MUNICIPAL DEMARCATION BOARD

STRATEGIC PLAN
1 April 2006 – 31 March 2010

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FOREWORD BY THE CHAIRPERSON: MUNICIPAL DEMARCATION BOARD

Guided by the challenges confronting developmental local government in this second decade the board has, once more, had to revisit its strategic plan. In doing so we had to ask the question "what must be done by the board in this term (2006—2011) of local government to contribute towards the achievement of a fully viable and consolidated local government system". In this process we have critically evaluated the appropriateness of each strategic objective, streamlined them and clustered them in terms of distinguishable themes.

In the conceptualization of the new, democratic system of local government in South Africa, this sphere of government was placed at the cutting edge of addressing such basic national challenges as underdevelopment, unemployment, stagnation, poverty and service delivery in general. In this regard, the Municipal Demarcation Board (MDB) has from the very beginning always played a crucial role, in terms of its mandate which, broadly speaking, seeks to strengthen constitutional democracy in the republic. .

The MDB has over the last number of years since its inception, been very successful in all of the work areas that constitute its mandate. This has occurred amid limited financial resources to fulfill a number of our strategic objectives

The challenge that we have is to maintain the high level of success that we have enjoyed over the years, and in this regard, this Strategic Plan, with the newly adopted Balanced Scorecard approach, represents yet another important milestone in the MDB's quest to pursue and to achieve its mandate in that impeccable and consistently professional manner, and this without fear, favour or prejudice.

On behalf of the Municipal Demarcation Board, I wish to thank the Manager: Municipal Demarcation Board and the Staff at the Board, for their hard work and ingenuity in putting this Strategic Plan together. They must now ensure that the Plan is properly implemented, to achieve the outcomes as spelt out in it.

INTRODUCTION BY THE MANAGER: MUNICIPAL DEMARCATION BOARD

It is my pleasure to present the Strategic Plan for the period 1 April 2006 to 31 March 2010. The Plan is a product of a great deal of hard work, with valuable input and participation in its development by Staff at the MDB.

In developing this Plan, we have opted to adopt the Balanced Scorecard approach, as a system that will guide us in the achievement of the Board's mandate. This approach has brought along a number of challenges that we must tackle. We must now:
− Cascade this Plan down to our Operational Clusters as well as to the individual employees at the Board, to ensure that we are able to measure performance at all levels on the same basis;
− Create a strategic map of the Board's overall strategy, using cause-effect linkages (If – then logic connections). The objectives of this strategy will need to be connected and placed in appropriate scorecard categories. The relationship among strategic objectives will be used to identify the key performance drivers of each strategy that, taken together, chart the path to successful end outcomes as seen through the eyes of stakeholders and the Board.
− Develop performance measures to track both strategic and operational progress. In this regard we will use the strategic map and the objectives to develop meaningful performance measures for each objective. Thus we will look for the few measures (key performance drivers) that are critical to overall success.

It is our contention that the Balanced Scorecard approach that we have adopted for this Strategic Plan, will:
− Enable us to clarify our vision and strategy and translate them into action. It will provide feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.
− Enable the planning of the strategy and its dissemination to all levels of the Board;
− Facilitate the identification of initiatives necessary to the execution of the strategy;
− Facilitate the generation of the performance measures that will allow a quality driven information management of the organisation i.e. the Board.

I wish to thank the MDB Staff, for their fruitful participation in the process, and for their very useful inputs in this regard, and to the Municipal Demarcation Board, for their guidance and leadership.

Special thanks must go the Strategic Planning Committee, whose members gave their time, effort and intellect, to see the development of this Plan through to its final stage.

TERMINOLOGY USED IN THE PLAN

1. **Mandate**

   The responsibility that has been given to the Municipal Demarcation Board by legislation and other directives.

2. **Vision**

   A picture of our ultimate success. This is what the Board hopes to achieve in the future as it successfully implements its strategies in pursuit of its mandate.

3. **Mission**

   The mission identifies major goals and performance objectives. Furthermore, it outlines how we do and why we do it.

4. **Strategy**

   Strategy relates to how our strategic objectives will be effected. Strategy must always be tested against the outcome.

5. **Strategic Theme**

   Strategic Themes are identified to focus and guide the organisation over a defined period of the Plan. Strategic themes respond to the key areas that the organisation should excel at, and those areas where the organisation needs to improve performance, and bring performance in such areas to expected levels, or even to exceed those expectations.

6. **Milestone**

   A target level of performance representing the performance level that the Board expects to meet or exceed during a given period upon conclusion of that period. It relates to the outcome.

7.   Indicator

Measurement tool used to ensure that we are achieving the desired outcome. It relates to effectiveness, efficiency and economy.

8.   Outcome

What we are going to deliver – our contract. It is an executive accountability and describes the result of our activity.

9.   Perspectives

Perspectives in the Balanced Scorecard Strategic System refer to the four general areas which must form a basis for all strategic management activities. These four areas or "stages" are:

- To attain improved financial results, strategic management activities must focus on proactive initiatives and other practices by which managers can learn more from financial data, and thus improve budget and cost management;
- Stakeholder loyalty cannot any longer be taken for granted in any public or private sector institution, nor is it sufficient to manage it in an ad hoc or anecdotal way. Rather, stakeholder relationships are becoming increasingly structured and measured. Not only must the institution work closely with stakeholders on a personal level, it must also gain documented and continuous feedback on stakeholder perceptions and loyalty. These efforts come under the general heading of stakeholder relationship management.
- Business process improvements may range from moderate and localized changes to wide-scale changes in business processes, the elimination of paperwork and steps in processes, and the introduction of automation and improved technology.
- Learning and growth is fostered by knowledge management activities and initiatives. These include strategic recruiting, hiring, training (both formal and informal), team development, document management, collaborative communication systems, knowledge and skills audits of employees, knowledge base developments, and fostering of communities of interest within the organisation.

10.   Balanced Scorecard Management System

A management system that enables an organisation to clarify its vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.

11. Values

Organisational values define the acceptable standards which govern the behaviour of individuals within an organisation. Values provide a framework for the collective leadership of an organisation to encourage common norms of behaviour which will support the achievement of the organisation's goals, mission and mandate.

12. Primary Stakeholders

This refers to those individuals, groups or institutions who are ultimately affected by the functions that we perform, and the manner in which we perform those functions.

CHAPTER 1: BACKROUND

DEVELOPMENT OF THIS STRATEGIC PLAN

Strategic Planning at the Board has developed over a number of years at the Board. Throughout these years, there have been improvements in the methodology and approach that we have adopted from year to year. This Strategic Plan builds on the experience that we have gathered over time.

Given our experience in Strategic Planning to date, and the need for us to step up our level of planning, we have decided in the development of this Strategic Plan, to follow the Balanced Scorecard (BSC) Strategic System.

Prior to opting for the Balanced Scorecard Strategic System, however, two other systems were considered viz. the **Program Logic Model** and the **Input-Process-Output-Outcome Measurement Model**.

The **Program Logic Model** depicts program action by describing what the program/project is and what it will do - the sequence of events that links program investments to results.

This model contains six components:

- Situation: problem or issue that the program/project is to address sits within a setting or situation from which priorities are set
- Inputs: resources, contributions and investments that are made in response to the situation. Inputs lead to
- Outputs: the activities, services, events, and products that reach people and users. Outputs lead to
- Outcomes: the results or changes for individuals, groups, agencies, communities and/or systems.
- Assumptions: beliefs we have about the program/project, the people, the environment and the way we think the program will work
- External Factors: environment in which the program/project exists includes a variety of external factors that interact with and influence the program action.

The Program logic model serves as the conceptual framework for program/project development and evaluation. A variety of resource materials are however required to help staff and stakeholders to understand and use the logic model in planning, implementation, evaluation and communication.

The **Input-Process-Output-Outcome Measurement Model**, on the other hand, evaluates how work gets done and whether an intervention or program has made a difference. This model describes measures that not only reflect outcomes but also efficiency and optimisation of resources used. The components of this model are as follows:

- Inputs. Measures about what people in the organisation have to deal with, such as Volume of work, complexity, clarity and maturity.
- Processes. Measures how people do the tasks. Examples include response time, cycle time, efficiency, and cost.
- Outputs. Measures about how much people did. Examples include quantitative measures, stakeholders serviced, and worth.
- Outcomes. Measures about results or consequences of what people did. Examples include satisfaction, accomplishment, aftermath, cost, compliance, and image.

The **Balanced Scorecard Methodology** identifies two phases – building the scorecard and implementing the scorecard - as indicated in the table below:

Phase 1: Building a BSC Performance System
• Conducting an organisational assessment;
• Defining Strategic Themes;
• Choosing Perspectives and Developing Objectives
• Developing a Strategic Map of the Organisation
• Defining Performance Measures
• Developing Initiatives
Phase 2: Implementing the Balanced Scorecard
• Computerising and Communicating Performance Information
• Cascading the Scorecard throughout the organisation
• Using scorecard information to evaluate and improve performance.

The balanced scorecard methodology suggests that we view the organization from four perspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives:

- The Learning and Growth perspective;
- The Governance Perspective;

- The External Stakeholder Perspective;
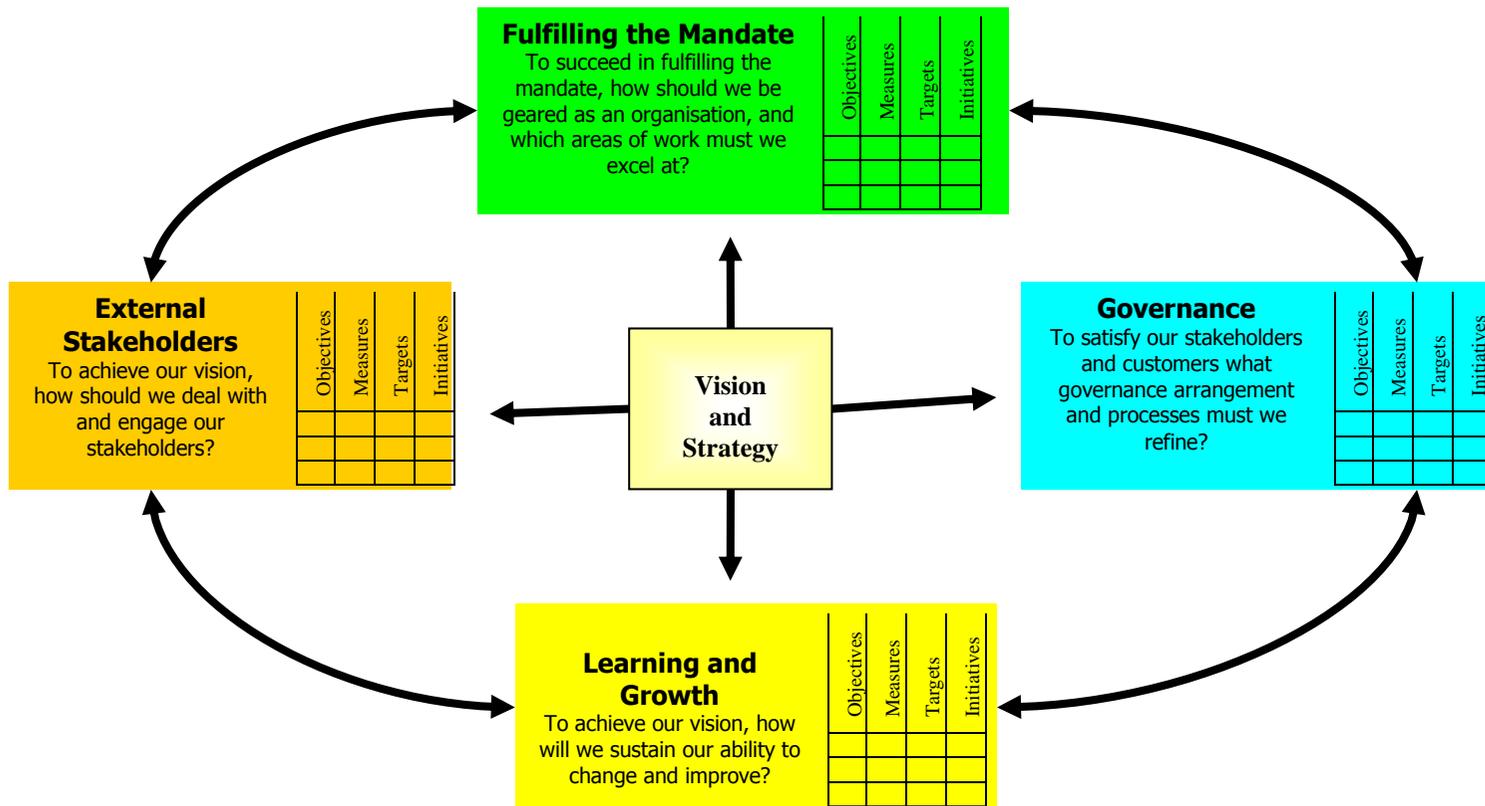- The Fulfilling the Mandate Perspective.

The four perspectives are illustrated in Figure 1 below.

The <u>learning and growth perspective</u> includes employee training and organisational cultural attitudes related to both individual and organisational self-improvement. In a knowledge-worker organisation, people -- the only repository of knowledge -- are the main resource. In the current climate of rapid technological change, it is becoming necessary for knowledge workers to be in a continuous learning mode.

The <u>governance perspective</u> refers to internal organisational processes, compliance with legal frameworking, quality and usage of management info, risk management and effective leadership, management and decision making, budgetary and financial management. Metrics based on this perspective allow the managers to know how well their organisation is running, and whether its products and services conform to stakeholder requirements (the mission). These metrics have to be carefully designed by those who know these processes most intimately.

With respect to the <u>external stakeholder perspective</u>, recent management philosophy has shown an increasing realization of the importance of stakeholder focus and stakeholder engagement in an organisation such as the Board.

With respect to the <u>fulfilling the mandate Perspective</u>, how well we are geared to do what the organisation was created to do, will always be a priority, and managers must do whatever is necessary to ensure that we are able to excel in that regard.

Fulfilling the Mandate
To succeed in fulfilling the mandate, how should we be geared as an organisation, and which areas of work must we excel at?

Objectives	Measures	Targets	Initiatives

External Stakeholders
To achieve our vision, how should we deal with and engage our stakeholders?

Objectives	Measures	Targets	Initiatives

Vision and Strategy

Governance
To satisfy our stakeholders and customers what governance arrangement and processes must we refine?

Objectives	Measures	Targets	Initiatives

Learning and Growth
To achieve our vision, how will we sustain our ability to change and improve?

Objectives	Measures	Targets	Initiatives

Figure 1: The Four Perspectives for the Balanced Scorecard

However, in the development of this Plan we have utilised aspects of the Balanced Scorecard system selectively, in accordance with our immediate needs.

As a basis for determining the strategic direction for the Board over the next five years, a thorough review or assessment of our strategy and our performance was conducted. The review involved an analysis of the external and internal environment by looking at the strengths, weaknesses,

opportunities and threats facing the Municipal Demarcation Board. In this regard, a SWOT profile for the Board has been prepared, and this SWOT profile has been used in this Plan to inform the identification of our strategic themes and strategic objectives, as well as the development of our work programme for the planning period.

The Balanced Scorecard is fundamentally different from many measurement and project management systems in several respects.

To illustrate the radical nature of this difference, Figure 2 below is shown of the BSC performance management process, as it would run when installed in an organization.

BALANCED SCORECARD MANAGEMENT SYSTEM
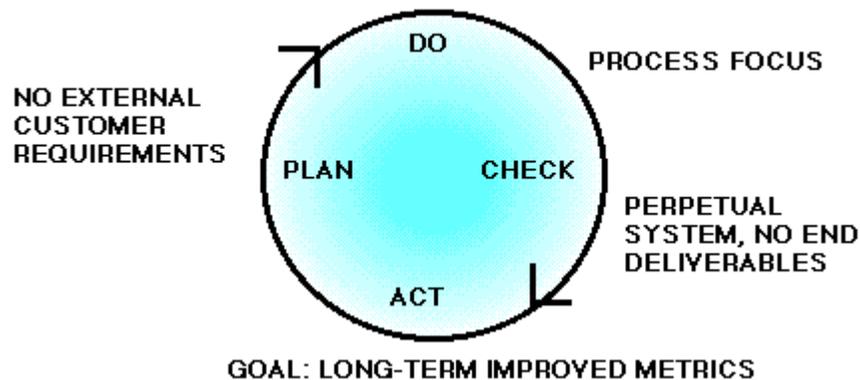
Figure 2: Balanced Scorecard Management System

The first thing to notice is the topology: the balanced scorecard management process is a continuous cyclical process. It has neither beginning nor end. Its task is not directly concerned about the mission of the organization, but rather with internal processes (diagnostic measures) and external outcomes (strategic measures). The system's control is based on performance metrics or "metadata" that are tracked continuously over time to look for trends, best and worst practices, and areas for improvement. It delivers information to managers for guiding their decisions, but these are self-assessments, not stakeholder requirements or compliance data.

The Balanced Scorecard methodology was therefore ultimately decided upon, for the following reasons:

- The model is much more widely used in South Africa than the other two models which were considered. Therefore it must by now have proven itself to be adaptable to the South African situation in both the Public and Private Sectors;
- The Balanced Scorecard is, unlike the other two models considered, not only a measurement system, but a management system, that enables an organisation to clarify its vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. (When properly deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve centre of an organisation.)
- It enables the planning of the strategy and its dissemination to all levels of the organisation;
- It identifies the initiatives necessary to the execution of the strategy;
- It generates the performance measures that will allow a quality driven information management of the organisation.

MANDATE

The mandate is the responsibility that has been given to the Municipal Demarcation Board by legislation and other directives.

The Board's mandate derives from:

The Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)
– The Board is mandated in terms of section 155(3)(b) to determine municipal Boundaries independently.

Local Government: Municipal Demarcation Act, 1998 (Act No 27 of 1998)
– Section 3 provides that the Board is a juristic person, is independent and must be impartial and must perform its function without fear, favour or prejudice.
– Section 4 provides that the Board must determine Municipal boundaries in accordance with this Act and other appropriate legislation enacted in terms of Chapter 7 of the Constitution, and must render an advisory service in respect of matters provided for in this act and other appropriate legislation.

Local Government: Municipal Structures Act, 1998 (Act 108 of 1998)
– Delimit wards in compliance with Schedule 1 to the Act.
– In terms of section 85 the Board must consider the capacity of District and Local municipalities to perform their function and to exercise their powers, and provide advice to MEC's responsible for Local Government.
– Section 6 empowers the Board to declare District Management Areas.

Cabinet resolutions
– In 1998 Cabinet resolved that departmental service delivery boundaries must be aligned to constitutional boundaries (National, Provincial and Local) and should be finalised by departments in consultation with the Municipal Demarcation Board.

VISION

The Board's vision is a picture of our ultimate success. This is what the Board hopes to achieve in the future as it successfully implements its strategies in pursuit of its mandate. The Board's vision sets out the reasons for the existence of the Board – to fulfil its constitutional mandate - and the "ideal" state that we aim to achieve.

The Board's vision therefore remains:

……to contribute to Constitutional democracy through the spatial re-organisation of the whole territory of the Republic of South Africa, to make recommendations based on capacity assessments of the ability of municipalities to perform their powers and functions, and to give advice and support to enhance the development of a sound system of local government.

MISSION

The mission identifies major goals and performance objectives. Furthermore, it outlines how we do and why we do it.

In the above regard, the mission of the Board is **to perform its functions and exercise its powers in such a manner as to empower municipalities to:**

- **fulfil their constitutional obligations;**
- **provide democratic and accountable government for the local communities;**
- **provide services to communities in an equitable and sustainable manner;**
- **promote social and economic development;**
- **promote a safe and healthy environment;**
- **enhance effective local governance;**
- **plan and implement integrated development; and**
- **develop a tax base as inclusive as possible of users of municipal services in the municipality**.

The Board is to pursue its mission by building and implementing a Balanced Scorecard for the Municipal Demarcation Board. Further details with respect to building and implementing the Board's Balanced Scorecard, are covered later in this Plan. Cluster score cards must still be developed because they are the implementing organs of the broad organisational scorecard.

VALUES

While our mission and objectives define what we are trying to achieve, our values shape the way we go about achieving them, and reflect the beliefs which underpin them. Our core values are a key to achieving high performance levels and are based on Batho Pele Principles. We are striving to have an organisation at the Board that will foster the following ethos:

1. **M**anagement Practices that:
   - Promote and maintain high standards of professional ethics;
   - Create opportunities for organisational and individual growth, and harness diversity to advance organizational effectiveness.
   - Encourage and promote accountability, i.e. taking full responsibility of all our actions;

2. **D**edication to:
   - Efficient, economic and effective use of all assets and resources;
   - Excellence in doing our work, and in providing service to all stakeholders;
   - Doing our work without fear, favour or prejudice;
   - Respect and Integrity in our relations with each other and with stakeholders.

3. **B**ehavioural Patterns and Practices that:
   - Set good examples and precedents for subordinates and fellow employees to follow;
   - Encourage fellow employees and subordinates to perform their duties to the maximum of their ability and to deliver acceptable objectives to the organisation;
   - Ensure the safety of all staff and that they be aware of any potential hazards that could be harmful;
   - Encourage fellow employees and subordinates to act in a courteous, respectful manner at all times and to adhere to decent dress standards.
   - Maintain a positive corporate image, to behave in a positive manner and assist the public and stakeholders where possible.

- Shun the deliberate misuse or damage by any employee or member of the Board, of Board property in his/her possession, care or custody, and the use of Board assets, intellectual property or the services of other employees for private use or gain.

PRIMARY STAKEHOLDERS

Primary stakeholders are those individuals, groups or institutions who are ultimately affected by the functions that we perform, and the manner in which we perform those functions. The Primary Stakeholders will therefore have an interest in our organisation, what the organisation does, and how the organisation carries out its functions.

Our primary stakeholders are:
- The people of South Africa
- National Sphere of Government
- Provincial Sphere of Government
- Local Sphere of Government
- Organised Local Government
- Houses of Traditional Leaders
- National Assembly
- National Council of Provinces
- Magistrates
- Board employees

CHAPTER 2: REVIEW OF PAST PERFORMANCE AND SPENDING TRENDS

1.   STRATEGIC AND OTHER OBJECTIVES: 2005 – 2008 STRATEGIC PLAN

The 2005 – 2008 Strategic Plan was based on a number of "Key Strategic Objectives", which were identified with the aim of directly ensuring that the Board fulfils its mandate. Furthermore, other strategic objectives pertaining to organisational and resources management were identified, and these were aimed at optimising the organisational and resource management issues to ensure a smooth running institution.

The Plan has been reviewed, to determine how successful we have been in the year 2005/2006, in achieving the objectives that we had set ourselves to achieve. Our review also included an analysis of the external and internal environment by looking at the strengths, weaknesses, opportunities and threats facing the Municipal Demarcation Board, and developing a SWOT profile of the Municipal Demarcation Board. Our review reveals that our performance against pre-determined objectives over the 2005/2006 financial year was as follows:

Key Strategic Objectives	Indicator	Performance: 2005/2006
1. Determine and re-determine municipal boundaries in accordance with relevant legal provisions.	Identify all urgent outstanding DEM's and Technical DEM's, and fast-track them before the next elections. Finalise re-determined boundaries of cross boundary municipalities: - Concurrences of provincial legislatures, and authorisations by national legislation. Disestablish District Management Areas that can be disestablished without disrupting the electoral process – in consultation with the IEC. Deal with urgent unavoidable re-determinations in cooperation with the IEC.	All changes to outer boundaries were discontinued on 20 February 2004 for the ward delimitation process. However as a result of Government's announcement in August 2005 to abolish Cross-Boundary Municipalities the re-determination process had to be reopened and the following changes were completed during the financial year. - Bohlabela District Municipality was disestablished and Maruleng Local Municipality together with the northern portion of the Kruger National Park District Management Area was added to Mopani District Municipality and Bushbuckridge Municipalities together with the Southern

	Analyse outstanding DEMs and Technical DEMS per Province or District Municipality, and prepare an action plan to finalise all outstanding DEMs by November 2008. Map all outstanding DEMs and Technical DEMs (Sec 26 and Sec 21 maps) Undertake research to come up with ways in which stability can be built with respect to municipal boundary adjustments.	Part of Kruger National Park was added to Ehlanzeni District Municipality. - The whole of the Sekhukhune District Municipality was added to the Limpopo Province, a portion of Thembisile Local Municipality and Nkangala District Municipality was added to Kungwini Local Municipality and Metsweding District Municipality. Metsweding District Municipality was moved into Gauteng Province. Merafong Local Municipality was excluded from the municipal area of West Rand District Municipality and included into Southern District Municipality in North West - Umzimkhulu Local Municipality was included into Sisonke District Municipality in Kwa-Zulu Natal and Matatiele Local Municipality was included into Alfred Nzo District Municipality in the Eastern Cape. The boundaries between Umzimvubu Local Municipality and Matatiele Local Municipality were reconfigured within Alfred Nzo District Municipality. Kgalagadi District Municipality and Francis Baard District Municipality were included into the Northern Cape. These changes were effected through re-demarcations by the Board, the enactment of the Constitution 12th Amendment Bill and the Cross Boundary Laws Repeal and related matters Act.

		During the financial year the declaration of six District Management Areas were withdrawn and the District Management areas included into the following local municipalities. - DCDMA14 included into Gariep Local Municipality - DCDMA44 included into Matatiele Local Municipality - DCDMA31 included into Thembisile Local Municipality - DCDMA32 portions included in Thaba Chweu Local Municipality, Umjindi Local Municipality, Umkomaas Local Municipality. - DCDMA37 included into Moses Kotane Local Municipality. - CBDCDMA3 included into Greater Marble Hall Local Municipality. Despite the disruptive effect of the re-determination and abolishment of Cross Boundary municipalities, some time was set aside to identify all outstanding requests for re-determination and technical re-determinations and the necessary planning was done to finalise all of them well in advance of the 2011 Local elections so as to allow for a orderly process beginning with the finalisation of all outer boundaries by 2008. A review of all Voting Districts by 2009 (by the IEC) and the ward delimitation by 2010/2011.

		With regard to creating stability in Local Government proposals have been submitted to the Minister for a review of the existing legislation pertaining to ward delimitation. Planning has also been put in place to conduct a second round of boundary assessments to eliminate technical problems identified during the ward delimitation process and abolishment of Cross Boundary Municipalities.
		We have therefore been overwhelmingly successfully with respect to achieving this objective.
		In all cases: • **The legal processes and requirements have been fully complied with by the Board;** • **The Board's communication with stakeholders and interested parties has been good;** • **The Board has consistently engaged widely, to investigate particular demarcation cases, and to seek views and objections from stakeholders.** • **However, the research to come up with ways in which stability can be built with respect to municipal boundary adjustments, was not done.**

| 2. Delimit each municipality that qualifies to have wards, into wards. | Consider objections/Prepare recommendations to the Board;

Board meeting to consider objections, and to confirm, vary or withdraw map set 4.

Review maps, if any changes have been approved by the Municipal Demarcation Board.

Board meeting: Final approval of map set 4 (if not finally approved on 14 April 2005).

Formal hand over of final boundaries to the IEC/boundary Committee members.

Publish final notices in Provincial Gazettes.

Undertake research to come up with ways in which stability can be built with respect to ward boundary adjustments. | The ward delimitation process that commenced in 2004 was completed during the 2005/06 financial year. The process was divided into three phases.

The first phase was set aside to do preparatory work such as the division of the national common voters roll into municipal segments, the publication of a formula for the determination of the number of councillors, the determination of number of councillors by MEC's, the determination of the number of ward to be delimited.

The second phase was set aside to consult with municipalities and other stakeholders and the third phase was used to finalise all legal requirements.

On 20 May 2005 all ward boundaries were handed to the IEC to commence with the electoral process, at that point in time 3 878 wards were delimited. As a result of the abolishment of Cross Boundary Municipalities the wards for Kungwini, Thembisile and Umzimvubu had to be re-determined. Matatiele Local Municipality which did not qualify to have wards, now qualified as the result of the changes of the boundaries between Umzimvubu and Matatiele Local Municipalities. Some other technical changes also had to be affected to the ward |

boundaries in Buffalo City, Nkonkobe, Ga-Segonyana, Kgetlengriver and Bitou Local Municipalities. The GIS teams of IEC and MDB also conducted an alignment process between voting district boundaries and ward boundaries which significantly increased the quality of the boundaries.

All activities around the delimitation of wards complied with the relevant legislation and all confirmations, variations and withdrawals were duly considered and approved by the Board before they were gazette in the relevant gazettes. The end result of the ward delimitation process was as follows:

Province	Wards – 05/12/2000	Wards – 01/03/2006
Limpopo	474	513
Mpumalanga	364	365
Gauteng	420	423
North West	353	365
KwaZulu Natal	765	771
Free State	291	300
Eastern Cape	584	636
Northern Cape	173	174
Western Cape	330	348
TOTALS:	3 754	3 895

We have therefore been overwhelmingly successfully with respect to achieving this objective.

		Once again, the research to come up with ways in which stability can be built with respect to municipal boundary adjustments, was not done.
3. Collect relevant information and to maintain and update data sets to render advisory services on capacity and the division of powers and functions.	• Report to assess the implications of the Pollution related legislation on local government: – identify all the pollution and related legislation passed in the last two years – assess the implications for local government • Conduct research on possible amendments to legislation – Formulate changes to local government legislation – Convert MDB comments into a draft bill for consideration by DPLG – Workshop proposals for DPLG • Assess the implications of the adjustment of MEC's district functions to local municipalities: – Identify a random sample for local municipalities with adjusted district functions – Assess the performance of the municipality in relation to the rendering of the district function – Draft report on the findings of the research	As in the past this function has been outsourced. Normally Capacity Assessment commenced in June and ends in December which makes it inappropriate to appoint full time staff for Capacity Assessments. During this financial year various specialised reports were completed i.e. - report on pollution - Review of definitions of municipal functions, Municipal roads and transport and - The performance of district functions by local municipalities. The later report revealed that though district functions had been adjusted to local municipalities were only performed by those local municipalities with jurisdiction in their own areas. It was found that local municipalities in general are performing those functions only within their own local areas of jurisdiction. The Board decided that for the 2005/06 assessment as many as possible of the adjustments to local municipalities should be recommended for reversal.

	- **Review and update Definitions, Norms and Standards Report:**
	  – Review work completed in 2003
	  – Identify changes in legislation affecting the definition of functions
	  – Update report.
	- **Preparation for the 2005 Capacity Assessment:**
	  – Review the questionnaire used in the 2003 and 2004 capacity assessment
	  – Finalise the 2005 questionnaire for comment
	  – Plan for the 2005 capacity assessment
	  – Identify and appoint consultants
	  – Consultant training for the field work
	- **Municipal Assessment field work 2005:**
	  – All 278 municipalities visited and the questionnaire completed
	  – Preparation of the 2005 data base and management thereof
	- **Preliminary Assessment of 2005 Capacity Results:**
	  – Identify the data requirements for the preliminary assessment of the MDB 2002 and 2003 recommended adjustments
	  – Preparation of the recommended adjustments for 2004 to be assessed during the drafting of the district reports
	  – Drafting of the pro forma district report
	- Drafting of the 47 district reports.
	- A report per district which examines:
		The Capacity Assessment process commenced in July with the training of field consultants in August all questionnaires were collected from Municipalities the necessary data capturing and verification was completed in September and 47 District reports covering all 278 District and Local Municipalities were drafted in October and November. After consideration by the Board's Boundary Committee these reports together with a summary were sent to MEC's on 20 December 2005 for consideration.
		
		Due to a lack of funds as a result of the reallocation of funds to deal with the re-determination of cross boundary municipalities it was not possible to draft and fund the nine Provincial reports, the National report and the reports on proposed amendments to legislation affecting the MDB.
		
		We have once again carried out this mandate without fail. Throughout:
		
		- **The assessments have been done with the full participation of municipalities;**
		- **Advise and support have been provided to MEC's for local government and other stakeholders, in dealing with the allocation and re-allocation of powers and functions between local and district municipalities;**

	– Capacity shifts between 2002, 2003, 2004 and 2005 – The extent to which services are being performed post 1 July 2003 – Where functions are being performed within the municipal area – The budget, staffing and infrastructure levels per function per district • Editing and finalisation of district reports • Drafting of annual overview of the MDB capacity Programme • Draft report for the Capacity Assessment Activities from 1 January 2005 to December 2005 • Drafting of National Local Government Capacity Report • A national report: – Indicating the national shifts in municipal capacity – Provincial comparison – National trends in the performance of powers and functions – Assessment of the municipal boundaries in relation to the capacity • Update of the Viability Report, based on the data received in the August 2004 capacity assessment.	**• We have stayed with the adjusted timeframes to ensure that the results of the assessments can be released in time to feed into the IDP and budgeting processes of municipalities;** **• The Board has engaged provincial departments of local government, as well as the national department for provincial and local government, in the process of identifying poorly performing municipalities, raising awareness about these municipalities to encourage government to take decisive steps to address the poor performance.** **• There has however been failure with respect to producing certain reports, such as the nine provincial reports and the national reports, due to inadequate funding.**
4. Strengthen interaction with Key Stakeholders	• Initiate steps to intensify the Board's interaction with SALGA and other Stakeholders.	A number of meetings were held with the Portfolio Committee on Provincial and Local Government and the Select Committee on Local

		Government and Administration. In these meetings several issues were identified which called for workshops to improve working relations between the Board and these structures. Such workshops must still be convened.
		One institution with which there has been a delay in developing a working relationship is SALGA. A letter proposing such an interaction was prepared and dispatched. It is expected that real interaction will happen in the new year.
		A local election technical committee comprising of officials of the MDB, IEC and DPLG was activated in 2003 and managed the ward delimitation process 2005/06.
		Consultation with other stakeholders such as provinces, SALGA and government departments continued through the Powers & Functions Committee and the Boundaries Committee.
		We have largely been successfully with respect to achieving this objective.
		The relationship with SALGA was however not worked upon sufficiently, and it has as a result lacked behind.

5. Strengthen the Board's Administrative and Financial functions	• Draft terms of reference for service providers and to evaluate:
	  − Each staff position at the Board and an appropriate market related remuneration for each position;
	  − Each incumbent in a position at the Board, and the suitability of each incumbent's salary, in view of qualifications, experience and performance.
	• Ask for proposals from three service providers.
	• Appoint a service provider.
	• Review policies and procedures by adding further details and by having separate documents for each area
	• Finalise the review of the organizational structure with respect to the Finance Cluster
		Terms of reference was prepared and approved by the Board to carry out the Job Analysis. Three service providers submitted proposals and a provider were appointed. The results of the study were tabled at a Board meeting where it was referred back for further investigation. The result of the further investigation is to be re-tabled at the Board.
		
		Policies and procedures were revised, by adding further details and by having separate documents for each area.
		
		To improve the quality of reporting to the Board we appointed an additional Senior Financial Officer. As a result of the appointment, The fixed asset register and the reporting have improved substantially.
		
		There was a substantial amount of progress with respect to this objective. A Job Analysis was produced by an outside consultant. However, a revised report has had to be produced internally.

6. Ensure, through a Capital Investment Strategy, proper capital spending during the year.	Acquire fixed and/or movable assets as follows: • Motor Vehicle; • Computer Equipment • Computer Software • Office Equipment	During the current year to improve the accounting systems we purchased the following software: - Pastel Evolution - General Ledger Report writing - Business Intelligence Centre, a report

	• GIS Equipment • Furniture and Fittings.	writing module. During the current year we reviewed the current status of the Board and decided to look for a system to satisfy our accounting and reporting needs, and in that process we invited three suppliers of accounting software. As at December 2005, the process was still incomplete and we are awaiting approval from the Board. During the financial year we traded in the Board's vehicle and the old copier and replaced them. A number of notebooks were purchased in line with our strategy. During the current year we purchased a new server to keep up with technology and to address the increased space demand. **We have been successful with respect to achieving this objective.**

7. Improve in the management of Financial Assets and liabilities, through a Management Strategy for Financial Assets and Liabilities.	• Full review and improvement of the policies and procedures on:
	  – Control and Management of Assets (other than financial assets);
	  – Financial Management and Accounting;
	  – Procurement;
	• Revision of the organizational structure of the Finance Cluster, to optimize human resources;
		During the 2005/06 financial year we reviewed the policies and procedures regarding the control and management of assets as well as procurement. To improve the quality of reporting to the Board, a Senior Financial Officer was appointed.
		
		To improve the Boards management of budget, we engaged all management in the process and

	• Maximize the involvement of all managers at the Board in Financial Management; • Implement in full the preferential procurement policy requirements; • Intensify the role to the Audit Committee as an overseer of financial management at the Board.	we submitted quarterly reports to the Board. We also implemented a Risk Management Strategy and a Fraud Prevention Plan is awaiting approval by the Board. During the year we implemented a supplier database to improve compliance with Preferential Procurement Policy Framework Act. During the year a process was commenced to concretise the role of the Audit Committee as an overseer of financial management at the Board. However the role must still be refined and intensified further. **There was a substantial amount of progress with respect to this objective.** **Our Assets management is now on a very sound footing.**

8. Use consultants at the Board to optimise financial resources.	• Consultants employed over short periods of time, only when they are needed, to ensure that we do not carry any additional staff that are not fully utilised at any point in time. • Expenditure on consultants stabilising from year to year, and only increasing in a predictable manner that can be planned for, such as during the years for ward delimitation. • Employ Black and Female consultants in majority, who actually add value to the work of the Board.	All of the expenditure incurred on consultants was in pursuance of the core mandate of the Board. Taking away any of the expenditure would have seriously compromised the Board's ability to do its core work. An important to note with respect to the Board's use of consultants is that, the vast majority of the consultants that we have always employed at the Board are emerging Black graduates and professionals, who actually gain a major boost in their careers as a result of working for the Board.
9. Ensure that expenditure on consultants becomes progressively predictable and follows a logical pattern.	• Employees at the Board will continue to be fully involved in the work that consultants do for the Board, to ensure that:	
10. Use consultants to add value to the work of the Board and to grow a pool of professionals to provide service and advice.	- Employees gain the necessary expertise where it is lacking; - Employees are in a position to do the work internally, should capacity allow us	Another factor to note is that consultants at the Board are employed over short periods of time, only when they are needed. This means that we do not carry any additional staff that are not fully utilised at any point in time.

| 11. Use consultants to empower the employees of the Board. | to do so;
- Consulting fees can be scaled down over the MTEF period, as some aspects of the work that were previously done by consultants, are done internally. | The alternative route of scaling down on consultants would mean employing additional staff at the Board, and having all work done internally by Board Staff members. In this regard, we would need **additional** staff, which we would need to carry even when we do not need their services.

The appointment of consultants was properly managed in terms of contracting them for work that they must do. However, during a part of this year we still faced challenges in managing the outsourcing of work in a systematic manner and in matching the work that we give to consultants to the budget.

In the latter part of the year a proper and transparent tender process was undertaken to select a GIS service provider. Subsequently processes are underway to ensure that we improve in managing the outsourcing of work and ensuring that we are able to hold consultants to particular terms of reference and the cost thereof.

The full effect of these measures is expected to be felt in the 2006/07 financial year.

For the first time internal staff were used to delimit wards in four of the nine provinces. In |

		this process skills transfers and training from consultant empowered staff to perform this task without further assistance, however a number of the trained staff resigned.
		During the year we experienced a high turnover of trained GIS staff. As a result, the transfer of skills to GIS and IT staff must be intensified and provision has been made in a new contract with the relevant consultant.
		We have been successful in the use consultants at the Board to optimise financial resources.
		We have also been successful in ensuring that expenditure on consultants becomes progressively predictable and follows a logical pattern. In this way we have expenditure on consultants firmly in control. Furthermore, we remain satisfied that consultants add value to the work of the Board.
		We have however not been as successful in getting consultants to empower the employees of the Board. A programme is in place to ensure that transfer of skills happens between GIS consultants and Board employees, August 2006.

12. Provide employees of the Board with opportunities to gain working experience and expertise in a wide variety of work that the board undertakes.	Managerial Development
	
	• Raised awareness among managers, of the need for them to deal effectively with "soft" issues that are not core, as raised by subordinates;
	• regular holding of management and cluster meetings to:
	  − Plan for projects and work allocation in a transparent manner;
	  − Provide a forum for tabling issues that may concern staff, before they get out of hand;
	• All relevant developments duly communicated to staff, in the interest of awareness, but subject to instances where confidentiality is required.
		Two staff members were sent to USA to attend the ESRI Conference, to enhance their GIS expertise and working experience. As part of capacity building and skill transfer staff members from GIS were sent on mentorship training to Board's consultants. Internal staff was capacitated to assist consultant with the collection of data for Capacity Assessment thus allowing them to gain experience in this field.
		
		Management meetings were held during the year. However, there was a time in the latter part of the year where there was no management meetings due preoccupation of abolishment of cross boundary municipalities.
		The Board and its committees met regularly during the year. Also the various cluster heads convened cluster and inter cluster meetings. However, due to technology regular meetings were not held as regularly. The planning for projects was done jointly in inter-cluster meetings. A forum for raising issues concerning staff on a regular basis may need to be considered and enhanced. However, during the course of the year a few meeting/workshops with all staff were held.
		
		However, management and cluster meetings remain an integral part of running the Board.
		
		Due to a small committed team multi-tasking

| | | has become a regular occurrence.

Employees of the Board have had many opportunities to gain working experience and expertise in a wide variety of work that the board undertakes. |
|---|---|---|
| | | |
| 13. Support, within budgetary constraints and subject to certain conditions as outlined in policy, training and education of employees which will assist in developing current competence levels and create future capacity for sustained organizational performance. | Human Resource Development
• Training needs analysis on job specific competence requirements carried out;
• Personal Development Plans fully developed.

Systems Efficiency
• Improved turn around times for minutes and documents;
• Information storage and accessibility reviewed on a regular basis. | During the financial year a personnel development plan was commenced according to the budget and will be finalised in the new year.

The compilation of the staff development plan still remains a challenge.

Emanating from the performance reviews training needs were identified and provided to staff 73% in all clusters. Training included the following:
- Strategic Planning for Public Sector
- Protocol and Business Etiquette
- Mastering Excel for secretaries and PA's
- Research course
- MS Access Database L1 &L2
- Certificate in GIS
- Introduction to programming
- Visual Basic.net
- Programming ARC objects with VBA
- Building geodatabase
- Fundamentals in project management
- Oracle programming PL/SQL
- VIP Payroll and Leave |

		- Report writing skills - Skills programme for office assistant - Key skills for effective managers - Personnel History Training Workshop - Corporate Governance Workshop - White Collar Crime Summit - Municipal profiles dynamic – installation, configuration and implementation - Dotnet installation - SQL server installation - Web Database Applications However the identification of training needs remained *ad hoc* and was not based on comprehensive development plans. The completion and issuing of minutes and meeting documents within the required time must still improve substantially. Storage and accessibility of documents and information was reviewed on a regular basis. Some documents were sent to Metrofile for achieving due to shortage of storage space. Electronic storage and accessibility of information remains very good. Electronic databases are regularly updated. **Training at the Board has happened on a substantial scale. However this provision of training still needs to be backed up by the development of personal development**

		plans, to ensure that training is not ad hoc, but based on comprehensive plans.

14. Find ways, within budgetary constraints, in which the staff remuneration structure can be improved, in such a way that staff can feel that they are being fairly rewarded.	<u>Investigate Remuneration System at the Board</u>
	• Terms of reference drafted for service providers and to evaluate:
	  – Each staff position at the Board and an appropriate market related remuneration for each position;
	  – Each incumbent in a position at the Board, and the suitability of each incumbent's salary, in view of qualifications, experience and performance.
	• Proposals obtained from three service providers.
	• A service provider appointed.
	
	<u>Present the results of the investigation to the Board</u>
	• Results of the investigation reviewed, in a report to the Board;
	• Board provided with recommendations of how the results of the investigation can be taken forward.
		Terms of reference was prepared and approved by the Board to carry out the Job Analysis. Three service providers submitted proposals and a provider were appointed. The results of the study were tabled at a Board meeting where it was referred back for further investigation. The result of the further investigation is to be re-tabled at the Board.
		
		There was a substantial amount of progress with respect to this objective. However further work must still be done to revise the report that was submitted by the outside consultant.

15. Improve awareness among staff on various developments and managerial issues.	Staff engaged on a regular basis to: • Reinforce a culture of work ethic & commitment through awareness workshops	To improve internal communication an intranet has been developed for daily communication. A few awareness workshops with respect to

	on: - Disciplinary Code/Code of Conduct; - Human Resources Policies; - Position and approach of the Board on staff developmental and managerial issues. • Reinforce the culture of high performance by developing and implementing the Personal Development Management System. • Promote employee wellness through the development and inculcation of a culture of "caring".	developments on Policies & Procedures were held. This aspect must still be worked on further to ensure that staff is well aware of all developments. Personnel development management system did not take off during this year. Employee wellness and a culture of caring can be improved. **We have been successful with respect to increasing awareness among staff on the policies and procedures.** **Awareness of the disciplinary code/code of conduct, as well as the HR policies has proceeded well.** **We did not succeed in developing the Personal Development Plans.** **More work must still be done to promote employee wellness.**

16. Alignment of governments' service delivery boundaries with constitutional/municipal boundaries. Enhancement of service delivery, resource rationalization and development. Comprehensive database of well aligned administrative and functional boundaries, providing a source framework in referencing almost all other data in the country	• Collection of data from all stakeholders. • Defining SAPS and Justice boundaries. • Consultation with stakeholders • Consolidation of inputs • Verification of proposed boundaries • Proclamation	• The alignment of services boundaries was initiated in 2002 purely to realign SAPS and Department of Justice boundaries for their service delivery and allocation of resources project. • The program was subdivided to allow area commissioners and station commissioners to put forward proposal on how they would like to re-define their service areas. • Secondly a joint exercise between justice, SAPS and justice was initiated to start the drawing of proposed SAPS and justice areas. Several meeting were convened to facilitate inputs form various areas. The program was driven from the Justice office by Director Magatho, who gave specific instructions and direction on key areas. • Documents from Justice were circulated depicting proclaimed MD, Court boundaries for discussion. SAPS areas and location of new or proposed police station documents were also circulated for discussion. • A process of verification was also initiated, the KZN being the pilot area, several meeting were held to discuss the impact of certain decisions in terms of jurisdiction and eventual closure of some courts because of their ineffectiveness i.e. some courts had to have scheduled seating because there weren't enough cases to deal with. We are nearing the proclamation of KZN.

		• We are in the process of writing an application that would aid in the creation of maps for verification. • Maps were created and circulated to all stations and Courts in KZN, a good response was received as more inputs were received and considered in several technical sessions with areas representatives. • The MDB was faced with a huge task of drawing the proposed SAPS and justice boundaries both in terms of expertise in integrating inputs emanating from a variety of sources. Technical know-how was also lacking both in terms of execution and method. • The lack of imagery and updated cadastral information has been a factor thus some areas had to be verified by personnel from those areas before a boundary could be drawn, that was time consuming. • The change in the provincial boundary was also an issue because it would necessitate that SAPS and Justice will have to assess the impact on their plans. • The lack of response for some station areas was also a factor in not proclaiming SAPS and Justice boundaries. In addition very detailed consultation was done with the Surveyor General to avoid boundaries cutting cadastral boundaries.

2. EXPENDITURE TRENDS – 2005/2006

Expenditure trends to end January 2006, with respect to selected expenditure items, are illustrated in the table below.

	2005/06	2004/05	2003/04	2002/03
Audit Fees (Internal and External Audit)	609 918	477 000	268 000	93 000
Board Members' Remuneration (including Chairperson)	1 502 470	2 327 000	1 456 000	1 919 000
Insurance	367 228	392 000	308 000	288 000
Printing and Advertising	174 263			
Professional Fees	5 471 830	6 071 000	5 942 000	8 181 000
Staff Salaries & Wages	5 135 318	5 193 000	5 186 000	4 719 000
Telephone Expenses	248 625	302 000	291 000	240 000
Travel, Subsistence and Accommodation	1 213 329	1 893 000	1 665 000	1 846 000

(i)   Overall Expenditure

Overall expenditure for the year 2005/06 has dropped by a substantial percentage from the 2004/05 expenditure. This is because there has been a significant decrease in a number of expenditure items.

(ii)   Audit Fees

The 2005 – 2008 Strategic Plan noted a substantial increase in Audit Fees during the years 2003/04 and 2004/05, and this has been brought about by the following factors:
- The Internal Audit Function started operating in 2003/04, and fees therefore started to include those of the Internal Auditors;
- The Auditor-General spent a substantial amount of time on our books in 2003/04, due to the problematic nature of the Board's books of account, going back to 2002/03. The Auditor-General also came back for another substantial interim audit in 2004/05;
- The Auditor-General spent a substantial amount of time for his interim audit in 2004/05.

The fees have now dropped back to a more stable level, as problems from the past with respect to internal controls, budget management and maintenance of books of account, have now been fully resolved, and the Auditor-General has therefore not had to spend much time on the Board.

This fact will be confirmed by the Auditor-General in his 2005/06 Audit Report.

(iii)   Professional Fees

The 2005 – 2008 Strategic Plan noted that the substantial increase in professional fees for the year 2004/05, was as a result of the ward re-delimitation process, in preparation for the 2005/06 municipal elections.

The Strategic Plan also noted that professional fees at the Board have reached a peak in the year 2004/05, and that indications are that the expenditure on consultants will tend to stabilise over the next few years, only rising again with the next round of ward delimitations in 2009/10.

This has become clear with the 2005/06 expenditure on professional fees, which has dropped back to approximately R5,5 million.

Furthermore, there is commitment at the Board to become a lot more cost effective with respect to the use of consultants over the period of this Strategic Plan. How this will be achieved is indicated later in this Plan.

(iv)   Staff Remuneration

The staff organogram of the Board has now stabilised. This has resulted in predictable remuneration expenditure. However, a number of vacancies have not been filled, due to inadequate funding.
The table below gives an indication of how expenditure on salaries and wages at the Board are spread in the organisation. For the sake of completeness, Board members have been included in the table for, although they are not employees, they do receive a minimal remuneration for their work as Board Members

Cluster	Salaries 2005/06 R	Persons covered by the Expenditure
Chairperson and the Manager:	1 057 066-19	- 8 Part Time Board Members;

Municipal Demarcation Board		- 1 Full Time Chairperson; - 1 Manager (CEO).
Cluster 1 Administration and HR Management	880 049-64	- 1 Cluster Head; - 1 Office Administrator; - 1 HR Officer; - 1 Receptionist; - 1 Auxiliary Services Officer.
Cluster 2 Finance and Procurement Control	837 794-99	- 1 Chief Financial Officer (Cluster Head); - 2 Senior Financial Officer; - 1 Financial Officer.
Cluster 3 GIS and IT	1 775 697-87	- 1 Cluster Head; - 1 GIS Analyst (the other position became vacant during the year); - 1 Senior GIS Officer (the other position became vacant during the year); - 1 IT Manager/Database Administrator; - 1 IT Specialist; - 1 Web Developer; - 1 Help Desk Officer; - 3 Junior GIS Officers (the positions became vacant during the year).
Cluster 4 Research and Implementation	840 791-65	- 1 Cluster Head; - 1 Senior Researcher; - 1 Researcher (the other position is vacant).

CHAPTER 3: STRATEGIC DIRECTION: 1 APRIL 2006 – 31 MARCH 2010

To achieve the mission and vision of the organisation, the Municipal Demarcation Board has for this Strategic Plan identified strategic themes to focus and guide the organisation over the next five financial years. These Strategic Themes respond to the key areas that the organisation should continue to excel at, and those areas where the organisation needs to improve performance, and bring performance in such areas to expected levels, or even to exceed those expectations.

The Municipal Demarcation Board has also identified a set of strategic objectives within each theme, informed by the SWOT Analysis, which will be pursued in the short, medium, and long term.

1. STRATEGIC THEMES

STRATEGIC THEME 1: DETERMINATION AND RE-DETERMINATION OF MUNICIPAL BOUNDARIES IN ACCORDANCE WITH RELEVANT LEGAL PROVISIONS

This strategic theme represents a core mandate of the Board, and must therefore remain key in the Board's Strategic Plan.

The 2006 – 2010 Strategic Plan builds on the substantial progress that was recorded against this objective. Despite the fact that all changes to outer boundaries were discontinued on 20 February 2004 for the ward delimitation process, a substantial amount of work ultimately went into this objective. As a result of Government's announcement in August 2005 to abolish Cross-Boundary Municipalities the re-determination process had to be reopened and a substantial number of changes were completed during the 2005/06 financial year. In the mean time Matatiele Local Municipality has brought an urgent application to the Constitutional Court challenging the Constitutionality of the 12th Constitutional Amendment Bill and the Cross Boundary Municipalities Laws repeal and related matters Act. The outcome of this challenge may very well affect the way in which we pursue the strategic theme.

Following the local government elections of 1 March 2006, the task for 2006 onwards is to review municipal boundaries with a view to complete all changes by 2008/2009 for the 2011 local elections.

Some of the key strengths identified in the organisation, which puts us in a good position to continue to excel in this theme, are that:

- Our planning with respect to fulfilling our core mandate has over time improved substantially and is now in place;
- We have good information management systems in place;
- We have good infrastructure to do the work that we are required to do;
- Our staff are mostly willing to go beyond the normal call of duty in pursuing the mandate of the Board;
- We have developed a good and unique relationship with municipalities and other stakeholders, in such a manner that we are able to access substantial internal and other information;
- We have a very effective and efficient website and other unique products that are regularly updated.

The following strategic objectives flesh out this theme:

- Review all outstanding municipal boundaries with a view to complete all changes by 2008/2009 for the 2011 local elections.
- Ensure that the role of the Board is carried out in order to allow the IEC to complete the delineation of voting districts, by 2008/2009.

STRATEGIC THEME 2: DELIMITATION OF EACH MUNICIPALITY THAT QUALIFIES TO HAVE WARDS, INTO WARDS.

This is another strategic theme that represents a core mandate of the Board, and must therefore remain key in the Board's Strategic Plans.

The latest ward delimitation was done in terms of Local Government Municipal Structures Act, 1998, in preparation for the local government elections which are now scheduled for 1 March 2006.

The process has now been completed, and will only take off again in 2009/10, in preparation for the next local government elections in 2011. In the period leading up to the next ward delimitation process, the key strategic objectives for 2006 onwards is to:
- Review all outstanding municipal boundaries with a view to complete all changes by 2008/2009 for the 2011 local elections.
- Ensure that the role of the Board is carried out in order to allow the IEC to complete the delineation of voting districts, by 2008/2009.
- Deliver fully re-delimited wards in time for the IEC local elections process for 2011.

STRATEGIC THEME 3: COLLECTION OF RELEVANT INFORMATION AND MAINTENANCE AND UPDATE DATA SETS TO RENDER ADVISORY SERVICES ON CAPACITY AND THE DIVISION OF POWERS AND FUNCTIONS.

In terms of section 85(9) of the Municipal Structures Act, MEC's responsible for local government in a province must regularly review the capacity of a relevant municipality and reallocate a function or power to a municipality when that municipality acquires the capacity to perform its function or exercise its power. A reallocation must be made with the concurrence of the receiving municipality or, in the absence of such concurrence, after having consulted the Demarcation Board. Furthermore, section 85(4) requires that the Demarcation Board consider the capacity of a district or local municipality to perform the functions and exercise the powers vested in the municipality in terms of section 84(1) or (2) when determining or re-determining the boundaries of the district and the local municipality, or when so requested by the MEC for local government in the province concerned.

It is within this context that the Board has undertaken assessments of municipal capacity since 2002.

Since 2002, information on capacity has been collected from each municipality on an annual basis, by means of a questionnaire facilitated by consultants, who would visit each municipality in the country to ensure that they bring back a fully and appropriately completed questionnaire.

During the financial year 2005/06 various specialised reports were also completed, as part of the capacity assessments:
•	a report on pollution;
•	a report on review of definitions of municipal functions;
•	a report on municipal roads and transport; and
•	a report on the performance of district functions by local municipalities.

However a serious challenge with respect to inadequate funding prevented the Board from completing other scheduled reports on municipal capacity assessment namely nine provincial overview reports and one national overview report.

The key strategic objectives within this theme are to:
•	Deliver Quality annual assessments of Municipal Capacity;
•	Advise and support provided to MEC's for local government and other stakeholders, in dealing with the allocation and re-allocation of powers and functions between local and district municipalities, on an annual basis without fail;
•	Release the results of the assessments in time to allow them to feed into the IDP and budgeting processes of municipalities.

STRATEGIC THEME 4: REVIEW OF THE DECLARATION OF DISTRICT MANAGEMENT AREAS

During the 2005/06 financial year the Board has withdrawn the declaration of six District Management Areas. The Kruger National Park District Management Area was also split into two District Management Areas forming part of Mopani District Municipality and Ehlanzeni District Municipality.

The strategic objective to flesh out this theme is:
- to examine the feasibility to withdraw more declarations.

STRATEGIC THEME 5: ASSISTANCE TO DEPARTMENTS IN ALIGNING SERVICE DELIVERY BOUNDARIES WITH MUNICIPAL BOUNDARIES

The following outputs are envisaged for the 2006/2007 financial year culminating in the conclusion of the project:

- Follow up survey to the original survey conducted in 2002 to determine the current state of functional service delivery boundary alignment of government departments;
- Final verification of all magisterial district and police boundaries
- Stakeholders workshop to inform service delivery departments of extend of municipal boundary changes as a result of the elimination of cross boundary municipalities (i.e. Constitutional Twelfth Amendment Bill and Cross-Boundary Municipalities Laws Repeal Bill) and boundary re-determinations finalised before the local elections in March 2006;
- Major update and acquisition of additional satellite imagery
- Municipal boundary assessments and technical alignments
- Point to point descriptions of magisterial and municipal boundaries
- Development of a boundary database linking all service delivery boundaries topologically (i.e. building 'intelligence' into boundaries that will indicate the effect that a change to a municipal boundary will have on all other service delivery boundaries)
- A comprehensive database of well aligned administrative and functional boundaries, providing a source framework in referencing almost all other data in the country
- Utilising this database and boundary framework to strengthen and promote the National Spatial data Infrastructure for South Africa

The major objectives and outputs under this theme are therefore:

(i)   Alignment of government's service delivery boundaries
(ii)   Enhancement of service delivery, resource rationalisation and development
(iii)   Development of a comprehensive database of well aligned administrative and functional boundaries, providing a source framework in referencing almost all other data in the country

STRATEGIC THEME 6: STRENGTHENING OF RELATIONS AND INTERACTION WITH KEY STAKEHOLDERS.

Stakeholder relations are an integral part of corporate citizenship. To be successful, stakeholder relations have to be part of our overall strategic plan, and that is why the strengthening of our interaction with key stakeholders, is a key strategic objective for the Board.

It is therefore of critical importance that our stakeholders are duly identified, that we know who they are, what they can do for us, and what we can do for them. The Board's key stakeholders are:
- The people of South Africa
- National Sphere of Government
- Provincial Sphere of Government
- Local Sphere of Government
- Organised Local Government
- Houses of Traditional Leaders
- National Assembly
- National Council of Provinces
- Magistrates
- Board employees

The Strategic Objectives within this theme are:
- To build relationships with our stakeholders that breed understanding and mutual respect.
- To be actively engaged in community organisations and issues as far as resources and time allow.
- To ensure a work environment that is safe, that encourages growth and development and inspires pride.

- To develop and adopt a set of values for the organisation.

STRATEGIC THEME 7: STRENGTHENING OF THE BOARD'S ORGANISATIONAL CAPACITY AND CAPABILITY.

Building the capacity of the Board's internal machinery is a priority for the Board. The Strategic Plan 2005 -2008 had a number of strategic objectives, aimed at building capability within the Administrative Arm of the Board, in order to improve performance. Given some internal capacity problems that have delayed the implementation of those strategic objectives, the Strategic Plan 2006 – 2010 must continue to pursue this strategic objective and find more innovative ways of facilitating the implementation of the strategic objective.

The main capacity challenges to be addressed relate to:
- Organisational Development and Design;
- Operational Processes and Systems;
- Monitoring and Evaluation; and
- Resources Mobilisation and Policy Development.

The capability challenges relate to:
- Competencies and skills among serving employees which are relevant and appropriate to ensure operational efficiencies, and thus more effective ways of achieving the Board's mandate;
- Building a culture of high performance in all employees, and provide training, mentoring and guidance to staff requiring such support;

This theme will be achieved through the implementation of the following strategic objectives:

- **Develop and nurture capability at all levels within the Board.**

   This strategy will entail:
   – Managerial Development through implementing a leadership and management training programme;
   – Human Resources Development through conducting training needs analysis on job specific competence requirements, Facilitating the development of Personal Development Plans, as well as implementing a seminar series programme to entrench employee research skills and competencies.
   – Working on Systems to improve turn around times for minutes and documents, and to improve information storage and accessibility.

- <u>Using consultants at the Board</u> in such a manner as to add value to the work of the Board and to grow a pool of professionals to provide service and advice, optimise our financial resources, empower the employees of the Board, and progressively scale down on professional fees in a predictable and logical manner.

- **Create an enabling environment at the Board that allow for the acquisition of competencies and skills among serving employees which are relevant and appropriate to ensure operational efficiencies, and thus more effective ways of achieving the Board's mandate.**

- **Build a culture of high performance in all employees, and provide training, mentoring and guidance to staff requiring such support;**

- **Finalise a suitable and generally acceptable way in which the staff remuneration structure ensures fair remuneration to staff.**
  This strategy was pursued as part of the 2005 - 2008 Strategic Plan. The 2006 – 2010 Strategic Plan will build on the substantial work from the last year, and finalise this approach. Cumulatively, we believe that the implementation of these strategies will lead to the development of capable employees, with increased levels of skills, competencies and professionalism, and also better staff retention.

Building Human Capacity

Well-trained staff is essential for the sustainable production of quality products and services. This requires a strategy which will guide and systematise investment in human resources in order to transfer knowledge, broaden the skills base and raise staff motivation. The strategy for developing human resources will focus in the medium term on achieving the following strategic objectives:-

- **Becoming an employer of choice** that attracts and retains valuable employees by ensuring that the organisation is respected for its products and services, competitive in its compensation packages, concerned with the welfare of its employees, and appreciated for its overall contribution to the development of the country. The Municipal Demarcation Board aims to achieve this through implementing a human resource strategy that focuses on competency-based career planning, aligning organisational and individual goals, and rewarding excellent performance.

- **Achieving equity in the workplace** by promoting equal opportunities and fair treatment of all employees, and implementing the Employment Equity Plan and Affirmative Action policy and programme, which include career advancement initiatives and the creation of a diverse workforce. The success of this objective will be measured against achieving and maintaining the set equity targets.

- **Creating a learning organisation** calls on the organisation to ensure that it develops its people and continually learns from its experiences in the quest for excellence.

The Municipal Demarcation Board aims to develop the necessary skills and expertise to effectively produce and deliver excellent service. A programme for training will be developed, based on the competencies required. This will enable a career development system for all employees, which will promote retention of critical skills.

The essence of a learning organisation is its ability to harness and optimise its experiences and lessons. A knowledge management system will be introduced to effectively facilitate this objective.

- **Creating an enabling corporate culture and environment** where all people want to be involved in decisions that affect them, take pride in themselves, their jobs, one another and their place of work, and want to share in the success of their efforts.

STRATEGIC THEME 8: ENSURING GOOD GOVERNANCE

The Municipal Demarcation Board wants to ensure that good governance arrangements are in place throughout the organization, to support the Board processes effectively and comply with legislation. Good governance arrangements already exist at the Board. It is however important that there is constant examination and review of these arrangements, to ensure that an appropriate set of checks and balances on the stewards of the organization, is maintained at all times.

We however still need to improve substantially in the development and maintenance of administrative systems and processes. Furthermore, budgetary management must still improve to come to an acceptable standard, and we still require an integrated accounting and procurement systems

The following are the strategic objectives for this theme:

- **Complying with legal frameworks:** As a constitutional institution funded from the national fiscus, the Board is compelled to comply with various legal frameworks such as the Public Finance Management Act, the Municipal Demarcation Act and others. We have developed policies and procedures to guide our compliance. We have also carried out a risk assessment, and have developed the risk management strategy. The strategy must now be implemented to ensure that the organisation focuses on those areas of risk that have a high probability of affecting the performance of the organisation.

- **Improving the efficiency and effectiveness of administrative processes and systems** by enhancing capacity in the relevant areas, implementing policies, procedures and best practice, and redesigning processes to meet user requirements. The ultimate aim is to improve the lead times of key processes.

- **Improving the quality and usage of management information** is key to ensure sound management, decision-making and good governance. A central initiative in achieving this objective is to implement the Board's in-house management information system (Intranet) to provide relevant and regular updated management information.

- **Planning and executing activities within budget** is a key requirement to ensure that the Board provides cost-efficient products and services. The Board will seek to acquire a procurement management system, to assist the organisation to monitor the procurement and execution of activities against plans and budgets.

- **Managing risks effectively** is a managerial responsibility. The internal control component will play an important role in assisting management in mitigating risks through the implementation of the risk management strategy.

- **Effective leadership, management and decision-making** are required to ensure that the Board continues to excel in areas where we are performing well, and to improve significantly in areas where we are still lacking. The Board aims to create and develop a cadre of organisational leaders and managers that will guide the organisation to effectively manage performance, and to ensure that we capitalize on our strengths, minimize or address our weaknesses, take advantage of our opportunities, and manage our threats effectively.

2. IMPLEMENTING THE STRATEGY

a) The Role of the Manager: Municipal Demarcation Board

The Manager: Municipal Demarcation Board, as the Administrative Head of the organisation, has the ultimate executive responsibility to implement this Plan. The role and responsibilities of the Manager are outlined in the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998):

As Chief Executive Officer
- Ensure efficient and effective administration
- Manage all employees
- Maintain discipline
- Carry out decisions of the Board
- Assign and re-assign functions between clusters and employees, in consultation with the Board, through the Chairperson.

As Accounting Officer
- Ensure proper financial controls
- Ensure effective, efficient, economical and transparent use of the resources of the Board.
- Ensure that funds are collected and managed properly and diligently
- Maintain assets and manage liabilities of the Board
- Comply with tax, levies, duty, pensions and audit commitments of the Board
  Settle debts and obligations within prescribed periods
- Report immediately unauthorised, irregular or fruitless and wasteful expenditure
  Take effective disciplinary steps against employees contravening provisions of the Demarcation Act, the Public Finance Management Act and other applicable legislation and/or policies.
- Ensure lawful transfer of funds
- Ensure propriety, regularity and value for money when policy proposals are considered
- Ensure proper management of the budget
- Ensure proper maintenance of records., financial statements and reporting
- Ensure proper delegations.

The Manager delegates aspects of his/her responsibilities to the Cluster Heads, but remains primarily responsible for the carrying out of those responsibilities.

b) <u>**Ensuring that the Organisational Structure is aligned to the Strategy**</u>

Our organisational structure must be flexible for the future as well as fit for the present, to ensure that we are able to execute our work in a more effective and streamlined manner.

The current organisational structure meets our current requirements. The Board must however continue to review and re-align its organisational structure, to ensure that we are able to align to shifting priorities.

The Municipal Demarcation Board's Organisational Structure

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BOARD ———— CHAIRPERSON ———————————————— Admin Assistant

                        MANAGER

HEAD: Research        HEAD: GIS        Chief Finance Officer        HEAD: Admin & HR
& Implementation

Senior Researcher   Data Administrator                            Archivist/
                                                                  Administrative
                    IT Specialist     GIS Analyst (2)             Officer
                                      Vacant (1)
                    Application &                                 HR Assistant
                    Web Developer     Senior GIS Officer (2)

Researcher (2)      Helpdesk Officer  Junior GIS Officer (2)      Senior Finance Officer (2)
Vacant (1)                            Vacant (2)

                                      Junior Technical Officers    Finance Officer
                                      (Frozen)

                                                                  Receptionist    Auxiliary Services Officer
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c)   Implementing and Managing the Work Programme going Forward

In order to ensure that the Board achieves its vision and mission, and that it continues to fulfil its mandate, the organisation must implement and manage its work programme going forward. In this regard, the next Chapter(s) outline the specific goals, outputs and milestones for each programme.

d)   Monitoring and Evaluation

As indicated earlier in this document, the Municipal Demarcation Board has adapted the perspectives of the balanced scorecard to suit its own requirements. The Strategic Themes and Strategic Objectives have been plotted in each perspective. The organisation will focus and align its effort through the utilisation of corporate measures. Organisational performance will be monitored and evaluated in terms of key indicators and targets set at organisational level.

The Balanced Scorecard approach will enable the organisation to:
- Effectively measure how successfully the strategies and plans are being implemented;
- Ensure long term sustainable growth and development;
- Understand, predict and improve performance in key focus areas;
- Build a culture of continuous improvement through managing and measuring behaviours that drive the targeted organisational results.

The four perspectives of the Board's Balanced Scorecard are:

- **External Stakeholders**: From this perspective, the organisation looks at what it needs to deliver to its stakeholders;
- **Fulfilling the Mandate**: From this perspective, the Board has identified the focus areas in the value chain of the process of fulfilling the mandate, on which it should place emphasis;
- **Governance**: From this perspective, the critical governance or non-core business functions are measured;
- **Investment in the Future**: From this perspective, the investment that the organisation is making in its people to ensure success and growth is measured.

e)   Municipal Demarcation Board's Balanced Scorecard

Perspective	Strategic Theme	Strategic Objective	Key Performance Indicators
Fulfilling the Mandate	Determination and re-determination of municipal boundaries in accordance with relevant legal provisions.	• Review all outstanding municipal boundaries with a view to complete all changes by 2008/2009 for the 2011 local elections. • Ensure that the role of the Board is carried out in order to allow the IEC to complete the delineation of voting districts, by 2008/2009.	• Complete 40% of outstanding DEM's by 31 March 2007. • Complete 80% of outstanding DEM's by 31 March 2008 • Complete 100% of outstanding DEM's by 31 October 2008.
	Delimitation of each municipality that qualifies to have wards, into wards.	• Review all outstanding municipal boundaries with a view to complete all changes by 2008/2009 for the 2011 local elections. • Ensure that the role of the Board is carried out in order to allow the IEC to complete the delineation of voting districts, by 2008/2009. • Deliver fully re-delimited wards in time for the IEC local elections process for 2011.	• Final boundaries handed to the IEC. • Database indicating municipality and registered voter relationship. • Gazetted formulae in Government Gazette • Gazetted number of councillors. • Database indicating wards and norms for each municipality. • Mapset 1 downloadable from website. • Mapset 2 downloadable from website with submissions considered. • Consolidate inputs into

			mapset 3.
			• Gazetted maps available from the Government Printer.
			• Handover wards to IEC to allow for local elections preparations.
	Collection of relevant information and maintenance and update data sets to render advisory services on capacity and the division of powers and functions.	• Deliver Quality annual assessments of Municipal Capacity; • Advise and support provided to MEC's for local government and other stakeholders, in dealing with the allocation and re-allocation of powers and functions between local and district municipalities, on an annual basis without fail; • Release the results of the assessments in time to allow them to feed into the IDP and budgeting processes of municipalities.	• Collect Data from Municipalities and other sources. • Assess capacity of municipalities. • Advise MEC's accordingly, on the re-allocation of Powers and Functions between local and district municipalities.
	Review of the declaration of district management areas.	• Examine the feasibility to withdraw more declarations.	
	Assistance to departments in aligning service delivery boundaries with municipal boundaries		
External Stakeholders	Strengthening of relations and	• Build relationships with our	• Strong and vibrant working

	interaction with key stakeholders.	stakeholders that breed understanding and mutual respect. • Be actively engaged in community organisations and issues as far as resources and time allow. • Ensure a work environment that is safe, that encourages growth and development and inspires pride. • Develop and adopt a set of values for the organisation.	relationship with all key stakeholders. • Solid programme which ensures constant collaboration with all key stakeholders.
Governance	Ensuring Good Governance	• Comply with legal frameworks • Improve the efficiency and effectiveness of administrative processes and systems • Improve the quality and usage of management information • Planning and executing activities within budget • Managing risks effectively • Effective leadership, management and decision-making	• Positive Audit Opinion by the Auditor-General. • Significant improvement in the lead times of key processes, such as the release of Board documents, completion of documents with administrative significance on or before the due date etc.
Learning and growth	Strengthening of the Board's	• Develop and nurture	

	organisational capacity and capability.	capability at all levels within the Board. • Create an enabling environment at the Board that allow for the acquisition of competencies and skills among serving employees which are relevant and appropriate to ensure operational efficiencies, and thus more effective ways of achieving the Board's mandate. • Build a culture of high performance in all employees, and provide training, mentoring and guidance to staff requiring such support; • Finalise a suitable and generally acceptable way in which the staff remuneration structure ensures fair remuneration to staff.	

CHAPTER 4: THE WORK PROGRAMME GOING FORWARD

1. **Medium Term Outputs and Milestones: Municipal Boundaries**

OUTPUTS – MUNICIPAL BOUNDARIES	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
• 100% of outstanding DEM's completed by 31 October 2008.	• Board Meeting on 20 April 2006. • Closing date for municipal inputs on circular on 31 May 2006. • Joint Boundaries/ Powers & Function Committee meeting on 26 May 2006. • Board approves Section 21 and 26 notices on 25 July 2006. • Boundaries/Powers & Function Committee meeting on 25 August 2006. • Publication of Section 21 and 26 notices by 31 August 2006. • Closing date for	• Publication of Section 21 notices by 15 November 2007. • Closing date for objections on 31 December 2007. • Board considers Section 21 objections in February 2008. • Publish Section 21(5) confirmations by 01 March 2008.	• Closing date for objections on 31 December 2008. • Board considers Section 21 objections in February 2009. • Publish Section 21 (5) confirmations by 01 March 2009.	

OUTPUTS – MUNICIPAL BOUNDARIES	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
	Section 26 submissions on 01 September 2006. • Board considers Section 26 submissions and approves Section 21 notices by 25 October 2006. • Publication of section 21 notices by 15 November 2006. • Board meeting on 07 December 2006. • Boundaries/Powers & Function Committee meeting on 08 December 2006.			
• IEC delineation of Voting Districts completed by 31 March 2009.			• IEC Delineation of Voting Districts by 31 March 2009.	• IEC delineation of Voting Districts completed by 31 March 2009.

2. **Medium Term Outputs and Milestones: Wards**

OUTPUTS – WARDS	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
• Fully re-delimit wards in time for the IEC Local elections process for 2011.				• Finalise outer boundaries by January 2010. • Obtain voters roll divided into Municipal Segments by February 2010. • Minister to publish formula for the number of councillors by February 2010. • MEC's to publish number of councillors for each municipality. • Determine the number of wards and norms for each municipality. • Produce draft mapset 1 and allow for submissions. • Consider submissions. • Produce draft mapset 2 and allow for submissions. • Conduct public hearings. • Gazette mapset 3.

OUTPUTS – WARDS	MILESTONES			
	2006/07	2007/08	2008/09	2009/10
				• Consider submissions. • Gazette Final mapset with varied wards and confirmed wards. • Consolidate all wards into a single spatial file for handover to IEC.

3. Medium Term Outputs and Milestones: Municipal Capacity Assessments

OUTPUTS – CAPACITY ASSESSMENT	MILESTONES			
	2006/07	2007/08	2008/09	2009/10
• Quality annual assessments of Municipal Capacity.	• Commence Capacity Assessment process by 01 July 2006. • Joint Boundaries/Powers & Functions Committee on 26 May 2006. • Field visit to municipalities form 01 August 2006. • Joint Boundaries/Powers & Functions Committee on 25 August 2006. • Data capture and	• Commence Capacity Assessment process by 01 July 2007. • Joint Boundaries/Powers & Functions Committee on 26 May 2007. • Field visit to municipalities form 01 August 2007. • Joint Boundaries/Powers & Functions Committee on 25 August 2007. • Data capture and	• Commence Capacity Assessment process by 01 July 2008. • Joint Boundaries/Powers & Functions Committee on 26 May 2008. • Field visit to municipalities form 01 August 2008. • Joint Boundaries/Powers & Functions Committee on 25 August 2008. • Data capture and	• Commence Capacity Assessment process by 01 July 2009. • Joint Boundaries/Powers & Functions Committee on 26 May 2009. • Field visit to municipalities form 01 August 2009. • Joint Boundaries/Powers & Functions Committee on 25 August 2009. • Data capture and

OUTPUTS – CAPACITY ASSESSMENT	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
	analysis verification of data from 01 September 2006. • Report writing from 15 November 2006. • Provincial reports finalised by 30 November 2006. • National Reports finalised by 31 December 2006.	analysis verification of data from 01 September 2007. • Report writing from 15 November 2007. • Provincial reports finalised by 30 November 2007. • National Reports finalised by 31 December 2007.	analysis verification of data from 01 September 2008. • Report writing from 15 November 2008. • Provincial reports finalised by 30 November 2008. • National Reports finalised by 31 December 2008.	analysis verification of data from 01 September 2009. • Report writing from 15 November 2009. • Provincial reports finalised by 30 November 2009. • National Reports finalised by 31 December 2009.
• Advise and support provided to MEC's for local government and other stakeholders, in dealing with the allocation and re-allocation of powers and functions between local and district municipalities, on an annual basis without fail.	• Reports and recommendations to MEC's on 01 December 2006. • National Reports finalised by 31 December 2006.	• Reports and recommendations to MEC's on 01 December 2007. • National Reports finalised by 31 December 2007.	• Reports and recommendations to MEC's on 01 December 2008. • National Reports finalised by 31 December 2008.	• Reports and recommendations to MEC's on 01 December 2009. • National Reports finalised by 31 December 2009.
• Results of the assessments released in time to feed into the IDP and budgeting processes of municipalities.	• Joint Boundaries/ Powers & Functions Committee on 08 December 2006.	• Joint Boundaries/ Powers & Functions Committee on 08 December 2007.	• Joint Boundaries/ Powers & Functions Committee on 08 December 2008.	• Joint Boundaries/ Powers & Functions Committee on 08 December 2009.

4. **Medium Term Outputs and Milestones: District Management Areas**

OUTPUTS – DISTRICT MANAGEMENT AREAS	MILESTONES			
	2006/07	2007/08	2008/09	2009/10
• All District Management Areas identified for disestablishment included into the municipal areas of local municipalities, and municipal boundaries ready for voting districts delineation, ward delimitation and the electoral process for the 2011 local elections.	• Desktop analyses of all district management areas, and some field visits where necessary.	• Field visits to continue and consultation with provinces and affected municipalities on the impact of the withdrawal of the declarations.	• Formulate final proposal and consult the Minister and MEC in terms of Section 6 of the Structures Act, 1998.	• Withdrawals of declarations and re-determination of municipal boundaries gazetted.

5. **Medium Term Outputs and Milestones: Alignment of Service Delivery Boundaries**

OUTPUTS – SERVICE DELIVERY BOUNDARIES	MILESTONES			
	2006/07	2007/08	2008/09	2009/10
• Current state of functional service delivery boundary	• Follow up survey to the original survey conducted in 2002 to			

OUTPUTS – SERVICE DELIVERY BOUNDARIES	MILESTONES			
	2006/07	2007/08	2008/09	2009/10
alignment of government departments determined; • All magisterial district and police boundaries fully verified • Existing satellite imagery updated and additional imagery acquired. • Municipal boundaries assessed and technical alignments done. • Point to point descriptions of magisterial and municipal boundaries done. • Boundary database linking all service delivery boundaries topologically developed. (i.e. building 'intelligence' into boundaries that will indicate the effect that a change to a	determine the current state of functional service delivery boundary alignment of government departments; • Carry out a final verification of all magisterial district and police boundaries; • Stakeholders workshop to inform service delivery departments of the extent of municipal boundary changes as a result of the elimination of cross boundary municipalities (i.e. Constitutional Twelfth Amendment Bill and Cross-Boundary Municipalities Laws Repeal Bill) and boundary re-determinations finalised before the			

OUTPUTS – SERVICE DELIVERY BOUNDARIES	MILESTONES			
	2006/07	2007/08	2008/09	2009/10
municipal boundary will have on all other service delivery boundaries). • A comprehensive database of well aligned administrative and functional boundaries, providing a source framework in referencing almost all other data in the country developed and utilised to strengthen and promote the National Spatial data Infrastructure for South Africa.	local elections in March 2006; • Update existing and acquire additional satellite imagery • Assess Municipal boundaries and technical alignments. • Facilitate the carrying out of point to point descriptions of magisterial and municipal boundaries. • Develop a boundary database linking all service delivery boundaries topologically. (i.e. building 'intelligence' into boundaries that will indicate the effect that a change to a municipal boundary will have on all other service delivery boundaries) • Develop a comprehensive			

OUTPUTS – SERVICE DELIVERY BOUNDARIES	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
	database of well aligned administrative and functional boundaries, providing a source framework in referencing almost all other data in the country • Utilise this database and boundary framework to strengthen and promote the National Spatial data Infrastructure for South Africa.			

6. Medium Term Outputs and Milestones: Relations and Interaction with Key Stakeholders

OUTPUTS – RELATIONS WITH KEY STAKEHOLDERS	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
• A tend of quality engagements and working relations with all stakeholders	• Develop an engagement programme for each key stakeholder by 30 April 2006.	• Re-assess the effectiveness of the management and training programme by 30 April 2007 and	• Re-assess the effectiveness of the management and training programme by 30 April 2008 and	• Re-assess the effectiveness of the management and training programme by 30 April 2009 and

OUTPUTS – RELATIONS WITH KEY STAKEHOLDERS	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
	• Set-up meetings with each of the key stakeholders by 30 June 2006 to discuss the draft engagement programme, with a view to both the Board and stakeholder adopting the programmes. • Incorporating agreed upon programmes in the monthly timetable system to ensure that all work to implement the engagement programmes, are received on due dates.	improve on areas that are lacking in the programme, for the rest of the year.	improve on areas that are lacking in the programme, for the rest of the year.	improve on areas that are lacking in the programme, for the rest of the year.

7. Medium Term Outputs and Milestones: Good Governance

OUTPUTS – GOOD GOVERNANCE	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**

OUTPUTS – GOOD GOVERNANCE	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
• Improving administrative processes and systems	• Systems to streamline administrative processes researched and developed.			
• Risk management	• Integrated risk management strategy implemented.	• Progress on implementing strategy reviewed.	• Effectiveness of risk management strategy audited.	
• Improving the financial and procurement practices to ensure effective and efficient internal operations of the organisation.	• Acquire and implement a procurement management system.	• Progress on implementing the procurement management system reviewed.	• Effectiveness of the procurement management system audited.	
	• Develop and implement a management and leadership development programme.	• Progress on implementing the management and leadership development programme reviewed.	• Effectiveness of the management and leadership development audited.	

8. Medium Term Outputs and Milestones: Organisational Capacity and Capability

OUTPUTS –	MILESTONES

ORGANISATIONAL CAPACITY AND CAPABILITY	2006/07	2007/08	2008/09	2009/10
• Annual strategic milestones achieved across the organisation.	• Develop a leadership and management training programme by 30 June 2006.	• Re-assess the effectiveness of the management training programme by 30 April 2007, and improve on areas that are lacking in the programme, for the rest of the year.	• Re-assess the effectiveness of the management training programme by 30 April 2008, and improve on areas that are lacking in the programme, for the rest of the year.	• Re-assess the effectiveness of the management training programme by 30 April 2009, and improve on areas that are lacking in the programme, for the rest of the year.
• Employees capable of delivering against targets.	• Implement the leadership and management programme by 1 August 2006.	• Re-assess the effectiveness of the personal development plans by 30 April 2007, and improve on areas that are lacking in the programme, for the rest of the year.	• Re-assess the effectiveness of the personal development plans by 30 April 2008, and improve on areas that are lacking in the programme, for the rest of the year.	• Re-assess the effectiveness of the personal development plans by 30 April 2009, and improve on areas that are lacking in the programme, for the rest of the year.
• Increased skills levels	• Conduct training needs analysis on job specific competence requirements for each staff member by 30 June 2006.	• Re-assess the effectiveness of the Seminar Series programme by 30 April 2007, and improve on areas that are lacking in the programme.	• Re-assess the effectiveness of the Seminar Series programme by 30 April 2008, and improve on areas that are lacking in the programme.	• Re-assess the effectiveness of the Seminar Series programme by 30 April 2009, and improve on areas that are lacking in the programme.
• An orientation towards performance and	• Develop Personal Development Plans by	• Re-assess the effectiveness of the	• Re-assess the effectiveness of the	• Re-assess the effectiveness of the

OUTPUTS – ORGANISATIONAL CAPACITY AND CAPABILITY	MILESTONES			
	2006/07	2007/08	2008/09	2009/10
accountability for results.	30 August 2006 and implement immediately thereafter.	monthly timetable system by 30 April 2007, and improve on areas that are lacking.	monthly timetable system by 30 April 2008, and improve on areas that are lacking.	monthly timetable system by 30 April 2009, and improve on areas that are lacking.
• Innovation and dedication to one's work appropriately recognised and rewarded.	• Develop a seminar series programme to entrench employee research skills and competencies by 30 May 2006.			
• Reliable, robust and responsive corporate systems.	• Re-develop and implement a monthly timetable system which indicates when everything is due, to facilitate and improve internal operational processes.			
• Smooth running organisation.	• Set-up formal monitoring mechanism to follow up on work that is due.			
• Improved performance due to systems utilisation.	• Monitor to ensure that the monthly costs of consultants do not			

OUTPUTS – ORGANISATIONAL CAPACITY AND CAPABILITY	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
	deviate form those agreed upon.			
• Application of best practice in system	• Establish a system that provides tangible proof that is beyond reasonable doubt that all consultants provide a service that they are being paid for.			
	• Prepare a report by 30 July 2006, to assess the need to engage GIS consultants for a further period after 31 August 2006, when the contract with the current consultants expires.			
• Finalise a suitable and generally acceptable way in which the staff remuneration structure ensures fair remuneration to staff	• Implement the outcomes of a report that will have been produced internally under the leadership of the Manager to find a fair and suitable remuneration	• Re-assess the remuneration structure by 1 April 2007, and improve where necessary.	• Re-assess the remuneration structure by 1 April 2008, and improve where necessary.	• Re-assess the remuneration structure by 1 April 2009, and improve where necessary.

OUTPUTS – ORGANISATIONAL CAPACITY AND CAPABILITY	MILESTONES			
	2006/07	**2007/08**	**2008/09**	**2009/10**
	structure by 30 April 2006.			

BUDGET PROGRAMMES

PROGRAMME	ADJUSTED ALLOCATION 2005/06	MEDIUM TERM EXPENDITURE ESTIMATES			
		2006/07	2007/08	2008/09	2009/10
1. Administration and Human Resources Management	3,986,042	3,741,667	3,937,299	4,321,203	
2. Finance and Procurement Control	2,950,491	2,531,108	2,628,431	2,656,185	
3. GIS and IT Support	6,583,716	3,918,038	3,866,906	4,692,277	
4. Research and Investigation	7,615,545	2,710,166	2,685,050	2,472,395	
5. Manager and Board	4,268,292	4,214,577	4,666,313	4,900,941	
TOTAL	**25,404,086**	**17,115,556**	**17,783,999**	**19,043,001**	

Detailed budget estimates for the various financial years are attached as Annexure A.

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