

**FETAKGOMO MUNICIPALITY ANNUAL REPORT
2005/2006**

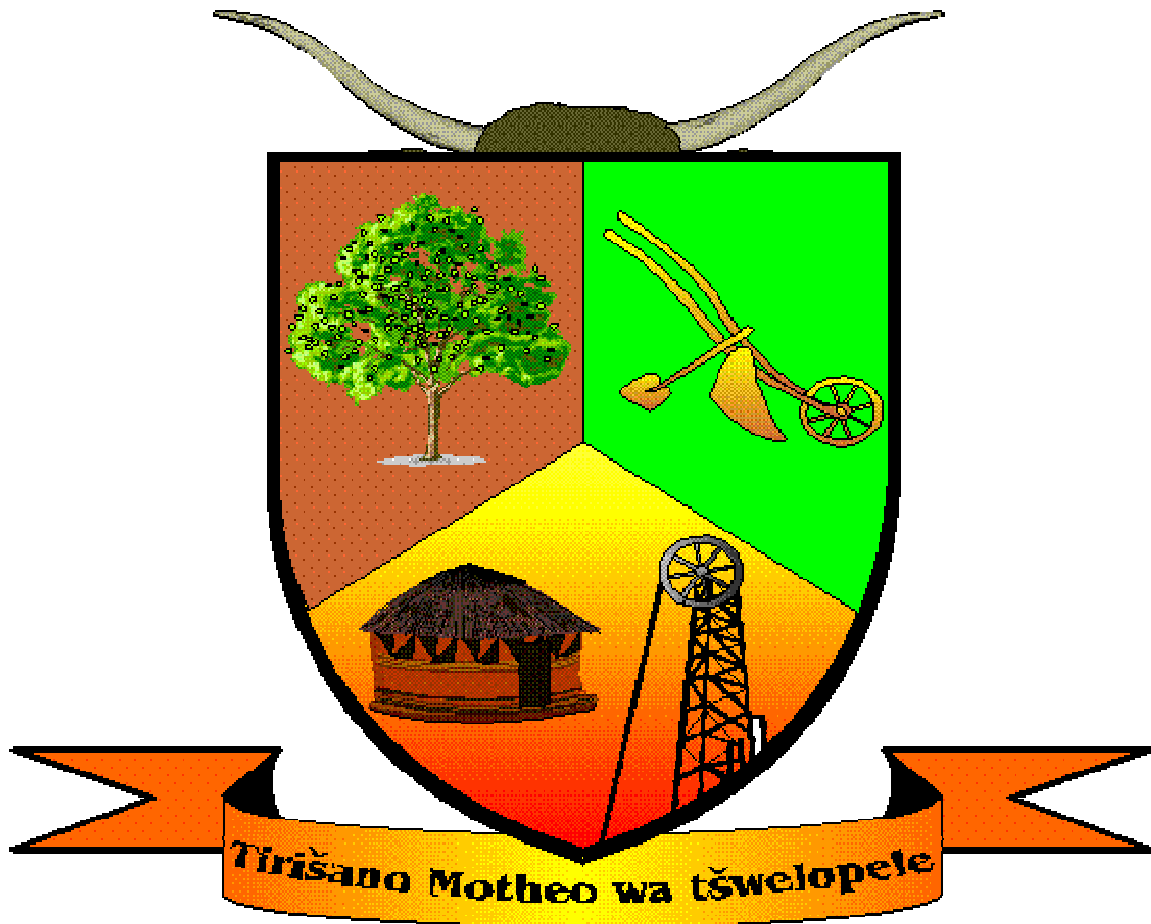


TABLE OF CONTENTS

ANNUAL REPORT

Chapter 1	Introduction	Page 2
	Mayor foreword and Overview of the Municipality	
Chapter 2	Performance Highlights	Page 6
	Corporate Services	
	Development planning	
	Finance	
Chapter 3	Human resource and Organisational management	Page 10
Chapter 4	Audited financial statements	Page 15
Chapter 5	Service Delivery issues	Page 16

CHAPTER ONE

MAYOR FOREWORD AND OVERVIEW OF FETAKGOMO MUNICIPALITY



CLLR M.C MAROTA

1.1 FOREWORD

The National Government has in terms of the constitution established local Municipalities as a means of being a face nearest to the communities. The municipality has a population of 97 110 spread in all the eleven (11) wards. Unemployment and poverty pose serious challenges in Fetakgomo.

Through this annual report, the municipality intends to communicate progress, challenges and impact made during the year under review. The report calls for the recipients and users to appraise appropriately for a better tomorrow. This report should also be read against the targets set for the said year.

It is also important to indicate early in the report that the operations covered are of overlapping political terms of office which had its own challenges. The Municipality has councillors and officials who ensure that services reach the people. The Municipality has three internal departments and Political office support staff that caters for administrative operations. The Municipality also ensures co-coordinated functioning of sector departments within its jurisdictional boundaries.

The municipality is fully grant funded and this is surely a nightmare for sustainability. Energies for mobilising partnerships are largely compromised because of no capacity for co-funding and genuine partnerships; needless to say the ones established are limited to social services compared to economic initiatives.

The other key impediment towards vibrant development is accessibility of land for development purposes.

Surrounded by the above challenges, Fetakgomo council remain committed to do all within its capacity to better the lives of people in Fetakgomo.

1.2 OVERVIEW OF THE MUNICIPALITY

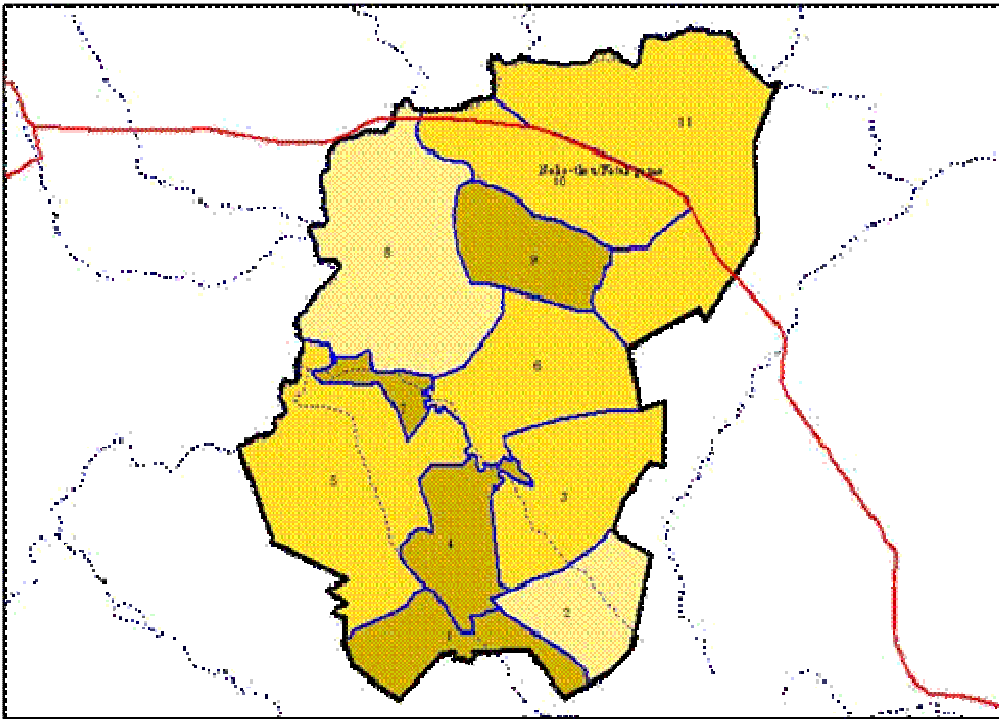
Fetakgomo Municipality is one of the Municipalities within the Greater Sekhukhune District Municipality with a total population of about 97110 that in made up of about 17334 households. The majority of the population in Fetakgomo is female (55,6%)with the highest population concentration found in Ward 5 (16,54%), Ward 11 (12,81%) and Ward 1 (13,7%).

A large number of the population (44%) are young people between the ages of 5 and 19 years with huge implication for investment as the economically active population is relatively low at 10,5% with wards 2, 5, 7,8, 10 and 11 having the largest number of the unemployed – all recording above 18% in their local unemployment records.

With an average annual household income of just over R8 000, the municipality has a huge challenge of poverty alleviation amongst the majority who may be living below minimum breadline.

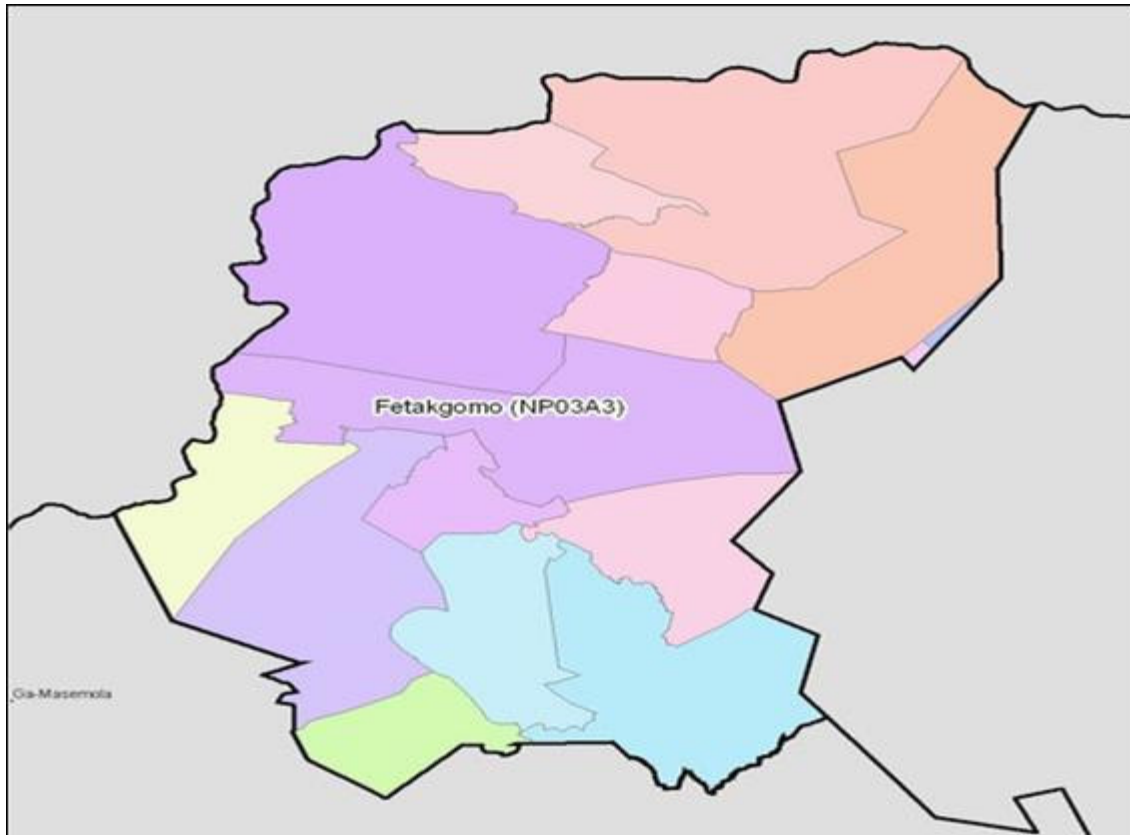
Twenty two Councillors (22) serve in this Municipality. Eleven (11) of these Councillors are Ward Councillors, and the other eleven (11) are PR Councillors. Four (4) Councillors are members of the Executive Committee. There are four (4) Portfolio Committees; each with its own Chairperson which assist the Council Executive executes its duties in running Council affairs.

Location and delineation of the wards in the Fetakgomo municipal area prior March 2006 Municipal Elections



After the 2006 Municipal elections, the wards were delimited to 13. Therefore council consisted of 26 members excluding five ex officio members (traditional authorities). Villages that were excluded after the elections include Machacha, Habeng and a portion of Malegale village.

2006 (new) delimitation of the wards in the Fetakgomo municipal area



As per Demarcation Board and the MEC of Local Government and Housing ,Fetakgomo Municipality is delegated with the following powers and functions:

DELEGATED POWERS AND FUNCTIONS	
Air pollution	Licensing of dogs
Municipal Public Transport Air Pollution	Licensing of undertakings that sell food to the public
Building Regulation	Local amenities
Child care facilities	Local sports facilities
Local Tourism	Markets
Municipal Airports	Municipal parks and recreations
Municipal Planning	Municipal Roads
Building regulation	Noise pollution
Pontoons and Ferries	Pounds
Trading regulations	Public places
Beaches and Amusement Facilities	Refuse removal, refuse dumps and solid waste disposal
Billboards and display advertisement	Street trading
Cemeteries, funeral and crematoria	Street lighting
cleansing	Traffic and parking
Control of undertaking that sell liquor to the Public	
Facilities for accommodation, care and burial of animals	
Fencing and fences	

The performance of the above mentioned delegated powers and functions had immense challenges in the municipality. The challenges are identified as follows:

- ◆ Planning framework ignored the delegated powers and functions of the municipality
- ◆ Devolution of powers and functions that are still at Provincial Government and District
- ◆ Financial constraints that undermines staffing of qualified persons for delegated functions

The above challenges had an impact on service delivery and the generation of revenue by the municipality.

The delivery of services as per delegated powers and functions depends on the strengthening of Municipal Governance that would ensure financial viability of the Municipality.

CHAPTER TWO PERFORMANCE HIGHLIGHT

2. CORPORATE SERVICES

2.1 OBJECTIVE: The department is tasked with the implementation of the PMS policy, formulation of by-laws, capacitation of personnel, councillors and ward committees, implementation of the communication strategy, ensure maximum public participation and equitable allocation of resources to all departments.

The department is divided into Administrative Services, Human Resource Management, Communication and Community Services Divisions.

2.1.1 ADMINISTRATION SERVICES DIVISION

The purpose of the Administrative Services Division is:

- ✦ To render committee services to the Council and its committees.
- ✦ To render office auxiliary services

The committee services section performs the following functions:

- ✦ Coordinate translation activities
- ✦ Provide meeting support services

The auxiliary services section performs the following functions:

- ✦ Provide archiving services
- ✦ Provide messenger services
- ✦ Provide cleaning services
- ✦ Provide typing services
- ✦ Render telephone services

2.1.2 PERFORMANCE HIGHLIGHTS

As mentioned the purpose of the administration services division is to render the secretariat services to council and its structures and auxiliary services. The achievements of discharging the function included:

- ✦ Three community halls were equipped with furniture and equipments in order to facilitate accessibility of utility by the public and other institutions.
- ✦ One 13 seater bus was procured in order to transport staff, CDW's and ward committees for public participation and other Municipal, Provincial and National programmes.
- ✦ After the 2006 Municipal Elections, the Municipality established 5 portfolio committees as follows: Corporate Services, Technical Services, Development Planning, Community Services and Finance.

2.2 HUMAN RESOURCE MANAGEMENT DIVISION

The purpose of the Human resource Management Unit includes the following:

- ✳ To provide human resource management functions (recruitment, selection, job evaluation and equity management)
- ✳ To provide human resource development (training and skills development)

2.2.1 PERFORMANCE HIGHLIGHTS

Effective human resources management

Review of policies: the following policies were developed and approved by Council as planned: remuneration, sexual harassment and the organizational structure.

Councillors and officials attended training presented by Tshwane University of Technology (TUT) in compliance to Skills Development Act (SDA) as a quality assured service provider. The following courses were offered: human resource management, municipal finance management, municipal service delivery, IDP, municipal policy, law making and municipal management. Conceptualization of a municipal administration had improved for the better. The actual cost was R210,000.00.

Forty Two (42) job descriptions for personnel were completed, signed and submitted to Principal Job Evaluation Committee (PJEC) and South African Local Government Bargaining Council for moderation. Seventy three percent (73%) of job descriptions have been approved. Seven were rejected due to poor quality and had been re-written. Job evaluation process transferred a skill on job description writing amongst personnel.

The key challenge that the department still face is the alignment of the Skills Development Plan to the Integrated Development Plan and also the identification and implementation of learnerships.

During the financial year the department had only one employee that had to deal with all HR issues.

3. COMMUNICATION DIVISION (OFFICE OF THE MAYOR)

3.1. BACKGROUND: The office of the Mayor is in terms of the recommendation of SALGA is responsible for communication in the Municipality.

3.2. Purpose: The purpose of Communication Division is in terms of section 17 and 21 of the Municipal Systems Act, 2000.

The division is made up of the Mayor as the political head, the Municipal Manager as accounting officer, Manager in the Mayor's Office, Communication officer and the chairperson of the portfolio committee. The Communication Unit is entrusted with the following functions:

- Ensure participation of communities in municipal programmes and or projects. This is done through outreach programmes.
- Ensure that ward committees and Community Development Workers are functioning as part of communication "Army of government communication".
- Ensure a sound relationship between Municipality and stakeholders.
- Ensure both internal and external communication is maximised.
- Promote and manage access to information

- Develop annual municipal calendar, internal and external newsletters.

PERFORMANCE HIGHLIGHTS

The division as indicated amongst its purposes is to ensure effective communication between the municipality and the communities it serves. The division has managed the following:

- Newsletter production quarterly where use of indigenous language was catered
- Annual calendar.
- Career exhibition in collaboration with department of education and the local youth structure.

4. COMMUNITY SERVICES

The purpose of the community services section includes amongst others:

- ❖ Ensuring the establishment and functioning of ward committees
- ❖ Facilitating Community Participation in municipal programmes
- ❖ Integrating intersectoral programmes and plans
- ❖ Ensuring community access to emergency relief measures

4.1 Performance Highlights:

- ❖ Facilitation for establishment of and induction of thirteen wards post 2006 municipal elections
- ❖ Support for operations and monitoring Community Development Workers
- ❖ Support for compilation of quarterly newsletter
- ❖ Successful support for participation of local Sports Arts and Culture activities

5. DEVELOPMENT PLANNING OBJECTIVE

The above department incorporated the Technical Services department.

OBJECTIVE: The Development Planning Department is discharged with the functions of developing and reviewing the Integrated Development plan, creating a conducive environment for local

economic development, land use management and control, development municipal infrastructure and project management that support integrated planning.

5.1 DEPARTMENT PERFORMANCE HIGHLIGHTS

Review of the Integrated Development Plan: As per Municipal System Act and Municipal Finance Management Act the Municipality reviewed the IDP and was adopted by Council.

Development of Ward Plans: During the financial year the Municipality for the first time developed eleven ward plans

Establishment of LBSC (Local Business support centre):In partnership with Anglo Platinum and LIBSA the municipality negotiated for the establishment of the Local business support Centre .The private sector played a vital role to ensure that the centre is established in order for small businesses within the jurisdiction of the Municipality benefit from their procurement capacity building programmes..

Limpopo EU LED: the Municipality was identified as a beneficiary for LED capacity building programme and in the same year it applied for the Local Government Support Fund (farmers support) which by the end of the financial year the results were still outstanding.

Learnerships: Through the involvement of the provincial sphere of government i.e Department of Agriculture eleven beneficiaries from Hydroponics attended training at Tompi Seleka Agriculture College. Further to the latter training eleven benefited from AgriSeta.

Electricity: Electrification of more households than those targeted by the Municipality and DME. The applaud goes to the Limpopo Premier Emergency Grant.

CHAPTER THREE

Human Resources and other Organizational Management

3.1 Components on organizational Structure

Administration / Officials (38)

Political / Councilors (22)

3.1 Employment equity status

In line with the employment equity Act ,the municipality developed the employment equity and submitted to the Department of Labour.

Employment Category	Males	Females	Total
Youth	08	11	19
Adults	13	04	17
Disability	01	00	01
Management	08	04	12
Senior Management	03	01	04
Middle Management	06	03	09

NB. Management is included in the Youth and Adult categories.

3.2 ORGANIZATIONAL POLICIES AND PROCEDURES

✦ Supply Chain Management Policies(Procedural Guidelines)

The above policy was adopted by council after inputs by management and other Council Structures.

✦ Delegation of powers and functions

The Majority of the delegations were administrative and financial in nature ,the adoption of Supply Chain Management regulation was crucial hence they were amended and approved by Council.

✦ HIV/AIDS in the workplace

The policy was drafted and taken to Municipal Employees and adopted by Council.

✦ Travelling and Subsistence allowance

The policy was amended by Council during the financial year in review.

OTHER ORGANIZATIONAL MANAGEMENT ISSUES (LEGAL ISSUES, RESIGNATIONS, STATISTICS ON LEAVE AND BY-LAWS)

✿ **Legal Issues**

The municipality had two internal disciplinary hearings that were resolved and two Labour disputes that were resolved at CCMA.

✿ **Resignations**

The Municipality had resignations of five officials in the Finance and Development Planning Departments.

- ✿ Project Officer (Housing, Roads and Transport)
- ✿ Accountant
- ✿ Risk Management Officer
- ✿ Strategic Manager Development Planning
- ✿ Financial Intern

✿ **Termination due to death**

The Municipality had untimely death of one employee (Cashier) in the Finance Department.

✿ **Recorded leave statistics**

Annual	Sick	Compassionate	Study	Maternity	In lieu of overtime
384	3	7	2	2	0

Generally the leave trends are satisfactory as records prove an average ratio of 34:11 on Annual leave which also confirms compliance to 10 compulsory days per employee leave cycle.

✿ **Total number of staff**

Function	Total Post	Filled Posts	Vacancies
Finance Department	09	08	01
Corporate Services	23	21	02
Development Planning	12	09	03
Total	44	38	06

◆ **Salary Disclosures for both Councilors and Senior Managers**

	Mayor	Speaker	Exco	Councillors	Total
Salary	R39 456,00	R20 728,18	R98 833,70	R296 455,26	R416 411,70
Housing allowance	nil	nil	nil	nil	nil
Speaker allowance	nil	nil	nil	nil	nil
Exco allowance	nil	nil	nil	nil	nil
Whip allowance	nil	nil	nil	nil	nil
Personal allowance	nil	R 2 516,00	R 9 368,00	R 36 541,60	R 48 425,60
Travel allowance	R 9 856,50	R 7 885,14	R24 708,48	R 74 114,10	R116 564,22
Total Package	R49 312,50	R31 129,32	R132 910,18	R407 110,96	R581 401,52
No of cllrs	1	1	5	19	26
Council contribution	Nil	Nil	Nil	Nil	Nil
Total for 05/06	R49 312,50	R31 129,32	R132 910,18	R407 110,96	R581 401,52

SNR MANAGERS	
MM	R330, 845. 76
CFO	R388, 462. 99
CSM	R279, 360. 21
DVM	R183, 603. 32

3.6 By-Laws: Gazetted

- ◆ Credit Control by -law
- ◆ Financial by-law
- ◆ Waste Management
- ◆ Public road use By-Laws
- ◆

The following by-laws were approved by Council and awaiting enactment

- ◆ Culture and recreation by- law
- ◆ Billboards and display of advertisement by-law
- ◆ Tariff by-law
- ◆ Land Use by-law
- ◆ Street Trading by-law
- ◆ Keeping of animals By-Law

Council identified the following additional By-Laws

- Child Care Facilities By-Law
- Encroachment on Municipal Properties By=Law
- Accommodation Establishment By-Law
- Aerial Systems By-Law
- Customer Care and Revenue By-Law
- ◆ Barbers, Hairdressers and Beauticians By-Law

3.7 Council Structures

As per the Municipal Structure, 1998, Fetakgomo Municipality established council structures. The process was even undertaken after the Municipal elections of March 2006.

Council

Before the 2006 municipal elections, council consisted of 22 councillors and 4 ex officio members and after the elections the Council had 26 councillors and five ex officio members.

Executive Committee and Portfolio Committees

The number of the executive committee members increased from four to five members. The members represented the portfolio committees that are: Technical, Development Planning, Corporate and Community services. However the technical committee was not in existence before the 2006 municipal elections. It was amalgamated with the Development Planning Portfolio Committee.

Sub Function: A

Administration (Management) and Portfolio Committees

Reporting Level	Detail	No. meetings	Total	Challenges
Overview:				
Description of the Activity:	<u>Outreach Programmes</u> Council Speak to People (CSTP) Community participation on By-Laws, IDP and Budget processes Ward based plans Awareness campaign on vandalism Quarterly municipal publications Revival of ward committees Sports Indaba Maphungubye build up events	11 14 11 11 3 2 1 3	56	A tool to measure the programmes is not effective (customer care services) hence there is no result of the impact.
Analysis of the Function:	1. Council detail: Total number of Councillors Number of Councillors on Executive Committee 2. Ward detail: Total number of Wards Number of Ward Meetings 3. Number and type of Council Meetings: Number of Ordinary Council Meetings Number of Special Council Meetings Number of Ordinary Executive Committee Meetings	26 05 13 04 03 05 09 02	67	The 2006 Municipal elections brought in new councillors who required intensive training.

	Number of Special Executive Committee Meetings			
--	--	--	--	--

3.8 Pension Funds & Medical Aids

Pension Funds	Medical Aids
Municipal Gratuity Fund (MGF)	Bonitas
	Munimed
Municipal Councillors Pension Fund (MCPF)	LA Health
	SAMWUMED

CHAPTER 4

AUDITED FINANCIAL STATEMENTS

The municipality received an adverse audit report for 2004/5 financial year. For the year under review the Municipality still awaits the report of the Auditor General.

CHAPTER 5 SERVICE DELIVERY ISSUES

5.1 KEY PERFORMANCE AREAS AND ACHIEVEMENTS

KPA	BASELINE	TARGET	ACHIEVEMENT
Provision of adequate affordable housing units on a progressive basis to communities	1 Shortage of 2088 Housing units	200 housing units constructed at ward 1, 3,9, and 11 for 2005/6 financial year	Municipality provided 769 housing units.
provision of clean, potable water to villages by 2006 Provision of water and sanitation to schools and clinics by 2007	Shortage of potable water at RDP standard to	Provision of potable water at RDP standard to 4 villages Provision of drought relief water to 8 villages Provision of emergency water to 17 villages(1026 households) without source	Projects completed and handed over to communities
Provision of basic level sanitation infrastructure to at least 2000 households in the municipality by 2007	Shortage of 21675 adequate sanitation facilities	Provision of 1349 adequate sanitation facilities to households	Through the intervention of the Premier Emergency Grand and the Sekhukhune District Municipality communities were provided with sanitation facilities.
provision of grid energy to 700 and non grid energy to 250 connections per annum inclusive of government institutions by 2008	Shortage of Grid and Non Grid Energy to 4686 households	provision of grid energy to 350 connections	849 households were connected with grid energy
Provision of adequate education facilities	Shortage of adequate classrooms to 25 schools	Provision of adequate education facilities to 7 schools	7 educational facilities constructed and completed
creation of 200 jobs per annum in the 05/06 financial year	Lack of employment to 10192 economically active people	Creation of 200 jobs to economic active people	Partially achieved. 95 people employed in identified LED projects.
upgrading, tarring, maintenance of existing road infrastructure to acceptable minimum standard	Maintenance of access roads limited to blading	Reseal of road infrastructure from Apel to Mashilabela	75% of identified municipal access roads upgraded
To ensure the creation of sustainable	Lack of land use management	Finalise the administrative	Draft Administrative guidelines

KPA	BASELINE	TARGET	ACHIEVEMENT
environment and land management in the municipality	guidelines in place	guidelines for land use management for efficient, effective and economic use of land	developed and adopted by council
	No proper human settlement that support integrated development	Demarcate to settlement and develop a township	One settlement registered and approved by deed office
Strengthen institutional efficiency and governance to ensure efficient service delivery in the municipality	None aligned planning framework in place	Development of municipal planning framework that ensures review and adoption of IDP and Budget	Achieved. The IDP and Budget was approved by council.
Efficient and effective performance system	PMS limited to section 57	Development of annual performance agreement for improved organizational performance	Not achieved. The Municipality under budgeted for the item
Development of an anti-corruption strategy	Anti corruption strategy not in place	Anti-corruption strategy to be drafted for increased awareness	Not achieved. During the financial year in review there were no guidelines for development of Anti-corruption strategy at local government
Implementation of the approved, finalisation of outstanding and identification of new By-Laws	Four sets of by-laws at an advanced stage for promulgation	Approval and promulgation of developed By-Laws for improved regulatory environment	Achieved. Council approved six by-laws
Ensure better communication and public participation with stakeholders	Limited contact systems from communities to municipality	Establishment of departmental customer care desk and publication of newsletter for improved public relations	The customer care desk was established but ineffective .During the financial year the three quarterly news letters were publicised
Mobilize for establishment of a disaster management centre	Disaster management centre not available	Improved EMS preparedness	Three EMS vehicles were delivered to Nchabeleng Health Centre.
Promote integrated nodal satellite information centres	Minimal utility of existing satellite municipal centres	Mobilise for synergy of functions for ward committees and CDW'S. Continuous popularization of centre to users for improved accessibility	Not achieved.
Link Council Speak to People (CSTP) processes with Provincial and	Limited linkages of programme schedules	Coordinate with other spheres of government for aligned outreach	Eleven consultative forums by Council visited

KPA	BASELINE	TARGET	ACHIEVEMENT
National Imbizos		programmes	
Promote support for special programmes for vulnerable groups	Special programme for vulnerable not coordinated	Develop support programme and ascertain functionality	Achieved.
Create a conducive environment to generate income	No revenue base	Compile valuation roll	Not achieved. The Municipality never budgeted for the item.

5.2 CHALLENGES AND MITIGATION

KPA/ISSUE	CHALLENGE	MITIGATION
Housing	<p>Poor project management systems from the Department of Local Government and Housing</p> <p>Compromised quality of houses constructed</p> <p>Roll over of projects from previous financial years.</p>	Strengthen coordination for better implementation of projects
Water	<p>Municipality is neither a Water Authority nor Service Provider</p> <p>No water source to provide to communities</p> <p>None completion of projects</p>	<p>Entering into service level agreement with the District and request for the allocation of portable water functions to the municipality.</p> <p>Extend the bulk line to deserving communities</p>
Water and Sanitation to clinics and schools:	None involvement of the municipality during implementation of the project by sector departments	Revise strategy of involving sector departments in IDP processes and project management phases for timeous reporting
Grid Energy	<p>Municipality not a service provider</p> <p>Allocation of number of units by Eskom (Dept of Mineral and Energy) has minimum impact to address municipal backlog that perpetuate post connection</p> <p>Illegal connection</p>	Engage DME and Eskom to increase number of allocation and improved customer care.
Classrooms	None involvement of the municipality during implementation of the project by sector departments	Revise strategy of involving sector departments in IDP processes and project management phases for timeous reporting
Job creation /LED	None availability of proper reporting mechanism to track job creation	Develop a template to track employment in municipal area

	Inadequate LED Plan to address local economic development issues	Review the LED Plan
Roads	None completion of projects	Fast track completion of projects
Land Use	None rationalization of processes for better land use management Lack of land use management scheme	Strengthen relationship with traditional authorities and develop a land use management scheme
Human settlement (demarcation o sites and Township establishment	Township establishment processes delayed due to mulisectoral involvement and approval processes	Cascaded the project to Local Government and Housing for intervention

Performance management	No electronic system and cascading of PMS to all staff members	Source electronic PMS for better service delivery
Anti-corruption strategy	No Anti-corruption strategy for local government	Development of anti-corruption policy/strategy
Improved public relations	limited capacity to ensure broad public empowerment	Establishment of communication unit
EMS preparedness:	No appropriate infrastructure	Negotiate for establishment
Synergy of functions for ward committees and CDW'S:	Production of non-synergised reports	To formalize consolidated reports Monitored by office of the Speaker

