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LIMPOPO PROVINSIE
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PROFENSE YA LIMPOPO
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GENERAL NOTICE

NOTICE 89 OF 2010



LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF LOCAL GOVERNMENT & HOUSING

Abstract

This report is compiled in compliance with the Section 47 of Chapter 6 of the Municipal Systems Act (2000) that obliges municipalities to monitor its performance in order to measure, review, evaluate and to improve its performance at organizational as well as at individual level. The MEC for local government has the mandate to monitor the overall performance of the municipalities in order to identify areas to strengthen the capacity of municipalities. The Municipal Systems Act Subsection 46(1), obliges a municipality to prepare for each financial year a performance report reflecting the following the performance of the municipality during that financial year. Furthermore Section 47 obliges the MEC for Local Government to annually compile and submit to the provincial legislature and the Minister a consolidated report on the performance of municipalities in the province.

The MEC for Local Government must submit a copy of the report to the National Council of Provinces and the report must be published in the provincial gazette.

PURPOSE

This report presents an executive summary of the consolidated account of the state of municipal service delivery in Limpopo for the 2007/08 financial year, popularly known as the MEC Section 47 Report on the State of Municipal Service Delivery.

LEGISLATIVE MANDATE AND OBLIGATIONS

This report is compiled in compliance with the Section 47 of Chapter 6 of the Municipal Systems Act (2000) that obliges municipalities to monitor its performance in order to measure, review, evaluate and to improve its performance at organizational as well as at individual level. The MEC for local government has the mandate to monitor the overall performance of the municipalities in order to identify areas to strengthen the capacity of municipalities. The Municipal Systems Act Subsection 46(1), obliges a municipality to prepare for each financial year a performance report reflecting the following the performance of the municipality during that financial year.

Furthermore Section 47 obliges the MEC for Local Government to annually compile and submit to the provincial legislature and the Minister a consolidated report on the performance of municipalities in the province.

The MEC for Local Government must submit a copy of the report to the National Council of Provinces. The report must:

- Identify municipalities that underperformed during the year,
- Propose remedial action to be taken,
- Be published in the provincial gazette.

Similarly the Municipal Systems Act (2000) Section 48 (1) requires that the Minister for Local Government must annually compile a national consolidated report which must be submit to National Parliament.

METHODOLOGY FOLLOWED IN COMPILING THE REPORT

Sources of data

The primary source of data utilized in this report is the municipal annual performance report compiled in compliance with section 46 of the Municipal Systems Act;

In addition the following secondary data sets were utilised to complement the municipal performance report, namely

- Municipal quarterly, and mid year performance reports submitted to the department;
- Local Government Strategic Agenda reports as they have been submitted to the Premier Intergovernmental Forum;
- Programme performance reports from the departments, Municipal Infrastructure Grant reports,

Comparative analysis

- The report has been compiled based on a comparative overview of progress made between the 2006/07fy and 2007/08 financial years, in order to demonstrate the developmental trends across all the five key performance areas of the assessment tool.
- Evidently this report provides a comparative benchmark of progressive developments in the municipalities over the two years under-review;
- The report provides a collective set of key challenges and areas for improve in specific key performance areas.

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

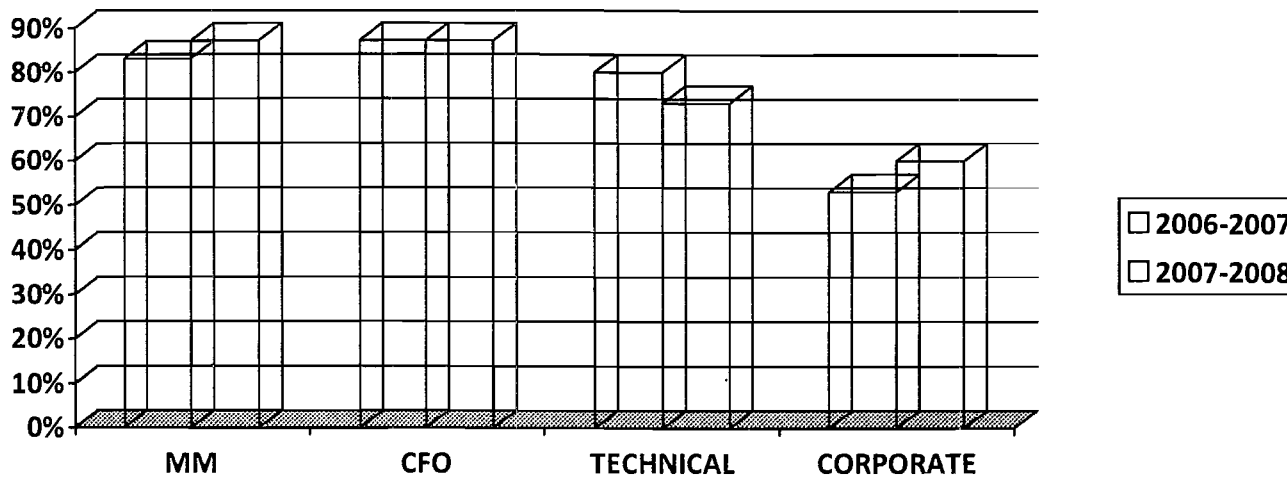
- **Filling of Top Management Posts**
 - Appointment of Municipal Managers has increased from 83% in 06/07 to 87% in 07/08 financial year.
 - Appointment of Chief Financial Officers remained constant at 87% for both 06/07 and 07/08 financial years.
 - Appointment of Technical Managers declined from 80% in 06/07 to 73% in 07/08 financial year.
 - Appointment of Corporate Services Managers increased from 53% 06/07 to 60% 07/08 financial year.
 - Waterberg, Vhembe and Sekhukhune Districts were the most unstable in terms of the filling of management posts for 07/08 financial year.

- **Vacancy Rate:** Capricorn and Greater Sekhukhune have recorded the highest number of section 57 vacancies.

- **Employment Equity:** the appointment of women in section 57 positions increased from 27% in 06/07 to 32% in 07/08 financial year. The total number of female staff has increased from 38% in 06/07 to 43% in 07/08 financial year. There was no considerable employment of people with disabilities at both management and general staff level.

- **Skills Development:** The submission of Work Place Skills Plans and Annual Training Reports increased from 83% in 06/07 to 100% in 07/08 financial year.

Provincial Overview -Filling of Top Management Posts



- The filling of Top Management posts has declined from 86% in 06/07 to 79% 07/08 financial year.
- The decline was experienced in Capricorn from 86% 06/07 to 81% 07/08 fy, Greater Sekhukhune from 90% 06/07 to 81% 07/08 and the highest increased was recorded in Mopani from 69% 06/07 to 86% 07/08 fy and Waterberg from 40% 06/07 to 66% 07/08 fy.

Performance Management System:

- The compliance with the performance management regulations has improved from 40% in 2006/07 to 87% in 2007/08fy
- The signing of performance agreements have improved from 70% in 2006/07 to 90% in 2007/08 fy,
- The submission of Municipal Annual Performance reports has improved from 55% in 2006/07 to 100% in 2007/08 fy;
- The MEC Section 47 reports has been tabled to legislature for 2005/06 fy and 2006/07 fy- the latter has been gazetted in the provincial gazette as per legislative obligations;
- Since the promulgation of the Municipal Performance regulations in 2001, municipalities have been grappling with the process of developing Performance Management Framework and policies that are aligned to the regulations as well as signing employment contracts and performance agreements with their top management.
- 77% (23) municipalities had not conducted the reviews as per legislative requirement.

Integrated Development Planning

- 93% of municipalities compiled IDPs on their own instead of relying on service providers which is a substantial improvement from 40% in 2004/05 fy
- The quality of the sector plans has improved, however there is still a challenge in relation to support for all municipalities.
- The IDP are now linked to the 3yr based- Municipal Income and Expenditure Framework.

KPA 2 : SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PROVINCIAL OVERVIEW

MUNICIPALITY	2006/07			2007/08		
	Total Poor Households	Households served	% HH served	Total Poor households	Households served	% HH served
Capricorn	160 234	120 175	75%	163 265	127 123	77%
Mopani	165,865	93,206	56%	173 602	97 569	56%
Greater Sekhukhune	149,055	85,842	58%	149 504	84 625	57%
Vhembe	173,286	111,864	65%	175 311	110 853	68%
Waterberg	86 430	81 244	94%	86 700	83 267	96%
TOTAL PROVINCE	734 870	492 331	67%	748 382	503 449	68%

- Water supply service increased from 62% 06/07 to 72% 07/08 reducing the backlog by 10%.
- Sanitation increased from 35% 06/07 to 39% 07/08 reducing the backlog by 4%.
- Electricity supply increased from 72% 06/07 to 78% 07/08 reducing the backlog by 6%.
- Sanitation has the highest backlog of 61%, water 28% and electricity 22%.

WATER SUPPLY

	2006/07				2007/08		
MUNICIPALITY	% HH served	Total Households	Households served	% HH served	Total Households	Households served	% HH served
Vhembe DM	41%	287 190	186 673	65%	287 190	221 136	77%
Mopani DM	42%	265 288	156 519	59%	265 288	175 090	66%
Capricorn DM	65%	285 565	208 462	73%	285 565	231 307	81%
Sekhukhune DM	34%	217 172	102 070	47%	217 172	108 586	50%
Waterberg DM	75%	175981	149 583	85%	175981	154 863	88%
TOTAL PROVINCE	53%	1, 231 196	763 341	62%	1, 231 196	890 982	72%

- Sekhukhune has the highest backlog while Waterberg had the lowest backlog

SANITATION

MUNICIPALITY	2006/07			2007/08		
	Total Households	Households served	% HH served	Total Households	Households served	% HH served
Vhembe DM	287 190	68 925	24%	287 190	71 797	25%
Mopani DM	265 288	76 933	29%	265 288	84 892	32%
Capricorn DM	285 565	111 370	39%	285 565	122 792	43%
Sekhukhune DM	217 172	41 262	19%	217 172	45 606	21%
Waterberg DM	175981	98 549	56%	175981	103 828	59%
TOTAL PROVINCE	1, 231 196	430 918	35%	1, 231 196	480 166	39%

- General high level of service delivery backlog across the province

ELECTRICITY

MUNICIPALITY	2006/07			2007/08	
	Total Households	Households served	% HH served	Households served	% HH served
Vhembe DM	287 190	192 417	67%	203 904	71%
Mopani DM	265 288	198 966	75%	206 924	78%
Capricorn DM	285 565	222740	78%	231 307	81%
Sekhukhune DM	217 172	149 848	69%	154 192	71%
Waterberg DM	175981	140 784	80%	119 666	85%
TOTAL PROVINCE	1, 231 196	886 461	72%	960 332	78%

- Reported substantial higher level of access to electricity in general with the high backlog reported in Sekhukhune District

HOUSEHOLDS SERVED WITH FREE BASIC WATER

MUNICIPALITY	2006/07			2007/08		
	Total Poor Households	Households served	% HH served	Total Poor households	Households served	% HH served
Capricorn	160 234	120 175	75%	163 265	127 123	77%
Mopani	165,865	93,206	56%	173 602	97 569	58%
Greater Sekhukhune	149,055	80,842	55%	149 504	84 625	57%
Vhembe	173,286	111,864	65%	175 311	110 853	68%
Waterberg	86 430	81 244	94%	86 700	83 267	96%
TOTAL PROVINCE	734 870	492 331	67%	748 382	503 449	69%

- Access to Free Basic services shown positive trend of improvement across the province

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Summary of Municipal LED anchor projects

District	Sector Prioritised for development	Number of LED Anchor Projects	Number of jobs created through LED initiatives
Vhembe	Agriculture Poultry Livestock production Poultry Crop production	9	454
Capricorn	Tourism Agriculture support to emerging farmers Citrus Agro-processing Livestock production Commercial; Detergent Factory at N1 Molemole	11	3861
Mopani	Tourism Agriculture Poultry Livestock production Poultry Crop production /a	9	36
Waterberg	Agriculture Poultry Livestock production Poultry Crop production	5	1300

- **Growth and Development Summits:** All five districts have held District Growth and Development Summit and the Department will be monitoring the implementation of the Resolutions and Implementation Plan on quarterly basis. The Department intends to assist municipalities with the review of the LED Units in order to enhance the capacity to implement LED projects.
- **Established functional Provincial LED Forum:** The Department has also established a Provincial LED Forum whereby municipalities and other key stakeholder come together to share best practices.
- **Urban development framework:** 8 growth points have been identified and the Investment Analysis to be done in the following 8 municipalities: Polokwane; Greater Tubatse; Lephalale; Greater Tzaneen; Mogalakwena; Thabazimbi; Ba-Phalaborwa and Makhado

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

GENERAL MFMA COMPLIANCE

- 90% of the municipalities have established Audit Committees and 64 % of municipalities have functional internal audit units.
- 94% of the municipalities submitted their financial statements as per required time-frame.
- The Department in partnership with the DBSA has appointed 8 resident accountants to assist municipalities with the improvement of financial management.
- 16 municipalities successfully implemented the Municipal Property Rates Act in 2007/08 financial year
- The Valuation Appeal Board has been established as per the MPRA requirements.

MUNICIPAL AUDIT REPORTS

- **Bad audit reports:** Disclaimers: 19 municipalities received disclaimer reports with 2 municipalities receiving worse reports in the form of adverse reports;
- **Few clean audit reports:** only 4 municipalities received clean audit reports with 5 municipalities having received qualified audit reports

Municipality	2006/07	2007/08
Makhado	Disclaimer	Adverse
Mutale	Disclaimer	Disclaimer
Musina	Unqualified	Unqualified
Thulamela	Disclaimer	Disclaimer
VHEMBE	Disclaimer	Disclaimer
Giyani	Disclaimer	Qualified
Letaba	Disclaimer	Qualified
Tzaneen	Disclaimer	Qualified
Ba - Phalaborwa	Adverse	Adverse
MOPANI	Disclaimer	Disclaimer
Maruleng	Disclaimer	Disclaimer
Aganang	Disclaimer	Qualified
Blouberg	Adverse	Disclaimer
Lepelle-Nkumpi	Disclaimer	Disclaimer
Molemole	Adverse	Disclaimer
Polokwane	Disclaimer	Disclaimer
CAPRICORN	Disclaimer	Disclaimer
Fetakgomo	Qualified	Unqualified
Groblersdal	Disclaimer	Disclaimer
Makhuduthamaga	Disclaimer	Disclaimer
Marblehall	Adverse	Disclaimer
Tubatse	Disclaimer	Disclaimer
Sekhukhune	Disclaimer	Disclaimer

	2006/07	2007/08
Belabela	Disclaimer	Qualified
Lephalale	Adverse	Disclaimer
Modimolle	Disclaimer	Disclaimer
Mogalakwena	Qualified	Unqualified
Mookgopong	Disclaimer	Disclaimer
Thabazimbi	Disclaimer	Disclaimer
WATERBERG	Unqualified	Unqualified

Municipal Revenue Enhancements

There is a very low cost recovery rate across the province and 43% of the municipalities do not have revenue enhancement strategies. The Department has commenced with the process of assisting municipalities with the process of developing revenue enhancement strategies. Following below is the district-wide overview:

- **Vhembe:** Musina, Mutale and Vhembe do not have revenue enhancement strategies in place;
- **Waterberg:** only Belabela has a revenue enhancement strategies;
- **Capricorn:** only Blouberg and Molemole do not have revenue enhancement strategies;
- **Sekhukhune:** Elias Motsoaledi and Sekhukhune District do not have revenue enhancement strategies;
- **Mopani:** Greater Letaba, Greater Tzaneen and Mopani District Municipality do not have revenue enhancement strategies.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Corporate Governance

- **Anti-corruption and fraud prevention:** 50% of the municipalities have adopted Anti-corruption strategies and related implementation plan whilst the Department continues to assist the remaining municipalities with the process;
- **Communication and stakeholder relations:**
 - The updated municipal websites improved from 53% in 2006/07 to 87% in 2007/08 fy. The adoption of the communication strategies improved 50% to 86% in 2007/08 and similarly the establishment of communication units improved from 63% to 89%.
 - In general the stakeholder relationship management has improved in the municipalities with functional complaints management system having improved from 40% in 2006/07 to 75% in 2007/08 fy.
- **Ward Committee Establishment:** All the 513 wards have established their wards committees. The department implemented a programme for training of ward committees. Eighteen municipalities have budgeted for the activities of ward committees as compared to the previous financial year where only thirteen were able to finance the activities of ward committees.
- **Promoting Local Democracy:** In general municipalities have made significant progress in terms of developing organs of participatory democracy, such as ward committees, IDP Fora and re-launch of the district intergovernmental structures. Traditional leaders are also represented on various municipal councils. Another positive aspect is the increasing representation of women on the various structures of councils;

- **Councilor Training** : A comprehensive leadership programme for Councilors has been initiated by the Department in partnership with DPLG towards the end of the 2006/07 financial year. The training focused on the five KPA's of the Local Government Strategic Agenda. The programme continued in the financial year under-review focusing on financial management for finance committee members in all municipalities.
- **Community Development Workers:** All municipalities have been allocated Community Development Workers by the Office of the Premier. The challenges were the varying level of capacity of the CDW. Therefore the capacity building programme for ward committees became a critical component of achieving substantive public participation.

Functionality of IGR structures:

The functionality of IGR structures has been inconsistent across the province due to the municipal failure to adhere to annual schedule due to the unavailability of both technical as well as political leadership. Although the District IGR for a are held the report has found that there is inadequate utilisation of the IGR framework to address substantial district-wide issues of integration related to regional planning, project execution amongst others.

CROSS CUTTING ISSUES

DISASTER MANAGEMENT

During the period under-review compliance with the Disaster Management Act was very low in the province such that only 30 % of the municipalities have appointed Heads for the Disaster Management. Below is a district-specific account of the status regarding the disaster management capacity across the province:

- **Waterberg District:** With regard to the development of the Disaster Management Framework only Mookgopong and Lephalale had approved Disaster Management Framework in place. Only three municipalities, namely Belabela, Mookgopong, and Lephalale had Disaster Management Plans; With regard to the Disaster Management Centre only Mookgopong had a centre and all the municipalities had not appointed responsible manager for the Disaster Management function.
- **Mopani District:** only Mopani and Greater Tzaneen had a Disaster Management Framework, Disaster Management Plans and had appointed Head for the Disaster Management function.
- **Vhembe District:** three municipalities Makhado; Musina; and Mutale had Disaster Management Plans in place while only the District Municipality had a Disaster Management Plan, Disaster Management Framework and Disaster Management Centre.
- **Capricorn District:** All six municipalities have appointed Disaster Management Head while only Polokwane and Capricorn Disaster Municipalities had Disaster Management Framework and Disaster Management Plans.
- **Sekhukhune District:** only the Sekhukhune District Municipality has the Disaster Management Framework; Disaster Management Plan and has appointed a Head for the Disaster Management function

IMPLEMENTATION OF THE IZIMBIZOS RESOLUTION

PRESIDENTIAL IMBIZOS

During the 2007/08 financial year 2 Presidential Imbizos were held in the Mopani district and 66% of the issues raised were resolved while 2 were held in Sekhukhune and 70% of issues raised were resolved. Most of the outstanding issues are in relation to service delivery backlog in general and related to water services backlog in particular.

PROVINCIAL IMBIZOS

- **Vhembe:** Thulamela hosted provincial Imbizos and altogether 48 issues were raised and of those only 54% were resolved during the year under-review.
- **Waterberg:** 12 Provincial Imbizos were held across the district and no substantial issues raised required follow up
- **Mopani :** 5 Provincial Imbizo were held with all of them having no substantial issues to be followed up

LOCAL IMBIZOS

- **Waterberg:** 46 Local Imbizos were hosted by the six municipalities across the district, and 123 issues were raised by community members of which only 35 % were resolved.
- **Mopani:** 10 local imbizos were held within the Mopani District and 66% of the issues were resolved.
- **Vhembe:** 24 local imbizos were hosted across the district and 34 issues were raised of which 52% were resolved.

- **Sekhukhune:** 21 local imbizos were hosted by the municipalities and none of the issues were resolved.
- **Capricorn:** 30 local imbizos were held and all the issues raised were addressed as part of the IDP process review.

CONCLUSION

- The report has shown that the substantial areas of improvements across the district are in the institutional development key performance areas which reflect the overall stability resulting from the filling of top management posts. The implementation of the performance management system has shown improvement at the top management level; however the challenge remains with regard to the rolling out of PMS to all municipal staff.
- The areas of concern should be in terms of municipal financial viability and management. The Auditor-General reports has shown that the state of municipality financial management requires urgent intervention, only 4 municipalities received clean audits and 5 qualified audit reports, while 11 municipalities received disclaimer reports and 2 received worse reports in the form of disclaimers.
- Although the report has shown general improvement in the reduction of service delivery backlog, sanitation sector lacks behind across the province with a huge sanitation backlog of over 50%. In terms of district-wide analysis, the report has shown that the Sekhukhune District needs the urgent attention as it has the highest service delivery backlog.

**MEC LOCAL GOVERNMENT AND HOUSING
HON SOVIET LEKGANYANE**

DATE