

Municipal Demarcation Board

STRATEGIC PLAN for the fiscal years 2015 to 2020

Reviewed with effect from 1 April 2017

22 March 2017

FOREWORD

It gives me great pleasure to submit the reviewed Strategic Plan of the Municipal Demarcation Board (MDB) for the MTEF period 01 April 2017 to 31 March 2020 to Parliament. Our nation has reached a significant milestone in its journey towards strengthening the democracy, economic growth, diverse and inclusive society that are our guiding principles since 1994. The MDB has been one of the Constitutional institutions that have played a key role in the achievements that have been made particularly in expediting spatial integration, enabling the smooth running of municipal elections and the development of local communities.

The annual review of the Strategic Plan was also inspired by the outcomes of the conference on Demarcation and Spatial Transformation held in June 2016, which highlighted the necessity for the MDB to focus on amongst others the need for a legislative review, regional presence, and the strengthening of public participation and public education.

The key milestones commemorated since the MDB became one of the key players in spatial transformation include the rationalization of municipalities in 1999/2000 from 843 to 284 municipalities. During that period six metropolitan municipalities, 47 district municipalities and 231 local municipalities were demarcated. Over the years the MDB continued to delimit wards within local and metropolitan municipalities to facilitate citizen participation in the local government elections. For the first time since the demarcation legislation was promulgated, section 22(2) was invoked by the Minister of Cooperative Governance & Traditional Affairs who proposed a review of boundaries of certain non-viable municipalities. This led to parallel outer boundary determination and ward delimitation processes that were concluded in time for the 2016 local government elections. From the date of the 2016 local government elections on 3rd August 2016, municipalities in the country are rationalised to a total of 257.

These significant milestones could not have been reached without the partnerships and support from government, other state entities and Constitutional institutions. Our engagement with key stakeholders including members of the public during the implementation of our mandated powers to determine and re-determine municipal boundaries, to delimit ward boundaries and to conduct municipal capacity assessments has enriched our progress and successes.

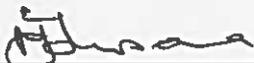
As such, the MDB's strategy has been informed by the valuable insight, knowledge and practical experience from my fellow Board members, management and staff as well as other key stakeholders. This strategic plan builds on the strategic direction that was set in previous plans and

incorporates the lessons learnt in the constantly changing environment in which the MDB operates. Thus, it positions the entity with the right amount of strategic flexibility and anticipation of possible future events so that it is able to continue to make a positive contribution to society.

Our intention is to continue to improve public participation and awareness of the MDB's role in society by elevating greater stakeholder involvement in the MDB's determination, redetermination, delimitation and capacity assessment processes. In addition to alignment with the National Development Plan (NDP), the Back to Basics program of the Department of Cooperative Governance and Traditional Affairs (COGTA) also finds expression in this strategic plan. The MDB recognizes that municipalities need to be supported to improve their performance in relation to their basic responsibilities, to perform these basic functions without compromise and to ultimately serve communities better.

Lessons learned from recommendations of the conference, and those of the Demarcation Process Review Task Team, our continued engagements with the public and other key stakeholders such as COGTA, Statistics SA (StatsSA), South African Local Government Association (SALGA) and the Financial and Fiscal Commission (FFC) have been consolidated to inform possible reform of the demarcations policies, practices and processes as well as legislative amendments. Proposals relating to the latter will contribute towards the legislative review process by COGTA. .

I thank all within the organization who have worked diligently and are committed to making a difference within the local government sector. It is due to this commitment that I am convinced that the Board, management and staff will be able to exceed the expectations of all our stakeholders and to deliver on this strategy.



MJJ THUPANA
EXECUTIVE AUTHORITY

OFFICIAL SIGN OFF

It is hereby certified that this Strategic Plan:

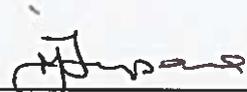
- Was developed by the management of the MDB under the guidance of its CEO.
- Takes into account all the relevant policies, legislation and other mandates for which the MDB is responsible.
- Accurately reflects the strategic outcome oriented goals and objectives which the MDB will endeavour to achieve over the period 01 April 2015 to 31 March 2020.



MR NB PATEL
CHIEF FINANCIAL OFFICER



MR M SIGIDI
CHIEF EXECUTIVE OFFICER



MS MJJ THUPANA
EXECUTIVE AUTHORITY

EXECUTIVE SUMMARY

The MDB's Strategic Plan sets the strategic direction for the period 2015 to 2020 and imparts the vision, mission, values, mandate and strategic objectives for the organisation during this period. It places the MDB's strategic direction within the overall context of local government and the roles and responsibilities of the different role players. It takes into account the successes, challenges and plans for the local government sector and the important role that the MDB plays in providing a supportive environment for municipalities to provide effective services. The MDB's role is centred on its three core functions including the determination and re-determination of municipal boundaries, the delimitation of wards for local election purposes and the performance of municipal capacity assessments. This mandate is elevated to emphasize the strong position the MDB occupies in collating, assuring and providing valuable spatial and demarcation information that can be used not only for demarcation purposes but also to contribute towards the spatial and economic integration goals at all levels.

In addition to its mandated functions, the MDB continues to focus on building its public education and awareness, stakeholder engagement, media relations and communications capabilities. As a key strategic initiative, public participation and knowledge management have been elevated to be amongst the five strategic goals. In order to build provincial presence to tackle technical nuances up to ward level during execution of mandated functions, a regionalisation strategy was developed. However, due to funding constraints this strategy could not be rolled out.

In this plan, the MDB has included key strategic actions to engage municipalities and communities on the alignment of boundaries through consultative meetings, media campaigns and other appropriate means.

Key performance indicators have been developed, with periodic monitoring and reporting processes established to feed internal and external communication for continuous feedback and progress on the implementation of programmes and projects flowing from the Strategic Plan.

TABLE OF CONTENTS

DEFINITIONS	8
PART A: STRATEGIC OVERVIEW	9
1. VISION	9
2. MISSION	9
3. VALUES	9
4. LEGISLATIVE AND OTHER MANDATES	9
4.1. THE CONSTITUTION	9
4.2. LEGISLATION	10
4.3. POLICY	10
4.4. COURT RULINGS	10
4.5. OTHER LEGISLATION	11
5. SITUATIONAL ANALYSIS	11
5.1 PERFORMANCE ENVIRONMENT	12
5.2 ORGANISATIONAL ENVIRONMENT	13
5.3 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS	13
6. STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION	16
PART B: STRATEGIC OBJECTIVES	17
7. PROGRAMME 1: ADMINISTRATION	17
7.1. Purpose	17
7.2. Sub-programmes	17
7.3. Strategic Objectives	19
7.4. Resource considerations	20
7.4.1. Trends in numbers of key staff	20
7.4.2. Expenditure trends	21
7.5. Risk Management	21
8. PROGRAMME 2: DEMARCATIONS	23
8.1 Purpose	23
8.2 Sub-programmes	23
8.3 Strategic Objectives	23
8.4 Resource considerations	24
8.4.1. Trends in the numbers of key staff	24
8.4.2. Expenditure trends	25
8.5 Risk Management	25
9. PROGRAMME 3: RESEARCH AND KNOWLEDGE MANAGEMENT	26
9.1 Purpose	26
9.2 Sub-programmes	26
9.3 Strategic Objectives	27
9.4 Resource considerations	28
9.4.1. Trends in the numbers of key staff	28
9.4.2. Expenditure trends	28
9.5 Risk Management	28
10. PROGRAMME 4: PUBLIC PARTICIPATION, EDUCATION AND AWARENESS	29
10.1. Purpose	29
10.2. Sub-programmes	29
10.3. Strategic Objectives	29
10.4. Resource considerations	30

10.4.1.	Trends in the numbers of key staff	30
10.4.2.	Expenditure trends	30
10.5.	Risk Management	30
11.	CAPITAL EXPENDITURE	32
12.	ORGANISATIONAL STRUCTURE – Board resolution: 2553/04/16	33
13.	IDEAL STRUCTURE FOR REGIONALISATION STRATEGY	34
14.	TECHNICAL INDICATOR DESCRIPTIONS	35
	CONTACT DETAILS: MUNICIPAL DEMARCATION BOARD, South Africa	37

DEFINITIONS

AGSA	Auditor-General of South Africa
AFS	Annual Financial Statements
Board	Refers to the nine members of the Board, within the MDB, as appointed by the President of SA.
BPFC	Boundaries, Powers & Functions Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COGTA	Cooperative Governance and Traditional Affairs
Constitution	The Constitution of the Republic of South Africa
CSG	Chief Surveyor-General
FFC	Financial and Fiscal Commission
GCIS	Government Communication Information System
GIS	Geographical Information System
GTAC	Government Technical Advisory Centre
HTL	House of Traditional Leaders
IEC	Independent Electoral Commission
IUDF	Integrated Urban Development Framework
MDA	Municipal Demarcation Act no 27 of 1998
MDB	Municipal Demarcation Board
MEC	Member of the Executive Council
MINMEC	Minister and Members of Executive Council
MSA	Municipal Structures Act no 117 of 1998
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
PLC	Party Liaison Committee
PFMA	Public Finance Management Act no 1 of 1999
PPPFA	Preferential Procurement Policy Framework Act no 5 of 2000
SALGA	South African Local Government Association
SCM	Supply Chain Management
StatsSA	Statistics South Africa
TR	Treasury Regulations
WSP	Workplace Skills Plan

PART A: STRATEGIC OVERVIEW

1. VISION

“To be the leading demarcation authority”.

2. MISSION

The MDB is South Africa’s municipal demarcation authority, whose mission is to deepen democracy and to facilitate the socio-economic transformation of the country for the benefit of its citizens by:

- a) Enabling and facilitating a system of developmental local government, through the determination of municipal and ward boundaries that enhances the quality of life of communities, overall,
- b) Providing advisory services, in municipal boundary matters, to state entities and other stakeholders,
- c) Being a spatial knowledge hub on all municipal and ward boundary matters.

3. VALUES

- ✓ Independence
- ✓ Good governance
- ✓ Inclusivity
- ✓ Quality

4. LEGISLATIVE AND OTHER MANDATES

The mandate is the responsibility that has been given to the MDB by legislation. The MDB derives its mandate from:

4.1. THE CONSTITUTION

The Constitution of the Republic of South Africa (1996)

Section 155 (3) of the Constitution states that national legislation must establish criteria and procedures for the determination of municipal boundaries by an independent authority.

4.2. LEGISLATION

Local Government: Municipal Demarcation Act, 1998 (Act no 27 of 1998) (MDA)

The MDA establishes the MDB as an independent authority to determine and re-determine municipal boundaries and to render advisory services in respect of matters in the Act when so requested and to provide for matters thereto.

Local Government: Municipal Structures Act, 1998 (Act no 117 of 1998) (MSA)

The MSA provides for different categories of municipalities and the criteria for determining the category of municipalities to be established in an area. The MDB must also conduct capacity assessments for municipalities and use these when determining and re-determining boundaries and to advise MECs on adjustment of powers and functions between district and local municipalities.

In terms of *(item 2) Schedule 1* of the MSA, the MDB after consultation with the Independent Electoral Commission (IEC) for purposes of an election must delimit all municipalities that must have wards into wards.

The MDB also takes part in the process to provide inputs into the Local Government: General Laws Amendment Draft Bill to address deficiencies and gaps in the enabling legislation.

4.3. POLICY

The White Paper on Local Government, 1998 refers to the demarcation of municipal boundaries in order to address historical inequalities and spatial deficiencies. The policy provides a guideline on the establishment of an independent authority on demarcations and the objectives of such a body. It states that the objectives are to primarily facilitate national, provincial and local planning, coordination and development and the delivery of services, supporting participatory democracy and to create a viable tax base for municipalities.

4.4. COURT RULINGS

In the past, there have been several court rulings with respect to the decisions of the MDB. None of those rulings had any impact on operations or service delivery obligations of the MDB, instead the courts have consistently affirmed the independence of the MDB.

During 2015/16 different stakeholders took the MDB to court on matters relating to determination and re-determination of municipal boundaries following the request by the Minister of Cooperative Governance and Traditional Affairs in terms of section 22(2) of the MDA, which allows the Minister or MEC for local government to submit a request for redetermination. Decisions of the MDB were attacked on the basis that they were irrational, biased and procedurally unfair. In a particular instance, the applicants alleged that consultation was inadequate.

In all of the cases brought before court, the applicants failed to substantiate the allegations to justify granting of the relief sought, i.e. have the decisions of the MDB set aside, or indeed prove that the MDB acted in an irrational or arbitrary manner, except in one case which the Board took on appeal for a legal precedent on how notices should be structured for legal compliance. However, due to the fact that the decision of the lower court was already implemented and the legal precedent sought by MDB would be of no practical effect (moot) as far as that matter was concerned and therefore the Judges refused to pronounce on the matter and dismissed the application by the MDB. These judgements of the High Court and Constitutional Court serve not only as precedence but do affirm the independence of the Board.

4.5. OTHER LEGISLATION

Legislation such as the Public Finance Management Act, 1 of 1999; the Municipal Systems Act, 32 of 2000; the Municipal Electoral Act, 27 of 2000; Promotion of Administrative Justice Act, 3 of 2000; and Promotion of Access to Information Act, 2 of 2000 among others, have an influence on how the mandate of the MDB is implemented.

5. SITUATIONAL ANALYSIS

In the past two years, the MDB conducted ward delimitations and municipal boundary re-determinations in parallel towards the 2016 local government elections. The parallel process was as a result of a request in terms of section 22(2) of the MDA which allows the Minister or MEC for local government to submit a request for the redetermination of municipal boundaries. The outcome of these processes resulted in the country having eight metropolitan municipalities, 44 district municipalities, 205 local municipalities and 4 391 wards.

While the above processes were concluded in time to allow for preparation towards delivery of the local government elections by the IEC, both the boundary re-determinations and ward

delimitations processes attracted a number of litigations and community protests. Following a High Court judgement that went in favour of the MDB, the Vuwani community that had brought up the court application embarked on protracted violent protests. Other small scale community discontent with ward boundaries flared up during the IEC's voter registration period but were resolved amicably.

In June 2016, MDB hosted a conference on Demarcation and Spatial Transformation. The conference brought together national and international stakeholders in the local government sector and was also aimed at facilitating engagements among all the stakeholders on how to resolve hurdles to demarcation and contribute to spatial transformation discourse in South Africa. The conference was attended by representatives from parliament, senior government officials, institutions that supports democracy, donor agencies, research institutions, political parties, international participants, scholars and the public at large.

5.1 PERFORMANCE ENVIRONMENT

The MDB's successes since the year 2000 have been achieved in part through the strong partnerships that were established with other institutions such as the IEC, StatsSA, FFC, COGTA, CSG, SALGA as well as municipalities.

Given the nature of the MDB's work, citizens are demanding greater public involvement in demarcation processes and decisions affecting them. Although in the past, the MDB fully complied with the legislative requirement pertaining to public participation, it is still necessary to focus on public education and awareness programmes on demarcation processes. To sufficiently address this limitation the establishment of regional offices to enforce a regional footprint is essential. A regional operating model including a proposed organisational structure has been developed. However, without a significant increase in the Medium Term Expenditure Framework (MTEF) baseline allocation it is not possible to implement the model in the 2017/18 financial year. Engagements will continue with National Treasury, COGTA and other stakeholders to lobby for funding.

MDB embarked on the legislative review process to address limitations such as public participation processes, timing and triggers for demarcation, etc. in the legislation that governs its mandate. Consolidated inputs resulting from the review have been submitted to COGTA for further processing.

Contrary to established practice, the MDB will not conduct the outer boundary determination and re-determination process in the period leading to the national elections in 2019. During the period (parallel to the legislative review process by COGTA), a lot of work will be done to correct the technical boundary misalignments, build internal systems, processes and capabilities and strengthen relationships with all national, provincial and municipal level stakeholders.

5.2 ORGANISATIONAL ENVIRONMENT

Major weaknesses in the organizational structure have been highlighted by the MDB on several occasions and through annual reports over the past few years. The structure comprises of 43 approved posts, including four interns. This organizational structure is not equivalent to the magnitude of the mandate of the MDB. The structure has limitations in terms of establishing a full-scale research capacity to conduct, amongst others, research work, municipal capacity assessments and establishing a regional footprint to enhance stakeholder engagement, public participation, education and awareness in demarcation processes that are key in the delivery of the MDB's mandate.

The current organizational model has no level(s) of middle management between senior management and other staff levels, which hampers progression of employees within the organisation. The structure hinders employee growth and makes the motivation and retention of employees very difficult. Given the critical nature of skills, particularly in research, demarcations and GIS, the MDB is likely to lose its skilled employees to competitors as there are no growth opportunities within the structure.

In mitigation of the above, the MDB will redesign the organizational structure to address structural misalignment. Furthermore, the MDB will focus on training, multiskilling of the existing staff to build capacity and re-alignment of posts between the main office in Centurion, Tshwane Metropolitan Municipality and the envisaged regional offices that are aimed at ensuring MDB's footprints throughout the country.

5.3 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

a) Process followed

Phase one of the strategic planning process was initiated during the first quarter of 2014/15, which involved presentations that gave Board members and officials a better perspective of the external and policy environment that influence the MDB's

operations. This included presentations by the FFC, COGTA, Demarcation Process Review Task Team, as well as a deeper analysis of the NDP.

The second phase followed in the second quarter of 2014/15. This involved an internal process led by the Board to craft the strategy, outlining the vision and crafting the strategic objectives. The process incorporated inputs from various units, and ensuring staff participation in the strategy development process.

The process concluded when management and staff consolidated the strategic objectives and key performance areas to carve out an Annual Performance Plan (APP) for 2015/16.

The strategic plan was reviewed and refined during the second and third quarters of 2015/16. A Strategic Planning session was held on 28 and 29 October 2016, during which the strategic plan was revised. During this strategic planning session, presentations were done by COGTA, IEC and StatsSA.

b) Monitoring and Evaluation

The MDB has adapted the perspectives of the balanced scorecard to suit its own requirements. The Strategic Objectives are key in measuring performance of staff. Organisational performance is monitored and evaluated in terms of annual and quarterly targets as per the APP and further refined in Programme Operational Plans.

The Balanced Scorecard approach enables the organisation to:

- Effectively measure the implementation and performance;
- 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.

HIGHER PURPOSE STATEMENTS AND STRATEGY

OUR VISION

To be the leading demarcation authority

OUR MISSION STATEMENT

The MDB is South Africa's municipal demarcation authority, whose mission is to deepen democracy and to facilitate the socio-economic transformation of the country for the benefit of its citizens by:

- a) Enabling and facilitating a system of developmental local government, through the determination of municipal and ward boundaries that enhances the quality of life of communities, overall;
- b) Providing advisory services, in municipal boundaries matters, to state entities and other stakeholders;
- c) Being a spatial knowledge hub on all municipal and ward boundary matters.

STRATEGIC GOAL 2
Quality Demarcation
Processes and Outcomes

STRATEGIC GOAL 5
Public participation and
outreach initiatives

STRATEGIC GOAL 3
Assessment of the Capacity
of municipalities

STRATEGIC GOAL 1
Good Governance and sound financial
management capability

STRATEGIC GOAL 4
Research and Knowledge management
capability

OUR VALUES

Independence

Good
Governance

Inclusivity

Quality

6. STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

Strategic Outcome Oriented Goal 1	Good Governance and sound financial management capability
Goal Statement	To maintain high standards of good corporate governance and the effective management of financial and supply chain management.
Strategic Outcome Oriented Goal 2	Quality Demarcation Processes and Outcomes
Goal statement	To facilitate and promote the attainment of the goal of developmental local government through municipal boundary and ward delimitation processes that are independently and expertly driven in the best interest of the country and her people
Strategic Outcome Oriented Goal 3	Assessment of the Capacity of municipalities
Goal Statement	To provide a reactive, proactive and interactive advisory services to municipalities and other stakeholders on matters relating to municipal sustainability and capacity of municipalities to perform their powers and functions
Strategic Outcome Oriented Goal 4	Research and Knowledge management capability
Goal Statement	To activate the implementation of advisory service functions and to establish a research and knowledge management capability to improve the service delivery capacity of the institution and establish a demarcation knowledge hub.
Strategic Outcome Oriented Goal 5	Public participation and outreach initiatives
Goal Statement	To promote the principle of inclusivity within communities and the country in general and to foster greater trust between communities and the MDB and its processes in a broader quest for the promotion of participatory democracy

PART B: STRATEGIC OBJECTIVES

7. PROGRAMME 1: ADMINISTRATION

7.1. Purpose

To maintain high standards of good corporate governance and effective management of human and financial resources.

7.2. Sub-programmes

There are two sub-programmes namely corporate services and financial management:

Corporate Services will focus on the following:

- **Legal Services**
Provides legal services and advice to the MDB, which includes contract management, litigation, employment law, lease matters, legal advice and guidance, legal opinions and documentation preparation as well as drafting.
- **Board support**
Provides for the effective and efficient operation of the Board and its committees. Concerted efforts are made to ensure that the Board receives all information punctually to facilitate informed decision making in the performance of oversight responsibilities and fiduciary duties.
- **Human Resources**
The division focuses on matters of organisational design and the entire human resources value chain, including human capital development, performance management and labour relations to ensure that the organisation remains competitive and is able to attract and retain talent that is necessary to drive implementation of the MDB's mandate. This will include re-alignment of posts on the organisational structure in support of the Strategic Objectives.
- **Administration**
Provides administrative support services in areas that include facilities and records management, occupational health and safety, as well as auxiliary services.

- ICT Support

ICT as an enabler will inform new ways of doing business, resulting in efficiencies, convenience, cost saving and improved outcomes. This sub-programme provides and maintains a sustainable and secure ICT services that support overall governance of the MDB. This will apply to internal operations e.g. electronic document management and cost efficiency, collaboration with stakeholders and the public, and generally enhance decision support. It will also reduce negative impact on the environment through a reduced use of paper.

Some of the immediate benefits that will improve delivery of the core business and address some of the burning public concerns are:

- video conferencing that will connect Board members and stakeholders;
- collaborative feedback and conversation with the public to enhance public participation in demarcation processes;
- use of social media to capture the inputs of key stakeholders e.g. youth, who are not accommodated in the traditional system of meetings that are held during days and times that do not suit them; and
- use of the interactive online GIS to increase public access to mapping resources for making submissions on boundary redeterminations and ward delimitations.

- Stakeholder management and communication

Strengthen interaction with internal and external stakeholders through regular communication. The unit also serves to promote positive image of the organisation through marketing and branding initiatives.

Financial Management will focus on the following:

- Financial Management;

Ensures existence of effective, efficient and transparent systems of financial management to deliver accurate financial information for timeous decision making.

- Risk Management;

Existence of an effective risk management system that informs the strategic planning process and the internal audit plan. The unit further identifies the strategic risks and assessment thereof in terms of inherent and residual risk exposure.

- Supply chain management;
Existence of an appropriate procurement system, which is fair, equitable, transparent, competitive and cost effective to prevent irregular, fruitless and wasteful expenditure.
- Asset management;
Provides effective systems and processes to acquire, safeguard, maintain and dispose of assets. These includes tangible and intangible assets, such as information copyright.
- Diversification of revenue streams;
Increase the baseline of parliamentary grants to adequately fund the mandate of the MDB. Other alternative income streams will be explored, including strategic partnerships and donor funding. The latter will be explored in a manner that does not compromise the independence of the MDB.

7.3. **Strategic Objectives**

Strategic Objective 1.1	Strengthen the corporate governance environment
Objective statement	To ensure sound human resources, maintenance of proper administrative systems and practices, ICT infrastructure, Stakeholder engagement and communication as well as the necessary support for governance structures and legislative compliance for the period covered by this Strategic Plan
Baseline	Policies, standard operating procedures and systems in place.
Links	NDP Chapter 13: An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship.

Strategic Objective 1.2	Manage and enhance financial capability
Objective statement	Efficient use of financial resources, effective supply chain management processes, risk management and proper asset management for the period covered by this Strategic Plan. Diversify revenue sources to meet funding requirements.
Baseline	An effective internal control environment. Effective risk management programme. Opinion of the Auditor-General: Unqualified. Supply chain processes and systems. Parliamentary grants. Sale of maps and interest income generated.
Links	NDP Chapter 13: An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship.

7.4. Resource considerations

7.4.1. Trends in numbers of key staff

Divisions/Units	2015/2016		2016/2017		2017/2018		2018/2019		2019/2020	
	No of key staff members	Total Compensation R'000	No of key staff members	Total Compensation R'000	No of key staff members	Total Compensation R'000	No of key staff members	Total Compensation R'000	No of key staff members	Total Compensation R'000
Administration Human Resources and Administration	7	2 713	8	2 237	8	3 394	8	3 621	8	3 903
Legal Services	1	1 068	1	713	1	1 081	1	1 112	1	1 194
Information Technology	2	1 370	2	855	2	1 029	2	1 101	2	1 182
Executive: Corporate Services	2	0.00	2	1 510	2	1 457	2	1 564	2	1 680
Office of the CEO	2	1 251	2	1 788	2	2 366	2	2 541	2	2 729
Office of the Chairperson	4	2 257	4	2 837	4	3 444	4	3 694	4	3 971
Financial Management & Accounting	8	4 127	8	4 324	8	4 914	8	5 258	8	5 647
Total	26	12 786	27	14 264	27	17 685	27	18 891	27	20 306

7.4.2. Expenditure trends

Division/Unit	Medium term expenditure estimate						
	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure		
	R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Information Technology	1 335	344	112	1 511	1 633	1 680	1 762
Legal Services	2 363	6 473	6 895	4 791	1 832	1 770	2 021
Administration and Human Resources	9 273	11 684	13 804	11 058	11 825	12 628	13 370
Executive: Corporate Services	-	-	-	1 609	1 518	1 626	1 742
Office of the CEO	3 994	3 738	2 811	3 371	2 491	2 667	2 855
Board	6 292	6 318	7 324	5 611	6 674	7 106	7 515
Financial Management and Accounting	6 915	8 356	6 600	7 627	7 940	8 362	8 867
Total:	30 172	36 913	37 546	35 578	33 913	35 839	38 132

7.5. Risk Management

Risks relating to this programme have been identified and captured on Divisional risk registers. The main risks for this programme are:

- Insufficient human and financial resources;
- Litigation in dispute of demarcation decisions.

Risk	Mitigation
<p>Insufficient human and financial resources.</p> <p>The changing dynamics in local government and growing demand for greater participation of the citizenry in demarcation processes and the sensitivity around boundary issues are placing further demands on the MDB to enhance its public consultation processes. However, the MDB is constrained by its limited financial resources as it could not muster sufficient resources to expand its staff complement.</p>	<ul style="list-style-type: none"> • Review organisational structure and identification of additional funds. • Ensure optimal utilisation of existing personnel by, amongst others instituting effective performance management and personal development.

Risk	Mitigation
This poses a great reputational risk as perceptions that the MDB does not consider views of citizens are perpetuated resulting in discontent and protests. The quality of the work of the MDB might be affected by this risk as the organisation might end up being unable to recruit and maintain qualified staff.	
Inadequate systems, procedures and processes.	Develop and review processes, systems and procedures.
Ineffective record and information management systems.	Training and monitoring on implementation of policy and file plan.
Lack of a skills and management development programme	Implement personal development plans and WSP.
Inability to attract, retain and build high performing employees.	Improve employee benefits, implement training and development plan and retention and succession plan
Performance that does not meet predetermined standards.	Develop performance agreements for each employee.
Scarcity of financial resources within the public sector The implementation by the National Treasury of baseline reductions was necessitated by the poor economic outlook and reduced revenue levels of the State. This introduces uncertainty on future funding of any programmes including those of the MDB.	Diversify sources of funding
Lack of adherence to supply chain management policies and procedures leading to non-compliance	Supply Chain Management (SCM) and Procurement policies in place and enforced. Communication and training will be provided to ensure adherence.

8. PROGRAMME 2: DEMARCATIONS

8.1 Purpose

Provide demarcation services in line with the relevant legislation.

8.2 Sub-programmes

There are two sub-programmes namely municipal boundary determination and re-determination as well as ward delimitation.

- **Municipal boundary determination and re-determination**

The MDB must determine and re-determine municipal boundaries throughout the territory of the Republic of South Africa following processes and guidelines that are consistent with MDA and other appropriate legislation enacted in terms of Chapter 7 of the Constitution. In determining the boundaries, the MDB is guided by objectives and factors that ensure that those municipalities are sustainable and able to fulfil their constitutional mandate.

- **Ward delimitation**

The MDB after consultation with the Electoral Commission, for purposes of an election, must delimit wards in all metropolitan and local municipalities that qualify to have wards. The process of ward delimitation enhances citizens' role in participatory democracy through crafting of geopolitical spaces within which political representatives are elected.

8.3 Strategic Objectives

Strategic Objective 2.1	Conduct determination and re-determination of municipal boundaries
Objective statement	To determine and re-determine municipal boundaries to enhance spatial and economic integration in line with the demarcation criteria for the period covered by this Strategic Plan.
Baseline	Between 2011 and 2013 the MDB considered 1 028 cases of proposed re-determinations and 126 were finalised at the end of the process in 2013.
	In 2015, the MDB considered 34 cases of proposed re-determinations as a result of a request from the Minister of

	Cooperative Governance and Traditional Affairs in terms of Section 22(2) of the MDA, and 13 of these cases were redetermined.
Links	NDP (spatial transformation, socio-economic development, integrated and inclusive rural economy, etc.) and IUDF

Strategic Objective 2.2	Delimit wards for all municipalities that qualify to have wards
Objective statement	To develop and adopt a comprehensive ward delimitation system and processes to enable the purposeful application of the delimitation criteria set out in section 4 of Schedule 1 of the MSA, in order to conduct the local government elections in 2021.
Baseline	All wards were finalised in 2015/16 and handed over to the IEC to prepare for the 2016 local government elections.
Links	NDP Chapters 13 and 15 (promoting social cohesion across society, active citizenry and leadership)

8.4 Resource considerations

8.4.1. Trends in the numbers of key staff

For the execution of its functions, the program mainly relies on specialists in the areas of Geographical Information Systems, spatial and development planning and project management. The Determination and Delimitation, Geographic Information System and Database Management units will in the medium term need to establish a physical presence in strategic areas within the provinces and this process will be phased in over the MTEF.

The MDB has identified that the need for broadening and deepening the participation process and the necessity to work with municipalities in the development of boundaries as one of the crucial issues amongst others.

Divisions/Units	2015/2016		2016/2017		2017/2018		2018/2019		2019/2020	
	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation
		R'000								
Determination and Delimitation	4	2 944	5	2 903	5	3 299	5	3 530	5	3 798
Executive: Operations & Research	2	1 492	2	1 506	2	1 509	2	1 620	2	1 744
Total	6	4 436	7	4 409	7	4 808	7	5 150	7	5 542

8.4.2. Expenditure trends

Division/Unit	Medium term expenditure estimate						
	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure		
	R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Determination and Delimitation	8 259	4 984	19 018	3 177	4 313	5 205	5 085
Executive: Operations & Research	84	1 157	1 517	1 543	1 689	1 789	1 813
Total	8 343	6 141	20 535	4 720	6 002	6 994	6 898

8.5 Risk Management

Risks relating to this programme have been identified and captured on Divisional risk registers. The main risks for this programme are:

- Insufficient human and financial resources;
- Backlashes from inadequate public and stakeholder engagement;
- Litigation in dispute of demarcation decisions;
- Failure to comply with legislative requirements.

Risk	Mitigation
<p>Insufficient human and financial resources.</p> <p>The changing dynamics in local government and growing demand for greater participation of the citizenry in demarcation processes and the sensitivity around boundary issues are placing further demands on the MDB to enhance its public consultation processes. However, the MDB is constrained by its limited financial resources as it could not muster sufficient resources to expand its staff complement. This poses a great</p>	<ul style="list-style-type: none"> • Mobilise additional funding in order to improve capabilities and roll out the regionalisation model. Ensure optimal utilisation of existing personnel by, amongst others multi-skilling of the existing technical staff

Risk	Mitigation
reputation risk as perceptions that the MDB does not consider views of citizens are perpetuated resulting in discontent and protests.	
<p>Litigation in dispute of the of demarcation decisions.</p> Decisions by the MDB have over the years been challenged in the courts. This tends to delay other processes that need to happen after the re-determination process, resulting in uncertainty in all affected stakeholders.	<ul style="list-style-type: none"> • Enhance stakeholder engagement, education and awareness • Conduct thorough background research and consistent application of the demarcation criteria. That will enhance objective and credible decision making process.

9. **PROGRAMME 3: RESEARCH AND KNOWLEDGE MANAGEMENT**

9.1 **Purpose**

This programme provides research that will contribute to the knowledge repository thereby providing a base for all demarcation decisions and advisory services.

9.2 **Sub-programmes**

There are two sub-programmes namely assessment of the capacity of municipalities and research and knowledge management.

- **Assessment of the capacity of municipalities**

Conduct capacity assessments of metropolitan, district and local municipalities to inform boundary determinations and to provide advice to MEC on the adjustment of powers and functions between district and local municipalities. A new approach adopted by MDB will ensure that the process considers not only the institutional factors but to a large extent the environmental factors such as natural endowments, economic infrastructure and other socio economic variables (e.g. demographics, education, income levels, etc.).

- **Research and Knowledge management**

This programme facilitates knowledge development and management for optimal decision making on boundary determinations in order to further the objectives of sustainable municipalities. It also provides responsive and evidence-based research that contributes to the demarcation processes towards redress of apartheid spatial planning. Ultimately, this programme aims to position the MDB as a knowledge hub on matters involving spatial transformation and demarcations in particular.

9.3 **Strategic Objectives**

Strategic Objective 3.1	Conduct assessment of municipal capacity
Objective statement	Conduct capacity assessments of metropolitan, district and local municipalities to inform boundary determinations and to provide advice to MEC on the adjustment of powers and functions between district and local municipalities for the period covered by this Strategic Plan.
Baseline	2011 municipal capacity assessments; 2015 Formal Investigation reports for boundary re-determinations.
Links	NDP Chapters 6 and 13 (rural towns and rural economies, inclusive rural development, developmental local government) and IUDF

Strategic Objective 3.2	Establish research and knowledge management capabilities
Objective statement	To establish research and knowledge repository that will empower the MDB to fulfil its legislative mandate, i.e. informed demarcation decisions and advisory services for the period covered by this Strategic Plan.
Baseline	2000 to 2016 research reports, especially on demarcation criteria, size of municipalities, revisiting the demarcation and establishment of metropolitan municipalities in South Africa, 2000 to 2011 municipal capacity assessments, 2013 to 2015 municipal boundary investigation reports.
Links	NDP Chapter 9 (research and innovation) and 13

9.4 Resource considerations

9.4.1. Trends in the numbers of key staff

Divisions/Units	2015/2016		2016/2017		2017/2018		2018/2019		2019/2020	
	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation
		R'000								
GIS and Database Management	5	3 341	5	3 849	5	3 750	5	4 013	5	4 310
Research	1	350	3	682	3	1 989	3	2 129	3	2 286
Total	6	3 691	8	4 531	8	5 739	8	6 142	8	6 596

9.4.2. Expenditure trends

Division/Unit	Medium term expenditure estimate							
	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure			
	R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
GIS and Database Management		2 593	4 833	4 341	5 396	4 512	5 187	5 302
Research and Knowledge Management		2 195	661	414	8 542	3 398	2 774	3 232
Total:		4 788	5 494	4 755	13 938	7 910	7 961	8 534

9.5 Risk Management

Risks relating to this programme have been identified and captured on Divisional risk registers. The main risks for this programme are:

Risk	Mitigation
Inadequate management of information, data and knowledge	Formulation of knowledge management policy
Validity and accuracy of information to make demarcation decisions	Structured and applied research to inform Board decisions
Inadequate systems and processes in the Research Unit	Development of a Research Strategy and Standard Operating Procedure
Centralisation of decision making on matters pertaining to research to be conducted	Good governance, communications and relationships with the relevant Board committee, with an aim of

	decentralisation of decision making on research to be conducted.
--	--

10. **PROGRAMME 4: PUBLIC PARTICIPATION, EDUCATION AND AWARENESS**

10.1. **Purpose**

To deepen democracy through public participation and outreach initiatives.

10.2. **Sub-programmes**

There are two sub-programmes namely public education and awareness and public participation.

Public education and awareness

Widening of the knowledge, understanding and awareness of demarcation issues by the general public and other stakeholders to enable informed and meaningful public participation in all MDB processes.

Public participation

Over time, various stakeholders including the public felt that the MDB conducted its operations without adequate engagements and was therefore alienated from the realities on the ground. This was confirmed during the latest boundary re-determinations and ward delimitations as well as the conference on demarcation and spatial transformation in June 2016. The programme aims to deepen participation in demarcation processes with the community and other stakeholders.

10.3. **Strategic Objectives**

Strategic Objective 4.1	Promote public participation, education and awareness
Objective statement	To strengthen institutional capability (policy, systems and processes) to deepen public participation in demarcation processes, widen education, awareness and outreach initiatives on demarcation issues for the period covered by this Strategic Plan.
Baseline	Public engagement platforms created and utilized
Links	NDP Outcome 12: An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship.

10.4. Resource considerations

10.4.1. Trends in the numbers of key staff

Divisions/Units	2015/2016		2016/2017		2017/2018		2018/2019		2019/2020	
	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation	No of key staff members	Total Compensation
		R'000								
Stakeholder Management and Communication	2	1 321	2	842	2	1 393	2	1 497	2	1 607
Total	2	1 321	2	842	2	1 393	2	1 497	2	1 607

10.4.2. Expenditure trends

Division/Unit	Medium term expenditure estimate							
	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure			
	R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Stakeholder Management and Communication		1 412	3 737	1 901	3 047	2 262	2 231	2 461
Total:		1 412	3 737	1 901	3 047	2 262	2 231	2 461

10.5. Risk Management

Risks relating to this programme have been identified and captured on Divisional risk registers. The main risks for this programme are:

- Backlashes from inadequate public and stakeholder engagement;

Risk	Mitigation
<p>Inadequate public and stakeholder engagement in demarcation processes.</p> <p>This is a critical element in ensuring a good brand and positive perceptions of the MDB. Dissatisfaction among stakeholders and citizens with regard to the understanding of the decisions of the MDB and understanding of the mandate could sometimes lead to protests.</p>	<ul style="list-style-type: none"> • Establishing provincial presence: The MDB is based in Centurion, Tshwane Metropolitan Municipality with no presence outside of Head office. That has over the years compromised the outreach required for an organisation such as the MDB. It has become obvious that there is a need for the MDB to have permanent presence outside of Head office.

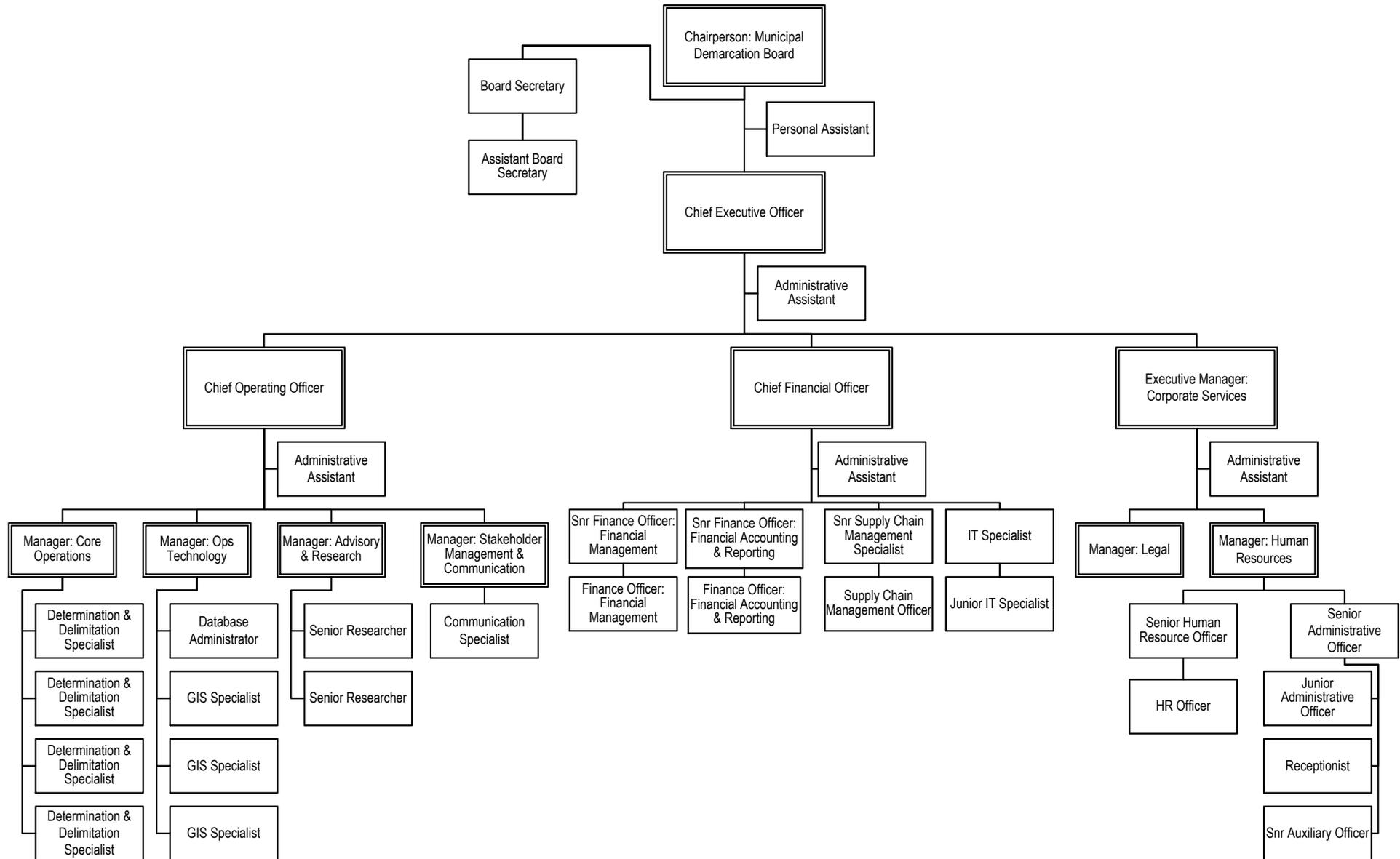
Risk	Mitigation
	<ul style="list-style-type: none"> The MDB will be exploring better ways of enhancing collaboration and participation of citizens and stakeholders in all its activities hence the establishment and resourcing of the Stakeholder and communications unit.
Inadequate stakeholder engagement resulting in loss of credibility.	Deepen stakeholder engagement and expand the channels of communication.

11. CAPITAL EXPENDITURE

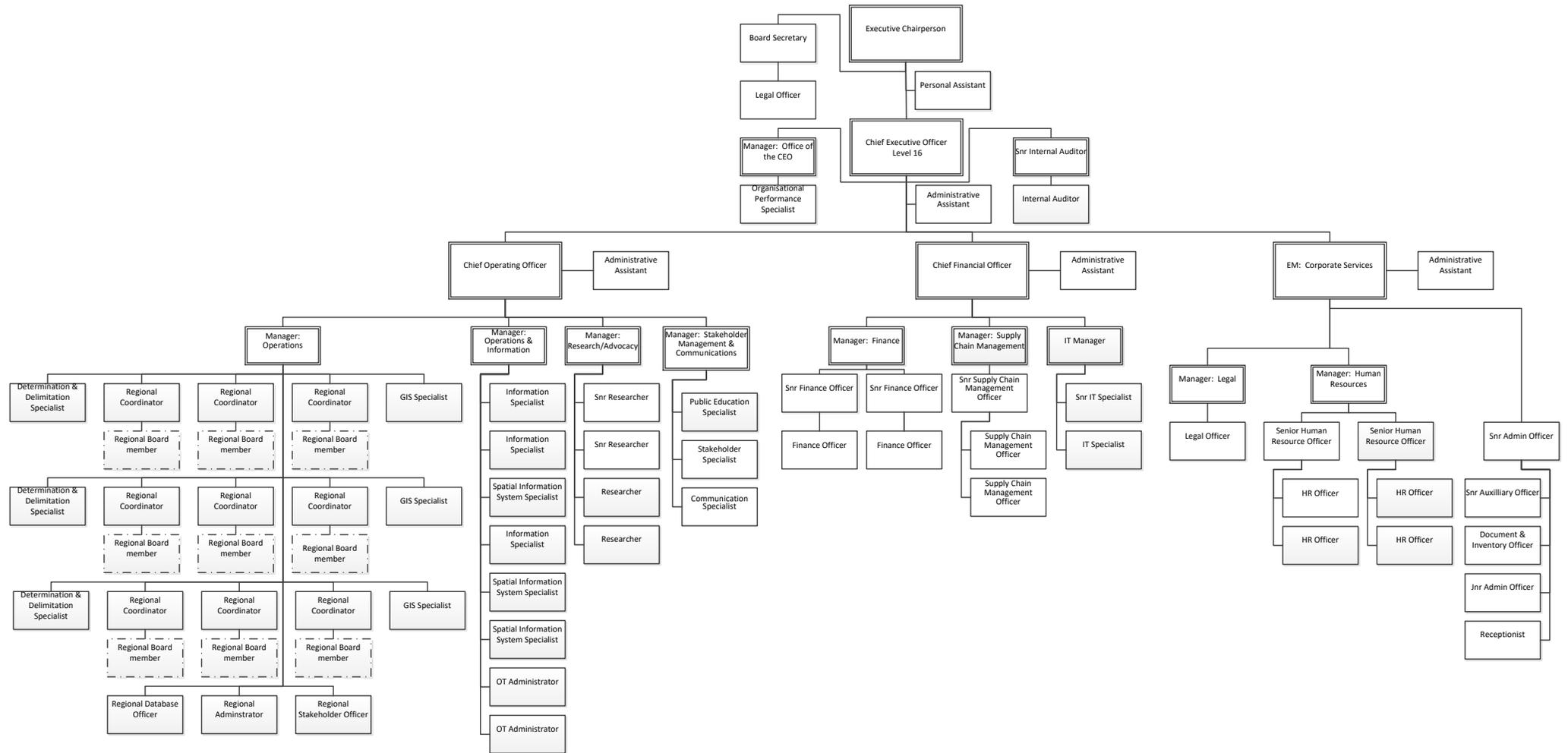
The MDB shall invest in capital assets over the medium term as follows:

Asset type	Medium Term Expenditure			
	R'000			
	2016/17	2017/18	2018/19	2019/20
Computer Equipment	800	300	250	220
Software	225	100	100	100
IT Infrastructure	-	-	-	-
Lease hold improvement	-	154	304	300
Office Equipment	995	490	390	394
Motor Vehicles	300	-	-	-
Furniture and fitting	190	-	-	30
Total capital expenditure	2 511	1 044	1 044	1 044

12. ORGANISATIONAL STRUCTURE – Board resolution: 2553/04/16



13. IDEAL STRUCTURE FOR REGIONALISATION STRATEGY



14. **TECHNICAL INDICATOR DESCRIPTIONS**

Indicator title	Good Governance and sound financial management capability
Short definition	Effective financial planning & management, efficient use of financial and human resources, create an environment that ensures adherence to laws, regulations and contractual obligations, maintain efficient organisational policies, processes, systems and practices.
Purpose/importance	To ensure that the MDB practices good governance, effective financial and supply chain management and adheres to laws, regulations, policies and procedures
Source/collection of data	Compliance checklists Policies & Procedures Quarterly Financial statements
Method of calculation	Various depending on target
Data limitations	None
Type of indicator	Activity
Calculation type	Various, depending on target
Reporting cycle	Quarterly
New indicator	No
Desired performance	Compliance with laws, regulations, policies and procedures to ensure effective management
Indicator responsibility	Executive Manager: Corporate Service; Chief Financial Officer

Indicator title	Quality Demarcation Processes and Outcomes
Short definition	Determine and re-determine municipal boundaries to enhance spatial and economic integration in line with the demarcation criteria. Delimit ward boundaries for purposes of local government elections.
Purpose/importance	To facilitate and promote the attainment of the goal of developmental local government through demarcation process that is independently and expertly driven and in the best interest of the country and her people.
Source/collection of data	Phases as per project plan for boundary re-determination Ward delimitation policy and procedures
Method of calculation	Completion of technical boundary re-determinations Approved implementation plan for the 2021 ward delimitation process
Data limitations	Inadequate inputs from stakeholders
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To conclude municipal boundary determinations and re-determinations 30 months before the 2021 local elections. Approved implementation plan for the 2021 ward delimitation process.
Indicator responsibility	Executive Manager: Operations & Research

Indicator title	Assessment of the Capacity of municipalities
Short definition	Conduct capacity assessments of municipalities to inform boundary determinations and adjustment of powers and functions between district and local municipalities.
Purpose/importance	Determines the capability and capacity of municipalities to perform powers and functions as outlined in Section 85 of the MSA.
Source/collection of data	Municipal Capacity assessment reports

Method of calculation	Assessment of capacity of municipalities completed per province
Data limitations	Input from stakeholders
Type of indicator	Activity
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Conduct capacity assessments for all municipalities
Indicator responsibility	Executive Manager: Operations & Research

Indicator title	Research and Knowledge management capability
Short definition	To conduct research, deliver advisory services, develop and maintain knowledge management capability
Purpose/importance	To conduct research that will contribute to the knowledge hub with regard to GIS and demarcation information to assure optimal decision-making.
Source/collection of data	Knowledge Hub Research reports GIS Data
Method of calculation	Various, depending on target
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	A world class knowledge hub, delivering of effective and efficient advisory services and to conduct matter related research that will enhance decision making.
Indicator responsibility	Executive Manager: Operations & Research

Indicator title	Public participation and outreach initiatives
Short definition	Strengthen public participation by developing platforms that will allow for stakeholder engagement, public participation, education and awareness
Purpose/importance	To promote the principle of inclusivity within communities and the country in general and to foster greater trust between communities and the MDB and its processes in a broader quest for the promotion of participatory democracy
Source/collection of data	Engagement activities conducted
Method of calculation	Count number of engagement activities
Data limitations	None
Type of indicator	Activity
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To conduct MDB initiated stakeholder engagements in provinces and municipalities to achieve greater involvement by the public in demarcation processes
Indicator responsibility	Executive Manager: Corporate Services

CONTACT DETAILS: MUNICIPAL DEMARCATION BOARD, South Africa

THE BOARD

Ms Jane Thupana

Chairperson: Municipal Demarcation Board

Tel: (012) 342 2481

Fax: (012) 342 4697

E-mail: jane@demarcation.org.za

BOARD SECRETARIAT

Adv Kgabo Mapotse

Board Secretary

Tel: (012) 342 2481

Fax: (012) 342 4697

E-mail: kgabo@demarcation.org.za

MANAGEMENT

Vacant

Chief Executive Officer: Municipal Demarcation Board

Tel: (012) 342 2481

Fax: (012) 342 4697

E-mail: @demarcation.org.za

EXECUTIVES & UNIT HEADS

Adv Thobela Mekuto

Executive Manager: Corporate Services

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: thobela@demarcation.org.za

Mr Naresh Patel

Chief Financial Officer

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: naresh@demarcation.org.za

Mr Aluwani Ramagadza

Chief Operating Officer

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: aluwani@demarcation.org.za

Mr Fazel Hoosen

Manager: Core Operations

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: fazel@demarcation.org.za

Mr Koena Phukubye

Manager: Human Resources

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: koena@demarcation.org.za

Mr Daniel Sebake

Manager: Operations Technology

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: daniel@demarcation.org.za

Vacant

Manager: Legal

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: @demarcation.org.za

Vacant

Manager: Stakeholder management and Communication

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: @demarcation.org.za

Vacant

Manager: Advisory and Research

Tel: (012) 342 2481

Fax: (012) 342 2480

E-mail: @demarcation.org.za