



**O.R. TAMBO
DISTRICT MUNICIPALITY**

DRAFT ANNUAL PERFORMANCE REPORT

2012/13

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EXECUTIVE MAYOR'S FOREWORD



It is always a pleasurable moment to present an annual report which is an instrument that takes stock of achievements made, and challenges encountered in a twelve month period of service delivery. I now present to both the government and the general public achievements made, and challenges encountered in the 2012/13 financial year, which came to an end on 30 June 2013.

During the period under review the district municipality's core business remained service delivery in terms of water and sanitation. It is against this background that, as leadership, we commenced the year with a greater anxiety that, as of 1st July 2012, we had a tantamount task of spending more than R1 billion of Municipal Infrastructure Grant (MIG) which was made up of the 2012/13 allocation and a rollover of more that R344million from 2011/12 financial year. We are pleased, however, to report that an MIG spending turnaround strategy that we adopted assisted the institution to have spent on 30th June 2013 more than 82% of these resources in service delivery. At the time of writing this foreword that expenditure had risen to 88%. Our focus, as leadership, is to ensure that at the beginning of 2013/14 financial year our institution is relieved of the year in and year out negative legacy of under-spending and rollovers.

Another greater achievement our institution has made in the year under review is the improvement of the quality and credibility of the 2012/2013 Integrated Development Plan (IDP). This achievement may seem insignificant to many, but it is great to us in that a compromised IDP, means a poor starting point towards service delivery. This achievement has come as a result of greater efforts made at encouraging participation by key stakeholders in the preparation of the IDP, particularly the provincial government sector departments. However, above all, this achievement came as a result of our prudence and humility to seek informed advice where we felt our skills base and capacity is wanting. We are indebted to ECSECC who was very instrumental in closing gaps needed to produce this qualitative and credible IDP. Our focus as leadership is that, moving forward, we present a fully fundable and implementable IDP in any given year. We need to move the institution from presenting an IDP that is purely a wish list of programmes and projects that are not planned to detail and thus which are not credible and non-fundable. Another great achievement we pride ourselves of, in the period under review, are great strides made in taking advantage of funding opportunities available to support our other developmental programmes, including LED and educational interventions. In 2012 we entered into an MOU with Anglo Gold Ashanti who have, to this far, built and completed one school, Sonata, in Nyandeni Local Municipality, and have also completed one laboratory, Goso Forest, in Ingquza Local Municipality. We appreciate that in the pipeline the same company is busy with one more school, Bolani in Port St John's Local Municipality, and one Laboratory, Dudumayo, King Sabatha Dalindyebo Local Municipality. In addition to these schools the company is investing more that R18 Million in a partnership with the National Union of Mineworkers to build an Enterprise Development Centre in the district.

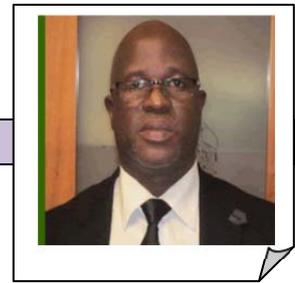
Other funding organization including Gold One, Nedbank and now Patrice Motsepe Foundation are working very close with the district to co-ordinate and distribute

developmental funding. Given reality of inadequate funding from national and provincial government it is becoming more urgent that the district consolidates its strategies to mobilize additional resource required in the context of service delivery. To augment these strides we welcome national and provincial governments efforts to introduce anchor and catalyst mega projects in the form of Mzimvubu Dam, Wild Coast Corridor development, and Presidential Interventions in areas such as KSD where bulk water and sanitation infrastructure is being installed.

The year under review has not passed without challenges. It is now a known fact that there are many contending needs and expectations placed by both internal and external stakeholders on the shoulders of the municipality which then put a tremendous strain on the functionality of the municipality as an institution. There was a plan to complete a new organogram, but that was not to be. The district took its IDP to road shows and made a number of promises to the public, but National Treasury reminded the district of its responsibility to use funds set aside to fulfill some of these promises to finance depreciation of bulk infrastructure. The General public and Auditor General remain highly concerned with our track record on financial management, particularly that our last audit report is now a disclaimer. Many such challenges are reflected in this report, but as leadership we do not wish to sell them as core of the report, but rest assured, as a reader, that we are tackling each challenge through creation of an environment that is fully conducive and supportive of our service delivery responsibilities and priorities. Take your time, therefore, and read this report as one of our stakeholders who will be willing to give us constructive feedback which we need to improve our performance into the future.

Councilor J.D. MYOLWA
EXECUTIVE MAYOR

PERFORMANCE OVERVIEW BY THE MUNICIPAL MANAGER



The report is submitted in line with the objectives, indicators and targets as set out in the 2012-13 approved Integrated Development Plan aligned with the approved budget, both of which informed the quarterly performance targets set out in the Service Delivery and Budget Implementation Plan (SDBIP). The report is presented in line with the five (5) Local Government Key Performance Indicators as follows (not in the order of priority):-

- a) Basic Service Delivery and Infrastructure Development
- b) Local Economic Development
- c) Financial Viability and Management
- d) Good Governance and Public Participation
- e) Institutional Transformation and Development

The report depicts the level of achievement of the set targets for the period 1 July 2012 to 30 June 2013. It also reflects explanations on deviations provided where the department has not met the set target as well as corrective measures to be implemented, going forward into the five(5) year term of the current council.

PERFORMANCE HIGHLIGHTS FOR 2012/13

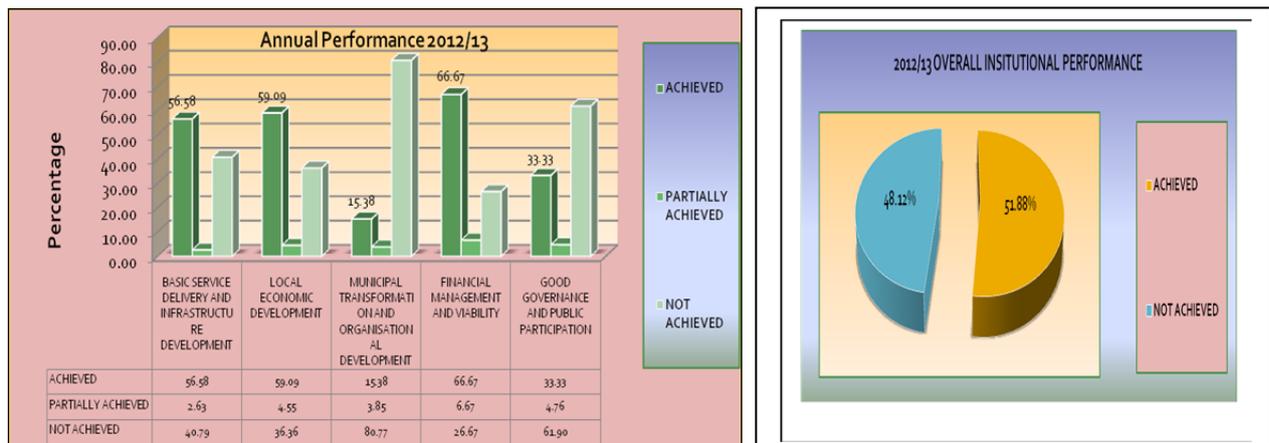
The year under review has been quite a challenging one for the District Municipality. It is a known fact that the municipality has been under serious scrutiny for the under-spending of the Municipal Infrastructure Grant. The municipality took a cautious decision in the 2012-13 financial year to ensure that this situation was turned around for the better. Despite a huge rollover from the previous financial year, the municipality was able to record 82% overall expenditure on the MIG at the end of the financial year. Another area in which the District Municipality has always been criticized on was weak intergovernmental relations and that the District Municipality was not taking its due role as the coordinating body. Strides have also been made to improve in this area. August 2012 saw the Launch of the District IGR forum which was graced by the attendance of the MEC for Local Government and Traditional Affairs, Honourable Mlibo Qhoboshiyane. In this launch, the IGR Policy was presented to the stake-holders which is a guideline on how the District will implement IGR. After much deliberation with different stakeholders, this policy now only awaits approval by Council.

On the downside, the year has also been marked by the expiry of almost all contracts of senior managers. This obviously does not come without a cost in terms of productivity as uncertainty of job security directly impacts on the morale of those affected. The results of this are evident in the quarterly performance reports which show a decline in performance through the quarters. This has affected the overall institutional performance from 65% achievement of set targets in the previous year to 52% in 2012-13. The municipality has

started a process of reviewing the organizational structure and all institutional related matters which could have contributed to low staff morale are being addressed in the new financial year.

SERVICE DELIVERY PERFORMANCE

The overall institutional performance reflects that, of the 160 targets set for the institution across all the Key Performance Areas, at least 77 are reported to have been achieved with 6 being reported to be partially achieved. This brings the total number of achieved targets to 83. Partially achieved is used where a minimum of 80% of the target is reported to have been fully achieved, e.g. in the case of policies, drafts are in place, have been through policy workshops and are only awaiting to be included in the Council Meeting agenda or in cases where only 80% of planned new household connections was actually achieved. There has been a steady decline in the institutional performance over the four quarters of the year across all Key Performance Areas. No Key Performance Area performed below 70% in the first quarter and all KPAs seem to have taken quite a plunge in the second quarter and some started to pick up in the third quarter. The charts below depict an overall institutional performance; with 52% of targets set as per IDP, reported as achieved and 48% of targets reported as not achieved.



Undoubtedly the institutional performance shows that the year under review has been full of challenges. These could have been exacerbated by the expiry of the contracts of senior management which caused a lot of uncertainties. To rebuild staff morale and improve productivity in the institution are two areas that the municipality must focus on in the year ahead.

H.T. HLAZO
MUNICIPAL MANAGER

CHAPTER 1. EXECUTIVE SUMMARY

The OR Tambo district municipality is the Water Services Authority and Water Services Provider responsible for planning and implementation, operation and maintenance of water and sanitation services within the five local municipalities in the district. In terms of the law the District Municipality is therefore responsible for the development and the implementation of its water services by-laws, District Wide Water Master plans, Water Conservation & Water Demand Management and Water Services Master Plan.

Much of the existing water and sanitation infrastructure is not adequately maintained and in many cases, is not functioning. On-going refurbishment and maintenance is therefore imperative. O.R. Tambo District Municipality is a grant dependant municipality and most of its water services capital projects are funded through the Municipal Infrastructural Grant (MIG) which the Department of Cooperative Government (DCOG), the Eastern Cape Department Local Government and Traditional Affairs (DLGTA), National Treasury and Provincial Treasury have micro control. The bulk water supply is funded through the Bulk Infrastructure Grant Funding funded through the Department of Water Affairs (DWA). In terms of the law DWA is the regulator. The Operation and maintenance is funded through the equitable share from the Division of Revenue (DORA) and through own funding.

The year under review has seen the municipality facing major difficulties that have impacted negatively in the provision of services in the district. Poor MIG allocation not spent entirely which resulted into annual targets not 100% met. As a proactive District Municipality, efforts are still continuing to meet this need of the community while more permanent and sustainable solutions to the challenges are being investigated. Efforts to eradicate the backlogs in the district have been affected by funding problems during the period under review. Delays in awarding of tenders resulted in poor MIG expenditure.

Refurbishment of pump stations and Upgrading of WWTW to accommodate increasing demand has been a major focus area for the municipality. Focal point in year under review was to upgrade all sewer system into waterborne sewer system in all towns. Waste management and including roads and storm water management are the competency of the local municipalities' while electricity is done by Eskom except Mthatha town where KDS Municipality is licenced to provide electricity. In order to meet the needs of the communities, the District Municipality has entered into services level agreement with Amatola Water and Umgeni Water in the implementation of the projects while O.R. Tambo Ntinga Development

agency is assisting the municipality with the social facilitation component. The Rosedale to Libode water pipeline and Mhlahlane regional water supply scheme commenced during the 2012-13 financial year.

At the end of 2012/13 financial year the municipality has managed to provide the 99 000 indigent households. 155 water tanks were supplied and delivered to the communities. In terms of blue drop status as defined by DWA, the municipality was not assessed for the year under review, because the blue drop and the green drop programmes are assessed alternately. The blue drop programme will be assessed for the 2013/2014 financial year. The municipality is engaging the services of Amatola Water in order to meet the minimum requirement as set out by DWA

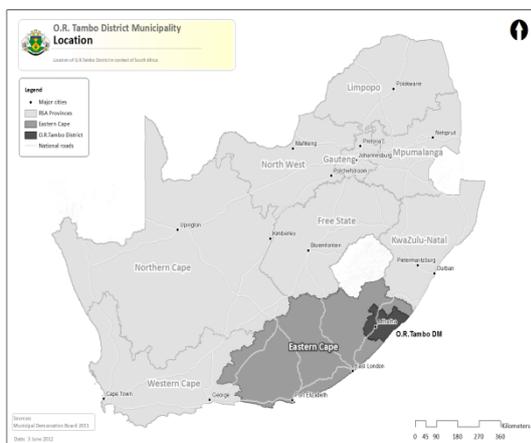
On the waterborne sanitation projects, efforts are underway to secure additional funding on the Mthatha, Flagstaff, Lusikisiki, Tsolo and Mqanduli projects while new projects namely Libode, PSJ, Ngqeleni and Qumbu will be prioritised in the coming financial year. By far the Mthatha waterborne sanitation project has the greatest impact both environmentally and economically since it greatly affects the development and growth of Mthatha Town and the hinterland. Priority has been given to the Mthatha Sanitation programme to apply for additional funding through the Department of Water Affairs Regional Bulk Infrastructure Programme (DWA RBIP).

CHAPTER 2: OVERVIEW OF THE MUNICIPALITY

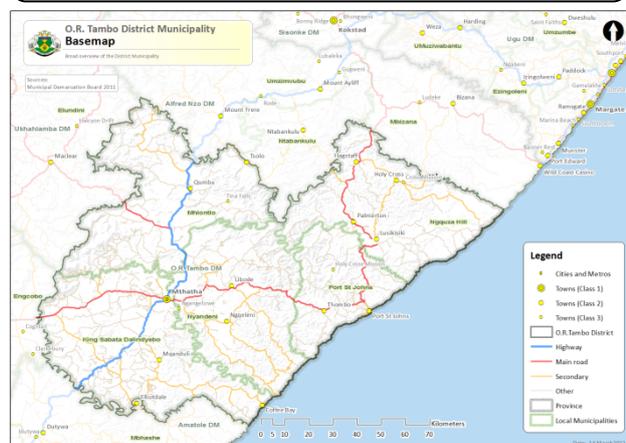
2.1 LOCALITY

The OR Tambo District Municipality (ORTDM) is one of the six District Municipalities in the Eastern Cape Province. It is located in the eastern half of the Province, with as its eastern border the Indian Ocean coastline of South Africa (see Maps 1 below). To the north, it is bordered by the Alfred Nzo District Municipality, to the northwest, by the Joe Gqabi District Municipality, to the west, by the Chris Hani District Municipality, and to the southwest, by the Amathole District Municipality.

Map 2: The location of the OR Tambo DM in the Eastern Cape Province and South Africa



Map 1: The ORTDM and its five Local Municipalities



The District includes within its borders five Local Municipalities (see Map 2 below), namely:

- Ingquza Hill Local Municipality;
- Port St Johns Local Municipality;
- Nyandeni Local Municipality;
- Mhlontlo Local Municipality; and
- King Sabata Dalindyebo Local Municipality.

Detail regarding the number of wards in these five municipalities is provided in Table 6 below:

Table 1: Situation regarding number of Wards pre and post-2011

Municipal Code	Name of the Municipality	Number of Wards pre-2011	No of Wards in 2011	Extent (km ²)
EC 153	Ingquza Hill	27	31	2 461
EC 154	Port St Johns	16	20	1 301
EC 155	Nyandeni	26	31	2 472
EC 156	Mhlontlo	21	26	2 825
EC 157	King Sabata Dalindyebo	32	35	3 028
Total		122	143	12 087

2.2 DEMOGRAPHIC INFORMATION

The ORTDM is classified as a Category C2-Municipality, which means an area with a largely rural character. At least, 80% of the district was part of the former Transkei, and approximately 93% of the population resides in widely dispersed homesteads and small villages. Organisationally speaking, the municipality has limited municipal staff and a small budget relative to its developmental challenges.

All of the LMs in the District, with the exception of King Sabata Dalindyebo Local Municipality (KSDLM), are classified as Category B4-Municipalities, signifying a rural, mainly subsistence economy. Settlements in these municipalities are generally small and the incomes of their inhabitants low, which mean very few opportunities for markets, SMME formation and LED initiatives. Organisationally speaking, the LMs have small own-income and property tax bases and limited technical, financial and managerial capacity. The KSDLM is classified as a Category B2-Municipality, i.e. a large core town with considerable market and business activities and opportunities, surrounded by a reasonably productive agricultural area. Organisationally speaking, the municipality has a sizable budget and a staff contingent skilled in the areas of planning, budgeting, engineering services, finances and management.

2.2.1 Population Density and Household Distribution

In 2011, there were 112.75 persons per square kilometer living in the O.R. Tambo District. Comparing to the other district municipalities (ignoring the metropolitan municipalities) it is clear that the O.R. Tambo District is much more densely populated than the other district municipalities. O.R. Tambo District is relative densely populated compared to most rural municipalities. The higher density influences household infrastructure provision, quality of services and access to resources (medical care, schools, sewage treatment, community centers, etc).

	South Africa	Eastern Cape	O.R. Tambo DM	O.R. Tambo DM as % of	
				Eastern Cape	South Africa
2001	44 819 779	6 436 765	1 295 298	20.1%	2.9%
2011	51 770 560	6 562 053	1 364 943	20.8%	2.6%
Average annual growth rate:					
2001 - 2011	1.45%	0.19%	0.53%		

Source: Stats SA Population census 2001 & 2011

The largest portion of the district population is concentrated in the western part of the district (see table below). The KSD LM has the largest population in the district with 451 009 people and accounts for nearly 31% of the total, with a population density of 147 persons/ km². The next largest town in the district is Port St Johns, with the density of 126 persons/ km². In general, the last decade has witnessed sizeable migration from smaller to larger villages and towards villages located on the main roads in the district

There were 298 229 households in O.R. Tambo District in 2011 that equates to an average annual growth of 0.97% from 2001. In the year 2011, the local municipality with the most households is the King Sabata Dalindyebo Local Municipality with a total of 105 241 also

had the highest average annual growth rate of 1.51% from 2001. The only local municipality that did not report positive growth in the number of households from 2001 to 2011 is the King Mhlonlto Local Municipality, where the number of households decreased from 44 295 to 43 414 or at an average annual rate of 0.2%. The average household size in 2001 was approximately 4.8 individuals per household as compared to the 4.6 persons per household in 2011.

Region	2001	2011	AAGR 2001-2011
Ngquza Hill Local Municipality	254 590	278 481	0.90%
Port St Johns Local Municipality	147 026	156 136	0.60%
Nyandeni Local Municipality	274 344	290 390	0.57%
Mhlonlto Local Municipality	203 219	188 226	-0.76%
King Sabata Dalindyebo Local Municipality	416 119	451 710	0.82%
O.R.Tambo District Municipality	1 295 298	1 364 943	0.53%
Eastern Cape Province	6 436 765	6 562 053	0.19%
South Africa	44 819 779	51 770 560	1.45%

Source: Stats SA Population census 2001 & 2011

2.2.3 Gender Distribution

Approximately 54% of the district population is made up of females while only 46% is males. The relative dominance of female population is prevalent in all the local municipalities. The LM with the highest population is KSD, followed by Nyandeni and Ingquza Hill LM. Table 7 below summarizes the headline demographic data in the District and the situation in the District relative to the Eastern Cape figures:

Table 2: Summary of Headline Demographic Data

	Ingquza Hill	PSJ	Nyandeni	Mhlonlto	KSD	O.R. Tambo District	EC
HOUSEHOLDS							
Census 2001	50206	28869	54365	43573	89697	266709	1481640
Census 2011	56213	31715	61647	43414	105240	298229	1687385
PERSONS							
Census 2001	254 483	146 965	274 420	202 849	416 347	1295145	6278651
Census 2011	278185	156063	290191	188070	451009	1363518	6 562 053
HOUSEHOLD SIZE							
Census 2001	4.98	5.0	5.0	5.0	4.6	4.8	4.2
Census 2011	5.0	4.9	4.7	4.3	4.3	4.6	3.9

The above table indicates that all five the LMs grew at a much faster rate than the Eastern Cape Province. In addition to this, while household sizes declined in the Eastern Cape Province and South Africa as a whole during this period, household sizes in Ingquza LM increased and only Mhlonlto LM had a decrease in the number of households.

O.R. Tambo District housed 2.6% of the total South African population in 2011. Between 2001 and 2011 population growth averaged 0.53% per annum which is 0.93 percentage points lower than that of South Africa as a whole, but higher as the total provincial growth which is 0.19%. The only local municipality that had a decrease in population is the Mhlontlo Local Municipality, where the population decreases at an average annual rate of 0.76%. Key reasons for this are (1) migration from the district for economic reasons; (2) ill health and an increase in the mortality rate largely due to poverty; and (3) the high incidence of HIV/AIDS and TB in the district. The municipality with the highest population increase is the Ingquza Local Municipality at 0.90% average annual growth. The King Sabata Dalinyebo Local Municipality too has a relatively high average annual increase of 0.82% - probably due to the in-migration to a more developed economy.

2.2.4 Population by Race, Gender and Age

Of the 1.4 million people in the district, approximately 99.04% of the people living in the district are Africans, with the rest of the 0.49% divided between White, Coloured and Asian persons. Racial differences are therefore not very significant in the O.R. Tambo District. The figure below compares the national population structure to that of O.R. Tambo District Municipality. The total population tends to have a broad base with a big youth or student group present. From the age 20+ the number of people in each age group declines sharply. This can be a sign of out-migration of working age people as they move to the larger metropolitan areas looking for better employment opportunities. Other possible explanations for the differences between the national and the

2.2.5 HIV and AIDS Estimates

HIV and AIDS can have a large impact on the growth of a given population. However, there are many factors that affect the impact that the virus will have on population progression, namely; the adult HIV prevalence rates, speed at which the virus progresses, age distribution of the virus and the mother to child transmission and child treatment, adult treatment and finally the percentage by which having the virus will decrease total fertility. In 2011, the total number of people infected with HIV in O.R. Tambo District Municipality was 144 930. The number of people infected increased at an average annual rate of 3.1% between 2005 and 2011, and in 2011 represented 11.2% of the total O.R. Tambo District Municipality population.

South Africa has a total of 4.8 million people who were HIV+ in 2011; this increased at an average annual growth rate of 1.8% and constitutes 10.8% of the total population. The Eastern Cape Province has a similar profile with 10.5% of the people being HIV+, but it is growing at a much faster rate (3.1%). The average annual growth in the number of HIV+ people in O.R. Tambo District Municipality is similar to that of the province at 3.1% but has a higher percentage of people living with the disease at 11.2%. The local municipality that is affected the worse is the King Sabata Dalindyebo Local Municipality where the HIV+ number is growing at 3.2% average annually from 2005 to 2011.

2.2.6 Unemployment

In 2011, the unemployment rate in O.R. Tambo District Municipality (based on the official definition of unemployment) amounted to 40.8%. This was somewhat lower than the 44.8% recorded in 2005. The number of unemployed decreased from 2005 to 2008, after which it started to increase again, due to the impact of the economic slowdown. The same trend is visible in the unemployment rate which also includes the dynamics of the economic active population and which is driven by the labour participation rates. The average annual growth rate between 2005 and 2011 is -0.8%.

Table 3: Unemployment Figures for the District (2005-2011)

Year	Number of unemployed	Unemployment rate
2005	70 549	44.8%
2006	69 458	43.7%
2007	66 104	41.4%
2008	63 510	39.2%
2009	64 737	40.3%
2010	65 862	40.8%
2011	67 244	40.8%

In terms of the unemployment rate per local municipality, King Sabata Dalindyebo had the lowest rate of 31.1% in 2011, while Port St Johns topped the charts at 53.1%, which is slightly ahead of Ngquza Hill with 50.9%. Unemployment is certainly less pronounced in regions where the formal as well as the informal sector generates sufficient levels of GVA and employment opportunities.

2.2.7 LM Contribution to the District GDP

The greatest contributor to the O.R. Tambo District Municipality economy is the King Sabata Dalinyebo Local Municipality with a share of 69% or R 12.1 billion while the lowest contribution is from the Port St Johns Local Municipality with R 1 billion.

Sectoral Contribution to GVA

O.R. Tambo's economy is made up of various industries. The GVA-R variable provides a sectoral breakdown, where each sector is measured in terms of its "value added" produced in the local economy. The greatest contributor towards the GVA of the local municipalities is the community sector (ranging from 48% for the King Sabata Dalindyebo Local Municipality to 63% for Nyandeni Local Municipality), with the King Sabata Dalindyebo Local Municipality community services contributing 33% or R 5.4 billion to the total Gross value added of the O.R. Tambo District Municipality. Relative to the other local municipalities the King Sabata Dalindyebo Local Municipality also contributes more to the financial sector and the trade sector of the O.R. Tambo District Municipality – R 2.4 billion (15%) and R 2.1 billion (13%) respectively.

In 2011 O.R. Tambo District Municipality's economy was dominated by the tertiary sector as a whole, which is primarily focused on community services. Community services accounted for half of the GVA with a 51.5% contribution to the total economic activity in O.R. Tambo District Municipality in 2011, which is the largest sector contribution to economic activity. The community services consist of public administration (14.3 percentage points), education (23.4 percentage points), health and social work (9.2 percentage points) and other community services (4.6 percentage points). The trade sector at 18.5% is the second largest contributor to the economic activity.

Community services dominate the O.R. Tambo District Municipality economy, as is visible in the numbers. With the recession of 2008 and 2009, and the renewed emphasis on government spending, the community services sector grew in importance. Zooming into the agriculture sector reveals that roughly three quarters of the sector is the forestry and logging sector and a quarter; agriculture and hunting. Community services, which consist of public administration (13.8%), education (22.5%), health and social work (9.0%) and other community services (4.6%), accounted for half of the GVA, with a 50% contribution to the total economic activity in the District in 2010. This was the largest sector contribution to the District economy. The trade sector at 19% was the second largest contributor to the economic activity. See Map 8 to 12 for a spatial mapping of the GVA according to the various sectors. This is not a healthy picture, as the primary source of financing in the 'Community Services' is direct remittances from government in the following forms: (1) capital infrastructure; and (2) operational costs of government employees in the three spheres of government operating in the District. The District clearly needs to seriously consider ways of growing its economy, especially the primary and the secondary sectors.

2.2.8 Grant Dependency

Household dependency on Government grants is undisputed in the Eastern Cape. The ORTDM at 75.1% has the highest percentage of households receiving grants in the Province. The large number of households in receipt of grants is in part a result of improved access to such grants for poor households. Overall welfare grants are a very important component of the household incomes and livelihood strategies of the majority of the families, with such payments representing approximately 20% of total income in the District. While the District must, on the one hand, seek to maximise the access to grants for eligible households, it must also, on the other hand, endeavour to reduce grant dependency for households by increasing their access to economic opportunities.

2.2.9 Personal Income

It was estimated that 82.0% of all households in O.R. Tambo District Municipality were classified as living on R38 200 or less per annum in 2011. In 2001, 93.0% of all households were classified as living below the R38 200 per annum line. The income brackets above do not take inflation into account and "inflation creep" occurs. This implies that - over time - movement of households "up" the brackets is natural, even if they are not earning any more in real terms. The total number of households without any income in O.R. Tambo District Municipality is at a concerning 17%.

Dependency on subsistence farming could be a substitute for income as a means of survival as subsistence farming is not reported or understood as income by households and is therefore not reported. This may result in an increased burden on state to provide health, education and safety. Table 4 below provides an overview of households per income category in the District for the year 2011. It should be noted that this table does not take inflation into account. The result of this is that, while it would seem that households are moving ahead in terms of income earned, much of this cancelled out by inflation, which simply means that they are in many cases not earning more income in real terms.

Table 4: Total Number of Households per Income Category (2011)

2011	Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlonlo Local Municipality	King Sabata Dalindyebo Local Municipality	O.R. Tambo District Municipality
No income	9 895	6 221	10 574	6 650	17 547	50 887
R 1 - R 4800	4 094	2 357	4 448	3 002	6 513	20 414
R 4801 - R 9600	7 986	4 680	9 515	5 817	12 246	40 244
R 9601 - R 19 600	13 845	8 107	15 783	11 691	22 466	71 892
R 19 601 - R 38 200	11 393	6 482	12 704	9 849	20 744	61 172
R 38 201 - R 76 400	4 005	2 008	4 292	3 113	9 432	22 850
R 76 401 - R 153 800	2 546	950	2 339	1 691	7 239	14 765
R 153 801 - R 307 600	1 683	588	1 296	1 054	5 378	9 999
R 307 601 - R 614 400	554	223	511	399	2 730	4 417
R 614 001 - R 1 228 800	90	39	66	68	572	835
R 1 228 801 - R 2 457 600	70	33	64	44	204	415
R 2 457 601 or more	50	26	56	34	170	336
Unspecified	-	-	1	3	1	5
Total	56 211	31 714	61 649	43 415	105 242	298 231

Source: Stats SA Population census 2011

The Ngquza Hill Local Municipality and the King Sabata Dalindyebo Local Municipality both recorded an average annual growth rate in total personal income of about 10%. The lowest average annual growth rate of all the local municipalities was the Port St John Local Municipality with an increase of only 6.1% annually over the period. Total personal income had initially decreased with 19.1%, and we have seen that the total population decreased with 23.1% as a result of the boundary changes and there has been a 5.1% increase in the per capita income for the district.

2.2.10 Employment

Economically Active Population

The economically active population (EAP) is defined as the number of persons between the ages of 15 and 65 that are able and willing to work. It includes both employed and unemployed persons. O.R. Tambo District's EAP amounted to 164 906 in 2011 - as opposed to 161 456 the year before. In 2011, the EAP in O.R. Tambo District Municipality constituted 12.1% of its total population of 1.36 million, and roughly 11.1% of the total EAP of the Eastern Cape. The average annual growth rate of the EAP in the O.R. Tambo District Municipality was 0.8% from 2005 to 2011, which is 0.2% points lower than that of the average annual growth rate of the EAP in the Eastern Cape Province.

Table 5: Economically Active Population in the District (2005-2011)

Year	Eastern Cape	O.R. Tambo DM	EAP as % of Eastern Cape
2005	1 401 878	157 350	11.22%
2006	1 420 098	158 764	11.18%
2007	1 433 008	159 660	11.14%
2008	1 472 333	162 081	11.01%
2009	1 455 921	160 656	11.03%
2010	1 458 152	161 456	11.07%
2011	1 489 462	164 906	11.07%
Average annual growth rate:			
2005 - 2011	1.0%	0.8%	-0.2%

The largest employer in the O.R. Tambo District Municipality is the Community services sector (that largely consists of government) which employed 44 645 in 2011. The second largest employer is the Trade sector, which employs 14 277 people. Relative to employment in the Eastern Cape the, O.R. Tambo District Municipality employs 9.5% of the total employment in the Eastern Cape, with 13.2% of total Eastern Cape employment in the Community sector being employed in O.R. Tambo District Municipality.

Table 6: Employment by Economic Sector in the District (2011)

Sector	Formal Employment	Informal Employment	Total Employment
Agriculture	3 158	-	3 158
Mining	68	-	68
Manufacturing	2 607	2 378	4 985
Electricity	211	-	211
Construction	2 098	3 769	5 867
Trade	5 300	8 977	14 277
Transport	1 089	3 728	4 817
Finance	3 934	776	4 710
Community services	41 399	3 246	44 645
Households	12 876	-	12 876
Total	72 741	22 874	95 615

2.3 DEVELOPMENT INDICATORS

All the human development and poverty indicators demonstrate that the District has some of the highest levels and concentration of poverty in the Eastern Cape and in the country as a whole. Although the Human Development Indicator (HDI) indicates a slight improvement in the quality of life for people in the District over the last decade, other poverty indicators point to an increase in poverty. Not only does this pose challenges to the development trajectory for the District, but also pose critical challenges to understand why the large infrastructure and other investments over the last 15 years has had such little developmental impact. With regards to the various LMs in the District, the indicators show that KSDLM has the lowest levels of poverty with Mhlontlo LM generally being better off than the other LMs. However,

within both of these areas, there are areas with levels of poverty as high as in the other LMs. Ingquza Hill and Port St. Johns LMs have the highest levels of poverty (see Table 7 below).

Table 7: Key Poverty Indicators (Global Insight 2011)

Local Municipality Name	GINI Coefficient	HDI	Literacy Rate	Poverty Levels	Unemployment rate	HIV/AIDS infection
King Sabata Dalindyebo	0.62	0.47	61.9%	54.5%	31.1 %	50470
Ingquza Hill	0.56	0.37	43.6%	68%	50.9%	27409
Mhlontlo	0.56	0.42	51.0%	54.0%	43.0	20950
Nyandeni	0.56	0.39	48.3%	65.5%	49.3	21206
Port St John's	0.57	0.36	37.9%	63.2%	53.1	14895

In 2011, income inequality in O.R. Tambo District Municipality was lower at 0.57 than that of the provincial and national level which was is at 0.61 and 0.63 respectively. Over time an improvement is noted on all regional levels were the Gini Coefficient declined reflecting a more equal distribution of income.

Functional literacy rate is measure of the ability to read, write and spell at a Grade 7-level, and thus for a higher chance to be employed and at a higher remuneration rate. In 2011, there were 366 052 literate individuals in O.R. Tambo District Municipality as opposed to 303 095 who were considered to be functionally illiterate. Expressed as a rate, this amounts to 54.7% - up by 6.8% percentage points from 47.9% in 2005. Compared to the Province, O.R. Tambo District Municipality's literacy rate is still lower than that of Eastern Cape Province. King Sabata Dalindyebo Local Municipality, at 65.6%, does have the highest literacy rates within the District . The lowest literacy rate of 40.2% is in the Port St Johns Local Municipality.

According to Global Insights 2011 report, approximately 60.6% (843 839 persons) is impoverished. The number of the district's inhabitants that were living in poverty accounted for 58.9% of the total population, reflecting a decline at an annual average of 1.8% from 2005 to 2011. More significant as an indicator of poverty in the area than the Gini Coefficient is the HDI (see Figure 3 below). It is estimated that in 2011 O.R. Tambo District Municipality had an HDI of 0.43. This is significantly lower than the Eastern Cape which has an HDI of 0.53 and South Africa with its 0.59. Clearly, the HDI of South Africa is higher than that of the Eastern Cape (and consequently that of O.R. Tambo District Municipality) for each year under observation. Port St Johns (0.37) and Ingquza Hill (0.38) LMs have the lowest HDI scores while KSD has the highest (0.49).

2.4 SOCIAL INDICATORS

2.4.1 Education

The District is characterised by low levels of education. Table 23 below indicates that Port St Johns, Ingquza Hill and Nyandeni LMs have the highest number of people with no formal education. KSDLM has the highest number of people with secondary and tertiary education, probably because of the location of the Walter Sisulu University and the many secondary schools in Mthatha.

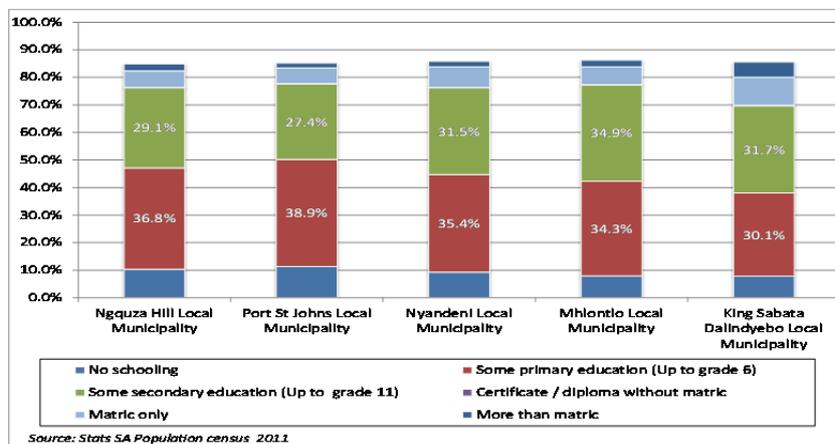
Table 9: Educational levels in the LMs in the District

Municipality	No Schooling (%)	Primary (%)	Secondary (%)	Tertiary (%)
Ingquza Hill	43.4	35.6	19.9	1.1
KSD	35.5	32.1	29.5	2.9
Mhlontlo	31.2	42.0	25.4	1.4
Nyandeni	41.6	35.1	22.5	0.8
Port St Johns	48.2	35.4	15.6	0.8

In 2001, the local municipality with the most people aged 15 years and up with no schooling is the Port St Johns Local Municipality with 26.2% or 38 600 persons. King Sabata Dalindyebo Local Municipality has the highest percentage of people with a tertiary education of some kind. In 2001 the O.R. Tambo District Municipality a total of 284 600 persons have no schooling this is 22.0% of the total population. The number of some primary education learners amounts to 474 900 or 36.7% of the total population in O.R. Tambo District.

From 2001 to 2011 the levels of education changed drastically, the local municipality with the most people aged 15 and up with no schooling is the Port St Johns Local Municipality at 11.3% this change from 26.2% in 2001. King Sabata Dalindyebo Local Municipality has the highest percentage of people with a tertiary education of some kind, this increased from 3.7% in 2001 to 6.6% in 2011. In O.R. Tambo District Municipality the number of person without any schooling in 2001 was 284 600 and changed to 123 650 in 2011, in percentage of population numbers it changes from 22.0% in 2001 to 9.1% in 2011 of the total population.

Figure 1 : Educational Levels: Age 15+ (LMs)



2.4.2 Educational Facilities

According to the Education Management Information System (EMIS), there are a number of primary and secondary institutions in the District. The education levels in the five municipalities are indicated in Table 23 below. The District has a total of 1 337 primary and secondary schools. There is one University in the ORTDM, which is the Walter Sisulu University in Mthatha. There is also an FET college, also in the KSDLM.

Table 10: Number of schools per LM in the District

Municipality	Primary	Combined	Secondary	FET Colleges	University
Inguza Hill	68	122	19	1 campus	-
KSD	71	219	39	1 (central admin. and campus)	1
Mhlontlo	72	156	25		-
Nyandeni	72	169	24		-
Port St Johns	58	74	14		-
TOTAL	461	929	153	2	1

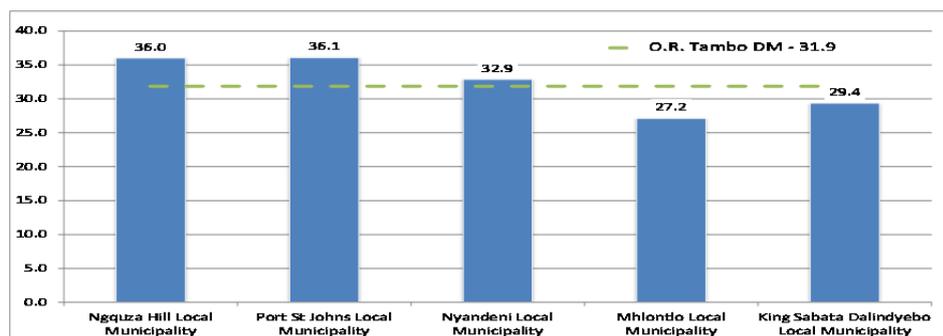
The following is an overview of the educational services and statistics of the O.R. Tambo District Municipality. The total learners, total educators or teachers and number of schools are summed up from over the last 3 years.

Table 11: Education Infrastructure per LM (ORTDM)

		Ngquza Hill Local Municipality	Port St Johns Local Municipality	Nyandeni Local Municipality	Mhlontlo Local Municipality	King Sabata Dalindyebo Local Municipality	Total
Total Learners	2010	114 713	66 799	110 920	75 993	158 657	527 082
	2011	112 444	64 030	107 037	69 680	149 749	502 940
	2012	115 057	64 949	106 925	68 776	145 043	500 750
Total Educators	2010	3 282	1 824	3 331	2 559	5 082	16 078
	2011	3 162	1 838	3 299	2 591	5 020	15 910
	2012	3 194	1 799	3 251	2 533	4 939	15 716
Number of Schools	2012	218	147	259	259	350	1 233

The number of learners in the O.R. Tambo District Municipality amounts to 500 750 in 2012 this decreased with an average annual rate of 1.7%. The Mhlontlo Local Municipality decreased the most with an average annual rate of 3.3% since 2010. Ngquza Hill Local Municipality was the only municipality that increased with only 0.1%. In order to sustain growth in the number of learners, educators are necessary. In O.R. Tambo District Municipality there is a total amount of 15 716 educators/teachers which is equal to 32 learners to one educator. The King Sabata Dalindyebo Local Municipality has the most educators, they also have the highest number of learners and schools, and the King Sabata Dalindyebo Local Municipality has a 29 learner to educator ratio, although is has the most in all categories, the Mhlontlo Local Municipality has the lowest ratio of 27 learners to one educator.

Figure 2: Number of Students for each educator by LM (ORTDM 2012)



2.4.3 Health Facilities

There is a total of 8252 healthcare facilities in South Africa, 6575 is in the hands of the government and 1677 in the private sector. The O.R. Tambo district has 15.2% of the total public facilities in the Eastern Cape Province and 2.9% of the South African total public facilities. In South Africa there is a total of 15.9 healthcare facilities for every 100,00 people, in the Eastern Cape a total of 20.7 healthcare facilities. In O.R. Tambo District Municipality a total of 14.5 healthcare facilities are available for every 100,000 people.

The number of private facilities in the district amounts to only 5, where there is one clinic facility, a private hospital and three non-medical sites. The medical care in O.R. Tambo District Municipality is largely build on public facilities, this amount to 193 or 94.4% of the total. The clinical services are the most with 139 clinics of the 198 healthcare facilities all over the O.R. Tambo District.

The district is currently served by 19 hospitals and 108 clinics. The hospitals are generally in urban centres and the clinics in the more remote locations. The provincial government is currently driving an active programme of clinic construction. In addition to this, it has adopted a policy of prioritising the refurbishment of access roads to rural clinics, as well as reconstruction of roads to rural hospitals. The sector is, however, still beset with problems in retaining appropriate staff and medical supplies at the rural institutions. The O.R. Tambo District Municipality is also prioritising the supply of water and sanitation to clinics and has a programme underway to address this issue.

2.4.4 Housing

The average size of a household in the O.R. Tambo district is 5.15 people, which is relatively higher than the size of household in the other Districts of the EC Province. Housing is predominantly located in scattered rural settlements, with the majority of households in the district living in traditional dwellings. According to Stats-SA, 24% of households occupied formal dwellings in 2001, and by 2007, this had grown to 26.7%. At the same time, while

68.1% of households in the District were living in traditional dwellings in 2001, this had increased to 70.1% by 2007 (see **Table 10** below).

Table 1: Type of dwelling: LMs and the ORTDM (2007)

Municipality	Formal Dwellings	Informal Dwellings	Traditional dwellings
King Sabata Dalindyebo	30 633	3 945	44 467
Ingquza Hill (Qaukeni)	11 672	282	32 894
Mhlontlo	11 371	1 290	26 088
Nyandeni	8 432	309	41 251
Port St John's	48 710	170	21 387
ORTDM (Total)	110 818	5 996	403 617

There is a divergence between these figures and those in the District's Consolidated Infrastructure Plan where it is estimated that 269 275 households were living in inadequate accommodation, and, as such constitutes the District's housing backlog. Constructing formal houses to overcome this estimated backlog at a cost of the national government's subsidy of R43 400 would amount to R11,686,531,675.

Lodged Land Claims in various Local Municipalities

Claims for the restitution of land rights that were lodged by various individuals, groups and communities who were dispossessed of their rights in respect of various portions of land in the District, are shown in Table below. In all, 113 restitution claims (105 rural claims and 8 urban claims) were lodged in the various local municipalities in the District. Of this figure, 25 (22%) of the claims have been settled, 8 (7%) have been referred and 80 (71%) are still outstanding. This high outstanding figure has negative implications on the housing delivery system in the District.

Table 6 : Land claims lodges in ORTDM (RLCC Housing Forum 2011)

Local Municipality	Magisterial District	Claims Lodged		Claims Settled	Section 6 (2) b-referral	Outstanding	Total
		Rural	Urban				
KSD	Mqanduli	3	0	0	0	3	
	Mthatha	26	6	4	6	22	
	TOTAL	29	6	4	6	25	35
Nyandeni	Libode	17	0	10	2	5	
	TOTAL	17	0	10	2	5	17
Port St John's	Port St John's	7	0	2	0	5	
	TOTAL	7	0	2	0	5	7
Ingquza Hill	Lusikisiki, Flagstaff	30	2	7	0	25	
	TOTAL	30	2	7	0	25	32
Mhlontlo	Tsolo, Qumbu	22	0	2	0	20	
	TOTAL	22	0	2	0	20	22
TOTAL		105	8	25	8	80	113
		113		113			113

The nature of the claims in the ORTDM varies from one claim to another and most of them affect communities with huge numbers of claimants and beneficiaries. Some of these claims fall within the Integrated Sustainable Rural Development Programme (ISRDP) nodal point, and be categorized as:

- a) Betterment claims;
- b) Commonage claims;
- c) Forestry claims; and
- d) Conservation claims.

Land claims in the district are at various stages of the settlement process, which include research, claimant verification, valuations, options assessment, negotiations, drafting settlement agreements and referrals for settlement through Section (42 D) of the Restitution Act.

CHAPTER 3. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.1 Functionality of Council and Council Structures

The Council managed to adopt a Council Calendar on the 16th August 2012. This serves as a policy document that guides the sitting of Council and Committee meetings, as well as other events of the municipality. During the twelve months period, the Council successfully held four ordinary and thirteen Special Council meetings in terms of Section 29 of Local Government: Municipal Structures Act, No 119 of 1998, and all of these meetings were publicized to enhance accessibility to the public. In addition to that, an Open Council meeting (SODA) was held on the 28th September 2012. The dates for the sitting of other Council meetings were as follows:

- One Ordinary Council meeting and One Open Council Meeting (SODA) held on the 28th September 2012,
- One Ordinary Council Meeting held on the 12th December 2012;
- One Ordinary Council Meeting on the 25th March 2013
- One Ordinary Council Meeting held on the 25th June 2013
- Thirteen Special Council Meetings held on: 16/08/2012; 29/08/2012; 30/10/2012; 12/12/12; 30/01/13; 28/02/13; 25/03/13; 30/04/2013; 09/05/2013; 31/05/2013; 07/06/2013;14/05/2013 and 21/07/2013.

Composition of Council

In terms of Section 12 Notice of Local Government: Municipal Structures Act, Act No. 117 of 1998, O.R. Tambo is a category C municipality which consists of **60** Councillors representing various political parties as shown in the table below:-

PARTY MEMBERS	TOTAL NO. OF CLLRS	PART-TIME CLLRS	FULL-TIME CLLRS	NUMBER OF FEMALE CLLRS
	60	45	15	24
ANC members	49	35	14	23
UDM members	6	5	1	1
COPE members	3	3	0	1
DA member	2	2	0	0

Total Number of Local Municipal Councillors

NAME OF MUNICIPALITY	NO. OF COUNCILLORS
King Sabatha Dalindyebo	12
Nyandeni	7
Port St Johns	4
Ingquza Hill	7
Mhlontlo	6

Additional to 60 councillors, O.R. Tambo District Municipality has been joined by 12 Traditional Leaders who were sworn in on the 30th of April 2012. The Council of O.R. Tambo District Municipality has lost two councillors, Cllr Khotsholo (ANC) and Cllr Betele (UDM). They were representatives from Ingquza Local Municipality and Nyandeni Local Municipality respectively. Cllr. Betele's vacancy was filled in by Cllr. Mfundiso Mkrokrelwa who was sworn in on the 2nd July 2013. The following resignations were tendered to the council of Councilor Dangala, a UDM councillor who was replaced by Cllr. Nobuntu Mzimane. Cllr Zolile Malangeni tendered his resignation on the 2nd May 2013 and all the processes for declaration of vacancy has been followed.

Section 79 Committees

According to the plans, each Section 79 committee is supposed to submit a report on its functionality. Reports on the functionality of section 79 committees were submitted to council on the 30th October 2012; 30 January 2013 and 28 February 2013. There are three Section 79 Committees that are in existence in the municipality, the fourth one (Women's Caucus) is in the process of being established:

Municipal Public Account Committee (MPAC) - In trying to enhance effective Oversight, the MPAC committee evaluated the content of the 2011/12 Annual Report as resolved by the Council, in a meeting held on the 30th January 2013. The MPAC oversight report on the 2011/12 Annual Report was adopted by council without reservations in a council meeting held on the 30th April 2013. The following project visits in all local municipalities were conducted by MPAC:-

LOCAL MUNICIPALITY	PROJECT VISITED\ PROJECT NAME	DATE
INGQUZA HILL LOCAL MUNICIPALITY	CSS: Emergency Response Vehicles LED : Maize Productions: Nkunzimbini A and Xhopozo Infrastructure: Flagstaff Regional Water Supply Flagstaff Town Sewer Lusikisiki Town Sewer	25 February 2013
NYANDENI	Housing:- Mampondomiseni 300	27 February

LOCAL MUNICIPALITY	PROJECT VISITED PROJECT NAME	DATE
LOCAL MUNICIPALITY	CSS: Emergency Response Vehicles Infrastructure: Extension of Thekwini Water Supply Phase 2 & Phase 3.	2013
KSD LOCAL MUNICIPALITY	Housing Project: Ndlunkulu 174 Zimbane Valley Rectification LED: Maize Programmes: Bangilizwe ,Baziya & Upper Ngqwarha SANITATION: Ward 15 Sanitation	04 March 2013
MHLONTLO LOCAL MUNICIPALITY	CSS: Emergency Response Vehicles LED: Maize Production Project: Black Hill Infrastructure: Mvumelwano Water Supply 3B Culunca Dam Extension Mvumelwano Water Supply Tsolo Town Sewer	08 March 2013
PORT ST JOHNS LOCAL MUNICIPALITY	HOUSING: Ntafufu 350 COMMUNITY SERVICES: Emergency Response Vehicles Infrastructure: Cwele Bandla Water Supply Extension Ntsimbini and Port St John's Off Channel Dam for Regional Water Supply and extension to villages	08 March 2013

Ethics and Members Interest Committee – This committee is fully functional and has managed to submit a report to council on 30th October 2012. Training workshop for all councillors and traditional leaders on the Declaration of Interest; Councilor's Code of Conduct; Tax Returns; and on Retirement Fund, were arranged. The following Capacity building programmes have also been organised for O.R. Tambo councillors and Traditional Leaders:

- Certificate in Local Government Law and Administration (5 councillors) from February 2013 to December 2013.
- Certificate in Local Government Law and Administration (8 councilors) from February 2013 to December 2013.
- Higher Certificate in Local Government and Development (09 councillors, Traditional Leaders and 01 official) from June 2012 to June 2013.
- Bachelors Degree in Public Administration (11 councillors and Traditional Leaders) from June 2012 to June 2013.
- Honours in Public Administration (02 councillors) from June 2012 to June 2013.
- Masters in Public Administration (02 councillors) from January 2013 to December 2013.
- One training workshop for Councillors and Traditional Leaders on:
 - Council Standing Orders; Declaration of Interest ; and Councilor Code of Conduct
- Computer Literacy Programme for Traditional Leaders held on the 18th & 19th July 2012.
- Two Training workshops for MPAC members (26 October 2012 and 11 December 2012)

- One Training Workshop for all Councillors, Traditional Leaders and Senior Management on the functionality of MPAC ; Tax Returns and Retirement Fund – held on 11 December 2012.

Rules Committee: This committee has arranged a workshop on Council Standing Orders that was held on the 10th August 2012 for all Councilors and Traditional Leaders. The Council, with the assistance of Rules Committee managed to adopt Reviewed Council Standing Orders on the 30th October 2012.

Women’s Caucus

O.R. Tambo District Municipality has managed to launch its women’s Caucus which is constituted as follows:-

-22 ANC female councillors including the Speaker, Chief Whip and 3 MMC’s

-1 Cope female councillor

-1 UDM female councillors

-4 female Traditional Leaders

- A Special Women’s Caucus meeting was held on the 15th March 2013
- An Outreach Programme on Vulnerable Women was held at Luzini Junior Secondary School, Tshayina Location, Bityi (King Sabata Dalindyebo LM) on 26 March 2013
- Terms of Reference were discussed and adopted by Council on 25th March 2013
- The Council took a resolution on the adoption of Women’s Caucus as a section 79 committee.

3.2 Public Participation

According to the plans a monitoring tool, assessing the functionality of ward committees was developed and adopted in the District Speaker’s Forum. Each local municipality was given a mandate to develop a report on the functionality of its ward committees using the adopted tool. The process of receiving reports from local municipalities is still in progress. An amount of R500,000 received from MSIG grant, was utilized in capacity building workshops for 248 Ward Committee members from KSD local municipality on the following programmes:

- Report Writing
- Minute Taking
- Project Management
- About 160 stakeholders from all local municipalities were capacitated on Oversight processes.

Public Participation Section has conducted an audit on the existence of ward centers in each local municipality:

- Mhlontlo Local Municipality – Only 09 ward centers are in existence, out of 26 wards.
- Ingquza Hill Local municipality – Only 3, out of 31 wards
- KSD Local Municipality – Only 4, out of 35 wards
- Nyandeni Local Municipality – Only 4, out of 31 wards
- PSJ Local Municipality – Only 8, out of 20 wards

The O.R. Tambo District Municipality Stakeholder Register has been compiled. A workshop for all O.R. Tambo DM stakeholders was organised. Public Participation Launch was held on 05 March 2013.

- Public Participation Workshop was held on 21st February 2013
- District Public Participation Forum was launched on 05 March 2013
- Community Complaints and Petitions Handling Policy was adopted by Council on 25 March 2013
- Joint Speaker's Outreach and Women's Caucus outreach was held at Luzini Junior Secondary School, Tshayina Location, Bityi (King Sabata Dalindyebo LM) on 26 March 2013. The outreach was aimed at addressing the issue of vulnerable women and children.

WHIPPERY

The Office of the Council Chief Whip has established a political committee called TROIKA which consists of the Executive Mayor, Speaker and Council Chief Whip. The committee is coordinated and chaired by the Council Chief Whip and can invite the Municipal Manager when necessary. The TROIKA provides strategic political leadership for the district municipality to be able to effectively utilize the limited resources to achieve its objectives.

The Office of the Chief Whip regularly convenes meetings on a quarterly basis of Whips of parties; Multi Party meetings, Chief Whip Forums, Whippery Forums and Whippery meetings on a quarterly basis to ensure the provision of support to all political parties in the Council. A workshop on reporting, accountability, crafting of motions, constituency work and role of caucus was conducted for all councillors.

Party workshops for capacity building of councillors were conducted for ANC councillors, UDM councillors, COPE councillors and DA councillors.

TROIKA

The Office of the Council Chief Whip has established a political committee called TROIKA which consists of the Executive Mayor, Speaker and Council Chief Whip. The committee is coordinated and chaired by the Council Chief Whip and can invite the Municipal Manager when necessary. The TROIKA provides strategic political leadership for the district municipality to be able to effectively utilize the limited resources to achieve its objectives.

Participation of Traditional Leaders in Council

Section 212 (1) of the Constitution of the republic of South Africa refers to the recognition of the institution of Traditional Leadership by stipulating that national legislation may provide for a role for the institution of traditional leadership at local level on matters affecting local communities. Section 81 of Local Government: Municipal Structures Act, No.117 of 1998 as well as section 4 of the Traditional Leadership and Governance Framework, Act No. 43 of 2003 give effect to Section 212 (1) of the Constitution by allocating a role to the institution of traditional leadership on governance and development issues at the sphere of local government. Section 81 (2) of the same Act further stipulates that:

- (a) The MEC for local government in a province, in accordance with Schedule 6 and by notice in the Provincial Gazette, must identify the traditional leaders who in terms of section (1) may participate in the proceedings of a municipal council.

In relation to the above, the Council of O.R Tambo District Municipality has been joined by 12 Traditional Leaders who were sworn in on the 30th of April 2012. They have conducted roadshows on the functionality of Traditional Leaders in all 5 local municipalities. The process was led by their whip. They actively participate in all council structures. A Memorandum of Understanding (MoU) between the House of Traditional Leaders and the Speakers of all Eastern Cape municipalities has been developed, all municipalities were requested to comment and sign. This process was facilitated by the Eastern Cape Provincial Legislature. The MoU introduces the participation of Traditional Leaders in Municipal Councils.

Challenges

The Council of O.R. Tambo District Municipality adopted a Council Calendar that serves as a guide on the sitting of council and committee meetings. There is a very high level of non-adherence to Council Calendar by section 80 committees as well as Troika. This has a

negative impact on oversight. Due to irregular sittings of Troika meetings, there are no reports received and processed at TROIKA level.

The council received a DISCLAIMER audit opinion from the AG. There are reports on the spending of MIG that Infrastructure Department continues to pay for material on site and this is against National Treasury approved way of spending which requires value for money. There is a report on sanitation material which is delivered on site and is left lying there and other material is getting stolen this is a cause for concern.

The third quarter report to council indicates that we are at 45% on the MIG spending, this is a big concern. Most of the council resolutions are not implemented. For example, there is a council resolution which was directing the Executive Mayor to request DLGTA to investigate deviations where there were huge amounts of infrastructure projects being implemented without undergoing proper tender processes in line with the SCM policy. Since the inauguration of this council in June 2011 Budget and Treasury Department did not have staff up until now. Section 57 manager of the Council have renewable contracts whose terms are coming to an end in May and June respectively others ended in March.

On the 28th February 2013 the Executive Mayor brought a report to council that some managers have been served with letters notifying them about the expiry of employment contracts. The contents of the letter accused the Council for having no intention to renew the employment contracts of Senior Managers . The Council deliberated on the process followed by the Municipal Manager as well as the contents of the letters. The Council was not satisfied with the contents of the letter, and as such resolved that the Executive Mayor be mandated to check if the contents of the letters served to senior managers are in line with the pieces of legislation that govern the municipality, and report back in the next council which as on the 25th March 2013. No report was brought to that council. On the same Council meeting, three other Director, whose contracts were coming to end in March 2013 were given two months extension.

3.3 Intergovernmental Relations And Support To Local Municipalities

Section 3 of Local Government Municipal Systems Act No. 32 of 2002 prescribes that municipalities must exercise their executive and legislative authority within the constitutional system of cooperative governance as envisaged in section 41 of the Constitution. The O.R. Tambo DM as part of the Local Government Sphere of government has an obligated to perform its powers and functions in the context of a constitutionally mandated system of

cooperative governance. The DM has supported and cooperated with all five (5) Local Municipalities within its area of jurisdiction and also cooperated and received support from the Provincial and National sector departments.

The DM has implemented a number programmes in support to the Local Municipalities. These included the financial support offered to Mhlontlo and Port St Johns, legal services support offered to all LMs, which included defending cases on behalf of the LMs, Support on Internal Audit function offered to Mhlontlo and Port St Johns LMs as well as various other support programs implemented by the various departments in the DM.

The DM has also benefited from support offered by the various National and Provincial Sector departments, which include the following:-

- Departments of Water Affairs supporting with the delivery of water and sanitation services,
- the department of Public Works on the implementation of Expanded Public Works Programme (EPWP),
- department of Human Settlements, with the DM as an implementing agent for the Housing development projects in the district,
- the department of Economic Development and Environmental Affairs with the implementation of various Local Economic Development Projects as well as Environmental management,
- the department of Roads and Transport on transport planning, department of Local Government and Traditional Affairs on service delivery planning, performance monitoring and reporting (IDP and PMS), as well as improving the effectiveness of IGR in the district,
- The Provincial and National Treasury supporting on monitoring and reporting on budgeting and budget implementation, checking consistency with the Government's fiscal and macroeconomic policy and whether Provincial budgets are taken into account. Also monitoring compliance with the MFMA as well as norms and standards of sound financial management.

The co-operative governance and intergovernmental relations in the O R Tambo District Municipality has for a long time been faced with a number of challenges. This was due to the non-existence of the IGR unit in the District Municipality which resulted in bad relations between the local municipalities and district. This situation has since changed with the addition of human resource capacity for coordination of IGR programmes whose core function is to ensure integrated service delivery across the district. There is also a common

objective amongst both the administration and politicians to use IGR as a vehicle to advance service delivery across the entire district. Furthermore, the sector department's participation and involvement in the IGR foras has contributed positively to the coordination of service delivery in the district area. The District Municipality has therefore moved from just establishing structures to being focused on the IGR agenda which is around service delivery through the guidance of the IDP. In addition, a draft IGR Policy Framework is in place and is awaiting council approval. Stakeholders across the district have also been trained on IGR wherein both the Provincial Government and National Government were represented by their Heads of IGR Units. This confirms the improvement of IGR in the district from the previous state of affairs.

National Intergovernmental Structures

The district municipality forms part of the Presidential Intervention Programme. This programme involves various national departments with a particular focus on infrastructure development in the district's major economic hub; KSD local municipality. This programme has facilitated the upgrading of; the National Road (N2) as well as various streets in Mthatha and surrounding areas, the Water Treatment Plants around Mthatha, the Mthatha Airport as well as the construction of a new bridge in Mthatha.

Provincial Intergovernmental Structure

The O. R. Tambo District Municipality is participating in the Provincial Muni-MEC and Provincial Technical Support Group to coordinate the implementation of Municipal Turn-Around Strategy, International Relations and Municipal Support Programs. The DLGTA provides assistance to various local municipalities in the jurisdiction of O. R. Tambo District Municipality on sound financial management practices as well as ensuring that all sector departments are paying their municipal debts for water services and assistance through the DLGTA. The district municipality also participates in the Provincial Speaker's Forum wherein all speakers of the province deal with matters of good governance and public participation. Moreover, the district municipality also forms part of the provincial meetings dealing with IDP development and assessment led by the DLGTA. This has contributed to the improvement of the quality and credibility of the district municipality's IDP.

The O R Tambo District has also been assisted by DLGTA and SALGA Provincial in the development of the O R Tambo IGR Policy Framework. The purpose of the framework is to

guide implementation of the principles of cooperative governance and also strengthen participation by sector departments on the development and implementation of the IDP. The department of Local Government and Traditional Affairs is also assisting in maintaining the Presidential Hotline System in the District Municipality. This is done through training the staff on the system in order to ensure the effective and efficient response to public comments on service delivery.

Relationships With Municipal Entities

The DM established Ntinga O.R. Tambo Development agency, a utility company and a special purpose vehicle responsible for spearheading Local Economic Development in the district. The entity has the Chief Executive Officer as the accounting officer and a board of directors, in which the political and administrative structures of the DM are represented. The entity is established to be the implementing agent of the O.R. Tambo District Municipality's (ORTDM) LED programmes focusing on:-

- Strategic Infrastructure such as rail dams, electrification, roads (priority surfaced and rural access roads)
- Agriculture and Food Production
- Mari culture and Tourism
- Social Infrastructure ad Services
- Institutional Building
- Any other functions delegated to Ntinga by ORTDM in terms of its powers and functions.

District Intergovernmental Structures

The O. R. Tambo District Municipality had started a process of formalizing all relationships with its local municipalities and sector departments through the signing of service level agreements or implementation protocols. This will be used as a monitoring and evaluation tool to ensure that all what has been agreed to is being implemented. These protocols or service level agreements need to be approved by the Council of both the District Municipality and the local municipality in order to be valid. In terms of the O.R. Tambo District Municipality IGR Policy Framework, the Technical Support Group which is composed of the Municipal Manager's of the District and District Directors of sector department, is serving as a technical support to the District Mayors Forum (DIMAFO). The DIMAFO is composed of all mayors and executive mayors of the district to discuss district wide projects across all

municipalities in the jurisdiction of O.R. Tambo District. It aims to discuss and resolve service delivery challenges or blockages and discuss matters flowing from the Muni-MEC, PCF and Technical Support Group and as well as matter of mutual concerns among municipalities of the district.

Furthermore, there are sector forums in terms of the O R Tambo District Municipality IGR Policy Framework which allow the flow of information between the District Municipality and the local municipalities. Such fora include LED, Spatial Development and Environmental Management Forum, Infrastructure Development Forum, Social Sector Forum, Corporate Affairs Forum, Financial Viability Forum, Good Governance Forum, Speakers Forum, District Communications Forum, IDP Representative Forum and Safety and Security Forum. These include both the political forum and technical forum and as such the District Municipality had not yet experienced an service delivery related protest.

District Speakers' Forums

The District Speaker's Forum is an IGR structure whose objectives include the building of common understanding from shared experiences; co-ordination of work in areas of common interest; and the development and management of municipal programmes between local municipalities and district municipalities. O. R. Tambo has a responsibility of co-ordinating its local municipalities in a structured manner for information sharing purposes. The Office of the Speaker has hosted three District Speaker's Forums.

District Speaker's Outreaches have been held successfully in 4 local municipalities, Mhlontlo, Ingquza Hill, Nyandeni and Port St Johns. The theme of the outreach was centered on the role of the community in Local Government programs. More than 500 delegates were in attendance.

In order to strengthen co-operation between the Provincial legislature and the district and metropolitan municipalities in eastern Cape, a Memorandum of Understanding was signed by the Speaker of the Eastern Cape Provincial Legislature and Speakers of Districts, Metropolitan and Local Municipalities in a Provincial Speakers Forum scheduled for Fish River Sun, on 31 October 2012.

HOUSING FORUMS

The target was to convene 4 meetings which were planned to sit once a quarter. This forum is political in nature and is thus chaired by MMC for human settlements in the district. Reports from the LM are supposed to be tabled by their housing portfolio head. Only two meetings were held and the others had to be re-scheduled due to non-availability of councillors because of other commitments. The purpose of the forum is to discuss strategic issues affecting human settlements within the district. Issues that are of significance are then escalated to the Muni-Mec for the attention of the MEC

Support Provided to Local Municipalities

Section 88 of Local Government: Municipal Structures Act, Act No 117 of 1998 states that a district municipality and the local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other. The Office of the Speaker has provided support to local municipalities in the following areas:

- All local municipalities have been workshopped on MPAC Terms of Reference
- PSJ and Nyandeni have been supported on council documentation and capturing of council minutes
- Mhlontlo has been trained on the establishment of Oversight Committee and Oversight processes
- Mhlontlo Local Municipality was assisted to develop and adopt Public Participation Policy as a Draft;
- Councillors of Mhlontlo Local Municipality have been workshopped on the adopted Public Participation Policy
- Ingquza Hill local municipality has been assisted to develop a Draft Public Participation Policy;
- Nyandeni and King Sabata Dalindyebo Local Municipalities adopted Public Participation Policies aligned to that of ORTDM;

3.4 INTERNAL AUDIT

3.4.1 Performance highlights of Internal Audit

The annual performance report of the internal audit unit includes work performed under the shared internal audit services arrangement. The unit is made up of eight people. All internal audit services are done in-house. Internal audit services are shared with two local municipalities and two municipal entities. These are Port St Johns municipality, Port St Johns Development Agency, Mhlontlo Local municipality and Ntinga O.R. Tambo Development Agency. There are service level agreements with the supported entities. The district municipality provides the internal audit services to these entities at no cost to them. In addition to the four entities referred to above, ad-hoc support was also provided to Nyandeni local municipality.

With the limited resources at its disposal, the internal audit unit was able to conduct 72% of the planned 2012/2013 audits. This achievement is inclusive of the supported entities. The audits that were not completed were affected by either inadequate cooperation by auditees or special audit requests that were made by management. The other contributing factor was that when the annual plans were prepared, we anticipated that new personnel will be appointed into the internal audit unit. There were delays in doing this. Consequently, by the end of the financial year there were no additions to the internal audit unit personnel.

- i) During the 2012/2013 financial year, 23 audit assignments were planned for the district municipality, of which twenty (20) were completed. This represents 86% achievement.
- ii) In Ntinga OR Tambo Development agency 14 audit assignments planned for 2012/2013 financial year, of which 10 were completed. This represents 71% achievement.
- iii) In Port St Johns local municipality, fifteen (14) audits were planned of which 10 were completed. This represents 71% achievement. In Port St John's Development Agency eleven (11) audits were planned of which six (6) were completed. This represents 55% achievement.
- iv) In Mhlontlo local municipality, 21 audits were planned of which 12 audits were completed. This represents 57% achievement.
- v) In addition to the audit work, internal audit unit also provided supported to the Municipal Public Accounts Committee.

The effectiveness of the internal audit unit will be measured by the extent of implementing recommendations that are made. This remains a challenge. Work of the internal unit was presented to the audit committee hence recommendations made are summarized in the audit committee report.

3.4.2 Report of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2013.

Audit Committee Responsibility

The audit committee is pleased to report that it has complied with its responsibilities arising from sections 166(2) and 121(4) (g) of the Municipal Financial Management Act no 56 of 2003(MFMA). The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter and has regulated its affairs in compliance with this charter.

Audit Committee Members and Attendance:

The current audit committee was appointed in October 2012 for a period of three (3) years. During the 2012/2013 financial year the committee met four (4) times. The details of attendance of meetings are recorded below:

Name of member	Dates of meetings and attendance			
	13 Nov 12	13 Dec 12	22 Jan 13	18 Jun 13
Mr. Z. Fihlani	Present	Present	Present	Present
Ms. C. Mabude	Present	Present	Present	Present
Mr. P. Jizana	Present	Present	Present	Present
Mr. S. Mbalekwa	Present	Present	Present	Absent
Mr. M. Magigaba	Present	Present	Present	Absent

In its first meeting the audit committee met with the Executive Mayor. The office of the Auditor General, Provincial Treasury and Department of Local Government and Traditional Affairs are invited in all committee meetings.

The effectiveness of internal control

In line with the MFMA requirements, internal audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the evaluation of existing controls and processes, as well as the identification of corrective actions and suggested enhancements to the controls and processes. Evaluations by the internal audit indicated that the system of internal control was

inadequate and ineffective for the 2012/2013 financial year. Several deficiencies in the system of internal control and/or deviations were reported by internal audit. There are also instances of not adhering to existing control systems and policies. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

The budget and treasury office is experiencing staff vacancies in critical positions. Such positions include asset management and supply chain management. The situation severely compromises the control systems of the municipality.

Risk assessments are done, however, risk mitigating controls are not fully implemented.

Recommendations made by the committee are summarised as follows:

- Immediate action should be taken to address critical staffing challenges particularly at budget and treasury office.
- Control systems and policies should be reviewed and updated regularly.
- Personnel that are involved in supply chain management processes should be engaged in continuous development programmes.
- Corrective action should be taken against people who flout municipal policies.
- Project management particularly in the infrastructure department should be improved.
- Management should continuously prepare reports on progress made in addressing issues that are raised by both internal and external auditors. Progress in this regard should be monitored on a monthly basis.
- Lead departments should be allowed to lead in their core competency areas. An example of this is that finance department should be the main role player in all supply chain management processes and human resources department should lead recruitment and hiring of personnel.
- Quarterly financial reports should include a high level financial health assessment.
- In year financial reports should be prepared based on fully updated and reconciled financial records.
- Policies and controls to prevent, detect and report irregular, fruitless, wasteful and unauthorised expenditure should be developed.
- Capacity should be created to check credibility of performance reports before they are submitted to council.
- Management should adopt a culture of preparing portfolio of evidence for all achievements that are reported in quarterly performance reports.
- Performance management system should be implemented. This should include periodic assessment of performance of senior managers.
- Risk management should be incorporated at both strategic and operational levels. It should not be seen as a compliance matter or an internal audit function but as a tool that will assist towards the attainment of set objectives.

The quality management of quarterly reports submitted to the committee

The Audit Committee has reviewed the quarterly reports tabled for submission in terms of MFMA. The Audit Committee has not been presented with satisfactory management reports to enable us to monitor the integrity, accuracy and reliability of the financial position and performance of the Municipality.

The audit committee consistently reported this shortcoming to the management.

Evaluation of Financial Statements

The Audit Committee has:

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

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has covered all the significant risks pertinent to the Municipality in its audit.

Auditor General

We have met with the Auditor General and there are no unresolved issues.

Mr. Z.L. Fihlani
Chairperson
31 August 2013

3.4.3 Risk management

- Risk management policies are in place. However, they are not fully implemented;
- Risk management continues to be viewed as a compliance matter. It is not yet made to be part of municipal programmes and projects;
- This function is coordinated by internal audit function. There is no dedicated risk management capacity in municipalities;
- There is inadequate oversight over risk management strategies

3.4.4 Anti-Fraud and Anti Corruption

In the O.R. Tambo DM, risk management and anti-fraud and anti-corruption policies are in place. However, the municipality has not yet entrenched risk management in its operations and as such these policies are not yet implemented. A policy on declaration of conflict of interest by staff is being developed. The audit committee will play a significant role in monitoring the implementations of risk management plans, however, oversight over risk management is not sufficient. The kind of challenges that will be addressed are:

- Non Implementation of policy;
- Reported incidents not followed up, no internal disciplinary measures;
- Policies of the municipality not inculcated to the operations of the institution;
- Control systems not updated;
- Lack of both political and administrative will to resolve fraudulent activities, resulting in potential whistle blowers getting discouraged to report matters that are not pursued;
- No protective measures for whistle blowers on fraud and corruption;
- Backlogs on prosecution of reported matters;
- No preventative and detective internal measures against fraud and corruption; and
- False alarms on fraud and corruption with a purpose to hide own corruption (camouflage).

3.5 Municipal Legal services

There is an in-house legal service department which is functional. It is supporting other local municipalities within the district. There are legal advisors in some of our local municipalities, like Nyandeni, Ingquza Hill and King Sabata Dalindyebo local municipalities whilst others do not have any such legal advisors and rely more on external legal service providers.

Challenges identified:-

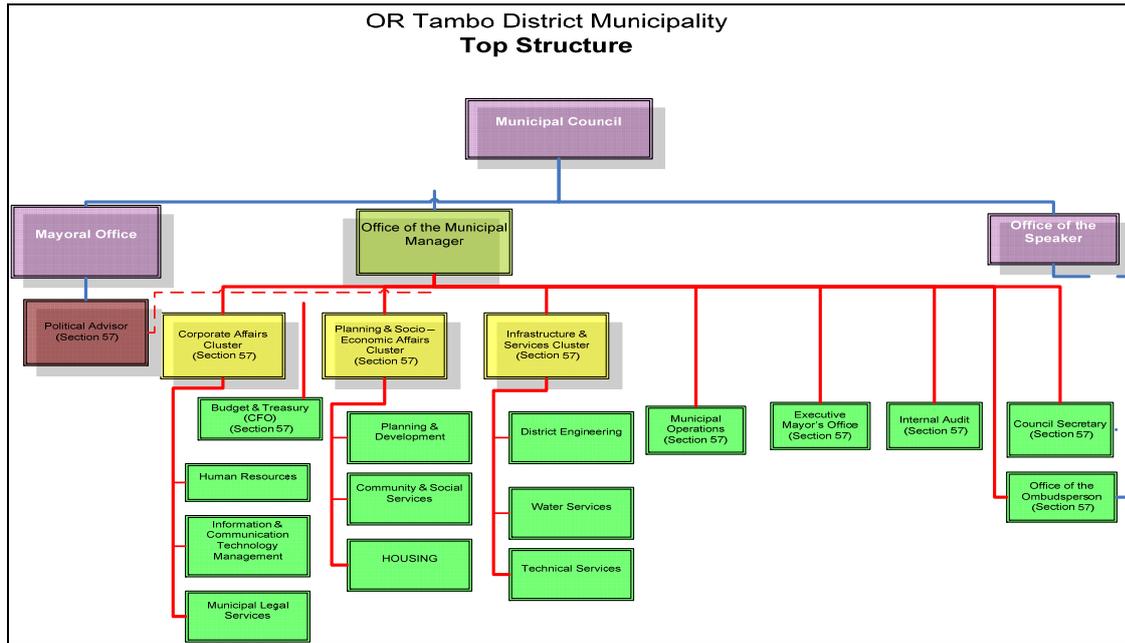
- Non-consultation of legal advisors on legal matters
- Non-compliance with legal advices and opinions provided
- Contracts not brought to legal services for settling and comments
- Non-compliance with legislative provisions
- Binding the municipality without first soliciting legal opinion
- Seeking legal advices and opinions from external legal service providers, who are not specialists on local government, without first consulting internal legal advisors

CHAPTER 4. INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

4.1 HUMAN RESOURCES

4.1.1 Administrative Structure

The O.R. Tambo DM adopted a revised organisational structure in line with its powers and functions. The top structure is as follows:



4.1.2 Vacancy Rate and Gender

Table : Staff Complement in the ORTDM

DESIGNATION LEVELS	TOTAL NUMBER OF POSTS	POSTS FILLED	NO OF FEMALES	POSTS FILLED AS A %
MUNICIPAL MANAGER	1	1	-	100
SECTION 56 POSITIONS	19	17	6	89
HEADS OF SECTIONS	100	36	18	5
GENERAL STAFF Skilled , semi skilled and general assistants	1101	762	109	36
TOTAL	1221	816	130	66.8

In terms of the vacancies, it is worth noting that the DM has undergone a job evaluation and the placement process of the employees has not yet been finalised. Once the placement process has been finalised, the Organogram will be reviewed.

4.1.3 Organisational Development Performance

The non implementation of the job evaluation / benchmarking results has been a source of demotivation for a number of employees. As such the District Municipality prioritised finalising the job evaluation process in 2011/12 as well as the placement process, though the later could not be finalized due to several appeals that are yet to be attended to into the next financial year. The filling of vacant critical positions, particularly in the Budget and treasury office, as well as infrastructure and services departments were also matters to be attended to during this financial year.

4.1.4 Skills Development And Training

The HR department has been able to meet and exceeded targets set by our SDBIP. There is however a reduced rate of grievances relating to training.

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June 2012											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female		0	0	0	6	7		0	0	0			
	Male		0	0	0	7	9		0	0	0			
Councillors, senior officials and managers	Female		0	0	0	20	36		0	0	0			
	Male		0	0	0	19	39		0	0	0			
Technicians and associate professionals*	Female		0	0	0	33	28		0	0	0			
	Male		0	0	0	41	37		0	0	0			
Professionals	Female		0	0	0	6	6		0	0	0			
	Male		0	0	0	9	9		0	0	0			
Sub total	Female		0	0	0	65	77		0	0	0			
	Male		0	0	0	76	94		0	0	0			
Total		0	0	0	282	342	0	0	0	0	0	0	0	0

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	0	0	0
<i>Chief financial officer</i>	1	0	1	0	0	0
<i>Senior managers</i>	16	0	16	0	0	2
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials						

<i>Heads of supply chain management units</i>	1	0	1	0	0	0
<i>Supply chain senior management managers</i>	0	0	0	0	1	1
TOTAL	19	0	19	0	1	3

CHALLENGES

- By design the training function is centralised in HR department but there are other departments who conduct their own trainings without consulting HR resulting in under-statement of the Skills Development Levy.
- There is a lack of interest in the filling of Skills Audit forms issued by the HR department resulting in poor identification of training needs and skills gaps.
- There is lack of monitoring mechanism and intrinsic interest from trained employees regarding the impact of training outcomes on job performance.
- Absence of PMS for employees below section 57/ senior managers leads to tardiness on the part of employees to apply knowledge and expertise gained through training in improving their work performance and thereby access performance rewards.

EXTENSIVE CAPACITY BUILDING FOR COUNCILLORS

Capacity building programmes for councilors have taken the following format:

- All Councillors have been trained in two Computer Literacy Programs
- 15 councilors have been registered for a Certificate in Local Government Law and Administration with the University of Fort Hare.
- Two councilors have been registered for Master in Public Administration (University of Fort Hare)
- Councilors have been workshopped on Local Government: Amended Systems Act and on Council Standing Orders.

COUNCILORS TRAINING PROGRAMME	DATE	DURATI ON	NO. OF COUNCILLORS TRAINED	NO. OF MALES	NO. OF FEMALES
Workshop on Council Standing orders	15 February 2012	1 day	43	25	18
Certificate in Local Government Law and Administration	February 2012	1 year	15	9	6
Masters in Public Administration	February 2012		3	2	1
Workshop on Ammended Systems Act	29 March 2012	1 day	27	17	10
Computer Literacy	16-18 April 2012	3 Days	43	27	16

COMMUNITY TRAINING AND CAPACITY BUILDING

The Office of the Speaker has conducted the following training programs to all Ward Committees in 4 local municipalities, with the exception of KSD where three ward committee members were trained from each ward.

- Report Writing
- Minute Taking
- Public Participation Purposes
- Project Management

TRAINING PLANS (WSP) AND IMPLEMENTATION

Due to challenges referred to above the adequacy of training plans and the effectiveness of implementation of our WSP is compromised. There was also a moratorium on spending in trainings, internships, learnerships etc. As a result thereof, there was under-spending during 2011/2012 financial year. Funding and spending was increased subsequent to the lifting of the moratorium. There is lack of assessment of the value of training activity as already alluded to.

Despite the challenges relating to the implementation of our WSP, the Municipality is able to claim and obtain Skills Levy from the LGSETA. The Workplace Skill Development Plan (WSDP) for 2011/12 has been developed and submitted to LGSETA. However, it has not been properly rolled out due to delays in placement, filling of vacancies and budget constraints. This WSDP also addresses the development of scarce skills. The most glaring scarce skills in the District are in the areas of Finance, Engineering. Due to limited resources, the Recognition of Prior Learning has also not taken place. Community capacity-building has also not been budgeted for, and has not taken place, with the exception of the learnership in IDP as one of our support measures to LMs. Planned implementation of the Finance Learnership was delayed and intake only took place in March 2012.

The learnerships implemented in the previous years have been hampered by the huge number of drop-outs. A Skills audit for the officials below Section 57 was conducted to inform the WSDP for 2011/12, and to prepare for the relevant implementation of training interventions. A training implementation plan for the WSDP 2012/12 has been developed and is currently being rolled out. In the Training Implementation Plan, 741 employees have been identified for various training opportunities. To date, about 450 employees of the District Municipality have undergone training.

In terms of community capacity-building programmes, there is no adequate information on skills shortage and priority training development interventions required. It is envisaged that the results of the Ward Based Planning and Information Systems (WBPIIS) will guide the district on required skills. All Section 57-Managers who do not meet the Competency requirements are currently undergoing training. A partnership has been formed with Nelson Mandela Metropolitan University, with the first group starting training in March 2011.

4.1.5 Labour Relations

There have been a number of areas of conflict between the employer and its employees during the financial year (2011/12) and they related to population of the organogram (advertisements, recruitment, placement and selection processes, study assistance, etc.) job

evaluation, and remuneration processes. Interaction in the Local Labour Forum (LLF) has increased and has improved communication. New disciplinary cases have increased due to internal capacity constraints (shortage of staff and lack of internal controls). These matters indicate that process-flow of dealing with grievances, disciplinary procedures and suspensions should be reviewed and work-shopped amongst the officials, managers and council to emphasize that dealing with disciplinary matters starts at departmental level. Two legal advisors have been employed to support the labour relations section.

4.1.6 Employee Wellness

Two Wellness practitioners have been appointed in the District and the implementation of an employee wellness programme is now underway. Full compliance with the Occupational Health and Safety Act, 1993, has not yet been achieved, although processes towards achieving this have been started. The Employee Wellness strategy has been finalised and is currently being implemented according to the approved Implementation Plan. The working conditions for officials in the Water Plants and satellite offices indicate non-compliance with the OHS Act and the Labour Relations Act. There has been no follow-up on the Hazard Identification and Risk Assessment (HIRA) report due to financial constraints and limited training of the OHS committee. There has been little interaction with officials in the satellite offices to monitor the working conditions. The DM needs to address this challenge as a matter of urgency.

4.1.7 Staff Provisioning

Huge vacancy rate of 33.2% has remained due to challenges in the population of the organogram and delays in the placement process. Filling of critical posts took place at a slower pace than had been anticipated. The oversight/error of judgement in placing the transferred employees has also created challenges and presented a negative picture in terms of vacancies. However, the placement process has been embarked upon to address these challenges.

The DM has very old HR policies and plans, and there have been delays in the review and development of these plans. The DM has an HR policy in place, but it is in draft form. Once the policy has been approved, an HR Plan and Strategy will be developed. With regards to Employment Equity, the District municipality does not have a plan in place, but proposals for the development of the plan have been received and are currently being considered for appointment. With regards to a Recruitment, Training and Retention Strategy, this is also in draft form. The DM has acknowledged the lack of these HR policies and they have been prioritised for the next financial year.

4.2 Information and communication technology management (ICTM)

The current ICT environment with regards to the level of ICT governance in the ORTDM was relatively low and that:

- The individual Municipalities do not have formal governance structures [i.e. ICT Forums, Change Control Board, User Forums, ICT Charter] that can be used to govern and direct ICT within the District and its Local Municipalities (LMs)
- In most cases ICT governance policies and guidelines that has been developed are still in draft format and has not yet been approved by Council for implementation.
- None of the Municipalities have a formal communication structure whereby the content of ICT governance is to be communicated to employees or whereby employees are required to physically sign declarations whereby they declare that they have been informed as to the content of the policies and possible disciplinary actions that might be instituted should they not adhere to the requirements contained in the governance
- Although the Municipalities make use of external service providers for the rendering of support and maintenance services, most of these actions are performed on an ad-hoc basis and that there is a general lack of formal SLA agreements between Municipalities and service providers that manages and controls levels of service delivery, Mean Time To Respond and Mean Time To Repair.
- The ICT Sections within the different Local Municipalities also do not have internal SLAs with the organisation whereby levels of service delivery, Mean Time To Respond and Mean Time To Repair is defined and specified.

The O.R. Tambo District Municipality needs to develop multiple analysis tools and techniques to drive service delivery challenges in respect of the development of the district-wide Master System Plan (MSP).

CHAPTER 5. LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) in the O.R. Tambo district seeks to promote spatial balance and lead a sustainable community driven growth program. THE O.R Tambo District further operates on principles that are focused on pursuing and building on the district's latent strengths and competitive advantages. Latent strengths relate to those forms of economic activity that the district has significant untapped developmental potential such as its landscapes and tourism potential. LED in the district therefore seeks to grow the economy based on presently unrealised and unexploited development potential, which represent a low hanging fruit. It is through such a perspective that factors such as local knowledge and skills, as well as communal aptitudes and capabilities are prioritised to drive economic growth and development. LED for O.R Tambo also seeks to provide support to the needs of local communities in pursuance of improving the quality of life within the district through facilitation of local economic development. Whilst micro-enterprises have absorbed large numbers of unemployed people, they are in themselves not always able to generate appropriately remunerated long-term jobs.

Access to agricultural facilities for emerging farmers is one of the key initiatives in tapping on the Comparative advantage of the District. Ongoing consultations and assistance with the informal trade sector including street trading is gaining momentum through the District's partnership with the Region of Tuscany, Italy which has since seen the District implementing an informal trade project in Ingquza Hill Local Municipality. In the long run the programme is to be introduced in all the five local municipalities. Training and awareness workshops are planned to ensure improved regulation of the informal trade sector through review and development of by-laws.

The O.R.Tambo DM's vision is that of a Municipality responsive to social aspirations for an economically vibrant, healthy, sustainable community. The District, however, faces a declining economy, high levels of poverty, underdevelopment and infrastructure backlogs, as well as reliance on the government sector. The ORTDM Council resolved to drive its Local Economic Development (LED) strategy by establishing a special purpose vehicle in the form of a development agency, which was later converted into a Municipal Entity by the name of the Ntinga O.R. Tambo Development Agency (Ntinga for short). This entity was first established in January 2003 to be an implementing agent focusing on:

- Agriculture and Food Production;
- Mariculture and Tourism;
- Social Infrastructure and Services;
- Institutional Building;
- Strategic Infrastructure such as rail, dams, electrification, roads (priority surfaced & rural roads); and
- Any other Functions delegated to Ntinga by the ORTDM in terms of its powers and functions.

The economy of the District hinges on the following four key economic drivers: (1) Agriculture; (2) Tourism; (3) Forestry; and (4) Mariculture and Aquaculture.

Ntinga O.R Tambo Development Agency is the O.R Tambo DM municipal Entity which is mainly focusing on implementing the district's key LED initiatives for poverty alleviation and business development and support. The district municipality utilized its capital budget to undertake the following critical activities as per the IDP targets:

1. Implementation and support to one CPPP on massive egg production.
2. Securing a quarry and sand mining permit license for the District so as to take advantage of raw materials required for infrastructure developments within the municipality.
3. Capacity building for tourism and public transport co-operatives.

5.1 Agricultural Development

The District's population is largely populated in rural settlements and is considered to have a rich natural resource that gives it a comparative advantage, whilst posing developmental opportunities in agriculture. At present, the structure of the District economy does not promote high rates of economic growth and, as a result of largely historical factors, is hampered by several blockages, bottlenecks and constraints that limit the level of growth and development in the area.

While the municipality has identified amongst others, agriculture, as a key driver for local economic development, the agricultural sector does as yet not make a large contribution to the district's GDP; it has continued to maintain a small contribution of 1.8% of the District's GDP. Despite this, the sector retains its position as the backbone of rural livelihoods in the largely un-urbanized areas of the District. The importance of agriculture can therefore not be underestimated as an informal rural based activity. When consideration is taken of the rural based agriculture in the District, the sector becomes an integral component of the ORTDM's Local Economic Development (LED) landscape, through its ability to provide for community livelihoods, generating employment and fighting endemic poverty in the District.

It is also believed that through the right kinds of investments, the huge potential of the agricultural sector in the District can be better harnessed. These include plans for (1) new dams and (2) associated water-supply systems, which can open up opportunities for large-scale commercial irrigation projects. The communal tenure system also results in issues that require creative management approaches, and in this regard, fencing of arable land may bring about improvements. Land claims have affected agriculture production in some areas of the District and a remedy to these challenges will furthermore foster the agriculture-development goals of the district.

Research trials have been conducted for High Value Crops such as Cotton, Sunflower and Cassava. The Kei Fresh Produce Market (KDMP) seeks to increase potato and banana production in the district working in partnership with ASGISA-EC. A Farmer Support Unit has also been established within the KFPM so as to assist local farmers with the development of quality produce, and be able to market their products in the region.

5.1.1 Livestock Improvement

While agriculture makes up only 50% of the Eastern Cape GDP, it provides 12% of the Province's formal sector employment. Within the Eastern Cape agricultural economy, the livestock and livestock products group is the single biggest sub-sector with an estimated gross income value of R2.4 billion per annum. This represents 70% of the Eastern Cape's gross agricultural income. Livestock farming within the ORTDM is by far the biggest livestock farming practice in communal farming in the whole country, incorporating 631 674 cattle, 732 478 goats and 1 225 244 sheep. In recognition of this, the Municipality has a district-wide Livestock Improvement Programme, which is composed of the following sections:

- Beef Development Programme;
- Iqhayiya Sheep and Wool Production; and
- Laphumilanga Goat Production Programme.

The objective of the Livestock Improvement Programme is to increase the income of communal cattle farmers by assisting them to realize higher prices for their cattle through:

- Increasing their participation in the formal marketing channels;
- Improving the quality of the animals marketed, by increasing farmer's access to veterinary and feed input markets;
- Facilitating exchange of bulls, heifers and bucks within the local livestock farmers in order to improve their genetic make-up; and
- Appointing mentors from within communities to provide technical advice to ensure care, safety and access to information through community participation.

This programme furthermore seeks to address the fact that livestock in the district is of poor quality, as well as the reluctance of farmers to market their livestock. The following strategic activities were implemented to address these issues:

- Creation of awareness on potential economic value of livestock;
- Beef production to supply quality livestock to the abattoir;
- Promotion of appropriate veld management and land care practices;
- Setting up of institutional arrangements to ensure coordination between role-players;
- Providing training on animal health aspects and animal husbandry; and
- Farmer support and development.

There are, however a number of challenges that are frustrating the programme. These are the following:

- The prevailing land tenure system;
- Drawn-out and unresolved land claims;
- Lack of physical infrastructure in terms of irrigation systems, including the provision of water for LED initiatives, especially for agriculture;

- Limited access to “irrigation-water”; and
- Poor coordination and integration of stakeholder interventions.

The following have been put forward as possible interventions:

- Making improvements in physical infrastructure;
- Improved collaboration between all stakeholders; and
- Resolution of outstanding land claims.

5.2 Tourism

The untapped natural resources, culture and historic heritage that put the District on the international map, are some of the strategic assets that the district possesses. Initiatives pursued under tourism development include:

- Tourism product development facilitation;
- Tourism promotion and marketing;
- Tourism infrastructure deployment facilitation;
- Special focus period local tourism facilitation and coordination; and
- Facilitation of a district tourism development and promotion plan.

One of the focus areas is the capacity building for Crafters throughout the district. More than 50 Arts and Crafters received training on Craft Development and Design. In order to improve product quality and therefore marketability of these products, 145 performing artists were trained on Art Business Administration and performing artistry. Tourism-marketing for the district has taken place in the form of tourism month held in September of each calendar year and tourism campaigns and brochure distribution within the entire province. Councillor-support has been supported through the training of 7 LED councillors on “Responsible Tourism Planning”. The SA Host Program and Customer Care training was conducted for accommodation providers and/or owners, and funded by the ECTB. There is an urgent need to further improve tourism awareness in the District and the EC Province, and in national and international forums.

5.3 Forestry and Timber Production

Existing forestry plantations in the Eastern Cape cover 176 000hectares, a large proportion of which is located in the ORTDM. Of the 100 000hectares considered as having potential for new afforestation in the Province, around half is located in the ORTDM. With Department of Water Affairs and Forestry (DWAf) withdrawing from operational forestry, Municipalities have the opportunity and responsibility to support forestry development initiatives from which communities can benefit. This role would include:

- Creating awareness and acceptability of forestry as a legitimate land use;
- Facilitating and supporting downstream participation by local SMMEs; and
- Facilitating collaboration of key stakeholders for mutual benefit, for the benefit of the sector, and for the economy as a whole.

The private sector is already well-established in the sector in the District, and is seeking opportunities to grow. With support from government much can be achieved. In this regard, the ORTDM, together with the DTI, the EC Provincial Government, the ECSECC and the ECDC, is currently implementing the Furniture Incubator project in Mthatha to take advantage of the abundant timber and forests in the area.

As part of this initiative, more than 100 young people have been trained in woodwork and upholstery. The eLangeni Development Node Programme is also seriously engaged in processes that are aimed at exploiting the potential that afforestation has in the district. It is estimated that the Timber processing industry has a potential of providing more than 1 000 jobs during new afforestation and saw milling in the District. There are, however, a number of challenges to exploiting the sector, notably:

- Limited skills within the sector;
- Poor co-ordination and integration between the sector stakeholders; and
- Lack of a unique District-sector strategy.

In order to counter/overcome these challenges, the following interventions are being recommended:

- Strengthening of the Forestry Sub Sector Forum;
- Improved support to Forestry SMMEs and Cooperatives;
- Development of the forestry cluster and value chain; and
- Improve skills and skilling-processes in the forestry sector.

5.4 Marine and Agriculture

The District possesses a wide coastline that gives it a tourism development opportunity, which includes the development of the marine and aquaculture sector. With the Wild Coast presenting extensive opportunities for people to participate in marine harvesting activities, it is a challenge for all spheres of government to ensure that:

- Local people are able to participate equitably; and
- Harvesting is carried out at levels that are sustainable.

In order to achieve these two objectives, improved data is required, as well as (1) greater awareness amongst stakeholders and role-players, and (2) improved regulations and enforcement of these controls. Again, these activities require collaboration of all spheres of government and a coordinated approach.

The sector also faces a number of challenges:

- Limited skills within the sector;
- Poor coordination and integration between the stakeholders in the sector;

- Lack of a distinct District-sector strategy; and
- Poor knowledge of the legislative requirements regulating the sector.

In order to counter these challenges, the following recommendations are proposed:

- Strengthening of the Marine and Aquaculture Sector Forum;
- Improved support to sector SMMEs and Cooperatives;
- Development of a Marine and Aquaculture industry; and
- Improve skilling within the sector.

5.5 Trade, Manufacturing and Investment Promotion

Trade is the second largest contributor to the District's Gross Value Added (GVA), and has over the past ten years experienced positive growth rates, which have been accompanied by positive net job gains. Informal trade has also played a very significant role over the same period, growing by more than 100% in size during this time. Manufacturing on the other hand has experienced a significant decline and stagnation, and has contributed to the general decline in the ability of the District to create and absorb jobs. Both sectors are of strategic importance to the District, and need to be supported in a manner that ensures sustainable jobs are created. In order to achieve this, the District commits itself to facilitating efforts aimed at mobilising investments with a particular focus on value adding investment opportunities. To this end, the District will ensure that constraints to investments in these sectors, such as infrastructure, land availability and incentives are addressed, by amongst others, ensuring strong alignment and integration with the emerging Regional Industrial Development Strategy (RIDS).

The O.R. Tambo DM also focuses on Investment Promotion and Marketing of the District for Investment opportunities. In this regard, the DM conducted an investment conference as a means to:

- Market the investment opportunities of the District;
- Source partnerships for investment promotion; and
- Unlock the investment potential of the O.R Tambo Region.

The five LMs in the DM prioritized potential investment projects, which the DM packaged for presentation during the investment conference and also used as resource information for investors. The main purpose was to source strategic partners in developing viable Business Plans for the projects and source funding for unlocking bottlenecks, such as land and tenure issues, EIA's, bulk infrastructure and sanitation. In pursuit of its growth objectives in the sector, the DM also developed the concept of a "One Stop Shop" to be established as a centre responsible for the implementation of the investment conference outcomes

Unfortunately the endeavours to secure partners' commitments to the establishment of the One-Stop-Shop went in vain and currently the District Municipality is responsible for the coordination of investment initiative of the District working with only the five LMs. There are also challenges to the investment promotion-ideals of the District, notably:

- Backlogs in appropriate physical bulk infrastructure necessary for investment;

- Communal land tenure; and
- Unresolved land claims.

In order to address these challenges, the following interventions have been put forward:

- Capitalize on the district's local strengths and comparative advantage for investment promotion;
- Position and market the District as a viable region economically for investment;
- Attract additional investment from new local and international investors in key growth sectors; and
- Retain and boost existing investment.

5.6 Cooperatives and SMME Support

In order to provide decent jobs and sustainable livelihoods, and ensure food security, the ORTDM has used its LED Programmes to provide short and long-term job opportunities, while ensuring massive food production for poverty alleviation (see Table 45 below). The implementation role for all cooperatives and SMME projects will be transferred fully to the implementing arm of the District.

The envisaged Integrated District Cooperatives Development Strategy and Implementation Plan will assist in the identification of key actions to be performed by each role-player in the District, and result in the integration of the actions of the various role players to ensure maximum impact.

Table : Cooperatives and SMMEs developed with the DM's support

Sector	Number of Cooperatives	Number of jobs created	LM where located
Food Production	9	151	Ngquza-1; KSD-5; Mhlontlo-2; and Nyandeni-1
Agriculture	114	1391	KSD-49; A/NZO-1; Ngquza-27; Mhlontlo-23; Nyandeni-4; and PSJ-10
ICT	1	5	KSD
Manufacturing	30	358	KSD-18; Ngquza-5; Mhlontlo-5; and PSJ-2
Wool	7	124	KSD-4; Mhlontlo-1; and Ngquza-1
Tourism & Hospitality	4	34	KSD-2 and Ngquza -2
Multipurpose	4	80	KSD-3 and Mhlontlo-1
Recycling	1	9	KSD
Cleaning	1	5	KSD

5.7 District Skills Development Programme

SMMEs continuously face the challenge of access to markets, finance, information and quality support services. Creating awareness, capacity building and providing assistance to cooperatives is one of the institutional support mechanisms the District is committed to support and facilitate. Building viable and sustainable communities requires a holistic and integrated approach, which involves all aspects of community life, including, but not limited to, leadership development, social capital, poverty alleviation, and institutional development. The District is actively seeking to address these issues in a manner that ensures communities are able to engage in activities that create jobs and have access to basic services. A District-wide skills development programme has been identified as a foundation objective for the achievement and sustainability of the identified drivers. The success of the district in growing and sustaining the local economy depends on the extent to which it builds partnerships and collaboration with all relevant stakeholders. The district recognises the need to develop functional and effective collaborative efforts with business by amongst others ensuring that there is a united vision and drive to address challenges confronting business and the district in general.

Fourteen cooperatives have benefited from Ntinga O.R. Tambo Devevelopment Agency in the form of Business plans and Constitutions outsourced to service providers for development. The Baziya Sustainable Village was established and houses cooperatives that have a variety of core functions (Bakery, Sewing, Poultry and Agriculture). The total number of beneficiaries is 200 and all are community members. The following are also successful ventures in this regard:

- *The Kei Fresh Produce Market:* This market was built by the EC Provincial Department of Agriculture and transferred to the ORTDM, since markets and abattoirs are a function of district municipalities. Local farmers, the EC Provincial Department of Agriculture and the KSDLM are all active partners in this venture. The market has gone from strength-to-strength, with an annual turnover of more than R30million. Seventeen permanent jobs have also been created, of which 42% are women. The main challenge is that the market is getting most of its produce from outside the District. To turn this around, a strategic plan has been developed in partnership with the ASGISA-EC. The Thina Sinako (EU programme) has already funded part of the strategy. The plan is to expand the market to have more banana ripening rooms and to introduce a meat market.
- *The Umzikantu Abattoir:* This red abattoir was purchased from an action sale to use it as a marketing outlet for our livestock programme. The project has created thirteen permanent jobs and has generated more than R1.5 million in revenue.
- *Adam Kok Farms:* As there are no commercial farms in the Distirct, the ORTDM purchased the farms as a means for revenue enhancement with the main focus on utilising the farms as a skills development and training centre for the emerging farmers that the ORTDM wants to migrate to commercial farming. These farms have provided an environment conducive for training the emerging farmers, as several strides by the District proved beyond reasonable doubt that one cannot train farmers to be commercial in an environment that is not commercial. This is of particular importance as the District is predominantly rural and the majority of its inhabitants are illiterate and learn better with experiential training.

In addition to these ventures the following have been embarked upon:

- *Resource mobilization and business plan development for funding:* This stemmed from a need for capacity building and training for LMs in business plan development for taking advantage of funding opportunities from provincial and national government with specific reference to the Cooperatives Development Fund.
- *District Support Teams:* The District Support Team (DST) is a co-ordination and integration model that has resulted from the Thina Sinako Provincial LED Support Programme, and is meant to involve all government-led institutions that are supporting LED programmes and projects in the District. The team will ensure that all LED initiatives are integrated by all government-led institutions and the DST will form part of the LED Forum, which is constituted of all LED role-players, including private business organization, labour and NGOs.

The initiatives and ventures are not without challenges, notably the following:

- Lack of a district co-operatives development strategy; and
- Integration of the actions of the various role players for efficiency in supporting the sector.

It is recommended that these challenges be addressed by integrating programme with the implementation of the District Cooperatives Development Strategy.

5.2 Implementation of Ward-Based Planning and Information System (WBPIS)

The WBPIS was initiated to ensure:

- A continual update of demographic and socio-economic status quo information on the DM and its five LMs;
- That the holistic planning function of the District is well informed and aligned; and
- Improved research capacity and planning for informed service delivery.

With the implementation of the WBPIS, the DM will be able to access current and accurate information on the following:

- Daily updates of changes in population size per ward for the entire District;
- The levels of indigence, in terms of the number of people living in poverty and that of the unemployed;
- Education levels and skills availability per ward;
- Access to Services; and
- Levels and Standards of service accessed.

Phase 1 of the project, which included System Development, door to door data collection, capturing of the collected data into the system and the training of users in LMs, has been completed. Various reports such as the household register, skills register, indigent register, level of service delivery are now accessible on-line from the system.

Data verification is planned for the current phase of the project in which a team of Ward Administrators (one in each ward) will conduct the data-verification and data-cleaning process for all Wards in the O.R Tambo region. The process is envisaged to have the following steps:

- The process and the data are introduced at the relevant Wards to the relevant Ward Councillors;
- The Ward Administrators undertake field trips to specific areas within the District to fill any gaps identified during the data-verification process;
- Once all gaps have been filled, the data is accurate and all the required reports can be accessed, on-going day-to-day updates will be conducted at Ward level by each municipality.
- The hosting of the system is moved to the premises of the DM, where (1) a system development specialist will be appointed to properly manage the project and (2) the necessary hardware and software will be acquired to ensure sustainability of the project.

6.1 WATERSERVICES

In July 2003, Cabinet declared and pronounced the ORTDM a Water Services Authority and Water Services Provider, which means that the DM is responsible for planning, implementation, operation and maintenance of water and sanitation services within its LMs. As such an authority, the DM is responsible for planning and governance functions, which include:

- Development of Water services policies and by-laws;
- Local Regulatory function;
- Water Services Planning;
- Tariff Determination;
- Water Quality Monitoring and Environmental Safety;
- Revenue Management;
- Communication and Customer Relation;
- Free Basic Services; and
- Drought relief.

The following functions are included under water services planning:

- Water Conservation and Water Demand Management;
- Water Services Master Plans;
- Water Services Development Plan (WSDP);
- Asset Management Plan; and
- Water Safety Plans.

The current status of the Water Services Policies and By-Laws is as follows:

- Water Services By-Law: Approved by Council;
- Indigent Policy: Approved by Council;
- Tariff Policy: Approved by Council;
- Free Basic Policy: Approved by Council;
- Credit Control/Debt Collection Policy: Approved by Council;
- Occupational Health and Safety Specification: Approved by Council; and
- Procurement Policy: Approved by Council.

The O.R. Tambo District Municipality water services Development Plan (WSDP) was approved by Council in June 2013

6.1.1 WATER SERVICES PROVISION

In terms of Water Services Provisioning, the ORTDM is responsible for operation and maintenance which includes:

- Daily operations of water and wastewater works inclusive of the daily monitoring and management of plant performance and compliance with the required quality and performance management systems;
- Maintenance of urban and rural infrastructure;
- General management including administration, financial management, monitoring and reporting;
- Communication and customer relations;
- Operations and maintenance planning;
- Ensuring de-sludging of on-site latrines;
- Safe treatment and disposal of sewage waste;
- Ongoing and regular testing of water, effluent and sewerage disposal for conditions dangerous to human health and the environment; and
- Health and safety.

Other Functions of the Department include:

- Identification and implementation of Capital project; and
- Coordination of infrastructure-related sectors and actors (i.e. Eskom, Telecommunication, Public Works, LMs, Human Settlement, etc.)

In October 2006, the ORTDM held a Water Services Summit which was aimed at the development of strategic framework for the delivery of quantitative and sustainable water services and accelerate water service delivery as a vehicle for Local Economic Development in the District. This summit adopted a Conceptual Water Master Plan which was a framework with a three-stage approach, and the following was agreed upon:

- Continued Schemes to alleviate the immediate need through Stand-alone Schemes;
- Integrating existing Stand-alone Schemes into Sub-regional Schemes; and
- Integrate all the latter into Regional Schemes.

The ORTDM, in partnership with DWA, thereafter approached/appointed Umgeni Water Board and Amatola Water Board and entered into a collaborative arrangement to assist in identification of an improved bulk water supply system within its area of jurisdiction. Four Regional Schemes were then identified and feasibility studies were undertaken to investigate/explore on reliability of the identified schemes, viz.:

- The Central Scheme (Ingquza Hill and parts of Port St Johns) fed by the Mzintlavana River: Feasibility Study complete and preliminary design in progress; and
- The Southern Scheme (King Sabatha Dalindyebo, Nyandeni and parts of Mhlontlo): Optimal Utilization of Mthatha Dam for domestic consumption: Study complete but awaiting abstraction permit from DWA.

Other Sub-Regional Schemes to be integrated within the Regional Schemes have been proposed, viz.:

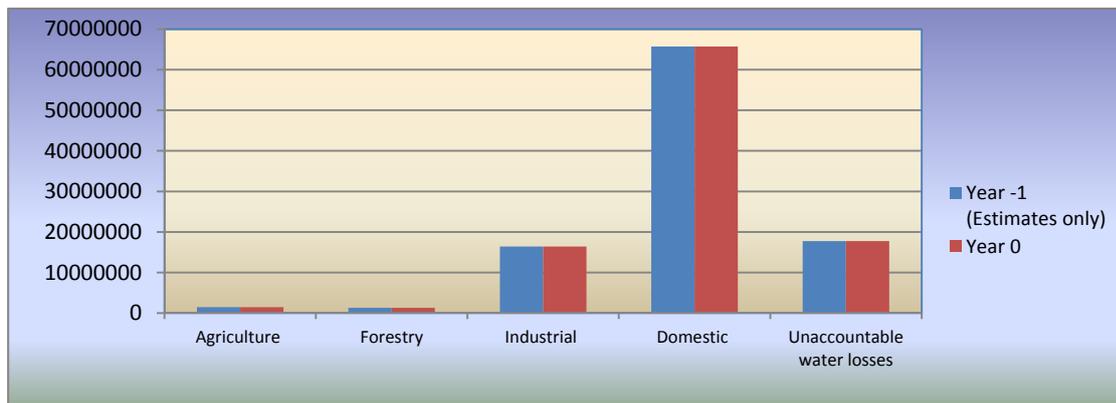
- The Sidwadweni Regional Water Supply under the Mhlontlo LM, which also supplies parts of the Nyandeni LM and rural villages within Tsolo and Tsolo Hospital: Approximately costs of R250million have been allocated for the development of the scheme since its inception and currently the last phase (phase 5) is on design.
- The Mvumelwano Regional Water Supply under the Mhlontlo LM, which supplies Qumbu town and other Rural Villages within Qumbu: Approximately R150million has been allocated for the development of the scheme since its inception and the first phase is being implemented.
- The Upper Culunca Regional Water Supply under the Mhlontlo LM, which supplies rural villages within Qumbu: Approximately R150million has been allocated for the development of the scheme since its inception and the last extension is under construction. Currently the possible construction of a Dam to sustain the scheme is under investigation and the submission of a business plan for additional funding may be put forward.
- The Port St Johns LM Regional Water Supply under the Port St Johns LM, which supplies rural villages: Approximately R90million has been allocated for the development of the scheme since its inception. Phase 2 of the bulk services is under construction and Phase 2b is on tender, with implementation scheduled for mid-2012l. A business plan an approximate amount of R25million has been submitted to the DWA for Dam construction.
- The Ngqeleni Regional Water Supply, which supplies 45 rural villages within the Ngqeleni LM: Approximately R100million has been allocated for the development of the scheme and the 2 phases which includes Ngqeleni Dam are at its completion stage.
- The Coffee-Bay Regional Water Supply under King Sabatha Dalindyebo LM, which supplies Coffee-bay and Rural Villages: Approximately R110million has been allocated for the development of the scheme, which is currently under construction.
- The Flagstaff Regional Water Supply under Ingquza Hill LM, which supplies Flagstaff town and rural villages: Approximately R94million has been allocated for the development of the scheme, which is currently in the design and tender stage.

Water has also been supplied through stand-alone schemes, boreholes, springs, streams and small rivers. Table below tabulates the water-backlogs in each of the LMs in the District.

Municipality	Total Number of Households	WATER	SANITATION	Total Number of Indigent Households	FREE BASIC SERVICES	
		Backlog: Number of households	Backlog: Number of households		Indigent H/H Provided with Water	Indigent H/H Provided with Sanitation
KSD LM	105 000	48272	15590	57 850	20 385	23 415
NYANDENI Lm	70 145	43534	11926	48 702	20 962	25 367
MHLONTLO LM	49 861	28917	12550	32 442	13 891	16 291
INGQUZA HILL LM	51 063	31924	20808	26 119	12 356	15 585
PORT ST JOHNS LM	30 951	25492	18094	16 818	10 220	11 115
GRAND TOTAL	304 658	178139	78968	152 813	77 814	91 773

Total use of water by sector

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1 (Estimates only)	45000	30000	16425000	65700000	17739000
Year 0	45000	30000	16425000	65700000	17739000



Most water demand comes from domestic use as there are fewer agriculture, forestry and industry in the district. The uncountable water a loss has reduced from 27% from previous financial to 23%. There is a need to reduce the water losses to acceptable levels of 15%. The Municipality developed a comprehensive water conservation and water demand management (WCDM) strategy which has been piloted in selected towns of Mthatha, PSJ, Flagstaff and Lusikisiki with very positive results. Additional funding continues to be sought to complete these pilot projects and roll-out the strategy within all the water services infrastructure and facilities. The municipality has installed new 446 of bulk meters and households meters against 1500 planned installation. This was as a result of budget constraints

The O. R. Tambo District Municipality has a total of eighteen convectional (full treatment) water supply schemes and two packaged water treatment plants with the majority of the water supply schemes as hybrid and or partial treatment and borehole water supply schemes. Great progress has been made to increase the security and adequacy of water supply sources for the District Municipality through the harnessing of more and better resilient water sources. The development of Regional Water Supply Schemes and Sub-Regional Water Supply Schemes forms part of the strategy to ensure that enough investment is channeled towards the provision of credible, effective and resilient water resources and water services infrastructure and facilities to communities. The construction

and commissioning of large water supply schemes will also improve the District Municipality's Blue Drop score which was sitting at 22 % from previous financial year against a National score of 53 %. The blue drop assessment will be conducted in December 2013.

The district municipality has a dedicated free basic services unit (FBS) that coordinates the provision of water to communities that currently do not have water services. Water carting trucks, and jojo tanks continue to supply water to needy communities on an emergency and short-term basis while spring protection activities, and the repair of mal-functional schemes remains a key priority of the municipality. Efforts to increase and harness additional water services maintenance funding are perennial so as to reduce the turn-around times of resuming services due to interruptions through break-downs or power shortages/cuts. To enhance water services within the district municipality, Amatola Water Board continues to support the district municipality to effectively discharge on this mandate.

Table Water services Delivery Levels

WATER SERVICES DELIVERY LEVELS	
DESCRIPTION	NO. OF HOUSEHOLDS 2011/12
Water: (Above min level)	
Piped water inside dwelling	38745
Piped water inside yard (but not in dwelling)	15700
Using public tap (within 200 m from dwelling)	48127
Other water supply (within 200 m)	12364
Minimum Service Level and above (Sub-total)	114936
Minimum Service Level and above (Percentage)	41%
Water: (Below min level)	
Using public tap (more than 200 m from dwelling)	16481.6
Other water supply (more than 200 m from dwelling)	49444.8
No water supply	98889.6
Below Minimum Service Level (sub-total)	164816
Below Minimum Service Level (Percentage)	59%
Total number of households (as per IDP)	279752

6.2 SANITATION SERVICES

The O R Tambo District Municipality developed and approved a Sanitation Strategy in an effort to address its sanitation backlogs and sanitation programme implementation challenges. The Sanitation Strategy developed a standard design for a ventilated improved pit latrine (VIP) top structure for the whole district and also the implementation philosophy of the sanitation projects to improve on implementation modalities, quality of products and reduced costs on the maintenance of the VIP units on the households. The strategy also sought ways to:

- ✚ Eradicate all dry sanitation backlogs by the 2014/2015 FY.
- ✚ Adoption of an implementation methodology that is acceptable to the communities for both rural and urban dwellers.
- ✚ Strengthen the promotion of health and hygiene life styles in all the communities.
- ✚ Ensure that all towns have adequate and appropriate sanitation infrastructure (water borne) to deal with the immediate and long-term planning philosophies for development and economic growth within all the urban nodes.

The District Municipality has only one (Mthatha) conventional wastewater treatment plant and six oxidation ponds in Mqanduli, Ngqeleni, Port St. Johns, Lusikisiki, Tsolo and Qumbu and one evaporation pond in Flagstaff while Libode and Coffee Bay have either collector ponds that are serviced by honey-suckers or septic tanks. The District Municipality has prioritised the construction and or upgrading of all the urban sanitation facilities into full conventional treatment plants as per the design parameters acceptable by the Department of Water Affairs. Planning for all the waterborne treatment plants and associated conveyance infrastructure is already underway with Mqanduli Wastewater Treatment Works and Sewers (WWTW & Sanitation), Flagstaff WWTW & Sanitation, Tsolo WWTW & Sanitation, and Lusikisiki WWTW & Sanitation are at various design stages.

The Mthatha WWTW & Sanitation has received both MIG and Department of Water Affairs (DWA) funding for the rehabilitation and minor modifications of the treatment works and for the repair and maintenance of the sewer and associated conveyance network. Eighteen (18) sewer pump stations have been refurbished and efforts are underway to refurbish and commission four additional sewer pump-stations and connect them to electrical power. The medium to long-term plan for the Mthatha Town sanitation infrastructure is to increase the current conveyance infrastructure carrying capacity and the treatment capacity of 12 Ml/day to about 40 Ml/day on an incremental basis and in response to the developmental trajectory

of the town. The district municipality's score on the Green Drop status was 26 % and efforts are underway to systematically improve on all operational, process and management support required to achieve acceptable Green Drop scores.

As mentioned above, In 2008, the municipality adopted its sanitation strategy and it also adopted its own standard VIP toilet design. It was resolved that the municipality will continue with the installation of VIP toilets in the rural areas while all town sewer will be upgraded into waterborne sewer system. The following waterborne sewer system were initiated during the year under review:

- Mqanduli Sewer
- Tsolo Town Sewer
- Flagstaff Town Sewer
- Lusikisiki Town Sewer
- Upgrading of Mthatha WWTW

The Municipality is busy with the development of technical reports and business plans for securing funding on the following towns;

- Libode
- Ngqeleni
- Qumbu
- Port St Johns

The municipality has managed to connect 18 944 households with VIP toilets out of 27 200 that was targeted for the year. A total of 4 sewer pump stations that were targeted were refurbished in Mthatha. At the end of financial year a total of 158 122 households still have no access to sanitation. The sanitation services component of the District Municipality has managed to perform reasonably well against a plethora of process and implementation challenges. The dry sanitation programme that had lagged in previous years managed to greatly improve its output due to the standardisation of the VIP top structure. Efforts continue to be provided to ensure visibility of Project Managers on project sites to ensure quality of VIP units and maximum value for money on completed projects.

6.3 HUMAN SETTLEMENTS

6.3.1 Provision of Shelter

The demand for adequate shelter in the region is on the increase. This poses a greater challenge to the provincial department of human settlements who is the financial sponsor of these initiatives. The change in the global politics also exerted pressure in the construction industry in general. On one hand we were faced with the pressure of people demanding more salaries. On the other hand we had a challenge of frequent increase in the fuel prices which inevitably led to the increase in the price of building material.

An extensive strategic planning session to identify the visionary goals for the next 3 – 5 years was held in the past financial year. This laid ground for our plan to accelerate housing development in the 2012-13 financial year. Unfortunately internal and external forces outside our control were not in our favour. Internal factors were issues like the late awarding of our projects. The last contractor was taken on site late in January 2013. The rest were taken to sites late in November and in December 2012. External factors were the unusually heavy rains in April 2013. These took us back a lot as they also damaged the access roads to the villages that we are busy in. Generally these roads are not good and they became worse after the rains. Unfortunately the function of roads is at the local municipalities and they also did not have reserve funds to assist. All these challenges meant we could only count only 37 of the planned 313 units. The bulk of others are at various stages of construction. Plans are in place to ensure that all the outstanding units will be completed in the 2013-14 financial year. Contractors have been put on more stringent time terms.

6.3.2 Accreditation Of O.R. Tambo District Municipality As An Implementing Agent For Housing Development

The annual target was capacity assessment programme which was planned to be conducted by the Provincial Department of Human Settlements. Phase one assessment which was the skills audit within our department was done. A more comprehensive assessment will be conducted on the whole institution. There were gaps that were identified as such training on housing policy and housing code was conducted. Training is an ongoing process. There are 3 levels which deal with beneficiary administration and these will require our District to be linked to Housing Subsidy System [HSS]. Preparations for accreditation are underway and the DM has been identified as a pilot with KSD in the region.

6.3.3 District Housing Strategy

We targeted to have an approved District Housing Strategy. This target was not met reason being that completion of this strategy depends on the finalisation and adoption of Housing Sector Plans by relevant Local Municipalities falling within the region.

The credibility of the district housing strategy lies on the LM's adopting their respective Housing sector plans through the councils. Some LMs delayed the adoption despite of being pursued by the district and province. This alignment is critical as the district municipality needs to reflect the views of the LM's and avoid being seen as the 6 municipality.

6.3.4 Upgrading Of Informal Settlements

Langeni informal settlement has been identified for upgrading. There are huge challenges that handicapped progress. The first major one being availability of bulk infrastructure and land invasion. Rental housing is planned to be implemented for people that are employed by Merensky. Unfortunately the land identified for construction of Rental Flats is the one that is illegally occupied by shack dwellers. The illegal occupants are not prepared to vacate the land.

A strategic plan was to approve rural housing projects in the nearby villages and this was meant to also accommodate people that are staying in the shacks. Arrangements were made with the local chiefs to accommodate and allocate sites to them but none of the shack dwellers went to request sites. A project of 800 units has been approved for villages surrounding Langeni Forest. Seemingly shack dwellers are not prepared to vacate the land and are busy building and extending the existing informal structures. They have been warned several time told to stop building. Political intervention has been sought from Mhlontlo LM in order to deal with the matter paving way for upgrading of this informal settlement.

6.3.5 Provisioning Of Social Amenities

Ncalukeni community in Mhlontlo has been identified for construction of an MPCC which will service the community and the nearby villages. The annual target was to submit a funding request to the Department of Human Settlements. This was done and the request was approved with an amount of R3.5m which was allocated for planning activities and the actual construction of the centre would follow in the 2013-14 financial year.

6.3.6 Housing Consumer Education

The annual target was to conduct awareness campaigns and educate 400 people within the region. 1734 people were educated on Housing Policy Programs, this was due to the fact that communities are now showing interest on housing development and are attending this workshop in bigger numbers. Our focus though is on communities with planned or approved housing projects.

6.3.7 Provision Of Housing In Response To Emergencies

The target was to submit funding requests to the provincial Department of Human Settlements. The submissions were made and funding approved for Nyandeni LM, Mhlontlo LM and PSJ LM for disaster victims in various villages. The projects are to be implemented by the provincial department of Human Settlements

KSD 350 project: funding request for Mthonjana village of ward 24 was submitted and approved for implementation by the department of Human Settlements.

Poverty alleviation projects approved for implementation under Destitute Program for Maladini, ward 21 in Mhlontlo for construction of 104 houses.

Bholani village, ward 10 in PSJ: project approved for construction of 97 houses under destitute program. The two projects will be implemented by the provincial department of Human Settlements. The DM has done the facilitation, beneficiary administration and filling of subsidy forms.

6.4 COMMUNITY AND SOCIAL SERVICES

6.4.1 Disaster Risk Management

Disaster Risk Management contributes to the reduction of the risk and mitigation of the impact of disasters to ORTDM communities. Proactive preventative measures against disasters are done by ensuring that municipal staff, councilors and community volunteers are trained on disaster. Also 100 volunteers who work as community emergency response units were recruited. The DM Risk Profile has been reviewed and assessment and research on key hazards / risks has been done. The risk profile was submitted to Council and adopted. The Disaster Plan will then be finalized in the upcoming financial year.

To improve institutional capacity and preparedness for disaster management and mitigation post disaster recovery and rehabilitation programmes are done. Households affected by disaster received services per post-disaster recovery and rehabilitation programmes. The state of district disaster was declared this year following flooding incidents that affected the entire district.

CHALLENGES

- Non filling of vacant posts resulting in acting and seconding officials which escalates the use of S&T
- Challenge in acquisition of land for the construction of the DDMC

6.4.2 Fire and Emergency Services

Fire & Emergency Rescue Services contributes to the reduction of the risk and mitigation of the impact of fires and emergencies to communities by rendering services in relations to emergency and fire related response within the whole OR Tambo region. Our core activities of reporting and implementation of projects focus on the number of public and business buildings inspected for fire safety, number of community based volunteer fire response teams listed with the district, number of LMs fully equipped as fire satellites, response time to fire and emergency calls from the urban and rural areas and developing SLA with LMs, Department of defense etc. on fire prevention and response to fire and emergency.

There is a challenge of lack of suitable space for staff and shelter for vehicles in the LM and this affects the decentralization of fire services within some local municipalities. However, FES managed to secure office accommodation in Nyandeni (LM's) and Qumbu accommodation is in process to be finalized.

Below are the challenges experienced:

- Staff shortages (HR issues), staff critical post are not speedily address
- Limited budget, capital cost of fire equipment and fire engines is huge
- Inaccessibility of some roads towards communities in Rural areas, lead to premature breakdown of fleet
- Aging vehicle fleet and frequent breakdowns (partially achieved rural & urban fires calls)
- Slow and tedious budgetary, tendering and procurement processes
- Prolonged fleet management responses to vehicle repairs, no clear vehicle replacement policy
- Retaining of OR Tambo DM, Emergency and other vehicles by service providers due to non payment or delayed invoices.

- Slow decentralization of fire services within some local municipalities due to lack of suitable space for staff and shelter for vehicles,
- Non budgetary process of local municipalities for fire services

6.4.3 Municipal Health Services

These services seek to provide a regulated healthy environment, in terms of National Health Act 2003 (61 of 2003) Municipal Health Services as environmental health services with following functional framework;

- (A) Water Quality Monitoring
- (B) Food Control
- (C) Waste Management
- (D) Health Surveillance Of Premises
- (E) Surveillance and Prevention of Communicable Diseases Excluding Immunisations
- (F) Vector Control
- (G) Environmental Pollution Control
- (H) Disposal of the Dead
- (I) Chemical Safety
- (J) Noise Control

Devolution of **26 EHPs** to the DM has always faced challenges. Department of Health Environmental Health Practitioners resumed their environmental health services at OR Tambo District Municipality on the 1st April 2013. Identified and cleared **10 illegal dumps** at Ingquza Hill and Nyandeni Local Municipalities. Mhlontlo - Qumbu office accommodation site had been fenced. A service provider to develop designs has been appointed. **41 formal food premises** inspected in terms of the relevant legislation and regulations 962. In food quality monitoring, we tested 112 food and environment swabs and in this key area, there is problem of sampling equipment on the side of National Laboratory. In water quality monitoring, **138 water samples** were taken in all LMs water sources for bacteriological and chemical testing. Hundred and seven (**107**) businesses were inspected in the ORTDM area. A case (01) of meningococcal infection and a case (01) of rabies were investigated at Mquanduli sub-district (Mncwasa village). Disposal of the dead – **08 body remains** were exhumed. Implementation of R962 – **04 Certificates of Acceptability** were issued. Scrutinisation of building plans – **0 4 building plans** have been approved at Ingquza Hill LM.

CHALLENGES

- Insufficient budget to perform all Municipal Health Services
- Lack of Municipal Health Services policies
- Insufficient transport to cover the entire area
- In availability of internet and communication network in our satellite office

RECOMMENDED INTERVENTIONS

- Provision of sufficient budget for both personnel and programs
- Development of Municipal health services policy
- Hasten process of procuring Environmental Health Services vehicles
- Expedite internet and telephone connection.

6.4.4 Social Development, Facilities and Community Safety

Highlights of events:

Relations with Impala Platinum (IMPLATS) as the key sponsor in the implementation of Library services are maintained. Memorandum of Agreement (MoA) between Mhlontlo LM, Impala Platinum and O.R. Tambo DM for the building of Qumbu Library finalized. Supporting sporting activities that were of national level (SATMA Awards & Salga Games) as well as tireless contribution towards the O.R. Tambo month is considered a positive assistance by SDFCS team.

Attendance to the LIASA annual conference by Library services staff was an empowering experience, yet again. Four employees were capacitated by enrolling in three different institutions of higher learning. A general policy on management of District facilities is drafted and ready for council approval

During the coordination of Coastal safety during the Festive & Easter Holidays, library staff within the section have been roped into the program due to shortage of staff. Payment of stipend for 80 Coastal Patrollers was paid on EPWP vote.

Innovation:

The DM in conjunction with the Provincial Social Development embarked on two initiatives. The first one being part of the steering committee facilitating the re-opening of Empilweni Old Age Home (OAH). Empilweni is the only Old Age Home serving both O.R. Tambo and Alfred Nzo Districts. The Empilweni Old Age Home was officially re-opened on the 01/10/2012. The second project is that of being involved in the Anti-Poverty strategy in two sites in PSJ and Mhlontlo LMs.

Challenges:

- Total dependency of Library Services on Provincial Grant by DSRAC
- Non-finalization of grant roll-over for Mhlontlo (Qumbu) Library
- Small budgets for Community Safety programs affect implementation
- The death toll during the Easter season took a different shape as most fatalities were in rivers rather than the seas.
- Non staffing of the Social Development sub-section hinder service delivery

Recommended improvements or interventions:

- Library services should be allocated budget from the District's equitable share.
- Consideration of Community Safety programs in budget prioritization.
- The DM should consider strengthening of Divers' as well as Life Savers' program
- Speeding up of employment of two Social Development practitioners / organogram process

6.4.5 Sport, Arts, Culture and Heritage

Sport and Recreation

- The section hosted the South African Mini Fly weight Champion featuring Simphiwe Khonco (Champion) from O.R Tambo District Municipality against Lutho Nkonki (Challenger) and Zukisani Nkwayiba (2nd Challenger)
- The section also hosted the Continental Minimum flyweight Champion featuring Simphiwe Khonco fighting against Khanyakude Mukhantsi where Khonco emerged victorious.
- The DM Co-ordinated and staged the O.R Tambo Mayors Cup. The event was hosted at Mhlontlo Local Municipality. In strengthening the federations involved the winners were assisted with Sport equipment like balls, kits and trophies.
- Provincial SALGA games were hosted successfully in O.R Tambo District Municipality.

- Disabled sport fraternity of the DM was also assisted with sport equipment.

Challenges:

- Lack of commitment from the federations.
- Lack of co operation from the Local municipalities

Intervention strategies:

- Looking for the accredited service providers to conduct the courses from the national federations.
- Source the athletes from the ward level
- Formation of the Sport councils starting at ward level
- Staging of the Sport indaba that will lead to the establishment of the Sport and Recreation policies

Targets not achieved

- **Sport and Recreation:** Training of the officials could not be done due to the lack of the accredited service providers. The professional instructors will be requested from the national federations. This will be done during the next financial year.

Arts, Culture and Heritage Challenges

- Lack of properly elected Art, Culture and heritage councils
- Lack of resources i.e. staff and budget to co ordinate the cultural activities

RECOMMENDED INTERVENTIONS

- Co-ordinating the Local for the formation of the structures
- Heritage development strategy
 - **Rehabilitation of the SS Mendi Heritage site:** The rehabilitation of S.S Mendi monument will be done in conjunction with Nyandeni Local Municipality. The site has been vandalized as result fencing is damaged.
 - Commemoration of the Ingquza Hill massacre has been co-ordinated and assistance had been rendered.

6.5 PLANNING AND DEVELOPMENT

The O.R. Tambo District Municipality is located in the eastern part of the Eastern Cape province, bound by the Indian Ocean to the East and the Mhlahlane and Baziya mountains behind Tsolo, and Qumbu to the west. The District encompasses diversity in physical landscape, land use and access to economic opportunities. Agricultural development forms part of the DM's competitive advantage due to its temperature and soil. The coast is an excellent tourist attraction, with a number of resorts and hotels already in existence.

Some of the challenges faced by the district with regard to economic development and physical planning include: Lack of skills resulting to unemployment in the key sectors of the economy, high illiteracy rate, diseases such as HIV/AIDS, poor infrastructure, lack of incentives to industries, land claims, crime and an inefficient public transport system & network.

6.5.1 Spatial Planning

O.R. Tambo District Municipality's Planning Unit is charged to provide support to local municipalities with insufficient planning capacities and seeks to provide, co-ordinate and assist local municipalities with **Town And Regional Planning Services** in respect of policy formulation, proper land use development taking into account social, economic, and physical factors, the aim being to establish the basis on which one can create a positive environment for development initiatives; and to ensure sustainable and orderly land utilization and development through the development of SDF.

The O.R. Tambo District Municipality's planning unit has been hands on in assisting Local Municipalities in the development of their Local Spatial Development Frameworks and precinct plans as well as spatial development frameworks. In this financial year KSD LM managed to develop its Spatial Development Framework, whilst Nyandeni developed its Local Spatial development Framework for Libode and Ntlaza area. A precinct plan was also developed for Ngqeleni town through the assistance from ECSSEC.

Our other Local Municipalities of the District have updated SDFs (Nyandeni, PSJ, Ingquza Hill, and Mhlontlo). Some of the achievements that have been identified through the DM's SDF implementation include:

- Enhanced Interventions and co-operation by the national and provincial spheres of government
- KSD O.R Tambo DM declared a presidential node
- Lubala -Mhlontlo rural development initiatives
- Mthatha Town facelift including development of the SDF
- R5bn capital injection for KSD & the Mthatha town
- Mthatha airport Development
- The Lusikisiki Town Planning,

- Ngqeleni Town Precinct plan complete
- Libode/Ntlaza LSDF complete
- Coffee Bay town development steering committee established
- Qumbu and Tsolo Town precincts in progress
- Langeni Development Node LSDF earmarked for next financial year

Key Challenges

Lack of funding is one of the challenges that has stalled the implementation of other Town Planning related projects such as: Ntafufu Development Node, Mkhambathi & Mbotyi Proposed for future tourism development, Precinct Plans for Lusikisiki and Flagstaff.

Land Use management Systems (LUMS) are a serious problem for the LMs of the District for various reasons such as:

- Urban LUMS in terms of Townships Ordinance (33 of 1934)
- Many commonages under land claim
- Standard Transkei Town Planning Scheme applies in all towns except: -Mthatha has its own Scheme
- LMs are not authorized to take decisions but make recommendations to Townships Board (administered by Dept LGTA)
- Rural LUMS not governed by specific legislation

Land administration in the district vests in different structures (Municipal commonages, State land/communal land, and private land) and some of the challenges that have been noted are as follows:-

- Unclear Land Management Roles & Responsibilities
- LMs have limited planning and LUM capacity
- LMs have limited authority in rural areas (No policies means no enforcement)
- Un-managed settlement formation as a result of in land "Informal" trading.
- No link between planned development and sustainable provision of services
- Environmental Management not taken seriously thereby threatening natural resources that are a critical comparative advantage in ORTDM

Despite the above listed challenges there are strategies that are being implemented including the formalization and tenure upgrade of the Mthatha Camp site, Gomolo A/A Planning in PSJ LM, implementation of Kwa-Tshezi Development Plan (Coffee Bay/Hole in the Wall Town Development). Other strategies that have been encouraged include the infill development, locating settlements near the existing road networks, nodal and corridor development.

6.5.2 Waste Management

The aspect of refuse collection from households, waste disposal and street cleaning is done by the Local Municipalities. The O.R Tambo District Municipality mainly focuses on co-ordination of recycling activities in the district.

A regional recycling facility has been identified as the major priority program within the district which is having its own build-up processes. The involvement of communities in recycling through recycling cooperatives is one of the priority programs building up to the establishment of to the regional recycling facility as well as creating jobs in the communities.

Waste generation and recycling estimations in tons in 2012 as per IWMP projections are as follows

Municipality	Waste Generation 2011/12	Waste Recycling in all LMs
Ingquza Hill	77911.2	2250
Port St Johns	46964.2	
Nyandeni	91215.0	
KSD	120505.5	
Mhlontlo	70353.6	
	406949.5	2250

This gives a combination of 406949.5 tons per year in the whole district; these estimations were made through population growth in the district. In terms of waste that is being recycled it is estimated that about 0.55% of generated waste is recycled per year which is even less than 1% of the total waste generated.

There are nine (9) landfill sites in the district and FIVE of them are licensed which are in PSJ, Qumbu, Tsolo, Libode and Mqanduli. Out of the five licensed land fill sites, its only two that are partially complying with Minimum Requirements for Waste Disposal by Landfill or to Environmental Conservation Act 1989, which the one in PSJ and the one in Qumbu. All other 4 in Mthatha, Lusikisiki, Flagstaff and Ngqeleni have not yet been licensed and their applications are in progress.

TRANSPORT

6.5.3 Transport Planning

The O.R Tambo District Integrated transport plan has since been reviewed and currently ready for council approval. Transport Planning is the coordinating function of the O.R Tambo District Municipality as mandated by the National Land Transport Transition Act, Act 22 of 2000 and the recently enacted, Act No. 5 of 2009. In so far as this act is concerned, the ORTDM is a planning authority with a legal responsibility to prepare an Integrated Transport Plan for the region.

Through the implementation of the ITP, the district municipality is currently processing the RAMS funded through the Department of Transport as a grant in kind. Further to this, two interns have been allocated to the district and are currently engaged in resuscitating transport forums in LMs. A public transport diversification program is in progress which has seen the transformation in the taxi industry from informal to formal business through co-operatives development and training.

TOP 5 SERVICE DELIVERY PRIORITIES' MAJOR EFFICIENCIES ACHIEVED

- I. Establishment of Local Transport Forums and strengthening functionality of the District Transport Forum
- II. Preparations and Development of the District Integrated Transport Plan year 11/12.
- III. Road Asset Management Systems being developed in an ongoing process to be completed in 2014.
- IV. Cooperatives established and registered.
- V. Members of the Taxi Industry, officials and members of the steering committee capacitated by conducting a study tour in the City of Johannesburg for bench marking purposes.

INTERNS (Transport Planning Interns)

Two interns from the National department of Transport were placed in the district for a period of 15 months in the district starting from the 1/04/2012 to 30/06/2013. Areas of responsibility that the interns were involved in included the following:

- Resuscitation of Local Transport Forum
- Realignment of the District Integrated Transport Plan
- Attending the Presidential Intervention program meetings at KSD as well site visits on projects that were under construct e.g. Mthatha Bridge, Road to Mvezo, road to coffee bay, road to Bedford etc.
- Internally the interns were responsible for the concurrencies and responding to applications from various Provincial Regulatory Entities in the country.
- Involved in the day to day running of the office as well as sending of invites, to various stakeholders for meetings in Transport Planning.

INTERNS (Graduate Development & Training)

The twenty five (25) graduates originally employed (five in each district) Joe Gqabi, Alfred Ndzo, O.R tambo, Amathole, Chris Hani, have all been retained in the programme. A breakdown of the graduate profile is provided below. If compared to the prior reporting periods, it will be noted that many of the graduates have now progressed through their practical training year and have received their national diplomas. When they were appointed in February 2012, for a three year contract, 14 of the graduates had only completed, or were busy completing their S4 – seven (7) of these have now qualified, and we only have 7 graduates that still need to submit their practical training reports in order to qualify for their diplomas. As the graduates receive their diplomas, they are registered with Engineering Council of South Africa (ECSA) as Candidate Technicians.

Gender	Qualifications			Total
	N4	NDip(Civil)	BTech	
Male	7	11	0	18
Female	0	6	1	7
Total	7	17	1	25

Activities during the reporting period were focused on road inventory assessments and training was therefore limited to utilization of the road inventory application. In order to expand the experience of the graduates, they are also being exposed to road construction, maintenance and design. As part of a practical mentoring programme, graduates were deployed as assistant Resident Engineers to the following Engineering Advice Services (EAS) construction sites on two-month rotational basis:

- Helenvale Urban Renewal programme (R25 million contract value)
- R63 SANRAL Routine Road Maintenance contract (R50 million contract value)
- Senqu LM Routine Road Maintenance contract (R18 million contract value)
- Fairview municipal services contract for 300 walk-up units (R9 million contract value)
- Cookhouse sewer upgrade (R20 million contract value)
- NMBM Water loss & demand management programme

Furthermore, at any given time, three graduates are deployed to our EAS design office in Port Elizabeth

Where, under the guidance of a registered professional engineer, they are exposed to a design environment, primarily using Civil Designer for roads and storm water designs.

Training and mentoring is therefore not only focused on RRAMS, but is aimed at equipping graduates with a broader range of technical skills – all contributing towards professional registration.

APPROACH TO PUBLIC BUS OPERATION

AB 350 LTD is operating on routes that were previously used by the defunct Transkei Road Transport Cooperation (TRTC). 350 bus owners joined forces and a company was established to operate on the routes that were operated by TRTC and currently most of those routes are serviced by AB 350.

SUPPORT GIVEN TO COMMUNITIES

Support given to communities is in the form of bicycles given to students who walk in excess of three kilometers to school and conversion of public transport operators into formal businesses.

RENDERING OF TRANSPORT SERVICES

The DM does not render any public transport services instead it supports the rendering of services by the taxi industry and bus industry.

CHAPTER 7 FINANCIAL VIABILITY AND MANAGEMENT

The O.R.Tambo DM is classified as a high-capacity municipality. This requires of the municipality to be fully compliant with Generally Recognised Accounting Practice (GRAP), MFMA compliance issues and all its related circulars and regulations. The Budget and Treasury Office is mainly responsible to ensure adherence to all these requirements. Due to the commitment and hard work of the team, with limited constraint, which work beyond the call of duty, the department has substantially ensured in all material effects that the duties were carried out to ensure compliance. The financial management system is also a major limiting factor in terms of financial & management accounting procedures and information flow. It exerts a lot of pressure on the performance of the department.

The Budget and Treasury Office focuses mainly on the areas mainly identified as follows:

- Budget preparation, implementation and reporting;
- Revenue management;
- Supply Chain and asset Management;
- Expenditure and Liability management;
- Financial management system support; and
- Financial accounting reporting and Treasury.

7.1 Budget Preparation, Implementation and Reporting

This section is mainly responsible to co-ordinate MTEF and budget adjustment process in the district municipality, provide technical support to departments, ensure compliance with all applicable legislation and regulations evaluate and advice the Council on the budget impact of all new policy proposals, ensure that approved budget is captured accurately on the Venus system, oversee all monthly, quarterly and annual reporting as per the MFMA and regulatory bodies, establish systems, processes and financial policies and procedures and internal control, attend to the internal audit and the AG's recommendations relating to budgeting and maintain and communicate budget guidelines

Performance overview

- The monthly reports in the form of section 71 of the MFMA are complied with.
- Quarterly reports in the form of section 52(d) of the MFMA are complied with.
- Midyear reports in the form of section 72 of the MFMA are complied with.

Summarized challenges experienced

- Full compliance to chapter 4 of the MFMA in respect of municipal budgets and paragraph 75 of the MFMA with regards to information to be placed on the website of the municipality.

7.2 Revenue Management

This section is responsible for the billing, collection of municipal revenue for services rendered and the implementation of the credit control policy adopted by council.

Performance overview

- The implementation of the credit control policy and the installation of the water meters has resulted to the section being able to collect more on the current billing versus the projections.
- Reductions of the old debt still a major challenge due to difficulties in resolving issues emanating from opening balances.
- The district municipality continues to subsidize all consumers who reside at the peri-urban areas without.

Summarized challenges experienced:

- Full implementation of the approved credit control policy and indigent policy.
- Full compliance to provisions of paragraph 64 of the MFMA.

7.3 Supply Chain and Asset Management

This sections ensure efficient and effective logistics management and disposal management, build systems, processes, procedures and ensure internal and management controls.

Performance overview

- All bid committees in place as required by the Municipal Finance Management Act.
- Bid committees sit regularly to consider tenders.
- There is no comprehensive procurement plan in place to ensure effective, efficient and economic use of municipal resources.
- Rotation of services to procure services still done on a manual basis.

Summarized challenges experienced:

- Full implementation of chapter 11 of the MFMA in respect of procurement of goods and services.
- Non compliance to requirements of paragraph 14 of the SCM policy.

ASSET MANAGEMENT

This section deals with the proper management of municipal assets, insurance and their maintenance.

- Asset register of the municipality is GRAP compliant.
- All municipal assets are fully insured.

Summarized challenges experienced

- Non-implementation of the asset management policy.
- No regular update of the non-infrastructure asset register and infrastructure asset register.

Fleet Management

The unit is not fully functional due to under staffing. There are no proper control and management of municipal fleet assets. The implementation of Fleet Management Policy is not adhered to resulting in abuse and misuse of municipal fleet.

Summarized challenges experienced

- Full compliance to the provisions of the fleet management policy.

STORES SECTION

- Stock taking done on a quarterly basis
- Stock cards updated on a regular basis

Summarized challenges experienced

- Non-adherence to the provisions and requirements of the stores management procedure manual.

7.4 Expenditure and Liability Management

This section mainly manages the accuracy and the integrity of general ledger and all subsidiary ledgers of the district municipality and oversees the accounts payable ledger and its integrity. Ensure that accounting records are retained in accordance with legal and regulatory requirements.

Performance overview

- Circular 49 of the MFMA complied in respect of payment of obligation.
- Statutory obligation paid over on time to SARS.
- Section 66 of the MFMA complied with.
- Creditor's reconciliations done on a regular basis.
- Proper document management in place.
- Journals entries processed regularly and updated to the general ledger.

Summarized challenges experienced

- Full compliance to the provisions of paragraph 65 of the MFMA.

7.5 Financial Management System Support

This section ensure that the Venus finance modules are configured to support accounting and financial system, provide continuous and effective training and support to users, operation of internal controls over all accounting processes, develop reports as required by management and implement appropriate application controls on all software used in accounting processing be the link between finance and ICT Department develop systems required for financial reporting and implement customization of software as when required.

Performance overview

Summarized challenges experienced

Update of the general ledger not done as per the requirements of the financial procedures manual.

7.6 Financial Accounting Reporting and Treasury

This section focuses on the preparation of Annual financial statements and their submission to the auditor general as per the requirements of the legislation. It also focuses on the proper management of grant funding and reconciliation of the investments.

Performance overview

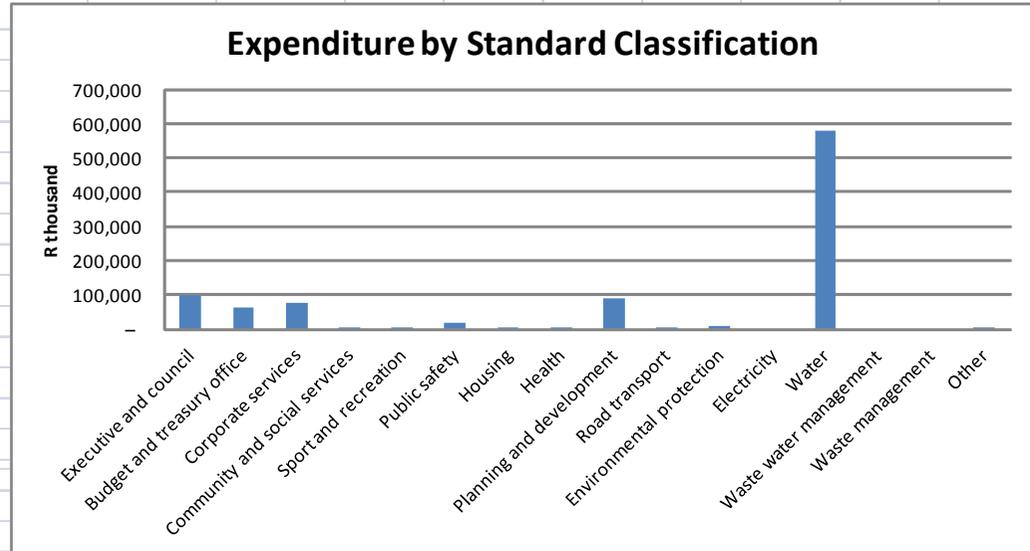
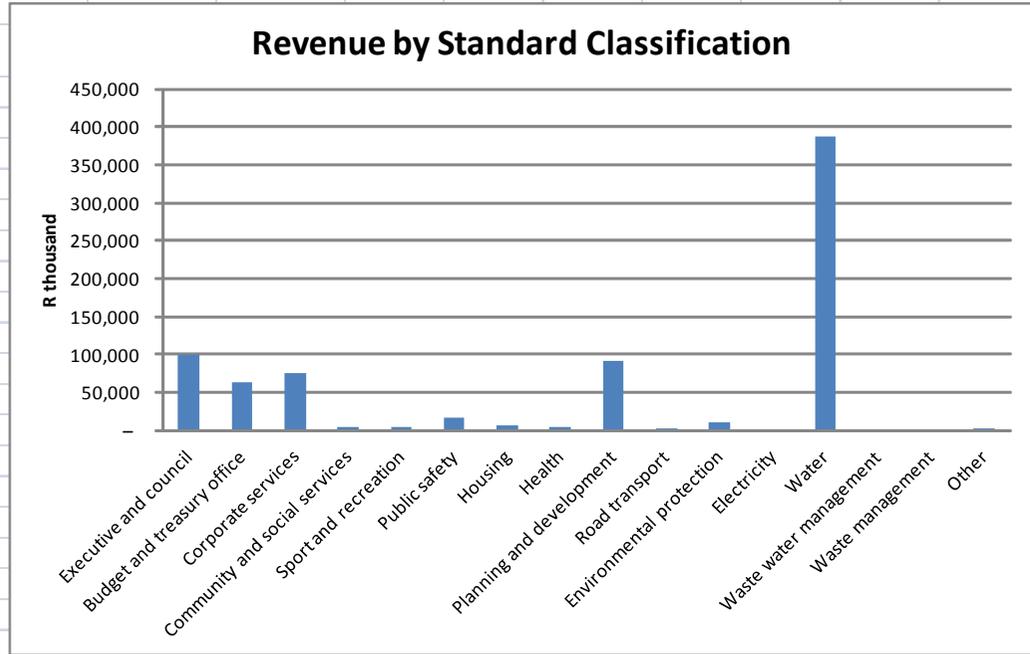
- Annual financial statements submitted to the Office of the Auditor General as required by section 126(1), (a) and (b) of the MFMA.
- All conditional grants invested as per the investment policy and conditions of the grant.
- Investments reconciliation performed on a regular basis.

Summarized challenges experienced during the preparation of annual financial statements. Annual financial statements submitted to the Auditor General not subjected to quality review by internal audit².

7.7 STATEMENT OF FINANCIAL PERFORMANCE

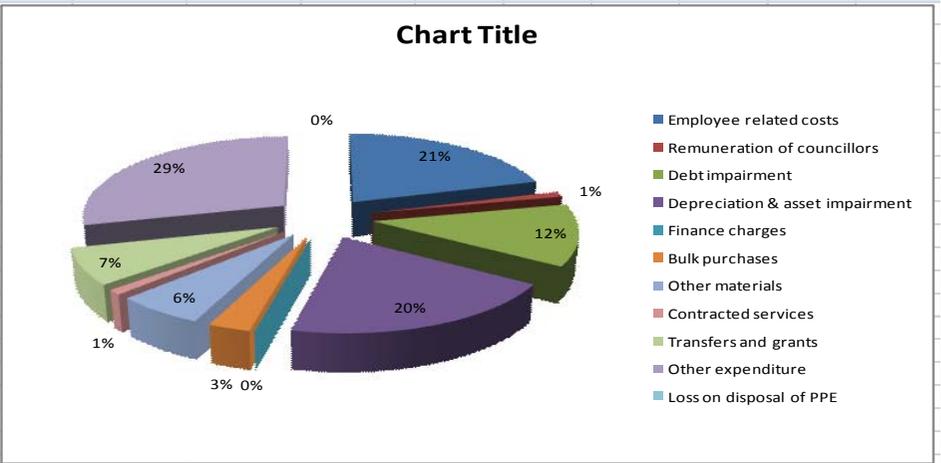
Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Revenue - Standard							
<i>Governance and administration</i>		-	-	-	239,209	237,193	237,193
Executive and council					98,044	98,969	98,969
Budget and treasury office					74,378	63,462	63,462
Corporate services					66,787	74,762	74,762
<i>Community and public safety</i>		-	-	-	37,678	35,584	35,584
Community and social services					6,235	4,768	4,768
Sport and recreation					4,054	4,065	4,065
Public safety					15,146	16,508	16,508
Housing					7,858	6,536	6,536
Health					4,385	3,707	3,707
<i>Economic and environmental services</i>		-	-	-	99,990	101,812	101,812
Planning and development					90,735	91,356	91,356
Road transport					472	464	464
Environmental protection					8,782	9,993	9,993
<i>Trading services</i>		-	-	-	286,172	390,011	390,011
Electricity					-	-	-
Water					283,792	387,548	387,548
Waste water management					-	-	-
Waste management					-	-	-
Other	###				2,379	2,463	2,463
Total Revenue - Standard	###	-	-	-	663,048	764,601	764,601
Expenditure - Standard							
<i>Governance and administration</i>		-	-	-	239,209	237,193	237,193
Executive and council					98,044	98,969	98,969
Budget and treasury office					74,378	63,462	63,462
Corporate services					66,787	74,762	74,762
<i>Community and public safety</i>		-	-	-	37,678	35,584	35,584
Community and social services					6,235	4,768	4,768
Sport and recreation					4,054	4,065	4,065
Public safety					15,146	16,508	16,508
Housing					7,858	6,536	6,536
Health					4,385	3,707	3,707
<i>Economic and environmental services</i>		-	-	-	99,990	101,812	101,812
Planning and development					90,735	91,356	91,356
Road transport					472	464	464
Environmental protection					8,782	9,993	9,993
<i>Trading services</i>		-	-	-	446,171	580,011	580,011
Electricity					-	-	-
Water					443,792	577,548	577,548
Waste water management					-	-	-



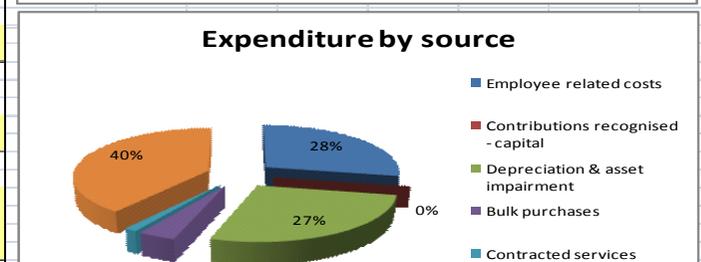
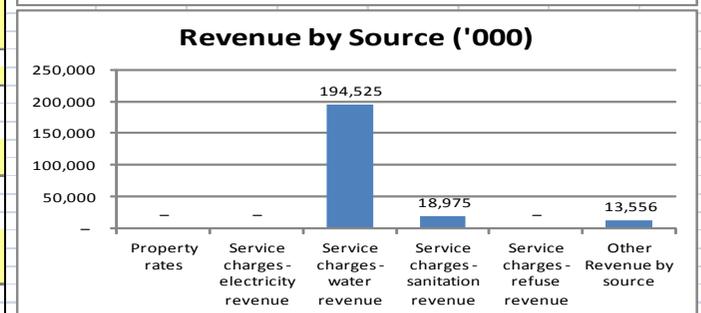
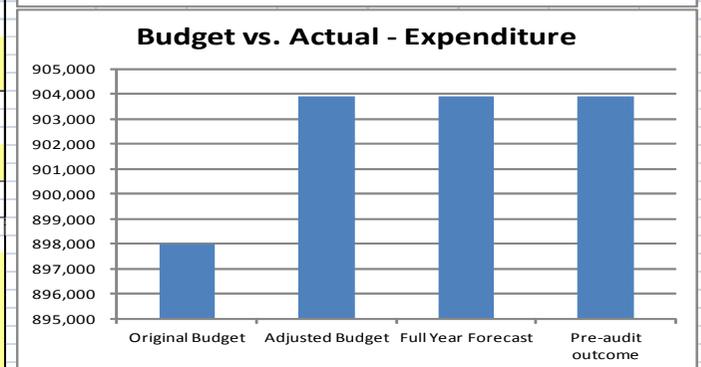
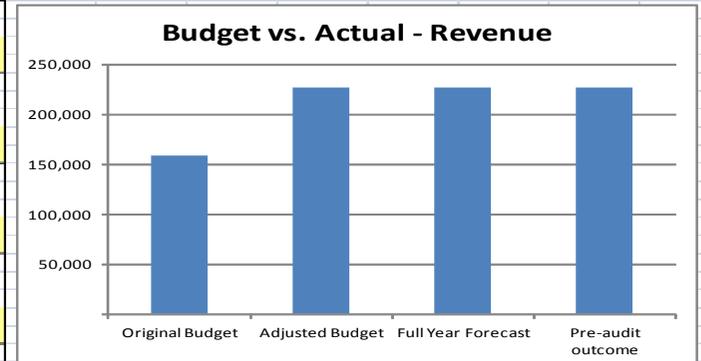
Financial Performance (revenue and expenditure)

2009/10 Audited Outcome	2010/11 Audited Outcome	2011/12 Audited Outcome	Current Year 2012/13				2013/14 Medium Term Revenue &		
			Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
				-	-	-			
			107,525	194,525	194,525	194,525			
			18,975	18,975	18,975	18,975			
			35	35	35	35			
			12,000	14,245	14,245	14,245			
			-	18,000	18,000	18,000			
			492,352	505,264	505,264	505,264			
			32,161	13,556	13,556	13,556			
-	-	-	663,048	764,600	764,600	764,600	-	-	-
			223,204	195,937	195,937	195,937			
			11,044	10,034	10,034	10,034			
			30,000	117,000	117,000	117,000			
			160,000	190,000	190,000	190,000			
			27,762	27,762	27,762	27,762			
			45,579	58,976	58,976	58,976			
			8,400	9,400	9,400	9,400			
			69,391	69,391	69,391	69,391			
			247,668	276,100	276,100	276,100			
-	-	-	823,048	954,600	954,600	954,600	-	-	-
-	-	-	(160,000)	(190,000)	(190,000)	(190,000)	-	-	-
			763,385	1,101,779	1,101,779	1,101,779			
-	-	-	603,385	911,779	911,779	911,779	-	-	-
-	-	-	603,385	911,779	911,779	911,779	-	-	-
-	-	-	603,385	911,779	911,779	911,779	-	-	-
-	-	-	603,385	911,779	911,779	911,779	-	-	-



Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:					158,661	227,056	227,056	227,056			
Property rates	###										
Total Property Rates											
less Revenue Foregone											
Net Property Rates											
Service charges - electricity revenue	###										
Total Service charges - electricity revenue											
less Revenue Foregone											
Net Service charges - electricity revenue											
Service charges - water revenue	###										
Total Service charges - water revenue					110,525	197,525	197,525	197,525			
less Revenue Foregone					3,000	3,000	3,000	3,000			
Net Service charges - water revenue					107,525	194,525	194,525	194,525			
Service charges - sanitation revenue	###										
Total Service charges - sanitation revenue					18,975	18,975	18,975	18,975			
less Revenue Foregone											
Net Service charges - sanitation revenue					18,975	18,975	18,975	18,975			
Service charges - refuse revenue	###										
Total refuse removal revenue											
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue											
Other Revenue by source											
Fuel levy											
Other revenue	###				32,161	13,556	13,556	13,556			
Total 'Other' Revenue	###				32,161	13,556	13,556	13,556			
EXPENDITURE ITEMS:					897,986	903,883	903,883	903,883			
Employee related costs	###										
Salaries and Wages					161,691	147,630	147,630	147,630			
Contributions to UIF, pensions, medical aid					20,637	16,628	16,628	16,628			
Travel, motor car, accom: & other allowances					10,782	8,258	8,258	8,258			
Housing benefits and allowances					4,422	3,600	3,600	3,600			
Overtime					-	-	-	-			
Performance bonus					12,937	9,861	9,861	9,861			
Long service awards					788	579	579	579			
Payments in lieu of leave					10,004	7,586	7,586	7,586			
Post-retirement benefit obligations	###				1,618	1,470	1,470	1,470			
sub-total	###				222,878	195,610	195,610	195,610			
Less: Employees costs capitalised to PPE	###										
Total Employee related costs	###				222,878	195,610	195,610	195,610			
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital											
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment					160,000	190,000	190,000	190,000			
Lease amortisation											
Capital asset impairment											
Total Depreciation & asset impairment	###				160,000	190,000	190,000	190,000			
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases					27,762	27,762	27,762	27,762			
Total bulk purchases	###				27,762	27,762	27,762	27,762			
Contracted services											
Security Costs					8,400	9,400	9,400	9,400			
sub-total	###				8,400	9,400	9,400	9,400			
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											



Unaudited schedule:

Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2012/2013											2011/2012			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	1000%	11	12	13	14	15
Revenue - Standard															
<i>Governance and administration</i>	239,209	(2,016)	(2,016)	-		237,193	887,582		(650,389)	-274%					
Executive and council	98,044	925	925			98,969	2,806		96,163	97%					
Budget and treasury office	74,378	(10,915)	(10,915)			63,462	884,776		(821,314)	-1294%					
Corporate services	66,787	7,975	7,975			74,762			74,762	100%					
<i>Community and public safety</i>	37,678	(2,094)	(2,094)	-		35,584	304		35,280	99%					
Community and social services	6,235	(1,466)	(1,466)			4,768			4,768	100%					
Sport and recreation	4,054	11	11			4,065			4,065	100%					
Public safety	15,146	1,362	1,362			16,508			16,508	100%					
Housing	7,858	(1,322)	(1,322)			6,536	304		6,232	95%					
Health	4,385	(679)	(679)			3,707			3,707	100%					
<i>Economic and environmental services</i>	99,990	1,822	1,822	-		101,812	24,053		77,759	76%					
Planning and development	90,735	621	621			91,356	424		90,932	100%					
Road transport	472	(8)	(8)			464	23,629		(23,165)	-4996%					
Environmental protection	8,782	1,210	1,210			9,993			9,993	100%					
<i>Trading services</i>	283,792	103,756	103,756	-		387,548	624,716		(237,168)	-61%					
Electricity	-	-	-			-			-	#DIV/0!					
Water	283,792	103,756	103,756			387,548	624,716		(237,168)	-61%					
Waste water management	-	-	-			-			-	#DIV/0!					
Waste management	-	-	-			-			-	#DIV/0!					
<i>Other</i>	2,379	84	84			2,463			2,463	100%					
Total Revenue - Standard	663,048	101,553	101,553			764,601	1,536,655								
Expenditure - Standard															
<i>Governance and administration</i>	239,209	(2,016)	(2,016)			237,193	636,373		(399,180)	-168%					
Executive and council	98,044	925	925			98,969	99,459		(490)	0%					
Budget and treasury office	74,378	(10,915)	(10,915)			63,462	469,176		(405,713)	-639%					
Corporate services	66,787	7,975	7,975			74,762	67,739		7,023	9%					
<i>Community and public safety</i>	37,678	(2,094)	(2,094)			35,584	42,389		(6,805)	-19%					
Community and social services	6,235	(1,466)	(1,466)			4,768	5,002		(234)	-5%					
Sport and recreation	4,054	11	11			4,065	3,888		178	4%					
Public safety	15,146	1,362	1,362			16,508	22,175		(5,667)	-34%					
Housing	7,858	(1,322)	(1,322)			6,536	7,358		(822)	-13%					
Health	4,385	(679)	(679)			3,707	3,966		(260)	-7%					
<i>Economic and environmental services</i>	99,990	1,822	1,822			101,812	93,440		8,373	8%					
Planning and development	90,735	621	621			91,356	80,013		11,343	12%					
Road transport	472	(8)	(8)			464	2,831		(2,367)	-511%					
Environmental protection	8,782	1,210	1,210			9,993	10,596		(603)	-6%					
<i>Trading services</i>	443,792	133,756	133,756			577,548	375,868		201,680	35%					
Electricity	-	-	-			-			-	#DIV/0!					
Water	443,792	133,756	133,756			577,548	375,868		201,680	35%					
Waste water management	-	-	-			-			-	#DIV/0!					
Waste management	-	-	-			-			-	#DIV/0!					
<i>Other</i>	2,379	84	84			2,463	2,521		(58)	-2%					
Total Expenditure - Standard	823,048	131,553	131,553			954,601	1,150,592		(195,991)						
Surplus/(Deficit) for the year	(160,000)	(30,000)	(30,000)			(190,000)	386,063		195,991						

Unaudited schedule:

Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2012/2013											2011/2012			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	1000%	11	12	13	14	15
Revenue by Vote															
Vote 1 - Council & Committes	98,044	925	925			98,969	2,806		96,163	97%					
Vote 2 - Finance and Administration	141,165	(2,940)	(2,940)			138,224	884,776		(746,552)	-540%					
Vote 3 - Planning and Development	90,735	621	621			91,356	424		90,932	100%					
Vote 4 - Health	4,385	(679)	(679)			3,707			3,707	100%					
Vote 5 - Community and Social Services	6,235	(1,466)	(1,466)			4,768			4,768	100%					
Vote 6 - Housing	7,858	(1,322)	(1,322)			6,536	304		6,232	95%					
Vote 7 - Public Safety	15,146	1,362	1,362			16,508			16,508	100%					
Vote 8 - Sports & Recreation	4,054	11	11			4,065			4,065	100%					
Vote 9 - Environmental	8,782	1,210	1,210			9,993			9,993	100%					
Vote 10 - Roads Transport	472	(8)	(8)			464	23,629		(23,165)	-4996%					
Vote 11 - Water	283,792	103,756	103,756			387,548	624,716		(237,168)	-61%					
Vote 12 - Tourism	2,379	84	84			2,463			2,463	100%					
Ex ample 13 - Vote13															
Ex ample 14 - Vote14															
Ex ample 15 - Vote15															
Total Revenue by Vote	663,048	101,553	101,553			764,601	1,536,655								
Expenditure by Vote to be appropriated															
Vote 1 - Council & Committes	98,044	925	925			98,969	99,459		(490)	0%					
Vote 2 - Finance and Administration	141,165	(2,940)	(2,940)			138,224	536,915		(398,690)	-288%					
Vote 3 - Planning and Development	90,735	621	621			91,356	80,013		11,343	12%					
Vote 4 - Health	4,385	(679)	(679)			3,707	3,966		(260)	-7%					
Vote 5 - Community and Social Services	6,235	(1,466)	(1,466)			4,768	5,002		(234)	-5%					
Vote 6 - Housing	7,858	(1,322)	(1,322)			6,536	7,358		(822)	-13%					
Vote 7 - Public Safety	15,146	1,362	1,362			16,508	22,175		(5,667)	-34%					
Vote 8 - Sports & Recreation	4,054	11	11			4,065	3,888		178	4%					
Vote 9 - Environmental	8,782	1,210	1,210			9,993	10,596		(603)	-6%					
Vote 10 - Roads Transport	472	(8)	(8)			464	2,831		(2,367)	-511%					
Vote 11 - Water	443,792	133,756	133,756			577,548	375,868		201,680	35%					
Vote 12 - Tourism	2,379	84	84			2,463	2,521		(58)	-2%					
Ex ample 13 - Vote13															
Ex ample 14 - Vote14															
Ex ample 15 - Vote15															
Total Expenditure by Vote	823,048	131,553	131,553			954,601	1,150,592								
Surplus/(Deficit) for the year	(160,000)	(30,000)	(30,000)			(190,000)	386,063								

T

Unaudited schedule:									
Reconciliation of Table A7 Budgeted Cash Flows									
Description	2012/2013								2011/2012
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Audited Outcome
R thousand	1	2	3	6	7	9	1000%	11	12
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	128,696	(18,605)	(18,605)	110,091	7,350	102,741	93%		
Government - operating	492,352	12,912	12,912	505,264	1,083,655	(578,392)	-114%		
Government - capital	763,385	338,394	338,394	1,101,779		1,101,779	100%		
Interest	12,000	20,245	20,245	32,245	45,949	(13,704)	-42%		
Dividends	-	-	-	-	-	-			
Payments									
Suppliers and employees	(563,657)	(14,551)	(14,551)	(578,209)	(950,444)	372,235	-64%		
Finance charges	-	-	-	-	(965)	965			
Transfers and Grants	(69,391)	-	-	(69,391)		(69,391)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES	763,385	338,394	338,394	1,101,779	185,545				
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	669	(669)	#DIV/0!		
Decrease (increase) in non-current debtors	-	-	-	-	-	-			
Decrease (increase) other non-current receivables	-	-	-	-	-	-			
Decrease (increase) in non-current investments	-	-	-	-	-	-			
Payments									
Capital assets	(763,385)	(338,394)	(338,394)	(1,101,779)	(420,693)	(681,087)	62%		
NET CASH FROM/(USED) INVESTING ACTIVITIES	(763,385)	(338,394)	(338,394)	(1,101,779)	(420,024)				
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans									
Borrowing long term/refinancing									
Increase (decrease) in consumer deposits					425	(425)			
Payments									
Repayment of borrowing	-	-	-	-	(414)	414			
NET CASH FROM/(USED) FINANCING ACTIVITIES					12				
NET INCREASE/ (DECREASE) IN CASH HELD	0	0	0	0	(234,467)				
Cash/cash equivalents at the year begin:					427,551				
Cash/cash equivalents at the year end:					193,084				

B1. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

OBJECTIVES	STRATEGIES	KPI NO.	KEY PERFORMANCE INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
1.1 Provide access to potable water	Long term water infrastructure planning	1.1.1	% Implementation of long term water and sanitation infrastructure master plan	Implementation of Greater Mbizana Regional Scheme though it is no longer in the DM and was transferred to Alfred Ndzo	30 % on Design of Ingquza Hill master plan. Obtain abstraction permit for the Southern Scheme (optimal utilization of Mthatha Dam)	0% License issued	No funding available None	DWA has allocated R1m for feasibility study	Reports Water use license	Water Services
	Implementation of Regional water schemes to cover greater areas with no access to sustainable water sources (includes the integration of previously non-viable water schemes)	1.1.2	Number of existing non-viable schemes upgraded/ provided with sustainable regional water supply	12 regional schemes (mvumelwano, upper culunca, sidwadweni, coffeabay, upper mhlahlane, rosedale, thornhill, peri urban, Mhlanga, 27villages, thekwini, psj regional, flagstaff regional)	3 schemes to be upgraded (Rosedale to Lebode, Thornhill-Mthatha, Flagstaff)	66% Progress (Not Achieved) 40% Progress (Not Achieved) 65% (Achieved)	Delays due to the issuing of the ROD Delays due to the issuing of the ROD and Materials	Contractor to revise the programme. Contractor to revise the programme.	Practical Completion Progress Reports Progress Reports	
		1.1.3	Number of new household connections provided	158 527 households	6 545 H/H	2134 (Not Achieved)	Mvumelwano – Contractor Delayed by poor planning and cash flow problems. Thekwini - Contractor's have been delayed by inclement weather and defects from phase 1	Mvumelwano – Contractor has Ceded the works. Thekwini – The Contractor has increased the resources and started rectifying defects on Phase 1	Completion Certificates / progress reports	

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							Ntsonyini – Ngqongweni – Delayed by the late start of the M&E Contractor. Sidwadweni Phase 5- Delayed by Litigation and signing of the Contract Document	Ntsonyini Ngqongweni – The M&E is on Site working and will finish in August. Sidwadweni Phase 5 – Contracts need to be signed ASAP.		
	Operations and maintenance of existing water schemes	1.1.4	% of operations & maintenance budget spent on water infrastructure	53%	60%	60% (achieved)	None	None	O & M Plan	
		1.1.5	% of Capex spent on retrofitting and refurbishment of water infrastructure	17%	9%	15%	Upgrading of Qunu started late	Qunu upgrade top be completed in new FY	O & M Plan	
		1.1.6	Number of water treatment plants refurbished	7 (Psj,mqanduli, thornhill,ngqeleni, flagstaff, nomlacu, coffee bay)	2				O & Plan Completion Certification	
	Water conservation and demand management	1.1.7	% of water lost between bulk meters and points of billing (as per water balance audit)	3200 000 ML per annum (27% water lost)	2 122 000 ML per annum (17 % water lost)	23% water losses	High number of water bursts as a result of ailing infrastructure	The DM has applied for funding for the replacement of old pipes in Mthatha	water loss calculation report	
		1.1.8	% completion of bulk meters and meters installation.	40% (17 000 meters)	(43% (18 500 meters)	41% (17446 meters out of 42500 HH)	Budget constraints	More funds to be allocated	List of household numbers with meter numbers	
	Provide alternative water supply to households that have no access due to any other reason	1.1.9	Number of indigent households supplied with tanks and gutter for rainwater harvesting	500 households	120	155 Tanks (achieved)	Gutters not delivered but Tanks were delivered to communal points	None	Happy letters	Water services
		1.1.10	Number of natural springs protected throughout the district	150 springs already protected	15	27	More request were received and the budget allowed it	None	Report of springs protected signed ward Councillor	Water services
		1.1.11	Number of litres of water purified and carted to communities.	87 ML	90 MEGA LITRES	141.9 ML	More request were received and the budget allowed it	None	Tally sheets	Water services

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	Achieve a blue drop status for all water treatment plants and provide mobile water treatment plants quality in all water schemes	1.1.1 2	Number of water treatment works meeting the blue drop status	None (nil out of 18 WTW)	5 (Thornhill, PSJ, Coffeabay, Sidwadweni & Rosedale)	0	The blue and the green assessments are alternating. Only the green drop was assessed this financial year.	None	DWA assessment report	Water Services
1.2 To provide access to sanitation services	Eradication of rural sanitation backlogs	1.2.1	Number of households provided with VIP toilets	129 403 h/h	35 126	47546 (achieved)	Projects that were planned for the 2013/2014 FY were brought forward	None	Happy letters signed by all relevant stakeholders	DM WATER SERVICES
	Improve sewer systems in all 9 towns and nodal zones to full waterborne	1.2.2	Number of towns and nodal zones upgraded to full waterborne sewerage systems	1 Waste Water Treatment Works (WWTW)	5 (Mthatha, Mqanduli, Flagstaff, Lusikisiki & Tsolo)	45% (Target Achieved)	None	None	Progress reports	
						55% (Target Achieved)	None	None		
						28%	Social Challenges	Completion date moved to the next FY		
						60%	None	None		
						95%	None	None		
		1.2.3	Number of urban households connected to full waterborne sewerage systems	22 115 households	7 800 H/H	0	Still under construction, you can only connect on completion of the WWTW	Completion of the WWTW under construction	Completion certificate	
	1.2.4	Number of public ablution facilities in the economic nodes and coastal areas constructed	1 (Qumbu)	2 (Flagstaff, Lusikisiki)	0	The identified sites had ownership problems	Identification of a new site			
	1.2.5	% of Operations and Maintenance budget spent on sanitation infrastructure	8%	7%	7%	None	none			

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	treatment plants and sewerage pump stations	1.2.6	% of Capex spent on retrofitting and refurbishment of sanitation infrastructure	New Indicator	4%	4% achieved	None	none		
	Achievement of a green drop status for all sewer treatment plants to improve quality of effluent	1.2.7	Number of Sewer treatment plants achieving green drop status	None (out of 9 none has achieved green drop status)+	1 (Mthatha)	None	Assessment results to be published in October 2013	DWA to release report in October	Completion certificate	
		1.2.8	Number of sewer treatment works operated as per individual authorization/ classification	1 (Mthatha wastewater treatment works)	5 (Mqanduli, Flagstaff, Lusikisiki, Tsolo, Mthatha,)	None (not achieved)	All treatment works still under construction and others being upgraded	Completion of all treatment works	Call centre report and route maintenance report	
1.3 To provide access to sustainable basic energy and electricity	Provision of electricity to all outstanding households and new settlements	1.3.1	Number of households with authorized electrical connections							
		1.3.3	Number of households installed with alternative energy sources							
1.4 To improve road infrastructure network in the district	Constructing and maintaining roads to service centres and economic nodes	1.4.1	km of access roads constructed							
		1.4.2	% of Capex spent on roads infrastructure							
		1.4.3	% of O&M budget spent on road infrastructure maintenance							
1.5 Ensure access to a safe, secure, reliable, and affordable public transport system	Coordination of planning and regulation of public transport system	1.5.1	Approval of the Transport master plans	District Integrated Transport Plan developed. Provincial RAMS developed with all the DMs in the Province	1 Integrated Transport Plan ; RAMS development	Target achieved	N/A	N/A	Council approved DITP & RAMS	Planning & Development
1.6 Improve Waste and environmental Management within O.R. Tambo District to comply with statutory requirements	Establishment of landfill sites that comply with the prescribed guidelines and standards for solid waste management, (including ISO	1.6.1	Establishment of a regional recycling facility.	3 sustainable recycling co-operatives established.	10 sustainable recycling cooperatives established	Target Achieved 12 recycling cooperative have been established in five LMs	N/A	N/A	10 Functional recycling cooperatives established	Planning & Development
		1.6.2	Number of LMs disposing solid waste to licensed landfill sites.	4 Land fill sites complying with ISO standard 3 LMs have recognised land fill sites(KSD,	1 LM with 2 licensed solid waste transfer site	Target Achieved Nyandeni LM has been granted a license and for KSD and Ngquza follow up has been made with the	N/A	N/A	Licensed land fill site and transfer stations.	

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	14001)			Mhlontlo & Port St Johns		department and no results made yet since there are still investigation for the application				
1.7 Coordination of planning and Development of Sustainable Human Settlements	Accreditation of O.R Tambo DM as an implementing agent for housing development	1.7.1	Housing development Service level agreement	None	Capacity building.	<ul style="list-style-type: none"> • Target achieved. • Skills questionnaire filled and submitted to the Provincial department. • Training of Housing Officials on an accredited housing Policy course was done – on the 16th to 18th of April 2013 –On the 10th June training was done on Housing code 	None	None	Assessment report Attendance register Minutes	Human settlement
	Development of housing strategy and implementation policy framework	1.7.2	Approved housing strategy and sector plans	Approved housing sector Plan	Approved strategy	Target not achieved.. Draft Housing strategy is in place.	Information contained in the District Housing Strategy emanates from the Housing sector plans of the Local municipalities. Therefore the credibility of the district housing strategy lies on the LM's adopting their respective Housing sector plans through the councils. Some LMs delayed the adoption despite of being pursued by the district and province. this alignment is critical as the district municipality needs	Dept of Human Settlements has appointed a Service Provider for all the LMS for reviewal of Sector Plans complete and incomplete.	Minutes Council Resolution Approved Strategy	Human settlement

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							to reflect the views of the LM's and avoid being seen as the 6 municipality.			
		1.7.3	Number of emerging PDI contractors that have completed a contractor capacity development program	None	Sign MOU with NHBRC, CEDA and CIDB. Identify 4 contractors	Target not partially achieved. We have identified 4 emerging contractors. Negotiations with NHBRC to train them are on-going	When this process began it has not been easy to secure a meeting with NHBRC, CEDA and CIDB. We finally got them and negotiations are on-going for the training of emerging contractors	CEDA and CIDB will be engaged through the office of the municipal manager.	Signed MOUs	Human settlement
		1.7.4	Number of housing forum meeting convened +	Implementation of the Human Settlements Forum	4 Meetings	Target partially achieved. 2 meetings held.	Some meetings had to be rescheduled. Politicians had other engagements	Meetings were rescheduled for the new year.		Human settlement
	Provide housing in response to emergencies and special programmes including military veterans, disaster victims and other special cases	1.7.5	Number of emergency and special case houses completed	98	784 (100% of current backlog/ reported cases) Audit of the need and solicit funding for Military veterans , destitute and disaster cases housing.	Target achieved. Approved emergency project for Nyandeni, Mhlontlo and PSJ for disaster affected victims in various villages KSD 350 – for destitute people approved in KSD for ward 24 Maladini @ Mhlontlo ward 21 approved for Anti poverty alleviation program 104 houses approved Bholani @ PSJ approved ward 10 for Anti poverty alleviation program 97 houses approved	None	None		Human settlement

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	Provision of rural and urban housing with social amenities through the implementation of BNG program.	1.7.8	Number of housing units completed	14 868	313	Target not achieved. 37 Units completed <ul style="list-style-type: none"> • Nqabeni - 15 units • Nkozo - 5 units • Mantlaneni - 8 units • Eargeton - 4 units • Hadini - 2 units • Zidindi - 3 units 6 other projects are at various stages	<ul style="list-style-type: none"> • Delays in awarding of projects by the BID committees. We lost half the financial year because of this. • Heavy rains in April 2013 delayed the construction and damaged the access roads. 	<ul style="list-style-type: none"> • All the outstanding units will be completed in the 2013-14 financial year. • Contractors have been put on tighter time frames 		Human settlement	
		1.7.9	Number of people trained	1500	400	Target achieved. 1734 people educated on Housing Policy Programs	More people had interest on the housing workshops although we explain that we prefer to focus on the one with approved subsidies.	None			Human settlement
		1.7.10	Number of informal settlements upgraded	Elangeni informal settlement	One settlement	Target partially achieved. Phase one of the upgrading process started with the Qelana community and surrounding village as they are the land owners of the Langeni land with an informal settlement.	Phase one: application for the construction of homes for the Qelana community has been approved. Province is in the process of procuring contractors for these villages which are; Baziya – 200 units (KSD) Mbolompo – 200 units (KSD)				Human settlement

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							Kambi –200 units (Mhlontlo) Qelana - 50 units-(KSD) Fairfield – 50 units-(KSD) Phase two which is the Langeni informal settlement is awaiting the EIA approval			
		1.7.1 1	Number of communities provided with social amenities through the implementation of BNG program	Ncalukeni Multi purpose Centre	2 Social amenities	Target partially achieved An application for construction of Ncalukeni MPCC has been approved. R3.5m has been set aside for the planning activities	The 2 nd one could not be considered due to lack of funding	We shall re-apply to province once funding is available.		Human settlement
		1.7.1 2	Hectares of land acquired or donated for housing development	New indicator	10ha	Target not achieved.	<ul style="list-style-type: none"> Application to the national minister of public works has been submitted. Discussions with ECDC are still underway. 	<ul style="list-style-type: none"> Consolidate discussions with ECDC Consider privately owned properties 		Human settlement
1.8 To increase community participation in Sports, recreation, arts, culture and heritage programmes	Expand and maximize the value and utility of community service centres and community facilities (including sports fields, libraries etc.)	1.8.1	Approval of a turnaround plan for social service centres and facilities built by DM	Draft policy on the utilization of Community Halls available	1 sport facility to be leveled	Achieved Umtata international School Sport Field	None	None	Report Photos	Community and social Services
	Maintain, Preserve and Promote heritage sites	1.8.2	Number of heritage sites and facilities rehabilitated	New Indicator	2 Heritage sites rehabilitated	Achieved Mhlontlo and Ingquza heritage sites	None	None	Photos Report	Community and social Services

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	including those within liberation route									
	Promote the commercialization of cultural groups	1.8.3	Number of cultural groups who have completed a training and capacity building programme	21 cultural group members trained	6 Cultural groups	Achieved Sihlangene Cultural Group (Mhlontlo) Siyaya Cultural Group (KSD) Philakuzenzela Cultural group (KSD)	None	None	Attendance register, reports, photos	Community and social Services
	Promotion and integration of recreation and sporting activities	1.8.4	Number of federations represented in the sports councils	Revival meetings conducted in 4 LMs 4 Special sports events & tournaments done 35 sports officials trained	1 district sports council revived 3 sports events 20 sports officials trained	Achieved Khonco as main bout Not Achieved	None Lack of accrediting facilitate	None To be done during the next financial year. Outsource to other accrediting institutions.	Attendance register, Report, submission of member's names. Attendance register	Community and social Services Community and social services
1.9 To increase community participation in educational governance and training	Capacitate schools governing bodies and integrate them to ward committees	1.9.1	Number of ward committees with representation on Schools Governing Boards.	New indicators	SGB Capacity building programme				Report, Attendance register	Community and social Services
	Integration of schools and community libraries	1.9.2	Number of Lms with access to library and literacy programmes	20	2 LMs provided with Modular (container) Libraries	2 LMs provided with Modular (container) Libraries	4 Modular Libraries provided library : PSJ-Mqhakama, & Mhlontlo – Sulenkama and 1 one container at Ingquza Hill-Ndimakude, Ngxulibomvu- KSD	DSRAC delivered more None	Delivery Note Reports Photos	Community and social Services
						Literacy programs held as follows: National Science Week (NSW) at				

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							KSD LM , National book & Literacy week as well as Career Exhibition Port St John's & Nyandeni LMs. Library Week at Ingquza-Hill Local Municipality.			
1.10 To contribute to the reduction of preventable health risks in the district	Compliance with and enforcement of relevant environmental health regulations and standards	1.10.1	Completion of devolution processes of Environmental Health Services	SLA Agreement signed	Devolution of environmental health services processes completed	Achieved Site had been fenced. Services provider has been appointed to develop designs.	None Engineering Unit together with Community and Social Services are arranging a meeting with the appointed service provider to discuss specifics of the designs.	None Expedite establishment (designs and construction) of Mhlontlo LM, Qumbu offices accommodation	EHPS transfer report Photos	Community and social Services
		1.10.2	No of food premises sampled that were suspected of not meeting the minimum health standard as per the National health Act & Regulation 918	20 food samples tested	25 food business premises inspected	Over achieved 87 bacteriological inspections	More officials due to the devolution process	None	Inspection reports	Community and social Services (CSS)
		1.10.3	Number water samples tested that were suspected of not meeting the minimum health standard as per the National Health Act	100 water samples tested	100 water samples tested 6 springs protected	Over achieved 138 samples tested 08 springs protected: Nyandeni LM: Ward 29 - Njiveni A/A, Ward 10 - Mbiza village Ingquza Hill LM: Ward 21 -Mcobotini Ward 7 - Mqongolo Ward 11 - Mhlanzeni Ward 12 - Hlatshane Port St John's LM, Ward 11 - Mtambalala	More officials due to the devolution process	None	Testing results Photos	

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						<u>Mhlontlo LM</u> Ward 20 - Qotirha				
		1.10.4	Number of landfill sites meeting minimum standards for leachate							
1.11 To contribute to the prevention, reduction and management of the spread of HIV/AIDS, STI and TB	Mainstreaming of HIV/AIDS management	1.11.1	Number of wards with ward aids forum	12 wards with ward aids forum	05 wards with ward aids forum	5 ward AIDS forums established at KSD ward 19, Nyandeni Ward 29 and in Port St Johns ward 02, 13 and 18.	None	None	Ward Forum Reports, Minutes and Attendance Registers	Office of the Executive Mayor (OEM)
		1.11.2	Number of health care workers and care givers supported	2247 health care workers and care givers trained	25 professional health care workers and care givers trained	559 Health care workers were trained as follows 122 nurses trained on HCT & PMTCT as follows: 55 nurses in KSD 22 nurses in Mhlontlo 23nurses in Qaukeni 22 nurses in Nyandeni	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	
						PMTCT Prong 3&4 123 nurses were trained as follows; 22 nurses from Nyandeni and KSD were trained. 21 nurses trained in Nyandeni municipality 14 nursed from KSD 32 nurses from	Delays in Provincialisation- n of ATICC	Finalisation of Provincialisation	Attendance register and certificates	OEM

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						Qaukeni were trained 34 nurses from Mhlontlo were trained.				
						53 nurses trained on PMTCT Prong 1&2 as follows; 25 nurses in Mhlontlo 28 nurses in Nyandeni	Delays in Provincialisation- n of ATICC	Finalisation of Provincialisation	Attendance register and certificates	
						115 nurses were trained on PICT as follows: 22 nurses in KSD 33 nurses in Qaukeni 23 nurses in Nyandeni 10 nurses and 4 peer educators from Qaukeni and Nyandeni were trained 23 Nurses trained from KSD and Mhlontlo	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	
						116 nurses were trained on STIs as follows: 22 nurses were trained in Qaukeni. 27 nurses in Nyandeni 28 nurses from Nyandeni and KSD were trained 39 Nurses trained (20 Nurses from Ingquza Hill and 19 nurses from KSD LM	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	

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						30 Peer Educators were trained on HIV Basic	30 people were trained in the previous year instead of 60.	None	Attendance register and certificates	
						521 Care givers were trained as follows: 25 People Living with HIV from all LMs were trained on Support Group formation.	More Health Care givers have to be capacitated due to increasing number of people on terminal stage and new HIV & TB infections. Delays in the Provincialisation of ATICC services resulted into more Community care workers trained.	Finalisation of Provincialisation	Attendance register and certificates	
						KSD LM Stigma Mitigation. 25 KSD Community Care workers were trained. HCT/PMTCT 31 Lay Counsellors were trained PMTCT Prongs 1 & 2 29 Community Care workers were trained.	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	
						Mhlontlo LM Adherence Counselling 32 Lay Counsellors were trained. Reengineering of primary Health Care L8	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	

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						<p>28 Community Care workers were trained.</p> <p>27 Community care workers from Mhlontlo and KSD were trained.</p> <p>PMTCT Prongs 1 & 2 25 Community care workers were trained</p>				
						<p>Nyandeni LM</p> <p>Integrated Access to Care & Treatment</p> <p>50 Support Group members trained.</p> <p>Reengineering of primary Health Care</p> <p>43 Community care workers from Qaukeni and Nyandeni were trained.</p> <p>PMTCT Prongs 1 & 2 24 Community care workers were trained.</p>	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	
						<p>Port St. Johns LM</p> <p>Basic HIV/AIDS information</p> <p>35 Newly Diagnosed people were trained</p> <p>Integrated Access to Care and Support</p> <p>15 Support Groups members were trained</p>	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	

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						Inguza Hill LM HCT/PMTCT 35 Lay Counsellors and LCare givers were trained. PMTCT Prongs 1 & 2 34 Community care workers were trained Adherence Counselling 21 Community Health care workers trained. Stigma Mitigation 42 Community Health workers were trained.	Delays in Provincialisation of ATICC	Finalisation of Provincialisation	Attendance register and certificates	
	Expand access to voluntary counseling and testing	1.11.3	Number of wards with VCT sites	12	12 wards with VCT sites supported	6 Wards With seven non-medical HCT sites supported 4Nurses, 15 lay counsellors paid stipend, working tools provided to all HCT sites).	IDP set target is higher than the approved budget.	None	Attendance register and reports	OEM
		1.11.4	Number of people that have undergone VCT	12000	3600 people that have undergone VCT	3821 people have undergone HCT as follows:	None	None	Attendance register and report.	OEM
						Inguza Hill LM Ndukudeni HCT Site Clients tested = 293 Clients tested positive = 51 Clients tested negative = 242	None	None	Attendance register and report.	

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						Khethubomi Non-Medical Clients tested = 606 Clients tested positive =44 Clients tested negative =562	None	None	Attendance register and report.	
						KSD LM Thubalethu HCT Site Clients tested =334 Clients tested positive = 31 Clients tested negative = 303 Condoms distributed =6000	None	None	Attendance register and report.	
						KSD L.M. We Care Non-Medical HCT site Clients tested=118 Clients tested Positive=09 Clients tested negative=109	None	None	Attendance register and report.	
						Faith and Hope non-Medical HCT site Clients tested=940 Clients tested Positive=44 Clients tested negative=896 Male condom distributed= 8 200	None	None	Attendance register and report.	
						Ultra City HTA site Clients tested=111	None	None	Attendance register and report.	

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						Clients tested Positive=10 Clients tested negative=101				
						Mhlontlo LM Qumbu Health Centre Clients tested= 774 Clients tested Positive=78 L8Clients tested negative=696	None	None	Attendance register and report.	
						Siyakhanyisa Non-Medical HCT site Clients tested= 223 Clients tested Positive=12 Clients tested negative=211	None	None	Attendance register and report.	
						Nyandeni L.M. Ngqeleni Non-Medical HCT Site Clients tested= 422 Clients tested Positive=05 Clients tested negative=417 1200 condoms distributed HIV/AIDS education was done for scholars.	None	None	Attendance register and report.	
1.12 To improve the well-being of all vulnerable groups and general welfare of indigents	Coordinate the mainstreaming of special programmes targeting vulnerable groups	1.12.1	Number of people from the vulnerable groups that completed an academic programme	107 Students (31 completed/ graduated?)	15 students (complete) Continued supporting 76)	8 students completed and 42 continued to be supported Error in previous reports to be noted	None	None	Academic Record	OEM
		1.12.2	Number of people from the vulnerable groups that completed other scarce	25 Denel 15 Mining support	150 (30 per local municipality)	5 students awarded bursaries by Implats				OEM

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			skills training and capacity building programmes			60 participants enrolled for the NARYSEC programme				
	Provide social safety nets	1.12.3	Number of households receiving social safety support (distress support, child protection etc.)	40 households received distress support	60 households in distress supported (20 by OEM) (40 by CSS)	Achieved All request were supported	This is a response program	none	List of household supported Proof of Payment	Community and social Services
						500 gardens produce 175 food parcels distributed to distress families	Extra needs identified than planned	Appropriate planning to be effected	One home one garden forms. Pictures and register	OEM
				1 Child protection programme supported	2 Child protection programme supported	Achieved: Nyandeni (Malungeni) Sinethemba Special Skills Centre and PSJ LM informal settlement	none	none	Reports / photos	Community and social Services
				Moral regeneration	2 Moral regeneration programmes held	One Moral Regeneration program held at KSD (Civic Centre Hall) in collaboration with Safety and Liaison	Shortage of Staff in the Social Development sub-section	Proposal for filling of vacant positions	Reports/ photos	Community and social Services
				1 Community based ECDC Programme	2 Community based ECDC Centres capacitated	Four Community-based ECDC Centres from KSD & Nyandeni LMs were received EPWP remuneration support.	Considered two LMs and each had two identified ECDCs	None	Reports / photos	Community and social Services
					1000 Households benefiting from home based care programme				H/H happy letters confirming the service. Reports from non-medical VCT sites	OEM
	Provision of basic services to indigent households	1.12.4	Number of indigent households receiving free basic services in line with the FB Water & Sanitation policy and Indigent Policy	92 000 H/H (60%)	107 000 H/H (70%)	99000 HH	None	None		Water Services

OBJECTIVES	STRATEGIES	KPI NO.	KEY PERFORMANCE INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department	
1.13 To reduce the risk and mitigate the impact of disasters, fires and emergencies to communities	Proactive preventative measures against disasters	1.13. 1	Number of municipal staff, councilors and community volunteers trained on disaster	Training of 32 vulnerable communities & staff in risks preparedness	50 municipal staff, councilors and community volunteers trained on disaster	Overachieved 20 Staff trained. 1205 community awareness campaigns held. 52 Trained volunteers. 5 councillors	Demand by communities due to incidents that hit the District	None	Attendance registers and certificates	CSS	
		1.13. 2	Number of community disaster response units registered with the DM	40 volunteers registered	100 community disaster response volunteers registered with the DM	Achieved 100 volunteers who work as community emergency response units were recruited	None	None	Attendance registers and photos	CSS	
		1.13. 3	Number of scientifically assessed disaster risks and key hazards listed in the DM risk register	Risk Profile available	Risk Profile reviewed Assessment and research on key hazards / risks done	Achieved Risk profile submitted to Council and adopted. Service provider appointed to develop a disaster plan	None Service provider appointed in the last quarter of 2012/13 financial year.	None Develop the plan in the 2013/14 financial year.	Risk profile document.		
		1.13. 4	Number of disaster fora and structures established	2 LMs Disaster Risk Management Policy Framework approved	5 LMs	Not achieved	April 2013 disaster.	To be established early 2013/14 first quarter.	Attendance registers.		
Improve institutional capacity and preparedness for disaster management and mitigation	Reduce the occurrence of fires and emergencies	1.13. 5	Number of households affected by disaster receiving services per post disaster recovery and rehabilitation programmes		90 households affected by disaster receiving services per post disaster recovery and rehabilitation programmes	+90 households assisted.	Data of assisted families not yet been submitted by NGOs.	Collect data from NGOs and compile a comprehensive list.	List of households	CSS	
		1.13. 6	Number of public and business buildings inspected for fire safety	120	Fire by-laws approved 300 building fire inspections done	Bylaws reviewed (Ntabankulu & Mbizana removed from the ByLaws) 341 building fire inspections done	None More demand	None None	Approved fire bylaws Fire inspections / reports	Community and Social Services	

OBJECTIVES	STRATEGIES	KPI NO.	KEY PERFORMANCE INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
		1.13.7	Number of community based volunteer fire response teams listed with the district	15 teams established in Nyandeni LM	40 community fire teams established across District (Nyandeni & Mhlontlo)	10 community fire teams established	Fire season, shortages of staff	Rollout to all LM's	Reports	
		1.13.8	Number of LMs fully equipped as fire satellites	3 LMs	2 LMs	2 vehicle tendered for (2 LM'S) x1 fire engine – x1 rescue	Prolonged SCMU processes	Speed up the SCMU processes		
	Improve institutional capacity to respond and mitigate the impact of fires and emergencies	1.13.9	Response time to fire and emergency calls from the urban and rural areas	30min within 50km radius +-1h45min more than 50km	30min within 50km radius +-1h45min more than 50km	Partially achieved urban & rural (257 fire calls attended to) 85 special services)	Aging fleet, poor road infrastructure	Decentralizing of fire services/ systematically replaced aging fleet	OB / Fire reports	CSS
						Partially achieved urban & rural (257 fire calls attended to) 85 special services)	Aging fleet, poor road infrastructure	Decentralizing of fire services/ systematically replaced aging fleet	OB / Fire reports	CSS
			1.13.10	Develop SLA with LMs, Department of defense etc. on fire prevention and response to fire and emergency	SLA with SANDF / WoF / Eastern Cape Umbrella FPA / Neighboring Districts/ Locals in place	SLAs signed with SANDF / WoF / E.Cape Umbrella FPA / Neighboring Districts / Local Municipalities	Services level agreements received from Legal Services for inputs	No SLA's / MoU not signed yet	Forward SLA's / MoU to relevant stakeholders for signing	Signed SLA
1.14 Contribute to improved community safety and security	Building stakeholder consensus for community safety	1.14.1	Number of functional district and community safety forums (in terms of fora TOR)	3 safety forums supported	2 safety forums supported	1 District safety forum held in May	Formulation of District Safety forum took longer than anticipated due stakeholders not turning up.	LM Safety Fora to be supported next financial year	Report Attendance Registered	CSS
	Promote safe recreational activities and alternatives to crime	1.14.2	Number of coastal patrollers registered in all coastal municipalities.	80 coastal patrollers registered in all coastal municipalities	80 coastal patrollers registered in all coastal municipalities	80 coastal patrollers registered in all coastal municipalities and safeguarded the Coasts. Librarians from the DM beefed up staff during the peak seasons	None Strengthen safety in the coastal municipalities	None	Report Attendance Registered	CSS

OBJECTIVES	STRATEGIES	KPI NO.	KEY PERFORMANCE INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
		1.14.3	Number of schools participating in safety and crime prevention programmes	3 schools participated in safety and crime prevention programmes	5 schools participated in safety and crime prevention programmes	16 schools participated in safety and crime prevention programmes	Integrated approach with safety parties, namely, SAPS & Safety & Liaison	None	Report and Photos	CSS
		1.14.4	Number of sports clubs registered as participating in sports against crime	2 sports codes registered as participating in sports against crime	2 sports codes registered as participating in sports against crime	3 sports codes; namely, Soccer, Netball & Rugby registered as participating in sports against crime.	SAPS & Sport department coalition	None	Report and photos	CSS

B2. LOCAL ECONOMIC DEVELOPMENT

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINES	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Departments
2.1 To improve co-ordination & integration of LED programs for sustainable trade and investment within the District	Strengthen IGR Structures for integrated LED programs	2.1.1	Number of LED Structures deemed functional (as per TOR)	4 Structures currently functional.	Hold 4 x LED Forums ; 4 x DST & 4 x Sub Sector Forum meetings	Target Achieved 4 LED Forum & Sub Sector 4 DST Meetings	N/A	N/A	Minutes and Reports	Planning & Development
	Promote trade and investment	2.1.2	Number of businesses/enquiries accessing Trade and Investment One-Stop Shop	Investment projects packaged	Develop Terms of Reference for trade and Investment promotion Strategy.	Target Achieved Terms of Reference Developed	N/A	N/A	Approved Trade & Investment Strategy	Planning & Development
	Build capacity of SMME and cooperatives	2.1.3	Number of coops receiving support and capacity building in the CDC and establishment of investment & SMME One-stop shop	Concept note	Establishment of a co-operatives development centre	Target Not Achieved Resource Mobilisation. Draft Funding Agreements developed.	DEDEAT could not honour their proposed involvement.	Further engagements with DEDEAT External funding for launch & implementation of CDC	CDC Business Plan Funding agreement Reports	Planning & Development
	Mainstream economic activities through support for formation of Community Private Public Partnerships (CPPPS)	2.1.4	Number of CPPPs formed within the District	1 CPPP in place (Massive egg production)	1 x CPPP established & implemented	Target Achieved One Egg CPPP Implemented. Training of Egg Coops	N/A	N/A	Funding proposal Reports	Planning & Development
2.2 To enhance access to LED infrastructure, agro-processing and value add facilities	Enhance sustainability of LED infrastructure and mechanization	2.2.1	Full mechanization of Adam Kok Farms	New baseline	Fencing of farms and improved irrigation	Target not achieved	Available Capital budget not sufficient to cover proposed program.	Fundraising required through development of a bankable business plan & possible partnership.	Reports and Photo's	Planning & Development
	Improved service standards for the District Processing Plants	2.2.2	% Return on investment from LED enterprises funded by the DM	Kei fresh currently receiving 2.5% commission on distribution. Abattoir getting 2% gross profit margin.	Kei fresh will be receiving 2.5% commission ROI on distribution. Abattoir forecasts getting 4% gross	Target Achieved Sales revenue was 6.3 % commission received	Created an Agency owned by the Market to increase commission earned	Continue to improve on commission earned through increase sales	Analysis reports	NTINGA

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINES	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Departments
					profit margin.					
	Improve local farmers access to markets	2.2.3	Number of farmers receiving support through the DM funded enterprises	60 plus farmers trained in crop farming and animal husbandry. Ikwezi farm currently in developmental negotiations with local communities	80 plus farmers trained in crop farming and animal husbandry. 10 farmers introduced to dairy farming	Target Achieved Supported 160 farmers on vegetable production	Target achieved as more farmers requested support on marketing and fundraising	Establish relationship with Potato South Africa and Grain South Africa to mentor farmers	Signed attendance registers and list of farmers supported.	NTINGA
		2.2.4	Number of hectares ploughed on maize and crop production for food security.	1600 @ 5 Tons p/h	2700 @ 5 Tons/ha	Target Partially Achieved 2200 ha ploughed and 500 ha could not be supported	Target exceeded on maize production and 500 ha could not be ploughed due to shortage in funding from DRDAR	Fundraising from both private sector and government	Procurement documents, contractor claims	NTINGA
	Enhance sustainability of Adam Kok form	2.2.5	% Return on investment to the Adam kok	2% on produce sales to fund further development.	3% ROI forecasted on produce sales to fund further development	Target Achieved 7.5 % sales achieved on fruit and potato production.	No auction for slaughter as the beef cattle were still young.	Currently reviewing the business plan for Adam Kok farms	Sales analysis report	NTINGA
2.3 To improve forestry & timber production for economic development	Forestry and timber industry Planning and skills development	2.3.1	Number of beneficiaries accessing Furntech training or skills development	New indicator	Resource Mobilisation and Terms of Reference for Forestry Development Strategy developed.	Target Achieved Terms of Reference developed and resource mobilization conducted	N/A	N/A	Approved Forestry Development Strategy	Planning & Development
	Value-chain expansion and development	2.3.2	Number of downstream purchasers participating on the Langeni Timber Cluster	Concept document in place and partners identified	Facilitate development of ILTC & resource mobilization strategy	Target Achieved ILTC implemented in partnership with ECDC – Strategy still being developed	N/A	N/A	Funding proposal Funding agreements Reports	Planning & Development
2.4 To improve Aqua – culture industry production	Aqua-culture skills development	2.4.1	Number of beneficiaries trained in aqua-culture skills.	All LM officials trained on aqua-culture skills	Resource mobilization and Terms of reference	Not Achieved	Technical support from partners could not be sourced.	Project cancelled.	Approved Aqua-culture development	Planning & Development

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINES	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Departments
for economic development					for aquaculture development strategy developed.				strategy and Training report	
2.5 To ensure well co-ordinated Tourism development, Marketing for the district.	Train existing product owners in business skills and product development	2.5.1	Number of product owners participated in business skills training and capacity building program	25 product owners trained	50 product owners trained	Partially Achieved 31 product owners training (EPWP)	Lack of response and turn-up by product owners for the session	More engagements and mobilization for training in next financial year.	Trained product owners	Planning & Development
	Tourism Marketing and Awareness Raising	2.5.2	Number of schools and FETs participated within outreach programmes	5 schools participated in tourism outreach programmes	5 schools and 1 FET College participate in tourism outreach programmes	Target Achieved	None	None	Number of participating schools & FET	Planning & Development
	Strengthening the functionality of the LTOs	2.5.3	Number of functional LTOs	2 LTO's functional	3 LTO's functional	Target Achieved Three Local Tourism Organizations Functional namely Nyandeni, PSJ and Ingquza Hill LM.	N/A	N/A	Reports and Documents on the 3 LTOs functioning	Planning & Development
2.6 To strengthen economic research & development capacity within the district	Improve capacity of District's economic research unit	2.6.1	Number of staff undergoing capacity building for economic research	0 staff employed for economic research.	Filling of atleast 3 critical vacancies within the LED Research unit	Target Not Achieved	Delays in finalization of organogram	Project rescheduled to next financial year.	Lists of employed staff with valid ID numbers	Planning & Development
2.7 To achieve spatially equitable economic growth across O.R. Tambo District and region.	Maximize job/ employment creation particularly for youth and women in all Infrastructure, social and economic development programmes.	2.7.1	Number of sustainable (medium to long term) and short term jobs created	8833 sustainable jobs	732 jobs created through EPWP				Database on the 732 Jobs created	
	Develop plans for District Catalytic Projects	2.7.2	Approval of SDFs for N2 Wild Coast Toll Road and Umzimvubu Dam	Kwa-Tshezi Development Plan exists	Facilitate engagements with SANRAL and other stakeholders	Target Achieved Meeting held with DLGTA, SANRAL & other stakeholders	None	None	Attendance register, TOR, Business plan, minutes of meetings adopting the documents.	Planning & Development

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINES	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Departments
					Four development Forums	Target not achieved	Community challenges	Allow community and LM time to engage for resolving problems.	Reports and Attendance Registers	
	Create Special Economic Zones	2.7.3	Number of enterprises utilizing special economic zones within the District	New indicator	1 SEZ identified and draft feasibility study developed	Target Not Achieved	The program is championed by Province and the bill still in progress	Project to be considered once SEZ legislative guidelines have been finalized.	1 SEZ Draft Feasibility study	NTINGA
	Greater alignment of District Planning to SDFs to advance land development	2.7.4	Number of SDFs, ward based plans (inclusive of LSDFs, LM SDFs, DM SDFs, CBP & WBPIS) completed &/ updated.	Libode, Ntlaza LSDF, District SDF review KSD LM SDF Draft.	Draft plans developed.	Target achieved	None	None	Report, attendance register and minutes	Planning & Development
Development of ORTDM Vision 2030 plan starting in 3 LMs					Project Cancelled	Project Cancelled	Project Cancelled	Report, attendance register and minutes		
	Development of Precinct Plans for the Region	2.7.5	Number of LMs with at least one precinct plan	Service providers appointed, and projects are ongoing	Appoint service providers, and have a first draft of the plan	Target achieved	None	None	Draft Precinct Plan	Planning & Development

B3. FINANCIAL VIABILITY AND MANAGEMENT

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
3.1 To increase revenue generation	Complete, accurate billing and revenue collection	3.1.1	R-value of historic debtors (year on year reduction as a percentage)	R249 million owed	100% collection of the debt owed	R128m ,	82 % of current billings are collected. Challenge is with arrear debt that had accumulated over long period. The consumers are battling to pay the huge debts over a shorter period.	Continuous collection and impairment of any other that cannot be collected.	Cash Receipt Books/ bank statements	Budget and Treasury Office (BTO)
		3.1.2	Collection rate as a percentage of total billings	66% of the billings is collected.	80%	82%	Target achieved		Cash Receipt Books/Bank statements	BTO & Water Services BTO to lead
	improve the accuracy of financial planning for more credible budgeting	3.1.3	% variance between total approved budget and actual expenditure	40% variance of approved budget and actual expenditure	Variance reduced to 25%	Target has been reduced to 7%	Target achieved		Printout of Financial reports	All Departments BTO leading
	Improve own revenue enhancement	3.1.4	% of own revenue against total revenue		10%	18%	Target achieved		Quarterly Reports	All departments BTO to lead
3.2 To strengthen the governance and control environment over all financial matters to eliminate fruitless, wasteful, unauthorized, and irregular expenditure	Comply with the prescribed accounting standards, legislation as well as all related guidelines and circulars for financial management planning and reporting	3.2.1	% reduction of official AG queries addressed relating to recognition and measurement of assets	10 queries were raised by the AG	50% reduction on queries raised	The asset register not yet fully updated. And it is not yet clear as to how many queries will be raised by the AG as the audit has not yet been performed.	Updating is still ongoing	Update of the asset registers and proper review of the annual financial statements for completeness and accuracy.	Audit Report	BTO, Water services, Technical services. BTO to lead
		3.2.2	Auditor General's Annual Audit Outcome on the annual financial statements	Adverse opinion	Unqualified Audit Opinion	Pending	Not yet audited	N/A	Audit report	All Departments
	Improve financial management capacity and efficiency	3.2.3	% of critical positions in the BTO department filled	80% of the critical positions at the BTO are vacant	70% of critical position filled	Not yet filled	Reviewal of organogram	Fastracking of review of organogram	Signed Assumption of Duty Forms by appointed individuals.	HR & BTO

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
		3.2.4	% budgeted MIG actually spent	37% of MIG actually spent	100% of MIG grant received spent	Not achieved 82% Spent	Inclément weather, poor performance by contractors, under pricing leading to poor performance, social issues,	Proper project implementation planning, Improve project management. Strengthen and Intensify utilization of ISD	MIG Reports	BTO & Technical Services
		3.2.5	% of budgeted CAPEX spent on project identified in the IDP	45%	45%	Achieved	None (All project implemented are in the IDP as per MIG requirements)	N/A	Financial Report Printout	BTO and Water Services (BTO leading)
		3.2.6	% of the total municipal budget spent on Operations and Maintenance (O&M)	4%	3%	4% (R53m/R1,276 m)	Target reached	No corrective action	Financial Report Printout	BTO and Water services (BTO leading)
	Tighten control environment on Supply Chain Management activities and management of contracts	3.2.7	Rand value of paragraph 36 reports issued as a percentage of the value of all tenders awarded	New Indicator	<R45 million (5% of total budgeted value of planned tenders)	Achieved (total value of reported deviations are below R45m)	None	N/A	Paragraph 36 Report to Council	All Departments (BTO leading)
		3.2.8	% reduction of official AG queries relating to SCM processes	A total of 16 queries were raised by the AG that relate	50% reduction in audit queries	Pending The performance cannot be measured at this stage of reporting	Not yet audited	Constant review and update of internal controls.	Follow-up Audit Reports	BTO
	Reduce creditor payment cycle in line with relevant policies	3.2.9	% of creditors paid within 30 day period of receiving invoice as per circular 49 of the MFMA	80% of the creditors are paid within the requirements of circular 49 of the MFMA	85% of the invoice received paid within the legislated period	Achieved 95% of invoices received paid within 30 days	None	N/A	Variance analysis reports	BTO, All Departments, BTO to lead
3.3 Stimulate and promote local economic development.	Promote competitiveness of local businesses and comply with Preferential Procurement Management policy as well as Broad Based Black Economic Empowerment in	3.3.1	% of services sourced from suppliers within the district	60% of services procured through open tenders are from within the district. 90% of services procured through quotations are from within the district.	70% of services procured through open tenders and quotations to be from within the district (implement in full compliance with B-BBEE)	75% of the services procured through open tender were from within the district. This was however achieved having complied with the provisions of the PPPFMA and B-BBEE.	None	None	SCM Quarterly Reports	BTO & Planning and Economic Development BTO
		3.3.2	% of services procurement from the	70% of services procured from PDI.	80% (implement in full	Achieved as 90% of the procurement was made	None	None	SCM Quarterly Reports	BTO, OEM. BTO to lead

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
	our SCM policy implementation		PDIs and vulnerable groups		compliance with B-BBEE)	from companies owned by PDI. This was however achieved having complied with the provisions of the PPPFMA and B-BBEE.				

B4. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
4.1 To improve/ ensure council and community oversight for service delivery implementation	Strengthen internal governance structures, systems and protocols to monitor and ensure compliance with the legislative framework	4.1.1	% of council committees (section 79 & 80, TROIKA) deemed functional using the Council Committee Assessment Tool.	100%	100% All S79 & 80 committees functional	Not Achieved	Council calendar not adhered to by council committees	Adherence to council calendar	Minutes/ attendance register	Office of the Speaker
		4.1.2	Number of council and open council meetings held as per the Council calendar	Minimum of 4 ordinary and 2 open council meetings	Minimum of 4 ordinary and 2 open council meetings	Achieved; 3 ordinary council meetings held on the 12 December 2012; 25 March 2013 and 25 June 2013; 1 open ordinary council meeting held on 28 September 2013;	N/A	N/A	Minutes	Office of the Speaker
	4.1.3	% of LM Reps memoranda on service delivery issues and challenges responded to.	New indicator	100% (of quarterly LM rep memoranda submitted for each LM)	Not Achieved	Policy developed awaits approval by the District Speakers Forum.	Table the draft policy to council	Council Resolution Adopting Mandating Protocols; Minutes from District Speaker's Forum	Office of the Speaker	
	4.1.4	% of service delivery issues and challenges raised or prioritized by constituencies responded to.	New indicator	100%	Not Achieved	Councillors not yet deployed to their constituencies	Conduct workshop for councillors on constituency work	Attendance register / minutes	All Departments, Office to the Speaker to lead	
4.2 To strengthen and ensure structured participation by communities, organs of state	Improve functionality of ward committees, CDWs and state mandated public participation	4.2.1	% of ward committees assessed as fully functional using ward committee guidelines	New indicator	50%	Achieved	N/A	N/A	Minutes of District Speakers Forum; Reports on the monitoring	Office of the Speaker

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
power, traditional leaders and civil society in local governance	bodies in all LMs								tool	
	To strengthen working relations with traditional leadership and participation of civil society in local governance	4.2.2	Number of agreements/ social compact agreements / MOUs signed on service delivery related matters (e.g. on spatial planning, communal land with Traditional leaders, etc.)	New indicator	1 MOU	Not achieved	No reports submitted by departments in this regard.	Departments to report on social agreements concluded.	Signed MOUs/ Social Compact agreements	All departments COO to lead
4.3 To coordinate effective intergovernmental relations across the portfolio boundaries of governmental actors within the District	Make service delivery central to the functioning of technical and political IGR structures both at LM and DM levels	4.3.1	% of IGR structures deemed to be functional as per IGR policy and related protocols	DIMAFO functional but meetings adhoc	100% ALL IGR structures function as per IGR policy	Achieved	None	N/A	Council approval of policy, Signed minutes and signed attendance registers	Office of the COO to lead ALL Departments
	Implement a coordinated programme for LM support and structure LM support systems accordingly	4.3.2	Number of LM support interventions implemented with signed MOU, SLA and implementation protocols	Ad hoc Support in Internal Audit, HR, Finance No signed SLAs	All Support interventions implemented with SLAs	Not achieved	Draft Fire MOU with neighbouring DMs awaiting political facilitation	Political facilitation for signing of fire MOUs to commence in the next term	Signed SLAs/ MOUs MM approved implementation protocols	Office of the COO to lead All Departments
4.4 Ensure credible integrated service delivery planning (IDP), monitoring, reporting and evaluation	Improve quality of IDP in line with prescribed processes and guidelines – with full participation and ownership by political champion, IGR partners and communities	4.4.1	Level of compliance with relevant legislation with regards to timeframes for IDP development and approval processes	100% as per the approved IDP framework and process plans	100% as per the approved IDP framework and process plans	Achieved	None	None	Council approval on IDP, framework and process plans	Office of the COO
	Implement a comprehensive Institutional service delivery performance reporting, monitoring and evaluation in line	4.4.2	% of institutional performance targets achieved against targets set	50% on average	75-100% achievement on set targets	Not achieved	52% reported as achieved	These are captured in the quarterly performance reports	Performance reports signed off by MM	All Departments Office of the COO to lead

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
	with the prescribed legislative framework and guidelines									
	Improve institutional capacity on audit and quality assurance of service delivery performance	4.4.3	Audit opinion from Auditor general on performance information	Annual report audited adopted annually	Annual report audited adopted annually	Not achieved	Pending audit, oversight and approval processes	N/A	Performance reports signed off by MM. AG's report Council approval of annual report	All Departments Office of the COO to lead
4.5 To ensure a well coordinated & integrated district wide communication	Maintain a two way communication with communities and staff	4.5.1	Approval of an integrated communication strategy with clear communication plans for key programmes	Draft communication strategy available. DCF is in place and sits.	Approval of the communication strategy.	Communication strategy documents submitted for policy workshop	Communication strategy documents submitted for policy workshop	Communication strategy to be submitted to Council for Council Approval	Approved Communication Strategy	Office of the Executive Mayor
	Provide effective customer/ community liaison and maintain a good corporate image	4.5.2	Frequency of institutional media statements/ briefings	1 Media breakfast held	Quarterly Media tours, media briefings.	2 Media Engagements achieved 2 Media Engagements not achieved	Media Engagement arranged for Political Head prioritized on the day of the function	Rescheduling of the engagement in the 2013/2014 financial year	1 Quarterly Media Engagement	OEM
		4.5.3	The rating achieved from a customer care survey	New Indicator	50%	Not achieved	SDBIP Adjustment	Customer care survey to be conducted in the 2013/2014 financial year	Rating Results/ Report	Office of the Executive Mayor and Water Services and CSS, OEM leading
4.6 To ensure effective Audit function for improved compliance, clean administration and clean governance	Increase the capacity of internal audit function to provide district wide support (LMs)	4.6.1	Auditor Generals Annual audit opinion on municipalities supported	There are vacancies in the internal audit unit. A training programme is in place for the unit.	Develop and implement a training programme for internal audit staffs.	Achieved. All internal audit team members were taken to trainings as part of the continuous development programme.	None	None	Minutes of audit committee meetings.	Internal Audit
					Perform all audit approved by audit committees.	Not achieved. 59 of 82 of planned audits were conducted. This represents 72% achievement. This achievement includes	There were delays in information submission. Furthermore, we continue to experience lack of cooperation from auditees.	Performance against the plans was regularly reported to audit committees. Changes to original		

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
						the district municipality, two supported municipalities and two municipal entities.	There were unplanned audit requests from management that had an impact on planned audits. When the plans were prepared we anticipated additional resources into the internal audit unit. This was not done by the end of the financial year.	plans were approved by audit committees		
	Address all issues raised by internal audit unit, audit committee and previous year's AG by integrating action plans to APPs and performance agreements of senior managers	4.6.2	% of audit issues raised assessed as resolved as per management action plan	55% Issues raised in previous audits are not addressed timeously.	(100%) All Issues raised in previous audits to be addressed timeously.	Not achieved. 23 of 327 issues raised in the 2011/2012 audit were addressed in full.	Numerous issues related to annual financial statements. These were corrected and will be audited by Auditor General in August 2013. Some of the issues required staff to be appointed into positions for them to do the work. Such appointments were not made by the end of the year.	Finalised the review of the organogram particularly in the finance department. Management to be assessed on their performance in addressing past audit issues.	Performance reports signed off by MM. AG's report	All departments , Internal Audit to lead
4.7 To reduce the threat of all identified risk.	Improve institutional capacity to avert, monitor and report on identified risks	4.7.1	% of identified risks assessed/ verified as addressed as per management action plan	Risk management function is coordinated by the internal audit function.	Risk assessment conducted. Controls as per the risk register fully implemented.	Achieved Partly achieved. Some of the controls were not implemented within set timeframes.	None Risk management has not been fully incorporated into the operation of the municipality.	None Establish a structure that will coordinate risk management activities at departmental level. Establish risk management	Appointment letter for Risk management personnel, Approved risk committee charter, Appointment letters for risk management committee	ALL departments Internal Audit to lead.

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
								capacity in the 2013/2014 financial year.		
4.8 To ensure effective Legal services function for improved compliance, clean administration and clean governance	Promote good ethical environment and improve control systems to intensify fight against fraud and corruption (Zero tolerance)	4.8.1	% of reported fraud and corruption cases concluded in line with relevant policy and legislative framework	New indicator There is no dedicated internal fraud investigation capacity in the municipality.	50%				MM signed charge sheets, verdicts,	ALL departments
	Improve capacity of internal legal services to minimise municipalities' exposure to avoidable litigation	4.8.2	% of court cases concluded in favor of the municipality (expressed against the total number of DM cases)	22 (as at 30 June 2011)	25%	Achieved – Denel (Pty) Ltd, VDZ Constuction (Pty) Ltd, Nelson Mfana , Lubawo v ORTDM (High Court) , Erf 778 (Umt) Property CC; Erf 778 Umtata (Pty) Ltd; Nomawethu Nombulelo Tyabase; Nomawethu Nombulelo Tyabase T.C.N. Architects CC	None	None	Settlement agreements/ letter/ court order/ judgment	All departments
	Develop systems to monitor and provide support to departments on compliance with key contractual obligations, key legislation and collective agreements	4.8.3	% of major contracts concluded within the stipulated time frame	New indicator	100% (of all contracts)					Project Close out report

B5. INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
5.1 To improve the organisational capacity of O.R. Tambo District Municipality	Review organizational capacity status quo	5.1.1	Organizational vacancy rate	33.2 % post vacant	Reduce vacancy to 28%	Not achieved Filling of the already advertised posts (on the basis of current organogram) by 16%	Review of the organogram affected the rate of recruitment except for critical positions approved by the Municipal Manager	Expedite finalisation of the review of the organogram	Signed assumption of duty forms by successful candidates	HR
						Not achieved Awaiting approval of proposed Macro structure by Council. Draft Micro structure Review Process Plan implementation awaiting approval of the Macro structure by Council.	Delayed approval of the Macro structure by the Council	Municipal Manager's office to make a follow up to Council	Council approved organogram and JE final outcomes report.	
	5.1.2	% of Managers meeting minimum standards of competency assessment. Organizational structure audit, job analysis and description	New indicator	100%	Not achieved 50% met the requirements	Non submission of Portfolio of Evidence (POE)	Municipal Manager to redress the non compliance by the Senior Managers in terms of National Treasury requirements	Submission of the certificates	HR	
	5.1.3	% of people from employment equity designated groups employed in the three highest levels of management, as per the EEA	35%	35%	Not yet achieved Draft Employment Equity Policy and Plan awaiting Council approval	Awaiting approval of the Draft Employment Equity Policy and Plan by Council	Expedite approval of Employment Equity Policy and Plan by Council	Submission of the EE Report to the Department of Labour	HR	
	Attract and retain representative, skilled and competent human resources	5.1.4	Turnover rate of existing staff	1% (11/12FY)	1%	Not achieved	Awaiting Department of Local Government & SALGA to conduct workshop on	Follow up to Department Local Government & SALGA	Council Resolution	HR

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
							Retention Strategy			
5.2 To improve institutional performance through skills development and change management	Staff training, capacity building, and skills development	5.2.1	Percentage of municipality's budget spent on implementing workplace skills plan	R3m (?%)	R4.7m (?%)	Achieved	N/A	N/A	Expenditure Report/ Printout from BTO	HR
		5.2.2	Number of employees trained as per WSP	529	600	Achieved	N/A	N/A	Number of Certificates of Competence issued	HR
		5.2.3	Number of new learnerships enrolled with the DM	96 Learners enrolled in water services		Not achieved	LGSETA has not approved declaration of intent for implementation during 2012/13 final year	n/A	Number of Certificates of Competence issued	HR
		5.2.4	% Of council committees with members that have completed a relevant capacity building programme	New Indicator	100% (All council committees to implement the approved capacity building programme	Achieved 40 councillors including Traditional leaders are enrolled for extensive capacity building programmes Achieved (one out of five Committees trained = 20% i.e. Employee Equity Committee	Still awaiting LGSETA and SALGA to render this free services	Follow up with LG+SETA & SALGA and also expedite internal processes	Number of Certificates of Competence issued	HR and Office of the Speaker leading
		5.2.5	Number of capacity building programmes implemented for ward committees	New Indicator	1 training programme implemented for ward committees	1 training program for KSD ward committee in project management report writing and public participation processes. 1 training workshop on oversight processes for 160 stakeholders	None	N/A	Number of Certificates of Competence issued	HR and Office of the Speaker leading
		5.2.6	Percentage of staff meeting 100% of performance targets	New indicator	90% senior staff achieve all set targets	Not achieved	No performance reviews for senior managers conducted.	Ensure that quarterly performance reviews are conducted for senior managers.	Council Resolution and Signed Performance Agreement	All Departments Office of COO leading

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
5.3 To increase access to information through better information and knowledge management systems	Ongoing research and benchmarking of best- practices for Local Government	5.3.1	% Implementation of a District Master Systems Plan (MSP)	New Indicator	Approval of ICT MSP, 10% Implementation	Not achieved MSP not available	Suitable service provider to assist with the development of the MSP could not be sourced	MSP development to be finalized by the December 2013	Council Resolution on approved MSP	ICTM
		5.3.2	% Compliance of O.R. Tambo DM ICT systems with the relevant policies and standards	New indicator	50% Approval of ICT charter, strategy framework, MSP	All ICT policies are still in draft and awaiting Council Approval	Standing Committee resolved that the policies should be discussed in detail before taken through to Council	Workshop on policy scheduled for 1 st quarter of 2013/14	Draft ICT Charter and strategy framework	ICTM
		5.3.3	% of DM projects Spatially enabled for key service delivery planning and implementation monitoring decision	20%	25 % DM projects to be Captured	Not achieved 10% DM Projects	Projects were submitted in a different format that is not compliant to GIS	Projects need to be correctly coded for GIS	Spatial display of the captured projects	All Departments (ICTM to lead)
	Acquisition, upgrade and integration of existing information management systems	5.3.4	Percentage implementation of DM records management policy	New indicator	60% implementation	Revised Policy still in draft and awaiting Council Approval	Standing Committee resolved that the policies should be discussed in detail before taken through to Council	Workshop on policy scheduled for 1 st of 2013/14	Record Management register	All Departments (ICTM to lead)
		5.3.5	% compliance with relevant Security Management standards and policies	60% (Security policy in place, access control in place, VIP services in place)	Approval of Revised security policy (60 % implementation of the revised)	Policy still in draft and awaiting Council Approval	Standing Committee resolved that the policies should be discussed in detail before taken through to Council	Workshop on policy scheduled for 1 st of 2013/14	Council Resolution Approving the policy Register of Security incidents	ICTM
5.4 To improve employee safety, wellness and labour relations	Facilitate better employee health and safety	5.4.1	Individual Employee absenteeism rate	16%	12%	Partially achieved 4%	Draft Integrated Employee Wellness policy has been submitted for Council Approval)	Expedite approval of Integrated Employee Wellness Policy by Council	PAY DAY Leave Printout	HR
		5.4.2	% staff participating in Wellness programmes?	30%	40%	Partially achieved 25%	Draft Integrated Employee Wellness policy has been submitted for Council Approval)	Expedite approval of Integrated Employee Wellness Policy by Council	Council Resolution on Wellness Policy	HR

OBJECTIVES	STRATEGIES	KPI NO.	INDICATORS	BASELINE	ANNUAL TARGETS	ACTUAL PERFORMANCE	REASON FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION	Responsible Department
		5.4.3	% compliance of water and sewer treatment plants to applicable OH&S standards and guidelines	New Indicator (currently doing medical surveillance)	20% compliance with OH&S standards, regulations and guidelines	Not achieved	Non-filing of vacant position of Health & Safety Officer	Allocate budget for the post	Compliance Certificates from Department of Labour	HR, Infrastructure, HR leading
		5.4.4	% compliance of DM office buildings to applicable OH&S standards and guidelines	New Indicator (currently doing medical surveillance)	20% compliance with OH&S standards, regulations and guidelines	Achieved	N/A	N/A	Compliance Certificates from Department of Labour	HR
		5.4.5	Employee perceptions rating on OH&S issues	New indicator	30% rating	Partially achieved	Customizing of draft questionnaire done	Distribution of questionnaires to employees for completion	Signed Survey Reports	HR
	Strengthen and maintain good labour relations	5.4.6	Turnaround on implementation of LLF Resolutions	New indicator	3months clearing backlog	Partially achieved	Multi stakeholder processes which require consultation	Follow up with relevant stakeholders to expedite progress	Lists of resolved LLF backlog issues signed by both parties	HR
		5.4.7	% of LLF issues addressed/ resolved	30%	40%	Achieved	N/A	N/A	Lists of resolved LLF backlog issues signed by both parties.	HR
	Fair and compliant disciplinary processes	5.4.8	Percentage of disciplinary cases finalized within 90 days	0	5%	Not Achieved	Non seating of disciplinary hearings due to lack of managerial will to discipline	Training of managers on handling disciplinary and grievance matters and awareness of consequences of abdicating the managerial duties to discipline.	Letters of sanctions to offenders.	All departments HR to lead
5.5 To achieve excellent customer care and meet all institutional service standards in line with Batho Pele principles	Raise institutional awareness and facilitate buy-in for customer care and service standards	5.5.1	Number of staff attended Batho Pele Principles Workshops	65	85% (696 staff members to attend)	Not achieved	The office of the Premier has not yet responded to request	To appoint the service provider	Training reports, certificates of attendance	HR
	Solicit customer feedback	5.5.2	Customer care municipal rating	New Indicator	10%	Partially achieved	Draft employee general satisfaction survey questionnaire undergoing consultation process	Expedite finalisation of consultation process and adoption of questionnaire	Customer care rating	All Departments (OEM to lead)

