

11.2 BUDGET

Table: Budget Analysis

Municipality	2005/06 FY	2006/07 FY	Average in %
Matatiele Local Municipality	46,658	84,426	35%

(Source: National Treasury Database 2006)

The table above of the budget of Matatiele Local Municipality indicates an aggregated average growth rate of 35% on a comparative of 2005/06 and 2006/07 financial year. The total budget for Matatiele Local Municipality totaled R 46,658 in the financial year 2005/06 and R 84,426 in the financial year 2006/07.

Table : Budget Break Down – Capital and Operating budgets

Municipality	2005/06 FY			2006/07 FY		
	Operating	Capital	Total Budget	Operating	Capital	Total Budget
Matatiele Local Municipality	31,714	14,944	46,658	69,725	14,701	84,426

(Source: National Treasury Database)

A summary of the operating and capital budgets of Matatiele Local Municipality for the 2005/06 and 2006/07 financial years is summarized in the table above. The table shows that the Municipality has not opted for external loans to finance their capital budget for the 2006/07. This indicates that Matatiele as one of the former cross boundary and affected municipality is not necessarily exploring the borrowing market due to its financial positions of not yet ready for borrowing.

11.3 GRANTS ALLOCATED

Grant analysis is based on the three grants allocated in a form of Municipal Infrastructure Grant (MIG), Equitable Share and Municipal Systems Improvement Grant (MSIG).

Table: Grants Allocation in (R' 000)

Municipality	Equitable Share			MIG			MSIG		
	05-06 fy	06-07 fy	Aver in %	05-06 fy	06-07 fy	Aver in%	05-06 fy	06-07 fy	Aver in%
Matatiele Local Municipality	4,155	18,598	112%	0	10,136	0%	0	734	0%

(Source: Division of Revenues Act, 2005, 2006)

Equitable Share

Following the realignment of provincial boundaries process to do away with cross boundary municipalities, adjustments were made to the drivers of the local government equitable share formula to align allocations to the new boundary arrangements. This ensured that allocations for the 2006/07 medium term expenditure framework (MTEF) were made on the basis of the new reconfigured boundaries, taking into account any population changes, changes in number of poor households and number of councilors in affected municipalities.

The table above indicates the equitable share allocations in 2005/06 compared to 2006/07 taking into consideration the changes in boundaries.

The table shows that Matatiele Local Municipality's equitable share allocations for 2006/07, (the year following the re-demarcations), increased when compared to the indicative allocations reflected in the Division of Revenue Act 2005. The Municipality, as a former cross boundary municipality, therefore, benefited from the additional funding to the equitable share baseline allocated from the vertical division of revenue, and was shielded from any negative impacts of the adjustments to population, powers and functions that were effected to the equitable share formula in making allocations for 2006/07.

The conclusion from the analysis is that there is huge increase in the Equitable Share allocation averaging 112% when comparing the 2005/06 (R 4,155) and 2006/07 (R 18,598) financial years in the Municipality.

12. PUBLIC PARTICIPATION AND COMMUNICATION WITH THE AFFECTED COMMUNITIES

No.	Affected Province	Reported Areas for interaction
5.	Eastern Cape	6 Nov 2006 a successful meeting with the Council, Ward Committees, Traditional Leaders, Business, & CDWs.
		7 Nov 2006 visits to identified LED projects.
		14 Nov 2006, Government and Council meet targeted stakeholders.
		16 Nov 2006, meeting Traditional Leadership.
		21 Nov 2006, meet communities at large.

13. COMMUNITY PARTICIPATION: WARD COMMITTEES AND CDWS

13.1 Community Development Workers

PROVINCE	DE-PLOYMENT	MUNICIPALITY	CDWS	The dplg PROGRAMME OF ACTION
Eastern Cape	270	MATATIELE	15	1. Working on door to door visits, to assess the needs of the community members and on daily basis they compile reports for the attention of the Municipality through their mentors

13.2 Ward Committees

Prov	Muni	Establishment	Functionality
Eastern Cape	Matatiele LM	All ward committees established	All ward committees are functional in as far as they are holding meetings. Community meetings are being held in the rural areas and in the townships. Ward committees have been inaugurated and trained on CBP. Some of the rural wards have developed ward plans which needs to be funded. Some of the projects are included in the IDP and the Budget. There are however deep concerns with slow delivery of services especially water, sanitation and electricity. There are delays caused by EIAs. Although the municipality has benefited positively from the new provincial demarcation that is through the equitable share allocation there is uneasiness growing over the slow pace in service delivery.

14. STATUS OF SECTION 57 EMPLOYEES

EASTERN CAPE PROVINCE	MATALIELE LOCAL MUNICIPALITY	MUNICIPAL MANAGER & HODs (s57)	PERFORMANCE AGREEMENT		POST	
			Signed	Not Submitted	Vacant	Filled
		Municipal Manager	√	√		√
		Chief Finance Officer	√	√		√
		Dir: Community Services			√	
		Dir: Technical Services			√	
		Dir: Admin and Corporate Services			√	

15. INFORMATION SUPPLIED BY MATATIELE LOCAL MUNICIPALITY ON CURRENT SERVICE DELIVERY PROJECTS

MATATIELE LOCAL MUNICIPALITY		
<i>SERVICE DELIVERY ITEMS</i>		
1	Buy Back Centre	Waste Management
2	Swimming Pool Upgrade	Economic Dev & Planning
3	Outspan Pre School	Economic Dev & Planning
4	Nyamananeni C/H	Economic Dev & Planning
5	Ntola Pre School	Economic Dev & Planning
6	Mbizeni Pre School	Economic Dev & Planning
7	Koetiliso Pre School	Economic Dev & Planning
8	Queensmercy Pre School	Economic Dev & Planning
9	Khobetsoane C/H	Economic Dev & Planning
10	Maluti Civic Centre	Economic Dev & Planning
11	Nkosana Pre-School	Economic Dev & Planning
12	306 Sites Housing	Economic Dev & Planning
13	500 Sites Housing	Economic Dev & Planning
14	Prospect Pre School Mazizinf Access Road	Infrastructure
15	Hillside - Manzini Access Road	Infrastructure
16	Mafube - Nkosana Access Road	Infrastructure
17	Mbizeni - Mmango & luxeni Access Road	Infrastructure
18	T15 - Mbizwe JSS Access Road	Infrastructure
19	Tsitsong Bridge	Infrastructure
20	Outspan - Matshabaleng Access Road	Infrastructure
21	St Bernard - Mangolong Access Road	Infrastructure
22	Thaba Bosiu Access Road	Infrastructure
23	Mokhesheng - Shepards Hope Access Road	Infrastructure
24	Access Road: Wast Disposal Site	Infrastructure
25	Jabavu Access Road	Infrastructure
26	Lunda/Dungwana Multi Purpose Centre	Infrastructure

16. ACCESS TO BASIC SERVICES

The following tables reflect the access to basic services in the Matatiele Municipality based on the 2001 census information:

Percentages of households with refuse removed by the municipality

	MATATIELE	KWAZULU-NATAL	RSA
Removed by municipality weekly	57.34 %	49.18 %	55.42 %
Removed by municipality less often	12.77 %	1.02 %	1.53 %
Communal refuse dump	0.95 %	0.81 %	1.74 %
	MATATIELE	KWAZULU-NATAL	RSA
Own refuse dump	19.12 %	38.63 %	32.61 %
No rubbish disposal	9.80 %	10.35 %	8.68 %

Percentage households with access to piped water

	MATATIELE	KWAZULU-NATAL	RSA
Piped water to dwelling	51.25 %	29.63 %	32.28 %
Piped water to stand	34.03 %	19.82 %	29.03 %
Community standpipe < 200m	6.03 %	10.36 %	10.72 %
Community standpipe > 200 m	3.42 %	13.35 %	12.42 %
Borehole	0.45 %	4.22 %	2.41 %
Spring	1.64 %	3.4 %	1.87 %
Rain-water tank	0.34 %	0.75 %	0.60 %
Dam/pool	0.95 %	2.06 %	1.01 %
River/stream	0.63 %	12.94 %	6.47 %
Water vendor	0.38 %	0.86 %	0.74 %
Other	0.88 %	2.54 %	2.38 %

Percentage households without "improved" toilet facilities

	MATATIELE	KWAZULU-NATAL	RSA
Flush toilet (connected to sewerage)	64.61 %	38.10 %	49.08 %
Flush toilet (with septic tank)	8.29 %	3.44 %	2.79 %
Chemical toilet	4.50 %	5.3 %	1.94 %
Pit latrine with ventilation (VIP)	1.11 %	9.01 %	5.67 %
Pit latrine without ventilation	13.53 %	26.79 %	22.82 %
Bucket latrine	0.65 %	1.15 %	4.08 %
None	7.29 %	16.15 %	13.59 %

Dominant energy source for lighting

	MATATIELE	KWAZULU-NATAL	RSA
Electricity	55.22 %	61.42 %	69.74 %
Gas	0.40 %	0.36 %	0.24 %
Paraffin	8.13 %	2.56 %	6.78 %
Candles	35.93 %	35.01 %	22.71 %

	MATATIELE	KWAZULU-NATAL	RSA
Solar	0.38 %	0.24 %	0.21 %
Other	0.26 %	0.38 %	0.30 %

Percentage households with telephone in dwelling and / or cell-phone

	MATATIELE	KWAZULU-NATAL	RSA
Telephone in dwelling and cell-phone	10.35	13.58 %	14.23 %
Telephone in dwelling only	4.78	10.53 %	10.17 %
Cellphone only	18.95	14.87 %	18.02 %
At a neighbour nearby	10.31	9.14 %	6.56 %
At a public telephone nearby	34.88	35.38 %	38.46 %
At another location nearby	6.62	3.12 %	31.79 %
At another location not nearby	3.65	4.99 %	33.82 %
No access to a telephone	10.41	8.36 %	5.9 %

The following table summarises the results of the MDB capacity per municipal function for the Matatiele Municipality.

Function	Municipality has authority for the function	Municipality undertakes the function	Operating budget for the function 2005/6	Per capita budget 2005/6	Number of staff involved	Equipment available to perform the function
Air pollution	Yes	Yes	5000	0.31	1	No
Building regulations	Yes	Yes	25 000	6.16	1	No
Child care facilities	Yes	Yes	25 000	1.54	1	No
Electricity retribution	Yes	Yes	6 832 079	431.06	8	Yes
Fire fighting	Yes	Yes	80 000	4.93	5	Yes
Local tourism	Yes	Yes	90 000	5.55	1	No
Municipal airport	Yes	Yes	0	0	0	Yes
Municipal Planning	Yes	Yes	20 000	1.23	1	Yes
Municipal health services	No	No	n/a	n/a	n/a	No
Municipal public transport	Yes	Yes	100 000	6.16	2	Yes
Pontoons and ferries	Yes	No	n/a	n/a	n/a	No
Storm water	Yes	Yes	350 000	21.57	8	Yes
Trading Regulations	Yes	Yes	20 000	1.23	1	Yes
Water (potable)	No	No	n/a	n/a	n/a	No
Sanitation	No	No	n/a	n/a	n/a	No
Beach and amusement facilities	Yes	No	n/a	n/a	n/a	No
Billboards and the display of advertisements	Yes	Yes	20 000	1.23	1	Yes

Function	Municipality has authority for the function	Municipality undertakes the function	Operating budget for the function 2005/6	Per capita budget 2005/6	Number of staff involved	Equipment available to perform the function
Cemeteries, funeral parlours and crematoria	Yes	Yes	30 000	1.85	1	Yes
Cleansing	Yes	Yes	250000	15.41	1	No
Control of public nuisances	Yes	Yes	45 000	2.77	1	No
Control of undertakings that sell liquor to the public	Yes	Yes	35 000	2.16	1	No
Facilities for the accommodation, care and burial of animals	Yes	Yes	35 000	2.16	1	No
Fencing and fences	Yes	Yes	25 000	1.54	1	No
Licensing of dogs	Yes	Yes	20 000	1.23	1	No
Licensing and control of undertakings that sell food to the public	Yes	Yes	40 000	2.47	1	No
Local amenities	Yes	Yes	35 000	2.16	1	Yes
Local sport facilities	Yes	Yes	215 000	13.25	1	Yes
Markets	Yes	No	0	0	0	No
Municipal abattoirs	Yes	Yes	50 000	3.08	1	No
Municipal parks and recreation	Yes	Yes	140 000	8.63	1	Yes
Municipal roads	Yes	Yes	750 000	46.22	10	Yes
Noise pollution	Yes	Yes	20 000	1.23	1	No
Pounds	Yes	Yes	30 000	1.85	2	Yes

The Matatiele Municipality is not performing any additional functions. In terms of an overall assessment the MDB has found that the Matatiele Municipality has shown a substantial increase in respect of the number of functions they perform (up from 23 functions or 67.65% in 2002 to 31 functions or 91.18 % in 2004). Based on the said assessment the MDB recommended no change to the allocation of powers and functions in respect of the Matatiele Municipality.

17. PRIMARY HEALTH CARE (PHC) SERVICES IN MATATIELE

PHC services in the area consist of the following:

- Two fixed clinics that serve Matatiele town 8 hours per day, 5 days a week. The Matatiele clinic is situated less than 5 km from the hospital, whilst the Gateway clinic is on the premises of the Taylor Bequest Hospital.
- One mobile clinic that serves the town of Cedarville as well as the 24 surrounding farms. The mobile visits the outlying areas once a month.
- As no doctors are available to visit the clinics, patients are referred to the Taylor Bequest Hospital in Matatiele, which has a complement of 10 doctors and also sees PHC patients after hours and over weekends.
- Forty eight (48) Community Health Workers receive stipends to provide home based care to families in the municipal area.
- One new clinic is planned for this area during the 2007/08 financial year.

According to the following table it is evident that the current staffing for all clinics is more than adequate to deal with the needs of the community based on the total population and the number of patients seen at each of these facilities over a period of three months.

Clinic	Staff Complement	Head count (April-June)	Average Workload per Nurse Per Day
Matatiele Clinic	6 Professional Nurses 4 Enrolled Nursing Assistants 2 Contract Professional Nurses	16 279	45
Taylor Bequest Gateway Clinic	3 Professional Nurses	3 298	18
Cedarville Mobile	5 Professional Nurses 4 Enrolled Nursing Assistants 2 Training Facilitators 1 Admin Clerk 1 Eye Care Coordinator	3 536	12
Total	16 Professional Nurses 8 Enrolled Nursing Assistants 2 Training Facilitators 1 Admin Clerk 1 Eye Care Coordinator	23 113	

All clinics appear to function well and have a drug availability ratio of 85% per month. It is clear that the utilisation rate of all facilities is quite high, which implies that the communities are utilising these services on a regular basis.

18. TAYLOR BEQUEST HOSPITAL MATATIELE

PERFORMANCE INDICATORS

April 2007 – August 2007

Bed utilization	82%
Average length of stay	7 days
Admissions	3773
OPD and Casualty head count	10390
Perinatal Mortality	3%
No of deliveries – normal	834
No of caesarean section	129

The indicators show that the hospital is functioning as expected.

PERSONNEL INDICATORS

Resignations 01/04/2007-31/08/2007 - Nil

DEATH CASES

Two

BUDGET ALLOCATION

Budget	R46, 190, 546
COE	R29, 907, 526
Goods and Services	R11,952.00
Hiv/aids	R30,000.00

EXPENDITURE TO DATE

COE	R 7,373,941
Goods and services	R2 850,506
Total	R 10,224,447

The Hospital continues to function as expected.

18. THE PROVISION OF SOCIAL WELFARE GRANT PAYPOINTS

There are 124 Pension Pay Points in the Matatiele Local Municipality.

Out of the 124, 4 are at community halls.

14 are at open spaces.

5 are at churches.

The remaining are at either private owned or government buildings.

See attached a list of paypoints.

19. RECENT REPORTS FROM EC AND THE KZN CLOSE-OUT REPORTS

Previously, the Matatiele Local Municipality fell under the Sisonke District Municipality within the KwaZulu-Natal Province. When it was included into Alfred Nzo District Municipality within the Eastern Cape Province it acquired the rural portion of Maluti and resulting in the increase in size of the municipality.

Consequently the number of councillors increased from 5 to 48 councillors; the municipality changed from being a plenary type to a collective executive type with ward participatory system which is a section 9 (b) in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998). The municipality also as a result was confronted with challenges in terms of capacity of its administration to be able to deal with the increased size and responsibilities. The report indicates an increase in size of almost 10 times more from its previous size. The above implies that the municipality's administrative systems need to be capacitated.

Fortunately, the Eastern Cape Provincial Department of Local Government, Housing and Traditional Affairs has for the financial years 2006/2007 and 2007/2008 provided support to the municipality to ensure that the municipality is capacitated to execute its affairs, the table below illustrates this assistance.

2006/2007 FINANCIAL YEAR

No.	CAPACITY BUILDING PROJECTS	ALLOCATION	PROGRESS AS AT JULY 2007
1.	ICT	R1,000,000.00	Project 60% complete
2.	Financial Statements	R200,000.00	Annual Financial Statements completed and submitted to Auditor General
3.	Policies	R100,000.00	Still in the tendering process
4.	Asset register	R250,000.00	Project underway and to be completed in August 2007
5.	Establishment of Ward Committees	R50 000.00	Project completed
6.	Institutional PMS (Section 38 PMS)	R70 000.00	Service Provider appointed for development of PMS.
7.	Free Basic Services	R60,000.00	- R20, 000.00 utilized for data collection on indigent households. - R40,000.00 utilized for payment of employees collecting data.

2007/2008 FINANCIAL YEAR

No.	CAPACITY BUILDING PROJECTS	ALLOCATION	PROGRESS
1.	Development of By-Laws	R138,000.00	Project not yet started

Other allocations for local municipalities for the financial year 2007/2008 are channeled through the Alfred Nzo District Municipality.

18. UPDATED INFORMATION REQUESTED

The dplg has established a sub-committee for co-ordinating matters relating to the former cross-boundary municipalities, under the Inter-Ministerial Committee established to deal with matters relating to infrastructure and the Municipal Infrastructure Grant (MIG). Provinces have been requested to prepare latest reports on their respective former cross-boundary municipalities for submission to the next meeting of the sub-committee and through this process we would receive updated information on Matatiele from the EC province.

Compiled by the dplg
Updated as at 11 September 2007