

NYANDENI LOCAL MUNICIPALITY

KEY CHALLENGES THAT IMPACT ON SERVICE DELIVERY

BACKGROUND

The Nyandeni Local Municipality is part of the O.R. Tambo District, situated in the Eastern Cape Province. The Municipality is largely rural with 79 % of its households residing in traditional or village type settlements while only 20 % reside in urban informal.

The urban population is mainly located in the small two towns of Libode and Ngqeleni. The Head Office of the Municipality is in Libode, situated approximately 30 km from Mthatha and 50 km towards the coastal town of Port St Johns.

Analysis of income distribution among the 55 760 households of Nyandeni shows that the majority (36 %) of the population do not have access to regular monthly incomes. Another 41 % have incomes of less than R800 per month, which implies that more than two thirds (about 77 %) of households can be regarded as indigents with access to either no income or incomes of less than R800 per month.

The remaining 10 % can be regarded as lower middle to upper income household with incomes of above R1600 per month. This latter group of households provides a threshold of households who can be expected to make a contribution towards their services while the former two groups would need special subsidy. Given that only 10 % of the entire household population can be expected to pay for services, it is unlikely that Nyandeni Municipality may implement service delivery strategies that rely on residential cross subsidizing. In order for the majority of local households to access basic services, the Municipality will have to subsidize their consumption and this may prolong efforts to reduce existing backlog.

The following are some of the aspects that impact on service delivery:

FINANCIAL VIABILITY

KEY CHALLENGES

- The most glaring challenge that affects financial viability is the shortage of Finance personnel in general and the absence of the Chief Financial Officer, in particular.

This has resulted in the following discrepancies:

- a) The gross non-compliance with the Municipal Finance Management Act
- b) The delay in the preparation of financial statements

- c) The categorization of our Municipality as “Low Capacity” Municipality by the National Treasury
- d) The non- implementation of financial policies, like indigent policy and credit control policy.
- e) The non- adherence to financial Norms and Standards set up by the National Treasury.
- f) Poor compilation of section 71 and 72 reports as prescribed by the Municipal Finance Management Act.
- g) The constant issuing of a Qualified Audit Report by the Auditor-General.

PROPOSED PLANS TO UNBLOCK THE CHALLENGES

- Appointment of Chief Financial Officer as prescribed by the MFMA by October 2005
- Populate of the Organisational Structure through the appointment of other finance Staff members by October 2005.
- Extensive training on financial management to be rendered to Finance personnel.
- Fulfilment of Roles and Responsibilities as defined in the MFMA
- It is hoped that through the appointment of CFO, the non-compliance with the legislation will be minimized.

LOCAL ECONOMIC DEVELOPMENT

KEY CHALLENGES

- Since 2002, one person who also deals with other functions like Housing, IDP & TOURISM, performs LED function.
- There is an obvious shortage of staff in the LED unit.
- Because of the lack of capacity and shortage of staff, the following resulted: -
 - (a) Funds that were allocated for LED projects could not be spent and rolled back.
 - (b) No visible job creation attributed to LED programmes since 2002.
 - (c) There has been lack of monitoring and evaluation on funded projects.
 - (d) No alignment of LED programmes with other Government initiatives like expanded Public works programmes, in order to alleviate poverty.

Tourism and SMME Development are not co-ordinated and the economic growth of the municipality is declining as a result.

There are limited funds to fund anchor projects like maize production, hemp production, art & craft centre, and tourism information centre.

PROPOSED PLANS TO UNBLOCK THE CHALLENGES

- A fully fledged LED unit be established with LED co-ordinator co-ordinating all LED projects
- Key LED posts in the organogram need to be filled by October 2005
- The SETA for Local Government to assist in the training of LED personnel on Policy Development, Project Management and other skills.
- Funds at the sum of R11m be made available for funding of anchor projects.

- The development of LED strategy and SMME Development Strategy will contribute to the alleviation of poverty and effective alignment with other poverty alleviation initiatives. This should be done by September 2005 and funds allocated for such be utilized. The Department of Provincial and Local Government to be approached to top up the fund by R1m.

SERVICE DELIVERY AND INFRASTRUCTURE

KEY CHALLENGES

WATER SERVICES

- There is still a backlog of water provision to Nyandeni Communities – stands at 56%
- The function is not yet properly co-ordinated at the District Level.
- At Local Level there is still few personnel to meet the demands.
- The Free Basic Service has not been given to all the beneficiaries.

ELECTRICITY SUPPLY

- There is still a backlog of 68% of household without electricity.
- Not all the consumers benefit from free Basic Electricity.
- Eskom indicate shortage of funds for more connections.

SOLID WASTE MANAGEMENT

- Also a huge Backlog is in Sanitation which stands at 58%
- This results in not all people getting Free Basic Services.
- The Budgetary constraint by District Municipality contributes to this problem.

ENVIRONMENTAL MANAGEMENT

- There is no environmental management plan in place.
- There are no environmental specialists in our municipality

ROADS

- The municipality has managed to provide access road and as a result the backlog now stands at 31 %
- There is no clear co-ordination and programmes on District and Provincial Roads Construction and maintenance.

COMMUNITY FACILITIES

- Due to lack of funds there is a shortage of required community facilities like schools, sports fields, pre-school, taxi rank, clinics and others.
- There is no integration and co-ordination with other level and Government Departments.

HOUSING DEVELOPMENT

- The current council never built a single house since its inception
- The 420 housing units for 1998 housing project at Ngqeleni still not kick-started and has now been blocked.
- There is still a huge backlog of houses both urban and rural.
- The constant reduction of approved housing applications by the Provincial Department of Housing.

PROPOSED PLAN TO UNBLOCK THE CHALLENGES

- The District Municipality be provided with more funds to address the backlog on water provision and sanitation.
- Free Basic Water be given to all by December 2005, with additional funding requested from the Department of Provincial and Local Government.
- Financial assistance be provided to Eskom for more electrification and free basic energy be given to all by June 2006.
- The Department of Environmental Affairs for requested to provide funding estimated at R500 000 for the Environmental management plan and also provide Environmental Specialists.
- Additional funding be provided to O.R. Tambo for construction and maintenance of District Roads.
- Dept of Public Works utilize its resources to speed up Provincial Roads.
- The relevant Department be approached to utilize their resources for community facilities.
- With regard to housing, a top up funding of R5m be made available for completion of Ngqeleni Housing Project. Alternatively, that the current housing quantum be applied to the 420 units.
- Reduced number of units be restored to its original number.
- Responses of housing application by the Provincial Department of Housing be received by end of September 2005

INSTITUTIONAL DEVELOPMENT

CHALLENGES

- From seven Section 57 management post only 3 has been filled
- One manager from the filled posts is on leave since December 2004.
- For three other managers like Technical and Infrastructure, Planning and Development and Community Services Managers, interviews were conducted in March 2005 but no appointments have been made to date.
- One post is pending the interviews.
- The post of Municipal manager was only filled in June 2005.
- Vacancy rate in our Municipality stands at 58%

PLANS TO OVERCOME THE CHALLENGES

- Executive Committee of the council has accepted recommendations by Municipal Manager on interviewed post.
- There should be speedy appointment of managers
- Posts now pending approval by the council.
- Organogram to be finalized and posts filled.
- Placement process to be started by end of August 2005.

GOVERNANCE

CHALLENGES

- Limited funds to conduct public participation programmes.
- A need to bring awareness on public participation.
- Limited funds to fund the activities of ward committees.
- In terms of human resource management the human resource policies are being finalized
- Outdated financial statements that result to qualified reports.

PLANS IN PLACE

- Need to strengthen the reporting mechanism from the District to ward level.
- To strengthen the capacity of local communities and ward committees to effectively assist the Government in administering local areas.
- Provision of financial support to ward committees.
- Finalizing of Human Resource Policies by September 2005.
- Filling of critical finance post like CFO so as to have Unqualified audit Reports