

# MBHASHE LOCAL MUNICIPALITY

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**ANNUAL REPORT 10/11**

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### **ANNEXURES:**

- *Annual Financial Statements (Annexure: A)*
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- *Municipal Organogram (Annexure: F)*
- *List of Councillors, EXCO Members, Traditional Leaders, Standing Committee Members, Ward Committees and CDW (Annexure G)*

## Glossary of Terms

<b>ADM</b>	means, Amathole District Municipality
<b>Admin</b>	means, Administration
<b>AG</b>	means, Office of the Auditor General
<b>Auditors</b>	means, Office of the Auditor General
<b>Baud</b>	means, software application for bar-coding, identification and management of fixed assets.
<b>BBBEE</b>	means Broad Based Black Economic Empowerment
<b>CBD</b>	means, Central Business District
<b>Eskom</b>	means, Eskom Holdings Limited
<b>HR</b>	means, Human Resources
<b>IDP</b>	means, Integrated Development Plan
<b>ICT</b>	means, Information and Communication Technology
<b>i.r.o</b>	means, in respect of
<b>IT</b>	means, Information Technology
<b>JIT</b>	means Just in Time
<b>LAN</b>	means, Local Area Network
<b>LED</b>	means Local Economic Development
<b>MTEF</b>	means, Medium Term Expenditure Framework
<b>NDPG</b>	means, National Treasury Neighbourhood Development Partnership Grant
<b>PPPFA</b>	means Preferential Procurement Policy Framework Act (Act No 5 of 2000)
<b>Rates Act</b>	means, Local Government: Municipal Property Rates Act (Act No.6 of 2004)
<b>SAPS</b>	means, South African Police Services
<b>SCM</b>	means, Supply Chain Management
<b>SDBIP</b>	means, Service Delivery Budget Implementation Plan
<b>SDF</b>	means, Spatial Development Framework (Currently under review for the period 2009-2010)
<b>SLA</b>	means Service Level Agreement
<b>SMME</b>	means Small Medium Micro Enterprise
<b>System</b>	means, Venus Financial Management System
<b>Systems Act</b>	means, Local Government: Municipal Systems Act (Act No.32 of 2000)
<b>TOR</b>	means, Terms of Reference
<b>The consultant</b>	means, DL and Associates
<b>VAT</b>	means, Value Added Tax
<b>VAT Act</b>	means, Value Added Tax Act (Act No.89 of 1991)
<b>WSA</b>	means, Water Services Authority

## **PART ONE: INTRODUCTION AND OVERVIEW**

## 1 FOREWORD BY THE MAYOR

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Mbhashe Local Municipality was not only expected to find the means for addressing traditional local government challenges of delivering basic services to the people, but we were supposed to find strategies and mechanisms that are potent enough to remove those challenges which stand in the way of sustainable development within our jurisdiction. It is upon this background that subscribes to the following key strategic goals:

- Growth
- Inclusiveness and public participation
- Sustainability
- Empowerment
- Political stability
- Administrative efficiency

Our strategic goals aim at building & providing a framework for developing and improving our public realm. As Mbhashe Local Municipality we are faced with major challenges and opportunities; challenges in terms of the developmental, infrastructural and spatial disparities of the past. Yet we are also faced with major opportunities in terms of entrenching the democratic revolution, as well as dealing with the legacy of apartheid and underdevelopment. Local government in South Africa is based on a partnership between the governed and those who govern. In terms of this contract, democratically elected leaders do not reduce democratic citizenship to regular exercise of the vote, but rather involve the electorate in determination of priorities, determination of development trajectories, and formulation of programmes. More importantly, the elected leaders have the obligation to be transparent about their service delivery and budget plans and allocations, as well as report on its progress on a structured and consistent basis. Similarly, the community takes active part in the formulation of growth and development plans, as well as budgets to support such plans.

This is what we had to say in 2009/10 as a commitment to work hard even in the midst of adversity. Indeed, 2010/11 is better than 2009/10 in that we have recorded some victories, despite the shameful state of affairs, as painted in the first paragraph:

- ♣ The 2010/11 audit report has improved tremendously from a consistent disclaimer over the years to a qualified audit opinion.
- ♣ We have managed to spend all MIG allocations during the year under review.
- ♣ A number of policies and strategies were developed and adopted by the Council during this period.
- ♣ We managed to increase our own revenue through the tireless efforts of our traffic department.
- ♣ This municipality attracted additional revenue for cleaning and beautification of the town of Dutywa and Elliotdale.

We may have registered the above victories and many more but more still needs to be done like the following among other things:-

- ♣ Some effort needs to be put on the development of a credible IDP and the institutional organizational structure that will respond to the developmental challenges of our people;
- ♣ There is a need to improve our internal control systems, so as to be able to be a responsive institution. Such systems include, but not limited to financials, ICT, operational as well as Supply Chain Management Systems.

- ♣ We may not have peaceful nights when our towns are a symbol of litter, overgrown alien vegetation and filth;
- ♣ We will not rest until our access road network is trafficable and passable, through the properly coordinated maintenance programme.
- ♣ There is a need to develop a fairly long term vision for the Municipality, so that we can all work towards its achievement.

This is a brief account of what we have managed to do and/or not done in 2010/11. Our people and stakeholders are invited to engage with this account and advise us accordingly. Our engagement in Local Government has exposed us to the reality that the following should be better than the previous year. This is our commitment to our people and the general stakeholders.

Please accept my appreciation for the support from the Speaker, Chief Whip, Executive Committee members and all other Councillors for their assistance in achieving our goals. The Municipal Manager and his staff must also be commended for their hard work and dedication to achieve the very ambitious goals.

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Cllr N.O. Mfecane  
Mayor

## 2 ANNUAL PROGRAM PRIORITIES' STATEMENT

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### Background

#### Accounting officer's responsibility for the financial statements

1. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Recognised Accounting Practice (GRAP) and in the manner required by the Municipal Finance Management Act (MFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor-General's responsibility

2. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996) and Section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General (AG) is to express an opinion on these financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009*.

The office of the Auditor General qualified the Mbashe Local Municipality on a Disclaimer opinion for the financial period 2009/10. The following were the basis of disclaimer opinion.

1. Trade and other receivables;
2. Employee-related costs;
3. Property, plant and equipment;
4. Revenue;
5. Value added tax (VAT);
6. Capital commitments;
7. Irregular expenditure; and
8. Unauthorized expenditure.

The municipality has since after the audit outcomes conducting several management meetings to come up with the concrete way of dealing with the administration and good government of the municipality.

The following are the priorities going forward:

#### 1. Developing and monitoring of Action Plans

- ♣ Each department within the institution will develop Action Plan to address the AG queries. It will be monitored by Risk Committee (existing), Operation Clean Audit (to be established); and the office of the Internal Audit.

## **2. Turn-around Strategy**

- ♣ The institution will unpack the strategy which was developed by the Department of Local Government to look into matters that related to the municipality and come up with a program of action.

## **3. Establishing of Operation of Clean Audit Committee within the institution.**

## **4. The municipality is also looking at ensuring that the Risk Committee and Fraud Prevention Committee are fully functional.**

## **5. Attend to the issue of policies and their implementation and**

## **6. Strengthening of the system of internal controls is the main priority.**

**Thank you**

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**Monwabisi Somana**

**Municipal Manager**

### 3 OVERVIEW OF THE MUNICIPALITY

#### 3.1 DEMOGRAPHIC PROFILE

Mbhashe municipality is situated in the South-Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the North along the Indian Ocean. The municipality borders the following municipalities:

- King Sabata Dalindyebo (in the Eastern part)
- Ngcobo (to the western part)
- Mnquma (to the South)
- Ntsika Yethu (in the South-Western part)

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



FIGURE 1: EAST CAPE ROUTES

Mbhashe is 3030.47 km<sup>2</sup> in area and consists of 26 wards and 51 Councillors. The vision of the Municipality is a **“vibrant institution able to provide quality and accessible services to all its communities in a socio-economic manner, with the aim of benefitting her people”**. Four clusters of key development priorities are identified that is, LED and Environment, Social Needs, Infrastructure and Institutional and Finance clusters which were aligned to five local governments’ key performance areas.

On the 18<sup>th</sup> of May, local government elections were held and the new demarcations of municipal boundaries were added from 21 wards to 31 wards which include areas from Ntsika Yethu Municipality and Mnquma. The areas which form part of Mbhashe are Keti, Sikobeni, Ziwundane, Mqonci, and Gwadana Tribal.

### 3.2 SOCIO-ECONOMIC CONTEXT

The Mphashe Municipality is overwhelmingly rural, where the majority of residents are 95.41% live on tribal land and more than half which 54.12% of households own their properties, of which 90.32% are fully paid-up owners. Mphashe has only two unsettled land claims seeking land for housing and for livestock farming. The Local Municipality performs poorly in respect of Crime owing to limited police coverage by geographical area and particularly by population size. However, the local crime rate is 14.58 crimes per 1000 people is low and has declined substantially at about -3.70% per annum over the past three years.

#### 1.2.1 Mphashe Population

##### i. Comparison of Census 2001 Data with Community Survey 2007 Data

PERSONS		HOUSEHOLDS	
Census 2001	Community Survey 2007	Census 2001	Community Survey 2007
255 071	262 008	52 886	59 705

TABLE1: Source Statistics SA and Community Survey 2007

##### ii. Comparison of Census 2001 Data with Community Survey 2007 Data

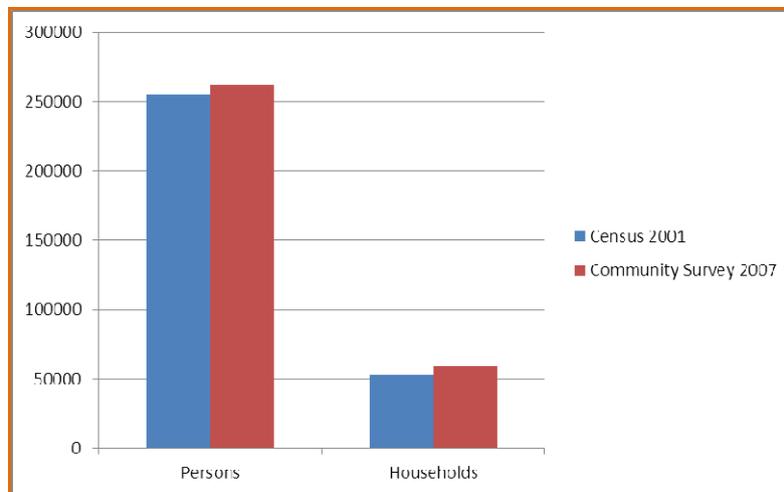


FIGURE 2: Source Statistics SA and Community Survey 2007

The current population of Mphashe according to Community Survey in 2007 shows that the population has increased from 255071 to 262 008 people and households have increased from 52886 to 59 705. The population distribution ranges between 6 068 people and 2 108 households and 14 822 persons per ward and an estimate of 3 324 households. The average household size has 5-6 people. The population is distributed as follows, (see the next page):

### iii. Population Distribution by Race

RACE	POPULATION	PERCENTAGE (%)
African	261,699	99.88
Coloured	57	0.02
Indian	178	0.06
White	77	0.02
<b>TOTAL</b>	<b>262,011</b>	<b>100%</b>

TABLE 2: Source *\_Statistics SA and Community Survey 2007*

### iv. Population Pyramid

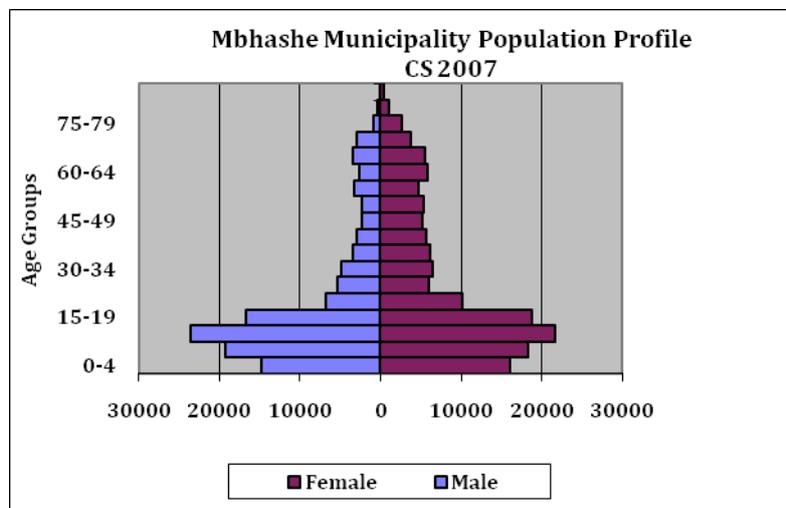


FIGURE 3: Source *\_Statistics SA and Community Survey 2007*

In terms of the demographic profile of the Mbashe Municipality, it is evident that there is a large population that are school going with 43% of the population being under the age of 15. This would imply that there would be a greater need for social services such as schools and crèches, as community facilities such as sports fields. There is a high dependency ratio on the economically active portion of the population.

### v. Income and Poverty Status

In terms of Mbashe Municipality, the poverty levels have increased since 1996. This is an area that needs to be looked into as almost 80% of the population is living in poverty. This is aligned to the high level of unemployment prevalent in the municipality and places a great burden on social services.

Table 11: Poverty levels for Amathole District (1996 – 2005)

MUNICIPALITY	1996 (%)	2005 (%)
Mbashe	68.6	77.9

Mnquma	62.3	75.0
Great Kei	56.1	79.5
Amahlathi	59.0	75.3
Buffalo City	41.5	50.1
Ngqushwa	64.1	80.2
Nkonkobe	55.9	69.2
Nxuba	56.6	80.3

Source: Amathole District Growth and Development Summit 2007

### Income Categories per Population Groups

Income Category	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
No income	53124	64959	118015	25	43	0	118083
Less than R1 601	58695	75819	134381	23	110	0	134514
R1 601 – R3200	1080	928	2008	0	0	0	2008
R3 201 – R6 400	678	1067	1745	0	0	0	1745
R6 401 – R12 800	841	1095	1840	0	0	74	1914
R12 801 – R25 600	215	0	215	0	0	0	215
R25 601 upwards	239	129	368	0	0	0	368
Response not given	959	806	1765	0	0	0	1765
N/A / Institutions	820	547	1357	11	0	6	1357

Table 1: Income Categories

The majority of the population of Mbhashe lives below the poverty line, and there is a high unemployment rate. Most households are very poor with 96% earning less than R1601 per month which includes 43% of the population who are under the age of 15 and therefore not economically active.

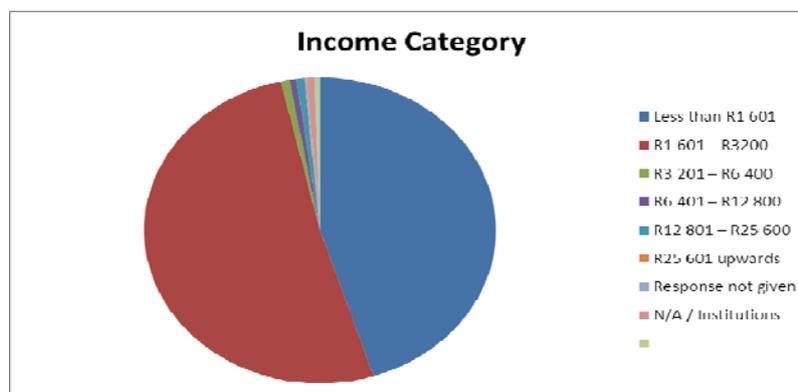


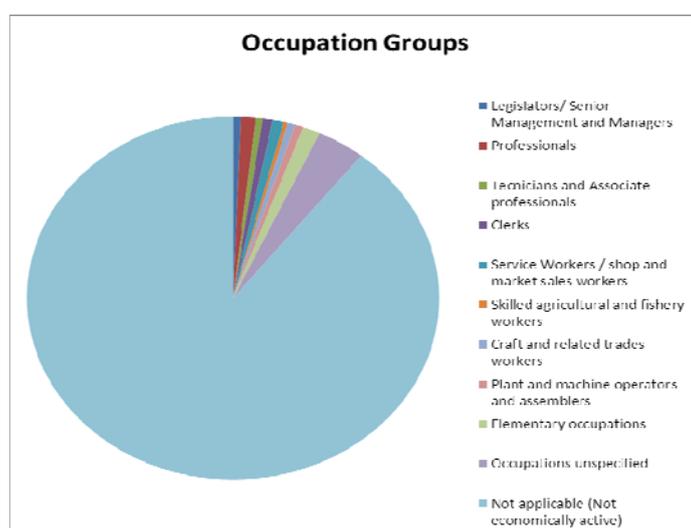
Figure 4: Stats SA, Community Survey 2007

## Employment Status

The majority of the employed population fall within the low skilled, elementary category, and unspecified occupation groups. There is a large proportion of the population that is not economically active. In terms of the Eastern Cape Provincial Growth and Development Plan, the Province aims to halve unemployment by 50 % by 2014.

Employment status	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
<b>Employed</b>	6089	7298	12925	9	0	74	13387
<b>Unemployed</b>	7710	6845	14555	0	0	0	14555
<b>Not economically active</b>	35508	59651	95055	22	88	0	95159

Table 2: Community Survey



Stats SA: Community Survey 2007

According to Statistics SA, the provincial economy grew by an annual average of 3.6 percent from 2000 to 2007. To meet the Eastern Cape Provincial Growth and Development Plan 2014 target, a 5.3 percent GDP-R growth rate or higher) needs to be maintained.

### 3.3 LOCAL ECONOMY

The local economy is highly concentrated, dominated by the Community Services sector in terms of both GVA and employment. The cost of doing business in the area is lower than the Provincial average, considering the favourable distance, and travel time to the major economic centre of East London as well as favourable expenditure on transport, communication and finance relative to the Provincial average. Further considerations are severely limited access to business service providers and fairly limited access to development and financial support institutions, contrasted with comparatively high municipal regulatory capacity.

Mbhashe claims the most youthful population of 54.09% aged less than 20 years as well as the highest rates of poverty is 90.38% and dependency is 5.10 in Amathole, coupled with high unemployment (78.51%) and higher than average proportion of people is 7.12% aged over 64 years. An indication of the depth of poverty in the area is revealed by the Municipality's share of the Provincial poverty gap (6.01%), which is substantially higher than its share of the Provincial population (4.31%).

The Municipality's low **Productivity** score points to the low GDP per worker (formal and informal), a shortage of skills available to the economy, and particularly low growth in value creation relative to labour remuneration and especially employment. Mbhashe emerges with the lowest **Formal Economy Performance** in the Eastern Cape, principally on the basis of being the most grant-dependent local economy in the Province. Other factors are the highly concentrated economy and poor GDP performance.

However, Mbhashe emerges as a leading economy, both nationally and Provincially, in respect of formal employment growth performance and has experienced a positive shift in share of employment, but a negative shift in share for GDP contribution from 1996 to 2004. By contrast, the Municipality falls into the top half of all municipalities in the Province on **Economic Absorption Capacity** on the basis of relatively high total disposable income and buying power. Negative contributory factors are the negative income-expenditure balance and below average economic multipliers and informal sector capacity to generate economic opportunities relative to formal employment.

The local economy claims a comparative advantage, for both GDP and employment in Community Services, which is overwhelmingly dominated by Education (38.59% GVA and 46.24% employment).

Further **comparative advantages**, in terms of GDP contribution, are reflected for Agriculture centre on Forestry and Logging (8.11%); and Trade – centred on the Retail sub-sector (11.15%) emerge as a further employment advantage.

The Municipality claims a range of leading products, including subtropical and deciduous fruit, maize, and tourism, where the latter is identified as having very high potential given the Municipality's favourable location on the Wild Coast. Dryland potential exists for maize and beans, and the area is identified as suitable for forestry. Good market (broilers, eggs) and field cropping (maize, and dry beans) as well as for hydroponics production, notably of tomatoes.

## 1.3 NATURAL DISASTER AND POLITICAL ENVIRONMENT

### i. Natural Disaster

On the 23rd of December 2010, the municipality experienced devastating storm, villages which were most affected include Qora, Ngxakaxa, Govan Mbeki township, Old Idutywa, Colosa, Chizele, Nyawra and Ludondolo. The damages and incidencies recorded are as follows:

- Four women were injured and approximately 50 houses were damaged in the Mbhashe area;
- In Idutywa municipal buildings, police offices and about 26 police vehicles were damaged in the storm;
- A 3-year-old girl was killed and her aunt injured when their house collapsed during the storm; and
- Man in the middle thirties lost a leg in the Idutywa area when a roof fell on him

The images captured are as follows:-



FIGURE 5: STORM DAMAGE



FIGURE 6: STORM DAMAGE



FIGURE 7: STORM DAMAGE



FIGURE 8: STORM DAMAGE

ii. **Political Environment**

Firstly, the period between June 2010 and July 2011, was characterised volatility, internal infighting court interdicts. Two section 57 managers and one of them was an acting Municipal Manager were both charged and subsequently suspended in connection with approval of tenders worth 28 million without complying fully with the Supply Chain Management legislation. Secondly, the Council resolved to request MEC for local government to deploy Adv. S. Sohena to act as a Municipal Manager for a period of 6 month and the request was successfully approved and implemented.

Thirdly, the Mayor Cllr. Mfecane was voted out based on allegations of substandard performance and she was subsequently replaced by the Dr. P. Dantyi. During April 2010 a special council was convened to suspend 12 Councillors for instigating to conspire to suspend certain Councillors including the Speaker through a petitioning.

## **4 EXECUTIVE SUMMARY**

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### **4.1 VISION STATEMENT**

“Provide quality and accessible services to her community and facilitate sustainable economic and social development through optimal utilization of her potential, and maximizing of opportunities for the creation of a better life in partnership with her community”.

### **4.2 BROAD/TERTIARY OBJECTIVES AND STRATEGIES**

The objectives and strategies relate to the targets for growth and development in the Eastern Cape for the period 2004-2014. These targets are listed as the following:-

- To maintain an economic growth rate of between 5% and 8% per annum;
- To have the unemployment rate by 2014;
- To reduce by between 60% and 80% the number of households living below the poverty line by 2014;
- To establish food self-sufficiency in the Province by 2014;
- To ensure Universal Primary Education (UPE) by 2014, with all children proceeding to the first exit point in the secondary education;
- To improve the literacy rate in the Province by 50% by 2014;
- To reduce by two-thirds the under-five mortality rate by 2014;
- To reduce by three quarters the maternal mortality rate by 2014;
- To halt and begin to reverse the spread of HIV/AIDS by 2014;
- To halt and begin to reverse the spread of tuberculosis by 2014;
- To provide clean water to all in the Province by 2014; and
- To eliminate sanitation problems by 2014.

### **4.3 SECONDARY OBJECTIVES AND STRATEGIES**

There are six Strategic Objectives which are key to the implementation of these targets. The key Strategic Objectives are described as follows:-

- Systematic poverty eradication through a holistic, integrated and multi-dimensional approach to pro poor programming;
- Agrarian transformation and strengthening household food security;
- Consolidation, development and diversification of the manufacturing base and tourism potential;
- Human Resource Development;
- Infrastructure Public Development; and
- Sector and Institutional Transformation.

#### **4.4 PRIMARY OBJECTIVES (STRUCTURED INTO 5 KPA'OF LOCAL GOVERNMENTS STRATEGIC AGENDA)**

##### ***KPA 1: Local Economic Development***

- Development of a vibrant Agricultural sector able to sustain itself towards 2014;
- To ensure comprehensive management of heritage resources;
- Creation of viable and sustainable enterprises able to increase economic growth rate by 6% in 3 years;
- Develop and market Mphashe as a tourist destination towards 2014;
- To develop and market Mphashe as an investment destination; and
- To create an environment conducive for business growth and development

##### ***KPA 2: Service Delivery***

- To ensure maximum and sustainable usage of land by 2014;
- To provide adequate housing to 75% of households by 2014;
- To provide adequate accommodation to needy municipal employees;
- To provide clean and safe municipal properties;
- To provide quality and trafficable road network throughout Mphashe by 2014;
- To provide the 3 units (towns) with adequate electrical services;
- To provide electricity to all wards;
- Enhance management of disasters within Mphashe;
- Provision of sporting facilities;
- Provide and extend the use of recreational facilities; and

##### ***KPA 3: Good Governance***

- To retain scarce skills in our area;
- To ensure compliance with legislation;
- Ensuring that all stakeholders participate in the municipality;
- Ensure integration of government programmes;
- Create conditions conducive for a healthy working environment;
- To ensure that an effective PMS is complied with and
- Create climate conducive to the workings of the council and councilors.

##### ***KPA 4: Financial Viability***

- To improve audit opinion;
- To have an effective Risk Management Strategy;
- Prepare budget according to circular 48;
- Ensure that the municipality is financially viable;
- Present fully GRAP compliant Annual Financial Statements; and
- Smooth running of IT & communication.

##### ***KPA 5: Municipal Transformation***

- Ensure proper demarcation of land;
- Ensure proper compliance with by-laws;
- To ensure the development of a credible IDP;

- Training, development & empowerment of staff;
- Development and capacity of the vulnerable groups; and
- Ensure that there are proper delegations in the municipality.

**PART TWO: KEY PERFORMANCE AREAS  
ACHIEVEMENTS REPORTS**

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## CHAPTER ONE: ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (KPA 1)

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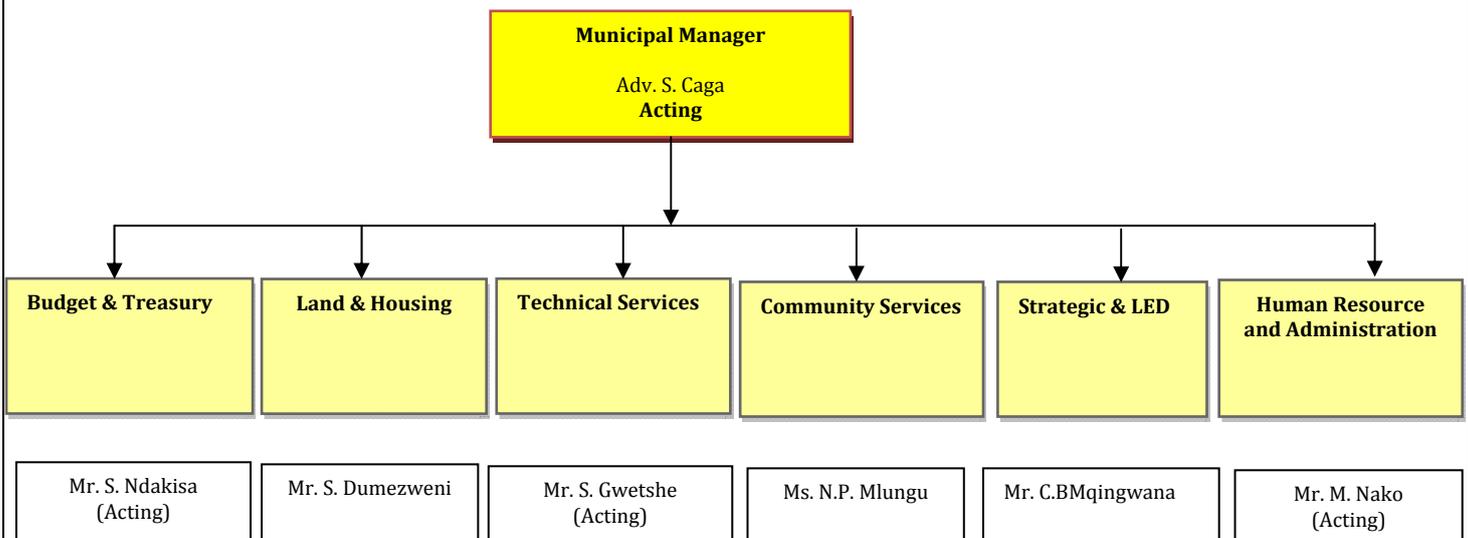
The municipality currently operates with a draft organogram and the municipality is in process of developing a new Organisational structure. The new organogram will be available in the new financial year.

The Municipality currently has 154 approved posts in the organogram. A process to review organogram is performed annually to cater for changing environment and constantly aligned with the IDP. The total number of filled positions is 154 out of 190 approved posts and 37 remained vacant.

Performance Agreements for the section 57 managers were signed towards the end of the financial year upon the arrival of Mr. S. Caga.

### 1.1 MANAGEMENT ORGANISATIONAL STRUCTURE

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## 1.2 HUMAN RESOURCES STATISTICS PER FUNCTIONAL AREA

### 1.3. A) Full Time Staff Complement per Functional Are

<b>EXECUTIVE MANAGEMENT</b>				
<b>NO</b>	<b>APPROVED POSITIONS</b>	<b>APPROVED AND BUDGETED POSITION</b>	<b>FILLED POSTS</b>	<b>VACANT POSTS</b>
1	Municipal Manager - S57	1	-	1
2	Human Resources and Administration Manager - S57	1	1	-
3	Chief Financial Officer - S57	1	1	-
4	Land and Housing Manager - S57	1	1	-
5.	Strategic/IDP Manager - S57	1	1	-
6.	Community Services Manager - 57	1	1	-
7	Technical Services Manager - S57	1	1	-
<b>TOTAL</b>		<b>7</b>	<b>6</b>	<b>1</b>

### Technical Department

<b>TECHNICAL SERVICES DEPARTMENT</b>				
<b>NO</b>	<b>APPROVED POSITIONS</b>	<b>APPROVED AND BUDGETED POSITION</b>	<b>FILLED POSTS</b>	<b>VACANT POSTS</b>
1	Technical Services Manager -57			
4	PMU Manager	1	1	
6.	Plant Operator	3	3	
7.	Roads Assistant	6	6	-
8.	Electrical Technician	1	-	1
11.	Roads Technician	2	2	
12.	Technician	1	-	1
13.	Finance and Administration Officer	1	1	
14.	Departmental Secretary	1	1	
15.	Roads Superintendent	1	1	
<b>TOTAL</b>		<b>17</b>	<b>15</b>	<b>2</b>

*Technical staff registered with professional bodies*

<b>TECHNICAL SERVICES</b>	<b>NO. OF TECHNICAL SERVICE MANAGERS</b>	<b>NO REGISTERED IN THE ACCREDITED PROFESSIONAL BODY</b>	<b>PENDING REGISTRATION CONFIRMATION IN THE ACCREDITED PROFESSIONAL BODY</b>	<b>NO. NOT YET REGISTERED IN THE ACCREDITED PROFESSIONAL BODY</b>
Technical Services Manager	1			
PMU Manager	1			

**Community Services**

<b>COMMUNITY SERVICES DEPARTMENT - TRAFFIC SECTION</b>				
<b>NO</b>	<b>APPROVED POSITIONS</b>	<b>APPROVED AND BUDGETED POSITION</b>	<b>FILLED POSTS</b>	<b>VACANT POSTS</b>
1.	Chief Traffic Officer	1	1	
2.	Traffic Officer - Testing	2	1	1
3.	Traffic Officer - Law Enforcement Supervisor	3	-	3
4.	Safety and Security Officer	1	-	1
5.	Grade L Examiner	1	1	-
6.	Traffic Warden	14	13	1
7.	E-Natis Clerk	1	1	-
8.	Departmental Secretary	1	1	-
<b>TOTAL</b>		<b>24</b>	<b>18</b>	<b>6</b>

**Community Services Department – Pound Section**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Pound Master	1	1	
2.	Pound Assistant	8	4	4
3.	Senior Community Services Officer	1	-	1
<b>TOTAL</b>		<b>10</b>	<b>5</b>	<b>5</b>

**Community Services Department – Waste Management Section**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Environmental Officer	1	-	1
2.	Driver/Supervisor	6	5	1
3.	Caretaker community hall	3	3	-
5.	Sports Field and Ground Assistant	4	-	4
4.	General Assistant	35	35	-
5.	Refuse Assistant	19	19	-
<b>TOTAL</b>		<b>68</b>	<b>62</b>	<b>6</b>

**Budget and Treasury Office**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Secretary	1	1	0
2	Budget Officer	1	1	0
<b>TOTAL</b>		<b>2</b>	<b>2</b>	<b>-</b>

**Budget and Treasury Office – Supply Chain Management Section**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1	Procurement Officer	1	1	-

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
2.	Asset Clerk	1	1	-
3.	Procurement Clerk (Buyer)	1	0	1
<b>TOTAL</b>		<b>3</b>	<b>2</b>	<b>1</b>

**Budget and Treasury Office – Revenue Management Section**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Revenue Accountant	1	1	-
2.	Indigent Support Officer	1		1
3.	Customer Care Clerk	1	1	-
5.	Billing Clerk	1	1	-
6.	Cashier	3	3	-
<b>TOTAL</b>		<b>7</b>	<b>6</b>	<b>1</b>

**Budget and Treasury Office – Expenditure Management Section**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Senior Accountant	1	1	-
2.	Expenditure Accountant	1	1	-
3.	Expenditure Controller	1	-	1
4.	Expenditure Clerk	1	1	-
<b>TOTAL</b>		<b>4</b>	<b>3</b>	<b>1</b>

**Budget and Treasury Office – Information and Communication Section**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
2.	ICT Technician	1	1	-
<b>TOTAL</b>		<b>1</b>	<b>1</b>	<b>-</b>

### Strategic Department

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Strategic/IDP/LED Manager	-	-	-
2.	IDP/LED Coordinator	1	1	-
3.	LED Officer – Tourism	1	1	-
4.	LED Officer – SMME	1	1	-
5.	LED Officer – Agriculture	1	1	-
6.	IDP/PMS Officer	1	-	1
7.	Departmental Secretary	1	1	-
<b>TOTAL</b>		<b>6</b>	<b>5</b>	<b>1</b>

### Land and Housing -

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Land and Housing Manager	1	-	-
2.	Senior Land and Housing Officer	1	1	-
3.	Housing Officer	1	1	-
4.	Officer – Land Use Management	1	-	1
5.	Property Clerk	1	1	-
6.	Departmental Secretary	1	1	-
<b>TOTAL</b>		<b>6</b>	<b>4</b>	<b>1</b>

### Human Resources and Administration – Human Resources Section

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	HR and Administration Manager	1	1	-
2.	Senior HR Officer	1	1	-
4.	HR and Admin Officer	1	1	-
6.	Payroll Officer	1	1	-
8.	Departmental Secretary	1	1	-
9.	Labour Relations Officer	1	-	1

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
	<b>TOTAL</b>	<b>6</b>	<b>5</b>	<b>1</b>

**Human Resources and Administration – Administration Section**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Administrator	1	-	1
2.	Unit Administrator	2	-	2
3.	Records Officer	1	1	-
4.	Records Clerk	1	-	1
5.	Committee Clerk	2	2	-
6.	Council Support Clerk	3	1	2
7.	Council Driver	1	1	-
8.	Messenger	2	2	
9.	Office Cleaner/Tea maker	9	8	1
	<b>TOTAL</b>	<b>22</b>	<b>15</b>	<b>7</b>

**Office of the Municipal Manager**

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
1.	Office Coordinator	1	1	-
2.	Compliance and Legal Officer	1	-	1
3.	Officer – SPU	1	1	-
4.	Communications Officer	1	1	-
5.	Principal Accountant	1	1	-
6.	Internal Auditor	1	-	1
10.	Secretary to MM	1	1	-
11.	Secretary to the Speaker	1	-	1
12.	Mayoral Driver	1	1	
12.	Driver for the Office of the Speaker	1	-	1

NO	APPROVED POSITIONS	APPROVED AND BUDGETED POSITION	FILLED POSTS	VACANT POSTS
13.	Secretary to the Mayor	1	1	-
<b>TOTAL</b>		<b>11</b>	<b>7</b>	<b>4</b>

### 1.3. B) Staff Level of Education and Skills

TOTAL NO. OF STAFF	NO. OF STAFF WITHOUT GRADE 12	NO. OF STAFF WITH SENIOR CERTIFICATE ONLY	NO. OF STAFF WITH TERTIARY/ACCREDITED PROFESSIONALS TRAINING
154	69	18	53

### 1.3. C) Trends on Total Personnel Expenditure

FINANCIAL YEARS	TOTAL NUMBER OF STAFF	TOTAL APPROVED BUDGET	PERSONNEL EXPENDITURE	VARIANCE	PERCENTAGE OF EXPENDITURE
2010 - 2011	154	R 41 442 000.00	R46 034 000.00		

### 1.3. D) List of Pension and Medical Aids to whom Employees Belong

PENSION FUND	
Names of Pension	No of Members
1.Eastern Cape Group Municipal Pension Fund	69
2. South African Municipal Workers Union  (SAMWU)National Provident Fund	59

MEDICAL AID	
Names of Medical Aid	No of Members
LA Health Medical Aid Scheme	14
Bonitas Medical Aid Scheme	19
SAMWUMED	08
Hosmed Medical Aid Scheme	27
Keyhealth Medical Aid Scheme	01

## 1.1 IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEMS (PMS)

The municipality reviewed the Performance Management Framework was adopted in March 2009. The process of implementation started with the signing of Performance Agreements by

the Municipal Manager and managers reporting to the Municipal Manager. The performance agreements were drawn after the SDBIP scorecards had been finalised, and the scorecards formed part of the performance agreements. Beyond the signing of performance agreements, the process of implementation of PMS could not take place.

There were challenges such as:-

- ♣ Cascading the PMS to lower levels of management;
- ♣ Quarterly reports were not prepared; and
- ♣ The municipality in the year under review did not have the Performance Audit Committees as a result assessments and performance reviews were not conducted. However, no performance bonuses were paid.

The municipality is preparing for the full implementation of the PMS by cascading PMS to all levels. The first step was the adoption of the Framework in March 2010. The SDBIP and the scorecards were drawn and the performance audit committees established.

#### **1.4 MAJOR CHALLENGES AND REMEDIAL ACTIONS IN REGARD TO HUMAN RESOURCE AND ORGANIZATIONAL MANAGEMENT**

Regarding the Human Resources and Organisational Management, the following are the main challenges:-

- ♣ There is no Human Resources Strategy;
- ♣ Salaries are very low and not attractive; and
- ♣ There is limited budget for salaries which leads to more vacancies.

Some of the remedial actions required involves:-

- ♣ Development of the Human Resources Strategy is required
- ♣ Development of the retention strategy is important
- ♣ There is a need to concentrate more on LED and increase rate of collection

**Training Initiatives for Staff and Councillors (01 July 2010 – 30 June 2011)**

**TRAINING INITIATIVES FOR THE PERIOD**

NO	NAME	ORGANISATION/INSTITUTION	TYPE OF TRAINING	AMOUNT
1.	S Gwentshe	Nmmu	Municipal Finance Mgt. Programme	R250.00 Per Day
2.	P.P Mhlonyane	Nmmu	Municipal Finance Mgt. Programme	R250.00 Per Day
3.	L Dlisani	Wits Business School	Cpmd	Funded By The Lgseta
		Spectacular Training & Conferences	International Financial Reporting Stds. Workshop	To Be Confirmed
		DBSA Vulindlela Academy	IDP Skills Programme	Funded By DBSA
		EC PROVINCIAL TREASURY	Budget & MFMA Returns Training	Funded By Treasury
4.	M Mtongana	Wits Business School	Cpmd	Funded By The Lgseta
5.	S Ndinisa	Uj	Dip. In Transport Mgt.	R8 860.00
		Unisa	Programme in Public Procurement and Supply Chain	To Be Confirmed
6.	S Baliso	Payday	Principals Of Payroll	R3 565.00
		To Confirm From IA	Performance Mgt. & Auditing	R5 700.00
7.	S Ndakisa	Payday	Principals Of Payroll	R3 565.00
		WITS BUSINESS SCHOOL	CPMD	Funded By The LGSETA
8.	S Gobinca	Payday	Principals Of Payroll	R3 565.00
9.	G Sityata	Payday	Principals Of Payroll	R3 565.00
			Basic Payroll For Hr	R1 409.00
			Leave Module	R2 818.00
			Hr Module	R1 409.00
		UFH	MPA Degree	R8 868.00
10.	N Booi	Payday	Principals Of Payroll	R3 565.00
		REGENESYS SCH. OF PUB. MGT.	LGAC	Funded By The LGSETA
11.	N Hanise	Payday	Basic Payroll For Hr	R1 409.00
			Leave Module	R2 818.00

NO	NAME	ORGANISATION/INSTITUTION	TYPE OF TRAINING	AMOUNT
			Hr Module	R1 409.00
		UNISA	B.Tech: HR Mgt.	R2 073.00
		Bonitas Medical Aid Scheme	Bonitas 2011 Product Training	Covered By Bonitas
12.	P Hillie	Unisa	Degree In Human & Social Sciences	R4 122.00
13.	M.Y Mbatu	Unisa	Degree In Human & Social Sciences	R4 122.00
14.	Z.E Mpitzelli	Spectacular Training & Conferences	International Financial Reporting Stds. Workshop	R17 077.00
		❖ <i>MANCOSA Mgt. College Of Southern Africa</i>	<i>B.Com: IT &amp; Mgt.</i>	<i>R10 250.00</i>
15.	S Ngxabi	E.C. Provincial Treasury	Budget & Mfma Returns Training	Funded By Treasury
		AFREC	Apply The Principles Of Budgeting Within The Municipality	
		To Confirm	IDP Assessor Training	Funded By The Dept.
16.	E.F Gegela	Regenesys Sch. Of Pub. Mgt.	Lgac	Funded By The Lgseta
17.	B.P Tshefu	E.C. Provincial Treasury	Budget & Mfma Returns Training	Funded By Treasury
18.	S Singeni	Wits Business Sch.	Cpmd	Funded By The Lgseta
19.	L Nondonga	Wits Business School	Cpmd	Funded By The Lgseta
20.	N Mkoko	The Content At Work Academy	Records Disposal Training	R2 500.00
		Sipuka Consulting	Archives & Records Mgt W/Shop	R6 990.00
21.	L. Dekeda	Nelson Mandela Metro Municipality	Aarto Training	R743.04
22.	L. Mbelani	Nelson Mandela Metro Municipality	Aarto Training	R743.04
23.	N. Menziwa	Nelson Mandela Metro Municipality	Aarto Training	R743.04
24.	M. Mlondleni	Nelson Mandela Metro Municipality	Aarto Training	R743.04
25.	X. Molosi	Nelson Mandela Metro Municipality	Aarto Training	R743.04
26.	B. Mphosi	Nelson Mandela Metro Municipality	Aarto Training	R743.04
27.	M. Siguba	Nelson Mandela Metro Municipality	Aarto Training	R743.04
28.	S. Mahamba	Nelson Mandela Metro Municipality	Aarto Training	R743.04
29.	S. Ngalo	Nelson Mandela Metro Municipality	Aarto Training	R743.04

NO	NAME	ORGANISATION/INSTITUTION	TYPE OF TRAINING	AMOUNT
30.	V.N. Mtambeka	Nelson Mandela Metro Municipality	Aarto Training	R743.04
31.	A. Mashece	Nelson Mandela Metro Municipality	Aarto Training	R743.04
32.	Z.O. Tetyana	Nelson Mandela Metro Municipality	Aarto Training	R743.04
33.	E. Ndamase	Nelson Mandela Metro Municipality	Aarto Training	R743.04
34.	K. Matshetu	Nelson Mandela Metro Municipality	Aarto Training	R743.04
35.	L. Gada	Laurie Shaw Consulting & Ito Focus	Programme In Municipal Housing Mgt.	Funded By Human Settlement Dept.
36.	A. Nqanda	Laurie Shaw Consulting & Ito Focus	Programme In Municipal Housing Mgt.	Funded By Human Settlement Dept.
		Rantsane Mario Training Solutions	Improving Workplace Mgt. Skills	R5 812.86
37.	C. L. Makonza	South African Value Education	Labour Intensive Construction Training	R5 700.00
38.	T. Masangwana	South African Value Education	Labour Intensive Construction Training	R5 700.00
39.	L. Danisa	Ccs It Training College	Icdl Course	
40.	S. Gada	Nmmu	Practical Labour Law Programme	
41.	M. Njomana	WSU	Nd: Public Mgt.	R5 530.00
42.	N. Sihlahla	Dplg & Ta	Presidential Hotline Training	Funded By The Dept.
		Oxbridge Academy	Dip. In Public Admin.	R11 220.00
43.	S. Klaas	Institute Of Waste Mgt. Of Southern Africa	Waste Mgt. Training	To Be Confirmed
44.	M. Mbendeni	Institute Of Waste Mgt. Of Southern Africa	Waste Mgt. Training	To Be Confirmed
45.	M. Mazizi	Institute Of Waste Mgt. Of Southern Africa	Waste Mgt. Training	To Be Confirmed
46.	Y. Sixhaso	Institute Of Waste Mgt. Of Southern Africa	Waste Mgt. Training	To Be Confirmed
47.	K. Rulumente	Institute Of Waste Mgt. Of Southern Africa	Waste Mgt. Training	To Be Confirmed
48.	S. Manzi	Regenesys Sch. Of Pub. Mgt.	Lgac	Funded By The Lgseta
49.	V Ndayi	Regenesys Sch. Of Pub. Mgt.	Lgac	Funded By The Lgseta
50.	H.S Ndikinda	Regenesys Sch. Of Pub. Mgt.	Lgac	Funded By The Lgseta

NO	NAME	ORGANISATION/INSTITUTION	TYPE OF TRAINING	AMOUNT
51.	All Cllrs Elected And Sworn In On 02/02/11	Ddn Consulting	Councillors Induction Programme	R85 000.68 & R85 336.80
52.	Cllr. Tyhali	SALGA	LED Assessment Tool Training	Funded By SALGA
53.	EXCO Members And All Managers	Qabuka-Vuka Trading Consultant	Leadership Skills For Executives	R169 780.00
54.	Cllr. Tshwila	Gcns Communications	Intro. To Computer Literacy	R199 956.00
55.	Cllr. Khwakhwi	Gcns Communications	Intro. To Computer Literacy	R199 956.00
56.	Cllr. Willie	Gcns Communications	Intro. To Computer Literacy	R199 956.00
57.	Cllr. Jinoyi	Gcns Communications	Intro. To Computer Literacy	R199 956.00
58.	Cllr. Jamnda	Gcns Communications	Intro. To Computer Literacy	R199 956.00
59.	Cllr Ndaule	Gcns Communications	Intro. To Computer Literacy	R199 956.00
60.	Cllr. Magoda	Gcns Communications	Intro. To Computer Literacy	R199 956.00
61.	Cllr. Matshandana	Gcns Communications	Intro. To Computer Literacy	R199 956.00
62.	Cllr. Mlungu	Gcns Communications	Intro. To Computer Literacy	R199 956.00
63.	Cllr. Voyi	Gcns Communications	Intro. To Computer Literacy	R199 956.00
64.	Cllr. Madingana	Ufh	Certificate In Lg Law & Admin.	To Be Confirmed
65.	Cllr. Nyalambisa	Ufh	Certificate In Lg Law & Admin.	To Be Confirmed
66.	Cllr. Mfecane	Ufh	Certificate In Lg Law & Admin.	To Be Confirmed
67.	Qatywa Community	Khanyisa Ntsimbi Project	Sewing Training	R15 400.00
			PRINTING & BRANDING	R15 400.00
68.	8.2 Learner – A Siwendu	Nmmu	Nd: Civil Eng.	R44 962.00
69.	M. Nako	Univ. Of Pretoria	Mfpm Training	Funded By Salga
		To Confirm	IDP Assessor Training	Funded By The Dept.
70.	N.P. Mlungu	Rhodes University	Cbnrm Course – Environ. Health, Greening & Beautification	R5 800.00
71.	P. Nketshe	Sipuka Consulting	Archives & Records Mgt. W/Shop	R6 990.00
72.	28 Cllrs. Invited To Attend	Masabisa Mgt. Consultant	Basic Project Mgt. Training	R189 980.00

<b>NO</b>	<b>NAME</b>	<b>ORGANISATION/INSTITUTION</b>	<b>TYPE OF TRAINING</b>	<b>AMOUNT</b>
	Training Incl. Exco Members			
73.	X.G Ntsikilana	Lgta	Customer Care Training	Funded By The Dept.
		Office In The Presidency	Presidential Hotline Training	Funded By The Dept.
74.	C.B. Mqingwana	Wits Business Sch.	Cpmd	R10 000.00
75.	S. Dyasi	Rantsane Mario Training Solutions	Improving Workplace Mgt. Skills	R5 812.86
76.	M. Sogula	Rantsane Mario Training Solutions	Improving Workplace Mgt. Skills	R5 812.86
77.	S. Caga	Africa Governance Transformation	Ilgm/Agt Training	R2 616.00
78.	25 Cllrs. Incl. Exco Members	Modikai Trading	Intermediate Project Mgt. - Computer Course	R194 550.00

## CHAPTER TWO: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

### 2.1 WATER SERVICES

The Mgwali Water Supply Project started in August 2010 with target of completion by July 2011 will be the main supply of water to Dutywa .The Mbashe North Water Supply scheme is also underway and will complement this one on completion. The completion of Mgwali Water Supply project will ease water supply situation of Dutywa Town and surrounding villages. The completion of the other projects will further ease water supply situation of Dutywa Town and surrounding villages.

On Quality of Life, Mbashe emerges as the most underdeveloped in the Province with the lowest level of access to water services (see table 1), below average access to clinics and very limited access to electricity, sanitation, and refuse services. By contrast, Mbashe fares well on access to adequate shelter and reflect above Provincial average access to schools.

Table a) Access to Water by Households

DESCRIPTION	HOUSEHOLDS
Dwelling	1 504
Inside Yard	3 020
Piped from access point outside yard	10 223
Borehole	1 081
Spring	873
Rain tank	4 172
Dam/Pool/Stagnant water	158
River/Stream	38 172
Water Vendor	412
Other	89
<b>TOTAL</b>	<b>59 704</b>

TABLE 3: ACCESS TO WATER BY HOUSEHOLDS

✓ **Levels and standards in water services**

NO	INDICATOR NAME	NO OF HH EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET	NUMBER OF HH REACHED	PERCENTAGE ACHIEVED
1	Percentage of households with access to potable water	18	125000	42000	8000	
2	Percentage of indigent households with access to free basic potable water	11	52000	30000	10 000	
4	Percentage of clinics with access to potable water	10	28	6	988,281	
5	Percentage of schools with access to potable water	3	363	0		
6	Percentage of households using buckets	13	6000	2500	1000	

*TABLE 3: ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN WATER SERVICES*

## 2.2 ELECTRICITY SERVICES

✓ **Electricity services delivery strategy and main role-players**

The main role-players with regard to electrification are the following:-

- ♣ Mbhashe Municipality;
- ♣ Eskom; and
- ♣ Department of Minerals and Energy.

The municipality's role with regard to electricity is only the prioritization of areas to be electrified as required in terms of the IDP and the municipality's development objectives and priorities.

✓ **Level and standards in electricity services**

The municipality area has a very huge backlog in electricity provision; about 50% of Mphashe households do not have access to electricity. About 3000 households were targeted during the 2010/2011 financial year but due to Eskom's challenges, Eskom only managed to continue with the targets set for 2009/2010.

Only Eskom is the sole provider of electricity and the municipality is not capable to provide electricity in her capacity.

NO	INDICATOR NAME	NO OF HH EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET	NUMBER OF HH REACHED	PERCENTAGE ACHIEVED
1	Percentage of households with access to electricity services	13	50 000	15000	8000	
2	Percentage of indigent households with access to basic electricity services	10	38000	12000	5000	
4	Percentage of indigent households with access to free alternative energy sources	4	15000	4000	2500	

**TABLE 4: ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATOR IN ELECTRICITY INDICATOR**

✓ **Major challenges in electricity services and remedial actions**

Challenges regarding the provision of electricity relates to the one that is provided by DME through the municipality. This has affected the provision of late transfer of the funds by the Department of Energy resulted in the delay of the project starting. The first transfer was done end of year just before the Annual industrial shut down. The project officially started in mid-January 2010.

Remedial actions are as follows:

Extra resources and man power had to be deployed on site in order to bring the project back to schedule.

### 2.3 SANITATION

There is a major concern with respect to access to sanitation. There has been an increase from 73.8% to 74.2% of households having no access to proper sanitation. There has been an increase in the number of VIP Toilets from 5.8% to 14.2% however, this has had limited impact on improving the quality of life of the population of Mbhashe, and a concerted effort needs to be made to address this.

#### ✓ Level and standards in sanitation services

NO	INDICATOR NAME	NO OF HH EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET	NUMBER OF HH REACHED	PERCENTAGE ACHIEVED
1	Percentage of households with access to sanitation services	15	40 000	14000		
2	Percentage of indigent households with access to free basic sanitation services	6	8500	8500	3000	
4	Percentage of clinics with access to sanitation services	44	28	6	988,281	

5	Percentage of schools with access to sanitation services	3	363	0		
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**TABLE 4: ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN SANITATION SERVICES**

✓ **Access to Sanitation**

DESCRIPTION	HOUSEHOLDS
Flush Toilet	1 520
Flush Septic tank	1136
Chemical toilet	518
VIP	1 566
Pit latrine	8 480
Bucket latrine	174
Dry Toilet facility	1 982
None	44 328
<b>TOTAL</b>	<b>59 704</b>

## 2.4 ROAD AND ROAD MAINTENANCE

Road and road maintenance is the responsibility of technical Services department. This department is responsible for development and/ or operation & maintenance of basic services relevant to municipal infrastructure within the Mbashe Local Municipality Area. The infrastructure includes,

- ♣ Internal (Access) Roads;
- ♣ Offices and Community Services Buildings;
- ♣ LED and Community Services Infrastructure;

- ♣ Electricity – Street Lighting for Towns;
- ♣ Maintaining Liaison with the Amatole District Municipality for Water, Sanitation and Sewerage; with Eskom for electricity and Department of Roads and Public Works for provincial roads and EPWP.

✓ **High level Allocations and expenditure**

2010-2011	Allocation:	R 27 280 000,00
2010-2011	Transfer:	R 27 280 000,00
Feb-11	Expenditure:	R 2 499 015,62
2010-2011	Expenditure:	R 28 870 267,73
Total Expenditure % to Allocation:		106%
Total Expenditure % to Transfer:		106%
Balance of Allocation:		-1 590 267,73
Balance of Transfer:		-1 590 267,73

## 2.5 Mig Projects Status

The summary of the implementation processes is given hereunder. (three year plan)

<b>Summary Status (Physical):</b>	<b>As of</b>	<b>31-Oct-11</b>	<b>Target</b>	<b>Achieved</b>	<b>Flag</b>
a. Submission of Business Plan - MIG 1 to MIG-MIS			47	44	
b. Approval of Business Plan - MIG 1			47	44	
c. Appointment of Professional Service Provider			34	40	
d. Designing and Tender Documentation			34	33	
e. Construction Tender Award and Contractor at Site			34	28	
f. Construction Completed/ Certified Practical Completion			18	17	
g. Certified Final Completion/ Final Payment & Retention			18	-	
<b>TOTAL PROJECT UNDER 3 - YEAR PLAN incl. Backlog</b>			<b>57</b>		

TABLE 5: STATUS OF IMPLEMENTATION PROCESSES OF 2010 - 13 PROJECTS

**Flag:** 100% or More; >= 80% but < 100%; < 80%

✓ **Road maintenance services delivery strategy and main role-players**

The role of the Municipality with regards to road maintenance is to

- ♣ Provide Mbhashe residents with the realistic expectations on service levels concerning road infrastructure;
- ♣ To ensure that minimum standards of maintenance are adhered to;
- ♣ To look for external resources in augmenting the limited resources of the Municipality in maintaining the infrastructure and
- ♣ To maintain the road network on a yearly basis.

✓ **Basic service Delivery Projects**

**Road Construction**

<b>UNIT/DIVISION</b>	Technical Services
<b>ACCOUNTABLE OFFICIAL</b>	S. Gwentshe
<b>KPA</b>	Service Delivery
<b>PRIORITY AREA</b>	Roads
<b>OBJECTIVE</b>	To provide quality and trafficable road network throughout Mbhashe by 2014
<b>PERFORMANCE</b>	

<b>STRATEGY</b>	<b>KPI</b>	<b>PROJECTS</b>	<b>TARGET/(ALLOCATION)</b>	<b>ACTUAL/(EXPENDITURE)</b>	<b>VARIANCE (BALANCE)</b>
Construction of new roads	No. of roads constructed	<b>Backlogs: 2009-10 and previous</b>			
		Msikithi Access Road, Ward 08 Ph II	1 (R3,382,489.44)	On Phase II Construction 80% (R 2,710,627.65)	20% (R 671,861.79)
		Surfacing of Willowvale Streets Phase 4	1 (R 1,000,000.00)	(10%) (R 685,707.53) Cancelled contract due to non-performance, additional funding has been approved.	(90%) (R 314,292.47)
		Store Room for Wool & Wool washing plant	1 (R 700,000.00)	15% (R 94,627.33)	85% (R 605,372.67)
		Market/ Hawker Centre, Willowvale	1 (R 1,200,000.00)	At adjudication (R 149,875.56)	1 (R 1,050,124.44)
		Visitor Information Centre, Dutywa	1 (R 650,000.00)	At bid evaluation (R 74,901.20 )	1 (R 575,098.80)
		Hawker Stalls,	1	At adjudication	1

<b>STRATEGY</b>	<b>KPI</b>	<b>PROJECTS</b>	<b>TARGET/(ALLOCATION)</b>	<b>ACTUAL/(EXPENDITURE)</b>	<b>VARIANCE (BALANCE)</b>
		Dutywa	(R 1,200,000.00)	(R 187,528.70)	(R 1,012,471.30)
		Vegetable processing plants	1 (R 650,000.00)	On hold, insufficient Funds (R 62,049.20)	1 (R 587,950.80)
		Elliotdale-Walter Sisulu Access Road	1 (R 450,000.00)	1 completed (R 444,600.00)	Nil (R 5,400.00)
		Renovation of Elliotdale Town Hall	1 (R 1,122,273.00)	1 completed (R 1,093,127.24)	Nil (R 29,145.76)
		Upper Nywarha to Upper Nkume Access Road	1 (R 3,086,328.63)	1 completed (R 2,741,910.90)	Nil (R 344,417.73)
		Nonyeza to Xanasi Access Road	1 (R 3,921,012.67)	1 completed (R 3,611,898.88)	Nil (R 309,113.79)
		Bulungula Access Road	1 (R 3,657,246.75)	1 Completed (R 2,830,772.55)	Nil (R 826,474.20)
		Ward 2 Community Hall	1 (R 2,005,980.00)	40% (R 100,819.46)	60% (R 1,905,160.54)
		Ward 19 Community Hall	1 (R 2,005,980.00)	85% (R 480,192.65)	15% (R 1,525,787.35)
		Ward 20 Community Hall	1 (R 2,005,980.00)	1 Completed (R 181,593.09)	Nil (R 1,824,386.91)
		Ward 6 Community Hall	1 (R 1,500,000.00)	90% (R 574,226.58)	10% (R 925,773.42)
		Ward 7 Community Hall	1 (R 1,500,000.00)	90% (R 186,769.87)	10% (R 1,313,230.13)
		Ward 18 Community Hall	1 (R 1,508,000.00)	At adjudication (R 163,749.60)	1 (R 1,344,250.40)
		Ward 4 Sports Ground	1 (R 1,527,264.61)	1 Completed (R 1,047,491.08)	Nil (R 479,773.53)
		Ward 21 Sports Ground	1 (R 1,675,858.60)	70% Complete (R 1,460,526.44)	30% (R 215,332.16)
		Ward 22 (previously W-26) Sports Ground	1 (R 1,524,030.71)	80% Complete (R 1,155,383.64)	20% (R 368,647.07)
		Laphumilanga Swing Bridge	-	Yet to appoint Consultants	

<b>STRATEGY</b>	<b>KPI</b>	<b>PROJECTS</b>	<b>TARGET/(ALLOCATION)</b>	<b>ACTUAL/(EXPENDITURE)</b>	<b>VARIANCE (BALANCE)</b>
		Cwebe Swing Bridge	-	Yet to appoint Consultants	
		Willowvale Swing Bridge	-	Yet to appoint Consultants	
		Gwadu Multipurpose Centre	1 (R 6,479,361.00)	MIG 1 awaiting approval (R - Nil)	-
		<b>2010/11 Projects</b>			
		Mhlohlozi Internal Road (Access Road)	1 (R 2,508,646.53)	1 Completed (R 2,402,345.48)	Nil (R 106,301.05)
		Matanzima to Dadamba Access Road	1 (R 2,209,769.24)	1 Completed (R 1,762,222.79)	Nil (R 447,546.45)
		Sirhosheni Access Road	1 (R 3,223,918.70)	1 Completed (R 2,690,046.81)	Nil (R 533,871.89)
		Vulithuba Access Road	1 (R 3,322,359.81)	1 Completed (R 2,100,410.95)	Nil (R 1,221,948.86)
		Qakazana Access Road	1 (R 1,531,668.27)	1 Completed (R 1,238,584.43)	Nil (R 293,083.84)
		Hlakothi-Ntsimbakazi Access Road	1 (R 3,909,630.00)	1 Completed (R 3,139,363.35)	Nil (R 770,266.65)

### Road Maintenance

<b>UNIT/DIVISION</b>	Technical Services				
<b>ACCOUNTABLE OFFICIAL</b>	S. Gwentshe				
<b>KPA</b>	Service Delivery				
<b>PRIORITY AREA</b>	Roads				
<b>OBJECTIVE</b>	To provide quality and trafficable road network throughout Mbashe by 2014				
<b>PERFORMANCE</b>					
<b>STRATEGY</b>	<b>KPI</b>	<b>PROJECTS</b>	<b>TARGET/(ALLOCATION)</b>	<b>ACTUAL/(EXPENDITURE)</b>	<b>VARIANCE (BALANCE)</b>
Maintain the existing Road net works	Kms. of road maintained	Total (All Projects)	1,250.00 Kms. (R 3,803,720.00)	161.69 Kms. (R 3,781,462.00)	1,088.31 Kms. (R 22,258.00)
		Maintenance of Access Roads using in-house resources	-	98.41 Kms	Nil
		Maintenance of Gravel streets- Outsourced	30.00 Kms. (in total)	60.80 Kms	Nil
		Maintenance of Surfaced Roads using In-house resources	2.64 Kms. (in Total)	2.48 Kms.	0.16 Kms.
		Maintenance of approach roads to voting stations – DPLG Funded	297.40 Kms. (R 2,000,000.00)	297.40 (R 2,000,000.00)	Nil (-)

### Electricity Maintenance

<b>UNIT/DIVISION</b>	Technical Services				
<b>ACCOUNTABLE OFFICIAL</b>	S. Gwentshe				
<b>KPA</b>	Service Delivery				
<b>PRIORITY AREA</b>	Electricity				
<b>OBJECTIVE</b>	To provide the three units (towns) with adequate electrical services				
<b>PERFORMANCE</b>					
<b>STRATEGY</b>	<b>KPI</b>	<b>PROJECTS</b>	<b>TARGET/(ALLOCATION)</b>	<b>ACTUAL/(EXPENDITURE)</b>	<b>VARIANCE (BALANCE)</b>
Maintain the street lights in the three units	No. of streets with adequate street lights	In-house routine maintenance	All (R 530,000.00)	All (R 590,000.00)	- (-R 60,000.00) Done a Virement
Apply more funding to DME	No. of households connected	Shixini electrification programme	1,000 (R 10,000,00.00)	714 (R 10,000,000.00)	286 (-)

### ✓ Level and standards in road maintenance services

NO	INDICATOR NAME	NO OF HH EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET	NUMBER OF HH REACHED	PERCENTAGE ACHIEVED
1	Percentage of households without access to gravel or graded roads	80	48 000	6600	6600	100
2	Percentage of road infrastructure requiring upgrade	75	900km	150km	7500	-

3	Percentage of planned new road infrastructure actually constructed	25	300km	150km	7500	100
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	03	1164km	150km	7500	-

**TABLE 6: ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN ROAD MAINTENANCE SERVICES**

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

The main challenges are as follows:

- ♣ Lack of equipment; and
- ♣ Lack of financial resources.

Currently the Municipality has approached the department of roads and public works for funding; a service level agreement is due to signed shortly in this regard.

✓ **Service delivery Backlogs**

Basic service delivery area	30 June 2010			30 June 2011		
	Required	Budgeted	Actual	required	budgeted	Actual
DOE AND ESKOM ( 3592)						
<b>Electricity backlogs (30KWH/month)</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	R 50m and R 63m (eskom)	R10m and R 63 m (eskom)	R 10m R 63m	R 40m -	R0.00 -	R0.00 -

<b>Basic service delivery area</b>	<b>30 June 2010</b>			<b>30 June 2011</b>		
<b>DOE AND ESKOM ( 3592)</b>						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)	R 22m	R 0.00	R 0.00	R 22m	R10m	R10m
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)	R 72m	R 10m	R 10m	R 62m	R10m	R10m
Spending on maintenance to ensure no new backlogs (R000)	R 2m	R 500 000	R 500 000	R 1m	R500 000	R500 000
<b>Road maintenance backlogs</b>						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)	R 334.40m (CIP 2009)	R 23.46m (MIG)	R 23.46m (MIG)	R 310.94m	R 27.28m (MIG)	R 27.28m (MIG)
Spending on renewal of existing infrastructure to eliminate backlog (R000)	Incl. above					

Basic service delivery area DOE AND ESKOM ( 3592)	30 June 2010			30 June 2011		
	Total spending to eliminate backlogs (R000)	R 334.40m (CIP 2009)	R 23.46m (MIG)	R 23.46m (MIG)	R 310.94m	R 27.28m (MIG)
Spending on maintenance to ensure no new backlogs (R000)	-	-	-	-	-	-

## 2.5 WASTE MANAGEMENT

Mbhashe municipal refuse removal operates within the urban areas of the three towns of Dutywa, Willowvale and Elliotdale and the major focus is on general waste minimization and reduction. These towns are in Ward 1, 13 and 25.

Trucks are used to collect and dispose waste with five refuse assistants in each truck with each driver also employed as a supervisor for the team.

### ✓ Idutywa - Ward 1

The municipality operates with a team of 36 people including 8 supervisors. They are using two trucks that are currently old and costly for maintenance. This area does not have a licensed disposal site and is currently using an illegal less protected dump site that is a health hazard. For refuse reduction a company called Cholakonke Recylers has secured funding from Buyisa e-bag and has started collecting already.

Environmental Affairs has contributed R5m towards cleaning and beautification of Dutywa town and has employed 74 people with 66 people responsible for 1,2km area along the N2 and 2,1km area on R408 route.

Funding for rehabilitation of the dump site remains a challenge.

### ✓ Elliotdale - Ward 13

Elliotdale has a licensed landfill site that has started operating , but the dumpsite that was previously used for disposal is not fenced and needs urgent attention the municipality has no budget for rehabilitation but an amount of R100 000,00 that is going to be spent on fencing the area so that it is not easily accessible to animals and scavengers.

A tractor drawn trailer is used to dispose waste to the landfill site .The area is also troubled by aging sewerage pipes from septic tanks in town that ends up running into the Xhora river which runs to the sea with many people in the rural areas drinking from the river. Alien plant species ranging from gum trees, lantanas, wattles and other aliens have invaded the area and need to be eradicated for cleaner environment.

Stray animals from neighbouring villages are challenges more rangers and a high quality pound yard with all pound facilities could reduce the trespassing of livestock. There are no recycling projects taking place except for isolated cases of illegal scavenging.

✓ **Willowvale - Ward 25**

Willowvale town currently use an open veld for waste disposal and is not protected. A R250 000 project funded by ADM is busy with construction of a transfer station for the area and has been promised completion soon. Rehabilitation of the dumping site will remain a challenge for the municipality. The area is cleaned by 14 general assistants with one truck.

The biggest challenge in the area is alien trees all over town and an amount of R300000, 00 has been put aside into the municipal IDP but will not make a big difference.

✓ **Level and standards in waste management services**

NO	INDICATOR NAME	NO OF HH EXPECTED TO BENEFIT	ESTIMATED BACKLOGS	TARGET	NUMBER OF HH REACHED	PERCENTAGE ACHIEVED
1	Percentage of households with access to refuse removal services					

**TABLE 7: ANNUAL PERFORMANCE AS PER KEY PERFORMANCEINDICATORS IN WASTE MANAGEMENT**

✓ **Major challenges in Waste Management Services and remedial actions**

– **Infrastructure**

<b>CHALLENGES</b>	<b>REMEDIAL ACTION</b>
Illegal dump sites	Fund raising for rehabilitation of dumping sites & construction & completion of Willowvale & Dutywa transfer stations.
Motor vehicles and trucks are old and Costing on maintenance	Budgeting for new fleet

– **Education and Awareness**

<b>CHALLENGES</b>	<b>REMEDIAL ACTION</b>
Local people not aware of their responsibility of a healthy and clean environment	More clean up awareness campaign
Difficult to recruit people with waste related qualifications	Introduce waste related learnerships and other initiatives

## **2.6 HOUSING AND TOWN PLANNING**

Housing section's goal is to establish and maintain adequate shelter and sustainable residential environment and communities of Mbashe Local Municipality as constitutional requirement and also provide other amenities i.e. access to clean water, sanitation, electricity, roads and other amenities. In terms of sec 26 of the Constitution of the Republic of South Africa, everyone has the right to have access to adequate housing.

According to the Housing Act 107 of 1997 Section 8 (1) (f), every municipality must, as part of the municipality's process of IDP, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction.

✓ **Functions of the Municipality are the following:**

**A. Housing Section**

- ♣ Identify beneficiaries;
- ♣ Identification of land (as per Housing Sector Plan in the IDP);
- ♣ Prioritise projects;
- ♣ The Municipality plays the role of the developers that is, the developers submits a project application to the MEC making use of procurement documents, agreements, and /or contracts when applying for the project and the implementation thereof;
- ♣ The Municipality undertakes all planning and project activities;
- ♣ May select service providers with the Provincial Department of Human Settlement;
- ♣ May be service providers, provided that they have the obligatory capacity as defined in the capacity model developed by the Prov. Dept;
- ♣ Approve Engineering Designs with the Department;
- ♣ And any other role determined by the MEC and a Municipality;
- ♣ Rectification of RDP houses.

**B. Municipal Property Management**

**C. Property valuations**

- ♣ General property valuations;
- ♣ Supplementary valuations;
- ♣ Administration of valuation roll;

**D. Spatial Planning**

- ♣ Town Planning;
- ♣ Land audit;
- ♣ Surveys
- ♣ Zoning and consolidations;

- ♣ Building regulations and controls;
- ♣ Building inspection, building plans and building plans approval;
- ♣ Shared function with ADM

**E. Land Alienation**

- ♣ Land sales management; and
- ♣ Lease agreement management

✓ **Stakeholders Involved In Housing Development**

- ♣ Beneficiaries;
- ♣ Mbhashe Local Municipality (act as a developer);
- ♣ Amathole District Municipality ( assisting the MLM in the construction of services);
- ♣ Funders (e.g. Provincial Department of Human Settlement, implementation partners, relevant government departments (e.g Dept. of Water Affairs, Strategic partners i.e. Teba Development for contract management and Development Bank of South Africa as implementing agent on Rural Housing project in Elliotdale);
- ♣ Professional teams (Town Planners, Engineering Consultants, Land Surveyors, Project Managers);
- ♣ Municipal councilors;
- ♣ Traditional leaders and
- ♣ Community Development Workers.

✓ **Level and standards in Housing and town planning services**

NO	INDICATOR NAME	NO OF HH EXPECTED TO BENEFIT	ESTIMATE D BACKLOGS	TARGET	NUMBER OF HH REACHED	PERCENTAGE ACHIEVED
1	Percentage of households living in informal settlements	8 505	8 505			
2	Percentage of informal settlements that have					

	been provided with basic services					
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	7 853	23000	200	200	

**TABLE 8: ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN HOUSING AND TOWN PLANNING**

✓ **Major challenges in housing and town planning services**

- ♣ Poor workmanship and product of emerging contractors
- ♣ Low quality of completed units and the large number of incomplete housing units
- ♣ Lack of serviced land
- ♣ Death of beneficiaries before occupying their houses
- ♣ Insufficient integration of efforts among the different spheres of Government and among the various departments within the local authority.
- ♣ Unresolved land issues
- ♣ The housing backlog
- ♣ Lack of funds for bulk infrastructure
- ♣ Lack of staff capacity
- ♣ The Emerging Contractors (Local Builders) who were utilized in old projects lacked capacity and thus resulted in delays as well as slow production rate.
- ♣ Local Builders were not interested to work for the old projects due to low budget margin. The Municipality found it difficult to complete the blocked projects within a given time as they had to depend on learner builders in the area who did not have much building knowledge.

✓ **Remedial Actions**

- ♣ Municipalities are attacked with policies, legislation, goals. Objectives and strategies that can be overwhelming and difficult to interpret and implement. Therefore, municipal housing staff members should be supported as much as possible through capacity building and support.
- ♣ Political interference must be minimised and even ruled out.
- ♣ Staff capacity should be enhanced by means of education, training and mentoring.
- ♣ Delivery must be speeded up in order to achieve the quantity and quality delivery targets and improve people's quality of life and dignity

## **2.7 SPATIAL PLANNING (Preparation and approval process of SDF)**

Spatial planning aims to positively shape the way any city develops in space into the future. It includes the preparation of plans that will guide the physical development of that particular city (where, what and when). Spatial plans are used to assess applications submitted by property developers. They also guide changes in land-use rights and guide public investment in infrastructure. Spatial plans do not however, give or take away land use rights.

The implementation of these plans relies on partnerships between the private sector, communities and other spheres of government. A SDF is therefore a useful and effective tool with which to manage and monitor growth and development in the city, and informs investors about what they are 'buying' and where development opportunities exist in the short and longer term.

It will offer predictability, as once it has been approved by the full Council and the Provincial Government; it will be the basis on which the officials decide on new development proposals.

The SDF plan is to fulfill the following:

- ♣ Direct decision-making that may impact on the Municipal area;
- ♣ Direct development investment to areas that would ensure the most sustainable return of investment;
- ♣ Guide development in a spatially efficient way, ensuring linkage and alignment to regional and national development policies and programmes;
- ♣ In response to specific trends and dynamics, direct investment to areas of greatest potential and to target areas of greatest need so as to promote economic growth and alleviate poverty;

- ♣ Ensure improved linkages within Mbhashe and beyond its boundaries to stimulate effective and sustainable integrated development; and
- ♣ Protect natural systems in Mbhashe.

## **2.8 LAND USE MANAGEMENT**

### **✓ Rezoning**

The department of land and housing has embarked on a process of finalizing the land use regulation document by means of a proper land use zones. This project will help minimizing the illegal use zones as per individual erven. Rezoning is processed using Transkei Standard Town Planning Scheme – 1984.

Plans have been adopted by Mbhashe Council. They will be published in the Government Gazette whereafter they will be enforced.

### **✓ Removal of Restrictive Conditions**

Where necessary conditions on any title deed are being removed in terms of the relevant Act

## **2.8 TOWNSHIP ESTABLISHMENTS**

The municipality has processed a number of applications for the township establishment for various areas. We have exercised all legislations for this kind of development such:

1. Development facilitation Act – 67 / 1995
2. Less Formal Township Establishment Act – 113 / 1991
3. Townships Ordinance – 33 / 1934

### **✓ Subdivisions**

The department is currently busy with the surveying of all land that has not been surveyed. The objective is to allocate the Erf number to all municipal owned land and to regulate illegal demarcation of Municipal commonage. Land is subdivided using Townships Ordinance – 33 / 1934

### **✓ Major challenges in spatial planning services**

**Challenge:**

- ♣ Lack of detailed spatial plans to direct future development of priority development areas.

✓ **Remedial action:**

- ♣ Secure funding to undertake detailed spatial plans for other priority areas in Mbhashe. Secure funding to undertake detailed spatial plans for other priority areas in Mbhashe.

## **2.8 INDIGENT POLICY IMPLEMENTATION**

The municipality has adopted a policy on indigent after consultations have been made with relevant stakeholders. The municipality is implementing the indigent policy by provision minimum electricity required to the needy households. With the areas where there's no electricity the policy makes a provision for the distribution of alternative energy. The council agreed that the alternative energy that is mostly used by households in the area is paraffin and wood and therefore paraffin must be the one provided to households.

To implement the policy, the indigent register that is supplied by the ward councillors to the municipality is used to get the recipients. In most cases, the list is not authentic and does not reflect the correct beneficiaries but had to rely on it as there is no method fair enough to have the list. Most of the time, this has caused confusion, chaos and created squabbles and tensions amongst the people.

A new strategy which will involve the department of Social Development will be derived in the coming year.



## CHAPTER THREE: MUNICIPAL (LED) FRAMEWORK IMPLEMENTATION (KPA3)

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### 3 OVERVIEW OF THE LED STRATEGY

The purpose of this document is to present draft report for discussion of the Mhashe local economic development. It is a work-in-progress towards the finalization of a review local economic development (LED) strategy for the municipality. The LED review strategy is aimed at providing a framework for municipal interventions and planning for sustainable economic development in our areas of jurisdiction.

### SWOT ANALYSIS

#### AGRICULTURE

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"><li>• Availability of arable land</li><li>• High quality of existing soils for crop production</li><li>• Good flowing rivers and availability of water resource</li><li>• Access to availability technical support by Agriculture</li><li>• Existence of support institutions like Assgisa, Land Bank and Uvimba to resource agricultural programmes</li><li>• Favourable climate</li><li>• Suitable lands for livestock production (Idutywa said to have over 300 000 sheep and highest concentration of sheep livestock in Amathole)</li><li>• Abundance of base assets – livestock, people, land, skill etc.</li></ul>	<ul style="list-style-type: none"><li>• Lack integration in planning and implementation programmes</li><li>• Agriculture not seen as fashionable employment sector by especially young people</li><li>• Lack of entrepreneurship &amp; value chain production – Agro-processing</li><li>• Poorly developed infrastructure and non-existent services</li><li>• Lack of funds</li><li>• Prevalent soil erosion, land invasions and veld fires</li><li>• Bad infrastructure – roads leading to areas with potential like Nqabara and Elliodale</li><li>• Lack of development of the commercial farming sector -</li></ul>

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> <li>• Access to input support by government – Tractors, Seeds, Bulls etc.</li> </ul>	

### FORESTRY

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> <li>• Existing forest assets</li> <li>• Good climatic conditions</li> <li>• Existence of vast tracts of suitable lands in state ownership for future afforestation</li> <li>• High demand for wood products in the value chain markets</li> <li>• Access to technical skills in DFF personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Common veld fires</li> <li>• Lack of funds</li> <li>• Ineffective bureaucracy - long time to issue permits and EIA approvals</li> <li>• Forestry seen as an expensive operation with longer rate of return on investments – high risk venture</li> <li>• Poorly developed disaster management systems – vulnerable</li> </ul>

### FISHERIES & MARINE

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> <li>• Existing assets – ocean + aquatic fauna</li> <li>• Good regulatory framework to manage and coordinate operators</li> <li>• High absorption rate for low skilled labour</li> <li>• Proven untapped potential in areas like Shixini, Xhora, Nqabara, Jujura, Jotela and others</li> </ul>	<ul style="list-style-type: none"> <li>• Poorly developed industry</li> <li>• Ineffective bureaucracy - long time to issue permits and EIA approvals</li> <li>• Strong barriers to entry - funding, money, politics etc. No support to SMMEs</li> <li>• Forestry seen as an expensive operation with longer rate of return on investments – high risk venture</li> <li>• Lack of appropriate skills and knowledge</li> </ul>

	of the sector <ul style="list-style-type: none"> <li>Poor linkages and integration of markets</li> </ul>
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## TOURISM

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> <li>Endowed with natural beauty resources – Dwesa Cwebe Nature reserve, the coast etc.</li> <li>Part of Wild Coast SDI</li> <li>Powerful natural and historic attraction sites &amp; areas</li> </ul> <ol style="list-style-type: none"> <li>Existence of market interest for local offerings (The area is very rich in cultural heritage as it boasts things like San paintings in the Duthwa area, showing the signs that the San once habited in the area of Sinqumeni and other surroundings. The graves of former Kings of AmaXhosa who fearlessly led a fight against white colonial domination like King Hintsa. Lastly, the forts where the white generals used during the world war like Fort Malan. The area also hosts the home of the second democratically elected South African President, former President Thabo Mbeki at Mbewuleni/Ngingwane. Also, the area hosts the capital of the Kingdom of amaXhosa at Nqadu Great Place. Given this rich and great cultural heritage there are a number of opportunities to explore linked to the present development that is taking place in these sites.</li> </ol> <p>There's Amathole Heritage Initiative which</p>	<ul style="list-style-type: none"> <li>Common veld fires</li> <li>Poor weaknesses infrastructure</li> <li>Inadequate accommodation facilities</li> <li>Poor transport systems</li> <li>Lack of marketing</li> <li>Poor management skills</li> <li>Unskilled labour</li> <li>Lack of by laws</li> <li>Lack of a coherent tourism plan</li> <li>Crime, access to finance</li> <li>Unemployment</li> <li>Natural disasters</li> <li>Poor conservation methods</li> <li>Land tenure systems &amp; land claims</li> <li>Poor infrastructure</li> <li>Undeveloped tourism offerings – sites for Vulture Views, historic graves “Ngqika”, Famous Mvezo traditional authority and others are not fully and creatively developed as tourism offerings to elicit good revenue</li> </ul>

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<p>is responsible for the development and unearthing this rich history and heritage in the Amathole district. The initiative consists of four heritage routes (King Phalo, King Sandile, Chief Maqoma and Makana). Phalo route (where Mbashe belongs) encompasses Great Kei, Mquma and Mbashe Municipality. There are sites which have been identified for development such as signage, access improvements, information displays and other anchor projects linked to the heritage and tourism development such as the Visitor Information Centre for Dutywa. Such sites are identified:-</p> <ul style="list-style-type: none"> <li>- King Hintsas's grave</li> <li>- King Sarhili's grave</li> <li>- Sinqumeni caves</li> <li>- Fort Bowker</li> </ul> <ul style="list-style-type: none"> <li>• There are other places identified in the Liberation Heritage Route which is a National Project that seeks to establish a route based on the war against colonialism and national oppression.)</li> </ul>	

### MANUFACTURING

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> <li>• Favourable land values for production space</li> <li>• Abundance of labour inputs</li> <li>• Availability of raw material inputs</li> </ul>	<ul style="list-style-type: none"> <li>• General low interest in self employment</li> <li>• Lack of skills</li> <li>• Lack of machinery and infrastructure to support factory production</li> </ul>

<ul style="list-style-type: none"> <li>• Access to support from government</li> <li>• Prioritization by EC PGDS</li> <li>• Proven untapped potential demand in Forestry, Agriculture and Tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Poorly developed value chain production processes and systems</li> <li>• Lack of appropriate skills and knowledge of the sector</li> </ul>
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### RETAIL, TRADE & WHOLESALE

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> <li>• Existing demand for services</li> <li>• Market demand</li> <li>• Significant contributor to employment creation</li> <li>• Easy access to entry – no strict barriers</li> </ul>	<ul style="list-style-type: none"> <li>• Poor regulation</li> <li>• Unreliable service provision – water, electricity, sanitation, refuse etc.</li> <li>• Lack of care for aesthetics by operators and owners</li> <li>• Environmental degeneration potential</li> </ul>

### SMME

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> <li>• Strong appetite for involvement by locals</li> <li>• Market demand</li> <li>• Significant contributor to employment creation</li> <li>• Easy access to entry – no strict barriers</li> <li>• Availability of support from various sources within and outside government – ECDC, SEDA, SETAs, Training Institutions, Bus Forums etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Poor regulation</li> <li>• Unreliable service provision – water, electricity, sanitation, refuse etc.</li> <li>• Lack of care for aesthetics by operators and owners</li> <li>• Environmental degeneration potential</li> <li>• Lack of cooperation</li> <li>• Poorly organized businesses and processes</li> <li>• High degree of survivalist rather than growth oriented entrepreneurs – high failure rate of ventures</li> </ul>

The municipality has discussed and deliberated at length on the following key options for its chosen role in LED.

- a) **Municipality as a catalyst developer:** where the strategic role is that of a catalyst to economic development rather than participant collaborator. This role would entail engaging directly with the markets and the economy through for example, buying land and developing it in order to earn an income from the development that can be further used to develop infrastructure and provide services. The key differentiator of this role will be that the council must now make available budget and resources to initiate economic development and take full responsibility for job creation.
- b) **Municipality as a lever:** where the strategic role is to co-ordinate and facilitates rather than initiate. In this role the municipality would limit its role essentially to planning, co-ordination, collaboration and leveraging of resources by other role players in order to realize infrastructure development, job creation and economic growth.

The following are further examples of the situations that would distinguish the municipality's role and parameters of involvements in the implementation and realization of LED goals.

TASK example	Catalyst Role	Lever Role
LED planning	Dev. Strategy to guide its interventions + Implement via a dedicated owned by the municipality	Dev. Strategy to guide its interventions. Implement the strategy using internal officials
Job Creation	Create jobs (Hire + Appoint full time employees to work on LED projects)	Facilitate job opportunities (e.g. EPWP, Use SCM to enforce use of labour intensive methods in infrastructure delivery)
Correction of market failures – BBBEE,	Engage in direct empowerment transactions	Apply SCM policy to create equity in the existing opportunities
Trade and investment	Set-up company entities to deal directly with traders. Initiate in Market Bonds (eg. City of Joburg). Engage in direct business missions to unlock trade relations between local	Facilitate linkages via trade fares, training and creation of access to exhibition platforms, Also develop concession framework for attracting investments – tax incentive scheme for foreign

<b>TASK example</b>	<b>Catalyst Role</b>	<b>Lever Role</b>
	players and overseas markets	direct investments
Development Funding	Budget, Fund construction (e.g. Shopping Centre), Manage Development etc.	Make land available with service connection and invite investors to build and manage a shopping Centre

Flowing from the chosen definition for LED and further participation in the consultative engagement processes followed during the review it is preferable that the municipality adopts the role of a lever in local economic development for the following reasons:

- ♣ Current organizational capacity and financial resources available to undertake LED work are severely limited
- ♣ It is not the intention of the municipality to take primary and direct for job creation as this is not a clear funded competence in our mandate
- ♣ While the Municipality's IDP prioritizes LED, it is acknowledged that the depth of the task of transforming our current local economy requires much greater participation and actual contributions by a variety of players such government, business and NGO sectors
- ♣ Since the municipality is heavily dependent on national grants (e.g. MIG) for its LED capital programmes, there is very little scope to directly engage in large and expensive projects. Hence its option to be lever wherein it will use the limited resources to creative a conducive and attractive environment for market role players to fund capital economic projects

Therefore, our strategic role in local economic development moving forward will be that of a facilitator and coordinator of other role players to lever of necessary resources for the realization of this LED Strategy programmes.

### **3.1 LED UNIT**

The LED within the municipal environment derives its mandate from the Section 152 (1) (c) of the constitution of the republic of South Africa, which reads "to promote social and economic environment". Mphashe municipality has established the units which offer potential benefits for the management, implementation and monitoring of LED programmes and/or projects.

In addition to LED, the unit deals with the Integrated Developmental Planning, the Performance Management Systems and the Integrated Governmental Relations. The unit is comprised of the following personnel:

- ♣ Strategic Manager;
- ♣ LED/IDP Co-coordinator;
- ♣ LED Officer: Agricultural Development;
- ♣ LED Officer: SMME;
- ♣ LED Officer: Tourism;
- ♣ IDP/PMS Officer (Vacant) and
- ♣ Administrator.

### **3.2 LED EXPERTISE**

The Municipal LED unit is comprised of the following staff:-

- ♣ Manager (s.57);
- ♣ LED Co-coordinator;
- ♣ LED Officer: tourism specialist;
- ♣ LED Officer: Agriculture agricultural specialist; and
- ♣ LED Officer: SMME business management specialist.

In addition to LED, the unit deals with the Integrated Developmental Planning, the Performance Management Systems and the Integrated Governmental Relations. The unit therefore has this additional staff:-

- ♣ IDP/PMS Officer (Vacant)
- ♣ Administrator

### **3.3 LED STAKEHOLDER FORUM**

There are other institutions that work with and closely with the municipality in implementation of LED programmes and projects, there is a structure that involves many other stakeholders this is the LED forum. All these organizations are required by council resolution to report their activities in the LED forum. The forum is composed of:

- ♣ Mbhashe LED standing committee Councilors;
- ♣ Mbhashe LED officials;
- ♣ Local tourism organisations;
- ♣ Community trusts;
- ♣ Co-operative forum;
- ♣ Mbhashe Farmers Association;
- ♣ Community based organizations dealing with LED;
- ♣ Local business forum; and
- ♣ Government institutions dealing with economic development.

### **3.4 PROGRESS TOWARDS ACHIEVING THE LED KEY OBJECTIVES**

#### **3.4.1 Spatial Développement Framework**

In the past two financial years the municipal SDF, created opportunities for promotion and investment creating market confidence. The SDF created opportunities by availing more land for commercial purposes.

The Council has approved the following lease agreements in respect of development to private investors for commercial purposes:-

1. Ace Ngcobo development

In addition to that, the council has also approved rezoning of land; the majority of applications were applications for change from household to commercial property. The following are the approved rezoning applications:-

2. Erf. 1645 in respect of a filling station
3. Erf. 153, 154 and 156 consolidated and rezoned in respect of a commercial enterprise and

#### 4. Erf. 127, 128 and 129 consolidated and rezoned in respect of banking facilities

##### **3.4.2 Investment and Trading By-laws**

The municipal by-laws have prepared but not yet made public including those that relate to LED. A process plan has been fully developed from a stage of public awareness until the stage of promulgation and gazetting.

##### **3.4.3 Provision of Reliable Infrastructure**

Improving the quality of roads in our municipality is the priority set by council. The problem is the backlog on the rural roads which were largely not done before; this phenomenon leads the municipality into prioritising the rural roads. To reduce the backlog in the three towns, the municipality has undertaken to do the town roads every financial year. In the year under review, the road which was supposed to be done is Willowvale CBD; however the contractor failure led to municipal failure to provide road on the street named.

##### **3.4.5 Maintenance of Basic Infrastructure**

The municipality is currently experiencing a serious problem regarding backlogs especially on the rural areas. The municipality received a grant funding from IEC which was intended to create proper access.

##### **3.4.6 Comparative and Competitive Advantage**

Mbhashe's communications infrastructure which comprised of transport and telecommunications is underdeveloped, with the lowest percentage road surfacing of 0.37% in the Province and very limited to 14.32% direct access to telephones by the local population. The Municipality does have operational rail and air transport facilities coupled with favourable cellular network coverage. The municipality has also advantage of closer proximity to Mthatha and the Provincial secondary economy of East London.

On Quality of Life, Mbhashe emerges as the most underdeveloped in the province with the lowest level of access to water services, below an average access to clinics and very limited access to electricity, sanitation, and refuse services. By contrast, Mbhashe fare well on access to adequate shelter and reflects above provincial average access to schools.

Mbhashe's best performance on this index is for Economic infrastructure, with four commercial banks, 10 post offices with banking capability and five ECDC properties – three commercial properties in Dutywa, an industrial property in Willowvale and a business property such as the hotel in Cwebe Nature Reserve. The Municipality is overwhelmingly rural, where the majority of residents approximately 95.41% live on tribal land and more than half approximately 54.12% of households own their properties, of which 90.32% are fully paid-up owners. Mbhashe has only two unsettled land claims seeking land for housing and for livestock farming.

The Local Municipality performs poorly in respect of Crime owing to limited police coverage by geographical area and particularly by population size. However, the local crime rate is 14.58 crimes per 1000 people is low and has declined substantially to about -3.70% p.a over the past three years.

The local economy is highly concentrated, dominated by the community services sector in terms of both GVA and employment. The cost of doing business in the area is lower than the Provincial average, considering the favourable distance, and travel time to the major economic Centre of East London as well as favourable expenditure on transport, communication and finance relative to the Provincial average. Further considerations are severely limited access to business service providers and fairly limited access to development and financial support institutions, contrasted with comparatively high municipal regulatory capacity.

Mbhashe claims the most youthful population with 54.09% aged under 20 years as well as the highest rates of poverty with 90.38% and dependency of 5.10 in Amathole, coupled with high unemployment (78.51%) and higher than average proportion of people (7.12%) aged over 64 years. An indication of the depth of poverty in the area is revealed by the Municipality's share of the Provincial poverty gap at 6.01%, which is substantially higher than its share of the Provincial population 4.31%.

Mbhashe emerges as a leading economy, both nationally and provincially, in respect of formal employment growth performance and has experienced a positive shift in share of employment, but a negative shift in share for GDP contribution from 1996 to 2004. By contrast, the Municipality falls into the top half of all municipalities in the Province on Economic Absorption Capacity on the basis of relatively high total disposable income and buying power. Negative contributory factors are the negative income-expenditure balance and below average economic multipliers and informal sector capacity to generate economic opportunities relative to formal employment.

The local economy claims a comparative advantage, for both GDP and employment in Community Services, which is overwhelmingly, dominated by Education 38.59% GVA and 46.24% employment. Further comparative advantages, in terms of GDP contribution, are reflected for Agriculture centred on Forestry and Logging at 8.11%; and Trade centred on the Retail sub-sector at about 11.15% emerge as a further employment advantage.

The Municipality claims a range of leading products, including subtropical and deciduous fruit, maize, and tourism, where the latter is identified as having very high potential given the Municipality's favourable location on the Wild Coast. Dryland potential exists for maize and beans, and the area

is identified as suitable for forestry. Good market (broilers, eggs) and field cropping (maize, and dry beans) as well as for hydroponics production, notably of tomatoes.

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

- ♣ N2 corridor;
- ♣ Umzimvubu catchments dam;
- ♣ Kei rail; and
- ♣ Agro-processing.

Mbhashe Municipality will benefit most from the Kei Rail as it connects between Mthatha to East London. The Kei Rail Project currently forms part of a broader, multi-sectoral approach to boosting economic growth in the Kei Development corridor (KDC), encompassing the area between East London and Mthatha. This includes the formulation of a sustainable socio-economic development strategy; an integrated development plan and an implementation action plan. These plans Centre on developing the economy in the KDC in support of a sustainable rail service.

Mbhashe's economic potential if harnessed can also be used in addressing poverty and meeting the government's target of halving unemployment and poverty by 2014. Forestry is one of the projects that Mbhashe is presently working on and is one of the major projects identified in ASGISA's infrastructural projects. Large acres of land was left underutilized by farmers who claim that, there's a lot of machinery needed for them to continue with maize production, and their option is in the bio-fuels industry. The bio-fuels initiative is also a project where Mbhashe could succeed on in creation of employment and fighting poverty.

Targeted areas for investment and major economic potentials for Mbhashe includes:-

- ♣ Agricultural Development;
- ♣ Fishing;
- ♣ Mining and quarrying;
- ♣ Transport facilities;
- ♣ Bio-fuels;
- ♣ Mari culture;
- ♣ Tourism;
- ♣ Building, construction and roadwork;
- ♣ Indigenous Medicinal plants;
- ♣ Manufacturing and SMME and

♣ Forestry.

### SMME and Co-operative Development

PROJECT	WARD	PROJECT DESCRIPTION	BUDGET ALLOCATION	EXPENDITURE	BALANCE
Bakery	22, 24, 04	Fencing and Bakery Material	R 95 000.00	R 94 722.00	
Hawker Co-operative	All wards	Train and Equipment Mbhashe Hawkers	R 100 000.00	–	R 100 000.00
Dutywa Town Re- generation	1	Organise Community	R 20 000.00	–	R 20 000.00
Brick Making Co- operative	1,13,25	Purchase of material and equipment	R 80 000.00	–	R 80 000.00
Co-operatives	All wards	To train 20 co-operatives	R 260 000.00	R 127 840.00	
Mbhashe Business Forum & SMME	All wards	Conduct workshops seminars and summits	R100 000.00		

### 3.4.7 Enterprise support and business development

#### a) Maize Production

The municipality in partnership with the farmers is engaged on a massive maize production programme. The programme is done in a way which will not collide with the Department of Agriculture’s massive production. The programme is called “Silimile”, and was implemented in 25 wards, where the ward identifies a 50ha area. The wards participating in the programme currently are 25. Tractors are then clustered together for that particular area; the farmers provide money to buy fuel and pay for the driver and the municipality co-ordinates, provides the fertilizer and seed for all the 50ha in 25 wards.

ASGISA – EC further boosted the programme through their support of 200ha area in Nqadu. The intention of the municipality is to engage the private sector on secondary processing of the maize. On the pipeline is the establishment of feedlots where the maize can be used for animal feed.

## **b) Vegetable Production**

Huge support from the municipality went to the Co-operatives and Siyazondla groups across the municipality. The programme involved the supply of seeds and seedlings to the mentioned groups.

With the bulk of vegetables produced, people use it for household consumption and the remainder is usually sold. The produce is usually huge and could not all be sold; hence the introduction or establishment of the Agri-park. The agri-park will serve as market for the produce from the vegetable farmers and help process the vegetables into soup and other products. At the time of reporting, problems such as electrical voltage in the park hinder production process and the vegetable produced at the park are transported to Alice where the production plant is up and running.

## **c) Tourism**

The municipality has beautiful landscape which attracts investors and tourists along the coastal route in the wild coast. The municipality has therefore supported different initiatives which will help unleash tourism and investment potential of the region. Initiatives supported during the year are as follows:-

- ♣ Feasibility and business planning for the establishment of the Gcaleka Cultural and Tourism Centre;
- ♣ Co-coordinating through the Project Advisory Committee the establishment and construction of the Qatywa Community Lodge and Tourism Centre;
- ♣ Assisting the Nqabara Community Development Trust in finding an investor towards the establishment of the Nqabara Lodge; and.
- ♣ Struggling in vain to resolve the conflict involving the community and the Dwesa Cwebe Community Land Trust and bringing in the private investor to help boost the tourism potential of the area. This was to be done by major renovations and reconstruction of Dwesa chalets and Haven Hotel respectively.

## **d) Private and Public Partnerships**

- ♣ The council is working together with Umngcunube Development in the livestock Improvement Programme. The programme was piloted in the coastal Elliotdale areas and is now going to move beyond.
- ♣ There are other organisations which the municipality works with, but there are no formal partnerships established with them, such organisations are ASGISA – EC, World Vision and Isibaya.

### 3.4.8 Number of Formal SMME's Establishments

Whilst there is no statistical information to be provided, there are a number of growing businesses established during the year, such as:-

- ♣ Saloons;
- ♣ Car wash;
- ♣ Grocery enterprises;
- ♣ Food chains; and
- ♣ Internet cafes etc.

#### LED KEY PERFORMANCE INDICATORS

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	R5m	R4.7m	94%
2	Number of LED stakeholder forum held	12 meetings	8 meetings	66.67%
3	Percentage of SMME that have benefited from a SMME support program	42 SMME Including Co-operatives 100%	42 SMME Including Co-operatives 100%	42 SMME Including Co-operatives 100%
4	Number of job opportunities created through EPWP			
5	Number of job opportunities created through PPP			

NO.	INDICATOR	TARGET	ACHIEVED	% ACHIEVED	RATING
1.	LED Planning	A reviewed LED strategy	Reviewed LED strategy	100%	Not done
		Development of the Tourism Master Plan	The master plan was developed	100%	Not done
2.	Provision of medicine to stock farmers	25 wards	Stock medicine delivered to animals in all wards	100%	Not done
3.	Fencing of ploughing fields	Ward 2, 8, 12	Fencing was done at all the wards indicated	100%	Not done
4.	Provision of stock dams	Construction of stock dams to 24 wards	Stock dams constructed in 19 wards	79%	Not done
5.	Provision of dipping tank material to farmers	Provision of material for 12 dipping tanks	Renovation material delivered to 147 dipping tanks	116%	Not done
6.	Provision of maize production inputs	Delivery of maize production inputs to wards	Inputs such as fertilizer were distributed throughout the Mbashe wards	100%	Not done
7.	Training provision to co-operatives	Training of the Ntlonyana co-operative	Training was provided to the co-operative	100%	Not done
		Training for Willowvale based co-operatives	Basic bookkeeping skills was given on the co-ops	100%	Not done
		Training for Dutywa based co-operatives	Business skills and SARS compliant workshop done for 10 Dutywa co-ops	100%	Not done
8.	Development of Mbashe crafts	Training and provision of material to Mbashe crafts	Material delivered to crafts (3 groups at ward 05, 08, 20)	100%	Not done

NO.	INDICATOR	TARGET	ACHIEVED	% ACHIEVED	RATING
		Craft festival	Craft festival held	100%	Not done
		Traditional fashion show	Traditional show held	100%	Not done
		Development of a craft strategic business plan	Craft strategic business plan developed	100%	Not done
9.	Marketing of Mbhashe Tourism	Beach festival	Beach festival held at Qhora	100%	Not done
		Brochure development	Brochures were distributed on various places	100%	Not done
	Maintenance of heritage sites	Cleaning at the three heritage sites	Cleaning was done at the heritage sites	100%	
10.	Tourism development	Planning for the Gcaleka Cultural Village		80%	
		Ntsimbakazi-Lukhozane Game Park planning	Adverts for business planning were done but there was no response	0%	
		Feasibility for Dutywa Dam tourism facility	Feasibility not completed	50%	
11.	SME Development	Material and equipment to 3 bakery co-operatives	Delivery of material done	100%	
		Train and hawker assistance	Training for hawkers was organised and other assistance provided	100%	
		Material and inputs to 3 brick-making co-operatives	Material provided for the co-operatives	100%	
		Training to SME's	Sewing and branding workshop for Qatywa	200%	
			15 co-operatives trained at Dutywa		

NO.	INDICATOR	TARGET	ACHIEVED	% ACHIEVED	RATING
			Training provided to Nqabara on fishing baits		
			Youth co-operatives were transported to various places like E.L. for training		

### 3.5 CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION

These are some of the challenges regarding LED implementation and they include:-

- ♣ Insufficient budget to implement LED projects and programs;
- ♣ Council is focusing on projects that are not sustainable;
- ♣ Inability of the business sector to participate on LED initiatives;
- ♣ Supply chain management is not linked to LED though supplier development programs;
- ♣ There are no LED programs linked to indigent beneficiaries intended to change the environment; and
- ♣ Lack of implementation of municipal by-laws

## CHAPTER FOUR: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

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### 4.1 AUDITED FINANCIAL STATEMENTS (Annexure A)

This section contains the consolidated statements and the relevant information is reflected on Annexure A. The relevant include the following:

- ♣ Statement of Financial Position;
- ♣ Statement of Financial Performance;
- ♣ Statements of Changes in Net Assets;
- ♣ Supporting Notes to the Financial Statements;
- ♣ Remuneration of Councillors, Directors and all the Officials;
- ♣ Budget to Actual Comparison (narrative explanation in respect of actual income and expenditure when compared to budget); and

**Performance against Budget**

<b>YEAR</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>DIFF</b>	<b>% DEVIATION</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>DIFF</b>	<b>% DEVIATION</b>
2010/11	104,483,000	103,224,952	1,258,048	98%	149,425,000	131,350,858	18,074,142	87%
2009/10	89,891,747	65,677,004	24,214,743	73%	105,551,551	101,407,250	4,144,301	96%
Reasons for under/over recovery of revenue and over/under utilisation of expenditure								

- ♣ Grants and Transfers spending (amount received and spent each quarter).

#### 4.2 LONG TERM CONTRACTS (Lease Agreements)

<b>MAJOR LEASE AGREEMENTS FOR MBHASHE LOCAL MUNICIPALITY</b>			
<b>TYPE OF DEVELOPMENT</b>	<b>DEVELOPER</b>	<b>LEASE PERIOD</b>	<b>AREA</b>
Dutywa Mall – old tennis court	Sibabalwe developers	50 years	Dutywa
N2 mall	Nogoduka	50 years	Dutywa
Willowvale mall	SombimbisheDv	50 years	Willowvale
Golf Course	Mr. Mphahlwa	50 years	Dutywa
Entertainment area	Mr. A Ncobo	30 years	Dutywa
Statistics SA	Mr. A. Mafu - Stats obo	99 years	Dutywa
Business complex	Alliance property group	50 years	Dutywa
Student village	G-line Trading enterprise	50 years	Dutywa
Middle income houses	Center point developers	Freehold titles	Dutywa
Middle income houses	Merbombo projects	Freehold titles	Dutywa

## CHAPTER FIVE:GOOD GOVERNANCE

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### **5 OVERVIEW OF THE EXECUTIVE AND COUNCIL FUNCTION AND ACHIEVEMENTS**

#### **5.1 THE COUNCIL (Matters reserved for decision of Council and cannot be delegated)**

The following powers and functions are reserved for resolution by the Council after consideration of a report and recommendation from the Standing Committee appointed by the Council to consider such matters in the first instance provided that the Council may, in its sole discretion and upon the recommendation of the Speaker, consider any such matter of own accord and without prior reference to the Standing Committee concerned and provided further that Standing Committees may perform those duties and exercise those powers specifically delegated to them hereunder, subject to compliance with the terms and conditions contained in this policy and such further conditions as the Council may, by resolution, determine:

- ♣ The approval or amendment of the Integrated Development Plan;
- ♣ The passing of By-laws and standing orders in terms of enabling legislation and the determination of policy;

- ♣ The consideration of proposed amendments to Laws and Ordinances;
- ♣ The imposition of rates and taxes;
- ♣ The raising of loans;
- ♣ The approval of the annual Operating and Capital Budget and the revision of same;
- ♣ The approval of overspending on the total Capital and Expenditure budgets;
- ♣ The approval of tariffs and charges in connection with any function referred to in section 84 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and Part B of Schedules 4 and 5 of the Constitution;
- ♣ The approval in principle of projects, with a view to the provision of funds in the Capital Budget; and
- ♣ The entering into a Service Delivery Agreement in respect of the provision of a new Municipal Service in terms of Section 76(b) of the Municipal Systems Act, 2000 (Act No 32 of 2000);
- ♣ The establishment of committees referred to in section 79 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)
- ♣ The election of the Mayor and Speaker of Council;
- ♣ The approval of the remuneration of Councillors, including the revision thereof;
- ♣ The nomination of the Council's standing representatives on outside bodies and the District Municipality;
- ♣ The nomination of members to serve on the valuation court;
- ♣ The alienation of immovable property;
- ♣ The naming of streets, settlement areas and other public places;
- ♣ The consideration and amendment of town planning schemes save as otherwise provided for in these delegations;
- ♣ The consideration of subdivisions and change of use of land belonging to the Council;
- ♣ The appointment and the termination of services of the Municipal Manager; and
- ♣ The appointment and the termination of services of those managers directly accountable to the Municipal Manager

## **5.2 THE EXECUTIVE COMMITTEE**

The Executive Committee (EXCO) is the principal committee of the council. It investigates and considers the matters allocated to it and where appropriate to report and make recommendations thereon to Council, save and except in respect of those matters specifically delegated to it or where specifically regulated otherwise.

It receives reports from Committees of Council established to assist the functioning of the EXCO by Council, and forward these reports to Council when it cannot dispose of the matters in terms of its delegated powers.

✓ **Inherent Functions**

- ♣ To identify the needs of the municipality;
- ♣ To review and evaluate the needs referred to in the above in order of priority;
- ♣ To manage the drafting and implementation of the Integrated Development Plan;
- ♣ To identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in 2.2.3 above can be evaluated, including key performance indicators, which are specific to the municipality and common to local government in general;
- ♣ To assign responsibilities associated with the implementation of the integrated development plan and the monitoring of progress related thereto, to the Municipal Manager;
- ♣ To evaluate progress against the key performance indicators;
- ♣ To recommend strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans;
- ♣ To recommend or determine the best methods, including partnership approaches, to deliver those strategies, programmes and services to the maximum benefit of the community;
- ♣ To oversee the provision of services to communities in a sustainable manner;
- ♣ To manage the development of a Performance Management System;
- ♣ To recommend to Council regarding the establishment of mechanisms in order to monitor and review the Performance Management System so as to improve:
  - (i) the economy, efficiency and effectiveness of the municipality;
  - (ii) the efficiency of credit control and revenue and debt collection services; and
  - (iii) the implementation of by-laws;
- ♣ The election of the Chairpersons of Standing Committees;
- ♣ To consider and recommend the adoption of the estimates and the expenditure of the municipality;
- ♣ To ensure that Council decisions are implemented; and
- ♣ To make recommendations on proposed policy.

✓ **Delegated Authority**

- ♣ To consider reports and decide on matters recommended to it by the Standing Committees and, where appropriate, to report and make recommendations thereon to Council;
- ♣ To decide on investments on behalf of the municipality within the policy framework determined by the Minister of Finance upon consultation with the Chief Financial Officer;
- ♣ To determine or alter the remuneration, benefits or other conditions of service of the Municipal Manager or Managers directly responsible to the Municipal Manager; within a policy framework to be determined by the Council;
- ♣ To decide on the expropriation of immovable property or rights to immovable property within a policy framework to be determined by the Council;
- ♣ To accept and take final decisions on cashiers' shortages and surpluses;
- ♣ To consider and finalise matters relating to any shortage in funds or loss of movable property of or under the control of Council;
- ♣ To transfer funds from one approved project to another approved project or change the scope of projects;
- ♣ To authorise visits outside the Republic of South Africa; and
- ♣ To consider and finalise any matter not specifically reserved by Council.

### **5.3 STANDING COMMITTEES**

#### **a) Finance Committee**

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- ♣ The asset management;
- ♣ Annual Estimates;
- ♣ Insurances;

- ♣ Investments;
- ♣ Credit Control and Indigent Policies; and
- ♣ Municipal Revenue and Expenditure;

✓ **Functions**

- ♣ To prepare and submit annually to the Executive Committee an operating and capital budget;
  - ♣ To consider the municipality's financial policies, long-term financial planning and budgeting of the Council;
  - ♣ To initiate, guide and monitor the evolution of the notion of peoples budget/participation budget;
  - ♣ To ensure that expenditure patterns respond to the developmental agenda and priorities of the municipality according to defined short, medium and long-term council programmes;
  - ♣ To advise the Executive Committee on additional financial matters such as the fixing of charges and fees or tariffs, investment of funds, loan redemption and renewal funds, financial regulations and assessment of rates;
  - ♣ To consider reports involving expenditure not provided for on its Budget;
  - ♣ To consider the Financial Statements and Audit reports;
  - ♣ To monitor regularly the efficiency of Financial Management Systems;
  - ♣ To control all accounting and costing work of all departments;
  - ♣ To control the keeping of accounts of the municipality;
  - ♣ To monitor all trust and reserve accounts created for specific purposes;
  - ♣ To consider and make recommendations on insurance matters;
- 
- ♣ To advise the Executive Committee on matters relating to raising of loans, the consolidated capital development and loans fund, financial regulations and the fixing of tariffs and charges;
  - ♣ To draft control measures for funds allocated to the municipality;
  - ♣ To advise the Executive Committee on overall management and the allocation and control of financial and other assets of the municipality;
  - ♣ To liaise constantly with both National Treasury and Provincial Treasury on matters relating to this Committee; and
  - ♣ To make recommendations on proposed policy concerning matters falling within the ambit of the Committee's functions.

**b) Human Resource and Administration Committee**

✓ **Terms of Reference**

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- ♣ Industrial Relations;
- ♣ Personnel Administration;
- ♣ Public Administration;
- ♣ Occupational Health and Safety;
- ♣ Conditions of Service and Staff Benefits;
- ♣ Employee assistance Programme;
- ♣ Training and capacity building;
- ♣ Special programmes;
- ♣ Communications; and
- ♣ Public participation.

✓ **Functions**

- ♣ To advise the Executive Committee on standing orders for the regulation of proceedings and of all other matters relating to the management, powers and duties of the Council and its Committees;
- ♣ To oversee the structuring of the administrative organ of the municipality in order to respond and advance the developmental gender of the municipality;
- ♣ To oversee the development, implementation and regular evaluation of a Human Resource Development programme for the administration of the municipality;
- ♣ To oversee the integration/rationalization process;
- ♣ To manage and monitor the employment equity principles during the employment process;
- ♣ To determine a policy framework for the recruitment and selection of all employees, except the Municipal Manager and Managers accountable to the Municipal Manager;
- ♣ To consider industrial relations matters including disciplinary and grievance procedures;
- ♣ To consider the process of the negotiations in respect of salary/wage increase and benefits;
- ♣ To consider measures relating to the Commission for Conciliation, Mediation and Arbitration and the Bargaining Council;
- ♣ To recommend to the Executive Committee on those matters that fall within the jurisdiction of the Bargaining Council, excluding the areas reserved for Council;
- ♣ To oversee and monitor Human Resource Planning and approval of a staff establishment for the municipality in accordance with the provisions of section 66 of the Municipal Systems Act, 2000, (Act No 32 of 2000);

- ♣ To consider the fixing of conditions of service for staff members of the Municipality;
- ♣ To consider the establishment of a process or mechanism to evaluate regularly the staff establishment and if necessary, to review the staff establishment and the remuneration and conditions of service;
- ♣ To advise on the adoption of appropriate systems and procedures aimed at ensuring fair, efficient, effective and transparent personnel administration;
- ♣ To advise on strategies and mechanisms aimed at developing the human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way in compliance with the Skills Development Act, 1998 (Act No 81 of 1998) as amended;
- ♣ To monitor compliance with the Code of Conduct for Municipal staff members;
- ♣ To act as a Disciplinary Committee upon such instructions as may be received from the Council and/or Executive Committee from time to time;
- ♣ To consider all matters relating to occupational safety and health;
- ♣ To receive reports on and consider all computer operations of the Council and report any irregularities to the Executive Committee; and
- ♣ To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

### **c) Planning and Development Committee**

#### **✓ Terms of Reference**

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- ♣ Land Administration;
- ♣ Building maintenance and administration;
- ♣ Housing;
- ♣ Land Reform and Settlement Plans;
- ♣ Roads;
- ♣ Water and Sanitation;
- ♣ Electricity;
- ♣ Engineering Services;

- ♣ Municipal Infrastructure; and
- ♣ Town Planning;

✓ **Functions**

- ♣ To consider capital development programmes;
- ♣ To outline principles for prioritization of projects and effective distribution of services;
- ♣ To ensure that developmental projects undertaken on behalf of the community adhere to basic principles of the RDP, such as public participation, Human Resource Development and economic development;
- ♣ To ensure that the existence of a systematic development of a database on the state of infrastructure development in the municipality with intention to determine the impact and extent of backlogs;
- ♣ To ensure that development of infrastructure is in line with the broader strategic development plan of the municipality;
- ♣ To monitor and consider matters relating to immovable and movable property of Council except as otherwise provided;
- ♣ To consider settlement terms in respect of compensation for expropriated property or property acquired by purchase and make recommendations to the Executive Committee;
- ♣ To consider matters relating to property valuations and the maintenance of property records in respect of settlement areas;
- ♣ To consider all matters relating to the provision, maintenance and operation of Infrastructural Services and Housing;
- ♣ To consider and finalise offers and leases, in respect of property where such transactions are made in terms of Council policy;
- ♣ To consider the acquisition of properties in the name of the Council;
- ♣ To consider the renewal of lease contracts with existing tenants;
- ♣ To consider the substitution of tenants for the remaining period of a lease agreement where the original tenant applies to be released from the lease agreement in respect of a fixed property;
- ♣ To consider building plans;
- ♣ To consider applications for change in land use and the subdivision/consolidation of land; and
- ♣ To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

**d) Local Economic Development Committee**

✓ **Terms of Reference**

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- ♣ Local Economic Development;
- ♣ Tourism;
- ♣ Agriculture;
- ♣ SMMEs;
- ♣ Fisheries;
- ♣ Film industry;
- ♣ Facilitate the capacity building and accessing of resources, technology and other productive forces by SMME's in all spheres in particular agriculture;
- ♣ Initiative and monitor an investment code consistent with the national and provincial frameworks; and
- ♣ Ensure the implementation of the urban renewal and rural development strategies informed by local needs and dynamics.

✓ **Functions**

- ♣ To give direction in the formulation of policy for commercial, tourism and agricultural development;
- ♣ To develop a comprehensive economic development programme with clearly defined parameters;
- ♣ To facilitate the assertion of local government as the center of coordination of economic development;
- ♣ To coordinate an inter-departmental economic development cluster for synergizing of governmental programme in economic development;
- ♣ To develop guidelines for public-private sector economic partnerships;
- ♣ To coordinate the evolution and activity of local "Investment Council";
- ♣ To consider applications for the amendment of certificates of registration to provide for changes in trading names and types of commodities sold; and
- ♣ To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

**e) Social Needs Committee**

✓ **Terms of Reference**

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- ♣ Environmental Health;
- ♣ Traffic Control;
- ♣ Disaster Management;
- ♣ Transport;
- ♣ Community and Recreational Facilities; e.g., sports fields, cemeteries, libraries, etc.;
- ♣ Safety and Security;
- ♣ Environmental Issues; and
- ♣ Monitoring Aids Programmes.

✓ **Functions**

- ♣ To identify the social needs of the community;
- ♣ To review and evaluate those needs in order of priority;
- ♣ To ensure that effect is given to the RDP principles;
- ♣ To establish health standards for all public and private institutions engaged in various activities in line with national guidelines;
- ♣ To monitor the efficiency of health, education, and welfare institutions in the area of jurisdiction of the municipality;
- ♣ To recommend the outlawing of activities of institutions, individuals, enterprises etc, whose functioning violates determined health standards;
- ♣ To ensure implementation of the indigent policy in line with national guidelines;
- ♣ To monitor efficiency of provision of free basic services offered by the municipality;
- ♣ To liaise with the education department for location of education institutions and other resources;

- ♣ To facilitate the establishment of an inter departmental cluster in order to synergize health, education and welfare programmes;
- ♣ To oversee and monitor the provision of facilities for development talents of youth, women and disabled in sporting, cultural and artistic activities in the areas of the municipality;
- ♣ To facilitate the procedures for arts, craft and cultural material by communities including seasonal arts and culture exhibitions;
- ♣ To facilitate the upgrading of material at existing libraries to ensure relevance to the processing challenges of the day;
- ♣ To establish guidelines for public/private partnerships for realization of the programmes related to this Committee;
- ♣ To consider matters relating to problem animal control;
- ♣ To recommend the leasing of flea markets, kiosks, and any other low volume outlets that provide an amenity for the public at places such as sports grounds, swimming pools, beach pavilions and other recreation or leisure amenities under the municipality's control;
- ♣ To consider all matters relating to Passenger Transport Services and Transportation Planning;
- ♣ To consider matters relating to the manufacturing, processing, selling and distribution of foods, environmental health conditions and removal of nuisances from the area under the jurisdiction of the municipality;
- ♣ To consider the licensing of dogs, the impounding of animals and the sale or destruction thereof in terms of relevant legislation;
- ♣ To consider the controlling and abating of nuisances;
- ♣ To consider applications for the keeping of animals and to exceed the prescribed numbers in urban areas;
- ♣ To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

## 5.5 OTHER COMMITTEES

### – Audit Committee (Statutory)

### ✓ Terms of Reference

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Council:

- ♣ Internal Control Systems;
- ♣ Risk Management;
- ♣ Accounting Practices;
- ♣ Information Systems; and
- ♣ Auditing.

✓ **Functions**

- ♣ To advise on the establishment of a Performance Management System in terms of section 38 of the Municipal Systems Act, 2000 (Act No 32 of 2000);
- ♣ To advise on the establishment of mechanisms for monitoring and reviewing the Performance Management System;
- ♣ To make recommendations regarding the management of the valuation of the adequacy and efficiency of the Internal Control Systems, Risk Management, Accounting Practices, Information Systems and Auditing processes applied in the daily management of the municipality; and
- ♣ To recommend and monitor the implementation of measures which may best serve to enhance the reliability, integrity, objectivity of financial statements and the performance activities within the municipality.

✓ **Delegated Authority**

- ♣ To monitor and oversee the auditing of performance measurements as provided for in terms of section 41(1) (c) of the Municipal Systems Act, 2000 (Act No 32 of 2000);
- ♣ To submit a report of the results of the audit performed in terms of section 45(b) of the Municipal Systems Act, 2000 (Act No 32 of 2000);
- ♣ To interview members of Senior Management, Advisors, Consultants and employees of the municipality and to deal directly with external auditing functionaries in the office of the Auditor-General and any external party it may deem necessary; and
- ♣ To have unrestricted access to all records and information relating to the activities of the municipality which are necessary for the performance of the duties of this Committee.

– **Traditional Leaders**

Mbhashe Municipality is among the few Municipalities in the Eastern Cape that have embraced the participation of the Traditional Leaders in the affairs of local government to the extent that our Municipality was identified as pilot site for the functioning and participation of Traditional Leaders

in Local Government. Our Municipality also boasts on being the seat of the AmaXhosa Kingdom, located in Ngqadu Great Place in Willowvale. His Majesty, King Zwelonke Sigcau is by virtue of his status, officiating in any function within Mbhashe that befits his status like the visit by the Ministers. Traditional Leaders are part of the critical stakeholders participating in the IDP Representative Forum. As if that is not enough, they also form an integral part of the day to day operations of the Municipality through their nine representatives in our Council Structures. They participate in Council, Standing Committee and any other formation within the Council. In matters of participation in the Council, they are given full status to air their views through their representatives.

## **5.5 MECHANISM AND PROCEDURES OF PUBLIC PARTICIPATION AND COMMUNITY BASED PLANNING**

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

The Mbhashe Local Municipality comprises a large geographical area with many people. To ensure that there is representation of various organized and groups our Municipality will be using following approach:

The Amathole District Municipality will place a blanket notice on the Local newspaper (Daily Dispatch) inviting interested parties to participate in the Representative Forums (Mbhashe Local Municipality being one).

- ♣ Languages being used as medium of communication will be English and Xhosa;
- ♣ National and Community radios will be used including Umhlobo Wenene, University of Transkei Community Radio, Khanya Community Radio;
- ♣ Use of Local Circulating Newspapers; and
- ♣ Announcements in churches, schools, community activities like Imbizo, weddings etc.

## **5.6 COMMUNITY BASED PLANNING**

This municipality has launched the community based planning for the integration of community needs at ward level. The process of collecting information from wards through CBP is done at three levels, viz;

1. Village level
2. Ward level
3. Municipal Wide

The CBP starts at village level where information on the current status of the village, the needs and priorities of the village are collected. At ward level all the information collected at villages is consolidated into a ward plan. The ward plans are then collected and consolidated into this IDP document.

In all these levels, municipal officials, ward councilors, ward committees, community development workers assist the villagers in answering the questionnaire issued.

Website is still updated as more information is being put on the website. One can visit the site on [www.mbhashemun.gov.za](http://www.mbhashemun.gov.za)

The local newspaper (Daily Dispatch) is the paper that rarely covers what is happening in Mbhashe internally, we make use of the printed material to report to the people via ward committees and ward councilors.

## **5.7 WARD COMMITTEES**

Mbhashe has twenty six (26) wards stretching from Dutywa, Willowvale and Elliotdale areas. In all the wards, ward committees have been duly established by the Council under the stewardship of the Office of the Speaker. Once established, the ward councilors as chairpersons of these structures take over and manage their functionality through briefings on the resolutions taken in the Council and seek views of the community and ward committee. Ward Committee members are given sitting allowance of R50 per sitting and added to that is the subsistence and travel allowance which is generally based on the distance travelled and/or costs incurred.

A dedicated Council Support Clerk has been appointed to support the functioning of these very important structures of Council. The Council is still considering establishing a fully-fledged unit to support, among other things, the functioning of the Ward Committee, for it has been established that one official cannot do the job.

There are still challenges of channeling the views of the ward committees through the Council structures. Though established, one cannot confirm the proper functioning of these structures except during the IDP planning process. The Municipality is also challenged in managing the payment of the stipends and sitting allowances to the Ward Committee members. This is cumbersome and tedious process that is open to abuse and fraud.

## **5.8 COMMUNITY DEVELOPMENT WORKERS**

Currently the Mbhashe Municipality has full complement of community Development workers for all the wards who are working hand in hand with the ward councilors. The list is part of the annexure F.

## **5.9 INTERGOVERNMENTAL RELATIONS**

The IGR was launched on the 30 May 2006, and the following departments took part when the launch was held, they are:-

- ♣ Department of Social development;
- ♣ Department of Education;
- ♣ Department Arts, Recreation and Culture;
- ♣ Department of Home Affairs;
- ♣ Department of Agriculture;
- ♣ Department of health;
- ♣ Department of Correctional Services;
- ♣ South African police Services; and
- ♣ Department of Environmental Affairs and Tourism (now DEDEA)

The process of the IDP as set out in the process plan calls for the participation of all government departments in the process. These government departments are participating in the process.

### **✓ Challenges**

Use of IGR structures to facilitate intergovernmental dialogue with relevant national and provincial sector departments

### 5.10 LEGAL MATTERS (Management of Litigation)

NAME OF ATTORNEYS	ADDRESS	RESPONSIBLE PERSON/REFERENCE	NAME OF MATTER	TYPE OF MATTER	STATUS OF MATTER	PROJECTED COSTS
Neville Borman & Botha	22 Hill Street, Grahamstown, 6139	Mr. J Powers	Disciplinary hearing - Miss S Mini and Mr. H Molakalaka	Labour	Matter set down for hearing on the merits on 6, 7 and 8 July 2011	R200 000
Wikus Van Rensburg	36 Western Road, Central, Port Elizabeth, 6006	Mr. W Van Rensburg	Mbhashe Local Municipality vs. Madingana Phakamisa & Others - Mthatha High Court Case No. 1122/2011	Interdict	Rule Nisi discharged	R100 000
Mancotywa Ndzabela Inc.	16A King Street, Kilimanjaro Building, Butterworth, 4960	M810/09/810	Mbhashe Municipality vs. Skymedia Marketing - Idutywa Magistrate's Court Case No. 414/2008			
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Ruth Onukwe	Eviction	Awaiting Judgment	R200 000 - no appeal
L.L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Tamsanqa Somkoko	Eviction	Awaiting Judgment	R30 000
L. L Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Lizwi Nyembezi - Mthatha High Court	Eviction	Postponed to 21/07/11 to file Replying Affidavit	

NAME OF ATTORNEYS	ADDRESS	RESPONSIBLE PERSON/REFERENCE	NAME OF MATTER	TYPE OF MATTER	STATUS OF MATTER	PROJECTED COSTS
			Case No. 846/2011			
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali/Zola/M323	Mbhashe Local Municipality vs. Sindiswa Langeni - Mthatha High Court Case No. 843/11	Eviction	See Case No. 842/2011	R15000
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali/Zola/M323	Mbhashe Local Municipality vs. Nobesuthu Magwaxaza - Mthatha High Court Case No. 842/11	Eviction	Postponed to 21/07/11 to file Replying Affidavit	R140 000
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr Mjali	Mbhashe Local Municipality vs. George Sandou (N.O.) Oxford Medium School - Mthatha High Court Case No. 844/2011	Eviction	See Case No. 842/11	R15000
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Monde Phuphuma - Mthatha High Court Case No. 845/11	Eviction	See Case No. 842/11	R15000
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Nocawe Vooi - Mthatha High Court Case No. 847/2011	Eviction	See Case No. 842/11	R15000
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street,	Mr. Mjali	Mbhashe Local Municipality vs. Lindiwe Mabusela -	Eviction	See Case No. 842/11	R15000

NAME OF ATTORNEYS	ADDRESS	RESPONSIBLE PERSON/REFERENCE	NAME OF MATTER	TYPE OF MATTER	STATUS OF MATTER	PROJECTED COSTS
	Mthatha		Mthatha High Court Case No. 848/2011			
L L Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Xolile Zuma - Mthatha High Court Case No. 27/2011	Eviction	Finalised - Sheriff to demolish the structure i.t.o. Order dd 31/03/11	N/A
L L Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Tose Hlam - Mthatha High Court Case No. 25/201	Interdict	Finalised 31/03/11 - Interdicted from allocating sites from commonage 30 Willowvale	
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Mbhashe Local Municipality vs. Rev. Luvuyo Krozani (N.O.) ZCC Church, Willowvale - Mthatha High Court Case No. 26/2011	Eviction	Sheriff to demolish i.t.o. Order 31/03/11	R4000
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1186	S Sondlo vs. Mbhashe Local Municipality	Liability of Defence	Ripe for Trial	± R6 000
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1366	Mokate Monk & Du Plessis vs. Mbhashe Local Municipality - Mthatha High Court Case No. 415/09	Taxed costs (in favour of Municipality)	Plaintiff filed Application for Review of Taxatio	± R20 000
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1286	Combo Consulting CC vs. Mbhashe Local Municipality	Liability of Municipality	Stagnant: Plaintiff does not prosecute claim	± R3 000

<b>NAME OF ATTORNEYS</b>	<b>ADDRESS</b>	<b>RESPONSIBLE PERSON/REFERENCE</b>	<b>NAME OF MATTER</b>	<b>TYPE OF MATTER</b>	<b>STATUS OF MATTER</b>	<b>PROJECTED COSTS</b>
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1572	L W Habe vs Mbhashe Local Municipality and 20 others	Liability of Defendant	Defendant filed request for further particulars	± R12 000
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1364	N E Rulashe vs. Idutywa Municipality	Negligence and Liability of Defence	Going to trial	± R18 000
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1605	Mbhashe Local Municipality vs. Yik Ho Sanli Property Rev	None (Drafting Contract)	Awaiting confirmation that matter finalised	
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1595	Mbhashe Municipality VS Mafu	None (Drafting Contract)	Awaiting confirmation that matter finalised	
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1596	Mbhashe Local Municipality vs. ZCC-Dutywa	None (Drafting Contract)	Awaiting confirmation that matter finalised	
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1318	K Mcopele vs. Local Municipality	Taxed cost	Awaiting payment of costs	± R3 000
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1318	Mbhashe Municipality vs. K Mcopele	Taxed Cost	Garnishee Order not affected yet	± R3 000
Jikwana Nginda & Associates Inc.	Jikwana Business Blocks, 22 Scanlen Street, Butterworth, 4960	M1361	Nomakotinte Mhlauli vs. Mbhashe Municipality			

<b>NAME OF ATTORNEYS</b>	<b>ADDRESS</b>	<b>RESPONSIBLE PERSON/REFERENCE</b>	<b>NAME OF MATTER</b>	<b>TYPE OF MATTER</b>	<b>STATUS OF MATTER</b>	<b>PROJECTED COSTS</b>
C B Nguza & Associates	27 Victoria Street, Cathedral, Mthatha, 5099	Mr. Nguza	The State vs. Mpendulo Mbendeni & Others			
Unknown			Golden Security Services CC vs. Mbhashe Local Municipality - Idutywa Magistrate's Court Case No. 105/2011	Monies owing		
.			Joint Prop (Pty) Ltd vs. Nokonwaba Priscilla Gulwa and Mbhashe Local Municipality - Idutywa Magistrate's Court Case No. 107/2011	Eviction		
N S Nombambela Inc.	N S Nombambela Trust Building, Cnr Whack & Richardson Roads, Idutywa 5001	BAL/tw/B6831/201	T Marafane vs. Mbhashe Local Municipality			
L. L. Mjali Attorneys	Suite No. 11 - 13, 5th Floor, Sanlam Building, 50 Madeira Street, Mthatha	Mr. Mjali	Illegal Invasion	Illegal demarcation of Willow vale commonage being Erf. 130	On-going case	
Mr. Ngida Attorneys		Mr. Ngida	Illegal occupation	Mr. Maqhula and others illegally occupied Erf. 441 and 442, Dutywa	On-going case	
Mr. Ngida Attorneys		Mr. Ngida	Illegal occupation	mar Matsiliza Illegally occupied	On-going case	

<b>NAME OF ATTORNEYS</b>	<b>ADDRESS</b>	<b>RESPONSIBLE PERSON/REFERENCE</b>	<b>NAME OF MATTER</b>	<b>TYPE OF MATTER</b>	<b>STATUS OF MATTER</b>	<b>PROJECTED COSTS</b>
				Erf 442, Dutywa		

PART THREE: FUNCTIONAL AREA OF REPORTING AND  
ANNEXURES

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## GENERAL INFORMATION (POPULATION STATISTICS)

### MBHASHE LOCAL MUNICIPALITY

#### GENERAL INFORMATION

REPORTING LEVEL	DETAIL	TOTAL	
Overview:	Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported		
Information:	<b>Statistical Information</b>		
	Geography:		
	1 Geographical area in square kilometres Source: Statistics SA.	<b>3030.47km</b>	
	Demography:		
	2 Total population Note: Indicate source of information	<b>262008</b>	
	3 Indigent Population Source: Statistics SA.	<b>59705</b>	
	4 Total number of voters		
	5 Aged breakdown:		
	- 65 years and over	<b>17682</b>	
	- between 35 and 64 years	<b>53864</b>	
- between 15 and 34 years	<b>77533</b>		
- 14 years and under	<b>112932</b>		
Source: Statistics SA.			
6 Household income:			
- over R25601 per month	<b>368</b>		
- between R12801 and R25600 per month	<b>215</b>		
- between R6401 and R12800 per month	<b>1914</b>		
- between R3201 and R6400 per month	<b>1745</b>		
- between R1601 and R3200 per month	<b>2008</b>		
- under R1,601 per month	<b>134514</b>		
- No income	<b>118083</b>		
Source: Statistics SA.			

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

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on Financial Statements and related financial Information.		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> <li>- Revenue collection and debt management;</li> <li>- Expenditure management;</li> <li>- Auditing; and</li> <li>- Supply chain management</li> </ul> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <ul style="list-style-type: none"> <li>- To outline revenue and expenditure forecast</li> <li>- To create the medium term strategic financial framework</li> <li>- To establish a base for monitoring progress</li> <li>- To link capital project with potential source of financing</li> </ul> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> <li>- To ensure significant increase in revenue collection</li> <li>- To verify debtors information</li> <li>- To pay creditors on time</li> <li>- To ensure that there's compliance in all sectors of the municipality</li> </ul> <p>The key issues for 200X/0Y are: &lt;List here&gt;</p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	<p>Debtor billings: number and value of monthly billings: Function - &lt;list function here e.g.: water, electricity etc.&gt;</p> <ul style="list-style-type: none"> <li>- Number and amount billed each month across debtors by function (e.g.: water, electricity etc.) and by category: Government, Business, Residents and Indigents</li> </ul> <p>Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (e.g.: water, electricity etc.) and by category</p>	<p><b>&lt;total&gt;</b> <b>3402</b></p>	<p><b>R (000s)</b> <b>&lt;total&gt;</b> <b>R7072289.88</b></p>
2	<p>Debtor collections: value of amount received and interest: Function - &lt;list function here e.g.: water, electricity etc.&gt;</p> <ul style="list-style-type: none"> <li>- 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</li> </ul>	<p><b>R (000s)</b> <b>&lt;received&gt;</b></p>	<p><b>R (000s)</b> <b>R1521766.81</b> <b>&lt;interest&gt;</b></p>

	Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function and by category		
3	Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days: Function - <list function here e.g.: water, electricity etc.>  - Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (e.g.: water, electricity etc.) and category Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function and category	<b>R (000s)</b>  <b>&lt;total&gt;</b>	
4	Write off of debts: number and value of debts written off: - Total debts written off each month across debtors by function (e.g.: water, electricity etc) and category Note: create a suitable table to reflect write offs each month across debtors by function and category	<b>&lt;number&gt;</b>	<b>R (000s)</b> <b>&lt;value&gt;</b>
5	Property rates (Residential):  - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	<b>3118</b> <b>0</b> <b>3118</b>	<b>R (000s)</b> <b>R133450000</b> <b>R0</b> <b>R15000</b> <b>R1465693.45</b>
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
6	Property rates (Commercial): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	<b>&lt;number&gt;</b> <b>&lt;number&gt;</b> <b>&lt;number&gt;</b>	<b>R (000s)</b> <b>&lt;value&gt;</b> <b>&lt;value&gt;</b> <b>&lt;value&gt;</b> <b>&lt;value&gt;</b>
7	Property valuation: - Year of last valuation - Regularity of valuation	<b>&lt;year&gt;</b> <b>&lt;cycle&gt;</b>	
8	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	<b>&lt;total&gt;</b> <b>&lt;value&gt;</b>	
9	Creditor Payments: <List creditors here>  Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days	<b>R (000s)</b> <b>&lt;value&gt;</b>	<b>&lt;age&gt;</b>
10	Credit Rating: <List credit rating details here>  List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	<b>R (000s)</b> <b>&lt;value&gt;</b>	<b>&lt;date&gt;</b>
11	External Loans: - Total loans received and paid during the year Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.	<b>R (000s)</b> <b>&lt;received&gt;</b>	<b>R (000s)</b> <b>&lt;paid&gt;</b>

12	Delayed and Default Payments: <List delayed and default payments here>	<value>	<date>
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature		
	Note: This information need not be reported here if reported as notes to the accounts.		

## 1. COMMUNITY AND SOCIAL SERVICES FUNCTION'S PERFORMANCE

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

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> <li>-Disasters prevention mitigation and recovery</li> <li>- Social Facilities</li> <li>- Environment</li> </ul> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <ul style="list-style-type: none"> <li>-Traffic section and law enforcement</li> <li>-Social Amenities (Libraries, community halls in 24 wards, Pounds, community sport grounds)</li> <li>-Cemeteries</li> <li>-Community Safety and Security</li> </ul> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> <li>-To enhance management of disasters within Mhashe</li> <li>-Provision of sporting facilities</li> <li>-To provide and extend the use of recreational facilities</li> <li>-To create an environmentally friendly environment</li> </ul> <p>The key issues for 200X/0Y are:</p> <p>&lt;List here&gt;</p>		
Analysis of the Function:	<p>&lt;Provide statistical information on (as a minimum):-&gt;</p> <p>1 Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> <li>- Library services</li> <li>- Museums and art galleries</li> <li>- Other community halls/facilities</li> <li>- Cemeteries and crematoriums</li> </ul>	<p><b>no of facilities:</b></p> <p>3</p> <p>none</p> <p>29</p> <p>3</p>	<p><b>no of users:</b></p> <p>&lt;number&gt;</p> <p>&lt;number&gt;</p> <p>&lt;number&gt;</p> <p>&lt;number&gt;</p>

	- Child care (including crèches etc.) - Aged care (including aged homes, home help)	- N/A	<number> <number>
	- Schools - Sporting facilities (specify) - Parks	- 4 1	<number> <number> <number>
	Note: the facilities figure should agree with the assets register		
2	Number and cost to employer of all personnel associated with each community services function: - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care  - Aged care - Schools - Sporting facilities - Parks Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	- - 5 3 - - - - <total>	R(000s) <cost> <cost> R430899 R63529 <cost> <cost> <cost> R300932 <cost>
3	Total operating cost of community and social services function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<ul style="list-style-type: none"> <li>Approved HIV/AIDS strategy;</li> <li>Approved Disaster management policy frameworks and plans (Metro and DM)</li> </ul>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		

## 2. WASTE MANAGEMENT FUNCTION'S PERFORMANCE

**Function:** Community Services - Waste Management  
**Sub Function:** Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		

Description of the Activity:	The refuse collection functions of the municipality are administered as follows and include:		
	<List administration of each function here: this should detail what is offered, and how it is offered to the community>		
	These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to: <List here> The strategic objectives of this function are to: <List here> The key issues for 200X/0Y are: <List here>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
	1 Number and cost to employer of all personnel associated with refuse removal: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		R (000s)
		<total>	<cost>
	2 Number of households receiving regular refuse removal services, and frequency and cost of service: - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal Note: if other intervals of services are available, please provide details		R (000s)
	<total>	<cost>	
	<total>	<cost>	
	<total>	<cost>	
	<total>		
	<total>		
3 Total and projected tonnage of all refuse disposed: - Domestic/Commercial - Garden Note: provide total tonnage for current and future years activity			
	<current>	<future>	
	<current>	<future>	
4 Total number, capacity and life expectancy of refuse disposal sites: - Domestic/Commercial (number) - Garden (number) Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period			
	<capacity>	<lifespan>	
	<capacity>	<lifespan>	
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
5	Anticipated expansion of refuse removal service: - Domestic/Commercial		R (000s)
		<total>	<cost>
	- Garden	<total>	<cost>

	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
6	Free Basic Service Provision: - Quantity (number of households affected)	<total>	
	- Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	<value>	
7	Total operating cost of solid waste management function		R (000s)

**PROVISION OF FREE BASIC services**

**2010/2011**

<b>No of H/H Benefited</b>	<b>Unit of H/H</b>	<b>Amount</b>
2588	50kwh	R34.08
2588	50kwh	R29.47

<b>Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Diff</b>	<b>% Deviation</b>	<b>Budget</b>	<b>Actual</b>	<b>Diff</b>	<b>% Deviation</b>
2010/2011	R104,483,000	R103,224,952	R1,258,048	98%	R149,425,000	R131,350,858	R18,074,142	87%

## **PART FOUR**

### **ANNEXURES**

- ♣ **Annual Financial Statements (Annexure A)**
- ♣ **Full Auditor General Report (Annexure B)**
- ♣ **Audit Action Plan (Annexure C)**
- ♣ **Audit Committee Report (Annexure D)**
- ♣ ***Municipal Organogram (Annexure: E)***
- ♣ **List of Councillors, EXCO Members, Traditional Leaders, Standing Committee Members, Ward Committees and CDW (Annexure F)**
- ♣ **Performance Reports (Annexure G)**