

MBHASHE LOCAL MUNICIPALITY



Reviewed Integrated Development Plan 2018-19

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PREFACE

EXECUTIVE MAYOR'S FOREWORD



Following the Local Government Elections of 2016, we have started on the fourth generation of the Integrated Development Plan (IDP), which will enable Mphashe Local Municipality to continuously plan

ahead and deliver services over the next five years. The purpose of the IDP is to create a framework within which the municipality will fulfill its mandate and apply its budget. It allows us to do short, medium and long term planning for our entire municipal area, and link these plans to projects implemented by the district, provincial and national governments. This is essentially the planning of our business plan for the next year.

This year is dedicated to the life of the late President of the African National Congress, President Nelson Mandela, and Mama Albertina Sisulu who would have turned a hundred years old. The government is hoping to use the centenary celebrations for former president Nelson Mandela and struggle activist Albertina Sisulu to bring South Africans closer together.

Minister Jeff Radebe was speaking at the launch of the programme for the two struggle icons, and he said, "South Africans must work together to remove all obstacles which still divide our society and strive to build on the many ties that bind us together. Together, we can combat racism, racial discrimination, xenophobia and related intolerances on all fronts."

"We celebrate the birth of the founding father of our democracy, Nelson Rolihlahla Mandela under the theme 'be the legacy' as well as Mama Albertina Nontsikelelo Sisulu as one of the shining examples of our struggle who dedicated her life to the service of her people under the theme, 'a woman of fortitude'."

The programmes and projects listed in this IDP will assist us in reaching new heights of inclusive economic growth through our radical socio-economic transformation programme in order to achieve the commitments and manifesto promises we made when taking office. Our focus are poor rural and township areas, youth and women are in the centre of this term of office.

Although we face many challenges as the municipality, improved service delivery and better opportunities in the Amathole have thus created a situation where our towns experience unexpected population growth, putting pressure on our resources, but also creating new opportunities. To meet these challenges head on, and continue and improve on levels of service delivery, we have to take an integrated approach to

developmental planning. To do this successfully we need inputs from our communities to ensure we meet their needs within our prescribed mandate.

We need to rise to this challenge by ensuring that our programmes directly address the challenges we are facing and that we invest in areas that will make the greatest impact. We remain committed to ensuring the delivery of Infrastructure services while dealing with the impact of the economic development. We will continue to expand the electrification programme as well as ensuring environmentally friendly energy sources.

I am very aware of the concerns and issues that communities have brought to my attention during my first semester in office. Infrastructure remains one of the major challenges, threatening the livelihoods as well as lives and well-being of all our communities. As a municipality, our mandate is limited to enforcing municipal by-laws, where we work hard to reduce the opportunity for crime by delivering basic services.

A clean and healthy environment is part of our core mandate through ensuring that our towns are clean as part of basic service delivery. We are also committed to building healthy, safe, clean and active communities through a number of programmes that will bring about a high quality of life in line with NDP 2030 vision to become the most caring and liveable Municipality in Amathole.

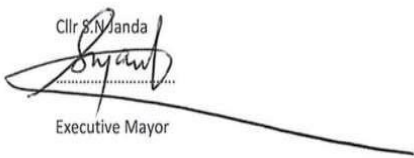
Housing opportunities for poor residents is also crucial, a project for 100 destitute in being delivered as we speak by the end of 2018 it should be finished.

Opportunities for the youth are essential and as a country we face challenges of youth unemployment and the social ills that accompany it. We cannot create jobs, however as the municipality we can create opportunities for the youth and assist them in obtaining the necessary skills to be successful. We strive to make financial support available towards tertiary education for needy beneficiaries. Sport in the area is one of the most successful ways of occupying our young people, diverting them from criminal and other harmful activities. That is why we continue to invest in facilities, making sure our young people have access to the best facilities.

Expressing community needs is critically important for the IDP process, I therefore encourage your positive participation in this process, so that we can ensure an inclusive government who creates opportunities for all. Part of a successful democracy rests on your participation, highlighting your service delivery needs so that we can ensure we budget and plan for it.

Although we face challenges, we are very positive that we shall successfully manage them.

This document is therefore a final product of the various engagement processes of the stakeholders and the communities in all the 32 wards of Mbhashe Local Municipality.

Cllr S. Manda

Executive Mayor

**Executive Mayor of Mbashe Local Municipality
Samkelo Janda**

MUNICIPAL MANAGER'S MESSAGE



Firstly let me express my extraordinary gratitude to be part of such a vibrant and thriving municipality in a prosperous country. I am inordinately grateful and equally humble for the task bestowed on me by the

Mbhashe Municipal Council.

My overarching

responsibility is to be an accounting officer of the municipality as contemplated in the array of legislative frameworks and thus entails ensuring adequate administrative performance, expeditious service delivery and fiduciary. Taking this into cognisance the municipality unrelentingly subscribes to the principles of Batho Pele and likewise, Back to Basics pillars, a programme which aims at supporting and continuously monitors municipalities in terms of realising the objects of Local Government as set out in the Constitution.

The Mbhashe Local Municipality has reviewed its five (5) year Integrated Development Plan (IDP) for 2018/2019 financial year. The municipalities' developmental ambitions are articulated on this strategic document which will guide and inform all planning, budgeting, administration and decision making in the municipality.

As the administration we aim to use diligently this responsibility to improve the quality of life of people within the municipal area of jurisdiction. This should take the municipality to good standing in achieving its vision of being a developmental municipality. Having said that, I rely on the collective efforts of both management and staff. The community members are encouraged to participate in municipal business as much as possible and to be at the forefront of Council business. The administration is targeting to achieve all the targets set for the financial year and collect all the revenue as targeted.

As we come together across our expansive municipality collectively, bound under the premise of service delivery and good governance, it is an immense pleasure to extend my warmest regards.

I therefore invite you to partner with us to make this municipality a better place to live in. I strongly believe that the municipality has the potential to accomplish great things in the next coming year.

Yours in good governance.

MR M NAKO
MUNICIPAL MANAGER

CHAPTER 1

SECTION 1: BACKGROUND

1.1 LEGISLATIVE FRAMEWORK

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended compels municipalities to draw up the IDP's as a singular inclusive and strategic development plan. In terms of this Act, a municipality produces an IDP every five years comprising of the following components:

- (i) A vision of the long-term development of the area.
 - (ii) An assessment of the existing level of development which must include an identification of the need for basic municipal service.
 - (iii) Municipality's development priorities and objectives for its elected term.
 - (iv) Municipality's development strategies which must be aligned with national, provincial sectoral plans and planning requirements.
 - (v) Spatial development framework which must include the provision of basic guidelines for a land use management system.
 - (vi) Municipality's operational strategies.
 - (vii) A Disaster Management Plan.
 - (viii) Financial Plan.
 - (ix) The key performance indicators and performance targets.
- a) The Municipal Planning and Performance Management Regulations (2001) set out the following further requirements for the IDP:
- (i) An Institutional Framework for implementation of the IDP and to address the Municipality's internal transformation.
 - (ii) Investment initiatives that should be clarified.
 - (iii) Development initiatives including infrastructure, physical, social and institutional development.
 - (iv) All known projects, plans and programmes to be implemented within the Municipality by any organ of state.
- b) In addition, the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) provides for closer alignment between the annual budget and the compilation of the IDP. This can be understood as a response to the critique that IDP's took place in isolation from financial planning and were rarely implemented in full. Specifically, section 21 (1) of the Act requires that a municipality co-ordinates the process of preparing the Annual Budget and the IDP to ensure that both the budget and IDP are mutually consistent.

Key to ensuring the co-ordination of the IDP and Annual Budget, is the development of the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Mayor of the municipality for implementing service delivery and the Annual Budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.

1.2 WHAT IS INTEGRATED DEVELOPMENT PLAN (IDP)?

Integrated Development Plan is a central planning tool for government that embodies local government developmental goals and a comprehensive service delivery programme. Integrated planning has been developed as a consolidated municipal wide planning process that provides a framework for planning of future development in a municipality. It ensures horizontal and vertical co-ordination and integration across the national, provincial and local spheres of government. In addition, the IDP requires community participation and stakeholder involvement. The integrated development planning process is therefore critical for the success of every South African municipality's endeavours to bring about responsive, developmental and accountable local government.

Mbhashe Local Municipality has already developed four IDPs, from 2002 – 2007, 2007-2012, 2012 – 2017 and 2017 – 2022. The Municipality is now on its first (1st) Reviewal of the 2018-19 IDP in accordance with section 34 of the Local Government Municipal Systems Act 32 of 2000.

The focus of this IDP is within the context of a seamless integrated strategic planning process. The Municipality has developed a set of long term goals and five year objectives (to be reviewed annually) that will form the basis of the annual business planning and budgeting carried out on an ongoing basis. The IDP will also further be shaped by inputs from communities and civil society, as well as direction from the political leadership.

A five year IDP supports a single, integrated planning process, with clear demarcation between long-term, medium term and short term planning. The five year IDP should therefore be understood as an interpretation of strategy and political priorities into a detailed Executive Mayoral Plan that is to become the business plan, in this context, it is seen as an implementation tool.

1.3. ALIGNMENT WITH OTHER PLANS

Sector Plans alignment & integration with National, Province and District plans

The content below outlines the approach and responses adopted to ensure alignment with national, provincial and district programmes & plans.

Preamble

The Local Government elections of 2016 ushered a new political dispensation with a mandate that sets the tone for the development of the five year IDP (2017 -2022).

The Municipality is rural in its nature characterized by high levels of poverty, unemployment and the low levels of education. It is further engulfed, like the rest of the country, with HIV and AIDS pandemic affecting mostly the economically active people and the youth. In its last term, council emphasized as its overarching local economic development strategy, which it believed would be the anchor for economic development of the municipality.

The term of council started in August 2016. In crafting the course of the future the new council needs to define its overarching strategy towards sustainable service delivery. In so doing the municipality took into account the national, provincial, district and local contexts including what is contained in ***Outcome 9: A Responsive, Accountable, Effective and Efficient Local Government System.***

The Legal Context of the Overarching Strategy

The strategy is developed with the following pieces of legislation forming basis thereof: ***Mbhashe Local Municipality –2017/2022 Intergrated Development Plan***

- ☐ Constitution of the Republic of South Africa No. 108, 1996
- ☐ Development Facilitation Act, 1995 (Act No 67 of 1995)
- ☐ Local Government: Demarcation Act, 1998 (Act No 27 of 1998)
- ☐ White Paper on Local Government of 1998
- ☐ Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), as amended
- ☐ Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998), as amended
- ☐ Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) and Regulations
- ☐ Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005)
- ☐ Municipal Property Rates Act 6 of 2004
- ☐ Mbhashe Policies Strategies and By-Laws

The National Context

The Mbhashe strategy is informed by the five national key performance areas namely:

- ☐ Municipal transformation and institutional development;
- ☐ Basic service delivery and infrastructure development;
- ☐ Local economic development;
- ☐ Financial viability and management; and
- ☐ Good governance and public participation.

Spatial Planning has also become one of the key areas that municipalities must consider as vital. Mbhashe takes into account interventions proposed by the National Planning Commission, outcome 9 and Back to Basics.

National Policy Framework includes the following but not limited to

- ☐ Reconstruction and Development Programme (RDP);
- ☐ National Development Strategy (NDS); and
- ☐ Spatial Development Framework (National Spatial Development Perspective)

Provincial Context

The Provincial Growth and Development Programme (PGDP 2004/2014), whose objectives includes the development of human capital, infrastructural development and systematic eradication of poverty, emphasises the following:

- ☐ Diversification of Manufacturing Sector.
- ☐ Agrarian Transformation.
- ☐ strengthening of food security.
- ☐ Pro-poor programming.

The municipality will also consider the provincial strategic framework which proposes amongst other things the delivery agreement of the Executive Mayors

The Municipality considers the above and other policies and programmes that the provincial government develop up with in addressing the challenge of providing better life for all.

District Context

The Municipal Strategy considers the programmes of the district including its Integrated Development Plan, the District Growth and Development Strategy, Amathole Regional Economic Development Strategy (AREDS) as well as the advantages that are brought about by Amathole District Municipality including its development agency Aspire.

Local Context

The Municipality utilizes the IDP as the basis for the development and other strategic documents such as:

- ☐ Master plan vision 2025
- ☐ Strategic Environmental Assessment 2009
- ☐ Spatial Development Framework 2015/2020

1.4. POWERS AND FUNCTIONS

- The Constitution states in Section 156(1) that a municipality has executive authority in respect of, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5.
- Section 83 (1) of the Structures Act states that: A municipality has powers and functions assigned to it in terms of Sections 156 and 229 of the Constitution.

These functions are contained in the table below

Functions of Mbhashe	Definition	Capacity to perform
Air pollution	The control and monitoring of air pollution that adversely affects human health or well-being or the ecosystems useful to mankind, now or in future.	No
Beaches and Amusement facilities	The area for recreational opportunities and facilities along the sea shore available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.	Yes
Billboards and display of advertisements in public places	Manage, facilitate and collect rentals from all billboards within the jurisdiction of Mbhashe Local Municipality.	Yes
Building regulations	Development of by-laws, enforcement of by-laws, approval of building plans according to National Building Regulations	Yes
Cemeteries, funeral parlours and crematoria	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains.	Yes
Child care facilities	Facilities for early childhood care and development which fall outside the competence of national and provincial government	Yes
Cleansing	The cleaning of public streets, roads and other public spaces either manually or mechanically	Yes

Control of public nuisance	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community	Yes
Control of undertakings that sell liquor to the public	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses , and includes an inspection service to monitor liquor outlets for compliance to license requirements in as far as such control and regulation are not covered by provincial legislation	Yes
Disaster	Responsible for the co-ordination of Disaster Management	Yes
Facilities for the accommodation, care and burial of animals	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration requirements and/or compliance with any environmental health standards and regulations	Yes
Fencing and fences	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads	No
Firefighting Services	Provision of firefighting services and resources	No
Housing	Facilitation of the Housing development, with key focus on beneficiary identification, town planning matters, building plans and stakeholder engagement	Yes
Licensing of dogs	The control over the number and health status of dogs through a licensing mechanism.	No
Local sport facilities	The provision, management and/or control of any sport facility within the municipal area.	Yes
Local Tourism	Tourism development and promotion	Yes
Markets	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.	No

Municipal abattoirs	The establishment conduct and/or control of facilities for the slaughtering of livestock.	No
Municipal Airports	Provision and management of facilities	No
Municipal Health Services	Water quality monitoring, food control, waste management, health surveillance of premises, surveillance and prevention of communicable diseases, vector control, environmental pollution control and disposal of the dead	No
Municipal parks and recreation	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but exclude sport facilities.	Yes
Municipal Planning	The compilation and implementation of and Integrated Development Plan in terms of the Systems Act.	Yes
Municipal Public Transport	Provision of services and infrastructure and regulation of the passenger transport services	No
Municipal Public Works	Provision of community facilities other than schools and clinics	Yes
Municipal Roads	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, for purposes of a local municipality, includes a street in build-up areas.	Yes
Pontoons and ferries	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matter related thereto, and matters falling within the competence of national and provincial governments	Yes
Pounds	The provision, management and control of any area /facility set aside by the municipality for the securing of any animal or object confiscated by the municipality	Yes
Public Places	The management, maintenance and control of any land or facility owned by the municipality for public use	Yes

Storm water	The management of systems to deal with storm water in built-up areas	Yes
Street lighting	The provision and maintenance of lighting for the illuminating of streets	Yes
Street trading	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve	Yes
Trading regulations	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation	Yes
Traffic and parking	The management and regulation of traffic and parking within the area of the municipality including but not limited to, the control over operating speed of vehicles on municipal roads.	Yes

Agency Functions

- Libraries – Department of Sports, Recreation, Arts & Culture (DSRAC))
- Vehicle and Driver licensing – Department of Transport (DoT)

SECTION 2

BENEFITS OF IDP

- i. Focused and Proactive Management
- ii. Institutional Analysis
- iii. Matching Resources to Needs
- iv. Project Management
- v. Performance Management
- vi. Realistic Planning
- vii. Unification and Consensus Building
- viii. Empowerment of Stakeholders
- ix. Focused Budgeting
- x. Change Agent

SECTION 3

PUBLIC PARTICIPATION

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

The Mbhashe Local Municipality comprises a large geographical area with many people. To ensure that there is representation of various organized groups, the Municipality used the following approach:-

- I. The Amathole District Municipality placed a blanket notice on the Local newspaper (Daily Dispatch) inviting interested parties to participate in the Representative Forums (Mbhashe Local Municipality being one).
- II. Languages for medium of communication will be English and Xhosa.
- III. National and Community radios will be used including Umhlobo Wenene, UNITRA Community Radio, and Khanya Community Radio.
- IV. Use of Local circulating Newspapers, Isolezwe.
- V. Announcements in churches, schools, community activities like Imbizo's and weddings.
- VI. Advertisements notifying and inviting the public, either in the Daily Dispatch or Isolezwe.

Public participation is institutionalised through a unit linked to the office of the municipal manager. This is coupled with other structures including, but not limited to the, IDP representative forums, mayoral imbizos and IDP roadshows.

The Public Participation & Petition Strategy was developed in April 2015 and is reviewed on an annual basis. The communities participate in the IDP process through the Representative Forum that is generally attended by all Councillors, Traditional Leaders participating in the Council, IDP Steering Committee members, organised groupings and interest groups, sector departments operating within Mphashe Municipal area, All Ward Committees and Community Development Workers. After the tabling of the draft IDP/Budget to the Council, road shows to all the wards are undertaken, where members of the community are assisted in the form of transport and catering, to attend these meetings.

The Mayoral Imbizo's are being organised per unit before start analysing the situation and the status quo of service delivery progress. The Imbizo's also give opportunity to the members of the communities to identify three priorities per each ward which need to be looked at during the planning and identification of projects by the municipality.

Participation takes place through the established structures in the municipality such as Ward Committees, the IDP Rep Forum, War rooms.

The Council established these structures to encourage community members to contribute in the decision- making processes and aslo to advise the Council on various matters to ensure that proper decisions are taken to enhance the development of Mphashe. This is also a feedback session with regard to infrastructural developments.

4.1. Legal Requirements

Section 152 of the Constitution places the participation of communities at the centre of service delivery and other matters of Local Government.

4.1.1 Constitutional Mandate

4.1.2 National Framework

4.1.3 Municipal By-laws

4.1.4 Principles of Participatory Democracy

4.2. Ward Committees

Ward committees have been elected in all wards in the beginning of the new term of council. Ward secretaries have been elected in all wards. All the ward committees have been inducted to ensure that they are able to do their job. No trainings have been conducted yet but there are plans in place. Ward committees also form part of the war rooms.

4.3. Vehicles for Participation

The Public Participation & Petition Strategy has been developed in April 2015 and is reviewed on an annual basis, currently there are no challenges on the implementation of the public participation strategy. The communities participate in the IDP process through the Representative Forum that is generally attended by all Councillors, Traditional Leaders participating in the Council, IDP Steering Committee members, organised groupings and interest groups, sector departments operating within Mbhashe Municipal area, All Ward Committees and Community Development Workers. After the tabling of the draft IDP/Budget to the Council, road shows to all the wards are undertaken, where members of the community are assisted in the form of transport and catering, to attend these meetings.

The Mayoral Imbizo's are being organised per unit before start analysing the situation and the status quo of service delivery progress. The Imbizo's also give opportunity to the members of the communities to identify three priorities per each ward which need to be looked at during the planning and identification of projects by the municipality.

4.4. Council Meetings and support

All council meetings are being advertised and are always open to the public. To ensure optimum functionality of the council and its structures, Mbhashe municipality has a unit that is dedicated to support the work of the council and is responsible for coordinating effective functioning of the Council and its committees. The Council Support Unit takes and files minutes in all meetings of the council and its committees. A register of resolutions of the council is compiled and maintained.

4.5. COMMUNICATIONS, MARKETING AND CUSTOMER CARE

The Communications Unit is responsible for co-ordinating all communications activities in the Municipality and is the Municipality's first line of contact with the media. The municipality has developed the communication and marketing strategy in 2016/2017 financial year.

In this regard the Communications Unit supports and co-ordinates all communication efforts with the aim of enabling the Mayor and Municipal Manager to perform their functions as Chief Communicators;

The communications unit produces publications for information dissemination, implementing and managing communication actions such as: events /programmes, advertising, design and printing of communication materials, audio-visual production, and marketing and communication research.

SWOT Analysis around Public Participation process

STRENGTHS <ul style="list-style-type: none">• Communication strategy is in place.• Functional and informative Facebook page and Website.• Upliftment of the Brand Mbhashe through development of a Corporate Identity manual and efficient branding.• Functional Communicators Forum• Good relations with Local Media• Publicising of information through<ol style="list-style-type: none">1. Press releases2. Newsletter that is published bi-monthly to inform communities on the progress on planned projects3. Municipal Website4. Notices5. Telephone mobilization6. Community media organizations (Radios and newspapers)	WEAKNESSES <ul style="list-style-type: none">• Lack of ICT programs for in-house layout and designs of the newsletter• Lack of Human Resource.• Underutilisation of the Communications Section in that it is consulted for branding only as opposed to its intended function (communicating IDP priorities)
OPPORTUNITIES <ul style="list-style-type: none">• Monthly Newsletter publishing• Response rate on complaints to promote excellent communication paths between the municipality and stakeholders.	THREATS <ul style="list-style-type: none">• Protests• Negative Image of the Municipality

2.1 VISION, MISSION & CORE VALUES

Based on the current Council's priorities, Mbhashe's vision, mission and values have been revised and the following has been workshoped to all Councillors and taken to council for adoption on 31 March 2017.

2.1.1 VISION

"A municipality that excels in promoting social cohesion, stimulates economic growth and sustainable development"

2.1.2 MISSION

By becoming an effective and efficient municipality with accountable leadership that is able to involve communities in the provision of quality services.

2.1.3 CORE VALUES

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- I. Commitment
- II. Accountability
- III. Teamwork
- IV. People centred development
- V. Discipline and respect
- VI. Environmental friendly
- VII. Service excellency

2.1.4 BATHO-PELE PRINCIPLES

Eight Batho-Pele principles were developed to serve as acceptable policy and legislative framework regarding service delivery in the public service and Mbhashe has incorporated these principles in the its day to day processes. These principles are aligned with the Constitutional ideals of:

- I. Promoting and maintaining high standards of professional ethics;
- II. Providing service impartially, fairly, equitably and without bias;
- III. Utilising resources efficiently and effectively;
- IV. Responding to people's needs; the citizens are encouraged to participate in policy-making; and
- V. Rendering an accountable, transparent, and development-oriented public administration.

The Batho Pele principles are as follows:

Consultation

There are many ways to consult users of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies, NGOs and CBOs. Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.

Setting service standards

This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards.

Required are standards that are precise and measurable so that users can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorise a housing claim, to issue a passport or identity document, or even to respond to letters.

To achieve the goal of making South Africa globally competitive, standards should be benchmarked (where applicable) against those used internationally, taking into account South Africa's current level of development.

Increasing access

One of the prime aims of Batho Pele is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. Batho Pele also aims to rectify the inequalities in the distribution of existing services. Examples of initiatives by government to improve access to services include such platforms as the Gateway, Multi-Purpose Community Centres and Call Centres.

Access to information and services empowers citizens and creates value for money, quality services. It reduces unnecessary expenditure for the citizens.

Ensuring courtesy

This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves. The public service is committed to continuous, honest and transparent communication with the citizens. This involves communication of services, products, information and problems, which may hamper or

delay the efficient delivery of services to promised standards. If applied properly, the principle will help demystify the negative perceptions that the citizens in general have about the attitude of the public servants.

Providing information

As a requirement, available information about services should be at the point of delivery, but for users who are far from the point of delivery, other arrangements will be needed. In line with the definition of customer in this document, managers and employees should regularly seek to make information about the organisation, and all other service delivery related matters available to fellow staff members.

Openness and transparency

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge. It is anticipated that the public will take advantage of this principle and make suggestions for improvement of service delivery mechanisms, and to even make government employees accountable and responsible by raising queries with them.

Redress

This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. This should be done at the individual transactional level with the public, as well as at the organisational level, in relation to the entire service delivery programme.

Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

Value for money

Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

2.2 IDP PROCESS

i) Introduction

Following the local government elections of the new council on 3rd August 2016 the municipality embarked on a process of formulating its five year integrated development plan (IDP) 2017 - 2022. This document outlines the programmes and development commitments that will be delivered during the term of the current council. The IDP supersedes all other plans of a municipality. The municipality is embarking on the reviewal of the IDP for the 2018/19 financial year. The municipality is adhering to the Process Plan for IDP/Budget which was adopted by the Council in its ordinary meeting of 30 August 2017.

ii) The Process Plan

The following section outlines the process plan for the formulation of Mbhashe IDP. It outlines the mechanisms and procedures that will be followed in the formulation of this IDP. In terms of the process plan the institutional arrangements were adopted.

iii) Organisational arrangements

There are two main institutional structures viz IDP/Budget/PMS Representative Forum and the IDP/Budget/PMS Steering Committee.

iv) IDP/Budget/PMS Representative Forum

The IDP/Budget/PMS Representative Forum is the main platform for discussion and broad consultation of key decisions and recommendation for council adoption. It is comprised mainly of various representatives from the following institutions or interest groups:

- a) Secretariat of IDP/Budget/Steering Committee
- b) Executive Committee members
- c) Ward Committees & CDWs (Community Development Workers)
- d) Traditional Leaders
- e) Business community
- f) Civic bodies & known NGOs / CBOs
- g) Rate payers
- h) Sector Departments & State Owned Enterprises

Action Plan

The following table below gives a list of meetings and workshops held for the IDP formulation process.

Table 1

ACTIVITY: JULY 2017 – JUNE 2018 Preparation phase / Pre-planning				
IDP	PMS	BUDGET	DATE	
Compilation of Draft IDP, PMS and Budget Process Plan Commences			01/07/2017	Senior Manager Operations
	Development of Performance Agreements for S56 Managers		01-31/07/2017	Senior Manager Operations
Pre-planning Session, ADM District Planning Coordinating Forum			17/07/2017	IDP Practitioners
	Draft Annual Report Working Session		/07/2017	Senior Manager Operations
	Submission of Performance reports and performance information Q4 to Strategic		14/07/2017	Senior Manager Operations

	Submission of Performance reports and performance information Q4 to Internal Audit		19/07/2017	Municipal Manager
		Budget Steering Committee to discuss rollovers, savings declarations and new applications		CFO
Provincial IDP Assessments	Submission Performance Agreements for S56 Managers to Provincial Treasury	Submit to National Treasury the following documents: Quarterly budget returns, Budget locking certificate, Reviewed SDBIP for 2016/17, Grants Reports as per approved NT template, Section 66 report Section 52(d) report, Quarter 4 SCM report for 2015/16	31/07/2017	Senior Manager Operations CFO
	Extended Management Meeting (PMS Reporting to Officer level for July 2015)		07/08/2017	Municipal Manager
	Submission of Performance Reports to Performance Audit Committee	Annual Financial Statements to Audit Committee	16/08/2017	Municipal Manager
District Coordinating Planning Forum (DCPF)			15/08/2017	IDP Practitioners

Tabling to EXCO of the Draft 2015/16 Process plan, 2014/15 Draft Annual Report and Annual Performance Report		Annual Financial Statements to EXCO	17/08/2017	Municipal Manager
ADM IGR Forum (Sector specific analysis information and prioritized local issues)			21/08/2017	Senior Manager Operations
Council Meeting - Adoption of the IDP/Budget Process Plan	Adoption of Draft Annual Report		30/08/2017	Executive Mayor
		Annual Financial Statements and Annual Performance Assessment Information Report & Draft Annual Report submitted to Auditor General Submission of Conditional Grants Unspent Rollover Application	30/08/2017	CFO and Senior Manager Operations

Advertise Process Plan on local newspaper and submit to MEC, Provincial Treasury, Auditor General and ADM			04/09/2017	Senior Manager Operations
	Extended Management Meeting PMS Reporting		04/09/2017	Municipal Manager
IGR Clusters			05-12/09/2017	Portfolio Heads
ADM DIMAFO ADM DIMAFO (Sector specific analysis information and prioritized local issues			13/09/2017	Executive Mayor, Municipal Manager
DCPF			15/09/2017	IDP Practitioners
IDP, PMS and Budget Representative Forum to present draft IDP, PMS and Budget Process Plan 2016/17,			20-22/09/2017	Executive Mayor

PMS Framework and Annual Performance				
	MPAC Roadshows – presentation of Draft Annual Report		26-28/09/2017	MPAC Committee
ADM REP FORUM- (Sector specific analysis information) IGR Forum Presentation - *Assessment of existing level of development - Situational analysis *Prepare analysis information on existing services, current backlogs and identification of development priorities *Collect data from			28/09/2017	Executive Mayor /Senior Manager Operations

other sources, analyze impact of new information and unexpected events *Evaluate achievement of objectives and strategies *Get inputs from Sector Plan information *Assess implementation progress, overview of funding available per department (both from savings as well as internal budget and external funds)				
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	Audit Committee Meeting - Presentation of the Draft Annual report, AG audit status Performance report		10/10/2017	Municipal Manager
	EXCO - Submission of Performance reports and performance information Q1		11/10/2017	Senior Manager Operations
IDP/Budget/PMS Steering Committee - Planning on Mayoral Imbizo			16/10/2017	Senior Manager Operations
	Mayoral Imbizos - Public consultations (reporting on annual performance, status of current projects and confirmation of ward priorities)		24-27/10/2017	Executive Mayor, MAYCO
		Council meeting Tabling of Section 52 Financial performance report Submission of Quarterly budget returns	26/10/2017	Executive Mayor

				CFO
ADM IGR Forum - (Sector specific analysis information)			26/10/2017	Senior Manager Operations
IGR Clusters			01-07/11/2017	Portfolio Heads
DIMAFO			09/11/2017	Executive Mayor
IDP Steering Committee meeting/ Technical Strategic Session – presentation of the draft situational and needs analysis	Finalisation of assessment of Annual Report by MPAC		13/11/2017	Municipal Manager
DCPF ADM - presentation of the draft situational and needs analysis and municipal priorities			14/11/2017	IDP Practitioners

IDP/ Budget Rep Forum - presentation of the draft situational and needs analysis			15-17/11/2017	Senior Manager Operations
ADM IDP/ Budget Rep Forum - presentation of the draft situational and needs analysis			22/11/2017	Executive Mayor, IDP Practitioners
	EXCO - presentation of Oversight Report, adjustment budget	Submit process plan for review of Budget Related policies	29/11/2017	CFO
IGR Forum			30/11/2017	Executive Mayor
Technical Strategic Session			04 -06/12/2017	Municipal Manager
	Council Meeting – Adoption of Oversight Report		13/12/2017	Executive Mayor
	Publication of the oversight report		15/12/2017	Senior Manager Operations
	Submission of Performance reports and performance information Q2 to Strategic	Budget Steering - Analyze review of capital budget and operating projects from Directorates, Budget Adjustment	08/01/2018	Executive Mayor Senior Manager Operations
	Performance Audit Committee		16/01/2018	Municipal Manager

Technical Strategic Session Refinement of Objectives, Strategies and Municipal priorities		compile and finalize Mid-year report, adjustment budget and Revised SDBIP	22-24/01/2018	Municipal Manager
	Submission of performance information, Q2 – mid-term performance reports to Internal Audit	Convene Exco Workshop on Midyear report, adjustment budget and Revised SDBIP	24/01/2018	Senior Manager Operations
	Special Council Meeting - Table Mid-year performance report and revised SDBIP		31/01/2018	Executive Mayor
IGR Clusters			01-07/02/2018	Portfolio Heads
IDP/PMS/Budget Steering Committee - Reviewal of the strategies and objectives, setting up new objectives, strategies based on new priorities and budget adjustment	Extended Management Meeting PMS Reporting to Officer level for January 2016		05/02/2018	Municipal Manager

Institutional Strategic Sessions - Reviewal of the strategies and objectives, setting up new objectives, strategies based on new priorities and budget adjustment			07-09/02/2018	Executive Mayor, Municipal Manager
IGR Forum Draft Strategies and objectives and programs, Presentation of project plans from Sector Departments			22/02/2018	Municipal Manager
ADM IGR Meeting			28/02/2018	Executive Mayor
		Budget Steering Committee – discussions on Budget adjustment		Executive Mayor
		Mid-year budget and performance assessments visit by Provincial Treasury	02/2018	
IGR Forum			01/03/2018	Executive Mayor

ADM DCPF - Presentation of Reviewed Draft IDP 2018/19			07/03/2018	Senior Manager Operations
ADM DIMAFO (Sector specific analysis information and prioritized local issues			08/03/2018	Executive Mayor, Municipal Manager
IDP/Budget/PMS Rep Forum - Presentation of Reviewed Draft IDP 2017-2022			13-16/03/2018	Executive Mayor
ADM IDP/Budget/PMS Rep Forum - Presentation of Reviewed Draft IDP 2017-2022 for adoption			14/03/2018	Executive Mayor
Council Meeting – Tabling of Reviewed Draft IDP and Budget 2017-2022, Draft		Table third quarter performance report including financial performance analysis report to Council	29/03/2018	Executive Mayor

Procurement Pan, Tariffs, budget related policies for approval and Organizational Structure				
Advertisement of the draft reviewed IDP and Budget Submission of Reviewed IDP document and Budget, to ADM, Provincial and National Treasury and the MEC for Local Government and Traditional Affairs			04/04/2018	Senior Manager Operations
IDP/Budget Roadshows - Public Comments Phase presentation of the Draft IDP and Budget to the			10-13/04/2018	Executive Mayor, MAYCO

communities for comments				
	Submission of Performance reports and performance information of the Q3 to Strategic		07/04/2018	Senior Manager Operations
IGR Clusters			13-20/04/2018	Portfolio Heads
	Submission of Performance reports and performance information of the Q3 to Internal Audit		10/04/2018	Senior Manager Operations
IDP/Budget/PMS Steering Committee – adjustments to the Draft IDP and Budget considering inputs from the public			24/04/2018	
ADM District Planning Coordination Forum – Finalization and			02/05/2018	IDP Practitioners

presentation of Draft IDP and Budget				
	Extended Management Meeting - PMS Reporting to Officer level		08/05/2018	Municipal Manager
Audit Committee – Presentation of the Final Drafts - IDP, SDBIP and Budget	Performance Audit Committee – presentation of 3 rd quarter performance reports		09/05/2018	Municipal Manager
IGR FORUM - Presentation of final Draft IDP and Budget			04/05/2018	Executive Mayor, Municipal Manager
		Budget Steering Committee -Final Budget integration to IDP	08/2018	Executive Mayor
Presentation of final Draft IDP and Budget to the IDP Steering Committee Meeting and finalization of the SDBIP			29/05/2018	Municipal Manager
ADM Council Open Day			16/05/2018	Executive Mayor

IDP/Budget/PMS Rep Forum -Presentation of the final draft IDP and Budget			15-17/05/2018	Executive Mayor
Council Meeting - Tabling of Final Draft IDP and Budget for approval			30/05/2018	Executive Mayor
ADM SODA			30/05/2018	Executive Mayor
		MTREF Budget, budget related policies, published on council website	01-03/06/2018	CFO and Senior Manager Operations
Advertisement of Final IDP, Budget and Tariffs			08/06/2018	Senior Manager Operations and CFO
	Submission of Draft SDBIP to EXCO		08/06/2018	Municipal Manager
	Presentation of the SDBIP to Mayor for approval		14/06/2018	Municipal Manager, Mayor
Facilitate printing of the IDP for 2017-2022			24/06/2018	Senior Manager Operations and CFO

	SDBIP advertised and submitted to Provincial and National Treasury & MEC for COGTA, AG & ADM		27/06/2018	Municipal Manager
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CHAPTER 3:

SECTION 1: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY

3.1. INTRODUCTION

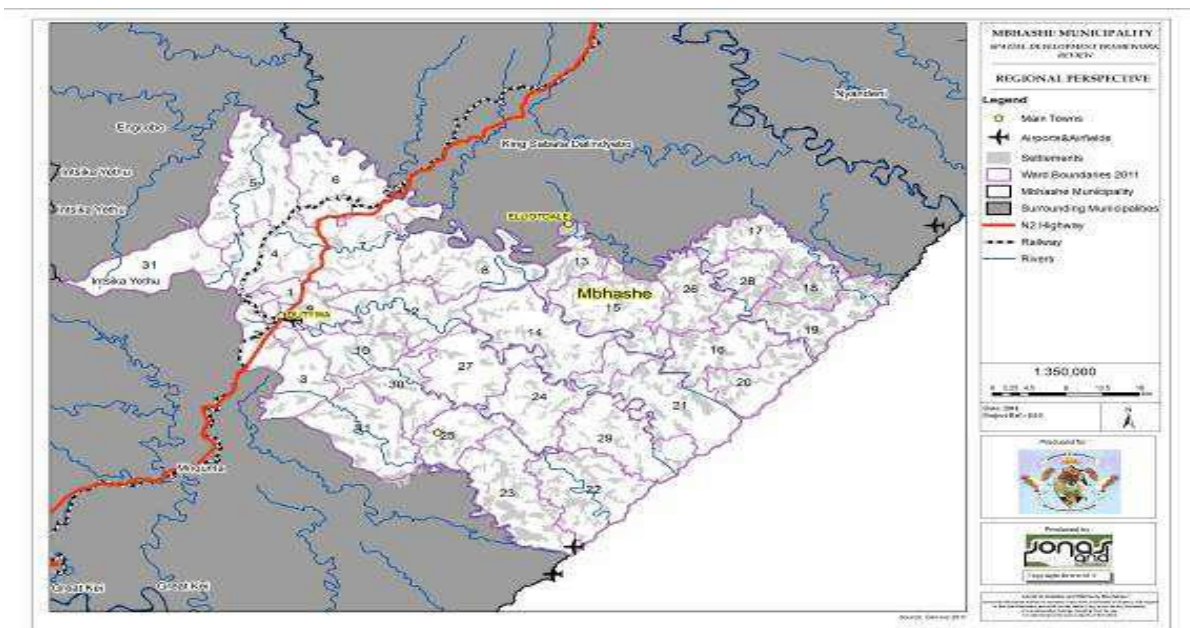
Mbhashe Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 32 wards with 63 Councillors and 12 traditional leaders. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mphaku River in the north along the Indian Ocean.

Mbhashe occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km² in extent (after the last national elections). It is estimated that the new additions of few villages from IntsikaYethu 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) and Dutywa being 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.

Map 1



3.1.1 Demographic Profile

Understanding that demographics are essential for future planning as they allow for grasping issues of scale and supply-demand relationships. Without a consideration of demographic profiles, it becomes difficult to plan or forecast future development scenarios. The various sources of statistics used in this document have their own limitations as does all statistical sources and therefore must be understood in context. Largely, statistics in this document is used to provide or analyse trends and inform likely outcome interventions that are suggested in Chapter 2 dealing with development objectives, strategies and possible interventions

3.1.2 Socio–Economic Profile

❖ Population Size and Distribution

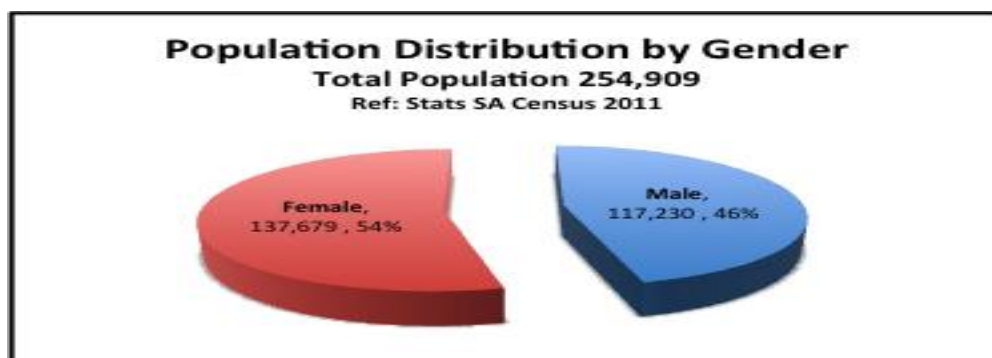
Mbhashe Local Municipality (EC 121) has total population of 254 909 with a household of 60124 resulting to a household size of 4.24 according to the 2011 Stats SA Census. This indicates that Mbhashe has an increase of population and household by 1 537 (1%) and 6 925 (13%) compared to 2001 Stats SA Census resulting a reduction in household size from 4.76 to 4.24.

Table 4: Population size

	2001	2011
Total Population	253,372	254,909
Total Households	53,199	60,124
Household Size	4.76	4.24

The statistics also reveals that the population is female dominating with a Male to Female ratio of 46:54, which is graphically presented in below figure.

Figure 1: Population distribution by Gender



❖ Population Projections

For the sake of planning purposes, a projection of population till 2026 at a five-year interval is calculated and presented hereunder. An average annual growth rate is considered based on the increase of population in census 2011 from 2001, this is worth noting that the change of population is very much insignificant over the year.

Table 5: Population projection till 2026

Census 2001	Census 2011	Average Growth Rate	Projection at average growth rate		
			2016	2021	2026
253,372	254,909	0.0605%	255,700	256,500	257,200

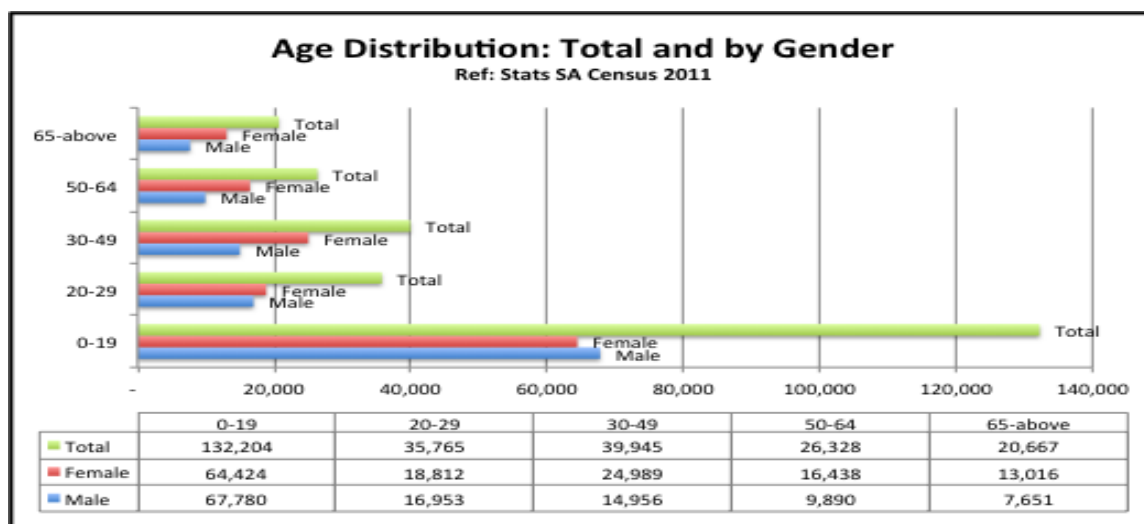
❖ Age Distribution

An analysis on 2011 Stats SA Census shows that a bulk of 52% of population is children (age 0-19). About 8% falls in pension group (age 65 +), whilst 40% is at economically active ((age 20-64). This clearly indicates that 60% population is dependent on 40% of youth, which highly demands further consideration of capacity and skill development of the youth population.

It is important for researchers and planners to note that age distribution further indicates that the male population decreases compared to female population with increase of age. The following figure, drawn from Stats SA Census 2011, shows that at child level (0-19) male population is higher than female (51:49) compared to male to female ratio of 54: 46 for total population, which decreases at youth (20-29) to 47:53 that further decreases to 37:63 at age 65 and above. This clearly indicates that male population is more prone to death with increase of age in comparison to female.

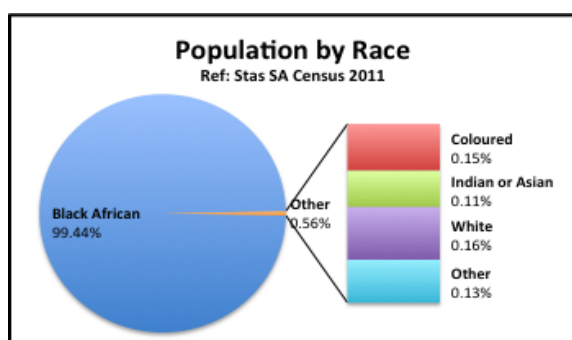
This indicates that the planner has to find a way out of improvement of health and safety of males and capacity improvement of females.

Figure 2: Age distribution



❖ Population Distribution by Race

Figure 3. Population By Race



Stats SA Census 2011 reveals that 99.44% (Figure 2.4: Race distribution) of the population is Black African. The distribution according to race is shown in the figure on the right.

❖ Language of the Population

94% of Mbashe population is IsiXhosa speaking followed by other (3.21%), other than English (1.54%) and Africans (0.52%). Another 0.66% is using sign language (dumb). The table and figure below give an overall view of the situation.

Figure 4: Language by population

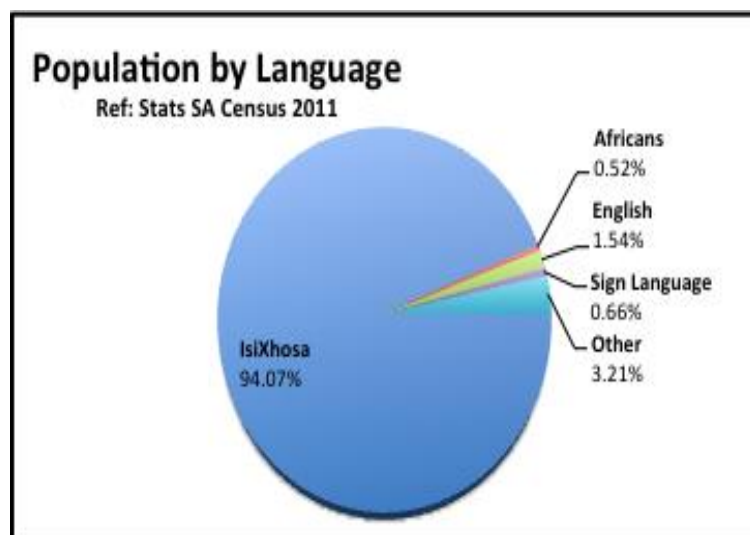


Table 6: Language by population

Language	Population	Percentage
IsiXhosa	239,795	94.07%
Africans	1,334	0.52%
English	3,931	1.54%
Sign Language	1,674	0.66%
Other	8,175	3.21%
Total	254,909	100%

Table 7: Literacy rate

School Type	Population	Percentage
Pre-school	305	0.12%
Ordinary School	94,122	36.92%
Special School	346	0.14%
FET College	1,019	0.40%
Other College	129	0.05%
University	1,591	0.62%
ABET Centre	2,545	1.00%
Literacy Classes	1,403	0.55%
Home based School	332	0.13%
Not Applicable	153,117	60.07%
Total	254,909	100.00%

Mbhashe owns one of the highest numbers of illiterate populations in the province of the Easter Cape. 60% of its population is illiterate followed by ordinary schooling (Grade R who attended a formal school; Grade 1-12 learners and learners in special classes) of 37%. Only 0.62% has University degrees.

The details are given in the table at right, which is further elaborated in the following figure. This causes a high pressure to government as well as the population to engage this population in any formal economic activities.

Figure 5: Literacy rate – graphical

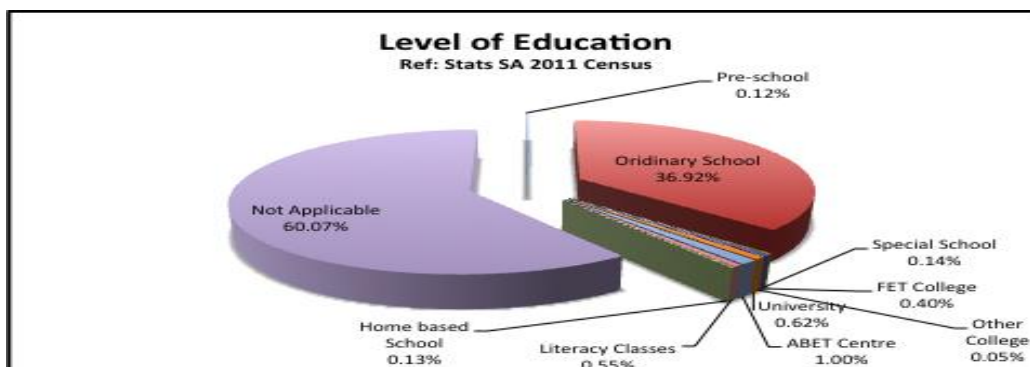


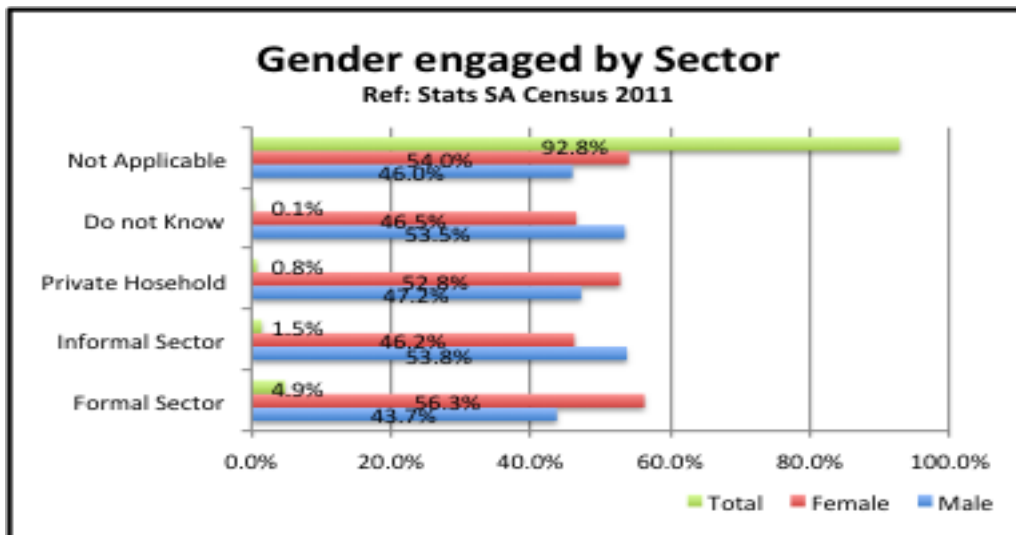
Table 8: Employment per sector by Gender

Employment Sector	Male	Female	Total
Formal Sector	5,411	6,963	12,374
Informal Sector	2,007	1,726	3,733
Private Hosehold	943	1,054	1,997
Do not Know	123	107	230
Not Applicable	108,746	127,829	236,575
Total	117,230	137,679	254,909

Mbhashe is earmarked as populated with the highest number of poor population in the province of Eastern Cape, which is again revealed by the 2011 Stats SA Census that identifies that the unemployment rate as 93%. This is the result of high illiteracy rate (ref: article 2.6). Only 5% of population engaged in the formal sector and at 1% in each of informal and private households. The table at the above shows the number of population engaged in various available sector of employment opportunity in the Mbhashe Municipality.

Gender analysis of employment (the below figure) shows that unemployment rate for male and female goes hand in hand with the composition of population as 46:54. This is also very close to all sector of employment as well. It means that equity of male-female employment is well maintained.

Figure 6: Gender analysis of employment by sector



❖ Level of Household Income

The level of household income further explains poverty level of Mbhashe. Only 39% of households has monthly income equal to or higher than R 3 000.00, whereas 47% living with equal to or less than R 8 000.00 per month and 14% has no income. It means about 61% households is living within poverty level. The situation is graphically presented in the following figure.

Figure 7: Level of household income

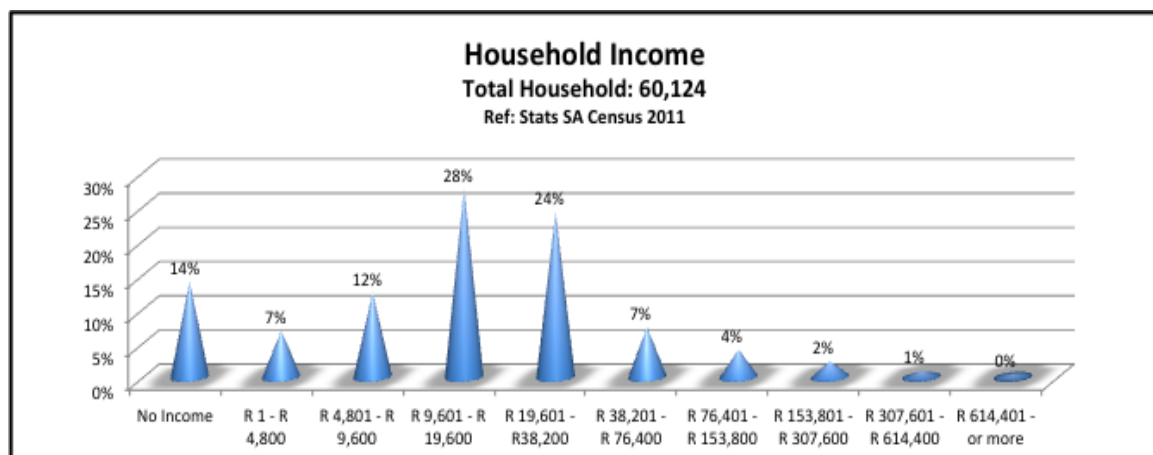


Table 9: Dwelling by house type

House Type	Households	Percent
Brick/ Concrete Block Structure	12,908	21.47%
Traditional Dwelling	39,687	66.01%
Flat Blocks	2,928	4.87%
Cluster House-Complex	135	0.22%
Townhouse: Semi-detached	46	0.08%
Semi-detached	56	0.09%
Backyard House	2,364	3.93%
Backyard Shack	600	1.00%
Shack: Informal Settlement	918	1.53%
Room/ Servant Quarters	161	0.27%
Caravan/Tent	24	0.04%
Other	297	0.49%
Total	60,124	100.00%

Traditional Dwellings, which is 66% according to the last Census followed by 21.47% in Brick or Concrete Block structures and 4.87% in Flat Blocks. The details of dwelling status are given in the table at the right and below figure.

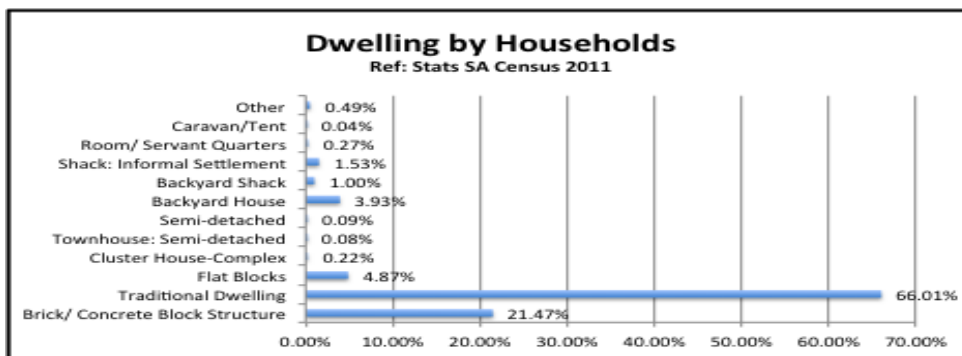


Figure 8: Dwellings by house type

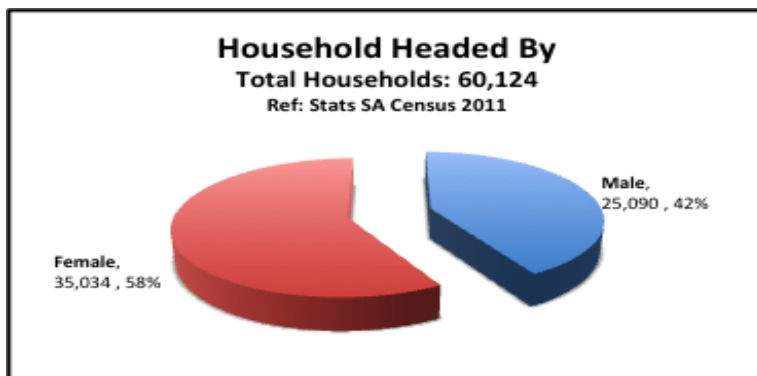


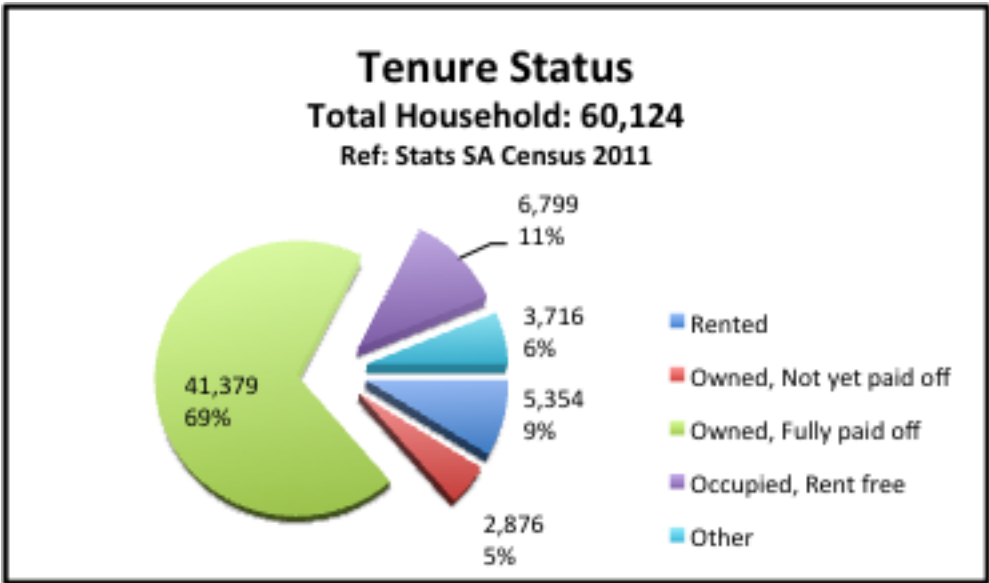
Figure 9: Household heads

Households are dominated by females, with a male to female ratio of 46:54, which is a little higher than population distribution of 42:58. This is mainly because of single female parentship and under aged mothership, which causes also high level of illiteracy.

❖ **Tenure Status**

An analysis of 2011 Stats SA Census reveals that 69% of population is living in houses owned but not yet fully paid off followed by 11% living in rent free houses. Only 9% is living in owned and fully paid off house and 6% in rented houses. The following figure demonstrates the whole situation.

Figure 10: Tenure status



SECTION 2: ANALYSIS

3.2 LEGAL FRAMEWORK ANALYSIS

LEGISLATION/ POLICY	PROVISION
Sustainable Development Goals (SDG)	The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.
Constitution of the Republic of South Africa, 1996	“A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.”
National Development Plan; vision 2030	<p>On inclusive and intergrated rural economy</p> <ul style="list-style-type: none"> • By 2030, South Africa’s rural communities should have greater opportunities to participate fully in the economic, social and political life of the country <p>On an economy that will create more jobs</p> <ul style="list-style-type: none"> • By 2030, the economy should be close to full employment; equip people with skills they need, ensure that ownership of production is less concentrated and more diverse and be able to grow rapidly; providing the resources to pay for investment in human and physical capital
ANC Manifesto	<p>On Local Economy and Job Creation; the ANC Manifesto emphasis on development and strengthening of local economies to create jobs and promote job placements especially the youth through:-</p> <ul style="list-style-type: none"> • Re orientating local economies to become effective centres of production, information processing and economic and spatial development. • Strengthening structures of Local Economic Development. • Developing sports and recreational facilities to grow local economies. • Ensuring that municipalities incorporate science and technology into their programmes as catalysts for local economic development and deploy innovations such as the hydrogen fuel cell technology. • Up scaling cooperatives to mainstream economic development. • Ensuring that all municipalities develop special programmes targeting youth Co-operatives and enterprises. • Developing the productive and creative skills of young people for economic projects and activities in municipalities.

	<ul style="list-style-type: none"> • Promoting local procurement of goods and services to increase local production. • Encouraging the growth of SMMEs and cooperatives through centralised government procurement • Maintaining all municipal infrastructure and facilities. • Encouraging local businesses to target young people and to take advantage of programmes to promote youth employment. • Upscaling the Community Work Programme to provide initial exposure to work opportunities to unemployed young people. • Ensuring the Expanded Public Works Programme takes advantage of the Municipal Infrastructure Grant to create labour absorbing activities and work opportunities. • Expanding broadband access in local government, including through free Wi- Fi areas. • Providing residents with information about programmes on sustainable agriculture and rural development. • Assisting rural smallholder farmers to access municipal land for food production and sustainable agriculture. • Collaborating with farmers to create better working and living conditions for farm workers. • Working with traditional leaders to ensure that communal land under the trusteeship of traditional leaders is accessible and available for development and economic growth.
National Framework for LED 2014-2019	<p>The vision as set out by the Framework is:</p> <p>“Competitive, sustainable, inclusive local economies world-class and dynamic places to live, invest, and work; maximizing local opportunities, addressing local needs, and contributing to national development objectives”</p>
1998 Local Government White paper	<p>The paper introduced the concept of developmental local government; i.e. the “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of lives.”</p>
Municipal Systems Act (2000)	<p>In this piece of legislation the Integrated Development Plan is seen as the key instrument to achieve organic, sustainable local economic development; as well as regulate municipal expenditure in respect of LED and build municipal partnerships for LED.</p>
Regional Industrial Development Strategy	<p>The RIDS Strategic Intent is outlined as follows:-</p>

	<ul style="list-style-type: none"> • To enable all areas in the SA economy to attain their optimal economic potential by facilitating local development embedded in a regional/district through linkages within existing and latent industrial and economic base. • To stimulate investments that will promote sustained high growth in a local community • To focus on a region's potential and identify what local stakeholders can and need to do to ensure their local community reaches its potential • To assess a community's comparative advantage, identify new or existing market opportunities for businesses, and reduce obstacles to business expansion and creation • To have an impact on the economic viability districts • To create new jobs, help communities retain existing jobs, help businesses access capital. • To contribute to a broader national framework with a spatial dimension, in order to increase each region's global competitiveness.
Back to Basics	<ul style="list-style-type: none"> • B2B Approach primary goal is to improve performance of the municipalities in line with the National and Provincial Development Plans. • To facilitate integrated planning and participation by sector departments in the various workstreams for implementation of B2B. • To ensure that sector departments strategic plans are aligned with B2B and IDPs. • To enhance integrated service delivery support, monitoring and evaluation of support provided to municipalities

Area	Legislation	Linkage/PROMOTION
Integrated planning	a) The Local Government: Municipal System Act, 2000 (Act 32 of 2000) as amended	<p>This act compels municipalities to draw up the IDP's as a singular, inclusive and strategic development plan. In terms of this Act, a municipality produces an IDP every five years comprising of the following components</p> <ul style="list-style-type: none"> (i) A vision of the long-term development of the area. (ii) Municipality's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements. (iii) Municipality's development priorities and objectives for the Council elected term. (iv) An assessment of the existing level of development which must include an identification of the need for basic municipal service. (v) Spatial development framework which must include the provision of basic guidelines for a land use management system. (vi) The key performance indicators as determined by COGTA and performing targets.
Community safety	• Criminal procedure Act 51 of 1977	To make provision for procedures and related matters in criminal proceedings
	• National Road Traffic Act 93 of 1996	To provide for road traffic matters
	• South African police Service Act 68 of 1995	Establishment of municipal police and related matters
Waste Management	• National Environmental Management Act 107 of 1998	To provide for co-operative, environmental governance by establishing principles for decision making on matters affecting the environment, institutions that will promote co-operative governance and procedures for coordinating environmental functions exercised by organs of states, and to provide for matters connected therewith.

	<ul style="list-style-type: none"> • National Environmental Management Waste Act 59 of 2008 	To reform the law regulation waste management in order to protect health and environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecological sustainable development and matters connected therewith
Child and youth care	<ul style="list-style-type: none"> • Children's Act 38 of 2005 	To provide for the early childhood development, child and youth care centers.
Cemeteries, Funeral Parlors and Crematoria	Funeral, Burial and Cremation Services Act of 2002	To provide for establishment licenses and operation of funeral polours, burials and cremations
Animal Pound	National Animal Pounds Bill of 2013	To establish National norms and standards in order to maintain consistency relating to pound and impounding of animals
Air Pollution	Air Quality Act 39 of 2004	To reform the law regulating air quality in order to protect environment by providing reasonable measures for prevention of pollution and ecological degradation and for securing ecological sustainable development and matters connected therewith
Beaches and Amusement	National Environmental Management: Integrated coastal Management Act 24 of 2008	To establish a system of integrated coastal and estuarial management in the republic including norms, standards and policies in order to promote the conservation of the coastal environment and maintain the natural attributes of coastal land scapes and seascapes
Libraries	Libraries and information services Act 6 of 2003	To provide for the establishment of the administration and control of library and information services in the province
Roads and Storm Water	<ul style="list-style-type: none"> • The South African National Roads Agency Limited and National Roads Act 7 of 1998 	To ensure compliance on all roads standards
	<ul style="list-style-type: none"> • Infrastructure Development Act 23 of 2014 	To provide for the facilitation and coordination of public infrastructure development

	<ul style="list-style-type: none"> National Land Transport Act 5 of 2009 	To provide further the process of transformation and restructuring the national land transport system
Electricity	Electricity Act 18 of 2015	To provide for continuity existence of electricity control board and for control of the generation and supply of electricity and for matters connected therewith
Budget Planning	Municipal Finance Management Act, 2003 (Act 56 of 2003)	The MFMA provides for closer alignment between the annual budget and the compilation of the IDP. This can be understood as a response to the critique that IDP's took place in isolation from financial planning and were rarely implemented in full as a result. Specifically, section 21 (1) of the Act requires that a municipality co-ordinates the process of preparing the Annual Budget and the IDP to ensure that both the budget and IDP are mutually consistent. Key to ensuring the co-ordination of the IDP and Annual Budget is the development of the Service Delivery Budget and Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Mayor of a municipality for implementation of service delivery and Annual Budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.
Planning and Performance management	C) The Municipal Planning and Performance Management Regulations (2001)	<p>This framework set out the following requirements</p> <ul style="list-style-type: none"> (i) An Institutional Framework for implementation of the IDP and to address the Municipality's internal transformation. (ii) Investment initiatives that should be clarified. (iii) Development initiatives including infrastructure, physical, social and Institutional development. (iv) All known projects, plans and programmes to be implemented within the municipality by any organ of state.

National Developmental Plan	d) The National Development Plan (NDP) vision 2030	<p>The NDP outcome 9 which stating the responsive, accountable, effective and efficient developmental local government system.</p> <p>The NDP envisages that by 2030 South Africa will be a state that is capable of playing a developmental and transformative role in broad terms such a state intervenes to support and guide development in such a way that benefits society and particularly the poor. The NDP priorities to achieve the vision are as follows</p> <ul style="list-style-type: none"> (i) Members of society have sustainable and reliable access to basic services (ii) Sound financial and administrative management (iii) Intergovernmental and democratic governance arrangements for a functional system cooperative governance strengthened (iv) Promotion of social and economic development (v) Local public employment programmes expanded through the Community Works Programme
Special Programmes (SPU)	<p>National Youth Policy 2020</p> <p>Children's Act 38 of 2005</p> <p>White Paper on an Integrated National Disability</p> <p>Older Person's Act 13 2006</p> <p>Women Empowerment And Gender Equality Act, 2014</p> <p>National Strategic Plan (NSP) on HIV,</p>	<p>The policy provides guide for:</p> <ul style="list-style-type: none"> • Consolidated and integrated youth development into the mainstream of government policies, programmes and the national budget • Strengthening of the capacity of key youth development institutions and ensuring integration and coordination in the delivery of youth services. • Building the capacity of young people to enable them to take charge of their own well-being by building their assets and realising their potential. • Strengthening of a culture of patriotic citizenship among young people and to help them become responsible adults who care for their families and communities. • Fostering a sense of national cohesion, while acknowledging the country's diversity, and inculcate a spirit of patriotism by encouraging visible and active participation in different youth initiatives, projects and nation building-activities.

	STi and TB (2012-2016)	<ul style="list-style-type: none"> • Gives effect to certain rights of children as contained in the Constitution.
	Military Veterans Act 18 of 2011	<ul style="list-style-type: none"> • This prescribes on what can be contributed to the development of disabled people and to the promotion and protection of their rights. • The act aims to establish a society of the older persons who are content, dignified, possessed of a high sense of self-worth and optimising their potential as well as to ensure that they enjoy all opportunities besides being given the care and protection as members of a family, society and the nation.

3.3 LEADERSHIP GUIDELINES

Mbhashe Local Municipality has already produced four full five year IDPs, from, 2002 – 2007, 2007-2012, and 2012 – 2017, 2017-22. The Municipality has now reviewed the 2018-19 IDP for the 1st time in accordance with section 34 of the Local Government Municipal Systems Act 32 of 2000.

A five year IDP supports a single, integrated planning process, with clear demarcation between long-term, medium term and short term planning. The five year IDP should therefore be understood as an interpretation of strategy and political priorities into a detailed Integrated Plan that is to become the business plans, in this context, are seen as implementation tools. The municipality in developing the document should make an important contribution towards creating a human society which require all councillors and officials to work together and selflessly to improve service delivery and to address service backlogs

Following the election of the new council in 2016 the municipality embarked on a process of formulating its five year integrated development plan (IDP) 2017 -2022. This document outlines the programmes and development commitments that will be delivered during the term of the current council. The IDP supersedes all other plans of a municipality. The following were priorities that were identified by the municipal leadership in the next five years.

- I. Poverty eradication
- II. Improvement on the illiteracy rate
- III. Reduce unemployment
- IV. Build active citizen

3.4 STAKEHOLDER ANALYSIS

Legislative Framework

Background Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) regulates the participation of communities in the affairs of the municipality.

Mbhashe Municipality reviewed a public participation and petition strategy in compliance with the requirements of the Act and these are being implemented within the municipality.

Mechanisms for Community Participation

The following are the mechanisms to engage and involve the community members in the development, review, implementation of the IDP and other affairs of the municipality:

IDP Representative Forum: is a forum of representatives of various stakeholders of the municipality, where issues of planning, implementation, reporting and accountability are discussed

Mayoral Outreaches: including meetings with the various stakeholders such as business community, the faith / religious organisations, rate payers of the municipality and other stakeholders

Inter-government Relations Forum: where meetings with national and provincial government department, the Parastatals, the institutions of higher learning and the local further education and training college

Ward Committee: meet monthly in their respective voting stations and quarterly for the ward

Community Development Workers: They have been deployed in all the municipal wards and they assist in co-ordination of service delivery and development and renewal of the Integrated Development Plan. CDWs assist in the service delivery audits that are undertaken by the municipality and other stakeholders.

Mayoral Imbizos: held at ward level and convened by the Executive Mayor,

MAYCO and the community members for reporting on past projects, status of the current projects and prioritization of community needs for the next financial year.

Mbhashe Newsletter: is issued quarterly where news articles about service delivery and the people of Mbhashe are published.

3.5 STATUS QUO ASSESMENT/SITUATIONAL ANALYSIS

3.5.1 KPA 1 – MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (MTI)

➤ ORGANISATIONAL STRUCTURE AND ESTABLISHMENT PLAN

Section 66 of the Municipal Systems Act (No.32 of 2000) requires that a municipal manager develop a policy framework determined by the municipal council and subject to any applicable legislation, establish a mechanism, to regularly evaluate the staff establishment of a municipality and if the staff establishment requires amendment the approval of the Council shall be obtained.

Mbhashe Local Municipality is divided into two levels namely; Political and Administrative structure. The administration is accountable to Political Structure.

❖ Political Structure

The municipality is governed by its council led by the Executive Mayor and chaired by the Speaker. There are section 79 committees established to assist council in governing the work of line functional administration and section 80 committees which assist the executive committee to function. The councillors signed a code of conduct on their first induction meeting in August 2016 and the declaration is being signed annually in the beginning of each financial year. The Council also established the rules committee chaired by the Speaker which developed the rules of order for the council and its function which also enforces the implementation of rules in the council and adherence to the code of conduct by councillors. The rules committee also ensures that the committee as per the calender of events as adopted by the council at the beginning of the financial year.

The municipality had established the following committees that assist the council in carrying out its responsibilities:

- I. Mayoral Committee
- II. Municipal Public Accounts Committee
- III. Audit and Performance Audit committee
- IV. Women's Caucus
- V. Ethics and Rules Committee

Section 80 committees are as follows:

- I. Municipal Transformation & Institutional Arrangement
- II. Service Delivery and Infrastructure
- III. Local Economic Development
- IV. Financial Viability and Management
- V. Good Governance and Public Participation

All the above committees are sitting on a quarterly basis except the womens caucus which have some challenges.

Other Committes:

- I. Remuneration Committee
- II. Local Labour Forum
- III. Training Committee
- IV. Employment Equity Committee
- V. Occupational Health and Safety Committee
- VI. Sports Committee

❖ **Administrative Structure**

The Organisational Structure of the municipality reflects 284 posts which are spread in 6 Departments. The municipality has filled 267 posts and 18 vacancies, which translate to 6% vacancy rate. The recruitment processes for vacant positions have commenced and two vacant positions for senior managers have to be filled.

The municipality has three levels of management and are as follows;

- Top Management (constituted by Senior Managers)
- Middle Management (constituted by Managers reporting to Senior Managers)
- Operational Management (constituted by Officers, Supervisors and Team leaders)

Top Management is responsible for Strategic Planning of the institution, in doing that Middle Management forms part of the processes for Strategy Development. This is done to build capacity and to promote participation and innovation.

Administratively, the municipality consists of the following six departments

OFFICE OF THE MUNICIPAL MANAGER

- I. Units Management
- II. Special Programmes
- III. Communications
- IV. IDP and Performance Management
- V. Council Support
- VI. Public Participation
- VII. Legal and Risk Services
- VIII. Internal Audit

CORPORATE SERVICES

- I.Human Resources Management
- II.Facilities
- III.ICT and Records Management

DEVELOPMENT AND PLANNING

- I.Local Economic Development
- II.Land Use Management
- III.Human Settlements
- IV.Environmental Management
- V.Property management
- VI.Building controls

INFRASTRUCTURAL DEVELOPMENT AND MAINTENANCE

- I.Roads & Stormwater
- II.Electricity
- III.Civil & Building Works
- IV.Mechanical works

COMMUNITY SERVICES

- I.Waste Management
- II.Traffic Management and Law Enforcement
- III.Expanded Public Works Programme
- IV.Community Facilities
- V.Free Basic Services
- VI.Disaster coordination

BUDGET & TREASURY OFFICE

- I.Budget Planning
- II.Expenditure management
- III.Revenue Management
- IV.Supply Chain Management
- V.Financial Reporting
- VI.Customer Care
- VII.Asset and Fleet Management

Diagram 1: Organisational Structure

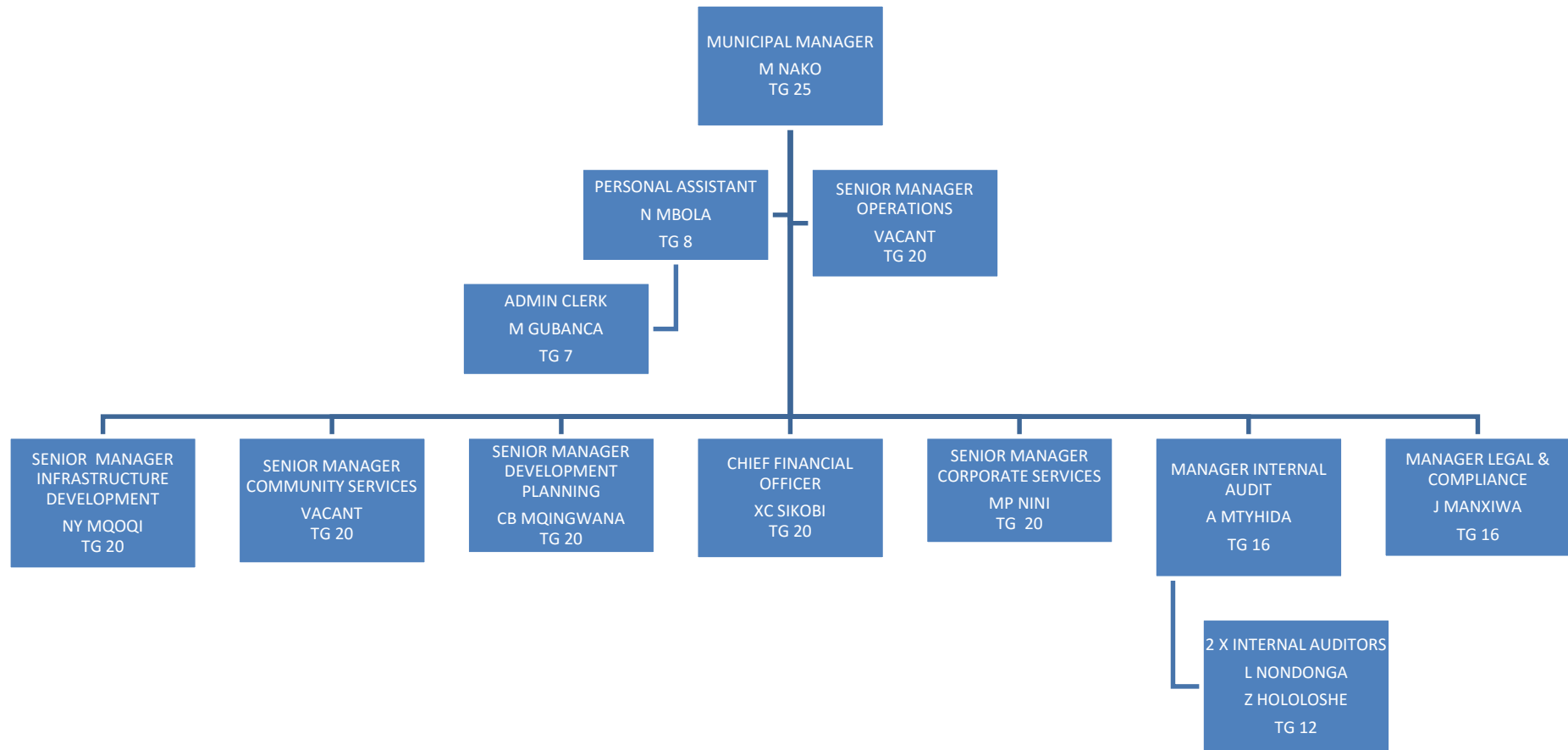


Diagram 2 Employee Stats

EMPLOYEE STATS 01 MAY 2018

Task Grade	MM's Office		INFRASTRUCTURE		BTO		CORPORATE SERVICES		COMMUNITY SERVICES		PLAN & DEV		OVERALL TOTALS	
	Number of Posts	Filled Posts	Number of Posts	Filled Posts	Number of Posts	Filled Posts	Number of Posts	Filled Posts	Number of Posts	Filled Posts	Number of Posts	Filled Posts	TOTAL POSTS	TOTAL FILLED
25	1	0	0	0	0	0	0	0	0	0	0	0	1	0
20	1	0	1	1	1	1	1	1	1	0	1	1	6	4
16	2	2	2	2	1	1	1	1	0	0	0	0	6	6
14	8	4	0	0	3	1	1	1	2	2	2	2	16	10
12	9	6	13	12	8	5	8	7	7	5	8	5	53	40
10	4	2	6	3	3	2	1	0	4	3	4	3	22	13
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	4	4	1	1	4	4	1	0	3	1	1	1	14	11

7	18	11	1	0	10	8	15	8	40	23	1	1	85	51
6	0	0	32	24	0	0	0	0	20	15	0	0	52	39
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	6	1	0	0	20	19	0	0	26	20
3	0	0	10	0	0	0	10	10	72	65	0	0	92	75
	47	28	66	43	36	23	38	28	169	133	17	13	373	269
VACANCIES		19		23		13		10		36		4		105
% of Total posts														

Diagram 3: Workforce Analysis

Municipal Profile

Table below reports the total number of employees and legislators (including employees with disabilities) in each of the following occupational levels:

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupation Category	Occupation	AF	AM	People with Disability		Total	<35	35-55	55>	Total	Non SA
LEGISLATORS				AF	AM						
LEGISLATORS	Mayor	0	1	0	0	1	0	1	0	1	0
LEGISLATORS	Speaker	1	0	0	0	1	0	1	0	1	0
LEGISLATORS	Chief Whip	0	1	0	0	1	0	1	0	1	0
LEGISLATORS	Mayoral Committee	5	2	0	0	7	0	7	0	7	0
LEGISLATORS	Councillors	21	32	0	0	53	2	49	2	53	0
LEGISLATORS	Chiefs	2	10	0	0	12	0	0	2	12	0
LEGISLATORS Totals		29	46	0	0	75	2	57	5	75	0
MANAGERS	Municipal Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	CFO	0	1	0	0	1	0	1	0	1	0

MANAGERS	Senior Manager Planning	0	1	0	0	1	0	1	0	1	0
MANAGERS	Senior Manager Corporate	0	1	0	0	1	0	1	0	1	0
MANAGERS	Senior Manager Infrastructure	1	0	0	0	1	0	1	0	1	0
MANAGERS	Unit Manager	1	0	0	0	1	0	1	0	1	0
MANAGERS	Unit Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Chief Traffic & Law enforcement	0	1	0	0	1	0	1	0	1	0
MANAGERS	Community Service Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Legal Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Council Support Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Internal Audit Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Communications Manager	1	0	0	0	1	1	0	0	1	0
MANAGERS	HR Manager	1	0	0	0	1		1	0	1	0

MANAGERS	IT Manager	0	1	0	0	1	1	0	0	1	0
MANAGERS	PMU Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Maintenance Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Land and Housing Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	LED Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	Town Planner Manager	0	1	0	0	1	0	1	0	1	0
MANAGERS	SCM Manager	0	1	0	0	1	1	0	0	1	0
MANAGERS	Finance Manager	0	1	0	0	1	1	0	0	1	0
MANAGERS TOTALS		4	18	0	0	22	4	18	0	22	0
PROESSIONALS	Public Participation officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Senior Committee Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	IDP Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Internal Auditors	0	2	0	0	2	1	1	0	2	0
PROFESSIONALS	SPU Officer	0	1	0	0	1	0	1	1	1	0

PROFESSIONALS	Accountant/Finance & Admin Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	ISD Officers	2	0	0	0	2	2	0	0	2	0
PROFESSIONALS	Housing Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Tourism Officer	0	1	0	0	1	0	1	0	1	0
PROFESSIONALS	Agriculture Officer	0	1	0	0	1	0	1	0	1	0
PROFESSIONALS	Environmental Officer	1	0	0	0	1	1	0	0	1	0
PROFESSIONALS	Building inspectors	2	1	0	0	3	1	2	0	1	0
PROFESSIONALS	EPWP Coordinator	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Community Services Officers	2	1	0	0	3	0	3	0	3	0
PROFESSIONALS	Revenue Accountant	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Budget Accountant	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Payroll Officer	1	0	0	0	1	1	0	0	1	0
PROFESSIONALS	Expenditure Accountant	0	1	0	0	1	1	0	0	1	0
PROFESSIONALS	Procurement officers	1	1	0	0	2	1	1	0	2	0

PROFESSIONALS	Free Basic Services Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	HR Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	HRD Officer	1	0	0	0	1	1	0	0	1	0
PROFESSIONALS	Labour Relations Officer	0	1	0	0	1	0	1	0	1	0
PROFESSIONALS	Registry/Records Officer	1	0	0	0	1	0	1	0	1	0
PROFESSIONALS	Admin officer	0	1	0	0	1	1	0	0	1	0
PROFESSIONALS TOTALS		21	11	0	0	32	10	22	0	32	0
TECHNICIANS AND ASSOCIATION PROFESSIONALS	ICT Technicians	1	1	0	0	2	0	2	0	2	0
TECHNICIANS AND ASSOCIATION	Quantity Surveyor technician	1	0	0	0	1	0	1	0	1	0
TECHNICIANS AND ASSOCIATION	PMU Technicians	2	1	0	0	3	1	2	0	3	0
TECHNICIAN AND ASSOCIATION	Mechanical Technician	0	1	0	0	1	1	0	0	1	0
TECHNICIAN AND ASSOCIATION	Electrical Technician	0	1	0	0	1	0	1	0	2	0
TECHNICIAN AND ASOCIATION	Foreman's	1	2	0	0	3	1	2	0	3	0

TECHNICIAN AND ASSOCIATION	Electrical artisan	1	1	0	0	2	0	2	0	2	0
TECHNICIAN AND ASSOCIATION TOTALS		6	7	0	0	13	3	10	0	13	
CLERICAL SUPPORT WORKERS	Municipal Executive personal assistant & Secretary	1	1	0	0	2	2	0	0	2	0
CLERICAL SUPPORT WORKERS	Mayors Executive personal assistant & secretary	2	0	0	0	2	0	2	0	2	0
CLERICAL SUPPORT SERVICES	Speaker' personal assistant & secretary	1	1	0	0	2	2	0	0	2	0
CLERICAL SUPPORT SERVICES	Executive Secretaries	6	0	0	0	6	5	1	0	0	0
CLERICAL SUPPORT SERVICES	Principal and Committee clerks	2	2	0	0	0	0	4	0	4	0
CLERICAL SUPPORT SERVICES	Receptionist	2	0	0	0	0	2	0	0	2	0
CLERICAL SUPPORT SERVICES	Registry Clerk	2	1	0	0	3	0	3	0	0	0
CLERICAL SUPPORT SERVICES	SCM Clerks	2	0	0	0	2	2	0	0	2	0
CLERICAL SUPPORT SERVICES	Payroll clerk	0	1	0	0	1	0	1	0	1	0

CLERICAL SUPPORT SERVICES	Budget junior accountant	1	0	0	0	1	1	0	0	1	0
CLERICAL SUPPORT SERVICES	Junior expenditure accountant	1	0	0	0	1	1	0	0	1	0
CLERICAL SUPPORT SERVICES	Junior revenue accountant	1	0	0	0	1	1	0	1	1	0
CLERICAL SUPPORT WORKERS	Fleet clerk	0	1	0	0	1	0	1	0	1	0
CLERICAL SUPPORT WORKERS	Asset Clerk	0	1	0	0	1	0	1	0	1	0
CLERICAL SUPPORT WORKERS	HR Clerks	1	1	0	0	1	0	2	0	2	0
CLERICAL SUPPORT WORKERS	SPU coordinators	1	1	0	0	2	2	0	0	2	0
CLERICAL SUPPORT WORKERS	Property clerk	1	0	0	0	1	0	1	1	1	0
CLERICAL SUPPORT WORKERS	Supervisors	1	0	0	0	1	0	1	0	1	0

CLERICAL SUPPORT WORKERS TOTALS		25	10	0	0		35		18	17	0	35	0
SERVICE AND SALES WORKERS	Cashiers	3	0	0	0		3		1	2	0	3	0
SERVICE AND SALES WORKERS	Customer Care	1	0	0	0		1	1	0	0	1	0	0
SERVICE AND SALES WORKERS	Commander & Law enforcement officers	2	9	0	0		12	11	0	1	12	0	0
SERVICE AND SALES WORKERS	E-Natis clerks	2	0	0	0		2	1	1	0	12	0	0
SERVICE AND SALES WORKERS	Traffic officers	1	5	0	0		6	4	2	0	6	0	0
SERVICE AND SALES WORKERS	Traffic Wardens	1	2	0	0		3	1	0	0	3	0	0
SERVICE AND SALES WORKERS	Licencing examiner	2	0	0	0		2	0	2	0	2	0	0

SERVICE AND SALES WORKERS	Senior traffic officers	0	2	0	0	2	1	1	0	2	0
SERVICE AND SALES WORKERS	Superintendent Licensing	0	1	0	0	1	0	1	0	1	0
SERVICE AND SALES WORKERS	Superintendent traffic	0	0	0	0	1	0	1	0	1	0
SERVICE AND SALES WORKERS Totals		12	19	0	0	31	20	10	1	33	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	TLB operator	0	3	0	0	3	0	3	0	3	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Excavator operator	0	3	0	0	3	2	1	0	3	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Grader operator	0	2	0	0	2	0	1	1	2	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Dozer operator	0	2	0	0	2	0	2	0	2	0

PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Truck drivers	0	5	0	0	5	1	3	1	5	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Road artisans	0	3	0	0	3	0	2	1	3	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Roller operator	0	1	0	0	1	1	0	0	1	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Plant operators	0	5	0	0	5	3	2	0	5	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Driver	0	2	0	0	2	1	1	0	2	0
PLANT AND MACHINE OPERATORS AND ASSEMBLER	Mayors Driver	1	1	0	0	2	0	2	0	2	0
PLANT AND MACHINE OPERATORS	Speaker's Driver	0	1	0	0	1	0	1	0	1	0
PLANT AND MACHINE OPERATORS TOTALS		0	29	0	0	29	8	18	3	29	0
ELEMENTARY OCCUPATION	Garden caretaker/messenger	0	1	0	0	1	0	0	1	1	0
ELEMENTARY OCCUPATION	Office cleaners	5	0	0	0	5	2	3	0	5	0

ELEMENTARY OCCUPATION	Messengers	1	2	0	0	3	0	3	0	3	0
ELEMENTARY OCCUPATION	Waste collection	23	58	0	0	81	24	47	10	81	0
ELEMENTARY OCCUPATION	Animal attended	0	3	0	0	3	0	3	0	3	0
ELEMENTARY OCCUPATION	Care taker	0	3	0	0	3	0	3	0	3	0
ELEMENTARY OCCUPATION	Team leaders	0	18	0	0	18	6	12	0	18	0
ELEMENTARY OCCUPATION	Supervisor	0	13	0	0	13	0	12	1	13	0
ELEMNTARY OCCUPATION		29	98	0	0	127	32	83	12	127	0
TOTALS											

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESS
DECISION MAKING	Employee engagement (Established structures) Clear process flow Existing procedures Institutional calendar Staff meetings Resolution register	Poor communication Non- compliance Poor implementation of resolutions
	OPPORTUNITIES	THREATS
	Municipal stability	Community Protests

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
SUPERVISION	All levels of Supervisor position are filled Segregation of duties Monthly Reports	Poor accountability Fear of taking decision Fear of acting on transgression Capacity building
	OPPORTUNITIES	THREATS
	Career growth Improved service delivery Improved revenue collection	Staff turnover Political interference

➤ **Decision Making Process**

The process of decision making starts at departmental level, to the Senior Management to recommend. If a problem is identified, the department is responsible to recommend the solution, this can either be through policy development or procedures.

➤ **Human Resources**

The municipality has a Human Resources Strategy that was developed by Amathole District Municipality through Municipal Support Unit (MSU) for 2013-2017. The human resources strategy was adopted by council on the 29th May 2013 and is reviewed on an annual basis. The HR strategy considerations focus on building systematic human resource practices that improve employees' motivation and skills. The strategy also focuses more on selecting the right employees to do the job, managing their activities and motivating them to stay with the municipality. The purpose of generating these strategies is to mitigate the threats and weaknesses which human resources and the municipality is faced with by among other things, taking advantage of the identified opportunities and capitalising on the identified strengths. With the development of the HR strategy the entire municipality has been able to understand the skills development dynamics including the skills development initiatives accordingly in order to improve on service delivery. The municipality is in a process of reviewing the HR Strategy with the assistance of CoGTA in the Province including Amathole DM.

One of the key issues that can make the municipality as the employer of choice is to offer competitive salaries and financial reward can be viewed as a major differentiation in being an employer of choice; work/life balance plays a major role in addressing the more intrinsic needs of employees. The municipality is having monthly departmental meetings and quarterly staff meeting hosted by the municipal manager with MAYCO invited. The staff meeting allows employees to interact with the municipal leadership. The municipality has adopted a reviewed Performance Management Framework. The performance of the municipality is viewed on a quarterly basis where departments are required to present evidence to support quarterly performance. After those presentations to the Municipal Manager, they are presented to TROIKA by head of department. Remedial actions have to be presented together with performance to mitigate shortfalls. The current challenge is that, the municipality has not yet cascaded the system to all employees and no performance rewards conducted. Staff satisfaction survey was conducted by PriceWaterhouseCoopers in 2016, the employer must evaluate the staff morale from time to time. Sporting activities and wellness programs have been rolled out for employees.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
HR Plan	Draft HR plan HR policies and procedure manuals in place HR Department fully staffed	HR plan not yet implemented Awareness
	OPPORTUNITIES	THREATS
	Support from COGTA and Amathole District Municipality for review Functional IGR	Change in legislation
STAFF MEETINGS	STRENGTHS	WEAKNESSES
	High employee morale Good source of Information Good Employer – Employee relations	Lack of self confidence
	OPPORTUNITIES	THREATS
	Good municipal image Improved perception	Industrial actions
EMPLOYEE BENEFITS	STRENGTHS	WEAKNESSES
	Well defined benefit Low turnover rate	Not all employees are taking the opportunities
	OPPORTUNITIES	THREATS
	Promote Municipal image Attraction of potential employees	Legislation
RECRUITMENT AND SELECTION	STRENGTHS	WEAKNESSES
	Policy exist Existing recruitment panel Security vetting in senior posts Verification of qualifications for all posts	Delays in verification of qualifications

	OPPORTUNITIES	THREATS
	High rate of employment Poverty alleviation	Legislation Delays in verification of qualifications
PERFORMANCE MANAGEMENT	STRENGTHS	WEAKNESSES
	Performance management framework exists Quarterly reporting Individual Assessments conducted	No performance rewards
	OPPORTUNITIES	THREATS
	Increased public participation Improved municipal image Improved services delivery Improved revenue collection	Loss of grants funding Service delivery protests
RETENTION	STRENGTHS	WEAKNESSES
	Retention policy exists Benefits are there to encourage stay	Rural nature of the municipality
	OPPORTUNITIES	THREATS
	Attraction of skilled employees	Market related salaries

➤ **Employment Equity Plan (EEP)**

The municipality does have the employment equity plan (EEP) which was adopted together with the IDP and budget in the council meeting of 29 May 2013 and the duration of the plan was from 2013 to 2018. The EEP of the municipality was evaluated by the Department of Labour and was found to be not compliant as a result a draft EEP has been reviewed. The EEP is to ensure the implementation of employment equity as well as affirmative action in all occupational levels and categories of its workforce. The EEP sets out the measures to be taken to ensure legal compliance with Employment Equity Act. Furthermore it includes the objectives, activities, numerical goals and targets to progressively move towards achieving representativity of the designated groups across the organisational structure. The municipality did submit the Employment Equity (EE) Report to the Department of Labour in January 2018. Employment Equity Committee meetings are sitting monthly.

FACTOR	STRENGTHS	WEAKNESSES
AFFIRMATIVE ACTION	Employment equity policy exists Employment equity plan exists Report submitted annually Employment equity committee functional	Affirmative action measures not implemented
	OPPORTUNITIES	THREATS
	Attraction of designated groups Elimination of unfair discrimination	Change in legislation

➤ Labour Relations

The municipality appreciates workplace stability owing to good relations for the past financial year with organised labour, who have conducted themselves as true partners in service delivery and expressed faith in resolving issues. The municipality has established the Local Labour Forum (LLF) in order to maintain the stability with organised labour. The meetings of the Local Labour Forum are used to deal with issues emanating both from the employer and the unions. The Local Labour Forum is scheduled to sit on a monthly basis and when a need arises, but because of some other pressing issues, it doesn't sit monthly. Workshops have been conducted and others are planned. LLF is the structure used for consultation with labour on issues of mutual concerns.

The Code of Conduct was presented to employees and employees have signed and they declare their interests in the induction workshop.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
CONSULTATION	Establishes structures Existing procedures Staff meetings Functional Local Labour Forum	Quorum in some meetings leading to postponements
	OPPORTUNITIES	THREATS
	Municipal stability	Centrally negotiated disagreements

➤ **Specialised Skills**

The Workplace Skills Plan (WSP) was developed and submitted to LGSETA for 2018/19 financial year and will be implemented in the current financial year as per training interventions identified in the plan. All employers are expected to submit their WSP/Annual Training Report (ATR) to LGSETA before the end of April each year and employers are also expected to prepare monitoring reports on any training that has taken place as per the submitted WSP. Trainings are conducted in line with the submitted annual training programme.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
TRAINING AND DEVELOPMENT	Workplace skills plan exists Education, training and development policy exists Training committee established Skills audit conducted to employees	Trainings outside approved WSP Budget constraints
	OPPORTUNITIES	THREATS
	HRD Forum Attraction of skilled personnel TVET Colleges exist in all units (Dutywa, Willowvale and Xhora)	Municipal employees leave for greener pastures

➤ **Employee Wellness and Occupational Health & Safety (OHS)**

OHS is the critical component of our strategic position in the municipality and is our desire to enhance it throughout our business partners and community members. It is therefore our business to maintain a safe and health working environment for the betterment of our institution and surroundings. The objectives of the Employee Wellness and Occupational & Safety are to promote health by providing the employee with ongoing education, information and communication in all health related aspects. The municipality also encouraged to be proactive about their health and modify their lifestyle for their own benefits. The municipality is also ensuring that a safe working environment for all the employees in the workplace is maintained. It was identified during the wellness programmes that some employees are suffering from chronic diseases. The follow ups were done for those employees that were affected by these diseases and the attendance has been good. Wellness sessions were held for employees and councillors. Programs specific to either male or female health were held and these also targeted both employees and councillors. A Family day session was held where employees with their families were invited to an event where games were played. There was enthusiasm shown by employees on the programs.

Occupational Health and Safety committee is meeting quarterly and is producing assessment reports that go to Management up to Council. There has been a notable reporting of injuries on duty which involved several injuries which included EPWP employees. With regards to that, the municipality further strengthened OHS awareness campaigns with a particular focus to EPWP.

Protective clothing for staff members has been purchased and Fire extinguishers has been provided for municipal buildings, vehicles and yellow fleet so as to comply with OHS Policy. Workshops and awareness sessions were held for employees in service delivery departments. Training was held for Occupational Health & Safety that was targeting managers and technicians responsible for day to day service delivery activities of the municipality. First Aid training took place for operators and supervisors within the service delivery departments and other departments.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
WELLNESS	Appointed Wellness Service Provider Reduction of absenteeism Improved morale Increased number of employees with medical aid	unsatisfactory attendance of events by employees

	Help employees deal with issues outside of the workplace Attendance of all injuries on duty	
	OPPORTUNITIES	THREATS
	Reduced socio-economic problems	Societal factors
OHS	STRENGTHS	WEAKNESSES
	Effective OHS Committee exists More protected workplace (fire extinguishers, signs, first aid kits) Employees capacitated on OHS through trainings and awareness sessions Commitment of employer towards OHS	Protective clothing (not sufficient, poor use) No sufficient training on use of work equipment
	OPPORTUNITIES	THREATS
	Compliance in legislation	Theft of equipment Selling of protective clothing

➤ **Records Management**

As part of the support functions for the success of Mbhashe Local Municipality in order to fulfill its statutory functions outlined in the Municipal Structure Act, it is key that the support mechanisms outlined in the Municipal Systems Act be put in place. The goal of the auxiliary services is to provide an efficient service to both internal and external stakeholders. Records management is a process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance. Sound records management implies that records are managed in terms of an organizational records management programme governed by an organizational records management policy.

A well-organized file plan enables an organization to find information easily. Records that are correctly filed and stored are easily accessible, and this facilitates transparency, accountability and democracy. The orderly and efficient flow of information enables the organization to perform its functions successfully and efficiently.

The National Archives and Records Service of South Africa Act, 1996 provides the legal framework according to which the National Archives and Records Service regulates the records management practices of all governmental bodies. The municipality runs a registry in compliance with legislative requirements and this facility is used efficiently and effectively to promote good governance and service delivery goals of the municipality.

The National Archives and Records Services, in terms of its statutory mandate, requires governmental bodies to put the necessary infrastructure, policies, strategies, procedures and systems in place to ensure that records in all formats are managed in an integrated manner.

The municipality is intending to procure an electronic records management system. Training of users and review of records management policy has been conducted to enhance good use of the facility. Document management workshops were held and were facilitated by both the Provincial Archives and by Registry Officer. These workshops were targeting users and champions. File Plan was approved by Provincial Archives and disposal requests were approved. Storage facilities were purchased to enhance storage and safe keeping of documents.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
DOCUMENT MANAGEMENT	Records Management Policy exists Approved file plan Storage facilities available Capacitated staff Continuous workshops and inductions for users Compliance with legislation	Under utilisation of Registry Access not restricted No electronic records management system Inadequate ventilation supply
	OPPORTUNITIES	THREATS
	Promotion of municipal image Accessibility of public documents through Registry Quick information dissemination	Misuse of information Community protests Changes in legislation

➤ Facilities Management

Office accommodation is a problem that is prevalent at Mbhashe municipality. There are delays in building the second phase of the municipal offices due to the Land Claims. As a result of office space shortage the municipality used three buildings within Dutywa town and using TRC halls in other two towns. The municipality purchased two park homes, one for Elliotdale unit and the other one for Dutywa.

The municipality has installed new plumbing system at the workshop changing rooms and offices. Water tanks have been provided with pumps that are linked to existing water system (5000L and 10 000L) to all Dutywa municipal offices including the executive house.

The Lift in the main building is functioning well and is being serviced regularly. Electricity backup is provided through a generator for main office in Dutywa and there are plans for purchasing of 3 additional generators for Units and Dutywa Town Hall.

SWOT ANALYSIS		
FACTOR	STRENGTHS	WEAKNESSES
OFFICE SPACE	Municipal Facilities Policy in place Approved office building and funding Additional temporary offices purchased	No sufficient offices Low Productivity Poor ventilation in some offices Confidentiality due to lack of storage space
	OPPORTUNITIES	THREATS
	Improved service delivery Improved corporate image	Environmental factors during construction Land claims

➤ Information and Communication Technologies (ICT)

Corporate services is also responsible for ICT Section and ensures effective and efficient tool of lowering costs to leverage service delivery through ICT enabled equal access to municipal information and services. Mbhashe Municipality IT Environment supports about +-180 users consisting of Administrative staff and Councilors. The municipality have six municipal buildings namely:

- I. Main Municipal Office
- II. Municipal Town Hall Offices
- III. Free Basic Services and Customer Care
- IV. Municipal workshop
- V. Offices in Willowvale
- VI. Offices in Elliotdale and
- VII. Dutywa TRC hall

Municipal Website

- ICT section is responsible for updating and uploading the municipal website and the registered domain address is www.mbhashemun.gov.za.

Municipal Systems

- I. Telephone System
- II. Cibecs Backup System

- III. Venus and Payday
- IV. SAGE Evolution
- V. Endpoint Antivirus
- VI. Microsoft Volume Licence
- VII. Mimecast Email Solution
- VIII. AMS (Asset Management System)
- IX. Bulk sms system

Equipped and Secured Server Room Infrastructure

- I. Biometric Access Control
- II. Firewall
- III. CCTV Cameras,
- IV. UPS System
- V. Airconditioner
- VI. System Servers
- VII. Fire Suppression System

Network Infrastructure

- I. All municipal offices are networked
- II. VPN and Internet Solution

Training for IT Staff is needed more frequently as their training plans are informed by new technology and IT roadmaps for business continuity. Additional capacity needed for ICT.

SWOT ANALYSIS

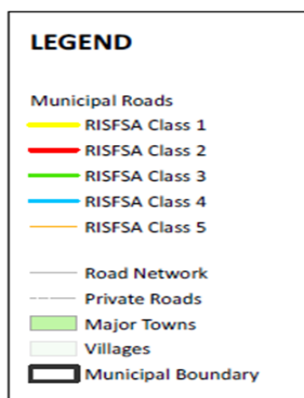
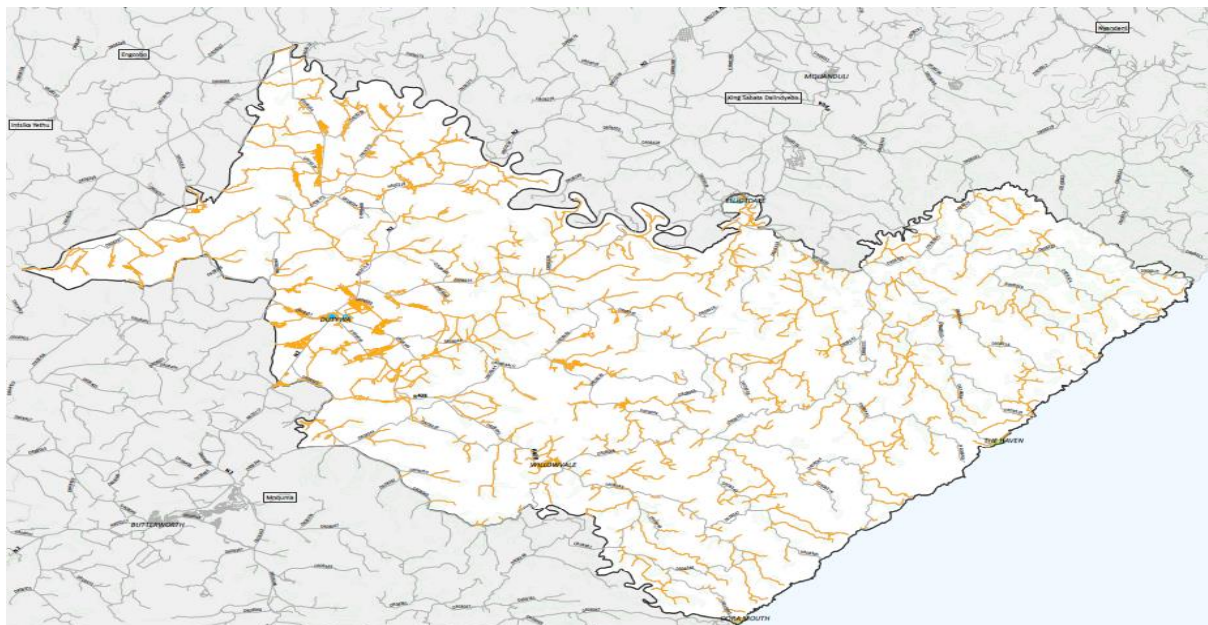
FACTOR	STRENGTHS	WEAKNESSES
Municipal Systems	Policies and Procedure Manuals in place Disaster Recovery Plan VPN and Internet in place HR and Finance system Firewall Backup solutions (Cibecs) Backup generator and Server room UPS's	Centralisation of Municipal system Non implementation of Corporate Governance Framework Poor network infrastructure Disaster Recovery Site and a failover No system in place (TCS) for traffic fines Management of Service Level Agreements No UPS's for network cabinets
	OPPORTUNITIES	THREATS
	Interaction between municipality and stakeholders	Changes in legislation Rapid change of technology

3.5.2 KPA 2 – SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (SDI)

➤ Roads and Storm Water

Rural Road Asset Management System (RRAMS) indicates that the total length of road network in the entire Mbhashe Municipal area is 2696.37km. The total length for National Roads is 40.60 km, total length for Provincial Roads is 776.53km of which 684.93km is unsurfaced, and the total length for Municipal Access Roads is 1879.78km.

RRAMS indicated that Mbhashe municipality has huge roads backlog especially on Class 4 and 5 which is the Public Municipal Roads and Non-motorized Access Ways. The total km for municipal roads class 5 is 1862.49km which is 80% of Class 5 are backlogs.



There is a Roads Forum that was established in 2012 chaired by Infrastructure Services Portfolio Head. The committee is not functioning well due to non-attendance and coordination by the former Department of Roads & Public Works currently Department of Roads & Transport.

The following Sector Departments are participating in the forum:

- I. Department of Roads and Transport (Amathole District Roads Maintenance)
- II. Department of Public Works (Amathole District EPWP)
- III. Amathole District (RRAMS)
- IV. SANRAL
- V. Department of Rural Development and Agrarian Reform
- VI. Department of Education (Mbhashe District Office)
- VII. Department of Health (Mbhashe District Office)
- Viii. Corporative Governance and Traditional Affairs

Participation of sector departments and other stakeholders in the Roads Forum is encouraged.

Mbhashe Municipality has purchased roads machines. All machines are operating; each municipal unit is having its full set of road machines with some of capital project being implemented internally to fast track backlogs and to increase municipal revenue. Municipality is undertaking a flexible routine roads maintenance schedule for all access roads. The Municipality has advertised for the appointment of service provider that will be responsible for both repairing and maintaining plant so as to fast track repairing processes to avoid delays on service delivery. The mechanical service provider will be appointed for the period of 3 years.

EXISTING PLANT

DUTYWA

Plant Description	Dutywa
Grader	1
Padfoot roller	1
Smooth roller	1
Backhoe loader	1
Tipper trucks	1
Excavator	1
Jaw Crusher	1
Lowbed horse	1
Watercart	1

WILLOWVALE

Grader	1
Padfoot roller	1
Smooth roller	1
Backhoe loader	1
Tipper trucks	1
Dumper trucks	1
Front-end loader	1
Watercart	2

ELLIOTDALE

Dozer	1
Backhoe loader	1
Watercart	1
Grader	1
Ped footer	1
Smooth roller	1
TLB	1
Excavator	1
Dumper Truck	1

MUNICIPAL PLANT

Grader	2
Backhoe loader	1

Watercart	1
Smooth roller	1
Lowbed	1
4 Ton truck	1

Mbhashe municipality is a rural Municipality that entirely relies on Grant in order to deliver services to its communities. Mbhashe municipality receives Municipal Infrastructure Grant (MIG) for implementing infrastructure capital projects such as construction of roads and storm water, public community facilities, sport facilities, LED facilities etc. MIG is received through the establishment of PMU sub directorate which is working under a three year capital plan that is abstracted from the IDP of which its budget is also reflected in the IDP (See project list of the three year Capital Plan). As per the DORA, MIG original budget for 2017/2018 financial year was R61, 027, 000.00 and during mid-year was adjusted to R58, 027,000.00 and for 2018/2019 financial year is R70, 192,000. Through this grant the municipality has managed to construct and complete 60 KM of graveled access roads throughout Mbhashe Area over the previous three financial years and maintain 691 KM. It is important to note that the municipality has been achieving 100% in the expenditure of all in kind grants for the past two Financial Years, as a result the Municipality has received additional funding of 10M from COGTA to be spent on MIG projects towards the end of 2016/17 Financial Year. The Municipality spent 100% of that amount by end of the said year. The Municipality is fully capacitated in terms of personnel; there is functional 1x PMU Manager, 3x PMU Technicians, 1x Quantity Surveyor, 2x ISD officers and 1x financial accountant. There are also functional roads foremen in each unit each with a full team of operators so as to ensure that each unit has its own plant in order to fast-track the process of eliminating roads backlog.

During 2015/2016 financial year the Eastern Cape Provincial Treasury (PT) has committed in-kind budget amounting to R70million for re-graveling and maintenance of 140km Mbhashe Rural access Roads leading to schools and health facilities which has assisted in road backlog eradication. Eastern Cape Provincial Treasury has indicated another in-kind budget for 2018/2019 financial year.

However, it has been indicated that there is still a huge backlog due to limited funding as the municipality is only relying on grants for the development of roads infrastructure. An Infrastructure Master Plan (IMP) was developed clearly analyzing the existing infrastructure per village in each ward and recommendation of manual designs for infrastructure maintenance. Infrastructure Maintenance Policy has been developed with a 3 year Roads Maintenance Plan being reviewed annually.

Most of Provincial Roads which are District Distributors are in bad conditions they need upgrade, routine maintenance, re-gravelling and major repairs on minor structures and bridges. There is high level of deteriorated district roads within the municipal area which results in horrific roads accidents.

The following district roads are poorly maintained and are not safe: Willowvale to Dwesa, Willowvale to Kob-Inn, Willowvale to Elliotdale, Elliotdale to Madwaleni, Elliotdale to Haven,

N2 to Elliotdale, N2 to R61 via Clarkeburry, Madwaleni to Mount Pleasant, Thafalehashe to Bafazi. As indicated Mbhashe Municipality comprises of three towns namely Dutywa, Willowvale, and Elliotdale. Elliotdale and Willowvale areas are located along the Indian Ocean Coastal Belt as described in the locality map, which is major tourism destination in Mbhashe Municipal Area. The roads leading to these destinations areas are gravel which requires heavy maintenance as they are in rainy areas.

There are other provincial roads leading to rural hospitals namely Madwaleni Hospital, Zithulele Hospital, Thafalehashe Hospital and Mjanyana Hospital, which also require major upgrades and rehabilitation. As a result of poor road network, communities experience difficulties in accessing health facilities and schools. Mbhashe Municipality is rich with heritage and there are main routes leading heritage sites but roads are in bad state which limits visits by tourists.

It is also important to note that as from 2012 SANRAL has been constructing paved non-motorized ways such as sidewalks, cyclist's routes and access roads along N2. The main objective of these routes is to ensure roads safety along National Routes and safe intersection to National Road. The following Routes have been constructed:

- ☐ Nywarha Villages
- ☐ Colosa Villages
- ☐ Ngxakaxha, Qora, Gwadana Villages

➤ **Water and Sanitation**

Mbhashe Municipality is not a Water Service Authority (WSA) nor is a Water Service Provider (WSP), Amathole District Municipality (ADM) responsible for both WSA & WSP. ADM has WSP satellite units to serve Mbhashe Municipality in each unit. Through District Engineering Forum and Water Forum that are facilitated by ADM there is an integration and information for the planned and implemented projects.

Challenges

- I. Old water services infrastructure in all three towns (Dutywa, Elliotdale, and Willowvale).
- II. Shortage of drinking water supply especially in Dutywa town..
- III. Lack of Bulk infrastructure in all three towns (Dutywa, Elliotdale, Willowvale)
- IV. Lack of waste water treatment plant in Elliotdale and Willowvale
- V. These water services challenges have negative effect on future developments in all towns.
- VI. Slow implementation of rural sanitation program.
- VII. Huge water backlogs in the rural areas.

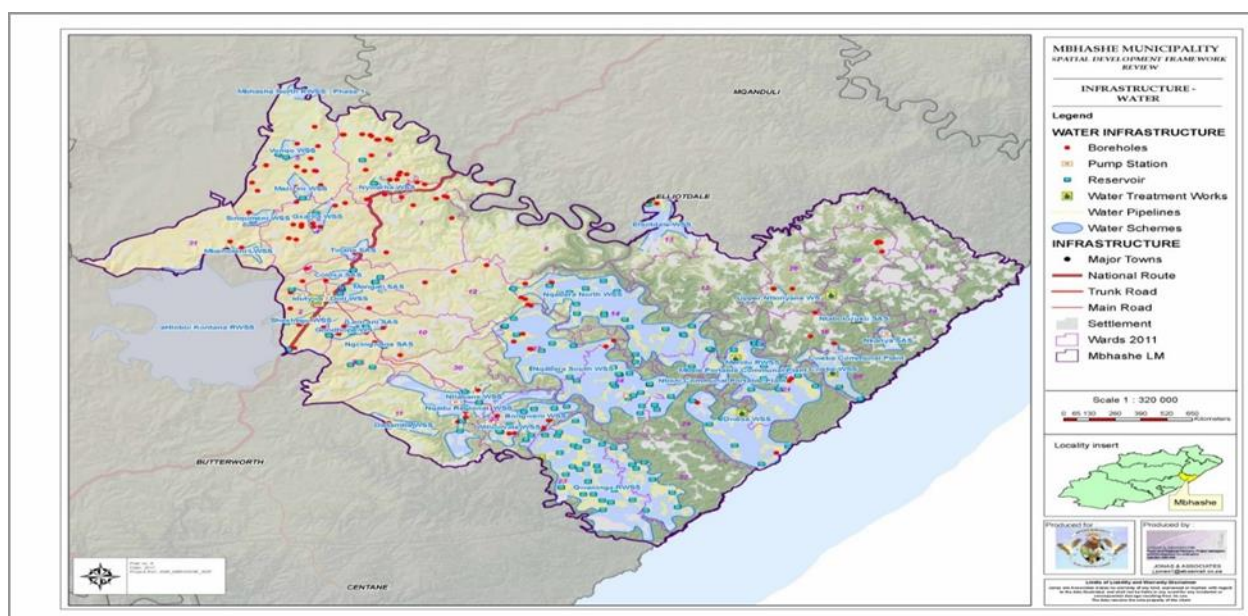
Remedial Action

- I. Continuous interaction with ADM
- II. Motivate ADM to prioritized bulk services projects especially for towns.

Liaise with relevant Sector Department to assist ADM and Mbhashe LM in committing funds for all water services needs

According to Amathole District Municipality, the rural areas of the MLM are serviced by a number of regional, local, stand alone and rudimentary schemes providing some 44% of the rural population with a RDP level of service. The balance of the population are reliant on own (rainwater tanks) or informal supplies (local rivers and streams).

The towns are generally serviced by local water supply schemes providing high levels of service to the older formally zoned erven, RDP or sub-RDP levels of services to the formally zoned low income housing areas and sub-RDP or informal levels of services to the informal settlement areas.



WATER	STRENGTHS <ul style="list-style-type: none"> • Newly built infrastructure (dams) • Decentralized water service provider (WSP) in all units • Functional District Wide Infrastructure Forum (DWIF) 	WEAKNESSES <ul style="list-style-type: none"> • Mbhashe not a WSP • Aging infrastructure especially in towns • Non-functional water schemes
	OPPORTUNITIES <ul style="list-style-type: none"> • Economic growth • Sustainable work opportunities 	THREATS <ul style="list-style-type: none"> • Scarcity of water in Dutywa town • Effects of climate change • inadequate bulk infrastructure • villages without water schemes are not serviced at all (water carting)

➤ Electricity

Mbhashe Local Municipality is not a licensed distributor of electricity; ESKOM is the licensed distributor of electricity in the whole area of Mbhashe LM. There is an ambition for the Municipality to become a licensed distributor for urban areas so as to increase municipal revenue. Mbhashe LM is receiving Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification. There are two electrification projects that are being implemented by Mbhashe Municipality (Shixini and Ntsimbakazi Electrification Programme) and they are both funded by INEP.

At the end of 2014/2015 financial year and beginning of 2015/2016 Mbhashe Municipality has been faced with community service delivery protest in different wards where each ward wanted to be the first priority in the electrification Programme, as a results the Municipality requested to Department of Energy for the use of own funds for electrification Programme to accelerate the household connections as the allocation was not enough. This decision was taken by the Council due to high level of community unrest so as to be reimbursed by Department of Energy in the following financial years. In 2017/18 Financial Year the Mbhashe Municipality received R14million allocation from INEP for electrification programme.

As at 2017/2018 financial year, there were about 775 households remaining at Shixini and 458 households remaining in Ntsimbakazi with the total of 560 households for both Shixini and Ntsimbakazi being planned to be electrified by the end of Financial Year. With the

completion of the 57km of new feeder lines from the Mbhashe Substation to Shixini and the installation of a Voltage regulator, there is now sufficient network capacity to complete the remaining beneficiaries in Shixini and Ntsimbakazi thus completing the Projects.

According to Eskom the total number of backlog in the whole of Mbhashe Area is 18158 households this is inclusive of Historic backlog, household extensions and infills, however the electrification backlogs is about 25375 households as per the municipal updated list per village per ward as of July 2016 (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.

In the new municipal demarcations there are additional electrical backlogs in Willowvale (included in the backlogs). These villages were falling under Mnquma Municipal jurisdictions and electrification budget. There is an implemented electrification project by Eskom under Mnquma Municipality called Mhlahlane Project which covers all these villages. These villages are very close to Willowvale Town and Shixini Electrification Project which is implemented by Mbhashe Municipality.

Village Code	Village Name	Affected Municipality	No. of Households
23727A5	Gojela	Mbhashe	137
22012B2	Gojela	Mbhashe	65
22012B3	Sebeni	Mbhashe	119
22012B4	Sebeni	Mbhashe	178
TOTAL Mbhashe			499
21112B3	KwaMgwebi	Mnquma	79
22012C3	Mhlahlane	Mnquma	76
21112C5	Gcorha	Mnquma	121
21112C4	Mamfeneni	Mnquma	29
20161B4	Dala	Mnquma	70
20161D2	Lalini	Mnquma	83
20161D4	Bawana	Mnquma	69
20163D4	Mente	Mnquma	68
TOTAL Mnquma			595
TOTAL HOUSEHOLDS			1094

Solar Panels: 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. Mbashe Local Municipality became one of the municipalities in the Eastern Cape to provide the communities with the Solar System (non-grid electrification). Department of Energy (DOE) and Mbashe Municipality signed a memorandum of understanding. The agreement commenced from 1st July 2014 to 30 June 2016 and is reviewed. The purpose of the MOU is to supply alternative energy by installing solar to households that will not be electrified in the next three years. DOE appointed contractors to install solar system for unelectrified households in 2014/2015, 2015/2016 & 2017/2018 financial years. There are five wards that are benefiting in the first and second batch namely ward 8, 17, 18, 19 & 15,16 which were prioritised by the Council. Mbashe Municipality with assistance of Department of Energy and Department of Small Business and Enterprise had established six (6) Non Grid Cooperatives. There are five people per cooperative and 1 coop per 500 households.

Community Street Lighting: Mbashe Local Municipality is responsible for community street lighting to ensure safety to its communities. The existing infrastructure for the street lights in towns is owned by ESKOM. The Municipality only installed street lights on existing ESKOM infrastructure, now the Municipality is aiming at separating street lights from ESKOM infrastructure. Municipality is maintaining the existing street lights and install additional where necessary.

In the 2015/2016 and 2016/2017 financial year the municipality committed budget to install High Mast to all the beaches , townships and rural areas with high rate of crime. The purpose to install High Mast to all of beaches is to improve safety and attract tourists. The project for the installation of High Mast has been completed before end of 2014/2015 financial year; however there were environmental issues as a result out of 6 high masts installed 4 were removed and 2 were modified. In 2016/2017 financial year municipality planned for additional three high masts in different villages and to rectify the high masts along the environmental protected areas.

SWOT ANALYSIS

ELECTRICITY	STRENGTHS <ul style="list-style-type: none"> • Electrification project performing well • Good expenditure on conditional grants 	WEAKNESSES <ul style="list-style-type: none"> • Reliance on grant • Scattered settlement patterns • Lack of access to infrastructure due to varying topography
	OPPORTUNITIES <ul style="list-style-type: none"> • Completion of Gatyana sub station • Enhanced rural development • Enhanced community safety 	THREATS <ul style="list-style-type: none"> • Not a licenced distributor of electricity • Ever increasing backlog

		<ul style="list-style-type: none"> • Limited funding to address historical backlog • Community unrests
SOLAR	STRENGTHS <ul style="list-style-type: none"> • Providing alternative energy • Reduced electricity demands on service delivery 	WEAKNESSES <ul style="list-style-type: none"> • Low energy capacity • Damaged panels due to poor household structure • Damaged panels due to bad weather conditions
	OPPORTUNITIES <ul style="list-style-type: none"> • Enhanced rural development • Enhanced community safety • Serves as back up energy • Job creations 	THREATS <ul style="list-style-type: none"> • Delays on maintenance due to turnaround time • Community reluctance on accepting installations
STREET LIGHTING	STRENGTHS <ul style="list-style-type: none"> • Community safety • Improving rural development • Readily available material for maintenance • Adequate street lights 	WEAKNESSES <ul style="list-style-type: none"> • Electricity cable combined with ESKOM infrastructure.
	OPPORTUNITIES <ul style="list-style-type: none"> • Underground cabling • Alternative energy for street lights and high mast 	THREATS <ul style="list-style-type: none"> • High ESKOM bills • Effect of climate change

3.5.3 KPA 3- LOCAL ECONOMIC DEVELOPMENT (LED)

➤ Local Economic Development

This KPA covers the following:

- Agriculture and Rural Economic Development (Agri-development and Agro-processing)
- Enterprise Development (Business Attraction and Retention, Co-operatives Development)
- Tourism, Heritage Development
- Ocean Economy and Coastal Development
- Research and Development

Mbhashe economic size is estimated to be approximately R684 million. The Mbhashe Local economy has a competitive advantage in Agriculture, Tourism and Ocean Economy, Community Services, Construction and Trade. However, the existing potential in these comparative and competitive advantages has yet to be realized. More needs to be invested in unleashing this potential for local economic development benefits. While more jobs were realized in the community services, this sector is not a sustainable sector for job creation.

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

- N2 Highway.
- Umzimvubu Catchments Dam.
- Wild Coast Meander.
- Agro-processing.

The Eastern Cape Provincial Development Plan (ECPDP, 2030) states, “The Mbhashe region, which has good potential for expanded agricultural production. This is due to the many industrious communities already mobilised through government-supported farming programmes and investments in the area. The Agri-Park is supported by the national and provincial departments of rural development, as well as research institutions”

Mbhashe Municipality will benefit most from the Wild Coast Industrial Development Zone (IDZ) as it will promote and connect fresh produce to international markets. The Wild Coast IDZ currently forms part of a broader, multi-sectoral approach to boosting economic growth in the whole former “Transkei” corridor. This includes the formulation of a sustainable socio-economic development strategy; an integrated development plan and an implementation action plan.

Mbhashe's economic potential if harnessed can also be used in addressing poverty and meeting the government's target of halving unemployment and poverty by 2030. Maize milling is one of the projects that Mbhashe is presently working on and is one of the major projects identified by Mbhashe Local Municipality and the Department of Rural Development and Land Reform. However, large areas of arable land are left underutilized by farmers who claim that, there's a lot of machinery needed for them to continue with maize production, and their option is in the bio-fuels industry. The bio-fuels initiative is also a project where Mbhashe could succeed on in creation of employment and fighting poverty.

Mbhashe Municipality has a reviewed Local Economic Development strategy and was adopted by its Council in 2015. The strategy is valid until the end of 2019 and is currently being implemented. This strategy will be revised again in 2019/20 financial year. However, LED is not a clearly funded competence of local government. Even though there is no consensus on the actual role of local government in economic development, there seems to be adequate guidance in the legislative and policy framework, viz:

Mbhashe LM's economy, like that of the Eastern Cape and the whole country has experienced a negative growth between 2008 and 2010, this poses a huge risk for a rural economy which is already volatile in nature. Thus, the need to focus on sustainable economic models through consideration of skills transfer and development will be key to ensure stability through periods of economic uncertainty.

The agriculture sector, between 2008 and 2010 has created a considerable amount of jobs. The same period saw stagnation in employment in mining & quarrying and a marginal growth in manufacturing sector which can be attributed to the imbalance between the supply and demand of the manufactured goods or lack of manufacturing entities. This trend informs us that the manufacturing sector presents some opportunity for Mbhashe and needs to be explored for further opportunity and expansion.

In the non-goods producing sectors, general government employment and community services sectors have seen a consistent increase between 2008 -2010. The introduction of labour intensive programmes such as expanded public works programmes, learnerships and apprenticeships have also contributed to employment within these sectors: the wholesale and trade sector has been in boom over the same period, with close to 47% of the working population absorbed in this sector.

Despite the wholesale sector which has been a relatively low wage sector it maintains a high labour absorption compared to the transport, business services and finance sectors, this directs us to consider other labour intensive sectors such as light industrial and manufacturing.

The current level of poverty together with the HDI implies that a big percentage of the Mbashe LM population has no access to credit, are unable to finance their children's education and use child support grant as a source of income, the high poverty rate has resulted in aggravated levels of poor health, child malnutrition and lower levels of education.

About 91.9% of Mbashe GDP growth was driven largely by the non-basic sector (community services, construction, finance, electricity, transport & retail sectors), whilst the basic sector (agriculture, manufacturing & mining) has contributed about 8.1%.

There is therefore an economic imbalance as the basic sector should be the prime stimulant for economic growth. The Mbashe Local Municipality economy is therefore imbalanced and does not produce sufficient goods to support the non-basic sector and employment. It imports more than 80% of goods sold in the wholesale and trade sector from other regions or economies.

MBHASHE AT A GLANCE

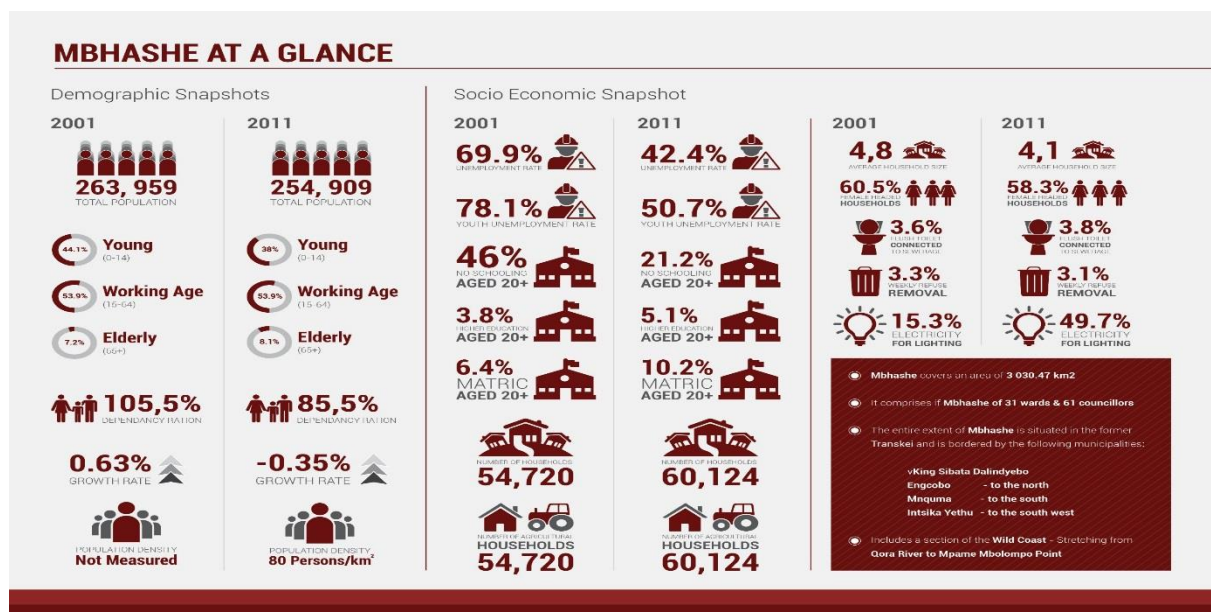


Figure 1: Mbashe Municipality at glance

The Economic Outlook and Employment.

The current age profile implies that the active labour force (25-64) which constitutes 34% of the population must work and support 64% of the population. (Age groups 0-14, 15-25 and 65 and above are an economically dependent burden). The challenge of a larger section of the population been economically unproductive has resulted in high levels of economic dependency on the working class and social grants According to Stats SA 2011, just over 21.2% of the population, aged 20 years and older has no form of schooling.

Such is extremely alarming as the low level of literacy directly contributes to the poor economic performance of Mbhashe. The number of people with less than Grade 12 has decreased by 13% from 2010 to 2011 whilst the number of pupils who did not proceed to tertiary level has decreased by 4% over the same period. The number of people with no schooling was standing at 29% in 2011.

It is important to take consideration of this as there may be more demand for skills training centres, artisan development, FET colleges etc. The sector analysis will thus need to engage with schools and residents within Mbhashe to understand their needs.

The Economic Growth Rate.

Mbhashe's Economic Growth Rate in 2011 was - 0,35%. The negative growth rate implies that the economy is still in recession and does not stimulate growth as illustrated in figure 1 below.

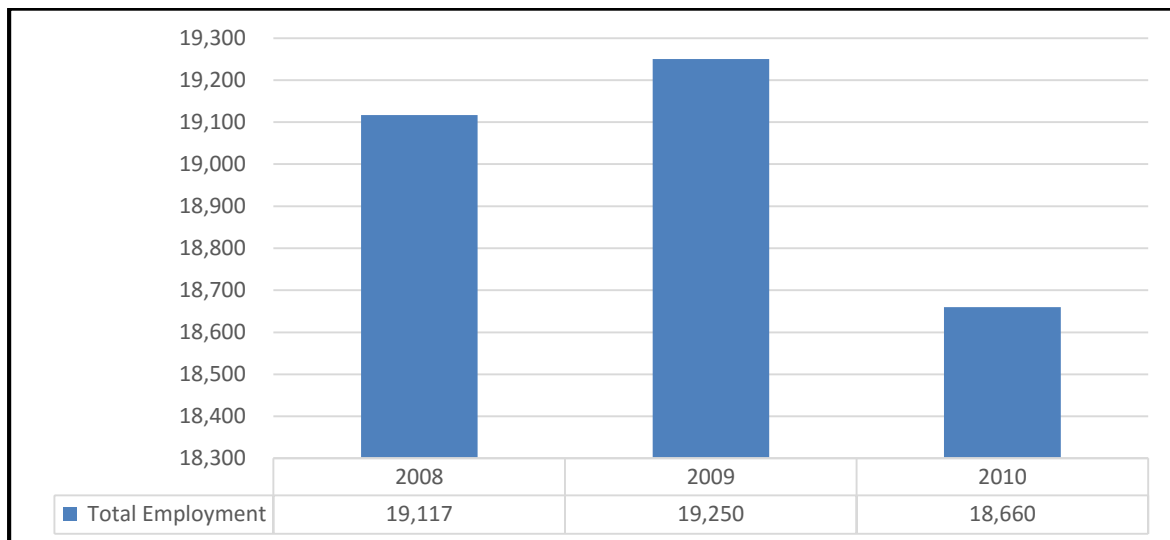


Figure 2: Employment Growth/Decline

Mbhashe LM's economy, similar to that of the Eastern Cape and the whole country has experienced a negative growth between 2008 and 2010. This was a factor of a global recession which was characterized by business cycle contraction. Production as a GDP measure was very subdued in many parts of the global economy with the Mbhashe LM's economy not immune to this phenomenon.

Employment in Goods Producing Sectors.

Strong basic sector ensures that the economy is stable and diversified. Ensures that employment is created for low skilled labourforce and has a high labour absorption capacity as illustrated in figure 2 below.

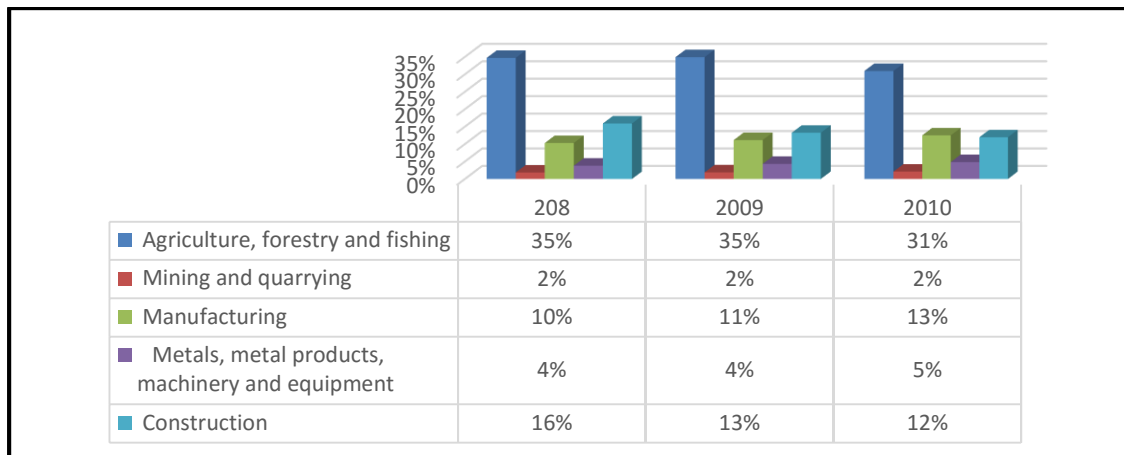


Figure 3: Employment by Basic Sectors

The above data indicates that agriculture, between 2008 and 2010 has created a considerable amount of jobs, albeit there being a marginal shift. The same period saw stagnation in employment in mining & quarrying and a marginal growth in manufacturing sector which can be attributed to the imbalance between the supply and demand of the manufactured goods or lack of manufacturing entities.

Some of the external factors that can be attributed to the supply and demand imbalance have been a noticeable increase in prime interest rates which were seating at between 10.5%-11.0% in the last quarter of 2009 (www.statssa.co.za).

Employment in the construction sector has been declining at an average of 1% - 2% pa from 2008 to 2010 from a less-competitive position.

Employment in Services Sectors.

The non-basic sector requires a strong and sustainable basic sector to be sustainable. A weaker basic sector implies that the economy imports most of its production and trade inputs from other economies.

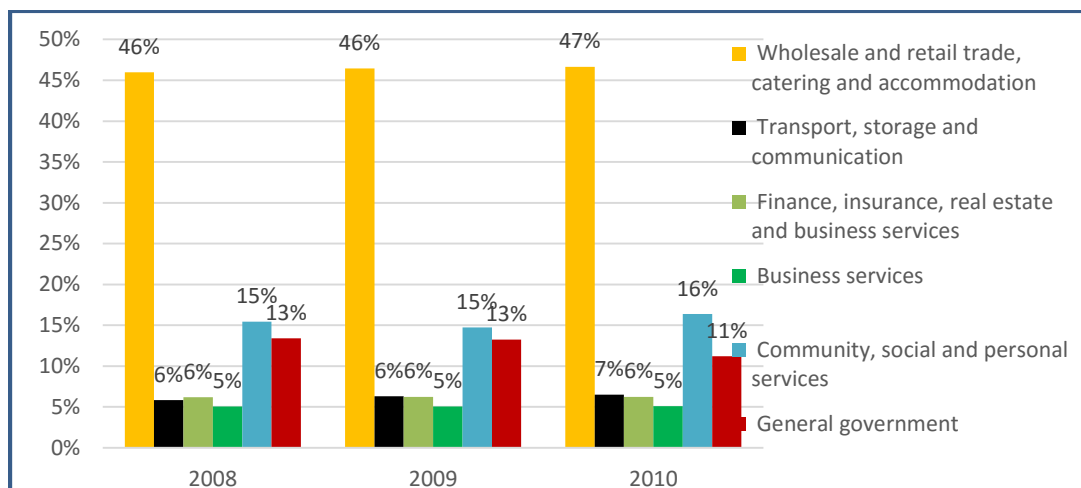


Figure 4: Employment in Non-Basic Sectors

In the non-goods producing sectors, general government employment and community services sectors have seen a consistent increase of about 1% from 2008 to 2010. There are various factors that contribute to this including the introduction of labour intensive programmes such as Expanded Public Works Programmes, Learnerships and Apprenticeships.

The wholesale and trade sector has been boom over the same period, with close to 47% of the working population absorbed in this sector. Despite it being generally a low wage sector, the wholesale and retail trade sector shows a high labour absorption compared to the transport, business services and finance sectors in the same period.

Rate of Poverty.

The municipality saw a marginal decline in the number of people living in poverty between 2008 and 2010, consistent with Amathole DM and Mquma LM. Despite this decrease, more than half of the population is still categorized as poor in this part of the region.

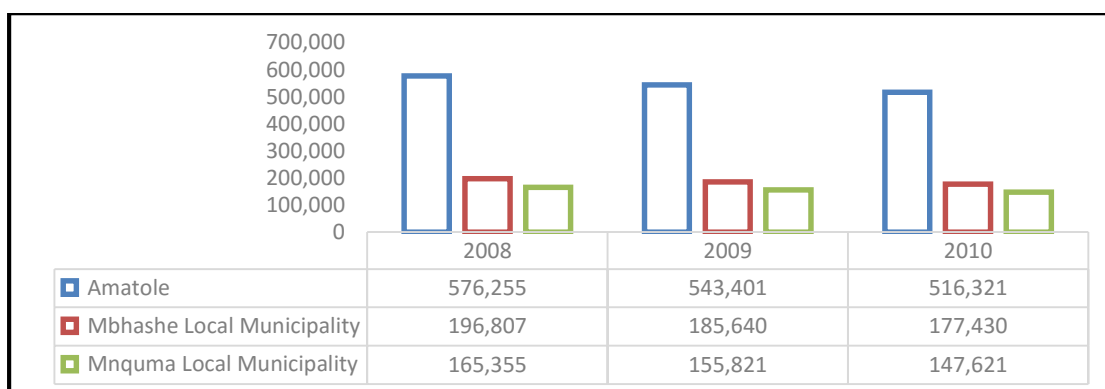


Figure 5: Number of people living in poverty

The total population living in poverty at Mbashe was seating at 66% of the total population in 2010. The poverty levels have decreased by 1% from 2010 to 2011. The level of poverty within

the Mphashe LM is in keeping with its human development index and dependency ratio. With more than half of the population at 66% in 2010 living in poverty, the poverty level is considered widespread.

The current level of poverty together with the HDI implies that a big percentage of the Mphashe LM population has no access to credit, are unable to finance their children's education and use child support grant as a source of income. These factors also contribute to a lower per capita growth because of the income disparities. The high poverty rate if it remains unabated will result into aggravated levels of poor health, child malnutrition and lower levels of education. These factors will jointly lower economic productivity and result in a slow growth economy.

The Human Development Index.

The HDI attempts to rank the population development on a scale of Zero (0) (lowest human development) to 1.0 (highest human development) based on the following human development goals;

- Longevity as measured by life expectancy at birth;
- Knowledge as measured by a weighted average of adult literacy and means of schooling;
- Standard of living as measured by real gross per capita gross domestic product.

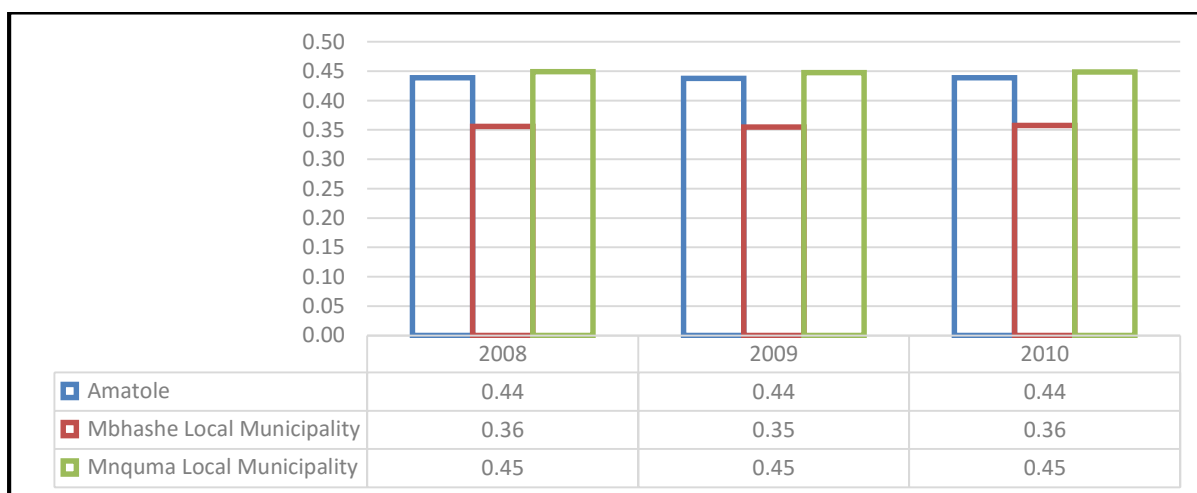


Figure 6: Human Development Index

The more the HDI is close to 1(one), the better is the human development in the area. The HDI in Mphashe decreased from 0.36 in 2008 to 0.35 in 2009, and remained constant at 0.36 until

2010. With the balance of probabilities the HDI remained constant at 0.4 throughout this period and is considered below medium HDI by international standards.

Mbhashe's HDI can only rise with an increase in per capita income. The Mbhashe LM together with its development partners (government and the private sector) needs to intensify investment efforts in primary health and education, which will in turn increase the HDI and ultimately raise productivity.

Economic Size, Structure and Performance.

The economy of Mbhashe LM is divided into basic and non-basic sectors. The basic sector consists of firms whose economic activities depend on external economic conditions or factors. This sector include three sectors namely the public sector, tourism, manufacturing sector and the agriculture/agro-processing sector. These sectors produce goods largely for sale outside their respective economies and thus depend on external demand.

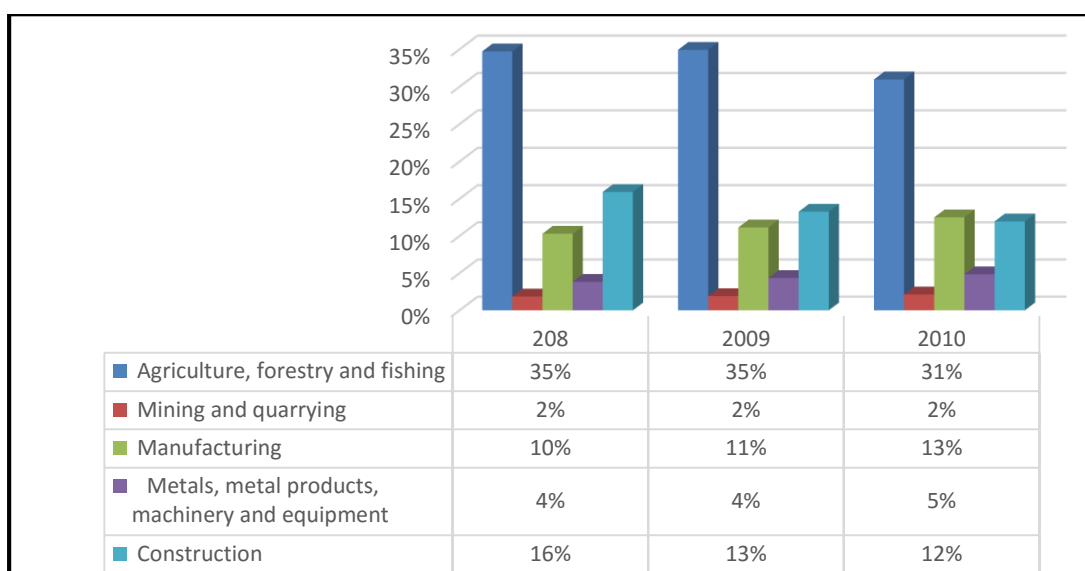


Figure 7: Employment by Basic Sectors

The non-basic sector consists of firms whose economic activities depend on basic sector. This sector include three sectors namely the wholesale and retail sector, transport sector, finance sector and business services sector, etc.

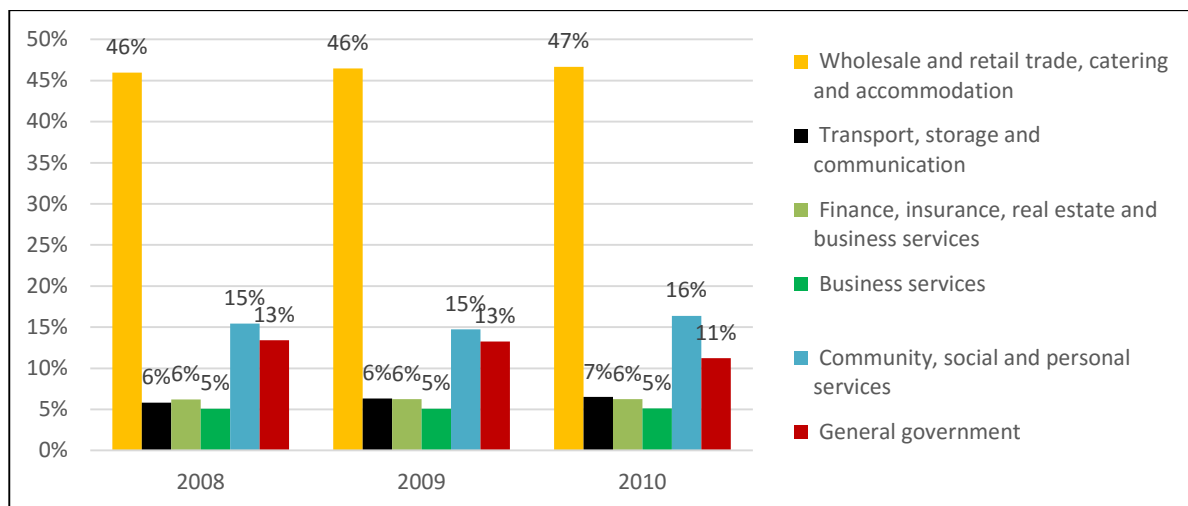


Figure 8: Employment in Non-Basic Sectors

Mbhashe LM's Sectorial Contribution to GDP.

About 91.9% of growth was driven largely by the non-basic sector (*community services, construction, finance, electricity, transport & retail sectors*), whilst the basic sector (*agriculture, manufacturing & mining*) has contributed about 8.1%.

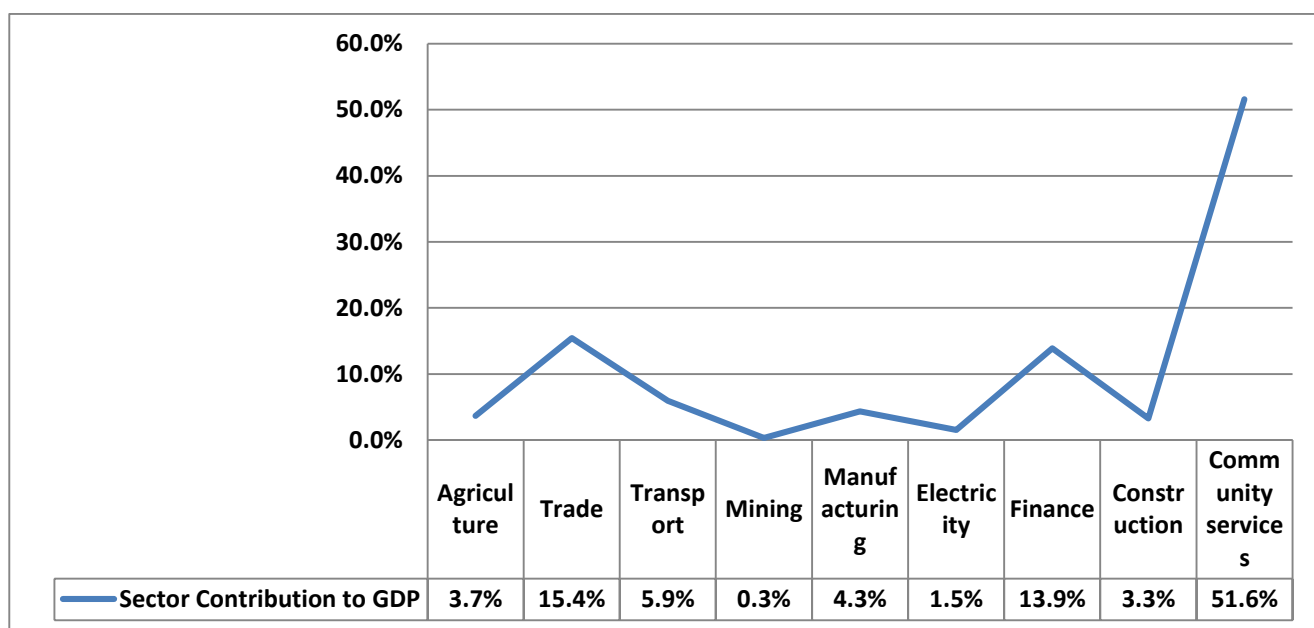


Figure 9: Sector Contribution to Mbhashe LM GDP-2011

Sector Identification and Classification

To determine and identify which sectors that have a high concentration, with a higher labour absorption rate, a technique known as a “*Location Quotient*, (“LQ”) has been used to analyze the available employment data which was captured in the LED strategy.

The outcomes of the Location Quotient should be understood and interpreted as follows;

- Location Quotient = 1.0 means that the sector has the same labour absorption rate compared to the Reference Economy.
- Location Quotient <1.0 means that the economy cannot meet the local demand for jobs in a sector.
- Location Quotient >1.0 means that employment in the sector is greater than what is expected.

Table 2: Economic Sector Quotient

Sector	Location Quotient	What does this mean?
Agriculture, Forestry and Fishing.	> 1.0	Employment in the agriculture, forestry and fishing sector, is greater than expected. The sector performed better than the provincial average in the same period and should be prioritized as a possible targeted economic sector
Manufacturing Sector.	< 1.0	Employment in the manufacturing sector, is less than what is expected. The sector is not even meeting local demand for jobs. Such can be attributed poor demand for goods produced in this sector.
Wholesale and Retail Sector.	> 1.0	Employment in the W&R sector, is greater than expected. It should be prioritized as a possible targeted economic sector
Community Services Sector	>1.0	Local employment in this Sector, is greater than expected

Source: LED strategy 2015

There is therefore an economic imbalance as the basic sector should be the prime stimulant for economic growth. The Mphashe LM economy is therefore imbalanced and does not

produce sufficient goods to support the non-basic sector and employment. It imports more than 80% of goods sold in the wholesale and trade sector from other regions or economies.

Mbhashe LM's Economic Classification.

In order to determine and identify which sectors that have a high concentration, with a higher labour absorption rate, a technique known as a "Location Quotient, ("LQ") has been used to analyze the available employment data. The employment data that has been used is the employment data that was collected and published by Global Insights in 2009 & 2010 for sectors that have been shown in the figure below.

The location quotient will be shown as a ratio between the percentage of employment in the sectors within the Mbhashe LM's local economies ("municipalities") and compare it to the percentage of employment in the same sector in a different economy.

The outcomes of the Location Quotient should be understood and interpreted as follows;

- Location Quotient = 1.0 means that the sector has the same labour absorption rate compared to the Reference Economy.
- Location Quotient <1.0 means that the economy cannot meet the local demand for jobs in a particular sector.
- Location Quotient >1.0 means that employment in the particular sector is greater than what is expected.

Location Quotient for Basic and Non-Basic Sectors.

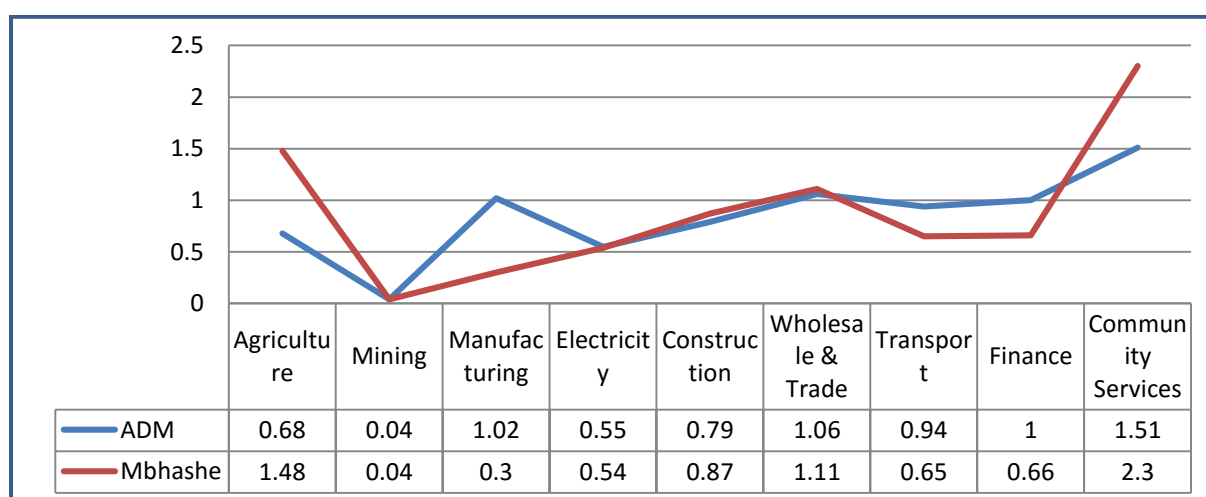


Figure 10: Location Quotient for Basic and Non-Basic Sectors

Agriculture, Forestry and Fishing.

The $LQ > 1.0$, which means that local employment in the agriculture, forestry and fishing sector, is greater than expected and it is therefore assumed that this "extra" employment is basic. The sector performed better than the provincial average in the same period and should be prioritized as a possible targeted economic sector going. Additional efforts such as proper planning, adequate resourcing and implementation of turnkey programmes and projects will improve the agricultural futures in the locality.

Manufacturing Sector.

The $LQ < 1.0$, which suggests that employment in the manufacturing sector, is less than what is expected for this sector. Therefore, the sector is not even meeting local demand for jobs. The trend can be attributed to subdued demand for commodities or goods produced in the sector due to either higher prices or availability of alternate goods.

Wholesale and Retail Sector.

The $LQ > 1.0$, which means that local employment in the W&R sector, is greater than expected and it is therefore assumed that this "extra" employment is basic. The sector performed in line with the provincial average in the same period and should be prioritized as a possible targeted economic sector going. Additional efforts such as provision of critical infrastructure and sector specific programme need to be put in place to help sustain the sector going forward.

Community Services Sector.

The $LQ > 1.0$, which means that local employment in this Sector, is greater than expected and it is therefore assumed that this "extra" employment is basic.

Summarised Analysis of the Location Quotient.

It is clear from the above graphic("Location Quotient-2010") that the economic base within Mbhashe Local Municipality is quite narrow, dominated by the community services, which is driven largely by government employment and the retail trade sector which characteristically is a low wage sector. Various strategies would have to be introduced and developed in order to create enablers for development and growth of the above sectors in a manner that would ensure their growth and sustainability.

Various principal caveats would need to be further research and tailor-made to meet the prevailing economic circumstances within the Mbhashe Local Municipality and its local economies. One such caveat should be the "Economic Re-Industrialization & Agricultural Development". This approach would entail the re-building of the regions industrial stock through leveraging of existing government tax incentives and financing of economic infrastructure. It will also re-focus the

regional economic development programmes targeting sectors where the region must regain competitive in order to propel economic growth.

Through this approach, the Mbashe Local Municipality shall attempt transform its economy to new industrial and economic activities and should identify “sunrise strategies” that would produce new jobs and ensure enterprise creation and sustainability.

The second approach would be the coordination of regional and local economic development efforts. Central to this approach would be the development of an industrial strategy and action plan which shall be developed to take advantage of the national resources and should localize approaches contained on the New Industrial Policy Action Plan (“IPAP”), the New Growth Path, (‘NGP’) and the National Development Plan (“NDP”)

GROSS VALUE ADDED BY REGION (GVA-R)

The Mbashe Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Mbashe Local Municipality

	Mbashe	ADM	EC	National	Mbashe as a % of District	Mbashe as a % of Province	Mbashe as a % of National
Agriculture	0.0	0.7	5.9	94.4	7.0%	0.82%	0.05%
Mining	0.0	0.0	0.5	306.2	33.6%	3.47%	0.01%
Manufacturing	0.1	2.0	36.3	517.4	5.8%	0.32%	0.02%
Electricity	0.1	0.5	6.2	144.1	18.2%	1.41%	0.06%
Construction	0.1	0.9	13.2	154.3	15.1%	1.04%	0.09%
Trade	1.2	5.5	61.5	589.7	21.4%	1.93%	0.20%
Transport	0.2	1.7	27.5	389.2	11.5%	0.70%	0.05%
Finance	0.5	4.7	60.5	781.7	10.1%	0.79%	0.06%
Community Services	1.5	9.1	89.7	894.1	16.3%	1.66%	0.17%
Total Industries	3.7	25.1	301.2	3 871.2	14.9%	1.24%	0.10%

In 2016, the community services sector is the largest within Mbhashe Local Municipality accounting for R 1.48 billion or 39.6% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Mbhashe Local Municipality is the trade sector at 31.7%, followed by the finance sector with 12.7%. The sector that contributes the least to the economy of Mbhashe Local Municipality is the mining sector with a contribution of R 15.8 million or 0.42% of the total GVA.

➤ **Economic Comparative And Competitive Advantage**

The Absolute advantage

Our municipality believes it has absolutely more efficient at production of the following compared to nearby municipalities. These are:-

- Crop production
- Sheep farming
- Eco-tourism

However, these advantages have not been tapped to the fullest.

Comparative advantage / Competitive advantage

The ability of the municipality to produce a particular good / product or service at a lower marginal and opportunity cost over another good / product. Comparative advantage measures efficiency in terms of relative magnitudes.

There are five sectors with high potential for development:

- Agriculture (including forestry and fisheries), particularly intensive and irrigated horticulture.
- Tourism, including eco-tourism, heritage, conferences and sports.
- Small scale manufacturing, particularly diversification from agriculture, brickmaking, bakeries and new-generation products.
- Construction related to infrastructure, new property developments and the upgrading of human settlements.
- Ocean Economy- marine tourism.

There are other targeted areas for investment which may have considerable economic potentials in the future, and those are:-

➤ **Aquaculture Farming / Maritime Culture**

Aquaculture is the farming of aquatic organisms such as fish, shellfish and even plants. This refers to the cultivation of both marine and freshwater species and can range from land-based to open-ocean production.

However; there's a great potential for fish farming programme in the area. Currently there are two communities under development trusts that showed interest in the project. They are Nqabara Development Trust and Mahasana Development Trust. The pre-feasibility study was conducted in the Mahasana area. Currently the business plan is being developed with the interested private investor who will later partner with the community through the trust.

Mining and Quarrying

Mbhashe has a potential for stone mining, sand mining and granite. These resources; granite to be specific is found in some parts of Mbhashe such as in Luvundu, Bojini and Weza areas. However, there's little done in this sector to help change the economic situation of the people in the area. What is common is the illegal mining of sand by some business people. Their actions lead to degradation of land in various parts of the region and there's no policing of the area which is usually in the coast so as to safeguard land degradation.

Fishing / Recreational Fishing

The municipality once conducted a study on fishing; the study showed there's major potential in this industry as there's little done on this sector. All wards that form the coastal belt in the Mbhashe area are encouraged to acquire fishing permits from the relevant Department. There has been progress in the area as more SMMEs have acquired licences and doing legal fishing. Mbhashe boasts with the wild coast full of large river mouths and seas. These are all the areas where different forms of fishing can take place. The area covers the area between the Qhora River and Zithulele River. There are different types of fish available in the area but the control on use is still in the hands of the Department of Agriculture, Forestry and Fisheries – Marine and Coastal Management. The study showed that the following projects can be undertaken in the areas mentioned:-

Table 1: *Potential matrix for fishing opportunities*

AREA	POSSIBLE PROJECT
Shixini	Suitable estuary for recreational fishery
Xhora	Suitable for community based canoe hire and ghillies

Nqabara Mouth	Conservation area/protected zone
Jujura Mouth	Angling destination
Qora Mouth	There's a boat house and sea launching is possible
KuJotela	Recreational fishery

Source: Mbhashe LED strategy (2015)

Further recommendations included the formation of the Focus Group which will be made of technical people i.e. government departments, NGO's and Government agencies, Further Education and Training institutions and Institutions of higher learning.

THE LED STRATEGY (2015)

The LED Strategy adopted by Council in 2015, deals with economic development as a theme that cuts across all that happens 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. Its economic capital, Idutywa lies along a busy and lucrative N2, and is a gateway between the various powerhouses such as Durban, Umtata and East London. The Mbhashe LM's Integrated Development Plan (IDP) refers to five (5) areas of investment, which for the purposes of the strategy are referred to strategic thrusts.

The Strategic Thrusts formulated as part of this document 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. The Thrusts, therefore, enable an integrated approach towards taking maximum advantage of the identified opportunities. The Thrusts also allow the appropriate linkage of projects and initiatives to ensure more focused and coordinated facilitation of development in 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 its own, result in the development of the economic base and have, therefore, not been included in the Strategic Thrusts. Rather, the Thrusts identified in this document focus on the actual unique opportunities where potential for economic development and growth lies.

The 5 key Strategic Thrusts are:-

- Thrust 1: Agriculture Development.
- Thrust 2: Enterprise Development.
- Thrust 3: Tourism Development.
- Thrust 4: Skills Development
- Thrust 5: Spatial Land Use Management

Strategic Thrust 1: Agricultural Development

The subsistence agricultural sector is the biggest contributing sector in the economy of Mbhashe. Many households use agriculture for subsistence and they heavily rely on it for food. The areas of the municipality are mostly under communal land tenure.

Sheep farming

Mbhashe contains arguably the richest land for livestock in the Amathole district. About 250 000 sheep are recorded in Mbhashe. (Source: Stats-SA - Livestock survey; 2015) Public private partnerships and improved farming methods can expand commercial livestock farming in the Mbhashe areas.

Cattle farming

Cattle are spread all over the Mbhashe area whilst main focus is on improvement on quality of cattle for meat and skin for leather production. Every year, the Department of Agriculture and the municipality plan for the known and the unknown outbreaks of diseases in animals. A number of workshops named “information days” are conducted for the farmers, Chiefs and the councillors on the current farming methods and animal health. To ensure market access, the municipality is engaging big business in the wool industry for possible partnership with farmers. Currently, they are assisting farmers with training and information sharing.

Goats

Goats are largely in the Willowvale area about 32 000 (Source: Stats-SA - Livestock survey; 2015) and small projects that are aimed at improving quality for milk production have started there. Twenty (20) small stock dipping tanks have been renovated across Mbhashe in the past five years.

Piggery

There are few piggery projects and some registered co-operatives from across the municipality. There's a potential and an opportunity to develop a piggery abattoir in the area.

Poultry

For the past 10 years the municipality has assisted small poultry farmers to grow chicken and sell for profit, which was done as a poverty relief programme. In the year 2006, the municipality commissioned the services of the Agricultural Research Council (ARC) to investigate why the poultry projects failed and could not graduate to a viable business. The major cause for concern was the readiness of the market immediately when the product is ready for sale. The department of Social Development has funded a lot of projects in the poultry industry but there were challenges in growing the industry.

Citrus Fruit

The Willowvale area is also an area where there's potential for citrus fruit production. The area is dominated by deep, well drained and aerated soils. The climate is characterized by warm summer and cold winter with the mean annual temperature of 27°C. This area receives a summer rainfall of 780mm per annum.

The municipality together with the communities in the Willowvale and Xhora area has started the citrus fruit production in households. Only 200 fruit trees were distributed in the year 2015/16 due to drought however more will be distributed in 2016/17.

Crop Production

Two major crops that possess an opportunity to bring food and employment in the area are maize and vegetables.

Maize Production

Size of the land available for maize production is 12 thousand hectares. The utilized size for maize production is less than 4 000 hectares covering 44 villages. Maize is the mostly utilized crop/grain in the Mbhashe area mainly because many of the households consume it as their staple food. About 32 wards of Mbhashe have been provided with fencing materials in financial years starting 2011/12 up to date. This is done to avoid intruding animals. Whilst there's no scientific study conducted, this assistance has encouraged more farmers to go back to the ploughing fields again.

Vegetable Production

Vegetable production is another area where households source food from, in the form of community gardens and own gardens. Several projects and co-operatives are now irrigated and are producing enough for selling in the local market.

These projects have created jobs for some who were jobless and are now earning ±R600 a month from income generated through vegetable production. To ensure access to the market, the Local Food Production Unit located in Duff (ward 9) was established. To encourage vegetable production at households, the municipality is providing seeds and seedlings to Siyazondla groups and to some households.

HIGH VALUE PRODUCTS (HVP)

Agri-Park

Agri-Parks are located in centralised places within a District Municipality that are able to service and interact favourably with agricultural activities within the district. The Agri-Hub, by necessity, is located in an area that can serve as a link between district agricultural production and markets, and supply inputs from service and product providers towards the agricultural producers.

Agri-Hub, ultimately, need to possess sufficient physical and social infrastructure to accommodate:

- Storage/warehousing facilities (cold storage, dehydrators, silos etc.)
- Agri-processing facilities (mills, abattoirs, juicing, etc.)
- Enterprise development areas: lease space to high intensity start-up industries that can benefit from the inputs of outputs of the Agri-Hub, i.e. piggeries, tunnel grown crops, bio-gas production etc.
- Large scale nurseries to supply agricultural production initiatives.
- Packaging facilities for national and international markets.
- Weighing facilities
- Logistics hubs for collection of goods from the FPSUs
- Transport service workshops and spare parts for larger maintenance tasks of Agri-Hub and FPSU equipment.

- Agricultural technology demonstration parks to train farmers in the Agri-Park catchment area on new technologies in terms of fertilizers, plants and seeds, irrigation, energy use and farm implements
- Soil testing laboratories.
- Accommodation for extension training and capacity building program
- Housing and recreational facilities for workers and Agri-Hub staff.
- Business, marketing and Banking facilities, (ICT)
- Rural development organisation offices.

Within the Amathole District, the place earmarked for Agri-park is Butterworth in the Mquma Local Municipality. However, Mbhashe had already established its own Agri-Park courtesy of the partnership between UFH and Department of Rural Development Agrarian Reform. This will be turned into the Local Farmer Production Unit. The Farmer Production Support Unit (FPSU) is a rural outreach unit connected with the Agri-Hub. The FPSU serves as a resource node in areas isolated away from the main Agri-Hub, serving the surrounding community.

The FPSU is detailed with collecting primary production from agricultural initiatives in the area, storing this product, engaging in small-scale processing operations for the local market, and providing extension services to surrounding operations (including mechanisation). In more detail, FPSU are multiple centres within a district that provide:-

- Agricultural input supply control (quality, quantity, timeous deployment of inputs)
- Mechanization support (tractor driving, ploughing, spraying, harvesting etc.)
- Machinery, servicing workshop facilities.
- Primary produce collection.
- Weighing of produce and stock.
- Sorting of produce for local and other markets.
- Packaging of produce for local market
- Local storage.
- Processing for local markets (small-scale mills etc.)
- Auction facilities for local markets
- Provide Market information on commodity prices (ICT).

- Extension support and training
- Local logistics support (delivery of farming inputs, post-harvest transportation, transportation to local markets, etc.)
- Small Business Development and Training centre.
- Banking

The Mbhashe FPSU can be found at Duff Location in Ward 9 (Dutywa). These programmes form part of the Comprehensive Rural Development Programme (CRDP), and Agri-Villages. The FPSU is considered as High Impact programme because of the scale of involvement and the income to be generated by Mbhashe crop farmers, Siyazondla groups and co-operatives. The FPSU is set to change the Mbhashe rural landscape and usher in real economic transformation.

The ADM Agri-Park and Duff FPSU serving as catalyst will further facilitate development of local agricultural economies that are community driven thus meeting basic human needs as its driver, ensuring on and off farm infrastructure development and contributing to the emergence of rural industrialists.

Strategic objectives of the Agri-Park as envisaged by Department of Rural Development and Land Reform (DRDAR) are:-

- Promote skills of, and support to small holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanisation inputs
- Encourage producer ownership of the majority of Agri-Parks equity of 70% with state/commercial interest of 30%
- Bring under-utilized land especially in communal areas into full production over the next three years and expand irrigated agriculture.

The impact of Agri-Parks on Small Town Regeneration. The Agri-Parks will offer the following direct benefits to the small towns:-

- Location near to an Agri-hub can provide employment and entrepreneurial opportunities to residents of small towns
- Opportunities for capacity building and to acquire new skills sets e.g. unemployed mine workers may be targeted to work in any number of business opportunities that occupy a park.
- Basic services may be improved due to the influx of new people attracted by the Agri-park investments

- Other vital services such as transport, health and education may also be improved or developed. Economic growth in key Agri-park areas would generate additional resources (e.g. through property tax and services to local authorities), but may also put pressure on infrastructure due to an increasing population.
- Economic diversification often deepens in areas of agglomeration and decreases in areas without agglomeration benefits and therefore small towns within the realm of the Agri-parks may also experience such diversification;
- Areas with higher than national average growth act as a magnet for high level skills whilst areas of economic decline export such skills. The Agri-park development may potentially retain skilled people from these towns.

Some indirect benefits include:-

- Curbing city growth (Informal settlements and the resultant pressure on city infrastructure;
- Reducing rural-urban gaps in wealth and living standards by providing infrastructure and housing in these small towns in an attempt to reduce migration to cities.
- Growth of other sectors in the small towns such as tourism (influx of people- more tourism facilities needed, more job opportunities).

Macadamia

The industry promotes an approach where partnerships with Chiefs, Rural communities and municipalities are established. Presently, the Eastern Cape Macadamia Industry is working on securing funding support for a second 300ha macadamia project located here in Mbhashe involving AmaJingqi Community. The macadamia nuts have been researched and found suitable for some areas of ward 22. This project may expand to all the areas surrounding Amajingqi like Mgwebi, Jujura and others where the snow does not fall.

Approximately 300 hectares have been identified within the AmaJingqi community rigged and planted. The target is to plant 50 hectares during 2015/16 financial year and the remaining 250 hectares will be planted during 2016-2017. There are about 105 people who got full employment in the project as at end October 2016. At full capacity the factory will create 2200 jobs and a total wage bill of R66.3 million per annum for approximately 80 years. In addition to the jobs; the community will benefit through rental fees for 80 years. Already there are many communities seeking expansion of the macadamia within Mbhashe and especially along the coastal line. Earmarked for this project is the overseas market and once taken ground this will generate a lot of revenue for the area and will have long lasting impacts for social life in the area.

Sorghum

Sorghum is another High Value Project which is regarded as one of the products that can help grow the economy of the region. The initiative came from a youth co-operative called, “Nondobo Youth Co-operative” and Lubomvini. This pilot program of the Sorghum won the support from several government departments and parastatals and the private sector like Anglo American. The municipality has funded the general tree removal in the area. To sustain the programme, a total of 12000 tons is needed. For purposes of crop rotation, soya beans will be used. Participating villages include youth co-operatives from various areas such as Old Idutywa (200ha); Duff (180ha); Rwantsini; Upper Falakahla; Gam-Gam; Fort Malan; Chizele; Tyelekebende; Mfula; Lubomvini and Mnandi.

Moringa

Another new venture is the Moringa Trees in the Bojini area of Gatyana. The community through its community development trust is engaging a private sector for partnership agreement. The Moringa tree is doing real good in South Africa, bringing sustainable business as well as uplifting the health and feeding of communities. The Moringa tree, also known as the horseradish tree is being called the miracle or magic tree. The trees will be planted using 150ha from the area of Bhojini and Ligwa.

Lemon Grass / Essential Oil Production

Another new venture is the Lemon grass at Bulungula and Ku-Folokwe A/A at Elliotdale. The community through its women co-operative is engaging a private sector for partnership agreements. The Lemon grass is doing real good in South Africa, bringing sustainable business as well as for cosmetics industry.

There's a lemon grass woman cooperative (Bulungula Essential Oils Co-operative) in the area, which has a huge market for the produce and they confirmed that any lemon grass produced organic they're willing to buy it, in order to fill up their lemon grass market demands, i.e. the Cape Natural Tea producers. The youth of Folokhwe village want to take this privilege as the great alternative to generate income for them or ourselves and others who are interested as we go on.

➤ **Agricultural Infrastructure**

Shearing Sheds

There are approximately 44 shearing sheds mostly in the Dutywa area where there are plenty of sheep (250 000 as recorded by Stats-SA 2015). However, there's a huge backlog in the shearing sheds construction as many communities are in demand. The construction and renovation of shearing sheds is done under the programme of "livestock improvement programme". The shearing season (2016) recorded an amount above R3.5m in wool sales. However, there was an increase in the subsequent year 2017, with sales amounting to R4 815 230 in Dutywa, R259 534 in Willowvale and R181 190 in Willowvale. With the availability of shearing sheds and equipment the woolgrowers could generate large sums of money from the wool sales.

Dipping Tanks

There are almost 400 cattle dipping tanks which were all built by the then Transkei homeland government and some by the provincial department of Agriculture. These dipping tanks become old and could not be used optimally. The municipality then budgets through a programme called "Livestock improvement" to renovate the dipping tanks. In the year 2015/16 financial year five dipping tanks were renovated and more are planned for 2016/17 financial years. The MOU between the municipality and the DRDAR are currently being drawn where the municipality will provide material and farmers will do the dipping tanks on their own.

Fencing of Arable Land

The municipality has managed to rollout this programme for seven years in a row now. The objective is to have every arable land fenced so that farmers can farm peacefully not in fear of the animals. This programme is linked to Maize Production programme of Mbhashe Municipality and ADM where different assistance programs can be seen. All wards have received fencing for more than two times and the farmers are urged to fence for themselves as part of showing commitment to the course.

SWOT ANALYSIS (AGRICULTURAL DEVELOPMENT)

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> ▪ Availability of arable land ▪ High quality of existing soils for crop production ▪ Good flowing rivers and availability of water resource ▪ Access to availability technical support by Agriculture ▪ Existence of support institutions like ECRDA, Land Bank and Uvimba to resource agricultural programmes ▪ Favourable climate ▪ Suitable lands for livestock production (Idutywa said to have over 300 000 sheep and highest concentration of sheep livestock in Amathole) ▪ Abundance of base assets – livestock, people, land, skill etc ▪ Access to input support by government – Tractors, Seeds, Bulls etc. 	<ul style="list-style-type: none"> ▪ Lack integration in planning and implementation programmes ▪ Agriculture not seen as fashionable employment sector by especially young people ▪ Lack of entrepreneurship & value chain production – Agro-processing ▪ Poorly developed infrastructure and non-existent services ▪ Lack of funds ▪ Prevalent soil erosion, land invasions and veld fires ▪ Bad infrastructure – roads leading to areas with potential like Nqabara and Elliodale ▪ Lack of development of the commercial farming sector – ▪ Poor road conditions make it difficult to access the market for the produce leading to a total closure of some of the project ▪ Along the Mbhashe and Nqabara rivers there are valleys which are suitable for maize production but the limitation is extreme bad conditions of road; making it difficult to reach the ploughing fields by an auto-mobile. ▪ Inability to create sustainable markets for the produce. ▪ Low amount of rain in other areas. ▪ There's still lack of assistance on funding for the inputs like fertilizer ▪ Market for the products

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
	<ul style="list-style-type: none"> ▪ Training for the projects ▪ Failure of the projects to be sustainable ▪ Suppliers could not meet the required quantity at the required time. ▪ The Strategic Environment Assessment conducted in 2009 showed there is not enough grazing land. ▪ The absence of the Spatial Development Framework for the rural areas makes the chiefs and headmen to relinquish the grazing land to the high demand for land for households. This is hitting negatively to the plans for the improvement of wool in the area and the fight to push back the frontiers of poverty. ▪ Animal diseases. ▪ There's a visible amount of skills shortage in the animal farming industry ▪ Lack of water - stock dams ▪ Silted water dams.

Source: Mbhashe LED strategy (2015)

STRATEGIC THRUST 2: ENTERPRISE DEVELOPMENT

There are other several opportunities and initiatives undertaken by the people in every ward of Mbhashe. These initiatives are apart from the common agricultural initiatives which people engage themselves in for subsistence purposes. A range of financial institutions that issue finances are called to present to the SMME's.

These initiatives range from:-

Brick Making and Manufacturing

Brick making which is common with sole proprietorships and co-operatives. Whilst there are such initiatives there's a lot of brick that is imported from areas like East London. Having identified the challenge; the municipality took the initiative to have an accredited training programme for brickmaking co-operatives. The two main challenges however are:-

- Not all have been trained due to distance from training centres.
- Machinery used is old.
- Bricks need to be SABS approved

Bakery Confectionery Services

The school feeding scheme gave the opportunity for the establishment of co-operatives in the bakery industry. As a result, a number bakery co-operatives have emerged and have brought self-employment to many previously employed. Other co-operatives and SMMEs include welding, fencing, woodwork / carpentry and others involved in agro-processing like Jam making

➤ Agro-Processing

Wool Production

There is an opportunity for those who want to process wool in the region as there are a lot of sheep. The Dutywa area is regarded as amongst the top areas with sheep in the Eastern Cape Province.

Programs such wool improvement have been one of the flagship municipal programs for the past ten years. This has been made in partnership with the DRDLAR and the farmers themselves. This programme has had a great impact in improving wool and inculcating the entrepreneurial spirit among the farmers with specific reference to wool growers.

Maize and Maize Milling

Ever since the municipality started the maize production programme in the early 2000; there has been an improvement in the quantity and quality of maize being produced.

This called for the different entrepreneurs to have interest in the milling of maize. Others went to the extent of getting the municipal land where the milling would take place but in the process lacked funds to proceed with the programme. Maize milling remains the viable project initiative for the region as there's plenty of arable land for maize production and further maize is also used for subsistence and household staple food.

➤ Enterprise Development

- SMME Database

A database of the SMME's has been maintained by the municipality and the LED unit has a database of other SMMEs for the purposes of providing assistance to capacitate the SMMEs.

Different SMMEs identified by the municipality are the following:-

I. Service providers

Several workshops are planned to assist emergent SMME to fill in necessary documents that are required to tender

II. Co-operatives (who are not necessarily providing services to the municipality)

Cooperatives have been trained in almost all the financial years on different aspects. The concentration has started to be on their ability to produce more in both quantity and quality and be able to market those products.

III. Medium Enterprises in the second economy (largely in the retail sector)

IV. Manufacturers like brickmakers, bakeries etc

V. Services sector industries like saloons

VI. Informal traders

The informal traders have been supplied with tools of trade such weather jackets, gazebos and hawker stalls. The hawker stalls are budgeted from the MIG starting from the 2014/15 financial years.

- Supply Chain Management

The municipality has adopted the Supply Chain Management Policy. In the policy the municipality has put targets looking at the development and capacitation of the local entrepreneurs and Small and Medium Enterprises.

- Incubation Programme

The municipality adopted the Contractor Incubation policy. The purpose of the incubator programme therefore is to create an enabling environment within which selected existing contracting enterprises can develop into sustainable contracting enterprises.

The policy objectives are:-

- To provide opportunities to contractors to achieve sustainability,
- The Incubator Programme targets projects within the R30 000 to R1.5 million range and this range is therefore where the incubator programme will focus.
- Preference will be applied in the accessing of work so that enterprises owned and controlled by local, blacks, women and the disabled persons are advanced.
 - Ten SMMEs are earmarked to benefit from this program in the year 2018/19.

- Red Tape Reduction

The municipality is still trying to find ways of dealing with red tape through appropriate delegation powers at the same time not by-passing the role of the council as legislated. This is particularly related to sub-divisions, consolidation and rezoning permits.

- Investment Attraction, Retention And Expansion

The Economic Development Department has identified a number of gaps in the local economy and is planning to develop a policy or strategy on investment attraction, retention and expansion. The planned strategy will address strategic issues that enhance service delivery in terms of socio-economic infrastructure and recruiting investment into the area, promote Mbashe as a recognized business destination of choice; by promoting the areas value added goods and services as well as the strategies for commercial and / or economic infrastructure funding models.

It is envisaged that the strategy will translate tangible programmes into investments and possibly realise the rand value of tourism, export, infrastructure and investment. It is aimed at profiling and promoting Mbashe with the view to facilitate strategic partnerships that will bridge the divide between the first and second economy driven by competitiveness and job creation and narrowing the spatial disparities.

Key outcomes:

- To ensure successful implementation of the trade and investment conference and exhibition
- To develop a brochure of fully costed and bankable projects to be sold at the conference
- To have a business-to-business matchmaking breakfast sessions
- To expose SMME's to big business and investment partners
- To showcase value added goods and services with elasticity of demand
- To generate new investment incentives

The municipality is currently in a process of developing investment atlas as means to package economic opportunities for exploitation. SMME Tradeshow and Enterprise information workshops as means create enabling investment climate is amongst key investment initiatives prioritised by the municipality.

SWOT ANALYSIS: SMME

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<ul style="list-style-type: none"> ▪ Favourable land values for production space ▪ Abundance of labour inputs ▪ Availability of raw material inputs ▪ Access to support from government ▪ Prioritization by EC PGDS ▪ Proven untapped potential demand in Forestry, Agriculture and Tourism ▪ Strong appetite for involvement by locals ▪ Market demand ▪ Significant contributor to employment creation ▪ Easy access to entry – no strict barriers ▪ Availability of support from various sources within and outside government – ECDC, SEDA, SETAs, Training Institutions, Bus Forums etc. 	<ul style="list-style-type: none"> ▪ General low interest in self-employment ▪ Lack of skills ▪ Lack of machinery and infrastructure to support factory production ▪ Poorly developed value chain production processes and systems ▪ Lack of appropriate skills and knowledge of the sector ▪ Poor regulation ▪ Unreliable service provision – water, electricity, sanitation, refuse etc. ▪ Lack of care for aesthetics by operators and owners ▪ Environmental degeneration potential ▪ Lack of cooperation ▪ Poorly organized businesses and processes ▪ High degree of survivalist rather than growth oriented entrepreneurs – high failure rate of ventures

Source: Mbhashe LED strategy (2015)

STRATEGIC THRUST 3: TOURISM DEVELOPMENT

Local economy has a competitive advantage in Tourism. Tourism potential can be elicited in:

- Heritage Tourism Development.
- Coastal and Ocean Development.
- Craft Development.

- Tourism Events and Shows and Festivals.

However, the existing potential in these comparative and competitive advantages has yet to be realized. More needs to be invested in unleashing this potential for LED benefits. While more jobs were realized in the community services, this sector is not a sustainable sector for job creation

Tourism can provide a major boost to the district's economy, linking the many diverse attractions of Mbhashe. Strong branding is needed to link the different features.

Activities include the following:-

- Heritage Tourism
- Coastal and Ocean Development
- Craft Development
- Tourism events and shows

Heritage Tourism Development

Heritage forms part of socio-economic and cultural development. It contributes significantly to the gross domestic product through tourism, particularly cultural tourism. The development, marketing and packaging of heritage tourism routes will accelerate the contribution of tourism in the municipality.

There are sites which have been identified for development such as signage, access improvements, information displays and other anchor projects linked to the heritage and tourism development such as the Visitor Information Centre for Dutywa. Such sites are identified:-

- King Hintsa's grave
- King Sarhili's grave
- Sinqumeni caves
- Fort Bowker
- Fortmalan Memorial
- Fort Beechamwood
- Liberation Route
- Mazizi Maqhekeza Heritage site

There are other places identified in the Liberation Heritage Route which is a National Project that seeks to establish a route based on the war against colonialism and national oppression. Projects included in the liberation route include developing and conserving the notorious "White House" at Dutywa which was used as a place of torture for many activists of the time. The other

important project is the development of the Mazizi Maqhekeza Resource Centre as an honour to the former Umkhonto Wesizwe freedom fighter.

- Coastal/Nodal Development

Areas earmarked for development in the coastal zone include the following:-

Table

NODE	Description	AREA	STATUS QUO
1 st order	Areas that in terms of low environmental sensitivity and existing infrastructure and/or the feasibility of providing infrastructure can accommodate intensive development. Actual or proven potential supply of municipal services such as bulk water, sewerage and waste management is a basic condition for any area to have 1st Order Node status. Developments that do not need to be in the coastal zone should however still wherever possible be placed outside the immediate coastal zone, inclusive of a buffer with estuaries.		A craft centre has been constructed in the area. The long term proposal was for the development of the cultural village
2 nd order	Areas with significant constraints to development, e.g. and which can accommodate moderate levels of tourism, resort and cottage development. One key difference between a Second Order Node and a Third Order Node would be that in a Second Order Node more than one fairly substantial development could take place, while in a Third Order	Jotela and Kulofolokwe Dwaai Community Lodge	Still following planning processes
		Tenza	Fish farming and a lodge are earmarked for the area.
		Nqabarha Lodge	Project has been completed and its operating

	Node only one development will generally be permitted.	Haven Hotel	Renovations were done and completed in 2012
		Nkanya Estuary Lodge	Construction of six chalets has started.
		Qatywa Chalets Lodge	Construction is currently under way
Protected area	Formally proclaimed Protected Areas. These areas are included for mapping purposes, but are not subject to the Environmental Management Framework (EMF), but to the policies of the applicable Management Agency.	Dwesa – Cwebe area	Dwesa Chalets and Haven Hotel
Other	Other recreational facilities	Dutywa Conference & Recreational facilities	Feasibility study was done and completed, looking for a developer

Source: Mbhashe LED strategy (2015)

➤ **Eco-Tourism Development**

Dwesa- Cwebe Nature Reserve

AmaJingqi World Heritage Site – Natural / Cultural

Tenza beach, Blue Flag Pilot

Qatywa beach, Blue Flag Pilot

➤ **Agro-Tourism Development**

The agro-Tourism is a new industrial form promoted by expenses of healthiness, in which it centers on the leisure wellness to change to another atmosphere of completed devotion, to create a pace of slow life and to achieve a peaceful mind-state.

Tourist agriculture: Literally, the agriculture comes the first before the tourism. The current agricultural entities should be transformed while adding some tourist factors.

Agro-Tourism: A newly-built entity led by the design of tourism production.

1. A carrier: Entity of the agricultural production
2. Two products

- 1) Production of agricultural product satisfying the ornamental demands and demands of consumption of material life for urban and rural residents.
- 2) Production of leisure product: Agriculture, experience, sightseeing, enjoying, popularization of technology, education and cultural exchange.

- Leisure / Recreational Tourism Development

4 Boat launch sites- Qora, Ngabarha, Mpame and Xhora Mouth

- Craft Development

Mbhashe Craft Development initiative was launched in 2004, and the structure of Mbhashe Crafters association was established in 2011. Individual craft projects are advised to register as co-operatives so that they are able to trade. Workshops in partnership with SASSA were conducted with the aim of encouraging them to properly register and get into database of the agency and other departments for purposes of supplying clothing. Currently approximately 50 crafters that are official co-operatives.

Opportunity is given to crafters to showcase in areas like Grahamstown Arts Festival, MACUFE, Tourism Indaba, Tourism Imbizo and any other area where craft material is strongly marketed.

- Tourism Events and Exhibition Shows And Festivals

As part of promoting, marketing and bringing tourists in the area, we had various events hosted internal that market Mbhashe to many as a tourist destination, namely:

- Mazizi/Maqhekeza Memorial Heritage Festival
- Umbono Wesizwe Heritage Festival
- Boxing sport tourism event
- Horse Racing Sport Tourism Event
- Cultural and craft festival

SWOT ANALYSIS: TOURISM SECTOR

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
<p>Endowed with natural beauty resources – Dwesa-Cwebe Nature reserve, the coast etc.</p> <p>Part of Wild Coast SDI.</p> <p>Powerful natural and historic attraction sites & areas</p> <p>Existence of market interest for local offerings (The area is very rich in cultural heritage as it boasts things like San paintings, King Sarhili's grave & Sinqumeni caves)</p>	<p>Access to market for crafters</p> <p>Common veld fires</p> <p>Poor weaknesses infrastructure</p> <p>Inadequate accommodation facilities</p> <p>Poor transport systems</p> <p>Lack of marketing</p> <p>Poor management skills</p> <p>Unskilled labour</p> <p>Crime, access to finance</p> <p>Unemployment</p> <p>Natural disasters</p> <p>Poor conservation methods</p> <p>Land tenure systems & land claims</p> <p>Poor infrastructure</p> <p>Undeveloped tourism offerings – sites for Vulture Views, historic graves "Hintsas", Famous Mvezo traditional authority and others are not fully and creatively developed as tourism offerings to elicit good revenue</p> <p>There's no easy access to the coastal resorts because of poor road conditions</p> <p>Not easy to get developers</p> <p>Crime</p> <p>Some local communities are not interested on heritage sites especially the affected communities</p>

STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS
	Vandalising of heritage sign boards by local communities is also a challenge

Source: Mbhashe LED strategy (2015)

➤ **Green Economy**

The municipality has no Green Economic Strategy but seeks to derive one in the next financial year (2018/19). The municipality seeks to mobilize resources from other departments such as Department of Environmental Affairs for the strategy development. Whilst there is no strategy in place; the municipality is encouraging programmes and projects on green economy. Currently; the municipality has installed solar power for lighting in 2000 households in the Elliotdale area (Ward 19) and Msikithi.

In partnership with World Vision; the municipality is also providing water tanks to the needy households. Other initiatives are taken to curb the environmental degradation of the land; such as land rehabilitation, tree planting, removal of alien species.

➤ **Ocean Economy And Coastal Development**

Oceans Economy Intervention Key Focus Areas

- Marine Transport and Manufacturing
- Offshore Oil and Gas Exploration
- Aquaculture Farming
- Marine Protection Services and Ocean Governance
- Small Harbours Development
- Coastal and Marine Tourism.
- Skills Development and Capacity Building - Research, Technology and Innovation

Mbhashe Municipality has developed strategies to unlock coastal and marine tourism with key emphasis on key initiatives to drive development of blue flag programme, aquaculture farming and coastal infrastructure development opportunities guided by the Eastern Cape Marine Tourism Strategy, 2016.

Projects prioritized for investment are the following:-

1. Tenza Development Precinct, Proposed Tenza Beach Development;
2. Gcalekaland Cultural Village at Kob Inn;

3. Dwayi / Jotela Development Precinct for Resort Development;
4. Dwesa-Cwebe Nature Reserve for Abalone Farming and Tourism Development;
5. Mncwasa Small harbour development for fish farming and processing;
6. Qatywa Community Lodge and Nkanya Development Precinct.

➤ **Small Towns Economies**

Small Town Economies is a concept that coincided with the Department of Treasury's National Development Partnership Grant (NDPG). A business plan was earlier made for the Dutywa area and that found itself the pre-approval for NDPG.

Because of the magnitude of funding; the ADM Development Agency named "Aspire" was appointed to project-manage the implementation of the grant. Several plans were done including the Local Spatial Development Framework (LSDF) for Dutywa.

The main challenges which led to non-implementation were:-

- Pending land claims
- Shortage of bulk infrastructure
- Reluctance of the private land owners to relinquish land for development

With the lapse of time; the NDPG changed focus and the development of rural and small towns remained with the Department of Rural Development. The department funded the studies in the three districts i.e. Dutywa, Gatyana and Xhora and the findings were as follows:-

• **Xhora Implementation Plan (High Priority Projects)**

RANKING	NAME OF THE PROJECT	POSSIBLE FUNDER
High	Urban greening in the new RDP housing area	DEA, EPWP
High	Alien eradication throughout the town	Working for water, EPWP, Own funding
High	Solar PV to town grid	DBSA, private investor
High	Botanical garden along water course	EPWP
High	Commonage and Erosion Management Plan	Aspire, IDC, DBSA
High	Mentorship (Beef, sheep, goats and poultry)	DRDLR

High	Input support (Med and licks) – Beef and sheep	DRDAR
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Source: Mbhashe LED strategy (2015)

• **Dutywa Implementation Plan**

Key Development Interventions and Areas

In order to respond to spatial challenges, opportunities and constraints and to achieve the developmental vision of the Regeneration Strategy, several specific areas (or geographic localities) have been identified as Key Development or Key Intervention Areas.

These are:

- Residential Development, Accommodation and Subsidised Housing
- Low cost residential development expansion at Govan Mbeki Township to accommodate housing backlog. The scale and type of development should respond to the need ie. affordable rental / temporary accommodation versus first time owners / landless
- Middle-to-high income residential to the south east of the CBD
- Middle income development of prior planned extensions to the west and north Industrial

Reserving land around the station, extending in a westerly direction for commercial/light industrial and industrial development.

➤ **Transport / Trade**

- Development of four Integrated Taxi-Commercial Nodes associated with the entry/exit points into/from Dutywa along the four main taxi routes (i.e. East London, Ngcobo, Mthatha and Willowvale). This should include ablution facilities at each.
- The development of a Central Square/ Market-place focussing on the former Central Square of Dutywa. This central space is presently badly utilised and reduces the quality of the urban environment in town as well as adding to the congestion and dysfunctional nature of the CBD.

➤ **Tourism Resource Centre**

In order to better equip Dutywa to be marketed as a Gateway to the Wild Coast, it is desirable that a proper functioning Tourism Resource Centre be developed at the entrance to the town on the south eastern approach of the N2.

This facility should ideally be integrated with compatible developments such as the proposed retail centre or conference / accommodation / entertainment establishment. Concerns around

the positioning of the latter development in relation to the flood line, need to be addressed prior to approving investment of public funds.

Willowvale Precinct

Given the predominance of the Financial Intermediation, Insurance, Real Estate, and Business Services sector, it may be argued that the future prosperity of the town is likely to be related to the consolidation and extension of the rental accommodation sector. More people residing in the town in rental accommodation would increase the demand for local goods and services, leading to a virtuous demand-led cycle of development.

For this to happen, the functionality of the town needs to be enhanced so as to improve its attractiveness as a destination for business enterprises and providers of social services. Key aspects of such an improvement include the following: -

- **Related To Water Services**

The current supply of raw water to the Willowvale Water Treatment Works is reportedly adequately catered for in planning to supply the existing demand in the town. Future planning indicates that certain additional sources of supply would need to be added into the system to secure the adequate provision of water for future extensions. In the interim, a priority with regard to Water Supply is the implementation of a Water Conservation & Demand Management Programme, which is to aim to achieve a reduction in unaccounted-for-water 0.1 million m³ per annum. A specific issue challenging the town at present is the lack of a Waterborne Sewerage System. This was initiated but has been prevented from being completed to function by a land invasion that has prevented the completion of the Works infrastructure. Finalisation of a workable Solid Waste Management solution: either operationalizing the planned Transfer Station system as a matter of urgency or – in the interim – developing properly a fully managed local waste disposal site, which is the preferred option of the local stakeholders.

Mbhashe Municipality Willowvale Rural Precinct

Taxi Facility

Whilst a new taxi rank facility has been initiated along the main road, this is inadequate in size and has no ancillary facilities. There are two Taxi Associations plus a long-distance Bus Association that service Willowvale town and these all need to be accommodated in properly designed and developed ranking facilities with ancillary land use and support facilities provided. At least two taxi ranks need to be developed (one for Uncedo and one for Border Taxi Association). It is desirable that a Long-distance Bus Rank also be developed, as per

discussions held with the relevant Associations. In all cases, it will be desirable to ensure the integration of facilities for informal trading (hawkers) with the public transport facilities.

Road Network Infrastructure

The current road network is inadequate for the town's needs, especially given its function as a public transportation hub as well as a commercial centre that draws larger delivery vehicles. In addition, roadside parking is inadequate for the needs of road users and the volume of users in the central business and service districts.

A full assessment and re-design of the town's road networks is required. Aside from the Main Road, the circulation roads (especially to the south of the Main Road) also need to be upgraded and certain intersections need to be re-designed to permit heavy vehicles to turn into and out of the Main Road. It is crucial that a proper operations and maintenance schedule for the town's road network is developed and implemented to prevent periodic deterioration and the consequent need to re-build roads.

Craft Centre Hubs

As it is recognised that the town functions as a hub for social and cultural events in the sub-region (catchment) it services, this facility is deemed to be of particular importance by the stakeholders who were consulted in the course of the project work. As such, the facility needs to be extended and fully developed to function as a higher order sports facility that serves a broad catchment population.

➤ Rural Development Initiatives

Apart from the programmes relating to economic infrastructure, tourism development, agricultural development and small enterprise development; there are some programmes earmarked for economic development of the region. The current proposals are:-

Mbhangcolo (Proposal for Agriculture and Agri Value Chain)

Mbhangcolo Area is situated on the wild coast of Willowvale Town in the Eastern Cape. The area covers seven locations and is endowed with the beautiful landscape, the Mbongo Mountain, rivers such as Mbhashe, Mbhangcolo, Ntsimbakazi and Nqabarha. Also; the area is known for its heritage site - the King Hintsa's gravesite. With all these natural endowments there's potential for development of the area into an industrial base. The people of Mbhangcolo have formed and registered a trust called "Mbhangcolo Development Trust".

The proposal development include:-

- Agricultural development to include tunnel farming, hydroponics and aqua-hydroponic farming
- The agricultural potential of the area will be unleashed using 10 000ha and the envisaged Mbhangcolo Irrigation Scheme as proposed in the SDF.

Nqabarha (Proposal for Multi-Purpose Centre and Agricultural Development)

The Nqabarha Area is situated on the Wild Coast of Willowvale Town in the Eastern Cape, a beautiful and almost pristine estuary surrounded by coastal lowland forests characterised the natural resource assets of the area. There are thirteen villages involved in this development that form the greater Nqabarha Administrative Area.

The proposed investment is directed to area of greatest potential so as to promote economic growth and alleviate poverty.

The development include:-

- Construction of a shopping / village square
- Office infrastructure
- Farming production
- Planting of Soya beans for diesel

Ntshatshongo

Ntshatshongo Administrative Area (A/A) is a traditional tribal jurisdictional area covering seven locations namely Fort Malan, Tywaka, Mnandi, Gxaka-Gxaka, Lubomvini, Gwadu and Ludiza also known as blocks 1,4,3,2,6,7 and 5 respectively. Each of these has a headman or two but all subject to chief Bikitsha of Ntshatshongo. These locations do not mirror wards pound for pound. Ward 27 for instance incorporates all of these locations and goes on to include Mhlohlozi, Nokatana and Mfezane. So, to the extent that this submission is in respect of the IDP it can be regarded as reflecting the development needs of ward 27 from the tribal authority point of view.

The area has started means to confront food insecurity as well as unemployment. To this end the area has identified beef as a spearhead project in this fight. For this to happen there's a need for grazing camps. DEA has identified the need to eradicate invasive wattle and utywala bentaka, the Department of Environment Affairs is already in the area but with a limited mandate to focus only along the river Nqabara. Five cooperatives will be established. These are for Beef, Goats, Piggery, Haw-Haw Tea and Maize. However, there's still a need for the co-operatives registration, training and funding mobilization in this regard.

Hobeni Rural Development Intervention Program

Government of South Africa introduced the Outcomes Approach as a Programme of Action to realise service delivery. Department of Rural Development and Land Reform (DRDLR) and Department of Agriculture Forestry and Fisheries (DAFF) prioritise its efforts on 6 Outcomes: 4 - Decent employment through inclusive growth; 5 - A skilled and capable workforce to support an inclusive growth path; 6 - An efficient, competitive and responsive economic infrastructure network; 7 - Vibrant, equitable, sustainable rural communities with food security for all; 8 - Sustainable human settlements and an improved quality of household life; 10 - Environmental assets and natural resources that are well protected and enhanced.

According to Stats SA; food access in the Eastern Cape with an approximately 6 693 000 population, 2 185 930 population have inadequate access to food (33%) (Stats SA).

It is against this background that the Department of Rural Development and Land Reform (DRDLR) has initiated programmes aimed at improving food security under the following programmes:

“One Household One Hectar” 1HH1H,

“One Household Two Dairy Cows” 1HH2Dairy Cows,

“One Rural Ward One Integrated Development Centre” 1RW1IDC,

“Land Rights Management Committees”.

“One Household One Hectar” 1HH1H, and “One Household Two Dairy Cows” 1HH2Dairy Cows,

Objectives of the programmes:

- Contribute to the reduction of Poverty in rural areas;
- Revive a calibre of highly productive Black Commercial Smallholder Farmers;
- Build a sense of security of tenure; increase the involvement of individual households in the production activities;
- Create sustainable employment opportunities in rural households;
- Create viable rural small to medium agricultural enterprises;
- Build competences and broaden the skills base for targeted households and communities;
- The Restoration of the Social Capital and beauty of uBuntu as the currency that cements Social Cohesion among rural households;
- Rebuilding the sanctity and dignity of family life as the most critical success factor in the Rural Socio-Economic Transformation efforts of the state.

South Africa has 44 District Municipalities and each district should have at least 5 sites. 22 sites identified and being implemented as pilot sites for 2016/17 financial year in the Eastern Cape.

ADM has 5 sites identified under Farm dwellers at Komga area during 2016/2017. In Mbhashe Municipality, Hobeni site has been identified, fenced for maize production of 200 hectares.

Mahasana Proposals

The community of Mahasana in response to growing interest to Tenza beach agreed to approach the municipality for assistance in support to development of a single plan that addresses the needs of the area. Large numbers of people visit this area regularly with more numbers on holiday seasons. The biggest challenge they experience is accommodation and such related facilities.

The concept proposes the following:-

Sand Mining: Sand mining is the issue the community raised as a concern that needs to be managed well as mining in the area is currently illegal. The community agreed that to address these issues the land along the coast from Shixini to Nqabahrana River be handed over to the control of the community trust that will plan and manage it in order to address issues mentioned above.

Aqua-Culture Farming: People in the area interested in fishing and many do this daily. They need assistance to formalise this and create jobs for themselves. A study was done towards establishment of a fish farm (Aquaculture) in the area.

Tourism Resort: The nearest accommodation facilities in this area Nqabahrana Community Lodge and Dwesa Lodge which are both 6km from the area. The other is Kobb Inn which is 9km from this area. Although these facilities look closer to Tenza area, the challenge to all of them is that to reach them one has to drive more than 47km via inland to reach them because there are no shortcuts roads linking them.

As a result of the above proposed developments for the area, Mbhashe Municipality supports the community and in so doing proposes the 1st or 2nd order node for the area in terms of Wild Coast EMP.

LED PARTNERSHIPS

Humana People to People in South Africa

Humana is a member – organization of the Federation of Association connected to the International People to people Movement. HPP in South Africa is a Section 21 Company and is also registered as a non- profit organisation.

The organisation established its operation in South Africa in 1995 and works with disadvantaged communities to secure improvements of their economic situation, education, health and social well-being. All programmes involve communities in contributing towards their own development, by establishing local structures and training and empowering these to be self-reliant and self-deciding bodies and is today operating in five provinces reaching more than 2 million people. The LED Department recommends therefore that this organization be on the Mbhashe IDP.

Eastcape Macadamia Farming

The Amajingqi Traditional Council under the leadership of Chief Ngwenyathi Dumalisile) driven by their determination to participate in the mainstream economy, formed a partnership with a private company to develop a Macadamia nuts project in 12 of the 22 villages (who accepted the Macadamia Initiative). Today, this partnership is known as Amajingqi Macadamia Farming (Pty) Ltd (AMF). Shareholding in AMF is as follows:

- 51% belonging to the 12 Amajingqi villages represented by the Amajingqi Investment Trust (AIT); and
- The remaining 49% belonging to East Cape Macadamia (Pty) Ltd (ECM).

Agricultural Research Council

ARC is a government institution designed to assist with research and development in Agriculture. With animal Production as their main focal point, it has several satellite stations strategically positioned throughout the country.

This research focus area carries out primary and secondary research, development and technology transfer with respect to Animal Breeding and Improvement, Rangelands and Nutrition, and Food Science and Technology to improve productivity and sustainable resource utilisation.

Mbhashe Municipality is one of those municipalities which got assistance from the ARC. This dates back in the year 2005 where a full study was made by ARC on Poultry Farming in the area culminating in poultry farmers being trained by ARC in their head offices in Pretoria.

Today, ARC is running some projects in the Mbhashe Municipal area under the Economic Support Competitiveness Project (ESCP), Assisted Reproductive Technologies Project and Kaonafatso ya Dikgomo Scheme (KyD).

➤ **Economic Support Competitiveness Project**

ARC has constructed a fully-fledged dipping (dip tank with separating kraal (by-pass), Neck Clamp, loading ramp and evaporation pen in Shixini.

ARC also constructed a seedlings nursery in the same vicinity through the ESCP projects.

Through the ESCP project ARC has refurbished animal handling infrastructure (dip tanks) and provided neck clamps in the following areas.

- Ngadla/Mahasana
- Hobeni
- Xobo (Revamped unfurnished dip tank and provided neck clamp)
- Mputi

Dip tanks will help improve the animal health status of cattle in the areas and the neck-clamps and other facilities will help ease animal handling and loading.

Our aim is to revive the culture of using dipping tanks as a "meeting place" for our small holder farmers.

➤ **Assisted Reproductive Technologies Project (ART)**

Also known as the ART project, the project aims to provide superior genetically Nguni semen for our small holder farmers, in order to complement bull programs offered by the department in our villages. Nguni semen is being used for this purpose at the moment, based on its advantages for the targeted environment (villages).

Kaonafatso ya Dikgomo Scheme (KyD)

This is as scheme funded by the state to train farmers on record keeping, animal identification, ear tagging etc. Farmers participating are registered on the ARCs database in INTERGIS in Bloemfontein, the scheme is currently implanted in the whole municipal area and the entire province.

➤ **Institutional Framework**

The coordination of LED programmes is done through a dedicated department within the municipality which is called, Development and planning. Operationally the officials in this section work closely with all stakeholders through a series of forums including but not limited to LED forum, project steering committees, sector specific associations and monitoring and evaluation structures.

Through these institutional arrangements Mbhashe is implementing its constitutional mandate as stated in the constitution of the republic of South Africa, section 152 (1) (c) reads “to promote social and economic environment”. This read together with the White paper on Local Government re-inforces this mandate. It defines developmental local government as, “Local government is committed to working with citizens and groups within the community in order to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.”

LED Committee of Council

The council has established five Standing committees which are:-

- Local Economic Development Committee
- Service delivery Committee
- Good Governance Committee
- Municipal Transformation Committee
- Financial Viability Committee

Terms of Reference for the LED Standing Committee are as follows:-

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

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

Functions

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

LED Staff

The municipal LED unit in terms of the organogram entails the following:-

- Reporting to Senior Manager: Development Planning is LED Manager.
- Reporting to LED Manager are three officers viz:
 - LED Officer: Agricultural Development
 - LED Officer: Tourism Development
 - LED Officer: Enterprise Development
 - LED Officer: Investment promotion

LED Capacity Building Programmes

Learnerships and Apprentices: In the financial year 2014/15 the municipality had seven students under the learnership programme. An additional five will be included in the learnership programme through the LGSeta.

Internships: There are four students under the internship programme who are paid by Mbhashe Municipality. The internship programme has been extended for two year duration and LED unit also provide opportunities for students a chance to gain practical experience through in-service training and practical working experience.

Capacity of the Current Staff: All the current LED staff attended and qualified on different LED related capacity training programmes. The courses range from Project Management to Monitoring and Evaluation.

STAKEHOLDER ENGAGEMENT

LED Stakeholder Forum

Mbhashe Municipality has assisted in the establishment of units which offer potential benefits for the management, implementation and monitoring of LED programmes and/or projects. These are:-

- Community Development Trusts.
- Section 21 companies.
- A range of Community Development Trusts.
- Mbhashe Business Forum.

Business Investor Forum

The Vision of the proposed Business Investor Forum is to *establish partnerships between MLM and Private sector in order to Facilitate Economic Growth in the Mbhashe area* by promoting the area as a Prime investment destination in Eastern Cape and within South Africa.

Purpose

It is against the above background that the Mbhashe Local Municipality in collaboration with the Local Business Forum calls for the formation of a Business Investor Forum.

Overall Objectives are envisaged as follows:

- To promote, retain existing and attract new investments to MLM;
- To agree on the need and the process towards the establishment of key strategic local industries within Mbhashe;
- To identify and agree on the type of manufacturing operations which constitute strategic industries;
- To determine the mechanism through which these industries should be established;
- To facilitate networking and promotion of cross-municipal business collaboration and

partnership;

- To learn and share experiences on best policy practices for stimulating investment in manufacturing; and
- To sensitize businesses representatives, academia, development partners, research organisation and public on National/Provincial/Local Investment policy interventions and measures in support for businesses in the area.

The Investor Forum

An Investors Forum is the congregation of Policy Makers, Municipal Representatives, representative Entrepreneurs and Business People, etc. from the local area, who gather to discuss and contribute towards the long term sustainability of the jurisdiction that they work/operate within.

Areas of Discussion to be considered by the Forum:

- A One Stop Shop that will facilitate the Investment or Expanding process;
- A Municipal Mandate offering: Land Availability and Services, Tax Holidays, and Assistance with Bulk Services Contributions;
- Assist with Local Government processes and the turnaround time for these processes. [Red Tape];
- Assist with Labour sourcing via an updated Data Base;
- Offer a New Prospectus with all the Information needed to re-allocate to our Beautiful Region;
- Assist with Government Funding from Department of Trade and Industry (DTI), Industrial Development Corporation (IDC) and other Government and Foreign Funding.

We are committed to the Vision of the investor forum and to the achievement of our Goals. This in return will ensure enough job opportunities, alleviation of poverty, a stable environment and sustainable living conditions for the residents of the Mbashe Region.

Composition of the Business Forum:

This composition of the Business Forum should be limited, initially, to a total of ten (10) people. The idea will be to keep the discussions on focus as the build up to the Investor Conference of Mbashe Municipality will be the Primary Focus.

The following Institutions should have representation on the Forum:

- Mbashe Municipality (Official);
- Mbashe Municipality (Political);
- Local Business Association/Chamber of Commerce; (Max 2 people);
- Department of Economic Development and Environmental Affairs;
- Local Entrepreneurs Representative;

- Local Tertiary Education representative;
- Major Local Industry representative;
- SMME Representative;
- Prominent Business Person (Max 2).

SECTION 21 COMPANIES

- Local Tourism Organisation.
- Mbhashe Farmers Association.

These two organizations were registered as section 21 companies but both are regarded as non-functional. However, the municipality is working closely to ensure that they become functional again. For operations they presently rely on the municipality at the time the assistance is needed. The municipality also intends to make them separate entities and work independently and closely with the municipality.

Above all the institutions that work with and closely with the municipality in implementation of LED programmes and projects, there's a structure that involves many other stakeholders i.e. the LED forum. However, the structure is not as functional as expected.

All these organizations are required by Council Resolution to report their activities in the LED forum. The forum is composed of:-

- Mbhashe LED standing committee Councillors
- Mbhashe LED Officials
- Local Tourism Organisations.
- Community Trusts.
- Co-operative Forum
- Mbhashe Farmers Association.
- Community Based Organisations dealing with LED.
- Government institutions dealing with economic development
- Mbhashe Business Forum

The most prominent structure that works closely with the municipality is the Business Forum. The business forum is composed of many different sectors that comprise the municipal economy. However, there are other sectors that need to be recruited to form part of the business forum such as Woolgrowers.

SPATIAL ANALYSIS

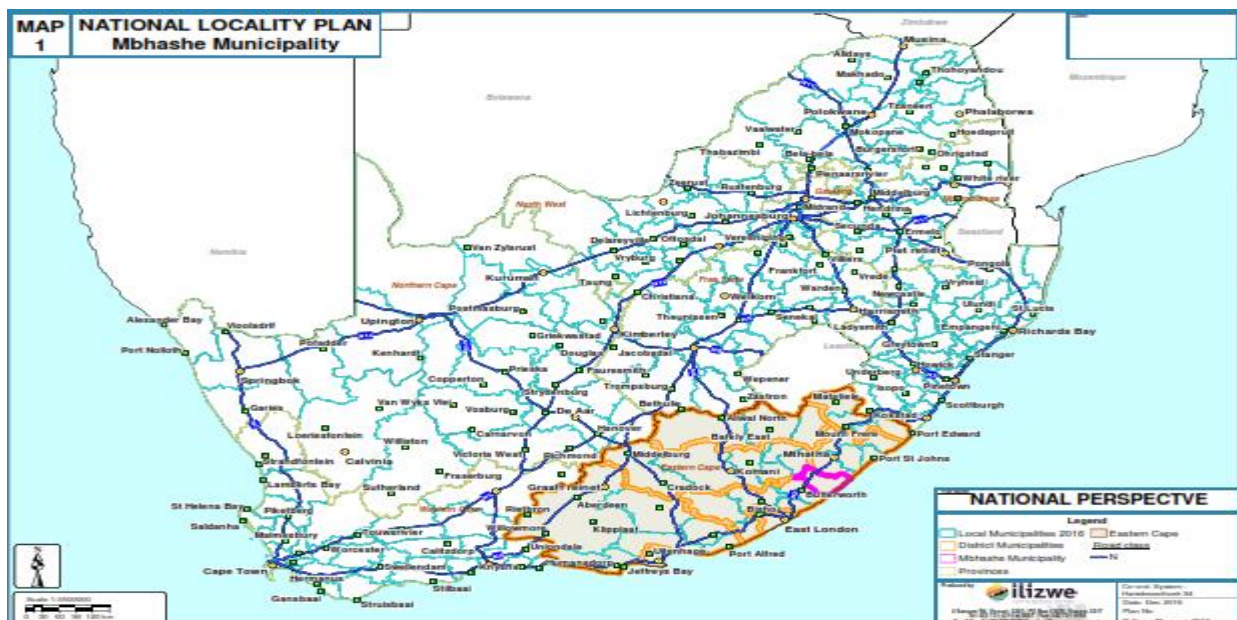
Mbhashe Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 32 wards and 62 Councillors. Mbhashe local municipality is located within the eastern extent of the Eastern Cape Province, within the area of jurisdiction of the Amathole District Municipality. 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 Mphaku River in the north along the Indian Ocean.

Mbhashe occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km² in extent (**2011 stats**). It is estimated that the new additions of few villages from IntsikaYethu 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.

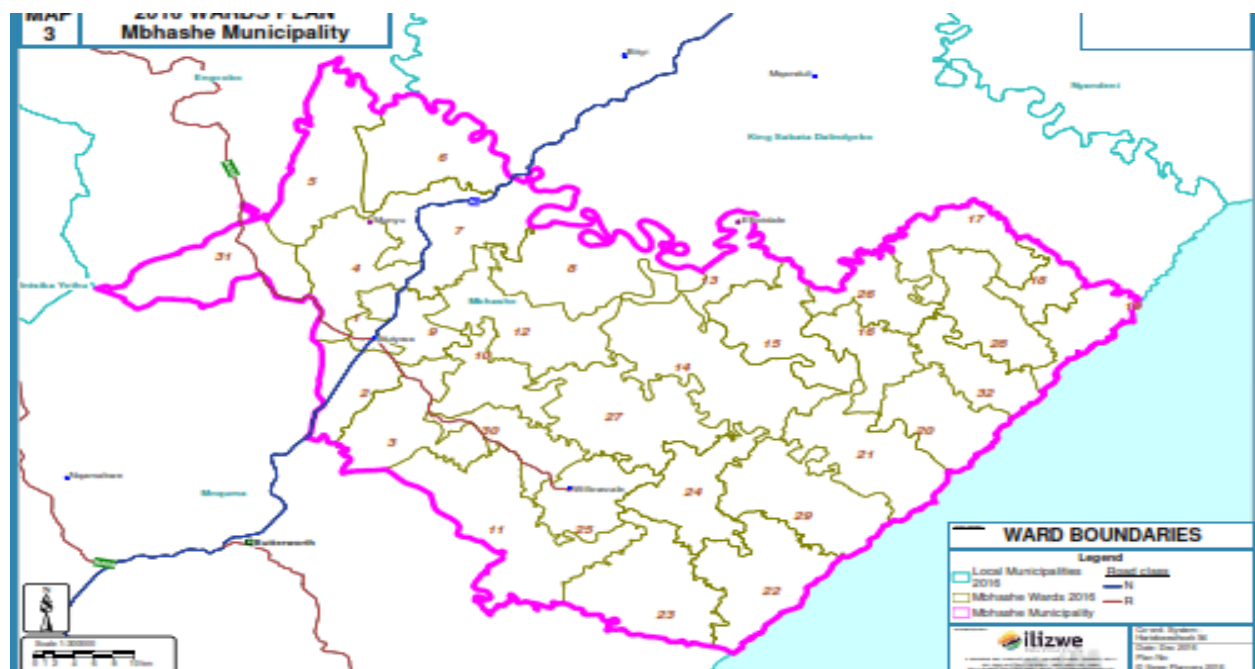
National Perspective is indicated on the plan below



The Regional perspective on the plan below



The Locality Plan for Mbhashe Wards



Mbhashe covers an area of 3030.47 km² (Source: Statssa 2011) and comprises 32 wards, represented by 63 councilors. The entire extent of Mbhashe is situated within the former Transkei and is bordered by the following municipalities:

- King Sabata Dalinyebo – to the East

- Engcobo – to the North –West
- Mngquma – to the South
- Intsika Yethu – to the South –West

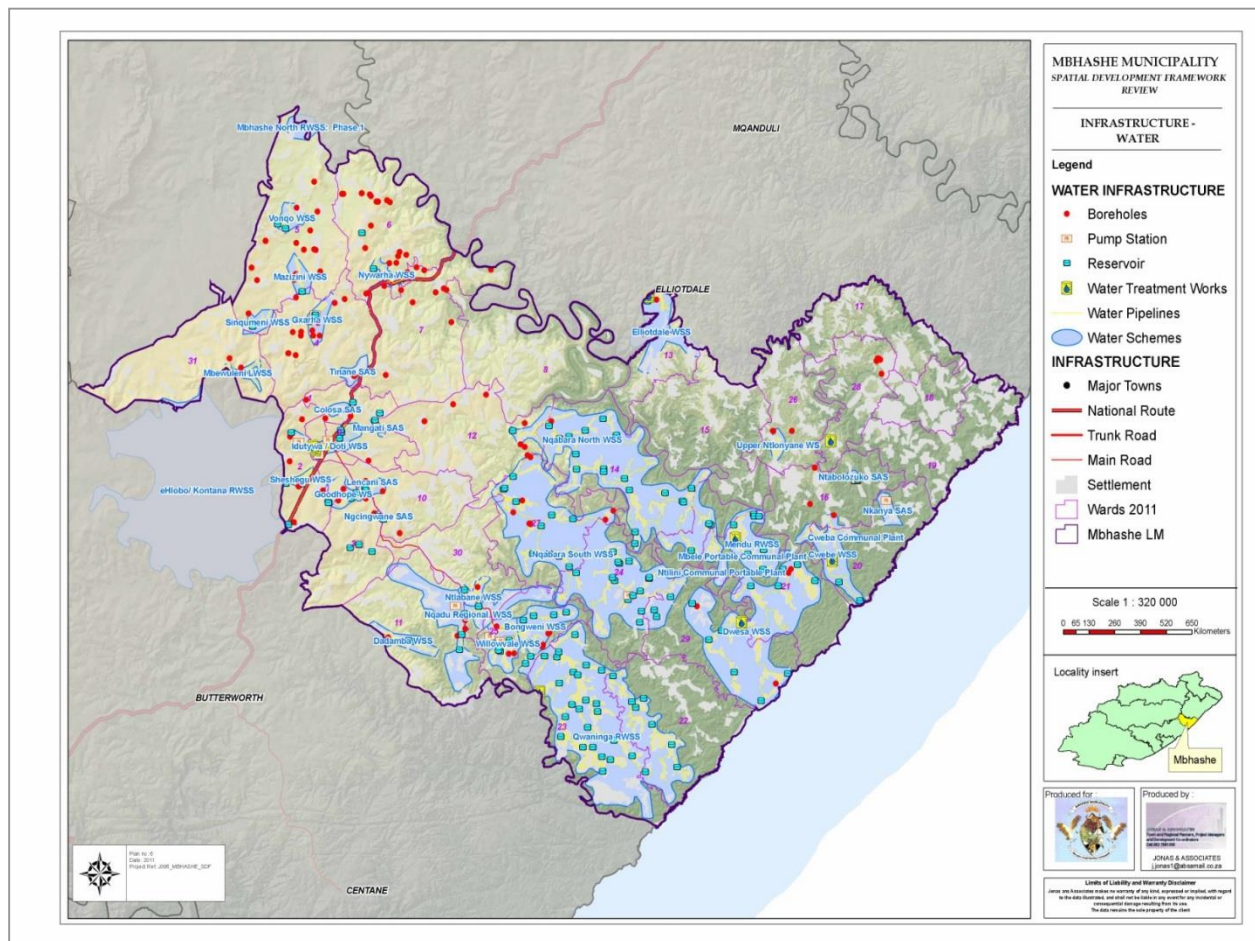
MINING AND AGRICULTURE



The map above depicts that Mining is possible in the following areas:-

- Sand Mining in the coast and along the rivers (Mbashe and Nqabarha)
- Granite Mining in Luvundu and Weza areas

WATER



The Eastern part of Mbashe there water schemes and few boreholes because higher rainfall. In the western part there are more boreholes because of lower rainfall.

2.7.2 TENURE STATUS

The municipality is pre-dominantly rural with approximately 97% of its land falling under the jurisdiction of Traditional Authorities. There are three main types of land tenure in Mbashe Municipality which can be divided into municipal, private and state land. Apart from privately owned land in the three urban centres, namely, Dutywa, Willowvale and Elliotdale, a large part of land in the Municipal area is owned by the state on behalf of the occupants (communal land) and state forests.

Urban Areas

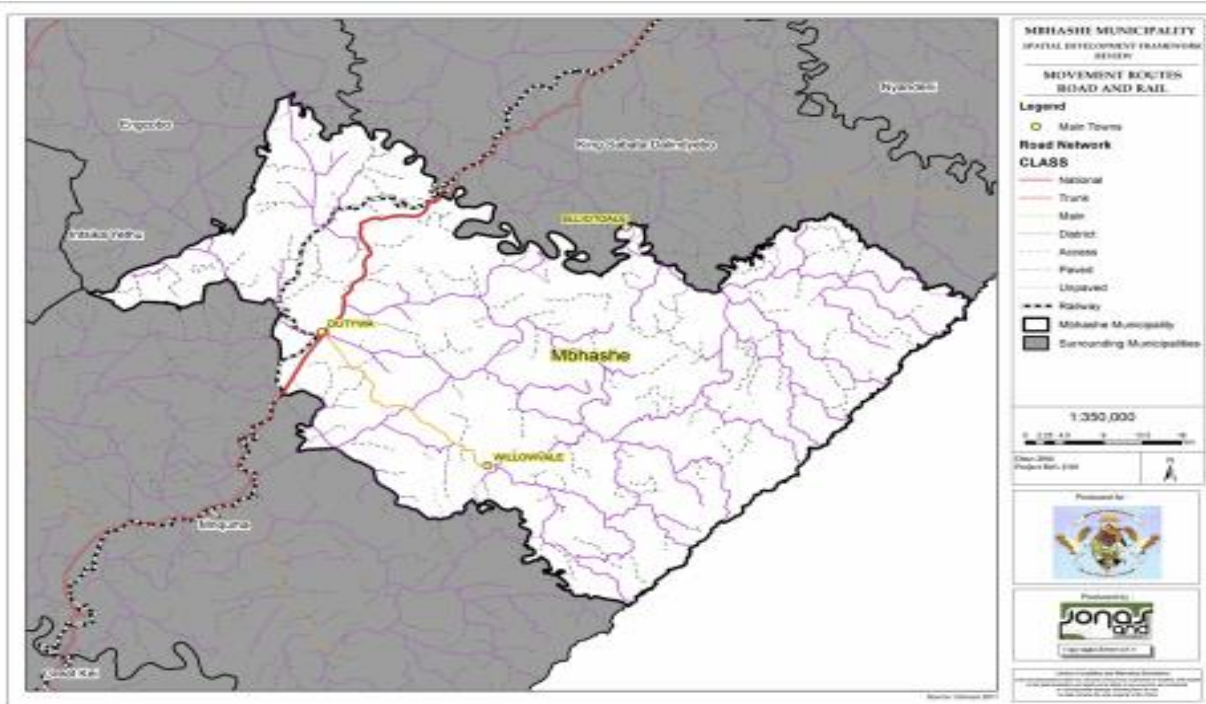
The functions pertaining to land administration in urban centres is undertaken by the Municipality in terms of Township Ordinance 33 of 1934. The Eastern Cape Province is still in a process of developing the provincial legislation that will be aligned with the new Act, Spatial Planning and

Land Use Management Act (SPLUMA). Once the new provincial legislation is promulgated Transkei Township Ordinance 33 of 1934 will be repealed.

Rural areas

The land administration in rural areas consists of a range of existing systems that can be described as ranging from Traditional / Customary to legislated/ formal. The “formalization” incorporated an administrative role for government structures that resulted in the issuing of “Permission to Occupy” (PTO) certificates. In some areas where traditional / customary systems have collapsed and the legislated systems have not been extended to, informal systems have emerged that at times are opportunistic and fraudulent. Challenges however exist, where certain traditional leadership rejects the implementation of SPLUMA.

Major Transport Routes



The road network in Mbashe as shown on the plan above, can be broadly classified as follows:

- The N2 National Road, which runs from Mnquma Municipality to King Sabata Dalinyebo Municipality and passes through Dutywa.
- District roads (Trunk and Main Roads) connecting Dutywa to Willowvale and Ngcobo.
- Local access roads connecting the district roads with the various rural villages and coastal destinations.

2.7.3. LAND RESTITUTION

The Restitution of Land Rights Act 22 of 1994 and the Constitution provide a legal framework for the resolution of land claims against the state, where possible through negotiated settlements.

With regard to restitution of land rights we have four claimants namely:-

- Mangati
- Ngxakaxa
- Mputhi
- Bhonxa

Land restitution claims (for example in Mputhi and Mangathi) inevitably reduce the appetite of property developers to invest. The land restitution process should be concluded as soon as possible to resolve the uncertainties surrounding land ownership.

However; the current state is that the claims may be invalid as the commonage areas were determined prior 1913 – the passing of the Land Act of 1913.

The areas that were successfully claimed include the Dwesa- Cwebe land claims area.

Mputi Land Claim

The Mputhi Community 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 Mbhashe Municipality.

Mangati Land Claim

The Mangati Community 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 Mbhashe Municipality.

Bhonxa

The Land Claim Commission is investigating the correctness of the claim made by the Bhonxa Community (Commonly known as Ciko). This is after some in the community were convinced that the invasion route is chaotic and could lead loss of income and jail term.

2.7.4 LAND INVASIONS

In the past few years the residents of rural areas surrounding Willowvale commonage illegally demarcated sites from the municipal commonage for themselves. The municipality further obtained a court order evicting the transgressors.

The Willowvale commonage is invaded from all the three corners by the following communities i.e. Nkxankxashe, Bhonxa (Ciko) and Weza. However the municipality also drafted and adopted a policy on land invasion. The current policy allows for negotiations and not to fight through the courts of law. The Elliotdale commonage is also under invasive land invasion by the people under the leadership of Chief Njenjese. The Dutywa commonage was invaded by a settlement called 'Doti' and has been the case for more than 10 years now. We are forward looking at the settlement of the land claims which will lead to the formalisation of the Doti area.

SWOT ANALYSIS: LAND INVASIONS AND LAND CLAIMS

OPPORTUNITIES	WEAKNESSES
Court order; to speed up of land claims Invalidity of some of the claims	Land not transferred to the municipality
STRENGTHS	THREATS
Land invasion policy available	Invaders not using legal route

2.7.5 LAND OWNERSHIP IN URBAN AREAS

Land ownership in Dutywa, Elliotdale and Willowvale is depicted on the plans below. Ownership is categorized as municipal, private or state land

DUTYWA



ELLIOTDALE



WILLOWVALE



2.7.6 CURRENT STATUS/ PROGRESS TO ADDRESS LAND USE

SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The municipality reviewed the SDF in line with SPLUMA and was adopted by Council on the 28th of October 2015. The purpose of an SDF plan is to provide the municipality with a tool to assist in arriving at informed developmental decisions to ensure sustainable development decisions and management of its future land development.

LSDF

The municipality reviewed the SDF in line with SPLUMA and was adopted by Council on the 28th of October 2015. In consistent with SPLUMA there are two pilot programs on LSDF, that is, Jingqi and Ntshatshongo localities respectively. The municipality will extend the scope with regard to the development of the LSDF in the rural spaces like ward 8 in 2016/17 financial year. However, the municipality encountered difficulties in terms of setting up the tribunal as no applicant was received in the first round of advert. The authorized official (AO) and Land Development Officer (LDO) are not yet appointed.

Status of LUS and SDF within Mbhashe Local Municipality

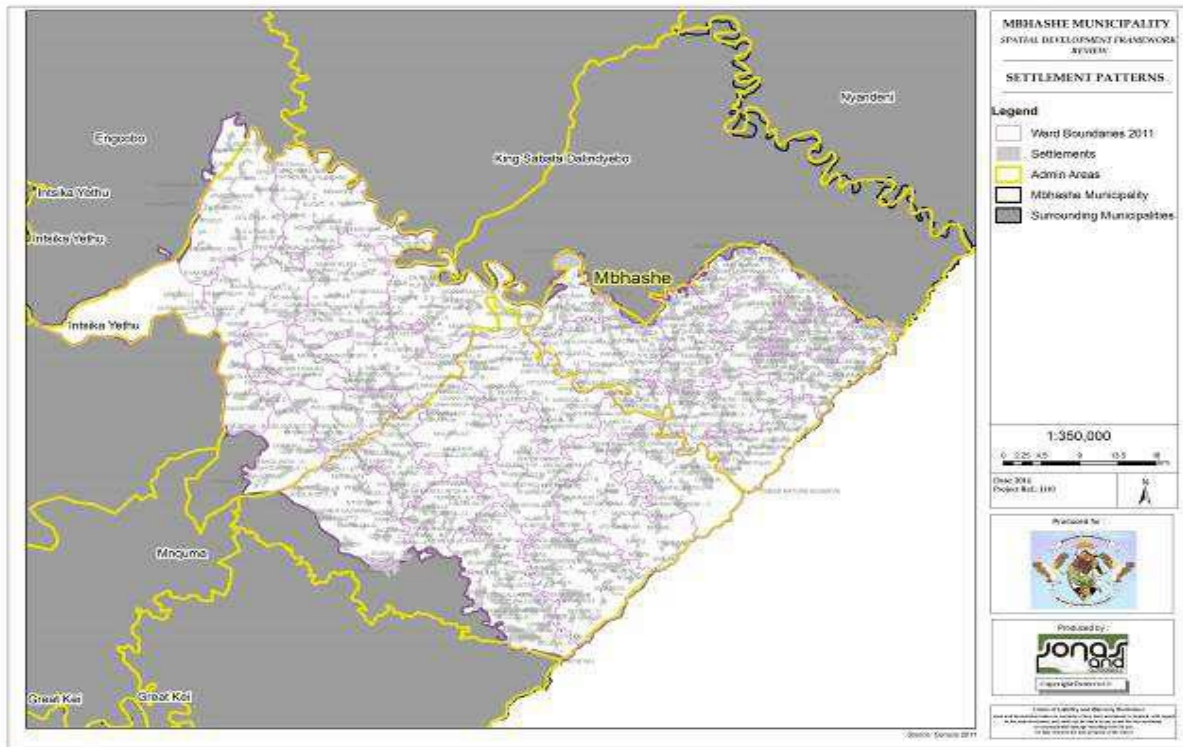
Area	Land Use Scheme	Spatial Framework	Development	Spluma By-Laws
Mbhashe LM	To be reviewed	Available to be aligned with SPLUMA		Final SPLUMA By-law approved by Council (Gazetted)
Amajingqi	N/A	Draft available (LSDF)		Final SPLUMA By-law approved by Council (Gazetted)
Ntshatshongo A/A	N/A	Draft available (LSDF)		Final SPLUMA By-law approved by Council (Gazetted)

SPATIAL PLANNING: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">Piloting LSDF to certain areas	<ul style="list-style-type: none">Funding for LSDF across the municipal area
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">Proper planningPotential for economic growthCreating nodal points	<ul style="list-style-type: none">Resistance from ChiefsLack of security of tenureUnplanned developmentsLand degradationReduction of the arable land

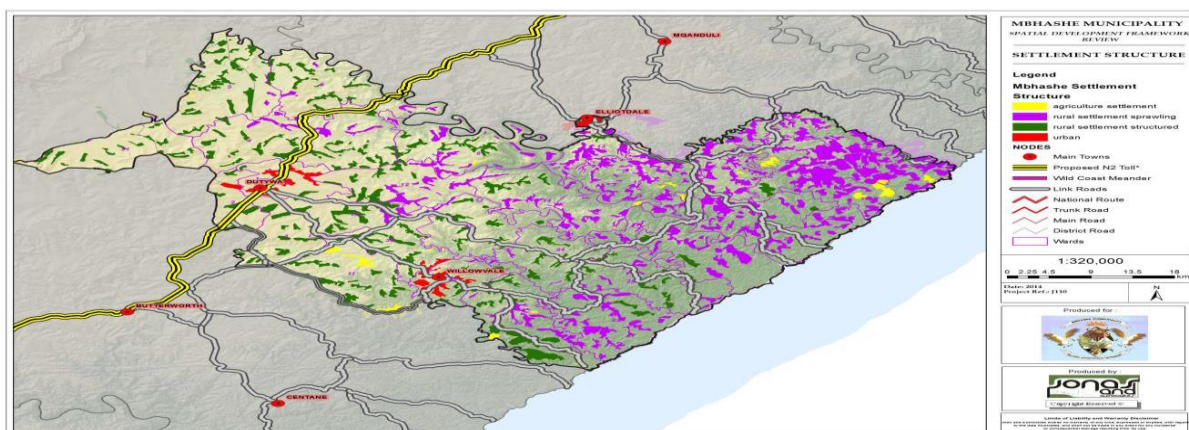
2.7.7. SETTLEMENT PATTERNS

Settlement patterns include towns (urban nodes), rural settlements within traditional administrative areas as depicted below.



2.7.8 RURAL SETTLEMENTS

The entire municipal area falls within the former Transkei homeland area, with a settlement pattern that reflects a predominantly rural character. Rural settlements dominate the municipal area (accommodating 97% of the population). These settlements are scattered throughout the entire municipal area and are surrounded by communal grazing land, and in some instances – arable lands.



The levels of service are generally low, with the majority of residential structures being self-built. There is an increased influx of rural settlers on the periphery of towns (especially north of Dutywa) and along main routes (such as N2) and this results in low density rural settlement. Accessibility and improved mobility in terms road transport are the main driving forces behind this trend. The sprawl or creep of settlements has a number of negative implications, including:

- Illegal access from main routes, due to lack of secondary roads)implications for traffic safety)
- Higher concentration of pedestrians and commuters along these routes, designed for high speed travelling (implications for traffic safety)
- Higher concentration of animals including domestic (dogs), livestock (cattle, sheep, pigs and goats) along these routes
- High costs implications for provision of service infrastructure

2.7.9. Coastal Resort/ Cottage Developments

There are a number of localities that are concentrated along the coastal belt. Unauthorized cottage/ coastal developments that took place after a moratorium was placed on developments within 1km coastal strip are regarded as illegal. The wild coast tourism development policy was formulated and gazetted in February 2001. The policy provides a basic framework for tourism development for one kilometer coastal strip above the high water mark. The Wild Coast Spatial Development Framework depicts spatial development recommendations for all coastal wards.

2.7.10. URBAN SETTLEMENTS

Urban settlements are comprised of the towns of Dutywa, Elliotdale and Willowvale. They are accommodating 3% of the total population. These towns fulfil the role of the main service centers to the surrounding hinterland. There is the presence of informal settlements in the three towns except Elliotdale. Dutywa has 378 informal households, Willowvale approximately 201 households.

Nodal Development Points

- **Settlement Nodes-** Dutywa, Willowvale and Elliotdale classified as level 2 nodes, Fort Malan is classified as Level node
- **Tourism Zones-** Qhora Mouth (Kobb Inn), Haven Hotel/ Mbhashe Point, Breezy point, Collywobbles Cape Vulture Conservation Project. Nqabara and Xora are not yet formally approved in terms of the Wild Coast SDF)
- Corridors – the N2 – Kei Rail Corridor
- Urban Edge

- Open Space / Conservation

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) was assented to by the President of the Republic of South Africa on 5 August 2013.

It has come into full operation as from the 01st of July 2015. The act will assist to fulfil the following:-

- 1) To address racially based pre 1994 planning legislation and deal with new political realities
- 2) To repeal multiple laws and systems created by old order legislation (fragmentation across 4 provincial administrations, homelands etc.)
- 3) Address the unsustainable development patterns fuelled by inefficient, unsustainable and incoherent planning system.

The following are the objectives of SPLUMA

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

MUNICIPAL PLANNING TRIBUNAL

Workshops on SPLUMA have been conducted to the council and councillors, the council has adopted the SPLUMA by-laws on the 28th of October 2015.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• By-laws have been gazetted• Council resolution of setting up own Tribunal	<ul style="list-style-type: none">• Capacity at a local level which will be able to carry the mandate in terms of the Act• Envisaged resistance from chiefs and headmen in misinterpreting the law confusing with reduction of their status
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Quicker approvals of land use development plans (rezoning, subdivision)• Reducing red tape• Encourage private business	<ul style="list-style-type: none">• Lack of response from interested person's to serve on MPT

Rezoning

Development Planning has embarked on a process of finalizing the land use regulation document by means of proper land use zones. This project will help minimize the illegal land use zones as per individual erven

Subdivisions

The department is currently busy with the surveying of all land that has not been surveyed. The objective is to allocate the Erf number to all municipal owned land and to regulate illegal demarcation of municipal commonage. However, negotiations about the date for relocation are still in place with the affected parties, in this case, the shack owners.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Identified erven that need rezoning • Reduce non-conforming use of land 	<ul style="list-style-type: none"> • No updated land use schemes
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Generation of revenue 	<ul style="list-style-type: none"> • Resistance from homeowners to rezone

LEASES AND LEASE AGREEMENTS

Current status

The municipality is generating income through leases on the municipal immovable property. The leases vary from one (1) year leases to fifty (50) year leases. The leasing of land is used mainly for business which is beneficial to the municipality. With the current lease agreements there are gaps identified which the municipality is undertaking moving forward. There's great improvement on the leases renewed and compliance is adhered to;

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Revenue generation • Upliftment of SMMEs • Boost manufacturing 	<ul style="list-style-type: none"> • Land claims
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Land availability 	<ul style="list-style-type: none"> • Lease conditions not strictly adhered to • Renewals not done as early to give space for re-evaluation • Leases not fully complying with legislation

LAND AUDIT PURPOSE

- Ensure all properties appear on the valuation roll
- Ensure all properties have title deeds
- Ensure all properties are on the billing system
- Ensure all properties are correctly zoned
- Ensure all properties are correctly captured in terms of ownership status and size as they were in the deed of sale
- Ensure that the municipality is not losing revenue on state and privately owned properties

The municipal land audit was done and completed with the assistance from the ADM in 2013. This 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 process continued in the year 2015/16 and in year 2016/17 which resulted in the following result:-

No.	Category	Number of properties affected
1.	Non-conforming (Government and Municipal)	35
2.	Non-conforming (Privately owned)	386
3.	Surveyed but no title deeds (RDP houses)	753
4.	Surveyed but no title deeds (Privately owned)	120
5.	Surveyed but no title deeds (Government and Municipal)	25

The current activities being undertaken for each category are the following:-

CATEGORY	ACTION TAKEN
Non-conforming (Government and Municipal)	Council approved rezoning of the 35 properties (to be finalised before end of second quarter). The report was submitted to Township Board and awaiting MEC approval.
Non-conforming (Privately owned)	Service provider to assist with rectification of the 386 properties has been recently appointed
Surveyed but no title deeds (RDP houses)	Conveyancer appointed to do transfers on RDP houses (to be complete before the end of 2016/17)
Surveyed but no title deeds (Privately owned)	Reminder letters sent to property owners to register properties on deeds office
Surveyed but no title deeds (Government and Municipal)	Surveying and registration of the properties underway (to be complete before end 2016/17).
Other considerations:	<p>1). The council should agree on the user pay system where “users” will be made to pay for the rates thus included in the SV 3</p> <p>2) New properties have emerged on the deeds search and will therefore be include in SV3 which has already began.</p>

Policies and By-laws related to land use

Policies such as invasion policy, migration policy or plan of people from informal settlements have been developed and approved by the council.

GEOGRAPHICAL INFORMATION SYSTEM (GIS)

The municipality does not have a specific GIS unit however shared services with the ADM are used. Whilst the municipality does not have the GIS unit; municipal employees have been trained in GIS use and have the system uploaded on their hardware. The GIS unit role within the municipality is to provide adequate, current spatial information, safeguarding of spatial information, the distribution, sharing of spatial information and development of GIS skills.

Mbhashe Municipal users of GIS can access applications and spatial information through a web based application.

A web based application that allows for tracking of properties as they progress through the municipal application process has been developed. Both Land Use Management e.g. zoning applications, departure etc. and Building Control i.e. new buildings and modification of existing buildings.

REMOVAL OF ILLEGAL STRUCTURES

Illegal structures are scattered across the municipality and in the properties of the ratepayers. With the use of the by-laws; the municipality intends to remove the illegal structures in the current year.

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Safe and beauty towns 	<ul style="list-style-type: none"> • Difficulty in relocating shacks as there's resistance from rate payers • There's a consistent resistance from the community and shack dwellers on the removal of the shacks. • There's currently no land available to relocate shacks to as the municipality faces the land claim as reported before.
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Attract investors 	<ul style="list-style-type: none"> • No immediate response on illegal structures

STATE PROPERTIES

Current status

The municipality has begun a process of identifying houses belonging to other departments or parastatals that are unused or less productive. These departments mostly owe the municipality monies for rates and services.

Most of the properties belong to the Department of Public Works, Transnet and the Department of Rural Development and Land Reform. The majority of these properties are in a state of decay.

The departments have promised to dispose some of these buildings to the Municipality; however the negotiations are still in place.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Enough data on the properties 	<ul style="list-style-type: none"> • Non enforcement of by-laws
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Building space • Revenue generation 	<ul style="list-style-type: none"> • Illegal occupation of government buildings • These houses and buildings are mostly in a state of decay and will be expensive to renovate or reconstruct. • Invasion on state land

BUILDING CONTROLS

The municipality with the assistance of the ADM has completed a project where all building plans were scanned and uploaded into the GIS system. With more improved institutionalized system, there has been great improvement in the building application processes and inspection. Households are complying with building regulations with very few individuals who don't abide by the rules but tracked down to conformity.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Enough staff to building controls • Uploading of plans to GIS system 	<ul style="list-style-type: none"> • No regular inspections
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Safe, secure and beautiful town 	<ul style="list-style-type: none"> • still non-compliance with building regulations resulting from ignorance and lack of information

2.7.12 ENVIRONMENTAL ANALYSIS

Legislation

The Environmental Management Section is derived from Chapter 2 Section 24 of the Bill of Rights which aims to protect and promotes fundamental human rights, including an environmental right.

The National Environmental Management Act (No. 107 of 1998, NEMA) provides for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment of Mbhashe.

This act allows for the development of Specific Environmental Management Acts, and it is through this provision that the following Acts with their aims are applied in the section:

Size and Location.

The municipality is located at the South Eastern boundary of the Amathole District Municipality in the Eastern Cape and is named after the Mbhashe River that twists and meanders into the Indian Ocean, cutting through the three towns, namely Xhora (Elliotdale), Gatyana (Willowvale) and Dutywa. It is bound by the coastline, flowing from the Mncwasa River in the north to the Qhora River in the south along the Indian Ocean. With a total area of 3, 169 km², the location of Mbhashe in terms of GPS Coordinates in the South African Map sits at 32.1621° South 28.7664° East.

Climatic conditions

The steep altitudinal gradients from the coast to the escarpment, gives rise to strong climatic changes across the Mbhashe region .The area has a relatively high average rainfall, with the coastal and mountain regions receiving over 1000mm per annum. The region has a temperate of high sub-tropical temperatures along the coast in summer. The summer rainy seasons are sub tropically warm and pleasant, while the winters are mild.

High temperatures in January (mid-summer) reach about 400C, and in June (winter) about 210C, with lows of 17 and 90C respectively.

The region experiences climatic extremes in the form of storms, lightning's and floods which have resulted in soil erosion and deep crevices.

Topography:

The region has a fragmented topography and comprises of undulating landscapes towards the coast and flat grasslands inland. The coastal terrain is therefore mountainous with steep valleys, whereas in land the flat grasslands suffer from drought and eroded lands. The diversity of topography does however create many different opportunities for a great diversity of ecosystems and their inhabitant plant and animal species. The topography, however, also poses a multitude of challenges to development as accessibility is limited and settlement has taken place in a dispersed and haphazard manner.

Geology

There is great variety in the geology of the region as different portions of sedimentary and igneous layers are exposed during the transition from the high-altitude Mountains in the North-Eastern side to the coast in the east.

The area around Idutywa is largely underlain by Mesozoic sediments of the Karoo Supergroup. The sedimentary rocks were intruded by numerous dykes, sills and inclined sheets of dolerite (*Ja*) during the Jurassic.

In summary the types of rocks found in Mbhashe are:

- Igneous rocks
- Sedimentary rocks
- Dolerite Rocks
- Shale and Sand stones

Soils

Soils are mostly red-yellow apedal freely drained soils and are vulnerable to erosion as they originate from their easily weathered parent material on the north western part of Mbhashe. Coastally, the soils are rich for agricultural activities which prove high soil fertility and rich in nutrients which is influenced by the coastal climate.

Biodiversity:

Vegetation of any region is determined by the two factors; climate and soil types. Generally, Mbhashe is dominated by the grassland biome inland, but also has biome types like the Transkei coastal belt grasslands, scarp forest along the coast and the Indian Ocean coastal belt, which forms part of the Maputo-Pondoland Albany Hotspot (MPAH). The hotspot is the remarkable meeting point of six major vegetation types with unique species and ecosystems.

The biodiversity of Mbhashe shows that most of the natural and near-natural landscapes are located along the coast and adjacent interior. The more degraded areas are found in the north-western portion of Mbhashe with too much disturbance caused by overgrazing and burning of grasslands on the biodiversity occurring on that particular area. The decreased spatial extent of the Grassland Biome is also likely to be reduced due to the invasion of alien trees, bush encroachment and woody species. This would ultimately lead to a shift towards Savanna type characteristics.

Currently Mbhashe hosts, the beauty of two joint Protected Areas declared as Nature Reserves and Marine under the protected areas Act. The Dwesa- Cwebe Nature Reserves encompasses pristine biodiversity of the coastal flora and fauna.



Mbhashe also has a strong potential of an area known to be a habitat to the Threatened Cape Vulture (*Gyps coprotheres*). The area of Sundwana (Collywobbles) is an ancestral vulture colony occurring along the cliffs of the complex gorge formed by the meandering Mbhashe River. This Vulture is endemic to South Africa.

Ecological Infrastructure:

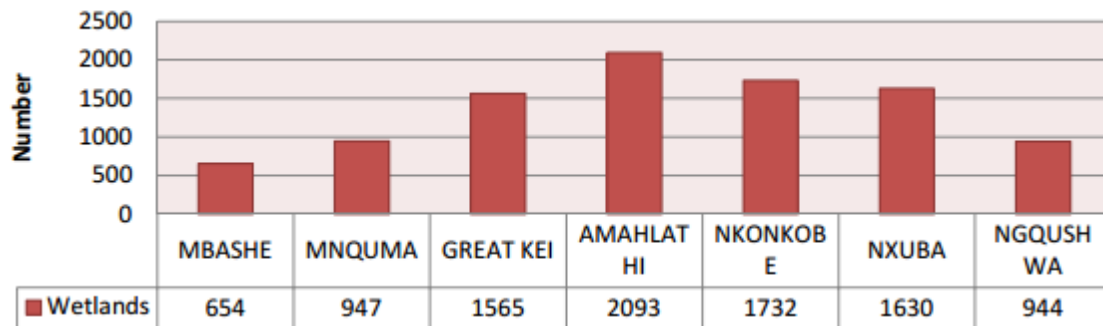
Ecological infrastructure refers to naturally functioning ecosystems that deliver valuable services to people, such as water and climate regulation (**Source: SANBI**).

1) Rivers:

The largest river is the Mbhashe followed by the Nqabara and then the Ntlonyana. The Mbhashe River has got a catchment of about 6.030 km², sourcing its water from the Drakensberg Mountains and draining to the Indian Ocean. It has a mean annual precipitation of 810mm and a natural mean annual runoff of 1 129 million m³.

2) Wetlands:

The Mbhashe area that is covered by wetlands is approximately: 2609.6ha and in numbers it has 654 wetlands which vary in terms of conditions.



3) Estuaries:

There are 12 estuaries in the Municipality covering an area of 586ha, three of which are each greater than 100ha in extent.

The Mbashe, Xora and Nqabara estuaries are rated No. 2, 5 and 15 respectively in terms of conservation importance of the Wild Coast estuaries.

4) Ground water:

LOCAL MUNICIPALITY	POPULATION AFFECTED	NATURE/EXTENT OF WATER PROBLEM	TOTAL COST ESTIMATES INCL. VAT
Mbashe	125 000	Unequipped boreholes and contamination of perennial springs.	R1 902 900

Water resources are being impacted on by poor land use management, increasing development and low levels of municipal servicing. Large catchments such as the Mbashe are particularly affected.

Illegal sand extraction is occurring on the Mbashe river floodplain and other rivers, resulting in water quality impacts and destabilisation of river banks and reduced flood attenuation capacity.

Status Quo

Climate Change Strategy:

A climate change strategy is being developed for the Mbashe Local Municipality; a draft version has been submitted.

Taking Midgely et al. (2007) models into account, in terms of the Mbashe Municipality we can expect the following:

- An approximate increase in median temperate of 1.8 - 2 Degrees Celsius during the summer months and approximately 1.6 – 1.8 Degrees Celsius increase during winter

- An increase in winter monthly rainfall by 10 - 15 mm and 25 - 50 mm in the summer

The above climate changes could imply that Mbhashe Municipality is faced with:

- More frequent and severe flooding as a result of higher intensity storm events and possibly more frequent hail events. This will and will impact on human settlements, infrastructure, human health and place a greater burden on particularly impoverished communities.



- Higher rainfall may increase agricultural production but water availability could become a limiting factor, requiring increased irrigation. Ground and surface water systems are vulnerable. In this regard small scale farming is likely to be most affected
- Heat waves may result in increased heat stress to plants, animals and humans and will increase associated fire risk placing livestock and grazing capacity under threat

Planning for Climate Change within the Mbhashe Municipality

Planning for Climate Change takes on two paradigms – climate change mitigation and climate change adaptation.

Climate Change Mitigation:

Involves those activities that assist in reducing the rate of change to the climate. This is a global responsibility and is aimed at limiting the generation of greenhouse gases. (less air pollution

Climate Change Adaptation

Refers to those activities which we undertake in response to a changing climate.

The emphasis on this chapter is to provide planning guidance to the Mbhashe Municipality in relation to Climate Change Adaptation.

LAND REHABILITATION

Mbhashe Local Municipality much like in other provinces in South Africa is plagued with unlawful sand and gravel mining activities which have had dire negative social and environmental impacts and therefore, the municipality would like to develop a plan to rehabilitate these illegal mines in order to minimize the impacts which have resulted from these activities. To the extent that one truck which entered the Jotela Beach illegally was overwhelmed by waters and couldn't come back. This has put the beach goers under a state of risk. Secondly, several dongas have emanated from nature due to climate change and soil erosion

This compelled the municipality to have the two pronged strategy that will help deal with the degraded landscapes. These are:-

LAND REHABILITATION PROGRAMME

This programme is aimed at eradicating dongas using stones collected from nearby rivers. This is implemented using EPWP and is piloted in five (4) wards i.e. 31, 04, 05, 06 and ward 12.

DEVELOPMENT OF REHABILITATION PLANS

The plan addresses all the areas associated with halting any further illegal operations, of which rehabilitation and revegetation forms a component. As such the post-mining land use and objectives for closure are relevant to rehabilitation and revegetation.



The first step in developing the overall mine rehabilitation strategy is to identify potential post mining land use options and establish key objectives for closure to be incorporated in the project design. The most likely post-mining land uses are, expansion areas for housing, grazing land and open space /recreation, with management of the land being returned to the pastoral leaseholders on completion of closure, decommissioning and rehabilitation.

TREE PLANTING

Tree planting programme is prioritised and is regarded as part of the broader climate change mitigation strategy. To date the municipality has distributed and planted 1000 indigenous trees to various communities. Prioritised in this programme are the schools, clinics and households.

COASTAL MANAGEMENT

In the financial year 2015/16 the municipality saw the need to develop the coastal management plan to guide development along the coast in line with other municipal planning instruments like SDF.

A Coastal Management Programme (CMP) is a coherent policy directive for the management of the coastal zone (Source: Republic of South Africa, Department of Environmental Affairs, 2013). It allows for the effective implementation of integrated coastal management by providing detailed guidelines, plans and interventions across various aspects and functions relevant to the coastal zone, such as socio-economics, biophysical environment, and development, among others.

The Integrated Coastal Management Act specifies an alignment of CMPs across the three spheres of government, namely national, provincial and local. In other words, the MCMP must be “nested” within a provincial CMP, and a provincial CMP must be “nested” within a national CMP (**Oceans and Coasts Branch of the Department of Environmental Affairs, 2012**). This “nested” framework ensures the assignment of the appropriate scope and focus to the corresponding government sphere.

The objectives of the CMP specific to Mbhashe

- Coastal cleanup (solid waste, debris, alien eradication)
- Provision and maintenance of existing infrastructure (ablution facilities)
- Identification of environmental, heritage and recreational values
- Alignment and identification of opportunities related to ocean economy
- Prioritization public spaces and public launch sites
- Monitoring and ensuring compliance with environmental related by-laws and legislation

WETLANDS MANAGEMENT

“Wetlands are land which is transitional between terrestrial and aquatic systems, where the watertable is usually at or near the surface, or the land is periodically covered with shallow water, and which land in normal circumstances supports or would support vegetation typically adapted to life in saturated soil”. **National Water Act No. 36 of 1998.**

Table ...: (Condition of wetlands in Mbhashe)

Conditions	Area (ha)	% Wetland Areas
Natural / Good Condition	60.6	15.2%
Moderately Modified Condition	100.3	25.2%
Heavily / Critically Modified condition	237.2	59.2

Source: NFEPA (2011)

However the municipality is in the process of the assessment of the Wetlands in the financial year 2016/17. The process will lead us to rehabilitation of these wetlands and water catchments for the provision of fresh water to our communities.

ENVIRONMENTAL IMPACT ASSESSMENT:

Environmental Impact Management is administered by the project managers without the consultation of the Environmental Management Unit. No funding for EIAs, BA, EMPs, not within the SDBIP of the Environmental Management Unit.

ENVIRONMENTAL COMPLIANCE

The municipality is still lacking in terms of ensuring environmental compliance and monitoring environmental related compliance. Two reasons for this are the following:-

- 1) No effective environmental management inspectorate
- 2) No by –laws in place,

However, the municipality has identified several by-laws that are required in order to ensure environmental compliance. These are all in the process of development. The examples of such by-laws are the following:-

- Beaches and launch sites by-laws like fires, fireworks, vehicle entrances, sleeping and camping within coastal zone
- Control of boat launch sites
- Prevention of illegal mining

INSTITUTIONAL FRAMEWORK

The coordination of the environmental programs is done through a section in the Development planning directorate. Currently there's only one Environmental Officer reporting to the Senior Manager in the department.

Environmental Management is part of the Development Planning Committee with the terms of reference as the following:-

- Environmental management
- Co-ordination of the LED and Environment Cluster (sector departments and ADM)

Some of the functions of the committee with regard to Environment include: -

Planning, monitoring and ensuring compliance with environmental related plans

- 1) Develop and ensure implementation of climate change mitigation strategies
- 2) Deal with land rehabilitation for agricultural purposes and human settlement planning

SWOT ANALYSIS:

Strengths	Weaknesses
<ul style="list-style-type: none">• Recycling initiatives• Development of Climate change strategy in line with the Sustainable development goals• Collywobbles area with endemic threatened species. (Cape Vulture)• Environmental Awareness Programmes• The MPA provides for protection of marine species• Natural environment that is worthy of conservation and has economic value.• Harvestable resources – subsistence fishing, mussels, etc. provide local food security, fishing is a popular recreational activity for tourists.	<ul style="list-style-type: none">• Lack of Integration on planning and designing phase within the institution. (EIA)• Lack of management of Agricultural land• No Strategic Environmental Assessment (SEA) in place• Lack of support for Recycling initiatives• No monitoring on beaches• Lack of Policies (Environmental Management Systems)• General low fertility of soils in certain parts of the LM

	<ul style="list-style-type: none"> • Uncontrolled use of natural resources (water, animal hunting, trees for wood) by the rural poor impacts on the biodiversity • Increase in the number of informal and unplanned settlements some of which occurs on environmentally sensitive areas • Inadequate landfill sites • Lack of funding for support of protected areas • No Estuary Management Plan • Limited capacity for enforcing national ban on beach driving
Opportunities	Threats
<ul style="list-style-type: none"> • Recognized area with Tourism growth opportunities • Natural beach areas / Blue Flag Beach Statuses • Gaining a status of a private land to enhance tourism • Potential for increased ecotourism development along the coast (aquaculture) • Green Economy • High potential for sustainable harvesting of marine resources for local food security. • Sustainable human settlement development 	<ul style="list-style-type: none"> • Low to Moderate Water Quality • Changes in climatic conditions • Degraded Coastline and inland due to sand mining • Invasive alien species • Waste Water Treatment polluted • Loss of grassland to bush encroachment • Disasters (floods, lightning, tsunamis, rising sea levels • Pollutants, sediment and poor quality water from these catchments may threaten the integrity of the coastline in the medium to long term as a result of inland development and agricultural land uses. • High siltation rates in the Mbhashe River due to ESKOM electricity generating procedures. • Management of Agricultural Land for food security

3.5.4 KPA 4- MUNICIPAL FINANCIAL VIABILITY (MFV)

Budget & Financial Reporting

(i) Budget Planning

The budget planning unit is responsible for the development and monitoring of the municipal budget. The budget of the municipality is very limited and does not cover all the capital and operating expenses of the municipality. The municipal budget is funded through rates and services (refuse removal, traffic income, utilization of construction plant and machinery, rental of land and municipal facilities and commission on agency services) and mainly grants (Equitable Share, Municipal Infrastructure Grant, Finance Management Grant, Integrated National Electrification Fund and Expanded Public Works Programmes).

The Municipality's budget is done in-house guided by relevant legislation and circulars from National Treasury. The municipality's budget section has been capacitated and the vacancies have been filled. The municipality is currently busy with mSCOA implementation as required by National Treasury. The municipality changed its financial system from Venus system to SAGE with the implementing agent being Camelsa Consulting Group (CCG) who were appointed through the National Treasury Transversal Tender (RT-25).

Departments are responsible for managing their respective votes assisted by the Budget and Treasury Office.

Challenges

- Alignment of the IDP to mSCOA budget.
- Inadequate funding resulting in the limited budget to cover the needs of the municipality.
- Complexities around the implementation of mSCOA.
- Inefficient reporting due to quality of reports from the system.

(ii) Financial Reporting

This section deals with financial reporting in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and the various circulars that are published to assist thereto. The municipality prepared the Annual Financial Statements (AFS) in-house and used the services of external service provider to quality review the AFS which are then reviewed by Internal Audit Unit and Audit Committee before submission to Auditor General. In-line with the MFMA Section 126 it is important to mention that the municipality has complied and submitted the AFS to the Auditor General by 31st August over the past three years.

The municipality has developed an action plan for the development of AFS, however this plan had gaps as the municipality continued having findings on the quality of AFS that are submitted for

audit purposes on the 31st of August each year. This has resulted in the AFS having material misstatements which is a contravention with Section 122 of the MFMA, these misstatements were subsequently corrected and an audit file is compiled and maintained.

Section 52(d) and section 72 reports are submitted to all committees of Council and adopted by Council. The reports are further submitted to Provincial Treasury and National Treasury in line with the requirements of the MFMA.

SWOT ANALYSIS

Factors	STRENGTHS	WEAKNESSES
<i>Budget planning & Financial Reporting</i>	<ul style="list-style-type: none"> • Internal capacity • Improved audit outcome • Funded budgets 	<ul style="list-style-type: none"> • Limited financial resources • AFS with material misstatements • Non-compliance with laws and regulations • Overspending of budgeted funds
	OPPORTUNITIES <ul style="list-style-type: none"> • Clean Audit • Improved public confidence in municipality due to good audit outcomes. • Improved public participation in budget planning process • Ability to secure credit from financial institutions 	THREATS <ul style="list-style-type: none"> • Changes in reporting framework introduced by National Treasury • Inadequate resources to deal with increasing service delivery demands • Economic recession • Fiscal fluctuation

AUDIT ACTION PLAN

Below is the Audit Action Plan for the year ended 30 June 2018

No.	Reporting Area	Findings	Action Plan	Start Date	Completion Date	Person Responsible:
(Iss.65)	Employee costs	No system in place to ensure that monies owed by employees are recovered before termination	Immediate removal or termination of employee using checklist and monitoring tool	01-Feb-18	Ongoing process	Senior Manager: Corporate Services
(Iss.101)	Cash flow statement	Cash flow statement : Incorrect disclosure of cash flows from financing activities (Iss.101)	Prepare AFS on time in order to allow enough time for review and corrections before submission - and also to prepare Bi-Annual Financial Statements for review by external accountants. Utilise internal audit & Audit Committee as quality assurers.	15-Feb-18	31-Aug-18	CFO
(Iss.73)	Commitments	Commitments: Differences identified on commitments (Iss.73)	Prepare AFS on time in order to allow enough time for review and corrections before submission - and also to prepare Bi-Annual Financial Statements for review by external accountants. Utilise internal audit & Audit Committee as quality assurers.	15-Feb-18	31-Aug-18	CFO

(Iss.106)	Contigent liabilities	Description of nature of contingent liabilities and assets not disclosed in the AFS (Inadequate application) (Iss.106)	Prepare AFS on time in order to allow enough time for review and corrections before submission - and also to prepare Bi-Annual Financial Statements for review by external accountants. Utilise internal audit & Audit Committee as quality assurers.	15-Feb-18	31-Aug-18	CFO
(Iss.4)	Employee costs	Non-Iplementation of evaluation policy and perfomance evaluation of staff (Iss 4)	1.To start with change management, communication and traning of employees about the whole process.This could have ensured by-in from the employees. 2. Develop Individual PMS policy	1-Mar-18	On - going	Senior Manager: Corporate Services
(Iss.7)	Employee costs	Discrepancies identified on rental payments by employees occupying municipal houses(Iss 7)	all affected ;employees had their Lease Agreement signed.I they were miising but were traced and submitted to the AG and all the employees are paying the rent	Ongoing		Senior Manager: Corporate Services
(Iss.8)	Employee costs	Diference between the appointment letter and a salary structure (Iss 8)	Ensure that salary notches from the advert, appointment letter and input memo is a true reflection of what the	01-Feb-18	Ongoin g process	Senior Manager: Corporate

			bargaining council has agreed upon. To carefully consider the change in salary notches during the increment implementation period.			Service s
(Iss.10)	Employee costs:	Terminations: Terminations not removed from the system	Weekly and Monthly monitoring, segregation of duties, procedure manual and implementation of checklist.	01-Feb-18	Ongoing process	Senior Manager: Corporate Services
(Iss.14)	Employee costs	Payable not raised for leave gratuity not paid at year end (Iss.14)	Weekly and Monthly monitoring, segregation of duties, procedure manual and implementation of checklist.	01-Feb-18	Ongoing process	Senior Manager: Corporate Services
(Iss.25)	Employee costs:	Difference identified on Leave redemption	1. Prepare a quarterly leave provision which will reconcile to the leave records as per HR.	31-Mar-18	30-Jun-18	CFO
(Iss.64)	Employee costs	Discrepancies identified through CAATs	Monthly monitoring and a checklist when capturing new employees and verification by the supervisor	01-Feb-18	Ongoing Process	Senior Manager: Corporate Services

(Iss.65)	Employee costs	No system in place to ensure that monies owed by employees are recovered before termination	Immediate removal or termination of employee using checklist and monitoring tool	01-Feb-18	Ongoing process	Senior Manager: Corporate Services
(Iss.12)	General IT Controls	Internal control deficiencies identified	<p>Submit request for the position of IT Security Officer and Policy will be developed.</p> <p>SLA's for ICT contracts will be signed by the municipality and Service Provider.</p> <p>Monitoring of SLA's will be implemented on signed SLA's after they are signed.</p> <p>Periodic reviews of user access will be conducted monthly.</p> <p>Individual reviews of the person granting user access privileges will be conducted quarterly.</p>	<p>February 2018</p> <p>February 2018</p> <p>February 2018</p> <p>February 2018</p> <p>February 2018</p> <p>February 2018</p> <p>January 2018</p>	<p>June 2019</p> <p>Continually</p> <p>Continually</p> <p>Continually</p> <p>Continually</p> <p>March 2018</p> <p>Continually</p>	Senior Manager: Corporate Services

			<p>Access forms will be developed and all users of financial system will sign access forms with HOD's.</p> <p>Daily backups will be reviewed and signed off for successful backups and remedial action for unsuccessful backups.</p>			
(Iss.69)	General IT Controls	Internal control deficiencies identified	<p>New Information Communication Technology- Master Systems Plan (MSP) or IT Strategic Plan or IT Master Plan will be developed for the next 5 years and will address all raised aspects by AG.</p> <p>ICT Expenditure will be indicated on the SDBIP</p> <p>Access forms will be developed and documented for granting access to users on the system.</p> <p>Review and update draft Backup standards and procedures to address all</p>	<p>july 2018</p> <p>January 2018</p> <p>January 2018</p> <p>February 2018</p> <p>March 2018</p> <p>January 2018</p>	<p>June 2019</p> <p>February 2018</p> <p>February 2018</p> <p>June 2018</p> <p>Continually</p> <p>Continually</p>	<p>Senior Manager: Corporate Services</p>

			<p>minimum requirements to included e.g. archival requirements, special media considerations.</p> <p>Monthly monitoring on access privileges will be conducted.</p> <p>Implementation and documentation of Patch Management Policy.</p>			
(Iss.41)	Statement of Comparison of Budget and Actual Amounts:	Variances identified	Management will do a thorough review to ensure that the approved budget and the Statement of Comparison agree to each other.	01-Jul-17	30-Jun-18	CFO
(Iss.105)	Use of Consultants:	Internal control deficiencies identified regarding appointment of consultants	Management will ensure that a policy on the use of consultants is developed and implemented	01-Jan-18	30-Jun-18	CFO
(Iss.104)	Internal Audit:	Control deficiency identified	Based on the approved organogram, the position of the senior Internal Auditor is approved, waiting for the process of evaluation for the new job description by both the municipality and the province. A short term plan to appoint the pannel	Third quarter 1718	17/18-18/19	Internal Audit Manager

			of service providers to co-source the unit is in place			
(Iss.98)	Unauthorised, irregular and fruitless and wasteful expenditure	Prior year fruitless and wasteful expenditure not investigated	Ensure that the Unauthorised, irregular and fruitless and wasteful expenditure are investigated and fully disclosed on the AFS 1. Ensure the council committee that is tasked with investigations is fully resourced & supported. 2. Prepare regular reports on committee functionality to the Audit Committee & Council.	15-Jan-18	30-Jun-18	CFO & Senior Manager: Operations
Note (Iss.94)	Unauthorised, irregular and fruitless and wasteful expenditure	Incomplete disclosure of Unauthorised Expenditure Note	1. Provide capacity building initiatives to BTO staff to enhance their knowledge of MFMA prescripts. 2. Prepare a schedule of unauthorised expenditure incurred and ensure it complies with MFMA definition.	28-Feb-18	30-Jun-18	CFO
(Iss.102)	Unauthorised, irregular and fruitless and	Non-compliance identified	1. Ensure the council committee that is tasked with investigations is fully resourced & supported. 2. Prepare regular reports on committee functionality	15-Jan-18	30-Jun-18	Senior Manager: Operations

	wasteful expenditure		to the Audit Committee & Council.			
(Iss.97)	Unauthorised Expenditure:	Prior year unauthorised expenditure not investigated	1. Ensure the council committee that is tasked with investigations is fully resourced & supported. 2. Prepare regular reports on committee functionality to the Audit Committee & Council.	15-Jan-18	30-Jun-18	Senior Manager: Operations
(Iss.35)	Immovable property	Property, Plant & Equipment: Amount disclosed in the AFS does not agree to the general ledger	1. Capture all the adjusting journals in the accounting system before importing the trial balance into caseware. 2. Journals that end up being passed directly to caseware during AFS preparation must be passed into the accounting system before submitting the AFS and supporting schedules to Auditor General.	01-Jan-18	30-Jun-18	CFO
(Iss.38)	Intangible Asset -	AFS do not agree to the general ledger	1. Capture all the adjusting journals in the accounting system before importing the trial balance into caseware. 2. Journals that end up	01-Jan-18	30-Jun-18	CFO

			being passed directly to caseware during AFS preparation must be passed into the accounting system before submitting the AFS and supporting schedules to Auditor General.			
(Iss.66)	Movable assets	Internal control deficiencies identified on the Fixed Asset Register	Quarterly Fixed Asset Register Reconciliation and follow up on identified discrepancies	31-Mar-18	30-Jun-18	CFO
(Iss.71)	Movable assets	PPE: No change in accounting estimate note disclosed in the annual financial statements	1. Prepare AFS on time in order to allow enough time for review and corrections before submission - and also to prepare Bi-Annual Financial Statements for review by external accountants.	31-Mar-18	30-Jun-18	CFO
(Iss.78)	Movable assets	Incorrect capitalization of security assets (Licences not yet received for firearms)	1. Prepare AFS on time in order to allow enough time for review and corrections before submission - and also to prepare Bi-Annual Financial Statements for review by external accountants. 2. Regular reviews of FAR to ensure that it does not include asset that are not yet delivered/ with	31-Mar-18	30-Jun-18	CFO

			ownership still not yet transferred.			
(Iss.31)	Operating expenditure	Expenditure: Difference identified from the General ledger and Trail Balance	<p>1. Capture all the adjusting journals in the accounting system before importing the trial balance into caseware.</p> <p>2. Journals that end up being passed directly to caseware during AFS preparation must be passed into the accounting system before submitting the AFS and supporting schedules to Auditor General.</p>	31-Mar-18	30-Jun-18	CFO
(Iss.32)	Operating expenditure	Expenditure: Incorrect treatment for VAT	Provide proper training to relevant officials and ensure thorough review of transactions before approval	01-Feb-18	30-Jun-18	CFO
(Iss.72)	Operating expenditure	Expenditure: Non-compliance with 30 days payment period	<p>1. nominate personnel within the SCM Section or other(for independence purposes) that will ensure that invoices due for payment are submitted to Expenditure Section for payment within relevant and reasonable date and time.</p> <p>2. All payroll related</p>	01-Feb-18	30-Jun-18	CFO

			payments including PAYE must be paid via e-filing portal in order to avoid delays on making payment within due date.			
(Iss.88)	Operating expenditure	Expenditure: Indigent debtors listing and indigent support payments	Finalise the compilation of the indigent register	01-Feb-18	30-Jun-18	CFO
(Iss.80)	Payables	Payables from exchange transactions - Incorrect classification of retention amount	<p>1. All construction contracts should clearly stipulate how much will be the retention, in terms of percentage and it shouldn't be below the statutory rate.</p> <p>2. At the start of the project the retention should be calculated and raised as liability in the accounting system.</p>	01-Feb-18	30-Jun-18	CFO
(Iss.81)	Payables	Payables from exchange transactions: Differences between general ledger and Annual Financial Statements	<p>1. Capture all the adjusting journals in the accounting system before importing the trial balance into caseware.</p> <p>2. Journals that end up being passed directly to caseware during AFS preparation must be passed into the accounting system before submitting the AFS</p>	15-Feb-18	31-Aug-18	CFO

			and supporting schedules to Auditor General.			
Iss.5	Predetermined objectives	Indicator omitted on Quarterly Performance reports	The error will be corrected in the quarterly reports of the current financial year of 2017/2018	1-Jul-17	30-Jun-18	SM Operations
(Iss.1)	Predetermined objectives	Inconsistencies identified on objectives and indicators per Mid-term performance and those reported on the revised SDBIP	The discrepancy between objectives and strategies has to be corrected during the review of the IDP 2018/2019	01-Jan-18	30-Jun-18	SM Operations
(Iss.74)	Taxes	Overstatement of VAT Receivable	Follow up on Vat rejected as per SARS assessments	28-Feb-18	30-Jun-18	CFO
(Iss.77)	Revenue	Revenue-Other Government Grants: Non-disclosure of donation-in-kind (Iss.77)	The finding was resolved and management will ensure that in-kind grants are properly disclosed on the AFS. Thorough review will be done on the AFS prior submission to avoid reoccurrence.	1-Jul-18	30-Jun-18	CFO
(Iss.67)	Revenue	Overstatement of Income (MIG Proceeds) due to use of own plant	Management has resolved not to account for proceeds from MIG as revenue until the matter has been	31-Mar-18	30-Jun-18	CFO

			finalised with the AG. Further engagements are still underway			
(Iss.36)	Revenue	Unspent Conditional Grants: Used IEC Grant Not Taken To Revenue	Management will ensure that all conditional grants are recognized and treated correctly as at end of the financial year.	31-Mar-18	30-Jun-18	CFO
(Iss.30)	Revenue	Revenue: General Ledger & Trial Balance amounts not agreeing to AFS	Management will ensure that journals posted on CasWare are subsequently posted on the financial system timeously. A thorough review will be done prior submission of AFS.	31-Mar-18	30-Jun-18	CFO
(Iss.107)	Receivables	Non-compliance: Interest not charged on overdue accounts (Iss.107)	The municipality is currently charging interest on outstanding debts as per its Credit Control	1-Jul-17	30-Jun-18	CFO
(Iss.76)	Receivables	Consumer Debtors- Amount in Age Analysis does not agree to AFS (Iss.76)	Management should ensure that all accounting records used to compile the annual financial statements agree to the amounts disclosed in the annual financial statements. A thorough review will be done prior submission of AFS.	31-Mar-18	30-Jun-18	CFO

(Iss.75)	Receivables	Consumer Debtors- Amount in General Ledger/TB does not agree to amounts disclosed in AFS (Iss.75)	Management will ensure that journals posted on CasWare are subsequently posted on the financial system timeously. A thorough review will be done prior submission of AFS.	01-Jan-18	31-Aug-18	CFO
Iss.17	Iss.7	BEC members sitting on the BAC	1. Improve the quality of BAC Minutes in order to define the technical advice provided by the BEC Members during the BAC sittings.	Immediately	30-Jun-18	CFO
(Iss.113)	Procurement and contract management	Deviation from procurements processes(Iss.113)	Strengthen the SCM standard operating procedures to include stricter controls for deviations including the development of a checklist to ensure compliance with the SCM regulations. To ensure that we only deviate when there is an emergency, motivation supporting the reasons to deviate(from user department), and when goods or services are available from a single provider only.	31-Mar-18	30-Jun-18	CFO

(Iss.112)	Procurement and contract management	Quotations-Splitting of procurement for cleaning and maintenance of toilets(Iss.112)	To adhere to the SCM Regulations and ensure that procurement process is followed.	31-Mar-18	30-Jun-18	CFO
(Iss.110)	Procurement and contract management	BAC composition – Non-compliance with SCM regulation 29(2)(Iss.110)	To appointing the SCM Manager as member of the BAC, to ensure alignment to the Municipal SCM Regulations.	15-Jan-18	30-Jun-18	CFO
(Iss.63)	Procurement and contract management	Interest not Declared-Supplier in the service of the state (Iss.63)	Upon receiving of Declarations we will further perform CIPRO search and include a clause allowing the municipality to terminate the contract and recover all payments from a supplier who falsely declares.	22-Jan-18	30-Jun-18	CFO
(Iss.59)	Procurement and contract management	SCM Contracts Management: Extension/amendment of contract was approved by a delegated official (Iss.59)	Review of the bid documents to ensure that they are in line with the GCC issued by National Treasury	22-Jan-18	30-Jun-18	CFO
(Iss.58)	Procurement and contract management	SCM Contracts Management: No evidence to support that amendments to contract tabled in	Review of the bid documents to ensure that they are in line with the GCC issued by National Treasury & Ensure that any	22-Jan-18	30-Jun-18	CFO

		council meeting (Iss.58)	change to the contract is inline with council resolution			
(Iss.57)	Procurement and contract management	SCM Contracts Management: Extension of contract not in accordance with auditee policy/procedure (Iss.57)	Review of the bid documents to ensure that they are in line with the GCC, JBCC etc.	15-Jan-18	30-Jun-18	Senior Manager: Infrastructure
(Iss.56)	Procurement and contract management	SCM Contract Management: No appointment of project manager (Iss.56)	Review of the bid documents to ensure that they are in line with the GCC, JBCC etc. and Have a project Manager appointed in writing by the AO	22-Jan-18	30-Jun-18	CFO
(Iss.55)	Procurement and contract management	SCM Contract Management: Delays/problems/defects not rectified (Iss.55)	Review of the bid documents to ensure that they are in line with the NT GCC and state clearly on the Contract document the process of Monitoring the contract performance.	15-Jan-18	30-Jun-18	CFO
(Iss.54)	Procurement and contract management	SCM Contracts Management: No applicable penalties or contract terminations have been invoked (Iss.54)	Review of the bid documents to ensure that they are in line with the NT GCC and state clearly on the Contract document the process of Monitoring the contract performance and	15-Jan-18	30-Jun-18	CFO

			ensure that penalties and terminations are performed.			
(Iss.53)	Procurement and contract management	SCM Contracts management: Measures to manage contracts are not sufficient to ensure effective contract management (Iss.53)	To Monitor the contract performance on a Monthly basis and Review bid documents to ensure that they are in line with the GCC and state clearly on the Contract document the process of Monitoring the contract performance. Establish a contract and performance management committee that will sit atleast monthly chaired by the Legal Services Manager/Internal Audit Manager, All middle managers to form part of this committee.	22-Jan-18	30-Jun-18	CFO
(Iss.52)	Procurement and contract management	SCM Contract Management: No monthly monitoring of the contractor/provider performance (Iss.52)	To Monitor the contract performance on a Monthly basis and Review bid documents to ensure that they are in line with the GCC and state clearly on the Contract document the process of Monitoring the contract performance. Establish a contract and	22-Jan-18	30-Jun-18	CFO

			performance management committee that will sit atleast monthly chaired by the Legal Services Manager/Internal Audit Manager, All middle managers to form part of this committee.			
(Iss.51)	Procurement and contract management	SCM Contract Management: No measures to monitor contract performance and delivery have been defined. (Iss.51)	To Review SCM bid documents to ensure that they are in line with the GCC and state clearly on the Contract document the process of Monitoring the contract performance. Establish a contract and performance management committee that will sit atleast monthly chaired by the Legal Services Manager/Internal Audit Manager, All middle managers to form part of this committee.	22-Jan-18	30-Jun-18	CFO
(Iss.48)	Procurement and contract management	SCM: Contracts do not include the National Treasury General Conditions of Contract (2010) (Iss.48)	Include National Treasury's GCC in all contract bid documents.	15-Jan-18	30-Jun-30	CFO

(Iss.47)	Procurement and contract management	SCM: Control deficiencies (Iss.47)	Review of the SCM Procedure Manual to ensure that it includes controls for making sure that all bid documentation is duly signed on behalf of Mbhashe LM as well as by the Contractor/Consultant, With the help of Legal Service Manager.	15-Jan-18	30-Jun-30	CFO
(Iss.46)	Procurement and contract management	SCM: Contract do not include a termination clause for non/underperformance (ISS.46)	To Review SCM bid documents to ensure that they are in line with the GCC as a whole and forms part of the contract.	15-Jan-18	30-Jun-18	CFO
(Iss.45)	Procurement and contract management	SCM: Contracts not signed and appropriately dated (Iss.45)	To extensively Review the SCM Procedure Manual to ensure that it includes controls for making sure that all bid documentation is duly signed on behalf of Mbhashe LM as well as by the Contractor/Consultant, With the help of Legal Service Manager.	15-Jan-18	30-Jun-18	CFO
(Iss.43)	Procurement and contract management	SCM: Contract Register total expenditure does not Agree to the Mbhashe Asset	To do Monthly update and review of the contract register to ensure that it is credible.	15-Jan-18	30-Jun-18	CFO

		Management System (Iss.43)				
(Iss.42)	Procurement and contract management	SCM: Contract Register detail does not agree to the contract documents (Iss.42)	To do Monthly update and review of the contract register to ensure that it is credible.	15-Jan-18	30-Jun-18	CFO
(Iss.39)	Procurement and contract management	SCM: Transactions with a prohibited supplier (Iss.39)	To Verify the bidders status prior to each award on the register of restricted suppliers and also make use of CSD. Currently the database when printed does not show report date, EC Provincial Treasury has been engaged to assist in getting NT to have the register print report date and time so that it can support each award made,	15-Jan-18	30-Jun-18	CFO
(Iss.33)	Procurement and contract management	SCM: Preference Point System - Incorrect assessment of functionality and point scores (Iss.33)	To do an Extensive review of the BEC reports. Training and Capacitation of the Bid Committee members together with the SCM officials as per the SCM Regulations.	15-Jan-18	30-Jun-18	CFO
(Iss.28)	Procurement and contract	Preference Point System-Incorrect	To do an Extensive review of the BEC reports. Training and Capacitation of the Bid	15-Jan-18	30-Jun-18	CFO

	managem ent	scoring documented (Iss.28)	Committee members together with the SCM officials as per the SCM Regulations.			
(Iss.24)	Procurem ent and contract managem ent	SCM: Uneconomical use of resources (Iss.24)	When procurement is going to be done by means of a deviation from the normal processes, minimum of three quotes are going to be sourced, to ensure that a competitive price is selected.	15-Jan- 18	30-Jun- 18	CFO
(Iss.16)	Procurem ent and contract managem ent	SCM: BIDS-Non Compliance (Iss.16)	As part of the mandatory bid requirements, audited financial statements are included, non submission results in disqualification	15-Jan- 18	30-Jun- 18	CFO
(Iss.3)	Procurem ent and contract managem ent	SCM: No disclosure as per SCM reg.45 (Iss.3)	Prepare a disclosure checklist to ensure completeness of disclosures	15-Jan- 18	30-Jun- 18	CFO
(Iss.103)	Procurem ent and contract managem ent	Non-compliance with Section 46(1) of the MSA (Iss.103)	The portion for performance of service providers will be included in the Annual Performance Report.	30-Jun- 18	30-Jun- 18	Acting Senior Manag er Operati ons
(Iss.27)	Predetrmi ned objectives	Performance indicators and	The management will ensure that all targets are quarterly reported	Ongoing	Quarter ly	HOD's

		targets not consistent (Iss.27)				
Iss.37	Predetermined objectives	Performance information not properly presented in the APR	The error will be corrected in the APR and in future APRs. This will be done by HOD proofreading the APR before it is sent to the public.	01-Jul-18	31-Aug-18	Senior Manager: Operations and Senior Manager: LED
(Iss.26)	Predetermined objectives	Performance indicators not well-defined (Iss.26)	The alignment and review of targets will be done in the review of strategies and objectives during the review of 18/19 IDP	01-Jan-18	31-May-18	Senior Manager (Operations)
(Iss.29)	Predetermined objectives	IDP not submitted to CoGTA within the prescribed period (Iss.29)	The municipality will ensure that the compliance is adhered to at all times.	31-May-18	15-Jun-18	Senior Manager (Operations)
(Iss.26)	Predetermined objectives	Performance indicators not well-defined (Iss.26)	The alignment and review of targets will be done in the review of strategies and objectives during	28-Feb-18	30-Jun-18	Senior Manager (Operations)
(Iss.109)	Value Add –	Ward improvement plan and Back to basics	The municipality will ensure that in 2018/19 financial year there will be a Ward based improvement plans. Back to basics reports will be submitted on a monthly basis	Ongoing	Monthly	Senior Manager (Operations)

(Iss.82)	Predetrmi ned objectives	No indicators to manage LED and SMME spending (Iss.82)	1) Development of the LED support and funding policy 2. Review of the SDBIP and IDP 2018-19 to have indicators for both LED and SMME spending	1. January 15th 2018 for the review of the SDBIP 2. January 15th 2018 for the IDP review	1. January 30th 2018 for the SDBIP review 2. 31st May 2018 for the IDP review	Senior Manag er:LED
(Iss.62)	Predetrmi ned objectives	No sufficient evidence to support reported actual targets achieved (Iss.62)	Review of the SDBIP to include evidence deemed as requirement as proof that targets have been achieved such as acknowledgement of support from the beneficiaries.	SDBIP reviewal process starting 15th January 2018	Approv al date i.e. 31st January 2018 by the council	Senior Manag er : LED
Iss.70	Predetrmi ned objectives	Insufficient evidence submitted for audit purposes	The management will ensure that all targets are quarterly reported and the evidence be provided to all the achieved targets	01-Jul- 18	31- Aug-18	HOD's

Below is the tabulation of the audit opinions received over the past three years from the Auditor General of South Africa:

2016/2017	2015/2016	2014/2015
Unqualified Audit Opinion	Unqualified Audit Opinion	Qualified Audit Opinion

(b). Revenue and Debt Management

(i) Debt Management

Credit Control and Debt Management Policy has been reviewed in 2016/2017 financial year and is in line with best practices. This policy was approved for implementation in the 2017/18 at 31 May 2017. SAGE Financial System is used for billing customers on monthly basis. Billing is based on Valuation Roll that came into effect on the 01 July 2014 which covers the financial years 2014/2019. The municipality has to conduct a Supplementary Valuation for the purpose of capturing on the valuation all previously omitted, new and improved even, this Supplementary Valuation came into effect on the 01 July 2017.

Where debt has not been paid by the debtor, steps outlined in the Credit Control Policy are followed. These include handing over the outstanding debtors to the debt collector.

There has been improvement in the collection rate due to additional government properties identified in the Supplementay Valuation 5.

The current collection rate is 123% of the billable revenue.

OWN REVENUE	BUDGETED	COLLECTION TO DATE	STILL DUE	VARIANCE
Rates & Refuse	R 6 513 202	R 7 985 458	(R 1 472 256)	

(ii) Revenue Management

The sources of municipal revenue include the following:

- Own Revenue Sources – this includes property rates, refuse removal, rentals of facilities, interest from investments, traffic income (drivers and learner's licenses, traffic fines, proceeds from construction plant & machinery, etc)
- Government Grants – these include Equitable Share, Municipal Infrastructure Grant, Finance Management Grant, Integrated National Electrification Fund and Expanded Public Works Programme.

The current revenue collection from non-billable revenue is at 71% which is depicted in the following table:

OWN REVENUE				
.	BUDGETED	TOTAL AMOUNT	BALANCE	% Acc/Budg
SALE OF LAND	500 000.00	222 325.21	277 674.79	44%
HALL HIRE	153 397.00	90 307.82	63 089.18	59%
BULDING RENTALS	39 948.00	88 203.00	51 745.00	63%
FINES-TRAFFIC	5 000 000.00	2 062 279.17	2 937 720.83	41%
CEMETARY FEES	3 264.00	3 075.44	188.56	94%
PUBLIC TOILETS	150 000.00	(83 826.03)	(83 826.03)	156%
RENTALS COMMONAGE	1 200 000.00	964 418.50	235 581.50	80%
INTEREST BANK	678 662.00	2 608 486.42	6 070 175.58	30%
ADMIN FEES	500 000.00	289 032.14	210 967.86	58%
POUND FEES	500 000.00	473 533.76	26 466.24	95%
SUNDRIES/FINANCE	500 000.00	1 497 149.37	(997 149.37)	299%
BUILDING PLAN	150 000.00	127 520.71	22 479.29	85%
PROCEEDS FROM MIG	7 425 000.00	5 542 980.23	1 882 019.77	75%
BILL BOARDS RENTAL	250 000.00	336 661.15	(86 661.15)	135%
VAT RECOVERY	25 000 000.00	22 096 509.72	2 903 490.28	88%
CHAIR /TABLE HIRE	14 247.00	-	14 247.00	0%
LEARNERS LICENCE& ISSUE	3 000 000.00	923 410.00	2 076 590.00	31%
TOTALS	53 164 518.00	37 559 718.67	15 604 799.33	71%
GRANTS				
.	BUDGETED	TOTAL AMOUNT	BALANCE	% Acc/Budg
LIBRARY GRANT	350 000.00	350 000.00	-	100%
ELECTRIFICATION	14 000 000.00	14 000 000.00	-	100%
EQUITABLE SHARE	218 025 00.00	218 025 000.00	-	100%

MUNICIPAL INFRASTRUCTURAL GRANT	58 027 000.00	58 027 000.00	-	100%
SUBSIDIES:LOCAL GOV FINANCE MGT GRANT	1 700 000.00	1 700 000.00	-	100%
EPWP	4 236 000.00	4 236 000.00	-	100%
TOTALS	296 338 00.00	296 338 000.00	-	100%

REVENUE EARNED IN 2016/2017 AND 2017/2018 FINANCIAL YEARS

The performance collection of own revenue sources has increased steadily over the past recent financial years from 50% in 2016/17 and already it's sitting at 71% as at quarter three of 2017/18, this is due to an implementation of revenue enhancement strategies and setting realistic revenue targets that respond to the depressed economic conditions.

Financial Year	Budget	Actual	%
2016-2017	R 74 460 544	R 37 496 530	50%
2017-2018	R 53 164 518	R 37 559 718	71%

AN EXTRACT FROM THE AFS FOR THE PERIOD ENDING 30 JUNE 2017

Statement of Financial Performance for the period ending 30 June 2017				
Revenue				
Revenue for exchange transactions	Final Budget	Actual Amount	Difference	% Variance
Service Charges	1,200,000	474,528	(725,472)	(60)
Rental of facilities	1,757,592	1,894,531	136,939	8
Other Income	89,108,264	17,443,970	(71,664,294)	(80)
Recoveries	-	1,495,663	1,495,663	100
Interest received on Investments	10,478,662	5,194,734	(5,283,928)	(50)
TOTAL	102,544,518	26,503,426	(76,041,092)	(74)
Revenue from non-exchange				
Property Rates	4,021,026	4,032,478	11,452	0
Licences and permits	1,500,000	1,415,198	(84,802)	(6)
TOTAL	5,521,026	5,447,676	(73,350)	(1)
Transfer revenue				
Grants & Subsidies	295,924,000	295,985,860	61,860	0
Fines and Penalties	3,500,000	3,098,393	(401,607)	(11)
TOTAL	299,424,000	299,084,253	(339,747)	(11)
TOTAL REVENUE	407,489,544	331,035,354	(76,454,190)	(87)

EXPENDITURE EARNED IN 2016/2017 AND 2017/2018 FINANCIAL YEARS

Financial Year	Budget	Actual	%
2016-2017	R 447 879 465	R 414 736 862	93%
2017-2018	R 376 224 965	R 239 512 348	64%

AN EXTRACT FROM THE AFS FOR THE PERIOD ENDING 30 JUNE 2017

Statement of Financial Performance for the period ending 30 June 2017				
Expenditure	Final Budget	Actual Amount	Difference	% Variance
Personnel Costs	118,623,043	120,905,425	2,282,382	2
Remuneration of Councillors	23,265,772	23,319,930	54,158	0
Depreciation and amortisation	70,000,000	70,084,323	84,323	0
Finance Costs	-	9,121,966	9,121,966	100
Bad debts written off	1,010,344	458,257	(552,087)	(55)
General expenses	141,553,289	175,449,019	33,895,730	24
TOTAL EXPENDITURE	354,452,448	399,338,920	44,886,472	72

EXPENDITURE AS AT 31 MARCH 2018

BUDGET VS ACTUAL REPORT AS AT 31 MARCH 2018					
DEPARTMENT	KPA	BUDGET	ACTUAL	VARIANCE	% SPENT
CORPORATE SERVICES	1	23,019,425.00	13,228,100.79	9,791,324.21	57%
COMMUNITY SERVICES	2	45,292,942.21	21,343,069.80	23,949,872.41	47%
INFRASTRUCTURE	2	90,786,508.15	46,898,016.52	43,888,491.63	52%
PLANNING & DEVELOPMENT	3	22,314,960.00	9,772,114.64	12,542,845.36	44%
BUDGET & TREASURY	4	50,783,742.00	37,651,563.26	13,132,178.74	74%
OPERATIONS	5	8,739,651.31	4,184,955.56	4,554,695.75	48%
PERSONNEL EXPENDITURE		135,287,736.71	106,434,527.60	28,853,209.11	79%
		376,224,965.38	239,512,348.17	136,712,617.21	64%

THE TABLE BELOW DEPICTS GRANTS PERFORMANCE FOR 2016/17 AND 2017/18

	2016/2017			2017/2018		
GRANT	FINAL BUDGET 2016/17	ACTUAL 2016/17	VARIANCE 2016/17	FINAL BUDGET 2017/18	ACTUAL 2017/18	VARIANCE 2017/18
Finance Management Grant (FMG)	1 625 000	1 625 000	0	R 1 700 000	R 125 000	0
Municipal Infrastructure Grant (MIG)	65 745 000	65 745 000	0	R 61 027 000	R11 682 819	0
Integrated Electrification Programme (INEP)	17 000 000	17 000 000	0	R 14 000 000	R10 000 000	0
Expanded Public Works Program (EPWP)	1 144 000	1 144 000	0	R 4 236 000	R 1 059 000	0

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
Revenue Enhancement Debt Management	<ul style="list-style-type: none"> • Ability to generate own revenue through the acquired plant machinery • Improved accuracy of the billing system 	<ul style="list-style-type: none"> • Low revenue base • Largely dependent on Grant Funding • Poor credit control • Low collection rate • Non-alignment of the GVR with billing system • Non-optimal utilization of Investment Properties • Poor tariff setting methods which lead to unsustainability service delivery. • Non-alignment of the billing database with indigent register
	OPPORTUNITIES <ul style="list-style-type: none"> • Increased revenue = increase in municipal grading • Ring fencing of billable revenue sources to fast track basic service delivery • Ability to attract new investments • Introduction of incentive scheme to enhance debt collection • Revenue generation alternative sources of funds 	THREATS <ul style="list-style-type: none"> • Providing services at a loss • Recoverability of debt which impacts on the self-sustainability of the municipality • Non-payment culture from communities and government departments • Inadequate land use management controls • Fraud and theft • Billing queries due to integration of debtors information into the new financial system.

(c). Expenditure and Payroll Management

(i) Expenditure Management

Expenditure Management deals with the payments of service providers in line with Section 65 of the MFMA on monthly basis. Expenditure reports are approved by council on a quarterly basis in line with Section 71 and Section 52(d) of the MFMA. The municipality is paying service providers weekly to accelerate the expenditure trends as well assisting SMMEs. The municipality generates orders for all suppliers including the suppliers appointed through the competitive tender process.

(ii) Payroll Management

Payroll Management deals with the payment of salaries and allowances to Councillors and Employees in line with Section 66 of the MFMA. The section also is responsible for Income Tax administration of the municipality and deductions paid to third parties. All the vacancies in the payroll section have been filled. In order to comply with mSCOA, the municipality has changed its payroll system from Payday to SAGE VIP and went live on the November payroll run.

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
Value for money expenditure	<ul style="list-style-type: none">• Ability to meet short-term and long-term obligations• Compliance with relevant tax obligations and laws• Good spending on capital conditional grants	<ul style="list-style-type: none">• Occurrence of fruitless and wasteful expenditure• Spending outside the approved budget resulting in unauthorized expenditure• Lack of implementation and monitoring of controls and procedures• Lack of monitoring and reviewing of payroll inputs.• Late submission of inputs to the payroll section results in lack of proper reviewing and monitoring, thus resulting in errors not detected timeously.• Inability to perform creditor's reconciliation on the system may result in duplicate payments and delays in paying suppliers.

	OPPORTUNITIES <ul style="list-style-type: none"> • Economic growth and development within the municipal area for SMMEs 	THREATS <ul style="list-style-type: none"> • Interest penalties • Non-compliance with the MFMA • Payment of suppliers through sundry payments exposes the municipality to the risk of fraud as banking details may be fraudulently altered. • Unsuccessful data migration from Payday to SAGE VIP.
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(d) Supply Chain Management

The Municipality has a dedicated unit that deals with the Supply Chain Management in line with Chapter 11 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) as well as the Supply Chain Management Regulations, 2005. The Supply Chain Management Policy has been reviewed and adopted in May 2018 financial year to ensure compliance with the relevant legislation. The following committees are in place in line with Supply Chain Management Regulations:

- Bid Specifications Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

(i) Demand and Acquisition of Goods and Services

The section is responsible for procurement of goods and services in line with the approved procurement plan of the municipality.

(ii) Contracts Management

The section deals with overall management of procurement contracts and performance of service providers.

This is done through maintaining a contracts register and commitments register.

There was identified new irregular expenditure for 2016/17 due to the composition of the Bid Adjudication Committee.

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
Procurement management	<ul style="list-style-type: none"> • Centralisation of Supply Chain Management • Electronic requisition system in place 	<ul style="list-style-type: none"> • Lengthy procurement processes • Lack contract management • Lack of declaration of interests by municipal employees • Inadequate project management that ensures reporting of performance to SCM on a monthly basis. • Use of suppliers not listed in the approved database • Poor planning from user departments
	OPPORTUNITIES <ul style="list-style-type: none"> • Economic growth and development within the municipal area for SMMEs through the new PPPF Regulations • Central Supplier Database (CSD) 	THREATS <ul style="list-style-type: none"> • Fraud and corruption • False declarations by service providers

(e). Asset Management

The division is responsible for:

- The development and the implementation of the Asset Management Strategy, Policy and Procedures;
- Management of the development, updating and maintenance of the asset register as well as operating and finance lease registers;
- Financial reporting of assets, leases, repairs and maintenance of movable assets;
- Maintenance and safeguarding of municipal assets;
- Managing and control of inventory of the municipality; and
- Disposal of assets that have reached their design life in line with the Municipal Finance Management Act Section 14 and Section 90.

The municipality has developed a GRAP Compliant Asset Register which is continuously updated and reviewed annually.

SWOT ANALYSIS		
FACTORS	STRENGTHS	WEAKNESSES
Asset management	<ul style="list-style-type: none"> • Credible and GRAP compliant asset register • Electronic Asset Management System in place 	<ul style="list-style-type: none"> • Inadequately staffed asset management unit which comprises of 2 employees. • Reliance on external consultants for asset register preparation • Asset Management system that is under- utilised by the users. • Inadequate insurance cover of municipal assets
	OPPORTUNITIES <ul style="list-style-type: none"> • Utilising of assets as leverage to raise or access funding from external sources 	THREATS <ul style="list-style-type: none"> • Theft of municipal asset • Obsolete and impairment of municipal assets.

(f). FLEET MANAGEMENT

In order for the council to function and execute its core responsibility, a requirement being a support aid in the form of fleet was identified. This is a support aid which requires both acquiring and then maintaining. In the process of ensuring the MFMA provision are enhanced including property management process the municipality ensures that adequate control of allocated vehicles is always enhanced in a manner that designed officials within department also prioritize the issuing of vehicle trip authorities and submission of accurate logbooks and petrol slips. It became clearly evident that the appointment of a dedicated official was necessary to manage the fleet operations as well as to implement the policy on maintenance and monitors the movement of vehicles. The office of fleet management is making sure that fleet procedure manuals are enforced, valued and adhered by fleet users. The municipality entered into an operating lease rental agreement with for provision of 19 vehicles, which have gone a long way to address the shortages of vehicles. The monitoring of fleet has been enhanced due to the utilization of the fleet management system.

	SWOT ANALYSIS	
FACTOR	STRENGTHS	WEAKNESS
MUNICIPAL FLEET	Policy in place Fleet management system	Lack of internal capacity Accident Reporting issues Misuse of vehicles Lack of consequence management for fleet infringements
	OPPORTUNITIES	THREATS
	Accelerated service delivery	Bad image of municipality

3.5.5 KPA 5- GOOD GOVERNANCE & PUBLIC PARTICIPATION (GGP)

On the 31st of August 2017 Mbashe LM, council adopted its Budget IDP and Process Plan. The IDP, Budget Process Plan outlines in detail the way in which a municipality embarks on its 2018/19 IDP review.

ORGANISATIONAL STRUCTURES & PUBLIC PARTICIPATION

The IDP of Mbashe has been compiled through an inter-active process, which has been overseen by a Council and the Mbashe Representative Forum.

Mbashe Municipality's IDP Participatory Structure

The Mbashe IDP Representative Forum, which was convened by the municipality, served as the primary vehicle for consultation and public participation in the course of the IDP's amendment. This body comprised of numerous stakeholders; including political parties, ward committees, youth and women's organizations, individuals, Government structures, NGO's and other organizations of civil society.

The following functional areas are dealt with in this KPA:

- IDP/PMS
- Fraud and Risk Management, Compliance and Legal Services
- Public Participation
- Communications and
- Special Programmes
- Intergovernmental Relations
- Council Support
- Internal Audit

Performance Management System and Integrated Development Planning

➤ INTEGRATED PLANNING

Integrated planning is a planning method to help municipalities develop a coherent, long term plan for the coordination of all development and delivery in their area. Municipalities face huge challenges to develop sustainable settlements that meet the needs and improve the quality of life of local communities. In order to meet these challenges, they will need to understand and develop a concrete vision for the area and then develop the strategies and plans to realize and finance that vision in partnership with other stakeholders.

➤ **FRAUD AND RISK MANAGEMENT, COMPLIANCE AND LEGAL SERVICES**

Risk Management within the Municipality is considered to be in a developmental stage. A Risk Management Framework has been approved and a risk identification process conducted.

Code of conduct is signed by all staff members. This assists to inculcate ethos of adherence to a set of Ethics and good conduct. Fraud and corruption which is a challenge to all government institutions and this institution is not spared either. Measures to fight this must be introduced to promote good corporate governance.

Currently there is no external chairperson. The Accounting Officer is responsible for chairing the Risk Management Committee. The Committee meets on a quarterly basis, in line with good governance. The Accounting Officer submits a report to the Audit Committee after each meeting.

➤ **COUNCIL SUPPORT**

The municipality is governed by its council which consists of 63 councilors and 12 Traditional Leaders. It is led by the Executive Mayor and chaired by the Speaker. There are section 79 committees established to assist council in governing the work of line functional administration and section 80 committees which assist the MAYORAL committee to function. The councillors signed a code of conduct on their first induction meeting in August 2016 and the declaration is being signed annually in the beginning of each financial year. The council also established the rules committee chaired by the Speaker, which developed the rules of order for the council and its function which also enforces the implementation of rules in the council and adherence to the code of conduct by councillors. The rules committee also ensures that the committee sits as per the calendar of events as adopted by the council at the beginning of the financial year.

Strengths

The unit is responsible for coordinating effective functioning of the Council and its committees, through providing tools of trade to Councilors and Ward Committees. The unit is also able to develop resolution register on time. The unit is able to minimize the expenditure on use of papers

Weaknesses

Lack of monitoring council resolutions for implementation due to incapacity in the unit. Resolutions are being duplicated due to incorrect recording of the resolutions leading to council conflict.

Opportunities

Sticking to the calendar of events using one reporting format for the whole municipal structures and conducting of the meetings as per the rules of Order

➤ Inter-Governmental Relations

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underlie the relations between the spheres of government. IGR meetings sits on a quarterly basis and is an information-sharing vehicle where government departments and the municipalities give light of their experiences and challenges with regards to service delivery. IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programs and projects. It therefore serves as a feeder to both the IDP Rep forum & District Communicator's Forum (DCF).

During 2016/17 financial year Mphashe Local Municipality developed and adopted Terms of Reference which is to be reviewed in 2018/19 Financial year. The Terms of Reference provides procedures, mechanisms and processes that should be developed and implemented to ensure sound intergovernmental relations between Mphashe Local Municipality (MLM), National and Provincial Governments, Parastatals, District Municipalities, Organized Local Government (SALGA) and other strategic stakeholders.

The Terms of Reference serves as an Internal Procedure of Mphashe Local Municipality. IGR Forum is giving effect to the recently Reviewed Provincial IGR Strategy as a mechanism to foster coherent, integrated and aligned service delivery in the province.

ROLES OF THE MBHASHE LOCAL MUNICIPALITY IGR FORUM AS OUTLINED IN THE TOR

Mphashe Local Municipality Intergovernmental Forum serves as a consultative forum for the municipality to discuss and consult on matters of mutual interest, including:-

- Draft national and provincial policies and legislations relating to matters affecting local government interests;
- The implementation of national and provincial policies and legislations with respect to matters relating to the municipality;
- Matters arising from the Amathole District Mayor's Forum (DIMAFO) affecting the municipality and vice versa;
- Mutual support in terms of section 88 of the Local Government Municipal Structures Act, 1998 (Act No. 117 of 1998);
- Unblocking bottlenecks hindering the provision of services within the municipal area;
- Coherent planning and development in the municipality;
- The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the Mphashe Local Municipality; and
- Any other matters of strategic importance which affect the interests of the municipality.

National intergovernmental structures

Mbhashe Local Municipality participates in SALGA National Members Assembly and annual events of the Institute of Municipal Finance Officers (IMFO). The purpose of participating in the forum is information sharing and learning best practices.

Provincial intergovernmental structures

The Municipality also participates in the Provincial Intergovernmental Structures such as Provincial Technical MuniMEC Forum and Provincial Political Munimec Forum; Provincial Infrastructure Municipal Forums and SALGA Working Forums. These forums sit quarterly.

The following benefits are derived from participation in the above mentioned structures:

Comprehensive plans and reports are shared with all 39 municipalities and other strategic stakeholders to speed up service delivery through the coordination and integration of government programmes, policy and legislation across the three spheres of government, within the theme “Single Window of Coordination.”

➤ Communications

Communications is a principal intermediary between the municipality and stakeholders; to ensure that information is widely accessible within the public space, to engage constituents in conversation around critical issues and to empower them to participate in not only shaping policies, but also in taking up opportunities that affect their lives. Therefore, the municipality has adopted a communication strategy and plan, reviewable annually.

Effective communication can also contribute positively to municipality’s endeavors – leading to good governance, improved internal staff and external citizen/stakeholder morale, thus contributing towards meeting government’s aims and objectives. It further builds public trust and confidence in the integrity of government and can be used to challenge any negative perceptions that might exist in the public space.

Communications Unit is charged with a responsibility of:

Providing the public with timely, accurate and clear information about government policies, programmes, plans, services and initiatives in a non-partisan way, thus making the municipality accountable to the public it serves;

Making information widely accessible to all Mbhashe constituents with diverse needs, including where possible and within available resources, in a language of their choice.

Educating and transforming the society, as a build up towards social cohesiveness and empowerment of people to participate fully in their government decisions.

Enhancing access to information to enable the public to participate in the municipality's transformation.

Identifying IDP priorities and communicating them to communities.

Establishing partnerships with a range of stakeholders, including the private sector, academia, research institutions and non-governmental organizations (NGOs), so as to broaden audience reach.

Strength

Frequent development and distribution of communication material including press releases, social media feeds, municipal website, notices on print media and external newsletter that is published on quarterly basis to inform communities on the progress, projects.

Media monitoring: printing, broadcasting and online media reports so as to be able to respond effectively to issues within the communication environment.

Improved relations with the media leading to increased profiling of the political principal.

Opportunities

Frequent use of unmediated media platforms – Monthly distribution of the newsletter

Employment of a communication Officer.

Weakness

Lack of Human Resources.

Challenges in the functionality of the Website.

Poor coordination of municipal Programmes which leads to uncommunicated high impact projects.

Threats

Limited financial resources

➤ SPECIAL PROGRAMMS

The Special Programmes Unit (SPU) is located in the office of the Municipal Manager and has a dedicated SPU Officer assigned to manage this function and assisted by 2 SPU Unit Coordinator, one based in Elliotdale and the other is assigned to both Willowvale and Dutywa. The focal priority area for SPU is:

- Youth
- Gender
- HIV/AIDS
- People With Disability
- Older Persons
- Children
- Sport

The SPU facilitates the integration and mainstreaming of the designated groups into the development of the Municipality by;

- Creating the necessary / conducive environment both internal and external through establishment of structures that will promote participation of Youth, Gender issues, Persons With Disability, Children, Older Persons and HIV/AIDS infected individuals in our local Municipality

Strength

The section has developed and implemented an SPU Strategy with the action Plan. The forum for older persons is functional and the budget for vulnerable group's programmes is available. Part of the review of SPU strategy, there were additional projects that formed part of the strategy which is the Sport Coordinator that is to be recruited for coordination of Sport. The establishment of Local AIDS Council for the coordination of HIV/AIDS, TB and STI issues and development of Local Implementation Plan for HIV/AIDS, TB and STI.

Good working relations and coordination of programmes between SPU and LED.

Established Local South African Youth Council (SAYC) for betterment of coordination of Youth developmental programmes

Opportunity

The availability of Policy Development Guidelines from National and Provincial level that can assist in the development of policies and

Support and assistance available from National and Provincial Government.

Coordinated Local Implementation Plan for HIV/AIDS, TB and STI which is being developed which is linked to National Strategy.

Weaknesses

Lack of Developed Policies relating to vulnerable groups to support SPU Strategy and non-existence of Persons with Disability Forum, Non-existence of Gender forum, Lack of good working relations between SPU and other municipal departments, Shortage of Personnel within the Section especially for Willowvale Unit and non-reviewal of memorandum of Understanding between Mbhashe Municipality and World Vision for advocacy of Children's programme.

Threats

Lack of Maximum participation by vulnerable groups due to non-availability of structures at Ward, Unit and Municipal level.

Lack of proper coordinated and integrated Sport programmes and events which are being held within the Municipality and other stakeholders such as Mbhashe Sport Council, Imiganu Traditional Council, Ngadu Great Place and SAPS.

Non accessibility of some offices to people with disability

Operation Masipathisane (War Room)

Mbhashe Local Municipality consist of 32 Wards and out of those wards 30 War Rooms have been launched in 2016 except for Ward 1 & Ward 11. All these war rooms are using community halls as their sites and due to the vastness of some wards, there will be satellite war rooms to accommodate those who cannot access the main war room. Since the War Room Management Committees have not been inducted yet and also there is no budget allocation for the War Room, it is therefore difficult for the War Room to be fully operational.

➤ INTERNAL AUDIT

Legislative Mandate:

- Municipal Finance Management Act, 56 of 2003, in particular section 165
- Standards of Internal Auditing of South Africa
- Standards & Guidance — International Professional Practices Framework (IPPF)
- King IV report and Corporate Governance

Establishment of the unit and relevant legislative mandates

In conformity with the commitments of the council to be fully accountable to all stakeholders of the Mbhashe Local Municipality (the municipality) and in accordance with the section 165 of the Municipal Finance Management Act, 56 of 2003, an Internal Audit has been established. The Internal Audit Unit was established since 2008 where at that time, there was only one person responsible for the entire profession in the municipality. Mandate of the unit is to assist the municipality by reviewing the existing internal controls for its efficiency and effectiveness. This includes providing advice to the accounting officer on matters relating to internal audits, internal controls, accounting procedures and practices, risk and risk management, performance management, loss control, and compliance with applicable legislation. In terms of its operations, IIA Practice Guides provide detailed guidance for conducting internal audit activities. The International Professional Practice Framework (IPPF) sets the bar for internal audit efficiency, effectiveness, and professional throughout the world. As Internal Audit Member, the IPPF Guide is a complimentary service of the membership.

AUDIT COMMITTEE:

Establishment of the Committee

In accordance with the provisions of Section 166 of the reporting and information Local Government: Municipal Finance Management Act 56 of 2003), each Municipality is required to constitute an Audit Committee that will serve as an independent advisory body which must advise the Municipal Council, the Accounting Officer and the Management of the Municipality.

Majority/all of the audit committee members are not the councillors or employees of the municipality including the Chairperson of the Audit Committee.

All the audit committee members have got the necessary skills to execute their responsibilities

The audit committee has been in existence to the municipality since 2007 till to date, this therefore means that the municipality does comply with section 166 of the MFMA. The committee is named as Internal Audit and Performance Audit Committee. The committee is responsible for both performance and other risk related matters where there is only one chairperson.

Members of the committee:

Currently there are three audit committee members serving to Mbhashe local municipality.

Their meetings are scheduled to be on a quarterly bases to discuss all the risk related issues and performance. Chairperson is Mr.Mxunyelwa and Mr Mawonga who is an ordinary member. Their contract is a fixed term for a period of three years.

The meetings of the committee are scheduled to sit on a quarterly bases to discuss all the risk related issues and performance matters.

Audit Committee Members and Attendance

The committee consist of 3 members and should meet 4 times per annum as per the approved terms of reference. The meeting was attended by 3 out of the 3 members. For the year to date, the audit committee held all the required meetings in terms of the annual plan.

The committee meeting are also attended by Municipal Manager, Chief Financial Officer and Internal Auditors.

The committee has also the standing invitees to their meetings being the:

- COGTA,
- AGSA
- Provincial Treasury and
- Amathole District Municipality

For 2017/2018 financial year, the committee managed to review and report to the council about the annual performance of the municipality together with the Annual Financial Statements before these documents are being submitted to Auditor General for annual audit. Comprehensive audit committee report is available for reference purposes.

Other issues that were highlighted by the members was the system and impact of the mSCOA to the municipality. Areas of impact that were mostly discussed is Change management, Misallocation and Reporting.

Strengths

The mandate of the unit is to assist the municipality by reviewing the existing internal controls for its efficiency and effectiveness.

The section complies with section 165 and section 166 of the MFMA, where there is a unit of the Internal Audit in the Municipality to assist and advise the Accounting Officer on issues relating to the internal controls, risk management and performance. There is also an established internal audit committee as per section 166, appointed by the council of the municipality, with independent members which are not employees nor councillors of the municipality.

The staff has also undergone trainings which is a requirement in-terms of the Internal Auditing standards, for example (IAT/PIA) also the section is studying towards the profession of the CAE.

All the members are up-to-date as an associate members in the Institute of Internal Auditors of South Africa.

The direct responsibility comes from the internal audit and audit committee charter which is approved by the audit committee chairperson for implementation

Risk based internal audit plan which is aligned with priorities as detailed IDP/SDBIP of the institution/municipality

Effective structure of reporting, where administratively, the unit is reporting Municipal Manager and functionally to the audit committee

There is an interim arrangement of co-sourcing the unit so as to bridge the skills gap and also to transfer the skills to the existing staff.

Other critical success factors are:

The internal audit plan is aligned or based to the strategic risk areas facing the organisation and this is confirmed through the project of risk identification and risk assessment program also the Internal audit plan is prepared in consultation with management so as to allow them to comment and give inputs and suggest other areas of concern that affects their departments to be part of the planned audits/assignments.

Opportunity

These are the direct and indirect opportunities that can/will have relatively impact to improve and contribute to the performance of the unit within the municipalities:

The unit is responsible for the reviewal of the systems, financial and non-financial controls to improve the compliance matters as required by National treasury, auditor general and other stakeholders, Good governance and risk management contributes to achievement of the municipal objectives. Effective three lines of defence (management, internal audit and auditor general) as being recommended by the internal audit unit contribute to the improvement of municipal opinion as per the auditor general report.

Weaknesses

An analysis of the internal audit workforce at Mbhashe indicates a gap in the collective skills of staff more especially to the areas that need technical experts. There is also a challenge of non-availability of the Internal Audit system to execute the work as per the approved plan. The systems could be the ACL and or TEAMATE software.

Threats

These are the direct impacts that will negatively affect the functioning of the internal audit unit to achieve its mandate:

As per section 87 of the External assessment of the internal audit unit by the independent consultant for quality assurance can result to the non-compliance, which can be identified by auditor general and national treasury.

Non availability of the internal audit system (Teamate) will impact on the efficiency of the unit and non-marketing of the internal audit within the institution. Slow implementation of the internal audit/audit committee recommendations and a change of internal audit scope work as an interference by management.

CHAPTER 4

OBJECTIVES & STRATEGIES

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	18/19	19/20	20/21	ACCOUNTABLE OFFICIAL
Human Resources	To provide and enhance skills among the Councilors, Traditional Leaders, Ward Committees and Employees to ensure effective service delivery by 2022	MTI 1	By implementing training plan approved as per WSP	Number of training interventions implemented as per approved WSP	MTI 1.1	Building Institutional resilience and administrative Capability	60	12 training interventions implemented as per approved WSP	13	11	Senior Manager : Corporate Services
				Number of formal qualification implemented as per approved WSP	MTI 1.2	Building Institutional resilience and administrative Capability	57	4 formal qualifications registered as per approved WSP	5	8	Senior Manager : Corporate Services
				Number of learners participating in internship, Learnership and WIL	MTI 1.3	Building Institutional resilience and administrative Capability	109	25 learners participating in	50	50	Senior Manager : Corporate Services

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	18/19	19/20	20/21	ACCOUNTABLE OFFICIAL
								internship programs			
				Number of career EXPO conducted	MTI 1.4	Building Institutional resilience and administrative Capability	3	1 career expo conducted	1	1	Senior Manager : Corporate Services
	To maintain organizational structure that will ensure effective and efficient service delivery by 2022	MTI 2	By reviewing organizational structure	Number of organogram submitted to MAYCO	MTI 2.1	Building Institutional resilience and administrative Capability	1	1 organogram submitted to MAYCO	1	1	Senior Manager : Corporate Services
			By maintaining a low vacancy rate	Number of employees recruited in 2018/19	MTI 2.2	Building Institutional resilience and administrative Capability	267	21 employees recruited in 2018/19	20	20	Senior Manager : Corporate Services
	To ensure the implementation of PMS by 2018 and improve institutional performance	MTI 3	By conducting quarterly, mid-yearly and annual Performance assessments	Number of individual assessment reports submitted.	MTI 3.1	Building Institutional resilience and administrative Capability	1	4 individual reports submitted	4	4	Senior Manager : Corporate Services

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	18/19	19/20	20/21	ACCOUNTABLE OFFICIAL
	through skills development and change management		By organizing Councilors, Traditional Leaders and Employees Assistance Programs	Number of Wellness programs organized	MTI 3.2	Building Institutional resilience and administrative Capability	16	4 wellness programmes organised	10	10	Senior Manager : Corporate Services
			By improving performance through monitoring and evaluation of reports	Number of quarterly organizational performance reports submitted to Council	MTI 3.3	Good Governance	12	4 quarterly organizational performance reports submitted to Council	6	6	Senior Manager : Operations
			By developing annual report	Turnaround time for the submission of 2017/18 final and audited annual report is submitted to AG	MTI 3.4	Good Governance	2	2017/18 Annual Report submitted to AG and Treasury by 31 August 2018	2018/19 Annual Report submitted to AG and Treasury	2019/20 Annual Report submitted to AG and Treasury by 31	Senior Manager : Operations

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	18/19	19/20	20/21	ACCOUNTABLE OFFICIAL
									by 31 August 2019	August 2020	
	To ensure compliance and sound management practices within the institution by 2022		By complying with Legislation	Develop a report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity)	MTI 4.1	Building Institutional resilience and administrative Capability	3	Developed report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity) 3	Developed report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity)	Developed report on the compliance to legislations on (COIDA, Medical Surveillance, WSP, OHS and Employment Equity)	Senior Manager: Corporate Services

PRIORITY AREA	OBJECTIVES	OBJECTIVE NO.	STRATEGY	INDICATOR	INDICATOR NO.	B2B	BASELINE	18/19	19/20	20/21	ACCOUNTABLE OFFICIAL
									loy ment Equity)		
ICT	To ensure effective and efficient tool of lowering cost to leverage service delivery through ICT to enable equal access to municipal information and services by 2022	MTI 5	By ensuring Business Continuity	Number of quarterly progress reports on the establishment of backups/ DR Site	MTI 5.1	Building Institutional resilience and administrative Capability	1	4 quarterly progress reports on the establishment of backups/ DR Site	4 quarterly progress reports on the establishment of backups/ DR Site	4 quarterly progress reports on the establishment of backups/ DR Site	Senior Manager: Corporate Services

SERVICE DELIVERY

FOCUS AREA	OBJECTIVE	OBJ No.	STRATEGY	INDICATOR	IND No.	B2B PILLAR	BASELINE	18/19	19/20	20/21	Custodian
Infrastructure and Services	To develop, maintain and upgrade quality infrastructure through integrated planning, taking short, medium and long term needs into consideration, and fulfilling these within the parameters of sound financial management by 2022	SD 1	By constructing new gravel road	Number of KM of gravel roads constructed, (Wards-new: 31,26,3,27) (Wards: 6,19 – completion)	SD 1.1	Delivering basic services	799	25km of gravel road constructed	30km	30km	Sm: Infrastructure
					D 1.1.1						
			By maintaining gravel roads	Number of Kms of gravel roads maintained Wards (1,,2,3,4,5,6,7,8, 9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32	SD 1.2		799	300kms of gravel roads maintained	300kms of gravel roads maintained	300kms of gravel roads maintained	Sm: Infrastructure
			By upgrading of gravel road	Number of Kms of gravel roads upgraded Ward 9	SD 1.3		5km	5km	3km	3km	Sm: Infrastructure
			By upgrading of storm water facilities	Number of storm water facilities upgraded	SD 1.4		10	20 storm water culverts and channels upgraded	20 storm water culverts and channels upgraded	20 storm water culverts and channels upgraded	Sm: Infrastructure
					SD 1.4.1						

			By maintaining of surfaced roads	Number of Kms of surfaced roads maintained (Wards 1,13,25)	SD 1.5		11km (Road network)	11kms of surfaced roads maintained	11kms of surfaced roads maintained	11kms of surfaced roads maintained	Sm: Infrastructure
			By paving square metres in identified areas	Number of square meters of roads paved Wards 1,13,25)	SD 1 .6		10000 m2	10000m 2 of roads paved	10000m2 of roads paved	10000m2 of roads paved	Sm: Infrastructure
			By constructing 10 formal bridges structures	Number of formal bridges constructed	SD 1.7		20	1 formal bridge constructed in Qhinqana	1 formal bridge constructed in Qhinqana	1 formal bridge constructed in Qhinqana	Sm: Infrastructure
					SD1.7.1			1 formal bridge constructed at Vinindwa	1 formal bridge constructed at Vinindwa	1 formal bridge constructed at Vinindwa	Sm: Infrastructure
			By providing grid electricity to qualifying households	Number of households connected with grid electricity (Wards 27,23)	SD 1.8		35309	426 households provided with grid electricity	426 households provided with grid electricity	426 households provided with grid electricity	Sm: Infrastructure
			By facilitating the solar energy to qualifying households	Number of households provided with solar energy (Wards 16,23)	SD 1.9		5555	1000 households provided with	1000 households provided with solar energy	1000 households provided with solar energy	Sm: Infrastructure

								solar energy			
			By installing high masts	Number of high masts installed (Wards 2,19,28,10,30,21)	SD 1.10		16	6 high masts installed	6 high masts installed	6 high masts installed	Sm: Infrastructure
			By upgrading street lights in all towns	Number of street lights upgraded (Wards 1,25)	SD 1.11		610	35 street lights upgraded	0	0	Sm: Infrastructure
					1.11.1			40 street lights in W/Vale upgrade	0	0	
			By maintaining street lights in all towns	Number of street lights maintained (Wards 1,13,25)	SD 1.12		610	610 street lights maintained	610 street lights maintained	610 street lights maintained	Sm: Infrastructure
			By constructing Sport facilities	Number of Sports facilities constructed	SD 1.13		0	N/A	N/A	N/A	Sm: Infrastructure
					SD1.13.1			Bulk earthworks and fencing complete	N/A	N/A	

					SD 1.13.2			Water reticulation, soccer pitch, grandstand and guardhouse complete	N/A	N/A	
					1.13.3			1 Sports field constructed	1	1	
					SD 1.14			2 community halls constructed	2 community halls constructed	2 community halls constructed	
					SD 1.14.1			2 community halls constructed	2 community halls constructed	2 community halls constructed	
					SD 1.15			8 municipal buildings maintained	6 municipal buildings maintained	3 municipal buildings maintained	
			By constructing community halls	Number of community halls constructed (Mdwaka and Madwaleni)			56	2 community halls constructed	2 community halls constructed	2 community halls constructed	SM: Infrastructure
			By maintaining Municipal buildings	Number of municipal buildings maintained (Dutywa, TRC, Dutywa Town, Executive House, Workshop Offices, VIC Offices, Elliotdale and Willovale Offices)			9	8 municipal buildings maintained	6 municipal buildings maintained	3 municipal buildings maintained	SM: Corporate Services

				Number of developed approved Municipal drawings for existing main building	SD 1.15.1		0	1 municipal drawing developed for existing main building	1 municipal drawings developed for existing main building	1 municipal drawings developed for existing main building	SM: Corporate Services
				Number of carports installed (Willowvale and Elliotdale)	SD 1.15.2		54	4 carports installed in Willowvale and Elliotdale	5 carports installed in Willowvale and Elliotdale	4 carports installed in Willowvale and Elliotdale	SM: Corporate Services
				Number of generators installed Willowvale and 2 x Dutywa	SD 1.15.3		3 generators installed	1	1	1	SM: Corporate Services
			By building Municipal offices	Building works constructed	SD 1.16		4	Ground floor at Window level complete	1	1	SM: Infrastructure
			By constructing or installing boreholes	Number of boreholes constructed in Elliotdale	SD 1.17		3	1 borehole constructed in	1	1	SM: Corporate Services

								Elliotdale			
			By constructing public ablutions	Number of ablution facilities maintained (Ward 1,13,25)	SD 1.18		5	3 ablution facilities maintained	2	2	SM: Infrastructure
			By constructing animal pound	Number of animal pound constructed in Ward 1	SD 1.19		0	1 animal pound constructed in Ward1	1	1	SM: Infrastructure
			By constructing ECDCs	Number of ECDCs constructed	SD 1.20		5	3 ECDCs constructed	3 ECDCs constructed	5	SM: Infrastructure
			By constructing transfer station	Number of transfer stations constructed in Ward1	SD 1.21		0	1 transfer station constructed in Ward 1	1	1	SM: Infrastructure
			By upgrading landfill site	Number of landfill sites upgraded at Elliotdale W13	SD 1.22		1	1 landfill sites upgraded at Elliotdale W13	0	0	SM: Infrastructure
			By rehabilitating dump sites	Number of dump sites rehabilitated in W1,25	SD 1.23		2	2 dump sites rehabilitated in W1,25	0	0	SM: Infrastructure

			By Improving quality of the livestock through infrastructure development	Number of shearing sheds built	SD 1.24	42	3	1 shearing shed built	5		SM: Developmental Planning
	To provide effective and affordable services to the community where these are a direct function of the Municipality by 2022	SD 2	By providing waste management services in an environmental friendly and sustainable manner to all households of Mbhashe	Number of households serviced	SD 2.1		60124	60124 households serviced	60124 households serviced	60124 households serviced	SM: Community Services
				Number of refuse bins provided to manage solid waste	SD 2.2		600	725 refuse bins provided to manage solid waste	730 refuse bins provided to manage solid waste	735 refuse bins provided to manage solid waste	SM: Community Services
			By providing law enforcement operations throughout Mbhashe	Number of law enforcement operations conducted	SD 2.3		50	36 law enforcement operations conducted	36 law enforcement operations conducted	36 law enforcement operations conducted	SM: Community Services
			By offering security services in all Municipal assets	All municipal sites secured	SD 2.4		20	20 municipal sites secured	20 municipal sites secured	20 municipal sites secured	SM: Community Services

			By providing Christmas lights to all towns	Number of towns provided with Christmas light Ward 1,13,25	SD 2.5		3	3 towns provided with Christm as light	3 towns provided with Christmas light	3 towns provided with Christmas light	SM: Infrastructure
			By providing rescue services through out the seasons along the coast	Number of beaches provided with rescue services	SD 2.6		10	10 beaches provided with rescue services	10 beaches provided with rescue services	8 beaches provided with rescue services	SM: Community Services
Spatia I Planning / Land Use Manageme nt	Ensure maximum and adequate land use management practices by 2022	SD 3	By Developing coherent spatial plans	No. of drafts LSDFs developed for Ward 19 and 22	SD 3.1		2	2 drafts LSDFs develop ed for Ward 19 and 22	8	8	SM: Developmental Planning
			By Surveying properties	No. of surveyed properties in Ward 1,13,25	SD 3.2		135	10 surveye d properti es	10 surveyed properties	10 surveyed properties	SM: Developmental Planning
			By Developing and implementing measures in compliance with land use	Number of Developed land use scheme for 3 towns of Mbhashe	SD 3.3		0	1 land use scheme develop ed for 3 towns of Mbhash e	0	0	SM: Developmental Planning

Real Estate / Properties Management	Ensure that all municipal properties are properly registered and effectively used	SD 4	By Continually updating lease register	Number of property lease registers updated	SD 4.1		1	1 property lease registers updated	1 property lease registers updated	1 property lease registers updated	SM: Developmental Planning
			By Reviewing compliance of the lease contracts entered into	Number of Property lease contracts reviewed	SD 4.2		1	10 Property lease contracts reviewed	10 Property lease contracts reviewed	10 Property lease contracts reviewed	SM: Developmental Planning
Building Plans	To ensure compliance with NBR and any applicable legislation by 2022 and beyond.	SD 5	By Complying with National Building Regulations and standards when approving Building Plans applications as per checklist	Turnaround time taken to approve submitted building plans	SD 5.1		1	30 days time taken to approve submitted building plans	30 days time taken to approve submitted building plans	30 days time taken to approve submitted building plans	SM: Developmental Planning
Human Settlements	Facilitate development of sustainable and viable human settlements by 2022	SD 6	By facilitating the Provision of services to informal settlements	No. of informal settlements upgraded Ward 1,25	SD 6.1		0	2 informal settlement upgraded in Ward 1, 25	2 informal settlement upgraded in Ward 1, 25	2 informal settlement upgraded in Ward 1, 25	SM: Developmental Planning
			By Establishing new townships for human settlements development	No. of townships established Ward 1,25	SD 6.2		2	2 townships established in	1 townships established	1 townships established	SM: Developmental Planning

								Ward 1, 25			
Environmental Planning	To ensure adherence to sound environmental practises and to protect environmentally sensitive areas by 2022	SD 7	By Implementing climate change mitigation strategy	No. of areas covered with land rehabilitation Ward 1	SD 7.1		6	1 area covered with land rehabilitation Ward 1	5 area covered with land rehabilitation	5 area covered with land rehabilitation	SM: Developmental Planning
				No. of towns covered with tree planting Ward 1,13,25	SD 7.2		3	3 towns with treeplanting Ward 1.13,25	3 towns with treeplanting Ward 1.13,25	3 towns with treeplanting Ward 1.13,25	SM: Developmental Planning
				No. of Developed Invasive Alien Plants management plan	SD 7.3		4	1 Invasive Alien Plants management plan developed	0	0	SM: Developmental Planning
				No. of Environmental Awareness programs conducted	SD 7.4		2	3 Environmental Awareness program conducted	1 Environmental Awareness program conducted	1 Environmental Awareness program conducted	SM: Developmental Planning

KPA 3: LOCAL ECONOMIC DEVELOPMENT

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
Agricultural development and food security.	To promote agrarian reform and increase food security to farming households by 2022	LED 1	By funding, assistance and support given to emerging farmers	Number of wards with agricultural profiles conducted	LED 1.1	10	10 wards with agricultural profiles conducted	10 wards with agricultural profiles conducted	10 wards with agricultural profiles conducted	SM: Developmental Planning
				Number of farmers associations assisted with maize production inputs as per agreed concept	LED 1.2	40	40 farmers associations assisted with maize production inputs as per agreed concept	40 farmers associations assisted with maize production inputs as per agreed concept	40 farmers associations assisted with maize production inputs as per agreed concept	SM: Developmental Planning
				Number of farming projects supplied with fencing material at Ncihana, Bolotwa, Xobo,	LED 1.3	13	5 farming projects supplied with fencing material at Ncihana,	10	10	SM: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
				Nkelekethe, Ngcingwane			Bolotwa, Xobo, Nkelekethe, Ngcingwane			
				Number of nurseries supported as per approved concept plan at ward 13 and ward 22	LED 1.4	0	2 nurseries supported as per approved concept plan at ward 22 and ward 29	1 nurseries supported as per approved concept plan	1 nurseries supported as per approved concept plan	SM: Developmental Planning
				Number of ward based farming associations assisted with stock remedy	LED 1.5	32	32 ward based farming associations assisted with stock remedy	32 ward based farming associations assisted with stock remedy	32 ward based farming associations assisted with stock remedy	SM: Developmental Planning
				Number of village feedlots assisted as per approved	LED 1.6	2	2 village feedlots assisted	4	5	SM: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
				concept plan at Sundwane and Fort-Malan villages			as per approved concept plan at Sundwane and Fort-Malan villages			
				Number of pilot programs undertaken for commercialization of livestock at Nqabara - Ward 29 and Ntlahlane - Ward 24	LED 1.7	0	2 programs undertaken for commercialization of livestock at Nqabara - Ward 29 and Ntlahlane - Ward 24	5	10	SM: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
				Number of shearing sheds supported with shearing shed equipment at Mbewuleni, Khasa, Tswelelitye	LED 1.8	1	3 shearing sheds supported with shearing shed equipment at Mbewuleni, Khasa, Tswelelitye	3	3	SM: Developmental Planning
			By capacitating farmers to meet quality and safety requirements	Number of agricultural information days held for farmers	LED 1.9	32	10 agricultural information days held for farmers	15 agricultural information days held for farmers	20 agricultural information days held for farmers	SM: Developmental Planning
Agro-processing	To ensure use of agricultural value chain to stimulate local economic development in deprived areas by 2022	LED 2	By encouraging value chain and value addition through support given to emerging enterprises	Number of High Value Crop enterprises supported with funding as per approved concept document	LED 2.1	6	5 High Value Crop enterprises supported with funding as per approved	1 High Value Crop enterprises supported with funding as per approved	1 High Value Crop enterprises supported with funding as per approved concept	SM: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
			and high value crops				concept document	concept document	document	
Job creation	To reduce poverty and unemployment through viable and sustainable job creation strategies by 2020	LED 3	By facilitating employment through EPWP projects implementation	Number of participants of the short term employment initiatives (EPWP and CWP)	LED 3.1	2579	627 participants	1000	1000	SM: CS, SMO, Infrastructure, CS, Dev Planning
Investment Promotion	To encourage investment through viable investment strategies by 2022	LED 4	By promoting investment	Number of marketing tools for profiling agricultural, tourism and marine investment opportunities	LED 4.1	1	2 marketing tools for profiling agricultural, tourism and marine investment opportunities	2 marketing tools for profiling agricultural, tourism and marine investment opportunities	2 marketing tools for profiling agricultural, tourism and marine investment opportunities	SM: Developmental Planning
Enterprise support SMME and	To ensure reduction of employment rate through development and	LED 5	By installing hawker stalls	Number of hawker stalls installed	LED 5.1	85	60 hawker stalls installed	60 hawker stalls installed	60 hawker stalls installed	SM:Infrastructure Services

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
development	capacitation of enterprises by 2022		Capacitation and support of all forms of SMMEs	Number of SMME's supported with tools of trade as per approved concept plan	LED 5.2	135	35 SMME's supported with tools of trade as per approved concept plan	50 SMME's supported with tools of trade as per approved concept plan	50 SMME's supported with tools of trade as per approved concept plan	SM: Developmental Planning And Sm:Infrastructure Services
			By conducting and hosting roadshows	Number of roadshows conducted for SMMEs as per approved concept plan	LED 5.3	4	4 roadshows conducted for SMMEs as per approved concept plan	4 roadshows conducted for SMMEs as per approved concept plan	4 roadshows conducted for SMMEs as per approved concept plan	SM: Development Planning
Ocean Economy and Fisheries Development.	To ensure the unlocking of marine economic opportunities by 2022	LED 6	By supporting marine economy activities.	Number of marine economic initiatives supported as per approved concept at Mncwasa; Tenza and Qatywa Tenza and Qatywa	LED 6.1	4	3 marine economic initiatives supported as per approved concept document(Mncwasa;	2	2	SM: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
							Tenza and Qatywa)			
Tourism Growth and Development.	To position and promote Mbhashe as a tourist destination of choice by 2022	LED 7	By using different marketing tools to market Mbhashe as tourism destination	Number of events hosted and attended	LED 7.1	4	4 events hosted and participated on	4 events hosted and participated on	4 events hosted and participated on	SM: Developmental Planning
			By supporting destination tourism through infrastructure development	Number of Beaches assisted with Infrastructural program towards Blue Flag Status as per approved concept W22,32	LED 7.2	5	2 Beaches assisted with Infrastructural program towards Blue Flag Status as per approved concept (W22,32)	2	2	SM: Developmental Planning
			By supporting tourism operators	Number of tourism operators supported with exposure, training and funding as per approved concept	LED 7.3	5	3 tourism operators supported with exposure, training and	3 tourism operators supported with exposure, training and	3 tourism operators supported with exposure, training	SM: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
							funding as per approved concept	funding as per approved concept	and funding as per approved concept	
Heritage management	Develop, maintain and market heritage properties/resources to attract tourists by 2022	LED 8	By developing and maintenance of heritage properties	Number of heritage properties maintained / developed as per approved concept	LED 8.1	5	5 heritage properties maintained / developed as per approved concept	5 heritage properties maintained / developed as per approved concept	5 heritage properties maintained / developed as per approved concept	SM: Developmental Planning
Film and creative Industry	To maximize the creative industry sector's contribution to the regional economy by 2022	LED 9	By supporting programs in the creative industry	Number of creative arts programs supported as per approved concept	LED 9.1	1	1 creative arts program supported as per approved concept	1 creative arts program supported as per approved concept	1 creative arts program supported as per approved concept	SM: Developmental Planning

FOCUS AREA	OBJECTIVE	OBJ. NO.	STRATEGY	INDICATOR	IND. NO.	BASELINE	2018/19	2018/19	2019/20	Custodian
Forestry Development	To ensure sustainable development and management of the forest resources to provide environmental, social and economic benefits to communities by 2022	LED 10	By facilitating transformation of plantations from jungles to productive timber plantation	Number of facilitated sessions for transferring forestry to communities	LED 10.1	0	1 facilitated session for transferring forestry to communities	1 facilitated session for transferring forestry to communities	1 facilitated session for transferring forestry to communities	SM: Developmental Planning

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Priority Area	Objective	OBJ No.	Strategy	Indicator	IND No	B2B	Baseline	2018/19	2019/20	2020/21	CUSTODIAN
Budget Planning	To ensure compliance with budget and reporting regulations and other reforms.	MFV 1	By Budgeting according to IDP priorities	% alignment of 2019/20 Budget to approved IDP	MFV 1.1	Putting people first	Aligned Budget vs IDP	100% alignment of 2019/20 Budget to the approved IDP	100% alignment of 2020/21 Budget to the approved IDP	100% alignment of 2021/22 Budget to the approved IDP	CFO
			By ensuring budget process and format	Number of Monthly financial reports (Sec 71 , 52 and	MFV 1.2	Governance	mSCOA compliant schedule A	28 Monthly financial reports (Sec 71 , 52 and grant	28 Monthly financial reports (Sec 71 , 52 and grant reports)	28 Monthly financial reports (Sec 71 , 52 and grant reports)	CFO

Priority Area	Objective	OBJ No.	Strategy	Indicator	IND No	B2B	Baseline	2018/19	2019/20	2020/21	CUSTODIAN
			is in compliance with budget & reporting regulation.	grant reports) submitted to Mayor and Treasury on the 10th working day of each month			budget version	reports) submitted to Mayor and Treasury on the 10th working day of each month	submitted to Mayor and Treasury on the 10th working day of each month	submitted to Mayor and Treasury on the 10th working day of each month	
			To ensure effective, compliant and credible financial planning, management and reporting by 2022 and beyond.	Financial Viability as expressed by Cost Coverage Ratio $(B+C) \div D$ B represents all available cash at a particular time C represents investments	MFV 1.3	Sound financial management	0	'1:1	'1:1	'1:1	CFO

Priority Area	Objective	OBJ No.	Strategy	Indicator	IND No	B2B	Baseline	2018/19	2019/20	2020/21	CUSTODIAN
Financial Reporting	To generate AFS that fairly present the financial position, financial performance and cash flows.	MFV 2	By compiling AFS that fairly present the financial position, financial performance and cash flows..	Number of material audit queries raised by AG on the 2017/18 Annual Financial Statement.	MFV 2.1	Governance	Effective standards complied with	Zero material audit queries raised by AG on the 2017/18 Annual Financial Statement.	Zero material audit queries raised by AG on the 2017/18 Annual Financial Statement.	Zero material audit queries raised by AG on the 2017/18 Annual Financial Statement.	CFO
	To ensure that all the properties within the municipal areas are valued for rating purposes as per the 2014-19 GVR	MFV 3	By ensuring that all valued properties are billed timeously.	% billable properties included in the municipal billing system as per the supplementary Valuation Roll	MFV 3.1	Sound financial management	2016/173 Unqualified audit opinion	100% billable properties included in the municipal billing system as per the supplementary Valuation Roll	100% billable properties included in the municipal billing system as per the supplementary Valuation Roll	100% billable properties included in the municipal billing system as per the supplementary Valuation Roll	CFO

Priority Area	Objective	OBJ No.	Strategy	Indicator	IND No	B2B	Baseline	2018/19	2019/20	2020/21	CUSTODIAN
			By implementing and adherence to credit control policy and procedures to remain efficient and effective.	% of billed income collected	MFV 3.2		Implementation of the credit control policy	80 % of billed income collected	80 % of billed income collected	80 % of billed income collected	CFO
Revenue Management	To ensure that all the properties within the municipal areas are valued for rating purposes as per the 2014-19 GVR	MFV 4	By investigating and advising on poor households to participate in indigent support program.	Number of indigent register updated	MFV 4.1	Sound financial management	General Valuation Roll 2014-19	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	CFO
			By Utilizing equitable share to support	% portion of equitable share allocated for	MFV 4.2	Sound financial	Revenue Reports	3.8 % portion of equitable share	3.8 % portion of equitable share allocated for	3.8 % portion of equitable share allocated for	CFO

Priority Area	Objective	OBJ No.	Strategy	Indicator	IND No	B2B	Baseline	2018/19	2019/20	2020/21	CUSTODIAN
			Indigent Households.	free basic services		management		allocated for free basic services	free basic services	free basic services	
				Number of estimated indigent households collecting free basic services: Alternative Energy Sources	MFV 4.3		5555	5555 indigent households collecting free basic services: Alternative Energy Sources	5555 indigent households collecting free basic services: Alternative Energy Sources	5555 indigent households collecting free basic services: Alternative Energy Sources	CFO
Expenditure Management	Value for money expenditure.	MFV 5	By ensuring timeous payment of creditors in compliance with SCM procedures and the MFMA	Turnaround time for paying creditors	MFV 5.1		Indigent Register	30 days time for paying creditors	30 days time for paying creditors	30 days time for paying creditors	SM Community Services

Priority Area	Objective	OBJ No.	Strategy	Indicator	IND No	B2B	Baseline	2018/19	2019/20	2020/21	CUSTODIAN
			Implementation of the Workplace Skills Plan	% budget spent on implementing Workplace Skills Plan	MFV 5.2		3.80%	100% budget spent on implementation of Workplace Skills Plan	100% budget spent on implementation of Workplace Skills Plan	100% budget spent on implementation of Workplace Skills Plan	SM Community Services
Expenditure Management	Value for money expenditure	MFV 6	By complying with Supply Chain Regulations and National Treasury guidelines on procurement processes	% expenditure of capital budget on received conditional Grants	MFV 6.1	Sound financial management	Weekly payments	% expenditure of capital budget on received conditional Grants	% expenditure of capital budget on received conditional Grants	% expenditure of capital budget on received conditional Grants	CFO

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

FOCUS AREA	OBJECTIVE	OBJ No.	STRATEGY	INDICATOR	IND No.	B2B PILLAR	BASELINE	2018/19	2019/20	2020/21	2021/2022	RESPONSIBLE OFFICIAL
Governance	To ensure clean and accountable governance in the municipality by 2022	GGP1	By identifying, assessing, prioritizing and monitoring risk exposure both on strategic and operational levels	Number of approved and updated risk registers submitted to the Risk committee	GGP 1.1	Good governance	9 risk registers	9 quarterly fraud , ICT , operational(6) risk registers and 1 Strategic Risk register submitted to the Risk Committee	9 quarterly fraud , ICT , operational(6) risk registers and 1 Strategic Risk register submitted to the Risk Committee	9 quarterly fraud , ICT , operational(6) risk registers and 1 Strategic Risk register submitted to the Risk Committee	9 quarterly fraud , ICT , operational(6) risk registers and 1 Strategic Risk register submitted to the Risk Committee	Legal & Compliance Manager
			By developing municipal litigation register.	Number of reports on legal matters (litigations) and their status with financial implications	GGP 1.2	Good governance	Existing litigation register	1 report on legal matters and their status with financial implications and	1 report on legal matters and their status with financial implications and legal opinion	1 report on legal matters and their status with financial implications and legal opinion	1 report on legal matters and their status with financial implications and legal opinion	Legal & Compliance manager

								legal opinion				
			By conducting audits as per approved Internal Audit Annual Plan	Number of audits conducted	GGP 1.3	Good governance	26 audits	14 Internal Audit reports produced as per the Audit Plan submitted to the Audit Committee	14 Internal Audit reports produced as per the Audit Plan submitted to the Audit Committee	14 Internal Audit reports produced as per the Audit Plan submitted to the Audit Committee	14 Internal Audit reports produced as per the Audit Plan submitted to the Audit Committee	Internal Audit Manager
			By coordinating the sitting of council oversight structures	Number of meetings held by council structures in 2018/19	GGP1 .4	Good governance	44	50 meetings	50 meetings held by council structures in 2018/19	50 meetings held by council structures in 2019/20	50 meetings held by council structures in 2020/21	Senior Manager Operations
			By ensuring full operation of satellite units	Number of reports on the functionality of Satellite Offices(Willo wvale and Elliotdale)	GGP1 .5	Good governance	0	8 reports on the functionality of Satellite Offices	Quarterly Reports	Quarterly Reports	Quarterly Reports	Unit Managers

								(Willow vale and Elliotdale)				
To ensure compliance with legislation	GGP 2	By developing and reviewing Institutional policies, strategies, plans and by-laws	Number of policies developed	GGP 2.1	Good governance	71	10 policies developed	5 policies developed	3 policies developed	3 policies developed	ALL HOD's	
			Number of strategies and plans developed	GGP 2.2	Good governance	15	5 strategies and plans developed	5 strategies and plans developed	5 strategies and plans developed	ALL HOD's		
			Number of reviewed policies	GGP 2.3	Good governance	71	60 policies reviewed	40 policies reviewed	40 policies reviewed	ALL HOD's		
			Number of reviewed strategies and Plans	GGP 2.4	Good governance	15	16 reviewed strategies and Plans	15 reviewed strategies and Plans	15 reviewed strategies and Plans	ALL HOD's		
			Number of By-laws reviewed	GGP 2.5	Good governance	27	5 By-laws reviewed	5 By-laws reviewed	5 By-laws reviewed	SM Developmental Planning, SM Communities		

												y Services and CFO
Inter- Governmental Relations	To strengthen IGR participation and influence to improve collaboration with the sector departments by 2022	GGP 3	By strengthening the functionality of IGR	Number of IGR meetings coordinated	GGP 3.1	Good governance	4	4 IGR meetings coordinated	4 IGR meetings coordinated	4 IGR meetings coordinated	4 IGR meetings coordinated	Senior Manager Operations
SPU	To advocate participation of designated groups in governance and socio economic development program	GGP 4	By implementing annual plans of designated groups in line with SPU strategy	Number of programs implemented for designated groups	GGP 4.1	Putting People First	40 programs for designated groups to be implemented	20 Programs for Designated groups to implemented	20 Programs for Designated groups to implemented	20 Programmes for Designated groups to implemented	20 Programmes for Designated groups to implemented	Senior Manager Operations, CFO, sm dev planning
			By implementing annual plans of designated groups in line with HIV/AIDS, STI and TB Strategy	Number of programmes as per HIV/AIDS, STI and TB strategy Implementation plan	GGP 4.2	Putting People First	0	4 programmes as per HIV/AIDS, STI and TB strategy Implementation plan	4 programmes as per HIV/AIDS, STI and TB strategy Implementation plan	4 programmes as per HIV/AIDS, STI and TB strategy Implementation plan	4 programmes as per HIV/AIDS, STI and TB strategy Implementation plan	Senior Manager Operations

			Implementati on Plan					entatio n plan				
Integrated planning and reporting	To ensure strategic development, coordinated, integrated planning, budgeting, reporting and legislative compliance on governance matters	GGP 5	By developing IDP	Date on which the 2019/20 reviewed IDP is submitted to Council for approval	GGP 5.1	Governance	Existing 2017-22 IDP	2019/20 IDP submitted to Council for approval by 31st May 2019	2019/20 IDP submitted to Council for approval by 31st May 2020	2019/20 IDP submitted to Council for approval by 31st May 2021	2019/20 IDP submitted to Council for approval by 31st May 2022	Senior Manager Operations
			By developing SDBIP	Number of days by which the 2019/20 SDBIP is submitted to the Mayor for approval	GGP 5.2	Governance	Existing SDBIP 2017/18	2019/20 SDBIP submitted to the Mayor for approval by the 28th day after approval of	2019/20 SDBIP submitted to the Mayor for approval by the 28th day after approval of the budget	2019/20 SDBIP submitted to the Mayor for approval by the 28th day after approval of the budget	2019/20 SDBIP submitted to the Mayor for approval by the 28th day after approval of the budget	SM Operations

								the budget				
Communication	To enhance and promote communication in all municipal activities	GGP 6	By implementing communication strategy and communication plan	Number of programs implemented as per communication plan	GGP 6.1	Governance	32 programs	16 programs implemented as per communication plan	16 programs implemented as per communication plan	16 programs implemented as per communication plan	16 programs implemented as per communication plan	Senior Manager Operations
			By managing customer queries	Develop an Updated customer care register	GGP 6.2	Putting people first	1	Developed Updated Customer Care Register	Developed Updated Customer Care Register	Developed Updated Customer Care Register	Developed Updated Customer Care Register	CFO
			By improving branding and signage of municipal properties	Number of municipal assets branded	GGP 6.3	Good governance	19	10 Municipal Assets branded	10 Municipal Assets branded	10 Municipal Assets branded	10 Municipal Assets branded	Senior Manager Operations
Public participation	To ensure that all stakeholders participate in the affairs of	GGP 7	By strengthening of community participation structures	Number of status quo reports on Ward Committees	GGP 7.1	Putting people first	1	4 status quo reports on Ward	4 status quo reports on Ward Committees	4 status quo reports on Ward Committees	4 status quo reports on Ward Committees	Senior Manager Operations

	the municipality							Committees				
				Number of PSC meetings held	GGP 7.2	Good Governance	22 meetings	22 PSC meetings held	22 PSC meetings held	22 PSC meetings held	22 PSC meetings held	Snr Manager Infrastructure, Community Services and Developmental Planning
				Number of reports on war rooms and engagement meetings coordinated	GGP 7.3	Putting people first	8	4 reports on war rooms and engagement meetings coordinated	4 reports on war rooms and engagement meetings coordinated	4 reports on war rooms and engagement meetings coordinated	4 reports on war rooms and engagement meetings coordinated	Senior Manager Operations
				Number of community imbizo's held in 3 towns (Dutywa, Elliotdale and Willowvale)	GGP 7.4	Putting people first	35 community imbizo's	3 community imbizo's held in 3 towns (Dutywa, Elliotdale	3 community imbizo's held in 3 towns (Dutywa, Elliotdale and Willowvale)	3 community imbizo's held in 3 towns (Dutywa, Elliotdale	3 community imbizo's held in 3 towns (Dutywa, Elliotdale	Senior Manager Operations

								a, Elliotdale and Willowvale)	and Willowvale)		and Willowvale)	
				Number of fora meetings (Community Safety etc) held in 2018/19	GGP 7.5	Putting people first	12 for a meetin gs	4 fora meetin gs (Comm unity Safety etc) held in 2018/1	4 fora meetings (Community Safety etc) held in 2018/1	4 fora meetings (Community Safety etc) held in 2018/1	4 fora meetings (Community Safety etc) held in 2018/1	Senior Manager Operation s

CHAPTER 5

PROJECTS

PROJECTS BY MBHASHE MUNICIPALITY

KPA 1 MUNICIPAL TRANSFORMATION

PROJECT	WARD	2018/19	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	AMOUNT	
Training and Development for Employees	Institutional	R 1 100 000	R 1 150 000.00	R 115 000.00	R 11 500	Equitable Share
Training and Development for Councillors and Traditional Leaders	Institutional	400 000.00	R3,ML	R4ML	R4ML	Equitable Share
Study Assistance	Institutional	R 430 000	1.5ML	2ML	2.5ML	Equitable Share
Ward Committes Training	Institutional	R 800 000	R3.5ML	R4ML	R1ML	Equitable Share
Literacy Development	Institutional	R 350 000	R 850 000	R 900 000	R 950 000	Equitable Share
Career Exhibition	Institutional	R 150 000	R 800 000	R 900 000	R 950 000	Equitable Share
Unemployment Community programmes	Institutional	R 1 500 000	R 4 000 000	R 4 500 000	R 5 000 000	Equitable Share

PROJECT	WARD	2018/19	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	AMOUNT	
Organogram	Institutional	R 0	R 0	R 0	R 0	
Recruitment & Selection	Institutional	R 234 600	R 1 167 000	R 1 167 000	R 1 167 000	Equitable Share
Retirement send off	Institutional	R 10 000	R 150 000	R 170 000	R 397 950	Equitable Share
Remuneration of Personnel and Councillors	Institutional					
Performance Management	Institutional	R 0	R 0			Equitable Share
Policy Development	Institutional	R 0	R 0	R 0	R 0	
Policy Review	Institutional	R 0	R 0	R 0	R 0	
Local Labour Forum	Institutional	R 0	R 0	R 0	R 0	
Occupational Health & Safety	Institutional	R 400 000	R 450 000	R 500 000	R 550 000	Equitable Share
Personal Protective Equipment	Institutional	R 200 000				Equitable Share
Medical Surveillance	Institutional	R 500 000	R3 M	R3.5 M	R4 M	Equitable Share
Compliance with Legislation	Institutional	R 1 500 000	0	0	0	
Employee wellness programs	Institutional	R 591 000	R 2M	R2.5M	R3M	Equitable Share
Bereavement support	Institutional	R 34 000	R 60 000	R 60 000	R 70 000	Equitable Share

PROJECT	WARD	2018/19	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	AMOUNT	
Network Infrastructure on Municipal offices/buildings	Institutional	R 300 000	R 300 000	R 300 000	R 300 000	Equitable Share
Internet Connectivity on Municipal offices-VPN(Virtual private network)	Institutional	R 1 000 000	R 1 000 000	R 1 000 000	R 1 000 000	Equitable Share
Maintenance of ICT Equipment	Institutional	R 100 000	R 100 000	R 100 000	R 100 000	Equitable Share
ICT License Renewal	Institutional	R 1 270 000	R 2M	R 2 M	R2M	Equitable Share
Telephone System	Institutional	R 750 000	R 750 000	R 750 000	R 750 000	Equitable Share
Website management	Institutional	R 50 000	R 100 000	R 100 000	R 100 000	Equitable Share
Computers and Printers	Institutional	R 1 500 000	R 1 500 000	R 1 500 000	R 1 500 000	Equitable Share
IT Master Plan-IT Strategic Plan	Institutional	R400 000	R50 000	R50 000	R50 000	Equitable Share
Electronic Document Management System	Institutional	R410 000	R500 000	R500 000	R500 000	Equitable Share
Traffic Management System	Institutional	R0	R150 000	R150 000	R150 000	Equitable Share
Postage and Subscription	Institutional	R50 000	R50 000	R50 000	R50 000	Equitable Share

PROJECT	WARD	2018/19	2019/20	2020/21	2021/2022	SOURCE OF FUNDING
		AMOUNT	AMOUNT	AMOUNT	AMOUNT	
Procurement of Shredder	Institutional	R150 000	R165 000	R200 000	R200 000	Equitable Share
Disaster Recovery site establishment	Institutional	R1 800 000	R2 000 000	R2 000 000	R2 000 000	Equitable Share
Stationery	Institutional	R10 000	R15 000	R18 000	R20 000	Equitable Share
Cleaning of offices		R500 000	R550 000	R570 000	R590 000	Equitable Share

KPA 2: SERVICE DELIVERY

Project Name	WARD	2018/19		2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Hawker Stalls: Dutywa	1&25	4 577 281,76	MIG	N/A	N/A	N/A	N/A	N/A	N/A
Municipal Offices	1	5 340 000.00	Equitable share	5 340 000.00	Equitable share	N/A	N/A	N/A	N/A
Building Of Animal Pound Dutywa	1	352 495,31	MIG	N/A	N/A	N/A	N/A	N/A	N/A
Sihlabeni Access Road	5	357 116,41	MIG	N/A	N/A	N/A	N/A	N/A	N/A
Nombulelo Access Road	6	690 717,20	MIG	N/A	N/A	N/A	N/A	N/A	N/A

Project Name	WARD	2018/19		2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Xhora Mouth To Ndalatha Access Road	19	1 590 735,70	MIG	N/A	N/A	N/A	N/A	N/A	N/A
Mbewuleni Access Road	31	3 327 896,11	MIG	N/A	N/A	N/A	N/A	N/A	N/A
Qingqana Bridge Ward 17	17	3 973 264,77	MIG	N/A	N/A	N/A	N/A	N/A	N/A
Vinindwa & Mazizini	5	2 000 000.00	Equitable share	N/A	N/A	N/A	N/A	N/A	N/A
Sport Facilities Ward 1	1	2 997 852,27	MIG	22 486 593,08	MIG(construction)	9 654 228.61	MIG(construction)	9 654 228.61	MIG(construction)
Sport Facilities Ward 13	13	9 186 229,39	MIG	11 710 551,41	MIG(construction)	15 183 880.43	MIG(construction)	15 183 880.43	MIG(construction)
Sport Facilities Ward 25	25	13 996 681,88	MIG	9 372 511,41	MIG(construction)	15 183 880.43	MIG(construction)	15 183 880.43	MIG(construction)
Phathilizwe Community Hall	24	198 550,00	MIG(construction)	N/A	N/A	N/A	N/A	N/A	N/A
Xuba Community Hall	15	198 550,00	MIG(construction)	N/A	N/A	N/A	N/A	N/A	N/A
Tayi To Qwili Access Road	26	1 651 996,08	MIG	7 433 982,34	MIG(construction)	N/A	N/A	N/A	N/A
Lencane- Newtown	3	1 011 623,31	MIG	1 452 949,87	MIG(construction)	N/A	N/A	N/A	N/A
Laza To Makaka	27	1 114 350,76	MIG	1 671 526,15	MIG (construction)	N/A	N/A	N/A	N/A

Project Name	WARD	2018/19		2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Upgrading Of Govan Mbeki	9	1 103 989,19	MIG	8 568 787,74	MIG (construction)	4284394.34	MIG (construction)		MIG (construction)
Mndwaka Community Hall	18	2 000 000,00	MIG	1 121 549,00	MIG (construction)	N/A	N/A	N/A	N/A
Madwaleni Community Hall	32	2 000 000,00	MIG	1 121 549,00	MIG (construction)	N/A	N/A	N/A	N/A
Upgrading Of Ngumbela Sportsfield	2	11 400 000.	DSRAC						
Lusizini To Zimpuku	2	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Munyu To Gxara	4	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Lower Falakahla To Singeni	12	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Bikane	14	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Mngazana	16	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Mbelo	7	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Town To Ntlulabokwe	25	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A

Project Name	WARD	2018/19		2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Mqhele To Mrabe	28	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Hesha To Matyamini	17	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A	N/A	N/A
Mpume (Dutch)	21	N/A	N/A	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)	N/A	N/A
Cwebe /Hobeni	20	N/A	N/A	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)	N/A	N/A
Sundwana Aa(Qombe)	8	N/A	N/A	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)	N/A	N/A
Bam –Zenzele A/R	11	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Riverview-Langeni	13.	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Mhlahlane Sps - Chibini	19	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Matolweni to Kulozulu	30	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Mpume to Gate	29	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A
Fumbatha Access Road	31	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)	N/A	N/A

Project Name	WARD	2018/19		2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Zanohlanga	5	N/A	N/A	N/A	N/A	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)
Tywaka	28			N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Nowonga/Pungula	26	N/A	N/A	N/A	N/A	378 000.00	MIG(planning)	2 692 000.00	MIG (construction)
Jakanaye To Gwebityala	18	N/A	N/A	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Cizama to Singeni	5	N/A	N/A	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Mkatazo to Folokwe	19	N/A	N/A	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Sikhobeni to Caba	31	N/A	N/A	N/A	N/A	511 875.00	MIG(planning)	4 363 145.00	MIG (construction)
Dutywa Main building	Instituti onal	R 500 000	Equitable Share	R 500 000	Equitable Share	R 500 000	Equitable Share	R 500 000	Equitable Share
Dutywa TRC Offices	Instituti onal	R 300 000	Equitable Share	R 300 000	Equitable Share	R 300 000	Equitable Share	R 300 000	Equitable Share
Dutywa Town Hall Offices	Instituti onal	R 500 000	Equitable Share	R 500 000	Equitable Share	R 500 000	Equitable Share	R 500 000	Equitable Share

Project Name	WARD	2018/19		2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Executive House	Institutional	R 50 000	Equitable Share	R 50 000	Equitable Share	R 50 000	Equitable Share	R 50 000	Equitable Share
VIC Offices	Institutional	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share
Elliotdale Municipal Offices	Institutional	R 600 000	Equitable Share	R 600 000	Equitable Share	R 600 000	Equitable Share	R 600 000	Equitable Share
Willowvale Municipal Offices	Institutional	R 600 000	Equitable Share	R 600 000	Equitable Share	R 600 000	Equitable Share	R 600 000	Equitable Share
Drawing Plans for Municipal building	Institutional	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share
Carpots (new and maintenance)	Institutional	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share
Maintenance of the lift	Institutional	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share
Provision of water	Institutional	R 500 000	Equitable Share	R 500 000	Equitable Share	R 500 000	Equitable Share	R 500 000	Equitable Share
Generator (new and maintenance)	Institutional	R 400 000	Equitable Share	R 400 000	Equitable Share	R 400 000	Equitable Share	R 400 000	Equitable Share
Provision of electricity	Institutional	R 1 000 000	Equitable Share	R 1 000 000	Equitable Share	R 1 000 000	Equitable Share	R 1 000 000	Equitable Share
Construction and/installation of boreholes	Institutional	R 250 000	Equitable Share	R 50 000	Equitable Share	R 60 000	Equitable Share	R 70 000	Equitable Share

Project Name	WARD	2018/19		2019/20		2020/21		2021/22	
		AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE
Rehabilitation of Dutywa and Willowvale dump sites	9,25	R 2 000 000	Equitable Share	R 2 000 000	Equitable Share	R 2 000 000	Equitable Share	R 2 000 000	Equitable Share
Waste Mangement Services	All	R 8 000 000	Equitable Share	R 8 000 000	Equitable Share	R 8 000 000	Equitable Share	R 8 000 000	Equitable Share
Management nd operation of Sports Facilities	All	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share	R 100 000	Equitable Share
Law enforcement/traffic special programs	All	R 2 000 000	Equitable share	R 2 000 000	Equitable share	R 2 000 000	Equitable share	R 2 000 000	Equitable share
Security Services	1,13,25	R 10 000 000	Equitable share	R 10 000 000	Equitable share	R 10 000 000	Equitable share	R 10 000 000	Equitable share
Life guards	All	R 1 000 000	Equitable share	R 1 000 000	Equitable share	R 1 000 000	Equitable share	R 1 000 000	Equitable share
EPWP Support	All	R 5 015 000	EPWP	n/a	n/a	n/a	n/a	n/a	n/a
Free basic services	All	R 4 000 000	Equitable share	R 5 000 000	Equitable share	R 5 000 000	Equitable share	R 5 000 000	Equitable share
Indigent support	All	R 700 000	Equitable share	R 800 000	Equitable share	R 850 000	Equitable share	R 900 000	Equitable share
Disaster mitigation	All	R 800 000	Equitable share	R 1 000 000	Equitable share	R 1 200 000	Equitable share	R 1 500 000	Equitable share

PROJECT	WARD	AMOUNT 2018/19	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	Funding Source
LSDF	8,19,22,32	R 554 500	R 800 000	R 800 000	R 800 000	Equitable Share
Surveying	1,25,13	R 315 000	R 400 000	R 500 000	R 500 000	Equitable Share
Land use scheme	1,25,13	R 161 000	N/A	N/A	N/A	Equitable Share
Property Groundtruth (property verification)	All	R 30 000	R 30 000	R 30 000	R 30 000	Equitable Share
Upgrading of informal settlements	9,1,25	R 300 000	R 300 000	R 300 000	R 300 000	Equitable Share
Housing for destitute	Xhora wards	R 70 000	R 70 000	R 70 000	R 70 000	Equitable Share
Township establishment	1,13,25	R 415 000	R 415 000	R 415 000	R 415 000	Equitable Share
SPLUMA implementation (MPT)	All	R 320 000	R 320 000	N/A	N/A	Equitable Share
Land rehabilitation & Storm water drainage control systems (Gabions)	8,6,31&1	R 330 000	R 330 000	R 330 000	R 330 000	Equitable Share

PROJECT	WARD	AMOUNT 2018/19	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	Funding Source
Tree planting and urban greening	13,25,1	R 490 000	R 490 000	R 490 000	R 490 000	Equitable Share
Development of Invasive Plants removal and mapping plan	27,13,25,3	R 470 000	R 470 000	R 470 000	R 470 000	Equitable Share
Environmental Forums & Conferences	All	R 90 000	R 90 000	R 90 000	R 90 000	Equitable Share
Environmental awareness and signage	1,13,25,22,29,20,32,19	R 235 000	R 235 000	R 235 000	R 235 000	Equitable Share
Environmental Management Framework	All	R320 000	R320 000	R320 000	R320 000	Equitable Share
Feasibility studies – sand mining	All	R 320 000	R 320 000	R 320 000	R 320 000	Equitable Share
Blue Flag Beach Awareness	22,32	R 150 000	R 150 000	R 150 000	R 150 000	Equitable Share

KPA 3: LOCAL ECONOMIC DEVELOPMENT

PROJECTS	WARD	AMOUNT 2018/19	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	Funding Source
Maize production (40 associations)	All	R 2 100 000	R 2 500 000	R 2 800 000	R 3 000 000	Equitable Share
Fencing (Ncihana, Bolotwa, Xobo, Nkelekethe, Ngcingwane	13,05,08,27, 2	R 500 000	R 500 000	R 500 000	R 500 000	Equitable Share
Xhora Nursery ward 13 ; Ward 22 nursery	13,22	R 260 000	R 300 000	R 300 000	R 300 000	Equitable Share
Stock remedy	All	R 500 000	R 650 000	R 680 000	R 680 000	Equitable Share
Sundwane feedlots	8	R 179 500	R 200 000	R 200 000	R 200 000	Equitable Share
Fort Malan feedlots	27	R 179 500	R 200 000	R 200 000	R 200 000	Equitable Share
Shearing sheds equipment	13,26,30,31	R 595 000	R 595 000	R 595 000	R 595 000	Equitable Share
Livestock commercialisation	29, 24	R 200 000	R 250 000	R 280 000	R 280 000	Equitable Share
Agric Information Days	All	R 421 000	R 450 000	R 450 000	R 450 000	Mbhashe
High Value Product (HPV) Thandela	23	R 624 000	R 500 000	R 500 000	R 500 000	Equitable Share

HPV Nondobo Mfezane	14,27	R 271 500	R 271 500	R 271 500	R 271 500	Equitable Share
HPV – Bulungula Lemon Grass	19	R 1 000 000	R 1 000 000	R 1 000 000	R 1 000 000	Equitable Share
HPV – Ligwa Moringa	23	R 625 000	R 625 000	R 625 000	R 625 000	Equitable Share
Macadamia Expansion (Feasibility Studies)	All	R 300 000	R 300 000	R 300 000	R 300 000	Equitable Share
Investment brochure	All	R 49 000	R 49 000	R 49 000	R 49 000	Equitable Share
Hawker Support	1, 13,25	R 161 000	R 161 000	R 161 000	R 161 000	Equitable Share
Co-operatives development	All	R 1 345 000	R 1 345 000	R 1 345 000	R 1 345 000	Equitable Share
SMME Roadshows	All	R 50 000	R 50 000	R 50 000	R 50 000	Equitable Share
Marine Economic initiatives support (Mncwasa fishery, Tenza, Qatywa, Qhora)	19,22,20	R750 000	R750 000	R750 000	R750 000	Equitable Share
Internal and external events	All	R835 000	R835 000	R835 000	R835 000	Equitable Share
Supporting Tourism Destination Blue flag beaches (Qatywa and Tenza)	22, 32	R250 000	R250 000	R250 000	R250 000	Equitable Share

Supporting Game parks – Sundwane and others	8, 14, 24	R300 000	R300 000	R300 000	R300 000	Equitable Share
Hiking Trails	22,29,21,20, 32,19	R10 000	R10 000	R10 000	R10 000	Equitable Share
supporting tourism operators (community trust and visitor information centre)	1, 8, 22	R170 000	R170 000	R170 000	R170 000	Equitable Share
Craft development	All	R215 000	R215 000	R215 000	R215 000	Equitable Share
Tour guide	All	R155 000	R155 000	R155 000	R155 000	Equitable Share
Liberation Heritage Route	All	R350 000	R350 000	R350 000	R350 000	Equitable Share
Maintenance of heritage sites (EPWP)	3, 8, 20, 21, 22, 23, 29, 27	R250 000	R250 000	R250 000	R250 000	Equitable Share
Film / Music Industry	All	R200 000	R200 000	R200 000	R200 000	Equitable Share
Forestry development	11	R150 000	R150 000	R150 000	R150 000	Equitable share

KPA 4: FINANCIAL VIABILITY

PROJECTS	WAR D	AMOUNT 2018/19	AMOUNT 2019/20	AMOUNT 2020/21	AMOUNT 2021/22	Funding Source
mSCOA Implementation	All	R 1 5000 000	R1 000 000	R500 000	R500 000	Equitable Share
Financial Management Support	All	R 1 000 000	R 1 200 000	R 1 300 00	R 1 400 000	Equitable Share
Annual Financial Statements Preparation	All	R 900 000	R 1 000 000	R 1 100 000	R 1200 000	Equitable Share
Financial Management Grant	All	R 1 770 000	R 1 955 000	R2 215 000	R 3 000 000	FMG
Data Validation	All	R 400 000	R 100 000	R 100 000	R 100 000	Equitable Share
General Valuation Roll	All	R 600 000	R 400 000	R 200 000	R 200 000	Equitable Share
Revenue Enhancement Strategy	All	R 200 000	R100 000	R100 000	R100 000	Equitable Share
Debt Collection	All	R 600 000	R 500 000	R 500 000	R 500 000	Own Revenue
Customer Care Management	All	R 140 000	R 100 000	R 100 000	R 100 000	Equitable Share
Expenditure & Payroll Management	All	R 690 000	R 700 000	R 710 000	R720 000	Equitable Share
Full implementation of SCM System	All	R 250 000	R 300 000	R 300 000	R 300 000	Equitable Share

Asset Management	All	R 2 700 000	R 1 000 000	R 1 000 000	R 1 000 000	Equitable Share
Fleet Management	All	R 7 600 000	R 8 000 000	R 8 000 000	R 8 000 000	Equitable Share

KPA 5: GOOD GOVERNANCE

PROJECT	WARD	AMOUNT 2018/19	AMOUNT 2019/20	AMOUNT 1920/21	AMOUNT 1921/22	FUNDING SOURCE
Review PMS Framework	Institutional	R40 000	R45 000	R50 000	R55 000	Equitable share
Performance Reporting	Institutional	R0	R0	R0	R0	n/a
Development of Annual report	Institutional	R70 000	R80 000	R85 000	R90 000	Equitable share
Strategic and Operational Risk registers	Institutional	R52 000	R55 000	R55 000	R58 000	Equitable share
Legal cases	Institutional	R12 030 000	R6 000 000	R3 000 000	R1 500 000	Equitable share
IA Plan	Institutional	R0	R0	R0	R0	Equitable share
Internal Audits and Ad-hoc assignment	Institutional	R534 000	R550 000	R570 000	R600 000	Equitable share
Internal Auditing role awareness to the municipality	Institutional	R0	R0	R0	R0	Equitable share
Coordination of Auditor General's annual audit	Institutional	R0	R0	R0	R0	n/a
Reviewal of Internal Audit documents(Internal Audit methodology; audit charters and IA framework)	Institutional	R0	R0	R0	R0	n/a

Convening of oversight structures meetings	Institutional	R400 000	R450 000	R600 000	R650 000	Equitable share
SALGA	Institutional	R1 100 000	R1 100 000	R1 100 000	R1 100 000	Equitable share
Women's caucus	Institutional	R40 000	R45 000	R47 000	R50 000	Equitable share
Whippery Programme	Institutional	R101 000	R120 000	R130 000	R140 000	Equitable share
Tools of trade for councilors and traditional leaders	Institutional	R500 000	R500 000	R500 000	R500 000	Equitable share
Management of sitelite units	Institutional	R0	R0	R0	R0	Equitable share
Developing of policies	Institutional	R0	R0	R0	R0	Equitable share
Developing of strategies and Plans	Institutional	R0	R0	R0	R0	Equitable share
Reviewal of policies	Institutional	R0	R0	R0	R0	Equitable share
Reviewal of strategies and Plans	Institutional	R0	R0	R0	R0	Equitable share
Review By- Laws	Institutional	R0	R0	R0	R0	Equitable share
Co-ordination of IGR meetings	Institutional	R38 000	R40 000	R42 000	R45 000	Equitable share
Reviewal of HIV/Aids, STI & TB Strategy implementation Plan	Institutional	R5 000	0	0	0	Equitable share
Programmes as per HIV/Aids, STI & TB Strategy Implementation Plan	Institutional	R100 000	R150 000	R120 000	R140 000	Equitable share
Review And Mainstreaming Of SPU Strategy	Institutional	R10 000	R0	R10 000	R0	Equitable share
	Institutional	R40 000	R45 000	R50 000	R60 000	Equitable share

Programmes for Designated groups as per SPU Strategy	Institutional	R84 600	R90 000	R120 000	R120 000	Equitable share
	Institutional	R400 000	R500 000	R550 000	R580 000	Equitable share
	Institutional	R55 000	R60 000	R62 000	R65 000	Equitable share
No of requests implemented	Institutional	R500 000	R550 000	R580 000		Equitable share
Development of IDP	Institutional	R 700 000	R750 000	R780 000	R 800 000	Equitable share
Development of SDBIP	Institutional	R0	R0	R0	R0	Equitable share
Implementation of Communication strategy	Institutional	R455 000	R0	R0	R0	Equitable share
Branding of the municipality	Institutional	R300 000	R300 000	R30 000	R300 000	Equitable share
Development of Newsletters	Institutional	R250 000	R280 000	R280 000	R300 000	Equitable share
Marketing and Advertisement	Institutional	300 000	R350 000	R380 000	R400 000	Equitable share
Engagement meetings	Institutional	R445 800	R500 000	R520 000	R550 000	Equitable share
Conduct Community Imbizo's	Institutional	R300 000	R350 000	R400 000	R420 000	Equitable share

PROJECTS BY OTHER SECTOR DEPARTMENTS

AMATHOLE DISTRICT MUNICIPALITY

RBIG New Water Projects

PROJECT NAME	AREA	2018/19	2019/20	2020/21
Xhora Water Supply	Mbhashe	70 000 000	3 193 000	1 000 000
Sundwane Water Supply Scheme	Mbhashe	0.00	0.00	25 000 000
SUB TOTAL MBHASHE		70,000,000	3,193,000	26,000,000

MIG – Mbhashe

PROJECT NAME	2018/19	2019/20	2020/21
Sundwane Water Supply Scheme	15,000,000	15,000,000	10,000,000
Xora Water Supply Project	15,000,000	15,000,000	10,000,000
Mncwasa Water Supply Scheme	2,100,000	0.00	0.00
Mgwali North Water Supply Project	12,689,000	10,000,000	5,000,000
Mgwali South Water Supply Project	16,000,000	1000,000	5,000,000

Idutywa East Water Supply Project	8,600,000	6,000,000	0.00
Mbhashe Area Wide Sanitation (Region 3B)	5,500,000	5,000,000	5,000,000
Mbhashe Area Wide Sanitation (Region 2C)	5,000,000	5,000,000	5,000,000
Mbhashe Area Wide Sanitation (Region 1B)	5,000,000	5,000,000	5,000,000
Mbhashe Area Wide Sanitation (Region 2B)	5,314,233	5,000,000	10,040,800
Mbhashe Area Wide Sanitation (Region 2D)	4,500,000	5,000,000	11,000,000
Mbhashe Ward 31 Water Supply	5,000,000	5,000,000	5,000,000
Bende Water Supply Scheme	15,000,000	5,000,000	5,000,000
Shixini Water Supply Scheme	10,000,000	10,498,400	10,000,000
Elliotdale Waste Water Treatment Plant (Feasibility Study)	2,000,000	5,000,000	10,000,000
Dutywa Pipe Replacement	4,063,817	4,000,000	5,000,000
Dutywa Sewer Pipe Replacement	1,500,000	5,000,000	2,000,000
Willowvale Sewerage	300,000	1,000,000	0.00

Mbhashe Region 2A (Geohydro)	518 659	0.00	0.00
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NOT YET REGISTERED WITH MIG

Qwaninga Water Treatment Works	0.00	1,500,000	2,000,000
SUB TOTAL MBHASHE	133,085,709	117,998,400	105,040,800

WSIG – Mbhashe

PROJECT NAME	2018/19	2019/20	2020/21
Mbhashe North Water Supply	0.00	0.00	500,000
Dutywa Water Treatment Works	3,500,000	2,000,000	2,000,000
Dutywa Waste Water Treatment Works	5,000,000	0.00	2,000,000
Idutywa East - Interim Water Supply	0.00	2,000,000	3,000,000
SUB-TOTAL: Mbhashe	8,500,000	4,000,000	7,500,000

ESKOM

Project Name	Beneficiaries	Planned Capex	Planned conn
Elliotdale Ph 2B	Ntlonyan 23719D1,Cwebe Nature reserve 23721B1. Ntlonyana 22020CI1	R 9 360 000.00	300
Elliotdale Ph 3	Nkanya 22020B5, KwaNditya 22022D1	R 6 560 000.00	200
Ellitdale Ph 4	Nditya 22024C6/Khotyana 22024D8 (589)	R 6 880 000.00	200
Elliotdale Ph 5	Ngqatyana 21102C2,Ebufumba 21102D3, Ntlonyana 21102A2, Mditshwa 21102A3	R 9 360 000.00	300
Elliotdale Ph 6	Mbotyi 21104B4,Bumbane 21104B2,Tsholora 21104C2	R 7 960 000.00	250
Mbhashe Wards Ext Ph 2	-	R 3 440 000.00	100
Mbhashe infills type 1	-	R 922 200.00	117
Mbhashe Pre engineering	-	R 1 136 221.06	0
Total Mbhashe		R 45 618 421.06	1467

DEPARTMENT OF SAFETY & LIASON

Activity	Venue and timeframe	Budget
Conduct Service Delivery Evaluation at police stations	Willowvale – July 2018	NCI
Conduct Unannounced Visits at police stations	Willowvale	NCI
Monitor Safety Patrollers (EPWP)	Dinizulu SSS - Taleni	Stipend is paid for all days worked by the two Safety Patrollers
Support municipality with functioning of CSF	Mbashe CSF is supported on an ongoing basis and is functioning well however there is always room for improvement.	

EXPANDED PUBLIC WORKS PROGRAMME (EPWP) 2018/2019 PROJECTS –

DEPARTMENT/ SECTOR	PROJECT NAME	MUNICIPALITY	WARD	AMOUNT	DURATION
Department of Transport	Road Rangers	MBASHE	7 (3 beneficiaries), 9 (4 beneficiaries), 2 (1 beneficiary), 31 (2 beneficiaries), 32 (1 beneficiary) 26 (1 beneficiary),	R427,680,00	12 Months
	Road Ranger Monitoring practitioner		1 (1 beneficiary)	R26,136,00	12 Months
	WEEKEND ROAD RANGERS		1 (beneficiary), 25 (1 beneficiary), 30 (1 beneficiary), 32 (1 beneficiary)	R57,024,00	12 Months
	Walking Bus		30(4 beneficiaries), 26 (5 beneficiaries), 3 (4 beneficiaries)	R376,358,40	12 Months
	Junior Traffic Training Centre		8 (1 beneficiary)	R8,364,00	12 Months

	Scholar Transport Monitors		11(2 beneficiaries), 7 (2 beneficiaries), 2 (2 beneficiaries) 13 (1 beneficiary)	R146,361,60	12 Months
	Community Road Safety Councils		1 (2)	R19,200	3 years
	Scholar Patrol		1	-	12months

PROJECT NAME	AREA/WARD	DURATION	BUDGET
Bangilizwe ECDC	Ellitdale/Mcwasas 18	2018/2019	R103,095.00
Bangindlovu ECDC	Ellitdale/Mcwasas West 18	2018/2019	R103,095.00
Bongweni ECDC	Dutywa/Mangati 3	2018/2019	R95,985.00
Ciko ECDC	Willowvale/Ciko Santini 25	2018/2019	R92,430.00
Ebufumba ECDC	Elliotdale/Bufumba 17	2018/2019	R106,650.00
Esingeni ECDC	Dutywa/Esingeni 6	2018/2019	R106,650.00
Ganuthuli ECDC	Elliotdale/Mtshekelweni 28	2018/2019	R106,650.00
Iflegi Yamabomvana ECDC	Elliotdale/Ncihana 13	2018/2019	R106,650.00
Jojweni ECDC	Willowvale/Jojweni 24	2018/2019	R106,650.00
Jungukhanyo ECDC	Dutywa/Mission 22	2018/2019	R135,090.00
Khanyisa ECDC	Dutywa/Maxhama 4	2018/2019	R95,985.00
Kuyasa ECDC	Elliotdale/Khasa 13	2018/2019	R106,650.00
Kuyasa ECDC	Dutywa/Qora 21	2018/2019	R92,430.00
Kwilini ECDC	Willowvale/Kwilini 29	2018/2019	R92,430.00
Lucingweni ECDC	Willowvale/Mpozolo 21	2018/2019	R135,090.00
Lukhanyo ECDC	Willowvale/Mente 25	2018/2019	R99,540.00

Lurwayizo ECDC	Willowvale/Lurwayizo 21	2018/2019	R110,205.00
Masakhane ECDC	Masakhane Weza 11	2018/2019	R95,985.00
Masikhanye ECDC	Elliotdale/Manganyela 20	2018/2019	R95,985.00
Masizakhe ECDC	Elliotdale/Ntlonyane 20	2018/2019	R92,430.00
Mbitywana ECDC	Willowvale/Gwadu 24	2018/2019	R106,650.00
Mthombothi ECDC	Dutywa/Xeni 2	2018/2019	R117,315.00
Mwana ECDC	Elliotdale/Madwaleni 17	2018/2019	R135,090.00
Mzokhanyo ECDC	Dutywa/Gqawe 4	2018/2019	R99,540.00
Ncedolwethu ECDC	Elliotdale/Mcwasia 17	2018/2019	R92,430.00
Ndakeni ECDC	Dutywa/Ndakeni 3	2018/2019	R110,205.00
Nduku ECDC	Willowvale/Mhlanga 29	2018/2019	R106,650.00
Ngangendlovu ECDC	Willowvale/Emakhaleni 11	2018/2019	R92,430.00
Ngubenamba ECDC	Elliotdale/Qingqana 17	2018/2019	R92,430.00
Nkomozibomvu ECDC	Elliotdale/Manganyela 16	2018/2019	R92,430.00
Nomawaka ECDC	Willowvale/Gwadu 24	2018/2019	R103,095.00
Nomfundo ECDC	Elliotdale/Fameni 13	2018/2019	R92,430.00

Nomzamo ECDC	Dutywa/Gwadana 3	2018/2019	R124,425.00
Nowaka ECDC	Willowvale/Kulojingqi 22	2018/2019	R92,430.00
Nquba ECDC	Willowvale/Nquba 22	2018/2019	R110,205.00
Thandisizwe ECDC	Elliotdale/Qingqana 17	2018/2019	R88,875.00
Mendwana ECDC	Willowvale/Mendwana 21	2018/2019	R106,650.00
Pakamile ECDC	Elliotdale/Qingqana 17	2018/2019	R106,650.00
Botomane ECDC	Elliotdale/Ntlonyane 26	2018/2019	R88,875.00
Zamokuhle ECDC	Elliotdale/Mcncwasa 18	2018/2019	R106,650.00
Mavata ECDC	Dutywa/Qora 22	2018/2019	R106,650.00
Takalani ECDC	Dutywa/Mbewuleni 4	2018/2019	R106,650.00
Kulozulu ECDC	Willowvale/Matolweni 30	2018/2019	R106,650.00
Jujurha ECDC	Elliotdale/Nqileni 26	2018/2019	R88,875.00
Zamuphuhla ECDC	Elliotdale/Melitafa 15	2018/2019	R103,095.00
Siseko ECDC	Dutywa/Mangati 9	2018/2019	R103,095.00
Ncihana ECDC	Elliotdale/Ncihana 13	2018/2019	R106,650.00
Siyakhula ECDC	Dutywa/Shobeni 30	2018/2019	R88,875.00

Zizamele ECDC	Dutywa/Sikhobeni 31	2018/2019	R103,095.00
Matolweni ECDC	Dutywa/Matolweni 12	2018/2019	R92,430.00
Zilinyama ECDC	Elliotdale/Qubuzeni 17	2018/2019	R88,875.00
Upper Timane ECDC	Dutywa/Upper Timane 4	2018/2019	R88,875.00
Zama ECDC	Dutywa/Thornvile 3	2018/2019	R106,650.00
Lusizo ECDC	Willowvale/Luvundu 23	2018/2019	R88,875.00
Thembisa ECDC	Willowvale/Thembisa 25	2018/2019	R88,875.00
Melithafa ECDC	Elliotdale/Melitafa 13	2018/2019	R103,095.00
Muras ECDC	Dutywa/Muru-muru 9	2018/2019	R106,650.00
Pakamisa ECDC	Dutywa/Nkolweni 22	2018/2019	R124,425.00
Manzezulu ECDC	Elliotdale/Mbanyane 20	2018/2019	R88,875.00
Thwalikhulu ECDC	Elliotdale/Hobeni 20	2018/2019	R106,650.00
Dayimane ECDC	Dutywa/Dayimane 6	2018/2019	R106,650.00
Ncedolwethu ECDC	Willowvale/Qwaninga 23	2018/2019	R106,650.00
Njemane ECDC	Dutywa/Njemane 6	2018/2019	R88,875.00
Mhuku ECDC	Dutywa/Mhuku 6	2018/2019	R106,650.00

Silityiwa ECDC	Dutywa/Silityiwa 5	2018/2019	R106,650.00
Phangalele ECDC	Elliotdale/Shinira 26	2018/2019	R106,650.00
Zwelakhe ECDC	Willowvale/Mboya 11	2018/2019	R88,875.00
Phathilizwe ECDC	Willowvale/Xonyeni 24	2018/2019	R92,430.00
Zamuxolo ECDC	Elliotdale/Mncwasa 28	2018/2019	R88,875.00
Pumlani ECDC	Dutywa/Colosa 9	2018/2019	R120,870.00
Zamihlelo ECDC	Ellitdale/Bufumba 17	2018/2019	R88,875.00
Bolotwa ECDC	Dutywa/Bolotwa 5	2018/2019	R209,745.00
Pungula ECDC	Elliotdale/Ntlonyana 26	2018/2019	R92,430.00
Qora ECDC	Dutywa/Qora 21	2018/2019	R92,430.00
Shixini ECDC	Willowvale/Shixini 24	2018/2019	R92,430.00
Sijabulile ECDC	Elliotdale/Ntlonyana 15	2018/2019	R92,430.00
Vukuzenzele ECDC	Elliotdale/Qingqana 17	2018/2019	R92,430.00
Sinethemba ECDC	Willowvale/Makhaleni 24	2018/2019	R124,425.00
Siyazama Ngonyama ECDC	Dutywa/Mputi 2	2018/2019	R110,205.00

Sivelilie ECDC	Willowvale/Bese 25	2018/2019	R110,205.00
Siyazama ECDC	Dutywa/Lusizini 3	2018/2019	R120,870.00
Ebhotwe ECDC	Willowvale/Nqadu 30	2018/2019	R106,650.00
Zanokuhle ECDC	Dutywa/Ziwundwana 31	2018/2019	R88,875.00
Msintsana ECDC	Mdwaka A/A/Elliotdale 18	2018/2019	R105,650.00
Nompha ECDC	Jingqi Location/Willowvale 22	2018/2019	R88,875.00
Fort Malan ECDC	Fort Malan A/A/Willowvale 27	2018/2019	R88,875.00
Ikhwezi ECDC	Falakahla Location/Dutywa 12	2018/2019	R88,875.00
Luzuko ECDC	Emgojweni Location/Elliotdale 28	2018/2019	R88,875.00
Nenemba ECDC	Timane A/A/Dutywa 4	2018/2019	R88,875.00
TOTAL AMOUNT ALLOCATED			R9,128,240.00

FAMILIES AND VICTIM EMPOWERMENT PROGRAMMES FUNDED NPO'S

Project Name	AREA/WARD	DURATION	BUDGET
Dadamba WDCH	Dutywa	2018/2019	R160.000.00
Willowvale CBC	Willowvale	2018/2019	R170.00.00
Duff CBC	Dutywa	2018/2019	R153.585.00
Walter Sisulu CBC	Elliotdale/Melitafa 15	2018/2019	R180.000.00
Doti Famly Preservation	Dutywa/Colosa 7	2018/2019	R55.244.00
Dayimane WDCH	Dutywa/Dayimane 6	2018/2019	R153.585.00
Nqadu WDCH	Willowvale/Nqadu 11	2018/2019	R163.780.00
Masizakhe CBC	Elliotdale	2018/2019	R190.000.00
Masinedane WDCH	Elliotdale/Ntsinigizi 15	2018/2019	R160.056.00
Khayathemba WDCH	Elliotdale 15	2018/2019	R160.000.00
Elliotdale Family Preservation	Dutywa 15	2018/2019	R50.148.00

TOTAL AMOUNT ALLOCATED			R 1,596 398.00
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DEPARTMENT OF SOCIAL DEVELOPMENT

EARLY CHILDHOOD DEVELOPMENT CENTRE

PROGRAMME	AREA/WARD	AMOUNT	DURATION
MASS TRAINING PROGRAMME	Mbhashe	STIPPEND FOR 40 TRAINEES	18/19
TOTAL FUNDS		R 100 000.00	

CLUSTER FOSTER HOME AND DROP IN CENTRE

PROJECT NAME	AREA/WARD	DURATION	BUDGET
Siyakhanisana Drop in Centre	Chamshe 23	201/2019	R164 304
Mbhashe Community Based Cluster Foster Home	Ntlabane 30	2018/2019	R246 603
Total Allocated			R410 907

SUBSTANCE ABUSE PREVENTION AND REHABILITATION			
Project name	AREA/WARD	DURATION	BUDGET
Siyazakha Youth Project	Willowvale	2018/2019	R141 263.00
Sakhulutsha Youth Project	Dutywa 7	2018/2019	R140 000.00
Mbashe TADA	MBHASHE 1	2018/2019	R150,263
Total			R431,526.00

HOME COMMUNITY BASED CENTRE (HCBC)			
PROJECT NAME	AREA/WARD	DURATION	BUDGET
Nywarra HCBC	Nywarra A/A 5	2018/2019	R274,605.00
Nqadu HCBC	Nqadu A/A 11	2018/2019	
Total			

OLDER PERSONS/ AND PEOPLE WITH DISABILITIES/ SERVICE CENTRES FUNDED NPO'S			
PROJECT NAME	AREA/WARD	DURATION	BUDGET
Siphakamise Project for PWD's	Wilowvale 3	2018/2019	R70,000
Ncedolwethu Craft & Sewing for PWD's	Dutywa 6	2018/2019	R80,345
Khayaletu Service Centre	Wilowvale 22	2018/2019	R75.175
Xeni Service Centre	Dutywa 4	2018/2019	R111,175
Mzamomhle Service Centre	Wilowvale 30	2018/2019	R135,175
Masiphile Service Centre	Elliotdale 13	2018/2019	R94,375
Eyethu Service Centre	Elliotdale 15	2018/2019	R106,375
Ncedolwethu Service Centre	Dutywa 2	2018/2019	R139,175

Masongane Project	Dutywa 12	2018/2019	R111,175
Bambanani Service Centre	Wilowvale 23	2018/2019	R111,175
Khulasande Dabane Programme	Elliotdale 15	2018/2019	R89,575
Makukhanye Service Centre	Elliotdale 19	2018/2019	R79,975
Siyakhanya Service Centre	Dutywa 9	2018/2019	R87,175
Siyazama Service Centre	Wilowvale 29	2018/2019	R96,775
Masiyimele Magcaleka S.C	Willowvale 11	2018/2019	R63,175
Bolotwa Service	Dutywa 5	2018/2019	R118,375
TOTAL AMOUNT ALLOCATED			R1.569.195

COMMUNITY DEVELOPMENT

PROJECT NAME	AREA/WARD	DURATION	BUDGET
Dabane Community Garden	Dabane 15	2018/2019	R25,000.00
Ntlabane Poultry Project	Ntlabane 11	2018/2019	R100,058.00
Total Allocated			R125 058
GRAND TOTAL ALLOCATED			R13,810,534.00

DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM

MAIZE PRODUCTION 2018-19

NO	WARD	AREA	PROJECT NAME	HA	CATEGORY	BUDGET R16 346 000- 00
1.	5	Bolotwa	Bolotwa	200 Ha	Own Mechanisation	
2.	3	Ngcingwana	Kwavelindyabo	120 Ha	Own Mechanisation	
3.	4	Esinqumeni	Esinqumeni	200 Ha	Own Mechanisation	
4.	9	Colosa	Colosa	100 Ha	Own Mechanisation	
5	3	Mpepheni	Mpepheni	42 Ha	Subsidized	
6	3	Gwadana	Gwadana	100 Ha	Subsidized	
7.	2	Ndakeni	Ndakeni	55 Ha	Subsidized	
8.	3	Tyholomi	Tyholomi	70 Ha	Subsidized	
9.	31	Ziwundwana	Ziwundwana	80 Ha	Subsidized	
	31	Mqonci	Mqonci	70 Ha	Subsidized	

10					
11.	31	Skobeni	Skobeni	50 Ha	Subsidized
12.	12	Gamgam	Gam-gam	200 Ha	Subsidized
13.	12	Chachazele	Chachazele	60 Ha	Subsidized
14.	12	Xabajiyana	Xabajiyana	60 Ha	Subsidized
15.	2	Sheshegu	Sheshegu	50 Ha	Subsidized
16.	10	Taleni	Taleni	50 Ha	Subsidized
17.	7	Nyhwara	nyhwarha	50 Ha	Subsidized
18.	6	Lota	Lota	40 Ha	Subsidized
19.	7	Candu	Candu	37 Ha	Subsidized
20.	8	Sundwana - Ntilini	Sundwina - Ntilini	75 Ha	Subsidized

21.	12	Mnandi	Mnandi	70Ha	Subsidized
22.	9	Bhongweni	Bhongweni	70 Ha	Subsidized
23.	8	Sundwana - Qombe	Dinglivumile Co-op	40 Ha	Subsidized
24.	3	Qora	Qora	50 Ha	Subsidized
25.	17	Stoneydrift	Stoneydrift	70 Ha	Subsidized
26.	20	Hobeni	Hobeni	100Ha	Subsidized
27.	17	Mpakama	Mpakama	50Ha	Subsidized
28.	15	Xuba	Xuba	50 Ha	Subsidized
29.	17	Ntlantsana	Ntlantsana	30 Ha	Subsidized
30.	32	Madwaleni	Madwaleni	50 Ha	Subsidized
31.	13	Ncihane	Ncihane	30 Ha	Subsidized
32.	18	Nkwalini Bafazi	Nkwalini Bafazi	30 Ha	Subsided
33.	20	Manganyela	Manganyela	50 Ha	Subsidized
	16	Ntlonyana	Ntlonyana	30 Ha	Subsidized

34.					
35.	30	Tswelelitye	Tswelelitye	150 Ha	Subsidized
36.	11	Nqadu Komkhulu	Nqadu Komkhulu	50 Ha	Subsidized
37.	11	Nqadu Chithindla	Nqadu Chithindlala	200 Ha	Subsidized
38.	30	Ntlabane	Ntlabane	50 Ha	Subsidized
39.	30	Gangatha	Gangatha	50 Ha	Subsidized
40.	30	Weza	Weza	50 Ha	Subsidized
41.	23	Qwaninga	Qwaninga	50 Ha	Subsidized
42.	14	Fortboker	Fortboker	65 Ha	Subsidized
43.	14	Mahlezana	Mahlezana	100 Ha	Subsidized
44.	30	Mandluntsha	Mandluntsha	30Ha	Subsidized

45.	11	Dadamba	Dadamba	100 Ha	Subsidized	
46.	22	Mahasana	Mahasana	30 Ha	Subsidized	
47.	22	Ngadla	Ngadla	30 Ha	Subsidized	
	All	All Wards	Siyazondla		Siyazondla	R 193 100.00
	22		Amajingqi Project		Macademia support	R 32 640 000.0 0

DEPARTMENT OF HUMAN SETTLEMENTS

<i>PROJECT NAME</i>	<i>WARD/AREA</i>	<i>BUDGET</i>	<i>DURATION</i>
Willowvale 97,	Willowvale	R8 000 000	2018/19
Elliotdale 292,	Elliotdale	R29 000 000	2018/19
Elliotdale 400	Elliotdale	Planning	Planning
Nqadu Great Place	Willowvale	Planning	Planning

DEPARTMENT OF SPORT ARTS AND CULTURE

PROJECT NAME	WARD/ARE A	BUDGET	DURATION
To get a Representative from the Municipality to sit in the District Geographical Committee	Mbhashe	Provincial	Continuous
To request Councillors to provide a list of villages within their wards for registration purposes and change of spelling as low hanging fruits	Mbhashe	Provincial	Continuous
Councillors to then identify areas that need to be changed and facilitate consultations	Mbhashe	Provincial	Continuous

To request the Municipality as an institution to make an application for registration of villages after a resolution by the council	Mbhashe	Provincial	Continuous
Gazetted names that need to have signage changed i.e. Dutywa, Mbhashe, Mputhi, Qhorha, Nqabarha, Thaleni, Xhorha, Xhorhana	Mbhashe	Provincial	Continuous
Establish a Heritage trail for the Municipality	Mbhashe	Provincial	Continuous
Establish a Liberation route	Mbhashe	Provincial	Continuous
Commemoration of the Local Heroes and Heroines	Mbhashe	Provincial	Continuous
Identify heros and heroines within the Municipality per ward,	Mbhashe	Provincial	Continuous
Start a process of recording ORAL local history	Mbhashe	Provincial	Continuous
Identify Heritage sites per ward and submit to Council	Mbhashe	Provincial	Continuous
Identify historians and Legends per ward	Mbhashe	Provincial	Continuous
Translate information to CDs etc. and avail in libraries	Mbhashe	Provincial	Continuous
Establish local history sections in all libraries	Mbhashe	Provincial	Continuous

Participate in the District Heritage Day Celebrations	Mbhashe	Provincial	Continuous
Flagging of schools and National	Mbhashe	Provincial	Continuous
Convert the existing Dutywa library to a Community museum and declaration of the building as a heritage site.	Mbhashe	Provincial	Continuous
Ultimately build a Hero's arch	Mbhashe	Provincial	Continuous
Identification of local talent per ward	Mbhashe	Provincial	Ongoing
Classification of artists according to their levels in all genres	Mbhashe	Provincial	Ongoing
Advise crafters to form cooperatives and register them as such	Mbhashe	Provincial	Ongoing
Capacitate and register coops	Mbhashe	Provincial	Ongoing
Identify Operational centers for crafters/coops	Mbhashe	Provincial	Ongoing
Procure of equipment e.g. machines, materials etc	Mbhashe	Provincial	Periodically
Engage Dept of Education, Churches, Health for purchasing of uniforms locally per no. of schools in a ward etc through memorandums	Mbhashe	Provincial	In Progress
Create jobs for the youth through massive production	Mbhashe	Provincial	Ongoing

Participate in the Craft Bank	Mbhashe	Provincial	Pending(In Progress)
Encourage other Departments to buy corporate gifts and entertainment locally	Mbhashe	Provincial	Ongoing
Ultimately have a Warehouse where products will be sold	Mbhashe	Provincial	In Progress
Source funding for Artist through ECPACC	Mbhashe	Provincial	Ongoing
Operations for the Art Center	Mbhashe	Provincial	Ongoing
To host the Arts and Culture Festival	Dutywa	R125 000.00	September 2018
Instil a culture of reading and lifelong learning and reduction of high failure rate	Mbhashe	Provincial	April 2018 and September 2018
Payment of library subsidy	Mbhashe	R350 000.00	July 2018 and September 2018
To have partners committing to the cause through signing of agreements Instil a culture of reading and lifelong learning and reduction of high failure rate	Mbhashe	Provincial	Continuous
Adoption of schools – each library adopt a school etc	Mbhashe	Provincial	Continuous
Have a list of schools per ward	Mbhashe	Provincial	Continuous
Establishment of book clubs in all schools	Mbhashe	Provincial	Continuous

Procurement and delivery of library materials to all libraries(8)	Mbhashe	R7 million Provincial	Continuous
To have books by local writers available in all libraries	Mbhashe	Provincial	Continuous
To transfer a subsidy for library operations	Mbhashe	R350 000.00	July 2018 – September 2018
Opening of Nqabarha Modular library	Willowvale	R250 000.00	August 2018
To participate in the following events aimed at marketing libraries; S.A. Library week, World book day, National book week etc	Mbhashe	Provincial	Continuous
Horse Racing	Mbhashe	R50 000.00	September 2018
Recreation Community Festival	Mbhashe	R24 000.00	October 2018
Ngumbela Traditional Horse Race & Fun Run/Walk Festival	Mbhashe	R50 000.00	July 2018
Traditional Horse Race & Fun Run/Walk	Mbhashe	R15 000.00	July 2018
Traditional Horse Race & Fun Run	Mbhashe	R50 000.00	September 2018
Support Identified Clubs and Leagues with equipment and attire	Mbhashe	R400 000.00	Continuous
Soccer Festival	Mbhashe	R64 000.00	October 2018
Indigenous Games Training Workshop	Mbhashe	Provincial	February 2019

Build Up for school leagues both summer and winter	Mbhashe	Provincial	May 2018 and September 2018
Build Up for Athletics championships	Mbhashe	R30 000.00	November 2018
Rural Sport Program/ Nqadu Great Place (Willowvale),	Mbhashe	Provincial	June 2018
Capacity Building workshop (Technical Officials)	Mbhashe	Provincial	Continuous
Support Hubs with Equipment	Mbhashe	Provincial	September 2018
Recreation Community Festival	Mqhele	R24 000.00	October 2018
District Rural Sport Development programme	Nqadu Great Place	Provincial	November 2018
Recreational Hub festical	Fort Malan	R10 000.00	September 2018
Recreational Hub festival	Mqhele	R10 000.00	March 2019
Recreational Hub festival	Ngqaqini	R10 000.00	September 2018
District Rural Road Race	Nqadu Great Place	Provincial	November 2018

DEPARTMENT OF ENVIRONMENTAL AFFAIRS

WARD PLANS

Soon after the new council was sworn in, Mayoral Imbizos were held all over Mbhashe. The Honourable Executive Mayor assisted by the Mayoral Committee visited all 32 wards in Mbhashe to source out amongst other things what the community's priorities are. In November 2017. All Ward Committees through Ward Councilors started on a project of profiling each village in each ward. Information was sourced on the availability of infrastructure, roads, schools, health facilities.

The table below lists 3 priorities per ward and additional requests from communities which will remain unfunded in the next financial years up to 2022. In each IDP reviewal it has been agreed with communities that prioritization of projects will come out of the lists submitted unless changes come from the wards. However, any additional funding will assist in making sure that some of these plans do come to fruition.

WARD	PRIORITIES	ADDITIONAL PRIORITIES
01	1.Electronic pump for windmill 2.Community Hall 3.Seedlings and Fertilizers	
02	1.Sofuthe to Ndakeni access road 2.Ndakeni dipping tank 3.Dam @ Goodhope	4.High mast at Goodhope 5.Water (Mamfeneni and Upper Qhora loc) 6.Good hope community hall 7.Fencing of meal fields @ Ndakeni 8.Toilets (Upper Qhora) 9.Fencing of Mamfeneni community Hall 10.Electricity(infills) 11.Ndakeni Community Hall
03	1.Tyholomi dipping tank 2.Bridge @mpepheni location 3.Nkolweni access road (new)	4.Gwadana mission to mahliwane access road 5.Morrison to magqazeni access road 6.Mpepheni via topiya voting station to tyholomi access road 7.Fencing of nxukhwebe ploughing fields 8.Water at lencane and matolweni 9.Water at nkolweni,mahliwana and mavata 10.Toilets at lencane,matolweni, mpepheni and qelana 11.Electricity in whole ward (infills)
04	1.Access road from maxhama-pakamile sps 2.Shearing shed- Gxara a/a,Zamuxolo,Timane,Mangwevini,Zwelakhe,Rwan tsini 3.Fencing @Gxarha & Zamuxolo	

05	<ol style="list-style-type: none"> 1. Cizama to singeni access road. 2. Jadezweni bridge. 3. Mbaga shearing shed. 	<ol style="list-style-type: none"> 4. Nyakatha to hololoshe access road. 5. Fencing at zanohlanga and vinindwa. 6. Taps at upper bolotwa. 7. Windmill at bolotwa. 8. Hall at mazizini. 9. Dongas in vinindwa graveyard. 10. Nyakatha shearing shed 11. Bolotwa hall phase 2 12. Mbanga access road from four corner to skhom. 13. Funding of jadezweni co-ops. 14. Fencing at mazizini and singeni. 15. Shearing shed at upper bolotwa. 16. Zanohlanga community hall.
6	<ol style="list-style-type: none"> 1. Water- Machibini, Bethane/Njemane, Ntlakwesopro Machibini-windmill needed. 2. Bridges: Silityiwa, Vonqo, Madaka Makhobokeni 3. Makhobokeni shearing shed 	<ol style="list-style-type: none"> 4. Nqabane Clinic 5. Electrification – Nimrod Location 6. Access Road – Mhuku to Machibini 7. Access Road - Luxeni to Nyandeni 8. Access Road – Lotha Clinic to Machibini
7	<ol style="list-style-type: none"> 1. Mbelo needs water and sanitation 2. Mbelo access road 3. Thamsanqa access road 	<ol style="list-style-type: none"> 4. Ludondolo community hall 5. Gungululu access road 6. Mhala access road maintenance
8	<ol style="list-style-type: none"> 1. Phelandaba to Macirheni access road 2. Mpuku to Naki access road 3. Vulingcobo S.S.S. access road 	<ol style="list-style-type: none"> 4. Fencing - @ xobo, bangani, chaphaza-halube and ndulwini 5. Maintenance of access roads @ maqundeni- Chaphaza, maqhinebeni –ngcolosa, sitishini – Ndulwini, old dale school, bhavuma & khanya 6. Shearing sheds @ Gxogxa, Bhavuma, Laphumilanga, Nomatye and Nweleni 7. Renovation of shearing sheds @ Sundwane and Xobo
9	<ol style="list-style-type: none"> 1. Fencing of fields at Dubisiko, Mangathi 	<ol style="list-style-type: none"> 4. Komkhulu access road

	2.Sizini access road 3.Surfacing at govern Mbeki township	5.Govern Mbeki to Doti access road 6.EXT 8 provision of water and street light 7.Auckland streetlights
10	1.Machani access road 2.Bomela swing bridge 3.Taleni – Mtuvi access road	4.Magqabi swing bridge 5.Noholland-mbukuqu access road 6.Water all wards 7.Dams all wards 8.Fencing of mealie-fields @ Rhwasini, Machani,Mtuvi,Willow- Zembe,Bende-Qakazana 9.Shearing sheds -all wards 10.Sport fields- all wards 11.Houses- all wards
11	1. Weza dam 2.Weza clinic 3.High mast @ Weza	4.RDP houses 5.Ncedana dip not complete 6.Sheep dipping tank not done 7.Bridge trough to Nkanga 8.Madluntsha access road 9.Qgunc dip tank for renovations 10.Bonde access road & dipping tank
12	1.Mangwevini- access road 2.Thethiswayo/ Nqabarha river bridge 3.Mobile clinics: Lower Falakahla, Zomtsha, Bomela, Jem	
13	1.River view to Langeni access road 2.Fameni community hall 3.Water- whole ward	4.RDP houses 5.Renovation of river view dipping tanks 6.Finishing of electricity for Gwentesh, Mnyameni and Nongathi locations
14	1. Access roads-Bikane 2. Access Road -Hlakothi-Ngakwamkwane 3. Access Road -Sunduza-Lukhozana	
15	1.Mtshayelo,sholora J.S.S to Gombe access road 2.Gwelani access road 3.Bobani access road	4.Community hall @ Xhuba 5. Electrification @Tsholorha

16	<ol style="list-style-type: none"> 1. Access roads –Mngazana 2. Access Road -MT pleasant to Madwaleni 	
17	<ol style="list-style-type: none"> 1. Access road from Manzi to Ngangolwandle school 2. Access road at Lower Bufumba needs maintenance 3. Ntsingizi hall need maintenance (ceiling retaining water on rainy days) 	
18	<ol style="list-style-type: none"> 1. Jikanaye via Nkonxeni to Gwebityala Access road 2. Sport field at Mndwaka (xakaxa village) 3. Mndwaka community hall 	
19	<ol style="list-style-type: none"> 1. Mkatazo- Folokwe A/R 2. Coastal development from Mbolompa to Bulungula 3. Mpame Shearing shed 	
20	<ol style="list-style-type: none"> 1. Hobeni high school should appear in the IDP there is a donor who is prepared to build it. 2. Dipping tank at lower Mbhanyana-renovations. 3. Access roads : Bhula to Hobeni. 	<ol style="list-style-type: none"> 4. Makhameni to lalini 5. Mgqadaza to Komkhulu to Ngxabane 6. Ploughing to be assisted. 7. Training centre for youth. 8. Nature gate to ocean
21	<ol style="list-style-type: none"> 1. Community hall at Mpume (Dutch) 2. Dipping tank at Ngoma 3. Access road from main road to Komkhulu 	
22	<ol style="list-style-type: none"> 1. Fumbatha, Mandluntsha Zigwinta access road (Ngadla) 2. Jotelo dipping facility 3. Lower Jotela ECDC centre 	<p>ROADS NETWORKS</p> <ol style="list-style-type: none"> 1. Fumbatha, Mandluntsha Zigwinta access road (Ngadla) 2. Jongibandla/kwadumezweni to Ediphini access road (Zanemvula) 3. Esityabeni access road (Chamshe) 4. Kwantloko to Kwadubula access road (gojela) 5. Qangu access road (Chamshe) 6. sihlani to goqo jss access road (goqo) 7. maxixibeni access road (nquba)

8. ntshingeni access road (hlabizulu)
9. kulodwenga access road (dumalisile)
10. Nombewu access road (Chamshe)
11. Nocekedwa bridge to Sebeni (Beechamwood)
12. Msizilweni access road (Hlabizulu)
13. Xazini access road (Zanemvula)
14. Mtshayelweni access road (Ngadla)
15. Chamshe to Nquba access road
16. Nompha access road
17. Mgxabakazi to Nompha access road with a bridge
18. Road surfacing from Willowvale to Tenza beach via Dumalisile.
19. road surfacing from Badi store to Tenza beach

COMMUNITY FACILITIES

1. Jotelo foot bridge for school kids to Ngadla J.S.S
2. foot bridge in esihlanini to Goqo J.S.S
3. Ngadla sport grounds
4. Dumalisile sport grounds
5. Chamshe sport grounds
6. Zamalek sport grounds
7. Ngadla clinic
8. Upgrading of existing schools to accommodate our quality education programme.
9. a primary school in Jotelo

EARLY CHILDHOOD DEVELOPMENT CENTRES

1. Nompha ECDC centre

2. Nowaka ECDC centre
3. folokwe ECDC centre
4. Ndlelibanzi ECDC centre
5. Lower Jotela ECDC centre
6. Upper Jotela ECDC centre
7. fumbatha ECDC centre
8. Mgwevu ECDC centre
9. mtshayelo ECDC centre
10. sebeni ECDC centre
11. sihlanini ECDC centre
12. Qangu ECDC centre
13. Msizilweni ECDC centre

**LED, AGRICULTURE, TOURISM AND HERITAGE
RELATED PROPOSALS**

1. farmers support centre (tractors, Agric implements, stock feed and fertilizers)
2. Tenza beach accommodations, conference facility and fish farming boutique.
3. beechamwood trading, food preservation and storage and distribution centre
4. Johannes Notyhawe community library and heritage centre
5. Tenza beach sea water swimming pool and jungle gym for kids
6. Fencing, marking and clearing of fort beechamwood.
7. erection of a story board in Johannes Notyhawa community hall
8. Jotelo dipping facility
9. fencing of a maize ploughing project in Jotelo
10. Game farming in Nqabarhana/shixini.

		human resource development <ol style="list-style-type: none"> 1. computer training 2. training of artisans 3. abet training 4. bursaries
23	<ol style="list-style-type: none"> 1. Mcinga to Mgwebi access road 2. Ligwa project 3. Mntongana to Mantlaneni Access Road 	<ol style="list-style-type: none"> 4. Deforestation @Ngxutyana A/A, Mgwebi, Nobebele A/A, Sunshine (Gora) 5. Maintenance of Nobebele access road 6. Hadi, nebelele & mhabumvomvu sport field 7. Luvundu access road 8. Hadi electrification 9. Qwaninga skill centre
24	<ol style="list-style-type: none"> 1. Community hall 2. Mbityana access road 3. Upper Gwadu and Ntilini swing bridge 	<ol style="list-style-type: none"> 4. Sanitation 5. Infills electrification 6. Multipurpose sport field/centre (lower Gwadu) 7. Mbozi village electrification 8. Mbityana access road 9. Dam scooping lower Gwadu 10. Baqo toilets and water (water and sanitation)
25	<ol style="list-style-type: none"> 1. Access road from town via Ntlulabokhwe to Zwelilungile J.S.S 2. Mqothwane Bridge 3. High Mast at Maxelegwini 	
26	<ol style="list-style-type: none"> 1. Tayi to Qwili access road 2. Nowonga /Pungula community hall 3. Shearing shed @ Ngqwangele 	<ol style="list-style-type: none"> 4. 5. Ngqatyana shearing shed 6. Kulonginza dipping tank 7. Nowonga/Pungula shearing shed 8. Ngqwangele sport field 9. Dams whole ward 10. Community hall @Ngqatyana

		11.Nowonga/Pungula sport field 12.ECDC @ Ngqwangele(kumajola) 13. Fencing of mealie fields @ Pungula-Nowonga and Ngqwangele 14.Ntlonyana farmers association- stock remedy-stock feed-water pump-sprinkler irrigation for the 15.Project Access road from Bhaxa to Zilangweni access road
27	1.Tywaka access road 2.Lazamakaka access road 3.Lubomvini sport ground	4.Slab at Ntilini bridge/Nkelekethe 5.Gwadu sport ground 6.Mfezane sport ground 7.Clinic Mfezane 8.Fort Malan- Mabobodi village access road 9.Access road to Komkhulu- fort Malan 10.Electrification of Nkelethe 11.Ntilini maintenance of access roads 12.Infills electrification-Mhlohlozi 13.Lubomvini access road
28	1. Mqhele Store – Mrhale Access Road 2. Fencing of Madwaleni & Mqhele 3. Renovation of Sports Field	
29	1.Access roads- Mpume to gate Nqabarha to ntubeni Nkhatha Mhlanga Kunene 2.Dipping tanks- Nkatha Nondobo Nqabarha Mevana	
30	1.Matolweni access road to Kulozulu J.S.S 2.Gangatha playground 3.Ntlabane-gangatha dipping tanks	
31	1. Sikhobeni – Chaba - Mbewuleni	

	2. Mbewuleni – Jojweni access road 3. Zundawana Hall	
32	1.Community hall@ Madwaleni 2.Sport field @ Vuyisile 3.Notofa to Xanase road	4.Caweni to Maxhama access road 5. electricity @Nkanya and Qatywa 6.Xanase to Sundwana access road 7.Bhakaneni to palini road 8.Madwaleni to nkanya lodge(tar) 9. Xanasi to Sundwani Access Road 10.Tubeni to Nomswempezo access road clinic to Ntlokweni road 11..Nonyenza to Thafeni road 12.Manganyela to Nobangile school Kalweni to Chwebeni Nkanya to Sundwani Gulu to Madwaleni 13.Fixing of water pipes – tombo,nonyenza,sundwane 14.Sportground-Madwaleni, Nkanya, Gusi 15.Dipping tank –madwaleni,qatywa 16.ECDC 17.Electricity-Nkanya,Qatywa 18.Toilets project incomplete 19.Ubuqholo programme 20.stock remedy 21..ECDC @ Maxhama 22..Mncikanana to Mpenge road

CHAPTER 6

PERFORMANCE MANAGEMENT SYSTEMS

PERFORMANCE MANAGEMENT FRAMEWORK

1. The Systems Act requires municipalities to develop a performance management system.
2. The municipality should also set targets, monitor and review performance based on indicators linked to their IDP.
3. Publish an annual report on performance for the councillors, staff, the public and other spheres of government.
4. Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.
5. Involve the community in setting indicators and targets and reviewing municipal performance

The Mbashe Municipality in responding to the above requirements developed the following tools aimed at operationalizing its PMS.

- Performance management framework
- Performance contracts and agreements
- SDBIP
- Annual performance report

The Mbashe Local Municipality reviewed and adopted a performance management framework represented as revised in this document. On this exercise, the municipality was financially assisted by Amathole district municipality. The outlines of the Framework includes; objectives, principles, process, procedures and the model that guides how the municipality implements its performance planning, monitoring, review, reporting, auditing and evaluation.

It further, identifies the key stakeholders and their respective roles in the managing of municipal performance management.

In August 2001 regulations on municipal planning and performance management were published by the Department of Provincial and Local Government (dplg) to further explain the requirements of the LG Municipal Systems Act 32 of 2000.

According to the regulations a municipal PMS must ensure that it:

- a) Complies with all the requirements set out in the Municipal Systems Act;
- b) Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- c) Clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- d) Clarifies the processes of implementing the system within the framework of the integrated development planning process;
- e) Determines the frequency of reporting and the lines of accountability for performance;
- f) Relates to the municipality's employee performance management processes;
- g) Provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):

- a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) The percentage of households earning less than R1100 per month with access to free basic services;
- c) The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) The number of jobs created through municipality's local economic development initiatives including capital projects
- e) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- f) The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- g) Auditing of performance reports at least twice annually the council will be required to receive and endorse municipal performance reports for submission to the audit committee. These reports must be prepared by the management team and received by council by the same deadlines for review mentioned earlier.

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's Performance Management System;
- The compliance of the system with the legislation; and
- The extent to which performance measurements

Audit Committee

The Municipal Council must ensure that the mandate of the audit committee includes the responsibility for auditing performance reports at least twice annually. It is suggested that before the municipal performance report is tabled to the audit committee, it must be seen by the internal auditor for his/her advice. This will minimise possibilities for adverse outcome opinions on the report.

In composing the municipal audit committee Council must ensure that:

- a) All members of the audit committee should not be councillors of the municipality
- b) Chairperson of the Audit Committee is neither a councillor nor an employee of the municipality;
- c) Members of the Audit Committee have credibility within the communities and organs of civil society; and the
- d) The operation of the audit committee must be governed by Municipal Finance Management Act, Section 166 and also the National Treasury regulations, section 3 as follows, the performance audit committee will:
 - e) Review the quarterly reports submitted to it by internal audit unit;
 - f) Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
 - g) Assess whether the performance indicators are sufficient;
 - h) At least twice during a financial year submit an audit report to the municipal council.
- i) The audit committee should also be tasked with assessing the reliability of information reported. In order to fulfil its function, a performance audit committee may in accordance with the regulations:
- j) Communicate directly with the Council, Municipal Manager or internal; and external auditors of the municipality concerned;
- k) Access any municipal records containing information that is needed to perform its powers;
- l) Request any relevant person to attend any of its meetings, and if necessary to provide information requested by the committee; and
- m) Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

7.1. INTRODUCTION AND BACKGROUND

Section 26 of the Local Government: Municipal Systems Act (Act No 32 of 2000) as amended lists the core components of and Integrated Development Plan for all municipalities and section 26(h) requires the IDP to include a Financial Management Plan which “must include a budget projection for at least the next three years”. Mbhashe Municipality has prepared this Financial Plan for 2018/19 in compliance with Section 26(h) of the Municipal Systems Act, as amended.

The IDP is a guiding document for the Municipality’s 2018/19 budget planning process. The IDP’s outcome is the alignment of all departmental planning processes to the mission and vision of the Municipality in achieving its long-term strategic goals. Therefore, the Financial Plan ensures that the objectives of the IDP are achieved over its implementation period, and also strives to ensure that scarce resources are obtained timeously and allocated to the relevant projects in line with the key targets of the IDP. The fundamental goal of the Municipality in all its processes is to enhance service delivery to its community and contribute to improved socio-economic activities for its citizens. The municipality has complied fully in the implementation of the Municipal Regulations on a Standard Chart of Accounts (*mSCOA*) since 01st July 2017.

The financial plan includes an Operating Budget and Capital Budget for the 2018/19 MTERF period which is informed by the Integrated Development Plan priorities and strategic direction of the Municipality.

7.2. OVERVIEW OF THE MEDIUM TERM REVENUE AND EXPENDITURE BUDGET

Each department in the Municipality had to review the business planning process, setting of priorities and targets to compile the 2018/19 MRTEF operational and capital budgets. The application of sound financial management principles for the compilation of Mbhashe Municipality’s Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The table below shows a summary of Mbhashe Municipality’s 2018/19 MTREF budget.

DETAILS	REVISED BUDGET CURRENT YEAR 2017/18	PROJECTED FORECAST BUDGET YEAR 2018/19	PROJECTED FORECAST OUTER YEAR 2019/20	PROJECTED FORECAST OUTER YEAR 2020/21
TOTAL INCOME	R 361 556 108	R 345 064 000	R 349 860 050	R 363 583 953
TOTAL EXPENDITURE	R 432 566 452	R 416 074 344	R 424 420 911	R 441 812 857
SURPLUS/(DEFICIT) for the year	(R 71 010 344)	(R 71 010 344)	(R 74 560 861)	(R 78 288 904)

Total operating revenue has decreased by 5% for the 2018/2019 financial year when compared to the 2017/2018 Revised Budget and will also increase by 1 % and 4% for both outer years respectively.

Total expenditure for the 2018/2019 financial year has been appropriated at R416.7 million. When compared to the 2017/2018 Revised Budget, operational expenditure has decreased by 4% per cent in the 2018/2019 budget year and grown by 2% and 4 % each on the respective outer years of the MTREF.

7.2.1 Operational Budget

7.2.1 Operational Budget

The following table represents the 2018/19 MTREF Operational Budget

Description	2014/15	2015/16	2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source								
Property rates	6,314,558	7,701,146	4,032,478	4,246,202	5,246,202	5,700,000	5,985,000	6,284,250
Service charges - refuse revenue	1,820,166	1,322,908	474,527	1,267,000	1,267,000	1,300,000	1,365,000	1,433,250
Rental of facilities and equipment	1,015,779	1,560,004	1,894,531	50,907,592	8,332,592	6,500,000	6,825,000	7,166,250
Interest earned - external investments	9,068,446	9,004,105	5,111,777	11,678,662	9,878,662	3,000,000	3,150,000	3,307,500
Interest earned - outstanding debtors	-	-	82,957	-	-	-	-	-
Fines, penalties and forfeits	392,313	2,208,895	3,098,393	8,000,000	8,000,000	6,000,000	6,300,000	6,615,000
Licences and permits	742,726	731,769	1,415,198	-	-	-	-	-
Transfers and subsidies-Operational	169,880,286	197,685,874	214,240,860	225,761,000	225,761,000	232,176,000	238,430,550	250,263,578
Transfers and subsidies-Capital	50,640,000	92,311,536	82,745,000	75,027,000	75,027,000	79,138,000	75,992,000	76,111,000
Other revenue	5,761,249	4,852,273	72,717,363	43,243,652	28,043,652	11,250,000	11,812,500	12,403,125
Total Revenue	245,635,523	317,378,510	385,813,084	420,131,108	361,556,108	345,064,000	349,860,050	363,583,953
Expenditure By Type								
Employee related costs	43,316,669	79,490,942	120,917,690	112,994,309	125,273,119	114,677,577	13,492,000	13,504,600
Remuneration of councillors	21,814,912	23,984,032	23,319,930	22,279,518	22,790,708	24,108,889	25,314,332	26,582,049
Debt impairment	2,554,155	2,084,685	458,257	1,010,344	1,010,344	1,010,344	1,060,861	1,113,904
Depreciation & asset impairment	58,473,922	69,116,580	68,997,678	70,000,000	70,000,000	70,000,000	73,500,000	77,175,000
Finance charges	3,835,823	15,294,347	9,121,966	-	-	-	-	-
Project Expenditure	74,776,182	138,696,400	174,102,555	205,990,141	151,506,481	127,139,535	235,061,718	247,386,304
Loss on disposal of PPE	2,281,325	2,517,045	-	-	-	-	-	-
Capital Expenditure	50,640,000	92,311,536	82,745,000	77,867,140	61,985,800	79,138,000	75,992,000	76,111,000
Total Expenditure	257,692,988	423,495,567	479,663,076	490,141,452	432,566,452	416,074,344	424,420,911	441,872,857

From the above table it can be seen that the total revenue equates to R 345.1 million for the 2018/19 financial year (inclusive of operating and capital grants and subsidies). The total operating expenditure is in the excess of R 416.1 million (including non-cash items) for the same financial year, resulting in an operating deficit of around R71. Million made up of non cash items. The current revenue and expenditure trends have informed the following assumptions:

- I. Average decrease of 5 per cent on total income over the MTREF period.
- II. Property Rates budget has increased by 5% across the 2018/19 MTREF
- III. Employee related costs have increased by 7% in the budget year and increased at an average of 5 per cent per annum over the outer years also.
- IV. Interest on investments decreased by 70% 2018/19 financial year and increase by 5% in the outer years.
- V. The municipality remains grant dependent with its revenue base comprising of 90 per cent of grants and subsidies income and 10 per cent own revenue in the budget year.

7.2.2 Budget and Treasury office policies

The Municipality's budget process is guided and governed by the relevant legislative frameworks, strategies and related policies. The Budget and Treasury Office has reviewed the following policies for adoption by Council before the end of the 2017/2018 financial year. The policies are set to provide a sound financial base and assist in the achievement of Budget and Treasury Office's respective IDP priorities.

- I. Supply Chain Management policy
- II. Asset Management Policy
- III. Credit Control and Debt Collection Policy
- IV. Banking Policy
- V. Tariff Policy
- VI. Property Rates Policy
- VII. Virement Policy
- VIII. Creditors, Councillors and Payments Policy
- IX. Petty cash policy
- X. Borrowing Policy
- XI. EFT Policy
- XII. Funding and Reserves Policy
- XIII. Long-Term Financial Planning Policy
- XIV. Policy on Planning and Approval of Capital Projects

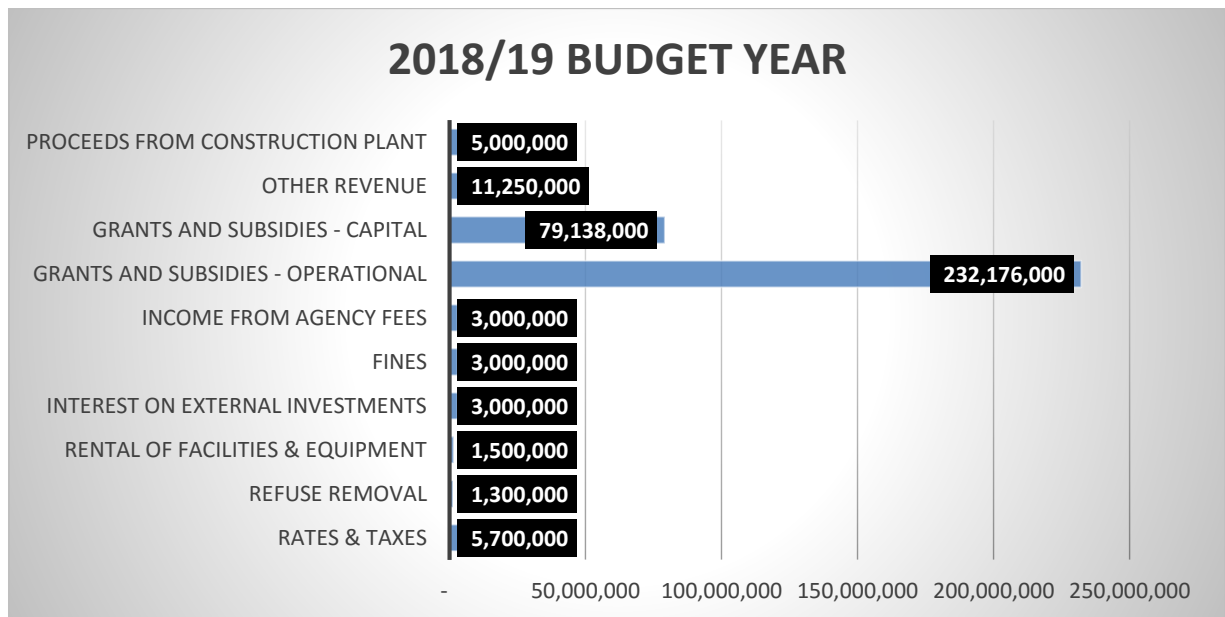
- XV. Related Party Policy
- XVI. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
- XVII. SCM Process Turn-around Policy
- XVIII. Commodity Based Procurement Policy
- XIX. Investment Policy
- XX. Infrastructure Procurement and Delivery Management Policy
- XXI. Management of Accumulated Surplus/Deficit and Bad Debts Policy
- XXII. Payroll Management and Administration Policy
- XXIII. Fleet Management Policy
- XXIV. Write- off of irrecoverable Debts Policy

Budget and Treasury Office is reviewing its policies annually due to changes in the municipal environment and to ensure that changes in legislation, IDP priorities and administrative processes are aligned to its policies.

7.2.3 Revenue Strategies

For Mphashe Municipality to continue improving the quality of services provided to its community it needs to generate the required levels of revenue. Due to the rural nature of the Municipality, it becomes difficult to raise own revenue therefore, strong revenue management is fundamental to the financial sustainability of the municipality. The Municipality is currently faced with development backlogs, low household income levels with only 39% of household earning a monthly income equal to or higher than R3 000 and lack of human resource capacity. This has made it difficult for the Municipality calculating tariff increases and balancing expenditures against realistically anticipated revenues.

Mphashe Municipality's main sources of revenue that are substantial are from the levying of assessment rates and service charges for refuse removal. The figure below indicates the Municipality's main sources of revenue that are funding the 2018/2019 operation budget year.



The municipality's revenue strategy is built around the following key components:

- I. National Treasury's guidelines and macroeconomic policy;
- II. Growth in the municipality and continued economic development;
- III. Efficient revenue management, which aims to ensure a 100% annual collection rate for property rates after the implementation of the Council resolution on debt write-off and on refuse removal charges overtime;
- IV. Achievement of full cost recovery of specific user charges especially in relation to trading services;
- V. Using our own plant machinery for construction of roads and thus generating own revenue
- VI. Determining the tariff escalation rate by establishing the revenue requirement of each service;
- VII. The Municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004);
- VIII. Increase ability to extend new services and recover costs;
- IX. Establishing and maintaining a fully functional DLTC and RA;
- X. The municipality's Indigent Policy and rendering of free basic service

Due to the current constraints and challenges facing the Municipality, the Municipality has decided to embark on a review of its revenue enhancement strategies which resulted in an allocation of a budgeted of R 200 000 in the 2018/19 financial year. Amongst the revenue strategies to be explored will be the Drivers Licence Testing Centre (DLTC) which is operating already and Registering Authority (RA). The municipality has also acquired three sets of plant machinery and these will also contribute a great deal in own revenue generating with a projection of R 5 000 000 in the 2018/19 financial period. The municipality has appointed a debt collector to follow up on all long outstanding debts, and in the previous periods the debt collector has performed tremendously, as the municipality has an average of 80% collection rate.

During the current financial year of 2018/2019, the Municipality developed revenue enhancement strategies which focused mainly on the following factors:

- I. Accuracy of billing information which included the implementation and continuous monitoring of the data cleaning exercise's recommendations and day-to-day operations of revenue generating departments;
- II. Implementation of an Indigent Register with focus on the development of memorandums of understanding with the following stakeholders:
 - o Eskom
 - o The South African Social Security Agency
 - o House of Traditional Leaders Association
 - o Eastern Cape Provincial Government
- III. Pay point management with emphasis on the accessibility of customer billing information from Municipality's satellite offices in Willowvale and Elliotdale towns;
- IV. Customer Care Management with focus on an integrated customer care centre
- V. Tariff structure review with emphasis on cost reflective tariffs to be applied on Municipal revenue generating services;
- VI. Municipal property leases focusing on the registration of Municipal property occupants as debtors to the billing database to ensure application of debt collection processes once rental is overdue;
- VII. Appointment of a debt collector to assist the Municipality collect outstanding debt;
- VIII. Upgrading of the Municipality's traffic services with DLTC and RA
- IX. Improvement in the impounding of livestock with a development of policy and by-laws on auctioning of livestock;
- X. Review of asset management policy and strategy;
- XI. Alignment of the Revenue Enhancement Strategy with the LED Strategy; and

- XII. Utilising our own plant machinery to construct MIG funded roads and thus maximising the opportunity costs that comes with redistribution of.

In implementing the revenue enhancement strategy, the following activities have been earmarked over the 2018/2019 MTREF period:

- I. Improvement in the administration of contracts of sales and leases in respect of municipality's immovable properties by implementing the recommendations of the data cleansing exercise to assist the Municipality in verifying all municipal property leases to ensure compliance and enforcement and noting of common problems.
- II. The Municipality has appointed a debt collector to improve revenue collections and implementation of the Municipality's debt collection policy.
- III. The Municipality has generated revenue during the 2017/2018 financial year on pound fees through auctions and is in a process of developing a pounding policy. The Municipality is considering opening pound centres in the Elliotdale and Willowvale town areas to enhance revenue.
- IV. There was also a disposal of movable assets during 2016/17 through an auction held.
- V. Currently, Eskom is the distributor of electricity within the Mbhashe area of jurisdiction. The Municipality is current exploring an application of an electricity distribution license to the National Energy Regulation of South Africa. Electricity distribution by the Municipality can generate additional revenue and can also act as a debt collection mechanism.
- VI. Utilise the plant machinery for construction of access roads and thus generate revenue.

7.2.4 Equitable Share

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution. In terms of these provisions, local government is entitled to an equitable share of nationally raised revenue to enable municipalities to provide basic services to low-income households and to assist municipalities in maintaining functioning administrations.

Equitable share takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. According to the Division of Revenue Act (DoRA), the equitable share allocation comprise of the following components:

- I. Basic services component
- II. Development component
- III. Institutional support component
- IV. Revenue Raising Capacity
- V. Correction and stability factor

DESCRIPTION	REVISED BUDGET CURRENT 2017/18	BUDGET YEAR 2018/19	BUDGET YEAR 2019/20	BUDGET YEAR 2018/19
EQUITABLE SHARE	R 218 025 000	R 225 391 000	R 243 648 000	R 260 961 000
FREE BASIS SERVICES	R 8 135 300	R 9 015 640	R 9 745 920	R 10 438 440
FREE BASIC SERVICES as % of Equitable Share Allocation	4%	4%	4%	4%

It should be noted that the basic services component support poor households earning less than R2 300 per month based on the Census 2011 data. This is an income threshold that is less than the qualification threshold as stipulated in the Municipality's Indigent Policy. It also distinguishes between poor households currently receiving municipal services and those provided with lesser municipal services or no services. The municipality should prioritise its budget towards poor households and national priorities such as free basic services and the expanded public works programme.

The equitable share allocation analysis is shown in the table below:

From the table above, the equitable share is showing a growth of 3 per cent in 2018/19 financial year compared to the allocation of R218 million in 2017/18 Budget period.

The municipality is currently providing alternative energy sources for non-electrified areas in the rural areas through maintenance of solar systems as per the indigent policy. The municipality also provides a subsidy for prepaid electricity in rural areas for registered indigents through an agreement with Eskom. The table above shows that an average of 5 per cent of the total equitable share is allocated to subsidise for the provision of free basic services including the pre-paid electricity and provision of alternative sources of energy to qualified indigent households. With more than 60 per cent of the total household population within the Municipality earning less than R 3000, it is anticipated that the indigent subsidy currently provided might not be sufficient to cover all indigent households once the registration process is complete. The municipality has also embarked on extending its waste management programme to rural communities through the rural waste collection programme.

i. Operating Grants and Subsidies

GRANTS	REVISED BUDGET CURRENT YEAR 2017/18	PROJECTED FORECAST BUDGET YEAR 2018/19	PROJECTED FORECAST BUDGET YEAR 2019/20	PROJECTED FORECAST BUDGET YEAR 2020/21
MIG	58 027 000	70 192 000	59 992 000	63 311 000
EQUITABLE SHARE	218 025 000	225 391 000	243 648 000	260 961 000
ELECTRIFICATION	14 000 000	8 946 000	16 000 000	12 800 000
EPWP	4 236 000	5 015 000	NIL	NIL
FMG	1 700 000	1 770 000	1 770 000	1 770 000
LGSETA	100 000	NIL	NIL	NIL
LIBRARY SUBSIDY	350 000	NIL	NIL	NIL

With the promulgation of the Division of Revenue Act, 2013, cognisance needs to be taken of the following operating grant and subsidies allocations:

From the table above, it is evident that Equitable Share still remains a significant operating grant funding source for the implementation of free basic services amongst others.

7.2.5 Expenditure Management

A major strategy related to the outcome of this financial plan was aligned to generating further operational gains and efficiencies to ensure the Municipality undertakes detail financial planning aligned to budgeting for improved service delivery. The operating expenditure budget is a direct product of this initiative, of which operational capacity created has been directed to the capital affordability limitations.

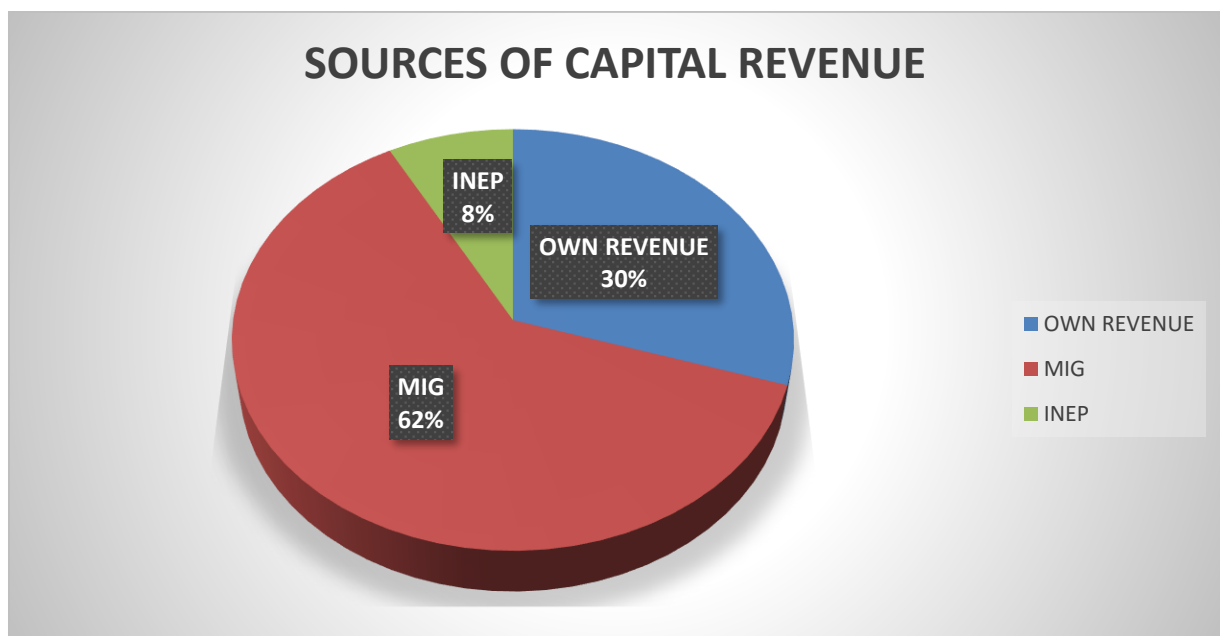
Total operating expenditure is estimated to increase by an average of 13 per cent over the 2018/2019 MTERF budget period with total income expected to increase by an average of 15 per cent over the same period. The operating surplus margins are very low and may affect the sustainability of the Municipality. The Municipality has reviewed its Supply Chain Management Policy to ensure that procurement processes are implemented in compliance to SCM regulations and therefore minimize the occurrence of irregular expenditure.

7.2.7 Municipal Infrastructure Grant

The MIG supports the broader objectives of the Municipality in the delivery of basic services to poor households and the alleviation of poverty. With the maintenance of access roads and construction of community halls, the economic development of Mphashe Municipality is stimulated and also contributes to job creation. The largest infrastructure transfer for the 2018/19 financial year remains the Municipal Infrastructure Grant with a total budget of over R70 million.

7.2.8 Sources of Capital Expenditure

The figure below is graphic illustration of the sources of funding for the capital expenditure for the 2018/19 financial year



The figure above shows that the Municipality is funding its capital expenditure to the equivalence of 30% per cent from its own revenue sources and the rest from grant allocations for the 2018/19 financial year. The municipality is investing on assets to ensure that basic service delivery to its community is achieved.

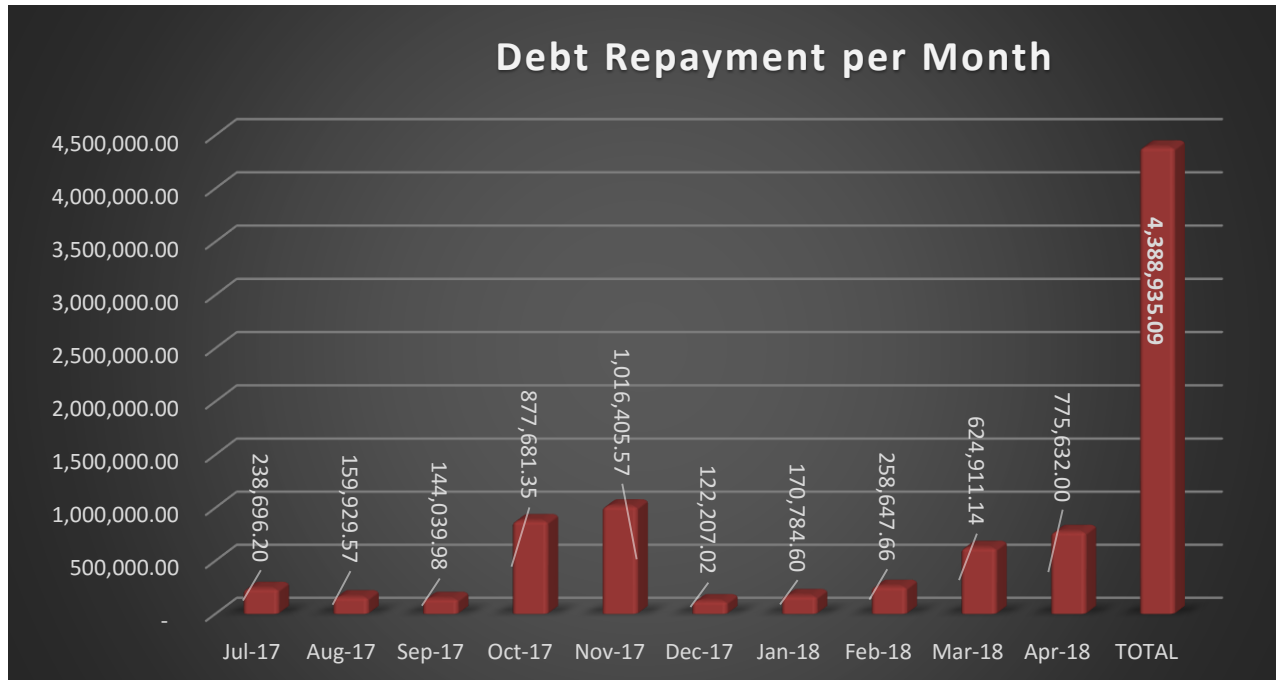
Sustainability of the Municipality

One of the Key Performance Areas of the Municipality in the IDP process is on Financial Viability which also contributes in assessing municipality's long-term sustainability. In assessing the Municipality's liquidity position, the Municipality has applied the following mechanism to assess the cash position of the Municipality to support the implementation of the 2018/19 MTREF budget.

- Debt collection rate
- Liquidity ratio

7.2.9 Debt Collection Rate

The graph below illustrates the relationship between billing and receipts for Municipal rates and refuse services monthly between July 2017 and April 2018.



The municipality has a combination of customers who pay their rates annually and those that pay monthly, included in the graph above old outstanding debts that have been collected with the help of the debt collector. This is evident in the graph above where the amount collected is more than one million rands during the month of November 2017 where the Department of Public Works paid its annual rates and long outstanding debt.

The gross debt value had decreased by 76.6% from 2014/15 to 2016/17, this is the result of the data cleansing exercise and the appointment of a debt collector.

7.2.10 Liquidity Ratio

The municipality had a liquidity ration of 0.60:1 which was below the norm as at 30 June 2017. The liquidity ratio provides an indication of the municipality's ability to pay its short term debts in the short-term (viability of an entity). The ratio indicates how many times the current assets, if liquidated, pay the current liabilities. The norm (considered acceptable) is 2:1 i.e. the current assets are double the current liabilities. The municipality had entered into 3 year debt to acquire construction plant machinery, this affected the liquidity status of the municipality in the short term, but have increased its capacity to deliver services to the communities. The debt has been settled in full and there is anticipated improvement to the liquidity status in 2018/19.

The ratio as at 30 June 2017 focused on the following:

Current Assets:	- Receivables from exchange and non-exchange transactions - R 599 820	Current Liabilities:	- Finance Lease Obligation - R 11 225 009
	- VAT Receivable - R 9 326 286		- Payables from exchange transactions - R 31 561 735
	- Consumer Debtors - R 2 486 573		- Employee Benefit Obligation - R 544 181
	- Cash and Cash Equivalent - R 13 635 479		- Provisions
			- Bank Overdraft

As part of the budgeting process, the Municipality budgeted approximately R2 million over the MTEF period on projects earmarked to improve the audit opinion especially around property plant and equipment and preparation of annual financial statements.

7.2.11. Conclusion

Operational efficiencies, including revenue enhancement, improved debt collection, effective and efficient Supply Chain Management processes as well as capital infrastructure-expansion and various planned construction and property development programmes will lead to long-term sustainability of the municipality and sustainable service delivery for the municipal community as a whole.

Improvement in the Municipality's human resources capacity by filling in all critical service delivery and administrative driven positions will contribute positively to the sustainability of the Municipality. This should be done hand-in-hand with the refinement of processes and procedures followed by municipal staff in performing their day-to-day operations. In order for the Municipality to improve its overall performance, it is important to implement Performance Management System with clearly defined processes (roles and responsibilities) and measurable outputs (targets, monitoring and review performance), amongst other to ensure compliance to the requirements of the Municipal Systems Act. The municipality is right on track in terms of meeting the 01st July 2017 deadline for (*mSCOA*) implementation.

Section 26 of the Local Government: Municipal Systems Act (Act No 32 of 2000) as amended lists the core components of and Integrated Development Plan for all municipalities and section 26(h) requires the IDP to include a Financial Management Plan which, "must include a budget projection for at least the next three years". Mbhashe Municipality has prepared this Financial Plan for 2015/2016 in compliance with Section 26(h) of the Municipal Systems Act, as amended.

The IDP is a guiding document for the Municipality's 2015/2016 budget planning process. The IDP's outcome is the alignment of all departmental planning processes to the mission and vision of the Municipality in achieving its long-term strategic goals. Therefore, the Financial Plan ensures that the objectives of the IDP are achieved over its implementation period, and also strives to ensure that scarce resources are obtained timeously and allocated to the relevant projects in line with the key targets of the IDP. The fundamental goal of the Municipality in all its processes is to enhance service delivery to its community and contribute to improved socio-economic activities for its citizens. The financial plan includes an Operating Budget and Capital Budget for the 2015/2016 MTERF period which is informed by the Integrated Development Plan priorities and strategic direction of the Municipality.

CHAPTER 8

IDP APPROVAL

The process of approval for this IDP involved a series of consultative meetings with all stakeholders including all wards, representative forum members, sector departments, internal departments, the district municipality and MEC for Local Government. A draft IDP was tabled to Council on the 29 March 2018 and thereafter was used to solicit comments from various municipal stakeholders through IDP and Budget roadshows in April 2018.

This being the final IDP document, tabled to council on 30 May 2018 and marketed to all relevant audiences to ensure continuous buy-in and support for its implementation. Copies will also be forwarded to relevant authorities such as the MEC for Local Government in the province, the District Municipality and other development agencies. The stakeholders will be lobbied to contribute to the development agenda of the municipality including National and Provincial Treasury and Auditor General.