

# **MBHASHE LOCAL MUNICIPALITY**



## **ANNUAL REPORT 2014/2015**

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## CHAPTER 1: MAYOR'S FOREWORD

### a. Vision

Focusing on the identified needs, development issues, priorities and predetermined objectives that are aligned to the National Development Plan, the common aspirations and local identity of all concerned parties which gives a form of a picture of the "preferred future", a statement that describes how the future will look like if the municipality achieves its ultimate aims and is reflected in the following shared vision statement that drives us towards a compelling future, preferably 2025, that is to the benefit of all our citizenry within the Mbhashe Local Municipality.

### b. Key Policy Development

In preparing for the strategy formulation process that was going to be implemented during the financial year under review, it was important to ensure that the general guidelines related to crosscutting dimensions were adequately considered when designing strategies and projects planned. To facilitate these requirements, a set of localised strategy guidelines was formulated regarding the following priorities:

- Spatial Development Framework
- Poverty Alleviation
- Gender Equity
- Environmental Sustainability
- Local Economic Development
- Organisational Development and Transformation
- Good Governance and Public Participation
- Financial Viability and Management
- Infrastructure and Service Delivery

In aligning these localised strategy guidelines to the National Development Plan, and Development Strategies, Amathole District Municipality's IDP Framework and Local Government Turnaround Strategy, the following issues were then reprioritized into the following five key performance areas:

1. Infrastructure and Service Delivery
2. Local Economic Development
3. Organisational Development and Transformation
4. Financial Viability and Management
5. Good Governance and Public Participation

The above-mentioned key performance areas were used throughout the process to guide the strategy formulation, project identification and integration to ensure smooth alignment at the end.

### Resources Framework and Financial Strategies

Before the formulation of specific development strategies, a SWOT analysis is done on the organisational readiness to embark on such a mission. An investigation is done as to the amount of financial, human, institutional and natural resources which can be made available in implementing activities in order to achieve the predetermined objectives. A Risk Assessment is done on those issues that could hamper the municipality to achieve those predetermined objectives.

Since the implementation of the strategies will put tremendous pressure on the human and financial resources of the municipality, it is important to identify creative and innovative solutions for the coping with the human and financial resources constraints. The following strategies were then developed in



order to meet the forthcoming challenges

### **c. Service Delivery Improvements**

In line with what we have set ourselves to achieve during the period under review, and in what is contain in our Action Plan to address the queries raised by the Auditor General in his Audit Report 2013/2014, aligning our action to that of the Municipal Turnaround Strategy, the municipality has improved a lot with regard to providing sustainable services to our communities.

In the year under review the municipality has made a significant progress in the following strategic areas

- Preparation and approval of budget and credible IDP for 2014/2015
- Strengthening of Intergovernmental relations
- 100% of Expanded Works Programme Grant
- 100% of expenditure of the Integrated National Electrification Programme grant
- Compilation and submission of annual financial statements to the Auditor General on time

We have put mechanisms in place to enhance internal control measures so as to ensure accountability, transparency and responsiveness to the community issues. The municipality has established the following functional committees:

- Municipal Public Accounts Committee
- Audit and Performance Audit Committee
- Risk Management Committee
- IDP Steering Committee
- Training Committee
- Local Labour Forum

These committees and all other measures that are in place have increased the municipality's ability to provide services to our communities.

### **d. Public Participation**

During the year under review, apart from the normal council meetings, the normal councillor ward meetings with the ward committees; and the annual IDP/Budget processes meetings, the municipality introduced a Community Based Planning where all the stakeholders within a ward took part in a week long Community Based Planning session to develop a Ward plan for each of the 31 Wards within the Municipality. Ward Committees forms an integral part of our municipality and all Ward Committees have been established and remain intact and ensure that public representatives have direct contact with communities.

Through the collaboration with the Eastern Cape COGTA Tshani Consultant was contracted by the department to develop the ward based plan for Mbhashe Local Municipality. The Ward Plans developed during this year will be brought forward to assist with the municipality with their future plans.

### **e. Future Actions**

The municipality is doing all it can to put up infrastructure development within the municipal area. The

following area will be addressed in future:

- Roads and Storm Water Infrastructure
- Electricity network infrastructure

To enhance revenue collection, the Revenue Enhancement Strategy has been developed and will need reviewal in the next financial year, the municipality also appointed a debt that will assist the municipality in the collection of old debts.

We have approved a reviewed organogram that addresses the changing legislation and meeting the current demand, and most of the critical positions have been filled and funded structure will be in place by June 2015/2016 financial year.

**f. Agreements/Partnership**

The municipality is proud to mention that it could not have achieved all this objective if it was not with the generous partnerships from the following:

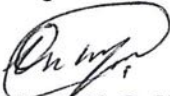
- ADM municipal support unit
- Provincial Treasury
- Office of the Auditor General
- All the Service Providers that were assisting during the financial year

**g. Conclusion**

Throughout this report, each department and its divisions have elaborated and highlighted a number of important and successful projects completed throughout 2014/2015. We have managed to accomplish all of this work while at the same time maintaining sound fiscal responsibility.

The municipality will continue to work closely with our communities and will lobby hard to reinforce the need for support from the National and Provincial level of government, as well as the district municipality.

I remain committed to working together with my Executive Committee, the whole Council and the Municipal Administration in realising our vision and making it a practical reality. We are positive that Mphashe Local Municipality's future is indeed a place where we would like our people's experience of local government to be a pleasant one.



**NONCEBA O. MFEKANE**  
**MAYOR**



## COMPONENT A: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

The main Service Delivery focus was on the following areas:

- Development of Infrastructure Master Plan
- Access roads Maintenance Plan and the procurement of two sets on Plant Machinery
- Road Surfacing of Idutywa internal roads which is about 80% complete
- Road Surfacing of Elliotdale internal roads which is about 50% complete

A lot of work was done to ensure that the Indicators are SMART and the Service Delivery and Budget Implementation Plan (SDBIP) hence the overall Institutional performance of 60%. A lot of improvement is expected this year with the filling of vacant posts progressing well especially at Senior Management level which has only one vacancy.

The following plans and strategies were either developed or reviewed in 2014-15 financial year:


- Integrated Waste Management Plan
- Local Economic Development Strategy
- Spatial Development Plan
- Coastal Management Plan
- Integrated Community Safety Plan
- Communication Strategy
- Disposal of Municipal Land Policy

In order to attend to the challenge of poor revenue collection which is bedevilling all rural municipalities, Mbhashe LM has reviewed its Credit Control and Debt Management Policy and appointed a Service Provider to do Debt Collection. This which resulted in an increase in collection albeit the resistance from Rate Payers which is being managed.

There has also been an improvement in the following areas:

- Information and Communication Technology due to the support received from Amathole District Municipality.
- Internal Audit has been co-sourced with an External Service provider and the transfer of skills is progressing well
- Alignment of the IDP Scorecard and SDBIP with the assistance of the District Municipality and Provincial Cogta
- Training of MPAC to sharpen its oversight skills and
- The appointment of an Audit Committee



  
**MR S.V POSWA****MUNICIPAL MANAGER**

## **1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW**

### **INTRODUCTION TO BACKGROUND DATA**

#### **ENVIRONMENTAL OVERVIEW**

Mbhashe Local Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 31 wards and 61 Councillors. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean.

Mbhashe Local Municipality (MLM) occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km<sup>2</sup> in extent (after the last national elections). It is estimated that the new additions of few villages from Intsika Yethu and Mnquma could be estimated to about 200 square kilometres of land.

There are three main urban centres, namely Dutywa, Willowvale (Gatyana) and Elliotdale (Xhora). Dutywa is the administrative head centre of the municipality. Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa, Gatyana (Willowvale) and Xhora (Elliotdale). Mbhashe is comprised of the three towns of Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

The municipality has total population of 254 909 with a household of 60 124 resulting a household size of 4.24 according to the 2011 Stats SA Census. This indicates that Mbhashe has an increase of population and household by 1 537 (1%) and 6 925 (13%) compared to 2001 Stats SA Census resulting a reduction in household size from 4.76 to 4.24.

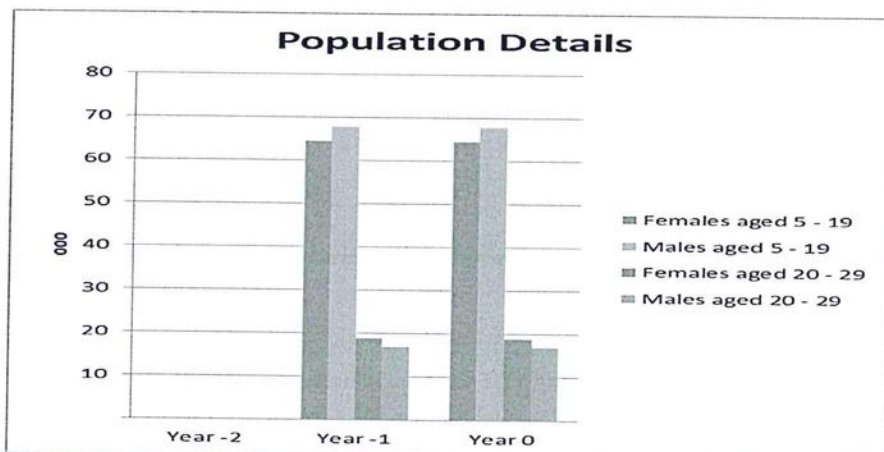
Based on the figure above, it can deduced that the Mbhashe population is largely youthful with about 44% being children (ages 1 -14) of school going ages while another 29% can be regarded as youth falling between ages 15 and 35. A total of 78% of the population of Mbhashe is composed of youth between the ages of 0-34. It is imperative for Mbhashe to prioritise a substantial amount of those programmes that talks to the Youth development. Social Needs and Special Programmes should champion this exercise.

On the gender analysis, it has been established that, by and large, there is a fair balance between the males and females, standing at 55% and 45%, respectively. The majority 98% of local inhabitants are African with the balance shared between formerly classified white, coloured and Indian people. According to Community Survey 2007 an estimated population of over 95% reside in rural (communal-traditional and village areas) and peri-urban (sprawl and informal settlements) areas. Mbhashe can be regarded as a rural municipality.

Population Details									
Age	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 19	68	64	132	68	64	132	68	64	132
Age: 20 - 29	17	19	36	17	19	36	17	19	36
Age: 30 - 49	15	25	40	15	25	40	15	25	40
Age: 50 - 64	10	16	26	10	16	26	10	16	26
Age: 65+	8	13	21	8	13	21	8	13	21
Source: Statistics SA T 1.2.2									

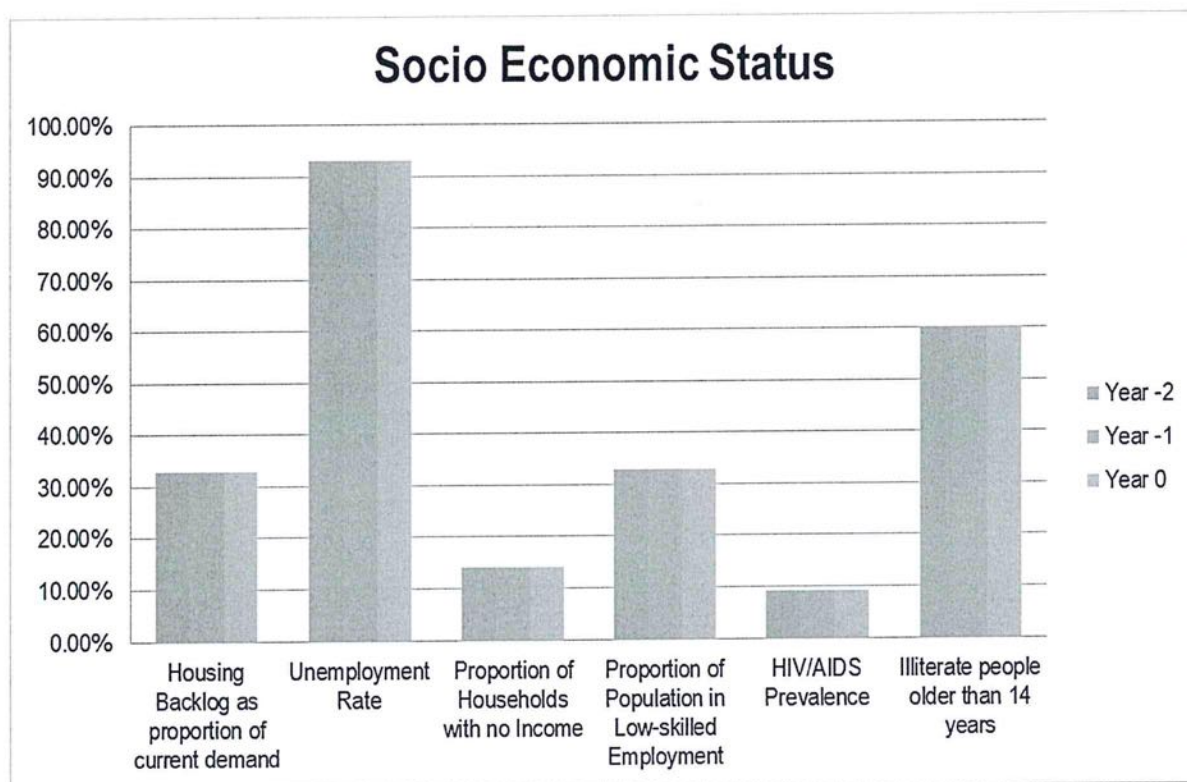
Source: Statistics SA

## SOCIO-ECONOMIC STATUS



Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years

Year -2	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
Year -1	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
Year 0	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
T 1.2.4						



#### OVERVIEW OF NEIGHBOURHOOD WITHIN MBHASHE

SETTLEMENT TYPE	HOUSEHOLDS	POPULATION
TOWNS		
Dutywa	751	3 755
Gatyana	404	2 020



Xhora	374	1870
Sub-total	1529	7 645
TOWNSHIPS		
Dutywa	1 653	9 919
Gatyana	80	492
Xhora	142	855
Sub-total	1 875	11 266
RURAL SETTLEMENTS		
Dutywa	17 692	67 871
Gatyana	18 150	77 871
Xhora	20 312	87 870
Sub-total	56 154	233 612
INFORMAL SETTLEMENTS		
Dutywa (GPO)	150	450
Dutywa (Zone 14)	215	1 315
Gatyana (Police camp)	201	621
Sub-total	566	2 386

NATURAL RESOURCES	
Major Natural Resource	Relevance to Community
Arable lands	High quality of soils suitable for crop production and animal farming
Forest assets or existing vast tracts of land for future forestation	Existence of high demand for wood products with longer return on investments
Fisheries and Marine	Proven untapped potential for aqua-culture business
Coastline natural beauty	Undeveloped tourism offerings at coastline can be used to solicit good revenue
Heritage tourism	Heritage tourism can also bring more revenue in community through the established routes as such Phalo routes.

#### COMMENT OF BACKGROUND DATA

The primary sector agricultural activities taking place in Mbhashe Municipality is mainly focused on very low base crop production and livestock farming at subsistence can be improved. The sector is underdeveloped and not diversified and had a subdued contribution to both the GDP and the GVA. Small-scale and subsistence farmers in the Municipality are not producing at optimal levels, due to a number of constraining factors. It is, therefore, important that emerging farmers are supported in expanding their farming activities into viable and sustainable enterprises that will not only increase the income generated and jobs created by these activities, but will also grow sufficiently to form the basis of further beneficiation opportunities. The farming activities must also include the aqua-culture farming, forestry and animal farming.

The development of the Tourism industry at Mbhashe LM is based on giving people a reason to come, a reason to stop, a reason to stay and a reason to spend. This means that any destination should first comprise a unique and specific asset, that people should be made aware of this asset in order to attract them to the destination, that they should be provided with a range of additional attractions and activities to ensure that they stay in the area for longer, which will then ensure that their money is spent at the location.

Thus the municipality's strategic thrust is therefore, aimed at stimulating the development of the

Tourism industry in Mphashe Municipality, by taking full advantage of the unique cultural, coastal, historical and natural assets found in the Municipality. The purpose is therefore to ensure that these tourism attractions and activities are effectively developed and marketed, in order to establish Mphashe Municipality as a unique and worthwhile tourism destination.

### 1.3. SERVICE DELIVERY OVERVIEW

#### SERVICE DELIVERY INTRODUCTION

In terms of service delivery, Mphashe Local Municipality managed to achieve the total number of 42 Key Performance Indicators. In roads the Municipality constructed 39KM of new Roads and maintained 129KM of gravel roads. In Electricity the municipality achieved 1395 connections of non- grid and as well as 212 grid connections, also managed to install 6 high must as a way of ensuring community safety. The municipality has also managed to complete 2 Community halls that will be user friendly to the community. The municipality also managed to facilitate construction of 2500 houses in Elliotdale rural and about 700 in Dutywa Township in the 2014/15 financial year.

Challenges:

- (i) Slow expenditure on infrastructure grants due to slow supply chain processes which resulted to withholding of funds.
- (ii) Negative adjustments by INEP which resulted in less households being connected than planned
- (iii) Municipality is relying on grants for development of infrastructure
- (iv) Huge electricity backlog
- (v) Shortage of personnel
- (vi). Limited grants on maintenance of community services
- (vii) Lack of funding on disaster mitigation
- (viii) No funds for infrastructure and internal reticulation
- (ix). Slow processing of applications and appointment of service providers by department of Human Settlements
- (x) Lack of funds for day to day operations of the Library
- (xi). Negligence of stakeholders on community safety matters
- (xii). Lack of institutional capacity

Mphashe municipality is responsible for providing Waste Management services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mphashe and as such should receive the requisite attention from the institution.

Since the establishment of Mphashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Willowvale and Elliotdale only. Rural areas are generally using a



range of temporary mechanisms such as own dump within the yard, food for waste programme and illegal dump sites.

According to census 2011 report, Mbhashe is providing the waste management services to only not more than 5% of its households. It also worth noting that the National Waste Management Strategy enjoins all the Municipalities to have achieved waste management coverage by 2016 as follows:-

- I. 95% of urban households
- II. 75% of rural households
- III. 80% of waste disposal sites have permits
- IV. 80% of Municipalities running local waste awareness campaigns
- V. 80% of schools implementing waste awareness programmes

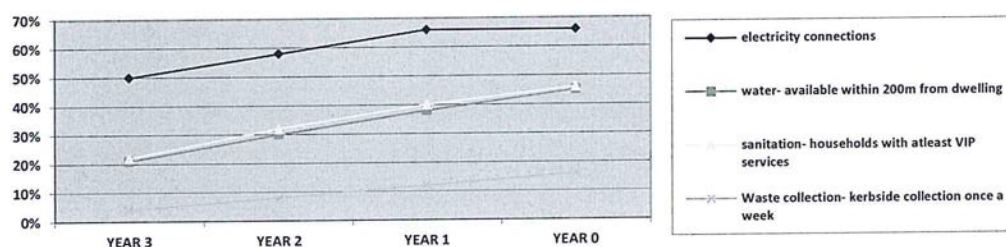
Using the above figures as a measure of success, Mbhashe LM would not have difficulties achieving the above targets by 2016, except for the provision of waste management services to the rural areas.

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

- I. ADM's EPWP (alien vegetation eradication, waste management)
- II. DPW's integrated EPWP incentive grant
- III. Department of Environmental Affairs (DEA)'s Environmental Protection and Infrastructure Programmes (EPIP) programme
  - Working for the Coast programme
  - Mbhashe Street Cleaning and beautification

The greatest challenge of them all is the limited access, especially by the indigent and rural communities to the waste management services.

#### PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES



### COMMENT ON ACCESS TO BASIC SERVICES

The Municipality underperformed on achieving the planned number of electricity connections due the adjustment of budget by DOE from R21M to 3M in Year 0. In terms of waste collection, the municipality is only serving urban areas not the rural areas. Amathole managed to fast track rural sanitation in terms of VIP and providing water supply within 200m from each household, however there is still huge backlog for water. From the above diagram, it is clear that only 4% of the population of Mbhashe has access to the basic waste management services. Such an anomaly could be attributed to the fact that Mbhashe is predominantly rural and waste management services are currently provided to the urban and peri-urban households, thereby leaving the vast majority of the rural households without these services.

### 1.4. FINANCIAL HEALTH OVERVIEW

#### FINANCIAL OVERVIEW

The Mbhashe Local Municipality has managed to accumulate cash reserves by not fully spending on operational grants. This has an adverse consequence for the municipality as underspending is a direct cause for poor basic service delivery. On the positive, the cash reserves means the municipality is in healthy financial state as it has sufficient income to meet operating expenses and debt commitments.

There is a concern with the financial management practices of the municipality as evident from the qualified audit report received for the past 3 years.

Outstanding debt is another concern for the municipality just as it is for all municipalities; therefore one of our main priorities was to focus around debt collection. To enhance our debt collection processes the municipality appointed a Debt Collector in the third quarter. By the end of the financial year we were able to see the benefit of this as the collection amount for the last quarter was R 1 342 571.

In summary the municipality is in the sound financial position and can be considered as a going concern, however basic service delivery initiatives need to be improved

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	223 191 000.00	237 609 787.00	216 445 286.00
Taxes, Levies and tariffs	5 843 820.00	5 843 820.00	6 586 788.00



Other	18 954 648.00	39 662 454.00	16 611 123.78
Sub Total	247 989 468.00	283 116 061.00	239 643 197.78
Less: Expenditure	282 466 820.00	317 593 413.00	194 294 758.00
Net Total*	-34 477 352.00	-34 477 352.00	45 348 439.78

Operating Ratios	
Detail	%
Employee Cost	31%
Repairs & Maintenance	10%
Finance Charges & Impairment	12%

#### COMMENT ON OPERATING RATIOS:

##### Employee Costs

The employee costs are 31% of the total operating budget. This is considered a healthy status as it allows the municipality to use its budget for other municipal functions. However there was a high vacancy rate that contributed to the low percentage spending against the operating budget.

##### Repairs and Maintenance

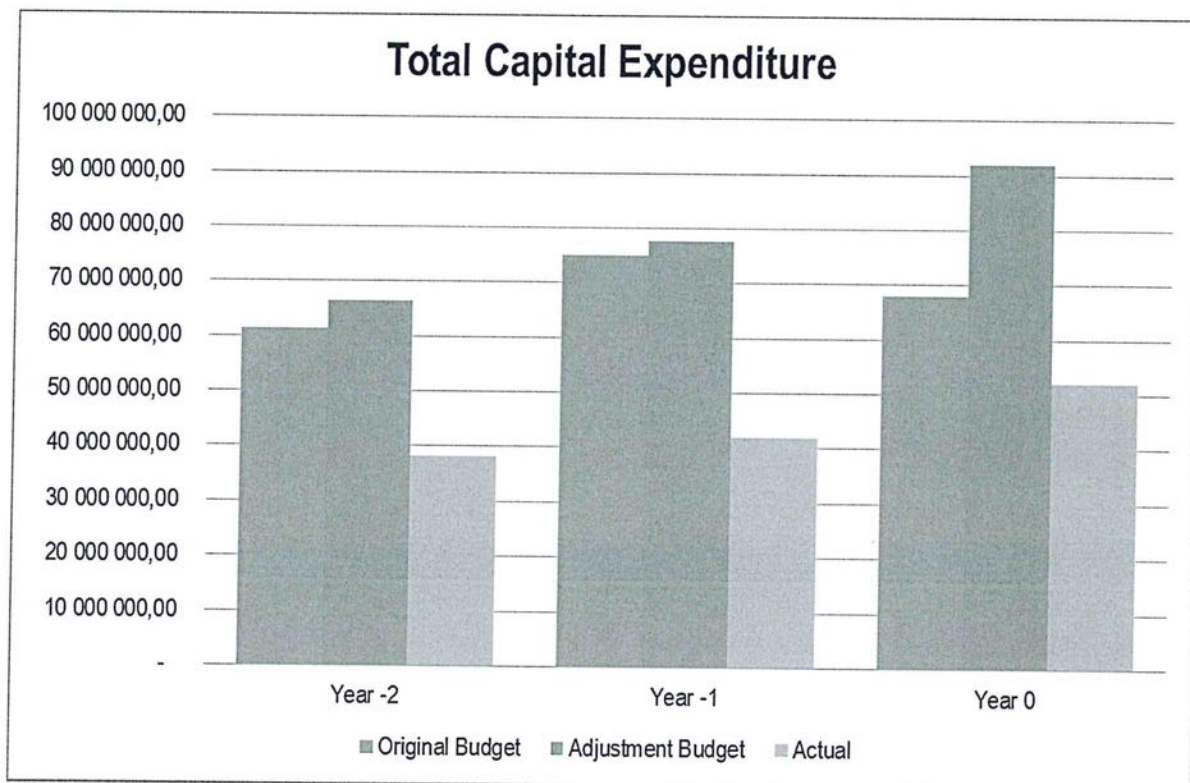
These costs are at 10% of the total budget. The municipality is yet to implement sufficient asset management processes thus this figure will increase in the coming years.

##### Finance Charges

The non-cash items costs are at 12%. This is due to provision for depreciation which the municipality is required to budget for annually.

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	61 326 373.63	75 042 370.00	67 874 120
Adjustment Budget	66 375 870.48	77 762 633.00	92 090 755
Actual	38 253 579.00	41 867 276.00	52 051 025





#### COMMENT ON CAPITAL EXPENDITURE

The original capital budget for the 2014/2015 amounted to R 67 874 120. During the adjustment budget the capital budget was increased by R 24 216 635 which is equal to 40% of the original budget. This resulted in the Adjustment Budget amounting to R 92 090 755. The increase was due to the approved MIG rollover funds and as well as increments in DORA allocation for 2014/15.

The actual spending on capital expenditure for the 2014/2015 financial year amounted to R 52 051 025 which is 57% of the total adjusted budget. The low expenditure pattern were due to the capacity constraints because of delays in Supply Chain Management processes and vacancies in key positions which negatively affected the performance of the municipality.

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipal organizational development section is tasked with Human Capital Management, Human Capital Development, Labour Relations, Occupational Health and Safety, Corporate Administration and ICT. The municipality managed to meet its targets with regards to capacity building of its staff including its councillors. Although there was a shortfall with regard to development of new policies, there was a review of existing policies. The structure of the organization was reviewed. The Municipal Manager, Chief

Financial Officer and the Senior Manager were appointed. Two Employee wellness programs were held and employees were attended to by a doctor appointed by the municipality to carry out the diagnostic and management program including follow ups of employees. No by-law was developed because of capacity challenges. The ICT unit managed to upgrade the email system through the implementation of Mimecast email system. The unit started a process of upgrading the server room and the VPN which will improve connectivity to all municipal offices. The telephony system was also improved to include the satellite offices.

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT YEAR 0 (CURRENT YEAR)

## 1.7 MUNICIPAL ANNUAL REPORT PROCESS ACTION PLAN FOR 2014/2015

Nr	Description of activity	Timeframe	Responsible Person/ Department
1	Prepare Annual Report information as per the National Treasury format including the Annual Performance Report	01 July - 13 August 2015	MM/Strategic Manager & CFO
2	Tabling of the draft Annual Report to the Management team and Audit Committee	3-Aug-15	MM/Strategic Manager
3	Tabling of the Annual Report to Audit Committee	5-Aug-15	MM
4	Tabling of the Annual Report to Executive Committee	12-Aug-15	MM
5	Tabling of the un-audited Annual report to Council. The Annual Report submitted complies with the requirements of Section 121(3)(a-k).	26-Aug-15	Mayor
6	Council to submit un-audited Annual report to MPAC for verification of councils' directive on service delivery & senior managers (Section 56) performance against signed performance agreements	28-Aug-15	Mayor
7	Submission of draft Annual Report to Auditor-General including the Annual Financial Statements and Annual Performance Report	31-Aug-15	MM/Strategic Manager & CFO
8	Public participation process for Annual Report in terms of Section 130 of MFMA	September - October 2015	MM/Strategic Planning & Speaker's Office



9	Municipality considers AG's report on the audit of the Annual Report and complies with Section 126 (5)	November 2015	Municipal Manager
10	Convening of the MPAC to consider the Annual Report. This must be concluded within 7 days of receipt of AGs report.	November 2015	MPAC/Speaker's Office
11	Mayor tables audited Annual Report and financial statements to Council	09 December 2015	Mayor
12	Publicizing of the Annual Report for public comments in terms of Section 127 (5) (a) of the MFMA (after adoption by Council)	December 2015	MM/Strategic/Corporate Services
13	MPAC finalises assessment on Annual Report and develops an Oversight Report	December 2015	MM/Speaker's Office
14	Adoption of the Oversight Report by Council in terms of Section 129 of the MFMA	December 2015	Council
15	Publicizing of the Oversight Report as per Section 21(a) of the Municipal Systems Act and Section 75 of MFMA	December 2015	Strategic Manager/MM/Corporate services
16	Submission and circulation of the Annual Report and Oversight Report to Provincial Legislature in terms of Section 132 (1 & 2) of the MFMA	December 2015	Mayor

#### COMMENT ON THE ANNUAL REPORT PROCESS:

There has been an improvement in the Annual report process for the year under review. The municipality is currently working on setting up business processes that will ensure that quarterly performance assessments culminate into the annual report process.

In addition, an Annual performance report has been developed which also assesses the performance of service providers for the year under review.

The annual report Of 2014/2015 was compiled in accordance with requirements of section 121 of the MFMA, 56 of 2003 and section 46 of MSA, 32 of 2000 as well as the format prescribed by National Treasury and the purpose of the report is

- to provide feedback on the activities of the municipality
- to provide a report on performance in service delivery and budget implementation for year end
- to promote accountability to the community for the decisions made from July 2014 to June 2015

This Annual Report has been developed according to the provisions of circular 63 of the MFMA which indicates that real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget and SDBIP, in year reports, Annual Financial Statements, Annual Performance Report and the Annual Report



## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Mbhashe Local municipality is constituted in terms of section 12 read with section 18 of the local government municipal structures act no 117 of 1998 and consists of 61 Councillors. The municipality is categorized as an executive committee type of a municipality.

In its most abstract sense, governance is a theoretical concept referring to the actions and processes by which stable practices and organisation arise and persists. These actions and processes may operate in formal and informal organisation of any size; and they function for any purpose, good or evil, for profit or loss.

Conceiving of ordnance in this way, one can apply the concept to state, to corporation, to non-profit, to NGOs, to partnerships and other associations, to project teams, and to any number of humans engaged in some purposeful activity.

Most theories of governance as a process arose out of neoclassical economics. These theories build deductive models, based on the assumptions of modern economic, to show how rational actors may come to establish and sustain formal organisation, such as networks and practices for governing the commons. Most of these theories draw on transaction cost economic.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

Political and administrative governance in our municipality consists of the set of processes, customs, policies, laws and institution affecting the way people direct, administer or control and organisation. Political and administrative governance also includes the relationships amongst the many players involved and the organisational goals.

The principle players include the communities, management and councillors. Other stakeholders include employees, service providers, customers, businesses, political parties, community organisations and regulators

The Council operates on an Executive Committee System. The following Support Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Executive Committee:-

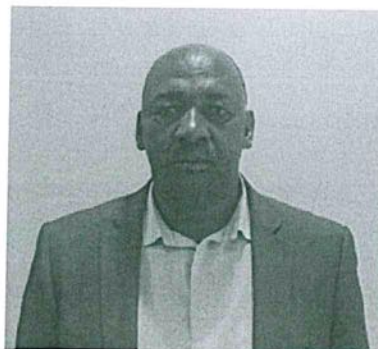
##### COUNCIL

##### POLITICAL STRUCTURE (WITH PHOTOS)

1. **MAYOR: Councillor Olga Nonceba Mfecane (ANC)**



2. **SPEAKER: Councillor Mkhululi Mcotsho (ANC)**



3. **CHIEF WHIP: Councillor Sityebi Hoyo. (ANC)**

4. **MPAC CHAIRPERSON: Councillor Velemva Somana (ANC)**

**EXECUTIVE COMMITTEE**

5. Cllr. X Baleni (Developmental Planning - ANC)  
6. Cllr. F. Khekhetshe (SPU - ANC)  
7. Cllr. M. Mbomvu (Community Services - ANC)  
8. Cllr. X.O Willie (Infrastructure Services - ANC)  
9. Cllr. M. Noyila (Finance - ANC)  
10. Cllr. M.Peter (Corporate Services - ANC)  
11. Cllr. N. Xhungu (COPE)  
12. Cllr. VSK Mbewu (COPE)

### 13. Cllr. M Tetyana (UDM)

Mbhashe Municipality comprises of a total of 61 Councillors of which 31 are Ward Councillors and the other 30 are Proportional Representative (PR) Councillors. Council continues to operate on an Executive Committee System. Out of 31 wards 26 wards are ANC controlled whilst the 3 wards are controlled by Independent Candidates and the other two to UDM.

#### COUNCILLORS

PARTY NAME	NUMBER OF SEATS (Wards + PR)		
	WARD	PR	TOTAL
African National Congress	26	13	39
Congress of the People	0	9	9
United Democratic Movement	2	6	8
Democratic Alliance	0	1	1
APC	0	1	1
Independent candidates	3	0	3
<b>TOTAL</b>	<b>31</b>	<b>30</b>	<b>61</b>

Table 2.1.3

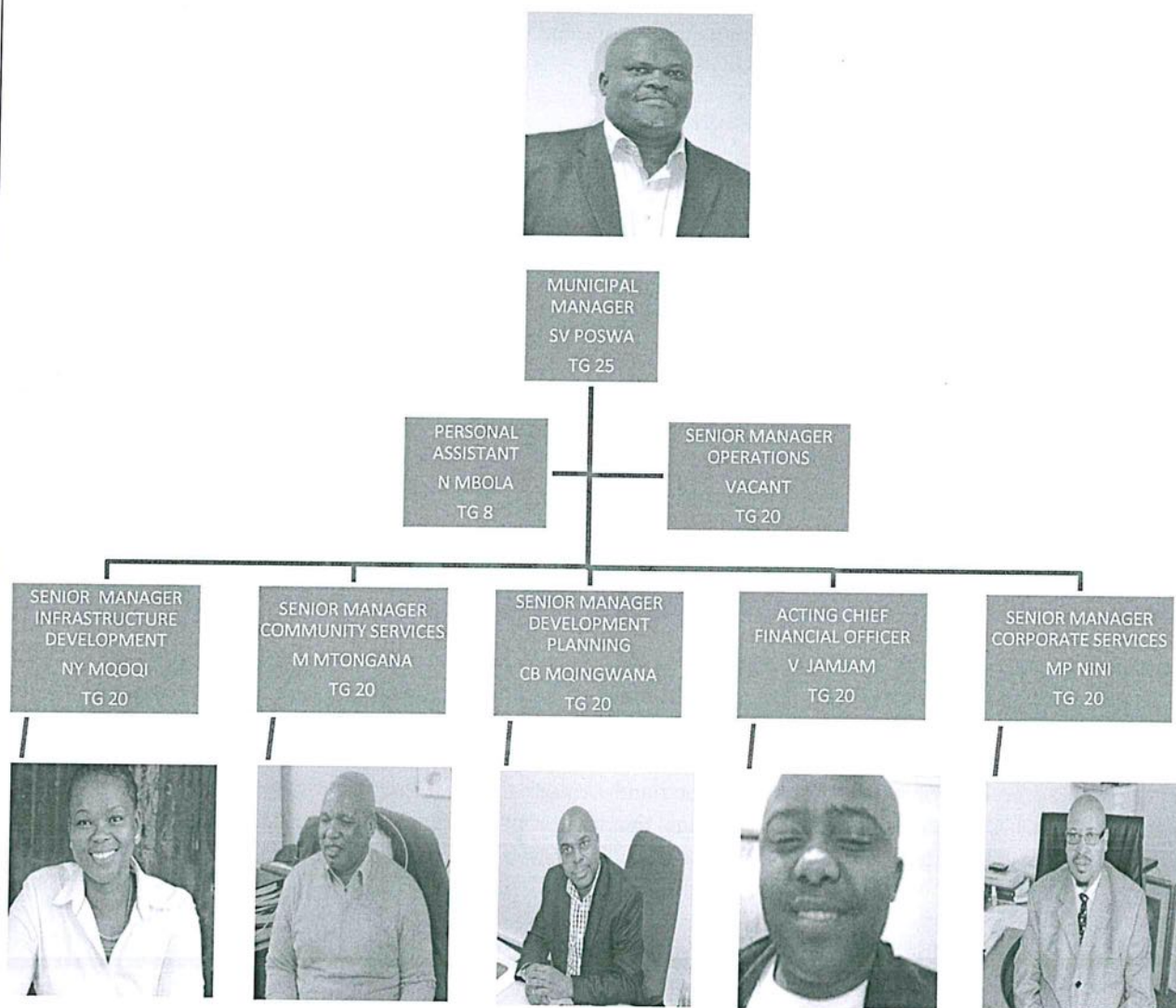
#### POLITICAL DECISION TAKING

The municipality has processes that take decision up to the Council. The items that need decision start from management, standing committee, Executive Committee and then Council. Each of the Committees deliberate on matters that fall within the specific terms and reference of that particular Committee as stipulated in the delegation of framework, who in-turn make recommendations to the Executive Committee for approval, or where necessary for endorsement by the Executive Committee for final approval by the full Council. Any matter that has financial implications has to be discussed by the management before it is recommended by the Executive Committee and approved by the Council.



## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE



The above diagram depicts the top management structure of Mbhashe, only one post is currently vacant after filling the Municipal Manager's post in February 2015 and the Senior Manager Corporate Services and Chief Financial Officer in June and July 2015 respectively. The vacant post of Senior Manager Operations was created in March 2015 as part of the review of the organizational structure.

Management is clustered according to the Local Government Key Performance Areas as follows:

- Service Delivery is composed of Infrastructure Development, Community Services and Development Planning
- Local Economic Development is composed of Development Planning
- Finance and Admin is composed of Budget and Treasury Office, Corporate Services and Good

Governance, which is mainly the Municipal Managers Office

Senior Management meets every Monday and an extended Management meeting is held on the first Monday of the Month. These meeting are mainly for planning, reporting and scheduling work. This annual report is a product of the tireless efforts of these meeting supported by a very capable and willing Secretariat.

#### **TOP ADMINISTRATIVE STRUCTURE (PHOTOS)**

Acting Municipal Manager – M F Nofemela (secondment ended on 30/01/15)

**Municipal Manager – S.V Poswa appointed in 02/02/2015**



**Senior Manager Community Services – M Mtongana**



**Senior Manager Technical Services – N Mqoqi**



**Senior Manager Planning and Development – C. B Mqingwana**



Chief Financial Officer – S Ndakisa resigned on the 30/11/14

Acting CFO – V Jamjam 04/01/15 to 30/06/15

Acting Senior Manager Corporate Services – G Sityata until 06/03/2015

Acting Senior Manager Corporate Services- Mr Nako (09-03-15 to 29 May 2015)

**Senior Manager Corporate Services – M Nini started on the 01/06/15**



**Acting CFO – V Jam jam**





## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Mbhashe Local Municipality remains totally committed to good governance. The organization is structured in such a way to ensure that the eight major characteristics required for good governance is enshrined in its operations. This ensures that it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of the law. Corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. Above all, the commitment from the leadership both political and administrative is essential to maintain good governance.

The system that the municipality followed included processes through which the municipality's objectives are set and pursued in the context of social, regulatory, political, technological, economical and market environment. These included mechanisms to monitoring the actions, policies and decisions of the municipality and its service providers. These practices then are affected by the attempts to align the interest of all stakeholders, including national and provincial government, district municipality, businesses, non-governmental organisation, community based organisation and communities

### 2.3 INTERGOVERNMENTAL RELATIONS

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#### NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in the South African Local Government Association (**SALGA**) **conferences** during the start of the term of councils where the leaders of the National Executive Committee are being elected. The municipality also participates in the SALGA National Members Assemble which is being held each and every year to check the status and progress of the resolutions which were taken in the conferences.



### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

The municipality has the functional Intergovernmental Relations forum. The municipality is participating in the Eastern Cape Provincial Political and Technical MUNIMEC. This platform in our view is a relevant space to engage and unlock challenges facing municipalities in the province. The municipality also participate in other forums of the province such as SALGA working groups, EPWP provincial steering committee, Provincial waste Forum and COGTA EC MIG Forum.

### **RELATION WITH MUNICIPAL ENTITIES**

The municipality have good relations with the district development agency (ASPIRE) and there developments and programmes where the agency is responsible such Dutywa town revitalization

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

There are forums that were established by the district municipality and our municipality participates in the forums of the district municipality such DIMAFO which is attended by Local Municipality Mayors, Municipal Managers and government departments that are within Amathole. This forum assists municipalities to have the common understanding and be able to discuss development issues that affect the district at large. There are also other forums at the level district support team which involves all economic and LED institutions within the district. The municipality also participates in the following forums district waste forum, EPWP and IGR forums

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The municipality has a relationship with their citizens that can take many forms. In some cases the municipality has a legislative requirement to involve communities in their decision making. A majority of municipal records and reports must also be accessible and available to the public. These reports must provide info about the services and activities of the municipality. The municipality has not improved on its public participation programmes although there are many community based meetings were held in the year under review. This is largely due to the detailed presentation and understanding by communities on programmes and decision making process in the municipal environment.

#### **2.4 PUBLIC MEETINGS**

##### **COMMUNICATION, PARTICIPATION AND FORUMS**

The Communications Department has been inactive in the print and electronic media. The Municipality has not been able to have an active website.

Mbhashe municipality has a comprehensive communication strategy which was reviewed in the year under review. There were challenges with identifications of municipal building and events to the public and these have been resolved.

In addition, there has been a poor implementation of public participation forum as seen below.

## **Public Participation and Communication**

Public participation is a principle that is accepted by all spheres of government in South Africa. Participation is one of the cornerstones of our democracy and has equal benefits for politicians, public servants and civil society:

- Consultation will help government make more appropriate decisions based on the real needs of people
- The more informed people are, the better they will understand what government is trying to do and what the budget and resources limitations are
- Public presentation can only claim to be accountable if they have regular interactions with the people they represent and if they consult and report back on key government decisions.

Government cannot address all the development needs on its own and partnerships are needed with communities

Iimbizo and public meetings are important methods used for consultation with the public and iimbizo's are meant to encourage participation and allows the public from a particular area to interact directly with the executive. Senior public servants often attend iimbizo to provide information and to follow up on issues raised.

### **Public meeting and report-back meetings**

Public representatives often use public meeting to inform the public issues or consult them around specific development or other programmes. Public meetings are also to report back on government programmes. Public servants maybe asked to participate in these meetings to provide technical support and information and hear the public's views and concerns.

## **WARD COMMITTEES**

Ward councillors are the representatives of specific geographic areas are ideally placed to be the link between the people and the municipality. They should bring people's needs and problems to the municipality and consult and inform the community around municipal services and programmes. Ward councillors public participation programmes are coordinated by the councillor's speaker.

### **Ward committees**

Ward committees are from different sectors in communities. Ten members are elected in each ward to assist and advise the ward councillor and increase community participation. They can be very usefully for spreading information, assessing needs, building partnerships, consulting the community and picking up local problems with service delivery.

### **Community Development Workers (CDWs)**

Community development workers are deployed by government to work in communities to make sure that people can access government services. They have to give advice, help people with problems, assess needs and work with local organisation to build partnership with government.

They usual know the community well, have good contact with organisational and can help to do consultation, do research, spread information and monitor implement. CDWs should work closely with



ward councillor and ward committees.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
MAYORAL IMBIZO					PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/09/30	2	5	105	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/10/06	6	18	315	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/10/09	6	18	408	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/10/10	6	18	400	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/10/13	6	18	345	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/10/14	6	18	460	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/10/16	6	18	396	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2014/10/17		18	295	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities

						in a form of roadshows
	2014/10/20	6	18	180	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
						The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
IDP/BUDGET ROADSHOWS					IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
	2015/04/08	7	18	436	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
	2015/04/09	7	18	364	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
	2015/04/10	7	18	355	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
	2015/04/13	7	18	372	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
	2015/04/14	7	18	337	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
	2015/04/15	7	18	351	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in

						2015/16 year
	2015/04/16	7	18	469	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
	17-Apr-15	7	18	237	IDP& BUDGET	The feedback will be given IDP/BUDGET rep which will be held in the units for each quarter in 2015/16 year
T 2.4.3						

#### COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Mbhashe municipality has made every effort to ensure maximum participation by members of the local community in the development of the IDP. The municipality in the next financial year will change its approach for public meetings. The rep forum meetings will held per unit and invite all the relevant stakeholders for that unit. The engagements with communities were made. They involve interaction with communities at ward levels and interactions with the reference groups which represented various regions of the municipalities.

A number of development challenges were raised during these interactions. These issues have in turn been aligned with key development thrust for the municipality. The key development thrusts include:

- Poverty eradication, rural and economic development and job creation
- Financial sustainability (eg revenue enhancement, clean audit)
- Spatial development and the built environment
- Human settlement
- Public transport
- Environmental Management and climate change
- Social and community services

#### 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes



Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 and 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 Municipal Systems Act 2000	

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance broadly refers to the mechanism, processes and relations by which corporations are controlled and directed. Governance structures identified the distribution of rights and responsibilities among different participants in the corporation, and include the rules and procedures for making decisions in corporate affairs.

Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies and decisions of corporations and their agents. Corporate governance practices are affected by attempts to align the interests of stakeholders.

For good governance practices these committees need support in relation to the following:

- Integrated reporting and levels of independent assurance
- How the combined assurance framework addresses all significant risks; and
- The practicalities of how the risk committee works with the audit committee

In our endeavour to practice good governance, the municipality strives to implement the following principles in all its activities:

- Rights and equitable treatment of shareholders
- Interest of other stakeholders
- Role and responsibilities of the various committee's members
- Integrity and ethical behavior
- Disclosure and transparency

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

Risk management serves to identify issues that can prevent the municipality from achieving its strategic objectives. Mphashe Municipality has a functional Risk Management Committee, which is chaired by the external independent person. The committee meets quarterly and its main tasks is to coordinate the development of the risk register and monitor the execution of the mitigating actions. Over and above the following strategic risks, each department has its own risk register which is aligned to its SDBIP:-

1. Inadequate service delivery to our communities

2. Political leadership and governance
3. Inadequate financial viability
4. Poor revenue collection
5. Non-compliance with laws and regulations

## **2.7 ANTI-CORRUPTION AND FRAUD**

### **FRAUD AND ANTI-CORRUPTION STRATEGY**

The municipality does not have an Anti-fraud and Anti-corruption strategy. The municipality is in the process of developing the strategy which by the end of the next financial year the strategy will be available and adopted by the council.

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## **2.8 SUPPLY CHAIN MANAGEMENT**

### **OVERVIEW SUPPLY CHAIN MANAGEMENT**

The Supply Chain Management Policy was reviewed during the 2014/2015 financial year and submitted for approval by Council on 29 May 2015. The amendment to the SCM Policy were mainly to deal with the procurement thresholds, namely verbal and written quotations below R 30 000.

The Municipality acquired SAGE EVOLUTION ADVANCED PROCUREMENT SYSTEM for the day to day procurement of goods and services below R 30 000. The implementation is underway and the system is expected to be live in the 2015/16 financial year.

Between R30 000 and R200 000 a 7 day notice procurement process is followed, and the Register will all relevant information is kept at the SCM office. The use of SAGE EVOLUTION ADVANCED PROCUREMENT SYSTEM to do all calculations on the bids received will be implemented during the 2015/2016 financial year.

Open tenders with the value of R200 000 and above follow the 3 Bid Committee System; Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. The Committee members are appointed in writing by the Municipal Manager. The municipality has strengthen the function of the bid committee by appointing the full-time Municipal Manager, as well there is full complement of Senior Managers, this has resulted in all bid committees having senior personnel in order to achieve efficiency.

The PPPF Act thresholds, BBBEE Act and points allocation are applied where and how applicable. The 80/20 split applied to all contract values below R1 000 000 and 90/10 to all above R1 000 000.



### Contract Management

There was no formal contract management unit due to capacity constraints within the SCM section. An informal contract register is available, even though during the audit process it was found to have gaps that will be addressed in the 2015/16 financial year.

### Code of Ethics

All Supply Chain Management practitioners, as well as members of the three Bid Committees, are required to sign a Code of Ethics as approved by Council. The approved code is based upon the Code of Ethics of National Treasury. At all Bid Committee Meetings the members have to declare their interests as part of the standing rules and approved terms of reference of the Bid Committees. New Bid Committee members were appointed by the Municipal Manager as a result of resignations during the year.

### Training and Competency

In accordance with the requirements of Section 8 of the SCM Regulations, as well as Section 83 of the MFMA, all SCM Practitioners must have a minimum level of competency, and the training of staff to meet the requirements is on-going.

### General SCM Matters

A new organogram for 2015/16 financial year was approved in March 2015; this organogram included the position of the SCM Manager. The Municipality hopes capacity building within SCM section will lead to clean audit for procurement processes.

The Municipality does not have the long term contracts

## 2.9 BY-LAWS

There were no new By-Laws introduced in the year under review

## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	March 2015
All current budget-related policies	no	
The previous annual report (Year -1)	yes	March 2014
The annual report (Year 0) published/to be published	yes	February 2015
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	August 2014
All service delivery agreements (Year 0)	no	
All long-term borrowing contracts (Year 0)	n/a	
All supply chain management contracts above a prescribed value (give value) for Year 0	no	



An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	no	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	no	
Public-private partnership agreements referred to in section 120 made in Year 0	n/a	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	yes	November 2014, February 2015
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		
T 2.10.1		

#### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, annual report, the annual budget, adjustments budgets and budget related documents and policies. The municipality has not been able to place many documents on the website due to technology upgrades needs and the lack of warm bodies to be assigned this role.

### 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

#### PUBLIC SATISFACTION LEVELS

Formal public participation surveys were not done by the municipality to find the level of satisfaction by the communities during the year under review.

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

Mbhashe Local Municipality has some key service achievements that came to completion during the year 2014/15 namely, the provision of 39KM of Roads and Storm Water that are of a good quality, safe & trafficable as per applicable standards, total of 129KM Roads were maintained, a total number 1395 households were connected with non- grid through DOE, moreover INEP 212 households were connected grid connections. Municipality is supplying and delivering paraffin to all indigent no- electrified households throughout Mbhashe Municipal area.

The municipality also managed to facilitate construction of 2500 houses in Elliotdale rural and about 700 in Dutywa Township in the 2014/15 financial year.

Total of 2100 households receive refuse removal a service, this service has generally been provided to urban areas and surrounding townships of Dutywa, Willowvale and Elliotdale only. Rural areas are generally using a range of temporary mechanisms such as own dump within the yard, food for waste programme and illegal dump sites

## **COMPONENT A: BASIC SERVICES**

### **INTRODUCTION TO BASIC SERVICES**

Basic service is the most key focus function of the municipality. In Mbhashe LM basic services is provided by three internal departments, namely, Infrastructure Services, Community Services and Planning & Development. Focus areas for basic services are as follows: municipal roads storm water, infrastructure community services (community halls etc), electrification (community lights & households connection), solid waste, traffic, environmental management, libraries (agent for DSRAC), disaster management function, land use management, building regulations and human settlements. Water and Sanitation services are rendered by Amathole DM which is the Water Service Authority (WSA) and also Water Services Provider (WSP).

The provision and maintenance of road cuts across the functional areas of the Department of DRPW, ADM and Mbhashe LM. Mbhashe LM managed to construct 39 KM of new roads and maintained 129 KM of gravel roads.

In terms of electricity distribution, Eskom is the licensed distributor of electricity in the whole of Mbhashe Municipal Area.

In addition to other service delivery issues is the housing. The housing delivery process is very because the municipality does not have the developer status. All project implementation responsibilities are done by the Department of Human Settlement. The municipality's housing department is managed by one officer reporting to the senior manager. At present, the municipality is not adequately capacitated to manage the housing delivery process. However, the municipality did manage to facilitate construction of 2500 houses in Elliotdale rural and about 700 in Dutywa Township in the 2014/15 financial year.

### **3.1. WATER PROVISION**

The service is performed by the district municipality.

### **3.2 WASTE WATER (SANITATION) PROVISION**

The service is performed by the district municipality.



### 3.3 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

ESKOM is the licensed distributor of electricity in the whole area of Mbhashe LM. Mbhashe, therefore Municipality is not a licensed distributor of electricity; Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification is being received by Mbhashe LM. As at 2014/2015 financial year, there were about 1354 households remaining at Shixini and 2060 households remaining in Ntsimbakazi. . Mbhashe Local Municipality became one of the municipalities in the Eastern Cape to provide the communities with the Solar System (non-grid electrification). According to the Stats SA Census 2011, electricity is used by about 50% households for lighting, which says in other way that the electricity backlog is about 50% (30 262) households. Wood is used predominantly for cooking and heating purposes at 40% and 50% households respectively, causing a high pressure to environmental balance. For cooking next favourite is electricity 37% followed by paraffin at 15%. Paraffin and Candle are competing at 14% each for lighting next to electricity. Paraffin and electricity are the second and third sources of heating at 23% and 15% respectively. The overall situation of use of energy by households is presented in table and figure at the right and hereunder.

Electricity Services Delivery Levels				
Description	Year-3	Year-2	Year-1	Year-0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>				
Electricity (at least min.service level)	39051.00	39601.00	40101.00	40101.00
Electricity - prepaid (min.service level)	39051.00	39601.00	40101.00	40101.00
Minimum Service Level and Above sub-total	78102.00	79202.00	80202.00	80202.00
Minimum Service Level and Above Percentage	100%	100%	100%	100%
<b>Energy: (below minimum level)</b>				
Electricity (< min.service level)	210273.00	20523.00	20023.00	20023.00
Electricity - prepaid (< min. service level)	0.00	0.00	0.00	0.00
Other energy sources	30262.00	30262.00	30262.00	30262.00
Below Minimum Service Level sub-total	240535.00	50785.00	50285.00	50285.00
Below Minimum Service Level Percentage	60124.00	60124.00	60124.00	60124.00
<b>Total number of households</b>	<b>4100%</b>	<b>83%</b>	<b>83%</b>	<b>83%</b>



Electricity Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2012/13		2013/14		2014/15	2015/16
		Target	Actual		Actual	Target	
Service Indicators		*Previous Year		*Current Year		*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(ix)
Ensure that 3619 households of Shixini electrification area have access to basic electricity by 2014							
Provide basic electricity to identified Shixini households	No. of households connected			547		354	1000
Maintain the existing street lights in the three units by 2017							
Maintain the existing street lights in the three units	No. of streets with adequate street lights			40		50	55
Ensure the high mast lighting							
Installation of high mast lights	No of high mast lights installed			4		3	3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12	4	3	1	2	67%
13 - 15					
16 - 18					
19 - 20					
Total	4	3	1	2	67%

Financial Performance Year 0: Street Lights					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-				
Expenditure:					
Employees	114 961.03	527 956.00	527 956.00	138 578.09	74%
Repairs and Maintenance	861 460.78	450 000.00	950 000.00	1 660 607.50	-75%

Other	182 900.00	1 158 066.00	1 158 066.00	463 070.75	60%
Total Operational Expenditure	1 159 321.81	2 136 022.00	2 636 022.00	2 262 256.34	14%
Net Operational Expenditure	-1 159 321.81	-2 136 022.00	-2 636 022.00	-2 262 256.34	14%
CAPITAL		1 800 000.00	2 400 000.00	72 508.64	

#### COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The allocation for 2014/2015, 2015/2016 & 2016/2017 financial years is R3m, R20m & R25m respectively. Initial allocation for 2014/2015 for the Mphashe Municipality was R2m inclusive of VAT, which amounts to approximately 110 new connections which will go to Camshe Village which is under Shixini Electrification Project, during budget adjustment an INEP allocation has been adjusted to R3m and three villages (Mafusini, Hlakoti and Lower Mhangcolo) were then added under Ntsimbakazi Electrification Project. There are huge electrification backlogs of about 20023 households without electricity as per the updated list per village per ward as of July 2014 (Ntsimbakazi and Shixini included).

The most electrification backlog in our municipality is in Elliotdale and Eskom electrification plan indicates that some villages in Elliotdale will not be electrified in the next three years.

Due to electricity infrastructure capacity problems in the municipality especial in Elliotdale, the non-grid electrification has been introduced by DOE to address the need, as it will take some time to build or construct the required infrastructure to electrify the outstanding villages.



### **3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)**

#### **INTRODUCTION TO WASTE MANAGEMENT**

According to census 2011 report, Mbhashe is providing the waste management services to only not more than 5% of its households. It also worth noting that the National Waste Management Strategy enjoins all the Municipalities to have achieved waste management coverage by 2016 as follows:-

- (I). 95% of urban households
- (II). 75% of rural household
- (III). 80% of waste disposal sites have permits
- (IV). 80% of Municipalities running local waste awareness campaigns
- (V). 80% of schools implementing waste awareness programmes

Some of the achievements registered in the year under review are as follows:-

- Budgeting and acquisition of new waste management fleet in the form of three (3) trucks and two (2) bakkies
- Reviewal of the organisational structure to address the waste management challenges
- The appointment of the service provider (Aurecon) to provide guidance on the rehabilitation and the proper management of the landfill sites.
- Acquisition of the weigh pad to measure the quantities of waste generated and disposed at the disposal sites.
- Additional budget for the appointment of additional personnel to sweep the streets
- Appointment of the ten (10) EPWP beneficiaries to assist Cholakonke recycling Cooperative in sorting recyclable materials at source.

During the year under review, Mbhashe has set herself the following top priorities with regard to waste management services (and progress on each priority is indicated hereunder):-

- Proper management and rehabilitation of the landfill sites – appointment of Aurecon (service provider) to assist on this front. The preliminary estimates of the costs and basic work that needs to be done has been finalised.
- Improved street cleaning that would result in cleaner spaces – additional personnel has been appointed through the EPWP programme, as well as an attempt to develop systems in street cleaning and waste management in general.
- Reduce the waste disposed at the landfill sites by encouraging the separation of recyclables at source – the appointment of the ten (10) personnel through the EPWP programme to assist Cholakonke to separate recyclables at source.



Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Solid Waste Removal (Minimum level)</b>				
Removed at least once per week	2199	2199	2199	2199
Minimum service level & above subtotal	2199	2199	2199	2199
Minimum service level & above percentage	4	4	4	4
<b>Solid waste removal (below minimum level)</b>				
Removed less frequently than one week	33083	33083	33083	33083
Using communal refuse dump site	1160	1160	1160	1160
Other rubbish disposal	2854	2854	2854	2854
No rubbish disposal	20828	20828	20828	20828
Below minimum service level subtotal	57925	57925	57925	57925
Below minimum service level percentage	96	96	96	96
<b>Total number of households</b>	<b>60124</b>	<b>60124</b>	<b>60124</b>	<b>60124</b>

Description	Year -3	Year -2	Year -1	Year 0
	Actual no.	Actual no	Actual no	Actual no
Total households	2199	2199	2199	2199
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0	0	0	0
Total households	57925	57925	57925	57925
Households below minimum service level	57925	57925	57925	57925
Proportion of households below minimum service level	100	100	100	100

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	53	53	53	0	0%
4 – 6					#DIV/0!
7 – 9		25	5	20	80%
10 - 12	0	2	2	0	0%
13 - 15	1	1	0	1	100%
16 - 18					#DIV/0!
19 - 20	1	0	1	0	#DIV/0!
Total	55	81	61	21	26%

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					#DIV/0!
4 – 6	8	8	8	0	0%
7 – 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	8	8	8	0	0%

Waste Management Service Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	2013/14		2014/15				2015/16
Service Indicators		Target	Actual	Target		Actual	Target	
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Promote waste minimization, re-use, recycling and recover by 2016								
Provide waste storage facilities	No of waste storage facilities provided	100	75	150	100	75	100	-
Encourage recycling initiatives	No of recycling initiatives supported	0	0	3	3	1	3	-
Ensure efficient delivery of waste services throughout the municipal area								
Expand the coverage of the service to include rural areas and townships	No of villages covered	0	0	10	4	0	104	-
Proper management of the landfill sites	No of landfill sites managed according to permit conditions	3	0	3	3	0	3	-
Ensure that the community is aware of the impact of waste on health, environment and well-being								
Engage in community awareness programmes	No of awareness programmes conducted	4	6	4	24	24	30	-
Ensure integration of waste management planning								
Review the Integrated Waste Management Plan (IWMP)	No of IWMP reviewed	1	0	1	1	1	1	-



Financial Performance Year 0: Solid Waste Management Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	771 559.04	770 572.67	3 170 573.00	920 524.33	71%
Expenditure:					
Employees	4 995 063.58	10 663 051.00	9 422 120.00	5 184 992.08	45%
Repairs and Maintenance	483 600.07	791 332.00	711 332.00	286 774.00	60%
Other	1 598 746.01	3 046 013.00	3 066 013.00	2 030 062.61	34%
Total Operational Expenditure	7 077 409.66	14 500 396.00	13 199 465.00	7 501 828.69	43%
Net Operational Expenditure	-6 305 850.62	-13 729 823.33	-10 028 892.00	-6 581 304.36	34%

Financial Performance Year 0: Solid Waste Management Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	771 559.04	770 572.67	3 170 573.00	920 524.33	71%
Expenditure:					
Employees	4 995 063.58	10 663 051.00	9 422 120.00	5 184 992.08	45%
Repairs and Maintenance	483 600.07	791 332.00	711 332.00	286 774.00	60%
Other	1 598 746.01	3 046 013.00	3 066 013.00	2 030 062.61	34%
Total Operational Expenditure	7 077 409.66	14 500 396.00	13 199 465.00	7 501 828.69	43%
Net Operational Expenditure	-6 305 850.62	-13 729 823.33	-10 028 892.00	-6 581 304.36	34%

Financial Performance Year 0: Solid Waste Management Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	771,559.04	770,572.67	3,170,573.00	920,524.33	71%
Expenditure:					
Employees	4,995,063.58	10,663,051.00	9,422,120.00	5,184,992.08	45%
Repairs and Maintenance	483,600.07	791,332.00	711,332.00	286,774.00	60%
Other	1,598,746.01	3,046,013.00	3,066,013.00	2,030,062.61	34%
<b>Total Operational Expenditure</b>	7,077,409.66	14,500,396.00	13,199,465.00	7,501,828.69	43%
<b>Net Operational Expenditure</b>	6,305,850.62	13,729,823.33	10,028,892.00	6,581,304.36	34%

Capital Expenditure Year 0: Waste Management Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,800,000	4,210,000	8,850	100%	4,210,000
Computers & Printers	-	10,000	8,850	12%	10,000
Vehicles	300,000	300,000	-	100%	300,000
Plant & Equipment: TLB & Weigh Bridge	-	800,000	-	100%	800,000
Refuse Truck	1,500,000	3,100,000	-	100%	3,100,000



#### COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

With the procurement of the three (03) waste trucks, appointment of the waste personnel and the extension of the waste services to rural areas, the future looks bright and promising. The year under review has been very slack in as far as waste management services are concerned. The landfill sites were not managed according permit conditions, the waste management services were only limited to the urban and peri-urban areas, thereby covering not more than 5% of the households, the section was operating with limited personnel.

### 3.5 HOUSING

#### INTRODUCTION TO HOUSING

##### HOUSING SUMMARY

The largest percentage of households (96.5%) in Mbhashe LM presently resides in rural areas. A fairly large percentage of the housing demand is therefore vested in the so-called rural areas. These areas are typically characterised by tenure issues viz. private ownership versus communal ownership. It is therefore critical to gain an understanding of the nature of the housing need in these areas including tenure, infrastructure and services provision and dwelling types. If the housing programme is to reach a large proportion of the population in the municipality, and probably those households with the lowest incomes, it is important that there is specific rural analysis and rural housing strategy.

The Mbhashe municipality does not have a Housing waiting list at present. However; the creation of housing register or database is in progress. The database is an important management tool for managing housing development and the eradication of backlogs.

The Mbhashe Municipality was previously granted developer status by the Department, but all project implementation responsibilities were later taken over by the Department. The municipality does not have a housing department and the housing development process is currently managed by an officer dealing with Housing. At present, the municipality is not adequately capacitated to manage the housing delivery process. The municipality therefore continues to rely on the Province to carry out a significant part of the responsibilities related to housing development.

##### Challenges

- There is a clearly cross-sectoral alignment issue that needs to be addressed.
- The present planning is badly inhibited by the lack of properly developed and maintained database on the demand and the projects that are planned and or implemented to tackle this. Often the information is sparse, or it is held in different formats in different locations both within the municipality and outside of it. A more integrated system is required.

##### CHALLENGES

- Funding for infrastructure

- Topographical challenges in Elliotdale scare developers away and with Willowvale extension 5 are the funding and also the topography is a challenge.
- Challenges in Elliotdale extension 2 include the location of Elliotdale project and as such that the material is expensive to import due to high transportation cost and services are incomplete and in poor state.
- In Willowvale, bush-clearing and big trees removal is required

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year - 3	16 838	16 838	28%
Year - 2	16 838	16 838	28%
Year - 1	59 705	16 838	28%
Year 0	59 705	20 091	34%
T 3.5.2			

Housing Service Policy Objectives taken from IDP						
Service Objectives / Service Indicators	Service targets	2013/14		2014/15		2015/16
		Target	Actual	Target	Actual	Target
To facilitate provision of adequate housing to indigent families by 2025 (urban)						
Facilitate housing provision	No. of houses built	53	53	700	700	92
To facilitate provision of adequate housing to indigent families by 2025 (rural)						
Facilitate housing provision	No. of houses built	800	800	3000	2500	2000
To reduce the number of people living in squatter settlements						
Building formal houses for people living in squatters	No. of shacks removed	800	800	200	0	200
To facilitate provision of adequate housing to indigent households by 2025						
Review HSP	An approved reviewed HSP	-	-	1	1	-



EMPLOYEES: HOUSING SERVICES					
Job level	2013/14	2014/15			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3					
4 – 6					
7 – 9					
10 – 12	1	1	1	-	
13 – 15	1	1	1	-	
16 – 18					

Financial Performance Year 0: Housing Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>		-	1,853,486.00		0%
Expenditure:					
Employees	1,508,726.05	1,562,302.00	1,562,302.00	1,288,419.02	18%
Repairs and Maintenance	731,490.36	1,500,000.00	1,500,000.00	951,897.61	37%
Other	1,821,819.69	4,489,548.00	6,293,034.00	3,154,206.66	50%
<b>Total Operational Expenditure</b>	4,062,036.10	7,551,850.00	9,355,336.00	5,394,523.29	42%
<b>Net Operational Expenditure</b>	-	-	-	-	28%

Capital Expenditure Year 0: Housing Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	20,000.00	20,000.00	17,229.90	14%	20,000.00
Computers & Printers	20,000.00	20,000.00	17,229.90	14%	20,000.00

#### COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICES OVERALL

Whilst Housing is not the municipality's function; the municipality facilitates and plans for housing development. In the 2014/15 financial year; the municipality has managed to facilitate construction of 753 houses at Dutywa Extension and 2500 houses in Elliotdale Rural. However the main challenges remain the land claims, land invasion, poorly built houses in the Elliotdale and Willowvale.

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Mbhashe Municipality's intervention to adopt and implement the Free Basic Alternative Program goes a long way to ensuring that a better life for all is a foreseeable reality and specifically to improve its capacity towards service delivery to its citizens.

The Free Basic Alternative Electricity objective is to provide indigent households in non-electrified areas by providing them with free basic alternative energy to help them meet some of their basic needs such as cooking. The intervention is aimed at alleviating some of the difficulties associated with access to energy in these Households whilst the Municipality works hand in hand with Eskom and Department of Energy towards ensuring that all communities have access to electricity.

The intervention has assisted the Municipality to address a whole suite of socio-economic issues that arise from inadequate provision of energy to households and has assisted with job creation and also providing free basic services to the community of Mbhashe Municipality.



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
Year -2		2 864					2 864	100%		
Year -1		2 864					2 864	100%		
Year 0		2 864					2 864	100%		

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1		Year 0		
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water					
Waste Water (Sanitation)					
Electricity	8,728,626.42	8,673,735.00	8,673,735.00	1,925,547.47	78%
Waste Management (Solid Waste)					
Total	8,728,626.42	8,673,735.00	8,673,735.00	1,925,547.47	78%

Free Basic Service Policy Objectives Taken From IDP									
Service Objective  <									

supported									
To ensure that all indigent households are identified and supported	Alignment of indigent register with billing system	N/A	N/A	Aligned indigent register with the billing	Aligned indigent register with the billing	Updated indigent register with 27 724	Aligned indigent register	Aligned indigent register	Aligned indigent register
	Supply & delivery of free basic energy and services	27 724 beneficiaries	None	None	27 724 beneficiaries	27 724 benefited	27 724 beneficiaries	27 724 beneficiaries	27 724 beneficiaries

#### COMMENT ON FBS AND INDIGENT SUPPORT

The Municipality through this intervention has assisted over 1,500 rural households in total during the 2014-15 financial year which was lower than the targeted number due to challenges that the service providers were appointed in the last quarter

#### COMPONENT B: ROAD TRANSPORT

##### INTRODUCTION TO ROAD TRANSPORT

The Municipality develop Infrastructure Master Plan and the Road Maintenance plan for efficient future infrastructure planning. The Municipality committed budget to purchase road machinery to maintain and construct municipal roads according to the roads classification. This is done to ensure that the infrastructure assets are kept in good condition.

### 3.7 ROADS

##### INTRODUCTION TO ROADS

Though many villages are covered by access roads to an acceptable level, the municipality recorded in its IDP that due to maintenance challenges the condition of built roads is not satisfactory. The municipality has purchased plant to implement some of capital project internally as way of eradicating roads backlog and road maintenance

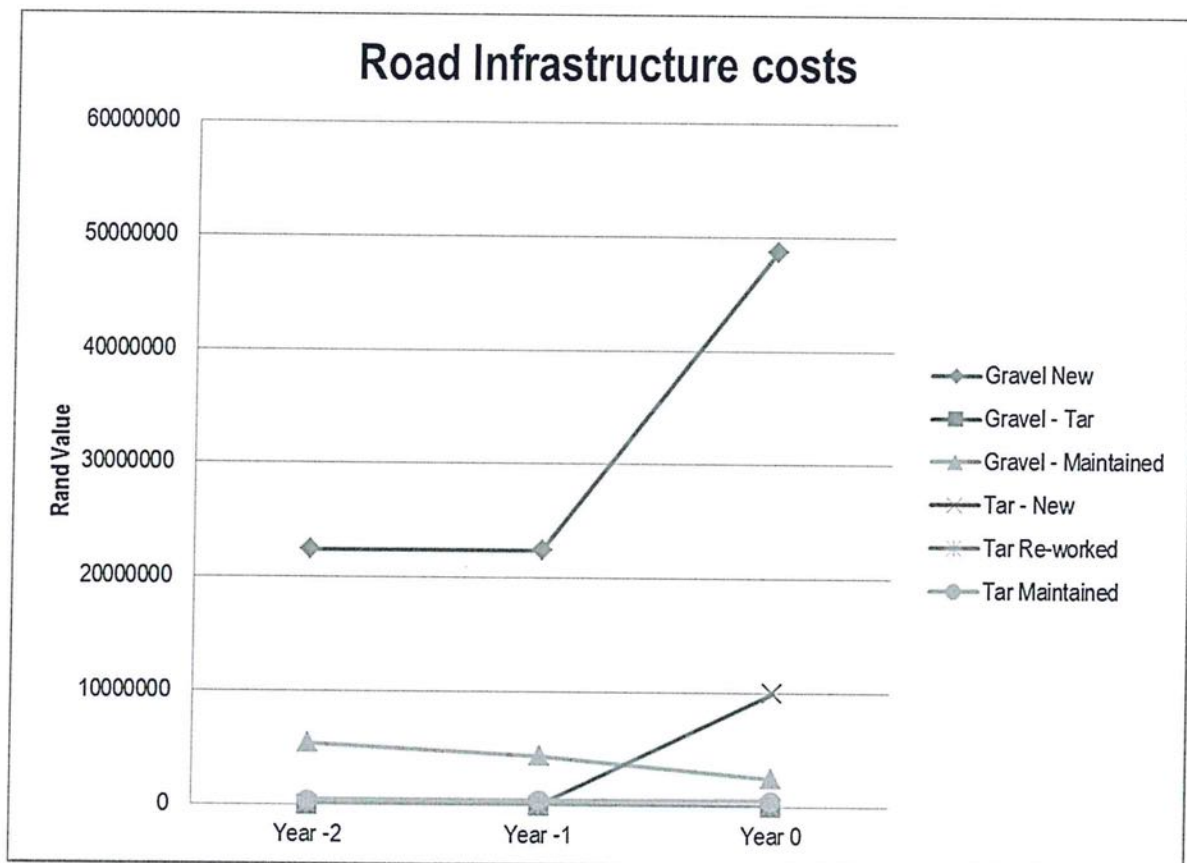
50% of villages were recorded to have roads in a very bad condition. It was found that 50% villages have never got access to roads. 2014/2015 financial year municipality constructed 13 access roads. Except N2 passing through the municipality, all other national and provincial roads are also of poor to bad conditioned due to lack of maintenance. Due to late procurement processes, all infrastructure projects for 2013/2014 financial year were to be completed in FY2014/15.



Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	1879.97	15	10	100
Year -1	1,880	20	12	120
Year 0	1,880	39	14	72
				T 3.7.2

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year - 2	91.6	10	23	18	100
Year - 1	92	14	25	15	120
Year 0	92	5	30	25	140
					T 3.7.3

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	22428439.74	0	5461064.21	0	0	400000
Year -1	22441827.54	0	4371328.92	0	0	500000
Year 0	48761492.86	0	2509068.01	9975402	0	550000
						T 3.7.4



Employees: Road and Storm Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	2	2	50%
4 - 6	3	18	3	15	83%
7 - 9	1	1	1	0	0%
10 - 12	2	19	6	13	68%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
Total	12	44	14	30	68%



Financial Performance Year 0: Road and Storm Water Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	19 000 000.00	1 153 000.00	1 153 000.00	1 173 126.00	-2%
Expenditure:					
Employees	3 852 118.17	5 720 510.00	5 720 510.00	3 397 365.54	41%
Repairs and Maintenance	8 679 776.98	13 927 126.00	18 827 126.00	16 802 916.28	11%
Other	3 507 280.17	34 446 116.00	38 396 116.00	8 407 493.45	78%
<b>Total Operational Expenditure</b>	16 039 175.32	54 093 752.00	62 943 752.00	28 607 775.27	55%
<b>Net Operational Expenditure</b>	2 960 824.68	-52 940 752.00	-61 790 752.00	-27 434 649.27	56%

Capital Expenditure Year 0: Road Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	40961880	0	27340577	-50%	
Tshwathi Access Road	3385280	0	2717135	-25%	280
Tswelilitye Access Road	3385280	0	3457844	2%	150
Cungcwini to Upper Falakahla Access Road	3396423	0	2487502	-37%	320
Nokatana Access Road	2954641	0	1515752	-95%	90
Makhamiso to Mbelu	3145531	0	405150	-676%	280
Surfacing Elliotdale	3378333	0	2395658	-41%	150
Madwaleni Access Road	3371068	0	2725429	-24%	320
Sheshegu Access Road	3074374	0	1519456	-102%	90
Gwadana Access Road	3499559	0	1587293	-120%	280
Maxhama to Sinqumeni	3490706	0	1698775	-105%	150
Colosa Access Road	3385281	0	250839	-1250%	320
Surfacing Willowvale	1268459	0	0	#DIV/0!	90
Surfacing Dutywa	3226945	0	6579744	51%	280
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.7.9

#### COMMENTS ON PERFORMANCE OF ROADS OVERALL

The provision and maintenance of roads cuts across the functional areas of the Department of Roads and Public Works, the Amathole District Municipality and the Mbhashe Local Municipality. The total length of road network in the entire municipal area is 1862.4 km. The total length of unpaved roads is 1838.06 km and 30.2km of paved roads, 40.5 km is national route of which annually about 960 km of gravel road and 50km surfaced road need routine maintenance.

### 3.8. TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION

#### INTRODUCTION TO TRANSPORT

Mbhashe Local Municipal is currently providing the Learners Licence service only, as the Drivers Licence Testing Centre (DLTC) and Registering Authority (RA) are still going through an upgrade. Significant progress has been registered on the improvements on both DLTC and RA, in that the RA has been completed and certified correct by the Provincial Department of Transport (DoT). The only challenge is the delays in the procurement of the equipment for the RA by DoT. The DLTC shall be completed in the first quarter of the new financial year, being 2015/16.

MLM does not provide the bus service.

### 3.9. WASTE WATER (STORM WATER DRAINAGE

#### INTRODUCTION TO STORM WATER DRAINAGE

The total length of road network in the entire municipal area is 1862.4 km. The total length of unpaved roads is 1838.06 km and 30.2km of paved roads, 40.5 km is national route of which annually about 960 km of gravel road and 50km surfaced road need routine maintenance. Though many villages are covered by access roads to an acceptable level, the municipality recorded in its IDP that due to maintenance challenges the condition of built roads is not satisfactory. The municipality has purchased plant to implement some of capital project internally as way of eradicating roads backlog and road maintenance 50% of villages were recorded to have roads in a very bad condition. It was found that 50% villages have never got access to roads. 2014/2015 financial year municipality constructed 13 access roads. Except N2 passing through the municipality, all other national and provincial roads are also of poor to bad conditioned due to lack of maintenance. Due to late procurement processes, all infrastructure projects for 2013/2014 financial year were to be completed in FY2014/15.

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year - 2	145	15	10	100
Year -	160	20	12	120



1				
Year 0	166	25	14	140
	T 3.9.2			

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2	0	0		150,000
Year -1	0	0		150,000
Year 0	200,000	0		100,000

Road Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2012/13		2013/14		2014/15	2015/16
		Target	Actual		Actual	Target	
Service Indicators		*Previous Year		*Current Year		*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(ix)
To provide quality and trafficable road network throughout Mbashe by 2017.							
Construct 247.00 km of new gravel roads in	No. of kms of roads constructed			60km	0	0.0 km	
Construct 6.4 km of surfaced roads in 3 units of Mbashe	No. of kms of roads constructed			4.6	1.8	0	
Develop comprehensive roads master plan	Master plan submitted to Council			1	1	1	
Maintenance of 545km of existing gravel road network	No. of kms of gravel road maintained			120 km	130 km	140km	
Maintenance of surfaced roads 8km	No of 8.00kms of surfaced roads maintained			1	1	1	
Maintenance of storm water system 8.0km	No. of km maintained			2	3	2	
Paving of walk ways(ADM)	No. of km Paved			1	1	2.5	
Procure own 3 plants and Equipment for each unit (grader, roller, water cart, tipper truck, )	No of equipment purchased.			1x Excavator, 1x loadbed, 1x 4 tonne truck	2x Tipper Truck, 1x TLB, 1 X Padfoot Roller	1x Grader, 2x Tipper Trucks, 1x Grid Roller	

Capital Expenditure Year 0: Stormwater Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1600000	0	176700	-805%	
Qingqala Bridge	1600000	0	176700	-805%	280

#### COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

Mbhashe Local Municipality has some key service achievements that came to completion during the year 2014/15 namely, the provision of 39KM of Roads and Storm Water that are of a good quality, safe & trafficable as per applicable standards, total of 129KM Roads were maintained,

#### COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The implementation of roads infrastructure projects was affected by the delayed release of funding by MIG. This led to most of the projects having poor expenditure, resulting in a rollover of projects funds to FY2014/15. The strategic objectives set above were meant to respond to the identified need for better roads.

### COMPONENT C: PLANNING AND DEVELOPMENT

#### INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality's planning section deals with issues of land use management i.e. rezoning, subdivisions and consolidations. It also deals with spatial planning and land administration.

Challenges with regard planning include the following:-

- Non-conforming land uses
- Land Invasions and land claims



- Continuous mushrooming of informal settlements

However; the town planning unit has embarked on a process of finalizing the land use regulation document by means of a proper land use zones. This project will help minimizing the illegal use zones as per individual erven.

The municipality is currently busy with the surveying of all land that has not been surveyed and has managed to do the survey on 9 erven in the 2014/15 financial year. The objective is to allocate the erf number to all municipal owned land and to regulate illegal demarcation of municipal commonage. The main challenge would be the relocation of the shack owners to the newly surveyed areas.

The Spatial Development Framework was also reviewed in the 2014/15 financial year.

One of the challenges earmarked is that there was no land use management system to control development in all parts of the municipality.

To remedy the situation; the municipality identified the following objectives:-

- Develop and implement a land use management system - to control development in priority areas – in line with detailed spatial plans.
- Identify legal basis and mechanisms for developing a land use management system applicable to all parts of the municipality.
- Incorporate Environmental Design principles and criteria as guidelines for Spatial Planning & Land Use Management
- Co-opt relevant role-players and facilitate agreement in support of the land use management system.

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

The spatial register needs to contain, amongst others, the description, location, extent and ownership details of each and every property within the municipality. The need for a spatial register can be met by the conducting of a land audit for the municipality and the creation of cadastral datasets in a Geographic Information System (GIS) format.

Cadastral information comprises both spatial and non-spatial components. The spatial information component contains the positions of property boundaries and the non-spatial attribute information

holds all other information relating to the property including the legal property description. A GIS is the best data repository to hold cadastral information as it allows for the storage of both the spatial and non-spatial attribute components of cadastral.

The objective of the land audit was then to correct and update the Surveyor General Office (SGO) approved cadastral dataset and to link the cadastral information to the Deeds Office ownership dataset to create a spatial property register of all properties within the local municipality

The number of properties per category is listed below:

CATEGORY	NUMBER
----------	--------

SG Approved	4 954
-------------	-------

Quitrent	7 604
----------	-------

Registered	3 327
------------	-------

Unregistered	1 742
--------------	-------

Developed Policies and By-laws related to land use included the Invasion policy and land disposal policy. However, the municipality is currently developing the Migration policy of people from informal settlements.

Also dealt with is the issue of land claims. The Mputhi and Mangati Communities lodged a land claim through the Land Claims Commission for the part of the Dutywa commonage described as Erf 1 – Dutywa which now belongs to the Mphashe Municipality. However there's a special committee dedicated in tackling and resolving the issue.

The biggest challenge is the land invasions in the Willowvale commonage. People illegally demarcated sites from the municipal commonage for themselves. The municipality went to court and obtained a court order to remove the illegal occupiers.

### 3.10 PLANNING

#### INTRODUCTION TO PLANNING

During the year under review, the municipality also undertook to prepare for the implementation of Spatial Planning and Land Use Management Act (SPLUMA). SPLUMA by-laws were adopted by council and the municipality is ready for its implementation.



The objectives of SPLUMA are:-

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

Another important issue being tackled by the Planning section is the General Property valuation for the year 2012 to 2017 which was completed and approved by council in 2014. This was followed by the Supplementary Valuations of which the SV 1 is already complete.

Applications for Land Use Development										
Detail	Formalisation of Townships		Rezoning		Subdivision		Survey		Built Environment (Building Plans)	
	Year - 2013/14	Year – 2014/15	Year – 2013/14	Year – 2014/15	Year – 2013/14	Year – 2014/15	Year – 2013/14	Year – 2014/15	Year – 2013/14	Year – 2014/15
Planning application received	2	2	5	10 (9 zoned to business sites)	6	8	250	300 erve n in zone 14	20	45
Determinatio n made in year of receipt		Layout plans approve d by Council		Approved by Council		Approv ed by Counci l		-		26
Determinatio n made in following year		N/a		N/a		N/a		-		N/a
Applications withdrawn		0		0		0		-		13
Applications outstanding at year end		0		0		0		-		06

Planning Policy Objectives taken from IDP						
Service Objectives / Service Indicators	Service targets	2013/14		2014/15		2015/16
		Target	Actual	Target	Actual	Target
Ensure municipal land is well planned and surveyed						
Establishment of townships	No. of townships established	1	1	2	2	2
Rezoning of land/erven	No. of rezoned erven	5	5	9	9	20
Surveying of sites	No. of sites surveyed	241	241	15	300	20
To facilitate review of the Spatial Development Framework (SDF)						
Review SDF	An approved reviewed HSP	-	-	1	1	-

EMPLOYEES: PLANNING SERVICES					
Job level	2013/14	2014/15			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3					
4 – 6					
7 – 9					
10 – 12	1	1	1	-	
13 – 15	1	1	1	-	
16 – 18					

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	540,306.00	2,415,831.00	1,092,153.52	55%
Expenditure:					
Employees	-	382,480.00	382,480.00	185,325.65	52%
Repairs and Maintenance	-	-	-	-	0%
Other	226,082.31	1,932,676.00	2,998,312.00	1,591,075.36	47%
Total Operational Expenditure	226,082.31	2,315,156.00	3,380,792.00	1,776,401.01	47%
Net Operational Expenditure	-	-	-	-	
	226,082.31	-1,774,850.00	964,961.00	684,247.49	29%



#### COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The municipality has improved its systems in the financial year under review with the adoption of important policies such as policy on land invasion. The municipality also filled the post of the Town Planner which was left vacant for six years. However, there are still challenges which must be tackled in the next financial year. The challenges include the time taken to approve land use matters, the non-conforming land uses and time taken to approve building plans.

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACE)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

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

The Mbhashe LED Strategy is focused more on creating an enabling environment by developing programmes and making available resources to support projects that will in turn be identified by local businesses, entrepreneurs and residents at large. Mbhashe Local Municipality is in some competitive position.

Chapter 3 of the Mbhashe LM's Integrated Development Plan refers to three (3) areas of investment. These are based on the current economic situation Mbhashe LM finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the Municipality.

While issues such as the development and upgrading of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does takes place, these matters are considered to be supportive elements that will not, of their own, result in the development of the economic base and have, therefore, not been included in the three main areas.

The key Strategic Thrusts as per the Mbhashe LM IDP, which form the basis of this strategy, are:-

- Thrust 1: Agriculture.
- Thrust 2: Enterprise Development.
- Thrust 3: Tourism Development

The municipality has implemented many programmes to advance economic development especially in the Agriculture and Tourism sectors..

Economic Activity by Sector				R '000
Sector	Year -2	Year -1	Year 0	
Agric, forestry and fishing			3.7%	
Mining and quarrying			0.3%	
Manufacturing			4.3%	
Wholesale and retail trade			15.4%	
Finance, property, etc.			13.9%	
Govt, community and social services			51.6%	
Infrastructure services			3.3%	
Total				

Economic Employment by Sector				Jobs
Sector	Year 1	Year -1	Year 0	
Agric, forestry and fishing	31%	31%	31%	
Mining and quarrying	%	2%	2%	
Manufacturing	13%	13%	13%	
Wholesale and retail trade	47%	47%	47%	
Finance, property, etc.	6%	6%	6%	
Govt, community and social services	11%	11%	11%	
Infrastructure services	12%	12%	12%	
Total	122	122	122	

#### COMMENT ON LOCAL JOB OPPORTUNITIES

The municipality has had a variety of programmes leading to job creation. These included the Community Works Programmes and Expanded Public Works Programme. Apart from the two above, the municipality's strategic objective is to create self-employment through its LED programmes and business retention and attraction strategies. As a result of the two aforesaid programmes, the municipality has managed to create more than 40 permanent job opportunities.

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2				
Year -1				
Year 0	46	0	46	Reports from the enterprises
Initiative A (Year 0)	21	0	46	
Initiative B (Year 0)	25	0	46	
Initiative C (Year 0)				



JOB CREATION THROUGH EPWP PROJECTS		
Details	EPWP Projects	Number of jobs created through EPWP projects
2014/15	Land Rehabilitation programme	60
	Pound Assistants	12
	Street Cleaning	95
	Administrative Assistants	06
	CWP	1100
	EPWP Coordination	04
	<b>TOTAL</b>	<b>1385</b>

EMPLOYEES: Local Economic Development Services					
Job level	2013/14	2014/15			
	No. of employees	No. of posts	No. of employees	Vacancies	Vacancies (as a % of total posts)
0 – 3					
4 – 6					
7 – 9					
10 – 12	3	3	3	-	-
13 – 15	0	1	0	1	100%
16 – 18					
19 – 20	1	1	1	-	-
Total	3	5	4	1	

Local Economic Policy objectives taken from IDP							
Service objectives	KPI	2013/14		2014/15		2015/16	2016/17
		Target	Actual	Target	Actual	Target	Target
Promote conducive economic environment in Mbhashe municipality by 2017							
Review of a LED Strategy	Reviewed LED strategy submitted to the council	N/A	N/A	Approved LED strategy	Reviewed and ready for council approval	N/A	N/A
Functional LED forum coordinated	No. of LED forums convened	4	4	4	4	4	4
Ensure functionality of LED partnership	No. of partnership established	4	0	N/A	N/A		
To market Mbhashe as a tourist destination area thereby developing economic base in Mbhashe LM by 2017							
Tourism market shows organised	No. of marketing shows organised	4	4	4	4	4	4
Ensure community access to market through their skills and capacity development	No. of craft projects assisted	16	16	20	20	20	20
Experiential	No. of projects visited	1	1	N/A	N/A	N/A	N/A
Ensure existing tourism projects/fisherman's cabins are operational	Projects/fisherman cabins	1	0	N/A	N/A	N/A	N/A



Ensure that the local community of Mbashe are involved in and benefits for tourism by means of accommodation	Number of community homestays trained	3	3	3	3	4	4
	Number of community trusts trained	2	2	2	2	2	2
<b>To ensure job creation through development</b>							
Facilitate development of SMMEs, cooperatives and informal traders	Number of SMMEs trained	9	9	25	30	30	40
	Number of co-operatives trained	20	20	40	45	40	40
	Number of Hawkers trained	N/A	N/A	40	40		
Supply equipment and materials to co-ops	No. of co-operatives supplied with equipment and material	3	3	5	6	6	6
To supply equipment and material	No. of hawkers assisted	150	150	N/A	N/A		
<b>To ensure improvement in agriculture</b>							
Informing farmers about latest methods for improvement of their production	No. of information days	16	18	16	17	16	16
Provide and construct new dipping tanks and renovate the old ones for small stock	No. of dipping tanks constructed and renovated	6	6	4	4	4	6
Ensure support for vegetable produce	No. of projects /wards supported	31	31	31	31	31	32
Facilitate and provide fencing material	No. of sites fenced	13	13	13	15	12	12

Financial Performance Year 0: Local Economic Development Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	112,000.00	112,000.00	2,569,879.00	-	100%	
Expenditure:						
Employees	3,255,594.09	2,966,141.00	2,966,141.00	3,648,927.77	-23%	
Repairs and Maintenance	34,027.00	-	-	-	0%	

Other	4,852,251.63	6,625,439.00	9,133,318.00	8,092,825.58	11%
<b>Total Operational Expenditure</b>	<b>8,141,872.72</b>	<b>9,591,580.00</b>	<b>12,099,459.00</b>	<b>11,741,753.35</b>	<b>3%</b>
<b>Net Operational Expenditure</b>	<b>8,029,872.72</b>	<b>9,479,580.00</b>	<b>9,529,580.00</b>	<b>11,741,753.35</b>	<b>-23%</b>

Capital Expenditure Year 0: LED					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	40,000	40,000	4,912	88%	40,000
Computers and Printers	40,000	40,000	4,912	88%	40,000

#### COMMENTS ON ECONOMIC DEVELOPMENT

Economic development is measured as the best performing functional area as it experienced over performance in most of its functions. In this regard, many farmers were assisted through information sharing sessions, cooperatives and SMMEs were assisted as planned.

#### COMPONENT D: COMMUNITY & SOCIAL SERVICES

##### INTRODUCTION

Mbhashe has a competence for amenities and community facilities like halls, pounds, cemeteries, sports fields, ablution facilities, beaches, child care facilities, parks & public places and workers' facilities. .

Halls: - The municipality has been constructing multi-purpose community halls in many of its wards to aid communities with proper spaces for their meetings and functions. These facilities are constructed through the use of MIG and once finished, they are owned, operated and maintained by the municipality. The key challenge so far has been the lack of adequate funds to constantly maintain and offer security services to our facilities. Another challenge is the role of the Mbhashe as against the community in the management of these facilities. In all our units, there are halls (town, TRC halls and MPCs). These halls are not properly maintained and taken care of in terms of their upkeep. An assessment report of all the community halls in Mbhashe has been developed and estimated costs of repairing the community halls is around R21m. An amount R5m has been set aside for the refurbishment of the community halls in the 2014/15 financial year.



**Sports fields:-** As is the case with the halls, these facilities are scattered throughout the Municipality, with some located in urban centers, whilst others are placed at ward centers. These facilities are poorly managed with no personnel attached to them. On this front, it is worth noting that one sports field located in Ngxakaxa (Ward 2) was constructed by the local private business person.

**Cemeteries:-** Cemeteries are a core competence of Mbhashe municipality and our role is largely to plan and ensure provision of land for burial as well as support with such services as registrations and mobilization of resources for fencing of facilities. Lack of funds is often cited as a reason why there is poor maintenance of cemeteries across all Units. Cemeteries are currently categorized into urban and rural (communal and private). Historically, the Municipality is largely responsible for the management and operation of the urban cemeteries, whilst the rural communal cemeteries are the responsibility of the communities concerned. Obviously, the private cemeteries in the homesteads become the responsibility of the family concerned.

**Workers' facilities:-** These are facilities that are meant for our staff like change-rooms, sitting places as well as recreational spaces. The construction of these facilities is at an advanced stage and is managed by Land & Housing section of the Development Planning Department.

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

**Child care facilities:-** This is a fairly new field that has not be performed in the past. Through the review of the functions and powers, it has been established that something needs to be done on this front.

**Policy development:-** It is worth noting that in the 2013/14, a detailed assessment of the Community halls was undertaken to ascertain their conditions. Such an assessment revealed that a sum of R22m is needed to upgrade these facilities to acceptable levels. With the discussion with the Budget and Treasury Office (BTO), it became clear that some of these halls would have to be recapitalize, especially those that costs more than a R1m to repair. Further, the Management and Maintenance plan for the Community facilities has been developed.

Challenges associated with this service:-

- I. Poor maintenance and lack of upkeep services
- II. Poorly resourced section
- III. Shortage of chairs and tables in the halls
- IV. Public toilets in all the units (non-existent or in a sorry situation)
- V. No tanks for emergency and when there is no water for toilets
- VI. Poor management of the community facilities
- VII. Pounds closed in Willowvale and Elliotdale

Remedial actions:-

- I. Provide the basic requirements for the community amenities
- II. Strengthen security in the pounds
- III. Construct and maintain the Community Facilities

#### LIBRARIES

This is the concurrent function of the National and Provincial governments. The Department of Sports, Recreation, Arts and Culture (DSRAC) has since entered into a memorandum of agreement with local municipalities, including Mbhashe to manage and administer these facilities. Despite the MOA, we have numerous challenges of unfunded mandates, resulting in some libraries either being dilapidated or closed altogether.

Challenges:-

- I. Out-dated MOA between DSRAC and Mbhashe LM
- II. Limited funding of the operations of the Libraries

Remedial Actions:-

- I. Develop and sign a new MOA
- II. Clarify operational funding mechanisms with DSRAC

### 3.12 LIBRARIES;ARCHIVES;MUSEUMS;GALLERIES;COMMUNITY FACILITIES;OTHER

The Municipality has set herself, as part of the first three priorities the following and progress on each:-

- Renovation of eight (08) community halls – very little progress has been registered on this front due to some of the delays in the appointment of the service provider to undertake the work.

#### Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1,973,461.94	3,571,351.00	4,110,631.00	1,829,867.28	55%
<b>Expenditure:</b>					



Employees	5,433,192.51	10,373,661.00	10,373,661.00	10,135,095.00	2%
Repairs and Maintenance	1,665,160.40	7,828,289.00	6,328,289.00	864,003.60	0%
Other	3,249,592.61	4,404,790.00	4,907,420.00	3,701,404.77	-25%
<b>Total Operational Expenditure</b>	<b>10,347,945.52</b>	<b>22,606,740.00</b>	<b>21,609,370.00</b>	<b>14,700,503.37</b>	<b>32%</b>
<b>Net Operational Expenditure</b>	<b>8,374,483.58</b>	<b>19,035,389.00</b>	<b>17,498,739.00</b>	<b>12,870,636.09</b>	<b>26%</b>

• Maintenance and upkeep of the libraries – an amount of R300k was transferred by the DSRAC to Mbhashe as part of the SLA. The Dutywa Library that was closed for almost a year due to the lack of funding was re-opened again

• Establishment and maintenance of the Municipal Parks- some progress was registered on this front in the form of a new park with children playing equipment is under construction that is due to be completed in the first quarter of the new financial year.

### 3.13 CEMETERIES & CREMATORIALS

Developed designs for the fencing in of the three (03) urban cemeteries, funded through MIG programme. Done the routine maintenance in the form of grass cutting and clearing of the overgrown vegetation in cemeteries.

Financial Performance Year 0: Cemeteries and Crematoriums					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1,707.46	3,114.00	3,114.00	2,474.97	21%
Expenditure:					
Employees	-	120,198.00	120,198.00	-	100%
Repairs and Maintenance	-	-	-	-	0%
Other	120,000.00	200,000.00	200,000.00	44,800.00	78%
<b>Total Operational Expenditure</b>	<b>120,000.00</b>	<b>320,198.00</b>	<b>320,198.00</b>	<b>44,800.00</b>	<b>86%</b>
<b>Net Operational Expenditure</b>	<b>118,292.54</b>	<b>317,084.00</b>	<b>317,084.00</b>	<b>42,325.03</b>	<b>87%</b>

### 3.14 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

#### INTRODUCTION

**Child care facilities:-** This is a fairly new field that has not be performed in the past. Through the review of the functions and powers, it has been established that something needs to be done on this front.

Some work in the form of the database for all the ECD centers of Mbhashe has been collated. Meetings with the coordinating structure of the ECD centers are scheduled in the first quarter of the new financial year.

### COMPONENT E: ENVIRONMENTAL PROTECTION

#### INTRODUCTION TO ENVIRONMENTAL PROTECTION

Through the Department of Environmental Affairs (DEA) programme of Working for the Coast, we have managed throughout the year to rehabilitate the sand dunes, clean the coast and built some leisure facilities like braai stands, public ablutions and lappas.

#### Land Rehabilitation

In the past year, Mbhashe engaged in the land rehabilitation programme in the three (03) wards (ward 5, 6 and 12). The programme saw the employment of sixty (60) youths through the EPWP programme rehabilitate the damaged and eroded lands.

### 3.15 POLLUTION CONTROL

The municipality does not perform the function

### 3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

#### INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE

There is overwhelming evidence that climate change will lead to a loss in Biodiversity. The predicted changes in the natural environment for South Africa include a reduction in the ranges of species by up to 80% as well as 30% of endemic species being increasingly vulnerable to extinction.

Projected changes to the Biomes within the Mbhashe Municipality.



The three Biomes in Mbhashe are Indian Ocean Coastal Belt, Grassland and Savanna (Mucina and Rutherford, 2010). Due to increasing temperatures and changes in trends of precipitation resulting from climate change, species richness may be reduced. In addition, the Grassland Biome is likely to be reduced in spatial extent, while the spatial area of the Desert Biome is predicted to increase (UNEP, 2011). The decreased spatial extent of the Grassland Biome is also likely to be reduced due to the invasion of trees and woody species. This would ultimately lead to a shift towards Savanna type characteristics.

Possible responses to mitigate against the effects on the biodiversity and tourism sector:-

- I. Awareness regarding the worth of utilising biodiversity to help in societal adaptation to the effects of climate change, needs to be increased
- II. The establishment and expansion of protected areas needs to happen, as well as the creation of partnerships to allow for the effective management of areas which are not formally protected, particularly those in the Grassland Biome.

## COMPONENT F: HEALTH

This component includes: health inspections.

### 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Function is performed by the district.

## COMPONENT G: SECURITY AND SAFETY

### INTRODUCTION TO SECURITY AND SAFETY

Mbhashe LM performs the functions of traffic services, law enforcement and wholly outsource the security services to her properties. The Municipality is mainly dealing with the enforcement of the road traffic management act and the general by law enforcement.

### 3.20 POLICE

#### INTRODUCTION TO POLICE

The Law Enforcement section has been properly structured and the personnel appointed in critical posts. Some of the highlights include the appointment of the Chief Law Enforcement Officer, Commander Law Enforcement and traffic officers.

#### MUNICIPAL POLICE SERVICE DATA

Municipal Police Service Data					
Description	Year -1	Year 0		Year 1	
	Actual no.	Estimate No.	Actual no	Estimate No.	
1. Number of the road traffic accidents during the year	655	742	742	500	
2. Number of by-law infringements attended	4	10	5	24	
3. Number of police officers in the field on an average day	5	10	10	20	
4. Number of police officers on duty on an average day	15	15	15	25	
					T 3.20.2



Police Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets  <								

## EMPLOYEES

Employees: Police Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy	1	1	1	0	
Other Police Officers	5	5	1	4	
0 - 3					
4 - 6	15	15	15	0	0%
7 - 9	9	9	3	6	67%
10 - 12	1	1	1	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	31	31	21	10	32%

### 3.21 FIRE

Function performed by the District.

### 3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES)

Functions performed by the District.

## COMPONENT H: SPORT AND RECREATION

### 3.23 SPORT AND RECREATION

This component includes: community parks, sport fields, sport halls, stadiums and camp sites, indicate no of existing infrastructure and what is planned for the current financial year

The existing sport facilities and community halls were maintained to such a standard it was accessible to the public. The vandalism of facilities by members of the public is still a major problem and proper security measures still needs to adhered to. The sport and recreation main objective is to advocate and actively involve community in sport and recreation activities, while promoting healthy and active lifestyle

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### INTRODUCTION TO CORPORATE POLICY OFFICES

### 3.24 EXECUTIVE AND COUNCIL

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

The municipality has the political stability which enables Council to oversight through its section 79 and 80 committees. The Mbhashe municipality has two management teams a political and an administrative team. The political team made up of Councillors and headed by the Mayor. This team makes strategic and policy decisions for the residence and businesses. The administrative team is headed by the Municipal Manager assisted by the senior managers in ensuring that the decisions taken by the council are implemented

The Executive and Council Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									



To ensure coordination , cooperation and joint planning g between spheres of government by 2017	No of IGR meetings held	4	1	4	2	2	4	4	4
To ensure optimum functionality of council and its structures	No of council and committ ee meetings supported	20	24	24	24	24	24	24	24
To enhance and promote communication in all municipal activities	No of assets and municipal properties branded	0	0	3	5	2	-	-	-
To ensure that all stakeholders participate in the affairs of the municipality	No of meetings held	3	3	3	3	3	-	-	0

Financial Performance Year 0: The Executive and Council					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Varian ce to Budget
<b>Total Operational Revenue</b>	8 357 000.00	10 543 000.00	10 543 000.00	10 543 000.00	0%
Expenditure:					
Employees	18 582 157.02	19 224 728.00	19 224 728.00	25 085 831.65	-30%
Repairs and Maintenance	53 389.54	74 864.00	74 864.00	68 024.19	9%
Other	8 578 644.70	23 701 992.00	23 901 992.00	8 532 549.50	64%
<b>Total Operational Expenditure</b>	27 214 191.26	43 001 584.00	43 201 584.00	33 686 405.34	22%
<b>Net Operational Expenditure</b>	-18 857 191.26	-32 458 584.00	-32 658 584.00	-23 143 405.34	29%

Capital Year 0: The Executive and Council					
R'000					
	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
COMPUTERS AND PRINTERS	45 331.33	50 000.00	173 000.00	167 718.00	3%
OFFICE FURNITURE & EQUIPMENT	59 345.00	300 000.00	277 000.00	68 445.16	75%
VEHICLES	485 000.00	600 000.00	600 000.00	-	100%
	<b>589 676.33</b>	<b>950 000.00</b>	<b>1 050 000.00</b>	<b>236 163.16</b>	<b>78%</b>

#### COMMENT ON THE PERFORMANCE OF EXECUTIVE AND COUNCIL

##### Council Meetings

The Municipal Structures Act requires that council should meet at least once a quarter. Mbhashe Municipality has in the previous year exceeded this required. All the issues that hinges on the legislative provisions were performed to the full expectations oversight structures.

##### Attendance to Council Meetings

Mbhashe Municipality boasts a very high record of attendance for all the council meetings convened for the year under review with most of the instances wherein councillors were unable to attend, apologies were tendered and approved.

##### All Party Whippers

Council has also provided for mechanisms for political entities to council to be able to find one another on an extended avenue made available through the office of the Chief Whip

##### Section 80 Committees

Section 80 committees are performing their functions very well. Their work assists council in dealing with the details in respect of the matters that are to be table before council for consideration, thus making the business of council less cumbersome.

##### Section 79 Committees

The Municipal Public Accounts Committee has been fully constituted and members were given the requisite training.

### 3.25 FINANCIAL SERVICES

#### INTRODUCTION FINANCIAL SERVICES

The municipality's financial services office is made up of the following units:

**Budget Office:** Responsible for preparing the budget and related policies. This section has also ensured that the Municipality's Annual Financial Statements are prepared in conjunction with appointed service provider and over the past 3 years the Qualified opinion expressed by the Auditor General's office during the past financial year audits and the current year's audit. The municipality is moving towards the direction of producing the Annual Financial Statements in-house.