



MAKANA
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MAKANA MUNICIPALITY DEVELOPMENTAL PLAN

RHODES PRESENTATION 14 SEPT 2017

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BACKGROUND

- Makana Municipality is semirural with the 80% population residing in Grahamstown , 10% Alicedale, 5% Riebeek East, and 4% other Rural areas.
- Makana is 201yrs old and characterised by aging infrastructure.

BACKGROUND CONT.

- Organisational Structure comprising of 5 Directorates - LED & Planning; Public Safety and Community Services; Finance; Corporate and Shared Services, Engineering & Infrastructural Services.

INSTABILITY

POLITICAL AND ADMINISTRATION:

Makana Municipality has been characterized by instability.

- 1994 to date the Municipality had 9 Mayors.
- 2014 to date the Municipality has no Municipal Manager
- 2012 to May 2016 the Municipality had no CFO
- 2015 to July 2017 no Director for Corporate Services
- No consequence Management
- Lack of communication with communities

INSTABILITY CONT.

FINANCIAL:

- Underspending on Grant Funding
- Revenue Collection not enhanced
- Audit Opinion characterised by disclaimers

INSTABILITY CONT

COLLAPSED INFRASTRUCTURE:

- Electricity
- Water outages since 2008
- Sanitation
- Roads
- Non Maintenance of Infrastructure

CURRENT REALITY

ORGANISATIONAL DIAGNOSIS

- Process assessing whether the municipality structure and culture was an enabling and
- Whether an employee's skills matched their job

CURRENT REALITY CONT. THE VOICE OF THE PEOPLE

CHALLENGES

Lack of safety and reliable water supply	15% of the population
Lack of employment opportunities	14% of the population
Inadequate housing	14% of the population
Inadequate roads	4% of the population
Violence and crime	5% of the population

CURRENT REALIT CONT. INFRASTRUCTURE AUDIT

- Infrastructure Audit was conducted, business plan developed for funding sourcing
- Water losses
- Water Bulk and Reticulation
- Sewer Bulk and Reticulation
- Electricity
- Buildings and Facilities
- Roads and
- Human Settlement

CURRENT REALITY CONT. INFRASTRUCTURE AUDIT CONT.

- Appointment of Amatola Water Board for bulk water and
- Appointment of MBB for reticulation/water demand with the
- Aim of mentoring the employees and SMMEs

CURRENT REALITY CONT.

INTERVENTIONS:

- **SECTION 139(1)(b)**
- 2014 an Administrator was appointed
- Financial Recovery Plan
- Work streams were formulated

CURRENT REALITY

POPULATION DEMOGRAPHICS

DEMOGRAPHICS	2011	2016	
	Number	Number	Percent
Population	80 390	82 060	4%

POPULATION PROFILE:

Black African	62 702	66 257	80.7
Coloured	9 725	8 788	10.7
Indian or Asian	525	470	0.6
White	6 974	6 546	8.0

AGE PROFILE :

0 - 14	19 611	22 024	26.8
15 - 34	30 702	32 291	39.4
35 - 64	25 075	20 046	24.4
65 +	5 002	7 699	9.4

CURRENT REALITY CONT. HOUSEHOLD ACCESS TO BASIC SERVICES

BASIC SERVICE	NUMBER	%	NUMBER	90%
Access to housing	18 269	85.4	20 589	90.7
Access to water	20 854	95.8	21 431	94.4
Access to sanitation	16 283	76.2	19 382	85.4
Energy for lighting	19 505	89.7	21 934	97.0
Energy for cooking electricity	17 589	80.9	20 594	90.9
POVERTY LEVELS	N/A	5.1	N/A	2.2

CURRENT REALITY CONTROL MEASURES :

- SCM unit fully effective
- Procured MSCOA financial system
- Data cleansing
- Improved Meter Readings
- Revising all lease contracts and ensure monthly payments are received
- Windfarm Project Billing
- Disconnection: Illegal Electricity
- Implementation of controls on Fleet & Overtime management

CURRENT REALITY CONT.

FINANCIAL STATUS:

- Cash flow challenges
- Revenue Collection at 72%
- Municipal debtors R358 million, only 47% recoverable
- Municipality owing creditors R164 million
- Reliance on external grants for projects
- Customer data accuracy
- Meter reading and billing accuracy

CURRENT REALITY CONT.

INSTITUTIONAL:

- Sound political and administrative stability
- Acting MM due to litigation (Secondment)
- Directors - Social Services, LED, Infrastructure, CFO and Corporate
- Critical posts filled in SCM, internal audit, assets and fleet management
- Organogram Review

CURRENT REALITY CONT.

INSTITUTIONAL CONT.:

- PMS review and evaluation of Senior Managers
- Water Stability
- Establishment of ward and local war rooms through Programme Masiphathisane
- Communication with communities (Mobi Sam)
- Qualified Audit Opinion

REVISED COUNCIL PLAN

FIVE YEARS SERVICE DELIVERY APPROACH:

- Reconnect with the communities
- Ensuring financial sustainability
- Driving service delivery
- Improve oversight and governance
- Capacitate the municipality
- Radical social and economic transformation

SIX DEVELOPMENTAL PRIORITIES

- Basic Service Delivery and Infrastructure Development
- Community and Social Development
- Local Economic and Rural Development
- Institutional development and Financial Viability
- Good Governance and Public Participation
- Human Settlement Management

DEVELOPMENTAL PRIORITIES AND FOCUS AREAS

DEVELOPMENTAL PRIORITY 2017-2021	KEY FOCUS AREA
Basic Service Delivery and Infrastructure development	<ul style="list-style-type: none"> • Water Service • Sanitation Service • Electricity and Street lighting • Electricity distribution of ESKOM area • Roads, bridges and stormwater • Waste management - and clean city • Free basic service • Water harvesting saving(Jojo Tank)
Community and Social Development	<ul style="list-style-type: none"> • Traffic law enforcement and roadworthy(Humps) • Libraries • Parks and public open spaces - • Licensing and control of animal • Fire, rescue and disaster management • Environmental management (Illegal Dumping)

DEVELOPMENT PRIORITIES FOCUS AREAS

No	DEVELOPMENT PRIORITY 2017-2021	KEY FOCUS AREA
0.3	Local Economic and Rural Development	Promote radical economic transformation Promote and support skills development Ensure integrated land use management Review of LED Strategy Promote Tourism and Heritage SMME Development Rural and Agriculture Development Youth Development

DEVELOPMENTAL PRIORITIES

FOCUS AREAS CONT.

4/5

INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY

- Improve Municipal Image
- Improve revenue strategy
- Debtors recovery plan(Business and Community)
- Improve Audit opinion
- Improve Good governance and Public Participation
- Improve Strategic planning for Service Delivery Development
- Servicing of Eskom Account

IDP DEVELOPMENTAL PRIORITIES FOCUS AREAS

No 6	Human Settlements Management		<ul style="list-style-type: none">• Housing Beneficiaries Registration• Provision of the land for RDP housing, NGO's and Business• Title deeds• Completion of outstanding housing development projects
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BUDGET 2017/18:

REVENUE: SERVICE CHARGES AND OTHER REVENUE SOURCES

ITEM	2016/17		2017/2018		VARIATION
PROPERTY RATE	R 65 215 000	9%	R 64 080 000	6.4	2.6 %
ELECTRICITY REVENUE	R 129 683 000	7.6%	R 118 542 000	2.2	-5.6 %
WATER	R 71 051 000	8.5	R 49 587 000	6.4	- 2.1%
SEWER	R 33 662 000	8.5	R 18 332 000	6.4	-2.1 %
REFUSE COLLECTIONS	R 8 305 000	8.5	R 6 554 000	6.4	-2.1%
GRANTS AND SUBSIDIES	R 91 292 000	As DORA	R 98 859 000	As DORA	+ 4%
OTHER INCOME	R 22 994 000	Base on actuals 2015/16	R 54 771 000	Base on actuals 2016/17	+ 25 %

BUDGET 2017/18: CONT.

□ CAPITAL AND OPERATIONAL PROJECT BUDGET

PROJECT NAME	ALLOCATION	SOURCE FUNDING
Waainek Bulk water supply	R 9 405 174	MIG
James- Kleynhans Bulk water	R 25 000 000	RBIG
Water Service Infrastructure	R 10 000 000	DWIS
Alicedale Sewer reticulation	R 8 411 800	MIG
Belmont Valley Treatment works	R 9 000 000	RBIG
Mayfield Waste Water Treatment	R 5 000 000	RBIG
Refurbishment of bulk and sewer reticulation lines	R 140 000 000	ECDC
Alicedale Roads and Storm water Phase 01	R 3 247 227	MIG
Alicedale Roads and Stormwater Phase II	R 2 461 597	MIG

BUDGET 2017/18: CONT.

□ CAPITAL AND OPERATIONAL PROJECT BUDGET

PROJECT NAME	ALLOCATION	SOURCE FUNDING
Upgrading of substation	R 13 085 000	INEP and Revenue
Waste to Biomass		CDA
Upgrading of the airfield		CDA
REPAIRS AND MAINTENANCE	R 89 500 000	External and Internal
TOTAL BUDGET	R 226 267 000	

ASSISTANCE REQUIRED

CORPORATE & SHARED SERVICES	FINANCIAL SERVICES
<ul style="list-style-type: none"> • Communication - bad publicity (Corporate) 	<ul style="list-style-type: none"> • Training – (Finance)
<ul style="list-style-type: none"> • Clean audit opinion (Corporate) 	<ul style="list-style-type: none"> • Hands-on support - data cleansing/ tariff review (Finance)
<ul style="list-style-type: none"> • Survey - customers, staff (Corporate) 	<ul style="list-style-type: none"> • Research - review of policies and by-laws (Finance)
<ul style="list-style-type: none"> • Research – propagating an ideal municipality 	

THANK YOU

COMMENTS AND QUESTIONS