantage for industrial activities  
There are no industries in Nxuba but for the two factories (Game Zone and Eagle Hout) efforts are made to ensure efficient and effective service to ensure the retention of existing business.
- Intensify enterprise support and business development  
Business registration is conducted by SEDA, DEDEA and Umsobomvu Youth Fund/Comsec. Small business seminars are conducted by DEDEA and Umsobomvu Youth Fund/Comsec. There are more than thirty (30) SMME's that have been established. Employment opportunities are experienced through paving of our streets funded by Municipal Infrastructure Grant (MIG).

**Annual performance as per key performance indicators in LED**

	<b>Indicator name</b>	<b>Target set for the year</b>	<b>Achievement level during the year (absolute figure)</b>	<b>Achievement percentage during the year</b>
1	Percentage of LED Budget spent on LED related activities.	R 200 000	R 150 000	75%
2	Number of LED stakeholder forum held	4	4	100%
3	Percentage of SMME that have benefited from a SMME support program	81	112	138%
4	Number of job		-	-

	opportunities created through EPWP			
5	Number of job opportunities created through PPP	-	-	-

### 3.3 Challenges regarding LED strategy implementation

- Nxuba Local municipality does not have a LED unit as it has only one official responsible for local economic development. In terms of the organogram for LED unit has four (4) posts, three (3) posts are vacant but the information clerk posts will be filled temporarily by volunteers as from January 2010.
- The municipality is not ready to implement the AREDS due to institutional arrangement. A LED unit has to be established first and an ongoing capacity building is undertaken to help enhance the capacity of a LED unit to implement the LED strategy.

## Chapter 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

### 4.1. The audited financial statements

The function of finance within the Municipality is administered as follows and includes:

- Financial Management and reporting, internally and externally to all stakeholders.
- The service extends to include accounting for all funds received from National and Provincial Government and from the District Municipality.
- The Municipality also has a mandate to collect payments for rates and services.

## FINANCIAL STATEMENTS

The financial statements for the 2009/10 are all completed. The services of Rakoma & Associates have been procured to prepare the aforesaid financial statements and the project is still underway.

### Grants and transfers' spending

Grant Status	Equitable Share	FMG	MSIG	MIG	Primary Health
Received	9,437,000	500,000	760,000	4,398,000	2,794,006
Spent	9,437,000	500,000	760,000	4,398,000	2,794,006
Unspent	Nil	Nil	Nil	Nil	Nil

### Grants and transfers' spending

Grant details			Amount received and spent each quarter											
			1/04/ to 30/06		01/07 to 30/09		1/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
Project Name	Donor Name	BF Amount	Rec	Spent	Rec	Spent	Rec	Spent	Rec	Spent	Rec	Spent	Rec	Spent
Bedford Access Road	MIG													
Adelaide Access Road	MIG													
Upgrading of Adelaide Cemeteries	MIG													
Upgrading of Bedford Cemeteries	PMU													
Total			1337410	59381	2395000	1000444	0.00	847323	5630000	979001		391724	429541	3283247

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

Allocations for MTEF period 2009 to 2011 were sitting at 100%. Project Management Unit business plan was submitted and approved by MIG. Implementation plan and the component list were submitted and approved by MIG. Variances existed in the following areas: Monthly reporting; Delays in supply chain processes; expenditure. The variances were mainly due to capacity challenges which are currently being addressed through the DBSA deployment and recruitment of PMU personnel.

## 4.2 Budget to actual comparison

<u>BUDGET TO ACTUAL COMPARISON</u>	Budget 2009/10	Actual	Variances	Narrative explanations
EXPENDITURE				
SALARIES AND WAGES	15,913,245	12,451,208	78%	
SOCIAL CONTRIBUTIONS	3,190,308	3,943,988	124%	
REMUNERATION OF COUNCILLORS	1,658,689	1,064,382	64%	
CONTRACTED SERVICES	115,000	81,158	71%	
REPAIRS AND MAINTENANCE	1,290,020	263,613	20%	
BULK ELECTRICITY	10,730,838	10,140,478	94%	
GENERAL EXPENSES- OTHER	12,163,383	10,695,585	88%	
TOTAL CAPITAL REPLACEMENT RESERVE	7,619,427	3,677,927	48%	
<b>TOTAL EXPENDITURE</b>	<b>52,680,910</b>	<b>42,318,339</b>		
INCOME				
SERVICE CHARGES	14,165,558	18,713,884	132%	
RENT OF FACILITIES AND EQUIPMENT	49,763	114,878	231%	
INTEREST EARNED - OUTSTANDING RECEIVABLES	73,206	3,550,545	4850%	
INTEREST EARNED - EXTERNAL INVESTMENTS		6,721		
GRANTS AND SUBSIDIES - EXTERNAL				
EQUITABLE SHARE	13,246,875	13,192,453	100%	
PRIMARY HEALTH CARE SUBSIDY	2,813,298	1,810,282	64%	
DSRAC SUBSIDY	1,500,000	620,242	41%	
FMG FUNDING	1,000,000	385,181	39%	
PMU OPERATING INCOME	351,950	24,932	7%	
MIG FUNDING	6,687,050	4,884,151	73%	
MSIG FUNDING	735,000	656,453	89%	
OTHER INCOME	7,227,199	4,888,056	68%	
<b>TOTAL INCOME</b>	<b>47,849,899</b>	<b>48,847,779</b>		

### 4.3 Grants and transfers' spending

Grant details			Amount received and spent each quarter											
Project name	Donor name	BF amount	1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
			Rec. '000	Spent	Rec. '000	Spent '000	Rec. '000	Spent '000	Rec. '000	Spent '000	Rec. '000	Spent '000	Rec. '000	Spent '000
MIG	COGTA				3732	1579		834	3307	414		2081	7039	4909
FMG	NT				750	96		108	250	133		563	1000	900
MSIG	COGTA				735	34		1				473	735	508

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

- **FMG** – 90% of the grant have been spent for intended purposes, 10% to be utilised in the next financial statements towards the purchase of the folding machine.
- **MSIG** – 69% of the grant has been used for intended purpose 31% to be utilised in the next financial year towards the preparation of the annual financial statements
- **MIG** – 69% of the grant has been used for intended purpose 31% to be utilised in the next financial year towards the preparation of the annual financial statements

### 4.5 Long term contracts entered into by the municipality

There were no long term contracts that the municipality had entered into in the 09/10 financial year.

#### 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	7,619,427	3,677,927	48%
		<b>Target set for the year (35%) R(000)</b>	<b>Achievement level during the year R(000)</b>	<b>Achievement percentage during the year vs the operational budget</b>
2	Salary budget as a percentage of the total operational budget	35%	19,103,553	48%
		<b>Target set for the year (20% or less) R(000)</b>	<b>Achievement level during the year R(000)</b>	<b>Achievement percentage during the year vs the actual revenue</b>
3	Total actual trade creditors as a percentage of total actual revenue	20%	6 306 848	58%
		<b>Target set for the year (80% and more) R(000)</b>	<b>Achievement level during the year R(000)</b>	<b>Achievement percentage during the year</b>
4	Total municipal own revenue as a percentage of the total actual budget	80%	21,781,720	48%
		<b>Target set for the year R(000)</b>	<b>Achievement level during the year R(000)</b>	<b>Achievement percentage during the year</b>
5	Rate of municipal consumer debt reduction	1,388,488	6 250 900 increase	23% increase
6	Percentage of MIG budget appropriately spent	7,039,000	3,624,172	51%
7	Percentage of MSIG budget appropriately spent	735, 000	508, 000	69%



#### 4.7 The Audit committee functionality

- The municipality did not have an Internal audit Unit for the 09/10 financial year.
- The functionality of the audit committee has been based on the issues that have been raised in the audit report and how to address them.
- Recommendations from the Audit Committee are auctioned by the municipality.
- See reports attached

#### Committee members and meetings

The audit committee is consists Ms L Smith, CA(SA), Mr L Kemp (LLB), Ms T Kakaza (MBA) and Mr Mnyango.

The following are a schedule of meetings attended by the members to 30 June 2008: -

	9 October 2007	2 November 2007	7 December 2007	11 February 2008	11 April 2008	22 August 2008	16 October 2008
<b>Ms L Smith (Chairperson)</b>	Attended	Attended	Attended	Attended	Attended	Attended	Attended
<b>Mr L Kemp</b>	Attended	Attended	Attended	Apology	Attended	Apology	Apology
<b>Ms T Kakaza</b>	Attended	Attended	Attended	Attended	Attended	Attended	Attended
<b>Mr M Mnyango</b>	Attended	Attended	Apology	Attended	Attended	Apology	Attended

#### Duties and responsibilities

In performing its responsibilities the audit committee has reviewed the following:

- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the Municipality's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The Municipality's compliance with legal and regulatory provisions;
- The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant recommendations and the responses of management to these recommendations; and
- The scope and results of the external audit function, its cost-effectiveness, as well as the independence and objectivity of the external auditors.

The audit committee is also responsible for:

- Reporting to the Council and the Auditor-General where a report implicates any member(s) of the accounting authority in fraud, corruption or gross negligence;
- Communicating any concerns it deems necessary to the executive authority, the Auditor-General and if appropriate, the external auditor;
- Confirming the internal audit charter and internal audit plan;
- Encouraging communication between members of the Council, senior executive management, the internal audit department and the external auditors;
- Conducting investigations within its terms of reference; and
- Reviewing the annual financial statements prior to the annual audit for approval by the Council.

The internal audit department was outsourced to the Amathole District Municipality. Due to certain staff shortages the necessary number of internal audit projects was not performed. The Committee is concerned regarding the effectiveness of internal audit and has subsequently expressed concern to the Municipal Manager, the Amathole District Municipality Municipal Manager, Internal Audit Manager and Department of Local Government representative. This has adversely affected the effectiveness of the audit committee during the year under review and continues to affect the committee to date.

The Auditor General Report has moved from a Disclaimer of Opinion to a Qualified Opinion, although the audit committee recognizes the efforts of the Municipality in this regard, there is room for improvement.

#### Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the annual financial statements to be included in the annual report with the Auditor-General;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

## Conclusion

The Audit Committee concurs and accepts the Auditors-General's conclusions on the annual financial statements.

L Smith

Chairperson

13 January 2009

## 4.8 Arrears in property rates and service charges

### Debtor Age Analysis for Month as at Jun 2008/09 (Rand)

EC128 Nxuba	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Debtors by Income source</b>										
Water	0	0	0	0	0	0	0	0	0	0
Electricity	1 714 416	29	490 837	8	63 826	1	3 567 749	61	5 836 828	100
Property Rates	210 385 494 396	3	183 586	2	17 264	0.2	8 072 612	95	8 483 848	100
Other		3	469 512	3	599 793	4	15 531 596	91	17 095 297	100
<b>Total</b>	<b>2 419 197</b>	<b>8</b>	<b>1 143 936</b>	<b>4</b>	<b>680 883</b>	<b>2.2</b>	<b>27 171 957</b>	<b>87</b>	<b>31 415 973</b>	<b>100</b>

## 4.9 Anti corruption strategy

- The municipality has been assisted by the department of Local Government and Traditional Affairs (DLGTA) towards the development of the fraud prevention policy.
- The policy was presented and adopted by Council on the [REDACTED]
- One awareness workshop has been held for the 09/10 financial year with the assistance of DLGTA
- The fraud cases reporting mechanism has not been functioning well

## **Report - Audit Committee functionality**

### Committee members and meetings

- The audit committee is consists Ms L Smith, CA (SA), Mr. L Kemp (LLB), Ms T Kakaza (MBA) and Mr. Mnyango.

The following are a schedule of meetings attended by the members to 30 June 2010: -

- 21 August 2009
- 26 August 2009
- 16 October 2009
- 25 November 2009
- 4 June 2010

### **Duties and responsibilities**

In performing its responsibilities the audit committee has reviewed the following:

- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the Municipality's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The Municipality's compliance with legal and regulatory provisions;
- The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant recommendations and the responses of management to these recommendations; and
- The scope and results of the external audit function, its cost-effectiveness, as well as the independence and objectivity of the external auditors.

The audit committee is also responsible for:

- Reporting to the Council and the Auditor-General where a report implicates any member(s) of the accounting authority in fraud, corruption or gross negligence;
- Communicating any concerns it deems necessary to the executive authority, the Auditor-General and if appropriate, the external auditor;
- Confirming the internal audit charter and internal audit plan;
- Encouraging communication between members of the Council, senior executive management, the internal audit department and the external auditors;
- Conducting investigations within its terms of reference; and
- Reviewing the annual financial statements prior to the annual audit for approval by the Council.

The internal audit department was outsourced to the Amathole District Municipality. Due to certain staff shortages the necessary number of internal audit projects was not performed. The Committee is concerned regarding the effectiveness of internal audit and has subsequently expressed concern to the Municipal Manager, the Amathole District Municipality Municipal Manager, Internal Audit Manager and Department of Local Government representative. This has adversely affected the effectiveness of the audit committee during the year under review and continues to affect the committee to date.

The Auditor General Report has moved from a Disclaimer of Opinion to a Qualified Opinion, although the audit committee recognizes the efforts of the Municipality in this regard, there is room for improvement.

#### Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the annual financial statements to be included in the annual report with the Auditor-General;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

## **Conclusion**

The Audit Committee concurs and accepts the Auditors-General's conclusions on the annual financial statements.

## 4.4 Auditor General Report



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

### **5.1. Overview of the Executive and Council functions and achievements**

Nxuba Local municipality is a plenary type of a municipality.

#### **MUNICIPAL COUNCIL**

Cllr. M. Mana	-	Mayor / Speaker
Cllr. C. Auld	-	Chairperson: Finance and Estates
Cllr. T. Ngetu	-	Deputy Chairperson: Finance and Estates
Cllr. N. Mahleza	-	Chairperson: Community Affairs and Health
Cllr. S. Maseti	-	Deputy Chairperson: Community Affairs and Health
Cllr. E. M. Mnqamisa	-	Chairperson: Public Works and Trading Services
Cllr. X. Mdlungu	-	Deputy Chairperson: Public Works and Trading Services
Cllr. X. Makhenyane	-	PR Councillor

#### **ROLES AND RESPONSIBILITIES CARRIED OUT BY STANDING COMMITTEES**

##### **COMMUNITY AFFAIRS AND HEALTH COMMITTEE**

Chairperson	:	Councillor N. Mahleza
Deputy Chairperson	:	Councillor S. Maseti
Members	:	Councillor C. Auld Councillor M.E. Mnqamisa Councillor X. Makhenyane Mayor M. Mana Councillor Mdlungu  Councillor Ngetu



## **PUBLIC WORKS AND TRADING SERVICES COMMITTEE**

Chairperson	:	Councillor M.E. Mnqamisa
Deputy Chairperson	:	Councillor Mdlungu
Members	:	Councillor N. Mahleza Councillor C. Auld Councillor X. Makhenyane Councillor S. Maseti Mayor M. Mana Councillor T. Ngetu

## **FINANCE AND ESTATES COMMITTEE**

Chairperson	:	Councillor C. Auld
Deputy Chairperson	:	Councillor T. Ngetu
Members	:	Councillor N. Mahleza Councillor M.E. Mnqamisa Councillor Mdlungu Councillor X. Makhenyane Mayor M. Mana Councillor S. Maseti

## **STANDING COMMITTEES**

Responsibilities of the Standing Committees are to:

- Appoint a Chairman and a Deputy Chairman for a Committee,
- Delegate either absolutely or conditionally to a Committee any of its powers, duties or functions under this or any other Ordinance, other than those which are required to be exercised or performed by Special Resolution:
- Amend or withdraw any such delegation, provided that any amendment or withdrawal of any such delegation shall not invalidate anything done in pursuance of a decision lawfully taken by such Committee,
- Discharge any or all of the members of a Committee, or
- Discontinue any Committee

## **FREQUENCY OF STANDING COMMITTEE MEETINGS AND ORDINARY COUNCIL MEETINGS**

Standing Committee and Ordinary Council Meetings are held once a month respectively.

### **ATTENDANCE OF MEETINGS**

- All Councillors devote much of their time to matters related to their respective portfolios and representation on public bodies.
- It has been observe that Ward Committee Meetings were not held regularly, since few reports were received from the relevant Ward Committees. Ward Committees were established to improve communication between the Council and the various structures.

### **ADMINISTRATIVE SUPPORT FOR COUNCIL ACTIVITIES**

Councillors are being supported by the Municipal Managers and supporting staff in all Council activities by arranging meetings on behalf of them.

- Attending meetings to explain policies of the Council and any technical information
- Assisting in interpreting Municipal legislation
- Organising cultural activities for Youth Day, Women's Day, Freedom Day, 16 Days of Activism, Heritage Day, etc

## **5.2. Public participation and consultation**

As the third sphere of government Nxuba seeks to promote active participation of its stakeholders through information sharing, participatory and democratic decision making and development .Section 16 of the Municipal System Act requires a municipality to develop a culture of municipal governance that complements formal representative's government with a system of participatory governance.

Nxuba Municipality continues to encourage and create conditions for the local community to participate in the affairs of the municipality including in:

- The preparations , implementation and the review of its integrated development plan
- Establishment , implementation and review of its performance ,including the outcomes and impact of such performance
- The preparation of its budget and
- Strategic decision relating to the provision of municipal services

The municipality has committed itself to contribute to building the capacity of the local community to enable it to participate in the affairs of the municipality and councillors and staff to foster community participation and also to use its resources and annually allocate funds in its budget for the implementation of its participation programs.

Participation by the local community in the affairs of the municipality will take place through the under-mentioned principles:

- Political structures for participation in terms of the Municipal Structures Act
- The mechanisms, processes and procedures for participation in municipal governance established in terms of the Structures Act.
- Other appropriate mechanism , processes and procedures established by the municipality
- Generally by applying the provisions for participation provided for in Municipal Systems Act

The council intends to establish appropriate mechanism, processes and procedures for:

- The receipt ,processing and consideration of petitions and complains lodged by members of the local community
- Notification and public comment procedures when appropriate
- Public meetings and hearing by the municipality council and other political structures and political office bearers of the municipality ,when appropriate
- Consultative sessions with locally recognized community organizations and where appreciated ,traditional authorities and
- Report back meetings with the local community

The participation mechanisms , processes and procedures takes into account the special needs of the people who cannot read or write ,people with disabilities ,women ,and other disadvantaged groups.

The council need to establish one or more advisory committees consisting of persons who are not councillors to advise the council on any matter within the council's competence .When appointing the members of such a committee, the council will take into account gender representivity.

The council will with due respect regard to the language preference of the inhabitants of its municipality area and the special needs of people who cannot read or write ,communicate to the community ,information concerning .

Community Participation takes place through the following:

### **IDP Representative Forum**

It consist of more than 50 members ,its feedback and discussions meetings contributes to the continuous participation of the community in the formulation of the IDP .All meeting were well attended and characterized by lively debates and constructive contributions from ward representatives. Copies of all attendance register and minutes of the IDP meetings are available. The draft IDP\ Budget is summarized and presented to communities in English and presented in isXhosa for comment and discussions .Attendance register and minutes of these meeting\ hearings are kept.

Once all the comments and discussions have been taken into consideration towards amended IDP \ Budget ,the above process is followed up by ward committee meeting before it goes to an IDP representative Forum ,where the amended draft IDP\Budget is again presented for the last time before they are submitted to the council for adoption .Due to the fact that we are a plenary type of municipality it is difficulty for us to implement all the project raised by communities due to budget constraints.

### **Relationship and utilization of Community Development Workers Performance monitoring**

The relationship between the administrations, office of the Mayor \Speaker is in a very good standing.

- The CDW submit monthly reports to the province not to the municipality but the Mayor monitors the reports before submission to the province. Community cases have been reported in writing to the municipality which includes free basic services, housing, projects etc. they are referred to relevant official for assistance.
- Visits are made by CDW for any developmental issues to give more information to the communities on a new product that is being launched or will be implemented by the municipality or the government departments. Assistance is also given to Sector departments when they have door-to-door campaigns to lobby communities.

- Full participation of CDW's is observed to all activities that are done by the municipality which include IDP/Budget meetings and other activities organized by the municipality.

The CDW's have their monthly meetings at the Municipal offices and are being assisted in various ways such as :

1. Use of Telephone, Fax, Photostats
2. Transport to meetings
3. Drafting of letters
4. Assisting with organizing events or programs in different wards
5. Loud hailing in the different wards We have four CDW's in our area

The CDW's are always willing to assist the Administration in the following manner:

- Attending all public meetings
- Distributing pamphlets when requested to do so
- Informing the public on various issues
- Motivate communities to participate in community meetings by taking minutes and attendance register

Furthermore they play a big part in communicating problems experienced by the communities to the municipality thus ensuring that these issues can be addressed .The challenge facing CDW's is office space but the municipality did provide them with space

### **INTERGOVERNMENTAL RELATIONSHIP STRATEGY**

The Constitution of R.S.A. (Act 108 of 1996 ) clearly indicates that the National , Provincial and Local spheres of government are distinctive ,interdependent and interrelated .Section 41 ( 1) of the Constitution alludes to cooperation ,mutual trust and good between these three spheres .Further based on the parameters created by the Constitution and key to concept of the Developmental State the municipality see it imperative to embark on a development planning ,coupled with the policy imperative of coordination and integration between the three spheres of government .

Section 5 of the Intergovernmental Relations Act (No.13 of 2005) makes provision that the three spheres of Government in conducting their affairs must seek to achieve the object this Act by –

- Taking into account circumstances ,material interest s and budget of other government and organs of state in other government ,when exercising their statutory functions :
- Avoiding unnecessary and wasteful duplication or jurisdiction contests
- Taking all reasonable steps to ensure that they have sufficient institutional capacity and effective procedures.

The IGR Forum Act explains the principles of IGR and cooperative government, providing the basic architecture of IGR structures, procedures and policies for settling intergovernmental disputes .The executive Mayor resolved to establish an IGR Forum to serves as an instrument for mobilizing the distinctive efforts, capacities, leadership and resources of each sphere towards service delivery and development objectives.

The operational premise for the relations guided by OTP and DPLGLTA is as result of an envisaged effort to achieve the municipality Development Priorities informed by prioritized community needs .In terms of the IGR structures functionality the sector departments participation is very poor, our municipality engage DLGTA and OTP to assist in this regard particular the poor attendance by sector departments.

### **Institutional Arrangement: Nxuba IGR Forum Operation**

#### **Objectives of Nxuba IGR Forum**

- To establish a formalized process to manage the relationships between the municipalities with regards to service delivery with specific reference to planning, implementation , monitoring ,reporting and review
- To facilitate for a conducive platform for technical support, knowledge and expertise sharing in matters of mutual interest.
- To integrated prioritize projects and development initiatives that address community needs.
- To facilitate constant and consistent between the municipality and sector departments amongst that will create the necessary operational intelligence with regards to preventing duplication and wastefully expenditure.

### **Forum composition**

- The Nxuba Municipality IGR is led by the Honorable Mayor or his \ her delegated nominee upon his absence
- The IDP officer provide secretariat support
- Nxuba IGR Forum is composed of all municipal managers ,sector departments ,OTP and DPLGTA

### **Functioning of Nxuba IGR Forum**

- It function as a consultative forum where issues of mutual interest are discussed
- Serves to facilitate and promote IGR between all stakeholders
- To implement any matter arising from District Inter-Governmental Relations ,the MuniMEC and OTP

### **Schedule of meetings**

- The forum broader structure shall convene on monthly basis
- IGR cluster at least quarterly

### **5.3 Functionality of Ward Committees**

In Nxuba Municipality, unfortunately the functioning of ward committee system is not favorable there are four wards in the Nxuba Municipality and only two are fully functioning i.e. Ward 3, 4 and partly ward 2.

The office of the Speaker is engaging ward councillors on the status of their committees the meeting held with the communities and reports on the challenges experienced in the various ward , out of four wards one ward does not have schedule of meetings planned.

The municipality has established offices for the ward councillors, they have secretaries and their offices are well resourced in terms of furniture. Induction and various workshops were organized by the municipality for ward committees .They submit their minutes of the meetings to the municipality and office of the Speaker for consideration.

There is no communication unity established but our municipality assigned one of their officials to liaising with ADM, OTP and DGLTA.

### **Local Communicators Forum (LCF)**

The main purpose for the establishment of the LCF was to close the information gap between the municipality and its communities and also to ensure that the co-ordination of a local level information management system advising the council and government on issues was affecting the communication environment at local level.

Although the structure was successfully establish on the 16 September 2010, the schedule meetings could not materials fully due to the fact that some of sector departments didn't honor the meetings and we currently engaged OTP to organize these departments.

### **Communication Strategy**

The institution has drafted a communication strategy that seek to achieve the following objectives

- To improve confidence and trust of the community in Nxuba and its service delivery programs by communicating achievements and showcasing success stories
- To improve Public participation in the affairs of Nxuba
- Strengthen strategic partnership and enhance intergovernmental relations
- To communicate Nxuba Municipality `s IDP and Budget programs and projects to communities and stakeholders

### **Communication and Platform**

There is a wide range of communication tools that are utilized

#### **Public Events**

- Public Hearing ,
- Imbizos



- Road shows
- IDP \Budget Hearing

The Nxuba Municipality honors the campaigns together with sector departments such as 16 Days of Activism Campaign, Tourism month, Women's month, Heritage month, Extended Public Works Programs, Library week

### **Monitoring and Evaluation**

Communication activities are an important element of the Nxuba Communication Strategy in order to ensure that the strategy is being implemented and that it is having a desired impact. The monitoring and evaluation system can provide important feedback on whether messages are being understood as intended and how the communication strategy might need to be adjusted .The first step in Monitoring and Evaluation is to establish baseline information for the impact areas in the strategy :

This will be done through:

- Ward Committees
- IDP public hearings
- Conducting a stakeholders analysis and perception survey
- Evaluating the worth and effectiveness of the tourism marketing campaign

### **Special Programme Unit**

The whole notion of Special Programme has its own foundation in the South African Constitution, Section 9 ( ) is against any form of discrimination from a point of view of gender , disability ,HIV/AIDS ,Women, Sport, Children and Elderly Person ,at the same time the Constitution of the Republic of South Africa provides for the rights of every one . Our municipality has realized that there is a need of establishing this unity coordinated at the Mayors Office .Its focus will based on programmes implemented by Youth, Disabled, Women, Children, Sport and HIV/AIDS .It has been identified that young people are a majority of the population in Nxuba Area .

We discovered that there is a need to review our Youth Development Plan that will be looking and addressing all issues pertaining to the needs of young people. Although there are programmes that seems to address the issues pertaining to women, disability, youth, sport, HIV/AIDS, Elderly and children our municipality is still facing a challenge but we budgeted them a little amount of R90 000 so that they can perform their plans .

There is no strategy on how to mainstream these groups into the whole economic development and programmes of the municipality in all sectors. The issue of children is also a challenge there is no clear plan as how the municipality can assist. Funding needs to be availed for the development of the strategies and plans. In the mean time we got assistance from ADM. In addition a number of forum meetings are hosted where communities actively participate in a decision making processes of the Council. These include Youth Council, Women Forum, HIV/AIDS Council, Disaster Management Forum, Community Safety Forum and LED Forum.

### **Local Sport Facilities**

Nxuba Local Municipality has under-developed sport field which are also vandalized in urban area .There are no sport field in rural areas which is a challenge for developing sport field in our communities .There have never been proper sport facilities in Nxuba Municipality especially in rural areas its only a piece of land that the residents cleared for them so that they can be able to use as a sport field. There is a huge gap when it come to infrastructure .It is also listed in our IDP\Budget that we need to upgrade our sport facilities and we put it in our IDP as one of our objectives and strategy projects .It is important for the municipality to facilitate the provision of sport facilities so as to uplift the standard of sport loving people but due to financial constraints the municipality find it difficult to maintain even the existing ones. There are only school sport field that are in good condition.

### **The following sport field exists in Nxuba Area**

- 1 x Sport fields in New Lingeletu (Red Location) but not in good condition
- 6 x Sport field in Old Lingeletu ,their condition is also bad
- 1 x Sport field in Msobomvu Loc
- 1x Multi purpose Sport field in Adelaide and 1 in Bedford town
- 1x Sport field in Polar Park
- 5 x School sport field in Adelaide town and they are in good conditions

### **Challenges**

- Adelaide tennis court the one in wanderous Sport field need to be upgraded and is no longer in use due to the fact that its condition is bad and it needs a major

renovation. Whereas there is no tennis court in Bedford especially for our disadvantage areas

- Lack of funds .The are under-developed sport field in Nxuba generally ,and we are in a process of seeking funds for sport development in our area .A business plan has been developed and submitted to Department of Sport ,Recreation ,Art and Culture Nationally.

### **Cemeteries**

The are 8 cemeteries in Nxuba Area

- 2 x cemeteries in Old Lingeletu
- 1 x Cemeteries in Town
- 2 x Cemeteries in New Lingeletu
- 1 x Cemetery in Bez`ville Loc
- 1 x Cemetery in Bongweni Loc ( Bedford )
- 1 x Cemetery in town ( Bedford )

### **Challenges**

There is a major challenge with regards to the availability of well maintained and well developed cemeteries .The cemeteries in Nxuba area has reached their capacity and they need to be properly maintained .

### **Parks & Recreation**

Having noted that the following concerns regarding to parks and recreation in Nxuba area:

- Poor maintenance of play parts and sport field
- Littering and vandalism
- Lack of security

Municipality together with Department of Environmental Affairs are embarking on a programme of developing 4 parks and recreation centers in Nxuba area as a result an amount of 20 million was allocated to Nxuba Municipality to start these projects i.e. New Lingeletu Goodwin Park and Bez`ville and New Brighton

## **Youth Development**

There is a Youth Development Plan in place and the institution is in a process of review it.

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

The relationship between the administration, office of the Mayor \Speaker and the CDW`s of Nxuba Municipality is in a very good standing .The CDW`s have their monthly meetings at the Municipal offices and are being assisted in various ways such as:

1. Use of Telephone, Fax, Photostats
2. Transport to meetings
3. Drafting of letters
4. Assisting with organizing events or programs in different wards
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### **5.5 Communication Strategy**

The institution has drafted a communication strategy that seeks to achieve the following objectives:

- To improve confidence and trust of the community in Nxuba and its service delivery programs by communicating achievements and showcasing success stories
- To improve Public participation in the affairs of Nxuba
- Strengthen strategic partnership and enhance intergovernmental relations
- To communicate Nxuba Municipality`s IDP and Budget programs and projects to communities and stakeholders

## **5.6 Intergovernmental Relations**

- The structure exists to ensure coordination of government programmes and cooperative governance. Only departments within the municipal jurisdiction form part of the forum. During 2009/2010 financial year the Intergovernmental Relations Forum held one (1) meeting. These are scheduled at quarterly intervals, and are attended by the IDP Steering Committee Members with exclusion of Councillors within the public and private sector, parastatals and government departments.

### **Nxuba Local Municipality and Nelson Mandela Bay Metropolitan Municipality (NMBMM) Twinning Partnership**

Nxuba Local Municipality which is a category “B” municipality and Nelson Mandela Bay Metropolitan Municipality which is a category “A” municipality established in terms of section 12 notice of the Local Government Municipal Systems Act No.117/98 entered into negotiations with the view of the principle of co-operative governance in the year 2005. Both municipalities acted in accordance with a resolution of the Council of the NMBMM and aspiring to enhance co-operation between them to agree on establishing an inter municipal forum wherein both mayors are responsible for co-ordination.

#### **Purpose of the forum**

The purpose of the forum was amongst other things being:

- The promotion & facilitation of intergovernmental relation between the Municipalities
- To serve as a consultative forum to discuss and consult each other on matters of mutual interest, including information sharing, best practice and capacity building and more particular in the following areas:
  - Human Resources Development
  - Economic Development & Agriculture
  - Infrastructure & Engineering
  - Sport, Recreation & Culture
  - Environment & Health Services
  - Legal & Corporate Affairs
  - Any matter of strategic importance

The Memorandum of Understanding was then signed in 2006 by both parties. Subsequent to that both parties have had numerous meetings since the signing of the MOU and the last meeting was held during this financial in February 2009 at the Nxuba Municipal offices.

## **5.7 Legal matters**

Nxuba Local municipality does not have a Legal unit in place but the legal matters are handled in the Human Resources section and the office of the Municipal Manager and no legal services were outsourced for the financial year 2009/10. The municipality is guided by Hearing Procedures from the Bargaining Council when undertaking disciplinary hearings as there are no policies adopted by the council.

## **PART 3- FUNCTIONAL AREAS REPORTING AND ANNEXURE**

### **A. Functional Area Service Delivery Reporting**

#### 1. General information (population statistics)

Nxuba Local municipality is located in the Amathole District Municipality and is approximately 275 000 ha in extent and is located approximately 200km from East London and 230km from Port Elizabeth. The population of Nxuba Local Municipality is approximately 24 825 but the Community Survey 2007 by Stats SA shows the Nxuba population to be 21 473.

#### Socio-economic context

- There are 24 801 people residing in the Nxuba Municipality
- 5 427 households with the average household size of 4,7 people per household
- 82% of the households live in the urban areas
- Economically active group constitutes 47,0%
- More than half the population is female (53%)
- 62% of the households are headed by males
- A population growth rate of 0,94 has been experienced over the past 5 years;
- There has been an increase in the unemployment rate over the past 10 years from:
  - 36% to 53% - Adelaide
  - 28% to 39% - Bedford
- Agriculture, Government and Community services sector employ the majority of the workforce (77%)
- 58% of the households earn less than R 18 000 per annum

- The dependency ratio is 2 people for each employed person
- 71% of the households are living below the minimum living level
- Agriculture, Government and Trade is an important contributor to the GGP of the region

Source: 2007 Community Survey

## 2. Finance and Administration function's performance

### Overview

This is responsible for income, expenditure and budget of the municipality

### Description of the activity

The functional area includes cashier, billing services, credit control, expenditure, budgeting

### Analysis of the function

Debtor collections: value of amount received and interest (value received from monthly billings each month and interest from the previous month across debtors by function e.g. Water, electricity etc and by category- Government, Business, Residents and Indigents.

### Debtor billings

Billed	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	Jun	Total
Property Rates	812,641.92	132,734.65	152,732.93	132,764.65	132,764.65	115,969.95	132,766.19	132,764.65	132,764.65	132,764.65	132,764.65	132,921.13	2,276,354.67
Electricity	747,528.95	800,843.81	820,656.46	953,733.01	828,618.61	837,390.09	791,714.14	680,056.06	701,810.51	848,484.17	727,366.28	666,181.62	9,404,383.71
Refuse	294,637.87	194,952.83	201,320.86	195,124.30	195,124.17	214,411.28	222,641.89	222,641.80	222,715.14	222,715.14	222,715.14	222,397.46	2,631,397.88
Other	102,720.23	39,908.76	51,957.96	100,428.78	100,757.90	101,150.40	40,415.59	40,845.89	43,931.14	43,933.36	44,089.84	46,231.77	756,371.62



Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days

Category	Analysis of debt	Current	Interest	30	60	90	Total
Agriculture	Electricity	R 7,620.34	R 4,121.12	R 1,854.71	R 1,529.60	R 35,028.54	R 50,154.31
	Refuse						
	Other		R 1,850.73			R 5,013.65	R 6,864.38
	<b>TOTAL</b>	<b>R 7,620.34</b>	<b>R 5,971.85</b>	<b>R 1,854.71</b>	<b>R 1,529.60</b>	<b>R 40,042.19</b>	<b>R 57,018.69</b>
Education	Electricity	R 9,354.32	R 3,570.57	R 9,405.30	R 6,123.02	R 50,177.34	R 78,630.55
	Refuse	R 1,056.12	R 310.15	R 1,056.12	R 997.44	R 4,502.01	R 7,921.84
	Other	R 19.05	R 1.08	R 19.05	R 19.05	R 19.05	R 77.28
	<b>Total</b>	<b>R 10,429.49</b>	<b>R 3,881.80</b>	<b>R 10,480.47</b>	<b>R 7,139.51</b>	<b>R 54,698.40</b>	<b>R 86,629.67</b>
Health	Electricity	R 24,082.54		R 20,134.63	R 13,200.22		R 57,417.39
	Refuse						
	Other	R 58.68		R 58.68			R 117.36
	<b>Total</b>	<b>R 24,141.22</b>		<b>R 20,193.31</b>	<b>R 13,200.00</b>		<b>R 57,534.75</b>
Public Works	Electricity	R 1,630.43	R 51.23	R 1,516.16			R 3,197.82
	Refuse						
	Other	R 39.11	R 0.75	R 39.11			R 78.97
	<b>Total</b>	<b>R 1,669.54</b>	<b>R 51.98</b>	<b>R 1,555.27</b>			<b>R 3,276.79</b>
Social Development	Electricity	R 1,630.43	R 51.23	R 1,516.16			R 3,197.82
	Refuse	R 39.11	R 0.75	R 39.11			R 78.97

	Other						
	<b>Total</b>	<b>R 1,669.54</b>	<b>R 51.98</b>	<b>R 1,555.27</b>			<b>R 3,276.79</b>
Roads & Transport	Electricity	R 406.50	R 7.76	R 406.50	R 406.50	R 406.50	R 1,633.76
	Refuse						
	Other						
	<b>Total</b>	<b>R 406.50</b>	<b>R 7.76</b>	<b>R 406.50</b>	<b>R 406.50</b>	<b>R 406.50</b>	<b>R 1,633.76</b>
Business	Electricity	175,421.17	77,301.78	154,948.44	151,061.51	844,157.55	1,402,890.45
	Refuse	8,043.79	8,012.07	3,873.60	3,462.61	63,820.95	87,213.02
	Rates						
	Other						
	<b>Total</b>	<b>183,464.96</b>	<b>85,313.85</b>	<b>158,822.04</b>	<b>317,219.76</b>	<b>907,978.50</b>	<b>1,652,799.11</b>
Residents	Electricity	R 135,964.62	R 424,750.49	R 97,227.66	R 36,963.05	R 1,136,963.05	R 1,831,868.87
	Refuse	R 118,088.34	R 149,870.66	R 92,488.22	R 97,263.17	R 12,026,074.42	R 12,483,784.81
	Rates	R 117,266.48	R 395,969.25	R 86,044.59	R 300,207.75	R 8,507,296.92	R 9,406,784.99
	Other	R 43,146.81	R 970,867.48	R 41,719.36	R 41,137.23	R 5,619,764.32	R 6,716,635.20
	<b>Total</b>	<b>R 414,466.25</b>	<b>R1,941,457.88</b>	<b>R317,479.83</b>	<b>R475,571.20</b>	<b>R 27,290,098.71</b>	<b>R 30,439,073.87</b>
Councillors	Electricity	R 811.39	R 1,538.98	R 830.55	R 803.10	R 14,062.74	R 18,046.76
	Refuse	R 312.88	R 375.77	R 312.88	R 312.88	R 3,857.16	R 5,171.57
	Rates	R 249.24	R 409.24	R 498.15	R 248.91	R 2,688.29	R 4,093.83
	Other	R 76.20	R 85.66	R 76.20	R 76.20	R 944.95	R 1,259.21
	<b>Total</b>	<b>R 1,449.71</b>	<b>R 2,409.65</b>	<b>R 1,717.78</b>	<b>R 1,441.09</b>	<b>R 21,553.14</b>	<b>R 28,571.37</b>
Municipal Officials	Electricity	R 3,144.89	R 4,528.48	R 5,552.14	R 8,125.12	R 25,256.85	R 46,607.48

	Refuse	R 1,039.27	R 677.94	R 578.04	R 1,025.79	R 3,589.85	R 6,910.89
	Rates	R 1,255.96	R 1,886.16	R 1,283.94	R 1,521.15	R 19,512.89	R 25,460.10
	Other						
	<b>Total</b>	<b>R 5,440.12</b>	<b>R 7,092.58</b>	<b>R 7,414.12</b>	<b>R 10,672.06</b>	<b>R 48,359.59</b>	<b>R 78,978.47</b>

Write off of debts: number and value of debts written off (total debts written off each month across debtors by function- rates, electricity etc): None

#### Property rates (Residential) & Commercial

- Number and value of properties rated: 7177 at R 421,718,590.00
- Number and value of properties not rated: None
- Number and value of rate exemptions: None
- Rates collectable for the current year: R 1,727,163.95

The property rates for both commercial and residential has been combined.

#### Property valuation

- Year of last valuation- 2004
- Regularity of valuation- Every four (4) years

#### Indigent Policy

- Quantity: 1890
- Monetary values : Refuse= R 887,014.80, Electricity,= R 895,860.00= R 1,782,874.80

#### Credit Payments

Details	Current	30 Days	60 Days	90 Days	90 Days+	Total
Salga	0	0	0	0	386 471.18	386 471.18
Workmen's Con	0	0	0	0	534 128.53	534 128.53
Auditor General	2 404.35	191.72	32 063.54	0	2 162 207.3	2 196 866.93
Samro	0	880.72	0	4 976.67	0	5 857.39
Association of Municipal Electricity Undertaking	0	0	0	0	9 888.36	9 888.36
Aon	0	0	0	0	38 542.65	38 542.65
Amatole	0	0	13 605.24	0	209 864.05	223 469.29
Lexis Nexis	0	0	0	0	3 295.85	3 295.85
TV licence Munnik Babbon Dagama Inc	0	0	1 270	0	3 330	4 600.00
Valmac	0	0	0	0	1 206.62	1 206.62
Lawnmower Centre	0	0	0	0	1 670.42	1 670.42
Eskom	0	0	0	8 223.49	16 760.88	24 984.37
Max Prof	0	0	0	0	720 333.83	720 333.83
SM Sales	0	0	0	0	4 863.75	4 863.75
Supplycor C.C	0	0	0	0	10 929.71	10 929.71
Dupli Print	0	0	0	0	20.14	20.14

Nashua P.e	0	0	0	9 392.12	46 770.71	56 162.83
Walton's	0	0	0	0	3 125.88	3 125.88
Nashua E.L	0	2 342.7	0	0	0	2 342.70
Conlog	0	0	0	0	434 955.6	434 955.60
Lugudwini	0	0	0	0	27 955	27 955.00
National Health Laboratory Services	0	0	0	0	51 791.64	51 791.64
Schaeter	0	0	0	0	1 113 929.8	1 113 929.82
<b>Marais &amp; Smith</b>	<b>7 093.08</b>	<b>910.35</b>	<b>0</b>	<b>0</b>	<b>33 103.05</b>	<b>41 106.48</b>
Business Connexion	0	0	0	10 500.84	53 129.42	63 630.26
Adelaide Paint & hardware	0	0	0	2 873.62	18 979.6	21 853.22
Von Der	0	0	0	0	12 498.3	12 498.30
Eskom	0	1 966 898.05	9 204 34.97	0	0	2 887 333.02
Meyers	0	0	0	0	49 989.87	49 989.87
Floradale	27.48	27.09	26.7	0	1 832.32	1 913.59
Pope	0		0	0	2 175	2 175.00
Sky Metro	0	1 899.2	3 039.17	517.21	1 907.95	7 363.53

Lithotech	8 876.04	0	0	40 670	0	49 546.04
Vodacom	10 053.56	0	0	10 500.08	0	20 553.64
Datnis	1 576.2	3 338.61				4 914.81
R-data	0	0	0	0	22406.7	22 406.70
Biztec Consulting	0	2 280	0	0	0	2 280.00
Absa Technologies Finance Solutions(PTY)LTD	5 953.57	4 819.21	5 953.57	0	0	16 726.35
MTN service provider	436	436	436	0	5 858.17	7 166.17
	36 420.28	198 4023.65	976 829.19	87 654.03	5 983 922.3	9 068 849.47

- Credit Rating - None
- External Loans - None
- Delayed and Default Payments - None

### **3. Planning and development function's performance**

- The Nxuba Local Municipality has zoomed in on Social and Economic Development and Environmental Management of the entire city. The Administration has fully implemented the Batho Pele principles which were adopted by Council. The scene has been set and the momentum is in place for improved service delivery, greater responsiveness and increased accountability.
- The broad development strategies and targets are contained in the respective master plans, which, in turn, are enshrined in the IDP.
- Essentially, the IDP has been (and should always be) compiled with a strong focus on service delivery and infrastructure investment with the aim to achieve strategic development goals. In the process we have pursued a more practical IDP, which is holistic in order to enhance municipal performance.

The IDP is practical in the sense that ideally it focuses on:

- Dealing with backlogs
- LED initiatives
- How to alleviate poverty
- Socio economic development
- SDF
- Effective use of scarce resources
- Sustainable development
- Coordination between all spheres of Government
- Developing Municipal capacity within the IDP framework.

### **Overview**

Through IDP, LED and SDF the municipality bridge the gap between rich and poor through job creation, tourism and release of land for the poor. An LED Charter, the first in the Country was launched to make Local Economic Development a reality rather than a dream.

### **Description of the activity**



The successful implementation of the IDP was achieved through the bottom up approach, namely

- Full community participation
- Strengthening community structures
- Engaging local residents
- Providing accountable, transparent and fair representation
- Ensuring a consultative and sustainable process throughout

The establishment of 4 Ward Committees makes it a lot easier to respond more speedily to the Community's needs and aspirations and provide a firm form of support to ensure fair and equitable service delivery

**Key issues include the following:**

- High unemployment rate
- High rate of illiteracy
- High rate of poverty
- Slow rate of economic growth

**Analysis of the function**

- Number and cost of all economic development personnel:
  - Local Economic Development and Tourism Officer
  - Contract : None
  - Detail and cost of incentives for business development
  - List of incentives by project, with total actual cost to municipality for the year
  - Detail and cost of other urban renewal strategies:
    - Short and long-term employment
    - Number and cost to employer of all Building Inspectors employed

Nxuba Local Municipality only has one permanent building inspector who is servicing both the rural and the urban nodes.

Details of building plans approved:

- Nxuba Local Municipality managed to approve fifty eight (58) building plans. The approved plans include extension of units, new construction, garages and boundary wall. This includes approved plans of urban node.

Value of building plans approved

- The value of approved building plans for 2009/2010 financial was R13 383 023.

## 4. Community and social services function's performance

### Overview

- Community and social services function include library services, disaster management, primary health care, community safety.

### Description of the activity

- The activities that are administered both by the municipality and Amathole District Municipality include disaster management as ADM has deployed 4 fire fighter volunteers. Nxuba Local Municipality is playing an agency role with regards to Library Services and Primary Health Care as both services receive subsidies for DSRAC and Department of Health respectively.

### Key issues include the following:

- Shortage of equipment, medicine, medical staff
- Mobile clinic
- Ambulance
- Disaster Management Plan
- Mobile Police Station to service farm areas

### Analysis of the function

- Nature and extent of facilities provided:

- *Library Services*

Nxuba Local Municipality is composed of three (3) functional public libraries which are in a good working condition.

- *Museums and art galleries*

Nxuba Local Municipality is composed of one (1) museum which is situated in Adelaide town.

- *Community halls/facilities*

There are seven (7) functional community halls in Nxuba which are widely located in Adelaide and Bedford.

- *Cemeteries and crematoriums*

There are no crematoriums in the area and it only possesses ten (10) cemeteries wherein some of them have been closed due to the fact that they are full.

➤ *Child care including crèches*

Nxuba Local Municipality is composed of 10 crèches that are evenly shared both in urban and rural nodes.

➤ *Aged care including old age homes, home help*

There are three old age homes at: Adelaide Town, Bezuidenhoutville and Bedford Town.

➤ *Schools*

Seven primary schools and four high schools

➤ *Sport facilities*

Two golf courses, one tennis court and ten sport facilities that are maintained regularly.

• **Number and cost to employer of all personnel associated with each community services function:**

- Library Services- Librarian deployed by DSRAC which is a three year contract , two Librarians, two Assistant Librarians and Messenger /Cleaner
- Museums and art galleries – Assistant Head, and two cleaner
- Community halls/facilities – four general workers
- Cemeteries and crematoriums- two general workers
- Child care including crèches
- Aged care including old age homes and home help
- Schools – Dept of Education
- Sport facilities - One Grounds man
- Parks – two general workers

Museums and art galleries are maintained by DSRAC, schools are a function of the Department of Education, then Child Care and the Aged Care is a function of the Department of Social Development. The municipality does not incur any costs in the operation of those institutions.

- Total operating cost of community and social services function: R 0000

## 5. Housing function's performance

### Overview

- Nxuba Local Municipality managed to apply for title deeds to the Conveyancer and no houses have been handed over to beneficiaries. Nxuba Local Municipality plays monitoring of the housing function as provincial department is the providing the service to communities.

### Description of the activity

- The activities that are administered by the municipality include when one owner of the house wants to sell his/her house to another person the municipality check if ever the previous owner is not owing the municipality on services rendered to them and if not the previous can sell the house to the buyer. A clearance certificate is the issued by the municipality to the owner.

### Key issues include the following:

- Institutional capacity
  - Statistics
  - Housing backlog
  - Infrastructure

### Analysis of the function

- Number and cost of all personnel associated with provision of municipal housing:
  - Senior Clerk Housing
- Number and total value of housing projects planned and current
  - Planned - 7 sites
- Total type, number and value of housing provided
  - None
- Total number and value of rent received from municipal owned rental units
  - 3 municipal owned rental units and amount received is R 46,800
- Estimated backlog in number of (and costs to build )housing : 3 146 units
- Type of habitat breakdown

The numbers listed below are number of households living in the type of dwelling listed

- Number of people living in a house or brick structure – 2,000
- Number of people living in a traditional dwelling- 1,139
- Number of people living in a flat in a block of flats - none
- Number of people living in a town/cluster/semi-detached group dwelling - 600

- Number of people living in a formal dwelling or shack - 600
- Number of people living in a room/flat let – none

- Type and number of grants and subsidies received:

Grant	01/07-30/09	01/10-30/12	01/01-30/03	01/04-30/06	Total
Equitable share	5,324,935	4,205,681	4,224,837	-	13,755,453
FMG	750,000	-	250,000	-	1,000,000
MSIG	735,000	-	-	-	735,000
MIG	2,395,000	-	2,743,590	-	5,138,590
Primary Health Care		639,386	1,534,526	639,386	2,813,298

- Total operating cost of housing function: R 157.198

### Key performance area

- The municipality only monitors the services on behalf of the province.

## 6. Waste Management function's performance

### Overview

- Waste management in Nxuba Local Municipality includes refuse removal, solid waste sites and street cleaning.

### Description of the activity

- This function is administered in the technical services department with services properly rendered by the officials. Refuse is collected once a week in both rural and urban nodes. Two (2) waste sites are fully functional.

### Analysis of the function

- Number and cost to employer of all personnel associated with refuse removal
  - Professional: none
  - Field (Supervisor/Foremen): 2 X Foremen
  - Office: none
  - Non-professional: forty seven (47)
- Number of households receiving regular refuse removal services and frequency and cost of service
  - Removed by municipality at least once a week: 3000 households

- Removed by municipality less often: zero(0)
- Communal refuse dump used: 100%
- Own refuse dump: none
- Total and projected tonnage of all refuse disposed
  - Domestic: 2 200 tons per annum
  - Commercial: 1 300 tons per annum
  - Garden: 1 140 tons per annum
- Free Basic Services Provision
  - Quantity: 895 in Bedford and 950 in Adelaide
  - Quantum: R 84.11 for each household
- Total operating cost of solid waste management:

## **7. Electricity distribution function's performance**

### **Overview**

- The main concentration of this section is the maintenance of electricity reticulation and connection to consumers. The municipality supplies for Adelaide and Bedford with electricity CONLOG and Eskom supplies other areas. The municipality is just assisting Eskom with maintenance in other areas.

### **Analysis of the function**

- Operation and maintenance of electrical network.
- Provision of Fee Basic Electricity.
- Installation on electricity in key areas.

### **Number and cost to employer of all personnel associated with electricity distribution:**

- Technical Services Manager
- Electrician X 2
- Electrical assistants

### **Number of households with electricity access and type and cost of service:**

25 000 population have access to electricity.