



MBIZANA LOCAL MUNICIPALITY



INTEGRATED DEVELOPMENT PLAN

2020 / 2021 REVIEW

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2 MAYOR'S FOREWARD

The Integrated Development Plan (IDP) as developed for the 2017 - 2022 Municipal Council's term of office has been reviewed during the 2019/2020 financial year. This review process (2019/20) took into consideration the comments of the MEC for Co-operative Governance & Traditional Affairs, the service delivery performance status and the changing needs and circumstances of the communities we serve. The reviewed and thereafter revised IDP is hereby presented as a product of robust consultative engagements and interactions with the communities in all our 31 Wards, development role-players in the public & private sectors, and civil society stakeholders. This review consolidates the development plans to be implemented in various wards constituting Mbizana local municipality.

The communities through the consultative processes made it clear that ensuring increased access to water supply, roads maintenance, electricity provision and housing are still the top basic service priorities the municipality and government must focus on. These mentioned top community priorities are raised in full awareness of the need to reduce the general basic services backlogs and improved economic growth. There was also a sharp focus on the need to ensure improved monitoring during projects implementation and improved operations and maintenance on existing projects. The key to achieving service delivery needs presented by communities require improved cooperation and collective response by government spheres in partnership with the private sector. The Declaration of the National State of Disaster by the President of the Republic on the 15th March 2020 together with the lockdown strategy to fight against the spread of Covid-19 which has put social and economic distress across the world has negatively affected our original plans and threatened our future plans. We are continuously reviewing our strategies and plans. We call on every member of our communities to adhere to all precautionary measures in our fight against this enemy. We are certain that we will ultimately defeat Covid-19, only when we work together.

It is further acknowledged that a sustainable solution to the high levels of poverty, inequality and unemployment is to build a flourishing local economy that ensures inclusive ownership and employment. We have realised that the building of sustainable communities does require partnerships with the local and international stakeholders. To realise the above objective, our municipality through the assistance of the South African Local Government Association (SALGA) entered into a partnership with the City of Strathroy-Caradoc in Canada. This partnership is under a programme called Building Inclusive Green Municipalities (BIGM) it has a special focus on building local economic development in order to fight unemployment and poverty. This project (BIGM) is now firmly part of our reviewed IDP and has led to the revision of our LED organisational structure, ongoing Business incubator sub-project and the replication of the Rural Economic Development Hub (RED Hub) sub-projects being implemented. The agricultural and tourism sectors still

continue to occupy our attention in order to fight hunger and poverty whilst we grow our local economy. We are mindful of the threats caused by climate change to the agricultural sector and the community well-being, we have adopted a comprehensive climate change strategy in order to mitigate its negative effects whilst we improve adaptation to the changes.

This IDP continues to advance radical social and economic transformation era as espoused in the National Development Plan, the Eastern Cape's Provincial Development Plan, the District Development Plan and the 2016 Local Government election manifesto. Mbizana guided by the 2016 Local government's electoral mandate vision: ***"Together advancing people's power in every community" Local government is in your hands"***.

Our reviewed and revised Integrated Development Plan puts more focus and emphasis on the following priorities:

- ⇒ Progressively extending the provision of basic services to all the communities served;
- ⇒ Together with the development players we shall enhance the growth of our local economy in order to produce the much needed jobs;
- ⇒ Together we shall continue to improve public participation and accountability;
- ⇒ To continuously improve and enhance institutional capacity;
- ⇒ To improve our roads maintenance works especially after heavy rains of April 2019, this is done in order to improve people mobility for social and economic development.
- ⇒ Enhancing our fight against the spread of communicable diseases, mainly Covid-19 and HIV & Aids pandemics.

The above will be done within the scope of the prescribed five (5) Local Government Key Performance Areas. The municipality will enhance the implementation of Back to Basics programme. The additional pillars of focus during the 2nd phase of B2B are the following: Addressing spatial injustice and spatial dislocation which continue to impact on the lives of our people; Building resilient communities; and implementing ways in which social and economic transformation can best be achieved at a local level. We have included an improved focus on revenue enhancement measures which includes electricity metering assessment for improved revenue collection as stated in our revenue enhancement strategy. This we do so in order to have the much needed financial resources for continued service delivery. On the one hand, we have agreed on cost containment measures in order to reduce our expenditure on non-core services. These measures are being implemented as a response to the slow economic growth our country and world faces against the heightened negative growth effects of Covid-19 pandemic.

Therefore, the implementation of this integrated development plan enjoys the support of all community stakeholders, the organs of State and traditional authorities. This IDP puts more emphasis on putting people needs first, improved public accountability and effective & efficient provision of services. Allow me to say *“Let us grow Mbizana” together, indeed “Umanyano ngamandla”*.

Yours truly,

CLLR T. D. MAFUMBATHA

MAYOR

3 THE EXECUTIVE SUMMARY

Pre-Planning

In accordance with Section 28 of the Municipal Systems Act, a process plan was developed, agreed and adopted by Mbizana council to guide the planning and drafting of this review IDP. This document takes into consideration the five year IDP (2012 – 2017) and focuses on 4 key areas viz, response to MEC & AG comments, Updating of information and restricting of the report to make it more accessible. It is based on a process plan which was adopted by council on August 2019.

Municipal Overview

Mbizana covers an area of 2806 km² with 31 wards. Mbizana Local Municipality falls under the Alfred District Municipality in the Eastern Cape Province. This is a very rural Municipality with a population that is 319943 (StatsSA: CS: 2016). The Municipality is characterized by youthfulness of its population with 47% of the total population less than 35 years of age and 48% of the population economically active. Consistent with the national trends 55% of the population is women. The statistics tell us that we have to develop policies and programmes that will address the plight of the young people and women in the main. Mbizana is 98% rural.

Local Economic Development

The preplanning phase of this IDP formulation involved a gap analysis. Key indicators show that:-

- Unemployment is at about 44%, poverty widely spread with dependency ratio of 99% for children to economically active,
- Government services and domestic (55%) as well as retail account for the majority of jobs in the market (19%) followed by finances (11%)
- An HDI of 0.35 indicates very poor lifestyles across the municipality

The key economic drivers as prioritised in the LED strategy are agriculture, tourism and mining and are said to be underdeveloped. The municipality supports SMME development and has invested in establishing the LED forum, Local Tourism Organisation and Contractor development programme for information sharing, capacity development and marketing. The Municipality in collaboration with other key stakeholders have supported SMMES in almost all sectors on various aspects which amongst them include training, funding, marketing, and creating access to markets and information. The Municipality has also developed and

adopted Agricultural development plan to ensure the development of the sector is appropriately guided and to transform subsistence agricultural practise to commercial practise. The tourism plan was adopted and is currently under implementation and the mining potential assessment was done for the local investors to tap into available opportunities. These plans also seek to attract investors to invest in Mbizana for sustainable job creation and further develop the area as an economically viable region. There are compounding environmental challenges coupled with lack of internal capacity to undertake key responsibilities in terms of our powers and functions; The municipality has also signed an MOU with Hibiscus coast municipality which is the municipality in the Kwazulu Natal border nearer to Mbizana Municipality the MOU is on LED initiatives which includes business licencing and incubation SMME development this partnership has proven to be effective as most business ventures have been established mainly by Mbizana municipality business sector.

Institutional Development & Transformation

The municipality operates within a Collective Executive System combined with a ward participatory system. It has 31 wards and 62 Councillors with an Executive Committee consisting of 10 members. There are 12 Traditional Leaders participating in the council. Ward Councillors are chairpersons of ward committees which are responsible for discussing local development issues and concerns. The Council meets once a quarter to consider recommendations from the Executive Committee and/or the Standing Committees through a report from the Honourable Mayor. The Executive Committee meets on a monthly basis to consider matters tabled to it by the Municipal Manager with the management team.

The organisational structure was designed to achieve the strategic objectives of Council and was reviewed and adopted by council in November 2018/19 financial year with a total of 298 positions and 240 positions filled and 58vacant positions.The administration is clustered into six areas of service delivery or departments. There are 5 Section 56 Managers and the Municipal Manager all were appointed on a fixed term performance based contract to lead the Municipal Administration as indicated below:-

- Office of the Municipal Manager;
- Budget & Treasury Office;
- Engineering Services;
- Development Planning;
- Community Services; and
- Corporate Services

The municipality has developed, adopted and is implementing a skills plan and an equity plan to guide our capacity building and training interventions. All the necessary policies to guide the functioning of the municipality and its employees were developed and adopted by council.

Financial Viability

The demographics of the Mbizana Local Municipality make it clear that it is a rural municipality, with only a small urban area comprising its town and surrounding settlements. This means that the municipality has a limited revenue generating base where it can levy rates and other taxes. The reliance on grant funding then becomes unavoidable. The point about a limited revenue base is then demonstrated by the fact that of the funding, only 20.4% of this was own funding and the remaining 79.6% was grant funding.

The municipality has reliable accounting systems that are able to produce reports as and when they are needed. These systems are yet to translate into positive audit outcomes as improvements are done consistently. The improvements are both on accounting systems as well as the operational systems within the Budget and Treasury Office. The department is well established and satisfactory staffed, and efforts are made to ensure that the finance personnel are trained on a regular basis to ensure that they are always informed of the changes that are happening within the accounting framework. Our audit outcomes have been improving from 2014/15 financial year which was a qualified into unqualified consistently.

Service Delivery

Backlogs for services are generally high and efforts to provide such needed services are in place. The District municipality as a water services Authority has revised most of the water schemes in rural areas and plans are in place to reticulate water from the big dam. Though Water backlog is at 73.6% while that of sanitation improved to 73% with only 27% unserved households.

Only 3% households and 100% businesses including rural business hubs receive refuse collection from the municipality. Others use their own means while an estimated 21% does not have any means. Electricity back lock is currently sitting at 9701 (13%) households pending completion of the current running projects, however municipality is estimating 16000 growth of households still in need of electricity this is due to new developing households and new locations. About 28% of households have no access to telephones. Those who have access are largely assisted by cell phone connectivity which is often hampered by poor network and signal coverage's in especially rural areas.

Approximately 385.6km of road has been created using MIG funding by end June 2019 from 2013/2014 and 23.6km is targeted for the current financial year 2019/20 with a budget of 27 Million. In road maintenance the municipality due to its terrain has a recurring need for road maintenance to the extent

that sets of yellow machine has been purchased to withstand the need. The municipality has managed to maintain 125km of roads from 2016/2017 to date.

Amenities, community services, education, health, road network, transport, social development services have drastically improved where in most of the wards community halls and others have under construction and the municipality has planned to implement the ISDM to utilise all the services and resources available in its area of jurisdiction. The municipality does involve all sector departments on the IDP REP Forum so that they can submit their infrastructure plans this has proven to be a challenge as not all of them attend the IDP REP Forum. The current situation is that the municipality does not have a Comprehensive Infrastructure Plan as not all sector departments are included only the municipality has got its own detailed plans. However the office of the Mayor has been mandated to improve IGR relations with sector departments so as to provide the municipality with sector departments infrastructure plans. The Alfred Nzo District Municipality is both the WSA and WSP, there is also no SLA that has been entered into between District & LM.

Spatial Development Framework

The council reviewed and adopted its SDF during 2015/16 financial year. It identifies rural service centres that will be used to reach-out to rural communities as we expand service delivery. We embrace the call of the 3rd Presidential Local Government Summit theme: “Transforming Municipal Spaces for radical social and economic development” as a programme towards the realisation of the objectives of the Second Phase of Back to Basics programme.

Planning for the future

The vision, mission and values have been amended in the 2017/2022 review reading as a vibrant socio economic growing municipality that creates sustainable communities with equal opportunities for all.

Conclusion

This document represents the third review of 2017 – 2022 five year IDP, it will be implemented from 01 July 2020 as adopted by council and will be monitored in terms of our annual PMS and SDBIP.

MR. L. MAHLAKA
MUNICIPAL MANAGER

4 INTRODUCTION – BACKGROUND & PURPOSE

Section 34 of the Local Government: Municipal Systems Act provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. As such, this document represents the fourth comprehensive Integrated Development Plan (IDP) for the Mbizana Local Municipality since the establishment of the municipality. The IDP document aims to:-

- Link, integrate and co-ordinate all development plans within the municipality
- Align the resources and capacity of the municipality with the implementation plan.
- Form policy frameworks which constitute the general basis on which the annual budget must be based
- well-match the National and Provincial development plans and with the municipal plans

The strategic objectives and targets contained in this document were reached subsequent to extensive systematic and structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Mbizana Municipal area of jurisdiction.

Section 35 of the MSA clearly states that an Integrated Development Plan adopted by the Council of a municipality is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality. It binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's Integrated Development Plan and national or provincial legislation, in which case such legislation prevails. Section 36 furthermore stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan.

4.1 IDP Objectives

Integrated development planning is a process whereby municipalities prepare strategic development plans for a five-year period. These plans should inform planning, decision making, budgeting, land management, promotion of local economic development, and institutional transformation in a consultative systematic and strategic manner. The main objective of developing an IDP is the promotion of developmental local government, through the following:-

- Institutionalizing performance management in order to ensure meaningful, effective and efficient delivery (monitoring, evaluation and review) -Speed up service delivery through making more effective use of scarce resources.

- Enabling the alignment and direction of financial and institutional resources towards agreed policy objectives and programs.
- Ensure alignment of local government activities with other spheres of development planning through the promotion of intergovernmental co-ordination.
- Assist the municipality to focus on environmentally sustainable development strategies and delivery
- Assist in the development of a holistic strategy for local economic development and job creation in the context of a strong poverty alleviation focus.
- Strengthen democracy and institutional transformation.
- Attracting additional funds from private investors and sector departments as the IDP indicates a developmental direction.

A critical concept in the development of an IDP is ensuring that integration takes place. The IDP process and development of plans amounts to an advantage to ensure alignment of all the plans with the IDP. This will ensure that consolidated and integrated sectoral programmes will be developed and that aspects, both horizontally and vertically, ranging from spatial, economic, environmental and social impacts are completely connected. This IDP also aims to:-

- Create a higher level of focus and thereby improve the strategic nature of the document;
- Align this strategic document with the limited financial and human resources
- Align the IDP with the activities of the municipality's departments and other social partners in other spheres of government
- Align the IDP with the various sector and management plans of the municipality.

5 LEGISLATIVE FRAMEWORK

The following legislation defines the nature of the IDP:-

5.1 Constitution of the Republic of South Africa Act 108 of 1996

Sections 152 and 153 of the Constitution stipulate that a municipality must give priority to the basic needs of its communities and promote their social and economic development to achieve a democratic, safe and healthy environment.

5.2 Local Government: Municipal Systems Act 32 of 2000

Sections 28 and 34 of the Act stipulate the need for each and every municipality to develop and adopt an IDP, which should be reviewed annually. In addition, it outlines the IDP process and components.

5.3 Local Government: Municipal Finance Management Act 56 of 2003

Section 21 of the Act makes provision for alignment between the IDP and the municipal budget. The Service Delivery and Budget Implementation Plan is an annual contract between the Municipality's administration, Council and the community, which ensures that the IDP and the Budget are aligned.

5.4 Local Government: Municipal Planning and Performance Management Regulations (2001).

These Regulations make provision for the inclusion in the IDP of the following:-

- The institutional framework for the implementation of the IDP;
- Investment and development initiatives in the Municipality;
- Key performance indicators and other important statistical information;
- A financial plan of a municipality; and
- A spatial development framework.

5.5 Local Government: Municipal Structures Amended Act 117 of 1998

This Act provides for the establishment of municipalities and defines the various types and category of municipality. It also regulates the internal systems, structures and office-bearers of municipalities and provides for appropriate.

5.6 Municipal Property Rates Act 6 of 2004

The objective of this Act is to regulate the power of a municipality to levy rates on property. Rates represent a critical source of own-revenue for municipalities in order to achieve their constitutional development objectives.

5.7 The Strategic Agenda of the Municipality

The people-driven IDP and Budget of the Municipality takes place within the context of the Intergovernmental Relations Framework and therefore takes into account global, national and provincial perspectives. The IDP is therefore a government-wide expression of developmental commitments. Within the multitude of

government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on National Development Plan Vision 2014; Popular Mandate across Spheres of Government; Government Outcomes; Medium Term Strategic Framework (MTSF); the National Spatial Development Perspective (NSDP); Millennium Development Goals.

5.8 National Development Plan, Vision 2030

The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realize these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is a step in the process of charting a new path for our country. The NDP has the following objectives:-

- Seeks to eliminate poverty and reduce inequality;
- Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;
- Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history.

5.9 Sustainable Development Goals

On September 25th 2015 countries adopted a set of goals to end poverty, protect the planet and to ensure prosperity for all as part of a new sustainable development agenda. Each of these goals has its own targets that are to be achieved over the next 15 years. For the goals to be reached everyone needs to do their part government, private sector civil society. This therefore means even this municipality has the role to play in realizing these development goals.

These seventeen (17) goals mainly focus on human and social development, infrastructure investment and economic development as well as environment management and sustainability for the benefit of the continent. Each of these goals consists of quantified measurable targets that are meant to address these areas of focus. The identified sustainable development goals include the following:

- Ending poverty in all its forms and everywhere.

- End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- Ensure healthy lives and promote well-being for all at all ages.
- Quality education: Ensure inclusive and quality education for all and promote lifelong learning.
- Achieve gender equality and empower all women and girls
- Ensure access to water and sanitation for all
- Affordable and clean energy: ensure access to affordable reliable sustainable and modern energy for all
- Promote inclusive and sustainable economic growth, employment and decent work for all
- Build resilient infrastructure, promote sustainable industrialization and foster innovation.
- Reduce inequality within and among countries
- Make cities inclusive, safe, resilient and sustainable
- Ensure sustainable consumption and production patterns
- Take urgent action to combat climate change and its impacts.
- Conserve and sustainably use oceans, seas and marine resources
- Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.
- Promote just, peaceful and inclusive societies
- Revitalize the global partnership for sustainable development.

This therefore suggests that all development plans should be settled around these goals so as to ensure that the aspirations of the United Nations of saving the world are fulfilled.

5.10 Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;

- Improve administrative and financial capability;
- A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently.

5.11 National Spatial Development Perspective (NSDP)

The NSDP's objective is to promote informed economic investment profiling to guide regional growth and development planning within a socio-economic framework. The National Spatial Development Perspective also informs the Spatial Development Framework of the Municipality.

5.12 Back to Basics – COGTA Programme for change

The programme is a national initiative aimed at ensuring that municipalities perform their core mandate of delivering basic services to local communities, as enshrined in Chapter seven (7) of the Constitution of South Africa. The Back to Basics approach is based on five principles which are:-

- Putting people first and engaging with the community;
- Delivering basic services;
- Good governance ;
- Sound financial management; and
- Building capabilities.

5.13 Provincial Development Plan, 2030 Vision for the Eastern Cape

The National Development Plan as explained above sets out a vision for South Africa – a prosperous country with no poverty or inequality. The Eastern Cape's Provincial Development Plan (PDP) plan aims to provide creative responses to the province's challenges. A sustainable future for the Eastern Cape rests on people-centred development to achieve five related goals:

- An inclusive, equitable and growing economy for the province
- An educated, innovative and empowered citizenry
- A healthy population
- Vibrant, equitably enabled communities

- Capable agents across government and other institutional partners committed to the development of the province.

These goals will be pursued with a focus on rural development to address serious inherited structural deficiencies – the legacy of apartheid has left the rural regions of the Eastern Cape underdeveloped, with an urban economy that is unduly stressed and experiencing slow growth. Addressing this spatial unevenness in endowment and development will take time and hard work, but it can be done. The PDP’s design and implementation planned to shift discriminatory attitudes towards women and other vulnerable sectors of society.

5.14 Powers and Functions

The municipality’s mandate stems from the section 152 and 156 of the constitutions (Act 108 of 1996) coupled with the assigned powers and functions drawing from the schedules 4b & 5b. The Constitution indicates that the objects of local government are:-

- To promote democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organizations in the matters of local government.

Within this Constitutional role, powers and functions have been defined in terms of the Local Government: Municipal Structures Act as amended. Mbizana Municipality should be undertaking all powers and functions listed under column three; however, the main challenge is that the municipality does not have sufficient capacity to undertake all the assigned powers and functions.

FUNCTION	ANDM	MLM		
SCHEDULE 4 PART B			Implementation Status	Challenges
Air pollution	X			
Building regulations		X	By law under review as there were gaps identified during implementation	Illegal buildings due to non-compliance with approved building plans
Child care facilities		X	Progressing fairly	Keeping up with demand from communities
Electricity reticulation	X	X	Progressing well	Limited funds to

FUNCTION	ANDM	MLM		
SCHEDULE 4 PART B			Implementation Status	Challenges
Firefighting Services	X	X	Vehicles and staff deployed by the DM	Vastness of wards and roads conditions in some areas
Local tourism	X	X	Progressing well	N/A
Municipal airports	X		N/A	N/A
Municipal planning	X	X	Progressing well	N/A
Municipal Health Services	X		N/A	N/A
Municipal Public Transport		X	Not implemented	Limited funding
Pontoons and Ferries	X		N/A	N/A
Storm water		X	Progressing	Limited resources
Trading regulations		X	By law gazetted and implemented	Rapid growth of traders within limited space
Water (potable)	X		N/A	N/A
Sanitation	X		N/A	N/A
SCHEDULE 5 PART B				
Beaches and amusement facilities		X	Progressing	Seasonal operation and access due to roads leading to these facilities
Billboards and the display of adverts in public places		X	By law gazetted	Illegal billboards
Cemeteries, Crematoria and funeral parlours		X	One operating cemetery	Limited space
Cleansing		X	Progressing well	Currently utilising unlicensed dumping site
Control of public nuisances		X	By law gazetted and implemented	N/A
Control of undertakings that sell liquor to the public		X	Bylaw in process of promulgation	No by law in place which has resulted in illegal liquor trading especial in rural areas

FUNCTION	ANDM	MLM		
SCHEDULE 4 PART B			Implementation Status	Challenges
Facilities for the accommodation, care and burial of animals		X	By law gazetted and service provider appointed to undertake removal and burial of animals	Removal of fencing along the main roads resulting to stray animals gett
Fencing and fences	X		N/A	N/A
Licensing of dogs		X	Bylaw gazetted	Illegal keeping of dogs
Licensing and control of undertakings that sell food to the public		X	By law gazetted	Non-compliance by traders with by law provisions
Local amenities		X	Progressing well	N/A
Local sport facilities		X	Progressing at slow pace due to limited resources	Maintenance of facilities and lack of ownership by communities
Markets		X	Temporal market place operational	Unavailability of space/land
Municipal abattoirs		X	Currently performed by DM	N/A
Municipal parks and recreation		X	1 park in town	Unavailability of space/land
Municipal roads		X	Progressing with back log	Maintenance of constructed roads
Noise pollution		X	By law gazetted and	Difficulty in implementing the bylaw due to cultural practices
Pounds		X	Animal pound operational	N/A
Public places		X	Non available	N/A
Refuse removal, refuse dumps and solid waste disposal		X	In progress	Operating unlicensed dumping site
Street trading		X	Issuing of trading licencing progressing	Number of traffic wardens to keep up with the number of street vendors

FUNCTION	ANDM	MLM		
SCHEDULE 4 PART B			Implementation Status	Challenges
Street lighting		X	Progressing	N/A
Traffic and parking		X	In progress	Increasing volume of motor vehicles in town
Disaster Management	X	X (Devol ved Functi on)	Disaster management plan developed and adopted	Community understanding of disaster terms

6 THE IDP FOCUS AREAS

6.1 Updating the planning data

As the municipality, we have collected better information to update our planning baseline. The information changes relate to inputs by desktop statistical research, ward consultations and sector departmental engagements. Local government operates in an ever-changing environment. The dynamic nature of local, national and global environments constantly presents local government with new challenges and demands. Similarly, the needs of the communities of Mbizana continuously change.

This IDP is not only a good corporate governance requirement only; it is also a Legislative requirement in terms of the Local Government: Municipal Systems Act 32 of 2000. The focus of this IDP has therefore been on aligning municipal programmes, projects, strategies and budgets with:-

- Community needs and priorities;
- Updated statistical information;
- Expanding and improving the situational analysis;
- More outcomes orientated targets, to make them realistic and measurable;
- The revised Spatial Development Framework and related sector plans;
- Outcome 9 outputs;
- Integrated and sustainable human settlements, as envisaged in Outcome 8;
- More integrated funding streams;
- The prioritization of job creation and poverty eradication.

6.2 Previous IDP Assessments by the MEC

The municipality's IDP for 2019 - 2020 was assessed by MEC for Local government as mandated by S32 of the Municipal Systems Act (Act No 32 of 2000) as amended. The municipality managed to obtain High ratings in all the assessed KPAs in the previous three financial years, the details are as follows:-

KPA	2015 / 2016	2016/2017	2017/2018	2018/2019	2019/2020
Spatial Planning Framework	High	High	High	High	High
Service Delivery	High	High	High	High	High
Financial Viability	High	High	High	High	High
LED	High	High	High	High	High

KPA	2015 / 2016	2016/2017	2017/2018	2018/2019	2019/2020
Good Governance & Public Participation	High	High	High	High	High
Institutional Arrangements	High	High	High	High	High
Overall Rating	High	High	High	High	High

There were no major findings with to non-compliance with the core components of the IDP as prescribe in Section 26 of Local Government Municipal Systems Act.

6.3 The IDP Process Plan

This five-year IDP will be reviewed annually, so that the Municipality can always be confident that it addresses the real and relevant needs and concerns of local communities and stakeholders. Annually, an Integrated IDP Process Plan is formulated to guide the review processes. These processes enhance integration and alignment between the IDP and Budget, thereby ensuring the development of an IDP-Based Budget. The 2020 /2021 IDP process was developed as expected with scheduled activities and time frames and was adopted by council on the 30th August 2019. It's worth mentioning though that adherence to the plan still needs improvement as some of the activities had to be rescheduled due to non-availability of role players, reference can be made mostly to the IDP technical meetings. IGR has greatly assisted in trying to change this situation as commitment in these meetings has been pledged by most role players in participating in all IDP processes.

Mbizana Local Municipality

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EXTRACT FROM THE MINUTES OF THE SPECIAL COUNCIL

Date: 30 August 2019
Time: 08:30 HRS
Venue: Council Chamber

6.2 Draft IDP, PMS and Budget Process Plan 2020/2021 Review

On the motion of Councillor N. Bhengu seconded by Councillor M. Ndovela it was resolved that:-

- Draft IDP, PMS and Budget Process Plan 2020/2021 be adopted.

Signature.....*S. Magini*.....Date.....02/09/19.

Cllr. S. Magini
Hon. Speaker

MBIZANA LOCAL MUNICIPALITY
P.O. BOX 12 BIZANA, 4800
DATE 02/09/2019
OFFICE OF SPEAKER
TEL: 039 2510519 / 039 2510230

6.4 SCHEDULE OF ACTIVITIES, TIME FRAMES AND RESPONSIBLE PERSONS

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
QUARTET ONE JULY – SEPTEMBER 2019				
PLANNING PHASE	IDP	Preparation of the Draft IDP / Budget and PMS Process Plan. Section 27, 28 & 29 of MSA No.32 Of 2000 and Section 21 of MFMA No.56 of 2003	July 2019	IDP Coordinator
		Special Exco - consideration of draft IDP, PMS & Budget Process Plan.	05 August 2019	OM & AO
		Tabling of the IDP, PMS & Budget Process to Council for adoption. Section 28 of MSA No.32 of 2000	30 August 2019	The Mayor
		Submission of IDP, PMS and Budget Process Plan to the District Municipality and DLGTA. Section 27 of MSA N. 32 of 2000	6 September 2019	IDP Coordinator
		Advertise IDP, PMS and Budget Process Plan in Municipal Website and in local newspapers. Section 28 of MSA No.32 of 2000	6 September 2019	IDP Coordinator
		Consolidation of Situational Analysis Reports	September 2019	All Senior Managers & Sector Departments
		IDP Steering Committee- Presentation of IDP Process Plan and MEC's Comments on the Previous IDP	12 September 2019	Municipal Manager

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		IDP Representative Forum – Presentation of IDP Process Plan and MEC’s Comments on the Previous IDP	19 September 2019	The Mayor
	PMS	Signing of new performance contracts for Section 57 Managers and submission to EXCO. Section 69 of the MFMA and Section 57 of the MSA	31 July 2019	AO
		Submission of Q4 SDBIP Reports (for last quarter of 18 /19) .	31 July 2019	OM & AO
		Submission of the Annual Performance Reports to Council for Adoption Section 46 of MSA 2000 to Council		
		Submission of Annual Performance Report to Auditor General		
	BUDGET	Submission of Section 71 Report to Provincial & National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget.	12 July 2019	CFO and Manager: Budgeting & Reporting
		Develop process and timetable for the 2018/19 Budget	31 July 2019	

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Section 21(1)(b -)At least 10 months before the start of the budget year the mayor of the Municipality must table in the municipal council a time schedule outlining key deadlines for the preparation , tabling and approval of the annual budget ; annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act and the budget related policies ; the tabling and adoption of any amendments to the integrated development plan and the budget related policies and any consultative processes forming part f the processes		CFO and Manager: Budgeting & Reporting
		Submission of Section 71 Report to Provincial & National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget.	14 August 2019	CFO and Manager: Budgeting & Reporting
		2018/19 Financial Statements submitted to Auditor-General	30 August 2019	MM & CFO
		Establish Budget Steering Committee for 2020 / 2021 budget year	30 August 2019	MM & CFO
		Submission of Section 71 Report to Provincial & National Treasuries. Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month	13 September 2019	CFO and Manager: Budgeting & Reporting

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON	
		submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.			
QUARTER TWO OCTOBER - DECEMBER 2019					
SITUATION ANALYSIS		Mayoral Imbizos - Feedback on IDP Implementation, Data Collection & Analysis continues	01-04 October 2019	The Mayor, Exco, MM & All Senior Managers	
		Consolidation of situational analysis report	01-31 October 2019	IDP Unit & All Senior Managers	
		Reviewal of, objectives, strategies, programmes, KPI's, targets (operational plans)	01 – 31 November 2019	All Internal Depts. & Sector Depts.	
		IDP Steering Committee Meeting to present consolidated situational analysis report	28 November 2019	MM, All Senior Managers & Sector Departments	
		IDP Rep Forum Meeting to present consolidated situational analysis report	5 December 2019	The Mayor	
	PMS	Compilation of First Quarter Performance Report	18 October 2019	MM Office	
		Finalize the draft 2018/2019 annual report incorporating financial and Non financial on performance, audit reports and annual financial statements.	11 December 2019	Senior Managers & Operations Manager	

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
	BUDGET	Submission of Section 71 Report to Provincial & National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget	14 October 2019	CFO and Manager: Budgeting & Reporting
		Submission of D-Form to NERSA Section 43 of the MFMA: Applicability of Tax and Tariff capping on Municipalities	30 October 2019	CFO, Manager: Revenue & Expenditure and Electrical Superintendent Engineer
		Check with National, Provincial Governments and District Municipalities for any information in relation to budget and adjustment budget to projected allocations for the next three years.	05-30 November 2019	Manager: Budgeting & Reporting /CFO
Submission of Section 71 Report to Provincial & National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a		14 November 2019	CFO & Manager: Budgeting & Reporting	

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		statement in the prescribed format on the state of the municipality's budget.		
		Submission of Section 71 Report to Provincial & National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	13 December 2019	CFO & Manager: Budgeting & Reporting
QUARTER THREE JANUARY- MARCH 2020				
PROJECTS PRIORITISATION	IDP	Prioritization of IDP projects	January 2020	The Mayor & EXCO
		Integration & alignment of projects and programmes of LM, DM, sector departments and parastatals.	February 2020	IDP Coordinator & OM
		IDP Steering Committee sit to discuss prioritized projects for 2020 / 2021 period	27 February 2020	AO & OM
		Consolidation of draft IDP Document	02– 13 March 2020	IDP Coordinator
		EXCO - presentation of draft IDP 2020/2021	24 March 2020	Municipal Manager
		Draft IDP & Budget adopted by Council	31 March 2020	The Mayor

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
	PMS	Senior Managers to submit Mid - year Assessment Report (Q2 reports)	08 January 2020	Senior Managers & Operations Manager
		Strategic Planning Session for Mid – year assessment report. Refining objectives and strategies	January 2020	Municipal Manager
		Municipal Manager submits Midterm/Midyear Report to the Mayor		Municipal Manager
		Revise SDBIP in accordance with adjusted budget	February 2020	
		Submit report to AG, Provincial Treasury and DLGTA.	February 2020	
		2018/2019 Oversight report on the Annual Report	February 2020	MO
		Council adopts the 2018/19 Annual report with the comments of the Oversight Committee.	27 March 2020	
	BUDGET	Obtain any projected adjustment allocations from National, Provincial Governments & District Municipality for the next three years. Section 21 of the MFMA 56 of 2003:Budget Preparation Process	13-17 Jan 2020	Manager: Budgeting & Reporting /CFO
		Submission of Section 71 Reports to Provincial & National Treasuries Submission of Mid-year assessment report to council Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to	15 January 2020	CFO and Manager: Budgeting & Reporting

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.		
		Budget adjustment Consultation Process begins Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget	29 -07 February 2020	Manager: Budgeting & Reporting/CFO
		Mid – year budget engagements with Provincial Treasury	18 February 2020	MM & CFO
		Submission of 71 Report to Provincial & National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	14 February 2020	CFO and Manager: Budgeting & Reporting
		Budget Steering Committee - To discuss the and Finalize the Draft MTREF Budget and Adjustment Budget Section 21 of the MFMA 56 of 2003:Budget Preparation Process	14 February 2020	Executive Mayor and Municipal Manager
		Council to approve Adjustment Budget Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget and read together with Section 72(3) The Accounting Officer must as part of the review make recommendations as to whether an adjustment budget is	28 February 2020	Executive Mayor and Municipal Manager

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		necessary and recommend revised projection of revenue and expenditure to the extent that this may be necessary		
		Consultation with departments for submission of 2020/2021 First Draft Budget Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA	17-28 February 2020	CFO, all Heads of departments and Manager: Budgeting & Reporting
		2020 / 2021 First Draft Budget to Budget Steering Committee Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA	11 March 2020	Portfolio Head: Finance
		Approval of Electricity Tariffs by NERSA Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA	02-27 March 2020	Manager: Revenue & Expenditure, CFO and Electrical Superintendent Engineer
		Council adopts First Draft Budget for 2020/2023	31 March 2020	Executive Mayor

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA		
		Submission of Section 71 Report to Provincial & National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget.	13 March 2020	CFO and Manager: Budgeting & Reporting
QUARTER FOUR APRIL – JUNE 2020				
APPROVAL PHASE	IDP	Publicize / advertise the IDP & Budget Road - show schedule.	10 April 2020	IDP Coordinator
		Draft IDP advertised for public reviewing & comments	01-20 April 2020	
		Submission of Draft IDP documents, Provincial Treasury and the MEC for Local Government and Traditional Affairs	14 April 2020	IDP Coordinator
		IDP & Budget Road-shows	13-17 April 2020	Local & DM Mayors

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		EXCO– consideration and incorporation of public comments in the IDP & Budget	19 May 2020	The Mayor & Municipal Manager
		Mayor tables 2020/20201 IDP and Budget to Council for final adoption.	29 May 2020	The Mayor & Municipal Manager
		Final IDP Presented to the IDP Representative forum	04 June 2020	The Mayor & Municipal Manager
		Public notices on approval of the final IDP 2020/2021	05 June 2020	IDP Coordinator
		Uploading the adopted IDP and Budget to the Municipal Website	05 June 2020	
		Submission of the final IDP to COGTA	12 June 2020	
	PMS	Submit Annual report to AG, Provincial Treasury, Legislature and DLGTA.	April 2020	MO
		Compilation of Third Quarter Performance Reports	15 April 2020	
		Drafting of new scorecards by s56 managers	19 June 2020	All Senior Managers
		Draft SDBIP & Performance Agreements to the Mayor 14 days after adoption of IDP & Budget	19 June 2020	MM, All Senior Managers & All Managers
		The Mayor approves Institutional SDBIP within 28 days of Budget approval	June 2020	Operations Manager
		Submit Approved SDBIP to National & Provincial Treasury	June 2020	Operations Manager

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Budget advertised for public comments, Public Meetings & Consultation Section 22(a) after an annual budget is tabled in the municipal Council ,the Accounting Officer must make public the annual budget and documents referred to in section 17(3) and invite the local Community to submit representation in connection with the budget	14 April 2020	Municipal Manager /CFO
		Submission of Section71 Report to Provincial &National Treasuries Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget.	14 April 2020	CFO and Manager: Budgeting & Reporting
		Draft budget engagements with Provincial Treasury	23 April 2020	Municipal Manager and CFO
		Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget the start of the budget year considers approval of the annual budget	15 May 20120	CFO & GM : Budget & Accounting

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Submission of Section 71 Report to Provincial & National Treasuries		
		2020/2023 Final Draft Budget to IDP, Budget and PMS Steering Committee Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	15 May 2020	Portfolio Head Finance
		Council consider adoption of Final Draft Budget for 2020/2023 Section 24(1)-The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget	31 May 2020	Executive Mayor and Municipal Manager
		MTREF Budget, Budget related policies, annual report published on Council website. Section 75(1)(a,b)The Accounting Officer of a Municipality must place on the website referred to in section 21Aof the systems Act the following documents: Annual and Adjustment budget and all related policies	12 June 2020	Manager: Budgeting & Reporting and Manager: ICT
		Annual Budget Reports to National & Provincial Treasury. Regulation 20(1) The Municipal Manager must comply with section 24(3) of the Act within 10 working days after the council has approved the annual budget ,The Municipal Manager must submit to National Treasury and relevant provincial Treasury in both electronic and printed form	12 June 2020	CFO and Manager: Budgeting & Reporting

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		<p>Submission of Section 71 Report to Provincial & National Treasuries</p> <p>Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget.</p>	12 June 2020	CFO and Manager: Budgeting & Reporting

6.5 The roles and Responsibilities in the IDP Processes

STAKEHOLDER	COMPOSITION AND RESPONSIBILITY
Mbizana Local Council	<p>The Mbizana Municipal Council is the ultimate political decision-making body of the municipality and the Council has the responsibility to:</p> <ul style="list-style-type: none"> consider and adopt the IDP Process Plan & time schedule for the preparation, tabling & approval of the annual budget; consider and adopt the IDP and annual Budget; ensure the municipal budget is coordinated with and based on the IDP; adopt a Performance Management System (PMS) Monitor progress and IDP implementation

STAKEHOLDER	COMPOSITION AND RESPONSIBILITY
The Executive Committee of Mbizana Local Municipality	<p>The Executive Committee of Mbizana Local Municipality have the ultimate responsibility for the preparation and implementation of the IDP, Budget & Performance Management. The EXCO is responsible for:</p> <ul style="list-style-type: none"> for the overall oversight, development and monitoring of the process or delegate IDP & PMS responsibilities to the Municipal Manager; ensure that the budget, IDP & budget related policies are mutually consistent & credible; Submit the revised IDP & the Annual Budget to the municipal Council for adoption.
Ward Councilors, Traditional & Ward Committees	<p>Ward Councillors are the major link between the municipal government and the residents. As such, their role is to:</p> <ul style="list-style-type: none"> link the planning process to their constituencies and/or wards; ensure communities understand the purpose and the key mechanisms of the IDP, Budget process, Performance Management and are motivated to actively participate; facilitate public consultation and participation within their wards. provide feedback to their communities on the adopted IDP and Budget.
The IDP, PMS & Budget Steering Committee	<p>The IDP/PMS Steering Committee will be established to provide technical guidance over the IDP/Budget & PMS review</p> <p>An IDP Steering Committee that would function, as a technical working team shall be composed of the following members:</p> <ul style="list-style-type: none"> Municipal Manager (Chairperson) Municipal Management Team Senior Managers from Sector Departments Secretariat from IDP & PMS Unit

STAKEHOLDER	COMPOSITION AND RESPONSIBILITY
The Municipal Manager	The Municipal Manager has the responsibility to provide guidance and ensure that the administration actively participates and supports the development and review of the IDP and Budget and works towards its implementation.
Directorates & Departments	<p>Directorates and Departments are responsible for sector planning and for the implementation of the IDP. The participation of all Departments is thus critical and they :</p> <ul style="list-style-type: none"> □ provide technical / sector expertise and information, throughout the IDP Budget process; □ ensure that the review process is participatory, integrated, strategic, implementation-oriented, budget linked and aligned with and satisfies sector planning requirements;
Representative Forum and Community Stakeholders	<p>The IDP/ PMS/ Budget Representative Forum constitutes the structure that institutionalizes sectoral participation in the IDP Process. The members of the IDP Representative Forum include Business, Traditional leaders Government& NGO sectors (as well as political and technical leaders of the IDP Clusters)</p> <p>The Mayor or her nominee chairs the Forum. The Forum has the following functions and duties: represents the interests of their constituents in the IDP</p>
<p>Budget Steering Committee: Shall be constituted as follows:</p> <p>The Mayor</p> <p>The Chairperson – Finance Standing Committee</p> <p>The Municipal Manager</p> <p>All Senior managers</p> <p>Managers IDP & PMS</p>	<p>The primary aim of the Budget Steering Committee is to ensure:</p> <ul style="list-style-type: none"> that the process followed to compile the budget complies with legislation and good budget practices; that there is proper alignment between the policy and the service delivery priorities set out in the municipality’s IDP and the budget, taking into account the need to protect the financial sustainability of the municipality; that the municipality’s revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

6.6 Public Participation Mechanisms and Procedures and Mechanisms for this IDP

As required by the Municipal Systems Act No. 32 of 2000, one of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the IDP processes. Community involvement is to ensure that the IDP addresses the real issues that are experienced by the citizens. The Constitution stipulates that one of the objectives of municipalities is “to encourage the involvement of communities and community organizations in the matters of local government”. The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision making processes of the municipality is determined to be a right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation.

The main feature of the IDP process is the involvement of communities and all interested parties / stakeholders to ensure that the IDP addresses the real issues that are experienced by the citizens within the jurisdiction of the municipality. Public Participation will then occur in the following manner as outlined below:-

- IDP Representative Forum;
- Mayor’s conversations with different stakeholders;
- Ward Community & Ward Committee meetings convened by Councillors;
- Published annual reports on municipal progress;
- Newspaper advertisements and notices;
- Making the IDP document available to all members of the public;
- Outreaches by Mbizana Municipality to communities and Stakeholders;
- Information dissemination through the MLM quarterly newsletter;
- Sector specific for a, namely, LED Forums, Local Communicators Forum.

6.7 Community Participation and Community Issues

Community Based Planning (CBP) is a tool that is used to enhance participation of communities in developmental programs and process. It was introduced to encourage ownership of government developmental initiatives by communities. With the introduction of the Masiphathisane campaign by the Premier (War rooms) the municipality will be in the position of fully implementing the community based planning approach. The executive committee as mandated by council uses the ward priorities to prioritise projects to be funded and implemented through the IDP and SDBIP in each financial year.

Below is the consolidated list of needs/priorities as raised by communities during the Mayor’s IDP outreach held in November - December 2019 and are consistent with those of community based planning priorities conducted in 2016 in all the 31 wards with the assistance of external service provider due to the vastness of the wards of Mbizana. The funding assistance received from the district municipality during the 2016/17 financial year was also used to top up the municipal budget availed for the development of ward based planning. The municipality has also planned to undertake the process of reviewing this ward based plans annually, war rooms will be the centre of the whole process.

Public Comments from Mayoral Imbizo – October -November 2019

WAR D NO.	SERVICE DELIVERY NEEDS/ PRIORITIES	GENERAL SERVICE DELIVERY COMPLAINTS	ACTION TO BE TAKEN
1	<ul style="list-style-type: none"> • Request for the road to Tshayingca school to be finished as the Municipality made such a commitment in the previous financial year to no avail. • Maintenance of potholes in town. • Requests for RDP Houses for the people of downtown. • Dire situation in refuse collection, this requires an urgent intervention from the Mayor. • -Request for speedy reconciliation of the title deeds of the houses built in 2004 in highland. • Request for the electrification of hawker Stalls • Request for the Maintenance of internal streets in highland. 	<ul style="list-style-type: none"> • The Community wanted to know if the if the surfacing of the internal streets in town included the tarred road in highland which the report says it's complete. • There was a concern about poor roads in ward 1 yet according to the report its being reported that all roads have been maintained. • Clarity on the EPWP Project iro the criteria used. • No communication from the Municipality about the major projects that are underway in town. • Intervention is requested from the office of the Mayor in relation to the employment of people in the two major projects that are underway in town. • Lack of employment opportunities especially for the youth. 	<ul style="list-style-type: none"> • Road to Tshayingca School to be finished internal using municipal plant. • Tipping & processing in front of Hawkers stalls be done. • Electrification of market stall to be included on list of infills. • Steering committee for refuse collection at Ext 4 be elected.

	<ul style="list-style-type: none"> • Close Monitoring of projects happening in town is urgently requested. 	<ul style="list-style-type: none"> • Proposal that in future mayoral Imbizos must be held in the afternoon for improved attendance and participation. • Billing queries in terms of electricity purchases. • Issue of housing records not corresponding with the actual houses. • Municipal employees being accused of being owners of RDP Houses. • Issue of Orphans in highland Village that have no proper housing was raised. • Proposal to have all Senior Managers with their portfolio heads in the next Mayoral Imbizos. • Intervention is requested from the office of the Mayor in relation to the poor service at St Patrick's Hospital. 	
2	<ul style="list-style-type: none"> • Request for ECDC funding. • Goxe Access road that was already measured – no way forward • Mkhandlwini joining ward 27 access road need urgent maintenance • Provision of water was requested as existing boreholes in the ward need maintenance. 	<ul style="list-style-type: none"> • Unemployment 	<p>Request for ECDC funding.</p> <p>A report on water issues submitted to ANDM Council.</p>

	<ul style="list-style-type: none"> • Pre-school at Goxe village to be constructed. • Nqutu Village has a borehole but no water coming out. 		
3	<ul style="list-style-type: none"> • Qabangeni to Nombani road needs maintenance. • Marhambeni Bridge must be maintained as it was damaged. • Makhabaludaka Access Road must be constructed. • Ntshangase to Nombane Access Road must be maintained. • Ntshangase to Nombani access road must be maintained. • No water drainage pipes at Mantshangase to Komkhulu road and it contribute in frequent damage of the road. 	<ul style="list-style-type: none"> • Employment of EPWP workers is needed. • There is a shortage of toilets and RDP houses, Department of Human Settlement must intervene on this issue. 	<ul style="list-style-type: none"> •
4	<ul style="list-style-type: none"> • Construction of Mabutho SPS – incomplete. 	<ul style="list-style-type: none"> • Unemployment • High level of crime and domestic abuse towards children and women. • CPF stipend is required as a motivation. 	<ul style="list-style-type: none"> • Report submitted to DoE. • Report submitted to SAPS
5	<ul style="list-style-type: none"> • Mbobeni Tarred road need to be patched as there are potholes. 	<ul style="list-style-type: none"> • Water Affairs and Sanitation Department must ensure that the issue of attending the cracks on houses 	<ul style="list-style-type: none"> • Report on Water problems have been submitted to ANDM Council

	<ul style="list-style-type: none"> • Water Pipes that are affecting Mmangweni Access Road must be maintained. 	<p>during the blasting must be treated as the matter of urgency.</p> <ul style="list-style-type: none"> • Borehole at Mbobeni not functioning, it must be maintained as there is a scarcity of water in this area. • Existing Hlamandana Sport Ground need to be maintained. • 19 households without electricity must be provided with energy. • Provision of destitute houses to the needy must be processed. • The ward must be provided with flushed toilets. • Infills/extensions must be provided with electricity. • Nomlacu to Harding T-Road must be tarred. • Follow up on issue of disaster that occurred at Mtamvuna Village must be done. 	
6	<ul style="list-style-type: none"> • Provision of toilets at Dindini Village. • Provision of Water at Dindini • RDP houses in all villages • Refurbishment of old existing water schemes • Maintenance of Ntshamathe access road. 	<ul style="list-style-type: none"> • Unemployment • Complaints about health hazards due to the currently used dumping site. • Unresolved land claims 	<ul style="list-style-type: none"> • Water and Sanitation report submitted to ANDM Council.

7	<ul style="list-style-type: none"> • Water taps are not working at Khaleni village. • R61 to Mpumalanga access road be maintained. • Khaleni Access Road be maintained. • Mayor's intervention on tipping and processing on R61 to Zinini village access road • Fencing of the Mzamba Community Hall. • RDP houses to be provided for Zinini phase 2 • Majazi village be provided with toilets. 	<ul style="list-style-type: none"> • Unemployment 	<ul style="list-style-type: none"> • Water and Sanitation report submitted to ANDM Council. • On Fencing of Mzamba CH – It should be accommodated during budget adjustment. <p>RDP houses in on Assessment stage for Izinini phase two.</p>
8	<ul style="list-style-type: none"> • Bhukuveni to Ntshikitshane access road needs a slab. • Matyeni to Bhukuveli access road needs maintenance. • Galatyeni S.P.S needs maintenance, (tipping & processing) • Mobile clinic must be prioritized. • Bloom to Ntshikitshane needs access road. • Dudumeni extension needs toilets. 		<ul style="list-style-type: none"> • No water for the whole ward.
9	<ul style="list-style-type: none"> • Zankhanyo appreciated the Access Road to Qolintaba but 		<ul style="list-style-type: none"> • Tshuze village meetings not convened.

	<p>the road is damaged, needs bridge.</p> <ul style="list-style-type: none"> • Toilets and Water Taps were requested at Envis. • Maintenance of community hall was requested as it has damaged toilet doors, no electricity, no gate and road from R61 to the CH was requested. 		<ul style="list-style-type: none"> • Encouraged monitoring of municipal projects. • Requested intervention by municipality in building relations between community members (Gwabeni village) and ward councillor.
10	<ul style="list-style-type: none"> • Request for the electrification of Mampingeni Infills. • Tarred road from Ntlenzi to Mcetheni JSS is in a bad condition needs maintenance. • Old houses that were left during electrification project due to distance should be prioritised. • Infills for the ward to be prioritized. 		<ul style="list-style-type: none"> • Veterans family (Gqogqoni family) should receive compensation from the Office of the Premier as was requested during funeral. • Unemployment
11	<ul style="list-style-type: none"> • Request for RDP houses for the disabled people in the ward. 	<ul style="list-style-type: none"> • Old houses in Esigodlweni that were left out on the electrification project, Mayor was requested to assist. • The community further requested that energising of other houses should not happen until the Sigodlweni houses are attended. • Issue of Toilets that were not finished at Vukayibambe S SS and the 	<ul style="list-style-type: none"> • Community requested the Mayor to intervene on the issue of intimidation by the suspended ward Councillor of ward 11, who was being accused of instructing people not to come to the Imbizo. • A report that the Mayor had promised

		<p>Contractor has since left the site.</p> <ul style="list-style-type: none"> • Water tank not connected in Vukayibambe School. • Four house left out during the Giniswayo Electrification. • Eleven houses left out in the electrification of Sigodlweni citing that they do not appear on the map 	<p>the residents of ward 11 about the implication of the suspended ward Councillor in the Vodacom pole saga is still needed, as they need to know how much was stolen by the suspended ward Councillor.</p> <ul style="list-style-type: none"> • Clarity from DoE was also requested on the involvement of some teachers on the Vodacom pole saga. • Residents appreciated Service delivery in ward 11. • Issue of local teachers being abused by local politicians. • Mayor was requested to provide a solution. • Political unrest in the ward • Mbizana Local Municipality is requested to do a close monitoring of projects that are being done in various wards. • Discrepancies in Sassa grant payments.
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			<ul style="list-style-type: none"> Issue of a grandmother who stays with 12 orphans who had been promised an RDP House but to no avail.
12	<ul style="list-style-type: none"> Ntlanezwe access road must be completed. Requested RDP houses. Macetyaneni to Xolobeni access road as new road to be constructed. Maintenance of the existing Dumile village Sport field. Provision of toilets to Ntlanezwe and Mfundambini villages. 	<ul style="list-style-type: none"> Water project incomplete at Dayimani as water is still not accessible. 	<ul style="list-style-type: none"> Unemployment.
13	<ul style="list-style-type: none"> Gravelling of Didi Access Road. Gravelling of Nkhwe Access Road. Thwangu Village to be provided with taps as there is a scarcity of water in that area. Ngcingo Community Hall must be renovated. 	<ul style="list-style-type: none"> Video to Rasteni via Soweto Access Road is incomplete Mathwebu water project is incomplete (Nonkqubela to Thwangu) 	<ul style="list-style-type: none"> Projects from other Government departments must be presented by the relevant department. The issue of Ward Committees who are not allowed to contribute during Mayoral Imbizos and IDP & Budget Road shows must be revisited.
14	<ul style="list-style-type: none"> Construction of Maqedeni access road. Construction of access road from Ncamane to Mlomo wekhuba. Borehole in Mnyani village. Bridge from Qadu to Mnyani via Mzamba to Qadu ward 19 to ward14. 	<ul style="list-style-type: none"> Infills at free Methodist church. Strong transformer is needed in that area. 	<ul style="list-style-type: none"> Access road from Bawo-nemoto need maintenance. Unemployment of youth by the municipality. Most families live in absolutely poverty. Funding of LED project was enquired to assist

	<ul style="list-style-type: none"> Toilets in Qadu village was requested. Ezimpukwini access road must be constructed. 		<p>Shukuma vegetable project which was never funded</p> <ul style="list-style-type: none"> Pre-school in Qadu village is needed. Public toilets in town are needed. Employment of ward14 youth in big project in town.
15	<ul style="list-style-type: none"> Construction of Laguguma Access Road (Virgin road) Water provision in all villages was requested. 		<ul style="list-style-type: none"> Unemployment
16	<ul style="list-style-type: none"> Dlangezwa Road in a bad condition, request for maintenance. Request for RDP houses in the ward. Majuba Access Road in a bad condition, request for maintenance. Shongweni sport field must be maintained. 	<ul style="list-style-type: none"> Water project is incomplete. 	<ul style="list-style-type: none"> Mkhasweni Road does not appear on the Municipal IDP
17	<ul style="list-style-type: none"> Provision of toilets at Mbhongweni village. Blast of water pipes at Nyandeni village. Mbenya village T-road needs maintenance. Provision of destitute houses Provision of water for all villages in the ward. RDP water in Ntsingizi village 	<ul style="list-style-type: none"> Qandashe access road a Roller is needs to crush the gravel stone left on road side. Nyandeni village has pipes only with no water. 	<ul style="list-style-type: none"> Unemployment Mayor's cup should include more sporting codes. Infills must be prioritised. Monitoring of projects must be done.

	<ul style="list-style-type: none"> • RDP houses (destitute) • Access road from R61 to Dindini via Mbenya need maintenance. • Toilets at Mbenya village • Toilets at Mbongweni village were requested. 		
18	<ul style="list-style-type: none"> • Phumlani to Malawini Access Road be constructed. • Ntabamhlophe Pre-school must be constructed. • Plageni to Mqonjwana Access Road be maintained. • Mthonjeni Access Road be constructed. 		<ul style="list-style-type: none"> • Mqonjwana Village have no water due to illegal water connections, legal steps must be taken in this regard. • Municipality must monitor the projects. •
19	<ul style="list-style-type: none"> • Blading of Monti Access road. • Maintenance of Mgomanzi Access Road. • Maintenance of the existing water schemes that have not been working for some time. • Request for a water tank at Mboneli Village. • Maintenance of the Borehole in in Thokozani S.P.S, it has not been working for 3 years. • Request for a pre School that was promise to the community of Thokozani. • Request for a virgin road from Mjwayimba to Nxila. 		<ul style="list-style-type: none"> • Appreciates the report as presented by the Mayor • An intervention was requested from the Mayor's office in relation to the Issue of RDP houses whereby people relocate from wherever they are staying to compete on the lists with people that are staying in ward 19 and are most deserving. • Issue of people deliberately damaging

	<ul style="list-style-type: none"> • Requested for a new road Léonard to Simakadeni. • Request for a grade R School in Monti Village. • Issue of water taps not working in Thokozani Village that got damaged a long time ago. • Request for the Maintenance of the access road in Thokozani Village that is in a very bad state. • Request for the electrification of infills in Thokozani Village • Request for an orthopaedic hospital in Monti Village. • 		<p>water pipes in the ward is a great concern.</p> <ul style="list-style-type: none"> • Clarity on the criteria of funding of projects by the Department of Agriculture is needed. • Management of Matriculants ID's by the Department of Home Affairs is still a critical issue that the Hon Mayor is requested to intervene as it has an impact on whether or not these children are able to sit for their end of the year Exams. • Poor Customer Service in the Mbizana office of Home Affairs • Intervention by the Mayor's office is needed in the functioning of St Patricks Hospital.
20	<ul style="list-style-type: none"> • Request for the maintenance of Malindini access road. • Request for the maintenance of Ntakana to Stanford access road. • Request for Macabela to Mathumbu access road • Request for Madokazana to Mkhungo access road • Request for Boreholes in Madadana Village 	Lindokuhle Pre-School is unfinished.	<ul style="list-style-type: none"> • There should be visits by liquor board in the ward to conduct awareness.

	<ul style="list-style-type: none"> • No water in the whole ward. • Provision of toilets for some villages. 		
21	<ul style="list-style-type: none"> • Access Road from Ntika via Sicambeni to Mhlabeni be maintained. • Due to the scarcity of water in the ward, all villages must be provided with bore holes. • Infills and Extensions at Hlolweni Village be provided with electricity. • Maintenance of Nobamba Access Road. • Ntika 2 Village is in need of electricity and toilets. • Maintenance of the borehole at Tyeni Village is needed. • Gravelling of Dotye Access Road. 		<ul style="list-style-type: none"> • A police station is needed in this ward.
22	<ul style="list-style-type: none"> • Request for maintenance of R61 to Mfolozi JSS access road. • Road from R61 to gardens. • Request for fencing of maize field at Ntunjini village. 		<ul style="list-style-type: none"> •
23	<ul style="list-style-type: none"> • Requested access road from Sigidini to Marina J.S.S and bridge. • No water at Zikhuba village • 		<ul style="list-style-type: none"> • Water taps need maintenance and one engine is not working. • Criteria used to choose service providers, only

			one service provider get job in ward 23.
24	<ul style="list-style-type: none"> Maintenance of Sirhasheni Access Road as it is in a bad condition. 		<ul style="list-style-type: none"> Boreholes not in good order as water comes out once a week. Community should be notified when the Municipality is installing new taps so that they are able to identify a suitable place/spot. Unemployment of youth in the ward. Construction of the library not appearing on the Municipal IDP yet library material was available. SPU should be stationed at least for 1 day at ward 24 to assist with the Grade 12 applications.
25	<ul style="list-style-type: none"> Jama Access Road be maintained. Need assistance of caregivers in Xholobeni Village. No electricity at Phumziphika. Construction of Moscow Access Road in Khumbuza Village. 	<ul style="list-style-type: none"> Borehole not working at Gcinisizwe Village. Quarry that need to be processed that was tipped at Gcinisizwe Village. 	<ul style="list-style-type: none"> Monitoring should be done in ongoing projects. Office of the Mayor promised to intervene on Jama Access Road condition, it affects Ndovela family especially on rainy days.
26	<ul style="list-style-type: none"> Request for the maintenance of Khaleni Access Road 	<ul style="list-style-type: none"> Malola access road has not been completed. 	<ul style="list-style-type: none"> Unemployment of the Youth

	<ul style="list-style-type: none"> Requested for the maintenance of Tandabantu Access Road. Request for a High school in the ward 		
27	<ul style="list-style-type: none"> Request for the processing of stones that were put by the Municipality from kwa-Ndlovu to Thaleni Village. Intervention from the office of the Mayor in relation to the maintenance of the T112 Road. Request for a clinic next to Nongwede in Clarkville Village Request for a new road from Qobo School to Mthamvuna bridge Request for maintenance of Mthamvuna irrigation scheme & road Requests for toilets in all Ward 27 local Churches. Request for a tar road to Qobo Clinic Request for the maintenance of the road from Qobo Clinic to Qobo School. Request for the electrification of Infills in Silangwe Village. Requested for construction of additional ablution facilities in town. 	Construction of Lilongwe S.P.S since 2017-2019 still not complete	<ul style="list-style-type: none"> Assistance with the training of SGB Issue of the shortage of water in ward 27 Schools especially in Clarkville school Clarity on the work that should have been done in the Construction of the Qobo bridge to Mthamvuna as nothing is happening. There was a proposal to the Municipality to add more women Councillors to the Executive Committee. Issue of the Thaleni Bridge still unresolved. Issue of patients sharing beds in St Patricks hospital, the Municipality must assist Issue of sector departments not attending Mayoral Imbizos remains a concern Overcrowding of Silangwe S.P.S. needs attention of DoE

	<ul style="list-style-type: none"> • 		<ul style="list-style-type: none"> • Pace of the Construction of the Borehole in Silangwe School is very slow. • Poor customer service at Mbizana Local Home Affairs offices.
28	<ul style="list-style-type: none"> • Requested for electrification of Sigidi village • Request for the maintenance of the Lundini sports field. • Request for Gumzana access road. • 	<ul style="list-style-type: none"> • Sidanga Bridge incomplete. • Electrification of Sidanga village incomplete • Electrification of Mngungu village not completed 	<ul style="list-style-type: none"> • No water for the whole ward. • Mobile clinic must be prioritized. •
29	<ul style="list-style-type: none"> • Request for the maintenance of Phathekile to Cwaka access road. • Request for maintenance of Zwelethu to Mfolozi. • Request for additional RDP Houses • 		<ul style="list-style-type: none"> • Zwelethu and Cwaka villages no electricity and extension. • No water for the whole ward. • Mbizana local municipality need to support sport. • Request for Job creation for the youth of ward 29.
30	<ul style="list-style-type: none"> • Request water schemes in ward 30. • Request for RDP Houses in Madikizela Village that were promised long time ago. • Request for destitute houses in Nyanisweni Village. 	<ul style="list-style-type: none"> • Unfinished Dip tank in Dutyini Village. • Electricity project phase 1 done but project not finished in Gxeni Village 	<ul style="list-style-type: none"> • Mayor's office was requested to intervene in the issue of the inconsistency of the Mobile Clinic in the ward. • High level of unemployment in ward 30 especially the youth.

	<ul style="list-style-type: none"> Request for the electrification of the houses that were left out in the Luchizweni project, the surveyor came but nothing has happened since. No water at Makhallenglovu Village. Request for maintenance of most roads in Nyanisweni Village. No water in Nyanisweni Village. Request for additional classrooms in Nyanisweni School. Electrification of Gxeni Village. Request for maintenance of the Mxinga access road which is badly damaged. No toilets in Kopane Village. 		<ul style="list-style-type: none"> Ward councillor is no visible in the ward especially in the Nyanisweni area Overcrowding of classrooms in Nyanisweni School.
31	<ul style="list-style-type: none"> Access Road at kwa-Ndela need to be maintained. Construction of a Pre-School at Simakadeni. Construction of an Access Road at Sixhanxeni Village. No RDP Houses in the Whole ward. Water tanks are requested at Kwa Ndela 	<ul style="list-style-type: none"> Borehole is not functioning. Quarry that was left unattended at Bolorweni Village must be rehabilitated. 	<ul style="list-style-type: none"> High Unemployment.

	<p>Village as there is a shortage of water.</p> <ul style="list-style-type: none"> • Child headed families to be prioritised with RDP Houses. 		
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CHAPTER TWO

7 SITUATIONAL ANALYSIS

Situational Analysis provides an overview of the composite development challenge facing Mbizana Municipality based on its own self-assessment and analysis. It gives a brief overview of Mbizana demographic profile and illustrates the composition of Mbizana population considering key indicators such as: population numbers; racial make-up, house hold income, employment and education. In the end a number of pertinent issues shall be drawn from the demographic profile, and it is these issues that shall inform the strategies which shall be presented in later chapters.

The statistics information included in this section comes from the 2011 census and Community Survey 2016. It also highlights key issues and challenges relating to municipal demographics profile, Institutional Transformation and Development, Financial Viability, Local Economic Development, Service Delivery profiles and Spatial Development Framework.

7.1 The Municipal Context and Demographic Profile

Mbizana Local Municipality (EC443) was established in terms of Section 155 (1) (b) of the Constitution of the Republic of South Africa. Mbizana LM is one of the four category B municipalities falls within the Alfred Nzo District Municipality (DC44). It is located within the Wild Coast Region of the Eastern Cape Province along R61 connecting kwaZulu Natal South coastal boundary to the N2 highway. To the west and south the municipality shares common boundaries with the Umzimvubu, Ntabankulu and Ngquza Hill local municipalities. The Mtamvuna and Mtentu rivers form the northern and southern boundaries of the municipality. Dominant land users within Mbizana Municipality are mostly rural with a large emphasis on subsistence agriculture in the interior and some tourism development along the coast. The natural environment in the coastal belt of the area is in an unspoiled condition and has exceptionally high conservation value. The conservation value of the inland areas is significantly lower than the coastal areas due to human activities.

7.1.1 Population Trends and Concerns

The total population of Mbizana municipality has increased from 281 905 in 2011 to 319 948, living in 61, 383 households which represent an estimated household's average of 5.2 persons per household (CS: 2016). . MLM accounts above 35% of the total district population which makes it the largest in population size within ANDM:

Population by Households			
Census 2011 – CS 2016			
2011		2016	
Total Households	48, 447	Total Households	61, 383
Average Household size	5,8	Average Household size	5,2

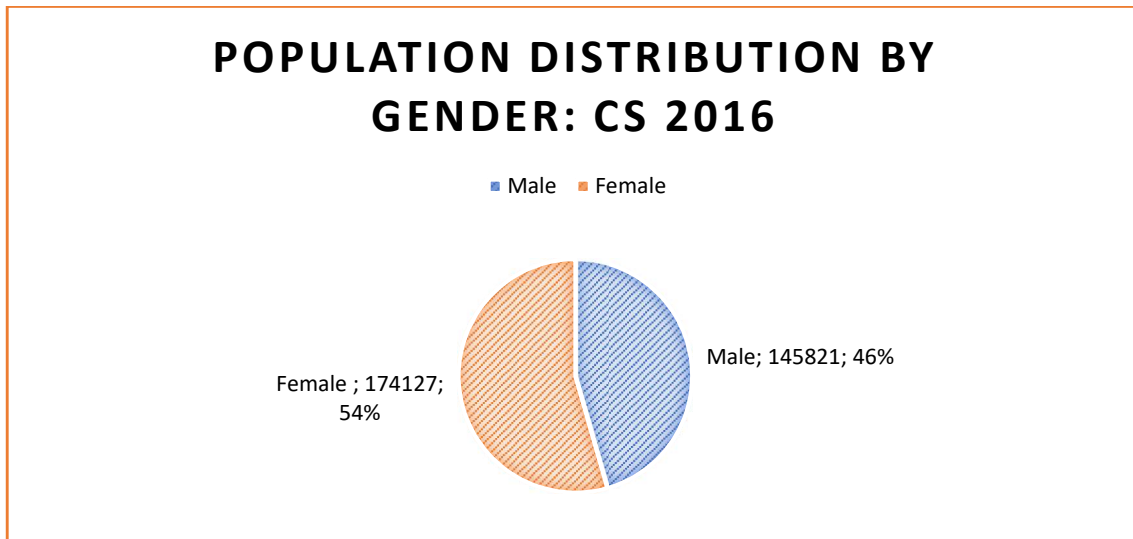
There are also factors such as migration of people into the municipality particularly in the urban area of Bizana for better employment opportunities and services this exerts pressure to the municipality as it has to increase its budget for service provision in town and mainly for indigent households. As the municipality is a border municipality there has been also a great noticeable migration of young people to Kwazulu Natal for employment some drop out of school this also affects education levels of the municipality. The municipality also experiences high HIV/AIDS prevalence rate due to migration of teenagers from Kwazulu Natal. Interventions have been developed by the municipality and NGOs to overcome this strategy.

The table below illustrates population growth between 2011 Census and 2016 Community survey:-

Population Trends												
Census 2011 – CS 2016												
Census 2011					Community Survey 2016							
Total Population	Total (15-34years)		Youth Proportion	Persons aged 20 years completed grade 12	Total Population	Youth (15-34years)		Youth Proportion	Sex ratio	Total Population intercensal growth rate (2011 - 2016)	Persons aged 20 years completed grade 12	
Male	128332	Male	4305	32,9	21278	Male	145821	Male	57176	83,7	0,029	28996
Female	153573	Female	4978			Female	174127	Female	66390			
Total Population	281905	Total Youth	9284			Total Population	319948	Total Youth	123567			

7.1.2 Gender Distribution

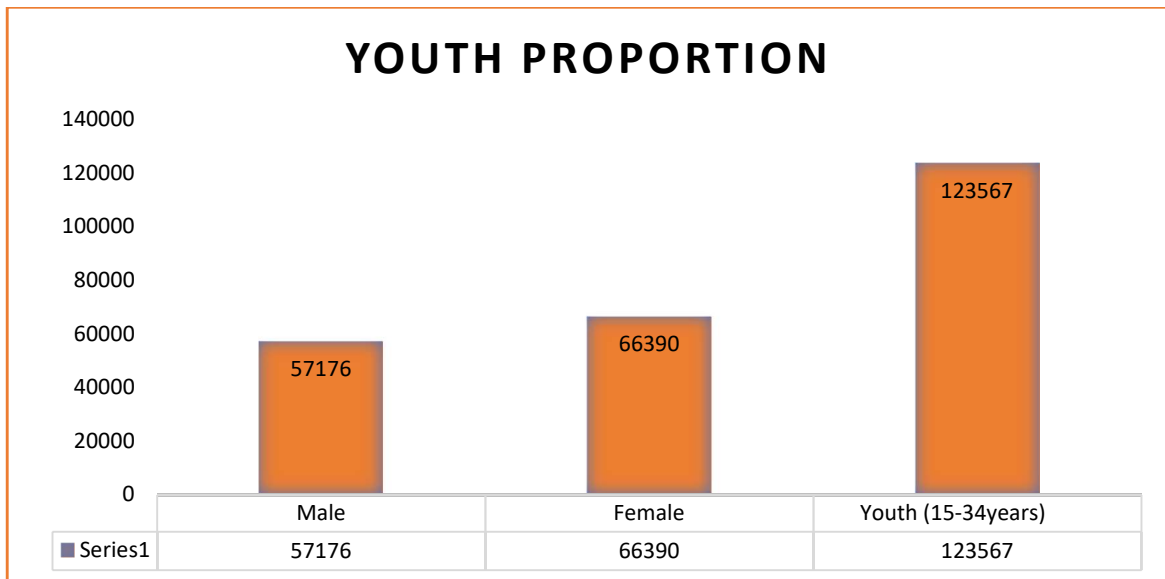
The *Census* 2011 and 2016 Community survey by Stats SA simultaneously indicates the population of Mbizana is dominated by females at about 54% of the total population compared to 46% of males. The table below shows that about 174 127 (54%) of the total population of Mbizana is women against 145 821 (46%) which are males: CS 2016.



This indicates that there should be dedicated programs of integration and incorporation of women in key planning and decision making roles of the municipality. Moreover there is need for consideration of the following:-

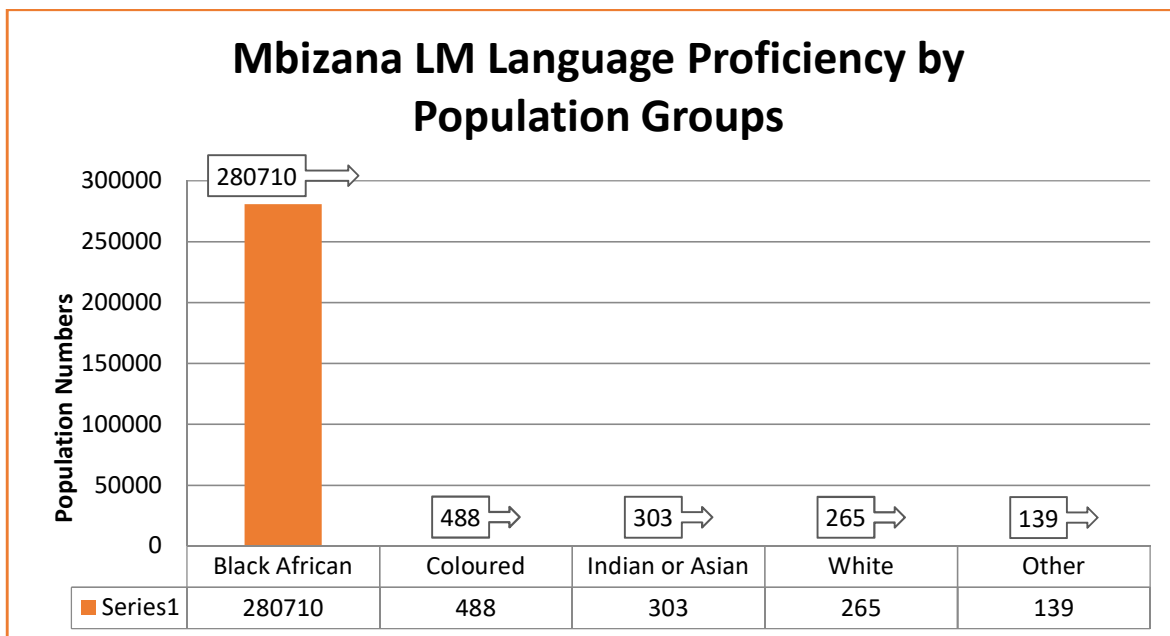
- Promoting participation of women in policy making and development.
- Ensure involvement of women in economic development activities.
- Improving women's earning power and reducing vulnerability of women to poverty.

The following table indicates that the according to Community Survey of 2016 by Stats SA about 123 567 of the total population is the youth ages between 15 to 34 years, of which 66 390 are women against 57 176 which are male.



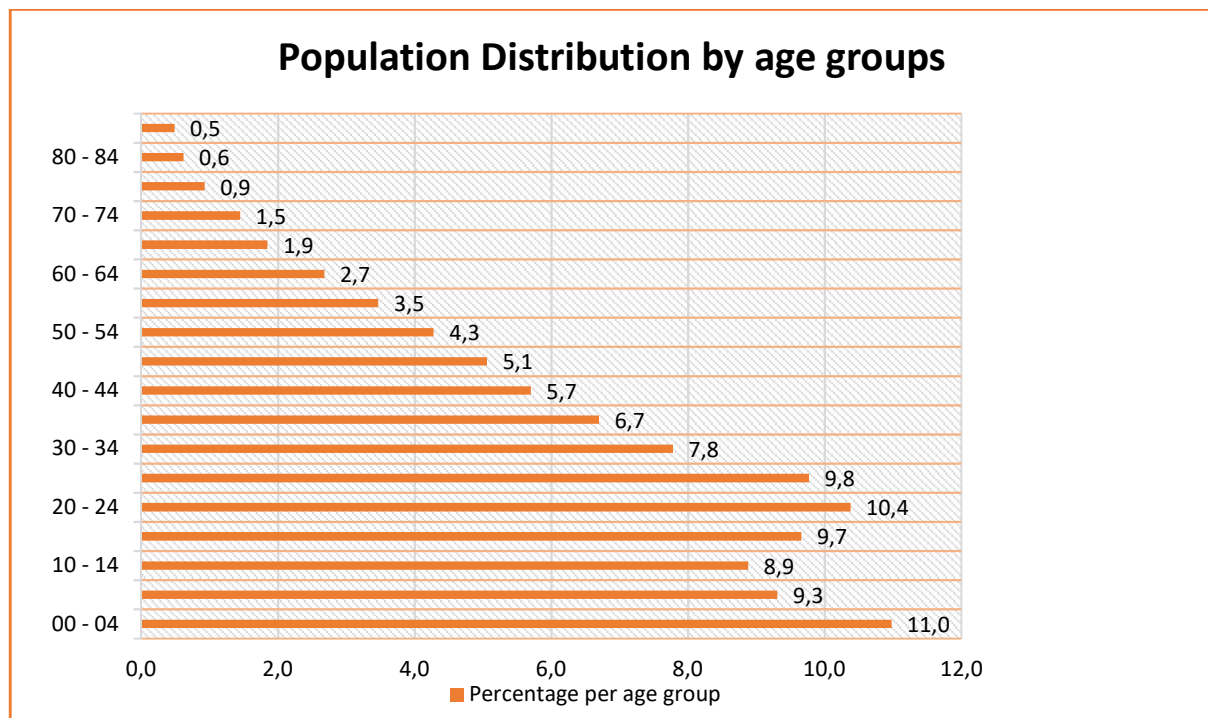
7.1.3 Population Distribution by Race

The largest population group in Mbizana is Black Africans at 99, 58% of the total population followed by Coloureds at 0, 17%, Indians / Asians at 0, 11%, Whites at 0, 09% and others at 0, 04% as demonstrated in the chart below:-



7.1.4 Population Distribution by age groups

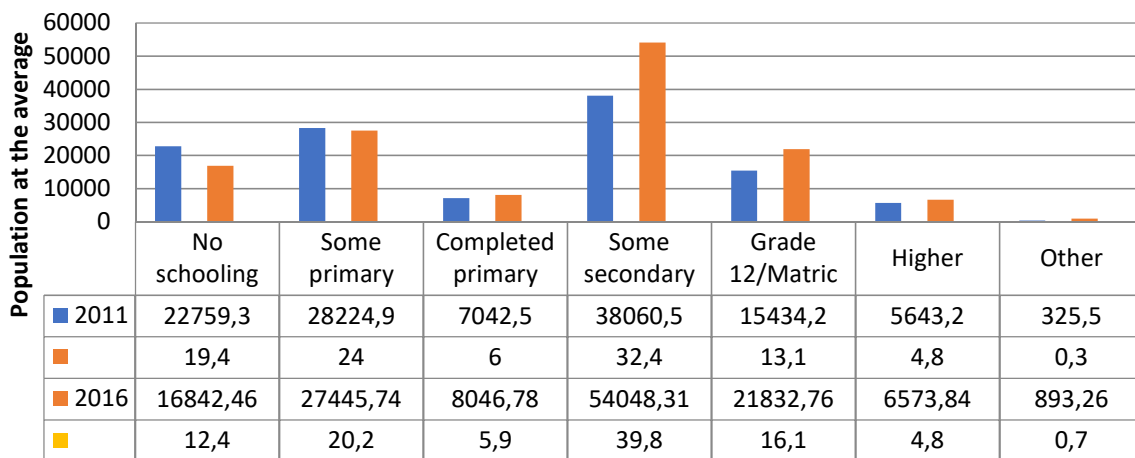
The age profile below shows that approximately 66% of Mbizana population is young people between 0 to 34 years old. These population trends oblige government in all levels to ensure that a large percentage of the budget is allocated to youth development and learner support programmes in order to deal with the needs of this majority section of our populations. The elderly people age group 60 and over accounts for 8% of the total population.



7.1.5 Educational Profile and Literacy Levels

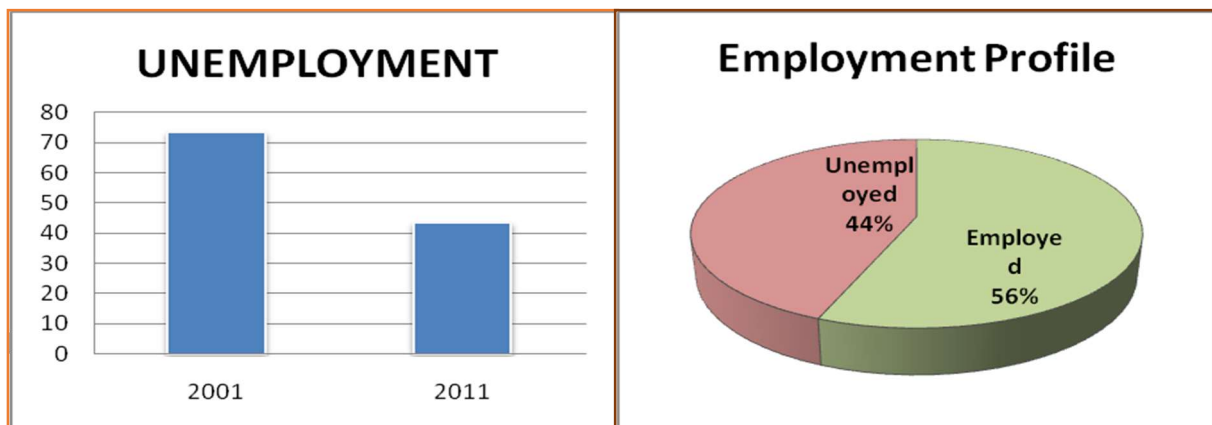
Education plays a fundamental role in community development as it provides a set of basic skills for development, creativity and innovative abilities within individuals. The South African Constitution states that everyone has a right to education. Educational levels for Mbizana are low with less than 50% of people attending at pre-school, primary schools and secondary school level. Only few people attend post matric studies and that calls for the government to have enough resources allocated for education as primary factor.

Educational Profile Comparing Census 2011 and CS 2016

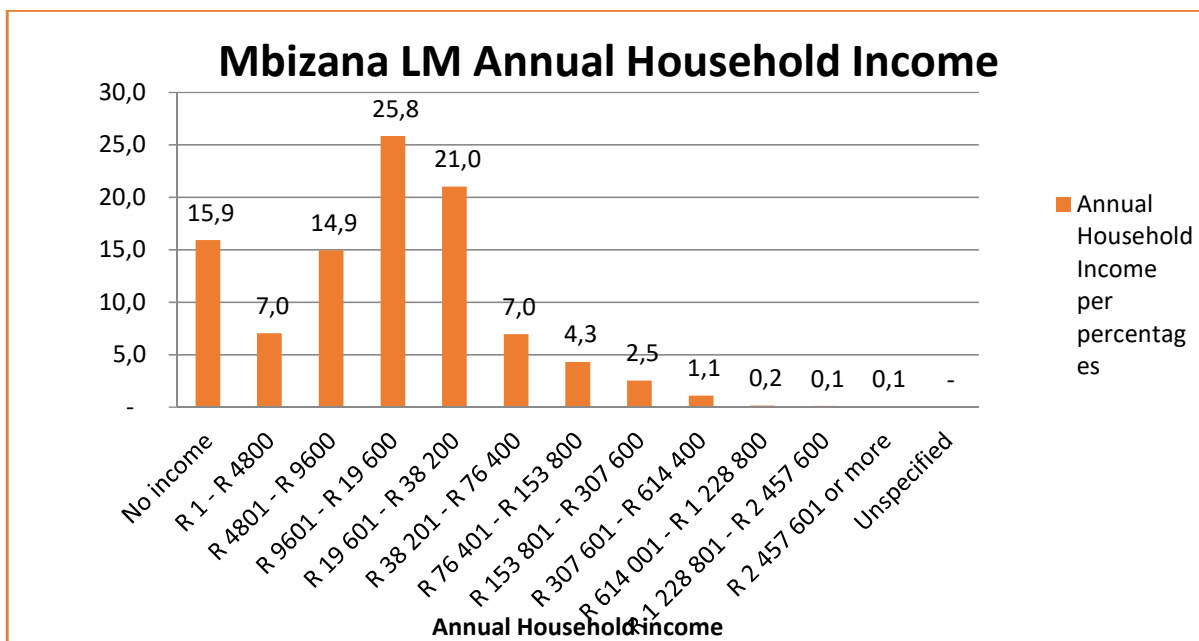


7.1.6 Employment Profile

The employment profile of Mbizana Local Municipality shows that unemployment rate declined between 2001 and 2011. In 2001 unemployment was 73.5% which dropped to 44% in 2011. Likewise, figure shows that people who were employed in 2011 were 56% compared to 44% of unemployed. This indicates that Mbizana has made significant strides in creating new job opportunities.

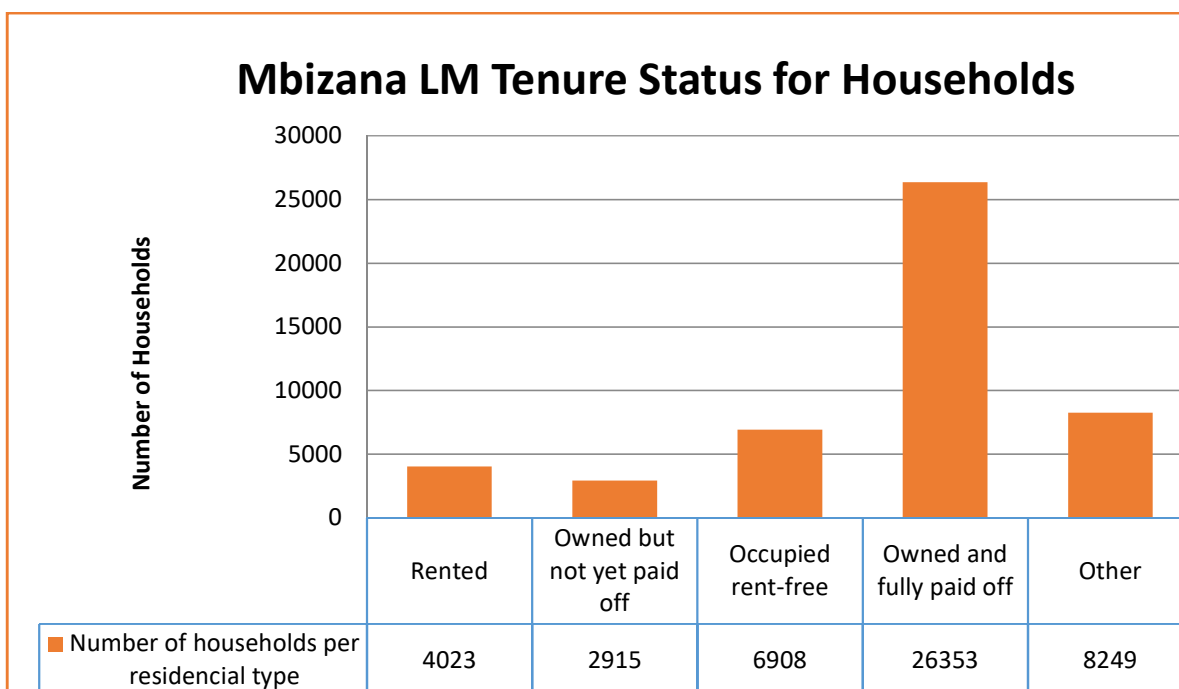


According to Census 2011 by Statistics South Africa, approximately only 15,9% of people have no income and that shows another improvement as compared to 2007 community survey where 76% of the total population had no income. As shown in chart below the highest number of population which is at 25,8 is earning between R9 601 – R19 600 and the lowest number of population which is 0,1% is earning R2 457 601 or more .



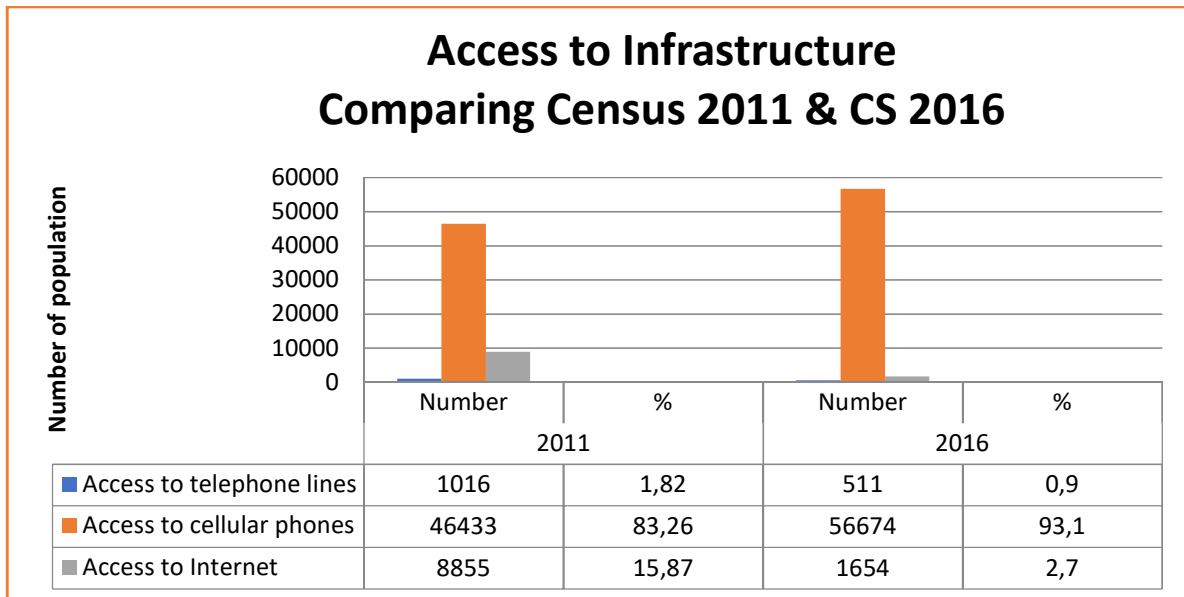
7.1.7 Tenure Status

There are different tenures within the municipality. However it is encouraging that the majority of households either own or have paid off their houses. By 2011, the number of households that owned and fully paid off their houses were 54, 4%. This is encouraging houses are regarded as an asset for households.



7.1.8 Household Access to infrastructure services

According to 2016 CS, the majority of the total population of Mbizana depends on cellular phones for tele – communication and internet access as only 0,9% of the population have access to telephone lines and only 2,7% have access to internet services. The graph below illustrates the comparison between 2011 Census and 2016 CS.



KPA 1: BASIC SERVICE DELIVERY

7.2 ENGINEERING SERVICES

The main mission of existence of engineering services unit is to deliver sustainable services to our constituent communities. Service delivery is therefore the highest priority in Mbizana Local Municipality. We provide services directly in all the areas of functions that are assigned to us and indirectly (via coordination and facilitation) in other areas of development for which authority reside elsewhere (either in the DM, Sector departments etc). We also partner with agencies in the non-governmental sector to ensure holistic and integrated delivery of development.

Currently the municipality receives infrastructure funding from MIG, INEP, EPWP, Office of the Premier, DBSA & the Equitable Share, however source of funding for infrastructure development needs to be diversified through funding applications to all public & private agencies who might willing to support infrastructure investment so as not to heavily rely on grants such as MIG, INEP, and EPWP), OTP, DBSA

& the Equitable Share as mentioned above. The department has managed to get the infrastructure plans from other sector departments within its area of Jurisdiction. The Municipality is currently in the process of consolidating all the sector plans so as to have one infrastructure master plan. Previously the municipality used to prioritize projects for both MIG and Maintenance on a yearly basis but that has since changed now as projects are now prioritized for a period of three years. A maintenance policy that has been adopted by the council, however a roads maintenance plan draft document is in place.

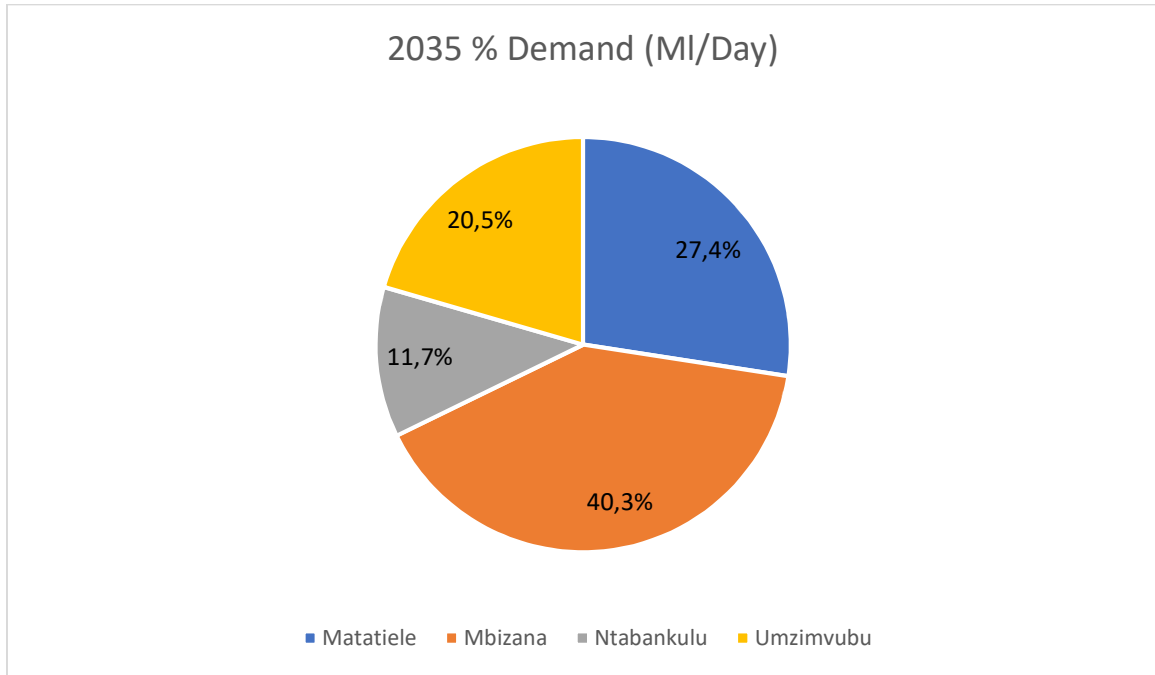
The municipality is also consolidating all the projects that other departments are coming to implement within its area of jurisdiction. This is done with the aim of ensuring that the local contractors are well informed of Job opportunities so that they can grow in their business and also to ensure that any challenges encountered are dealt with.

7.2.1 Water Services

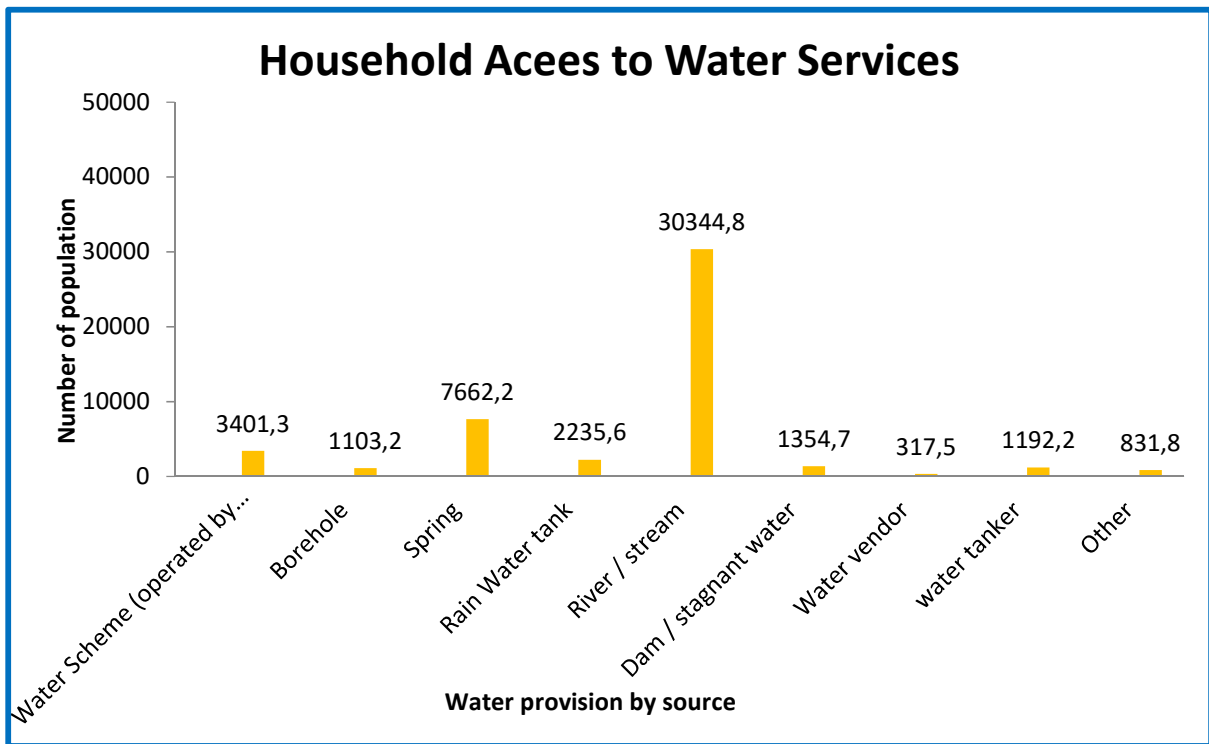
Water Service delivery is one of the primary functions of the District Municipality (Alfred Nzo District Municipality). Currently there is no service level agreement between the MLM and the DM about the provisioning of water. Primary discussions have started about this matter of the SLA through the District Wide Engineering Forums and should be sorted before the end of the financial year. With regard to provision of water services in Mbizana community, our analysis indicates that backlogs for water services remain high. The estimated backlog for water service delivery out of total household population of 48 408 is 44 479 (91.9%) households with no access to tap water, and 5% have access to tap water below RDP standard while 3.1% households have access to water on RDP standard and above (*Source: Stats SA Community Survey 2016*). The District Municipality (Alfred Nzo DM) is in a process of developing the following plans:-

- ⇒ Water services Master plan: - this will be in line with the Regional bulk Water Implementation readiness study that is currently being conducted by the DM.
- ⇒ Ground water management plan.

In Mbizana, the current implementation of the Greater Mbizana Regional scheme will take care of at least 85% backlogs after completion and connection to the existing infrastructure. According to the ANDM's water service levels and water requirements in 2015 it needed 70MI/day and by 2035 it will need 128MI/day. Mbizana LM is said to be the largest water consumer in the ANDM, requiring 40.3% of the ANDM's water supply.



Household access to water services



7.2.2 Background on the Greater Mbizana Bulk Water Supply Scheme essential

The 14.5MI/day at Ludeke Dam, 10MI/Day at Nomlacu WTW, 12km rising main, 4 command reservoirs has been completed. The dam capacity can serve 100% of the Mbizana population upon augmentation, possibly from Umtamvuna River. The Nomlacu WTW is designed and build at 10MI/Day upgradable to

20MI/Day to cover 100% of Mbizana LM. The current 10MI/Day can supply 48% of Mbizana i.e. the whole of Phase-1 (A &B). Phase-1 reticulation will cover 48% of the entire Mbizana LM population. However, bulk pipeline and secondary bulk has to be provided first.

7.2.3 Greater Mbizana Phase-1 Water Supply – Reticulation and Bulk Requirements

The Greater Mbizana WS project is divided into 17 supply zones. A service provider has been appointed by ANDM to prepare a project feasibility/technical report for reticulation of villages that could be supplied from the Phase-1 Bulk Water Scheme implemented by Umngeni Water. The estimated cost for the bulk water supply (including secondary bulk) for the entire Mbizana is R 3.5 billion. The estimated Phase-1 reticulation cost is R 848 million, broken down into Phase-1A at R 353Million and Phase 1B at R 495Million. Phase-1 reticulation will cover 9 supply zones out of 17 supply zones.

7.2.4 Cost Breakdown of Phase-1 Supply Zones

<u>PHASE-1 A</u>		
ZONES	POPULATION (HH)	COST (R)
Zone A (Ward 7 & 26)	9 894	47 363 918.73
Zone C (Ward 6 & 7)	8 536	49 367 936.05
Zone E (Ward 5)	5 144	47 933 382.84
Zone O (Ward 2, 4, 5, 9, 27 & 31)	27 716	208 408 232.39
TOTAL PHASE-1A	51 290	353 073 470.00

<u>PHASE-1 B</u>		
ZONES	POPULATION (HH)	COST (R)
Zone D(Ward 6, 13, 17, 19 & 30)	24 278	157 209 455.81
Zone F (Ward 17)	4 313	27 925 683.38
Zone H (Ward 19)	6 571	42 552 265.95
Zone J (Ward 18, 21 & 29)	23 490	152 109 983.19
Zone J (Ward 18, 20, 22 & 29)	17 795	115 231 892.33
TOTAL PHASE-1B	76 447	495 029 280.66

Greater Mbizana Phase 1A – Reticulation Scope of Work and Zones to be covered

- 18 Elevated Tanks and 32 Village Reservoirs
- 105km Connector Mains
- 343km Village Reticulation pipelines
- 1 213 stand pipes and 43 break pressure tanks
- 16km Access Roads
- Zones to be serviced are as follows: Zone A, C, E & O
- Zone A covers Ward (7 & 26), Zone C covers Ward (6 & 7), Zone E covers Ward (5) and Zone O covers Ward (2, 4, 5, 9, 27 & 31), therefore, that gives a total of 4 Zones out of 17.

Greater Mbizana Phase 1A – Reticulation Scope of Work completed under Zone A & C

- 2 Elevated Tanks and 5 Village Reservoirs
- 13.5km Connector Mains
- 153.3km Village Reticulation pipelines
- 733 stand pipes
- Zones to be serviced are as follows: Zone A & C
- Zone A covered Ward (7 & 26), Zone C covered Ward (6 & 7) and Zone E's part of Ward (5)

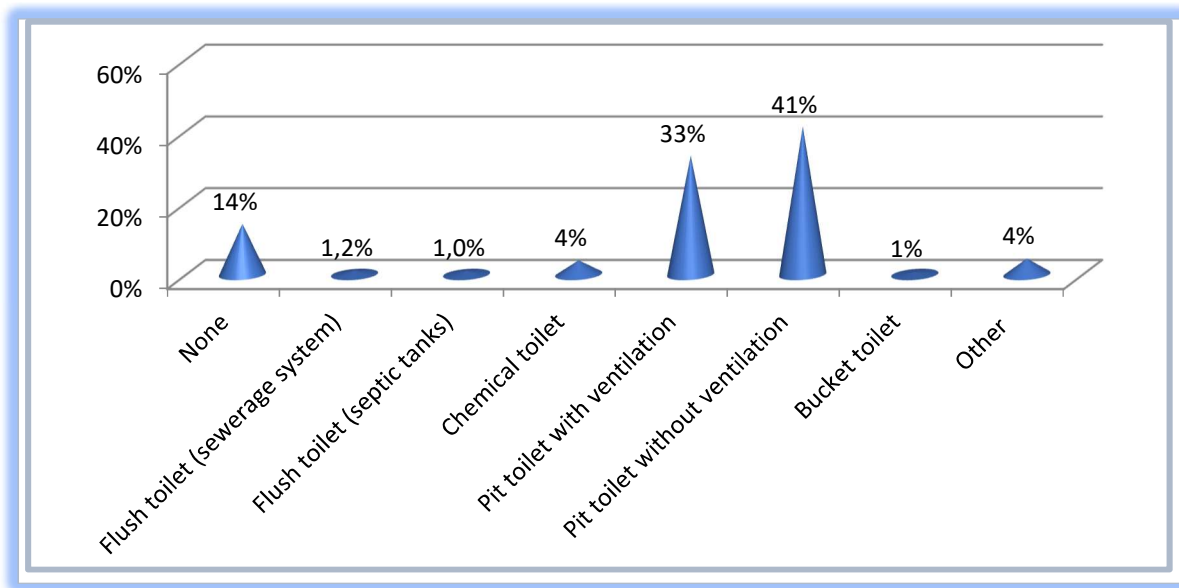
Greater Mbizana Phase 1B – Reticulation Scope of Work and Zones to be covered

- 31 Elevated Tanks and 44 Village Reservoirs
- 150km Connector Mains
- 612km Village Reticulation pipelines
- 1 984 stand pipes and 76 break pressure tanks
- 16km Access Roads
- Zones to be serviced are as follows: Zone D, F, H, I & J
- Zone D to cover Ward (6, 13, 17, 19 & 30), Zone F to cover Ward (17), Zone H to cover Ward (19), Zone I to cover Ward (18, 20, 22 and 29) and Zone J to cover Ward (18, 21 & 29).
- Therefore, that gives a total of 5 Zones out of 17

7.2.5 Sanitation Infrastructure

Sanitation service delivery is the competence of the District Municipality (Alfred Nzo DM, the local municipality is mainly the beneficiary of the services. The estimated backlog for RDP sanitation service delivery out of total household population of 48 408 is 17 423 (35.99 %) households with no access RDP Sanitation, and 31 146 (64.34%) have access to RDP Sanitation (Ventilated Improved Pit-latrines (VIP Toilets)) (Source: Stats SA Community Survey 2016). Out of 31 wards only 8 wards with no sanitation services. Even though the MLM is neither a WSA nor a WSP we still keep in contact with the DM about all the sanitation projects so that we can be able to update our communities about the sanitation projects.

However, there is also another major role to be played the District Municipality in ensuring that at least every household have access to VIP toilet. The District Municipality (Alfred Nzo DM) is in a process of developing the Sanitation Master Plan. The municipality also engages the district municipality through the district wide infrastructure forum to get information about the infrastructure projects.



7.2.6 Roads and storm water drainage

The powers and function of transport planning in the municipalities is the jurisdiction of public works. The municipality is working on the programme to provide access roads and transport network plan from the District Municipality. Roads in the municipality are classified as Provincial, District & Access roads. Provincial & District roads are managed & maintained by the province while access roads are MLM's

responsibilities. The Municipality has developed an Asset register during the 2014/15 financial year and is reviewed annually and this deals with information showing the numbers, extent and asset value of the existing access road infrastructures.

This asset register together with the maintenance plan will go a long way in ensuring the maintenance of gravel access roads is done systematically with baseline information available. The department of development planning has finalised the Geotechnical Information System (GIS) implementation project. GIS is being used to locate and assess roads utilising the latest methods.

The Alfred Nzo District Municipality and the Department of Transport recently completed Roads Asset Management System, (RAMS) which covers all the roads that are within the municipal area with details about the status of each roads. RAMS indicates the backlog studies of all the roads and storm water drainage as well as the current status of all the roads within our municipality including the access roads. RAMS will also be included on the consolidated infrastructure master plan which will also include all the information from other sector departments. The information in the asset register will be incorporated into the master plan to have a comprehensive master plan that talks to the existing roads and storm water drainages as well as the roads and storm water drainages that still need to be done. The Municipality has also started the ward-based backlog studies which will also confirm the roads and storm water backlogs per ward.

This information will also be aligned to the GIS information that the municipality is currently in the process of compiling. In the long run it is the plan of the Municipality to have a Comprehensive Investment Infrastructure Master plan which will talk to the infrastructure that will attract more investors to invest within our local municipality. This investment infrastructure plan will be started once the backlog studies have been completed and it will be more a phase 2 project. For the purpose of identification of access roads, Operations & Maintenance and subsequent valuation an electronic Access Road Management System that creates various interfaces and consolidates information on a desktop has been proposed and is due for implementation during the coming financial year.

The municipality has established local transport forum which will inform district and provincial fora which will streamline the realizing of an integrated transport plan and its subsequent implementation, this forum has just sat once with aim of drafting its terms of reference. Mbizana Municipality is responsible for the construction, maintenance and upgrading of access roads within the municipality. The Municipality also plays an active role in the coordination of infrastructure delivery and maintenance

between the communities and the departments of roads, transport and public works. The Roads forum is active within our municipality and sits quarterly.

As a strategy to cater for non-motorized transport the Municipality has recently adopted a policy on Walkways. Our studies indicate that non-motorized transport in our municipality is close to non-existent, but these studies will be reviewed annually so that this type of transport can be catered for if there is a demand for it. Approximately 385.6km of road has been created using MIG funding by end in June 2019 from 2013/2014 and 23.6km is targeted for the current financial year 2019/0 with a budget of R 27 000 000,00.

The following are the municipal MIG allocations for the municipality since the 2013/14 financial year to the 2019/20 financial year. The allocations also indicate the amounts that the municipality has set aside for the road construction which also include the storm water drainage.

7.2.7 Municipal Financial Years (July – June)

- 2013/14: R 40 297 000.00 about 68.5% R 27 600 000.00 was meant for roads equivalent to ±36.8km.
- 2014/15: R 44 992 000.00 about 80.73 % R 36 406 807.73 was meant for roads equivalent to ±53.5 km.
- 2015/16: R 47 216 000.00 about 60% R 28 329 600.00 was meant for roads equivalent to ± 40km.
- 2016/17: R 46 159 000.00 about 64% R 29 551 800.00 was meant for roads equivalent to ±39.4km.
- 2017/18: R 59 678 000.00 about 45% R 27 146 634.66 was meant for roads equivalent to ±34.9km.
- 2018/19: R 47 416 000.00 about 50.59% R 23 988 414.50 is meant for roads equivalent to ±27.9km.
- 2019/20: R 48 362 000,00 about 56 % R27 000 000,00 is meant for roads equivalent to ±23.6km
- 2020/21: R 50 979 000,00 about 53.30% R27 175 002,02 is meant for roads equivalent to ±27.5km

The intention is to strive for a manageable balance between the need to create new infrastructure and maintain existing ones. In addition, we aim to mobilize more resources to expand coverage through working closely with EPWP and other relevant agencies responsible for road infrastructure development.

A special attention will be given to maintenance and improvement of urban storm water infrastructure which has been badly affected by siltage, clogged culverts and excessive intrusion by flood-transported debris & irresponsible people dumping foreign objects into our system. The municipality has embarked on an on-going programme to ensure that the storm water drainage in town is upgraded. This has assisted with a longer life span of our town internal streets. Special attention will be given to needs that advance the goal of achieving the following IDP intentions: -

- Creative provision of road infrastructure that support socio-economic objectives such as improving linkages and accessibility of amenities, schools, clinics, community halls etc.
- Effective rehabilitation and revitalization of urban economic hubs through road and storm water drainage infrastructure delivery in our core urban center of Bizana.
- Continuous engagement of other delivery agencies to take note of the need to ensure adequate provision for functional storm water drainage when designing and developing road networks in all our areas.

The CBP demonstrates that approximately 133 (54.5%) villages have no access to roads whereas 111 (45.5%) have access roads. About 448.9kms of gravel roads have been maintained from the 2013/14 financial year to end June 2019. Roads are provided with storm water drainage pipes and culverts to allow for surface run off flow without affecting road surfaces. Nine river crossings have been constructed since 2013/2014 to end June 2019.

Major challenges with regard to road maintenance services

- ⇒ Poor conditions of infrastructure; especially roads
- ⇒ Lack of sufficient funds to construct and maintain roads.
- ⇒ Most of access roads are not tarred.
- ⇒ Availability of borrow pits

High backlog of construction of bridges, as detailed by the Ward Based Plan

- ⇒ Ward 3 from Dumsi road to Yange S.PS
- ⇒ Ward 6 Mhlanga to Sontsele
- ⇒ Ward 10 Rockville bridge
- ⇒ Ward 8 Dudumeni bridge
- ⇒ Ward 17 from Mbenya to Ntsingizi
- ⇒ Ward 29 Mntuizeni bridge (Cwaka and Phathekile and Mfolozi J.S.S.)

During the 2017/18 financial year the municipality had prioritised the rehabilitation and extension construction of the KwaNdela Bridge, however its construction started in 2018/2019 due to an EIA and MIG registration approvals that were acquired late and this caused delays in the implementation of the project, however, the KwaNdela Bridge has since been completed.

7.2.8 Road Maintenance

Over the past three years, the municipality decided to improve its internal capacity to maintain access roads. We have improved our road works machinery in order to continuously improve the state of our roads. The general state of our access roads is bad, the municipality has budgeted an amount of R 10 000 000.00 during 2019/20 financial year for the rehabilitation of gravel access roads. The allocated budget is far less than the required funding in order to meaningfully eradicate roads maintenance backlogs. The municipality already has two (2) fully-fledged sets of construction plant (2 x Grader, 2 x Roller, 2 x water cart, 1 x Excavator, 1 x TLB, 1 x Diesel Tanker Truck, 1 x Lowbed Truck and 3 x tipper trucks), however these are not enough to rapidly deal with the current backlog as it is too high

We also utilized the EPWP contract labourers to maintain the storm water drainage and also to fix the small to medium potholes within our CBD roads. It is planned that a total of 150m² of pothole patching will be completed by the end of the current financial year. The long-term strategy the municipality is developing is that of developing a comprehensive Roads Master Plan that incorporates the road maintenance plan for a period of three to five years. The mentioned plan shall enable the municipality to enjoy an informed roads maintenance programme. The Roads Master Plan shall further explore and introduce contemporary roads maintenance technologies as our competitive edge.

7.2.9 Municipal Buildings maintenance 2019/20

WARD	PROJECT NAME	STATUS
1	51 Main Street (Main municipal Building)	Advert for the appointment of Contractors
1	DLTC	Advert for the appointment of Contractors
1	Cultural Village	Advert for the appointment of Contractors
1	Youth Centre	Advert for the appointment of Contractors
Various Wards	Hiring of roads plant machinery	Tender Documentation

7.2.10 Intervention Projects by Own Plant

WARD	PROJECT NAME	FINANCIAL YEAR	PROJECT SCOPE	PROJECT AMOUNT	PROGRESS TO DATE
21	Dotye – Greenville Hospital Access Road (own plant)	2019/20	Rehabilitation of 18.9 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Roadbed formation completed. Tipping and processing still outstanding
25	Gcinisizwe Access Road (own plant)	2019/20	Rehabilitation of 9 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Roadbed formation and Tipping completed. Processing in progress.
12	Ntlanezwe Access Road (own plant)	2019/20	Rehabilitation of 7.1 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Completed
17	Ntlakhwe Access Road	2019/20	Rehabilitation of 2 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Completed
29	Little Eden Access Road (own plant)	2019/20	Rehabilitation of 2 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Completed

WARD	PROJECT NAME	FINANCIAL YEAR	PROJECT SCOPE	PROJECT AMOUNT	PROGRESS TO DATE
17	Qandashe Access Road (own plant)	2019/20	Rehabilitation of 10 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Completed
23	R61 to Vulindlela School	2019/20	Rehabilitation of 10 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Completed
29	Mfolozi Access Road	2019/20	Blading of 1,5 km gravel road	Municipal plant	Completed
27	Mlambondaba – Thalen A/R	2019/20	Rehabilitation of 14.2 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Roadbed formation completed, Tipping completed. Outstanding is processing.
22	Khananda Access Road	2019/20	Blading of 1,5 km gravel road	Municipal plant	Completed
19	Thokozani Access Road	2019/20	Rehabilitation of 5 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Roadbed formation completed. Outstanding is tipping and processing.
13	Ngingo to Gagashe via Soweto Access Road	2019/20	Rehabilitation of 2,4 km gravel road with related storm water pipes cleaning along the length of the road.	Municipal plant	Roadbed formation completed. Outstanding is tipping and processing.

7.2.11 2019/202 Adhoc Access Road

WARD	ROAD NAME	PROJECT SCOPE	PROGRESS	OUTSTANDING WORKS
22	R61-Mfolozi School Access Road	Wet blading of 1.5 km	Completed	N/A
22	R61- Kananda Access Road	Wet blading of 1.5 km	Completed	N/A
24	R61- Vulindlela School Access Road	Tipping & Processing 1.5 km	Completed	N/A
29	Little Eden Access Road	Refurbishment of 2.0 km gravel road	Completed	N/A
27	Mlambondaba to Thalen Access Road	Refurbishment of 14.2 km gravel road	Completed	N/A
19	Mgomanzi Access Road	Tipping & Processing 2.5 km	Tipping in progress	Processing

7.2.12 2019/2020 PRIORITISED MAINTENANCE PROJECTS

WARD	ROAD NAME	PROJECT SCOPE	PROGRESS	OUTSTANDING WORKS
4	Mdeni Access Road	Refurbishment of 2.0 km gravel road	No Progress, Bid document to hire plant submitted to SCM for approval	
6	Matewu Access Road	Refurbishment of 5.6 km gravel road		
7	Mzamba Access Road	Refurbishment of 3.4 km gravel road		
8	Matyeni to Bukuveni Access Road	Refurbishment of 4.8 km gravel road		
10	Mabhokhweni to Dipini Access Road	Refurbishment of 1.6 km gravel road		
30	Dutyini to Ntsimbini Access Road	Refurbishment of 15 km gravel road		
26	R61 to Malola A/R	Refurbishment of 13 km gravel road		
22	Lukholo to Marazula Access Road	Refurbishment of 6.5 km gravel road	Construction in progress	Tipping & processing

WARD	ROAD NAME	PROJECT SCOPE	PROGRESS	OUTSTANDING WORKS
23	Manteku Access Road	Refurbishment of 2.2 km gravel road (4.0 km re-measured)	Construction in progress	Tipping & processing
24	Sirhasheni Access Road	Refurbishment of 10 km gravel road	Construction in progress	Tipping & processing
31	Majavu to Siwisa Access Road	Refurbishment of 3.6 km gravel road (4.1 km)	Construction in progress	Processing
1	CBD Pot hole Patching	Patch all existing pot holes & new mushrooming Pot holes in CBD and ward 6 Mhlanga Village Using internal plant Consultant has been appointed to deal with critical areas in CBD	R 1 300 000.00	220m ² has been patched, Bid document submitted to SCM for approval

7.2.13 2020/2021 PRIORITIZES WARDS FOR ROAD MAINTENANCE

WARD NO.	PROJECT NAME	LENGTH
5	Khethwa to Ndayingana Access Road	TBA
7	Majazi School to Jakuja Pre-School Access Road	TBA
9	Tshuze Access Road	TBA
14	Lumayini Access Road	TBA
20	Prossed to Madadana	TBA
21	Langaletu to Greenville Hospital	TBA
25	Mgwede Access Road	TBA
27	Mdikiso to Clarkeville Access Road	TBA
28	Hlalanathi to Dawede Access Road	TBA
29	Mfolozi J.S.S Access Road	TBA

7.2.14 MIG PROJECTS 2019/2020

WARD	PROJECT NAME	PROJECT SCOPE	BUDGET	PROJECT STATUS
30	Mpenkulu to Tulufa Village Access road	7.0km, concrete slab for steep sections, storm water and associated headwalls.	R 8 209 038,49	Under Construction
12	Mntomkhulu to Gxeni Access Road Phase-2	Alignment of 2,54km with the new bridge height, 100mm Concrete Multi Cell Geofabric on steep sections and 14m long (2,4m x 2,4m) 6 cell structure	R 6 112 184,38	Under Construction
29	Mkhungo to Nkunzi Access Road Phase-2	Concrete Slab, guardrails and extension of the low-level bridge	R 2 253 279,72	Under Construction

7.2.15 2019/2020 CAPITAL PROJECTS

WARD	PROJECT	PROJECT SCOPE	BUDGET	CURRENT STATUS
05	Community Hall	TBA	R 2 300 000,00	Under Construction
30	Community Hall	TBA	R2 300 000,00	Under Construction
01	Extension 04 – Ward 1 Bridge	TBA	R 600 000,00	Under Design

7.2.16 PRIORITIZED INFRASTRUCTURE PROJECTS FOR FINANCIAL YEAR 2020/2021

WARD	PROJECT NAME	SCOPE	PROJECT VALUE	STATUS
1	Mphuthumi Mafumbatha Stadium	29 702m ²	R61 862 554,68	Under Construction

WARD	PROJECT NAME	SCOPE	PROJECT VALUE	STATUS
1	Mbizana Civic Centre or Town Hall with Offices.	2 455.24m ²	R83 412 759,95	Under Construction
5	Sijingi to Mangunga Access Road via Methodist Church Voting Station (Ward-5)	Construction of 5,2km gravel road with related storm water pipes along the length of the road. 1km virgin and 4.2km to be rehabilitated.	R3 900 000,42	Designs
9	Ebumnandini to Nqabeni S.S.S Access Road (Ward-9)	Construction of 2,5km gravel road, 3 low level crossings with related storm water pipes along the length of the road.	R5 875 000,40	Designs
15	Gabisa via Makhosonke Access Road (Ward15)	Construction of 5.1km gravel road, 3 low level crossings with related storm water pipes along the length of the road.	R 3 900 000,00	Under design
18	Mqonjwana to Greenville Access Road (Ward-18)	Construction of 4km gravel road, 1 low level crossing with related storm water pipes along the length of the road.	R4 800 000,35	Under designs
25	Lubekelele Access Road (Ward-28 & 25)	Construction of 10,8km gravel road, 2 low level crossings with related storm	R8 100 000,85	Under designs

WARD	PROJECT NAME	SCOPE	PROJECT VALUE	STATUS
		water pipes along the length of the road.		

7.2.17 PLANNED INFRASTRUCTURE PROJECTS FOR FINANCIAL YEAR 2021/2022

WARD	PROJECT NAME	SCOPE	PROJECT VALUE	STATUS
1	Mphuthumi Mafumbatha Stadium	29 702m ²	R61 862 554,68	Under Construction
1	Mbizana Civic Centre or Town Hall with Offices	2 455.24m ²	R83 412 759,95	Under Construction
1	Extension 4 bridge	Construction of the bridge		Under designs
1	Rehabilitation of taxi rank	Completion of rehabilitation of taxi rank		Planning phase

7.2.18 Energy Supply

Mbizana Local Municipality has a NERSA approved distribution license NER/D/EC 151 and is responsible for the provision and maintenance of electricity to the residents of the town which is the seat of the municipality and Eskom provides electricity to the rest of municipal area starting from the outskirts of town. Mbizana Municipality has a maintenance plan which caters for LV and MV maintenance within the area of jurisdiction of Bizana which is our area of supply. Mbizana municipality also receives funding from the Department of Energy through Schedule 5B and we do household electrification in rural areas. Mbizana municipality has a five (5) year electrification master plan which gives priority to all unelectrified villages within municipal jurisdiction. There is a general increase of electricity demand due to new households that are constructed within the already electrified areas.

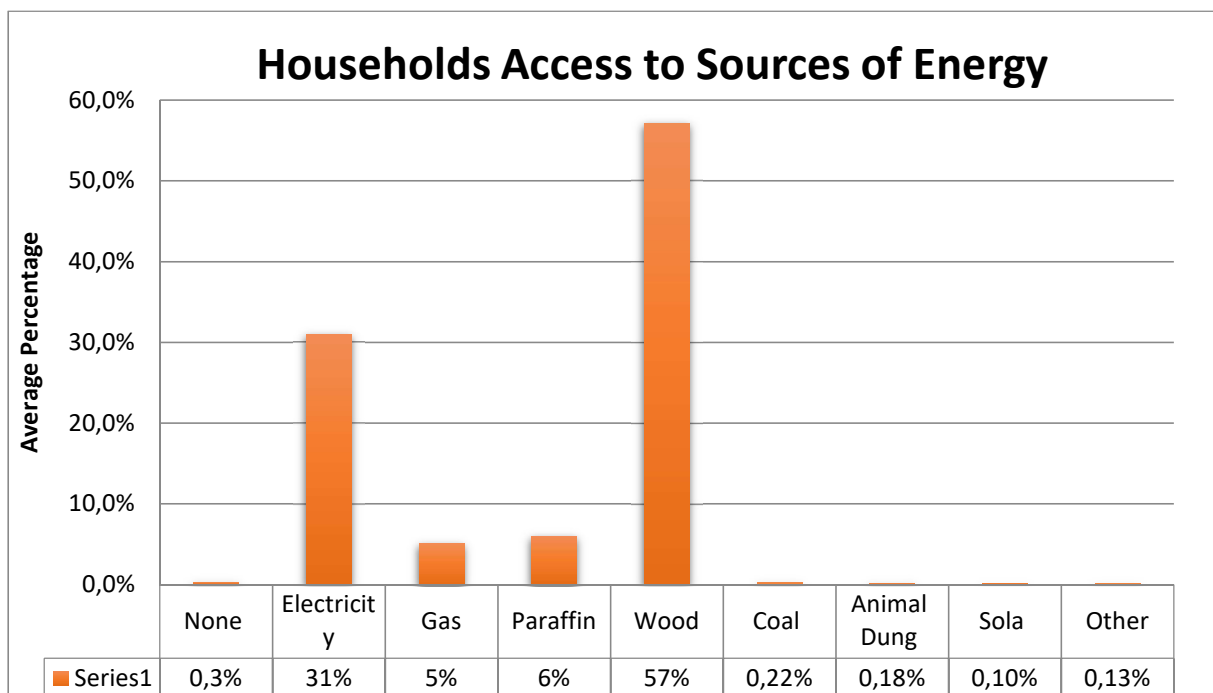
7.2.19 Backlog figures and ongoing projects

In conjunction with Eskom, Mbizana municipality has managed to reduce electricity backlog from 19000 (39%) households to 8947 in 2018 based on STATS 2011. This backlog figures will be further reduced once the ongoing projects are completed. In the current financial year 2019/20 Mbizana municipality received INEP allocation of R 31 240 000.00 which will be utilised for the connection of 808 households in Ward 11 , Ward 4 and Ward 13 including a link line that will increase NMD from 3 MVA to 8 MVA coming to Bizana town. The new statistics as per the recent population survey shows an increase in household because of the new extensions that are created in the already electrified areas.

7.2.20 Alternative Sources of Renewable Energy

Mbizana Local Municipality is working closely with the Department of Energy in the installation of Solar backed electricity in villages where grid electricity will take more than three years to be installed and where the terrain makes it difficult for grid electricity. Recently the Solar programme is experiencing challenges because the community do not want the panels to be installed. They fear that once they accept the Solar system government will never bring grid electricity system.

7.2.21 Houses Access to Source of Energy



The above chart shows that most households have access to electricity and also indicate the Mbizana population that is still dependent on other alternative energy sources.

7.2.22 2019/20 Electricity Infrastructure Maintenance projects

NAME OF THE PROJECT	PROJECT COST	PROJECT DETAILS
Infrastructure Upgrade	R 2 859 671.00	Replacement of LV poles and LV conductor upgrade.
Streetlight Maintenance	R 315 000.00	Procurement and replacement of streetlight fittings and accessories.
TOTAL	R 3 174 671.00	

7.2.23 2019/20 INEP PROJECTS

NAME OF THE PROJECT	WARD NO	NUMBER OF CONNECTIONS	ALLOCATED BUDGET	PROJECT STATUS
Madada Phase 2	11	239	R 3 700 000.00	Under Construction
Pelepele Phase 2	11	97	R 3 200 000.00	Under Construction
Ludeke Electrification	4	396	R 8 787 906.00	Under Construction
Matwebu Electrification	13	76	R 2 800 000.00	Under Construction
8 MVa Backbone Line	1	2.5 km	R 11 000 000.00	Contractor appointed
2020/21 Planning	Various	915 (Planned)	R 1 752 094.00	Advert
TOTAL		808	R 31 240 000.00	

7.2.24 2019/20 Eskom projects

NAME OF PROJECT	WARD NO.	STATUS
Makhwantini village	25	Under Construction
Mgungu	25 & 28	Under Construction
Type 1 Infills	Various Wards	300 Connections

7.2.25 2020/2021 ESKOM ELECTRIFICATION PROJECTS

Project Name	Gazette Amount	Project Type	Number of Stands/Households	Beneficiaries where it is infrastructure with multiple villages benefitting
Bizana 1 - W25	R 12 420 000	Household	400	Baleni & Khumbuza
Bizana 1 - W25 Link Line	R 357 000	Infrastructure - Line		
Bizana 3 - W15	R 13 041 000	Household	420	Mavunyelwa, Emabhawuteni, Khanyayo, Mabhengutheni & Sikhulu/ Nontlanga
Bizana 3 - W15 Link Line	R 1 357 000	Infrastructure - Line		
Bizana 2 - W25 & 28	R 12 075 000	Household	350	Mdatya, Sigidi, Madiba, Myameni & Bhekela
Bizana 2 - W25 & 28 Link Line	R1 357 000	Infrastructure - Line		
Bizana 1 - W25 Pre-eng (2021/22 Plan)	R 345 000	Pre-Engineering		
Bizana 2 - W25 & 28 Pre-eng (2021/22 Plan)	R 230 000	Pre-Engineering		
Mbizana Schedule 5B Pre-Engineering	R 230 000	Pre-Engineering		
Mbizana Type 1 Infill's	R 690 000	Infills	100	
TOTAL BUDGET	R 43 102 000		1 270	

7.2.26 Eskom Planned over Three Years

Sub Result Area	Issue	Strategic Objective	Project to be implemented	Budget : MTREF		
				2019/20	2020/21	2021/22
Electricity	Infrastructure bulk services not available and infills not addressed	To ensure reliable provision of electricity to the community of Bizana by June 2019	Electrification of Rural Households	R 32 610 000.00	R 31 240 000.00	R 30 000 000.00

7.2.27 Mbizana LM Proposed Planning for WSIG Projects 2019/20 F/Y

Original list with estimated costs			Prioritized projects after assessments	Recommended projects after assessment
Project Name	Ward	Original allocation		
Nontlanga 1&2	15	3 000 000.00	5 119 849.43	5 119 849.43
Dumsi	3	3 000 000.00	6 082 902.67	4 082 902.67
Ntika 1&2	21	4 000 000.00	5 714 249.12	
Nobamba	21	3 000 000.00	5 614 513.24	
Langaletu	21	3 000 000.00	5 662 006.70	
Rockville	10	3 000 000.00	5 807 762.25	4 807 762.25
Malongweni	10	3 000 000.00	4 278 847.78	4 278 847.78
Baleni	24	3 500 000.00	5 947 575.59	2 510 637,87
Mkhambathini		0.00	5 571 805.50	
TOTAL BUDGET		R25 500 000.00	49 799 512.28	20 800 000.00

7.3 COMMUNITY AND SOCIAL SERVICES

7.3.1 Environmental Management

The municipality has improved its functional capacity for undertaking environmental planning and management ever since the establishment of the environmental management unit. The municipality has made a tremendous improvement in performing impact assessments for its projects and general performing environmental tasks associated with our principal responsibilities as per the Constitution.

The situational analysis provides a review and interpretation of existing information on the biophysical and socio-economic characteristics and management context of the Mbizana coastal area in order to identify and describe emergent and recurrent coastal issues, constraints and opportunities. The intention of this component of the CMP is not to re-sample the social, economic or ecological situation of the area but rather to synthesise the numerous existing documents, reports and publications that have done so previously. The municipality is planning to develop Environmental Management by-laws.

7.3.2 Biophysical Environment

The natural area and vegetation is 65 %, with 12 vegetation dominant types, wetlands that exist are 523 ha, out of 33066 ha. There is a marine protected area and the Greening project has improved protection of natural areas. The Biodiversity patterns across this region have been categorized as per the EC Biodiversity Plan into 3 levels of priority; these 3 Critical Biodiversity Areas are CBA's 1, 2 and 3. These CBA's are both Terrestrial and Aquatic Critical Biodiversity Areas.

The ECBP included an assessment of the importance of various aquatic ecosystems and the catchments required to sustain them. Catchments were classified into CBAs reflecting their importance. The coastal strip of Bizana is categorized under CBA 1 which includes critically important sub-catchments, wetlands and estuaries. The other assessments which categorize the Aquatic CBA's of Bizana prove that the area stands out as being classified as CBA 1 as these rivers and their catchments support estuaries that are considered national and provincial priorities (ANDM EMF, 2012). Clearing of IAP's and general cleansing along catchments has been included in the activities of the Working for the Coast Project.

7.3.3 Biodiversity Management

This area is rich in medicinal plants and as such exploitation is also high, the medicinal plants like *Helichrysum petiolare* (Impepho) have been identified as the most exploited medicinal plant as they harvest this plant in tons for commercial use in KZN. The municipality further established the Planting of Indigenous trees to schools program as a response strategy towards climate change. The program is normally linked with celebrations of the Arbor Week and serves as one of the municipal strategies towards climate change resilience.

Fencing of the proposed Mthamvuna Nature Reserve Project, a project funded by DEA has been completed. The process is meant to assist the community in creating a tourist attraction/leisure spot, thereby creating job opportunities to the locals of the area. The aim of establishing the nature reserve is also meant to preserve the natural state of the area as it is rich in biodiversity hence the fencing of the area and establishment of a medicinal nursery which will avoid the overharvesting of a medicinal plants in the area. The nursery is intended to be operated in partnership with the community trust and local traditional healers (Amagqirha) will advice on which plants need to be planted. The municipality is also advised by ECPTA in this project as it has a tourism and conservation component. Proclamation process has not been done. The project has experienced lots of challengeS which caused a delay in all deliverables being implemented and currently has not been handed over by the department.

7.3.4 Alien Plants Encroachment

Alien invasive plants pose one of the biggest and most problematic threats to the environment of Mbizana. Not only may their effects be latent and sometimes difficult to detect and assess in extent, but they may just as easily be explosive and overwhelming. Similarly new areas have been invaded that were previously considered “clean” and safe from immediate threat. Within the Mbizana coastal terrain there is a high invasion currently at a tough and challenging pivot point as alien species are arriving and reproducing at an alarming and increased rate, driven b In Mbizana, the invasion of alien grasses has dramatically increased the frequency and intensity of fires in dry forests, a combination of natural and man-made factors (such as floods and inappropriate land use practices). The municipality received funding from DEDEAT for Removal of IAP project in 2015.

The municipality has thus prioritized alien species removal for addressing present and future problems of alien plant control in Mbizana inland and coastal areas, through sourcing of funding from various potential funders i.e. DEDEAT, DEA etc. The program has always been intended for protection,

preservation, management, or restoration of natural environments and the ecological communities that inhabit them.

- Increased water security with enhanced stream flow and improved water quality.
- More productive wetlands, estuaries and water tables.
- Rehabilitation of degraded land with a strong emphasis on Land Care to secure the sustainable productivity of land.
- Conservation of biodiversity and catchment integrity and the reduction in the frequency and intensity of fires and floods.
- Inappropriate farming methods on commercial farms have given rise to severe land degradation and soil erosion. Environmental management policies and practices remain sectoral and fragmented.
- Inadequate resources that can assist in fostering sustainable and integrated environmental management practices to improve the life of Mbizana citizens.
- Poor skill development in the aspect of environmental management, hence there is less development.
- Inappropriate development due to shortage of lands in area/lands that need to be protected, e.g. Wetlands.
- Initiate projects which aim to achieve the green economy accord which binds the government, communities, businesses and labour sectors to attaining low carbon-based economic developments growth through renewable energy, such as recycling, electrification of poor communities, youth employment and cooperative support.

The municipality has received funding in 2019 for the Mbizana Alien Eradication project funded by Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). The project amounts to an amount of R3 286 000.00 and will focus on removal of Alien Invasive plants along catchments and areas of high biodiversity. The project will include all 31 wards. The areas identified for removal are Proposed Mthamvuna Nature Reserve, Ntlakwe River and Wetland behind Eskom towards Nkhwe.

7.3.5 Climate Change Response

The Mbizana Local Municipality adopted a climate change strategy in 2015. The strategy was developed and the responses outlined are aligned with the ANDM Vulnerability Assessment which states that our region is increasingly recognized as one of the areas in South Africa that will be hardest hit by climate change & represents significant opportunities for adaptation and building local community resilience

against extreme hazards and adverse climate change impacts due to its natural biodiversity and ecosystems resource base. The climate change response strategy aimed to:-

- Ensure that the municipality is consistent with national priorities, including poverty alleviation, access to basic amenities including infrastructure development, job creation, rural development, foreign investment, human resource development and improved health, leading to sustainable economic growth;
- Ensure alignment with the need to consistently use locally available resources;
- Ensure compliance with international obligations;
- Recognize that climate change is a cross cutting issue that demands integration across the work programmes of other departments and stakeholders, and across many sectors of industry, business and the community;
- Focus on those areas that promote sustainable development;
- Promote programmes that will build capacity, raise awareness and improve education in climate change issues;
- Encourage programmes that will harness existing national technological competencies;
- Review the strategy constantly in the light of national priorities and international trends;
- Recognize that South Africa's emissions, Provincial and Local emissions will continue to increase as development is realized.
- Ensure that Mbizana Local municipality IDP prioritizes building climate resilience through planning human settlements and urban development; provision of municipal infrastructure and services; water and energy demand management; and local disaster response, amongst others.
- The Climate Change Strategy developed in 2015 will be reviewed in the current financial year 2019/2020.

7.3.6 Coastal Management

According to Mbizana LM Integrated Coastal Management Programme, the coastal belt stretches approximately 25 kms and forms part of the areas of high conservation value and is regarded as the second coast with the most species rich floristic region in South Africa. Therefore, it is important to ensure that this area is protected and conserved for the present and future generations. The municipality as a coastal municipality has a responsibility to develop an Integrated Coastal Management Program (ICMP) which has currently been developed adopted by the councils, both Mbizana LM and ANDM.

The municipality in trying to implement the programme has partnerships with WESSA and the National Department of Tourism to assist in achieving full status for our 2 Pilot Blue Flag Beaches. The Pilot Blue flag status prioritizes critical areas in which the municipality needs to improve: -

- Improved road infrastructure to the beaches.
- Signage leading to all tourism attractions spots needs to be clearly indicated
- Improved beach management in terms of life guards in all beaches, especially those which host a number of people during holiday seasons.
- Alien removal and creation of walking paths and boardwalks in sensitive areas programme along the 1 km zone.
- An informative mapping of the area which is inclusive of topographic, biodiversity, land-use and all other critical aspects.
- Ablution facilities in all the 5 beaches including parking space, clearly demarcated and camping spots which are clearly demarcated.

It is thus worth mentioning that most of our beaches lack basic facilities. The National Department of Tourism (NDT) and the municipality conducted a project scoping exercise aimed at identifying possible projects for Mzamba and Mtentu beach. The visit was as a result of Mbizana Beach Infrastructure Development, a project by NDT in its initial stage. The following were identified and proposed for possible funding by NDT for the two beaches: -

- Mzamba Beach
- Access road (Mzamba mouth)
- Flat board walk
- Life guard tower/structure (Both Sites)
- Life guard training
- Parking area (Mzamba mouth)
- Bins (Mzamba main, mouth)
- Braai stands (ten more could be added each site)

Ablution facilities including showers (one has been designed and paid for by the Coast care project, but ablution facilities are needed in Mzamba mouth as well.

- Mtentu Beach (Skiet bay)
- Road regraveling

- Bridge upgrade
- Ablution facilities including showers
- Braai facilities
- Concrete chairs & tables
- Bins

On the 22 May 2018 a consultative meeting with the municipality was done on the Beach infrastructure project funded by NDT and ECPTA was introduced as the implementing agent of the project. On the 29 November 2018 Songo Consortium Company was introduced, as appointed Principal Agent for managing two projects namely (a) Planning for Mthentu Beach (b) Planning for Mzamba Beach. A site visit was conducted in March 2019 to both beaches. The deliverables to be done have not yet been presented.

7.3.7 Integrated Coastal Management Programme

Mbizana Local Municipality is known for its beautiful and diverse coastline, which is part of the captivating Wild Coast of the Eastern Cape. In the past, South Africa's coastline has not always been utilized and managed in an appropriate manner, resulting in the degradation of significant portions of this valuable national asset. In response, the Integrated Coastal Management Act No. 24 of 2009 as amended by Act No. 36 of 2014 (ICM Act) was developed to promote ecologically, socially and economically sustainable coastal development and resource use, as well as to control inappropriate development along our coast. In respect to coastal management tools, Chapter 6 of the ICM Act mandates all three spheres of Government to prepare Coastal Management Programs (CMPs). A CMP, in general terms, is a policy or strategy document that contains vital coastal management objectives, –which serve as a system of principles to guide decisions and achieve rational outcomes relating to the coastal environment.

The situational analysis provides a review and interpretation of existing information on the biophysical and socio-economic characteristics and management context of the Mbizana coastal area in order to identify and describe emergent and recurrent coastal issues, constraints and opportunities. The intention of this component of the CMP is not to re-sample the social, economic or ecological situation of the area but rather to synthesise the numerous existing documents, reports and publications that have done so previously.

The primary objective of the situational analysis is therefore to integrate the findings of the relevant Spatial Development Frameworks (SDF.s), Environmental Management Framework, numerous documents and plans for the Wild Coast and other information that is relevant to coastal management within the region. In so doing, this CMP component highlights issues of priority or concern that require specific attention. Emergent and recurring environmental and socio-economic issues of the Mbizana coastal area are summarized in the document.

The inventory analysis on the entire Mbizana coastal belt is as follows:

- Land use is dominated by natural areas, scattered agriculture / plantations, rural settlements and limited tourism development.
- Shoreline is very diverse with estuaries, sandy beaches, pebble/shingle beaches and wave cut platforms.
- Vegetation Types comprises of coastal sourveld (grass land) & dune forest
- Estuaries – critical and need a proper management plan.

Mbizana Local Municipality established Mbizana LM Coastal Working Committee in 2015 which is a provision made by the Integrated Coastal Management Act (Act No. 24 of 2008) with the intention of broad stakeholder engagement in the management of the coastline. Amongst the objectives of formulating the committee is promoting cooperative governance and provide a conducive environment for all stakeholders to participate in managing our beautiful coast; creating a platform to discuss coastal management issues with a purpose of creating a well-coordinated service delivery to the more vulnerable communities.

7.3.8 Working for the Coast Project

A prominent program (Working for the coast Project) has pioneered Coastal management in our coast for many years, through dune rehabilitation, alien plant removal, cleaning of 5 beaches, construction & installation of beach facilities.

The Department of Environmental Affairs funded the WftC project for 2018/19-2022/23 financial year with an amount of R9 1000 000. 00. The deliverables of the project include mass employment of which MBSA Consulting has been appointed for that purpose. The deliverables include cleaning of 5 beaches which include Mzamba, Mnyameni, Khwanyana, Mdatya and Mtentu-Skiet bay beach. The project will also include appointment of an implementer for infrastructure project which include construction of braai stands, provision of bins and receptacle bins as well as provision of Park benches and bins

7.3.9 Marine Resource Management

In the management of the Marine resources, there are two governmental departments operating in the Mbizana coast: -

- DAFF (Fisheries) - operates from a high-water mark towards the sea. Its function is to ensure compliance from all fishers.
- DEDEAT- Responsible for monitoring activities within the 1 km zone from the high water mark towards inland, enforcement and compliance.
- DEA – Assist in management of the Coast through The Working for the Coast Project, which mainly focuses on cleaning of the beaches and maintenance/installation of beach facilities.
- DAFF (Forestry)- manages the indigenous forests in the coastal dunes, development of a policy regarding small scale fisheries is soon to be adopted, which will assist small scale fishers.

Fishing activities are mainly happening in the estuaries. Estuaries serve as a nursery home for marine species; however agricultural practices seem to play a role in interfering with this habitat. Due to inappropriate agricultural practices close to the estuary’s siltation causes blockage hence a habitat for marine species is disrupted. ECPTA extended the conservation area and hired rangers to oversee the area. The programme is funded by the Wild Coast Project. The Mbizana Local Municipality plans to establish a public launch in Mzamba. This launch site will primarily be used for Small Scale Fisheries and members of the community who hold permits for small scale fisheries in order to access the off-shore fishing grounds. Furthermore, having a launch site within the area of the municipality will boost the economic potential of the Municipality as a coastal tourism destination. The Municipality therefore is in the process of appointing a service provider to undertake an Environmental Impact Assessment process and develop an operational environmental management plan (OEMP) for a Public Launch Site to be established within the coastal zone of the Mbizana Local Municipality.

7.3.10 Mbizana Estuaries and their Challenges

Estuary	Features	Challenges	Opportunities
Mtentu Estuary	It is a protected area Fishing is prohibited Boats with engines are prohibited	Illegal fishing by nearby communities Jet skis enter the estuary illegally	Fly fishing can be successfully done Influx of seasonal king fish hence fishing is possible Canoeing

Estuary	Features	Challenges	Opportunities
	<p>It is a nursery for marine species</p> <p>It is a perennial river</p> <p>Considered to be one of the two biggest and longest protected estuaries in the Eastern Cape.</p>		<p>Beautiful cliffs that can be viewed by tourists</p> <p>Indigenous forests, hence it falls on the Wild Coast strip</p> <p>Campsite next to the estuary for accommodating tourists</p> <p>It forms division from the Mkhambathi nature reserve</p>
Skhombe	<p>No activities are done in this estuary</p> <p>Non-perennial</p>	<p>Agricultural practice on the river banks causes degradation then the sand is eroded to the estuary hence a build-up of silt in the estuary</p> <p>Sand dunes not covered by vegetation</p> <p>Illegal cottages that are in a very close proximity to the estuary which somehow interferes with the marine habitat.</p>	Canoeing
Khwanyana Estuary	<p>The Khwanyana camp is no longer in existence, hence there are no more activities done such as horse hiking trails</p>	<p>There is a lot of sand build-up that has almost clogged the river hence there is agricultural practice next to the estuary.</p> <p>It is surrounded by bare sand dunes (without vegetation)</p>	

Estuary	Features	Challenges	Opportunities
Mnyameni Estuary	Perennial rivers Fishing is good Campsite next to the estuary is currently operated by DEA, however it is supposed to be operated by the Municipality and the community	Agricultural practice next to the river which may affect the estuary	There is a proposed accommodation development
Mzamba	Fishing is good Proposed boat launching site Used as a film production area due to it's extraordinary natural features Perennial river It is supposed to have a management plan The Wild Coast Sun uses the river as their main water supply Registered launching site (not functional)		
Mtamvuna	Boats are permitted Host for boat competitions and jet ski's Fishing is not that good hence there are a lot of activities in the river.		

7.3.11 Carbon Capture Project

The municipality has improved its functional capacity for undertaking environmental planning and management ever since the establishment of the environmental management unit. The municipality has made a tremendous improvement in performing impact assessments for its projects and general performing environmental tasks associated with our principal responsibilities as per the Constitution. SACCCS (South African Centre Carbon Capture Storage) has been mandated by the South African Department of Energy (DoE) to explore the technical potential for CCS (Centre for Carbon Storage) in South Africa. SACCCS is a division of the South African National Energy Development Institute (SANEDI). South African Centre for Carbon Capture & Storage (SACCCS) has embarked on a Pilot CO₂ Monitoring Capacity Building Project at a natural CO₂ release to inform the development of a detailed monitoring plan for the Pilot CO₂ Storage Project (PCSP). The monitoring study is conducted along the 80km geological fault line between the areas of Alfred Nzo and Ugu District Municipalities.

As a result of the project, the local municipalities within the areas of the fault line studies will benefit greatly through monitoring skills transfer, capacity building programmes and knowledge sharing activities

that will include participation in workshops, programmes to be undertaken by research units from South African Universities, South African Government entities and organisation partaking in the monitoring programme. Several meeting with community leadership and entire community sat and the monitoring process has been completed and findings will be presented to the next Council.

7.3.12 Boat Launching Site

Mbizana Local Municipality appointed Limitless Strategic Solutions to conduct an EIA and development of an Operational Environmental Management Plan for the proposed Mzamba Boat Launching site on the 18th September 2018. A literature review and assessment of the biophysical and socio-economic environment within the Mbizana local municipal area and of the preferred site of the proposed boat launch site was done. An application for environmental authorisation to the competent authority (DEDEAT) was submitted on the 28 January 2019. Subsequently a public participation process was undertaken on the 26th February 2019 and a further assessment of the environment done wherein a biodiversity analysis; soil compatibility assessment and assessment of impacts and possible alternatives and which have been collated into a Draft Basic Assessment Report (DBAR). The DBAR will then be placed in areas accessible to the community in March 2019 and a 30 day period was granted for I&APs to comment and contribute to the EIA process. The final BAR has been submitted as of 10 May 2019 to the competent authority for decision-making (Environmental Authorisation).

7.3.13 Environmental Management Framework

The Mbizana Local Municipality appointed Ikamva Consulting on 10 February 2016 to develop an Environmental Management Framework for the municipal/geographical area under its jurisdiction as per Sections 2, 23 & 24 of the National Environmental Management Act (Act 107 of 1998) and the EMF Regulation promulgated under the same Act. The initial project timeframe was six (6) months.

The EM-Phase 1 process has three (3) deliverables, namely the Environmental Status Quo Report, The Desired State of the Environment and Environmental Management Zones Reports. The Final Draft of Desired State of the Environment, Environmental Management Zones and the consolidated EMF-Phase 1 Report will be adopted during 2019/20 financial year. This document will be adopted together with the Air Quality Management Plan drafted by ANDM and a MOU will be signed between the two municipalities to clearly outline roles and responsibilities of the local municipality and district municipality.

7.3.14 Biodiversity Offset Project

N2 Wild Coast Biodiversity Offset Project

The Eastern Cape Parks and Tourism Agency (ECPTA) was appointed by the South African Roads Agency SOC Limited (SANRAL) to implement the N2 Wild Coast Highway Biodiversity Offset Project over a period of ten (10) years. The Biodiversity Offset project seeks to, amongst other things, provide for the Biodiversity Offsets required in terms of the Environmental Authorization for the N2 Wild Coast Highway. An area of approximately 24 - 60ha would be impacted as a result of this intervention. The proposed offset areas are as follows;

- (i) Mt Thesiger and Chaguba Corridor,
- (ii) Ntsubane Forest,
- (iii) Lambasi,
- (vi) Ntentule Fall,
- (v) TRACOR lands and
- (vi) Msikaba Gorge and
- (vii) Mthentu Gorge.

The Project is expected to undertake two phases towards its completion. The first phase is to engage a thorough and consultative planning process for the development of an integrated Implementation and Project Management Plan for the N2 Wild Coast Highway Biodiversity Offset Project from July/August 2018 to July/August 2020. To this effect, ECPTA has outsourced the services of an experienced service provider who is expected to design and develop planning documents against four categories of deliverable goals in its detailed planning and these are to develop i) technical implementation plan, ii) project management plan, iii) stakeholder management plan and iv) conceptualize a monitoring and evaluation framework. All the conceptualized and formulated planning documents will be thoroughly assessed for quality and relevancy against the set milestones.

The second and the last phase is the practical execution (full roll-out) of the Biodiversity Offset programme. This phase as an applied process which will entirely be informed by the entire planning phase that is expected to be completed by the service provider. This implies that the product of service provider against four categories of deliverable goals will include i) execution of the technical implementation plan, ii) execution of the project management plan, iii) execution of the stakeholder management plan and iv) executing a monitoring and evaluation framework.

7.3.15 Oceans Economy Project

The Ocean Economy Project is a project funded by the Department of Environmental Affairs (DEA), with ECSECC providing secretarial and institutional support, and Nelson Mandela University as the Implementing Agency. The Eastern Cape Operation Phakisa: Ocean Economy aims to achieve, among others;-

- Solicit all-round support and escalate the championing of the Ocean Economy Agenda for socio-economic development in the Eastern Cape Province.
- Generate ideas on how the terrestrial and ocean economies can be linked for the benefit of the working class, small and emerging businesses
- Develop funding and resource leveraging strategy to drive the Ocean Economy Strategic Road Map for the next 20 years;
- Profile the potential and competitiveness of the province in the Ocean Economy.
- Canvass support for the implementation of the Strategic Road Map and BID Book.

The municipality has been included in the project as one of the municipality in which monitoring will be done.

7.3.16 Water Quality Monitoring Project

Human induced activities such as spillages have posed threat to the coastal users and marine biodiversity. Water Quality Monitoring Programme aims to assess the state or condition of the South African oceans & coasts. Monitoring of the coast assists in the identification point and non-point pollution. Water Quality Data enables effective planning and decision making providing tangible facts. Monitoring Directorate has an MOA/ MOU with the Walter Sisulu University for water quality analysis at the National Pollution Laboratory. The NPL further has mobile lab that is currently assisting at the BCC analysing Physical Properties, Heavy metals and Microbial activity. Department and NPL prior conducted a stakeholder engagement in identifying pilot sampling sites. The department has increased its capacity by employing Coastal Monitors around the South African coast. Increase in Capacity has opened an opportunity to expand/increase sampling sites. There are currently 5 pilot sites sampled at the Eastern Cape Province which include Qolora; Mzimvubu; Kowie; Buffalo and Swartkops sampling the estuaries and beaches. The Alfred Nzo District, specifically Mbizana LM has been included in the project. Location of samples are influenced by human induced activities around the area.

7.3.17 Waste Management

The Council has a responsibility to:

- Provide equitable waste collection to all households within its jurisdiction.
- Achieve integrated waste management reporting and planning.
- Encourage separation of waste at source especially domestic waste generated by households.
- Encourage community involvement in recycling programs.
- Ensure that health and safety, communication, awareness creation and complaints are addressed.
- That such collection, disposal or recycling take account of the waste management hierarchy.

Integrated Waste Management Plan was completed and adopted by Council and has been sent to MEC for approval. The municipality gazetted refuse Removal & sanitary by-laws which are currently being reviewed as per the NEMWA. There are a number of noticeable waste hotspot in town and surrounding. These hotspots are being managed by utilising our EPWP employees to work on them, and there is a huge improvement on that. Non-implementation of By-laws to deal with waste hotspots is hindering progress in limiting the number of hotspots in Mbizana.

These hotspots are highly catalysed by low levels of waste management service in most areas. Waste management service is being provided in businesses at an interval of 3 days a week, and a total no. of 310 businesses, and 1255 households receive our refuse collection services. The services has also been extended outside the CBD i.e. in Governmental institutions and businesses like Greenville hospital, Mzamba Police Station, Ku-bha Service Station, Wild Coast taxi rank, and Zamokuhle Special school. There are also plans in place to extend our services to Nompumalanga Special School, Vukuzenzela Special School, all 22 clinics around Mbizana, Formal businesses outside the CBD, Seaview business hub etc.

It has been identified that our collection services verses billing services are not aligned; hence the service is rendered at a deficit, there is work in progress to rectify this and also review waste management tariff using an approved tariff model by DEA.

There is 1 legally compliant landfill site which is currently under construction; a temporal dumping site is operated by the municipality. The municipality has compiled a rehabilitation plan with financial projections in preparation for closure of the EXT 3 dumping site. The plan aims at minimizing the environmental and social impacts caused by the illegal dumping site and to follow legal processes to

closing down the site. The municipality is currently in negotiations with Department of Environmental Affairs to finalize construction of the Majazi landfill site. The municipality is in consultation with ANDM to develop the Trade Effluent Policy and the municipality will designate 1 Waste Management Officer.

7.3.18 Recycling initiatives, Training and Awareness

There are informal recycling initiatives in Bizana town (Re-claimers), Sasuka Recyclers an Impact paper funded company specializing in Cardboard, paper and plastics. This company has employed 10 Women and a metal re-claiming company which has just established itself in town, metal is collected from all 31 wards and most of the collectors sell their recyclables in KZN (Port Shepstone and Durban). 2 Cooperatives (Mvelase recyclers and YonaYethu recyclers) have been established by the municipality for glass, plastics, paper and cardboard recycling is done by informal recyclers.

The municipality deals with general lack of awareness by public and 3 waste management awareness are conducted per year. These awareness's have played a major role in minimizing waste around town and there has been an increase in number of recyclers around town. The municipality has developed a draft Recycling Policy which will be adopted by the end of the financial year.

7.3.19 Waste Management Committee

Waste Management Committee was established in 2017. The main purpose of this committee is to implement the IWMP so as to promote the reduction, reuse and recycling of solid waste, together with plans and programs of community empowerment. The stakeholders are as follows: ANDM (Municipal Health Services, Water & sanitation and Disaster Management), Government Department like DEA, DEDEAT, DEPT. HEALTH, Transport, Education etc, and NGO's (Hawkers Association, Bus & Association, NAFCOC, Business Chamber). The committee sits quarterly to discuss waste related issues.

External Support

DEPARTMENT	ACTIVITY
DEA	Training proposal-Approved
DEA	Umzimvubu Catchment Climate Change Resilience urgency Job Creation & Training Initiatives-Awaiting response
DEA	Establishment of Indigenous Nursery-Awaiting response

DEPARTMENT	ACTIVITY
DEA	Working for the Coast program – on-going
DEA	Mthamvuna Nature Reserve, environmental learning centre & Vulture restaurant-Awaiting response
DEA	Mass Training empowerment programme-awaiting response
DEDEAT	Waste Management in Mbizana CBD-Approved & signed SLA.
DEA -NRM	Fire & Biodiversity Management Program- awaiting response
DEA - NRM	Natural Resource Management Project-awaiting response
SANEDI	CARBON CAPTURE AND STORAGE PROJECT

7.3.20 Overall Environmental Management Challenges:

- Over exploitation of natural resources due to extraction and changes in land use which result in loss of bio diversity through sand mining, unmanaged harvesting of species and unmanaged harvesting of mangrove forest and other forest stands.
- Soil erosion leading to siltation of rivers and estuaries, and loss of valuable agricultural land.
- The spread of invasive alien species which in turn has the potential to disrupt natural ecosystem functioning. Removal of aliens is being currently carried out by our EPWP employees.
- Poor reporting rate of environmental damage such as degradation due to illegal sand mining which usually occurs in wards 16,22, 25, 28, 29; borrow pits that are used without permits and have been left thereafter without being rehabilitated and natural causes like sinkholes in areas like ward sixteen (16) and ward three (3).
- Inadequate, overloaded or defective sewage treatment infrastructure which leads to environmental and health risks.
- Limited storm water management
- Pathogenic contamination of inland waters due to poor sewage treatment and disposal.
- Habitat degradation. Restoration of plants in their habitats by replanting them.
- Loss of arable land to housing developments
- Lack of awareness of environmental principles and relevant environmental and planning legislation and policy.
- Environmental non-compliances, lack of prioritization of environmental issues.
- No management of wild animals/ problematic animals, causing risks to human lives more especially in rural areas
- No legal operational dumpsite/ landfill. Majazi land fill site still under construction.

- No slipway/launching site for boats to fish offshore.
- A growing number of illegal cottages seem to be a challenge along the coast. These cottages are established by tourists in rural homesteads along the coast.
- Limited land for extension of cemetery.
- Few wards have demarcated land for cemetery.
- Limited space for urban green space in Mbizana.
- Littering in green spaces such as wetland.
- Effluent not properly managed in town, no Effluent Policy.

7.3.21 Current and Planned Interventions to overcome Environmental backlogs:

- Adoption of Environmental Management Framework.
- Scheduled Local Coastal Committee meetings to address all coastal issues and create good working relations amongst all governmental departments and parastatals / organizations
- Ward based Environmental and Waste Management awareness's.
- Removal of Alien Plants in various areas.
- Greening of open spaces in town and surrounding areas.
- Adopt a river program by Department of Water Affairs.
- Planting of Indigenous Trees in various schools and other public places.
- Working for the Coast Project
- Proclamation of Mthamvuna Nature Reserve
- Construction of Majazi Landfill site
- Establishment and support of recycling initiatives
- Environment and Culture sector – EPWP
- By-law for the control of the seashore and the sea
- Review of Recreational Facilities Policy
- Review Cemeteries and crematoria by-laws
- Review of Refuse and Sanitary by-laws.

7.3.22 Disaster Management

In terms of the Disaster Management Act, 2002 (Act 57 of 2002), municipalities are required to compile municipal disaster management plans. The municipality developed and adopted a Disaster Risk Management Plan (Level 1) in 2015, this document is due for review and we have sent a request to ANDM to assist with the review next financial year (2020/2021). The function is done by both the ANDM

and local municipality, there a satellite office with 1 Disaster Official with no proper equipment. ANDM had conducted a Vulnerability and Risk Assessment in 2016/17. The municipality is in the process of developing Disaster Management By-laws.

Mbizana Vision for disaster risk management

To co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players; and regularly review and update its plan.

Mission statement for disaster risk management

The key intended outcomes of this plan are the integration of Disaster Risk Management into the strategic and operational planning and project implementation of all line functions and role players within the municipality, the creation and maintenance of resilient communities within the area and an integrated, fast and efficient response to emergencies and disasters by all role-players. The municipality has thus developed and adopted a level 1 disaster risk management plan with the following objectives:

Summary of Disaster Management Plan Objectives

The overall objective of this document is to define and describe the essential elements and procedures for preventing and mitigating major incidents or disasters, but also to ensure rapid preparedness and effective response and aspect specific contingency planning in case of a major incident or disaster that will:-

- Save lives; Reduce risk exposure; Reduce suffering; Protect property; Protect the environment; Reduce economic and social losses; and Provide for the safety and health of all responders.
- Establish integrated institutional capacity within the municipality to enable the effective implementation of disaster risk management policy and legislation i.e. a series of workshops and awareness campaigns was conducted.
- Establish a uniform approach to assessing and monitoring disaster risks that will inform disaster risk management planning and disaster risk reduction undertaken by the municipality and other role-players.
- Develop and implement integrated disaster management plans and risk reduction programmes in accordance with approved frameworks.
- Ensure effective and appropriate disaster response and recovery.

- Prevention and reduction of disaster risks;
- Mitigation of impacts; preparedness for effective response to disasters;
- Minimize loss and property damage; and quick recovery from the impacts.
- To establish Disaster Local Advisory Forum.
- Reduce the risk of disasters caused by human error, deliberate destruction, and building or equipment failures
- Be better prepared to recover from a major natural catastrophe
- Ensure the organization's ability to continue operating after a disaster
- Recover lost or damaged records or information after a disaster

7.3.23 Local Disaster Advisory Forum

The Local Disaster Management Advisory Forum is collaboration between a range of stakeholders from key sectors – government, business, academia, labour and civil society. Its main objective is to enhance the municipality's efforts to reduce risk where possible; assist people to better understand the roles that they could play in reducing the impact of disasters; to assist in the development of clear actions to address all aspects of disasters risk reduction. Mbizana Local Municipality established Local Disaster Management Advisory Forum. The objectives of the forum are as follows;

Give advice and make recommendations on disaster-related issues and disaster management;
Contribute to disaster risk management planning and coordination;

- Establish joint standards of practice;
- Implement incident management systems;
- Gather critical information about the municipality's capacity to assist in disasters and to access resources;
- Assist with public awareness, training and capacity building;

The forum sits quarterly, minutes and attendance registers are indicators for this target. ANDM is working together with Local municipality and also Provincial Disaster Management Centre.

7.3.24 Fire and Rescue

This service is done by ANDM, operating a Satellite centre and we are in the process of signing a memorandum of understanding where in jointly Fire tariffs will be determined and implemented. The Municipality Conducts Veld Fire awareness in various wards of Mbizana in partnership with Alfred Nzo District Municipality Fire and Rescue. ANDM Fire and Rescue services conducted training for fire fighters

in ward 07- 30 volunteers, ward 29 - 90 volunteers and ward 30- 30 volunteers. Mbizana Local Municipality is planning to engage Working on fire and ANDM to establish a fully fledged Fire and Rescue Services in future. The municipality is planning to develop Fire management plan, the ANDM is currently assisting with resources whilst we are awaiting for development of a plan. The objective of working on fire are as follows: -

- Is intended for protection of natural vegetation;
- To create a community upliftment programme that will employ people especially the disadvantaged groups e.g. Women and Youth.
- To secure livelihoods and sustainable environment;
- To promote environmental strategies in minimizing veld fires through fire and life safety awareness and education campaigns;
- To provide trainings in different skills.
- The forum sits quarterly, minutes and attendance registers are indicators for this target.

The external support on fire and rescue is received from the following stakeholders: -

- Department of Environmental Affairs
- Alfred Nzo District Municipality Disaster Management
- Alfred Nzo District Municipality Fire and Rescue
- Provincial Disaster Management Centre.

The fire services are done by ANDM and tariffs have been developed by ANDM, Mbizana LM will therefore adopt the tariffs used by the district municipality.

7.3.25 Community Facilities

Cemeteries

The municipality is currently operating 1 cemetery in Ward 1 using the cemeteries and crematoria by-laws. The by-laws are currently being reviewed and amended. A plan to fence rural existing cemeteries is also in place and conduct cemetery awareness campaigns.

Park & Heritage sites

The municipality received funding from Department of Environmental Affairs for the development of a community park of Mbizana in ward 1, close to extension 3. The municipality maintains 4 heritage sites within the municipals jurisdiction which include, Khananda, O.R. Tambo monument, Winnie Madikizela and Ndlovu heritage site. The purpose of having the community park is for recreational benefit, aesthetic benefit as well as ecological benefits. The municipality is also currently reviewing a policy relating to Parks and Municipal Facilities.

Community Halls

There are 32 functional community halls. The operation of the halls is done through the adopted policy:

- Hire of Recreational facilities policy which is reviewed and adopted by council
- Maintenance and operational of Halls is done through EPWP beneficiaries and
- Establishment of Hall Management Committees in all halls.
- Duties of Hall Management Committee
- To ensure proper management of the halls.

Social Programmes

Social Relief of Distress Policy has been reviewed and adopted by the councillor. Qualified households are assisted during disaster incidences.

7.3.26 Free Basic Energy (FBE)

Mbizana municipality is subsidizing free basic energy to the indigent communities both in urban and rural people. In urban we are providing about 307 indigent beneficiaries and in rural villages there are 1756 indigent households receiving free tokens on a monthly basis through Eskom.

7.3.27 Free Basic Alternative Energy (FBAE)

The municipality has been implementing the solar energy project funded by the Department of Energy since 2011; this solar energy project is mainly used as our alternative energy source. The municipality is currently providing assistance to about 4951 installed customers in the following wards: 11, 14, 15, 16, 25 & 28. The municipality is in a process of removing solar systems from households that have

been connected with grid electricity in Ward 11, 14, 25 and there is a dedicated staff for this as per the organogram.

7.3.28 Indigent Register

The municipality has developed an indigent register for 2018/19 which will be adopted by December 2019. The municipality has an adopted indigent policy and it was reviewed in 2017. The Indigent Steering committee was established and sits quarterly. This policy is a guiding document which determines how the institution can provide the Free Basic Services. It is taken from the National Indigent Policy framework and also some of the legislative frameworks such :

- The constitution of the RSA (Act. 108 1996)
- The Municipal Systems Act. 2000 (Act 32 of 2000)
- The Municipal Finance Management Act 2003 (Act 56 of 2003)
- The promotion of Administrative Act; 2000 (Act 3 of 2000)
- The promotion of access to information Act 2000 (Act 2 of 2000)
- The municipal Property Rates Act; 2004 (Act 6 of 2004)
- The municipality has established an Indigent Steering committee which constitutes of all Ward Councilors, CDW's, Traditional Leaders, Service Providers for free basic services and ANDM.

7.3.29 Library Services

Mbizana Local Municipality through the assistance of DSRAC has three libraries: Mbizana Public Library situated in town (Ward 01), Nkantolo Modular Library placed at Oliver Reginald Tambo Technical School (ward27) and Dudumeni Modular Library now known as Monwabisi Mfingwana Public Library (Ward 08) placed at Dudumeni Community Hall. There are plans with DSRAC for Classroom library at Ebenezer J.S.S.and the furniture has been delivered to the school awaiting for library books and the launch.

DSRAC has provided with support staff to work in our libraries. Schools with active libraries are as follows:-

Plangeni J.S.S., Lingelethu J.S.S, Mfolozi J.S.S, Intsingizi J.S.S, Qandashe J.S.S, Ngcingo J.S.S, Sontsele S.P.S, Zamokuhle J.S.S,Ezizityaneni J.S.S, Baleni S.S.S, Ntlalontsha J.S.S, Didi S.P.S, Stanford S.P.S, Ebenezer J.S.S, Nonkqubela J.S.S, Ncura J.S.S, Dudumeni CHS, Mdatya SPS, Ethridge JSS, Qadu JSS, Critchlow JSS, Lindokuhle JSS, Ndunge JSS, Mzamba CHS. Taking libraries to people through outreach/awareness programs which are conducted throughout Mbizana communities:

- South African Library week,
- World Book & Copyright Day,
- International Literacy Day,

- Holiday programs,
- Formation of Book Clubs,
- National Book Week.

South African Library for the Blind has managed to place a Minilib section for the visually impaired individuals through funding from DSRAC and we are working closely with Zamokuhle Special School as our targeted school and Mbizana communities. Statistics of the number of people using the library has increased and also the membership. Libraries functions with Library Committee. Library committee is responsible for the promotion of readership, supporting literacy projects, effectiveness & efficiency of library services, provision of support and establishment of other libraries, mobilization of resources for libraries, represent community library related matters, library advocacy, organizing the events for library promotion. The municipality has developed and adopted a Library policy addressing the following:

- Legislative Mandates which governs the library
- Appropriate library behavior
- Library materials and building
- Noise
- Children facilities
- Food and drinks
- Computer usage policy
- Patron comments and suggestion policy
- Library program policy
- Library membership

DSRAC is in a process of doing Library and Information Services Draft Collection Development Policy. DSRAC and the Municipality have signed the memorandum of agreement which is to ensure the provision of an effective and efficient library and information services for the benefit of the communities of Mbizana Local Municipality. We also receive yearly funding from DSRAC which is R350 000 to assist in all our library needs, as we have done general maintenance to Mbizana Public Library and also signage. DSRAC responsible for capacity building programs, co-ordination and support establishment of library structures, provision of security services and Monitoring and evaluation. Build new libraries and provide modular library structures to rural areas and hand them to Municipality. Purchase library furniture. Purchase and process library materials. Provide security of library materials-detection systems and CCTV cameras. Municipality is responsible for maintaining existing library facilities, assist in supervision and administration of staff in public libraries, and establish library structures: Friends; committees, support awareness programs.

7.3.30 Protection Services

Protection Services is subdivided into five units viz; Traffic law enforcement, Security & VIP unit, driving license Testing Centre, Vehicle licensing and Pound. The Entity is guided by the following regulations: National Road Traffic Act 93/96, Administration Adjudication Road Traffic Offences, National Land Transitional Transportation Act, Private Security Industrial Regulation Act, Municipal Bylaws, Municipal Policies, Pound Act, and Animal Act (SPCA). The fundamental functions of traffic section is outlined as follows:

- To ensure free traffic flow
- Provide law & order and ensure safety for all road users
- To reduce road accidents and carnages
- To create awareness campaigns addressing traffic safety issues
- To project a professional image of the enforcement practitioners
- To assist in crime prevention activities and proactive policing initiatives
- To enforce Municipal Bylaws

During 2018/2019, through actions implemented Traffic section has managed to issue 2277 traffic fines and conducted 21 road blocks to ensure the safety of road users and maintaining law and order.

7.3.31 Security Services

Mbizana Municipality has appointed two Security Supervisors to monitor in-house security and as well as private security (Prosecure) in about thirteen sites that should be taken care of and amongst others is the Institution (Mbizana Municipality) with all the resources which is human and assets. The Institution permanently employed eighteen security officers working from Monday to Friday, covering mornings, and afternoons. From the appointment of two Supervisors the section has two security vacancies. Weekends and public holidays as well as night duties are covered by private security services (Pro secure JV Alunga Trading) contracted for three years starting from 1st February 2018.

7.3.32 Driving Licence Testing Centre and Registration Authority

Mbizana Local Municipality is operational since March 2016 where credible learner's license, Professional driving licenses and renewal of driving license cards are produced. Mbizana Driving Licence testing Centre is a grade B Testing Station. This infrastructure benefits the community of Mbizana and South Africa at large. Two examiners of driving Licence were employed by the Municipality to address

the shortage of Examiners and smooth running of the station. The system used in the DLTC belongs to Department of Transport and the total collected amount goes to Municipality as per Service Level Agreement. That will promote service delivery which is mission and the vision of Mbizana local municipality. In 2018/19 financial year the Driving License Testing Centre manage to produce 4047 driving license, 965 Professional Driving License and 2468 learner's license. The core functions that are presently being conducted at Mbizana testing center are as follows:

- Monday to Friday the learners license bookings are done and in between driver's license renewals are conducted concurrently.
- DLTC also runs learner's license classes twice a week which is Tuesday and Thursday, two classes a day and each class consist of 24 applicants the total is 96 applicants per week.
- Our Centre is currently testing 8 applicants per day for driving license test.

This is registration and licensing of motor vehicles. During 2018/19 financial year the station managed to register 7403 vehicles. Out of the total amount collected from Registration and Licensing 81% goes to Department of Transport and 19% goes to Mbizana Local Municipality as according to service level agreement in place. The fundamental functions of Vehicle registration and licensing is as follows:-

- Registration of all types of motor vehicles
- Licensing of motor vehicles
- Notices of change of ownerships
- Handling all motor vehicles queries
- Issuing of temporal and special permits
- Issuing of motor trade numbers
- Attending to deregistration's reasons whether it's because of theft or any other reasons
- Applications for documentations
- Filing and any other issues related to motors vehicles
- Issuing of forms for all transactions

7.3.33 Safety and Security Services

Mbizana Local Municipality have five police stations situated within the Municipal Jurisdiction, Bizana, Mzamba, Mpsi, Ndengane and Qhasa which has been officially opened. The above is contrary to the policy provision which states that a new police station may be required when there is a new settlement, drastic increase in population density, increase in crime rate as well as travelling distance and per capita costs to access police stations. This in effect means that on average, 1 Police Station is serving an area of 701.5 km² and 58 831 people. Therefore, it is evident that the provision of security services is

inadequate in the Mbizana Municipality and in pursuit to reduction of crime, the establishment of new additional police station at Qhasa Location in ward 11 will assist to reduce crime. In terms of municipal demarcation Qhasa falls under Mbizana Local Municipality but in terms of policing Qhasa falls under Flagstaff. This is due to the fact that Qhasa Police Station is situated at ward 11 which falls within Mbizana Local Municipality, but the community of Qhasa and the nearby villages are being serviced by Flagstaff Police Station in terms of crime.

Mbizana Local Municipality council had taken a resolution that Qhasa Police Station be under Mbizana Police Station. Due to distance between Police station and most communities, SAPS has organised a mobile SAPS truck with all the equipment which is used as a contact point roving all the wards to bring services closer to the communities. Furthermore, it is used as point centre for all the Departments including the Municipal Desk for Proof of Residence.

The department has identified housebreaking, assault, stock theft, rape and armed robbery crimes as its priorities in all the police stations due to increased number of cases reported. The department has established a maximum of 54 Community Policing Forums in all the stations i.e. 25 structures under Mbizana police station, 17 structures under Mzamba police station, 8 structures under Mpisi , 4 structure under Ndengane satellite station and Qhasa has formulated 3 structures , however the department is experiencing a number of challenges viz:-

- Bad conditions of access roads
- Poor street lightening in town
- Poor conditions of access bridges
- Lack of personnel, transport and non-maintenance of police stations.

Despite the shortage of human resources and mobile resources, the department has undertaken cluster operations and station operations conducted to reduce crime and as result there is a general decrease in crime levels in terms of contact crimes and property. The department has planned some intervention to further reduction of crime levels which include:-

- Motivation of communities to cooperate with Community Policing Forum and police in reporting crime and identifying offender
- Encouraging communities to register as police informers.
- Conducting operations and increase police visibility.

Apart from the five existing stations, additional one Satellite station is proposed and the one in ward 2 (Ntamonde Village) that will cover the distance between Bizana SAPS and Mount Ayliff.

- Mbizana Community Safety Forum:

- District Community Safety Forum was launched in 2013 and was revised in 13 November 2018.
- Mbizana Community safety forum was adopted by the council.
- Mbizana Community Safety Forum reports quarterly in a bigger Forum at a district level - ALFRED NDZO.

Mbizana Community Safety Forum has a focal point on Awareness campaigns after it had been established that people in Mbizana are most vulnerable due to ignorance. Identified critical areas in terms of crime rate receive serious attention from the Forum and the plan for the forum is to conduct awareness campaigns to all identified hotspots. Law enforcement operations are also on progress to focus mainly on those that are transgressing the laws of Country.

7.3.34 Mbizana Transport Forum

The forum was also established in 2012 with intentions to specifically deal with issues of public transportation in Mbizana. Mbizana Transport Forum reports quarterly at local level and reports quarterly at District level. It is verified by means of attendance register. The Transport Forum was only launched but did not function due to lack of co-operation by the concerned role players. District Safety and Liaison has a confirmed budget to deal with issues of intervention where required and Alfred Nzo District Municipality has confirmed availability of an amount of R40 000.00. Mbizana Municipality budgeted R482 274.00 for the projects in relation to the Program of Mbizana Community Safety forum.

7.3.35 Enforcement Municipal Bylaws

Mbizana Municipality currently has 38 gazetted bylaws, a number of these bylaws are actively served by Protection Services – law enforcement unit trained as Peace Officers (Peace Officers are designated to enforce any piece of Legislation whether Traffic bylaw, Building regulations, Waste management bylaws, Municipal Policies etc). Mbizana municipality further took initiative to employ additional four Enforcement officers to specifically deal with Bylaw enforcement and issues around the matter. Mbizana Municipality has an operating landing- strip, an accredited infrastructure by the South African Aviation Board. The infrastructure had been operating for some ages situated in an open space with loitering stray animals as it currently coincidentally serve as an unauthorized grazing land. The landing strip in question is not taken good care of in terms of maintenance, the upgrade of its infrastructure and so forth. Bylaws in place cannot be implemented to a satisfactory point when the infrastructure is at that stage.

7.3.36 Pound Section

Mbizana Local Municipality Pound is operational with effective By-laws. Out of stray animals collected and kept the Pound managed to auction 21 cattle, 12 Goats and 6 sheep thus generating about R139 310, 64 revenue to the Municipality. The amount collected from stray animals impounded with effect from 1st July 2018-30th June 2019 is R66 687.43 giving the total amount of R205 998.07 inclusive of the money collected from the auction. In order to safe guard impounded animals the Municipality has bought a backup generator whenever load shedding is affected by Eskom thus also working hand in glove with the Private Security in the Pound site. The core function is mainly to foster the culture of responsibility amongst our communities to take care of their livestock, keeping them away from the roads thus limiting the number of accidents and also eradication of stock theft.

KPA NO. 2: LOCAL ECONOMIC DEVELOPMENT & SPATIAL PLANNING

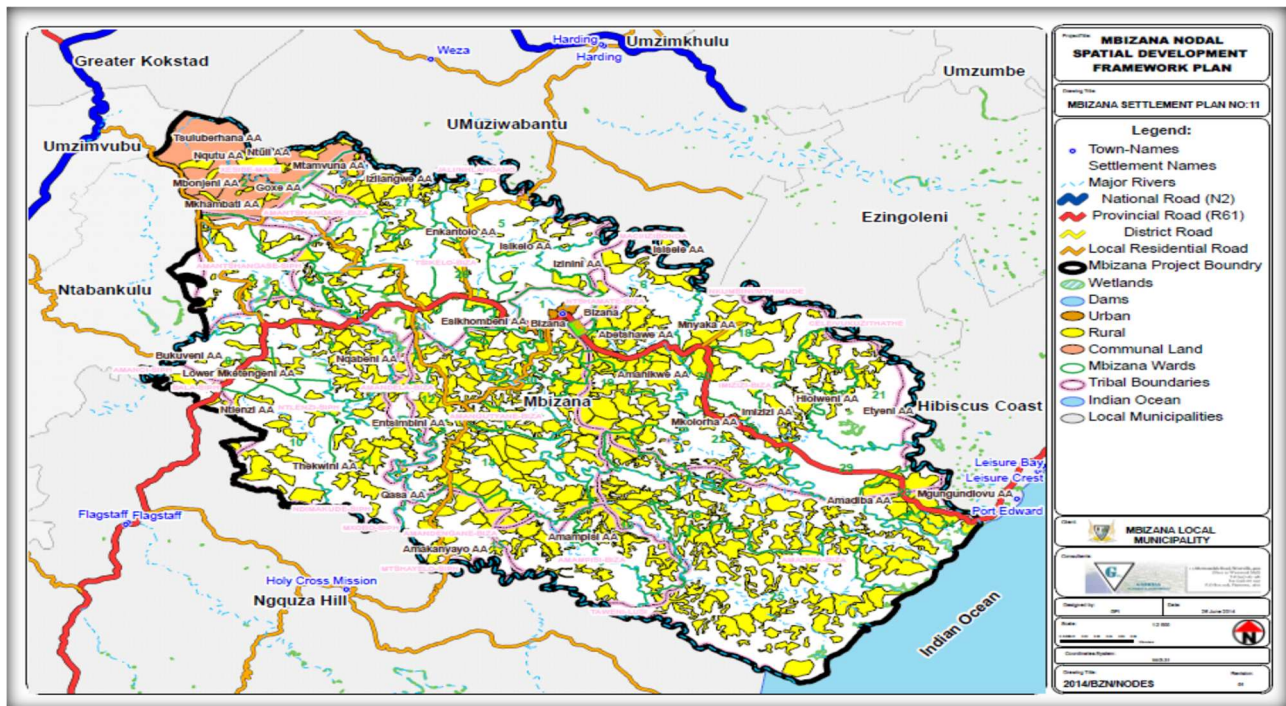
7.4 LOCAL ECONOMIC DEVELOPMENT & SPATIAL PLANNING

7.4.1 Land Issues - Settlement Patterns

For the most part, Mbizana municipality is predominantly rural and consists of scattered low-density rural settlements which are surrounded by communal grazing and arable land. Settlement densities appear to be directly correlated with accessibility. Over recent years a considerable number of people have crowded settlements along the R61 and other arterial commuter routes and in close proximity to urban centres in search of better services and economic/employment opportunities. This has resulted in uncontrolled occupation of valuable agricultural land, which is contributing to eroding the remaining resources available for people to sustain their rural livelihood. These areas of higher settlement density, being situated on the main route through the area (R61) and in close proximity to the urban centres of Bizana Town and Port Edward, can be classified as peri-urban. Peri-Urban Settlements of Sirhasheni and Ebenezer (at Mzamba near Port Edward), Ngcingo and Didi (near Bizana Town).

Settlement patterns in Mbizana still reflect, to a large extent, spatial planning of the Apartheid past. The current structure and spread of rural settlements and households therein makes it difficult for the municipality to provide services in an effective and efficient manner. Furthermore, sprawling settlements are also located along steep sloping terrain on the crests of hills which further puts more strain on the limited resources the municipality has in terms of providing services to its communities. However, the municipality has made strides in redressing the imbalances of Apartheid spatial planning in identifying and providing basic services in those areas that were ignored in the past.

Map: Illustrating Settlement Pattern within Mbizana



7.4.2 Settlement Pattern - Urban Centre (Bizana Town)

The main urban centre in Mbizana municipality is Bizana town. According to the Mbizana Nodal Development Framework (2013) the town serves as an administrative centre for the municipality with several other land uses such as residential, retail, commercial, and service industry, civic facilities and limited light industrial. Generally, residential activity in the town is scattered and isolated. The main residential suburb is located east of the town. It is characterized by low density units with a height of 2 storeys. To the north of Bizana town is a mix of informal settlements and low-cost housing. To the east is also low-cost housing and to the south of the town are low density rural settlements.

Map: Illustrating –Urban Centre Settlement Pattern

Map illustrates the available land for development



7.4.4 Mbizana Land Claims

A number of erven in the town are subject to land claims. In terms of Section 11 (7) (A) of the Restitution of Land Rights Act (Act 22 of 1994 – as amended) – no person may sell, lease, donate, subdivide or develop land that is the subject of a land claim. This, as a result, is preventing much needed development of land within the town. It is therefore of extreme importance that land claims be resolved, or where land is required for essential facilities and services, the commissioner grant permission for such development applications to proceed. There are number of land claims lodged in MLM during the past years.

Various individuals, groups and communities lodged restitution claims for various portions of land around within the municipal area. The nature of these claims vary from one claim to another, most of them are community claims which involve large portions of land. Some of these land claims fall within the Sustainable Rural Development Program (ISDRP) nodal point. They are as follows: -

- Betterment claims
- Commonage claims

- Forestry claims
- Conservation claims
- Sugar cane claims

The table below shows 25 rural and urban restitution claims that were lodged and registered with the Land Claims Commission within MLM:

Project Name	Reference	Status	Location
Mhlanga Community/ Chief Mandlenkosi Sontsele	6/2/2/D/967/0/0/12	Research	Mhlanga Section A locality no. 13 at Ntshamathe A/A in Bizana
Ndabakhe Mnisi/Ncura Community	6/2/2/D/974/0/0/7	S 42D	Ncura, Bukweni AA
Vuyani Mabude	6/2/2/D/967/0/0/22	Research	Esikhumbeni A/A
Nkosiphendule Wiseman Mqhaka/Nomlacu Community	6/2/2/D/967/0/0/23	Research	Nomlacu Section A
Makhaola Bolofo	6/2/2/D/967/0/0/1		Lot 161
Peter Pretorius	6/2/2/D/967/0/0/2	Research	Mngungu Trading store
Mgungundlovu Community	6/2/2/D/967/0/0/3	Court Referral	Farm 1 - D.T.
Mfolozi Community	6/2/2/D/967/0/0/4	Settled	Mfolozi Location No.16
Hloweni Community/Mfolozi Community	6/2/2/D/967/0/0/5	Settled	Hlolweni Lot 18
Izinini Community	6/2/2/D/967/0/0/6	Settled	Part of erf 110
Zeblon Mhlongo	6/2/2/D/967/0/0/14		Mgungundlovu No. 24
Gretta Pholo	6/2/2/D/967/0/0/16	Research	Ntshangese A/A Dumsi locality.
Pieter Johannes Christian Pretorius	6/2/3/D/967/2108/195/2		Erf 93; Erf 94 and Mngungu Trading site in Madiba AA
Belina Gasa	6/2/2/D/967/0/0/21	Research	Trust land - Mfolozi Area
Etyeni Community	6/2/2/D/967/0/0/20		Etyeni Location 19

Project Name	Reference	Status	Location
Muziwandile Tobo	6/2/2/D/967/0/0/19	Research	Mzamba Sikelweni A/A
Willie Smith	6/2/2/D/967/0/0/18	Court referral	Umgungundlovu A/A Fram D Location 24
Herbert Tshutsha	6/2/2/D/967/0/0/17	Research	Lorolweni 124 Amadiba A/A
Nomlacu Community	6/2/2/D/967/0/0/15	Research	Nomlacu Section A
Mahlubandile Msalela	6/2/2/D/967/0/0/13	Verification	Unspecified Land
Esikhumbeni Community	6/2/2/D/967/0/0/7	S 42D	Unspecified Land
Mhlanga Community	6/2/2/D/967/0/0/8	Research	Ntshamate Loc 13
Mzamba Community	6/2/2/D/967/0/0/10	S 42D	Sikhumbeni Admin
Winfred Sogoni	6/2/2/D/967/0/0/9	S (6) (2) B	Amantshangase Location No. 25
Zolile H Sikotoyi	6/2/2/D/967/0/0/11	Verification	Unspecified Land

7.4.5 Resolved Land Claims

There have been difficulties in mapping all areas subject to land claims within Mbizana. The Department of Rural Development and Land Reform in the Eastern Cape has not managed to map such areas due to the ongoing processes. Mapping of these areas will follow once all the processes have been completed. As it stands, there are three land claims which have been settled. These fall within the following communities:

- Mgungundlovu
- Mfolozi
- Izinini
- Mzamba (Wild Coast Sun) which forms part of a successful land claim.

7.4.6 Pockets of Land Still in other Spheres of Government Possession

The majority of land in Mbizana is mainly state land held in trust by the Minister of Land Affairs. Some state land (former commercial farms) has been surveyed and registered, however much, particularly communal land, has only recently been surveyed and is still unregistered in the Deeds Registry.

The municipality is restricted in terms of identifying land for development since most of the land in the municipal area is subject to land claims. However there are small pockets of land that is privately owned in the urban centre and around Mzamba (Wild Coast Sun) which forms part of a successful land claim. The following table represents land earmarked for development that is owned by the Department of Public Works within Bizana town:

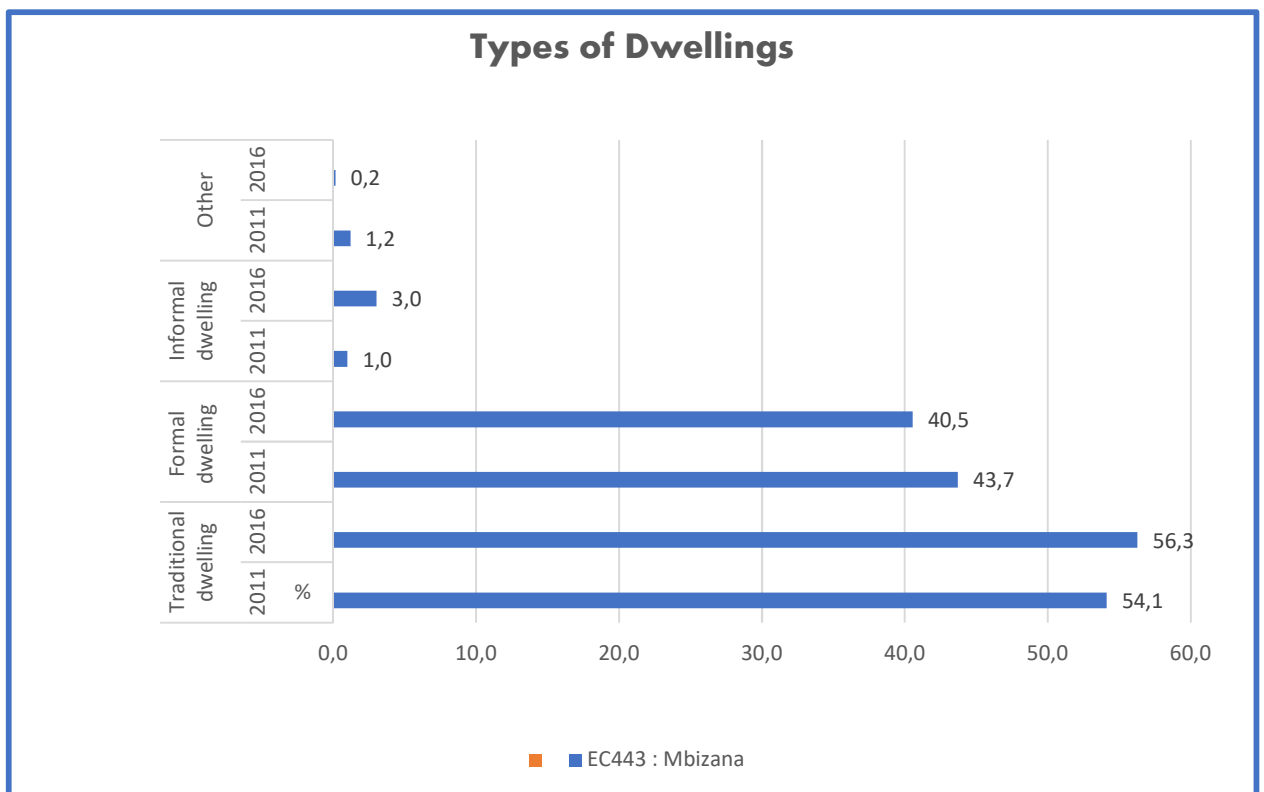
7.4.7 Land Owned by Government

kh	Property Type	Property use	Extent	Description of property	Intended land use
27	Commercial	Commercial	0.4461	R61 Bizana main road	Office Park
76	Residential	Vacant	0.2231	R61 Bizana main road	
86	Residential	Institutional	0.4561	R61 Bizana main road	Business
87	Educational	Educational	0.4561	R61 Bizana main road	Business
102	Government	Government	1.2059	R61 Bizana main road	
103	Government	Government	0.5968	R61 Bizana main road	
104	Government	Old buildings	4.6156	R61 Bizana main road	Offices & Housing
105	Government	Government	6.6841	R61 Bizana main road	Subdivide and do housing development
111	forestry	forestry	2.7269	R61 Bizana main road	
112	Prison	Government	0.1674	R61 Bizana main road	
152	Government	Government	10.5091	R61 Bizana main road	
169	Commercial	Commercial	0.4292	R61 Bizana main road	
170	Commercial	Bottle store	0.6703	R61 Bizana main road	Bus Rank
173	Commercial	Post Office	0.5799	R61 Bizana main road	
175	Government	Government	0.1877	R61 Bizana main road	

7.4.8 Dwelling Types

According to Stats SA, the majority of households in Mbizana municipality reside in traditional dwellings. It is evident that much of the housing projects will be rural in nature given traditional character of the dwelling houses in the municipality. However, the biggest challenge with rural areas is the lack of amenities and facilities which are essential for sustainable human settlements. Facilities therefore, are to be provided as part of the human settlement projects. The settlement types are classified as:

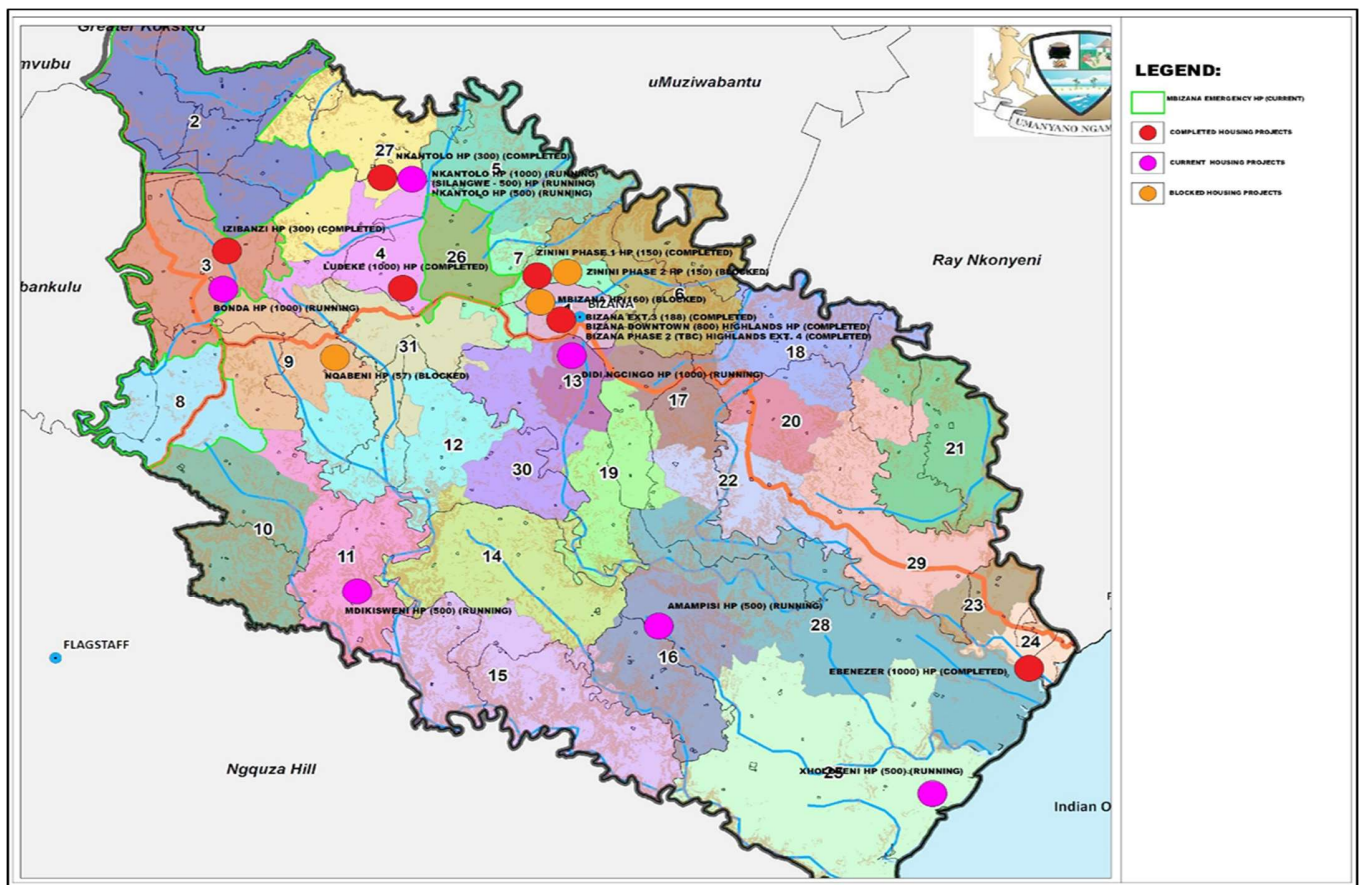
- **Formal:** formal dwelling house or brick/ concrete block structure on a separate stand or yard or on a farm, flat apartment in a block of flats, cluster house in complex, townhouse (semi-detached house, formal dwelling house/flat/room in backyard, room/flatlet on a property or larger dwelling /servants quarter/grant flat/cottage.
- **Traditional:** Traditional dwelling/hut/structure made of traditional materials.
- **Informal:** Informal dwelling/shack in backyard dwelling/shack not in backyard (e.g. in an informal/settlement or on farm)
- **Other:** Caravan or tent



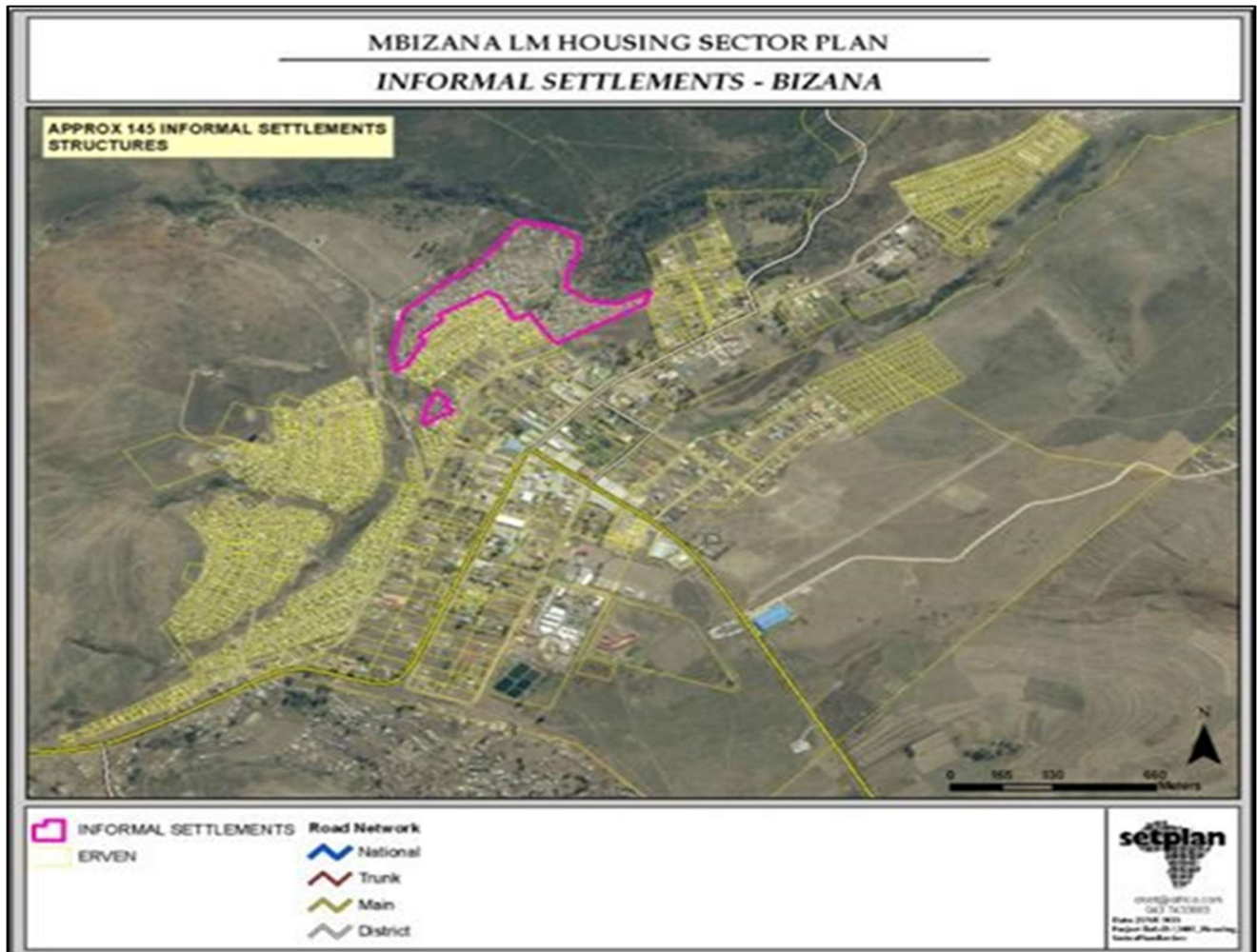
7.4.9 Housing Projects Currently Underway

The municipality has identified as part of this IDP's project list, a sector plan has been developed in the 2017/18 financial year for guiding our role in facilitating the implementation of sustainable housing and settlement development. Alfred Nzo Region has planned to develop Projects in Mbizana Local Municipality (MLM). The Department plays the role of a Developer in all the above-mentioned projects' under Mbizana Local Municipality, the backlog is just above 38749 beneficiaries waiting for the housing subsidy. This is informed by the number of units on Running Projects, Projects at Pre-Planning, Blocked projects and Projects at Feasibility Study Stages.

Map; illustrating completed, current and blocked housing projects

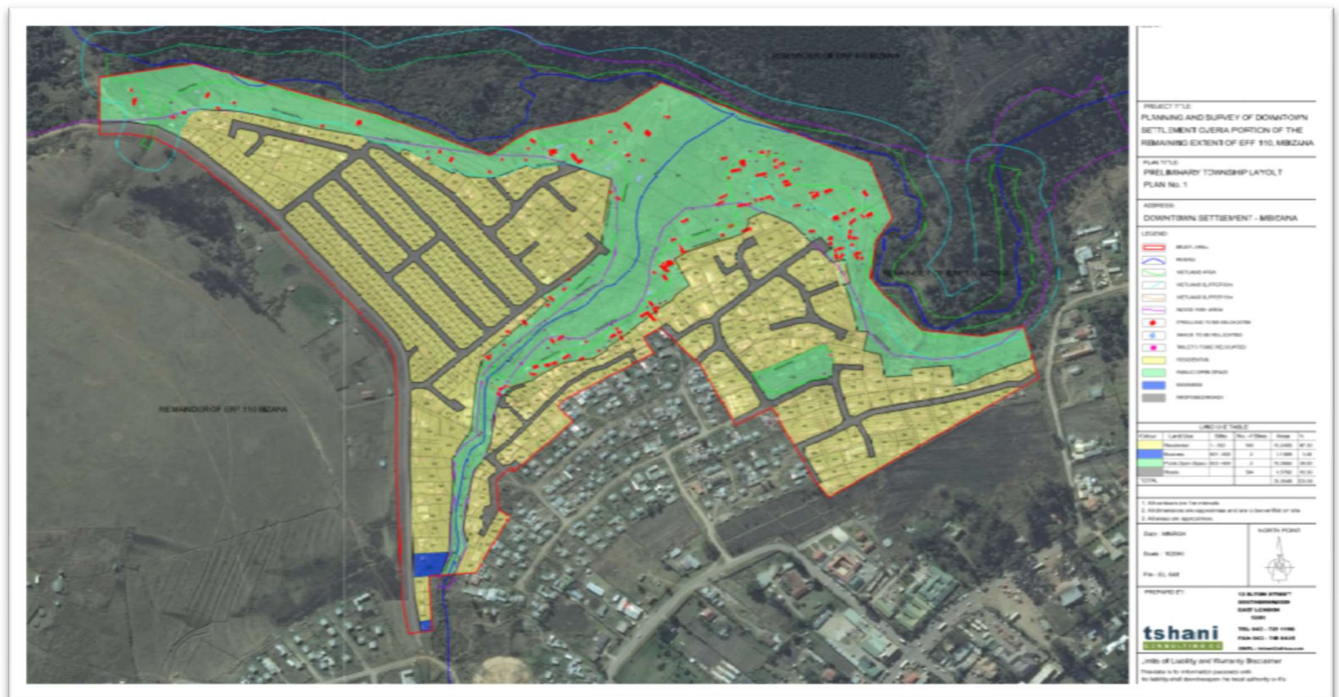


Map; illustrating informal Settlement planned for insitu upgrading



The municipality has undertaken the formalisation of the down town informal settlement upgrading through the in situ upgrading consist of 500 units. The scope of work entailed pre-planning and the layout plan was adopted by the council. The surveying (pegging) is also completed, awaiting for the approval of the general plan by the office of the surveyor general. Environmental Impact Assessment (EIA) also completed and the department of economic development and environmental affairs granted approval. The project will be handed over to the department of human settlements for the construction of top structures soon as the general plan have been approved.

Map; illustrating Downtown Informal Settlement Upgrading



7.4.10 Housing Needs Register

The Department of Human Settlements has approved funding for 93 fieldworkers, the municipality has employed more than two fieldworkers from vast wards within its area of jurisdiction. The field workers were locally based and each fieldworker be collecting data from the ward based for establishment of housing register. The main purpose of the housing needs register;

- To scientifically determine the housing need within Mbizana and ensure the improvement of current housing waiting list of Mbizana Municipality.
- This will place a moratorium on the use of housing waiting list and fast track the establishment of the Housing Needs Register in Mbizana Municipality.

Door-to-door data collection process has been done and capturing is up and running. The municipality employed three data captures under the extended public works programme (EPWP) responsible for the capturing of the applications in the system.

7.4.11 Land audits

The municipality adopted the land audits for urban area that was completed in 2015 and for rural in 2016, is in the process of implementing both land audits respectively. The main purpose of the urban land audit was to have an up to date information on all properties, to enable an efficient billing system which will benefit the municipality and residents as well as initiate land use management system that will ensure that the municipality effectively perform its land use function. To also enable the municipality to avail accurate information to property owners in order to ensure efficient development of the said properties and the ownership status of land within the urban edge and rural properties.

The main purpose of the rural land audit was to obtain the information on the surveyed and un-surveyed properties, registered, unregistered properties in all rural wards through a ward based approach. The municipality obtained the cadastral information that will assist in influencing planning and decision making within these rural spaces and is aligned with the rural zoning.

7.4.12 Implementation of by-laws,

The section is experiencing slow implementation of bylaws due to the nature of the statutory policies require consultations, serving of notices and council resolutions, court orders prior implementation. The bylaws has been adopted by the council and gazetted.

7.4.13 Pockets of Land under Communal Possession

Mainly, rural settlements in MLM fall within the jurisdiction of Traditional Councils. In terms of the Guidelines issued by the MEC for Local Government and Traditional Affairs in 2011, there are currently 12 Traditional Councils which are operational. Due to the rural nature of the Mbizana Municipality, the participation of and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. Communal land is held in trust by the Minister of Rural Development and Land Reform.

Map: Illustrating the areas under the Traditional Authorities



Formerly registered in the name of the state, it is occupied by individuals' members of the respective communities under Permission to Occupy (PTO) and/or customary tenure commonly referred to as beneficial occupation rights. Individual's rights on the land are protected in terms of the Interim Protection of Informal Land Rights Act, ActNo.31of1996 also known as IPILRA.

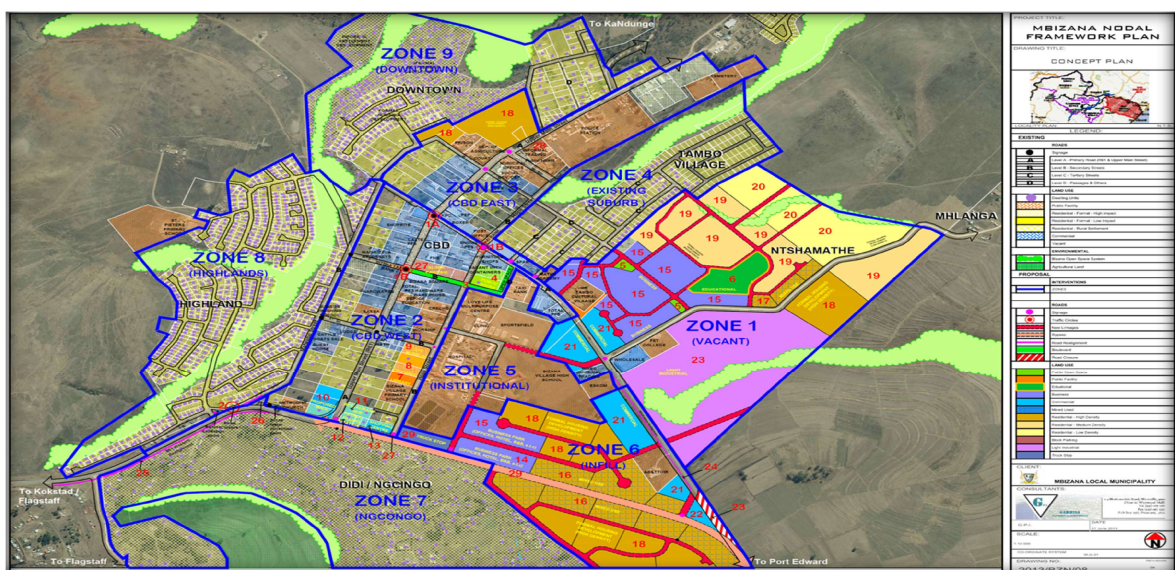
Through the municipal ward demarcation prior the 2011 municipal election resulted in re-demarcation included lot of wards that were demarcated and the *re-changing* of the municipality to another district municipality. Surveyed/ demarcated boundaries of municipal wards of all traditional authority areas within the municipal jurisdiction, except urban centre ward one. Although most of the boundaries follow natural features such as rivers, valleys and hills, all of them symbolize a set of values, customs and habits that are common among the members, and serve to create a sense of belonging.

In addition to traditional leadership functions, traditional authorities are also responsible for land use management within their areas of jurisdiction. They allocate sites and regulate the relationship between the neighbours Mbizana municipality has 31 municipal wards with the majority being resident within traditional authorities and one ward out of 31 is urban. The traditional leaders are still responsible for the land use in rational land and development approvals granted in land use development practices.

7.4.14 Percentage of land available for development

Currently there are few informal manufacturing uses within the CBD. It has already been established in this report that light industry should be identified within the CBD. It is proposed that light industry be promoted within Zone 1. This zone is located along the main corridor should integrate with the proposed uses. As depicted in the below plan, indicated desired spatial development within the commonage land, characterised as zones. Refer to the plan showing land available for development in the below precinct.

Map: Illustrating percentage of land available for development



7.4.15 Percentage of land available and classified for farming

Agriculture is regarded as the primary sector of opportunity in Mbizana. Presently, it is however poorly developed and consists mainly of subsistence activities. Issues raised in the analysis so far, which are regarded as having an impact on the potential of this sector include:

- The present land tenure system is regarded as hampering investment in agricultural production.
- Sprawl of low-density rural settlements is regarded as one of the leading factors in the loss of high potential productive agricultural land.

Agricultural potential for any given land area is generally classified into eight potential ratings as: very high, high, good, moderate, restricted, very restricted, low, and very low potential. Agricultural potential within

the Mbizana Municipality falls within 4 of the eight potential ratings namely: High potential, Marginal potential, moderate potential and non-arable (very low potential) areas. Mbizana Municipality occupies large areas of land of relatively poor agricultural productivity. As can be seen in the map below, only two small areas have high has only moderate to marginal agriculturally productive land or is not productive at all.



Map: Illustrating Agricultural Potential Land

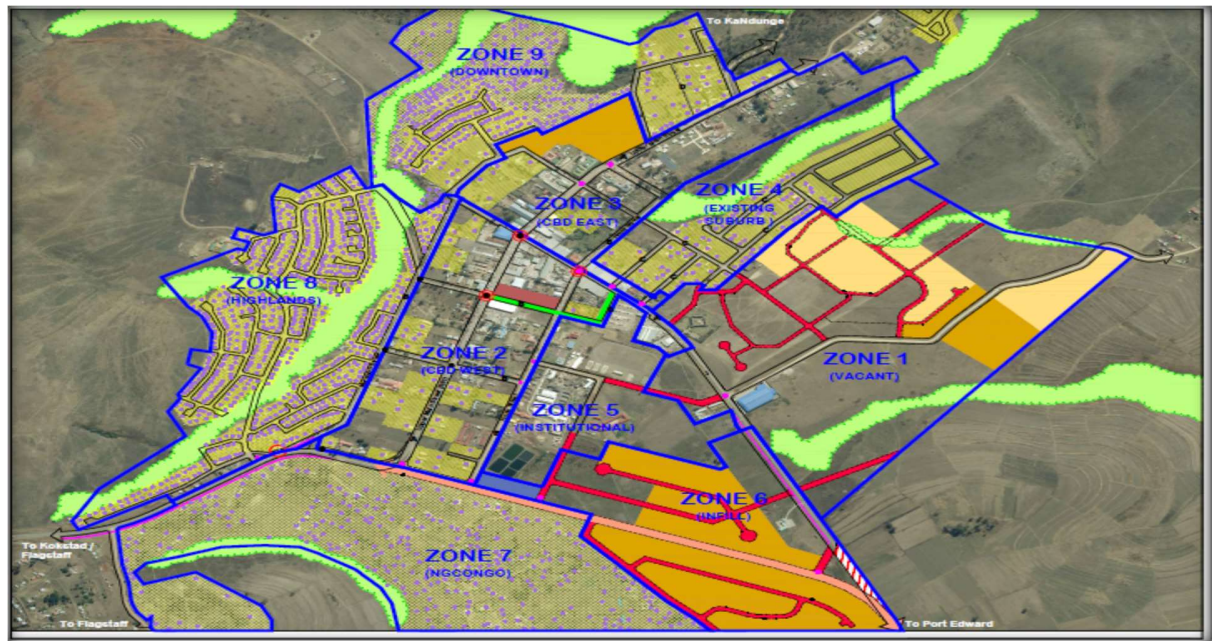
7.4.16 State of Availability of Land for Residential Against Commercial

Generally, residential activity in the town is scattered and isolated. The main residential suburb is located east of the town. It is characterized by low density units with a height of 2 storeys. To the north of Bizana town is the mix of informal settlements and low cost housing which is low density. To the east is also low cost housing and to the south of the town are low density rural settlements. There are various accommodation activities in the town such as the guest house along Matwebu road. The spatial development framework classifies settlement areas according to their intensity of development that could be undertaken in such areas e.g.

- Existing townships
- High density areas
- Medium density

- Low density – rural areas
- The following map illustrates the existing residential settlements within the CBD.
- Zone 7 is Ngcingo / Didi rural settlements which is approximately 6du/ha.
- Zone 8 is Highlands Township which is approximately 10-15du/ha.

Map: Illustrating availability of land for Residential against commercial

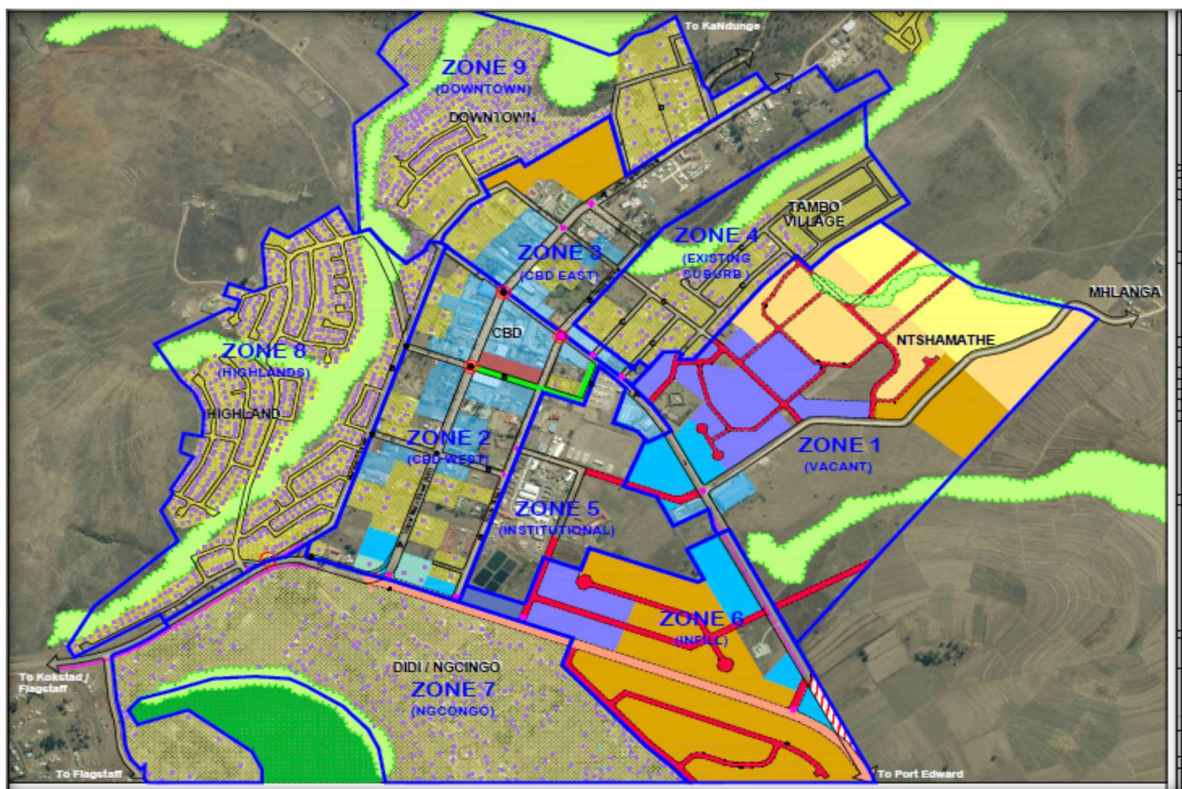


7.4.17 Commercial, Business and Retail Uses

Most commercial and retail activities in Bizana town are developed along R61/Upper Main Street. This development spine caters for both vehicular and pedestrian movement. The land use arrangement in Bizana CBD is predominantly mixed use comprising of retail, commercial, and service industry, civic facilities and limited light industrial. These uses are distributed as follows:

- The core of Bizana Town comprises of retail and commercial uses which are located mainly along R61.
- Mixed uses, offices and service uses are concentrated north easterly. These include municipal offices, magistrate court, bed and breakfast and retail. This area can also be regarded as an administrative precinct.
- Commercial, business and retail uses are to be located outside the existing commercial, business and retail core in Zone 1, 2 and 6.

- The current CBD structure suggests that the space to allocate commercial, business and retail services will be limited. It is important to allocate land for such activities.
- Commercial, business and retail activities are to be located along corridors.
- The proposed bypass might have economic implications in that vehicles will no longer be passing through the town and utilizing existing retail and commercial.



Map: Illustrating Commercial, Business and Retail Uses

7.4.18 Implementation of SPLUMA (Spatial Planning and Land Use Management Act)

The municipality developed the wall to wall scheme that was adopted by the municipal council. The scheme is in operation as from 1 July 2017. The Spatial Planning and Land Use Management Bylaw was also developed and adopted by council with the scheme. The municipal council took resolutions for the implementation of SPLUMA (Spatial Planning and Land Use Management Act), below is the status of the municipality on the implementation of the said act;

SPLUMA Implementation Readiness

ITEM	STATUS
By-law gazetted	Gazetted as per the council resolution
Authorised Official Appointed	Appointed as per the council resolution
MPT members appointed?	Yes
MPT member's appointment gazetted?	Yes
Appeal Authority established?	Appointed as per the council resolution
Delegations in place	Yes, adopted as per the council resolutions
SPLUMA tariffs approved by Council?	Tariffs approved and reviewed by council prior existence of SPLUMA but aligned with SPLUNA Tariffs

Human Capacity Audit

Personnel	No of posts
Registered Planner	4
Non Registered Planner	0
Planning Interns?	0
GIS professional	1
Non Professional GIS	0
Administrative Staff	1

After the municipality advertised numerous times for the appointment of planning tribunal members, the municipal council in November took a resolution to form part of the District Planning Tribunal.

7.4.19 VALUATION ROLL

The municipality has developed and adopted the valuation implementation plan for the third cycle valuation roll in terms of the Municipal Property Rates Act (MPRA) as amended. The plan was adopted by municipal council on the council meeting of the 28 June 2017 and informed the office of the Member of the Executive (M.E.C) as required.

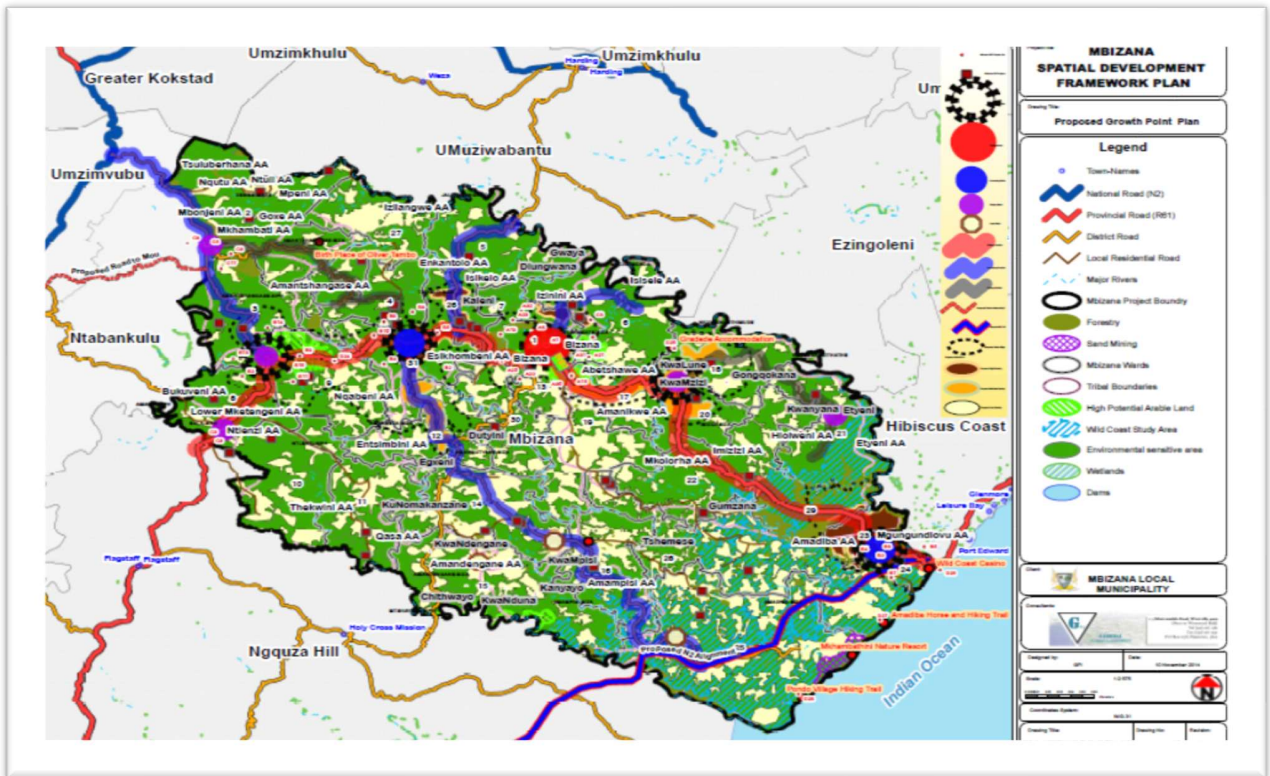
The council allocated the budget of conducting the third cycle valuation roll that will be implemented as from 1 July 2019 and appointed the service provider thereof. The council also reviewed the municipal rates policy as it is done on annual basis with the bylaws inclusive of tariffs that are advertised and gazetted by law. The rates policy was adopted by the council and the bylaws that give effect to rates policy along with the resolutions to levy rates and are in the process of being gazette for this financial year as required in terms of the property rates act.

The municipality is in the process of implementing the final supplementary valuation roll for the 18/19 financial year, an update in the general valuation of 2014, which is updated annually in the form of supplementary valuation rolls as contained in the IDP. The valuation roll is further available in the municipal website for public viewing.

The general valuation roll for 2019/20 financial year is in draft phases, the advert has been published in the public newspaper for the two consecutiveness weeks as required by law for the period of 60 days, issued the notices to individual property owners. The gazette notice of the adverts was also publicized in the government gazette with No 4200.

7.4.20 Spatial Development Framework

The municipality reviewed and adopted the spatial development framework in the 2014/15 for the period of five years. The approved spatial development framework will be due for another review in the 2019/2020 financial year. As part of implementing the approved spatial development framework, the municipality is in the process of developing the local spatial development framework of the identified nodes. In this current financial year, the municipality is in the process of developing the coastal spatial development framework to guide the development in the fast growing Mzamba node and the incorporation of N2 construction that is underway. The municipality intend to develop the N2 corridor development plan with the intension of promulgating a town along the coast.



LOCAL ECONOMIC DEVELOPMENT

7.4.21 Sectoral Economic Performance

This section will look at the local economy in terms of its different constituent economic sectors. The purpose is to observe the performance of the economy from a sectoral perspective. They are categorised into the *primary, secondary and tertiary* sectors, and the classification of economic activity shall be based on the South African Standard Classification of all Economic Activities (SIC) approach. The table below shows the detailed breakdown of the various economic sectors and activities between 2011 and 2013.

		2013		2012	2011
Sector	Economic Activity	%	%	%	%
Primary	Agriculture, Hunting, Forestry, Fishing	8,7	8.7	8,5	8,8

	Mining and Quarrying	0			
Secondary	Utilities	12,2			
	Construction	5,5	27,9	28,5	28,8
	Manufacturing	10,2			
Tertiary	Wholesale and Retail Trade	16,6			
	Transport, Storage and Communication	9,5			
	Financial, Real Estate and Business Services	2,9	63,4	63	62,4
	Community, Social Services and Personal Services	13,7			
	General Government	20,7			
Total		100	100	100	100

Table 1: Major Economic Activities (Source: ECSECC, 2013)

It has been analysed that MLM has the lowest contribution toward the Gross Geographic Product (GGP) in ANDM (9.3%), and from *Table 3* above, it also emerges that the tertiary activities dominates economic activity in the region, throughout the three (3 years), contributing the highest to the GVA at 63,4% in 2013, with general government and community services contributing the highest within these categories, followed by the wholesale activities. Another significant contributor is the Secondary sector, contributing 27, 9%, in the economic landscape.

Natural based primary sectors in a rural based area like MLM, namely *agriculture and mining*, made a very small contribution to the formal economy, in term of GVA contribution, with agriculture contributing 8, 7%. This also shows a slight increase from 2012 (8,5%), even though in 2013 the contribution of this sector was higher (8,8%).

A small resource-intensive agricultural and mining base has implications on the size and scope of manufacturing activity in any area. As a result of a small amount of raw unprocessed primary inputs being

produced, there is limited range for value adding activity through agro-processing and beneficiation activities.

The strong presence of the tertiary sector indicates reliance on trade and services, especially from the government sector. Implications of the dominance of the government sector in the municipal economy, is that government services form the basis of the economy in the municipality, and focus has to shift to develop other sectors with potential.

It is evident therefore from the above analysis that MLM has a limited and almost non-existent industrial economy.. Like most rural municipalities in the EC, development is limited, which could be due to acute backlogs in social and economic infrastructure.

7.4.22 Sectoral Employment

This section provides an indication on how sectoral economic performance has contributed to the sectoral employment profile in the study area. The figure below show how each of the performing sectors has contributed to employment.

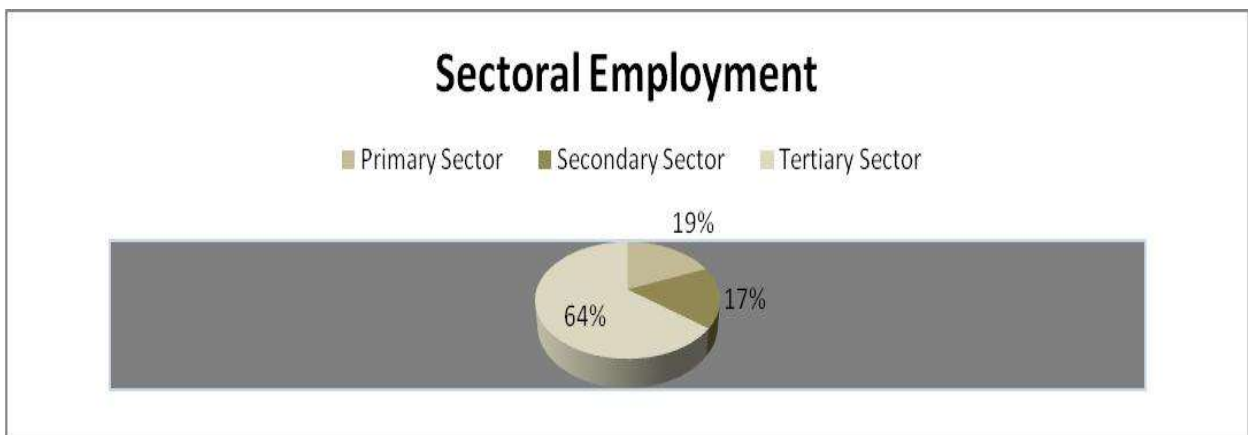


Figure 2: Employment by sector (Source: ECSECC, 2013)

From *figure 7*, the dominance and importance of the Tertiary Sector that has been brought out throughout this chapter is emphasised once more, as the largest employer at 64 %, showing that it employed the most people, with most jobs believed to be associated with state-owned employment, which belies this dominance, followed by the primary sector at 19%, indicating the use of labour intensive methods in primary production

Overview

It is evident that the primary sector, which is the direct use of raw materials from natural resources, does not make much GVA contribution towards the growth of the local economy. Improvements in this sector would have a resultant positive effect to the secondary and the tertiary sectors, and therefore improvements in the primary sector should become a strategic priority focus for this rural based area.

Opportunities	Constraints
<ul style="list-style-type: none"> ▫ A number of estuaries and river mouths can be utilised for Mari-culture initiatives. ▫ A large seafood market exists in Durban, which is bordering this municipality. 	<ul style="list-style-type: none"> ▫ Illegal fishing and traditional agriculture practises are polluting the estuaries. ▫ No Biodiversity Conservation Plan. ▫ No mari-culture development strategy in place

SMME, Cooperatives and Informal Trade

Overview

This is a sizable sector even though it is largely un documented. The informal component is visible in the form of informal traders or hawkers on pavements, markets and taxi ranks in Mbizana, Mzamba and Magusheni.

In the more isolated rural parts of the municipality, the sector takes the form of spaza shops that provide for the daily needs of the communities. General products traded in include basic foodstuffs, clothing, hair products, fruit, vegetables, paraffin, airtime and toys. The municipality has an informal trader policy which seeks to regulate the sector. The sector in town seems to be fairly organized, but there is however limited availability of trading facilities for the informal sector.

	Constraints
<ul style="list-style-type: none"> ▫ Government legislative framework, and support programmes targeted towards SMMEs, Cooperatives and the Informal Trade Sector development ▫ Current collaborations with other organs of state to support the sectors, eg SEDA 	<ul style="list-style-type: none"> ▫ Lack of an SMME, Co-operatives and Informal Trade development strategy ▫ Poor governance within the Co-operatives sector (e.g. energy co-operative) ▫ No local procurement bias in government nor supply chain policies

-
- Business Support Centre
 - Informal trading policy

- No red tape reduction programme and awareness initiative around government processes.
 - Limited informal trade facilities
-

As it could be noted from above, there is still a huge untapped development potential within the key growth sectors of the municipality, which through dedicated and well-planned sector development, could promote social development, and thus stimulate sustainable economic growth.

7.4.23 Infrastructure profile

Economic development is dependent on the socio-economic traits of an area and its economic characteristics. However, a pre-requisite for the unlocking of economic potential from these elements is the presence of economic infrastructure, which is often a trigger for any potential investment within any local area. This chapter will assess the status quo of available LED related infrastructure in MLM in terms of:

- Water services;
- Sanitation;
- Electricity;
- Telecommunication;
- Waste Management;
- Road and Transport.

The provision and availability of economic related infrastructure is a determining factor in the implementation of economic development programmes, as it provides an enabling environment for development, and without a proper enabling environment, economic development cannot be fully realised.

From the above analysis, it is evident that there is a general lack of basic service provision, coupled with economic development infrastructure in MLM, and this need to address, as an enabler for local development, as well as the attraction of private sector investment, which is necessary for broad economic development

7.4.24 Local Economic Development Forum

MLM has got an LED Forum that was established in 2010, and later re-launched in the year 2015, with a capacity development provided to the Forum members, as well as reviewed Terms of Reference (TORs). The forum acts as “a Platform (institutional arrangement) where residents (individuals, private organizations, government, NGO’s, CBO’s, traditional authorities) within a particular locality gather, with an aim to share information and experiences, pool resources and solve problems.” The LED Forum is represented by the following institutions, with each institution represented by an individual/s who are expected to consult, and also report back to the nominating institution:

- Government departments (*National, Provincial and Local*);
- Government Entities and Municipal Entities;
- Non-Governmental Organisations (NGOs)/Civil Society Organisations (CSOs);
- Chamber of Business;
- Youth Council;
- Academic Institutions.

The LED Forum has got the following roles and responsibilities:

- Promote and facilitate partnerships between government, private sector, civil society and organized labour for overall economic growth;
- Disseminate and share information on LED related issues;
- Improve Integrated Economic Planning (through broad participation and coordination of key economic role players (government, business, labour, NGO’s, CBO’s, etc);
- Assist to identify and capitalize on local competitive advantage for territorial economic and social development;
- Develop the LED vision and strategic focus for the municipal area;
- Improve the economic performance of the municipality with respect to all its key sectorial aspects (*Tourism, Agriculture etc*) of LED;
- Assist in the establishment of Sector specific Working Groups/ Sub-Sector Forums (*LTOs, CDFetc*);
- Enhance Enterprise Development and Support;

- Identify and eradicate overlaps, duplication and misaligned strategies (*for effective and efficient use of resources*);
- Coordinate access to finance and other non - financial resources (*capacity development etc.*) for LED initiatives, and the creation of multi-sourced funding streams;
- Assist the municipality in the monitoring & evaluation of LED activities.

7.4.25 Business Retention and Expansion.

Mbizana Local Municipality has a Business Retention and Expansion manual that gives guide lines and recommendation for the institution, in order for the municipality to encourage and motivate local businesses to fully comply with the developed Business Licensing System, businesses need to see and experience value added services and benefits from the municipality, and the implementation of the developed BR&E Manual could be one the measures that could assist in ensuring that local businesses continue to prosper and thrive, through economic situations. Also to stimulate local economic development and create employment opportunities by retaining and expanding existing businesses.

7.4.26 RED HUB

The Municipality has been supported by Eastern Cape Rural Development Agency and Alfred Nzo District Municipality in implementing Rural Economic Development Hub (RED- Hub) which is a simple concept linking the three market elements of *production, processing and marketing* in order to boost competitiveness for the targeted communities. The RED Hub is focusing on agricultural transformation and commercialization of agriculture to. Enable to create markets and employment opportunities. The concept envisaged on a 10km radius collection hub zones with RED Hub main mill in the centre. The ECRDA & DRDAR has conducted crop yield estimate

Storage Silos & Milling Plant

The installation of two new 1000 ton silos and conveying equipment is complete but still to be sealed. The weighbridge has been installed and calibrated. Construction of milling shed was completed and toilet block with septic tank. The milling plant with 1 ton capacity has been installed and waiting for testing and

commissioning. The new generator was installed and connected to the trading shed, mechanization shed & mill shed. AGES has been appointed to drill borehole and has completed the work.

7.4.27 Community Works Program

The CWP programme is implemented in 19 wards with 1630 participants and the funding allocated for this programme was R16 518 296.00. The following wards (04,05,06,07,08,12,13,15,17,18,19,20,22,23,26,27,29,30 and 31) have Agriculture , construction and social sectors. Approximately 1476 permanent jobs created in informal trading 200 permanent jobs created by other sectors (Agriculture ,Mari culture, Manufacturing &Entrepreneur development)

7.4.28 Agriculture

The Municipality developed and adopted the Agricultural plan in July 2016 and its implementation has commenced. As part of executing the Agricultural plan, the Municipality funded 6 projects in the 2017/ 18 under Farmers development programme.

7.4.29 Tourism

Local Economic Development has budgeted for reviewal of Tourism plan to bridge the gaps of out-dated information on new developments occurred since the development of the current plan, that will serve to generate contemporary information and data, applicable strategies, learned lessons, for diverse tourism systems in anticipation of future changes and technologies applied in tourism. The National Department of Tourism has funded Mzamba and Mtentu beach for development of feasibility study on beach infrastructure development such as Showers, Toilets, life guard tower and braai areas. Eastern Cape Parks and Tourism Agency will be an implementing agency for this project.

The Department of Arts and Culture has commenced with the O.R.Tambo legacy projects which includes Khananda Hill Massacre and O.R.Tambo Garden of Remembrance .the Department started with Khananda Hill Massacre as phase one and completed construction. The O.R.Tambo Garden of Remembrance has started construction as phase two and is at its completion stage towards the operationalization that will start in by April 2020.

On tourism marketing, the Municipality has attended the Africa Travel Indaba which is an international trade show to market its products and expose the product owners to the trade travel show. Training has been done prior the tourism Indaba and the Municipality exhibited packaged brochure for the Municipality.

The National Department of Tourism has done assessment of Mbizana Visitor Information Centre for service excellence support programme, as part of improving service levels in the tourism sector and value chain. The department is facilitating the implementation of Service Excellence Integrated Product Support Programme, with the aim of assisting identified products (Mthatha & Mbizana VIC) to develop a service excellence-orientated culture in terms of its staff, operations and processes. Interventions are aligned to the National Tourism Service Excellence Strategy and Service Excellence Standard.

7.4.30 Formal and Informal Business Licensing System

The Municipality has developed the manual for formal business licensing system as part of revenue generation. The system will link the licensing system from the application process up to the issuing stage. Formal businesses have been consulted in a workshop regarding the licensing as this will also regulate the services and goods sold within the jurisdiction. Business licensing has commenced and the formal businesses in town are currently registering with the Municipality. The licensing of informal sector is ongoing, Boxer complex center in partnership with the Municipality promised to build 50 hawkers stalls in town and the construction has started. The project is anticipated to take three (3) years.

7.4.31 Exploit comparative and competitive advantage for industrial activities

Mbizana municipality is prerogative to be situated in the border of Eastern Cape and KwaZulu Natal. It is endowed with pristine beaches and appealing scenery. Mbizana coast is known for its internationally acclaimed biodiversity hotspot hence it's called Pondoland centre of endemism. The Wild coast sun resort with various amenities and activities contributes positively in the attraction of tourists to the destination. The coastal area makes Mbizana the best tourist destination, a must seen precinct to invest also. The expansion of Wild Coast sun resort heightens the economy of Mbizana and created more sustainable job opportunities.

The political and natural heritage also makes Mbizana unique from other tourist's destination Mbizana prides itself as the birthplace of the anti-apartheid leader Oliver regional Tambo and Mama Winnie Madikizela

Mandela to the region. Political heritage throughout the country has been underexploited and these initiatives seek to exploit the intrinsic natural, political and historical heritage of Mbizana. With the approved N2 toll road development that is under execution, the road network will be improved and that will attract investment in the region.

7.4.32 SMME Development: SMME Benefits on N2

The Municipality is working on collaboration with SANRAL on Haul road construction that have just been approved and as such SANRAL appointed Academy for the Construction Skills (ACS) to recruit contractors that will be on learners hip program for a period of two years. This is a strategy of developing Contractors and equip them with relevant construction skills that will benefit them on N2 toll road development. Currently SANRAL has worked out packages for the SMME benefits.

7.4.33 Mbizana Housing Projects

On the 29th October 2019 the Department of Humana Settlement in partnership with the municipality facilitated a meeting with local SMMEs. The purpose of the meeting was to brief SMMEs on the process and procedures of subcontracting and ensuring 30% beneficiating in the housing projects. Interested SMMEs in this project were informed to submit company profiles by 29th November 2019. The SMMEs could either participate as sub-contractors, suppliers or labour. One of the requirements for participating as a sub-contractor in the project was that local contractors are required to be registered with the National Home Builders Registration Council (NHBRC) and some of the contractors are not registered with the body. The Municipality and the Department managed to organize NHBRC services in Mbizana to service the SMMEs from the 19th November to 21st November 2019, as well as on the 27th November 2019. A total number of 29 SMMEs submitted their company profiles for participation as sub-contractors. A total number of 48 SMMEs submitted their profiles to participate as suppliers in the projects.

7.4.34 Enterprise Development

The ECDC in collaboration with the municipality through supplier development programme have recruited 24 local SMMEs from various wards which we given training on consumer protection act workshop which was held on the 27th August 2019. The Municipality funded four enterprises to the value of R890 260.00

vat inclusive and the enterprises were Moonlight Glass & Aluminium, Ndunge Soy-cow Cooperative, Mcmiya (LTD) Pty and Blatter's panel beaters.

7.4.35 Wild Coast Development

The National Road Agency is under the process of constructing the N2 toll road from Durban to East London via Wild Coast area (Greenfields). The road will have the distance saving of 85Km and time saving of approximately 3 hours. The new EIA commenced in 2005/6 was submitted in December 2009. Record of Decision (ROD) was received in April 2010 though it was upheld by the Minister of Environmental Affairs; the positive ROD following the appeals process was confirmed in July 2011. The project is one of the Anchor projects with ripple effects within the Wild Coast region as it will provide enhanced access to basic facilities such as health care and education. It will provide mobility, access to economic activities, job creation and SMME development within the Wild Coast region as well as Mbizana.

The new regional multiplier effect of the project is estimated at 13 575 million with job creation of 6800 direct jobs and 28 100 indirect jobs. During operation phase 900 direct and 1800 indirect opportunities will be created. Accelerated Business income is estimated at R15 829 Million and the net regional Economic developmental benefits estimated at 29 404 million.

It is against the above-mentioned background that the Municipalities within the Poundland region (Port St John's, Ingquza hill Municipality and Mbizana local Municipality) committed to facilitate the project as it has economic spin offs for the area.

7.4.36 Municipal Initiatives on Agricultural Development

The Mbizana Local Municipality (MLM) commissioned a development of the municipality's Agricultural Development Plan (ADP) that will be applicable for the period 2015 – 2020. The ADP's overall intent is to contribute towards the development of a sustainable agricultural economy that is a backbone of the overall economy. The ADP's focus strategies in addressing the major challenges facing the agricultural sector with particular interest on:

- Is the identification of physical and environmental factors affecting the under development of agriculture sector in the area;
- The institutional bottlenecks; and

- The financial and market constraints that hamper development of agricultural sector within the MLM.

The rationale of the ADP is the development of a local municipality-based instrument used towards eradication of poverty and stimulation of economic growth expressed in the Eastern Cape Rural Development Strategy (ECRDS - 2009). This rationale assisted in the crafting of vision for the MLM's ADP, which is sustainable transformation of the Mbizana's agriculture sector into a growth and productive economic sector that contributes to socio-economic development and growth, food security and poverty alleviation.

7.4.37 Farmers Development Program

The municipality assisted the following projects with agricultural inputs, Mr. Ntola projects ward 25 benefited from a No till Maize Planter, Sinawo vegetable project ward 29 benefited from chemicals, materials and seeds, JN Madikizela project ward 11 benefited from chemicals and seeds, and other wards such as ward 14, 12, 4, 22, 19, 17, 18, 25, 9 and 8 benefited from feed and fertilizer bags, then Mbizana wool growers benefited from vaccination (medicine). The municipality further supported 8 projects which are Njilo Kabalisa Agric Co-op, Lecolin Green, Slimdo Pty Ltd, Fula's elect and welding, Amahomba Vegetable Production, Masiqhubekeni Project, Sigidi Development and Mzamba Pig & Poultry co-op for the financial year 2019/20

7.4.38 Building Inclusive Green Municipality Programme (BIGM)

The Federation of Canadian Municipalities (FCM), in partnership with the South African Local Government Association (SALGA) received a contribution from Global Affairs to implement "The Building Inclusive Green Municipalities (BIGM)" program for 51 months (4.3 years). The aim is to improve the capacity of South African municipal governments to support effective service delivery, inclusive local green economic growth and enhanced climate change mitigation and adaptation measures. The program will pilot local economic development initiatives to promote job creation, poverty reduction, and enhanced well-being, while empowering women, youth and vulnerable groups, and ensuring their inclusion as decision makers and beneficiaries. The BIGM program will also improve municipal-level plans and policies targeting climate change adaptation and mitigation, including asset management policies and practices.

7.4.39 Strategic Context and Rationale for SALGA & FCM Involvement, Commitment And Partnership

Canada and Canadian municipalities are partnering to support South African communities to build more inclusive and greener communities and vulnerable groups are targeted as beneficiaries e.g. Woman, youth etc. It is to establish sustainable livelihood by developing the awareness of LED and develop the necessary leadership and entrepreneurship skills for local government and business leaders and stakeholders.

Develop policy frameworks like Gender, Youth and Vulnerable strategy

Mbizana was fortunately selected as a beneficiary in this great opportunity of bringing together diverse institutions and organizations that work to improve the capacity of South African municipal governments. The core focus being to support effective service delivery and council has adopted Component 1000: which deals with inclusive local green economic growth. The Municipality faces significant economic development challenges including limited access to technical expertise. The initiative will focus on capacity building within the Municipality through Local Economic Development initiatives outlined in the project description.

City of Strathroy-Carodoc Municipality was the one selected to for partnership with Mbizana and an agreement was sign on December 2017 between the partners with the following scope to deliver on:

- LED Organisational Review for Mbizana Local Municipality (Done and awaiting Council processes).
- BUSINESS INCUBATOR (Framework in draft stage done during the February Mission).
- Review, enhance and replicate the Red Hub concept (Draft framework developed).

7.4.40 Business Incubator Programme

The Municipality through BIGM program have recruited 20 SMMEs 13 SMMEs are in manufacturing, 2 in ICT, 2 in branding and 3 SMMEs in recycling to join incubation program and have attended the induction that was facilitated by the municipality on the 14th January 2020. Participants were work shopped on the programme and how it will be structured. Participants are expected to sign participation agreements that bind them to participate and avail themselves in the programme and bind the municipality to capacitate the SMMEs in the programme.

7.5 INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT

This section deals with analysis of our state of readiness to deliver on our assigned constitutional as well as powers and functions mandate. It analyses the extent to which we have put in relevant systems, processes and tools to ensure smooth operations and development of the municipal organization. In order to give effect to the implementation and operations of the above mandate it is both necessary and imperative to put in place a relevant institutional structure and administration.

7.5.1 Political Structure

Political Structure is led by the Honourable Mayor as the political head of the institution. The structure is composed of six directorates and each directorate is led by political head and is illustrated below: -

- Good Governance : Part time Councillor
- Corporate Services : Full time Councillor
- Budget and Treasury : Full time Councillor
- Community Services : Part time Councillor
- Development Planning : Full time Councillor
- Engineering Services : Full time Councillor

7.5.2 Administration Structure

Administration is led by the Municipal Manager as the principal accounting administrative officer. The Municipality is composed of six directorates and each directorate is managed by a section 56 manager illustrated below as reflected in the Organizational Structure: -

- Office of the Municipal Manager
- Corporate Services
- Budget and Treasury
- Community Services
- Development Planning
- Engineering Services

7.5.3 Municipal Offices

The Mbizana Local Municipality has the main office, one satellite office (DLTC) and two sites utilised for Municipal activities. Offices for Political office bearers are situated in the main office. The main office is the nerve centre of all operations in the municipality. The following departments are allocated space in the main offices:

- Municipal Office
- Budget and Treasury office
- Corporate Services
- Engineering Services
- Community Services
- Development Planning

Multi-Purpose Youth Centre: The concept of a Multi-Purpose Youth Centre has been broadly accepted as an effective means of drawing together youth specific service in a local community setting. Library services are offered in this satellite office and information for job seekers is also available in the form of newspapers. The office is in the process of being renovated as part of the broader Municipal plan to establish a multi-million-rand civic centre facility. The latter facility is designed to also accommodate offices for political office bearers and Council Chambers.

Traffic Offices (DLTC): All services related to licensing, car registration and protection services are rendered at this site. Learners' license, driver's licence testing and renewal is also rendered at this site.

Management of sites: All sites are maintained by engineering service and managed by community services. Cleaning services are entrusted with corporate services. The sites have security guards and security cameras which are under community services.

7.5.4 Organizational Structure

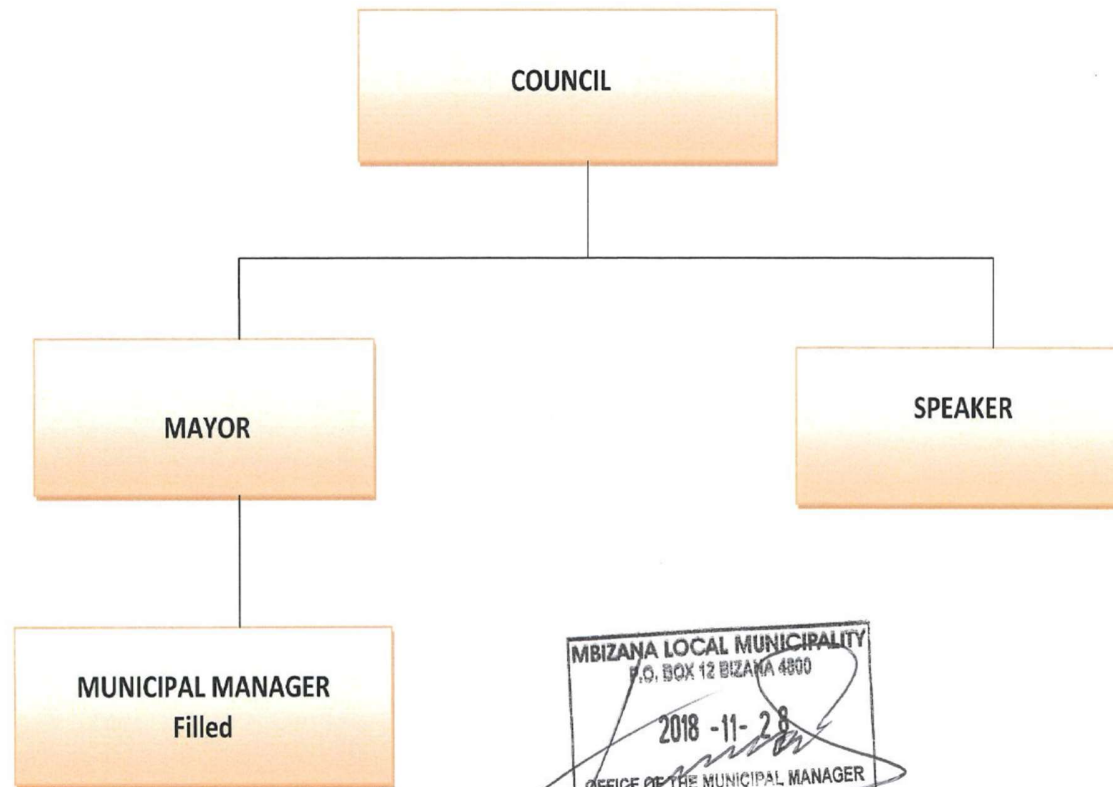
The municipality has reviewed its organisation structure and was adopted by Council on the 28th of November 2018. The total number of approved positions in the Organizational Structure is 292 with 262 filled positions and 30 vacant positions.

MBIZANA LOCAL MUNICIPALITY



MACRO ORGANISATIONAL STRUCTURE

MBIZANA LOCAL MUNICIPALITY
P.O. BOX 12 BIZANA 4800
2018 -11- 28
OFFICE OF THE MUNICIPAL MANAGER
TEL: 039 251 0230
FAX: 039 251 0917



MBIZANA LOCAL MUNICIPALITY
P.O. BOX 12 BIZANA 4800
2018 -11- 28
[Signature]
OFFICE OF THE MUNICIPAL MANAGER
TEL: 039 251 0230
FAX: 039 251 0917

OFFICE OF THE MUNICIPAL MANAGER

MUNICIPAL MANAGER
Filled

SENIOR MANAGER:
CORPORATE SERVICES
Filled

CHIEF FINANCIAL OFFICER
Filled

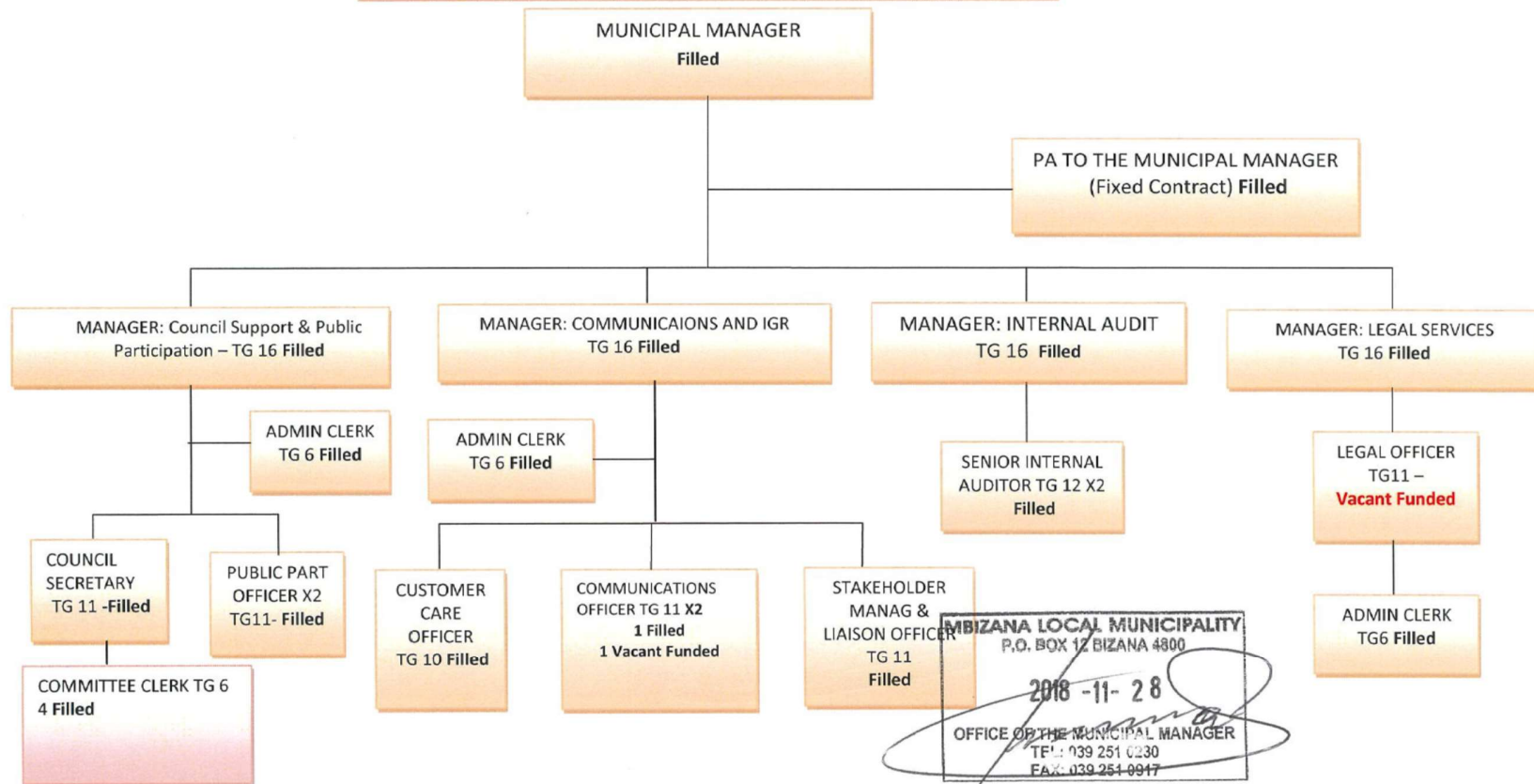
SENIOR MANAGER:
DEVELOPMENT PLANNING
Filled

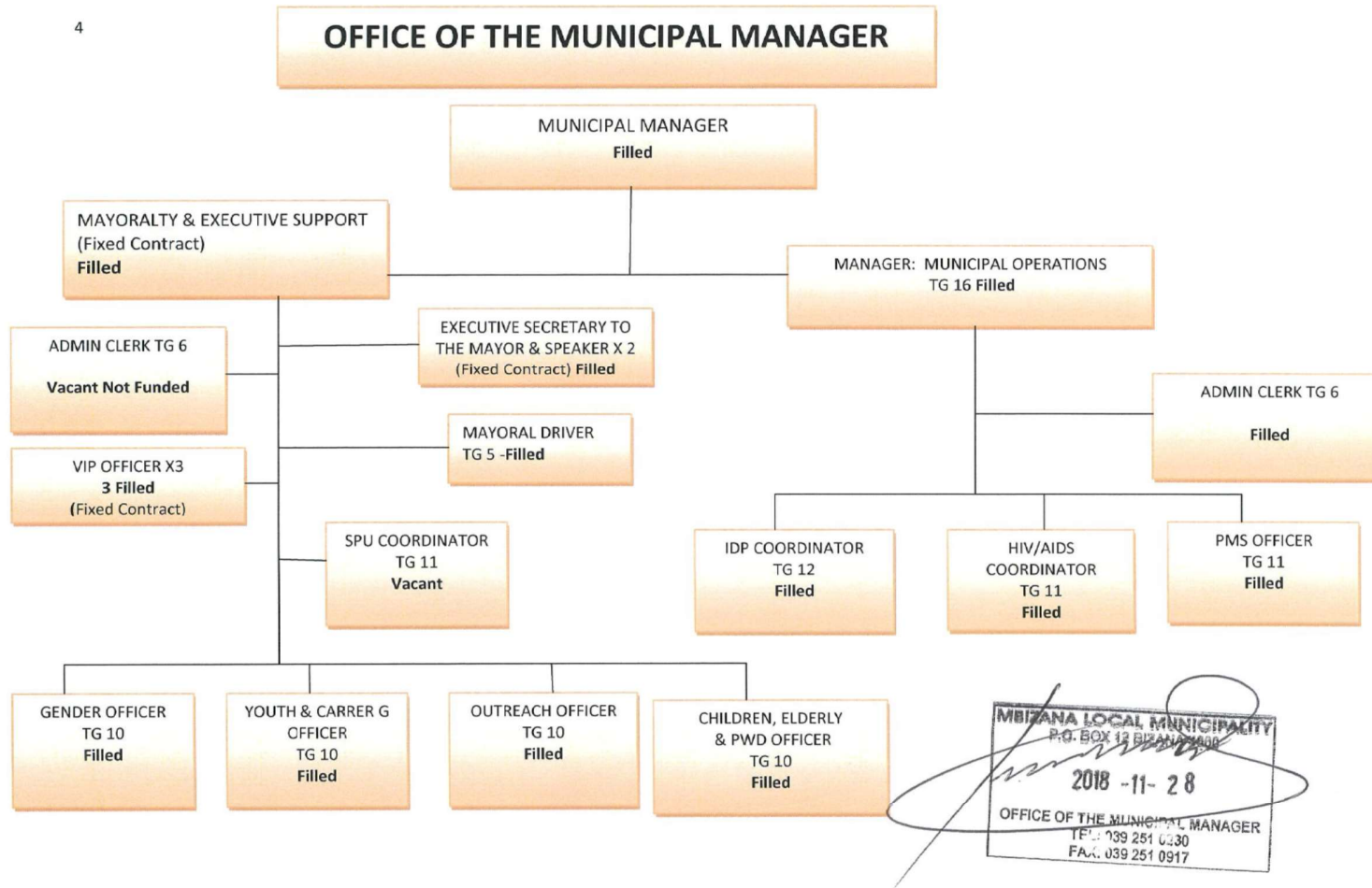
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COMMUNITY SERVICES
Filled

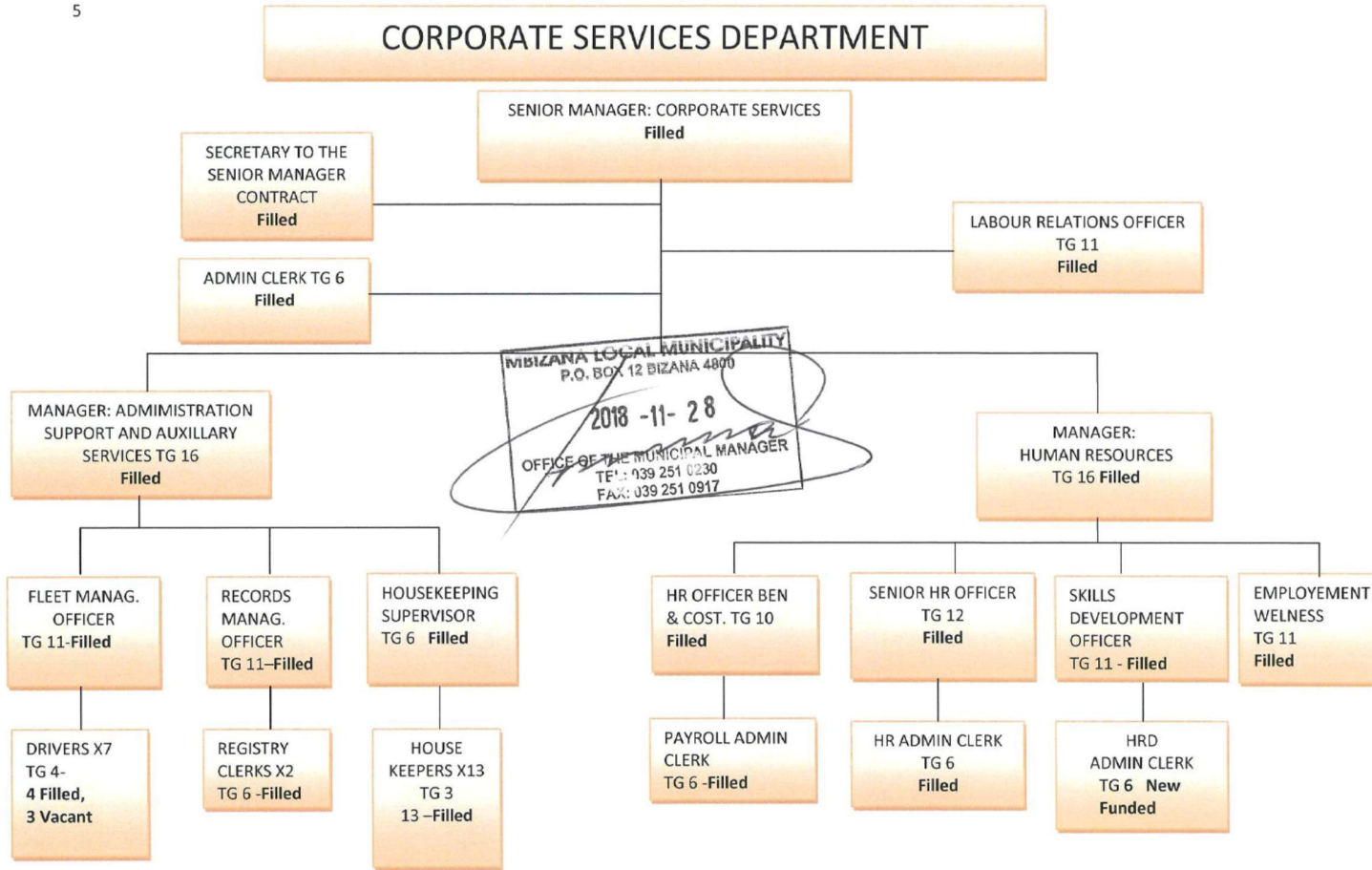
SENIOR MANAGER:
ENGINEERING SERVICES
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OFFICE OF THE MUNICIPAL MANAGER







CORPORATE SERVICES DEPARTMENT

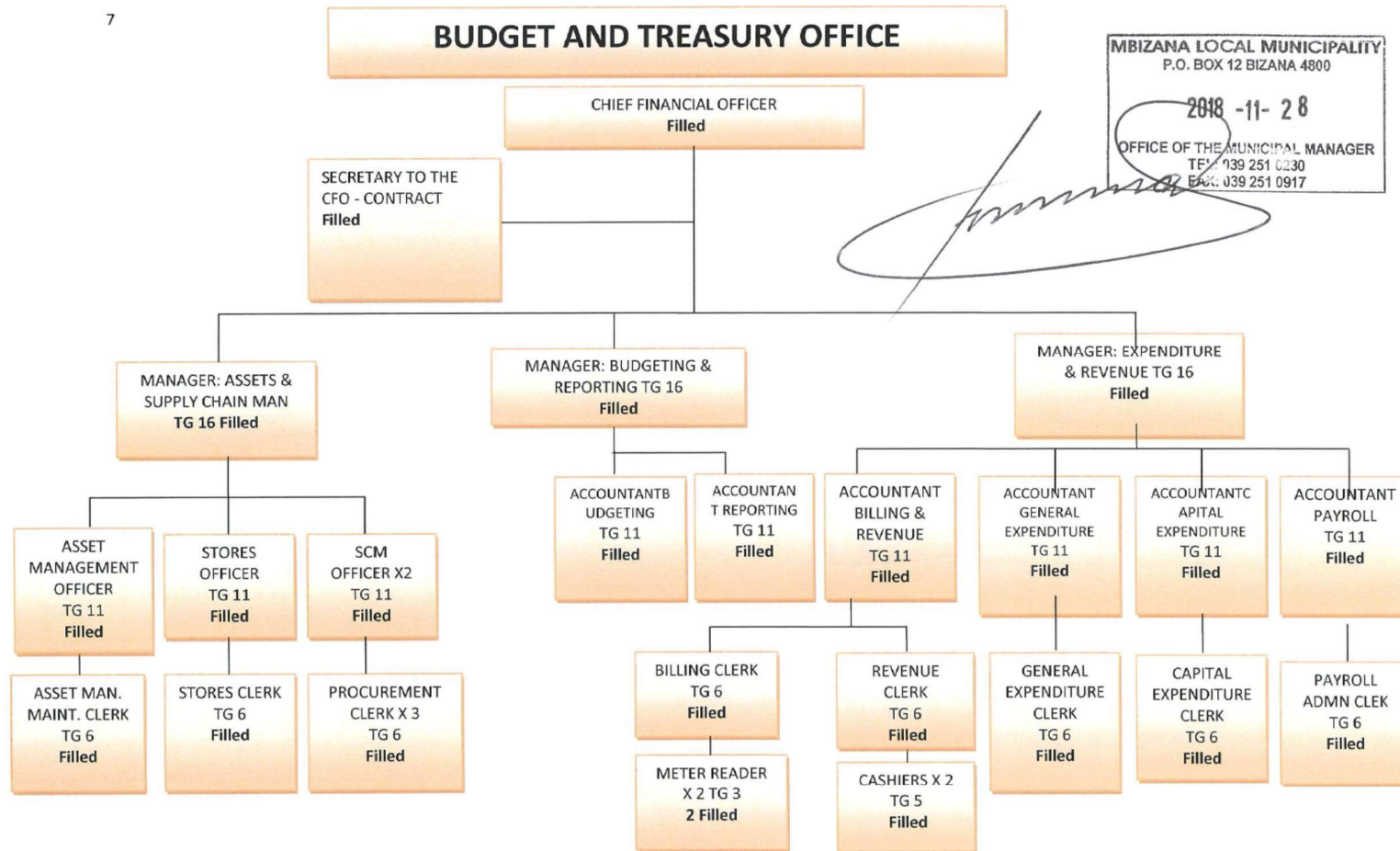
MANAGER: INFORMATION
COMMUNICATION
TECHNOLOGY TG 16
Filled

RECEPTIONIST X2
TG 5
1 Filled & 1 Vacant Funded

SYSTEMS ADMINISTRATOR
TG 12 - Filled

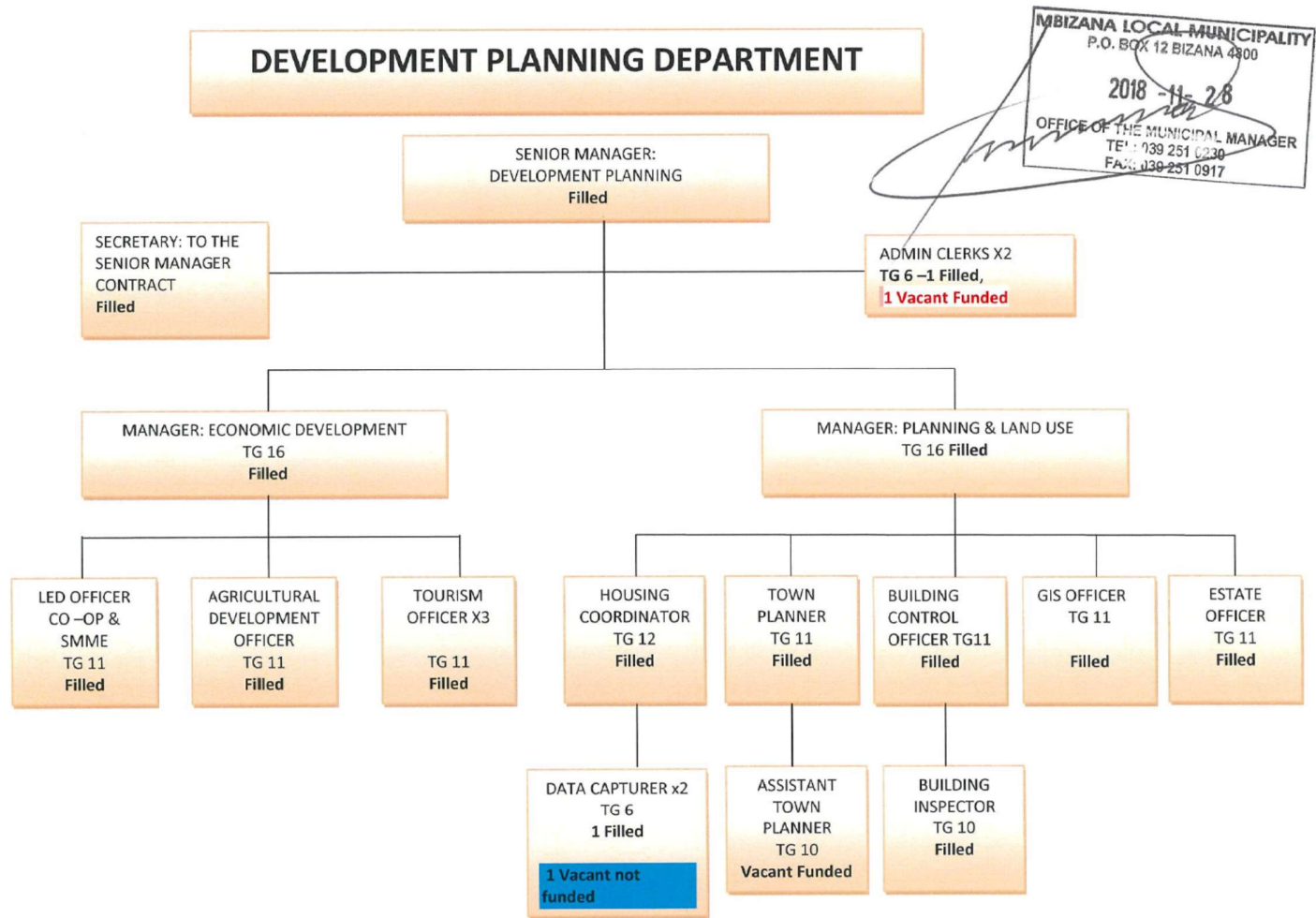
IT TECHNICIANS X2
TG 11
Filled

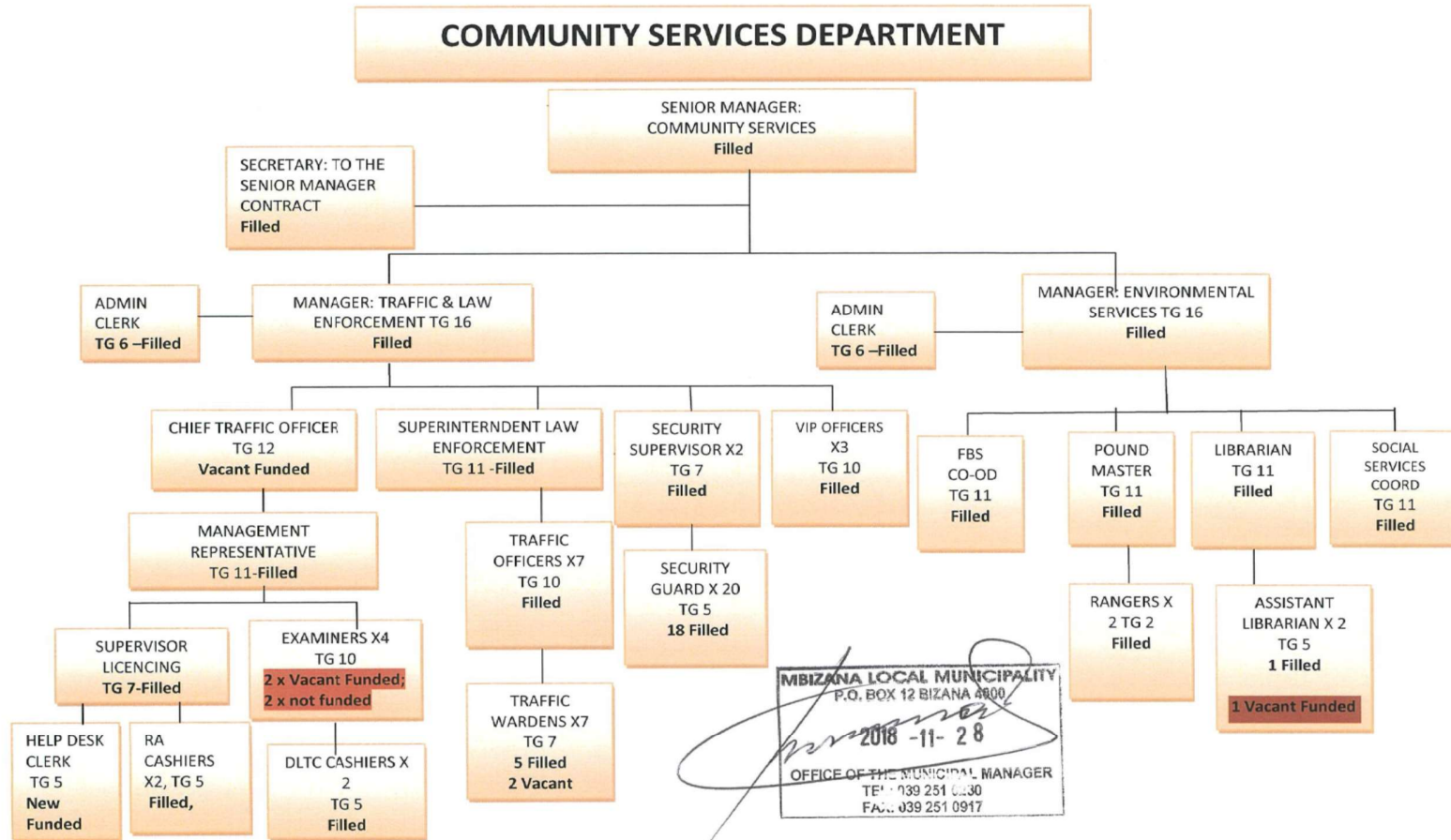
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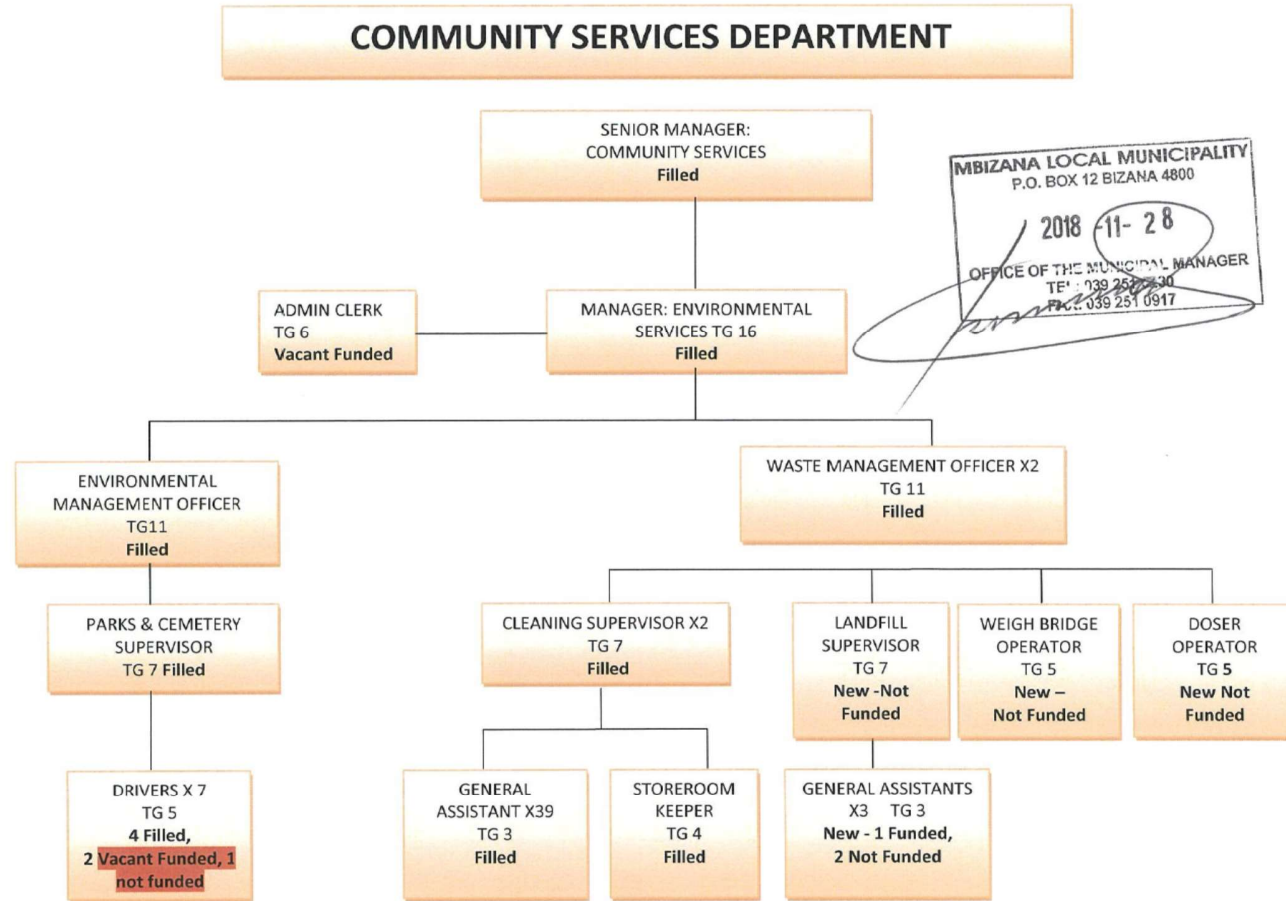
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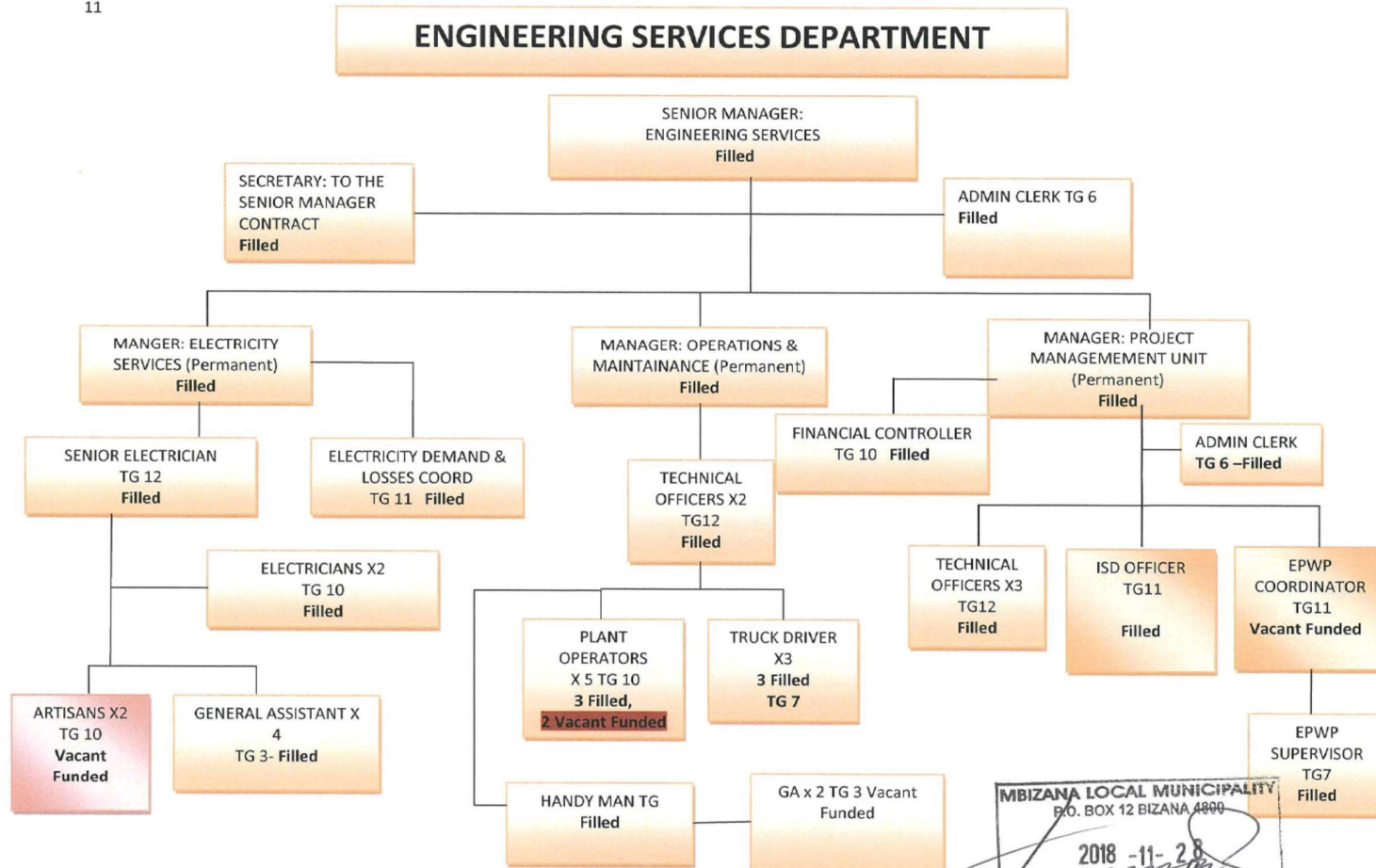
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 2018 -11- 28
 MBIZANA LOCAL MUNICIPALITY
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Organisational Structure reviewed in 2018/19 Financial Year

Adopted by Council on 28 November 2018

MBIZANA LOCAL MUNICIPALITY
P.O. BOX 12 BIZANA 4899
2018-11-28
THE MUNICIPAL MANAGER
TEL: 039 251 0300
FAX: 039 251 0917

7.5.5 Populated Staff Establishment

Departments	Number of budgeted posts	Filled posts	Vacant posts
Municipal Manager	41	40	01
Corporate Service	44	43	01
Budget & Treasury	31	29	02
Community Services	117	100	17
Engineering Services	35	28	7
Development Planning	20	17	03
Total	288	257	31

7.5.6 Municipal Manager S56 Managers and Line Managers

The Mbizana Municipality has employed six (6) of the six (06) section 56 Managers including Municipal Manager and CFO.

Post Description	Date Of Appointment	Nature Of Employment	Duration of Contract
Municipal Manager	10 September 2017	Contract	5 years
Chief Financial Officer	01 October 2017	Contract	5 years
Sen. Manager Corporate Service	12 March 2018	Contract	5 years
Sen. Manager Engineering Services	03 June 2019	Contract	4 years
Senior Manager Development Planning	01 March 2018	Contract	5 years
Senior Manager Community Services	01 March 2018	Contract	4 years

7.5.7 Skills Development, Training and Capacity Building

In terms of Government Gazette No. 27801 every Municipality is obligated to submit the Work place Skills Plan and its annual Training Report to the LGSETA in April of every year. Employees are nominated for

training according to Work place Skills Plan (WSP) which is informed by skill gaps in the Municipality. There are no challenges on Critical skills as all Critical positions are filled. The following is the progress report for the reporting period under review.

- Training and Development policy was reviewed and adopted by Council on the 28th of November 2018.
- 20 employees have been granted study assistance.
- 14 Councillors and employees are undergoing adhoc training.
- 4 interns are registered and studying CPMD.
- 1 senior manager and 1 manager are registered and studying CPMD

7.5.8 Labour Relations

The Local Labour Forum is fully functional and has been convening meetings monthly and/or as and when the need arises to discuss matters of mutual interest between employer and employees. The Local Labour Forum (LLF) has operates through sub-committees in terms of the main collective agreement (SALGBC) as follows: -

- Training & Development Committee;
- Restructuring Committee;
- Occupational Health & Safety Committee

The Labour Relations section has also identified the need to equip all line management and supervisors with the ability to institute and preside over disciplinary processes. In pursuit of this goal the Labour Relations Officer has drafted and submitted a training specification to Supply Chain Management for procurement of services in the third quarter.

Experiential Training/Learner ship and Internships

Mbizana L.M has received three learners from Alfred Nzo and this programme is funded by Services SETA. The recruitment and selection process was done by Alfred Nzo. The three learners are placed in the Human Resources department and Electricity section. Nine students are undergoing experiential training in different department in the Municipality.

7.5.9 Employment Equity Plan

The Municipality has adopted its Employment Equity Plan and policy drawn in line with the provisions of Employment Equity Act (EEA) and reports are timeously submitted to the department of Labour as per the stipulated timelines. In terms of staff establishment, there is one (1) female Senior Manager employed as per the section 56 managerial positions out of six (06) managers and none of them is disabled.

The required 2% employment of people living with disabilities has been achieved. The intention of the Council is to utilise the HR recruitment vehicle to ensure that the transformation of the current employment demographics are in line with its targets.

The following Status reflects Employment Equity in Mbizana Municipality.

Departments	Number of Posts Filled	E.D. Males	E.D. Females	E.D Disabled	Total
Municipal Manager	40	18	22	01	
Corporate Service	43	18	25	01	
Budget & Treasury	29	12	17	01	
Community Services	100	53	47	04	
Engineering Services	28	20	08	04	
Development Planning	17	10	07	01	
Total	257	131	126	07	

Key objectives of the Employment Equity Plan

These are based on the implementation of the affirmative action measures, elimination of unfair discrimination in employment policies, practices and working environment.

- Improve the gender representation at senior management down to lower levels from 25% to 50%;
- Improve the over/under-representation of people from different designated groups in all occupational levels within MLM;
- Eliminate barriers identified in employment policies and the working environment;
- Compliance with the requirements of the Employment Equity Act.

7.5.10 Performance Management System

Performance management is implemented at the level of section 56 managers and middle managers. It has been cascaded down to the level of officers with a plan to reach every employee by June 2020. Workshops have been conducted to all levels and we are in the process of formulating templates that are understandable and relatable mostly to lower levels in terms of the performance plan and reporting. Bi-quarterly assessments have been conducted to middle management and officers that have signed their performance agreement. Most employees are still struggling to grasp the concept of signing performance agreements and drafting performance plans which makes it difficult for the section to report properly on performance. The lack of involvement of middle management in signing and assisting subordinates with the process.

7.5.11 Fleet Management Unit

The Municipality has 42 vehicles on site and are allocated to departments/sections but managed by Fleet Management section. Each vehicle has a fuel card that enables them to function daily. Those fuel cards are also used for toll-gates and minor repairs. The above vehicles are used for transporting Councillors and officials to their respective areas of council business. Quantum and Mini-bus are usually utilised for transporting large number of people when attending council business or sport activities. They also render assistance to the Community trips approved the relevant authority in the Municipality. Municipal vehicles are permitted to leave the premises only if there is a signed trip authority. All employees who receive travelling allowance may not operate municipal vehicles. All vehicles are installed with a tracking device in order to track movement of vehicles and eliminate misuse.

7.5.12 House Keeping Unit

The House Keeping unit is responsible for ensuring that Municipal building and offices are clean at all times. The unit is operating with thirteen (13) Housekeepers who are employed permanently, five (5) Housekeepers employed temporary and one Supervisor permanently employed.

7.5.13 Records Management

The following has been achieved during the reporting year:

- The records management unit is currently in the process of centralizing records in the following departments: Corporate Services, BTO, Development Planning and Engineering Services.
- A concept document detailing the nature, scope and intended outcome for the project has been developed and submitted to Supply chain management offices.
- A draft schedule for records other than correspondence files has been also developed.

The office of the Provincial Archives from Mthatha repository conducted appraisal for disposal of records that were stored in the container near the entrance to Corporate Services. The records are disposed, and destruction certificate has been issued. Application for transfer of photographs to archives for permanent preservation and these are photographs of former politicians, ministers, deputy ministers and president etc. District records management committee has been established. The Records Management officer and Manager: Admin & Auxiliary services are appointed as members of committee and they occupy the following roles respectively:

- Records Management Officer: Committee Secretary
- Manager Admin & Auxiliary Services: Ordinary member

The committee sits monthly, and its main objective is to advocate for adequate records management practices in the Alfred Nzo District by following Eastern Cape Provincial Archives and Records Services Act. At the Records Management regional forum, a committee has been established and its main objective is to advocate and govern compliance with Eastern Cape Provincial Archives and Records Services Act. The committee further aims to enhance buy-in by top management on records management practices. Records management officer is appointed as committee member. Positions of committee members will be decided on the coming first meeting of the committee.

7.5.14 Staff Retention

The MLM Employee Retention policy developed and adopted by Council has since been reviewed. The reviewed version of the policy was adopted together with the rest of the Municipal policies on the 28th of November 2018. The following are the key policy highlights which influence the successful implementation of this strategy. One (1) intern previously undergoing Treasury training was absorbed into the system.

7.5.15 Succession Plan

The plan is in place and is being implemented on a regular basis in collaboration with HR officials by:
Examining the Organisational Structure to establish posts that are likely to become vacant over the next five years due to retirement. To earmark employees that are ready for promotion and prepare them to contest promotional positions. Encourage potential employees who are not in possession of formal qualification to register to Universities. Nominate employees for training to close the skills gaps.

7.5.16 Employee Health and Well – being

The municipality is committed to promoting equal opportunities and fair treatment in for all its employees, through the elimination of unfair discrimination and integrated wellness programmes and policies. The municipality has adopted a holistic approach to address social and work-related problems through awareness programmes for its employees on the of HIV and AIDS, Chronic illness, Disability, Occupational Health and Safety as well as Sport and Recreation for its employees. Sport Committee is in place and functional and the Committee focuses on sporting codes such as Soccer, Netball and Darts. The municipality teams participated in the Assupol tournament and will be holding sporting activity each quarter for the financial year 2019/20.

The municipality has taken 185 employees to medical surveillance programmes. Such employees include permanent general assistants and EPWP employees. We have contracted doctors who offer psychological evaluations and professional counselling, full medical examination for employees working under hazardous employees and any other occasional referrals. We have done an employee wellness day which included sporting games and medical checks. We are in compliance with COIDA prescripts of annual subscriptions and periodic reporting.

7.5.17 Payroll Management

The Municipality has a system (Employee Self Service (ESS) which facilitates the processing of leaves. The system allows the Departmental Administrators to capture leaves applied for by employees as well as Managers to approve those leaves. The system has expedited the leaves. ESS is also integrated with the payroll system (SAGE People 300). The ESS system allows for employees to access other documents

(payslips and IRP5's). The department is in the process of giving access to all office-based employees to ESS in order to retrieve such documents.

7.5.18 Information and Communication Technology

The Information and Communication Technology (ICT) section is responsible for the architecture, hardware, software and networking of computers. As ICT unit, a number of duties are performed to ensure that employees have full access to the computer systems. Information technology (IT) has become a vital and integral part in all government spheres in introducing efficiencies and ensuring data integrity. ICT supports a server room with 15 servers, a UPS for the entire server room with a backup generator and a staff complement of about 240 employees excluding 72 Councillors and Traditional leaders that are supported on an adhoc bases. The ICT section is anchored by 3 basic pillars: -

- Demand - for information, processes and technology (*Why ICT services are required and what functions they'll be performing*)
- Supply - of services by the ICT function (*How to deliver the services and where from*).
- Governance - If and when investments in services should be made. Governance must be a shared activity between demand and supply to ensure the right investments are made and delivered, and the expected benefits are realized.

7.5.19 ICT Governance Framework

The municipality had quite a number of policies that were consolidated in 2018/19 to 2 policy manuals which are IT Policy Manual and ICT Security Manual. The ICT Security Policy Manual has 21 policy statements and the ICT Policy Manual has 20 Policy Statements. The Municipality also included a summary of the ICT Policies to be signed by all employees utilising municipal ICT network resources. A new ICT Steering committee was appointed by the accounting officer with a composition of Senior Managers to ensure that ICT issues are discussed at all strategic levels.

7.5.20 ICT Infrastructure Project

The municipality embarked on a network upgrade in 2018/19 replacing all existing Network switches with Power over Ethernet (PoE) and fully managed switched. The network infrastructure both at server room and

the main building was upgraded introducing wireless access points and wireless projectors in all 3 boardrooms in the main building. New laptops, desktops and office automation equipment was procured as part of upgrades and as well as additional equipment due to increase in staff complement.

7.5.21 Procurement of Hardware

The municipality is mandated by the Government gazette to provide tools of trade for all Councillors serving in the Mbizana Municipality council. The municipality provided all councillors including traditional leaders, laptops, mobile data and cell phones. Small scale project were further done to add more access points and also added central printing devises to improve access to municipal resources. The municipality's plan is to upgrade the entire network to accommodate wireless access points and improved voice quality over the network.

7.5.22 Municipal Website and Web Content Management

Mbizana Local Municipality website is up and running, URL: <http://www.mbizana.gov.za>. ICT is responsible for compliance on the website in terms legislations and laws applicable to municipal websites. Mbizana Local Municipality website was developed in terms of s21 A and B of MSA No. 32 of 2000. ICT is responsible for uploading compliance documents in terms of s75 of the Municipal Finance Management Act No. 56 of 2003 and all applicable laws of the republic of South Africa.

7.5.23 Disaster Recovery

The Municipality adopted a Disaster recovery Plan (DRP) and Business Continuity Plan (BCP) in 2016/17 financial year. To ensure smooth recovery and minimal impact when a disaster occurs the municipality is Virtualising and backing-up all systems from servers to desktops. DRP is supported by a Backup and recovery solution that is hosted in a data centre managed by Munsoft and as well as a Replication that is done on site using VEEAM for Hyper-V.

7.6 FINANCIAL VIABILITY**7.6.1 Overview of the Municipal Financial Management**

Mbizana Local Municipality has an established Budget and Treasury Office in terms of section 80 of the Municipal Finance Management Act No. 56 of 2003. The department is tasked with overseeing the financial management of the municipality with its main functions in the following four areas: - revenue management, expenditure management, budgeting and reporting, asset management, and supply chain management. This municipality has remained financially viable over the past years as it has managed to fulfil its obligations as they fall due. As a result of this, there has never been a need for a financial assistance as the municipality has been able to meet its obligations as they fall due, paid for all service delivery commitments, and has been able to pay for all operational requirements ranging from salaries to repairs and maintenance and others.

During the 2019/20 financial year the municipality continued with the construction of two mega projects that commenced construction during the 2017/18 financial year. The two mega multi-year projects are proving to be posing a major strain on the municipality's resources due to their magnitude versus the available resources to implement them. The situation has been made worse by the decrease of the anticipated allocations during the time of planning and approval of these projects. Electrification projects implemented within the municipality over the past three financial years have required that the municipality funds them using the resources built-up in the prior years and as such depleting these resources. This has been due to the decreasing allocations when it comes to grant funding for these programmes.

7.6.2 Financial Viability Overview

Mbizana Local Municipality is predominantly rural, and currently only derives revenue from the town area for service charges and property rates. There are properties in the rural areas that the municipality charges property rates as per the Municipal Property Rates Act. These are properties owned by government and other qualifying properties like, in this case, the Wild Coast Sun Hotel and Casino.

To counter this, the municipality developed a Revenue Enhancement and Debt Collection Strategy that was approved by council back in 2014. Management has been engaged with the implementation of the same strategy. The emphasis of the strategy was on providing quality services to the communities served and providing information early whilst it is still relevant. Whilst identifying new revenue streams, the strategy also emphasized maximising on the already existing streams. Management has also identified that it needs to work closely with businesses as they are the ones who have more capability to settle their debts, all that needs to be improved is the willingness to settle. The implementation of this strategy has seen and improvement in some areas of revenue generation which has also resulted in the municipality being graded a grade higher from 2017/18 financial year.

The municipality is currently reviewing the revenue enhancement strategy which will also consider changes and developments that have taken place in the municipality over the years. This is in line with the understanding that an independent review and assessment of the previous strategy is required and also lessons that can be learnt fully taken advantage of. The year 2020/21 is expected to be the year of implementation of the reviewed revenue enhancement strategy which is required to come with an implementation plan to make it easy to monitor.

Apart from the strategy, the municipality has already made some inroads in ensuring that the revenue generating capacity is improved. A Drivers' License Testing Station was completed and operationalised about four years back. This has ensured that Mbizana communities have easier access to the service whilst improving the revenue generation capacity of the municipality. A significant part of the municipality's revenue is from the grants received from the National Treasury for various activities and service delivery objectives. The table below gives a list of the grants that the municipality receives: -

Description	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget
Equitable Shares	R 260 384 000	278 139 000	297 788 000	314 306 000
Financial Management Grant	R 2 215 000	R 2 000 000	R 2 200 000	R 2 200 000
MIG	R 48 362 000	48 049 000	52 084 000	55 037 000
Electrification Grant	R 31 240 000	29 286 000	32 300 000	39 000 000
EPWP Grant	R 2 452 000	2 389 000		

EPWP Greenest Municipality	R 3 286 000			
DSRAC Library Subsidy	R 500 000	R 500 000	R521 000	
Total	R 348 439 000	R 360 363 000	R 384 893 000	R 410 543 000

The amounts indicated above show allocations from both national and provincial government.

The District Municipality used to make some allocations to the municipality for specific purposes or interventions which none has been communicated so far and that has been the case for the past four financial years. A higher percentage of the total budget is always set aside for the capital projects as the municipality has a responsibility of delivering basic services to the people in the form of Infrastructure investments like roads, community halls, recreational facilities, electrification and other projects. As mentioned earlier, Mbizana Local Municipality also generates its own revenue from the following sources: -

- Municipal Property Rates: for rateable properties both in town and rural areas, including government properties,
- Refuse Collection: for the town area and few sites outside of town including schools,
- Electricity Distribution for the town only,
- Town planning and building enforcement
- Rental of municipal facilities

Although these streams generate revenue for the municipality, it is not nearly enough to cover the level of funding required to fulfil all the responsibilities of the municipality. The municipality also receives other income from other streams that may not necessarily be in the main functioning of the municipality. These include: -

- Interest on investments,
- Advertising,
- Traffic fines,
- Funeral fees,
- Tender fees,
- Agency fees.

New initiatives have been explored to ensure that cash that is not immediately required is invested on short terms portfolios that have high returns whilst the initial capital amounts are guaranteed. The collection rate

for the municipality is currently just above 95% which is higher than prior years' collection. This is in line with the revenue collection norms set by National Treasury and needs to be maintained to ensure sustainability of the municipality. As mentioned earlier, the revenue enhancement and debt collection strategy are key to ensuring that this is realised.

Electricity sales still pose a challenge due to illegal connections, meter tempering, distribution losses and ageing electricity infrastructure. The Mbizana Local Municipality has implemented projects that are meant to turn the situation around. These include the changing of meters to split meters to reduce the tempering of meters, meter audits, to determine the status of the meters as currently used by consumers. There has also been a targeted effort at the large power users of electricity like businesses and other institutions. The meters in these businesses have been replaced with modern ones that can be monitored and irregularities can be identified early.

This has also led to the installation of bulk meters where there are many consumers with the property owner being responsible for payment of the consumption. These initiatives have started to yield results but need to be given time to ensure that the desired outcomes are realised. As a result of these initiatives there are now sections of the commercial property owners who are not willing to accept the change and the results as these take away some benefits they have been receiving over the years without paying for them.

7.6.3 Funding Streams

The municipal operations and capital projects are funded largely from grants and to a lesser extent from own revenue. The grant funding is to a larger extent, conditional, and this means the grants can only be utilized for the purpose for which they have been made available. The grant funds are utilized as follows:

- **Equitable Share:** is utilized mainly for funding operations and could also be used for a smaller portion of capital expenditure.
- **Municipal Infrastructure Grant:** is a conditional grant for the funding of municipal infrastructure developments.
- **Integrated Electrification Grant:** is a conditional grant to fund the electrification of villages within the Mbizana area
- **Financial Management Grant:** is aimed at building the financial management capacity building as well as for the procurement and maintenance of financial systems to ensure a successful

implementation of the financial reforms like mSCOA, as introduced by National Treasury for implementation from the 2017/18 financial year.

- **Expanded Public Works Grant:** is meant for the implementation of the expanded public works programme where labour intensive means are used to deliver certain services as a means of creating jobs and also developing job experiences
- **Other grants:** these are received at various intervals for Library subsidies, for the EPWP greenest municipality and for other specific adhoc purposes.

7.6.4 Auditor General's Concerns

The Auditor General of South Africa has audited the 2018/19 Annual Financial Statements and an audit opinion has been issued with the municipality obtaining an unqualified opinion. The table below indicates the outcomes that the municipality has received in the past five financial periods. The audited results of the municipality have been as follows for the past five years: -

	2014/15	2015/16	2016/17	2017/18	2018/19
Audit Outcomes	Qualified	Unqualified	Unqualified	Unqualified	Unqualified

An audit action plan was developed for the 2018/19 financial year's findings. The action plan addresses all the findings by the Auditor General and all the findings are addressed as we progress with the 2019/20 financial year. Some of the findings can only be addressed when the 2019/20 annual financial statements are finalised. It has been a consistent observation and finding of the auditor general that the municipality seems to be struggling with compliance with laws, this could either be as a result of the municipality's inability to interpret laws or the municipality's unwillingness to comply with the laws. Measures are currently being put in place to ensure an improvement in this area.

7.6.5 Filing System and the Audit File

One of the requirements of the audit by the Auditor General is that a municipality should be able to produce supporting documentation for the transactions that have occurred. Central to this, is the safe keeping of the documents for the audit and for future reference. The municipality currently experiences a challenge with

this because we do not have central and functional archives that can accommodate all municipal documents. Above that, there is limited space on which files are kept and this results sometimes in documents being misplaced.

The municipality is currently considering alternative means that it can utilise to avoid the loss of documents and thereby limiting the scope of auditing and lacking reference documents in future. The alternative means include installation of built-ins in Supply Chain Management and Expenditure sections to maximise filing space for critical documents. This is whilst the Corporate Services and Engineering Services departments finalise long term plans to address the issue of lack of filing space. The municipality started implementing an electronic document management system which is anticipated to minimise the need for document handling. There are currently plans to finalise the implementation of the plan which will then accommodate the filing of financial records electronically.

7.6.6 Financial Plans

The municipality prepares a budget that takes into consideration operational and capital expenditure over a period of 3 years. A budget process plan was adopted that would look at the compilation of the 2019//20 adjustments budget as well as the compilation of the 2020/21 annual budgets and the MTERF. These budgets or financial plans form part of this IDP document. It is important to note that a significant change has happened in the preparation of budgets from 2017/18 budget as it was required to be mSCOA compliant with all other processes having to take into account that financial reform.

Municipal Standard Chart of Accounts (mSCOA) is a business reform that all municipalities were required to comply with and transact on from July 01, 2017. This reform has brought about uniformity amongst all municipalities in terms of reporting as the chart of accounts is the same for all. Municipal manager through a council resolution delegated the function of championing the whole process to the Chief Finance Officer. Significant work including setting up committees made up of senior managers and managers has been carried out in terms of ensuring that the set target date is achieved, and our municipality is also able to transact on a mSCOA compliant platform.

7.6.7 Grant Usage

The municipality receives a number of conditional grants as stated earlier. Conditional grants are utilized only for the purposes for which they were intended in line with their conditions. These funds are ring-fenced for the specific conditions for which they are meant. The funds are both ring-fenced within the accounting system such that they have specific ledger accounts assigned to them, but at the same time, specific banking call accounts have been opened for each conditional grant as required by the funders. This makes it easy in the event of unspent grants to prove to National Treasury that these funds are actually available and set aside in the bank accounts of the municipality.

During the 2018/19 financial year, the municipality received additional allocations for both the Municipal Infrastructure Grant and the Integrated National Electrification Grant. By the end of the financial year the original allocations were fully spent while a portion of the additional Municipal Infrastructure Grant was not spent but committed to identifiable projects. A rollover was then applied for and due to the municipality's compliance with the rollover application requirements, this was approved and has been allocated to a project during the adjustment budget. The table below shows grants performance per conditional grant:

Description	2018/19 Adjusted Budget	2018/19 Expenditure	2019/20 Budget
Equitable Shares	R 230 525 000	R 230 525 000	R 260 384 000
Financial Management Grant	R 2 215 000	R 2 215 000	R 2 215 000
MIG	R 59 416 000	R 53 289 420	R 48 362 000
Electrification Grant	R 32 610 000	R 32 610 000	R 31 240 000
EPWP Grant	R 2 335 000	R 2 335 000	R 2 452 000
EPWP Greenest Municipality	R0	R0	R 3 286 000
DSRAC Library Subsidy	R 448 000	R0	R 500 000
Total	R 296 708 000	R 320 974 420	R 348 439 000

7.6.8 Debtors' and Creditors turnover rate

Our municipality bills consumers for property rates, solid waste removal and electricity. Consumers are then expected to settle their debts by the 7th of each month after they have been billed. The debtors' turnover rate, which is basically the number of days it takes our consumers to settle their debts is more than 60 days. This is more than the expected norm and has a negative effect on the municipality's cash flow. The efforts directed towards the improvement of the collection rate will be intensified with the appointment of an external service provider to do debt collection and this should start to yield results in the 2020/21 financial year and subsequent years. The municipality has improved in its monitoring and processing payments to ensure that all creditors are settled within 30 days. This includes reminders of the submission requirements on a monthly basis and adhering to approved payment schedules of the municipality. Suppliers and creditors, by law, must be paid within 30 days after the receipt of an invoice and that has been the case in the current financial year.

7.6.9 Internal Controls

In the past financial years, training initiatives were undertaken for all Budget and Treasury Officials to ensure that the level of understanding of financial procedures and controls is enhanced. This was also done with the intention of increasing the level of understanding of internal controls and what the implications of GRAP standards application are. There has been an increased understanding of the internal controls, but management of budget and treasury office continues to emphasize on the importance of internal controls. These processes and procedures are then reviewed annually to check as to whether they still achieve the intended outcomes.

The Budget and Treasury has policies in place from which procedures are derived for the daily running of the department. The policies are reviewed annually to consider their relevance and to ensure that they comply with updates that take place in legislation and National Treasury regulations and other developments. The latest review happened at the end of 2019/20 financial year and these were ultimately approved by Council by the 31st of May 2019. The review ensured that policies are updated, and new ones were introduced like the contract management policy. Some of these policies however require an annual review as they form part of the budgeting process and usually there are changes that need to be affected in each one of them. The Mbizana Local Municipality has the following financial policies that have been adopted but

have not as yet been promulgated into by-laws, but process of promulgation has been started by our legal section-;

Cash Management and Investment Policy: - deals with investment of monies that are not immediately required. This is in accordance with the framework prescribed by the minister in concurrence with the cabinet member responsible for local government and consistent with Municipal Cash Management and Investments. This policy also takes into consideration the handling of borrowing by the municipality, how it is approved and items that can be funded using borrowed funding. It also takes into consideration the borrowing of funds from finance institutions, how these are approved and who decides to enter into a borrowing arrangement.

Supply Chain Management Policy: - seeks to comply with the constitutional requirements that the procurement of goods and services is conducted through a system that is fair, equitable, transparent, competitive, and cost effective. Amendments have been affected to the policy, but it has emerged from the audit by the Auditor General that there are still some gaps that need to be closed in terms of having this policy complying to all the legislations of the country.

Asset Management Policy: - deals with the way in which the municipality manages its fixed as well as moveable assets. The policy deals with the accounting treatment of all infrastructure assets, categorization, depreciation, useful lives of assets in line with the provisions of GRAP.

Contact Management Policy: - This is a new policy as a result of the contract management review project that was implemented by the municipality and indicated the need for a policy to guide how the municipality's contracts are managed to ensure they deliver according and avoid working on contracts that have reached their end date.

The following are the policies that the municipality currently has and are being reviewed annually: -

Tariff Policy: this policy deals with processes and guidelines that need to be followed in adjusting tariffs, taking into consideration the changes in the Consumer Price Index and inflation. This also takes into consideration the Valuation roll, that is the values of properties that determine the Property Rates which consumers will be expected to pay. This policy is reviewed annually and forms part of the budgeting process.

Rates Policy: guides the municipality on how Property Rates will be charged and who will be charged and is informed by the Municipal Property Rates Act. It determines the minimum value of properties that are subject to property rates. The policy also determines the properties that will be exempt from the levying of property rates.

Supply Chain Management Policy: This outlines the processes and procedures that need to be followed in the acquisition and disposals by the municipality.

Supply Chain Management Policy for Infrastructure Procurement and Delivery: The National Treasury has introduced a guide for the development of this policy, whose intention is to ensure effective and efficient procurement and delivery of infrastructure assets. The policy introduces controls that ensure accountability various levels of the procurement process.

Credit Control and Debt Management Policy: This policy guides the municipality on how debtors to the municipality should be dealt with, how long outstanding debts should be collected.

Budget Policy: This guides the municipality on how and when municipal annual budgets and adjustments budgets should be compiled. It gives guidance on how to do virements and transfers and who has the authority to do those.

Petty Cash Policy: This policy gives guidance on how transactions that are within the Petty Cash threshold are handled. It outlines the documents that need to be attached as supporting evidence as well as authorization of such transactions.

Accounts Payables Policy: This is a new policy to the municipality and it deals with procedures that need to be followed to ensure that creditors and all service providers are paid within the stipulated time periods and the documents that need to be attached as source documents.

Irregular, Unauthorized, Fruitless and Wasteful Expenditure Policy: This also is a new policy to the Municipality and it outlines processes that need to be followed to prevent the instances of such expenditure. Where these expenditures have occurred, the policy gives guidance on how they can be recovered, and the disciplinary action that should follow these instances.

Debtors impairment policy: This is a new policy to address the specific issues relating to management of debtors and also setting parameters for the impairment of debtors whose behavior indicates a possible non-collectability. This is also in response to the new dynamic added by the recognition of revenue from traffic fines and the general behavior of those debtors to settle these debts.

7.6.10 Municipal Asset Register

The municipality maintains a GRAP Compliant asset register. This enables the municipality to keep track and have a record of what assets it has, both moveable and immovable, the value of the assets, the depreciation thereof as well as any additions that may have taken place during a financial period. The register is maintained through the course of the year with all the additions and disposals as they occur. This register was presented to the Auditor General for the 2018/19 financial year from which findings relating to community assets demolished but not derecognised in the municipality's asset register were made needing adjustments to the register and the financial statements thereof. The correction of these then lead to a unqualified asset register.

It is the plan of the management team that an asset register is compiled and updated regularly to meet the requirements of GRAP and is able to be used as a monitoring and accounting tool for all the financial years, however, the infrastructure assets continue to require that professional engineers be employed to review on an annual basis. The municipality currently has a team contracted for a period of three years to ensure continuity and certainty in terms of the skills when required.

7.6.11 Revenue Enhancement and Collection Strategy

As indicated on the overview of the financial viability, our municipality is largely rural and as such has a limited base from which to derive revenue. This implies that the municipality comes up with innovative and robust strategies to ensure that the revenue is enhanced. A revenue enhancement strategy was developed and approved by Council. The management of the municipality has been implementing the recommendations of the strategy which are categorised into short, medium, and long-term strategies.

The strategy encompasses some revenue sources that the municipality already has like the Vehicle and license testing station which has been operating for at least four years now. Other alternatives include

enhancing revenue related to natural and heritage resources that the municipality is endowed with. The municipality is seeing a lot of development of businesses and residences around town. This has a positive impact on the revenue that the municipality is able to generate. Efforts are also placed at making sure that the electricity department, which has a potential to provide profits to the municipality, is run efficiently and optimally.

7.6.12 Financial Recovery Plan to address cash flow problems

Mbizana Local Municipality has not put together a financial recovery plan. This is mainly due to the fact that it has not experienced any problems with cash flow as it currently has healthy liquidity that is it is able to meet its obligations as they fall due. Assessments are carried out on a regular basis to consider whether the financial recovery plan would be required. Having said this, the municipality is actively engaged with efforts to ensure that this status is maintained. This includes, as mentioned earlier, active investment of cash not immediately needed, soliciting funding for infrastructure projects and ensuring prudent budgeting and spending practices.

It is important to note as well that the municipality has committed itself on electrification projects, which in turn are handed over to ESKOM. This means that the cash reserves of the municipality have been seriously tapped into, and from the 2019/20 financial, and going forward, there needs to be a serious cut back on non-essential spending, what is normally referred to as 'nice to haves'. There is no need for alarm bells at the moment, but emphasis is made on the fact that the municipality needs to be vigilant in terms of taking decisions that could be far reaching and committing financial resources without first ensuring that these are cash backed.

7.6.13 Valuation Roll

The municipality has developed and adopted the valuation implementation plan for the third cycle valuation roll in terms of the Municipal Property Rates Act (MPRA) as amended. The plan was adopted by municipal council on the council meeting of the 28 June 2017 and informed the office of the Member of the Executive (M.E.C) as required.

The council allocated the budget for conducting the third cycle valuation roll that will be implemented as from 1 July 2019 which was finalised and implemented accordingly. The council also reviewed the municipal

rates policy as it is done on annual basis with the bylaws inclusive of tariffs that are advertised and gazetted by law. The rates policy was adopted by the council and the bylaws that give effect to rates policy along with the resolutions to levy rates on 22 August 2016, No 3723. The municipality is in the process of implementing the supplementary valuation roll, an update to the general valuation of 2019, which is updated annually in the form of supplementary valuation rolls as contained in the IDP.

The council also advertised the 2019 valuation roll that was implemented on the 01 July 2019 for the period of five years ending in 2024. The valuation roll was gazetted in the provincial gazette. The advert was for the call of the inspection of the general valuation roll by the rates payers as required in terms of the act as amended. The municipality published a resolution levying Property Rates in terms of section 14 of the Local Government Municipal Property Rates Act (Act No.6 of 2004) in the provincial gazette of 14 August 2019, No. 4289.

7.6.14 Supply Chain Management

The Municipal Finance Management Act No 56, of 2003, section 80, deals with the establishment of a Budget and Treasury Office by all municipalities. The established Budget and Treasury Office must then be headed by the Chief Financial Officer with a number of responsibilities assign to him/her. One of the responsibilities assigned to the Chief Financial Officer also include supply chain management. Mbizana Local Municipality has established the Budget and Treasury Office, within which a Supply Chain Management Unit has further been established. This unit is responsible for all demand management, procurement, logistics and disposals within the municipality.

The unit is headed by a Supply Chain Management Manager, who reports directly to the Chief Financial Officer. In turn, there are two Supply Chain Management Officers who report to the manager. Further to this, there are three SCM Clerks who report to the officers, and this total to a unit with six personnel. These personnel is further enhanced by financial management interns who rotate within all financial management areas of which the SCM Unit is part of. All the SCM officials meet the minimum competency levels required for SCM officials.

As part of the section 71 reports that are tabled to committees and then to council, SCM issues are also reported. This means that there are twelve (12) reports that are tabled to council on an annual basis. The

supply chain management policy is reviewed on an annual basis and forms part of the budget related policies. This review therefore also happened for the 2018/19 financial period. The following thresholds are outlined in that policy: -

STRUCTURE OF APPROVAL		
Goods/Service Value	Procurement Method Minimum	Approval Authority
R0 – R2 000	Petty Cash: One Quote	Head of Department
R2 001 – R10 000	Three Quotations	Head of Department
R10 001 – R30 000	Three Quotations	Head of Department
R30 001 – R200 000	7 days advert Notice Board via Website; Three Quotations	Accounting Officer or delegated
R200 001 – R2 Million	Competitive Bidding Process	Accounting Officer
R2 Million – R10 Million	Competitive Bidding Process	Accounting Officer
Above R10 Million	Competitive Bidding Process	Accounting Officer

The bid committees are appointed for specific projects with the following principle applied at all times:

- The Bid Evaluation Committee is composed of managers reporting to senior managers, and each committee always has a SCM practitioner.
- The Bid Adjudication Committee is composed of Senior Managers and is chaired by the Chief Financial Officer.

The committees have performed at acceptable levels although and improvement would be welcome to ensure that there are no delays experienced.

7.6.15 Preparation of Annual Financial Statements Plan

The municipality has from the 2015/16 financial year decided to compile its financial statements using the internally employed officials. This has meant that there is a significant saving on the amounts that are spent on consultants to prepare the same. In doing this, the municipality prepares an annual financial statements preparation plan that looks into all the components of the financial statements, due dates, as well as

responsible officials. This plan also looks into more immediate and regular timelines for tasks to be performed daily, monthly and quarterly. The plan then looks into the year-end processes with key deadlines which are usually set as follows for all financial years:

Draft AFS and Submit to the CFO	28 July
Draft AFS and submit (with the audit file) to Internal Audit for review and external reviewer if available	31 July
Draft AFS and submit to Audit Committee	20 August
Draft AFS submit to Executive Committee	22 August
Compile the final audit file	28 August
Finalise AFS and Submit to MM for Approval	28 August
Submit AFS to AG	31 August

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

7.7 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Good Governance and Public Participation is a key priority for the municipality. On good governance and public participation, the emphasis of the municipality will be on following: -

- Implementing democracy through investment in public participation and ward capacity building programmes.
- Fighting tendencies of corruption in our system
- Increasing trust and support from our communities and also ensuring the maintenance of a good image and profile for the municipality
- Implementing community outreach initiatives such as those activities undertaken in the special programmes unit (focusing on youth, women and disabled)
- Attainment of a clean audit outcome within two prior to installation of the next council
- Putting in place effective systems and processes for improving council oversight and administrative accountability through implementation of functional PMS and SDBIP regular reporting.
- Intensive capacity building of ward committees.

- Ensuring functionality of the audit committee

7.7.1 Council Structures

The Council has been fully functional with 62 councillors and 12 traditional leaders and has an Executive Committee comprised of 10 members where there are eight (8) full time councillors with four fulltime councillors heading the following departments: Engineering Services, Corporate Services, Budget and Treasury as well as Development Planning. Currently there are six (6) committees, namely: -

- Budget and Treasury;
- Corporate Services;
- Good Governance, IGR, PP & SPU
- LED & Spatial Planning;
- Engineering Services;
- Community Services.

The council has established two Section 79 committees which are MPAC and Public Participation and Petitions Committee. The Executive Committee and the Mayor are responsible for overall management, coordination, monitoring of performance of administration and drafting of policies and by-laws. Some members of executive committee are heading standing committees which then reports to the Executive Committee. The following is the Council Mandate:

- The passing of by-laws and formulation of policies;
- The oversight of the executive and administration;
- The approval and amendment of budgets;
- The imposition and amendment of rates and other taxes, levies and duties;
- The approval or amendment of the Municipality's Integrated Development Plan;
- The setting of tariff charges;
- The entering into Municipal Service Partnerships; and the appointment of the Municipal Manager and Sec 56 Senior Managers.

7.7.2 Municipal Public Accounts Committee (MPAC)

The council has formally established a Municipal Public Accounts Committee (MPAC) in order to meaningfully play the oversight & progress monitoring role over municipal performance in the

implementation of the IDP. Upon the oversight of the council reports, findings with remedial recommendations are tabled to council on quarterly basis. The committee comprises of seven members and the Department of CoGTA, National Treasury have embarked on MPAC strengthening program aimed at improving the performance of MPAC and one member has been enrolled on Essentials of MPAC Oversight Short Certificate Course offered by Rhodes University in collaboration with DIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)

7.7.3 Public Participation and Petitions Committee

The Committee comprises of six members being responsible for receiving and analyzing of service delivery petitions, complaints from communities and hold meetings with petitioners before and after the march. It performs its duties under the assistance of customer care office and office of the municipal manager in coordinating responses on the issues with other spheres of government.

7.7.4 Public Participation

Public Participation is enhanced through Imbizo's, Road - shows and other consultative meetings with the assistance of ward committees (310), Councillor Support Assistants (33) and 21 CDW. Mayoral Imbizos, IDP & Budget and Annual Report road shows are held to report on the Municipality's progress in terms of service delivery and also the progress in attending to the issues that were raised by communities in the previous IDP sessions. Suggestions on how to improve service delivery and some complaints regarding the current services were put forward. Community education have conducted in three wards with the purpose of educating communities about municipal services and other spheres of government and number of social issues affecting the respective communities. As part of strengthening public participation the Municipality signed a Memorandum of Cooperation with Good Governance Africa to ensure that two entities can pull resources together for maximum impact on development initiatives of mutual interest and building of a sustainable public participation framework.

7.7.5 Functioning of Ward Committees

In terms of Section 72 – 78 of the Municipal Structures Act, the Council has established ward committees in each of the 31 wards which are chaired by their respective Ward Councillors. Ward committee meeting

sits on a monthly basis. The ward committees are consultative community structures without any formal powers accorded to them. Capacity building program on ward based primary healthcare targeting Ward Committee Secretaries for 5 days in partnership with the Department of Health. This training aimed at training of ward committees on how to help improve the health of individuals and communities by bringing crucial services to people in their communities and their homes. Furthermore, they will serve as linkage between facilities and communities.

7.7.6 Community Development Workers (CDW's)

Mbizana has 21 Community Development Workers and the Department of CoGTA has started the process of further recruitment filling the vacant 10 wards. They have also been quite active in the Municipal programs like Mayoral Imbizos, IDP road shows, Annual Report road shows and serves as secretaries of ward war rooms. They have attended a 5 days training on Ward Based Primary Healthcare on how to help improve the health of individuals and communities by bringing crucial services to people in their communities and their homes.

7.7.7 Integrated Service Delivery Model: Operation Masiphathisane.

The programme of Operation Masiphathisane" was received and started operating in 31 wards of Mbizana local municipality and so far we have established and launched the following ward war rooms; Ward 01,02,03,04, 05, 06, 07, 08, 09, 10, 11,12,13,14,15, 16,17,18, 19, 21, 23,24, 25,26, 27,30 and 31. Ready to be launched war rooms are ward:,22, 28 and 29. Office of the Premier and Department of COGTA is in process of revising the ISDM in the Province. The model became dysfunctional in most wards and a plan to present and conduct training on revised model on officials responsible for the ISDM remodelling will be done in November 2019.

7.7.8 Traditional Leadership Partnerships

Office of the MEC for Corporate Government and Traditional Affairs issued a gazette with list of (12) appointed traditional leaders to serve in the new term of 2016- 2021. A vacancy which was created due to a deceased traditional leader was filled by the Provincial House of Traditional Leaders and COGTA in August 2019. Traditional Leaders sits in the Municipal Council and its Committees as they form part of the critical

stakeholder of the municipality. Due to the rural nature of the Mbizana Municipality, the participation of and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. They play a fundamental role in the IDP and Budget processes, Public Consultative Meetings on IDP, Budget, Annual Report and SPLUMA. Training of traditional leaders on their participation during IDP processes was done by COGTA.

Traditional leaders working with relevant stakeholder's champion the programs of moral regeneration in all wards to ensure that there is a coordinated and sustainable way of reviving morals, promote respect for human dignity, enhance sound family and community values as well as promote a circumcision death free community within the municipality jurisdiction. Also, they have championed programs on No to Women and Children Abuse in number of wards in partnership with the District MRM.

7.7.9 Risk Management

Mbizana Local Municipality has neither established the risk management unit nor considered it in its organogram, a position of Chief Risk Officer. However, during the strategic planning session held in January 2020, it was highlighted that the risk management unit be established and accordingly the structure be designed. The Chief Risk Officer be appointed first to look at the enterprise risk management and monitoring and evaluation within the organisation. The unit will be functional during the financial year 2020/21. The Internal Audit Unit has been facilitating the risk management within the organisation for the past considerable years. The risk management policy that establishes the stance of the municipality in risk management exists and it was last reviewed and adopted by the council on the 28th November 2018. Risk Management Policy is reviewed on an annual basis before it can be adopted by the Council during the policy review Lekgotla. It must be noted that the risk management responsibility rests with the management.

Internal Audit Unit facilitates the risk assessment annually with the management and develops risk registers. This function will be carried out by the Risk Management Unit in the next foreseeable future after it has been established. Risk registers were developed for all departments within the municipality detailing the risks identified on all the strategic objectives outlined in the Integrated Development Plan, root causes and the rating of the effectiveness of the existing internal controls for the risks identified was performed. The top ten (10) risks faced by the municipality were identified as follows:

- Inability to collect revenue which result in massive revenue leakages that negatively affect the financial viability of the municipality (BTO)
- Poor Project Management. (ENGS)
- Poor Planning for Plant and Equipment Breakdown Management. (ENGS)
- Community conflict (ENGS)
- Community conflict (ENGS)
- Ineffective individual Performance Management System (PMS) (MM)
- Non-availability of systems (MM)
- Inaccurate and incomplete indigent register (COMS)
- Non-visibility of the customer care desk (MM)
- Inadequate implementation of council resolutions (MM)

7.7.10 Risk Tolerance Table

Risk Index	Risk Magnitude	Risk Acceptability
20-25	Maximum Risk	Strategic Importance
15-19	High Risk	Unacceptable
10-14	Medium Risk	Tolerable but action if required
5-9	Low Risk	Acceptable
1-5	Minimum Risk	Acceptable

7.7.11 Fraud and Corruption

Mbizana Local Municipality has an approved Anti-Corruption Policy and implementation plan which encompasses the whole range of activities. Mbizana Local Municipality is committed to fighting fraudulent behaviour at all levels within the organisation for the promotion of ethical conduct and early warnings of fraud and corruption. All fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the mighty law and the implementation of appropriate prevention and detection controls. The Mbizana Municipality Fraud Prevention Plan comprises of five pillars, namely;

- Prevention of Fraud and Corruption;
- Detection of Fraud and Corruption;
- Investigation of Fraud and Corruption;
- Resolution of Fraud and Corruption; and
- Maintenance and evaluation of the Fraud Prevention Plan.

Fraud & anti-corruption awareness was conducted during the first quarter of the financial year under review in ward 15. Workshop and training on ethics will be conducted by the Municipality during month of November 2019. This is to ensure the curbing and alleviation of fraud within the organisation and moral regeneration.

7.7.12 Internal Audit / Audit committee and Compliance.

Municipality is required to have an internal audit function in terms of section 165 (1) of the Municipal Finance Management Act no 56 of 2003 (“MFMA”). This requirement is re-enforced by the recommendations of the King IV Report on Corporate Governance. Mbizana Local Municipality has a functional Internal Audit unit. Risk Based Internal Audit Coverage plan was approved together with Internal Audit charter. The Internal Audit structure has five warm bodies being the Manager, two Senior Internal Auditors and two Interns. Internal Audit function is governed by the Municipal Finance Management Act No. 56 of 2003, the Standards for the Professional Practice of Internal Auditing (IIA Standards), the latest King Report on Corporate Governance and the National Treasury Regulations.

The audit committee; an independent advisory committee is required in terms of s166 of the Municipality Finance Management Act; MFMA s56 of 2003 to among others perform functions required by the Act in line with the terms of reference; the audit Committee Charter. Audit Committee terms of reference was adopted by Council and Audit committee is executing their responsibilities as set in the approved Audit Committee terms of reference. As provided for in terms of section 166(2) of the MFMA, the municipality had an audit committee established to address matters relating to the municipality. These matters include amongst others the following:

- Governance; Ethics; and policies and procedures
- Assessment of the effectiveness of Internal Controls;
- Performance management
- Risk Management

- Effectiveness of Internal and External Auditors

Audit Committee is functional and is comprised of five independent members from different areas of expertise to enhance the audit committee's overall knowledge of the municipality or entity and the ability to discharge its obligations and provide appropriate recommendations to the council. However, the fifth one resigned cited the other commitments that became overwhelmed her. The municipality is in the process of replacing the resigned member to ensure the full complement of members. Mbizana local municipality Audit Committee members acquired the following skills:

- Financial Management
- Legal
- Admin and Governance (i.e. Internal Audit, Risk Management, IT, Human Resources, Planning, etc.
- Performance Management

The Audit opinion over the last three years was unqualified opinion with emphasis of matter. Audit action plan was developed by management and is monitored by Internal Audit Unit and follow up procedures were implemented by internal audit to ensure the implementation of action plans prepared to address issues raised by Auditor General, the audit committee played an essential role in ensuring that the deficiencies noted by internal audit are addressed by management.

7.7.13 Audit Corrective Action Plan

MBIZANA LOCAL MUNICIPALITY AUDIT CORRECTIVE ACTION PLAN - 2018/19

No	Issues identified	Component	Department within the Municipality	Impact of the finding	Affecting Audit Report?	Raised In 2017/18?	Risk Level	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Validation of information	Due date
Cash and Cash Equivalent													
	Items that are non-cash were also included in the cashflow statement.	Current Assets	Budgeting and Reporting	Misstatement in financial statements	No	No	High	Lack of management oversight over compliance with laws and regulations	When preparing the cash flow statement, the management should use the basis of GRAP 2 and not include the items that are non-cash in the cash flow statement.	<i>To develop and keep a clear and proper record for all cash transactions so that the cash transactions may be easily identified</i>	Chief Financial Officer	Internal Audit	31-Mar-20
Commitments													
	No disclosure of prior period errors was made.	Disclosures	Expenditure	Misstatement in financial statements	Yes	Yes	Medium	Management did not review the commitment schedule and financial statement before submission	The Management should perform the proper review of financial statements and supporting documentation	To reconcile tender register, contract register, WIP register and previous year commitment registers and identify any gaps and completed or continuous contracts so to update the current years committment register.	Manager: Revenue and Expenditure	Internal Audit	30-Nov-19
	Commitments Overstated.	Disclosures	Expenditure	Misstatement in financial statements	Yes	Yes	Medium	Management did not review the commitment schedule and financial before submission	The Management should perform the proper review of financial statements and supporting documentation	<i>To re-activate the automated solution that is on our current financial software (Munsoft) and perform all contract transactions using this module as to ensure completeness of transactions and reporting thereof.</i>	Manager: Revenue and Expenditure	Internal Audit	1-Feb-20

Contingencies													
	Amounts disclosed not equal to the amount confirmed to the auditors by the lawyers	Disclosures	Legal Services	Misstatement in financial statements	Yes	No	Medium	Lack of understanding of the requirements from the municipality's lawyers	Management should ensure that they have a reasonable and accurate basis on which they rely on to estimate the amount to disclose for the Municipality's Contingent Liabilities	<i>To request the lawyers to send confirmations at the same time as ours to the auditor general. To meet with all the lawyers and get them to understand</i>	Manager: Legal Services	Internal Audit	31-Mar-20
Employee Costs													
	Employee appointed was above the age required on the job requirements	Compliance	Human Resources	Internal Control Deficiency	No	No	Medium	Lack of management oversight over compliance with laws and regulations	Management must comply with a compliance universe which would require all new employee meet the requirements set on each advert before they are appointed	<i>Development and implementation of checklists to be used for each recruitment shortlisting session. Assessment of the suitability of the candidate and alternative placement where necessary</i>	Human Resources Manager	Internal Audit	31-Jan-20
Use of Consultants													
	Use of Consultants: Internal control deficiencies. Contract not evaluated for value for money against the quality of work delivered	Compliance	Supply Chain Management	Internal Control Deficiency	No	No	High	Lack of management oversight over compliance with laws and regulations	Management should ensure that measures to monitor contract performance are implemented and corrective measures taken where necessary	<i>Monthly meetings to be held for all contracts and where impossible reports will be prepared to present to the account officer. Evaluation checklists to be created for each contact by the CFO. All monthly reports to be submitted to the SCM Manager</i>	All managers (Manager: Supply Chain Management - for reporting)	Internal Audit	31-Jan-20
Property, Plant and Equipment													
	Motor vehicle incorrectly valued	Non-Current assets	Asset Management	Misstatement in financial statements	No	No	Medium	Lack of management oversight over compliance with laws and regulations	Management should ensure that all motor car as defined by the VAT act are recorded inclusive of VAT in the Asset register	All additions to be analysed against the amended VAT Act to ensure full compliance at all times	Manager: Supply Chain Management	Internal Audit	30-Jun-20

	PPE: depreciation incorrectly calculated.	Non-Current assets	Asset Management	Misstatement in financial statements	No	Yes	High	Lack of controls for proper review of the calculations on the Fixed Asset Register done by the consultants	Management should ensure that after the consultants are done preparing the Fixed Asset Register their work is properly review to ensure compliance with Grap.	To perform independent reviews of the asset register before submission to the auditors to ensure they are correctly calculated	Manager: Supply Chain Management	Internal Audit	30-Jun-20
	PPE-Community Assets: Demolished assets not derecognised.	Non-Current assets	Asset Management	Misstatement in financial statements	Yes	No	High	Lack of proper review of the asset register to reflect events of the municipality affecting the assets	Management should ensure that these assets are removed in the asset register and accordingly accounted as disposal	To provide ensure that all demolitions are done within the municipal requirements and keep a register to provide to the asset management section at the end of the year	Manager: Planning and Land Use	Internal Audit	30-Jun-20
Operating Expenditure													
	Payment made after 30 days	Compliance	Expenditure	Non-compliance with legislation	No	Yes	High	Lack of management oversight over compliance with laws and regulations	Management should perform a regular review of the invoice register to identify all the invoices that are long outstanding and ensure that payments are processed for those	<i>Invoice register to be updated once payment has been settled. To monthly review the creditors age analysis before payments are made to ensure all payments are made within 30 days. To also review the invoice register to ensure all invoices are updated</i>	Manager: Revenue and Expenditure	Internal Audit	31-Jan-20
	Irregular expenditure not adequately investigated.	Non-Current assets	Asset Management	Non-compliance with legislation	Yes	No	High	Lack of management oversight over compliance with laws and regulations	Management must ensure that all instances of irregular, are investigated to determine if any person is liable for the expenditure as required by section 32(2) of the Municipal Finance Management Act	To create a register of reports requiring investigation and presenting to council by May of each year to ensure all reports have been fully dealt with.	Chief Financial Officer	Internal Audit	31-Mar-20
Predetermined objectives													

	The amount reported on 2018/19 APR does not agree to the GL and MIG report	Performance Management	Project Management Unit	Misstatement in annual performance report	No	Yes	High	Lack of management oversight over compliance with laws and regulations	Management should reconcile the amounts reported on APR and follow up on any differences identified to ensure that errors or differences are corrected timely	<i>All reported amounts to be confirmed with the asset management section to ensure that they reconciled</i>	Manager: PMU, SCM and Environmental Services	Internal Audit	
	Incorrect amount disclosed on APR.	Performance Management	Project Management Unit	Misstatement in annual performance report	No	Yes	High	Lack of management oversight over compliance with laws and regulations	Management should reconcile the amounts reported on APR and follow up on any differences identified to ensure that errors or differences are corrected timely	<i>All reported amounts to be confirmed with the asset management section to ensure that they reconciled</i>	PMU Manager	Internal Audit	
	GL does not agree to the amount disclosed on APR:AOPO	Performance Management	Project Management Unit	Misstatement in annual performance report	No	Yes	High	Lack of management oversight over compliance with laws and regulations	Management must ensure that the information in the performance reports is complete and can be relied on	<i>Engineering services to adopt report using accrual than using cash basis when reporting on capital /MIG projects</i>	PMU Manager	Internal Audit	
	AOPO- Community Services: Reported performance achievements ,indicators and related targets not consistent.	Performance Management	Project Management Unit and Electricity	Misstatement in annual performance report	No	No	Medium	Lack of management oversight over compliance with laws and regulations	Management should ensure that the programmes, indicators and targets in the SDBIP are consistent with those reported achievements in the annual performance report. Reported information should be comparable with what was planned	<i>Departments must consider numerical reporting when reporting on targets with numbers.</i>	Senior Manager: Community Services	Internal Audit	

	AOPO-Engineering Services: Reported target incorrectly reported as achieved.	Performance Management	Electricity	Misstatement in annual performance report	No	No	High	Lack of management oversight over compliance with laws and regulations	Management should ensure that the indicators and targets in the SDBIP are consistent with those reported achievements in the annual performance report. Furthermore, reported information should be comparable with what was planned and achieved.	<i>Engineering services to communicate with Asset Management Section regarding completed projects so they can guide each other on when a project is considered complete at the end of the financial year. To revise the SDBIP to only report at practical completion</i>	Senior Manager: Engineering Services	Internal Audit	
Procurement and Contract Management													
	Procurement and Contract Management-Local Content: Minimum threshold for Local Content not stipulated.	Compliance	Supply Chain Management	Non-compliance with legislation	Yes	No	High	Lack of management oversight over compliance with laws and regulations	Management should ensure that a minimum threshold for local content production is stipulated within either the bid specification or the advert when procuring goods or services and the threshold stipulated should not be less than that specified by National Treasury	<i>To develop revised specification templates that will force Local content to be stipulated and also included in the advertisement when targeted goods are being procured.</i>	Manager: Supply Chain Management	Internal Audit	31-Jan-20
	Procurement and Contract Management-CIDB: Contracts awarded to contractor whose CIDB grading in not suitable for the value of contract.	Compliance	Supply Chain Management	Non-compliance with legislation	No	No	High	Lack of management oversight over compliance with laws and regulations	Management should exercise oversight over the bid documents received when disqualifying bidders. The bidders grading by CIDB should be taken into account along with the amount that is being bid for and the threshold should not be exceeded.	<i>A member from Engineering Services to be included as a standing member of the bid specification committee to ensure that all specification includes the necessary gradings where services fall within the requirements of the construction industry</i>	Senior Manager: Engineering Services	Internal Audit	

	SCM-Prequalification Competitive Bids: Bidders who should have been disqualified.	Compliance	Supply Chain Management	Non-compliance with legislation	No	No	High	Lack of management oversight over compliance with laws and regulations	The standard should be defined by management and they should apply the standards correctly in line with all tender documents. The standard should be in line with preference point regulation 4(2) in order to ensure that people who should be disqualified are and the correct bidder wins	To create a checklist for each evaluation report to be checked against before an award is made. To also ensure that all tender documents include all necessary and relevant documentation	Manager: Supply Chain Management	Internal Audit	31-Jan-20
	Procurement and Contract Management-Competitive Bids: No declaration for MBD 9 attached.	Compliance	Supply Chain Management	Non-compliance with legislation	No	No	High	Lack of management oversight over compliance with laws and regulations	Management should ensure that they obtain the necessary information or declarations that would have identified the non-compliance with MBD 9. Should this be impractical for the municipality to receive MBD 9 an equivalent could be submitted by email or another format when signing the final appointment and acceptance	<i>To ensure that the report of the specification committee includes a checklist for all MBD forms are included</i>	Manager: Supply Chain Management	Internal Audit	31-Jan-20
	SCM-Competitive Bidding: Competitive Bidding process not followed.	Compliance	Supply Chain Management	Misstatement in financial statements	No	No	High	Lack of management oversight over compliance with laws and regulations	Management should ensure that the procurement processes are followed and where it is impractical or impossible a proper deviation process is followed	<i>Current contract to be terminated and procurement processes to commence</i>	Manager: Supply Chain Management	Internal Audit	31-May-20

	No evidence for monitoring of contract on monthly basis.	Compliance	Engineering Services	Non-compliance with legislation	Yes	No	High	Lack of management oversight over compliance with laws and regulations	Progress reports and site meetings are performed on a monthly basis. These are to be documented adequately and approved by the project managers.	<i>Monthly meetings to be held for all contracts and where impossible reports will be prepared to present to the account officer. Evaluation checklists to be created for each contract by the CFO. All monthly reports to be submitted to the SCM Manager</i>	Senior Manager: Engineering Services	Internal Audit	31-Jan-20
	Contracts awarded to contractor who is not registered on CIDB	Compliance	Engineering Services	Non-compliance with legislation	No	No	High	Lack of management oversight over compliance with laws and regulations	Management should exercise oversight over the bid documents received when disqualifying bidders. Management should review all items in the construction process to ensure that the bidders are registered on the CIDB system	<i>Tender documents to include requirements for both the contractor and the consultant. Ensure that both professional and construction requirements are met</i>	Senior Manager: Engineering Services	Internal Audit	31-Mar-20
	Procurement and Contract Management: Suppliers in service of the state.	Compliance	Supply Chain Management	Non-compliance with legislation	No	No	High	Lack of management oversight over compliance with laws and regulations	The municipality should keep a list of people identified as those in service of state and ensure these individuals are eliminated due to this. Management should also ensure that they obtain the necessary information or declarations that would have identified the noncompliance with MBD 9. Should it be impractical for the bidder to receive MBD 9 an equivalent could be submitted by email another format when signing the final appointment and acceptance.	To check each director registered on the companies documents than only verifying the one who completed the document	Manager: Supply Chain Management	Internal Audit	31-Jan-20

Provisions													
	The Value of Landfill site was incorrectly present valued.	Provisions	Budgeting and Reporting	Misstatement in financial statements	No	No	Medium	Lack of management oversight over compliance with laws and regulations	The Management should perform the proper review of financial statements and supporting documentation	<i>To ensure the terms of reference for a service provider clearly stipulate what periods to be included</i>	Manager: Budgeting and Reporting	Internal Audit	30-Jun-20
	Environmental Compliance-License and operations of the waste Landfill Site.	Provisions	Community Services	Non-compliance with legislation	No	No	High	Lack of management oversight over compliance with laws and regulations	Management should ensure that their waste landfill site is licensed, comply with the license conditions and other legislative requirements (including the Minimum Requirements for Waste Disposal by Landfill).	<i>The municipality is busy constructing a licensed landfill site, as soon as it is completed, will apply for a license to close the temporal dumping site.</i>	Manager: Community and Environmental Services	Internal Audit	
	Completeness - Employees took unauthorised leaves.	Provisions	Corporate Services	Misstatement in financial statements	No	No	High	Lack of management oversight over compliance with laws and regulations	The managements should review the attendance register and for every employee marked as they are on leave they should reconcile to the approval of leave. For all employee that they signed leave in the attendance register the HR personnel should deduct those leave in the system.	<i>Weekly reconciliations of leave register, attendance register and leave management system. Refresher trainings to be conducted on the leave management system. Review of the leave policy to be in line with the Main collective agreement</i>	Senior Manager: Corporate Services	Internal Audit	31-Jan-20

Receivables													
Receivables from exchange and non-exchange transactions: The Calculation for debtor impairment not consistent with the policy.	Current Assets	Revenue Management	Misstatement in financial statements	No	No	Medium	Lack of management oversight over compliance with laws and regulations	Management should apply the prescribed provisions per the debt impairment policy when calculating the debt impairment provision	<i>To update the policy as to be clearly in simple english be alligned to the current parameters that are on the financial system.</i>	Manager: Revenue and Expenditure	Internal Audit	30-Nov-19	
Receivables from non-exchange transactions: Interest on non-exchange debtors not capitalised to the debtor balance.	Current Assets	Revenue Management	Misstatement in financial statements	No	No	Low	Lack of management oversight over compliance with laws and regulations	Management should do regular reconciliations in order to be able to correctly account for the interest. Furthermore, management should do correcting journals to correctly account for interest between receivables from exchange and non-exchange transactions	<i>To setup the accounts parameters and structure of the financial system (Munsoft) in such a way that the accounts billing and reporting is splited between non exchange and exchange transactions.</i>	Manager: Revenue and Expenditure	Internal Audit	1-Jul-20	
Receivables from exchange transactions: Other receivables soothing entries not reversed.	Current Assets	Revenue Management	Misstatement in financial statements	No	No	Medium	Lack of management oversight over compliance with laws and regulations	Management should perform impairment test on all financial assets at the end of each financial period	<i>To investigate and reverse these soothing entries and propose the necessary entries</i>	Manager: Revenue and Expenditure	Internal Audit	1-Mar-20	
Revenue													

	Revenue incorrectly recognised.	Non-exchange revenue	Revenue Management	Misstatement in financial statements	No	No	Medium	Lack of management oversight over compliance with laws and regulations	Management should conduct a proper investigation to establish what happened to the funds relating to the unspent grants in order to identify the root cause and ensure that there are proper and strong controls to prevent such in future	To adjust the revenue recognised in the current year audit and recognise the revenue in prior years	Manager: Revenue and Expenditure	Internal Audit	30-Nov-19
	Distribution losses incorrectly calculated.	Disclosures	Electricity	Misstatement in financial statements	No	No	Medium	Lack of review of schedule and note for distribution losses.	Management should properly review the schedule for distribution losses and ensure that the figures used per the schedule agree to the total purchases per the Eskom invoices for that period	<i>To adjust the calculations of the distribution losses as to show the rand value of the distribution loss as per the cost per unit and further adjust the disclosure note on the AFS. To also use the template for future calculation of the distribution losses.</i>	Manager: Revenue and Expenditure	Internal Audit	30-Nov-19
Roads Infrastructure													
	Roads Infrastructure: No road maintenance plan and conditional assessment.	Compliance	Operations and Maintenance	Service Delivery	No	Yes	High	Lack of management oversight over compliance with laws and regulations		<i>Senior Manager: Engineerign services to develop road maintenance plan. Conditional assessments are performed annually as part of the review of the fixed assets register</i>	Senior Manager: Engineering Services	Internal Audit	31-Jan-20

7.7.14 State of Litigations

The municipality developed and adopted legal risk management policy and has a functional legal section. A panel of attorneys for a three (3) period is in place wherein the Municipality selects members of the panel to attend to various matters that the Municipality has such as , litigation, obtaining legal opinions and drafting of By Laws etc. On the case register to date the Municipality has plus minus 32 matters not finalised. Litigation in the current financial year has immensely decreased as opposed to previous years.

7.7.15 Litigation Risk Reduction Action Plan

Every action of the Municipality is potentially litigious and complicated by the requirement for compliance to all Local Government related legislative prescripts, whilst also requiring compliance with other general legislation as may become pertinent, depending on the activity which has resulted in the litigation at hand. The municipality created the Litigation Risk Management Strategy. The strategy is aimed at identifying the various areas of litigation risk, develop an action plan to mitigate those risks. The Litigation Risk Management Strategy of the Ugu District Municipality aims to:

- Identify, manage, monitor and mitigate risks of litigation throughout the Municipality.
- Actively mitigate these risks by identifying them, setting minimum standards for their management and allocating clear responsibility for such management to Management
- Ensure that sound legal principles and legislative compliance is mainstreamed into operational activities
- Ensure a reduction of litigation against the Municipality through proactive monitoring.

7.7.16 Mitigation Processes

Litigation risk reduction will be implemented through:

- Identification of and continuous review of areas where litigation risk exists
- Documented advisory service aimed at mitigation
- Allocation of responsibility for the development of procedures for management and mitigation of these risks

- Installation of appropriate segregation of duties, so that legal documentation is reviewed and executed with the appropriate level of independence from the persons involved in proposing or promoting transaction.
- Ongoing examination of the relationship between litigation risk and other areas of risk management, so as to ensure that there are no gaps in the risk management process.
- Establishing of minimum standards for mitigating and controlling each risk, including the nature and extent of work to be undertaken by internal and external legal resources.
- Establishing of procedures to monitor compliance, considering the required minimum standards.
- Continuous awareness of legal reform and development in order that current compliance is continuously observed.

The litigation risk reduction plan and schematic process was developed to ensure that the municipality complies with the strategy. The plan is disseminated quarterly for departments to populate and indicate compliance to the strategy where applicable.

7.7.17 Municipal By-Laws

The legal support services office is tasked with ensuring that the municipality has all the required by-laws and policies in place in order to have the proper and effective controls to ensure that the services to the community are carried out in compliance with the framework of the by-laws as anticipated by the legislation that creates these by-laws. The municipality continuously researches the areas where by-laws must be developed and periodically reviews and where applicable amends the by-laws. It is imperative that consumers and the community at large familiarize themselves with the by-laws. This will help the consumer to be aware of not only their rights but equally important their responsibilities. The following by-law were developed, adopted, gazetted and/or amended during the 2019/2020 financial year.

- Credit Control and Debt Collection By Law
- Child care Services By Law
- Liquor By Law
- Advertising and Signs By Law
- Street Trading By Law
- Public Transport By Law
- Pound By Laws

- Published for public participation and/or comment on 22 May 2019.
- Conducted Public Hearings 11, 12 and 13 June 2019.
- Adopted by Council 30 June 2019.
- Published in the Provincial Gazette 21 October under gazette number 4329.

The following table illustrates the list of gazetted bylaws: -

No	By-Law	No	By-Law
1	By-laws relating to the establishment and control over commonages	22	Building By-laws
2	Disposal of Contaminated and/or infectious waste by-law	23	Electricity By-laws
3	Budget approval Process By-laws	24	Encroachment of Municipality property By-laws
4	By-laws relating to accommodation establishments	25	Refuse and sanitary By-laws
5	By-laws relating to the rules and procedures of the council	26	Public amenities By-laws
6	By-laws relating to ward committees	27	Swimming pools and spa baths By-laws
7	By-laws relating to childcare services	28	Hairdressing, beauty and cosmetology services By-laws
8	Funeral undertaker's premises By-laws	29	Public open spaces By-laws
9	Indigent support By-laws	30	Aerodrome By-laws
10	Noise abatement and prevention of nuisance By-law	31	Legal aid to officials By-laws
11	By-laws in respect of the control of temporary advertisements	32	Tariff By-laws
12	By-laws relating to unsightly and neglected buildings and premises	33	Customer care and revenue management By-laws
13	Land use application By-laws	34	Credit control By-laws
14	Cemeteries and crematoria By-laws	35	Street trading By-laws

No	By-Law	No	By-Law
15	Management and control of flats owned or administered by the municipality By-laws	36	Bursaries By-laws
16	Library and information services y-laws	37	Control of recreational facilities By-laws
17	Caravan parks By-laws	38	Food handling By-laws
18	Traffic By-laws	39	Dogs By-laws
19	Parking area By-laws	40	Keeping of animals By-laws
20	Metered taxi, Minibus, Midibus or bus By-laws	41	Milking sheds and transport of milk By-laws
21	Flammable liquids and other substances By-laws		

7.7.18 Institutional Compliance

The municipality is a creature of statute and such it operates within the ambit of a vast number of legislations. An Institutional Compliance checklist has been developed for the municipality wherein all the issue of legislative compliance are listed, the persons responsible, the actions require, the time frame and the evidence for compliance with same. The legal support services are tasked with ensuring that the compliance checklist is disseminated to departments to populate and provide evidence to show compliance on prescribed legislative provisions. This exercise is to done quarterly with each quarter being guided by the applicable legislative provisions.

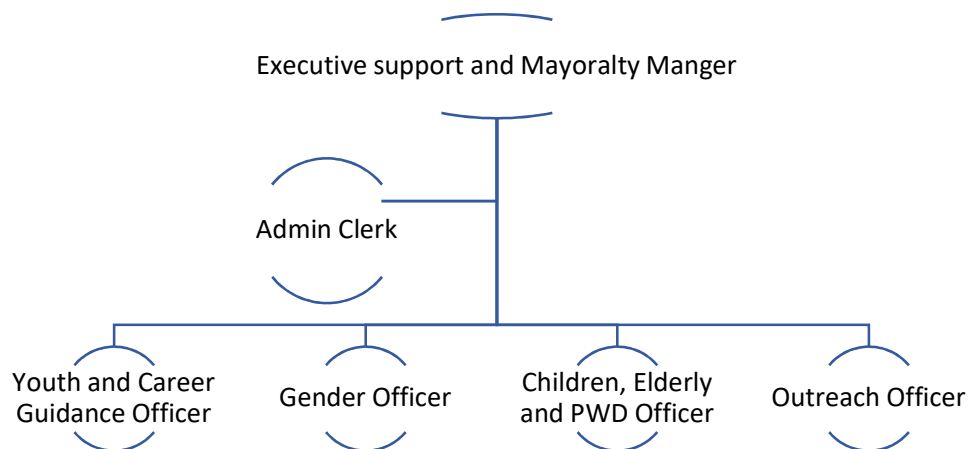
7.7.19 Contract Management

The municipality procures services through it, amongst other, SCM processes in compliance with the SCM policy, SCM regulations. The municipality is required by law to conclude contracts for certain services and for the most part this speaks to the majority of the services that the municipality requires. It is the prerogative of the municipality to ensure that such contracts are compliant, legally binding and implementable. The section is working closely with SCM and various departments t ensure that contracts entered into by the Municipality are sound.

7.7.20 Focus on Special Groups

Special groups refer to the previously marginalise and discriminated members of our society. During the apartheid regime, they were infringed from accessing their basic need and rights. They were suppressed into feeling of inferiority, regret and shame. South African prides itself on having one of the most progressive Constitutions in the world and it is this Constitution along with various legislative frameworks which protect the rights of vulnerable groups and provides for community participation in decision making at municipal level.

As part of the South African legislation, The Municipal Systems Act (Act no 32 of 2000), Section (2) states that “a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality”; Section (3) of the same Act states that, when establishing mechanism, processes and procedures in terms of Section (2) the municipality must take into account the special needs of People with disability, Children, Women, Elderly and Youth. Mbizana Local Municipality has Special Programmes Unit which is dedicated to lobby and advocate for the mainstreaming of special group into all government processes. The unit is structured as follows. There is:



7.7.21 Children

Mbizana Local Municipality has to ensure the wellbeing and protects the rights of children as provided by the bill of rights. Today's Mbizana children are exposed to so many social ill and difficult circumstances (drug and substance abuse, HIV and AIDS sexual harassment and rape, teenage pregnancy, parent negligence etc). Hence Mbizana Local Municipality has adopted three strategic interventions in securing the future of children: -

- **Inkciyo Programme**

Over the years, The Inkciyo programme has grown from 500 participants in 2011 to 3560 in 2017. This number gives a positive indication that the war against the spread of sexually transmitted diseases and teenage pregnancy in Mbizana is gradually decline. It sends a signal that if we work tirelessly in advancing and promoting this programme we will have a municipality with healthy children and secured future.

- **Support of early childhood development centre.**

Mbizana Local Municipality support ECDC with educational tools to ensure that children have a foundation required for their development.

- **Support of Child headed households**

Mbizana Local Municipality also profiles the child headed families to make sure that their developmental needs are prioritised and institutionalised within all government departments.

- **Back to school Campaign**

Mbizana Local Municipality has developed back to school campaign where of children would receive full school uniform. This initiative is developed to protect image and self-confidence of children from disadvantaged back ground and child-headed households. It promotes dignity and also motivates, boost their self-esteem and self confidence amongst other children at school.

7.7.22 People with disability

Mbizana Local Municipality has made remarkable progress in developing Policies, transforming the institution and forming PWD Structures to be representative and responsive to the developmental needs of the People with Disabilities. However, People with Disabilities still face extreme social, economic and political levels of inequality and discrimination in our society. In the Alfred Nzo District the disability prevalence rate is at 8.66 % on male and 11.6 % on female according to census 2011. Currently, Mbizana Local Municipality has gone this far in mainstreaming people with disability,

- Launched PWD Forum
- Allocated office with office furniture for PWD Forum
- Developed and adopted Policy for people with disability and action plan
- Initiated and conducted campaigns to promote the rights

7.7.23 Women

Women are influenced by the historical conditions that have shaped the country, and its democratic goals. In addressing the impact of historical conditions, our municipality is dedicated in promoting principles of social injustice and economic justice, human rights, active participation of women, the promotion of women benefit and liberal values. In Mbizana the population of gender is 54.5% towards females and 45.5 towards males with a shocking 64 % of females headed households according to census 2011.

Mbizana Local Municipality managed to: -

- Launch functional Women's Forum to represent the interest and developmental agenda of women.
- Adopted Gender Policy
- Launched Women's Caucus
- Conduct awareness campaigns and dialogue in promoting the rights of women

7.7.24 Elderly

Elderly person remains one of our crucial social strata in this democracy society. Their experience and knowledge of the world are the basic founding ideas of today world. Their role in society in shaping the society we live in has a meaningful contribution to the future we want to see. Currently, Mbizana Local Municipality has managed to:

- Launch Older Persons Forum
- Establish and support 14 service centres where older persons are taken care. The major objectives of these centres is to provide affordable and comprehensive community-based care and support to promote independent living as well as the physical, social and emotional wellbeing of older person who are still active, As the local sphere of local government.
- Conduct awareness campaigns and dialogue in promoting the rights of older persons

7.7.25 Youth

Mbizana Youth Development is influenced by the historical conditions that have shaped the country, and its democratic goals. In addressing the impact of historical conditions, our municipality is dedicated in promoting principles of social injustice and economic justice, human rights, active participation of youth, the promotion of women benefit and liberal values. Young people in Mbizana Local Municipality has the population majority of 75% of which 81.5% of them are unemployed, 42.6% of them are school dropout, 6.3% are attending high school and only 3.1 % possess a university degree according to census 2011.

Mbizana Local Municipality has put aside resource and develop strategies for youth development. These strategic interventions were:

- To Establish and support functioning of South Africa Youth Council to voices out the needs and want of young people in Mbizana. SAYC aims at creating a platform for youth from diverse social and cultural backgrounds to engage in discussions, dialogue and debate; promote volunteerism among the youth; instil a sense of civic ownership in the youth; and provide a platform for youth to see themselves as part of a process that can influence law, government and the way things are done.
- Develop and adopted Mbizana Youth Policy that will give direction and purpose of what we want to achieve and how to achieve it.
- Conduct awareness with the objective to develop education and training, safe male traditional circumcision, job hunting skills and entrepreneurial skills and also initiatives to reduce the consumption of substance and drug abuse, and sexually transmitted diseases.

Youth Programmatic Intervention

Programme	Purpose of the programme	Stakeholders /partners
Career Exhibition	This program is intended to assist a young person to develop his own self-awareness, opportunity awareness and career management skills.	Universities, TVET, SETA's, Government Departments, Private Sector, SAYC
Support Functioning of Youth Council and Induction	Mandate to create platforms for youth from diverse social and cultural backgrounds to engage in discussions, dialogue and debate; promote	COGTA, OTP, NYDA, TRUST, Gov Dept, SAYC

Programme	Purpose of the programme	Stakeholders /partners
	volunteerism among the youth; instil a sense of civic ownership in the youth; and provide a platform for youth to see themselves as part of a process that can influence law, government and the way things are done.	
Mayors Schools Achievement Awards	This program motivates learners, parents and teacher to keep on doing the best as they could in promoting culture of learning in Mbizana.	Universities, TVET, SETA's, Government Departments, Private Sector, SAYC
Updating Unemployed Youth Data Base	The Database of Unemployed Youth will be used as a targeting mechanism to link unemployed youth with employment opportunities, government initiatives, learnerships and institutions that will assist them in starting their own business or gain employment.	Gov Dept, Private Sector, Entities
Initiation support	To promote safe male traditional circumcision in Mbizana	Traditional leader, Gov Dept, NGO's
Business Seminar	Create platform for young business people to engage with potential funders and also be advised by experienced business man.	NYDA,SEFA, SAYC
Job hunting and Unemployed Graduate Seminar	Make young people understand and engaged with the new resolution from recent job summit and also get trained on job hunting skills	Harambee, OTP, Gov Dept ,SAYC
Youth Month Celebration	To revitalise and induce the feeling of patriotism amongst young people in Mbizana	SAYC,OTP, Gov Dept

7.7.26 Sport Development

Sport is an essential and important aspect of Mbizana society. It attempts to define the morals and ethics attributed not only to athletes, but the totality of society. It brings together people of different ages, sex, religion and politics affiliation, it promotes social cohesion, stability and peace. As Mbizana we believe sport is what binds us together in unity in diversity. In promoting sport development, Mbizana Local Municipality has;

- Establish Mbizana Sport and recreational Council which is an umbrella body for all sport codes
- Has a continuous Steve Tshwete games for under 19 years old only.
- Has supported Football Teams at Vodacom Level.
- Conducted Mayors cup for all 31 wards

7.7.27 O.R. Tambo Commemoration

As means of preserving OR Tambo legacy Mbizana municipality council resolved to annually commemorate the life and the legacy of our own legend. This is done to ensure that generations to come will benefit in this rich history. The year 2017 has been nationally declared as the centenary year in honour of OR Tambo as he will be 100 years this year if he was still alive. The celebrations are not only event driven but departments are pledging and committing service delivery projects in honour of this legend and improving lives of people of Mbizana. The Council of Mbizana has also committed funds to honour his life.

7.7.28 HIV Infection Risk Factors

Mbizana has a mainly rural population, secondly this population is mainly a youthful population. The levels of education within the communities of Mbizana is not that high. Mbizana Municipal area borders KwaZulu Natal which is a province with the highest infection rate in South Africa. Migrant labour system is still very ripe in Mbizana with most of the able-bodied young people finding employment in KwaZulu Natal. There is a high number of child headed families within Mbizana. Drug and substance abuse is on the rise within this municipal area. There has been a reported increase on teenage pregnancy which also poses risk. All these factors contribute enormously on the increased rate of HIV infection within Mbizana.

In an effort to fight the plight of communicable diseases, these include HIV/Aids, TB and also COVID 19 the municipality will amongst other things embark on massive awareness campaigns that seek to continuously sensitize our communities about the plight of these diseases. The municipality had also put risk mitigating measures to ensure safe environment for its employees including councillors. The municipality will also be fostering international partnerships to ensure best practices are learnt from other countries and the necessary support will be given to CBO's, NGO's and support groups.

Local AIDS Council was revived and launched in 2018 and subsequently strategy and plan were reviewed and adopted. Mbizana has twenty-two clinics and two hospitals all clinics are accredited VCT and ARV distribution sites. There are two accredited Non-medical Voluntary Counselling and Testing Centre i.e. Mahlungulu Foundation in Nomlacu Ward 26 and Ixabisolomntu in Ndakeni Ward 8. Also there are five health posts three of which are fully functional and two are mobile clinic points of thirty two mobile points manned by two teams only.

There are five Clinics of excellence now known as IDEAL CLINICS with specialised services. These are Gateway clinic in town ward 1, Hlamandana clinic in ward 5, Imizizi clinic in ward 20, Ndela clinic in ward 12 and Isikelo clinic in ward 26. There also have a health centre under construction at Meje which is in ward 14. There are HIV and AIDS support groups in all the clinics and a number of other Non-Governmental Organisations working on Home Based Care and Support for People Living with HIV and AIDS.

7.7.29 Performance Management System

Performance Management Systems is a system of setting and measuring desired outcomes and activities of a municipality - its individual components as well as its staff who contribute to the achievement of the strategic vision of the municipality. It is a multilevel process that starts with an overall strategy and cascades to individual performance management and appraisal. Performance Management systems enables the municipality to track and monitor the performance of individual employees, departments, and the overall municipality. Performance management systems is a key tool that provides assurance on the use of municipal resources to achieve certain objectives. Performance management systems can also contribute to the identification of value for money opportunities. The municipality developed and adopted its performance management policy in 2007 and a recent review was in 2018 and further adopted by council with its procedure manual.

Legislative Rationale

Section 45 of the Municipal Systems Act No. 32 of 2000 read in conjunction with Section 121(3) (d) of the Municipal Finance Management Act No. 56 of 2003 state that each municipality must have a performance management system, which sets out appropriate key performance indicators. Municipalities are required to also monitor their performance against the key performance indicators and importantly measure and review performance at least once per year. The Act requires that a municipality must prepare for each year a performance report reflecting the performance of the municipality and of each external service provider during that financial year, a comparison with the targets set and measures taken to improve performance. This performance report must be included in the municipality's annual report. The performance of the municipality must be audited as part of the municipality's internal auditing processes.

The performance management Unit managed to craft the Service Delivery and Budget Implementation Plan for the 2018/19 Financial Year that was adopted and signed by the Honourable Mayor just before the start of the financial year. Further to that and as legislated, Performance Agreements of Senior Managers were crafted, signed and submitted to relevant government departments. The Unit also managed to deliver in its objective of mandated reporting as it managed to produce all four projected quarterly reports and their submission to Council.

The Unit further compiled the Annual Performance Report for 2017/18 FY and had it submitted to the Office of the Auditor-General for auditing purposes as legislated. These deliverables were realised through the on-going support from Internal Audit & IDP Units and their relentless endeavours in ensuring that alignment and compliance are not compromised at all material times. Further co-operation was further solicited from user departments from within the municipality as they went out of their way to ensure that they provide whatever performance information requested by the Unit.

7.7.30 Back to Basics

The office has also been tasked with the responsibility of B2B reporting, implementation and monitoring. Monthly reports are prepared by all relevant KPA and sent to the department of Local government. These reports are also on quarterly basis submitted to the executive committee and subsequently to council. In

term of the action plan adopted by council a lot of identified ills have been treated there has been enormous change in turnaround time in responding to service delivery queries and related matters.

7.7.31 Communications

The communications unit is responsible amongst other things for branding, marketing, providing sound effective communication and capturing the moments where the municipality/ government changes people's lives through service delivery. Communications provides media platforms for political principals through radio slots and media statements. This makes it easier for the municipality to have an input on topics and debates made by the community through media platforms.

Communications Unit created social media platforms (Facebook and Twitter) as a way of making sure that all communication channels are available and effective. Relationship with other stakeholders is strengthened through the sitting of Local Communicators Forum which is a forum for government communicators to share events and exchange ideas on improving the communications system and also sit in District Communicators Forum. There is also local government communicators forum which is platform for all local government communicators to sit and share practices ad experience. The department sits there and participate on quarterly basis. Communication strategy was developed and adopted by council with the assistance of GCIS and District municipality. This strategy outlines processes and means that the municipality will be utilising in engaging its communities and stakeholders and more means of advertising government services and programmes

7.7.32 Customer Care

Comments book is in place and customers are using it effectively. Presidential Hotline Complaints is running smoothly, and the municipality is at 100 % in terms of resolving the cases. IT Section is very supportive; Incident Management System (IMS) known as Reasebetsa Monitoring and Evaluation System where all complaints within Bizana jurisdiction will be handed internally was installed and is working. External and internal signage was done. Written petitions are channelled through the office of the Mayor and subsequently to the petitions committee which is section 79 committee appointed by council to deal with all petitions submitted to the municipality.

Council approved for the department to conduct Customer/ Citizen Satisfaction Survey in all wards of Mbizana. This was done to rate the services rendered by the Municipality and to further ascertain and assist the council to ensure that services are rendered where they are needed. Customer satisfaction survey was conducted and final report was tabled to the EXCO Lekgotla. Customer Care line was launched by council and has proven to be very effective judging by the number of calls received from citizens.

7.7.33 Petitions Management

The council also established petitions committee in terms of section 79 .The Speaker or Delegation is responsible for receipt of the petition and thereafter distribute the petition to the office of the Mayor for responses through the affected municipal department.Customer Care Officer, Public Participation Manager are responsible for the administration process related of all petitions including registration of petition, issuing of all correspondence to the petitioner, validation of petition, referral of the petition for translation and legal consideration to the relevant section and report to the Chairperson of Petitions and Public Participation Committee. Petitions Committee becomes responsible for consideration of all petitions received by the municipality with a view to settle the matter and satisfy the petitioner and where applicable advise the petitioner of other appropriate remedies available. Members of Petitions Committee and relevant officials will be responsible for an investigation into the petition including site visits where necessary and provides input into the final validation of a petition.

7.7.34 Intergovernmental Relations

There are terms of reference which guide the implementation of IGR work. These terms of reference are operational, and they have the approval of the council. The meeting of IGR is setting quarterly and the agenda items relevant to the business of serves delivery co-ordination across spheres of government although poor attendance by the key stakeholders appears to be a major hind rant in the IGR effectiveness, but this situation is getting the attention of Senior principals within the institution.

The Mayor of Mbizana Local Municipality and the Municipal Manager sit at the DIMAFO and make input on what issues in Mbizana need the attention of the District Mayors Forum. Issues discussed in the Mbizana IGR forum find expression in the DIMAFO agenda. Both the Mayor of Mbizana local Municipality and

municipal manager attend MUNIMEC meetings in which issues of relations across spheres of government are discussed.

Except participation in Mbizana IGR forum relations of Mbizana local municipality with other social partners takes place through Operation Masipathisane at local war rooms. Here local sector departments and the municipality work together in facilitation of service delivery through joint problem solving. Some of the issues that face our Communities which are critical are in Education, Health and Human Settlement.

8 FORWARD PLANNING

This chapter outlines the desired future for the development of Mbizana through determination of a strategic developmental Vision, Mission and Values of the municipality. It also sets clear developmental objectives, strategies as well as approved projects to be implemented in 2020 / 2021.

8.1 Municipal Vision

Mbizana aims to be a vibrant socio-economic growing municipality that creates sustainable communities with equal opportunities for all.

8.2 Municipal Mission Statement

The mission for Mbizana Local Municipality is to be a well governed municipality committed to discharging its legislative and constitutional mandate through: -

- Investing in its people to fight poverty
- Providing affordable, equitable and sustainable services
- Facilitating a people-driven economy
- Building sustainable communities
- Protecting and preserving its environment to the benefit of its people
- Strengthening a culture of performance excellence, public participation and clean administration.

8.3 Municipal Values

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

- Good governance
- Accountability
- Public participation
- People Development
- People driven
- Integrity

- Tolerance
- Responsibility

8.3.1 Institutional Score Card and Broad Development Priorities and Targets for 2017/2022

The Council of Mbizana Local Municipality have committed themselves to working towards the realization of the following priorities which have been aligned to the Vision, Mission and Key Performance Areas of the Municipality: -

Development Priorities	Development Targets
Service Delivery 40%	
<ul style="list-style-type: none"> • Water and Sanitation • Roads, Storm water & Transport Infrastructure • Electrification • Housing and land use management • Educational Facilities • Community services and related matters (refuse, waste, disaster management, pounding, cemeteries, libraries, fire fighting, traffic & safety etc) • Recreational facilities 	<ul style="list-style-type: none"> • To construct and maintain roads and related storm water; • To ensure that all households have access to a reliable electricity network; • To ensure that all waste sites operate according to license conditions; • To ensure that all urban households have access to refuse removal services according to predetermined schedule; • To ensure that all citizens in MLM have access to well-maintained public amenities; • To provide a safe and secure environment for all citizens; • To facilitate provision of housing for all qualifying beneficiaries
Local Economic Development & Spatial Planning	
25%	
<ul style="list-style-type: none"> • Agriculture & Farming • Forestry • Tourism Development • SMME Support 	<ul style="list-style-type: none"> • To grow and strengthen the agricultural sector to contribute 10% in the local economy by 2017

Development Priorities	Development Targets
<ul style="list-style-type: none"> • Business, Trade & Manufacturing 	<ul style="list-style-type: none"> • To promote sustainable use of marine resources for the benefit of the local community and meaningful contribution in the local economy • To promote enterprise development to contribute 3% to the local economy by 2017.
Financial Viability 15%	
<ul style="list-style-type: none"> • Revenue Management • Budget & Expenditure Management • Financial reporting • Supply Chain Management • Asset Management • Financial policies and management 	<ul style="list-style-type: none"> • To obtain a clean audit by 2017 • To improve financial management and financial viability linked to the Local Government financial bench-mark standard by 2017; • To improve the revenue collection rate to 80% by 2015 • To have a complete asset management unit • To have a GRAP Compliant asset register • To compile credible Annual Financial Statements
Good Governance and Public Participation	
10%	
<ul style="list-style-type: none"> • IDP & Performance Management • Internal audit • Communication & IGR • Public participation and ward planning • Special Programmes • Customer care relations • Legal Services • By-laws and policies • Council support 	<ul style="list-style-type: none"> • To promote participation and effective communication with communities and stakeholders; • To promote efficiency and compliance within the municipality; • To promote equity and inclusiveness of vulnerable focus groups such as youth, women, people with HIV& AIDS and people with disabilities; • To obtain a clean audit by 2017 • To address all matters as per the audit action plan; and • To mitigate risk to an acceptable level based on the risk model adopted.

Development Priorities	Development Targets
Municipal Transformation & Institutional Development	
10%	
<ul style="list-style-type: none"> • Organizational Administration & Development (Organogram + EEP) • HR development • Training and capacity building • ICT infrastructure 	<ul style="list-style-type: none"> • To ensure a competent workforce to achieve organizational objectives; • To contribute towards the improvement of skills and education levels in MLM • To create a safe and healthy working environment. • To ensure compliance with relevant legislation and to promote high standards of professionalism, and efficient use of resources as well as accountability. • To provide a secure ICT infrastructure which delivers appropriate levels of data confidentiality ,integrity and availability

8.3.2 Municipal Partnerships

The situational analysis has demonstrated that most of the development initiatives that the municipality would like to see being implemented in its municipal are a competency of other role – players and in particular the District Municipality and Provincial Government. In some cases, the resources for implementation are in the hands of Parastatals, such as ESKOM and private sector. There is also an issue of working in partnership with Traditional Leaders especially about issue of rural development planning such as allocation of land for residential and agricultural purpose.

8.4 MUNICIPAL OBJECTIVES, STRATEGIES AND PROJECT IMPLEMENTATION PLANS FOR 2020 / 2021

KPA NO. 1: BASIC SERVICE DELIVERY (ENGINEERING SERVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Roads	Improved Access to basic services	To reduce access roads backlog by constructingkms by end June 2021		By constructingkms of gravel access roads by end June 2021	Constructed 2kms Mqonjwana to Greenville Access Road by end June 2021	731.4kms in place	Construction of 2km Mqonjwana to Greenville Access Road	Number of ...kms constructed from Mqonjwana to Greenville Access Road	R4 800 000,35	R -	R -	N/A	MIG	MLM
					Constructed 5,5kms Sijingi to Mangunga Access Road via Methodist Church Voting Station by end June 2021	731.4kms in place	Construction of 5.5km Sijingi to Mangunga Access Road via Methodist Church Voting Station	Number of ...kms constructed from Sijingi to Mangunga Access Road via Methodist Church Voting Station	R3 900 000,42	R -	R -	N/A	MIG	MLM
					Constructed 2,5kms Ebumnandini to Nqabeni S. S. S Access Road by end June 2021	731.4kms in place	Construction of 2,5km Ebumnandini to Nqabeni S. S. S Access Road	Number of ...kms constructed from Ebumnandini to Nqabeni S. S. S Access Road	R5 875 000,40	R -	R -	N/A	MIG	MLM
					Constructed 10,8kms Lubekelele Access Road by end June 2021	731.4kms in place	Construction of 10,8km Lubekelele Access Road	Number of ...kms constructed from Lubekelele Access Road	R8 100 000,35	R -	R -	N/A	MIG	MLM

KPA NO. 1: BASIC SERVICE DELIVERY (ENGINEERING SERVICES)

Outcome 9 Objective

Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
					Constructed 5,1kms Gabisa via Makhosonke to Lukhewini Access Road by end June 2021	731.4kms in place	Construction of 5,1km Gabisa via Makhosonke to Lukhewini Access Road	Number of ...kms constructed from Gabisa via Makhosonke to Lukhewini Access Road	R4 800 000,00	R -	R -	N/A	MIG	MLM
					Constructed Extension 04-Ward 01 Bridge (Low Level Crossing) by end June 2021	Approved designs	Construction of Extension 04-Ward 01 Bridge (Low Level Crossing)	Constructed Extension 04-Ward 01 Bridge (Low Level Crossing)	R1 000 000,00	R -	R -	Equitable share	N/A	MLM
Roads Maintenance	Pothole Patching	To routinely maintain a better standard of our CBD Roads by June 2021		By appointing service providers to maintain CBD Roads and acquisition of small tools and equipment for maintenance	220m ² potholes patched by June 2020	750 potholes patched	Road patching	Numbers of square meters of potholes patched	R2 700 000,00	R2 824 200,00	R2 954 113,20	Equitable share	N/A	MLM
Roads Maintenance	Road rehabilitation	To routinely rehabilitate 20km gravel access roads by June 2021		By utilising the services of service providers and internal plant to maintain gravel access roads.	50 kms of gravel access roads maintained by June 2020	286 kms maintained	Maintenance of gravel access roads	Number of kilometers of gravel access roads maintained	R14 700 000,00	R11 025 000,00	R12 000 000,00	Equitable share	N/A	MLM

KPA NO. 1: BASIC SERVICE DELIVERY (ENGINEERING SERVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
EPWP	High unemployment rate	To provide 450 EPWP to reduce unemployment by end June 2021		By facilitating recruitment of EPWP workers in all Mbizana LM Wards	300 EPWP Jobs created by end June 2021	300 EPWP Jobs created by end June 2021	Creating of 300 EPWP Jobs	Number of EPWP Jobs created				N/A	EPWP	MLM
Sports Fields	Improved Access to basic services	To provide sporting facilities for the community by end June 2022		By constructing Phase 3 of Mphuthuni Mafumbatha Sportsfield through the services of service providers	Constructed Phase 3 of Mphuthuni Mafumbatha Sportsfield by end June 2021	One underdeveloped sportsfield in the CBD	Phase 3 construction of Mphuthuni Mafumbatha Sportsfield	Constructed Phase 3 of Mphuthuni Mafumbatha Sportsfield	R8 920 785,08	R19 355 799,80	26142575	N/A	MIG	MLM
Buildings	Improved Access to basic services	To construct one Civic Centre/Town Hall in Bizana by end June 2022		By constructing Phase 3 of the Civic Centre through the services of service providers	Constructed Phase 3 of Civic Centre by end June 2021	MPYC Hall	Phase 3 construction of the Civic Centre in town	Constructed Phase 3 of the Civic Centre	R9 250 763,93	R30 124 000,20	26142575	N/A	MIG	MLM
Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintaining , rehabilitating and repairing municipal buildings and related infrastructure	1 building infrastructure (MYPC) periodically repaired and maintained by June 2021	Maintenance of municipal building and MPYC	Periodic repairs and maintenance of MPYC	Number of building infrastructure periodically repaired and maintained.	R787 500,00	R826 875,00	R868 218,75	Equitable share	N/A	MLM

KPA NO. 1: BASIC SERVICE DELIVERY (ENGINEERING SEFVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintaining, rehabilitating and repairing municipal buildings and related infrastructure	1 building infrastructure (Main municipal building) periodically repaired and maintained by June 2021	Maintenance of municipal building	Periodic repairs and maintenance of Main Municipal buildings	Number of building infrastructure periodically repaired and maintained.	R1 575 000,00	R1 637 702,01	R1 702 800,92	Equitable share	N/A	MLM
Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintaining, rehabilitating and repairing municipal buildings and related infrastructure	1 building infrastructure (DLTC) periodically repaired and maintained by June 2021	Maintenance of municipal building and DLTC	Periodic repairs and maintenance of DLTC	Number of building infrastructure periodically repaired and maintained.	R861 997,50	R905 097,38	R950 352,24	Equitable share	N/A	MLM
Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintaining, rehabilitating and repairing municipal buildings and related infrastructure	1 building infrastructure (Cultural Village) periodically repaired and maintained by June 2021	Maintenance of municipal building and Cultural Village	Periodic repairs and maintenance of Cultural village	Number of building infrastructure periodically repaired and maintained.	R787 500,00	R826 875,00	R868 218,75	Equitable share	N/A	MLM

KPA NO. 1: BASIC SERVICE DELIVERY (ENGINEERING SERVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Electricity	Electrification of rural households	Ensure reliable provision of electricity to households		Connect electricity to formal households within the municipal jurisdiction	414 households	39000 households connected	Mabhenguteni Electrification	Reduced electricity backlog	14 000 000,00	R0,00	R0,00	N/A	INEP	MLM
Electricity	Electrification of rural households	Ensure reliable provision of electricity to households		Connect electricity to formal households within the municipal jurisdiction	414 households	39000 households connected	Sigidi/Sidanga Electrification	Reduced electricity backlog	15 286 000,00	R0,00	R0,00	N/A	INEP	MLM
Electricity	Ageing LV infrastructure	Have a conductive and safe electricity network		Installation of insulated conductor on Main and other bust streets in town	6 km of LV lines to be replaced	1 km of LV lines replaced	Low voltage network upgrade	Safe electricity infrastructure in town	R2 000 000,00	R2 000 000,00	R 406,00	Equitable share	N/A	MLM
Electricity	Insufficient area lighting in town	Have safer streets		Installation of High Mast lights	3 High mast lights	Non	10 High mast lights installed by 2023	No of High mast lights installed	R2 000 000,00	R0,00	R0,00	Equitable share	N/A	MLM
Electricity	Ageing MV infrastructure	Ensure renewed MV infrastructure		Replacement of old MV poles and conductors	1,5 km of MV lines	6,5 km renewed	MV Infrastructure renewal	Reduced technical losses and outages	R1 500 000,00	R 1 661 000,00	R 2 000 000,00	Equitable share	N/A	MLM

KPA N0: 1 BASIC SERVICE DELIVERY (COMMUNITY SERVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source	External	Responsible Agency/s
									Yr 1	Yr 2	Yr 3			
Free basic services	High number of indigent households	To ensure subsidization of poor households in order to receive basic services by June 2022		By providing 1770 beneficiaries with free grid electricity & FBAE by June 2020	Subsidize 1770 qualifying beneficiaries with grid electricity and 5150 with FBAE by June 2020	Subsidize 1739 beneficiaries with free grid electricity & 4554 beneficiaries with FBAE.	Subsidizes qualifying beneficiaries with 1770 grid electricity and 5150 with FBAE.	Number of beneficiaries receiving free grid subsidy & receiving FBAE	R 3 104 158,00	R 3 246 949,27	R 3 396 308,93	Yes	N/A	Senior Manager Community Services
Free basic services	Inconsistent indigent register	To ensure subsidization of poor households in order to receive basic services by June 2022		By facilitating process of applications for reviewal of indigent register by June 2020	Reviewed and adopted 1 credible indigent register	Adopted credible indigent register	Reviewal and adoption of indigent register	Reviewed and adopted credible indigent register	R 1 394 617,00	R 1 667 969,38	R 1 744 695,97	Yes	N/A	Senior Manager Community Services
Disaster Management	Lack of systematic approach in responding to disasters	To establish a uniform approach in monitoring disaster risks by June 2022		By implementing council approved disaster management plan by June 2020.	Assessed & respond to reported & recorded disaster incidences within 72 hours and conduct 4 disaster awareness campaigns. By June 2020	Council approved disaster management plan, responded to all reported disaster incidences & conducted 4 disaster awareness campaigns	Record, assess all reported disaster management incidences & respond within 72 hours and conduct 4 disaster awareness campaigns	Assessed & responded to reported & recorded disaster incidences within 72 hours, and number of disaster awareness campaigns conducted.	R 347 976,00	R 363 982,90	R 380 726,11	Yes	N/A	Senior Manager Community Services
Parks, Cemetary & Municipal facilities	Irregular use of Parks, Cemetary & other Municipal facilities.	To provide sustainable services of municipal facilities to the communities by 2022		By maintaining proper functioning of cemetary and municipal facilities by June 2020	Operated & maintained 50 Municipal facilities by June 2020	Operated & maintained 1 Cemetary & 49 municipal facilities.	Operate & Maintain 50 municipal facilities	Number of municipal facilities operated & maintained	R 400 000,00	R 418 250,00	R 437 332,75	Yes	N/A	Senior Manager Community Services
	Unsecured recreational facilities	To provide sustainable services of municipal facilities to the communities by June 2022		By facilitating fencing of recreational facility by June 2022	1 recreational facility fenced by June 2020	37 fenced municipal sites	Fencing of 1 recreational facility	Number of recreational facilities fenced	R 1 200 000,00	R -	R -	Yes	N/A	Senior Manager Community Services

KPA N0: 1 BASIC SERVICE DELIVERY (COMMUNITY SERVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTRF			Budget Source	External	Responsible Agency/s
									Yr 1	Yr 2	Yr 3			
Library Services	High rate of illiteracy	To facilitate provision of library services to Mbizana Community by June 2022		By instilling a culture of reading and lifelong learning and upgrading the existing libraries by June 2020	4 library awareness campaigns conducted, 3 Libraries maintained, and 4488 periodicals supplied by June 2020	Conducted 4 library awareness campaigns, Library signage and Library upgrade.	Conduct 4 library awareness campaigns, maintenance of 3 libraries & supply 4488 periodicals.	Number of library Awareness campaigns conducted, libraries maintained and periodicals supplied	R 828 084,00	R 1 057 634,66	R 1 106 285,85	Yes	N/A	Senior Manager Community Services
Environmental Management	Inadequate legal environmental tools. Required continuous maintenance of beaches	To ensure conservation and management of natural resources for sustainable use by June 2022		By reviewing environmental management tools, conduct awareness campaigns by June 2020	3 Council adopted documents (1 Climate Change Strategy, 1 Environmental Management Framework and 4 environmental awareness campaigns conducted by June 2020	1 adopted IWMP, 1 draft Environmental Management Framework and 2 environmental awareness campaigns conducted	Review of Climate Change Strategy, Environmental Management Framework and conduct 4 environmental awareness campaigns.	Number of Council adopted documents and environmental awareness campaigns conducted	R 602 693,00	R 630 416,88	R 659 416,05	Yes	N/A	Senior Manager Community Services
Waste Management	Poor provision of measures to remediate contaminated land	To collect manage and dispose waste in an acceptable manner by June 2022		By remediating land where contamination presents a significant risk of harm to health and the environment by June 2020	12 routine rehabilitations of EXT 3 dumping site & review of extension 3 dumping site financial projections & rehabilitation plan by June 2020	12 routine rehabilitation of EXT3 dumping site done and reviewed EXT 3 financial projections & rehabilitation plan	12 routine rehabilitation of EXT 3 dumping site & review of extension 3 dumping site financial projections & rehabilitation plan	Number of routine rehabilitations of EXT3 dumping site and reviewed ext. 3 dumping site financial projection report & rehabilitation plan	R 1 361 975,00	R 1 424 625,85	R 1 490 158,64	Yes	N/A	Senior Manager Community Services
Waste Management	Poor provision of measures to remediate contaminated land	To collect manage and dispose waste in an acceptable manner by June 2022		By remediating land where contamination presents a significant risk of harm to health and the environment by June 2020	Review of extension 3 dumping site financial projections & rehabilitation plan by June 2020	Reviewed EXT 3 financial projections & rehabilitation plan	Review of extension 3 dumping site financial projections & rehabilitation plan	Reviewed ext. 3 dumping site financial projection report & rehabilitation plan	R 579 076,00	R 605 713,50	R 633 576,32	Yes	N/A	Senior Manager Community Services

KPA N0: 1 BASIC SERVICE DELIVERY (COMMUNITY SERVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source	External	Responsible Agency/s
									Yr 1	Yr 2	Yr 3			
Waste Management	Poor provision of measures to remediate contaminated land	To collect manage and dispose waste in an acceptable manner by June 2022		By remediating land where contamination presents a significant risk of harm to health and the environment by June 2020	Attend to 160 reported and recorded environmental threatening obstacles attended to June	160 environmental threatening obstacles attended.	To attend to all environmental threatening obstacles reported and recorded	Number of environmental threatening obstacles attended to by June 2020	R 1 204 138,00	R 1 364 128,35	R 1 426 878,25	Yes	N/A	Senior Manager Community Services
Waste Management	Lack of knowledge to communities about the importance healthy environment	To ensure that people are aware of the impact of waste on their health, well-being and the environment		By conducting waste education programmes, supporting waste minimization programs and providing resources to employee and beneficiaries by June 2020	3 awareness campaigns conducted and two waste minimization initiative supported and provision of cleaning resources	Conducted 3 waste management awareness campaigns and provided resources	Conduct 3 waste management awareness campaigns, waste minimization initiatives supported and provide resources	Number of campaigns conducted, number of waste minimization initiative supported and number of employees and beneficiaries receiving resources	R 3 375 929,00	R 3 604 441,73	R 3 770 246,05	Yes	N/A	Senior Manager Community Services
Security Services	Vulnerability of Municipal properties due to vandalism	To all Municipal keys points assets and resources are safe by 2021	1.26	Visibility of Security personnel, installation of access	Acquisition of private security service provider for safeguarding of 13 Municipal sites and 20 CCTV installed and provision of equipment	43 private security personnel, main building and DLTC installed with CCTV cameras	Provision of security services to 13 Municipal Sites, 20 CCTV cameras to be installed and provision of equipment	Number of Security personnel & number of CCTV cameras and equipment provided	R 9 927 961,00	R 10 280 047,21	R 10 752 929,38	yes		SM Community services
Traffic Services	Road users disobey rules of the road that contribute to road damages	To ensure consistent safety of road users and improved by-law enforcement by 2021	1.27	By-ensuring general law enforcement, provision of equipment & resources and improve road signage	2100 traffic fines, conduct 20 road blocks, erection of 08 traffic sign and renewal of 22 kilometres road markings and provision of equipment and resources	2049 traffic fines issued 19 road blocks conducted and 61 cases of by-law enforcement opened.	issuing of 2100 traffic fines and 20 road blocks conducted, road signage installed, renewed road markings and acquisition of motor vehicles, equipment and resources	No. of traffic fines issued. Roads blocks conducted, road signage installed and renewed and number motor vehicles purchased & equipment & resources purchased..	R 4 032 486,82	R 2 586 221,21	R 2 705 187,39	yes		SM Community services

KPA NO: 1 BASIC SERVICE DELIVERY (COMMUNITY SERVICES)														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source	External	Responsible Agency/s
									Yr 1	Yr 2	Yr 3			
				By facilitating registration & licencing of motor vehicles, application of learners licence, driving licence and PrDP's	Registration and licencing 1200 vehicles,2000 learners licence,2000 driving licence and 100 PrDP's	540 Registration and licencing of motor vehicles,1500 learners licence,480 driving licence and PrDP's	Registration and licencing of 6000 learners, 10 000 learners 10 000 driving licence and 500 PrDP's	Number of registration and licencing of learners licence, driving licence and PrDP's	N/A	N/A	N/A	yes		SM Community services
				By facilitating community education programs and monitoring pay parking metres	4 awareness campaign and monitoring of pay parking metres	4 community safety awareness campaigns conducted and pay parking signs.	4 community safety awareness campaigns	Number of community safety awareness campaigns conducted ,monitoring of parking metres	R 345 490,00	R 570 582,54	R 596 829,34	yes		SM Community services
Pound	Uncontrolled stray animals	To control stray animals both in the CBD and public roads by 2021	1.28	By upgrading the pound to comply with required standards.	Upgrade of Municipal pound and provision of motor vehicle and equipment	4 camps without shelters.	Upgrade of Municipal pound and provision of motor vehicle and equipment	Completed constriction and operation of pound	R 880 155,00	R 606 842,13	R 634 756,87	yes		SM Community services

KPA NO. 2: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Spatial Development Framework	Redressing past spatial imbalances	To Implement municipal SDF that will guide development al programmes and projects by 2021	2,1	By implementing municipal SDF adopted by the council	Development of Redoubt precinct plan	Council adopted SDF	Development of Redoubt precinct plan	Approved reports and layout plans	R274 312,50	R286 930,88	R300 129,70	Yes	No	Manager: P&LU

KPA NO. 2: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Integrated Land Use Scheme	No zoning Scheme Regulations in areas outside the urban edge	To regulate the use of land in an integrated manner within the municipal jurisdiction by 2021	2.2	By implementing the council adopted integrate land use scheme	Implementation of the Scheme focusing on agricultural land and protection of environment at sensitive areas	Council Adopted Intergrated Land Use Scheme	Mapping of agricultural and environmental sensitive areas	Maps for agricultural and environmental sensitive areas	R300 000,00	R315 000,00	R330 750	Yes	No	Manager: P&LU
Land Use Management System	Non-Conforming land uses, encroachments and land invasions	To ensure controlled land use management, development control and enforcement by 2020	2.3	By implementing and enforcement on land usage	Enforcement of Land Use Management Systems	Land Use Management System	Update Land Use Register, Serving contravention notices	Updated Land Use Register	N/A	N/A	N/A	N/A	N/A	Manager: P&LU
Land Audit	Unsurveyed, unregistered municipal land and properties	By ensuring that properties are registered and survey of, and to maintain and update the register of properties within municipal jurisdiction by 2020	2.4	By implementing municipal land audit	Regular alignment of the municipal cadastral information with the zoning and valuation	Land Audit Report	Land survey of municipal properties	Approved layouts and subdivision plans	R385 875,00	R405 168,75	R425 427,18	Yes	No	Manager: P&LU
Valuation Roll	Outdated property values to enable billing for property rates	To develop a credible valuation roll by 2020	2.6	By formulating valuation, supplementary valuation roll to improve revenue collection	Supplementary valuation roll	Valuation roll	Compilation of Supplementary valuation roll	One compliant and implemented Valuation, Supplementary valuation	R702 500,00	R944 015,00	R987 439,69	Yes	No	Manager: P&LU
Provision of human settlements	Housing backlog	To guide human settlements in ensuring access to housing is achieved by 2020	2.7	By providing land, beneficiary administration and applications for funding	Maintaining and updating of the housing needs register, signing of happy letters and handing	Housing sector plan	Provision of Human settlement	Signed happy letters from beneficiaries, Updated Housing needs register	R100 000,00	R104 600,00	R109 411,60	Yes	No	Manager: P&LU

KPA NO. 2: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
					over of houses									
Building control	Illegal building construction	To ensure compliance with National Building Regulations by 2020	2.8	By updating building plan register and conducting inspections on submitted building plans	1 Updated building plan register, contravention notices and routine inspection	Building plans submitted for approval	Update building plan register and conducting routine inspection	Updated Building Plan Register	R99 459,99	R104 035,15	R108 820,77	Yes	No	Manager: P&LU
Geographic Information Systems	Outdated geospatial information	To ensure management and update of municipal geospatial information by June 2020	2,9	By implementation of GIS system as a tool to enhance service delivery through spatial information	Implementation of GIS Strategy and Policy	GIS strategy and policy	Update municipal Geodatabase	Implemented strategy and policy	R169 857,00	R177 670,42	R185 843,26	Yes	No	Manager: P&LU
Implementation of SPLUMA	Past Spatial Imbalances	To ensure compliance with SPLUMA by June 2020	2.10	By Facilitate the implementation of the SPLUMA	Conducting of workshops with the tribal authorities and stakeholders on the implementation of the act	Spatial Planning, Land Use Management Act and SPLUMA Regulations	Establishment of Tribunal municipal planning tribunal	Functional municipal planning tribunal	R140 856,00	R147 335,38	R154 112,80	Yes	No	Manager: P&LU
Land acquisition and disposal	Unutilised, undeveloped land	To facilitate acquisition of well located state land and disposal of council land by June 2020	2.11	By ensuring maximum utilisation of prime land	Disposal of available municipal land by means of leases	Land Audit Report	Facilitation of lease agreements	Signed lease agreements	N/A	N/A	N/A	N/A	No	Manager: P&LU
Town Establishment	Inadequate land parcels for development	To facilitate the creation of land parcels through township establishment for purpose of development by 2020	2,12	By employing the services of service provider to design the layout plan	Approved Township Establishment Application	Spatial Development Framework	Land Use Applications	Approved Township	R367 500,00	R384 405,00	R402 087,63	Yes	No	Manager: P&LU

KPA NO. 2: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT																
Outcome 9 Objective																
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s		
									Yr 1	Yr 2	Yr 3	Internal	External			
Economic Development Plan	LED plan not aligned with the National LED framework and all applicable legislations	To grow the local economy to 20 % by 2032	3.13	Facilitate integrated implementation of the LED strategy with other key stakeholders and Wild Coast Development plan	Host Busine Dialogue Development and Facilitate Wild Coast beneficiation	LED Policy, Approved GBS Fund	Host Business Conference and Facilitation of N2 beneficiation	Strengthening of partnerships with external stakeholders and N2 beneficiation facilitated	R318 627,00	R437 883,84	R458 026,50	Yes		Manager: LED		
								Facilitation of GBS annual workplan	Implementation of Workplans	Secured land for manufacturing hub						R22 819 500,00
								Hawker's Development program	Installation of Hawker-stalls within the town	Supported Hawkers						
								Amend and adopt SMME & Cooperative Plan	Amendment of SMME & Cooperative Plan	Council Adopted SMME Plan	R17 018 842,00				R19 819 500,00	
Tourism	Tourists statistics is not prepared monthly	To grow the tourism industry & increase the number of tourists by 10% in 2032	3.14	Involvement of the private sector and other key stakeholders for integrated implementation of the Tourism plan	Review Tourism Plan, Conduct tourism awareness, Support product owners and maintenance of Vistors Information Centre (VIC), Branding and marketing material. attend exhibitions and investment attraction, Support life guards and Advertise for an operator for	Outdated Tourism Plan	Tourism plan reviewal.	Council adopted plan.	R1 463 116,28	R1 718 699,63	R1 797 759,81	Yes	No	Manager: LED		
							Conduct tourism awareness, Support product owners and maintenance of Vistors Information Centre (VIC)	Conducted tourism awareness, Supported product owners, VIC Maintained								
							Branding and marketing material. attend exhibitions and investment attraction, Support life guards and Advertise for an operator for	Branding and marketing material for product owners developed. Arts and crafters supported								
							Support life guards.	Life guards supported								

KPA No. 2: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT

Outcome 9 Objective

Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
					uMthamvuna nature reserve.		Advertise for an operator for uMthamvuna nature reserve	Operator appointed for Mthavuna						
Agriculture	Employment in agriculture not recorded	To grow and strengthen the agricultural sector by supporting local farmers	3.15	Integrated Farmer support. Integrated support with access to markets for farmers.	Review Agricultural development plan.	Outdated Agricultural Development Plan, Adopted BIGM workplan	Agricultural development plan review.	Council adopted Agricultural Plan	R1 082 163,50	R1 131 943,02	R1 184 012,40	Yes		Manager: LED
					Facilitation of Agri-Parks program & Implementation of Farmers support program		Facilitation of Agri-parks program and Implementation of Farmers support	Local Farmers supported					Yes	
Mari-culture	Unavailability of boat launching site	To promote sustainable use of marine resources to contribute in the local economy	3.16	Ensure support of small scale fishers with licenses and markets	Final Mariculture development plan	Underutilized coastal belt	Development of Mariculture development plan	Council adopted Mariculture development plan	R559 199,00	R448 942,15	R469 593,49	Yes	No	Manager: LED
					Support 1 commercial and 1 small scale fisheries		Support commercial and small scale fisheries	Supported commercial and small scale fisheries						
Enterprise Development	Lack of mentoring and evaluation of SMMEs.	To promote enterprise development to contribute 10% to the local economy by 2022	3.17	Execute Entrepreneur Development programs and capacity development	Capacitate 10 SMME's & Support 3 Anchor projects	SMME & Cooperative Plan	Conduct capacity building for SMME's & Support 3 Anchor Projects	Capacitated building conducted & Supported 3 Anchor Projects	R2 177 994,00	R2 382 781,72	R2 492 389,68	Yes	No	Manager: LED
					Facilitation of BIGM Annual workplan		Adopted BIGM Workplan	Implementation of BIGM Workplan					Business incubator implemented	

KPA No. 2: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Stakeholder Consultative	Lack of stakeholder integration	To revive structures to contribute to local economic development initiatives	3.18	Capacitate and Work in collaboration with Structures in all sectors	Continuous capacitation and stakeholder engagement	There are a number of local formations and structure that are not fully operational and too much contestations in formations	Conduct workshops, meetings and trainings	Conducted workshops, meeting and trainings	R132 766,00	R138 873,24	R145 261,40	Yes	No	Manager: LED
Mining	Mining not fully supported	Coordination of Mining activities	3.19	Integration of key industry players for mining activities	Support mining activities in Mbizana in implementing SLP	Uncoordinated mining services	Conduct meeting and workshops	Supported mining activities in Mbizana in implementing SLP	N/A	N/A	N/A	N/A	N/A	Manager: LED

KPA No. 3: INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Y1	Y2	Y3	Internal	External	
Employee Wellness	promotion of employee wellbeing	To ensure that Employee Wellness is effective by 30 June 2021	3.1	By developing and implementing Employee Wellness Programmes.	medical checkups for 100 employees; 1 inspection on municipal buildings conducted by June 2021.	medical checkups conducted on 113 employees	Medical checkups for 100 employees	Number of medical check-ups conducted,	R1 496 711	R1 670 159,71	R1 746 987,05	Yes		Corporate Services
							Site inspection on 3 municipal sites	Number of site inspections conducted.						

KPA No. 3: INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Y1	Y2	Y3	Internal	External	
Performance Management System	Instill a culture of higher performance management and accountability	To implement and sustain a functional and effective Performance Management System (PMS) by June 2021	3.2	By cascading PMS to lower level employees through workshops.	PMS workshops conducted for TG 12 - TG 07 by June 2021.	PMS Policy in place. Conducted workshops for TG 16 - TG 10.	Conduct PMS workshops for TG12-TG07 Employees.	Number of PMS workshops conducted for TG 11 - TG 07 employees.	R93 005	R97 283,23	R101 758,26	Yes		Corporate Services
Human Capital Development	training and development of Human capital	Providing comprehensive education, training and human resource development by June 2021.	3.3	By Capacitating Councillors and Employees through Skills Development by June 2021	Training conducted for 5 councillors; 15 officials trained; Study assistance provided to internal staff by June 2021.	WSP submitted to LGSETA in the 2018/2019 Financial Year.	Training for councillors. Provide study assistance to internal staff. To assist indigent learners with registration fees. To provide in-house experiential learners and internships.	Number of training provided to councillors. Number of study assistance provided to internal staff and number of in-house trainings & internships offered to experiential learners.	2 284 474	R2 452 319,80	R2 565 127	Yes		Corporate Services
Labour relations	To instill a culture of discipline in the workplace	To ensure sound labour relations in the Municipality by June 2021.	3.4	By co-ordinating trainings and sittings of organised labour.	Co-ordinated 4 LLF Meetings and capacitate line functionaries on Disciplinary Procedures.	4 LLF meetings convened in the 2019/2020 FY	Quarterly LLF meetings and all supervisors trained on disciplinary procedures.	number of LLF meeting convened and trained lined functionaries.	R173 073	R285 634,36	R298 773,54	Yes		
FLEET MANAGEMENT	Ageing Municipal Fleet .	To ensure that there is sufficient and roadworthy municipal fleet by June 2020.	3.5	By procuring and Maintaining Municipal vehicles	Procured three (3) vehicles procured by June 2021	three pool vehicles procured in the 2019/2020 financial year	Procurement of 3 Vehicles.	Number of vehicles procured	R2 360 250	R2 468 821,50	R2 582 387,29	Yes		Corporate Service
RECORDS MANAGEMENT	Incoherent and inappropriate records keeping	To centralize and archive municipal records by June 2021.	3.6	By sourcing the services of a service provider towards centralisation & archiving of municipal records	Centralised and archived Engineering Services and Development Planning Records by June 2021.	BTO, Engineering services, Corporate Services records centralised and Development Planning archived	Centralisation and archiving of Municipl Managers Office and Community Services Records.	Centralized and archived Municipl Managers Office and Community Services Records.	R2 000 000	R2 105 263,10	R2 216 066,40	Yes		Coporate Servcies

KPA No. 3: INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Y1	Y2	Y3	Internal	External	
Municipal ICT Systems and Infrastructure	Ineffective systems to support municipal objectives	To ensure maximum availability of efficient ICT Services and Infrastructure by June 2021.	3.7	By Improving Standard Operational Processes and procedures	1 renewed and maintained service level agreements and 3 licences renewed. By June 2021	ICT Systems and service level agreements in Place	Renewal and Maintenance of a Service level Agreements and 3 Licences	Number of signed SLAs and renewed Licences	R2 143 894	R2 242 513,12	R2 345 668,73	Yes		Corporate Service
				By ensuring Continuity in municipal ICT operations	Procurement of disaster recovery site equipment	Adopted Disaster Recovery Plan and Cloud Disaster Recovery Site in Place	Procurement of disaster recovery site equipment	Disaster Recovery Equipment	R300 000	R300 000,00	R300 000,00	Yes		Corporate Service
				By Improving access to the Municipal ICT infrastructure	Installed Uninterrupted Power Supply (UPS) for the Main Server Room	All switching Cabinets and Desktops with UPSs	Installation of UPS in the main server room	Installed UPS in the main server room	R112 268	R117 432,33	R122 834,22	Yes		Corporate Service
MUNICIPAL CORPORATE GOVERNANCE OF ICT	Compliance with ICT Governance and MFMA (regular update of information in the municipal website)	To ensure that Corporate Governance of ICT is implemented by June 2021.	3.10	By maintaining the Municipal website through regular updates of the website content	Updated Municipal Website Content	Municipal Website in place	Quarterly updates of municipal compliance documents on the website	Number of uploaded municipal compliance documents on the website	R235 000	R245 810,00	R257 117,26	Yes		Corporate Service
				By implementation of Municipal ICT Governance framework.	Implementing of ICT Governance Framework.	Adopted ICT Governance Policy Framework and Adopted ICT Policies in Place	Alignment and implementation of ICT Governance Policy Framework.	Council approved ICT Governance compliance policies and procedures.	R330 750	R248 157,89	R366 481,98	Yes		Corporate Service

KPA NO 4: FINANCIAL VIABILITY														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Revenue Management	Revenue collection trends are decreasing posing a treat	To reduce debtors by 95% at 30 June 2021	4,1	Metering of all electricity consumption	100% Billing of all properties and services accounts	Own consumption not metered	Reading of all installed meters	Increased revenue collection	R500 000	R200 000,00	R200 000,00	Internal		Chief Financial Officer

KPA NO 4: FINANCIAL VIABILITY

Outcome 9 Objective

Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
	to the municipality's going concern			Monthly billing of all consumers for Refuse collection, property rates, and electricity	Billing of 2136 properties for property rates, refuse and electricity	90% billing on property rates and 80% on electricity	Update of billing information (valuation roll) and monthly distribution of statements	Reduced customer queries	N/A	N/A	N/A	N/A	N/A	Chief Financial Officer
				Community Education	Increased revenue collection	Consumers not settling their accounts and influencing others not to pay	Hold quarterly awareness meetings	Increased revenue collection	R200 000	R200 000,00	R200 000,00	Internal		Chief Financial Officer
				Implementation of credit control measures	Handing over of all consumer accounts beyond 90 days	Increasing debtors from year to year	Outsourcing of collection services	Debtors age analysis reflecting debtors within 90 days	R500 000	R500 000	R500 000	Internal	N/A	Chief Financial Officer
Expenditure Management	Invoices not submitted within 30 days of receipt for payment	Settlement of invoices within 30 days of receipt	4,2	Enforcement of system descriptions and processes as per the Account payable policy	Settlement of all presented invoices within 30 days from receipt of invoice	Invoices still taking longer to reach BTO for payment	Centralisation of submission of invoices per department	Age analysis reflecting creditors within 30 days	N/A	N/A	N/A	N/A	N/A	Chief Financial Officer
Supply Chain Management	A Supply Chain Management system that is not capable of delivering goods and services within expected timeframes	To have an effective and efficient Supply Chain Management System by June 2020	4,3	Review and constantly monitor SCM systems description and processes	Efficient and effective delivery of goods and services	Non-adherence to the procurement processes and timelines for delivery	Workshops on reviewed SCM processes	Attendance registers	R210 000	R210 000,00	R210 000,00	Internal		Chief Financial Officer
	Inadequate filing space and system for the volume of documents in the Budget and Treasury office	To have an effective and reliable filing system for SCM and all awarded tender documents and payment vouchers	4,4	Continuation of the Conversion of Budget and Treasury filing to electronic for old documents already audited	Electronic filing system setup and loading of Treasury documents	Paper based and physical filing	Setup of electronic filing system and conversion of information into electronic documents	Electronic filing for Budget and Treasury documents	R2 000 000	R1 500 000,00	R0,00	Internal		Chief Financial Officer

KPA NO 4: FINANCIAL VIABILITY

Outcome 9 Objective

Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Asset Management	All assets of the municipality to be accounted for in terms of their value, status and location	To accurately account for the value and location of all municipal assets by 30 June 2021	4,5	Annual review of the asset management policy and update of the fixed asset register	GRAP compliant Asset register as at 30 June 2020	GRAP compliant Asset register as at 30 June 2018	Review of the GRAP compliant asset register	Signed GRAP compliant asset register	R1 300 000	R1 300 000,00	R1 500 000,00	Internal		Chief Financial Officer
				Review of the Asset Management Organisation Structure	To have a fully Fledged Asset Management Unit	Asset Management within SCM	Recruitment of Assets Manager	Appointed Assets Manager	R864 000	R898 560,00	R934 502,40	Internal		Chief Financial Officer
Financial Reporting	Financial statements with non-compliance with laws	To compile Annual Financial Statements that comply with all requirements as at 30 June 2021	4,6	Develop sound, strict and effective procedures for the compilation of AFS	Credible and fully compliant Annual Financial Statements	Audited Annual Financial Statements for 2018/19 with compliance findings	Development of processes and procedures for compilation of Compliant annual financial statements	Credible Annual Financial Statements submitted by 31 August 2019	R390 565	R390 565,00	R390 565,00		External	Chief Financial Officer
				Manage audit and ensure audit readiness	Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2021	Audited Annual Financial Statements for 2017/18 with compliance findings	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	R5 043 804	R5 285 906,49	R5 539 630,00	Internal		Chief Financial Officer
				Ensure audit readiness	Reconciliations not done monthly	Performance of monthly reconciliations	Signed monthly reconciliations	N/A	N/A	N/A	N/A	N/A	Chief Financial Officer	
				Fully Compliant Segment reporting	Audited Annual Financial Statements for 2018/19 with no segment reporting setup	Sourcing of professional appropriately qualified service provider to assist in preparing our trial balance for segment reporting	Annual Financial Statement with segment reporting	R500 000	R200 000,00	R0,00		External	Chief Financial Officer	
Budgeting	The municipality needs to comply with all statutory budgeting and reporting requirements	Adhere to compliance in terms of Municipal budget and reporting requirements	4,7	Preparation and submission of all in-year statutory reports	Training of all financial management interns and finance staff to meet minimum competency requirements	Appointed interns and new accountants	Training of Financial Management interns, finance officials and payments of stipends	Appointed interns and progress report on training	R800 000	R800 000,00	R800 000,00		External	Chief Financial Officer

KPA NO 4: FINANCIAL VIABILITY														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
		To timely produce budgets in line with the National Treasury guidelines and regulations	4,8	Develop and monitor processes to ensure timely preparation, adoption and publication of credible municipal budgets	At least three Approved budgets	Adjustments budget approved by 26 February 2021, draft budget approved by 31 March of each year, and final budget by 31 May 2021	Compile at least three budgets to be approved by council	Council resolutions adopting the budgets	N/A	N/A	N/A	N/A	N/A	Chief Financial Officer
					Publication of at least three approved budgets	Adjustments budget approved by 26 February 2021, draft budget approved by 31 March of each year, and final budget by 31 May 2021	Publication of approved budgets	Advertisement of at least three approved budgets and tariffs	R57 941	R60 606,05	R63 515,14	Internal		Chief Financial Officer

KPA NO: 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Integrated Development Planning	To comply with Section 32 of the Municipal Systems Act	To ensure development of a credible IDP - aligned with PMS & Budget by May 2021	5.1	By developing an IDP process plan. By conducting public participation processes By ensuring alignment of budget to the IDP	Council Approved IDP Review for 2020/21 by May 2021	Assessed credible IDP document adopted by council May 2019.	Reviewal of the IDP for 2020/21 which must be adopted by the council by May 2021	Council resolution on adoption of the IDP Review for	R 1 640 434,15	R 1 925 094,12	R 2 013 648,45	Yes	n/a	MLM

KPA NO: 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Performance Management Systems	To comply with Performance planning, implementation, monitoring and reporting regulations	To ensure compliance with laws and regulations and ensure a culture of accountability, performance excellence & monitoring by June 2021	5.3	By Facilitating and monitoring periodic reporting	4 Quarterly Performance Reports tabled to Council and its structures for consideration for the 2020/21 Financial Year	4 Quarterly Performance Reports tabled to council and its structures for consideration	4 Quarterly performance reports tabled to council and its structures for consideration for the 2020/21 Financial Year	Number of Quarterly performance reports tabled to council and its structures for consideration for the 2020/21 Financial Year	R 1 445 152,59	R 1 517 410,22	R 1 593 280,73	MLM	N/A	MLM
				By facilitating formal performance assessments	Bi-annual Performance Assessments conducted for the 2019/2020 Financial Year	2 performance assessments	Bi-annual performance assessments conducted for the 2019/2020 Financial Year	Number of performance assessments conducted for the 2019/2020 Financial Year	Nil	Nil	Nil	MLM	N/A	MLM
				By Facilitating compilation of the 2019/20 annual report	2019/2020 annual report adopted by council by March 2021	2018/2019 annual report adopted by council by March 2020	Compilation of 2019/2020 annual report	2019/2020 annual report adopted by council by March 2021	R 819 628,61	R 857 331,53	R 896 768,78	MLM	N/A	MLM
Internal Audit	To comply with Section 165 of the MFMA	To help the municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes by 30 June 2020/21	5.3	By reviewing adequacy and effectiveness internal control and compliance with laws and regulations.	Implementation of Approved Internal Audit Coverage Plan by June 2021	Audit Committee approved Internal Audit Coverage Plan for 2020/2021	Implementation of internal audit plan and adhoc assignments	Audit Committee approved Internal Audit Plan	R 2 136 879,21	R 2 423 675,65	R 2 514 464,73	Equitable Shares	N/A	Manager Internal Audit
Risk Management	To comply with Section 165 of the MFMA	To implement, embed and continuously enhance effective and	5.4.1	By conducting municipal risk management workshops.	Risk Assessment	Risk Register 19/20 and Risk assessment workshop	Facilitate risk assessment and development of risk registers	Risk Register and Risk Assessment Report	N/A			Equitable Shares	N/A	Manager Internal Audit

KPA NO: 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
		efficient risk management processes and culture by 30 June 2021	5.4.2	By developing participatory risk management process plan.	Reviewed Risk Management Policy	Adopted risk Management Policy	Sitting of Audit Committee Meetings	Reviewed Risk Management Policy	N/A			N/A	N/A	Manager Internal Audit
	To comply with Prevention and Combating of Corrupt activities Act 12 of 2004	To optimally prevent and early detect acts of fraud and corruption so as to minimize financial losses, service delivery distractions and any factors that might be affected by 30 June 2021	5.5.1	By conducting awareness campaigns with all relevant stakeholders	To conduct awareness campaigns by June 2021	Two Fraud and Anti-Corruption Awareness Campaigns	Fraud and Anti-Corruption Awareness Campaigns	Fraud and Anti-Corruption Awareness Campaigns	N/A			Equitable Shares	N/A	Manager Internal Audit
			5.5.2	Review of Fraud and Anti-Corruption Policy	Reviewed Fraud and Anti-Corruption Policy	Adopted Fraud and Anti-Corruption Policy	Review of Fraud and Anti-Corruption Policy	Reviewed Fraud and Anti-Corruption Policy	N/A			N/A	N/A	Manager Internal Audit
Audit Committee	To comply with Section 166 of the MFMA	To advise the municipal council on the adequacy and effectiveness of the systems of internal control	5.6	By reporting on risks, financial, internal controls matters and Annual Financial Statements as well as policies	4 Audit committee meetings by June 2021	Six Audit Committee Meetings	Sitting of Audit Committee Meetings	Audit committee Meeting	R 741 933,06	R 776 061,98	R 811 760,83	Equitable Shares	N/A	Manager Internal Audit
Legacy Projects	Preserve legacy of prominent figure and historical events in Mbizana	To commemorate prominent figures important events and their legacy by June 2021	5.9	by implementing council approved legacy projects and activities	6 council approved programmes	4 project implemented	Winnie Madikizela-Mandela, 67 Minutes for Nelson Mandela, Oliver Tambo Commemoration, Pondo Revolt Commemoration and Youth Month Celebration, Mphuthumi Mafumbatha	Number of legacy projects and activities conducted	R 1 367 031,95	R 1 724 887,41	R 1 804 232,24	Yes	No	MLM

KPA NO: 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Outcome 9 Objective

Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
Communications	Ineffective communication	To improve sound communication and public liaison by June 2021	5.11	By implementing various mechanisms of communication within the council approved communication strategy	One council approved communication strategy and implementation	reviewed and adopted strategy	Communication Strategy reviewal and implementation	Number of council approved communication strategy	R 725 614,56	R 758 992,83	R 793 906,50	Internal		MLM
Inter-Governmental Relations	Fragmented co-ordination of government services	To improve coordination of service delivery amongst spheres of government by June 2021	5.12	By implementing IGR Terms of reference	4 Quarterly meetings	Adopted IGR framework and terms of reference and four IGR meetings	Quarterly IGR meetings	Number of IGR meetings	Nil	Nil	Nil	Internal		MLM
Managemnt Communicable deseses	Increasing rate of previlance in all communicable deseases	To reduce the rate of previlance all communicable deseases prevalence by june 2021	5.13	By rollouting awereness on preventative measures of communicable deseases	6 council approved programmes	1 review and 6 programmes	Support to support groups, Support to functional NGO's, CBOs and organised groups.	number of programmes as awerenesses conducted and support provided	R672 768,91	R703 716,28	R736 087,23	Internal	No	MLM
Customer Care	Lack of awareness and commitment on customer care relations	To minimize customer care related complaints and create a customer friendly environment	5.1	By enhancing capacity within customer care function.	To conduct eight customer care programmes	Customer Care register, Complaints book and Customer Care Policy and a Customer Care Satisfaction Survey.	Implementation of customer care policy	Number of received complaints resolved.	R 607 333,41	R 739 870,75	R 773 904,80	Internal		Communications Manager
Litigations	Centralisation of legal matters	To ensure proper management of municipal legal matters by 2021		By implementing council adopted legal risk magement and litigation policy	4 progress reports on compliance in respect of the monitoring tool submitted to MANCO	1 Monitoring tool	Monitoring of the litigation reduction tool	Number of reports submitted to MANCO	R 4826 708	R 5 048 737,00	R 5280979	yes		Manager: Legal Services

KPA NO: 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
By Laws	Compliance with Laws and regulations	To ensure proper regulation of the municipal powers and functions	15.17	By facilitating reviewal and/or developed of Municipal By Laws	2 reviewed/ drafted Municipal By Laws to be submitted to Council for input by June 2021	7 By Laws gazetted	Reviewal and/or development of 2 Municipal By Laws	Number of reviewed and/or developed By Laws	R 281 147,34	R 294 080,12	R 307 607,80	yes		Manager: Legal Services
By Laws	Compliance with Laws and regulations	To ensure proper regulation of the municipal powers and functions		By Monitoring the Organisational compliance in respect of legal prescripts which govern the Municipality	4 progress reports on compliance in respect of the adopted Organisational compliance checklist submitted to MANCO	1 Compliance checklist	Monitoring of the Compliance checklist	Number of reports submitted to MANCO	Nil	Nil	Nil	yes		Manager: Legal Services
Public Participation	To improve performance of public participation structures	To strengthen and enhance public participation mechanism and strategies by June 2021	15.16	Through capacity bulding and support to Public Participation Structures	Training of selected ward committee members	65 Trained ward committee members	Training of selected ward committee members	Number of trained ward committee members	R 244 699,29	R 255 955,46	R 267 729,41	Internal	N/A	MM
	To comply with the Section 73 of the Municipal Systems Act.	To ensure coordinated public participation on municipal programmes by June 2021	15.17	By creating engagement platforms for communities community structures	Community education to 10 wards, monitor four ward committee sittings and functionality and hold two quarterly meetings	Community education conducted in six wards, adopted schedule of ward committee structures and moitoring report	Conduct community education in 10 wards and monitoring of four ward committee structures functionality	Attendance registers for community education and a report on monitored ward committee.	R 281 706,22	R 451 564,71	R 472 336,68	Internal	N/A	MM
		To ensure coordinated public participation on municipal programmes by June 2021	15.18	By supporting CDW's programes and initiatives	CDW Awareness Campaign, round table meetings and monitoring of war room functionality	CDW Awareness campaign and one round table meeting	CDW Awareness campaigns and Two round table meetings	Attendance registers for CDW campaign and round table meetings	R 154 791,67	R 161 912,09	R 169 360,04	Internal	N/A	MM

KPA NO: 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Outcome 9 Objective														
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Annual Target	Baseline Information	Project to be implemented	Output - KPI	Budget: MTREF			Budget Source		Responsible Agency/s
									Yr 1	Yr 2	Yr 3	Internal	External	
		To ensure coordinated public participation on municipal programmes by June 2021	5.19	By facilitating consultative sessions with communities to ensure public involvement in all municipal programmes	1 Mayoral Imbizo, 1 IDP & Budget Roadshows, Annual Report public meetings and community comments.	Mayoral Imbizo, Budget& IDP Roadshow, Annual Report consultation meetings held.	To facilitate three consultative meetings with communities	Mayoral Imbizo, IDP & Budget Roadshows, Annual Report Public comments.	R 712 892,56	R 986 265,62	R 1 031 633,84	Internal	N/A	MM
Council Support	Comply with Sec 18(1) and (2) of Municipal Structures Act	To ensure proper sitting of Council & council committees by June 2021	15.20	By adhering to council adopted schedule of meetings.	Adoption of schedule of council and its committee meetings, four council meetings convened and thirty six council committees by June 2021	Adopted schedule of council meetings and its committees for 2019/2020 FY	Adoption of schedule of meetings, coordinate sitting of four ordinary council meetings and thirty six council committees meetings by June 2021	Four Council meetings convened and thirty-six council committees	R 511 130,28	R 743 842,27	R 762 280,77	Internal	N/A	MM

9 DISTRICT DEVELOPMENT MODEL AND COMMITMENTS BY SECTOR DEPARTMENT

The President in the 2019 Presidency Budget Speech (2019) identified the “pattern of operating in silos” as a challenge which led to lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult. The consequence has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment. The President further called for the rolling out of “a new integrated district-based approach” to addressing our service delivery challenges and localised procurement and job creation, that promotes and supports local businesses, and that involves communities.

The district-*driven* development model is directed at turning plans into action and ensuring proper project management and tracking. District Development Model will be pursued through single and integrated plans per *district* which will be further synchronised with *Integrated Development Plans in municipalities*.

The intervention is also in line with the National Development Plan, which outlines the importance of building a capable state in partnership with the citizens of this country. This requires well-run and effectively coordinated state institutions staffed by skilled public servants who are committed to the public good and capable of delivering consistently high-quality services for all South Africans.

The new District Development Model is anchored in the current government legislations and policies

- The new District Development Model brings to action the Khawuleza approach which is a call for accelerated service delivery.
- Under this model, district municipalities will be properly supported and adequately resourced to speed up service delivery.
- The Model takes forward key government plans and reinforces the existing policies geared to ensuring service delivery.
- The new model contributes to the achievements of the seven Apex Priorities announced by the President in the SONA.
- The model signals a shift from using more 139 (1) to section 154 of the constitution emphasizing closer support to Local Government by both National and Provincial spheres.

9.1 COMMITMENT BY SECTOR DEPARTMENT

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT	
HUMAN SETTLEMENT	Didi 1000	Rural housing	R 131 227 198	R4 219 800 (10 910 142) 5(106) units	13	Didi	Complete 100%	
	Bonde 1000	Rural housing	R 131 881 570	R12 349 267 (16 289 756) 67(111) units	3	Bonda,Sithukuthezi, Mbiba Dumsi,Qhabangeli, Makhaba'ldadaka&	Running 90%	
	Xholobeni/mngungu 500	Destitute	R 72 100 000	R9 407 000 (32 078 425) 55(167) units	25	Xholobeni & Mngungu	Running 99%	
	Kwampisi 500	Destitute	R 72 100 000	R7 977 600 (39 834 655) 48(223) units	16	Amampisi	Running 99%	
	Mdikisweni 500	Destitute	R 79 183 485	0(3 549 224) 0(6) units	11	Mdikisweni	Completed 100%	
	Izibanzeni 300	Destitute	R 37 569 670	0(1 680 059) 0 units	3	Izibanzeni	Completed 100%	
	Mbizana 486	Emergency	R 62 426 896	0(1 180 771) 0 units	3,26 & 8	Nomlacu, Sithukuthezi, Mbiba & Qhabangeli	Completed 100%	
	Nkantolo 30(3)	Emergency	R 3 645 000	0(365 310) 0(3) units	27	Nkantolo	Completed 100%	
	Nkantolo 1000 (500 silangwe)	Destitute	R 71 709 100	R7 927 200 (15 842 170) 47(60) units	27	Silangwe	Running 90%	
	Bonde 1000	Rural Housing	R 7 598 000,00(58)	N/A	3	Bonda		
	Nkantolo 1000 (500 Silangwe)	Destitute	R 7 150 000,00(50)	N/A	27	Silangwe		
	1000 Destitute subs - - Nata 150 subs	Destitute	R 10 724 250,00(75)	N/A	18 & 26	Nyaka % Nomlacu		
	1000 Destitute Ezuluweni - 200	Destitute	R 11 475 200,00(80)	N/A	25	Xholobeni		
	1000 Destitute Ngagala - 250	Destitute	R 11 248 000,00(80)	N/A	15;19 &20	Khanyayo ; Ntlozelo/Monti & Redoubt		
	1000 Destitute Tarsil -200	Destitute	R 12 380 000,00(80)	N/A	22 &23	Lukholo & Zikhuba		
	1000 Destitute GS - 200	Destitute	R 10 998 880,00(80)	N/A	21& 29	Greenville & Bulala		
	IZININI 150	Rural Housing	R 1 350 000,00(10)	N/A	3	Bonda		
	DPW	Themba Mzizi JPS	Construction of a new school	R14,310,000.00	N/A		Redoubt	August 2016 – December 2020
		(EPWP) APTCoD	Artisan Development Program – 11 Electrical: 3 Bricklaying: 3 Plumbing: 1 Carpentry: 2 Painting: 2	R343,200.00	N/A		Throughout the LM	February 2018 – February 2021

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
DSD	Khananda Service Centre	Service Centre	R87 566	N/A	22	Makewini	Spent according to modalities
	Lukhanyo Society for The Aged	Service Centre	R87 566	N/A	17	Kwa Nikwe	Spent according to modalities
	Ikhethelo Serv. Centre	Service Centre	R73 166	N/A	08	Magqabasini	Spent according to modalities
	Abadala Nkantolo	Service Centre	R73 166	N/A	27	Nkantolo	Spent according to modalities
	Ncedisizwe Service Centre	Service Centre	R73 166	N/A	22	Lukholo	Spent according to modalities
	Ncedo service centre	Service Centre	R73 166	N/A	20	Redoubt	Spent according to modalities
	Mthayise Old Age group	Service Centre	R73 166	N/A	16	Mthayise	Spent according to modalities
	Sakhubomi service centre	Service Centre	R73 166	N/A	26	Nomlacu	Spent according to modalities
	Mgcinephila Service Centre	Service Centre	R73 166	N/A	24	Lurolweni location	Spent according to modalities
	Sophumelela Service Centre	Service Centre	R77 966	N/A	31	Ezityaneni location	Spent according to modalities
	Ncedisa Service Centre	Service Centre	R73 166	N/A	10	Mcetheni location	Spent according to modalities
	Simanyene Service Centre	Service Centre	R73 166	N/A	29	Bulala Location	Spent according to modalities
	Khanyisa Service Centre	Service Centre	R73 166	N/A	19	Amangutyana location	Spent according to modalities
	Suthu Service Centre	Service Centre	R73 166	N/A	03	Kwa Ntshangase Location	Spent according to modalities
	Mhlabeni Service Centre	Service Centre	R73 166	N/A	22	Mhlabeni location	Spent according to modalities
	Nikolo old age project	Service Centre	R73 166	N/A	28	Topozo	Spent according to modalities
	Siwisa service centre	Service Centre	R73 166	N/A	31	Siwisa	Spent according to modalities
	Senzokwethu service centre	Service Centre	R73 166	N/A	25	Khumbuza	Spent according to modalities
	Luhle service centre	Service Centre	R73 166	N/A	15	Mabekuteni	Spent according to modalities
	Ilinge old age project	Service Centre	R73 166	N/A	31	Esikhumbeni	Spent according to modalities
	Ntola support service centre	Service Centre	R73 166	N/A	17	Ntlakhwe	Spent according to modalities
	Zamukulngisa Service Centre	Service Centre	R73 166	N/A	20	Mamcakweni	Spent according to modalities
	Zwelitsha	Service Centre	R87 566	N/A	04	Ludeke	Spent according to modalities
	Winnie Madikizela Mandela Service Centre	Service Centre	R73 166	N/A	14	Mbhongweni	Spent according to modalities
	Masakhane Project	Community based and Rehabilitation (disability)	R100,000,00	N/A	26	Mount Zion	Spent according to modalities
	Sinosizo support group	HIV & AIDS	R290 444	N/A	09	Envis	Spent according to modalities
	Ixabiso Lomntu	HIV & AIDS	R290 444	N/A	08	Magqabasini	Spent according to modalities
	Sizophila Community and Child Health Forum	HIV & AIDS	R290 444	N/A	18	Amadiba	Spent according to modalities
Bambisanani Community Development Agency	HIV & AIDS	R266 666	N/A	14	Mpisi	Spent according to modalities	
Mbizana Masincedane Family Preservation	Care And Support To Families	R123 000	N/A	14	Luthulini A/A	Spent according to modalities	
Siphumelele Isikelo Prevention & Early Intervention Programme	Prevention & Early Intervention Programme	R167,076,00	N/A	26	Mount Zion	Spent according to modalities	

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
	Amadiba ECDC	ECD & Partial Care	R118 800	N/A	24	Elurholweni location	Spent according to modalities
	Bagcine Pre-school	ECD & Partial Care	R118 800	N/A	28	Gumzana location	Spent according to modalities
	Bizana Village Preschool	ECD & Partial Care	R118 800	N/A	01	Ferguson	Spent according to modalities
	Boyce Preschool	ECD & Partial Care	R138 600	N/A	06	Mhlanga location	Spent according to modalities
	Critchlow Preschool	ECD & Partial Care	R138 600	N/A	15	Khanyayo location	Spent according to modalities
	Dlangezwa Preschool	ECD & Partial Care	R138 600	N/A	16	Dlangezwa location	Spent according to modalities
	Ekuzameni ECDC	ECD & Partial Care	R138 600	N/A	5	Gwala location	Spent according to modalities
	Hambanathi Preschool	ECD & Partial Care	R138 600	N/A	5	Dlungwana location	Spent according to modalities
	Horeni Preschool	ECD & Partial Care	R118 800	N/A	26	Nomlacu location	Spent according to modalities
	Ilitha Preschool	ECD & Partial Care	R118 800	N/A	30	Matwebu location	Spent according to modalities
	Intsingizi Preschool	ECD & Partial Care	R118 800	N/A	17	Ntsingizi location	Spent according to modalities
	Jakuja Preschool	ECD & Partial Care	R138 600	N/A	7	Nyanisweni location	Spent according to modalities
	Lukholo Preschool	ECD & Partial Care	R138 600	N/A	22	Lukholo location	Spent according to modalities
	Mabhodweni Pre-school	ECD & Partial Care	R118 800	N/A	16	Mpisi location	Spent according to modalities
	Mabhula Preschool	ECD & Partial Care	R138 600	N/A	22	Lukholo location	Spent according to modalities
	Magusheni Preschool	ECD & Partial Care	R118 800	N/A	3	Mantshangase location	Spent according to modalities
	Manundu Preschool	ECD & Partial Care	R138 600	N/A	26	Mt Zion location	Spent according to modalities
	Mbobeni Preschool	ECD & Partial Care	R269 280	N/A	5	Mbobeni location	Spent according to modalities
	Mretshi Preschool	ECD & Partial Care	R277 200	N/A	6	Ntshamathe location	Spent according to modalities
	Mtenjwa Preschool	ECD & Partial Care	R277 200	N/A	7	Mzamba location	Spent according to modalities
	Mthayise Preschool	ECD & Partial Care	R277 200	N/A	16	Mthayise location	Spent according to modalities
	Niniva Preschool	ECD & Partial Care	R118 800	N/A	12	Ndinomntu location	Spent according to modalities
	Kantolo Pre school	ECD & Partial Care	R257 400	N/A	27	Nkantolo location	Spent according to modalities
	Nokhanyo Preschool	ECD & Partial Care	R277 200	N/A	21	Sicambeni location	Spent according to modalities
	Ntlenzi Pre-school	ECD & Partial Care	R138 600	N/A	8	Rockville location	Spent according to modalities
	Pelepele Preschool	ECD & Partial Care	R118 800	N/A	9	Qasa location	Spent according to modalities
	Rockstar Pre-school	ECD & Partial Care	R178 200	N/A	8	Rockville location	Spent according to modalities
	Siyabulela Preschool	ECD & Partial Care	R106 920	N/A	4	Ludeke location	Spent according to modalities
	Siyakhula Preschool	ECD & Partial Care	R138 600	N/A	12	Ndela location	Spent according to modalities
	Thokozani Preschool	ECD & Partial Care	R237 200	N/A	17	Nikhwe location	Spent according to modalities
	Xholobeni Pre-school	ECD & Partial Care	R277 200	N/A	25	Xholobeni location	Spent according to modalities
	Zamokuhle Pre-school	ECD & Partial Care	R237 600	N/A	27	Nomlacu location	Spent according to modalities
	Zamukwenyuka pre-school	ECD & Partial Care	R237 600	N/A	8	Maqqabasini	Spent according to modalities
	Chief Mthenjwa Pre-school	ECD & Partial Care	R118 800	N/A	31	Zizityaneni location	Spent according to modalities

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
	Happy Hearts Pre-school	ECD & Partial Care	R158 400	N/A	6	Mhlanga location	Spent according to modalities
	Zamokuhle2 Preschool	ECD & Partial Care	R118 800	N/A	26	Nomlacu location	Spent according to modalities
	Lusindisweni Preschool	ECD & Partial Care	R118 800	N/A	15	Chithwayo location	Spent according to modalities
	Umthombowolwazi Preschool	ECD & Partial Care	R118 800	N/A	3	Dumsi location	Spent according to modalities
	Khotsho Preschool	ECD & Partial Care	R158 400	N/A	19	Monti	Spent according to modalities
	Malihambe Preschol	ECD & Partial Care	R118 800	N/A	5	Mmangweni location	Spent according to modalities
	Sicelimfundo Preschool	ECD & Partial Care	R257 400	N/A	17	Nikhwe location	Spent according to modalities
	Siyaphambili Preschool	ECD & Partial Care	R138 600	N/A	07	Nyanisweni	Spent according to modalities
	Gwabeni Pre-school	ECD & Partial Care	R237 600	N/A	09	Gwabeni	Spent according to modalities
	Laleni Pre-school	ECD & Partial Care	R118 800	N/A	3	Goxe location	Spent according to modalities
	Lubala Preschool	ECD & Partial Care	R198 000	N/A	19	Monti location	Spent according to modalities
	Ngcingo pre-school	ECD & Partial Care	R198 000	N/A	13	Ngcingo location	Spent according to modalities
	Mbabazo pre-school	ECD & Partial Care	R79 200	N/A	19	Ntlozelo location	Spent according to modalities
	Nceduluntu pre-school	ECD & Partial Care	R237 600	N/A	8	Buvukeni location	Spent according to modalities
	Zamani Preschool	ECD & Partial Care	R237 600	N/A	15	Luthulini locatioj	Spent according to modalities
	September Pre-school	ECD & Partial Care	R297 200	N/A	19	Mkolora location	Spent according to modalities
	Mtamvuna Pre-school	ECD & Partial Care	R198 000	N/A	5	Mthamvuna location	Spent according to modalities
	Stanford Preschool	ECD & Partial Care (Conditional Grant)	R158 400	N/A	20	Manggomfoza	Spent according to modalities
	Mgomanzi Preschool	ECD & Partial Care (Conditional Grant)	R158 400	N/A	14	Mbhongweni	Spent according to modalities
	Sisonke Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	1	Highland	Spent according to modalities
	Little Angels Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	29	Zikhuba	Spent according to modalities
	Maquthu Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	6	Jali	Spent according to modalities
	Itshikixo Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	4	Ludeke	Spent according to modalities
	Bhekameva Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	5	Ndayingana	Spent according to modalities
	Mamcakweni Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	20	Mamcakweni	Spent according to modalities
	Sakhisizwe Preschool	ECD & Partial Care	R118 800	N/A	17	Qandashe location	Spent according to modalities

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
		(Conditional Grant)					
	Inkanyezi Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	18	Mfuneli	Spent according to modalities
	Khwanyana Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	29	Pelepele	Spent according to modalities
	Liyabuya Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	27	Clarkville	Spent according to modalities
	Siyavuma Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	27	Mkhandlwini location	Spent according to modalities
	Hlolweni Preschool	ECD & Partial Care (Conditional Grant)	R118 800	N/A	21	Hlolweni	Spent according to modalities
	Sinosizo Sisonke Isikelo Community Based Organization	Drop In Centers	R296 112	N/A	25	Nomlacu	Spent according to modalities
	Siphumelele Isikelo	Drop In Centers	R296 112	N/A	3	Mt Zion, Mbizana LM	Spent according to modalities
	Bhekizwe white door center of hope	Victim Empowerment Programme	R200,000.00	N/A	25	Mthayise	Spent according to modalities
	Khuseleka white door center of hope	Victim Empowerment Programme	R183 632 38.	N/A	20	Siwisa location	Spent according to modalities
	Mzamba Victim Support	Victim Empowerment Programme	R150,000.00	N/A	24	Sea View	Spent according to modalities
	Youth beyond Expectations	Substance Abuse Prevention & Rehabilitation	R174 851	N/A	01	Bizana	Spent according to modalities
	Imizizi Youth Advocate	Substance Abuse Prevention & Rehabilitation	R140 000	N/A	20	Redoubt	Spent according to modalities
	Mavenu CNDC	Sustainable Livelihoods	R537 652	N/A	14	Luthulini	Spent according to modalities
	Mathwebu Household Garden Organization	Sustainable Livelihoods	R25000	N/A	19	Monti	Yet to be transferred
	Ndengane Household Garden Organization	Sustainable Livelihoods	R25000	N/A	15	Ndengane location	Yet to be transferred
	Sinozinto Multipurpose Primary Co-op Limited	Women Development	R130 000	N/A	27	Qungebe	Yet to be transferred
DRDAR 19/20	Sirhasheni	Fencing of grazing camps(phase 1) 2,5km	Sirhasheni	N/A	24	R400 000-00	Complete, phase 2 to be done in the next financial year
	Zangotshe	Fencing of grazing camps phase 1	Zangotshe	N/A	16	R400 000-00	complete
	Mxinga	Fencing of arable lands (Phase 1) 3,km, Phase 2	Mxinga	N/A	30	R400 000-00	Phase I complete , phase 2 50%complete , will be completed in the next financial year

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
	Zanokhanyo Kwa Ndela	Fencing of arable lands (phase 1) 3,1km	Kwa Ndela	N/A	12	R400 000-00	Phase 1 complete, phase 2 will be completed in the next financial year
	Mbhongweni	Construction of multi - purpose shed	Mbhongweni	N/A	14	R900 000-00	Complete
	Nyaka	Construction of multipurpose sheds	Nyaka	N/A	18	R900 000-00	The contractor left the project incomplete, to be done in 2020/21
	Dutyini	Dip tank construction	Dutyini	N/A	31	R900 000-00	To be done in 2020/21
	Dumsi	Construction of dip tank	Dumsi	N/A		R900 000-00	The contractor is on site, the project will be completed in 2020/21
	Kwa Jali	Fencing of grazing camps		N/A	06		Fencing material is on site, the project will be done through the community fencing programme in 2020/21
	Food security Grain production	Provision of assistance for planting of maize in 1900 under the communal cluster and RED HUB		N/A	From ward 2 to ward 31(excludes ward 1 and 23)	R6 080 000-00	1830ha planted due to various challenges
	House hold food security	Provision of vegetable seedling, potato seed, fertilizer, pig feed and poultry feed to households (1140 beneficiaries)	ALL	N/A	Ward 1 to 31 Including poorest wards	R662 400-00	All delivered
DRDAR 20/21	Sirhasheni	Fencing of grazing camps(phase) 2,5km	R400 000-00	N/A	24	Sirhasheni	
	Mxinga	Fencing of arable lands (Phase 2) 3,km	R400 000-00	N/A	30	Mxinga	
	Zanokhanyo Kwa Ndela	Fencing of arable lands (phase 1) 3,1km	R400 000-00	N/A	12	Kwa Ndela	
	Nyaka	Construction of multipurpose sheds	R900 000-00	N/A	18	Nyaka	
	Dutyini	Dip tank construction	R900 000-00	N/A	31	Dutyini	
	Dumsi	Dip tank construction	R900 000-00	N/A		Dumsi	
	Kwa Jali	Fencing of grazing camps		N/A	06		
		Provision of assistance for planting of maize in 1900	R6 080 000-00	N/A	From ward 2 to ward 31(excludes		

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
		under the communal cluster and RED HUB			ward 1 and 23)		
	House hold food security	Provision of vegetable seedling, potato seed, fertilizer, pig feed and poultry feed to households(1140 beneficiaries)	R800 000-00	N/A	Ward 1 to 31 Including poorest wards	ALL	
	Baleni Senior Secondary School	4 Classrooms (Prefabs)	R 1 000 000	N/A	25	Baleni	Feasibility
	Nongeke Senior Second. School	Provisioning of 4 Classrooms	R 1 000 000	N/A	20	Redoubt	Feasibility
	Khotsho Junior Second. School	Provision of Additional Classrooms	Unknown	N/A	13	Khotsho	Feasibility
	AD Tshayingca Secondary School	Provision of 4x additional classrooms	R 502 400	N/A	01	Bizana Town	Feasibility
	Vukayibambe Sss	Provision of 10 additional classrooms	R 12 456 205.07	N/A	11	Mdikisweni	Under Construction. Contractor left the site due to non-payment
	Ntukayi Senior Secondary School	6 x pre-fab classrooms with associated works, 4 rain water tanks, water channels, furniture, electrical installation. Monies for Final Account and PSP's	R11 232 160.14	N/A	07		Close out
	Dudumeni Senior Second. School	4 Additional Classroom	R 1 000 000	N/A	08	Dudumeni	Feasibility
	Mbizana District	Prefabricated structures for the Bizana District Offices	R 28'155'721.00	N/A	01	Bizana CBD	Under Construction
	Gumzana Junior Secondary School	4 x pre-fab classrooms with associated works, rain water tanks, channels, full electrification & furniture - Monies for Final Account and PSP's	R2 789 498.04	N/A	22	Gumzana	Close out
DOE	Enqabeni Senior Secondary School	6 x ACM classrooms with associated works, 4 water tanks, channels, electrical installation & furniture. - Monies for Final Account and PSP's	R 3 432 928.67	N/A	09	Nqabeni	Close out

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
	Thembalesizwe Comp Tech	Additional Classrooms	R 200 000	N/A	21		Project Initiation
	Sithukuthezi Senior Secondary School	6 x ACM classrooms with associated works, 4 water tanks, channels, electrical installation & furniture. - Monies for Final Account and PSP's	R 2'771 184.55	N/A	03	Sithukuthezi	Close out
	Dumsi Senior Secondary School	6 x ACM classrooms with associated works, 4 water tanks, channels, electrical installation & furniture. - Monies for Final Account and PSP's		N/A	03	Dumsi	Close out
	Shukuma Senior Secondary School	6 x pre-fab classrooms with associated works, 4 rain water tanks, water channels, furniture, electrical installation. Monies for Final Account and PSP's	R 2 771 184.55	N/A	19		Close out
	Mpeni Senior Secondary School	7 x ACM classrooms with associated works 4 water tanks, channels, electrical installation & furniture. - Monies for Final Account and PSP's	R 6 207 066.51	N/A	02	Mpeni	Close out
	Chief Dumile Senior Secondary School	6 x pre-fab classrooms with associated works, 4 rain water tanks, water channels, furniture, electrical installation. - Monies for Final Account and PSP's	R 2 789 498.04	N/A	31	Kwa Ndela	Close out
	Mdikiso Senior Primary School	Provision of new prefabs, rainwater tanks, electricity, external works	R 450 000	N/A	04	Mdikiso	Procurement
	Mpondombini Senior Secondary School	PSP Services for assessments of school to determine the	R 100 000	N/A	18		Project Initiation

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
		requirements to conform with MUNSPSI					
DEDEAT	Mbizana Alien Clearing Project	Clearing of invasive species	R3 286 000. 00	N/A	Various wards within the LM	Various wards within the LM	Ongoing
		Environmental Awareness Campaigns	20 000. 00	N/A	Ward/village to be decided on at a later stage	Ward/village to be decided on at a later stage	Ongoing
		Capacity Building sessions	20 000.00	N/A	Ward/village to be decided on at a later stage	Ward/village to be decided on at a later stage	Ongoing
		Environmental Awards Competitions	RL22 500,00 PL 11 500.00	N/A	All schools are eligible to enter	All schools are eligible to enter	Ongoing
		Greenest Municipality Competitions	Winning LM 500 000.00	N/A	LM	LM	Ongoing
		Women in Environment Programme	NIL	N/A	Laphum'ikhwezi Primary Recycling Co-op, Athandiwe Nursery	Laphum'ikhwezi Primary Recycling Co-op, Athandiwe Nursery	Ongoing
	Mbizana Mixed Use	EIA	NIL	N/A		Mbizana Town	Closed (A wrong activity was applied for. The application triggered a scoping and full EIA but the application was for Basic Assessment. A New application (correct process) is awaited
	Mpenkulu to Ntulufa Access Road and Bridge					Ntulufa	Finalized
	Mbizana Waste Water Treatment Works.						
	Mzamba Boat Launching Site					Mbizana Town	Finalized
						Mzamba	Finalized

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
							Finalized, an Operational Plan is awaited for approval by the MEC
	SST	This is an automated process linked to DHA through Biometric Scanner for Identification Verification that aimed at reducing time for issuing of company related matters, it provides updates through emails and SMSs	All	N/A	The Programme targets all Ward and Villages	The Programme targets all Ward and Villages	Rollout of the Programme is currently underway, and the System needs necessary Device which can be in the form of Printer, when it is performed outside office, hence working with Municipality's LMs – LED Units is vital
	LRED Fund	LRED Fund is mainly meant to support SMMEs and Cooperatives that are eligible and meet the Criteria and Objectives of the Fund as stipulated in the LRED Fund Policy	The budget is capped at R500k for Project Generation and capped at R3m for Project Implementation	N/A	The Programme targets all Ward and Villages	The Programme targets all Ward and Villages	2019/20 Call for Proposals was issued, and Assessment is still underway. However, the Department has appointed SP to assist those Applications that were unsuccessful. To date, one of the Applicant that benefited from this fund in Mbizana, namely Iyanzi (Pty) Ltd is progressing very well
	Imvaba Fund	The Fund is solely to promote the viability of the Cooperatives in the Eastern Cape Province and it is administered and implemented by ECDC	The budget is capped at R500 000 per applications	N/A	The Programme targets all Ward and Villages	The Programme targets all Ward and Villages	Under this Fund, three Cooperatives within Mbizana LM jurisdiction benefited. They are; Breakthrough Primary Cooperative t/a Billy's Bakery at KwaNikhwe, Izambane

DEPARTMENT	NAME OF THE PROJECT	NATURE OF THE PROJECT	AMOUNT OF PROJECT	PLANNED/ (ACTUALS)	WARD	VILLAGE	STATUS OF THE PROJECT
							Labantu Primary Cooperative at Monti Village and AmaMbanjwa Agricultural Primary Cooperative at Mbiba Location.
	Consumer Protection	Consumer Protection is mandated to conduct awareness workshops to consumers against Unfair Business Practices, promoting Honest Dealings, Right to Fair Value, and or Good Quality and Safety	N/A	N/A	The Programme targets all Ward and Villages	The Programme targets all Ward and Villages	Complaints received and attended to were mostly enquiring about their unclaimed benefits from their respective provident funds. Another complaints arose from dispute on implemented garnishee orders, cell phone contracts, disputes on credit agreement pertaining vehicle purchased, school fees, and faulty laptop. Recently, conducted workshop at Amantshangase A/A.

CHAPTER SIX: INTEGRATION AND ALIGNMENT OF SECTOR PLANS

10 INTEGRATION AND ALIGNMENT OF THIS IDP WITH NATIONAL, PROVINCIAL AND DISTRICT PLANS / STRATEGIES

The strategic approach to the development of the Municipality's integrated development plan is underpinned by policies and strategies of the national and the provincial government and as well as District Plans. The development objectives of these policies have influenced the development of the strategic direction that the Municipality has identified. This phase aims to ensure internal strategic consistency with regards to the municipality's identified strategic vision and objectives, financial and institutional resource contexts as well as compliance with policy and legal requirements.

The relevant government strategies and policies which this IDP has been aligned to are National strategic Infrastructure Projects, Millennium Development Goals, Service Delivery Agreement Outcome 9, National Government Programme of Action 2009 – 2014, the Provincial Government Development priorities and district policies & strategies. The section will also list the sector strategies that led the strategic direction of the municipality

10.1 National Development Plan, Vision 2013

The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realize these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society

The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is a step in the process of charting a new path for our country. The NDP has the following objectives: -

- Seeks to eliminate poverty and reduce inequality;
- Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;

- Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history.

10.2 Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government, so they are able to operate more effectively and efficiently.

10.3 National Spatial Development Perspective (NSDP)

The NSDP's objective is to promote informed economic investment profiling to guide regional growth and development planning within a socio-economic framework. The National Spatial Development Perspective also informs the Spatial Development Framework of the Municipality.

10.4 Back to Basics – COGTA Programme for Change

The programme is a national initiative aimed at ensuring that municipalities perform their core mandate of delivering basic services to local communities, as enshrined in Chapter seven (7) of the Constitution of South Africa. The Back to Basics approach is based on five principles which are: -

- Putting people first and engaging with the community;
- Delivering basic services;
- Good governance ;
- Sound financial management; and
- Building capabilities.

10.5 Local Government: Municipal Planning and Performance Management Regulations, 2001

To develop further guidelines and clarity in the issues of IDP, regulations were issued in 2001. The Municipal Planning and Performance Management Regulations set out in detail the requirements for IDPs and Performance Management System.

10.6 Disaster Management Act, No 57 of 2002

The Disaster Management Act, aimed to provide integrated and coordinated disaster management policy, in which the main features of disaster management are described as preventing or reducing the risk of disasters, mitigation the severity of disasters, emergency preparedness, rapid and effective response to disasters and post disaster recovery and rehabilitation. The Disaster Management Act provides for the declaration of disasters through national, provincial and local government spheres. In the case where Provincial and Local authorities have determined that a disastrous drought occurred or threatens to occur, the disaster management centers of both the province and municipality must immediately:

- Initiate efforts to assess the magnitude and severity or potential magnitude and severity of the disaster;
- Inform the national centers of the disaster and its initial assessment of the magnitude and severity or potential magnitude and severity of the disaster;
- alert disaster management role-players in the province that may be of assistance in the circumstances and;
- Initiate the implementation of any contingency plans and emergency procedures that may be applicable in all circumstances.

10.7 Municipal Finance Management Act (MFMA), No 56 OF 2003

Section 21 of the MFMA stipulates that the mayor of a municipality must coordinate the processes for the annual budget and for reviewing the municipality's IDP and budget – related policies to ensure that the tabled budget and any revisions of the IDP and budget related policies are mutually consistent and credible. At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-:

- The preparation, tabling and approval of the annual budget;
- The annual review of –
 - The IDP in terms of section 34 of the Municipal Systems Act (MSA) and
 - The budget related policies.
- The tabling and adoption of any amendments to the IDP and budget related policies and
- Any consultative process forming part of the processes referred to in subparagraph (i), (ii) and (iii) above.

10.8 Provincial Development Plan, 2030 Vision for the Eastern Cape

The National Development Plan as explained above sets out a vision for South Africa – a prosperous country with no poverty or inequality. The Eastern Cape's Provincial Development Plan (PDP) plan aims to provide creative responses to the province's challenges. A sustainable future for the Eastern Cape rests on people-centred development to achieve five related goals:

- An inclusive, equitable and growing economy for the province
- An educated, innovative and empowered citizenry
- A healthy population
- Vibrant, equitably enabled communities
- Capable agents across government and other institutional partners committed to the development of the province.

These goals will be pursued with a focus on rural development to address serious inherited structural deficiencies – the legacy of apartheid has left the rural regions of the Eastern Cape underdeveloped, with an urban economy that is unduly stressed and experiencing slow growth. Addressing this spatial unevenness in endowment and development will take time and hard work, but it can be done. The PDP's design and implementation planned to shift discriminatory attitudes towards women and other vulnerable sectors of society.

10.9 Municipal Systems Act, No 32 OF 2000

Section 25 of the Municipal Systems Act (Act 32 of 2000) stipulates that:-

Each Municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which: -

- links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- forms the policy framework and general basis on which annual budgets must be based;
- complies with the provisions of Chapter 5 of this Act;
- is compatible with national and provincial development plans and planning requirements binding the municipality in terms of the legislation.

As far as the status of an IDP is concerned Section 35 states that an IDP adopted by the council of a municipality is the principal strategic planning instrument which guides and informs all planning and development as well as all decisions with regard to planning, management and development in the municipality; binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails and binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a "by-law".

11 LOCAL STRATEGIES AND PLANS

Mbizana Local Municipality has all necessary strategies and plans in place that are essential in determining the economic edges that are ready to exploitation in order for the LM to seize competitive and comparative advantage. The strategies and plans are briefly discussed hereunder.

11.1 Executive Summary of Communication Strategy

Mbizana Municipality developed and adopted communications this Communication strategy seeks to address the communication issues within Mbizana Local Municipality and it is based on the communication development approach which stands on the following;

- Access to information, open dialogue, openness and accountability and media freedom are all fundamental tenets of a thriving democracy.
- To achieve these, government should maintain continued interaction with all stakeholders and require that political principals to take on the role of chief communicators within their portfolios.

This is particularly relevant within the context of developmental communication, which focuses on meeting the communication needs of the people in a manner that is accessible to them and which will result in a qualitative difference to their lives. The development-communication approach is aimed at making public programmes and policies real, meaningful and sustainable. Information should be applied as part of community development efforts and should address information needs identified by communities, including various structures and groups within communities. Most importantly, the information should take into consideration the diversity of culture and language and different literacy levels. The intended outcome is to make a difference in the quality of life of individuals and communities.

Strategies and communication and objectives

- A thousand voices speaking without a common message and single purpose will in the end just make an indistinct noise that few will hear
- We communicate in a noisy world, competing for attention with voices that have objectives that are different and often opposing
- And we do so in a world made up of a vast array of interests and concerns, and a world in which everyday concerns weigh heavily on most people
- Government considers communication to be a strategic element of service delivery.
- To communicate government priorities in partnership with the sector departments in the context of the IDP.
- To enhance participatory democracy through capacitating of communities in Community Based Plans (CBP) and IDP processes
- To ensure strengthened internal and external communication.
- To disseminate information to the public in all languages spoken in the municipality.

11.2 Public Participation Policy

The Mbizana Local Municipality has developed the policy in compliance with the provisions of the Municipal Structures Act and the Municipal Systems Act to provide for the establishment of appropriate mechanisms, processes and procedures to create conditions for the local community to participate in the affairs of the municipality. The policy aims at promoting the culture of municipal governance that complements formal representative government with a system of participatory governance as well as to give effect to the requirements of the legislation in terms of establishing mechanisms and processes for community participation.

In making effective public participation the policy give details of key policy guidelines and general principles as well as structures that assist in ensuring community participation in the affairs of the municipality and other stakeholders and culture of creating conducive environment, openness, accountability and transparent system of governance.

11.3 Intergovernmental Relations Terms of Reference

The terms of reference for Mbizana Local Municipality IGR serve as a basis for the provision of platform to engage important stakeholders on service delivery. They outline fundamental objectives of Mbizana IGR Forum and provide internal procedures to ensure compliance with Intergovernmental Relations Framework Act No 13 of 2005. Envisaged key role players in these terms of reference are sector departments across spheres of government and they serve to promote co-operation between spheres of government and enhancement of good and harmonious relations for the sake of efficient and effective service delivery.

11.4 HIV/AIDS Strategy

This pandemic is depleting the limited skills base that is available to our society and thus impacting negatively to the economic development of our communities which have a history of neglect by the previous regimes. The local economic development of our municipalities is being compromised by the redirections of resources to provide more social wage to families and communities that cannot sustain themselves as well as the decline in the skills base due to death associated with HIV and AIDS sicknesses. The political impact of the disease has a potential of denying our society of leaders in government, labour and business and thus resulting in political social instability. Government and the private sector is under serious strain as they have to alter their programmes to meet the new demands as set by the HIV and AIDS pandemic.

Response to HIV and AIDS is a task that is bigger than the individuals or single sector; it requires a well-coordinated and well-resourced collective effort. Our response should ensure mobilization of support and participation of all sectors of our society from all walks of life. Success of all our initiatives is dependent on the strong partnership between government, civil society, private sector and the broader society.

Mbizana HIV/AIDS strategy is based on the National Strategic Plan (NSP) which is a Multi-Sectoral Plan (MSP) that serves as guide to all those who are involved in the fight against the pandemic. The NSP is a broad consensus position that outlines the intervention and targets including agencies and institutions that should lead such interventions.

11.5 Risk Management Policy

The Accounting Officer / Authority has committed Mbizana Local Municipality to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999 / Municipal Finance Management Act (MFMA), Act no 56 of 2003. Risk refers to an unwanted outcome, actual or potential, to the Municipality's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk. Risk management is a systematic and formalised process instituted by the department to identify, assess, manage and monitor risks. The Mbizana Local Municipality implements and maintains effective, efficient and transparent systems of risk management and internal control. The risk management will assist the Municipality to achieve, among other things, the following outcomes needed to underpin and enhance performance:

11.6 Legal Risk Management and Litigation Policy

Mbizana Local Municipality has recognised an increase in litigation cases and that the costs associated with such cases are unacceptably high. The Municipality has also recognised that there appears to be poor legal risk management strategies currently in place needed to assist in reducing the number of litigation cases. In those instances wherein litigation is unavoidable and necessary, there appears to be weak management protocols in place to ensure that such cases are disposed of in the most efficient and cost-effective manner. This Policy aims to ameliorate such deficiencies by providing certain risk management and litigation management principles and operating protocols. This Policy must be recognised as a living document in

need of regular review. The purpose of this Policy is two-fold: The Legal Risk Management component is intended to identify, respond to and avoid legal risks, thereby avoiding unnecessary litigation; The Litigation Component is intended to manage unavoidable and necessary litigation in a most efficient and cost-effective manner.

11.7 Spatial Development Framework

The municipality reviewed and adopted the spatial development framework in the 2014/15 for the period of five years. The approved spatial development framework will be due for another review in the 2019/2020 financial year. As part of implementing the approved spatial development framework, the municipality is in the process of developing the local spatial development framework of the identified nodes. In this current financial year, the municipality has developed and adopted (26th March 2020) the coastal spatial development framework to guide the development in the fast growing Mzamba node and the incorporation of N2 construction that is underway. The municipality intend to develop the N2 corridor development plan with the intension of promulgating a town along the coast.

11.8 Local Economic Development Strategy

Mbizana Local Municipality has identified Local economic development (LED) Strategy as one of the most important ways of decreasing poverty in the Mbizana juristic area. The MLMLEDS aims to create jobs by making the local economy grow, increase investor confidence and bring together LED stakeholders. This means that more businesses and factories should and can be started in the municipal area. The LED forum was established in 2010, currently not operating well and it needs to be strengthened. The LED forum is a platform for all the stakeholders that have a role to play in economic development to engage each other in programmes of Local Economic Development.

The National government policies, funds, research and other support for local economic development has been considered in the development on the MLM LED Strategy and a specific reference to the DTI Enterprise development programme and COGTA support that the strategy aims to consolidate and align programmes to these department's initiatives. Mbizana Local Municipality has decided on LED strategies and the process of arriving at a LED strategy that has become part of the Integrated Development Planning (IDP) process (MLMLEDS has been incorporated into the IDP). The MLMLEDS is based on the overall vision outlined in the LED Strategy and IDP and has taken into account the result of the analysis done to identify problems and prioritize development projects. MLMLEDS has also considered integrating building development

corridors between areas and supporting the economy with public infrastructure. The following are some key strategies that the Mbizana Local Municipality put in place to meet its goals:-

- Developing the infrastructure of the municipality to make it easier for businesses to operate. This is mainly addressed in the IDP of the municipality.
- Providing better living conditions it also creates an environment that promotes economic growth.
- Promoting tourism, which currently is one of the biggest growth industries in South Africa. This includes developing local tourist sites and facilities, improving security and ensuring that all residents are welcoming of tourists.

11.9 Housing Sector Plan

The plan was adopted in the 2010/2011 financial year and it has been reviewed and adopted for the five-year horizon in the 2017/18 financial year. The purpose of the review is to develop a strategic document to inform and guide the Mbizana Local Municipality in the allocation of resources with regards to housing, access to services, administration, and socio-economic realities. The plan will incorporate the municipal housing need register, determine the backlogs, projects, infrastructure and Spatial Illustration of projects, demand and backlogs in ward based approach, Housing needs register ,informal settlement ,migration bulk services etc.

11.10 Mbizana Tourism Master Plan

Mbizana Local Municipality has identified tourism as one of the pillars for local economic development hence embarking on a tourism development framework to address the poverty and unemployment challenges. The Tourism Development Framework will address the unemployment challenges that face the region. The development plan also seeks to exploit the intrinsically underdeveloped tourism sector. The development of the tourism framework is aligned with millennium development goals (MDG), LED framework and other legislative frameworks that aim at reducing poverty and creating job opportunities.

11.11 Existing tourism opportunities

Mbizana is a developing rural tourism region with unique cultural attributes, natural attractions and layers of heritage. Dominant land uses in Mbizana are mostly rural with a large emphasis on tourism along the coast and a bit in the interior. Mbizana Local Municipality covers approximately 40km stretch of the Wild Coast including the Wild Coast Sun Hotel (WCSH).

It prides itself as the home to the legend Oliver Reginald Tambo. It is known as the internationally acclaimed biodiversity hotspot hence it was named “Pondoland centre of endemism” It is endowed with pristine beaches, petrified forests, ancient archaeological sites, rugged coastline and scenic estuaries. Mbizana’s locality on the boarder of the Eastern Cape and KwaZulu Natal Province, whose tourism sector is vibrant, gives it an advantage as a tourist destination

Challenges Facing Mbizana Tourism

As part of the situational analysis for the Tourism Framework, the following challenges hindering the development and growth of the tourism industry in MLM were identified. These challenges, if addressed, will pave a foundation for the development of tourism and attract investment in the municipal area. The challenges are as follows:

- Illegal cottages – Although the numbers of illegal cottages were not physically counted, many were identified throughout the coast. These are stand-alone illegal cottages. The other cottages could be difficult to term “illegal” because they have been built in the existing footprint of families that are living on the coast.
- Planning the plans - there are several concepts which date back to 2003. Other examples are projects which were presented to investors in the OR Tambo Investment Conference in 2009. Three years later, no action has been taken. This indicates that the municipality is constantly planning but not implementing.
- Land claim processes- A few investors were eager to invest in the Wild Coast, but due to the issue of land claims, it was difficult. This is an indication that the environment is not conducive for investment.
- Internal fighting- there are community structures such as the crisis management that are interested only in mining versus the community trust that is interested in tourism. These structures are fighting about two different sectors and there is no solution as to which sector can be prioritized and how to strike a balance on both sectors.
- “We chew more than we can swallow”- there are many projects that were proposed, and it is assumed that the approach of attempting to implement all project at the same time could be the reason for failure of most projects.
- Plan against each other- planning internally has to be integrated amongst all departments within the municipality. The same should apply to local, provincial and national government. Projects that are

planned by national and provincial government departments should be integrated to the framework of MLM.

Proposed projects: -

- Mtamvuna Nature Reserve: Section B – Proposed tented camp at Mtamvuna
- Mtentu tented camp – Proposed expansion of Mtentu tented camp
- Skhombe Campsite- proposed camp site at Skhombe
- Hiking trail development
- OR Tambo Heritage Route
- Wild Coast Timeshare Resort
- Ingeli tourism development
- Wild Coast Fishing Village
- Skhombe Tourist Chalets
- Mnyameni Tourism Development

11.12 Integrated Waste Management Plan

An Integrated Waste Management Plan has been adopted by council. The main objective of an IWMP is to integrate waste management within, and where possible, with services of adjacent municipalities, in order to: -

- To identify and plan future waste management needs and requirements;
- Minimize waste management costs by optimizing the efficiency of the waste management system, in terms of usage of infrastructure, labour and equipment; and
- Minimize adverse social and environmental impacts related to waste management and thereby improve the quality of life for all citizens.

11.13 Climate Change Strategy

Sections 152 and 156, and schedule 4b and 5b of the Constitution (Act No. 108 of 1996) mandate all local government amenities, inclusive of Mbizana Local Municipality, to promote socio-economic development, and establish a safe and healthy environment for communities. As means of aligning to this obligation for sustainable development, Mbizana Local Municipality appropriated an initiative to develop a climate change

adaptation strategy. Through the process of developing this strategy, secondary data was utilized as provided by Mbizana Local Municipality, relevant policy documents and other researched information sources, and most importantly site visits and interviews in order to assess the status quo for areas of vulnerability. Key performance areas identified to impact on the area's climate change for this strategy were economic, natural and social drivers, and through them thirteen elements were acknowledged, of which seven came out as overarching. These drivers were assessed using vulnerability matrixes in order to bring forth strategies of adaptation to climate change in the seven prominent indicators.

11.14 Coastal Management Programme (ICMP)

Mbizana Local Municipality is known for its beautiful and diverse coastline, which is part of the captivating Wild Coast of the Eastern Cape. In the past, South Africa's coastline has not always been utilised and managed in an appropriate manner, resulting in the degradation of significant portions of this valuable national asset. In response, the Integrated Coastal Management Act No. 24 of 2009 as amended by Act No. 36 of 2014 (ICM Act) was developed to promote ecologically, socially and economically sustainable coastal development and resource use, as well as to control inappropriate development along our coast. In respect to coastal management tools, Chapter 6 of the ICM Act mandates all three spheres of Government to prepare Coastal Management Programmes (CMPs).

A CMP, in general terms, is a policy or strategy document that contains vital coastal management objectives, which serve as a system of principles to guide decisions and achieve rational outcomes relating to the coastal environment. A CMP must include a public participation process and is to be reviewed every 5 years. Alfred Nzo Municipality embarked on this process in March 2014 by appointing coastal management consultants at Royal HaskoningDHV to prepare the inaugural Mbizana Local Municipality CMP. The Mbizana Local Municipality CMP consists of three core components, these being a status quo assessment, vision and objectives (which includes public consultation), as well as a programme of implementation.

The situational analysis of the Mbizana Local Municipality CMP provides a review and interpretation of existing information on the biophysical and socio-economic characteristics and management context of the Mbizana Local Municipality coastal area in order to identify and describe emergent and recurrent coastal issues, constraints and opportunities. The intention of this component of the CMP is not to re-sample the social, economic or ecological situation of the Mbizana Local Municipality area but rather to synthesise the numerous existing documents, reports and publications that have done so previously.

The primary objective of the situational analysis is therefore to integrate the findings of the relevant Integrated Development Plans (IDPs), Spatial Development Frameworks (SDFs), Environmental Management Framework, numerous documents and plans for the Wild Coast and other information that is relevant to coastal management within the district municipality. In so doing, this CMP component highlights issues of priority or concern that require specific attention. Emergent and recurring environmental and socio-economic issues of the Mbizana Local Municipality coastal area are summarized in the image overleaf.

11.15 Mbizana Disaster Risk Management Plan

Mbizana Local Municipality developed and adopted a Disaster Risk Management Plan in 30th May 2016 and its due for review in 2021. The local authority is committed to ensuring the safety of its inhabitants and the sustainability of its communities, economy and environment and therefore intends to effectively manage disaster risks. In terms of the Disaster Management Act, 2002 (Act 57 of 2002), municipalities are required to compile municipal disaster management plans.

The key intended outcomes of this plan are the integration of Disaster Risk Management into the strategic and operational planning and project implementation of all line functions and role players within the municipality, the creation and maintenance of resilient communities within the area and an integrated, fast and efficient response to emergencies and disasters by all role-players. This level 1 Disaster Risk Management Plan must enable Mbizana Local Municipality to adhere to the requirements of a level 1 Plan as per section 3.1.1.2 of the National Disaster Management Framework.

Disaster is defined as progressive or sudden, widespread or localized, natural or human caused occurrence which causes or threatens to cause death, injury or disease, damage to property, infrastructure or the environment, disruption of the life of a community. The municipality has established mechanisms to ensure integration and joint standards of practice in the execution of disaster risk management policy throughout its jurisdiction.

According to the risk prioritization results conducted during November 2015, which indicated the following hazards as being rated as the highest 'total risk' hazards range: Severe storms (strong winds, tornadoes), Motor vehicle accidents, Veld fires, Human diseases, Rough Sea/Tides and Deforestation. The action needed for the above mentioned risks is risk reduction and preparedness planning. During a stakeholder consultation session, stakeholders were required to identify hazards perceived to be a concern in the

Mbizana Local Municipality. This was part of obtaining indigenous and specialist knowledge from stakeholders and verifying/updating current identified disaster risk assessment results.

11.16 Ensure effective and appropriate disaster response and recovery

A number of risk reduction measures are identified related to the highest rated identified risks. These measures were decided upon in consultation with the relevant responsible departments. There are certain responsibilities that the municipal departments must partake on, in disaster management. Each stakeholder has identified its own role in disaster risk management and in its own plans and provide for such information. Whilst the Disaster Management Functions are cutting across all departments, Integration and Co-ordination will be done by Community Services Department, the municipal department will be assisting with prevention/mitigation, response and recovery actions. The communities will also assist with disaster risk reduction and co-operation as community leaders e.g. Ward Councillors, Traditional leaders assist with community liaison.

Mitigation activities have been considered to include components such as Preparedness, Recovery and Reconstruction. Mitigation activities generally grouped into two levels, namely structural and non-structural. Structural measures refer to any physical construction to reduce or avoid possible impacts of hazards, which include engineering measures and construction of hazard-resistant and protective structures and infrastructure. Non-structural measures refer to policies, awareness, knowledge development, public commitment, and methods and operating practices, including participatory mechanisms and the provision of information, which can reduce risk and related impacts. In terms of logistical systems in support of mitigation activities, and in line with the above mentioned definition, the aim of mitigation logistics will be to ensure appropriate mitigation related supplies or goods, in good condition, in the quantities required, are available at the place and time they are needed in order to implement preparedness, recovery and reconstruction activities. This plan is due for review during the 2021/2022 financial year.

11.17 Human Resources Development Plan / Strategy

Mbizana Local Municipality has developed its Human Resource Development Strategy for the period 2010 – 2014 and was adopted by council in 2010, the HRD strategy has been reviewed and awaiting adopting by council before end December 2015. The strategy is based on this background that Mbizana Local Municipality has considered it necessary to re-look at its work processes. It is further necessary to take stock of what has been achieved and how council would want to impact on service delivery using its strategic

trajectories. This strategy sets out the results of a situational analysis, performance and municipal capacity assessment conducted by the Municipal Manager and Senior Managers.

The Service Delivery strategies had undertaken a quick overall scan identifying critical areas of focus. In conducting this scan a diagnostic approach was adopted (service delivery and budget implementation plan) focusing on all the areas as indicated in this report. This was coupled with sessions held with both the administration and political structures of the municipality on various occasions.

11.18 Employment Equity Plan

The Mbizana Municipality is operating with Employment Equity Policy and Employment Equity Plan which expired in 2014. The plan and policy had been reviewed and submitted to the Department of Labour for compliance. The Employment Equity Plan and Policy were both accepted and acknowledged by the department of Labour. The plan and policy were presented to almost all stakeholders it only awaits adoption by the Council. The main purpose of the Employment Equity Act, No 55 of 1998, is to promote equal opportunities in the workplace by eliminating unfair discrimination in employment policies and practices.

11.19 Staff Retention Policy

The MLM Employee Retention Policy has been developed and adopted by council on the 30 June 2014 to provide guidance and information to Council, Management and Labour in order to effectively implement all approved employee retention strategies so as to promote the retention of staff. The following are the key policy highlights which influence the successful implementation of this strategy: -

- The policy purpose puts emphasis on comprehensively addressing all the soft and hard staff issues which include the environmental, technical and social staff needs for effective employee retention.
- The policy applies to all Council employees irrespective of occupational level, grades, categories and demographics.
- The policy highlights a variety of tools and techniques to be implemented in order to effectively achieve and maintain long-term employee retention.
- The policy briefly outlines specific roles and responsibilities assigned to the Municipal Management and Leadership.

The policy specifies key methods for monitoring and evaluating the retention process.

11.20 Revenue Enhancement Strategy

In many developing countries, including South Africa, the capacity of local government to give effect to its fiscal power is a serious limitation. In South Africa this problem is compounded by the integration of previously disadvantaged communities into municipal boundaries, a culture of non-payment, and poor administrative systems, all of which it has manifested itself as staggeringly high levels of debt. On paper the solutions are easy: increase revenue; reduce expenditure; or do a combination of both. However, in reality the challenge is more complex and multi-faceted – there are political and socio-economic facets as well as institutional aspects, including shortages of skills, performance-orientation of staff and adequate physical resources. Implementing revenue enhancement strategies can only be achieved by critically reviewing the current revenue management processes, policies and procedures being applied by the municipality.

To effectively deal with the current challenges, the municipality must plan and implement effective and integrated revenue enhancement strategies. The need for an integrated approach should not be taken lightly. The Mbizana Local Municipality (MLM) sustainability should be based on the following critical elements:-

- Development and implementation of an effective communication strategy;
- Strengthening of the provision of metered services;
- Strengthening of accurate billing process; and
- Improving Debt and Credit Management.

The MLM revenue business model needs to focus on maximizing revenue collection, reducing inefficiency and costs, and reducing uncollectible debt. A holistic approach to local government sustainability is crucial to ensuring that all the above-mentioned critical elements are simultaneously addressed, which encompasses the following elements: -

11.21 Effective Communication Strategy

A sound communication strategy is a critical element to building local government long term sustainability. Therefore, a sound communication strategy should be one of the cornerstones upon which MLM sustainability should be built upon. It is only through a sound communication that customer and municipal expectations are being clearly articulated and understood by all relevant parties. Communication is a two-way process and involves community participation, which is enshrined in our constitution and Municipal

Systems Act 32 of 2000. The communication process should facilitate alignment between municipal goals and community expectations. Furthermore, it is also only through this communication that the relationship between the municipality and its customer can be enhanced.

11.22 Provision of Metered Services

Accurate consumption information is the key to reducing service delivery losses. The technical component is predominantly focused on the efficient delivery of services to customers and meeting customer expectations. The benefits of managing this aspect of service delivery are the reduction of losses of electricity. This element involves the meter management which addresses the supply losses incurred through the service meter and includes illegal connections and faulty meters.

11.23 Strengthening the Accurate Billing Process

Accurate billing for services is a critical element of the MLM Revenue Management Business Model. Due to poor billing and revenue collection, MLM is becoming increasingly dependent on intergovernmental funding to balance its budget. This component specifically focuses on billing integrity as the basis of municipal revenue. If the customer information and billing information is incorrect the municipality has no basis to effectively collect revenue. The key elements to emphasis accuracy include:

- Billing – Immediately and regularly billing the customer for the services provided;
- Customer Information Auditing – processes and activities of ensuring that customer information is valid, accurate and complete; and
- Data Cleansing – processes and activities of ensuring the credibility of customer data maintained by the municipality.
- Revenue Collection (Debt and Credit Management)

Revenue collection is based on the integrity of the Metered Service Management and Accurate Billing process. This is a critical element which includes collection of revenue, customer service management, debt & credit management and indigent management. A large portion of MLM customers are indigent and therefore cannot afford to pay for services provided by the municipality and this has to be factored into financial planning and strategy development. It is critical for the municipality to understand its customer profile and to differentiate between those customers who can pay and who cannot afford. It is based on this customer profile that one can start planning strategies for free basic services implementation, indigent

subsidization, LED, indigent management, service delivery and services rollout, billing and revenue collection strategies and debt collection. All these aspects will affect the municipal budget and the budgeting process.

11.24 Revenue Enhancement Framework

The revenue enhancement framework for the revenue enhancement strategy, taking into account the unique requirement of the MLM will comprise a phased approach. The timeframe for the implementation of the strategy intervention has been divided between:

- **Quick wins** strategic interventions that can be implemented within 6 months.
- **Medium –term** strategic interventions which focus on strategic intervention to be implemented between 6 to 18 months.
- **Long term interventions**, which focuses on strategic interventions that will take longer than 18 months to be implemented.

12 ASSESSMENT MATRIX

CORPORATE SERVICES		
SECTOR PLAN/POLICY	SECTOR PLAN/POLICY	SECTOR PLAN/POLICY
Organisational Structure	Reviewed and Adopted	28 November 2018
Human Resource Plan	Reviewed and Adopted	28 November 2018
Employment Equity Plan	Reviewed and Adopted	28 November 2018
Workplace Skills Plan	Reviewed and Adopted	28 November 2018
Acting Policy	Reviewed and Adopted	28 November 2018
Attendance & Punctuality Policy	Reviewed and Adopted	28 November 2018
Chronic Illness Policy	Reviewed and Adopted	28 November 2018
Disciplinary Code & Procedure	Reviewed and Adopted	28 November 2018
Employee Wellness Policy	Reviewed and Adopted	28 November 2018
Employment Benefits & Conditions Policy	Reviewed and Adopted	28 November 2018
Fleet Management Policy	Reviewed and Adopted	28 November 2018
Grievance Policy & Procedure	Reviewed and Adopted	28 November 2018
IPMS Policy	Reviewed and Adopted	28 November 2018
Job Evaluation Policy	Reviewed and Adopted	28 November 2018
Leave Policy	Reviewed and Adopted	28 November 2018
Migration & Placement Policy	Reviewed and Adopted	28 November 2018
Occupational Health & Safety Policy	Reviewed and Adopted	28 November 2018
Organisational Design Policy	Reviewed and Adopted	28 November 2018
Overtime Policy	Reviewed and Adopted	28 November 2018
Records Management Policy	Reviewed and Adopted	28 November 2018
Recruitment & Selection Policy	Reviewed and Adopted	28 November 2018
Remuneration Policy	Reviewed and Adopted	28 November 2018
Skills Retention Policy	Reviewed and Adopted	28 November 2018
Termination of Services Policy	Reviewed and Adopted	28 November 2018
Training & Development Policy	Reviewed and Adopted	28 November 2018
ICT Governance Framework	Reviewed	March 2019
ICT Governance Policy	Reviewed	March 2019
ICT Security Policy	Reviewed	March 2019
ICT Policy	Reviewed	March 2019
MUNICIPAL MANAGER'S OFFICE		
SECTOR PLAN/POLICY	PLAN/POLICY STATUS	DATE OF ADOPTION BY COUNCIL
Fraud Prevention Strategy	Reviewed and Adopted	04 August 2017
Risk Management Policy	Reviewed and Adopted	28 November 2018
Performance Management Policy	Reviewed and Adopted	04 August 2017
Public Participation Policy	Reviewed and Adopted	04 August 2017
Communication Strategy	Reviewed and Adopted	28 November 2018
Stakeholder Mobilisation Strategy		
Legal Risk Management and Litigation Policy	Reviewed and Adopted	28 November 2018
Audit Charter	Reviewed and Adopted	04 August 2017
System of Delegations	Reviewed and Adopted	04 August 2017
Standing Rules / Orders for Council	Reviewed and Adopted	04 August 2017

Anti – Corruption Strategy	Reviewed and Adopted	04 August 2017
Audit Action Plan	Reviewed and Adopted	04 August 2017
HIV/Aids Strategy	Reviewed and Adopted	04 August 2017
Elderly Policy	Reviewed and Adopted	04 August 2017
Gender Policy	Reviewed and Adopted	04 August 2017
Children Policy	Reviewed and Adopted	04 August 2017
Youth Policy	Reviewed and Adopted	04 August 2017
Customer Care Policy	Reviewed and Adopted	04 August 2017
IGR Terms of Reference	Reviewed and Adopted	04 August 2017
Councillors Special Risk Insurance Policy	Reviewed and Adopted	28 November 2018
COMMUNITY SERVICES		
SECTOR PLAN/POLICY	PLAN/POLICY STATUS	DATE OF ADOPTION BY COUNCIL
Integrated Waste Management Plan	Reviewed and Adopted	04 August 2017
Disaster Management Plan	Reviewed and Adopted	04 August 2017
Indigent Register	Reviewed and Adopted	04 August 2017
FBS Policy	Reviewed and Adopted	04 August 2017
Social Relief Policy	Reviewed and adopted	28 November 2018
Climate Change Response Strategy	Reviewed and Adopted	
Pound Policy	Reviewed and adopted	28 November 2018
Public Library Policy	Reviewed and Adopted	04 August 2017
Indigent Policy	Reviewed and Adopted	04 August 2017
Recreational Facilities Policy	Reviewed and Adopted	04 August 2017
Coastal Management Policy	Reviewed and Adopted	04 August 2017
Waste Tarrif Policy	Adopted	04 August 2017
Ranking Space Allowance Policy	Adopted	04 August 2017
Security Operating Standards Policy	Adopted	04 August 2017
ENGINEERING SERVICES		
SECTOR PLAN/POLICY	PLAN/POLICY STATUS	DATE OF ADOPTION BY COUNCIL
Road Master Plan	Reviewed and Adopted	04 August 2017
Storm Water Management Plan	Reviewed and Adopted	04 August 2017
Comprehensive Infrastructure Plan	Reviewed and Adopted	04 August 2017
Integrated Transport Plan	Reviewed and Adopted	04 August 2017
Operations & Maintenance	Reviewed and Adopted	04 August 2017
Foot Ways Policy	Reviewed and Adopted	04 August 2017
EPWP Policy	Reviewed and Adopted	04 August 2017
ISD Policy	Reviewed and Adopted	04 August 2017
SIPDM Policy	Reviewed and Adopted	04 August 2017
BUDGET & TREASURY		
SECTOR PLAN/POLICY	PLAN/POLICY STATUS	DATE OF ADOPTION BY COUNCIL
Revenue Enhancement Strategy	Reviewed and Adopted	04 August 2017
Asset Management & Disposal Policy	Reviewed and Adopted	30 May 2019
Supply Chain Management Policy	Reviewed and adopted	
Municipal Annual Budget 2018/2019	Reviewed and adopted	30 May 2019

Irregular, Unauthorised, Fruitless and Wasteful Expenditure	Reviewed and Adopted	30 May 2019
Cash Management and Investment Policy	Reviewed and Adopted	30 May 2019
Accounts Payables Policy	Reviewed and adopted	30 May 2019
Budget and IDP Policy	Reviewed and adopted	30 May 2019
Petty Cash Policy	Reviewed and adopted	30 May 2019
Credit Control & Debt Management Collection Policy	Reviewed and adopted	30 May 2019
Tariffs Policy	Reviewed and adopted	30 May 2019
Property Rates	Reviewed and adopted	30 May 2019
DEVELOPMENT PLANNING		
SECTOR PLAN/POLICY	PLAN/POLICY STATUS	DATE OF ADOPTION BY COUNCIL
Spatial Development Framework	Reviewed and adopted	04 August 2017
LED Strategy	Reviewed and adopted	04 August 2017
Housing Sector Plan	Reviewed and adopted	04 August 2017
Tourism Sector Plan	Reviewed and adopted	04 August 2017
Contractor Development Policy	Reviewed and adopted	04 August 2017
Funding Policy	Reviewed and adopted	28 November 2018
Housing Policy	Reviewed and adopted	28 November 2018
Land Disposal Policy	Reviewed and adopted	28 November 2018
Geographic Information System Strategy	Reviewed and adopted	04 August 2017
Integrated Land Use Scheme	Reviewed and adopted	04 August 2017
Land Use Management System	Reviewed and adopted	04 August 2017
Outdoor Advertising Policy	Adopted	28 November 2018
SMME Plan	Reviewed and adopted	04 August 2017
Agricultural Plan	Reviewed and adopted	04 August 2017

13 MUNICIPAL ANNUAL BUDGET FOR 2020/2021 – 2023

Part 1 – Annual Budget

Mayor's Report

The council of Mbizana Local Municipality, as elected during the 2016 Local Government Elections, has a responsibility of ensuring that basic service delivery is provided for all within its jurisdiction. This is the provision of the Constitution of the Republic of South Africa which is the supreme law of the land. The Municipal Finance Management Act No. 56 of 2003, section 16, provides that a municipality must compile an annual budget before the start of the financial year. A draft budget must be tabled 90 days before the start of the budget year was duly adhered to by the municipality for the 2020/21 Annual Budget, the draft budget was tabled to council on March 26th, 2020. That draft budget was in response and compliance to the afore-mentioned prescripts. This budget was then taken to communities for consultation where comments were solicited and incorporated when this final budget was being prepared for council to approve at least 30 days before the start of the budget year.

The municipality's development priorities are basic service delivery (Roads, storm water management, electrification, housing, land use management, educational facilities, community services, recreational facilities and related matters) and Local Economic Development (agriculture, farming, forestry, tourism development, SMME support, Business, trade and manufacturing).

a) Water and sanitation backlogs

The estimated backlog for water service delivery is 44 479 91 households with no access to tap water, and 5% have access to tap water below RDP standard while 3.1% households have access to water on RDP standard and above. The Alfred Nzo District Municipality has taken proactive action to develop a strategy and plan for water and sanitation backlog eradication. The Alfred Nzo District Municipality is currently implementing a number of projects to eradicate water and sanitation backlog

The following tables illustrate the projects that are currently on feasibility and implementation stage in order to eradicate water and sanitation backlogs.

- The Greater Mbizana WS project is divided into 17 supply zones

- A service provider has been appointed by ANDM to prepare a project feasibility/technical report for reticulation of villages that could be supplied from the Phase 1 Bulk Water Scheme implemented by Umngeni Water
- The estimated cost for the bulk water supply (including secondary bulk) for the entire Mbizana is R 3 5 billion
- The estimated Phase 1 reticulation cost is R 848 million, broken down into Phase 1 A at R 353 Million and Phase 1 B at R 495 Million
- Phase 1 reticulation will cover 9 supply zones out of 17 supply zones

In Mbizana, the current implementation of the Greater Mbizana Regional scheme will take care of at least 85 backlogs after completion and connection to the existing infrastructure. According to the District Municipality, Mbizana has a total backlog of 31 146 households with no access to Sanitation which translates to 64 34. The estimated backlog for RDP sanitation service delivery is 17423 36 households with no access RDP Sanitation, and 31146 64 have access to RDP Sanitation (Ventilated Improved Pit latrines (VIP Toilets)). Out of 31 wards only 8 wards with no sanitation services.

b) Road Maintenance backlogs

Due the bad conditions of access roads in the entire municipal area, the municipality moved towards insourcing the maintenance of these roads by acquiring own plant. This is an attempt to maximize the available resources to ensure we maintain as much roads as possible while creating enough capacity within the municipality. The municipality has allocated over R14.7 million within the next year to support the municipal plant in the maintenance of road infrastructure.

The municipality has in the past three financial years purchased internal plant consisting of Grader, Roller, Water Cart, Tipper trucks, and a fuel tanker that will be utilised for the rehabilitation and maintenance of existing gravel access roads.

This has unfortunately not delivered as was expected with a number of challenges including the work ethic of the municipal personnel and lack of monitoring mechanisms that have proven to be a necessity if this initiative is to yield the maximum results expected.

EPWP contract labourers to maintain the storm water drainage and also to fix the small to medium potholes within our CBD roads are being utilized with the municipality supplying the necessary equipment and material.

It is planned that a total of 150m² of pothole patching will be completed by the end of the current financial year as the service provider was appointed earlier in the financial year. In 2020/21 financial year, 190m² is planned to be maintained using both service providers and internal plants.

c) Electrification backlogs and planning

In conjunction with Eskom the Municipality has managed to reduce electricity backlogs from 19000 (39 %) households in 2011 to 8947 (20%) in 2018. This backlog will be further reduced once the on-going projects are completed.

The municipality and Eskom did a 5 year electrification master plan which when completed the municipality would have reached a universal access within its area of Jurisdiction. Once the projects that are currently under implementation are completed the municipality will be left with a backlog figure of approximately 8 139 households with no electricity.

There is a general increase of electricity demand in Mbizana as new households are constructed at a rapid pace than would have been anticipated. It is against this that the INEP Allocation for 2020/21 will be utilized to implement and complete two major projects that are currently being implemented by Eskom where additional households are anticipated to popup as experience over the years has taught us. The municipality's electrical capacity has also been under pressure in the past financial years hence the allocation as well to upgrade our MVA line during the 2019/20 financial year. The project has not moved as anticipated due to some challenges in getting some approvals from Eskom. It is however anticipated that the project will be completed within the year budgeted in.

d) Environmental, coastal and waste management

The municipality as a coastal municipality has a responsibility to develop an Integrated Coastal Management Program (ICMP) which has been developed and adopted by the councils, both Mbizana Local Municipality and Alfred Nzo District Municipality.

Integrated Waste Management Plan was completed and adopted by Council and has been sent to MEC for approval. The municipality gazetted refuse Removal & sanitary by-laws which are currently being reviewed as per the NEMWA.

The Mbizana Local Municipality has adopted a climate change strategy which has been included in the IDP. Waste management service is being provided in businesses at an interval of 4 days a week utilising 3 compactor trucks, permanent employees and EPWP and a total 557 billed businesses and households as well as 989 households receiving our free refuse collection services.

The municipality provides refuse removal service to 1546 households in town, 204 small businesses and 52 big businesses including government departments. The services has also been extended outside the CBD i.e in Governmental institutions and businesses such as Greenville hospital, Mzamba Police Station, Kubha Service Station, Wild Coast taxi rank, Red Hub Business Emagusheni centre, Zamokuhle Special school, Nompumalanga Special School, Vukuzenzela Special School, Siteto TVET, Seaview business hub Some of the institutions like clinics have hired private service providers for collection but they are obliged to use a municipal dumping site for disposal Planned projects programmes. There is 1 licensed landfill site (GSB type) which is still under construction.

1 Dumping site which will be rehabilitated for closure as soon as the Majazi landfill site is operational which is still under construction after some delays due to contractual disagreements between the implementing agent and the service provider appointed. That process has since been finalized and a new service provider was appointed and introduced to the municipality, however the construction has not commenced due to social issues within the area that are still being attended to.

The municipality supports recycling initiatives in town while the refuse and sanitary by-laws are under review in preparation for the 2020/21 budget year.

e) Local economic development

The following plans were developed, adopted by council and are being implemented:

- LED strategy
- Tourism Plan
- Agricultural Plan
- Spatial Development Framework.

The municipality also initiated Contractor Development programme which has proven to be fruitful and helpful to the emerging contractors even though the project was discontinued due to a number of teething challenges identified. There is however a plan to revive the programme while addressing the issues that lead to it being discontinued.

A total of 16 enrolled contractors were provided with job opportunities, 12 contractors graduated from Grade 1 to different grades up to Grade 6, 40 contractors were trained on Project Management, Tendering Processes, Quality Management Systems, Occupational Health and Safety, and Contracts Management

The Municipality had funded 2 Anchor projects with equipment and machinery and are still fully functional and operating.

- **Kati kaBizwayo**
- **Luvolwam Steel project**

WILD COAST N2 TOLL ROAD

SANRAL appointed Academy for the Construction Skills (ACS) to recruit contractors that will be on learnership program for a period of two years.

LTA Grinaiker JV STRABAAG were appointed and introduced to execute Mtentu bridge construction which has since been halted after the appointed service provider withdrew from the contract citing various reasons for doing so.

f) Tourism and Agriculture

The tourism plan was developed and currently under execution. Mbizana Municipality in partnership with ECPTA, Wild Coast Sun and South Coast Tourism have signed a MOU for the promotion and marketing of tourism.

The Municipality has purchased paddle boats and mountain bikes for Mzamba Ndikini tours which is operating in Mzamba area as part of tourism development.

RED HUB:

This was funded by ECRDA and Facilitated by Mbizana Local Municipality and Alfred Nzo District Municipality. This is a Agro-processing business that has 14 primary Cooperatives and one secondary with 759 Beneficiaries and has employed 54 people in various Departments.

- Five small scale farmers have been funded with an amount not exceeding R100 000 per project.
- Eight Income Generating Projects have been supported with Agricultural Inputs.

The CWP programme is implemented in 19 wards with 1564 participants and the funding allocated for this programme was R16 518 296.00.

The following wards (04,05,06,07,08,12,13,15,17,18,19,20,22,23,26,27,29,30 and 31) have Agriculture, construction and social sectors

g) Land use and spatial planning

Settlement patterns in Mbizana still reflect, to a large extent, spatial planning of the Apartheid past. The current structure and spread of rural settlements and households therein makes it difficult for the municipality to provide services in an effective and efficient manner.

The municipality has made strides in redressing the imbalances of Apartheid spatial planning in identifying and providing basic services in those areas that were ignored in the past. Land claims still poses a challenge in development of some areas in town, but municipality is in talks with CPAs to resolve those issues.

h) Electrification of villages

At the beginning of the 2018/19 year, the municipality had no additional funding to use in the electrification related projects other than the indicated INEP allocations which initially stood at R25 million for the 2018/19 financial year but were later revised to R32.6 million during re-gazetting from which the following projects are being implemented.

The Mbizana Local Municipality has in the recent past strived to ensure that electricity is rolled out to a number of villages. This has seen the electrification of the following villages in the 2018/19 financial period which were completed and energized: -

Project Name	Allocated amount	Funding Source
Electrification of Mampingeni, Swane Giniswayo, Lucwaba	R 15 996 381.00	INEP
Electrification of Diphini, Mandlobe, Madada, Sgodlweni	R 10 492 197.50	INEP
Electrification of Mdikisweni, Ukhalo, Pelepele	R 11 096 491.20	INEP
Electrification of Monti-Ntlozelo	R 46 197 350.26	INEP
TOTAL	R 83 782 419.96	

This was still however less than the amounts required to complete projects with the municipality topping up with its own resources to ensure these are completed within stipulated times. This resulted in the electrification of 1250 households when the projects were completed.

During the electrification projects implementation, it has become common practice that new houses would be built and require connection before the contractors can be moved out of site. Some of these additional households are normally within the permitted 20% maximum variation orders but the following projects had to be broken into phases, with each phase following its own procurement process. Below are the projects that required additional funding to be allocated for the 2019/20 financial year as well:

Project Name	Allocated amount	Funding Source
Electrification of Diphini, Mandlobe, Madada, Sgodlweni	R 3 123 677,60	INEP
Electrification of Mdikisweni, Ukhalo, Pelepele	R 2 683 687,50	INEP
TOTAL	R 5 807 365.10	

For the next three years the municipality will continue to depend on the INEP electrification grant to implement the projects prioritized to strive towards universal access within the municipality. The allocations for the next budget year have been prioritized according to the following projects which are all anticipated to be completed by the end of 2020/21:

Project Name	Allocated amount	Funding Source
Electrification of Mabhekuteni Village	R 14 000 000	INEP
Electrification of Villages in ward 28	R 15 286 000	INEP
TOTAL	R 29 286000	

The implementation of these two projects in conjunction with Eskom projects is expected to reduce the backlogs drastically bringing the municipality very close to universal access which is anticipated to be achieved by 2022/23.

i) Infrastructure development

The municipality also receives a Municipal Infrastructure Grant for the construction of infrastructure assets that enhance service delivery to all communities. The total amount to be received of just above R 48 million has been allocated as follows: -

NAME OF PROJECT	BUDGETED AMOUNT	
Mphuthumi Mafumbatha Stadium	R 8 920 785.08	MIG
Mbizana Civic Center	R 9 250 763.93	MIG
Construction of Sijingi to Manguga AR Via Methodist	R 3 900 000.00	MIG
Construction of Ebumnandin to Nqabeni S.S.S AR	R 5 875 000.40	MIG
Construction of Lubekele AR	R 8 100 000.35	MIG
Construction of Mqonjwana to Greenville AR	R 4 800 000.35	MIG
Construction of Gabisa via Makhosonke to Lekhewini AR	R 4 800 000.00	MIG
Construction of Extension 04 Bridge	R 1 000 000.00	MIG
	R 46 646 550.10	

The compilation of the 2020/21 annual budget has also taken into consideration the following key considerations that impact directly to our communities: -

Repairs and Maintenance of Infrastructure and other municipal assets: The municipality has the understanding that at least 8% of its budget must be set aside for the repairs and maintenance of the existing infrastructure. As part of its drive to ensure that road infrastructure assets are maintained adequately, earthmoving plant has been acquired over the past three years so that the municipality would be able to carry out its own repairs and maintenance. Planned maintenance of rural roads and CBD roads has also been planned to be done internally using labor intensive methods while budgeting for procurement of materials and tools to carry out this task. There is however an additional allocation to supplement the internal mechanisms to fast track rural and CBD road maintenance of up to R17.4 million. A further R4

million has been set aside for the maintenance of municipal buildings and another R3.8 million for the maintenance of municipal vehicles and plant.

Legacy programmes : The municipality prides itself of being the home of the legendary struggle icons for the freedom of the people of South Africa, Oliver Reginald Tambo and Nomzamo Winnie Madikizela-Mandela. It is a live conviction of this council to ensure that their legacy lives for the generations to come. It is not the wish of this council to only celebrate through events but tangible legacy projects that will ensure that our claim and ownership of these international icons is validated. A budget allocation of R1.3 million has been provided for these important activities.

Public participation: Municipality will continue to embark on community education programs in all wards in order to capacitate our communities on their role during public participation/ hearings on municipal documents. Capacitation of ward committees will also continue getting attention in an attempt to ensure coordinated servicing of our communities as structures closer to people. Program of revival and support of ward war rooms will continue this financial year as part of strengthening community and stakeholder involvement on government programs. An amount of R6.3 million has been set aside for this.

IDP and performance management: Council will continue to ensure that our IDP maintains its high credibility status through enhancing maximum public participation of all role players. We will continue to ensure that our mission of promoting and ensuring a culture of performance excellence is achieved at all costs. Although resources are very limited, these important planning and monitoring tools have been budgeted for at R836 thousand.

Special Programs and Sport Development: Council will always contribute in changing lives of our special groups, our focus will be towards improving education in our region through supporting educational improving initiatives, we will also be strengthening capacity to community-based structures that assist particularly in fighting violence and crimes targeting our elderly, children and women. We will continue to ensure that our council educates our communities on rights of people with disabilities and support initiatives that combats discrimination against them. An amount of just above R6.2 million has been set aside for these special groups.

Implementation of SPLUMA: Implementation of the act and running of the municipal tribunal and payment of the members to sit in the tribunal. The municipal council taken a decision to continue utilizing the district

tribunal. The tribunal will consider development applications that will in turn increase the revenue base. We trust that the R104 thousand set aside as well for this purpose will be sufficient.

Geographic Information System (GIS): Acquisition tool to assist to improve the immovable asset. It is the compliance issue for spatial analysis. This will also assist in the identification of municipal assets and their locations. An amount of just above R182 thousand has been set aside for this.

The Annual Budget as compiled by the municipality seeks to address the imperatives as set out in the Integrated Development Plan and the indicated Delivery Agreement – outcome 9, which is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The Mbizana Local Municipality annual budget and the Integrated Development Plan therefore seeks to ensure that the service delivery priorities as mandated by the constitution like electricity, roads, solid waste removal are provided to the communities. This is done at the same time whilst ensuring co-ordination of other organs of state like the District Municipality for the provision of water and sanitation and other provincial departments for respective services to the communities.

13.1 Council Resolutions

The Council of Mbizana Local Municipality seat on the 26th of March 2020 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2020/21 and the Medium-Term Revenue and Expenditure Framework. The council then considers the following resolutions which will

become final when the budget is approved. The council of Mbizana Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts: -

- a. The annual budget of the municipality for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:
 - i) Budgeted Financial Performance (revenue and expenditure by functional classification);
 - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - iii) Budgeted Financial Performance (revenue by source and expenditure by type); and
 - iv) Multi-year and single-year capital appropriations by municipal vote and functional classification and associated funding by source.

- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - i. Budgeted Financial Position;
 - ii. Budgeted Cash Flows;
 - iii. Cash backed reserves and accumulated surplus reconciliation;
 - iv. Asset management; and
 - v. Basic service delivery measurement.

- c. The Council of Mbizana Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the following proposed tariffs with effect from 1 July 2020:
 - i) the tariffs for property rates
 - ii) the tariffs for electricity
 - iii) the tariffs for solid waste services
 - iv) Other municipal charges

- d. The Council of Mbizana Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the proposed tariffs with effect from 1 July 2020 the tariffs for other services, as set out in the paragraphs on tariffs;

- e. To give proper effect to the municipality's annual budget, the Council of Mbizana Local Municipality approves:
 - i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.

- f. To enable the proper implementation of the municipality's budget, the council of Mbizana Local Municipality approves the following budget related policies;
- i) The IDP and Budget Policy
 - ii) Credit control and debt collection policy
 - iii) Property Rates Policy
 - iv) Supply Chain Management Policy
 - v) Tariff Policy
 - vi) Asset Management Policy
 - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
 - viii) Cash Management and Investment Policy
 - ix) Contract Management policy
 - x) Debtors write-off policy
 - xi) Indigent policy
 - xii) Contract Management policy
 - xiii) Retention policy
 - xiv) Cost Containment Management policy

13.2 Executive Summary

This budget has been prepared in compliance with the municipality's service delivery mandates and in compliance with the requirements set by national government to ensure sustainability of local government. The budget proposes the affordability levels of the municipality based on the realistically anticipated revenues. There has also been a need to consider the effect of Covid-19 on the way the municipality does business during this period and beyond. Based on the current information and the anticipated financial impact of this pandemic the municipality like any other institution must expect a decline in its revenue collection capacity which must be countered with realistically financial planning and highest levels of discipline in implementing programs of the municipality.

Several institutional policies require a serious review to ensure relevance to the new ways of doing business which have been introduced by a number of government regulations in support of the national disaster resulting from the Covid-19 global pandemic as well as the municipality's planning documents.

The implementation of this budget will also require that the municipality's organisational structure be reviewed to ensure the critical new positions are included, the need for some of these has substantially grown looking at how things will need to be done into the future.

Covid-19 combating and readiness has required that the municipality set aside financial resources amounting to over R2.2 million for the 2020/21 budget year to procure PPE, cleaning of municipal premises, procurement of equipment and its maintenance.

13.3 Previous years audit outcomes

The municipality has, in the recent years, ensured that there are improved audit outcomes. This has been a concerted effort between the municipality's council and the management in ensuring that there are improved internal controls, historical issues and disparities in the reported information are dealt with and cleared, and that accounting records and procedures are carried out at appropriate intervals. This has seen the municipality receiving unqualified audit opinions since 2015/16 to 2018/19 financial years. The municipality intends to improve on these achievements and avoid regression at all costs including the formation of a clean audit committee that is tasked with monitoring the implementation of the audit action plan as proposed by management and adopted by council.

13.4 mSCOA Implementation

The National Treasury issued a government gazette in 2014, directing that a Municipal Standard Chart of Accounts – mSCOA – would be used by all municipalities from July 01, 2017. This meant that all municipalities will have a common set of accounts from which to choose from, instead of each municipality having its own chart of accounts. This will result in a seamless reporting regime where information from all municipalities can be compared. The introduction of the business reform has meant that management needed to acquaint itself with the requirements and legislations that were meant to ensure implementation of mSCOA by July 01, 2017. The municipality complied with this requirement and the migration from the old system to the new system was done seamlessly with the assistance of the municipality's system vendors.

It is important to note that this did not represent a new system, but rather an introduction of a more detailed and streamlined way of doing business, starting from planning, where it guides you to do proper planning, informed by adequate costing. mSCOA also encourages revenue and expenditure items to be identified for what they really are and not grouped together with no detailed planning and calculation behind. We will now

be able to identify the true cost of the projects that the municipality engages on, and be able to identify, from early on, the communities that stand to benefit from those projects.

Mbizana Local Municipality is no different and has ensured that measures are put in place to ensure compliance. It is therefore important to note that we have made all efforts to ensure that the budget that will be approved is mSCOA compliant.

13.5 The impact of mSCOA on the virement policy

Earlier treasury circulars highlighted the principles that must be incorporated into municipal virement policies. Those principles are still applicable and relevant. The only difference is that a transaction in mSCOA relates to six regulated segments, therefore all segments must be considered when making a virement. As a result of this we have had to review and update our reference to “vote” to align to the function segment and indicate the funding applicable to the item being transferred in relation to the funding segment. This therefore means that with the implementation of mSCOA, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects and savings across functions can only take place through an adjustment budget. Virements are not permitted from the repairs and maintenance project in the project segment.

13.6 Clarification of core and non-core functions

Core functions provides for the matters in terms of section 156 (1) of the Constitution. These are functions performed by local government and constitutionally assigned to local government in terms of Part B of Schedule 4 and Part B of Schedule 5. Non-core functions performed by local government that are constitutionally assigned to provincial government in terms of section 156(4) of the Constitution. Local government are compensated for delivering these functions on behalf of provincial government and typically receive a management fee from the provincial department.

Version changes

Version 6.4 as released with this circular, will be effective from 2020/21 and has been used to compile the 2020/21 MTREF and is available on the NT website;

By now, all municipalities should:

- Have acquired, upgraded and maintain the hardware, software and licences required to be and remain mSCOA compliant;
- Budget, transact and report on all six (6) legislated mSCOA segments and directly on the core financial system and submit the required data strings directly from this system to the LG Portal;
- Lock down the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the LG portal;
- Closed the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the LGportal; and
- Generate regulated Schedules (A, B, C) directly from the core municipal financial systems.

Municipality that have not achieved the above level of implementation as yet, should do the following:

- A road map must be provided to the National and respective provincial treasury to indicate how the municipality will be become mSCOA compliant;
- The municipality's mSCOA Project Steering Committee (chaired by the Accounting Officer) must meet at least monthly (if not more often) to track the progress against the road map and take corrective action where required;
- Provincial treasury should be invited to the mSCOA Project Steering Committee meeting; and
- Progress against the road map should be presented at the Mid-Year Budget and Performance and Budget Benchmark engagements.

Municipalities are reminded to follow the required due diligence processes in terms of MFMA Circulars No. 80 and 93 and mSCOA Circulars No. 5 and 6 when they procure a core financial system. If the procured system will impose financial obligations on the municipality beyond the three years covered in the MTREF budget, then the provisions of Section 33 of the MFMA should be adhered to.

SLAs with system vendors must also be managed properly.

The NT will conduct independent audits on all municipal core financial systems in 2020 to determine to what extent these systems comply with the functionality requirements and 15 business processes required in terms of mSCOA. These results will also inform the new transversal tender for the procurement of municipal financial and internal control systems

Cashflow budgeting

In the interim, categories B and C municipalities that have not procured investment, borrowing or performance management modules, will have to prepare and submit their quarterly Investment Monitoring and Borrowing Monitoring data strings to the Local Government Portal manually.

Cash flow information presented on Table A7 of Budget Schedule A and Table B7 of Adjustments Budget Schedule B did not reconcile to the corresponding data strings for the past two financial years. One of the contributing factors to this was the errors in the linkages in the segment item: asset and liabilities on the LGt Database. NT has now corrected these linkages in the segment item: asset and liabilities

13.7 The South African Economy and Inflation Targets

In 2020, global economic growth is expected to strengthen to 3.3 per cent. Global inflation remains contained. Global monetary policy is supportive, and we are benefiting from demand for emerging market assets. Asia (excluding Japan) is expected to grow by 5.8 per cent in 2020. The Coronavirus is a source of uncertainty to this forecast.

With growth of 3.5 per cent, sub-Saharan Africa is forecast to be the second-fastest growing region in the world. Against this backdrop the National Treasury forecast that the South African economy will grow by 0.9 per cent and inflation will average 4.5 per cent in 2020.

Over the next eighteen months, the economy is expected to get a number of jump starts.

These include, amongst others:

- The fruits of the reform agenda led by the President
- Lower inflation
- The interest rate reduction earlier this year
- The recent gains in platinum group metals prices
- The impending change to the electricity regulatory framework
- The tax proposals we are setting out today

Persistent electricity problems will, however, hold back growth and the municipality is unfortunately not immune to this problem. Over the next three years, it is expected that growth will average just over 1 per cent. Therefore, a stable supply of electricity should be the country and the municipality's number one priority.

The Medium-Term Budget Policy Statement (MTBPS) tabled by the Minister of Finance on 30 October 2019 presented a difficult global and domestic environment – the global growth forecast is the lowest since the 2008 financial crisis and is weighed down by mounting trade tensions and political uncertainty.

Over the past year, economic growth has been weaker than forecasted and is only expected to reach 0.9 per cent in 2020. NT has published a discussion paper (Economic Transformation, Economic Growth and Competitiveness) which proposes a number of economic reforms that might boost GDP growth over the medium to longer term.

South Africa's biggest economic risk is Eskom. On-going problems with Eskom's operations continue to disrupt supply of electricity to businesses and households, a key ingredient to economic growth. The 2020 MTEF includes large reductions in planned transfers to municipalities – particularly urban municipalities. As a consequence of these reductions, municipalities are required to reprioritize projects - e.g. PTNG has funded 13 cities over the past 10 years and that number has been reduced to 10 cities for the 2020 MTEF.

Allocations to local government (Equitable Share) subsidize the cost of providing Free Basic Services (FBS) to the poor and this funding is formula driven based on the number of poor households per municipality.

The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period. Conditional grants to be utilized for the intended purpose, within timeframes specified in the annual Division of Revenue Bill. Unspent funds to be returned to the fiscus and requests for rollovers will only be considered in extenuating circumstances.

Government is also working with municipalities to increase their revenue raising potential. The Municipal Fiscal Powers and Functions Amendment Bill, which will be tabled shortly, will standardise the regulation of development charges. DoE will complete an electrification master plan to guide the future allocation of funds between the Eskom, municipal, and non-grid components of the INEP. The Department of Transport will establish a national database for all road traffic and condition data to inform the prioritisation and monitoring of road maintenance across all roads.

The main risks to the economic outlook are continued policy uncertainties and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also

consider its impact on revenue generation. In this context, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

Budget Assumptions

The municipality’s final budget has not anticipated any new revenue streams for the budget year and the medium term. This means the municipality will continue its dependency on the national fiscus. This is also impacted by the municipality’s topography which is unfortunately rural with very little revenue base.

The NERSA guiding letter on the electricity tariffs has been assumed to be final for the purposes of this budget finalisation and the approval of tariffs will be based on that, however the bulk purchases increase has been left at the initial 8.1% as the draft budget to safeguard the municipality against both increase in demand and actual increases that will be approved for Eskom should they be successful in their bid to get higher increases that currently being offered by NERSA.

The impact of Covid-19 is expected to be felt for the whole of 2020/21 with expenditures being incurred by the municipality for the period and beyond.

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality’s performance in the previous financial years, and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No. 98 and 99. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year	2019 Estimate	20/20 Forecast	2021 Forecast	2022 Forecast
Consumer Price Inflation - CPI	4.1%	4.5%	4.6%	4.6%

This means that any increase in the tariff increases and expenditure forecasts beyond the 3 - 5% need to be comprehensively motivated and explained. This means that to a large extent, some trading services remain heavily subsidized by other sources of revenue, a situation which needs to be changed as the council and management comes up with strategies of addressing this. It is clear for example that the solid waste removal is still heavily subsidized by other sources of revenue and the tariffs for this service cannot just be shot up as this would be inconsiderate and unaffordable for the communities served by the municipality.

The following are the key budget assumptions used to prepare the final budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 6.23% increase on electricity tariffs
- b) 8.1% increase on Electricity Bulk purchases
- c) 6.25% provision for employee costs which is in line with SALGBC Circular no. 2/2020
- d) 4.5% for all other expenses, and
- e) 4.9% for most revenue municipal Tariffs

13.8 Revenue budgeting

There is a need for municipalities to focus on collecting revenues owed to them, and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities that expenditure is limited to the maximum revenue collected and not spend on money that they do not have. Municipalities are required to justify all increases in excess of the projected inflation target for 2020/21 in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities not attaining their desired collection rates. It is essential that municipalities pay attention to reconciling the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate.

13.9 Setting Cost reflective Tariffs

Cost reflective tariff setting is a requirement of Section 74(2) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) which states that tariffs must “reflect the costs reasonably associated with rendering the service”.

An exercise was undertaken by NT to bring certainty when setting tariffs - tool and guide has been developed and it caters for all categories of municipalities. The emphasis is on setting tariffs for the four trading services namely water, sanitation, electricity and solid waste. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website. Setting cost reflective tariffs is the start to improved budgeting and financial sustainability.

Many municipalities have very high levels of Non-Revenue Water (NRW), and some also have high levels of Non-Revenue Electricity (NRE). NRW and NRE can be broken down into ‘technical’ and ‘non-technical’

losses*. Reducing technical losses can reduce the tariffs required because the cost of supplying the service will be reduced

13.10 The Public Consultations

As detailed in the later paragraphs, the municipality consulted with the communities in relation to this budget and their inputs incorporated before finalization and final approval by council. The annual budget as compiled for the 2020/21 financial year and the MTREF therefore addresses priorities as per the IDP consultation processes, bearing in mind the limited resources that the municipality has at its disposal. As indicated in earlier paragraphs, the leading need by the communities is electrification and access roads, the budget is biased towards these. The budget also endeavors to allocate resources for construction and maintenance of access roads that ensure communities have access to schools, clinics and other basic necessities. Sport development is crucial for social cohesion, and central to this is the construction of infrastructure that would ensure that youths in the communities have access to sporting facilities. The budget therefore allocates resources to such, as prioritized by communities.

13.11 Policy Review

The municipal council has reviewed a number of policies, proposing amendments to these policies and these are detailed in the later paragraphs in more detail. Most of the adjustments that have been proposed are necessitated by developments and changes in the requirements of key regulatory institutions like the National Treasury and the South African Revenue Services.

The preparation of the budget has relied mainly on the statistics as provided in the Census of 2011 and the recent release. Although this has been the basis, we have kept in mind the growth of communities we serve within the municipality through recent community surveys. The assumptions utilized in the compilation of this budget have also been based on the guidance provided by the National Treasury on the inflationary indicators to be utilized. The guidance has also touched on the requirements and expectations from the National Energy Regulator of South Africa (NERSA) on the percentage increase that can be effected on electricity tariffs.

13.12 Measurable Performance Objectives and Indicators

As part of the IDP and budget compilation process, management has identified the strategic objectives and performance indicators that would enable the municipality to achieve on the mandated powers and functions.

These have been set out in the IDP with measurable performance indicators, and the budgeted amounts for the 2020/21 financial year and the two outer years. This information has further been detailed more in the draft Service Delivery Budget Implementation Plan for the 2020/21 financial year which must be approved by the Mayor at least 28 days after the adoption of the budget. The objectives have further been provided with projects that will be implemented to achieve the set targets and these projects have been supported by project implementation plans for each of the projects.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 MTREF

MBIZANA LOCAL MUNICIPALITY										
	CURRENT YEAR			MTREF						
Row Labels	Adjusted Budget		2020	Final Budget 2021	Sum of Forecast 2022	Sum of Forecast 2023				
	Total Budget 2020									
Revenue	-	437 587 018.00	-	442 198 143.11	-	446 076 636.80	-	474 776 820.67	-	507 768 164.15
Property Rates	-	24 796 262.00	-	24 796 262.00	-	25 188 979.07	-	26 398 050.05	-	27 665 156.46
Service Charges-Electricity	-	37 474 645.00	-	35 474 645.00	-	34 478 957.61	-	36 214 571.94	-	40 493 042.59
Service Charges-Refuse	-	4 592 042.00	-	4 592 042.00	-	4 437 207.47	-	4 650 190.34	-	4 873 396.24
Rental from Fixed Assets	-	950 384.00	-	2 258 074.00	-	2 850 617.06	-	2 981 745.44	-	3 118 905.73
Interest -external investments	-	9 617 289.00	-	9 917 289.00	-	10 363 567.01	-	10 840 291.09	-	11 338 944.48
Interest -outstanding debtors	-	4 213 965.00	-	4 213 965.00	-	4 403 593.43	-	4 606 158.72	-	4 818 042.02
Fines Penalties and Forfeits	-	2 136 422.00	-	936 422.00	-	948 092.35	-	991 704.59	-	1 037 323.00
Licences or Permits	-	2 413 135.00	-	2 637 185.28	-	2 755 858.62	-	2 882 628.11	-	3 015 229.01
Agency Services	-	1 295 000.00	-	1 295 000.00	-	1 217 947.50	-	1 273 973.09	-	1 332 575.85
Transfers and Subsidies	-	348 439 000.00	-	354 565 579.85	-	357 961 857.63	-	382 383 405.08	-	408 462 929.71
Other Revenue	-	1 658 874.00	-	1 511 678.98	-	1 469 959.07	-	1 554 102.21	-	1 612 619.05
Grand Total	-	437 587 018.00	-	442 198 143.11	-	446 076 636.80	-	474 776 820.67	-	507 768 164.15
Expenditure		435 560 646.00		473 389 944.00		423 189 871.81		402 357 226.31		427 113 151.43
Employee Related Cost		109 569 673.00		109 368 247.00		120 139 887.59		127 710 618.97		135 979 301.53
Remuneration of Councillors		25 263 190.00		24 263 190.00		25 035 662.81		26 037 089.32		27 078 572.90
Depreciation and Amortisation		50 871 546.00		50 871 546.00		52 581 035.02		55 000 055.51		57 530 873.50
Provision for debt Impairment		2 631 016.00		2 631 016.00		4 500 000.00		4 716 000.00		4 942 368.00
Finance Cost		400 000.00		400 000.00		150 000.00		152 300.00		154 810.40
Bulk Purchases		35 274 121.00		33 274 121.00		31 896 016.41		33 554 609.27		36 540 969.49
Inventory Consumed		8 020 016.00		8 065 538.00		7 677 432.09		7 361 153.97		7 699 767.05
Contracted Services		90 383 060.00		96 113 128.00		110 403 456.42		70 327 405.02		76 223 709.03
Transfers and Subsidies		1 129 591.00		1 529 591.00		1 834 540.00		1 678 348.84		1 755 552.89
Operational Cost						850 000.00		251 840.00		253 764.64
Other expenditure		71 472 334.00		71 327 468.00		68 121 841.48		75 567 805.41		78 953 462.01
Gains and losses		40 546 099.00		75 546 099.00		-		-		-
Grand Total		435 560 646.00		473 389 944.00		423 189 871.81		402 357 226.31		427 113 151.43
Surplus/Deficit	-	2 026 372.00		31 191 800.89	-	22 886 764.98	-	72 419 594.36	-	80 655 012.72
Available to fund Capital Budget	-	96 075 033.00	-	97 856 860.11	-	79 967 800.00	-	132 135 649.87	-	143 128 254.22

The table above shows the summary of the draft budget for the 2020/21 financial period with the outer years. The table shows that the expected revenue for the 2020/21 financial year adds up to just above R446 million.

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 80% of the municipality's anticipated revenues which is an increase from 79.86 in the prior year with other sources anticipated to generate only 20% which means the municipality has very little resources to spend without prescribed conditions. This has a potential to limit the municipality in terms of the programmes it would like to implement to improve the lives of the people of Mbizana. The overall increase in revenue is below 1% which is in line with the national performance as well where the country

has seen growth less than 1% and negative in some sectors. This will unfortunately continue as the world at large continues to experience situations that have a potential of collapsing economies.

Electricity and refuse removal service charges show a decrease due to the anticipated impact on revenue generation from these sources as businesses are expected to operate at less than their normal capacity for the foreseeable future as a result of Covid-19, a phenomenon referred to as “*the new normal*” which we must all gear to operate in.

The same goes applies to agency services and licensing on motor vehicles as these will continue being impacted by the limited numbers that will continue to be imposed as the government continues to enforce social and physical distancing.

There is an opportunity though on the trading licenses that the municipality will need to explore as more people have been forced to go to the municipality to get trading licences which has also forced more people to show themselves as traders who might not have been trading legally.

MBIZANA LOCAL MUNICIPALITY					
	CURRENT BUDGET		MTREF		
	Original Budg	Adjusted Budget	Budget 2020/21	Forecast 2021/2022	Forecast 2022/2023
Revenue					
1.1 - Council General Expenses	-	-	-	-	-
1.3 - Municipal Manager	-	-	-	-	-
2.1 - Budget & Treasury	- 302 786 862.28	- 304 144 552.28	- 296 214 606.62	- 316 803 084.52	- 334 094 578.41
3.1 - Corporate Service	- 124 844.00	- 307 648.98	- 280 461.98	- 293 363.23	- 306 857.94
4.1 - Development Planning	- 400 741.52	- 400 741.52	- 25 580 560.04	- 26 824 168.77	- 28 097 904.78
5.1 - Community & Social Services	- 6 253 191.55	- 5 397 241.83	- 4 941 556.48	- 5 168 868.08	- 5 406 636.01
5.2 - Refuse Removal	- 10 371 861.17	- 10 371 861.17	- 6 869 909.37	- 4 695 902.52	- 4 921 211.19
6.1 - Roads & Engineering	- 48 539 614.42	- 54 666 194.27	- 48 220 539.05	- 52 263 429.85	- 55 224 683.62
6.2 - Electricity	- 69 109 904.98	- 66 909 904.98	- 63 969 003.27	- 68 728 003.70	- 79 716 292.21
	- 437 587 019.92	- 442 198 145.03	- 446 076 636.80	- 474 776 820.67	- 507 768 164.15
Expenditure					
1.1 - Council General Expenses	47 771 320.43	46 071 320.43	44 728 452.95	49 314 940.04	51 533 262.75
1.3 - Municipal Manager	35 158 166.65	35 856 166.65	38 392 158.09	41 609 033.23	43 955 544.44
2.1 - Budget & Treasury	28 162 383.17	28 265 088.17	30 707 247.22	31 292 596.08	32 959 649.22
3.1 - Corporate Service	58 783 008.80	60 234 142.80	57 123 130.26	60 386 821.61	63 530 216.85
4.1 - Development Planning	24 810 152.58	25 210 152.58	25 424 963.60	27 624 036.35	29 099 993.53
5.1 - Community & Social Services	40 758 646.36	41 385 633.36	48 246 776.43	50 363 609.42	53 147 040.42
5.2 - Refuse Removal	24 101 426.56	23 221 426.56	25 963 727.01	27 622 521.07	31 723 136.35
6.1 - Roads & Engineering	65 820 382.04	69 145 841.04	74 636 554.14	62 909 864.97	66 033 979.72
6.2 - Electricity	110 195 139.24	142 690 152.24	77 966 862.11	51 233 803.54	55 130 328.13
	435 560 625.82	472 079 923.82	423 189 871.81	402 357 226.31	427 113 151.43
Surplus/Deficit	- 2 026 394.09	29 881 778.80	- 22 886 764.98	- 72 419 594.36	- 80 655 012.72

a. REVENUE

Anticipated revenues have increased by no more than 1% compared to the 2019/20 budget and this is due to mainly increase in grants as may be seen on the table above indicating the grants that have been confirmed for the municipality especially the Equitable share.

This is a worrying picture though considering that the municipality's demands have grown more than the anticipated resources. This is probably one of the most challenging budgets that the municipality will ever produce in the current economic climate compounded by uncertainties imposed by the Covid-19 global pandemic.

a. EXPENDITURE

MM's Office and Council expense

This has taken into account submissions made during the budget sessions and these have been taken into account using the set limits for the overall expenditures and then using those to reprioritise.

The department has also had to include as part of their social programs and community education, plans to assist in combating and managing Covid-19 within the most vulnerable groups including Women, Children, People living with disabilities as well as people living with HIV and Aids.

This was necessitated by the social impact that both HIV/AIDS and Covid-19 have as infections continue to be recorded in our communities.

Budget and Treasury

The major contributors are depreciation, external audit fees. Significant projects in the department are those of the review of the infrastructure fixed assets register, implementation of the contract management findings and action plan thereof.

Corporate Services

The major expenditures relate to repairs of municipal vehicles, fuel and oil, ICT licenses, SALGA levies, website maintenance, insurance for municipal assets and employees including councillors, telephone and fax as well as other operational expenses.

The department has also had to include as part of their employee wellness, plans to assist in combating and managing Covid-19.

Development Planning

The department has made provisions for valuation services, Spluma, Tourism, agricultural events and development of SMME's including any support that is provided by the municipality to those. There are also provisions for surveying of municipal properties including the legal fees involved in the process.

Community and Social Services

The department has made provision for the rehabilitation of the landfill site, provision of security services, public safety awareness campaigns, the operation and maintenance of the municipal pound, provision of free basic energy, protective clothing and other uniforms. The department on top of the EPWP grant funded casuals has made a provision for more casual labour to assist in the refuse removal services of the municipality. They have also requested overtime to be allocated more funds to cater for public holidays and other special events.

The department has also had to include as part of their disaster management programs, plans to assist in combating and managing Covid-19.

Road Engineering

The allocations made relate to the day to day operations of the department. There are also allocations for fuel and oil for the municipal plant which will be used to maintain some of the roads within the municipality. A provision of R17.4 million has been made to cater for external road maintenance and CBD maintenance, and R4 million for maintenance of municipal buildings.

A further R2 million has been set aside to fund the refurbishment of the road leading into town through AD Tshayingca school to alleviate traffic congestion in town by providing alternative entrance and exit points.

Electricity

The department's biggest allocation has gone to the electricity purchases which is paid to Eskom for the supply of electricity. There are also allocations of over R4 million that are made for purchase of electrical

material and maintenance of electrical infrastructure. In addition to these there is an allocation of over R29 million for electrification in the two wards indicated earlier when dealing with contracted services.

13.13 Operating Revenue Framework

Mbizana Local Municipality strives to provide its communities with the required services and for it to succeed in doing that, it has to ensure that it has an operating revenue framework that ensures that it is able to fund its operations. This talks to the fact that there must be strategies in place to maximize the collection of revenue from the streams that already exist, but as well identify new revenue streams to augment the existing ones. A revenue enhancement strategy that was approved by the council in 2014 is currently being reviewed with the aim of making sure that once completed it is accompanied by a proposed implementation plan to ensure implementability.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Efficient revenue management;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

In preparing the budgets, realistically anticipated revenues have been considered, and as has been indicated several times earlier, the tough economic conditions reflect on the reduces anticipated revenues. The property rates, electricity all show a slight increase and the main consideration has been the declining trend over the past few years, coupled with the weak performance of the said items.

13.14 Reconciliation of grants allocations

Reconciliation of Mbizana Local Municipality allocations for 2020 MTREF					
	2019/20	% increase/d decrease	2020/21	2021/22	2022/23
National Allocations					
Operational	265 051 000.00	6.59	282 528 000.00	299 988 000.00	316 506 000.00
Equitable Share	260 384 000.00	6.82	278 139 000.00	297 788 000.00	314 306 000.00
Financial Management Grant	2 215 000.00	-9.71	2 000 000.00	2 200 000.00	2 200 000.00
Municipal Systems Improvement Grant	-		-	-	-
Expanded Public Works Programme	2 452 000.00	-2.57	2 389 000.00	-	-
Municipal Infrastructure Grant	-		-	-	-
Capital	79 602 000.00	-2.85	77 335 000.00	84 384 000.00	94 037 000.00
Municipal Infrastructure Grant	48 362 000.00	-0.65	48 049 000.00	52 084 000.00	55 037 000.00
Integrated National Electrification	31 240 000.00	-6.25	29 286 000.00	32 300 000.00	39 000 000.00
TOTAL NATIONAL ALLOCATIONS	344 653 000.00	4.41	359 863 000.00	384 372 000.00	410 543 000.00
Provincial Allocations					
Operational			-	-	-
Library Subsidy	500 000.00		-	-	-
EPWP Greenest municipality	3 286 000.00		-	-	-
Capital	0	0	0	0	0
Electrification	0		-	-	-
TOTAL PROVINCIAL ALLOCATIONS	-	-	-	-	-
TOTAL ALLOCATIONS	344 653 000.00	4.41	359 863 000.00	384 372 000.00	410 543 000.00

Table 2 Summary of revenue classified by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	20 256	19 597	18 967	24 796	24 796	24 796	-	25 189	26 398	27 665
Service charges - electricity revenue	2	28 761	29 507	31 229	37 475	35 475	35 475	-	32 578	34 226	38 413
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 143	1 324	4 456	4 592	4 592	4 592	-	4 437	4 650	4 873
Rental of facilities and equipment		470	656	2 224	950	2 258	2 258		2 851	2 982	3 119
Interest earned - external investments		7 796	7 435	8 772	9 617	9 917	9 917		10 364	10 840	11 339
Interest earned - outstanding debtors		2 758	3 707	4 047	4 214	4 214	4 214		4 404	4 606	4 818
Dividends received		-	-	-	-	-	-		-	-	-
Fines, penalties and forfeits		1 163	1 646	1 038	2 136	936	936		948	992	1 037
Licences and permits		2 446	2 296	2 257	2 413	2 637	2 637		2 756	2 883	3 015
Agency services		843	1 150	1 271	1 295	1 295	1 295		1 218	1 274	1 333
Transfers and subsidies		182 912	205 435	231 464	268 837	268 837	268 837		282 528	299 988	316 506
Other revenue	2	1 284	8 165	7 362	1 659	1 512	1 512	-	1 470	1 554	1 613
Gains		-	338	19 024	-	-	-		-	-	-
Total Revenue (excluding capital transfers and contributions)		249 832	281 258	332 109	357 985	356 470	356 470	-	368 742	390 393	413 731

• Table 3 Percentage growth in revenue by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Percentage Growth	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	20 256	19 597	18 967	24 796	24 796	24 796	2%	25 189	26 398	27 665
Service charges - electricity revenue	2	28 761	29 507	31 229	37 475	35 475	35 475	-8%	32 578	34 226	38 413
Service charges - water revenue	2	-	-	-	-	-	-		-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-		-	-	-
Service charges - refuse revenue	2	1 143	1 324	4 456	4 592	4 592	4 592	-3%	4 437	4 650	4 873
Rental of facilities and equipment		470	656	2 224	950	2 258	2 258	26%	2 851	2 982	3 119
Interest earned - external investments		7 796	7 435	8 772	9 617	9 917	9 917	4%	10 364	10 840	11 339
Interest earned - outstanding debtors		2 758	3 707	4 047	4 214	4 214	4 214	4%	4 404	4 606	4 818
Dividends received		-	-	-	-	-	-		-	-	-
Fines, penalties and forfeits		1 163	1 646	1 038	2 136	936	936	1%	948	992	1 037
Licences and permits		2 446	2 296	2 257	2 413	2 637	2 637	5%	2 756	2 883	3 015
Agency services		843	1 150	1 271	1 295	1 295	1 295	-6%	1 218	1 274	1 333
Transfers and subsidies		182 912	205 435	231 464	268 837	268 837	268 837	5%	282 528	299 988	316 506
Other revenue	2	1 284	8 165	7 362	1 659	1 512	1 512	-3%	1 470	1 554	1 613
Gains		-	338	19 024	-	-	-	0%	-	-	-
Total Revenue (excluding capital transfers and contributions)		249 832	281 258	332 109	357 985	356 470	356 470	3%	368 742	390 393	413 731

In line with the budget formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The own revenue generation of the municipality is pillared mainly by electricity distribution and levying of property rates. Although the municipality to a larger extent relies on grants, these own revenue sources remain very important and all efforts need to be made to ensure that maximum returns are realized on them.

Property Rates depend on the availability of the updated valuation roll to be levied. A valuation roll that has been finalized is coming to an end of its validity although it is under constant challenge from the rate payers. The availability of the valuation roll has meant that a detailed and involved process is followed to determine the tariff to be levied instead of using unreliable methods of calculations. The latest valuation roll updated with the supplementary valuations was utilized in arriving at the possible amounts that can be raised out of property rates.

Electricity distribution forms a significant part of the own funding by the municipality. The performance of this stream of revenue has been under considerable strain over the past few years, and it has become difficult to expect an immediate change out of it, however measures implemented over the past financial year and during the year have begun to show some positive results which still need to be monitored closely.

The municipality has however noticed a decline in the revenue generation from electricity distribution which has resulted in the decrease on revenue projected for the budget year. Plans are in place to put realtime online meter reading systems to ensure that any inconsistencies are timeously detected and attended to. This is also accompanied by the creation of a position of a metering technician to ensure that the municipality has a resource that fully understands how meters operate.

Table 4 Operating Transfers and Grant Receipts

EC443 Mbizana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		203 804	235 530	267 685	296 291	296 291	296 291	311 814	332 288	355 506
Local Government Equitable Share		175 910	197 681	230 525	260 384	260 384	260 384	278 139	297 788	314 306
Finance Management		1 810	2 145	2 215	2 215	2 215	2 215	2 000	2 200	2 200
EPWP Incentive		1 084	1 704	2 335	2 452	2 452	2 452	2 389	-	-
Integrated National Electrification Programme		25 000	34 000	32 610	31 240	31 240	31 240	29 286	32 300	39 000
Other transfers/grants [insert description]										
Provincial Government:		350	350	448	3 786	3 786	3 786	-	-	-
Sport and Recreation		350	350	448	500	500	500	-	-	-
Greenest Municipality		-	-	-	3 286	3 286	3 286	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	204 154	235 880	268 133	300 077	300 077	300 077	311 814	332 288	355 506
Capital Transfers and Grants										
National Government:		46 159	59 701	59 416	48 362	54 489	54 489	48 049	52 084	55 037
Municipal Infrastructure Grant (MIG)		46 159	59 701	59 416	48 362	54 489	54 489	48 049	52 084	55 037
Other capital transfers/grants [insert desc]										
Provincial Government:		-	21 277	-	-	-	-	-	-	-
Provincial Electrification Grant		-	21 277	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	46 159	80 978	59 416	48 362	54 489	54 489	48 049	52 084	55 037
TOTAL RECEIPTS OF TRANSFERS & GRANTS		250 313	316 858	327 549	348 439	354 566	354 566	359 863	384 372	410 543

Table 4 shows the operating grants that the municipality has been allocated for the 2020/21 financial period and the MTREF. The Equitable Share has increased to R278 million and the municipality revenue has grant funding in the excess of R359 million. It is important to note though that INEP and MIG have also decreased putting more pressure on the municipal resources when it comes to funding of the capital budget.

- **Financial Management Grant (FMG):** This grant is meant to assist in ensuring that financial management systems of the municipality are functioning and that the staff complement at the Budget and Treasury Office is adequately capacitated in terms of skill and understanding of accounting and municipal finance.
- **Municipal Infrastructure Grant (MIG) (Operational):** The MIG is meant for the development of infrastructure within the municipality, but then 5% of that is utilized for project management, payment of salaries of specific staff members and planning for those infrastructure projects.
- **Department of Sport and Culture – Library:** The grant is meant to assist in the running of the library, including ensuring that the library is appropriately stocked with books.
- **Expanded Public Works Program Grants:** This is meant to assist municipalities and the government to create labour intensive employment opportunities for the previously disadvantaged communities.
- **Integrated National Electrification Program Grant:** This is meant to assist in the eradication of electricity infrastructure backlogs in the rural communities.

13.15 Tariff Setting for the 2020/21 and MTREF Period

As part of generating own revenue, the municipality needs to set tariffs for the revenue streams for which it has been made responsible for in terms of various legislations. For example the Municipal Property Rates Act empowers the municipality to levy rates on all rateable properties.

A number of considerations have been taken into consideration in setting up the tariffs to be utilized from July 01, 2020 as indicated in earlier paragraphs. The municipality has not been immune to the adverse economic conditions that are currently experienced throughout the country. These conditions have been taken into consideration as the tariffs were being set and all the input costs that go into providing the specific services.

13.15.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. In determining the tariff, the municipality has considered the values of properties on which the municipality will levy rates, the amounts desirable from rates for budget purposes, and the historic tariffs of the previous financial years.

The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy. This is maintained from the previous financial year as there has not been any significant changes to the values of the properties;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

The tariff structure has basically changed for residential properties as shown in the table below. However, it was brought into our attention by the National CoGTA that we had in the previous financial years unfairly charge government departments a higher rate than all other properties whilst these are not in the business of making profits. The vacant land has been raised higher to discourage hoarding of pieces of land that have not been developed. We have therefore taken these into consideration in arriving at the tariff as shown below

Table 5 Comparison of proposed rates to be levied for the 2020/21 financial year

PROPERTY RATES TARIFFS	2019/20 c/R	2020/21 c/R	2021/22c/R	2022/23c/R
Residential	0,0060	0.0067	0.0070	0.0073
Business And Commercial	0,0120	0.0133	0.0140	0.0147
State Owned	0,0090	0.0120	0.0126	0.0132
Vacant Land	0,0090	0.0100	0.0105	0.0110

13.15.2 Sale of Electricity and Impact of Tariff Increases

The municipality distributes electricity in the town area of Mbizana and to do this, a service charge must be levied in order to recover the costs incurred. There has been a noticeable increase in the revenue generated from electricity as a result of projects undertaken that has seen losses reduced. However, there is still a lot

of work to be done to ensure that this service is at least able to sustain itself, and at some point be able to provide enough revenue for other service delivery imperatives.

As guided by National Treasury Circular 98 & 99, there has been very minimal increase in the electricity tariffs and this is informed by the percentage increase that has been considered for all other services in conjunction with the guiding letter from NERSA. We have therefore applied a 6.23% maximum increase. We have however made a provision of a higher increase of 8.1% increase on electricity purchases budget to safeguard the municipality against the ongoing court challenges between Eskom and NERSA. This is what has been factored in and the tariffs are as follows: -

Registered indigents will again continue to be granted 50 kWh per 30-day period free of charge.

ELECTRICITY TARIFFS	TARIFF 2019/2020	BUDGETED TARIFF	PROJECTED TARIFF
DOMESTIC PREPAID	c/kwh	2020/2021 @6.22%	2021/2022 @5.22%
TARIFF BLOCK		c/kwh	c/kwh
Block 1 (0-50 KWh)	103.39	109.82	115.55
Block 2 (51-350 KWh)	132.93	141.20	148.57
Block 3 (351-600 KWh)	187.09	198.72	209.10
Block 4 (>600 KWh)	220.32	234.02	246.24
DOMESTIC CONVENTIONAL (c/KWh)			
TARIFF BLOCK	TARIFF 2019/2020	BUDGETED TARIFF	PROJECTED TARIFF
	c/kwh	2020/2021 @6.22%	2021/2022 @5.22%
		c/kwh	c/kwh
Block 1 (0-50 KWh)	103.3900	109.82	115.55
Block 2 (51-350 KWh)	132.9251	141.19	148.56
Block 3 (351-600 KWh)	187.0856	198.72	209.10
Block 4 (>600 KWh)	220.3169	234.02	246.24
Basic Charge (R/Month)	R211.21	R224	R236.06
COMMERCIAL TARIFFS			
COMMERCIAL SINGLE PHASE - CONVENTIONAL			

TARIFF DETAIL	TARIFF 2019/2020 c/kwh	BUDGETED TARIFF 2020/2021 @6.22% c/kwh	PROJECTED TARIFF 2021/2022 @5.22% c/kwh
Basic Charge (R/ Month)	R446	R474	R498
Energy Charge (c/KWh)	195.65	207.81	218.66
COMMERCIAL SINGLE PHASE - PRE-PAID			
TARIFF DETAIL	TARIFF 2019/2020 c/kwh	BUDGETED TARIFF 2020/2021 @6.22% c/kwh	PROJECTED TARIFF 2021/2022 @5.22% c/kwh
Basic Charge (R/ Month)	R446	R474	R498
Energy Charge (c/KWh)	195.65	207.81	218.66
COMMERCIAL THREE PHASE - CONVENTIONAL			
TARIFF DETAIL	TARIFF 2019/2020 c/kwh	BUDGETED TARIFF 2020/2021 @6.22% c/kwh	PROJECTED TARIFF 2021/2022 @5.22% c/kwh
Basic Charge (R/ Month)	R835	R887	R933
Energy Charge (c/KWh)	186.50	198.10	208.44
COMMERCIAL THREE PHASE - PRE-PAID			
TARIFF DETAIL	TARIFF 2019/2020 c/kwh	BUDGETED TARIFF 2020/2021 @6.22% c/kwh	PROJECTED TARIFF 2021/2022 @5.22% c/kwh
Basic Charge (R/ Month)	R835	R887	R933
Energy Charge (c/KWh)	186.50	198.0978	208.44
INDUSTRIAL TARIFFS			
LARGE POWER USER (More than 100KVA Maximum Demand)			

TARIFF DETAIL	TARIFF 2019/2020 c/kwh	BUDGETED TARIFF 2020/2021 @6.22% c/kwh	PROJECTED TARIFF 2021/2022 @5.22% c/kwh
Basic Charge (R/ Month)	R1 388	R1 474	R1 551
Demand Charge (R/KVA)	R240	254.63	R267.92
Energy Charge (c/KWh)	90.61	96.25	101.27

13.15.3 Other Electricity Related Tariffs

OTHER ELECTRICITY TARIFFS	TARIFF 19/20	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
New Connection Fees				
20 AMPS (Single Phase)	2 183	2 290	2400	2510
60 AMPS (Single Phase)	4 291	4 501	4717	4934
100 AMPS (Prepaid/Conventional – 3Phase)	5 704	5 983	6271	6559
Per kVa	6 218	6 523	6836	7150
Electricity deposit fee	1 500.00	1 500.00	1 500.00	1 500.00
Temporal connection fee	450	472	495	518
Key pad replacement	583	612	641	670
Reconnection Fees	450	472	495	518
Meter movement fee	464	487	510	533
Meter Replacements				
20 AMPS (Single Phase)	702	736	772	808
60 AMPS (Single Phase)	825	865	907	949
100 AMPS (Prepaid/Conventional – 3Phase)	1 910	2 004	2100	2197
Direct Tempering Fine				
First tamper	10 000	15 000	15 000	15 000

OTHER ELECTRICITY TARIFFS	TARIFF 19/20	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Second Temper	15 000	20 000	20 000	20 000
Third Temper	20 000	25 000	25 000	25 000
Fourth Temper (Permanent Disco	30 000	35 000	35 000	35 000
Indirect Tempering Fine				
Failure to report a free electricity dispensing unit will be regarded as direct tempering	10 000	15 000	15 000	15 000

13.15.4 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

The following table compares current and proposed amounts payable from 1 July 2020:

Table 6 Comparison between current waste removal fees and increases

REFUSE REMOVAL - AREAS ZONED AS RESIDENTIAL/GENERAL (VAT EXCLUSIVE)	2019/2020	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Category 1	R147	R155.82	R163	R171
Category 2	R295	R312.70	R328	R343
Category 3	R369	R391.14	R410	R430
Category 4	R591	R626.46	R657	R688
Category 5	R664	R703.84	R738	R773
Category 6	R443	R469.58	R492	R516

REFUSE REMOVAL - AREAS ZONED AS RESIDENTIAL/GENERAL (VAT EXCLUSIVE)	2019/2020	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Category 7	R147	R155.82	R163	R171
Category 8	R295	R295.00	R309	R324
Category 9	R72	R73.00	R77	R80
Category 10	R320	R430.00	R451	R472
Category 11	R603	R603.00	R632	R662
Category 12	R600	R600.00	R629	R659
REFUSE REMOVAL - AREAS ZONED AS BUSINESSES (VAT EXCLUSIVE)	2019/2020	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
CATERGORY 1	R155.00	R162	R170	R178
CATERGORY 1 (up to 1 bin liner per day)	R324.00	R340	R356	R373
CATERGORY 2 (up to 2 bin liners per day)	420.00	R440	R461	R483
CATERGORY 3 (up to 4 bin liners per day)	R1 260	R1 320	R1 384	R1 450
CATERGORY 4 (up to 6 x240 wheelie bins per day)	R1 575	R1 651	R1 730	R1 813
CATERGORY 5.1 (Bulk collection)	R3 675	R3 851	R4 036	R4 230
CATERGORY 5.2 (Bulk collection)	R2 625	R2 751	R2 883	R3 021
CATERGORY 5.3 (Bulk collection)	R2 100	R1 258	R1 318	R1 381
CATERGORY 5.4 (Bulk collection)	R630.00	R629	R659	R691
Waste Management & Disposal	2019/2020	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Bakkie per load	R74.80	R79	R82	R86
Truck per load (4 ton)	R129.50	R136	R143	R150
Truck per load (8 ton and above)	R0.00	R240	R240	R251
Illegal Dumping Penalties				
General waste	R388.50	R389	R389	R407
Rubble	R906.52	R907	R907	R949
Hazardous waste	R1 225.02	R1 225	R1 225	R1 281

13.15.5 Hiring of municipal facilities

Rental facilities Tariffs (VAT EXCLUSIVE)	2019/20	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Hall Hire –town				
Hourly rate	R138	R145	R152	R159
Daily rate	R828	R869	R910	R952
monthly rate	R20 700	R21 714	R22 757	R23 804
Security Fees	R1 202	R1 261	R1 321	R1 382
Hall Hire – Villages				
Hourly rate	R292.74	R307	R322	R337
Daily rate	R828	R869	R910	R952
monthly rate	R20 700	R21 714	R22 757	R23 804
Security Fees	R585.46	R614	R644	R674
Sports Field/Stadium				
Special letting	R1 905.62	R1 999	R2 095	R2 191
Security Fees	R1 144.50	R1 201	R1 258	R1 316
Community Park & Open Spaces				
Group Entertainment	R502.77	R527	R553	R578
Security Fees	R1 144.50	R1 201	R1 258	R1 316
Cemetery				
Adults	R678.80	R712	R746	R780
Children	R341.34	R358	R375	R392
Stillborn	R133.82	R140	R147	R154
Grave digging (TLB rates - per 2hrs)	R1 310.11	R1 374	R1 440	R1 506
Library membership				
Adults – per annum	R66.90	R70	R74	R74

Rental facilities Tariffs (VAT EXCLUSIVE)	2019/20	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Children (12 years & older)- per annum	R37.89	R40	R42	R44

Storage at the Pound

NB: Where there are more than five animals impounded, from the sixth animal, 50% of the daily rate will be charged. This charge will apply for animals belonging to one owner.

	2019/20	2020/21	2021/22	2022/23
Cattle, Horses, Donkeys and any other animal of similar size per day	R66,90/night	R70.18/night	R73.34/night	R76.49/night
Goats, sheep and other animals of the same size per day	R39,89/night	R41.84/night	R43.73/night	R45.61/night
If captured by SAPS (e.g. recovered stolen animals)	R39,89/night	R41.84/night	R43.73/night	R45.61/night
Motor vehicles	R281,54/night	R295.34/night	R308.63/night	R321.90/night
Other goods	R47,65/night	R49.98/night	R52.23/night	R54.48/night
Admission of guilt/Animal (large stock)	R265,00/night	R277.99/night	R290.49/night	R302.99/night
Admission of guilt/Animal (small stock)	R106,00/night	R111.19/night	R116.20/night	R121.19/night

13.15.6 Other Municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

Development Planning Tariffs

BUSINESS LICENSING FEES FORMAL INFORMAL BUSINESS TARIFF				
VENDING AND HAWKING TARRIFS	2019/20	2020/21	2021/22	2022/23
Registration for permit	R155,31	R 162,92	R170.25	R177.57
Hawker with stall renewal	R298,04	R 312,64	R326.71	R340.76
Hawker without stall renewal	R119,22	R 125,06	R130.69	R136.31
Registration of permit for bakkies	R371,14	R 389,33	R406.85	R424.34
Renewal of permit for bakkies	R618,56	R648,87	R678.07	R707.23
Hawkers outside of town without stall (once off)	R59,60	R62,52	R65.33	R68.14
Registration for hawkers with stalls outside town	R119,22	R125,06	R130.69	R136.31
Renewal for hawkers with stalls outside town	R119,22	R125,06	R130.69	R136.31
BUSINESS LICENSING FEES FORMAL BUSINESS TARIFF				
Registration fee (once off) for the above items shall be as follow				
	2019/20	2020/21	2021/22	2022/23
1. Sale and supply of meals	R26,50	R 28,09	R29.35	R30.62
2. Health and entertainment	R26,50	R 28.09	R29.35	R30.62
3. Mechanical electrical apparatus or devices (games) 3 or more	R25,00	R 26.23	R27.41	R28.58
NOTE: These fees are only registration fee and not the license fee,				
<i>Increase is based on the average increase as per NT 20/21 MTREF circular 98&99 guideline</i>				
Annual License fees (One-year fee)				

BUSINESS LICENSING FEES FORMAL INFORMAL BUSINESS TARIFF						
VENDING AND HAWKING TARRIFS			2019/20	2020/21	2021/22	2022/23
			2019/20	2020/21	2021/22	2022/23
1.	Sale and supply of meals		R238,50	R252.81	R264.19	R275.55
2.	Health and entertainment		R238,50	R252.81	R264.19	R275.55
3.	Mechanical electrical apparatus or devices (games) 3 or more		R238,50	R252.81	R264.19	R275.55
<i>Increase is based on the average increase as per NT 20/21 MTREF circular 98&99 guideline</i>						

13.16 Town Planning Tariffs

BUILDING PLANS TARIFFS	TARIFF 19/20	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Newspaper(s) and government gazette Advertising	Newspaper(s) or Gov Gazette Tariff to be borne by the applicant	Newspaper(s) or Gov Gazette Tariff to be borne by the applicant	Newspaper(s) or Gov Gazette Tariff to be borne by the applicant	Newspaper(s) or Gov Gazette Tariff to be borne by the applicant
Rezoning Application per m²				
Erven 0 – 2500m ²	2328.25	2 442	2 560	R2 678
Erven 2501 – 5000m ²	4 331	4 543	4 761	R4 980
Erven 5001 0 – 1 Ha	8 526.9	8 945	9 374	R9 805
Erven 1, 0001Ha – 5Ha	11 215.65	11 765	12 330	R12 897
Erven 0 – 2500m ²	1 890.15	1 983	2 078	R2 174
Erven 2501 – 5000m ²	3 892.9	4 084	4 280	R4 477
Erven 5001 0 – 1 Ha	8 148.2	8 547	8 958	R9 370
Erven 1, 0001Ha – 5Ha	11,027.90	11 568	12 124	R12 682
Erven over 5Ha	14,532.75	15 245	15 977	R16 712
Erven 1-2	2 439.8	2559	2682	R2 805
Erven 1-3	3 253.15	3413	3576	R3 740
Erven 1-4	4 066.4	4266	4470	R4 676
Erven 1-5	4 599.25	4825	5056	R5 289

BUILDING PLANS TARIFFS	TARIFF 19/20	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Erven 1-6	5 691.9	5971	6257	R6 545
Erven 1-7	6 506.2	6825	7153	R7 482
Erven 1-8	7 319.6	7678	8047	R8 417
Erven 1-9	8 132.85	8531	8941	R9 352
Erven 1-10	8 946.1	9384	9835	R10 287
Erven more than 10	16,265.55	17063	17882	R18 705
Erven 0-5000 m ²	2500	2623	2748	R2 874
Erven 5001 m ² -1ha	3000	3147	3298	R3 450
Over 1 ha	4500	4721	4947	R5 175
Departure Application from the scheme (Building Lines, height, coverage etc)				
	2019/2020	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
Erven 0 – 530m ²	1 531.65	1 607	1 684	R1 761
Erven 531– more	2 297.45	2 410	2 526	R2 642
Application for the Removal of Restrictions	11 581.85	12 149	12 733	R13 319
Zoning Certificate	150.2	158	165	R173
Town Planning Scheme	375.5	394	413	R432
Spatial Development Framework	625.85	657	688	R720
Town Planning Scheme	625.85	657	688	R720
Application for Consolidation of Erven	2 503.5	2 626	2 752	R2 879
SG Diagram	1 251.75	1 313	1 376	R1 439
Amendment of the Subdivisional Plan	3 228.25	3 386	3 549	R3 712
Extension of Validity	5 516.65	5 787	6 065	R6 344
Sale or Lease of Land(Application fees)	5 565.25	5 838	6 118	R6 399
Land Use/ Zoning Map				
A0	312.95	328	344	R360

BUILDING PLANS TARIFFS	TARIFF 19/20	BUDGETED 2020/2021	FORECAST 2021/2022	FORECAST 2022/2023
A1	187.75	197	206	R215
A2	187.75	197	206	R215
A3	75.1	79	83	R87
A4	37.55	39	41	R43
Deeds Search	12.51	13	14	R15
Application for the amendment of the Council's Spatial Development Framework	15 709.40	16 479	17 270	18 064
Closure of Roads/Public Open Spaces, Sport fields.	2 503.5	2 626	2 752	2 879
GIS Printing Charges (Full Ink)				
A2	R55.70	58	61	R64
A1	R83.60	88	92	R96
A0	R111.41	117	122	R128
GIS Printing Charges (Line Map)				
A2	R27.86	29	31	R32
A1	R44.56	47	49	R51
A0	R55.70	58	61	R64

13.16.1 NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2019/2020	FINE 2020/2021	FINE 2021/2022
	4(4)	Building without approved building plan.	R 1060	R 1124.66	R 1192.14
	10(2)	Building in contravention of a notice prohibiting any building work.	R 1060	R 1124.66	R 1192.14

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2019/2020	FINE 2020/2021	FINE 2021/2022
	12(6)	Failure to demolish, alter or safeguard.	R 530	R 562.33	R 596.07
	14(3)	Submit false certificate or issuing thereof.			
	14(4) (a)	Occupy or use of building without occupation certificate.	R 1060	R 1124.66	R 1192.14
	15(2)	Preventing a building control officer in the execution of his/her duties.	R 1590	R 1686.99	R 1788.21
	19(2)	Prohibition on the use of certain building methods and materials.	R 530	R 562.33	R 596.07
	A2 (3) (f)	Submit false or misleading information .			
	A15 (5)	Failure to maintain, safeguard or service installation.	R 530	R 562.33	R 596.07
	A17 (4)	Illegal or withdrawn certificate of identity.			
	A18 (5)	Failure to supervise and/or control plumbing work.	R 530	R 562.33	R 596.07

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2019/2020	FINE 2020/2021	FINE 2021/2022
	A22 (4)	Failure to give notice of intention to commence erection or demolition of a building.	R 1060	R 1124.66	R 1192.14
	A25 (2)	Use of a building for a purpose other than the purpose shown on approved plans.	R 1060	R 1124.66	R 1192.14
	A25 (5)	Deviation from approved building plan.	R 1060	R 1124.66	R 1192.14
	A25 (11)	Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement.	R 1060	R 1124.66	R 1192.14
	D4 (2)	Failure to safeguard a swimming pool.	R 1060	R 1124.66	R 1192.14
	E1 (1)	Failure to apply for written permission for demolition.	R 1060	R 1124.66	R 1192.14
	E1 (3)	Failure to safeguard demolition work.	R 1590	R 1686.99	R 1788.21
	F1 (6)	Failure to comply with any provision	R 1590	R 1686.99	R 1788.21

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2019/2020	FINE 2020/2021	FINE 2021/2022
		of or any notice issued in terms of Regulation F1 Protection of the public.			
	F6 (3)	Failure to control dust and noise.	R 530	R 562.33	R 596.07
	F7 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation F6 regarding the Cutting into, laying open and demolishing certain work.	R 530	R 562.33	R 596.07
	F8 (2)	Failure to comply with a notice to remove waste material on site.	R 530	R 562.33	R 596.07
	F9 (2)	Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site.	R 530	R 562.33	R 596.07
	F10 (7)	Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds.	R 1060	R 1124.66	R 1192.14
	F11 (2)	Failure to comply with any provision	R 530	R 562.33	R 596.07

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2019/2020	FINE 2020/2021	FINE 2021/2022
		of or any notice issued terms if Regulation F11 Sanitary facilities.			
	P1 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building.	R 530	R 562.33	R 596.07
	P3 (5)	Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge.	R 530	R 562.33	R 596.07
	P4 (2)	Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent.	R 1060	R 1124.66	R 1192.14
	P5 (4)	Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections.	R 530	R 562.33	R 596.07
	P6 (2)	Failure to comply with any provision of or any notice issued in terms of Regulation P6	R 1060	R 1124.66	R 1192.14

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2019/2020	FINE 2020/2021	FINE 2021/2022
		Unauthorized drainage work.			
	P7 (4)	Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations.	R 1060	R 1124.66	R 1192.14
	T2 (1)	Failure to make and maintain adequate provision in terms of the requirements of Regulation T1 (1) (e) or failure to comply with relevant SABS specifications.	R 1060	R 1124.66	R 1192.14
	T2 (2)	Obstructing or causing to be obstructed of an escape route.	R 1060	R 1124.66	R 1192.14

GIS Tariffs

Size of Paper	Full Ink		Line Map	
	2019/20	2020/21	2019/20	2020/21
A2	R53.00	R56.23	R26.50	R28.12
A1	R79.50	R84.35	R42.40	R44.94
A0	R106.00	R112.47	R53.00	R56.23

13.16.2 Operating Expenditure Framework

The Municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			Percentage Growth	2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	84 018	85 788	107 255	108 674	108 225	108 225	10%	119 133	126 553	134 746
Remuneration of councillors		19 649	22 485	23 223	25 263	24 263	24 263	3%	25 036	26 037	27 079
Debt impairment	3	1 110	1 456	4 266	2 631	2 631	2 631	71%	4 500	4 716	4 942
Depreciation & asset impairment	2	39 229	38 841	39 506	50 872	50 872	50 872	3%	52 581	55 000	57 531
Finance charges		2 168	834	66	400	400	400	-62%	150	152	155
Bulk purchases	2	27 606	27 761	30 025	35 274	33 274	33 274	-4%	31 896	33 555	36 541
Other materials	8	-	5 932	5 250	11 075	11 491	11 491	-33%	7 677	7 361	7 700
Contracted services		11 616	63 541	49 077	89 848	96 213	96 213	15%	110 404	70 327	76 224
Transfers and subsidies		15 072	738	702	1 130	1 530	1 530	20%	1 835	1 678	1 756
Other expenditure	4, 5	70 019	48 266	55 142	69 848	68 945	68 945	1%	69 979	76 894	80 353
Losses		7 676	41 798	7 463	40 546	75 546	75 546	-100%	-	-	-
Total Expenditure		278 164	337 440	321 975	435 561	473 390	473 390	-76%	423 190	402 274	427 026

The Salary and Wage Collective Agreement for the period 01 July 2018 to 30 June 2021 is still in operation, therefore municipalities need to budget for their employee related costs in line with the multi-year wage agreement, and also ensure the agreement is correctly implemented and applied as per clauses of the agreement. Municipalities should start taking decisive action to address bloated organisational structures and above inflation wage increases

Below are vacant positions that are included in the calculations of these final budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. There are positions considered to be critical that have not been included because process to make sure

they are included in the municipality's organisational structure have not been concluded. These will be reported and listed separately at the end of this section. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 39% of the operating budget excluding non-cash items which is very close to reaching the maximum limit permitted of 40%.

Municipal Manager

- Senior Internal Auditor

Budget and Treasury

- Asset Management Officer
- General Expenditure Clerk
- Stores Management Officer

Community Services

- 2 X Examiners
- Traffic Warden
- Security Guard
- 7 X General Assistants
- 2 X Driver
- Store Keeper
- Admin Clerk

Development Planning

- Manager: Planning and Land use
- BIGM Intern

Engineering Services

- Technical Officer
- Truck Driver
- Artisan

The above positions include those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. This is to ensure that all these are catered for in the municipal budget.

The following are critical positions that the municipality must still finalise the review of the organisational structure to make sure they are included:

- Monitoring and Evaluation Officer
- Metering technician
- Manager: Asset and Stores Management
- Maintenance Foreman

The level of growth of the municipality and the new ways of operating post Covid-19 requires that these be taken seriously to avoid the catastrophic implications of not having these resources within the municipality.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by DCoG. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- **Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

- **Contracted Services**

This item relates to services and goods that can only be provided through the use of external service providers such as catering, hiring of transport, consultants, prepaid electricity vendors, professional services etc. This draft budget includes but not limited to the following allocations:

- R14 million for the electrification of Mabhekuteni Village in Ward 15
- R15.2 million for the electrification of Villages in ward 28
- R17.4 million for the maintenance of Roads within Mbizana including CBD maintenance
- R7.3 million for security services
- R6 million for legal fees and customer care
- R8.6 million for Casual labour including EPWP and Security guards for community halls
- R4 million for maintenance of buildings
- R3.5 million for maintenance of electricity infrastructure
- R1.5 million for outsourced waste management services
- R1.9 million for assistance and development of special groups including Youth, Children, People living with Disabilities, Women and people living with HIV and AIDS
- R3 million for community involvement, planning and education as well as monitoring the municipality's performance
- R2.4 million to support Internal audit
- R3.8 million for review of the fixed asset register, review of SCM processes, automated meter reading system installation, implementation of mSCOA and preparation of the Annual Financial Statements
- R3.3 million for maintenance of municipal vehicles and plant
- R800 thousand for Covid-19 related procurement

- **Other Expenditure**

These are all other operational expenses of the municipality such as advertising, travel and subsidies, seminar and workshops etc. The following are some of the items that may require special mention when it comes to these expenditures even though the list does not mean these are the only allocated expenditures:

- R6.3 million for free basic services and indigent support
- R5.7 million for maintenance of IT systems and rentals thereof
- R5.4 million for communication in the form of telephone, fax and cellphones
- R5 million for external audit fees
- R2 million for accommodation for the Office of the Municipal Manager
- R2.7 million for accommodation for Mayor and Council
- R3.8 million for Accident liability and Workman's compensation
- R3.2 million for SALGA levies and tuitions fees for training and development

A total of R8.2 million is allocated for accommodation for the municipality which is a decrease from R10.7 million which was allocated during the draft budget. The change has been mainly because of the reprioritisation to fund Covid-19 demands for both the municipality and community interventions

Table 9 Summary of operating expenditure by functional classification item

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
<i>Governance and administration</i>		210 682	239 540	286 725	302 912	304 452	304 452	321 684	343 495	362 067
Executive and council		532	-	-	-	-	-	-	-	-
Finance and administration		210 150	239 540	286 725	302 912	304 452	304 452	321 684	343 495	362 067
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 412	5 616	4 597	6 341	5 485	5 485	4 942	5 169	5 407
Community and social services		296	525	135	763	683	683	181	189	198
Sport and recreation		0	-	-	-	-	-	-	-	-
Public safety		1 107	5 091	4 463	5 578	4 802	4 802	4 761	4 980	5 209
Housing		8	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		50 117	59 861	53 646	48 853	54 980	54 980	48 612	52 690	55 657
Planning and development		246	160	357	491	491	491	563	606	620
Road transport		49 660	59 701	53 289	48 362	54 489	54 489	48 049	52 084	55 037
Environmental protection		211	-	-	-	-	-	-	-	-
<i>Trading services</i>		60 266	84 621	70 825	79 482	77 282	77 282	70 839	73 424	84 638
Energy sources		58 039	81 107	64 036	69 110	66 910	66 910	63 969	68 728	79 716
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 227	3 514	6 789	10 372	10 372	10 372	6 870	4 696	4 921
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	322 476	389 639	415 795	437 587	442 198	442 198	446 077	474 777	507 768
Expenditure - Functional										
<i>Governance and administration</i>		166 789	174 748	151 582	180 386	181 218	181 218	184 624	196 919	207 056
Executive and council		62 135	52 972	56 846	65 088	63 530	63 530	63 018	69 231	72 646
Finance and administration		104 654	119 154	91 841	111 611	113 579	113 579	116 150	121 746	128 168
Internal audit		-	2 622	2 894	3 687	4 110	4 110	5 457	5 942	6 242
<i>Community and public safety</i>		23 734	21 997	25 946	27 096	27 225	27 225	30 879	32 063	33 862
Community and social services		18 396	6 333	6 825	10 219	9 966	9 966	12 117	11 863	12 454
Sport and recreation		220	6 812	7 723	2 307	2 307	2 307	2 769	2 933	3 108
Public safety		5 118	8 536	11 282	13 355	14 135	14 135	15 014	16 225	17 192
Housing		-	315	116	1 214	816	816	980	1 042	1 108
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 642	60 876	75 521	90 208	94 050	94 050	100 216	90 508	95 107
Planning and development		14 026	45 391	21 194	27 638	26 926	26 926	28 221	30 414	32 075
Road transport		10 788	13 222	50 463	60 332	65 035	65 035	69 641	57 601	60 391
Environmental protection		1 828	2 263	3 863	2 238	2 089	2 089	2 353	2 493	2 641
<i>Trading services</i>		60 999	77 875	65 992	134 338	167 203	167 203	103 891	78 814	86 810
Energy sources		46 571	67 277	51 464	110 236	142 731	142 731	77 927	51 192	55 087
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 429	10 598	14 528	24 101	24 471	24 471	25 964	27 622	31 723
<i>Other</i>	4	-	1 945	2 934	3 534	3 695	3 695	3 580	3 970	4 191
Total Expenditure - Functional	3	278 164	337 440	321 975	435 561	473 390	473 390	423 190	402 274	427 026
Surplus/(Deficit) for the year		44 313	52 199	93 820	2 026	(31 192)	(31 192)	22 886	72 503	80 742

The table above gives an overview of the operational expenditure per functional classification or by functional areas within the municipality.

- **Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2020/21 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

EC443 Mbizana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Percentage Increase	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials			-	12	735	685	685	-92%	57	60	63
Contracted Services			4 069	5 796	19 626	23 331	23 331	33%	30 986	17 035	17 818
Other Expenditure		5 017	6	-	11	11	11	4%	12	12	13
Total Repairs and Maintenance Expenditure	9	5 017	4 075	5 809	20 372	24 027	24 027	29%	31 055	17 107	17 894

An amount of R31 million has been set aside in the 2020/21 financial period for the maintenance of municipal assets. The amount is lower than the recommended treasury percentages, the municipality has taken a decision to rather purchase municipal plant and machinery which will be used to repair road infrastructure. This will ensure that there is improved access to all the wards in the municipality. There is also an increased need to repair other infrastructure assets like the municipal offices, community halls and the municipal vehicles.

Table 11 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	67 026	94 528	123 463	172 776	124 541	124 541	-	210 467	241 802	276 562
Other current investments > 90 days		-	0	-	(91 145)	0	0	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		67 026	94 528	123 463	81 631	124 541	124 541	-	210 467	241 802	276 562
Application of cash and investments											
Unspent conditional transfers		-	-	6 687	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(13 272)	(19 989)	(54 345)	(25 248)	(42 935)	(42 935)	-	(57 596)	(56 945)	(52 330)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(13 272)	(19 989)	(47 659)	(25 248)	(42 935)	(42 935)	-	(57 596)	(56 945)	(52 330)
Surplus(shortfall)		80 298	114 517	171 121	106 879	167 476	167 476	-	268 062	298 747	328 892

The table above shows the budgeted cash reserves and these are based on the current cash reserves in the municipality. As indicated by the table, there is a need to ensure that these reserves are preserved and built up again. This is after these reserves have been made available for infrastructure development within the municipality.

13.17 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Vote Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	2 100	1 900	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - ENGINEERING SERVICES		-	-	23 458	17 494	31 691	31 691	-	18 172	49 480	52 285
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	23 458	17 494	31 691	31 691	-	20 272	51 380	52 285
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		452	-	-	-	-	-	-	50	-	-
Vote 2 - BUDGET & TREASURY		-	96	-	2 500	2 500	2 500	-	-	-	350
Vote 3 - CORPORATE SERVICES		5 605	5 481	4 162	5 074	4 303	4 303	-	10 210	4 269	4 382
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	2 027	1 493	6 842	6 070	6 070	-	5 401	3 007	463
Vote 5 - ENGINEERING SERVICES		77 560	68 204	69 745	44 050	48 454	48 454	-	38 775	32 300	39 000
Vote 6 - DEVELOPMENT PLANNING		-	-	-	1 500	1 100	1 100	-	1 100	1 100	1 100
Capital single-year expenditure sub-total		83 617	75 808	75 399	59 966	62 427	62 427	-	55 537	40 675	45 295
Total Capital Expenditure - Vote		83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580

Municipal Manager

The department has budgeted for the acquisition of the Mayoral Chain.

Budget and Treasury

The department has allocated funds for the multi-year electronic filing project that is currently being implemented and anticipated to be completed by 2022.

Corporate services

The department has budgeted for purchase of municipal vehicles, purchase of IT equipment, IT infrastructure and office furniture. Among these it is important to mention that there is also an allocation for the cabling of the under construction Civic Centre to ensure IT readiness on completion. This is work that must be built into the current infrastructure being built.

Development Planning

The department has budgeted for the construction of a market place to assist with the cleaning and regulation of trading in the town area.

Community & Social Services

The department has budgeted for purchase of DLTC Container, DLTC fencing, installation of CCTV cameras to beef up security, pound vehicle, fencing of recreational facilities, and security equipment.

Refuse Removal

The department has budgeted for the purchase of grass cutting tractor, refuse removal truck, and grass cutting machines

Road works and Engineering

The following are the projects budgeted for implementation based on the available resources:

- | | |
|--|----------------|
| • Mphuthumi Mafumbatha Stadium | R 8 920 785.08 |
| • Mbizana Civic Center | R 9 250 763.93 |
| • Upgrade of taxi rank | R 6 000 000.00 |
| • Lubekela Access Road | R 8 100 000.00 |
| • Ebumnandini to Nqabeni Access Road | R 5 875 000.00 |
| • Mqonjwana to Greenville Access Road | R 4 800 000.00 |
| • Gabisa, Makhosonke to Lekhewini AR | R 4 800 000.00 |
| • Sijingi, Manguga AR via Methodist Church | R 3 900 000.00 |
| • Refurbishment of AD Tshayingca AR | R 2 000 000.00 |
| • Construction of ward 1 bridge | R 1 000 000.00 |

Electricity

Included in the electricity budget are the following projects as per the available resources for the next financial year:

- | | |
|---|----------------|
| • Supply and installation of high mast lights | R 2 000 000.00 |
| • Installation of Solar panels and lights | R 300 000.00 |

Table 12 2020/21 Medium-term capital budget by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional											
Governance and administration		6 057	13 070	9 277	8 426	7 203	7 203	-	12 760	6 483	5 061
Executive and council		452							50		
Finance and administration		5 605	13 070	9 277	8 426	7 203	7 203		12 710	6 483	5 061
Internal audit											
Community and public safety		-	7 048	2 408	2 790	2 470	2 470	-	3 191	833	34
Community and social services		-	7 048	2 408	700	700	700		1 300	800	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	2 090	1 770	1 770		1 891	33	34
Housing											
Health											
Economic and environmental services		48 906	22 170	22 397	52 044	70 245	70 245	-	55 747	50 580	53 385
Planning and development		-	-	-	23 594	40 762	40 762		25 272	50 580	53 385
Road transport		48 906	22 170	22 397	28 450	29 483	29 483		30 475	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		28 653	33 520	64 775	14 200	14 200	14 200	-	4 110	34 160	39 100
Energy sources		28 653	33 520	64 775	11 000	11 000	11 000		2 300	32 300	39 000
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	3 200	3 200	3 200	-	1 810	1 860	100
Other											
Total Capital Expenditure - Functional	3	83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580
Funded by:											
National Government		43 423	59 628	69 652	56 944	63 070	63 070		45 647	81 780	91 285
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
Transfers recognised - capital	4	43 423	59 628	69 652	56 944	63 070	63 070	-	45 647	81 780	91 285
Borrowing	6	28 653									
Internally generated funds		11 540	16 180	29 205	20 516	31 047	31 047		30 162	10 275	6 295
Total Capital Funding	7	83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580

For the 2020/21 Annual budget, there is a decrease in the capital budget of the municipality. This accounts for about R75.8 million of the budget and this is mainly funded from the MIG for roads, community facilities and Sport facilities. It is important though to note as well that even though the budget seems to have a gradual increase over the medium-term, the municipality's own funding of the capital budget decreases. It must be understood though that local government is heading for elections which will see new five year plans being developed and implemented.

13.18 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory adopts* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

EC443 Mbizana - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	20 256	19 597	18 967	24 796	24 796	24 796	-	25 189	26 398	27 665
Service charges	29 904	30 831	35 685	42 067	40 067	40 067	-	37 015	38 876	43 286
Investment revenue	7 796	7 435	8 772	9 617	9 917	9 917	-	10 364	10 840	11 339
Transfers recognised - operational	182 912	205 435	231 464	268 837	268 837	268 837	-	282 528	299 988	316 506
Other own revenue	8 964	17 959	37 222	12 668	12 852	12 852	-	13 646	14 290	14 935
Total Revenue (excluding capital transfers and contributions)	249 832	281 258	332 109	357 985	356 470	356 470	-	368 742	390 393	413 731
Employee costs	84 018	85 788	107 255	108 674	108 225	108 225	-	119 133	126 553	134 746
Remuneration of councillors	19 649	22 485	23 223	25 263	24 263	24 263	-	25 036	26 037	27 079
Depreciation & asset impairment	39 229	38 841	39 506	50 872	50 872	50 872	-	52 581	55 000	57 531
Finance charges	2 168	834	66	400	400	400	-	150	152	155
Materials and bulk purchases	27 606	33 693	35 276	46 349	44 765	44 765	-	39 573	40 916	44 241
Transfers and grants	15 072	738	702	1 130	1 530	1 530	-	1 835	1 678	1 756
Other expenditure	90 421	155 061	115 947	202 874	243 336	243 336	-	184 883	151 938	161 519
Total Expenditure	278 164	337 440	321 975	435 561	473 390	473 390	-	423 190	402 274	427 026
Surplus/(Deficit)	(28 332)	(56 182)	10 135	(77 576)	(116 920)	(116 920)	-	(54 449)	(11 881)	(13 295)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	72 645	108 381	83 685	79 602	85 729	85 729	-	77 335	84 384	94 037
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	44 313	52 199	93 820	2 026	(31 192)	(31 192)	-	22 886	72 503	80 742
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	44 313	52 199	93 820	2 026	(31 192)	(31 192)	-	22 886	72 503	80 742
Capital expenditure & funds sources										
Capital expenditure	83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580
Transfers recognised - capital	43 423	59 628	69 652	56 944	63 070	63 070	-	45 647	81 780	91 285
Borrowing	28 653	-	-	-	-	-	-	-	-	-
Internally generated funds	11 540	16 180	29 205	20 516	31 047	31 047	-	30 162	10 275	6 295
Total sources of capital funds	83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580
Financial position										
Total current assets	127 040	178 180	204 805	147 805	205 884	205 884	-	288 379	309 937	341 350
Total non current assets	616 991	606 659	675 090	811 750	734 208	734 208	-	708 556	748 302	790 173
Total current liabilities	58 151	49 851	51 450	44 315	51 450	51 450	-	36 636	26 778	27 000
Total non current liabilities	3 585	4 319	3 920	4 751	3 920	3 920	-	3 920	3 920	3 920
Community wealth/Equity	682 294	730 669	824 525	910 489	884 722	884 722	-	956 378	1 027 541	1 100 603
Cash flows										
Net cash from (used) operating	78 224	118 799	121 501	93 194	99 086	99 086	-	65 440	114 512	123 212
Net cash from (used) investing	(83 978)	(75 023)	(92 567)	(77 460)	(94 118)	(94 118)	-	(70 114)	(83 177)	(88 452)
Net cash from (used) financing	(24 126)	(16 274)	-	(22)	72	72	-	-	-	-
Cash/cash equivalents at the year end	67 026	94 528	123 463	172 776	124 541	124 541	-	210 467	241 802	276 562
Cash backing/surplus reconciliation										
Cash and investments available	67 026	94 528	123 463	81 631	124 541	124 541	-	210 467	241 802	276 562
Application of cash and investments	(13 272)	(19 989)	(47 659)	(25 248)	(42 935)	(42 935)	-	(57 596)	(56 945)	(52 330)
Balance - surplus (shortfall)	80 298	114 517	171 121	106 879	167 476	167 476	-	268 062	298 747	328 892
Asset management										
Asset register summary (WDV)	616 930	606 659	675 090	811 750	664 352	664 352	664 352	653 709	666 522	698 888
Depreciation	39 229	38 841	39 506	50 872	50 872	50 872	50 872	52 581	55 000	57 531
Renewal and Upgrading of Existing Assets	-	-	23 458	17 494	35 726	35 726	35 726	28 172	49 480	52 285
Repairs and Maintenance	5 017	4 075	5 809	20 372	24 027	24 027	24 027	31 055	17 107	17 894
Free services										
Cost of Free Basic Services provided	1 438	1 475	1 561	1 874	1 774	1 774	1 901	1 901	1 989	2 080
Revenue cost of free services provided	312	302	292	382	382	382	393	393	412	431
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	6	6	6	6	6	6	5	5	4	3
Refuse:	48	48	48	48	48	48	49	49	49	51

Explanatory adopts to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for possible approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cash flows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional	1									
Governance and administration		210 682	239 540	286 725	302 912	304 452	304 452	321 684	343 495	362 067
Executive and council		532	-	-	-	-	-	-	-	-
Finance and administration		210 150	239 540	286 725	302 912	304 452	304 452	321 684	343 495	362 067
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 412	5 616	4 597	6 341	5 485	5 485	4 942	5 169	5 407
Community and social services		296	525	135	763	683	683	181	189	198
Sport and recreation		0	-	-	-	-	-	-	-	-
Public safety		1 107	5 091	4 463	5 578	4 802	4 802	4 761	4 980	5 209
Housing		8	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		50 117	59 861	53 646	48 853	54 980	54 980	48 612	52 690	55 657
Planning and development		246	160	357	491	491	491	563	606	620
Road transport		49 660	59 701	53 289	48 362	54 489	54 489	48 049	52 084	55 037
Environmental protection		211	-	-	-	-	-	-	-	-
Trading services		60 266	84 621	70 825	79 482	77 282	77 282	70 839	73 424	84 638
Energy sources		58 039	81 107	64 036	69 110	66 910	66 910	63 969	68 728	79 716
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 227	3 514	6 789	10 372	10 372	10 372	6 870	4 696	4 921
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	322 476	389 639	415 795	437 587	442 198	442 198	446 077	474 777	507 768
Expenditure - Functional										
Governance and administration		166 789	174 748	151 582	180 386	181 218	181 218	184 624	196 919	207 056
Executive and council		62 135	52 972	56 846	65 088	63 530	63 530	63 018	69 231	72 646
Finance and administration		104 654	119 154	91 841	111 611	113 579	113 579	116 150	121 746	128 168
Internal audit		-	2 622	2 894	3 687	4 110	4 110	5 457	5 942	6 242
Community and public safety		23 734	21 997	25 946	27 096	27 225	27 225	30 879	32 063	33 862
Community and social services		18 396	6 333	6 825	10 219	9 966	9 966	12 117	11 863	12 454
Sport and recreation		220	6 812	7 723	2 307	2 307	2 307	2 769	2 933	3 108
Public safety		5 118	8 536	11 282	13 355	14 135	14 135	15 014	16 225	17 192
Housing		-	315	116	1 214	816	816	980	1 042	1 108
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		26 642	60 876	75 521	90 208	94 050	94 050	100 216	90 508	95 107
Planning and development		14 026	45 391	21 194	27 638	26 926	26 926	28 221	30 414	32 075
Road transport		10 788	13 222	50 463	60 332	65 035	65 035	69 641	57 601	60 391
Environmental protection		1 828	2 263	3 863	2 238	2 089	2 089	2 353	2 493	2 641
Trading services		60 999	77 875	65 992	134 338	167 203	167 203	103 891	78 814	86 810
Energy sources		46 571	67 277	51 464	110 236	142 731	142 731	77 927	51 192	55 087
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 429	10 598	14 528	24 101	24 471	24 471	25 964	27 622	31 723
Other	4	-	1 945	2 934	3 534	3 695	3 695	3 580	3 970	4 191
Total Expenditure - Functional	3	278 164	337 440	321 975	435 561	473 390	473 390	423 190	402 274	427 026
Surplus/(Deficit) for the year		44 313	52 199	93 820	2 026	(31 192)	(31 192)	22 886	72 503	80 742

Explanatory adopts to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

The above table shows the allocations made by the municipality to the different classes or functions within the municipality and the contributions that will be made per standard class. It is pleasing to note that the table shows that the municipality's bigger share is allocated to service deliver functions as well as governance and administration. These are complementary in nature hence the allocations.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC443 Mbizana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		532	-	150	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		210 049	239 291	286 287	302 787	304 145	304 145	296 215	316 803	334 095
Vote 3 - CORPORATE SERVICES		100	249	288	125	308	308	280	293	307
Vote 4 - COMMUNITY & SOCIAL SERVICES		3 850	9 130	11 387	16 712	15 856	15 856	11 811	9 865	10 328
Vote 5 - ENGINEERING SERVICES		107 698	140 907	117 367	117 650	121 576	121 576	112 149	120 949	134 897
Vote 6 - DEVELOPMENT PLANNING		246	62	316	313	313	313	25 621	26 867	28 142
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	322 476	389 639	415 795	437 587	442 198	442 198	446 077	474 777	507 768
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		62 135	67 542	75 230	82 930	81 928	81 928	83 121	90 924	95 489
Vote 2 - BUDGET & TREASURY		68 030	65 675	25 305	28 162	28 265	28 265	30 707	31 293	32 960
Vote 3 - CORPORATE SERVICES		36 624	40 227	44 188	58 783	60 234	60 234	55 365	58 464	61 519
Vote 4 - COMMUNITY & SOCIAL SERVICES		39 991	43 703	54 682	64 646	65 993	65 993	75 969	79 826	86 794
Vote 5 - ENGINEERING SERVICES		57 358	78 119	105 024	176 016	211 546	211 546	152 604	114 144	121 164
Vote 6 - DEVELOPMENT PLANNING		14 026	42 173	17 546	25 024	25 424	25 424	25 425	27 624	29 100
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	278 164	337 440	321 975	435 561	473 390	473 390	423 190	402 274	427 026
Surplus/(Deficit) for the year	2	44 313	52 199	93 820	2 026	(31 192)	(31 192)	22 886	72 503	80 742

Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality.

Explanatory adopts to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	20 256	19 597	18 967	24 796	24 796	24 796	-	25 189	26 398	27 665
Service charges - electricity revenue	2	28 761	29 507	31 229	37 475	35 475	35 475	-	32 578	34 226	38 413
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1 143	1 324	4 456	4 592	4 592	4 592	-	4 437	4 650	4 873
Rental of facilities and equipment		470	656	2 224	950	2 258	2 258		2 851	2 982	3 119
Interest earned - external investments		7 796	7 435	8 772	9 617	9 917	9 917		10 364	10 840	11 339
Interest earned - outstanding debtors		2 758	3 707	4 047	4 214	4 214	4 214		4 404	4 606	4 818
Dividends received		-	-	-	-	-	-		-	-	-
Fines, penalties and forfeits		1 163	1 646	1 038	2 136	936	936		948	992	1 037
Licences and permits		2 446	2 296	2 257	2 413	2 637	2 637		2 756	2 883	3 015
Agency services		843	1 150	1 271	1 295	1 295	1 295		1 218	1 274	1 333
Transfers and subsidies		182 912	205 435	231 464	268 837	268 837	268 837		282 528	299 988	316 506
Other revenue	2	1 284	8 165	7 362	1 659	1 512	1 512	-	1 470	1 554	1 613
Gains		-	338	19 024	-	-	-		-	-	-
Total Revenue (excluding capital transfers and contributions)		249 832	281 258	332 109	357 985	356 470	356 470	-	368 742	390 393	413 731
Expenditure By Type											
Employee related costs	2	84 018	85 788	107 255	108 674	108 225	108 225	-	119 133	126 553	134 746
Remuneration of councillors		19 649	22 485	23 223	25 263	24 263	24 263		25 036	26 037	27 079
Debt impairment	3	1 110	1 456	4 266	2 631	2 631	2 631		4 500	4 716	4 942
Depreciation & asset impairment	2	39 229	38 841	39 506	50 872	50 872	50 872	-	52 581	55 000	57 531
Finance charges		2 168	834	66	400	400	400		150	152	155
Bulk purchases	2	27 606	27 761	30 025	35 274	33 274	33 274	-	31 896	33 555	36 541
Other materials	8	-	5 932	5 250	11 075	11 491	11 491		7 677	7 361	7 700
Contracted services		11 616	63 541	49 077	89 848	96 213	96 213		110 404	70 327	76 224
Transfers and subsidies		15 072	738	702	1 130	1 530	1 530		1 835	1 678	1 756
Other expenditure	4, 5	70 019	48 266	55 142	69 848	68 945	68 945	-	69 979	76 894	80 353
Losses		7 676	41 798	7 463	40 546	75 546	75 546		-	-	-
Total Expenditure		278 164	337 440	321 975	435 561	473 390	473 390	-	423 190	402 274	427 026
Surplus/(Deficit)		(28 332)	(56 182)	10 135	(77 576)	(116 920)	(116 920)	-	(54 449)	(11 881)	(13 295)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		72 645	108 381	83 685	79 602	85 729	85 729		77 335	84 384	94 037
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-		-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-		-	-	-
Surplus/(Deficit) after capital transfers & contributions		44 313	52 199	93 820	2 026	(31 192)	(31 192)	-	22 886	72 503	80 742
Taxation		-	-	-	-	-	-		-	-	-
Surplus/(Deficit) after taxation		44 313	52 199	93 820	2 026	(31 192)	(31 192)	-	22 886	72 503	80 742
Attributable to minorities		-	-	-	-	-	-		-	-	-
Surplus/(Deficit) attributable to municipality		44 313	52 199	93 820	2 026	(31 192)	(31 192)	-	22 886	72 503	80 742
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-		-	-	-
Surplus/(Deficit) for the year		44 313	52 199	93 820	2 026	(31 192)	(31 192)	-	22 886	72 503	80 742

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	2 100	1 900	-
Vote 5 - ENGINEERING SERVICES		-	-	23 458	17 494	31 691	31 691	-	18 172	49 480	52 285
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	23 458	17 494	31 691	31 691	-	20 272	51 380	52 285
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		452	-	-	-	-	-	-	50	-	-
Vote 2 - BUDGET & TREASURY		-	96	-	2 500	2 500	2 500	-	-	-	350
Vote 3 - CORPORATE SERVICES		5 605	5 481	4 162	5 074	4 303	4 303	-	10 210	4 269	4 382
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	2 027	1 493	6 842	6 070	6 070	-	5 401	3 007	463
Vote 5 - ENGINEERING SERVICES		77 560	68 204	69 745	44 050	48 454	48 454	-	38 775	32 300	39 000
Vote 6 - DEVELOPMENT PLANNING		-	-	-	1 500	1 100	1 100	-	1 100	1 100	1 100
Capital single-year expenditure sub-total		83 617	75 808	75 399	59 966	62 427	62 427	-	55 537	40 675	45 295
Total Capital Expenditure - Vote		83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580
Capital Expenditure - Functional											
Governance and administration		6 057	13 070	9 277	8 426	7 203	7 203	-	12 760	6 483	5 061
Executive and council		452	-	-	-	-	-	-	50	-	-
Finance and administration		5 605	13 070	9 277	8 426	7 203	7 203	-	12 710	6 483	5 061
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	7 048	2 408	2 790	2 470	2 470	-	3 191	833	34
Community and social services		-	7 048	2 408	700	700	700	-	1 300	800	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	2 090	1 770	1 770	-	1 891	33	34
Economic and environmental services		48 906	22 170	22 397	52 044	70 245	70 245	-	55 747	50 580	53 385
Planning and development		-	-	-	23 594	40 762	40 762	-	25 272	50 580	53 385
Road transport		48 906	22 170	22 397	28 450	29 483	29 483	-	30 475	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		28 653	33 520	64 775	14 200	14 200	14 200	-	4 110	34 160	39 100
Energy sources		28 653	33 520	64 775	11 000	11 000	11 000	-	2 300	32 300	39 000
Waste management		-	-	-	3 200	3 200	3 200	-	1 810	1 860	100
Total Capital Expenditure - Functional	3	83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580
Funded by:											
National Government		43 423	59 628	69 652	56 944	63 070	63 070	-	45 647	81 780	91 285
Transfers recognised - capital	4	43 423	59 628	69 652	56 944	63 070	63 070	-	45 647	81 780	91 285
Borrowing	6	28 653	-	-	-	-	-	-	-	-	-
Internally generated funds		11 540	16 180	29 205	20 516	31 047	31 047	-	30 162	10 275	6 295
Total Capital Funding	7	83 617	75 808	98 857	77 460	94 118	94 118	-	75 808	92 055	97 580

Explanatory adopts to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

The table above shows capital expenditure by vote and functional classification as well as funding for the expenditure forecasted. This shows how the municipality's capital budget funding is highly dependent on grant funding. There is also a portion on the funding of electricity infrastructure that will be going to the repayment of the front-loading arrangement that was made for the year under implementation. This reduces the amount available for capital budget funding.

Table 18 MBRR Table A6 - Budgeted Financial Position

EC443 Mbizana - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		1 623	2	3 962	1 201	5 041	5 041		3 476	34 811	69 571
Call investment deposits	1	65 403	94 526	119 501	80 430	119 501	119 501		206 991	206 991	206 991
Consumer debtors	1	31 194	39 178	35 905	32 795	24 678	24 678	-	32 970	22 593	19 181
Other debtors		27 163	44 025	44 166	30 659	55 393	55 393		43 763	43 772	43 780
Current portion of long-term receivables		1 184	-	-	2 400	-	-		-	-	-
Inventory	2	472	449	1 271	320	1 271	1 271		1 179	1 771	1 826
Total current assets		127 040	178 180	204 805	147 805	205 884	205 884	-	288 379	309 937	341 350
Non current assets											
Long-term receivables											
Investments											
Investment property		5 794	6 132	25 097	6 745	25 097	25 097		25 097	25 097	25 097
Investment in Associate											
Property, plant and equipment	3	608 498	598 522	648 433	804 424	707 551	707 551	-	682 178	721 974	763 845
Biological											
Intangible		1 469	774	329	581	329	329				
Other non-current assets		1 231	1 231	1 231	-	1 231	1 231		1 281	1 231	1 231
Total non current assets		616 991	606 659	675 090	811 750	734 208	734 208	-	708 556	748 302	790 173
TOTAL ASSETS		744 031	784 838	879 895	959 555	940 091	940 091	-	996 934	1 058 239	1 131 523
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	16 274	-	-	-	-	-	-	-	-	-
Consumer deposits		459	610	529	457	529	529		460	460	460
Trade and other payables	4	27 127	39 319	32 449	34 453	32 449	32 449	-	17 705	8 183	8 405
Provisions		14 291	9 922	18 471	9 405	18 471	18 471		18 471	18 135	18 135
Total current liabilities		58 151	49 851	51 450	44 315	51 450	51 450	-	36 636	26 778	27 000
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		3 585	4 319	3 920	4 751	3 920	3 920		3 920	3 920	3 920
Total non current liabilities		3 585	4 319	3 920	4 751	3 920	3 920	-	3 920	3 920	3 920
TOTAL LIABILITIES		61 736	54 170	55 369	49 066	55 369	55 369	-	40 556	30 698	30 920
NET ASSETS	5	682 294	730 669	824 525	910 489	884 722	884 722	-	956 378	1 027 541	1 100 603
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		682 294	730 669	824 525	910 489	884 722	884 722		956 378	1 027 541	1 100 603
Reserves	4	-	-	-	-	-	-		-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	682 294	730 669	824 525	910 489	884 722	884 722	-	956 378	1 027 541	1 100 603

Explanatory adopts to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	67 026	94 528	123 463	172 776	124 541	124 541	-	210 467	241 802	276 562
Other current investments > 90 days		-	0	-	(91 145)	0	0	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		67 026	94 528	123 463	81 631	124 541	124 541	-	210 467	241 802	276 562
Application of cash and investments											
Unspent conditional transfers		-	-	6 687	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(13 272)	(19 989)	(54 345)	(25 248)	(42 935)	(42 935)	-	(57 596)	(56 945)	(52 330)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(13 272)	(19 989)	(47 659)	(25 248)	(42 935)	(42 935)	-	(57 596)	(56 945)	(52 330)
Surplus(shortfall)		80 298	114 517	171 121	106 879	167 476	167 476	-	268 062	298 747	328 892

Explanatory adopts to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The above table shows how the municipality's funding will be applied and the targets set for cash backed reserves over the medium. This is informed by anticipated year end targets as well as the plans to be implemented over the medium-term, especially on the revenue management, debt collection as well as expenditure management.

Table 19 MBRR Table A7 – Budgeted Cash Flows

EC443 Mbizana - Table A7 Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		9 702	10 903	13 841	24 796	24 796	24 796		26 341	27 597	28 914
Service charges		29 904	30 831	35 685	42 490	40 290	40 290		36 579	38 419	41 322
Other revenue		1 323	6 773	23 357	7 540	8 080	8 080		11 515	12 066	12 614
Transfers and Subsidies - Operational	1	181 492	202 583	237 464	265 344	269 200	269 200		282 528	299 988	316 506
Transfers and Subsidies - Capital	1	72 645	111 138	83 685	79 602	85 729	85 729		77 335	84 384	94 037
Interest		10 554	11 143	12 820	13 803	13 803	13 803		10 364	10 840	11 339
Dividends		-	-	-	-	-	-		-	-	-
Payments											
Suppliers and employees		(220 738)	(252 999)	(284 583)	(339 982)	(342 412)	(342 412)		(379 171)	(358 732)	(381 470)
Finance charges		(2 168)	(834)	(66)	(400)	(400)	(400)		(50)	(50)	(50)
Transfers and Grants	1	(4 491)	(738)	(702)	-	-	-		-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		78 224	118 799	121 501	93 194	99 086	99 086	-	65 440	114 512	123 212
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		20	785	96					-	-	-
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(83 999)	(75 808)	(92 663)	(77 460)	(94 118)	(94 118)		(70 114)	(83 177)	(88 452)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 978)	(75 023)	(92 567)	(77 460)	(94 118)	(94 118)	-	(70 114)	(83 177)	(88 452)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		-	-	-	(22)	72	72		-	-	-
Payments											
Repayment of borrowing		(24 126)	(16 274)	-					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(24 126)	(16 274)	-	(22)	72	72	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(29 881)	27 502	28 935	15 712	5 041	5 041	-	(4 674)	31 335	34 760
Cash/cash equivalents at the year begin:	2	96 907	67 026	94 528	157 064	119 501	119 501		215 140	210 467	241 802
Cash/cash equivalents at the year end:	2	67 026	94 528	123 463	172 776	124 541	124 541		210 467	241 802	276 562

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Mbizana - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		200	200	200	287	287	287	290	325	330
Electricity - prepaid (min.service level)		22 346	22 346	22 346	22 346	22 346	22 346	23 886	25 531	27 290
<i>Minimum Service Level and Above sub-total</i>		22 546	22 546	22 546	22 633	22 633	22 633	24 176	25 856	27 620
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		6 000	6 000	6 000	6 000	6 000	6 000	5 000	4 200	3 150
<i>Below Minimum Service Level sub-total</i>		6 000	6 000	6 000	6 000	6 000	6 000	5 000	4 200	3 150
Total number of households	5	28 546	28 546	28 546	28 633	28 633	28 633	29 176	30 056	30 770
Refuse:										
Removed at least once a week		800	800	800	800	800	800	850	880	900
<i>Minimum Service Level and Above sub-total</i>		800	800	800	800	800	800	850	880	900
Removed less frequently than once a week		157	157	157	157	157	157	169	172	180
Using communal refuse dump		250	250	250	250	250	250	260	280	290
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		3	3	3	3	3	3	3	3	3
No rubbish disposal		47 480	47 480	47 480	47 480	47 480	47 480	48 480	48 499	50 123
<i>Below Minimum Service Level sub-total</i>		47 890	47 890	47 890	47 890	47 890	47 890	48 912	48 954	50 596
Total number of households	5	48 690	48 690	48 690	48 690	48 690	48 690	49 762	49 834	51 496
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		1 438	1 475	1 561	1 874	1 774	1 774	1 901	1 989	2 080
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		1 438	1 475	1 561	1 874	1 774	1 774	1 901	1 989	2 080
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		312	302	292	382	382	382	393	412	431
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		312	302	292	382	382	382	393	412	431

Part 2 – Supporting Documentation

13.19 Overview of the annual budget process

A budget and IDP process plan was tabled to the municipal council 10 months before the start of the 2020/21 financial year as required by the Municipal Finance Management Act. The process plan sets out a road map with timeframes and tasks clearly set with responsible officials or institutions. The process plan in part of the IDP document and efforts have been made to ensure that these timelines are adhered to the latter. The process involves the consultation with the communities which was done during November and December 2019. These consultations inform the inputs into the IDP and the Budget.

A draft budget will be tabled to council on 26 March 2020. Inputs will then be sought from all stakeholders within the communities and therefore community consultations will be carried out in April and May 2020. The final budget adoption will have to take into consideration these inputs.

Other inputs were received from the Provincial Treasury after having received the draft, and an engagement between the Provincial Treasury and the Municipality took place. A review document was produced by the Provincial Treasury and concerns raised in this document and the engagement have been, as far as possible, taken into consideration in the final compilation.

13.20 Overview of budget related-policies

The budget preparation process cannot be separated from the review of related policies that enable the implementation of the budget. The following is a brief look at the budget related policies and where applicable, changes that have been proposed during the budget review: -

13.20.1 Review of credit control and debt collection policy

- **It is vital to the long term financial viability of the Mbizana Local Municipality that it collects the revenues (such as service charges, rates and taxes) due to it for services rendered. In terms of s96 of the Systems Act, a municipality:**
- **must collect all money that is due and payable to it subject to this Act and any other applicable legislation; and**
- **For this purpose, must adopt, maintain and implement a credit control and debt collection policy, which is consistent with rates and tariff policies and complies with the provisions of this Act. This means that appropriate credit control and debtors mechanisms must be maintained. The services provided by the Mbizana Local Municipality include electricity, refuse removal and other municipal services.**

13.20.2 Supply Chain Management Policy

The SCM policy aims to ensure that Mbizana Local Municipality procures goods and services in a manner that is efficient, timely and cost-effective, ensures customer satisfaction, pursues socio-economic objectives through a preference system and demonstrates compliance with the constitution and all relevant legislation. A few changes have been proposed to the SCM Policy and these have been necessitated mainly by changes introduced by the National Treasury as well as the South African Revenue Services.

Central Supplier Database: The National Treasury has introduced a requirement that all service provider purporting to do business with government institutions must be registered in a central database maintained by the National Treasury. Important information that relates to the registration of all companies and compliance with various requirements of various institutions is monitored through this database. Our policy should therefore make reference to this.

SARS Pin: The SARS has in the past made use of the tax clearance certificate, valid for a year, to confirm the good standing of companies that do business with the municipality. All companies have now been issued with a SARS pin which enables organs of state to directly enquire on the status of the companies at any given time. This has made the submission of the tax certificate not compulsory, but that of the SARS Pin. This development must again be reflected in the SCM policy of the municipality.

Preferential Procurement Regulations, 2017: The Minister of Finance, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000, made the regulations set out in the schedule, and issued in terms of a government gazette in January 2017. The Preferential Procurement Regulations 2017 therefore set out a number of regulations that must be implemented by all organs of the state from April 01, 2017. Some of the regulations set out affect the municipality's Supply Chain Management policy, and as such the policy must be amended to give effect to those.

The following are some of the major changes that the regulations present: -

- **Pre-qualification criteria for preferential procurement:** Where an organ of state decides to apply pre-qualification criteria to advance certain designated groups, an organ of state must advertise the tender with specific tendering condition that one or more of the type of tenderers may respond. These include amongst others:-
 - A tenderer having a stipulated minimum B-BBEE status level of contributor;
 - An EME (exempt micro enterprise) or QSE (qualifying small business);
 - A tenderer subcontracting a minimum of 30% to:-
 - An EME or QSE which is at least 51% owned by black people;
 - An EME or QSE which is at least 51% owned by black people who are youth;
 - An EME or QSE which is at least 51% owned by black people who are women; anda number of other criteria as stated in the regulations.
- **80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million:** This point scoring system is now applicable to all procurement from R30 000 to R50 million where as it before only up to R1 million.
- **90/10 preference point system for acquisition of goods or services for Rand value above R50 million:** The point scoring system that used to be applicable from the Rand value of R1 million is now only applicable from a Rand value of more than R50 million.
- **Subcontracting after award of tender:** The regulations make specific considerations relating to subcontracting after the award and the following points are important:
 - A person awarded a contract may only enter into a subcontracting arrangement with the approval of the state;
 - A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

- **Emergency Procurement:** The outbreak of the Covid-19 global pandemic has required institutions to have mechanisms to respond speedily to the demands of the infection to keep employees and the public safe. More often these would make it impossible to follow the normal processes as prescribed by the policy and therefore a need to review the policy to also cover national directives on how procurement must be managed exists.

13.20.3 Budget Policy

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium-term revenue and expenditure framework budget,
- The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget, and
- To establish and maintain procedures to ensure adherence to Mbizana's IDP review and budget processes.

This policy also needs to see a number of changes which are necessitated by the introduction of mSCOA. The various segments introduced with mSCOA have meant that the levels of authority cannot be left unchanged as some transfers and virements require a higher level of authorization, up to a level where council must take a decision.

mSCOA Circular No 8 – Virement Policy Guide – 24 April 2020 has also necessitated that the municipality's budget policy be revised to include these guidelines.

13.20.4 Cash Management and Investment Policy

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Effective cash management and competitive investment ensures both short-term and long-term viability and sustainability of the municipality. Hence, it is critical for the Mbizana Local Municipality to have its own Cash Management and Investment Policy located within the local government legislative framework.

The primary and ultimate goal of the investment of funds is to secure the safety, integrity and wholeness of the invested capital, managing liquidity requirements and ensuring the earning of the highest possible return on invested capital at minimum risk (i.e. whilst not risking the partial or total loss of invested capital), within the parameters of authorised instruments as per the MFMA.

13.20.5 Tariff Policies

In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended. In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

13.20.6 Property rates policy

This policy guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

13.20.7 Asset management policy

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistent application of asset management principles;
- implements accrual accounting;
- complies with the MFMA and other related legislation;
- correctly accounts for Assets under the GRAP accounting framework;
- safeguards and controls the assets of the municipality; and
- Optimizes asset usage.

During the review it was identified that the Asset Management committee did not include the councillors responsible for asset management and this was the proposed change to the policy.

13.20.8 SCM Policy for Infrastructure Procurement and Delivery Management

The National Treasury issued a circular in October 2015 in relation to the introduction of this policy. The intention of the circular was to a policy that would enable a municipality to separate the supply chain management requirements for general goods and services from those for infrastructure delivery. The infrastructure delivery encompasses a whole range of competencies including planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

13.20.9 Overview of budget assumptions

The NERSA guiding letter on the electricity tariffs has been assumed to be final for the purposes of this budget finalisation and the approval of tariffs will be based on that, however the bulk purchases increase has been left at the initial 8.1% as the draft budget to safeguard the municipality against both increase in demand and actual increases that will be approved for Eskom should they be successful in their bid to get higher increases that currently being offered by NERSA. The impact of Covid-19 is expected to be felt for the whole of 2020/21 with expenditures being incurred by the municipality for the period and beyond.

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality's performance in the previous financial years,

and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No. 98 and 99. According to this circular, municipalities must consider the following consumer price index or inflationary indications:-

Fiscal year	2019 Estimate	20/20 Forecast	2021 Forecast	2022 Forecast
Consumer Price Inflation - CPI	4.1%	4.5%	4.6%	4.6%

This means that any increase in the tariff increases and expenditure forecasts beyond the 3 - 5% need to be comprehensively motivated and explained. This means that to a large extent, some trading services remain heavily subsidized by other sources of revenue, a situation which needs to be changed as the council and management comes up with strategies of addressing this. It is clear for example that the solid waste removal is still heavily subsidized by other sources of revenue and the tariffs for this service cannot just be shot up as this would be inconsiderate and unaffordable for the communities served by the municipality.

The following are the key budget assumptions used to prepare the final budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 6.23% increase on electricity tariffs
- b) 8.1% increase on Electricity Bulk purchases
- c) 6.25% provision for employee costs which is in line with SALGBC Circular no. 2/2020
- d) 4.5% for all other expenses, and
- e) 4.9% for most revenue municipal Tariffs

13.21 Councilor and employee benefits

Table 21 MBRR SA22 - Summary of councilor and staff benefits

EC443 Mbizana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		12 761	13 812	12 290	14 824	12 924	12 924	13 318	13 850	14 404
Pension and UIF Contributions		-	-	1 024	1 101	1 101	1 101	1 110	1 154	1 200
Medical Aid Contributions		-	-	1 025	1 101	1 101	1 101	1 110	1 154	1 200
Motor Vehicle Allowance		4 431	4 933	5 121	5 507	5 507	5 507	5 549	5 771	6 002
Cellphone Allowance		1 585	2 753	3 764	2 730	3 630	3 630	3 950	4 108	4 272
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		872	987	-	-	-	-	-	-	-
Sub Total - Councillors		19 649	22 485	23 223	25 263	24 263	24 263	25 036	26 037	27 079
% increase	4		14.4%	3.3%	8.8%	(4.0%)	-	3.2%	4.0%	4.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 657	4 718	4 030	4 630	4 630	4 630	5 273	5 616	5 981
Pension and UIF Contributions		-	-	-	-	-	-	91	97	104
Medical Aid Contributions		-	-	-	-	-	-	442	470	501
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1 339	1 301	1 365	1 580	1 580	1 580	1 733	1 846	1 966
Cellphone Allowance	3	-	-	-	117	117	117	261	278	296
Housing Allowances	3	-	-	-	447	447	447	592	630	671
Other benefits and allowances	3	947	1 482	1 226	479	479	479	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 943	7 501	6 621	7 253	7 253	7 253	8 392	8 937	9 518
% increase	4		8.0%	(11.7%)	9.5%	-	-	15.7%	6.5%	6.5%
Other Municipal Staff										
Basic Salaries and Wages		49 495	54 468	62 091	67 148	66 223	66 223	71 455	76 067	80 979
Pension and UIF Contributions		5 142	5 462	6 969	8 383	8 460	8 460	10 079	10 734	11 431
Medical Aid Contributions		3 749	3 465	4 427	5 237	5 360	5 360	5 552	5 913	6 297
Overtime		911	937	1 833	231	231	231	3 001	3 196	3 403
Performance Bonus		3 857	4 621	4 633	4 579	4 804	4 804	5 212	5 550	5 911
Motor Vehicle Allowance	3	5 506	5 262	5 932	6 527	6 497	6 497	6 961	7 414	7 896
Cellphone Allowance	3	506	398	399	362	362	362	898	956	1 018
Housing Allowances	3	2 895	3 014	3 099	3 464	3 494	3 494	3 814	4 062	4 326
Other benefits and allowances	3	1 222	281	2 308	3 235	3 285	3 285	3 770	3 724	3 966
Payments in lieu of leave		3 793	-	8 305	2 256	2 256	2 256	-	-	-
Long service awards		-	378	638	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		77 074	78 287	100 634	101 422	100 972	100 972	110 740	117 615	125 228
% increase	4		1.6%	28.5%	0.8%	(0.4%)	-	9.7%	6.2%	6.5%
Total Parent Municipality		103 666	108 273	130 479	133 937	132 488	132 488	144 168	152 590	161 825
			4.4%	20.5%	2.7%	(1.1%)	-	8.8%	5.8%	6.1%
TOTAL SALARY, ALLOWANCES & BENEFITS		103 666	108 273	130 479	133 937	132 488	132 488	144 168	152 590	161 825
% increase	4		4.4%	20.5%	2.7%	(1.1%)	-	8.8%	5.8%	6.1%
TOTAL MANAGERS AND STAFF	5,7	84 018	85 788	107 255	108 674	108 225	108 225	119 133	126 553	134 746

EC443 Mbizana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		446 209	74 368	267 503			788 080
Chief Whip			418 321	69 720	253 561			741 602
Executive Mayor			557 762	92 960	323 281			974 004
Deputy Executive Mayor			–	–	–			–
Executive Committee			3 246 178	541 030	2 067 089			5 854 297
Total for all other councillors			8 649 033	1 441 506	6 587 141			16 677 679
Total Councillors	8	–	13 317 504	2 219 584	9 498 575			25 035 663
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 036 896	112 080	424 956			1 573 932
Chief Finance Officer			770 040	–	720 430	–		1 490 470
Senior Manager - Engineering			834 372	117 696	351 624			1 303 692
Senior Manager - Corporate Services			877 212	109 068	283 176			1 269 456
Senior Manager - Community Services			877 212	96 204	403 824			1 377 240
Senior Manager - Development Planning			877 212	96 204	403 824			1 377 240
Total Senior Managers of the Municipality	8,10	–	5 272 944	531 252	2 587 834	–		8 392 030
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	18 590 448	2 750 836	12 086 409	–		33 427 692

13.22 Expenditure on grants and reconciliations of unspent funds

Table 22 MBRR SA19 – Expenditure on transfers and grant programmes

EC443 Mbizana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		204 212	236 166	267 860	296 291	296 291	296 291	311 814	332 288	355 506
Local Government Equitable Share		175 910	198 316	230 010	260 384	260 384	260 384	278 139	297 788	314 306
Finance Management		2 218	2 145	2 145	2 215	2 215	2 215	2 000	2 200	2 200
EPWP Incentive		1 084	1 704	1 704	2 452	2 452	2 452	2 389	-	-
Integrated National Electrification Programme		25 000	34 001	34 001	31 240	31 240	31 240	29 286	32 300	39 000
Other transfers/grants [insert description]										
Provincial Government:		548	489	-	3 786	3 786	3 786	-	-	-
Sport and Recreation		548	489	-	500	500	500	-	-	-
Greenest Municipality		-	-	-	3 286	3 286	3 286	-	-	-
District Municipality:		400	-	-	-	-	-	-	-	-
Integrated Development Planning		400	-	-	-	-	-	-	-	-
Other grant providers:		100	-	-	-	-	-	-	-	-
[insert description]		100	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		205 260	236 655	267 860	300 077	300 077	300 077	311 814	332 288	355 506
Capital expenditure of Transfers and Grants										
National Government:		46 159	59 701	53 289	48 362	54 489	54 489	48 049	52 084	55 037
Municipal Infrastructure Grant (MIG)		46 159	59 701	53 289	48 362	54 489	54 489	48 049	52 084	55 037
Other capital transfers/grants [insert desc]										
Provincial Government:		-	17 460	-	-	-	-	-	-	-
Provincial Electrification Grant		-	17 460	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		46 159	77 161	53 289	48 362	54 489	54 489	48 049	52 084	55 037
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		251 419	313 816	321 149	348 439	354 566	354 566	359 863	384 372	410 543

Table 23 MBRR SA20 – Reconciliation of transfers, grant receipts and unspent funds

EC443 Mbizana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		803	-	-						
Current year receipts		179 611	204 585	231 016	265 051	265 051	265 051	282 528	299 988	316 506
Conditions met - transferred to revenue		180 414	204 585	231 016	265 051	265 051	265 051	282 528	299 988	316 506
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		1 791	-	-	-	-	-	-	-	-
Current year receipts		350	850	448	3 786	3 786	3 786	-	-	-
Conditions met - transferred to revenue		2 141	850	448	3 786	3 786	3 786	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		357	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		357	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		182 912	205 435	231 464	268 837	268 837	268 837	282 528	299 988	316 506
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year						6 127	6 127			
Current year receipts		43 423	59 628	69 652	56 944	56 944	56 944	45 647	81 780	91 285
Conditions met - transferred to revenue		43 423	59 628	69 652	56 944	63 070	63 070	45 647	81 780	91 285
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		43 423	59 628	69 652	56 944	63 070	63 070	45 647	81 780	91 285
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		226 335	265 063	301 117	325 781	331 907	331 907	328 175	381 768	407 791
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Table 24 MBRR SA24 – Summary of personnel numbers

EC443 Mbizana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		61	4	57	61	4	57	62	-	62
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7		6	7		6	6	6	-
Other Managers	7	16	3	13	16	3	13	20	20	-
Professionals		11	10	1	11	10	1	10	9	1
Finance		3	3	-	3	3	-	3	3	-
Spatial/town planning		2	1	1	2	1	1	2	1	1
Information Technology		1	1	-	1	1	-	1	1	-
Roads		2	2	-	2	2	-	2	2	-
Electricity		1	1	-	1	1	-	1	1	-
Water										
Sanitation										
Refuse		2	2	-	2	2	-	1	1	-
Other										
Technicians		53	50	2	53	50	2	20	20	-
Finance		11	10	-	11	10	-	9	9	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	2	2	-
Roads		-	-	-	-	-	-	5	5	-
Electricity		-	-	-	-	-	-	2	2	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		42	40	2	42	40	2	2	2	-
Other								-	-	-
Clerks (Clerical and administrative)		97	67	31	97	67	31	104	99	5
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operatrbs		4		4	4		4	13	9	4
Elementary Occupations		83	83		83	83		118	112	6
TOTAL PERSONNEL NUMBERS	9	332	217	114	332	217	114	353	275	78
% increase					-	-	-	6.3%	26.7%	(31.6%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

EC443 Mbizana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		12 761	13 812	12 290	14 824	12 924	12 924	13 318	13 850	14 404
Pension and UIF Contributions		-	-	1 024	1 101	1 101	1 101	1 110	1 154	1 200
Medical Aid Contributions		-	-	1 025	1 101	1 101	1 101	1 110	1 154	1 200
Mobv Vehicle Allowance		4 431	4 933	5 121	5 507	5 507	5 507	5 549	5 771	6 002
Cellphone Allowance		1 585	2 753	3 764	2 730	3 630	3 630	3 950	4 108	4 272
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		872	987	-	-	-	-	-	-	-
Sub Total - Councillors		19 649	22 485	23 223	25 263	24 263	24 263	25 036	26 037	27 079
% increase	4		14.4%	3.3%	8.8%	(4.0%)	-	3.2%	4.0%	4.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 657	4 718	4 030	4 630	4 630	4 630	5 273	5 616	5 981
Pension and UIF Contributions		-	-	-	-	-	-	91	97	104
Medical Aid Contributions		-	-	-	-	-	-	442	470	501
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Mobv Vehicle Allowance	3	1 339	1 301	1 365	1 580	1 580	1 580	1 733	1 846	1 966
Cellphone Allowance	3	-	-	-	117	117	117	261	278	296
Housing Allowances	3	-	-	-	447	447	447	592	630	671
Other benefits and allowances	3	947	1 482	1 226	479	479	479	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 943	7 501	6 621	7 253	7 253	7 253	8 392	8 937	9 518
% increase	4		8.0%	(11.7%)	9.5%	-	-	15.7%	6.5%	6.5%
Other Municipal Staff										
Basic Salaries and Wages		49 495	54 468	62 091	67 148	66 223	66 223	71 455	76 067	80 979
Pension and UIF Contributions		5 142	5 462	6 969	8 383	8 460	8 460	10 079	10 734	11 431
Medical Aid Contributions		3 749	3 465	4 427	5 237	5 360	5 360	5 552	5 913	6 297
Overtime		911	937	1 833	231	231	231	3 001	3 196	3 403
Performance Bonus		3 857	4 621	4 633	4 579	4 804	4 804	5 212	5 550	5 911
Mobv Vehicle Allowance	3	5 506	5 262	5 932	6 527	6 497	6 497	6 961	7 414	7 896
Cellphone Allowance	3	506	398	399	362	362	362	898	956	1 018
Housing Allowances	3	2 895	3 014	3 099	3 464	3 494	3 494	3 814	4 062	4 326
Other benefits and allowances	3	1 222	281	2 308	3 235	3 285	3 285	3 770	3 724	3 966
Payments in lieu of leave		3 793	-	8 305	2 256	2 256	2 256	-	-	-
Long service awards		-	378	638	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		77 074	78 287	100 634	101 422	100 972	100 972	110 740	117 615	125 228
% increase	4		1.6%	28.5%	0.8%	(0.4%)	-	9.7%	6.2%	6.5%
Total Parent Municipality		103 666	108 273	130 479	133 937	132 488	132 488	144 168	152 590	161 825
			4.4%	20.5%	2.7%	(1.1%)	-	8.8%	5.8%	6.1%
TOTAL SALARY, ALLOWANCES & BENEFITS		103 666	108 273	130 479	133 937	132 488	132 488	144 168	152 590	161 825
% increase	4		4.4%	20.5%	2.7%	(1.1%)	-	8.8%	5.8%	6.1%
TOTAL MANAGERS AND STAFF	5,7	84 018	85 788	107 255	108 674	108 225	108 225	119 133	126 553	134 746

13.23 Monthly targets for revenue, expenditure and cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand															
Cash Receipts By Source													1		
Property rates	18 504	653	653	653	653	653	653	653	653	653	653	1 306	26 341	27 597	28 914
Service charges - electricity revenue	2 736	2 713	2 736	2 736	2 736	2 736	2 736	2 736	2 736	2 736	2 736	2 489	32 560	34 208	36 909
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	335	335	335	335	335	335	335	335	335	335	335	335	4 018	4 211	4 413
Rental of facilities and equipment	425	425	425	425	425	425	425	425	425	425	425	673	5 351	5 602	5 865
Interest earned - external investments	365	365	365	365	365	365	365	365	365	365	365	6 354	10 364	10 840	11 339
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	64	64	64	64	64	64	64	64	64	64	64	64	767	802	839
Licences and permits	230	230	230	230	230	230	230	230	230	230	230	230	2 756	2 883	3 015
Agency services	101	101	101	101	101	101	101	101	101	101	101	101	1 218	1 274	1 333
Transfers and Subsidies - Operational	114 396	-	956	-	-	83 588	-	-	83 588	-	-	-	282 528	299 988	316 506
Other revenue	-	-	-	-	-	-	-	-	-	-	-	1 423	1 423	1 505	1 562
Cash Receipts by Source	137 156	4 886	5 864	4 909	4 909	88 497	4 909	4 909	88 497	4 909	4 909	12 975	367 326	388 911	410 695
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	29 387	-	-	-	-	23 974	-	-	23 974	-	-	-	77 335	84 384	94 037
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	166 544	4 886	5 864	4 909	4 909	112 470	4 909	4 909	112 470	4 909	4 909	12 975	444 661	473 295	504 732
Cash Payments by Type															
Employee related costs	9 906	9 928	9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	10 143	119 133	126 553	134 746
Remuneration of councillors	2 148	2 086	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	1 466	25 036	26 037	27 079
Finance charges	4	4	4	4	4	4	4	4	4	4	4	4	50	50	50
Bulk purchases - Electricity	2 705	2 658	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 190	31 896	33 555	36 541
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	586	640	586	586	586	586	586	586	586	586	586	1 173	7 677	7 361	7 700
Contracted services	9 278	9 200	9 278	9 278	9 278	9 278	9 278	9 278	9 278	9 278	9 278	8 425	110 404	70 327	76 224
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	5 981	7 086	5 981	5 981	5 981	5 981	5 981	5 981	5 981	5 981	5 981	18 134	85 026	94 899	99 181
Cash Payments by Type	30 608	31 602	30 608	30 608	30 608	30 608	30 608	30 608	30 608	30 608	30 608	41 536	379 221	358 782	381 520
Other Cash Flows/Payments by Type															
Capital assets	4 579	8 329	5 865	9 009	3 415	9 679	4 815	4 115	8 571	3 565	3 265	4 909	70 114	83 177	88 452
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	35 187	39 931	36 473	39 617	34 023	40 288	35 423	34 723	39 180	34 173	33 873	46 445	449 335	441 960	469 971
NET INCREASE/(DECREASE) IN CASH HELD	131 356	(35 045)	(30 609)	(34 709)	(29 114)	72 183	(30 514)	(29 814)	73 291	(29 264)	(28 964)	(33 470)	(4 674)	31 335	34 760
Cash/cash equivalents at the month/year begin:	215 140	346 497	311 452	280 843	246 135	217 020	289 203	258 689	228 874	302 165	272 900	243 936	215 140	210 467	241 802
Cash/cash equivalents at the month/year end:	346 497	311 452	280 843	246 135	217 020	289 203	258 689	228 874	302 165	272 900	243 936	210 467	210 467	241 802	276 562

Table 25 MBRR SA25 – Budgeted monthly revenue and expenditure

EC443 Mbizana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source																
Property rates		12 594	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	25 189	26 398	27 665
Service charges - electricity revenue		2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	683	32 578	34 226	38 413
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		370	370	370	370	370	370	370	370	370	370	370	4 437	4 650	4 873	
Rental of facilities and equipment		217	217	217	217	217	217	217	217	217	217	217	464	2 851	2 982	3 119
Interest earned - external investments		864	864	864	864	864	864	864	864	864	864	864	10 364	10 840	11 339	
Interest earned - outstanding debtors		367	367	367	367	367	367	367	367	367	367	367	4 404	4 606	4 818	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		79	79	79	79	79	79	79	79	79	79	79	948	992	1 037	
Licences and permits		230	230	230	230	230	230	230	230	230	230	230	2 756	2 883	3 015	
Agency services		-	113	113	113	113	113	113	113	113	113	90	1 218	1 274	1 333	
Transfers and subsidies		112 495	956	956	956	956	83 588	956	956	956	956	1 901	282 528	299 988	316 506	
Other revenue		127	127	127	127	127	127	127	127	127	127	73	1 470	1 554	1 613	
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		130 242	6 410	7 366	6 410	6 410	89 998	6 410	6 410	89 998	6 410	6 410	6 266	368 742	390 393	413 731
Expenditure By Type																
Employee related costs		9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	10 165	119 133	126 553	134 746
Remuneration of councillors		2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	1 404	25 036	26 037	27 079
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	4 500	4 500	4 716	4 942
Depreciation & asset impairment		4 382	4 382	4 382	4 382	4 382	4 382	4 382	4 382	4 382	4 382	4 382	4 382	52 581	55 000	57 531
Finance charges		13	-	-	13	13	13	25	13	-	13	13	38	150	152	155
Bulk purchases		2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 143	31 896	33 555	36 541
Other materials		586	586	586	586	586	586	586	586	586	586	586	1 226	7 677	7 361	7 700
Contracted services		-	5 507	9 564	6 116	4 338	6 628	4 024	3 176	12 720	9 278	22 073	26 978	110 404	70 327	76 224
Transfers and subsidies		-	-	-	-	963	-	-	-	-	642	-	230	1 835	1 678	1 756
Other expenditure		6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	2 722	69 979	76 894	80 353
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		25 854	31 349	35 406	31 971	31 155	32 482	29 891	29 031	38 562	35 774	47 928	53 788	423 190	402 274	427 026
Surplus/(Deficit)		104 388	(24 939)	(28 040)	(25 560)	(24 745)	57 516	(23 481)	(22 621)	51 436	(29 363)	(41 517)	(47 523)	(54 449)	(11 881)	(13 295)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	29 387	-	-	-	-	23 974	-	-	23 974	-	0	77 335	84 384	94 037
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		104 388	4 449	(28 040)	(25 560)	(24 745)	57 516	493	(22 621)	51 436	(5 390)	(41 517)	(47 523)	22 886	72 503	80 742
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	104 388	4 449	(28 040)	(25 560)	(24 745)	57 516	493	(22 621)	51 436	(5 390)	(41 517)	(47 523)	22 886	72 503	80 742

Table 26 MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote																
Vote 1 - EXECUTIVE & COUNCIL													-	-	-	-
Vote 2 - BUDGET & TREASURY		24 665	24 665	24 665	24 665	24 665	24 665	24 665	24 665	24 665	24 665	24 897	296 215	316 803	334 095	
Vote 3 - CORPORATE SERVICES		8	8	8	107	8	8	76	8	8	8	24	280	293	307	
Vote 4 - COMMUNITY & SOCIAL SERVICES		996	996	996	996	996	996	996	996	996	996	851	11 811	9 865	10 328	
Vote 5 - ENGINEERING SERVICES		9 373	9 373	9 373	9 373	9 373	9 373	9 373	9 373	9 373	9 373	9 044	112 149	120 949	134 897	
Vote 6 - DEVELOPMENT PLANNING		18 504	648	648	648	648	648	648	648	648	648	634	25 621	26 867	28 142	
Vote 7 - [NAME OF VOTE 7]												-	-	-	-	
Vote 8 - [NAME OF VOTE 8]												-	-	-	-	
Vote 9 - [NAME OF VOTE 9]												-	-	-	-	
Vote 10 - [NAME OF VOTE 10]												-	-	-	-	
Vote 11 - [NAME OF VOTE 11]												-	-	-	-	
Vote 12 - [NAME OF VOTE 12]												-	-	-	-	
Vote 13 - [NAME OF VOTE 13]												-	-	-	-	
Vote 14 - [NAME OF VOTE 14]												-	-	-	-	
Vote 15 - [NAME OF VOTE 15]												-	-	-	-	
Total Revenue by Vote		53 547	35 691	35 691	35 790	35 691	35 691	35 760	35 691	35 691	35 691	35 450	446 077	474 777	507 768	
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE & COUNCIL		6 927	6 927	6 927	6 927	6 927	6 927	6 927	6 927	6 927	6 927	6 927	83 121	90 924	95 489	
Vote 2 - BUDGET & TREASURY		2 485	2 485	2 485	2 485	2 485	2 485	2 485	2 485	2 485	2 485	3 373	30 707	31 293	32 960	
Vote 3 - CORPORATE SERVICES		4 784	4 784	4 784	4 784	4 784	4 784	4 784	4 784	4 784	4 784	2 745	55 365	58 464	61 519	
Vote 4 - COMMUNITY & SOCIAL SERVICES		6 162	6 162	6 162	6 162	6 162	6 162	6 162	6 162	6 162	6 162	8 188	75 969	79 826	86 794	
Vote 5 - ENGINEERING SERVICES		12 771	12 771	12 771	12 771	12 771	12 771	12 771	12 771	12 771	12 771	12 127	152 604	114 144	121 164	
Vote 6 - DEVELOPMENT PLANNING		2 185	2 185	2 185	2 185	2 185	2 185	2 185	2 185	2 185	2 185	1 385	25 425	27 624	29 100	
Vote 7 - [NAME OF VOTE 7]												-	-	-	-	
Vote 8 - [NAME OF VOTE 8]												-	-	-	-	
Vote 9 - [NAME OF VOTE 9]												-	-	-	-	
Vote 10 - [NAME OF VOTE 10]												-	-	-	-	
Vote 11 - [NAME OF VOTE 11]												-	-	-	-	
Vote 12 - [NAME OF VOTE 12]												-	-	-	-	
Vote 13 - [NAME OF VOTE 13]												-	-	-	-	
Vote 14 - [NAME OF VOTE 14]												-	-	-	-	
Vote 15 - [NAME OF VOTE 15]												-	-	-	-	
Total Expenditure by Vote		35 313	35 313	35 313	35 313	35 313	35 313	35 313	35 313	35 313	35 313	34 745	423 190	402 274	427 026	
Surplus/(Deficit) before assoc.		18 234	378	378	477	378	378	446	378	378	378	705	22 886	72 503	80 742	
Taxation												-	-	-	-	
Attributable to minorities												-	-	-	-	
Share of surplus/ (deficit) of associate												-	-	-	-	
Surplus/(Deficit)	1	18 234	378	378	477	378	378	446	378	378	378	705	22 886	72 503	80 742	

Table 27 MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)

EC443 Mbizana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue - Functional																	
Governance and administration		112 495	4 560	657	2 514	1 396	83 588	3 819	3 659	83 588	7 552	10 574	7 281	321 684	343 495	362 067	
Executive and council																	
Finance and administration		112 495	4 560	657	2 514	1 396	83 588	3 819	3 659	83 588	7 552	10 574	7 281	321 684	343 495	362 067	
Internal audit																	
Community and public safety		561	329	376	383	304	257	373	280	893	844	16	325	4 942	5 169	5 407	
Community and social services		16	8	12	12	11	6	6	11	6	11	16	68	181	189	198	
Sport and recreation																	
Public safety		545	321	365	372	294	251	368	269	887	833		257	4 761	4 980	5 209	
Housing																	
Health																	
Economic and environmental services		116	1 739	10 735	5 109	9 642	6 940	947	1 513	9 615	1 117	721	418	48 612	52 690	55 657	
Planning and development		73	54	24	36	65	6	0	12	39	170	65	20	563	606	620	
Road transport		43	1 685	10 711	5 072	9 577	6 935	947	1 500	9 577	947	657	399	48 049	52 084	55 037	
Environmental protection																	
Trading services		848	851	891	924	349	370	390	1 331	265	371	165	64 082	70 839	73 424	84 638	
Energy sources													63 969	63 969	68 728	79 716	
Water management																	
Waste water management																	
Waste management		848	851	891	924	349	370	390	1 331	265	371	165	113	6 870	4 696	4 921	
Other																	
Total Revenue - Functional		114 021	7 480	12 659	9 930	11 691	91 155	5 530	6 782	94 362	9 884	11 477	72 107	446 077	474 777	507 768	
Expenditure - Functional																	
Governance and administration		15 662	15 662	15 662	15 662	15 662	15 662	15 662	15 662	15 662	15 662	15 662	12 338	184 624	196 919	207 056	
Executive and council		5 558	5 558	5 558	5 558	5 558	5 558	5 558	5 558	5 558	5 558	5 558	1 877	63 018	69 231	72 646	
Finance and administration		9 653	9 653	9 653	9 653	9 653	9 653	9 653	9 653	9 653	9 653	9 653	9 961	116 150	121 746	128 168	
Internal audit		451	451	451	451	451	451	451	451	451	451	451	501	5 457	5 942	6 242	
Community and public safety		2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	2 530	3 047	30 879	32 063	33 862	
Community and social services		942	942	942	942	942	942	942	942	942	942	942	1 759	12 117	11 863	12 454	
Sport and recreation		231	231	231	231	231	231	231	231	231	231	231	231	2 769	2 933	3 108	
Public safety		1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	976	15 014	16 225	17 192	
Housing		82	82	82	82	82	82	82	82	82	82	82	82	980	1 042	1 108	
Health																	
Economic and environmental services		8 407	8 407	8 407	8 407	8 407	8 407	8 407	8 407	8 407	8 407	8 407	7 736	100 216	90 508	95 107	
Planning and development		2 408	2 408	2 408	2 408	2 408	2 408	2 408	2 408	2 408	2 408	2 408	1 736	28 221	30 414	32 075	
Road transport		5 803	5 803	5 803	5 803	5 803	5 803	5 803	5 803	5 803	5 803	5 803	5 803	69 641	57 601	60 391	
Environmental protection		196	196	196	196	196	196	196	196	196	196	196	196	2 353	2 493	2 641	
Trading services		8 728	8 728	8 728	8 728	8 728	8 728	8 728	8 728	8 728	8 728	8 728	7 886	103 891	78 814	86 810	
Energy sources		6 543	6 543	6 543	6 543	6 543	6 543	6 543	6 543	6 543	6 543	6 543	5 952	77 927	51 192	55 087	
Water management																	
Waste water management																	
Waste management		2 184	2 184	2 184	2 184	2 184	2 184	2 184	2 184	2 184	2 184	2 184	1 934	25 964	27 622	31 723	
Other													3 580	3 580	3 970	4 191	
Total Expenditure - Functional		35 328	35 328	35 328	35 328	35 328	35 328	35 328	35 328	35 328	35 328	35 328	34 588	423 190	402 274	427 026	
Surplus/(Deficit) before assoc.		78 693	(27 848)	(22 669)	(26 397)	(23 637)	55 828	(29 797)	(28 545)	59 034	(25 444)	(23 851)	37 519	22 886	72 503	80 742	
Share of surplus/ (deficit) of associate																	
Surplus/(Deficit)	1	78 693	(27 848)	(22 669)	(26 397)	(23 637)	55 828	(29 797)	(28 545)	59 034	(25 444)	(23 851)	37 519	22 886	72 503	80 742	

Table 28 MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE & COUNCIL																
Vote 2 - BUDGET & TREASURY				1 100		350	350				300					
Vote 3 - CORPORATE SERVICES																
Vote 4 - COMMUNITY & SOCIAL SERVICES																
Vote 5 - ENGINEERING SERVICES		1 514	1 514		3 634		2 605			4 007			4 897	18 172	49 480	52 285
Vote 6 - DEVELOPMENT PLANNING																
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Capital multi-year expenditure sub-total	2	1 514	1 514	1 100	3 634	350	2 955			4 007	300		4 897	20 272	51 380	52 285
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE & COUNCIL			50											50		
Vote 2 - BUDGET & TREASURY																350
Vote 3 - CORPORATE SERVICES			3 100		1 500		2 250			750			2 610	10 210	4 269	4 382
Vote 4 - COMMUNITY & SOCIAL SERVICES			100	1 700	560		110	1 050	1 050	400	200	200	31	5 401	3 007	463
Vote 5 - ENGINEERING SERVICES		3 065	3 065	3 065	3 065	3 065	4 365	3 765	3 065	3 065	3 065	3 065	3 065	38 775	32 300	39 000
Vote 6 - DEVELOPMENT PLANNING			500		250					350				1 100	1 100	1 100
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Capital single-year expenditure sub-total	2	3 065	6 815	4 765	5 375	3 065	6 725	4 815	4 115	4 565	3 265	3 265	5 706	55 537	40 675	45 295
Total Capital Expenditure	2	4 579	8 329	5 865	9 009	3 415	9 679	4 815	4 115	8 571	3 565	3 265	10 603	75 808	92 055	97 580

Table 29 MBRR SA29 – Budgeted monthly capital expenditure (functional classification)

EC443 Mbizana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional	1															
Governance and administration			3 150	1 100	1 500	350	2 600	-	-	750	500	200	2 610	12 760	6 483	5 061
Executive and council		-	50	-	-	-	-	-	-	-	-	-	-	50	-	-
Finance and administration			3 100	1 100	1 500	350	2 600			750	500	200	2 610	12 710	6 483	5 061
Internal audit																
Community and public safety		-	100	-	560	-	-	1 050	1 050	400	-	-	31	3 191	833	34
Community and social services			100					400	400	400				1 300	800	
Sport and recreation																
Public safety					560			650	650				31	1 891	33	34
Housing																
Health																
Economic and environmental services		4 387	4 887	2 873	6 757	2 873	6 778	3 573	2 873	7 230	2 873	2 873	7 770	55 747	50 580	53 385
Planning and development		1 514	2 014	1 200	5 084	1 200	3 805	1 200	-	4 357	-	-	4 897	25 272	50 580	53 385
Road transport		2 873	2 873	1 673	1 673	1 673	2 973	2 373	2 873	2 873	2 873	2 873	2 873	30 475	-	-
Environmental protection																
Trading services		192	192	1 892	192	192	302	192	192	192	192	192	192	4 110	34 160	39 100
Energy sources		192	192	192	192	192	192	192	192	192	192	192	192	2 300	32 300	39 000
Water management																
Waste water management																
Waste management				1 700			110							1 810	1 860	100
Other																
Total Capital Expenditure - Functional	2	4 579	8 329	5 865	9 009	3 415	9 679	4 815	4 115	8 571	3 565	3 265	10 603	75 808	92 055	97 580
Funded by:																
National Government		4 387	4 387	1 673	5 307	1 673	4 278	1 673	2 873	6 880	2 873	2 873	6 770	45 647	81 780	91 285
Provincial Government																
District Municipality																
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																
Transfers recognised - capital		4 387	4 387	1 673	5 307	1 673	4 278	1 673	2 873	6 880	2 873	2 873	6 770	45 647	81 780	91 285
Borrowing																
Internally generated funds		192	3 942	4 192	3 702	1 742	5 402	3 142	1 242	1 692	692	392	3 833	30 162	10 275	6 295
Total Capital Funding		4 579	8 329	5 865	9 009	3 415	9 679	4 815	4 115	8 571	3 565	3 265	10 603	75 808	92 055	97 580

Table 30 MBRR SA30 – Budgeted monthly cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand															
Cash Receipts By Source													1		
Property rates	18 504	653	653	653	653	653	653	653	653	653	653	1 306	26 341	27 597	28 914
Service charges - electricity revenue	2 736	2 713	2 736	2 736	2 736	2 736	2 736	2 736	2 736	2 736	2 736	2 489	32 560	34 208	36 909
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	335	335	335	335	335	335	335	335	335	335	335	335	4 018	4 211	4 413
Rental of facilities and equipment	425	425	425	425	425	425	425	425	425	425	425	673	5 351	5 602	5 865
Interest earned - external investments	365	365	365	365	365	365	365	365	365	365	365	6 354	10 364	10 840	11 339
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	64	64	64	64	64	64	64	64	64	64	64	64	767	802	839
Licences and permits	230	230	230	230	230	230	230	230	230	230	230	230	2 756	2 883	3 015
Agency services	101	101	101	101	101	101	101	101	101	101	101	101	1 218	1 274	1 333
Transfers and Subsidies - Operational	114 396	-	956	-	-	83 588	-	-	83 588	-	-	-	282 528	299 988	316 506
Other revenue	-	-	-	-	-	-	-	-	-	-	-	1 423	1 423	1 505	1 562
Cash Receipts by Source	137 156	4 886	5 864	4 909	4 909	88 497	4 909	4 909	88 497	4 909	4 909	12 975	367 326	388 911	410 695
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	29 387	-	-	-	-	23 974	-	-	23 974	-	-	-	77 335	84 384	94 037
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	166 544	4 886	5 864	4 909	4 909	112 470	4 909	4 909	112 470	4 909	4 909	12 975	444 661	473 295	504 732
Cash Payments by Type															
Employee related costs	9 906	9 928	9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	9 906	10 143	119 133	126 553	134 746
Remuneration of councillors	2 148	2 086	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	2 148	1 466	25 036	26 037	27 079
Finance charges	4	4	4	4	4	4	4	4	4	4	4	4	50	50	50
Bulk purchases - Electricity	2 705	2 658	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 705	2 190	31 896	33 555	36 541
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	586	640	586	586	586	586	586	586	586	586	586	1 173	7 677	7 361	7 700
Contracted services	9 278	9 200	9 278	9 278	9 278	9 278	9 278	9 278	9 278	9 278	9 278	8 425	110 404	70 327	76 224
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	5 981	7 086	5 981	5 981	5 981	5 981	5 981	5 981	5 981	5 981	5 981	18 134	85 026	94 899	99 181
Cash Payments by Type	30 608	31 602	30 608	30 608	30 608	30 608	30 608	30 608	30 608	30 608	30 608	41 536	379 221	358 782	381 520
Other Cash Flows/Payments by Type															
Capital assets	4 579	8 329	5 865	9 009	3 415	9 679	4 815	4 115	8 571	3 565	3 265	4 909	70 114	83 177	88 452
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	35 187	39 931	36 473	39 617	34 023	40 288	35 423	34 723	39 180	34 173	33 873	46 445	449 335	441 960	469 971
NET INCREASE/(DECREASE) IN CASH HELD	131 356	(35 045)	(30 609)	(34 709)	(29 114)	72 183	(30 514)	(29 814)	73 291	(29 264)	(28 964)	(33 470)	(4 674)	31 335	34 760
Cash/cash equivalents at the month/year begin:	215 140	346 497	311 452	280 843	246 135	217 020	289 203	258 689	228 874	302 165	272 900	243 936	215 140	210 467	241 802
Cash/cash equivalents at the month/year end:	346 497	311 452	280 843	246 135	217 020	289 203	258 689	228 874	302 165	272 900	243 936	210 467	210 467	241 802	276 562

13.24 Contracts having future budgetary implications

EC443 Mbizana - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand								
Capital expenditure	1							
Vote 1 - EXECUTIVE & COUNCIL		50	-	-				
Vote 2 - BUDGET & TREASURY		2 100	1 900	350				
Vote 3 - CORPORATE SERVICES		10 210	4 269	4 382				
Vote 4 - COMMUNITY & SOCIAL SERVICES		5 401	3 007	463				
Vote 5 - ENGINEERING SERVICES		56 947	81 780	91 285				
Vote 6 - DEVELOPMENT PLANNING		1 100	1 100	1 100				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		75 808	92 055	97 580	-	-	-	-

In terms of the municipality's Supply Chain Management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial management comments and budget confirmation from the Budget and Treasury office.

13.25 Detailed Capital budget

EC443 Mbizana - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	2020/21 Medium Term Revenue & Expenditure Framework				
									Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality:													
List all capital projects grouped by Function													
	Executive and Council Finance and Administration	Other Heritage:Mayor's Chain		New	able, effective and efficient	Governance		Heritage assets			50		
		Computer Equipment: Computer E		New	able, effective and efficient	Governance	ility of efficient ICT	Computer Equipment	1 762	1 450	4 500	1 000	1 000
		Computer Equipment: Electronic F		New	able, effective and efficient	Governance	ility of efficient ICT	Computer Equipment		2 500	2 000	1 500	
		Computer Equipment:Disaster Re		New	able, effective and efficient	Governance	ility of efficient ICT	Computer Equipment				300	300
		Furniture and Office Equipment: C		New	able, effective and efficient	Governance	ility of efficient ICT	Furniture and Office Equipment		200	200	209	219
		Furniture and Office Equipment: C		New	able, effective and efficient	Governance	ility of efficient ICT	Furniture and Office Equipment		653	950	500	500
		Furniture and Office Equipment: S		New	able, effective and efficient	Governance	ility of efficient ICT	Furniture and Office Equipment		200	200	105	109
		Furniture and Office Equipment: C		New	able, effective and efficient	Governance	ility of efficient ICT	Furniture and Office Equipment			100		
		Furniture and Office Equipment:O		New	able, effective and efficient	Governance	ility of efficient ICT	Furniture and Office Equipment	785		100	400	350
		Halls: Mbizana Town Hall in Ward		New	able, effective and efficient	Governance	ility of efficient ICT	Community Facilities		750	2 000		
		MV Networks: Electrification of Qu		New	able, effective and efficient	Governance	ility of efficient ICT	Electrical Infrastructure					
	Community and Social Services	Transport Assets: Transport Asse		New	able, effective and efficient	Governance	ility of efficient ICT	Transport Assets	2 796	1 450	2 360	2 469	2 582
		Transport Assets:Transport Asset		New	able, effective and efficient	Governance	ility of efficient ICT	Transport Assets				800	
		Disaster Management: Emergenc		New	able, effective and efficient	Governance	ility of efficient ICT	Furniture and Office Equipment			100		
		Yards: Fencing		New	able, effective and efficient	Governance	ility of efficient ICT	Operational Buildings		700	1 200		
	Planning and Development	Halls: Mbizana Town Hall in Ward		Upgrading	able, effective and efficient	Governance	ility of efficient ICT	Community Facilities	10 901	19 091	9 251	30 124	26 143
		Halls: Ward 05 Community Hall		New	able, effective and efficient	Governance	ility of efficient ICT	Community Facilities	2 408	2 500			
		Halls: Ward 30 Community Hall		New	able, effective and efficient	Governance	ility of efficient ICT	Community Facilities		2 471			
		Markets: Market Place		New	able, effective and efficient	Growth	local economy to 2%	Community Facilities		1 100	1 100	1 100	1 100
		Outdoor Facilities: Mphuthi Mafu		Upgrading	able, effective and efficient	Governance	ility of efficient ICT	Community Facilities	12 557	12 600	8 921	19 356	26 143
	Public Safety	Taxi Ranks/Bus Terminals:Upgra		Renewal	able, effective and efficient	Governance	ility of efficient ICT	Community Facilities		3 000	6 000		
		Machinery and Equipment: Pounc		New	able, effective and efficient	Governance	ility of efficient ICT	Machinery and Equipment		200	260		
		Machinery and Equipment: Pounc		New	able, effective and efficient	Governance	ility of efficient ICT	Machinery and Equipment		30	31	33	34
		Transport Assets: Transport Asse		New	able, effective and efficient	Governance	ility of efficient ICT	Transport Assets		240			
		Transport Assets:Pound Vehicles		New	able, effective and efficient	Governance	ility of efficient ICT	Transport Assets			300		
		Yards: Fencing		New	able, effective and efficient	Governance	ility of efficient ICT	Operational Buildings		1 300	1 300		
	Road Transport	Machinery and Equipment: Road		New	able, effective and efficient	Governance	ility of efficient ICT	Machinery and Equipment	3 933				
		Roads: Bazana Access Road		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		3 700			
		Roads: Extension 04 Bridge		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		600	1 000		
		Roads: Kwandela Bridge		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure	22 397	219			
		Roads: Mgodini to Mpondo village		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		3 469			
		Roads: Mkhungo to Nkunzi Acces		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		2 253			
		Roads: Mntbmkhulu to Gxeni Acco		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		6 601			
		Roads: Mpenkulu to Tulufa village		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		7 109			
		Roads: R61 to Emazweni		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		2 246			
		Roads: Upgrade of Infrastructure		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		285			
		Roads:Ebumnandi to Nqabeni S.S		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure			5 875		
		Roads:Gabisa via Makhosonke A		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure			4 800		
		Roads:Lubekele AR		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure			8 100		
		Roads:Mbizana New Access Roa		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure		3 000			
		Roads:Mqonjwana to Greenville /		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure			4 800		
		Upgrading of AD Tshayingca AR		Upgrading	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure			2 000		
		Roads:Sjingi to Mangunga via M		New	able, effective and efficient	Governance	ility of efficient ICT	Roads Infrastructure			3 900		
	Energy Sources	HV Substations:Construction of S		New	able, effective and efficient	Governance	ility of efficient ICT	Electrical Infrastructure	41 317			32 300	39 000
		LV Networks:Supply and Installa		New	able, effective and efficient	Governance	ility of efficient ICT	Electrical Infrastructure			2 000		
		LV Networks:Supply and Installa		New	able, effective and efficient	Governance	ility of efficient ICT	Electrical Infrastructure			300		
		MV Networks: 8 MVA Backbone l		New	able, effective and efficient	Governance	ility of efficient ICT	Electrical Infrastructure		11 000			
	Waste Management	Machinery and Equipment: Acqui		New	able, effective and efficient	Governance	ility of efficient ICT	Machinery and Equipment		2 700	1 700	1 060	
		Machinery and Equipment: Grass		New	able, effective and efficient	Governance	ility of efficient ICT	Machinery and Equipment		110	110	100	100
		Transport Assets: Refuse Truck		New	able, effective and efficient	Governance	ility of efficient ICT	Machinery and Equipment					
		Transport Assets: Transport Asse		New	able, effective and efficient	Governance	ility of efficient ICT	Transport Assets		390		700	
	Parent Capital expenditure								98 857	94 118	75 808	92 055	97 580
	Total Capital expenditure								98 857	94 118	75 808	92 055	97 580

13.26 Capital Expenditure details

Table 31 MBRR SA34a – Capital expenditure on new assets by asset class

EC443 Mbizana - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		67 747	55 690	63 714	39 450	40 198	40 198	30 775	32 300	39 000
Roads Infrastructure		39 094	22 170	22 397	28 450	29 198	29 198	28 475	-	-
Roads		39 094	22 170	22 397	28 450	29 198	29 198	28 475	-	-
Electrical Infrastructure		28 653	33 520	41 317	11 000	11 000	11 000	2 300	32 300	39 000
HV Substations								-	32 300	39 000
MV Networks		28 653	33 520	41 317	11 000	11 000	11 000			
LV Networks								2 300	-	-
Community Assets		9 813	7 048	2 408	6 100	6 071	6 071	1 100	1 100	1 100
Community Facilities		9 813	4 657	2 408	6 100	6 071	6 071	1 100	1 100	1 100
Halls		9 813	4 657	-	4 600	4 971	4 971	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	2 408	-	-	-	-	-	-
Markets		-	-	-	1 500	1 100	1 100	1 100	1 100	1 100
Sport and Recreation Facilities		-	2 391	-	-	-	-	-	-	-
Outdoor Facilities		-	2 391	-	-	-	-	-	-	-
Heritage assets		452	-	-	-	-	-	50	-	-
Monuments		452	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	50	-	-
Other assets		965	169	-	2 200	2 000	2 000	2 500	-	-
Operational Buildings		965	169	-	2 200	2 000	2 000	2 500	-	-
Municipal Offices		965	169	-	-	-	-	-	-	-
Yards		-	-	-	2 200	2 000	2 000	2 500	-	-
Computer Equipment		-	1 221	1 762	3 771	3 950	3 950	6 800	2 800	1 300
Computer Equipment		-	1 221	1 762	3 771	3 950	3 950	6 800	2 800	1 300
Furniture and Office Equipment		1 982	1 768	785	2 405	1 053	1 053	1 650	1 214	1 178
Furniture and Office Equipment		1 982	1 768	785	2 405	1 053	1 053	1 650	1 214	1 178
Machinery and Equipment		165	6 524	3 933	1 790	4 740	4 740	2 101	1 193	134
Machinery and Equipment		165	6 524	3 933	1 790	4 740	4 740	2 101	1 193	134
Transport Assets		2 492	3 388	2 796	4 250	380	380	2 660	3 969	2 582
Transport Assets		2 492	3 388	2 796	4 250	380	380	2 660	3 969	2 582
Total Capital Expenditure on new assets	1	83 617	75 808	75 399	59 966	58 392	58 392	47 637	42 575	45 295

Table 32 MBRR SA34b – Capital Expenditure on upgrading of Existing Assets by asset class

EC443 Mbizana - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	285	285	2 000	-	-
Roads Infrastructure		-	-	-	-	285	285	2 000	-	-
Roads		-	-	-	-	285	285	2 000	-	-
Community Assets		-	-	23 458	17 494	32 441	32 441	20 172	49 480	52 285
Community Facilities		-	-	10 901	11 021	19 841	19 841	11 251	30 124	26 143
Halls		-	-	10 901	11 021	19 841	19 841	11 251	30 124	26 143
Sport and Recreation Facilities		-	-	12 557	6 473	12 600	12 600	8 921	19 356	26 143
Indoor Facilities										
Outdoor Facilities				12 557	6 473	12 600	12 600	8 921	19 356	26 143
Total Capital Expenditure on upgrading of existing assets	1	-	-	23 458	17 494	32 726	32 726	22 172	49 480	52 285
Upgrading of Existing Assets as % of total capex										
		0.0%	0.0%	23.7%	22.6%	34.8%	34.8%	29.2%	53.8%	53.6%
Upgrading of Existing Assets as % of deprecn"										
		0.0%	0.0%	59.4%	34.4%	64.3%	64.3%	42.2%	90.0%	90.9%

Table 33 MBRR SA34c – Repairs and maintenance by asset class

EC443 Mbizana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		5 017	961	3 530	15 624	18 434	18 434	21 908	7 540	7 886
Roads Infrastructure		5 017	937	3 378	12 764	16 474	16 474	18 408	3 879	4 057
Roads		5 017	31	271	406	406	406	596	623	652
Road Structures			724	2 879	11 945	15 945	15 945	17 400	2 824	2 954
Road Furniture			183	228	413	123	123	413	432	451
Electrical Infrastructure		-	24	152	2 860	1 960	1 960	3 500	3 661	3 829
MV Networks		-	24	152	2 860	1 960	1 960	3 500	3 661	3 829
Community Assets		-	156	383	214	214	214	523	547	572
Community Facilities		-	156	383	214	214	214	523	547	572
Halls		-	156	383	214	214	214	223	234	244
Parks		-	-	-	-	-	-	300	314	328
		1	1	1	1	1	1	1	1	1
Other assets		-	2 482	1 330	4 143	4 076	4 076	4 427	4 631	4 844
Operational Buildings		-	2 482	1 330	4 143	4 076	4 076	4 427	4 631	4 844
Municipal Offices		-	2 482	1 330	4 143	4 076	4 076	4 219	4 414	4 617
Yards								208	217	227
Computer Equipment		-	0	102	107	107	107	112	117	123
Computer Equipment		-	0	102	107	107	107	112	117	123
Furniture and Office Equipment		-	-	-	11	11	11	12	12	13
Furniture and Office Equipment		-	-	-	11	11	11	12	12	13
Machinery and Equipment		-	476	464	273	1 185	1 185	709	742	776
Machinery and Equipment		-	476	464	273	1 185	1 185	709	742	776
Transport Assets		-	-	-	-	-	-	3 363	3 518	3 680
Transport Assets		-	-	-	-	-	-	3 363	3 518	3 680
Total Repairs and Maintenance Expenditure	1	5 017	4 075	5 809	20 372	24 027	24 027	31 055	17 107	17 894
R&M as a % of PPE		0.8%	0.7%	0.9%	2.5%	3.4%	3.4%	0.0%	2.5%	2.5%
R&M as % Operating Expenditure		1.8%	1.2%	1.8%	4.7%	5.1%	5.1%	0.0%	4.0%	4.4%

Table 34 MBRR SA34c – Depreciation by asset class

EC443 Mbizana - Supporting Table SA34d Depreciation by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		32 068	30 814	31 106	38 040	38 040	38 040	39 751	41 580	43 493
Roads Infrastructure		31 442	30 237	30 449	37 257	37 257	37 257	38 934	40 725	42 598
Roads		31 442	30 237	30 449	37 257	37 257	37 257	38 934	40 725	42 598
Storm water Infrastructure		88	85	97	115	115	115	121	126	132
Drainage Collection		88	85	97	115	115	115	121	126	132
Electrical Infrastructure		375	342	390	464	464	464	485	507	530
HV Transmission Conductors				189	225	225	225	235	246	257
MV Substations				19	23	23	23	24	25	26
MV Switching Stations				32	38	38	38	40	42	44
MV Networks		375	313	82	98	98	98	102	107	111
LV Networks			28	68	81	81	81	84	88	92
Solid Waste Infrastructure		163	150	171	203	203	203	212	222	232
Landfill Sites		163	150	171	203	203	203	212	222	232
Community Assets		1 917	2 051	2 108	2 888	2 888	2 888	3 018	3 156	3 301
Community Facilities		718	826	2 108	2 888	2 888	2 888	3 018	3 156	3 301
Halls		705	812	1 117	1 285	1 285	1 285	1 343	1 405	1 470
Centres				977	1 586	1 586	1 586	1 657	1 733	1 813
Cemeteries/Crematoria		13	13	14	17	17	17	17	18	19
Sport and Recreation Facilities		1 199	1 226	-	-	-	-	-	-	-
Outdoor Facilities		1 199	1 226							
Other assets		907	839	862	1 079	1 079	1 079	1 128	1 180	1 234
Operational Buildings		907	839	862	1 079	1 079	1 079	1 128	1 180	1 234
Municipal Offices		907	839	862	1 079	1 079	1 079	1 128	1 180	1 234
Intangible Assets		612	593	445	556	556	556	-	-	-
Servitudes										
Licences and Rights		612	593	445	556	556	556	-	-	-
Computer Software and Applications		612	593	445	556	556	556	-	-	-
Computer Equipment		507	201	335	383	383	383	400	419	438
Computer Equipment		507	201	335	383	383	383	400	419	438
Furniture and Office Equipment		1 426	1 941	2 359	3 010	3 005	3 005	3 141	3 286	3 437
Furniture and Office Equipment		1 426	1 941	2 359	3 010	3 005	3 005	3 141	3 286	3 437
Machinery and Equipment		899	1 565	846	2 819	2 824	2 824	2 951	3 087	3 230
Machinery and Equipment		899	1 565	846	2 819	2 824	2 824	2 951	3 087	3 230
Transport Assets		763	837	1 444	2 097	2 097	2 097	2 191	2 292	2 398
Transport Assets		763	837	1 444	2 097	2 097	2 097	2 191	2 292	2 398
Total Depreciation	1	39 099	38 841	39 506	50 872	50 872	50 872	52 581	55 000	57 531

13.27 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- **In year reporting**

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is improving.

- **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the interns trained over the years 8 were absorbed within the municipality's budget and treasury office while 3 have found employment in other municipality's and are now at managerial level. Since the introduction of the Internship programme the Municipality has successfully employed and trained 19 interns through this programme.

- **Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA headed by the Chief Financial Officer. The department has the following sections, each with its own head:

- **Supply Chain Management**
- **Revenue and Expenditure**
- **Budgeting and Reporting**
- **Asset Management**

- **Audit Committee**

An Audit Committee has been established and is fully functional. This is despite resignation that has happened during the financial year, the council is yet to appoint a replacement member at the moment. Efforts are however being made to ensure that this completed before the end the financial year.

- **Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2020/21 MTREF in May 2020 directly aligned and informed by the 2020/21 MTREF.

- **Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements.

- **mSCOA**

The municipality has been implementing mSCOA like all municipalities in the country as a business reform since its introduction from 1 July 2017. This was introduced to address among other things ensuring standardisation of treatment of transactions and reporting across all municipalities, to encourage proper planning and put controls in terms of revenue and expenditure management. Introduction of new and improved versions of the mSCOA chart has proven to present problems that sometimes make it impossible to operate normally requiring some extra effort to be put into the operations of the municipality to fulfil its service delivery mandate.

14 APPROVAL

This is the final IDP review of Mbizana Local Municipality for 2020 / 2021 that has tabled to council for adoption on the council meeting held on the 28th May 2020. Copies of this document available in key strategic accessible points for all interested stakeholders to read, make comments while invitations for comments were also advertised in the local newspapers including local radio stations and in our website.

The inputs were received from communities, sector departments, internal municipal departments and other relevant stakeholders of the municipality. All received inputs have been considered and consolidated into this final document.

The Mbizana Municipal council is satisfied that all necessary planning activities as envisaged in the IDP review process plan were carried out accordingly and therefore **RESOLVED** to adopt this document as its final reviewed IDP for 2020/2021.

DECLARATION OF ADOPTION

SIGNATURES

MR L. MAHLAKA
MUNICIPAL MANAGER

DATE

CLLR T. D. MAFUMBATHA
THE MAYOR

DATE