



#### DETERMINATION AND RE-DETERMINATION OF MUNICIPAL BOUNDARIES. OUTPUTS AND DEVELOPMENTS 2005/06

- Changes were effected through re-demarcations by the Board, the enactment of the Constitution 12th Amendment Bill and the Cross Boundary Laws Repeal and related matters Act.
- The declaration of six District Management Areas were withdrawn and the District Management areas included into the following local municipalities:
  - DCDMA14 included into Gariiep Local Municipality;
  - DCDMA44 included into Matatiele Local Municipality;
  - DCDMA31 included into Thembisile Local Municipality;
  - DCDMA32 portions included in Thaba Chweu Local Municipality, Umjindi Local Municipality, Umkomaas Local Municipality;
  - DCDMA37 included into Moses Kotane Local Municipality;
  - CBDCDMA3 included into Greater Marble Hall Local Municipality.

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#### DETERMINATION AND RE-DETERMINATION OF MUNICIPAL BOUNDARIES. OUTPUTS AND DEVELOPMENTS 2005/06

- All outstanding requests for re-determination and technical re-determinations identified and the necessary planning done to finalise all of them well in advance of the 2011 local elections.
- Proposals submitted to the Minister for a review of the existing legislation pertaining to ward delimitation, as an attempt to create stability in Local Government.
- A second round of boundary assessments is now currently underway. Recently, in cases where we have over the last few years not been able to secure concurrence of the affected parties to the proposed boundary changes, we have published a number of section 26 notices countrywide.
- Submissions have been received, and technical analyses of all cases have been done.
- The Board will consider all cases at its sitting of 25 October 2006.

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## WARD DELIMITATION

- The ward delimitation process that commenced in 2004 completed during the 2005/06 financial year.
- On 20 May 2005 all ward boundaries handed over to the IEC to commence with the electoral process, at that point in time 3 878 wards were delimited.
- As a result of the abolishment of Cross Boundary Municipalities the wards for Kungwini, Thembisile and Umzimvubu had to be re-determined.
- Matatiele Local Municipality which did not qualify to have wards, now qualified as the result of the changes of the boundaries between Umzimvubu and Matatiele Local Municipalities.
- Some other technical changes also had to be affected to the ward boundaries in Buffalo City, Nkonkobe, Ga-Segonyana, Kgetlengriver and Bitou Local Municipalities.

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## WARD DELIMITATION

- The end result of the ward delimitation process was as follows:

Province	Wards – 05/12/2000	Wards – 01/03/2006
Limpopo	474	513
Mpumalanga	364	365
Gauteng	420	423
North West	353	365
KwaZulu-Natal	765	771
Free State	291	300
Eastern Cape	584	636
Northern Cape	173	174
Western Cape	330	348
<b>TOTAL:</b>	<b>3754</b>	<b>3895</b>

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## ASSESSMENT OF MUNICIPAL CAPACITY

- As in the past this function has been outsourced.
- Annual assessments start in June and end in December of each year. This makes it impractical to appoint full time staff for Capacity Assessments.
- The Capacity Assessment process commenced with the training of field consultants.
- In August all questionnaires collected from Municipalities.
- The necessary data capturing and verification completed in September.
- 47 District reports covering all 278 District and Local Municipalities drafted in October and November.
- Reports together with a summary were sent to MEC's on 20 December 2005 for consideration, after consideration by the Board.
- Due to lack of funds as a result of the reallocation of funds to deal with the re-determination of cross boundary municipalities it was not possible to draft and fund the nine Provincial reports, the National report and the reports on proposed amendments to legislation affecting the MDB.

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## ASSESSMENT OF MUNICIPAL CAPACITY

- Specialised reports also produced in this regard:
  - Report on pollution.
  - Review of definitions of municipal functions, Municipal roads and transport and
  - The performance of district functions by local municipalities.
- We are now busy with the capacity assessments for 2006/07.

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## REPORT TO ASSESS THE ADJUSTMENT OF DISTRICT MUNICIPALITY FUNCTIONS TO LOCAL MUNICIPALITIES.

- A decision taken by the Board to undertake an investigation into the extent to which the local municipalities are performing the adjusted district functions for the purpose of considering recommending to MECs the reversal of such functions.
- Section 85 states that an MEC may allocate a power or function in terms as prescribed within the section only if the municipality in which the function or power is vested, lacks the capacity to perform that function or exercise that power. The MEC is also required to consult the MDB and consider its assessment of the municipality concerned.
- The Board's questionnaire as currently designed is not able to assess, once a district function has been adjusted, the extent to which the local municipality has the capacity for the local and district function or the local function only.
- Furthermore, given the nature of many of the district municipality functions, it was questioned whether many local municipalities are indeed performing the district aspect of the function.

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## REPORT TO ASSESS THE ADJUSTMENT OF DISTRICT MUNICIPALITY FUNCTIONS TO LOCAL MUNICIPALITIES.

- The report's conclusion was that though district functions had been adjusted to local municipalities, they were only being performed by those local municipalities within their own local areas of jurisdiction.
- Subsequently the Board decided that for the 2005/06 assessment, as many as possible of the adjustments to local municipalities should be recommended for reversal.

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### **UPDATING OF THE DOCUMENT ON LOCAL GOVERNMENT POWERS AND FUNCTIONS- DEFINITIONS, NORMS AND STANDARDS.**

- This was an update to the Board's initial document, which examines each of the fifteen Schedule 4 Part B functions and twenty three Schedule 5 Part B functions in terms of:
  - > its definition
  - > national, provincial and local government roles and responsibilities
  - > minimum level of Service if the function is performed internally or externally
  - > minimum municipal capacity requirements, specifically staff, budget and equipment for the delivery of the minimum level of service by external and internal mechanisms; and
  - > what capacity aspects of service delivery the MDB will assess, where the function is performed externally or internally

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### **UPDATING OF THE DOCUMENT ON LOCAL GOVERNMENT POWERS AND FUNCTIONS- DEFINITIONS, NORMS AND STANDARDS.**

- Information in the five fields checked and updated by referring to the current legislative framework governing each of the functions.
- All references clearly recorded as footnotes.

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## REPORT TO ASSESS POLLUTION LEGISLATION

- Report commissioned to assess the implications of the pollution related legislation on local government generally and specifically for the rendering of the municipal health services function.
- "Municipal health services" is a Schedule 4 Part B function which is allocated to the district municipal sphere in terms of section 84(1) of the Municipal Structures Act.
- The National Health Act 61 of 2003 defines municipal health services as encompassing:
  - *Water quality monitoring;*
  - *Food control;*
  - *Waste management;*
  - *Health surveillance of premises;*
  - *Surveillance and prevention of communicable disease, excluding immunisations;*
  - *Vector control;*
  - *Environmental pollution control;*
  - *Disposal of the dead; and*
  - *Chemical safety;*

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## REPORT TO ASSESS POLLUTION LEGISLATION

- Excludes port health, malaria control and hazardous substances.
- The above nine Components of municipal health are not further defined and this poses challenges in respect of the extent to which authority for each of the components must be exercised by the municipal health function.
- The uncertainties are exacerbated when one observes that there are overlaps between the nine components and other Schedule 4 Part B and Schedule 5 Part B functions.
- Thus the need to assess the implications for local government with specific reference to the role, responsibility and requirements of this sphere in meeting the legal obligations.

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### **STRENGTHENING OF INTERACTION WITH KEY STAKEHOLDERS.**

- A number of meetings held with the Portfolio Committee on Provincial and Local Government and the Select Committee on Local Government and Administration.
- Several issues identified with the Select Committee which called for a workshop to discuss issues of mutual concern between the Board and the Select Committee. To date this workshop has been cancelled twice, and must still take place.
- A local election technical committee comprising of officials of the MDB, IEC and DPLG was activated in 2003 and managed the ward delimitation process 2005/06.
- Consultation with other stakeholders such as provinces, SALGA and government departments continued through the Powers & Functions Committee and the Boundaries Committee.
- However there has been a delay in developing a working relationship with SALGA further.

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### **STRENGTHENING THE BOARD'S ADMINISTRATIVE AND FINANCIAL CAPACITY.**

- Terms of reference were prepared and approved by the Board to carry out the Job Analysis at the Board.
- The Job Analysis has now been undertaken, and as a result of this analysis, a number of staff positions at the Board have been right-sized.
- Policies and procedures were revised, by adding further details and by having separate documents for each area. Further revision is currently underway to ensure full compliance with Treasury Regulations and provisions of the PFMA.
- An additional Senior Financial Officer appointed to improve the quality of financial reporting.

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### IMPROVED MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES, THROUGH A MANAGEMENT STRATEGY FOR FINANCIAL ASSETS AND LIABILITIES

- Policies and procedures reviewed regarding the control and management of assets as well as procurement. Further revision is currently underway to ensure full compliance with Treasury Regulations and provisions of the PFMA.
- We have implemented a supplier database to improve compliance with Preferential Procurement Policy Framework Act.
- All management have been involved in the process to improve the Board's budget management.
- Quarterly reports submitted to the Board.
- We have implemented a Risk Management Strategy and a Fraud Prevention Plan has been approved by the Board.

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### STRATEGIC DIRECTION – MEDIUM TERM STRATEGY 2006/07 – 2009/10

- The Board has approved a strategic plan for the period 2006/07 to 2009/10;
- The Plan became effective on 1 April 2006.
- Strategic Plan builds on the experience that we have gathered over time;
- Given our experience in Strategic Planning to date, and the need for us to step up our level of planning, we have decided in the development of this Strategic Plan, to follow the Balanced Scorecard (BSC) Strategic System;
- The balanced scorecard methodology was chosen because:
  - The model is much more widely used in South Africa and it is quite adaptable to the South African situation in both the Public and Private Sectors;
  - The Balanced Scorecard is a management system, that enables an organisation to clarify its vision and strategy and translate them into action.
  - It enables the planning of the strategy and its dissemination to all levels of the organisation;
  - It identifies the initiatives necessary to the execution of the strategy;
  - It generates the performance measures that will allow a quality driven information management of the organisation.

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## STRATEGIC DIRECTION – MEDIUM TERM STRATEGY 2006/07 – 2009/10

- For the first time the strategic plan has set into motion a development of values at the Board.
- While our mission and objectives define what we are trying to achieve, our values shape the way we go about achieving them, and reflect the beliefs which underpin them.
- The Plan also explicitly identifies primary stakeholders who have an interest in our organisation, what the organisation does, and how the organisation carries out its functions.
  - > The people of South Africa.
  - > National Sphere of Government.
  - > Provincial Sphere of Government.
  - > Local Sphere of Government.
  - > Organised Local Government
  - > Houses of Traditional Leaders
  - > National Assembly
  - > National Council of Provinces
  - > Magistrates
  - > Board employees.

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## STRATEGIC DIRECTION – MEDIUM TERM STRATEGY 2006/07 – 2009/10

- Plan identifies strategic themes to focus and guide the organisation over the next five financial years.
- The Strategic Themes respond to the key areas that the organisation should continue to excel at, and those areas where the organisation needs to improve performance, and bring performance in such areas to expected levels, or even to exceed those expectations.
- The Municipal Demarcation Board has also identified a set of strategic objectives within each theme, informed by the SWOT Analysis, which will be pursued in the short, medium, and long term.
- **Strategic theme 1:** determination and re-determination of municipal boundaries in accordance with relevant legal provisions.
  - > Review all outstanding municipal boundaries with a view to complete all changes by 2008/2009 for the 2011 local elections.
  - > Ensure that the role of the Board is carried out in order to allow the IEC to complete the delineation of voting districts, by 2008/2009.

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## STRATEGIC DIRECTION – MEDIUM TERM STRATEGY 2006/07 – 2009/10

- **Strategic theme 2:** delimitation of each municipality that qualifies to have wards, into wards.
  - Review all outstanding municipal boundaries with a view to complete all changes by 2008/2009 for the 2011 local elections.
  - Ensure that the role of the Board is carried out in order to allow the IEC to complete the delineation of voting districts, by 2008/2009.
  - Deliver fully re-delimited wards in time for the IEC local elections process for 2011.
- **Strategic theme 3:** collection of relevant information and maintenance and update data sets to render advisory services on capacity and the division of powers and functions.
  - Deliver Quality annual assessments of Municipal Capacity;
  - Advise and support provided to MEC's for local government and other stakeholders, in dealing with the allocation and re-allocation of powers and functions between local and district municipalities, on an annual basis without fail;
  - Release the results of the assessments in time to allow them to feed into the IDP and budgeting processes of municipalities.

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## STRATEGIC DIRECTION – MEDIUM TERM STRATEGY 2006/07 – 2009/10

- **Strategic theme 4:** review of the declaration of district management areas.
  - Examine the feasibility to withdraw more declarations.
- **Strategic theme 5:** assistance to departments in aligning service delivery boundaries with municipal boundaries.
  - Alignment of government's service delivery boundaries.
  - Enhancement of service delivery, resource rationalisation and development.
  - Development of a comprehensive database of well aligned administrative and functional boundaries, providing a source framework in referencing almost all other data in the country.
- **Strategic theme 6:** strengthening of relations and interaction with key stakeholders.
  - To build relationships with our stakeholders that breed understanding and mutual respect.
  - To be actively engaged in community organisations and issues as far as resources and time allow.
  - To ensure a work environment that is safe, that encourages growth and development and inspires pride.
  - To develop and adopt a set of values for the organisation.

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## STRATEGIC DIRECTION – MEDIUM TERM STRATEGY 2006/07 – 2009/10

- **Strategic theme 7:** strengthening of the board's organisational capacity and capability.
  - Develop and nurture capability at all levels within the Board.
  - Create an enabling environment at the Board that allow for the acquisition of competencies and skills among serving employees which are relevant and appropriate to ensure operational efficiencies, and thus more effective ways of achieving the Board's mandate.
  - Build a culture of high performance in all employees, and provide training, mentoring and guidance to staff requiring such support;
  - Finalise a suitable and generally acceptable way in which the staff remuneration structure ensures fair remuneration to staff.

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## STRATEGIC DIRECTION – MEDIUM TERM STRATEGY 2006/07 – 2009/10

- **Strategic theme 8:** ensuring good governance
  - Complying with legal frameworks;
  - Improving the efficiency and effectiveness of administrative processes and systems;
  - Improving the quality and usage of management information;
  - Planning and executing activities within budget;
  - Managing risks effectively;
  - Effective leadership, management and decision-making.

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## BUDGET PROGRAMMES

PROGRAMME	MEDIUM TERM EXPENDITURE ESTIMATES			
	2006/07	2007/08	2008/09	2009/10
Administration and Human Resources Management	3,741,667	3,937,299	4,321,203	
Finance and Procurement Control	2,531,108	2,628,431	2,656,185	
GIS and IT Support	3,918,038	3,866,906	4,692,277	
Research and Investigation	2,710,166	2,685,050	2,472,395	
Manager and Board	4,214,577	4,666,313	4,900,941	
<b>TOTAL</b>	<b>17,115,556</b>	<b>17,783,999</b>	<b>19,043,001</b>	

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## Conclusion

- We have therefore been overwhelmingly successfully with respect to achieving a number of our pre-determined objectives.
- We have once again carried out our mandate without fail, despite budgetary constraints which forced us to cut on certain key projects.
- All queries raised by the Auditor-General in 2004/05 and by this Committee in the past have been decisively resolved.
- The queries raised by the Auditor-General in 2005/06 are being tackled vigorously. The Board is to receive regular progress from the Manager: Municipal Demarcation Board on dealing with these and other potential queries.
- There has been a number of significant outputs during the year under review.
- Adequate funding from the fiscus remains a challenge that we have not been able to resolve. We however continue to implement a programme of severe budget cuts to ensure that we do not have a deficit.
- A new Strategic Plan has been approved by the Board.

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